



**KERN HEALTH  
SYSTEMS**

**REGULAR MEETING OF THE  
BOARD OF DIRECTORS**

**Thursday, February 10, 2022**

**at**

**8:00 A.M.**

**At**

**Kern Health Systems  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308**

**The public is invited.**

**For more information - please call (661) 664-5000.**



## AGENDA

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Regular Meeting  
Thursday, February 10, 2022

8:00 A.M.

All agenda item supporting documentation is available for public review on the Kern Health Systems website: <https://www.kernfamilyhealthcare.com/about-us/governing-board/>  
Following the posting of the agenda, any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available on the KHS website.

**PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING**

#### BOARD TO RECONVENE

Directors: McGlew, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Thygerson, Watson  
ROLL CALL:

#### ADJOURN TO CLOSED SESSION

#### CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –

8:15 A.M.

BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN HEALTH SYSTEMS STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 2) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILITATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on December 16, 2021 (Fiscal Impact: None) – APPROVE
- CA-5) Minutes for Kern Health Systems Board of Directors special meeting on January 19, 2022 (Fiscal Impact: None) – APPROVE

- 
- 6) Report on the Chief Executive Officer Search Committee Update (Fiscal Impact: None) –  
RECEIVE AND FILE
  - 7) Report on Kern Health Systems 2021 Member Services Survey (Fiscal Impact: None) –  
RECEIVE AND FILE
  - 8) Report on Kern Health Systems 2022 Employee Satisfaction & Engagement Survey (Fiscal Impact: None) –  
RECEIVE AND FILE
  - 9) Report on Kern Health Systems 2021 Provider Satisfaction Survey (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-10) Report on Kern Health Systems Proposed 2022 Corporate and Department Goals and Projects and, the 2021 Corporate and Department Goals and Objectives Performance Results (Fiscal Impact: None) –  
RECEIVE AND FILE
  - 11) Report on Kern Health Systems 2022 School Based Wellness Programs and 2021 Results (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-12) Report on Kern Health Systems Investment Portfolio for the Fourth Quarter Ending December 31, 2021 (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-13) Report on 2021 Annual Review of the Kern Health Systems Investment Policy (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-14) Report on 2021 Annual Travel Report (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-15) Report on 2021 Annual Report of Disposed Assets (Fiscal Impact: None) –  
RECEIVE AND FILE
  - CA-16) Proposed Amendment to MCG agreement, for the purchase of (2) additional MCG Clinical Care Guidelines, from February 17, 2022 through August 16, 2025 (Fiscal Impact: \$141,000 estimated annually; Budgeted) –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- 
- CA-17) Proposed Agreement with Ceridian HCM, for Payroll and Human Resources Management Services, from March 18, 2022 through March 17, 2025, in an amount not to exceed \$36.00 PEPM (Per Employee Per Month) (Fiscal Impact: \$216,000 estimated annually; Budgeted) –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 18) Report on Kern Health Systems financial statements for November 2021 (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-19) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for November 2021 IT Technology Consulting Resources for the period ended November 30, 2022 (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-20) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 21) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) –  
RECEIVE AND FILE
- 22) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- 23) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-24) Miscellaneous Documents –  
RECEIVE AND FILE
- A) Minutes for Kern Health Systems Finance Committee meeting on December 10, 2021

ADJOURN TO APRIL 14, 2022 AT 8:00 A.M.

**AMERICANS WITH DISABILITIES ACT  
(Government Code Section 54953.2)**

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Directors may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5010. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

## SUMMARY

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Regular Meeting  
Thursday, December 16, 2021

8:00 A.M.

#### BOARD RECONVENED

Directors: McGlew, Judd, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Watson

ROLL CALL: 12 Present; 4 Absent – Stewart, Deats, Hoffmann, Jones

NOTE: The vote is displayed in bold below each item. For example, Rhoades-Deats denotes Director Rhoades made the motion and Director Deats seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### BOARD ACTION SHOWN IN CAPS

- 1) Board Resolution to Allow Virtual Board Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) -  
APPROVED  
**Nilon-Martinez: 11 Ayes; 1 Abstention; 4 Absent – Stewart, Deats, Hoffmann, Jones**

#### ADJOURN TO CLOSED SESSION

**Rhoades**

#### CLOSED SESSION

- 2) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELLOW

8:15 A.M.

#### BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING NOVEMBER 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON TSENG, ZAMUDIO, DOUGLAS

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **INITIAL CREDENTIALING DECEMBER 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR GARCIA ABSTAINED FROM VOTING ON TRAN; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON HOLLOWAY

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING NOVEMBER 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR BOWERS ABSTAINED FROM VOTING ON SINGH, CURRY, UGOH; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON BOWEN, HODGE, WISNOFF, CAPOTE, GRANESE, KAY, MENDOZA, PIEPER. POLINENI, YADIN; DIRECTOR PATEL ABSTAINED FROM VOTING ON BANSAL

Item No. 2 concerning a Request for Closed Session regarding peer review PROVIDERS RECOMMENDED FOR **RECREREDENTIALING DECEMBER 2021** of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RECREREDENTIALING; DIRECTOR BOWERS ABSTAINED FROM VOTING ON SHAH; DIRECTOR GARCIA ABSTAINED FROM VOTING ON CHANDY; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON BERJIS; CHANDRAMAHANTI

PUBLIC PRESENTATIONS

- 3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILATATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!**  
**NO ONE HEARD**



BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 4) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

DIRECTOR PATRICK ASKED IF THE PUBLIC IS ALLOWED TO ATTEND THE BOARD MEEETINGS AND IT WAS STATED THAT THE PUBLIC IS WELCOME TO ATTEND IN PERSON

- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on October 14, 2021 (Fiscal Impact: None) – APPROVED  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**

- 6) Report on the Chief Executive Officer Search Committee progress (Fiscal Impact: None) – RECEIVED AND FILED  
**Melendez-Martinez: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**

- CA-7) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2021 (Fiscal Impact: None) – RECEIVED AND FILED  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**

- CA-8) Proposed policy with IOA RE for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2022 through December 31, 2022 in an amount not to exceed \$0.18 per member per month (Fiscal Impact: \$670,140 estimated; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**

- 9) Report on Kern Health Systems 2022 CalAIM Initiatives Implementation (Fiscal Impact: None) – RECEIVED AND FILED  
**Patel-Melendez: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**

DIRECTOR FLORES LEFT THE MEETING AT 9:30 A.M. DURING THE DISCUSSION OF ITEM 10 AND DID NOT RETURN

- 10) Proposed Kern Health Systems 2022 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED  
**Rhoades-Patrick: 11 Ayes; 5 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**

- 11) Proposed Budget Request for 2022 Project Consulting Professional Services, from January 1, 2022 through December 31, 2022 (Fiscal Impact: \$10,369,190; Budgeted) – APPROVED  
**Rhoades-Melendez: 11 Ayes; 5 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**

- 
- 12) Report on Kern Health Systems financial statements for September 2021 and October 2021 (Fiscal Impact: None) – RECEIVED AND FILED  
**Nilon-Patel: 11 Ayes; 5 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**
- CA-13) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2021 and October 2021 and IT Technology Consulting Resources for the period ended October 31, 2021 (Fiscal Impact: None) – RECEIVED AND FILED  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- CA-14) Proposed Agreement with Dell, Inc, for Microsoft Licensing, maintenance and technical support, from January 1, 2022 through December 31, 2024, in an amount not to exceed \$1,358,808 (Fiscal Impact: \$452,936 annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- CA-15) Proposed Agreement with Entysis360, for the purchase of the Nutanix Storage Solution with one year support and maintenance, from January 1, 2022 through December 31, 2022 (Fiscal Impact: \$733,444 annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- CA-16) Proposed Agreement with LinkedIn, Co., for the online training platform for KHS' employees, from January 1, 2022 through December 31, 2024, in an amount not to exceed \$178,950 (Fiscal Impact: \$59,650 annually; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- 17) Proposed Agreement with A-C Electric, for the design and installation of a Solar Panel system for the KHS' facility, from January 1, 2022 through October 30, 2022, (Fiscal Impact: \$2,371,559; Budgeted) - JUSTIN BROWN, JEFF PETRINI, A-C ELECTRIC, HEARD; APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patel-Garcia: 11 Ayes; 5 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**
- 18) Report on Kern Health Systems Vaccination Incentive Program (Fiscal Impact: None) – RECEIVE AND FILE  
**Martinez-Garcia: 11 Ayes; 5 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**
- CA-19) Report on 2021 State Legislation and Budget Overview (Fiscal Impact: None) – RECEIVED AND FILED  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- CA-20) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**

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- 21) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –  
RECEIVED AND FILED  
**Melendez-Patel: 12 Ayes; 4 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**
- 22) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE  
**Rhoades-Patel: 12 Ayes; 4 – Absent - Stewart, Deats, Flores, Hoffmann, Jones**
- CA-23) Proposed appointment of Pat Person, PharmD to the Kern Health Systems Pharmacy  
& Therapeutic / Drug Utilization Review Committee (Fiscal Impact: None) –  
APPOINTMENT MADE  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- CA-24) Proposed modifications to Kern Health Systems Formulary (Fiscal Impact: None) –  
APPROVED  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- CA-25) Miscellaneous Documents – RECEIVED AND FILED  
**Patel-Patrick: 12 Ayes; 4 – Absent Stewart, Deats, Hoffmann, Jones**
- A) Minutes for Kern Health Systems Finance Committee meeting on October 8,  
2021

ADJOURN TO THURSDAY, FEBRUARY 10, 2022 AT 8:00 A.M.

**Garcia**

/s/ Cindy Stewart, Secretary  
Kern Health Systems Board of Directors



## SUMMARY

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

### Special Meeting

Wednesday, January 19, 2022

9:45 A.M.

#### BOARD RECONVENED

Directors: McGlew, Stewart, Deats, Bowers, Flores, Garcia, Hoffmann, Jones, Martinez, Melendez, Nilon, Patel, Patrick, Rhoades, Thygerson, Watson  
ROLL CALL: 12 Present; 4 Absent – Martinez, Nilon, Patel, Watson

- 1) Board Resolution to Allow Virtual Board Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) - APPROVED  
**Rhoades-Deats: 12 Ayes; 4 Absent – Martinez, Nilon, Patel, Watson**

#### STAFF RECOMMENDATION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 2) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILATATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!**  
**NO ONE HEARD**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))  
**NO ONE HEARD**
  
- 4) Proposed Appointment of Michael Bowers to the Chief Executive Officer Search Committee (Fiscal Impact: None) –  
APPROVED APPOINTMENT  
**Garcia–Hoffmann: 12 Ayes; 4 Absent – Martinez, Nilon, Patel, Watson**

ADJOURN TO FEBRUARY 10, 2022 AT 8:00 A.M.

**Deats**

/s/ Cindy Stewart, Secretary  
Kern Health Systems Board of Directors



**To: KHS Board of Directors**  
**From: Timothy McGlew, Chairman**  
**Date: February 10, 2022**  
**Re: CEO Search Committee Progress Report**

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**Background**

At a special meeting of the Board on January 19<sup>th</sup>, the Board approved the selection of Michael Bowers to replace Russell Judd on the CEO Search Committee following Director Judd's leaving the KHS Board.

Later that same day, the CEO Search Committee met to conduct a desk review of the slate of candidates presented by Mark Andrew of Witt Kieffer. Nine candidates were profiled by Mr. Andrew focusing on their professional background, formal training and education, work experience, industry knowledge, level of interest and skills necessary to perform the CEO duties as outlined in the Kern Health Systems Chief Executive Officer Position Summary shared with the candidates prior to meeting with Mr. Andrew.

Following a lengthy discussion, the CEO Search Committee selected a smaller number of candidates for interviews which is scheduled to take place on site over a two-day period in February.

Final candidates will be presented to the full Board for selection of the CEO by the Board at a future date.

**Requested Action**

Receive and File.







**TO: KHS Board of Directors**  
**FROM: Alan Avery, COO**  
**DATE: February 10, 2022**  
**RE: 2021 Member Satisfaction Survey**

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**Background**

Kern Health Systems (KHS), in partnership with participating providers, is committed to meeting the expectations of our members as they interact with the health plan and when receiving health care services through our provider network. Annually, KHS conducts a Member Satisfaction Survey to measure and evaluate how well we are meeting members' expectations.

For the past six years, KHS has engaged SPH Analytics to conduct our Member Satisfaction Survey. SPH Analytics is a CMS and NCQA approved Medicaid, Medicare and Commercial Health Plan survey vendor with a large footprint in California and throughout the United States. SPH Analytics utilizes scores from various benchmarks to provide comparative and trending data for the results from member responses to the 59 questions provided on the survey. They provided two sets of benchmarks for us to consider-(1) National NCQA Accredited Adult Medicaid Plans and (2) Regional Health & Human Services Region 9 consisting of California, Hawaii, Arizona and Nevada. Given we are not NCQA accredited at this time, we thought it would be more appropriate to use the results of Region 9 which is heavily weighted by California Health Plans. The 2021 Member Satisfaction Survey results show that overall, 78.6% of our members are satisfied with KHS compared to the regional benchmark of 77.4%. As we look to the future, we will endeavor to continue to encourage the use of the Member Portal and the self-service tools available there, by listening to the voice of our members through direct feedback from members and the results of the annual Member Satisfaction Survey. The survey does not account for the continued COVID-19 pandemic's impact on patient satisfaction. Access to primary and specialty care may have been impacted by some provider office reduced hours or members reluctance to seek care. In addition, delayed elective procedures may have influenced the rating for Specialists.

**Requested Action**

Receive and File.

# 2021 Member Satisfaction Survey



## Overview

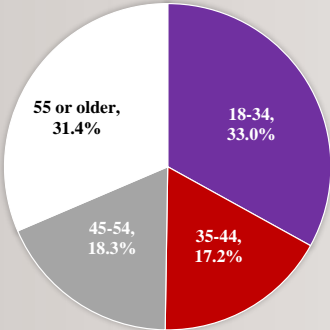
- The Kern Family Health Care (KFHC) Member Satisfaction Survey (MSS) is conducted annually by SPH Analytics (SPH), a CMS and NCQA certified HEDIS® Survey vendor, to measure member satisfaction with KFHC, their providers and provider access.
- This is the third year KHS utilized the CAHPS® 5.0H Medicaid Adult Member Satisfaction Simulation Survey which will assist our efforts to achieve objectives needed for NCQA accreditation required for all Medi-Cal Managed Care health plans by 2026.
- The 2021 KFHC MSS results were measured in comparison to multiple benchmarks including the 2021 SPH Regional book of business benchmark.
- Performance considerations given to Pandemic's impact on patient care access conditions

## Methodology

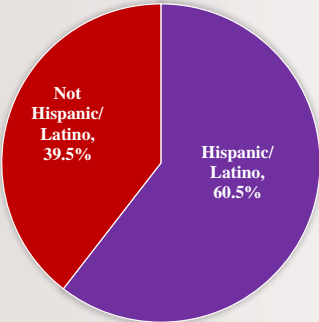
- Member criteria included eligible members 18 years and older who have had a medical service claim within the last six months.
- A sampling of 11,649 KFHC eligible member households was selected.
  - There were a total of 850 completed responses.
    - 374 completed responses by mail.
    - 476 completed responses by phone.
- The Member Satisfaction Survey was conducted from July to November 2021.

# Respondent Demographics

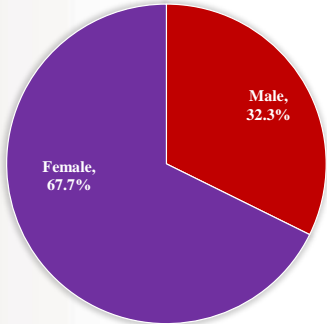
**AGE**



**ETHNICITY**



**GENDER**



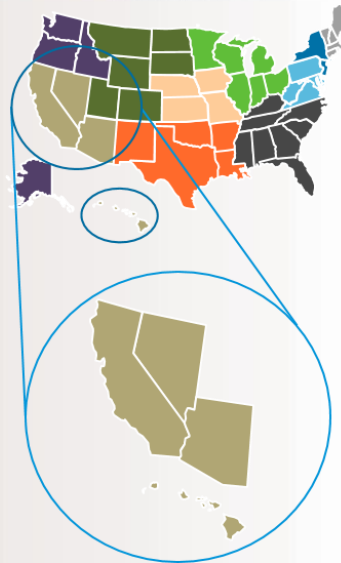
## Term Descriptions

### Summary Rates

represent the most favorable response percentages (“Yes”, “Usually”, “Always”, rates 8-10 and 9-10 on a rating scale of 0 to 10)

### 2021 SPH Analytics MAS Book of Business (BoB) Region

The regions align with the U.S. Department of Health and Human Services regions. SPH compares sample data from the Medicaid plans within the region that contracted with SPH to administer the CAHPS survey and submitted data to NCQA. KHS survey results were compared with Region 9 San Francisco.



### **Region 9: San Francisco**

- American Samoa (not shown)
- California
- Hawaii
- Arizona
- Guam (not shown)
- Nevada

## Regional Performance

Area of Rating	KHS Summary Rate	2021 SPH BoB Region
<b>Rating of Health Plan</b>	<b>78.6%</b>	<b>77.4%</b>
<b>Rating of Health Care</b>	<b>74.3%</b>	<b>73.6%</b>
<b>Rating of Personal Doctor</b>	<b>81.6%</b>	<b>81.1%</b>
<b>Rating of Specialist</b>	<b>79.7%</b>	<b>83.2%</b>



## Regional Performance

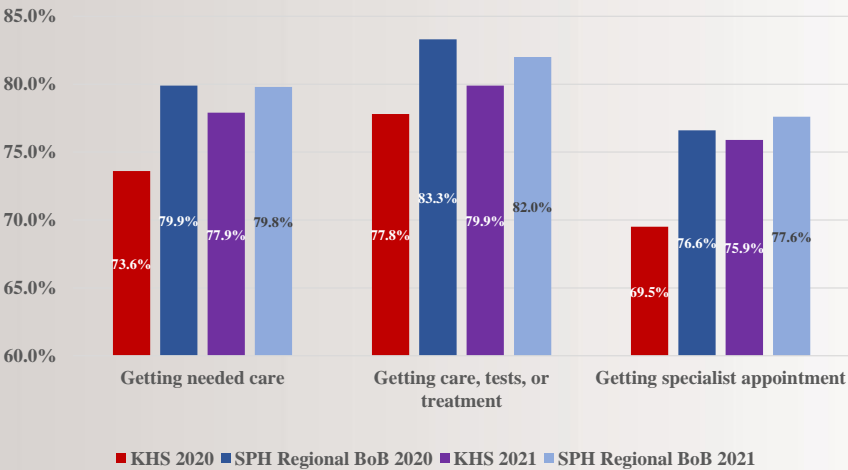
KHS exceeds the regional rate for Getting Care Quickly and continues to work to improve in areas of Getting Needed Care and Coordination of Care.

Area of Rating	KHS Summary Rate	2021 SPH BoB Region
<b>Getting Needed Care</b>	<b>77.9%</b>	<b>79.8%</b>
<b>Getting Care Quickly</b>	<b>77.1%</b>	<b>76.3%</b>
<b>Coordination of Care</b>	<b>73.4%</b>	<b>79.9%</b>



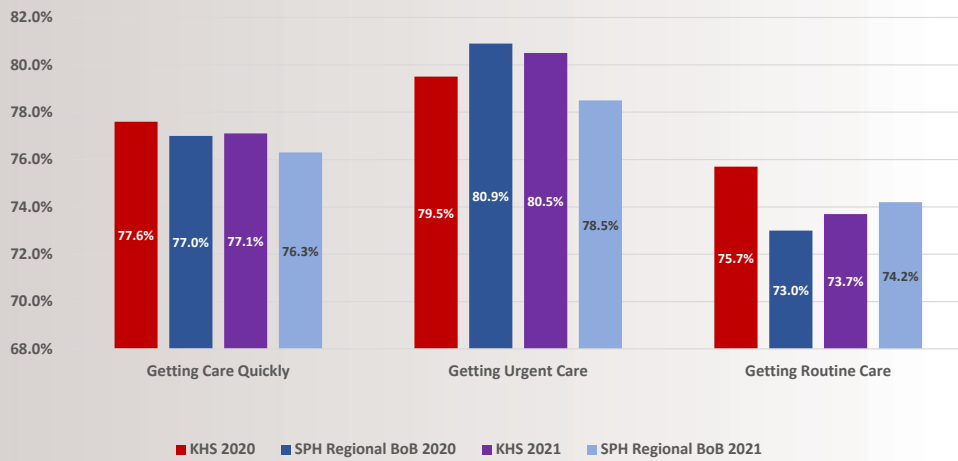
# Getting Needed Care Trend

KHS has trended up showing improvement in the Getting Needed Care rating areas.



## Getting Care Quickly Trend

KHS continues to exceed the regional trend for Getting Care Quickly and Getting Urgent Care.



## Performance Improvement Strategies

SPH provides recommended improvement strategies compiled from their experience working with other health plans. KHS will consider these strategies to improve our scores.

1. Support members and collaborate with providers to enhance access to care through innovative and proactive approaches.
2. Provide resources to support and drive improvement in physician-patient communication and patient-centered interviewing.
3. Encourage providers to gather and analyze patient feedback on their recent office visit.
4. Encourage patients to bring a list of all medications to all appointments.
5. Support patients in navigating health care and remove obstacles.
6. Seek opportunities to improve processes and procedures.

## Next Steps

1. Continue to discover opportunities for expansion of provider network.
2. Discover opportunities for alternative care through technology.
3. Educate and engage members to encourage member action for health status improvement.
4. Continue working with SPH to provide benchmark data specific to California health plans and to prepare for NCQA accreditation.

For more information:  
Alan Avery  
Chief Operating Officer  
(661) 664-5000







**To: KHS Board of Directors**

**From: Anita Martin, Chief Human Resources Officer**

**Date: February 10, 2022**

**Re: Annual Employee Survey**

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**Background**

In accordance with our Employee Retention Plan, annually, Kern Health Systems conducts an employee survey to:

- Identify factors which influence employee retention
- Evaluate internal opportunities for enhancing employees work experience
- Determine year to year unfavorable trends to address root causes in order to change their trajectory

We have just completed our seventh survey. This year's survey will be used to assess employee's satisfaction and work engagement with KHS. A summary of the results by means of the enclosed PPT will be presented.

**Requested Action**

Receive and File.







**KERN HEALTH  
SYSTEMS**

**Employee Satisfaction &  
Engagement Survey 2021**

**Anita Martin  
Chief Human Resources Officer  
February 10, 2022**



## Conducting the Survey

### EXECUTIVE SUMMARY

2021 has been called the year of “The Great Resignation” which actually began in mid-2021. Americans quit jobs at a record pace during the second half of 2021, and more plan to resign this year. Due to the pandemic, people are reexamining their priorities and are in pursuit of higher wages, more autonomy and greater flexibility. According to a poll of American workers by Resumebuilder.com in December of 2021, 23% of employees will seek new jobs in 2022, while 9% had already secured a new position during the second half of 2021.

During this time of change and uncertainty, it is more important than ever to let employees know their voice is being heard and that their opinions matter. Companies must understand what matters to your people and take action to ensure they remain engaged and connected to their work. Having purpose in their work is the #1 factor that keeps employees engaged and productive. It is also the primary reason employees will give discretionary effort and push companies to meet and even exceed its goals and objectives.

KHS is committed to maintaining an engaged workforce and providing our employees a voice in their workplace. We will take action when warranted, in the form of Department Action Plans and report the results of the annual survey to the Board of Directors and all employees.

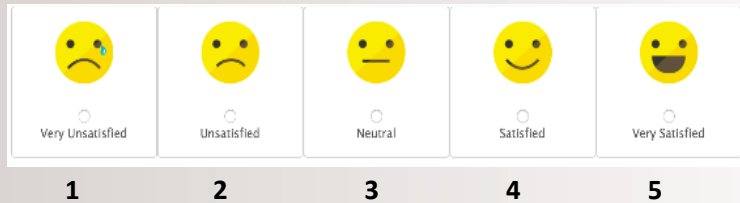
Source: Smith, Morgan. CNBC Make it. [‘The Great Resignation’ expert shares the biggest work trends of 2022 \(cnbc.com\)](#) “Professor who predicted ‘The Great Resignation’ shares the 3 trends that will dominate work in 2022.” January 14, 2022. Accessed January 28, 2022.



## The Survey

### SCORING:

- 16 areas represented the survey with 2 - 8 questions in each area;
- Divided into 2 areas: Employee Satisfaction & Employee Engagement
- Responses scored on a scale of 1 to 5. The scale is as follows:



### PARTICIPATION:

- 88.7% (345 employees responded out of 425 active employees (does not include 36 employees on Leave of Absence))

## Last Year's Action Items

- Report Employee Satisfaction and Engagement Survey results to Directors and staff and develop an action plan for scores below 80% satisfaction rating. In 2020 there were no company-wide measures below 80%, so action items were limited to individual departments.
- Other initiatives taken to maintain our exceptional 2020 results were:
  - Roll-out new “A Better Leader” Training by Dr. Wade McNair, Psy.D.
  - Offer Development Plans in the Dayforce Performance Module companywide
  - Create Career Paths in Job Families for all Departments (progressive promotion matrices)
  - All departments to conduct team building activities

### RESULTS:

- All initiatives were complete in spite of the continued pandemic events of 2021, resulting in maintaining an 80% satisfaction rating in all but two areas.



## Employee Satisfaction and Employee Engagement

### Why measure both? What's the difference?

While the terms “employee engagement” and “employee satisfaction” may sound sort of like the same thing, they are actually quite different.

- **Employee satisfaction** is the state of a worker enjoying their job – but not necessarily being engaged with it. Imagine the employee who gets to show up to work early and leave late without contributing much or breaking a sweat.
- **Employee engagement** is something that occurs when workers are committed to helping their companies achieve all of their goals. Engaged employees are motivated to show up to work every day and do everything within their power to help their companies succeed.

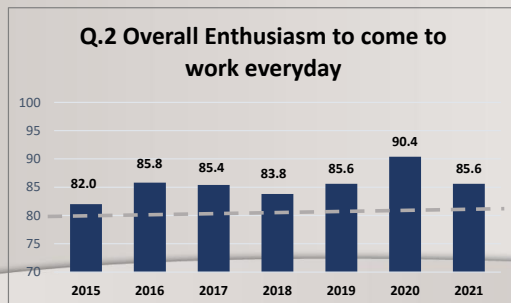
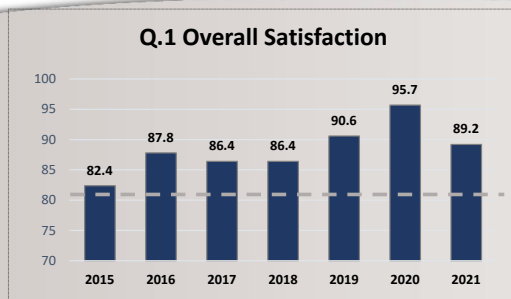
<https://www.tinypulse.com/blog/employee-engagement-employee-satisfaction-difference>



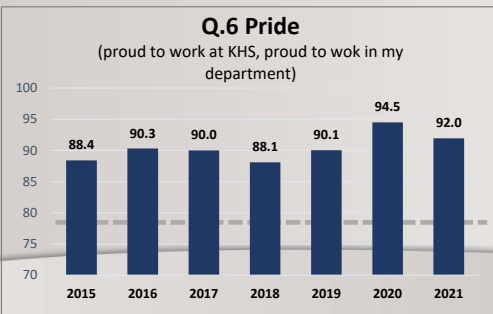
<https://www.decision-wise.com/employee-engagement-survey-download/>



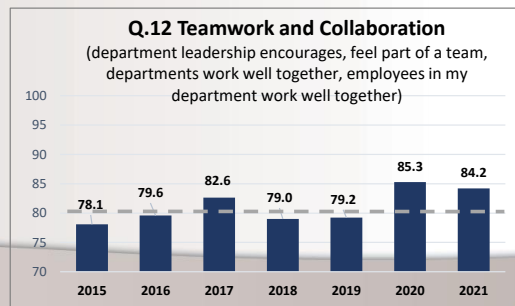
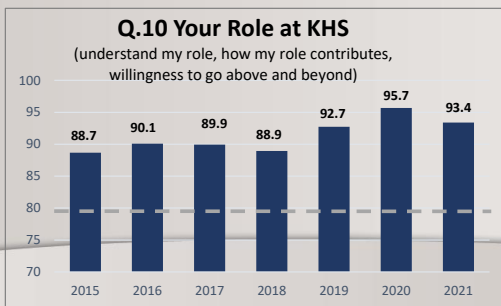
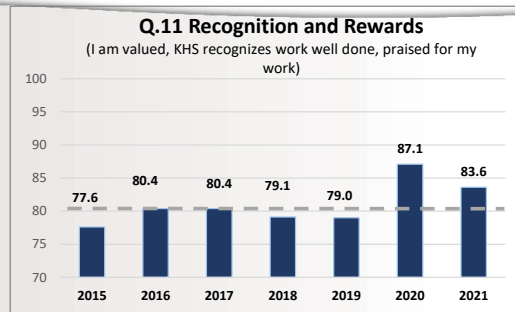
## The Survey Responses 2015 - 2021



## The Survey Responses 2015 - 2021

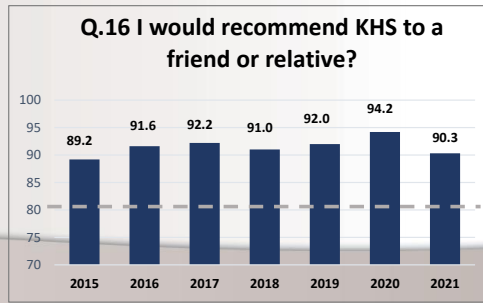
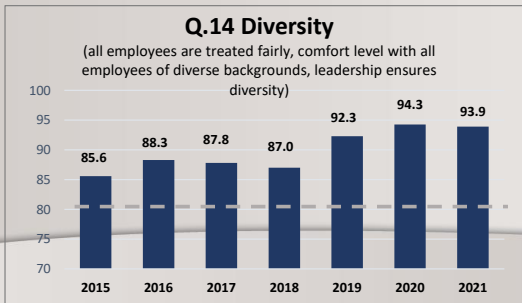
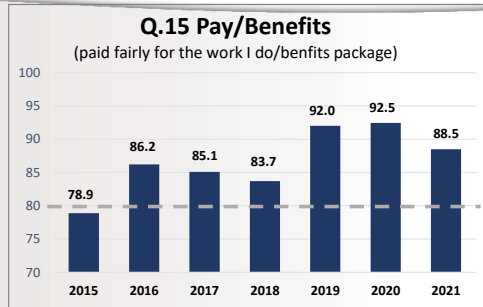
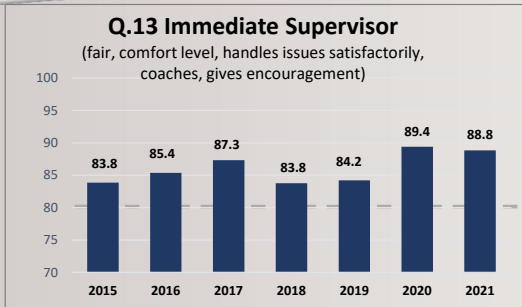


## The Survey Responses 2015 - 2021

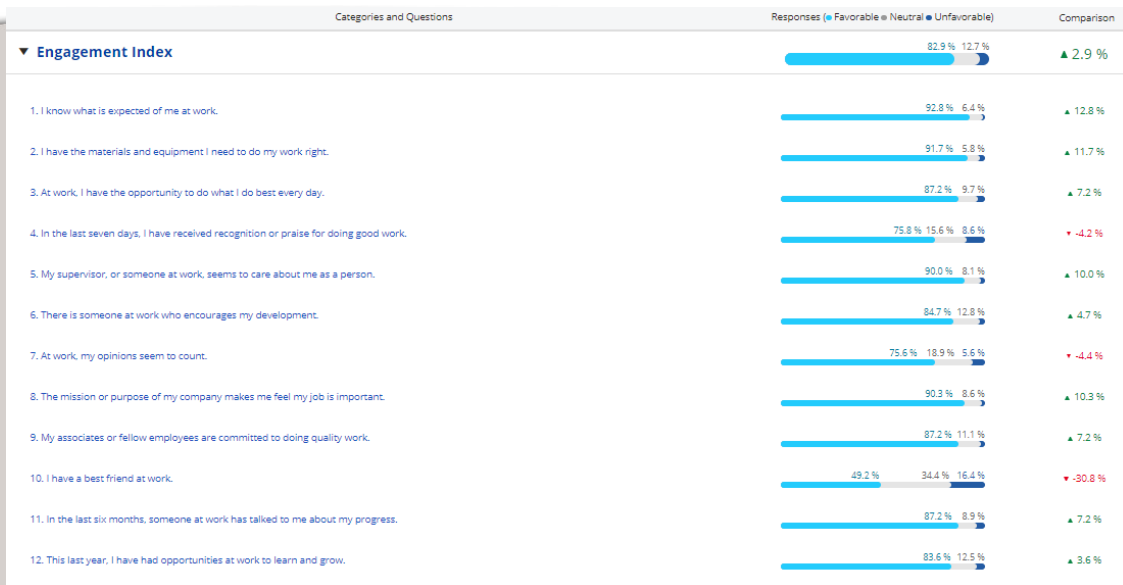




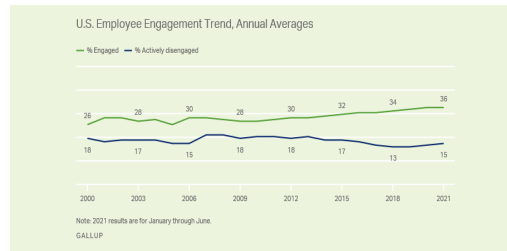
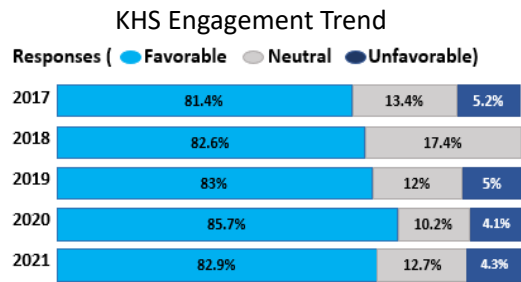
## The Survey Responses 2015 - 2021



## Employee Engagement 2021 Gallup Q12



## Employee Engagement 2017 - 2021 Gallup Q12



Favorable = Engaged | Neutral = Disengaged | Unfavorable = Actively Disengaged

- **Engaged** – Employees are highly involved in and enthusiastic about their work and workplace. These employees personalize the company’s goals and objectives and always work above and beyond their job requirements for the betterment of the organization.
- **Disengaged** – Employees are just putting in their time, but no passion or energy in their work. These employees consider their job as a paycheck, nothing more.
- **Actively Disengaged** – Employees are unhappy, resentful, and spread negativity within the organization. These employees are looking for a job while on the job.

*“After wild fluctuations in 2020, and hitting a peak level early this year, employee engagement has settled down in the U.S. Currently, 36% of U.S. employees are engaged in their work and workplace -- which matches Gallup’s composite percentage of engaged employees in 2020. Globally, 20% of employees are engaged at work. The percentage of actively disengaged employees is up slightly in the U.S., from 14% in 2020 to 15% through June 2021. Actively disengaged employees report miserable work experiences and are generally poorly managed.”*

Harter, Jim. GALLUP. “US Employee Engagement Holds Steady in First Half of 2021”. [U.S. Employee Engagement Holds Steady in First Half of 2021 \(gallup.com\)](https://www.gallup.com). July 29, 2021. Accessed January 27, 2022

## Summary of the 2021 Employee Satisfaction and Engagement Survey

**At 83% in overall Engagement – KHS has good employee engagement**

### **Strengths**

- KHS remains strong in Diversity and Inclusion
- Employees have a complete understanding of their role and how it contributes to the mission of KHS and benefits our community
- Employees feel a strong sense of Pride in working at KHS
- Surveying our employees annually has given them an opportunity to have a voice in the company
- Employees feel a strong connection with their Immediate Supervisor

### **Opportunities**

- Communications throughout the organization
  - Top down – CEO Town Halls and developing new innovative ways to communicate to the company as a whole
  - Directors to partner and collaborate with Execs for Inter-department communication opportunities
  - Recognition – Feedback to employees on performance, praise for job well done (during one-on-ones)
- Leadership - Lead by example
- Document and formalize processes that were implemented during remote work that brought new efficiencies and performance effectiveness



## Next Steps

- Report 2021 Employee Satisfaction and Engagement Survey department results to Directors and task them with an Action Plan for areas with a score below 80%
  - Present Action Plans in March to the Executive Officers Team
- Report results of the 2020/21 Department Surveys and Department Action Plan to each department and improvements based on their Action Plans completed
- All Departments to continue quarterly team building activities
- Develop new “All Employee” communication streams
  - Quarterly CEO Video Message - Medi-Cal/KHS Update
  - Monthly Video Newsletter (Department Spotlight/Employee Testimonials/Employee of the Month/KHS Outreach Events).

# Thank you!

**Anita Martin**

**Chief Human Resources Officer**

[anita.martin@khs-net.com](mailto:anita.martin@khs-net.com)

**(661) 664-5020**





**To: KHS Board of Directors**

**From: Emily Duran, Chief Network Administration Officer**

**Date: February 10, 2022**

**Re: 2020 Provider Satisfaction Survey**

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**Background:**

Kern Health Systems (KHS) performed its annual Provider Satisfaction Survey to evaluate the level of satisfaction and engagement with our network of providers. KHS engaged a third-party vendor who provides baseline survey data and national industry benchmark comparison to other Medi-Cal plans.

One key rating to highlight is Kern Health Systems' overall satisfaction rating of 84.7%. The Medicaid Line of Business satisfaction rate for like plans surveyed was an overall 68.6% satisfaction. KHS scored much higher than our local competitors.

Included is a presentation that summarizes the 2020 Provider Satisfaction survey results and outlines efforts to continue to rate favorably by our provider network.

**Requested Action:**

Receive and File.

# Provider Satisfaction Survey Results Calendar Year 2020

Board of Directors  
February 10, 2022





## Background and Timeline

- KHS conducts an annual provider satisfaction survey
- The 2021 survey measured the CY 2020 KHS performance with network providers
- SPH Analytics (independent survey company) conducted the survey on behalf of KHS
- KHS Performance is benchmarked to HMO industry performance for similar measures
- Survey was conducted over three (3) waves during Q2 2021



## Survey Panel

Surveys were sent to all  
provider types:

- Primary Care Providers
  - Specialists
  - Behavioral Health
  - Hospitals & Urgent care Facilities
  - Pharmacies
  - Ancillary Provider Types
- 239 Total Surveys received
    - 2019: 269 surveys received
    - Provider offices incentivized for survey completion
  - Confidence Level
    - Survey sample at 97% confidence level.



## Report Highlights

Composites/ Attributes	KHS 2017 Summary Rate	KHS 2018 Summary Rate	KHS 2019 Summary Rate	KHS 2020 Summary Rate
<b>Overall Satisfaction</b>	77.0%	86.5%	88.3%	84.7%
<b>Compared to Other Plans</b>	54.4%	59.8%	64.3%	55.7%
<b>Compensation</b>	46.8%	51.3%	58.1%	52.0%
<b>UM &amp; Quality</b>	45.8%	54.0%	54.1%	50.7%
<b>Network/COC</b>	43.2%	50.7%	52.7%	47.7%
<b>Pharmacy</b>	24.6%	32.2%	37.9%	30.2%
<b>Health Plan Call Center</b>	56.2%	60.0%	55.4%	61.1%
<b>Provider Relations</b>	55.6%	64.5%	70.5%	61.7%
<b>Recommend to Other MDs</b>	90.5%	93.0%	96.1%	94.8%

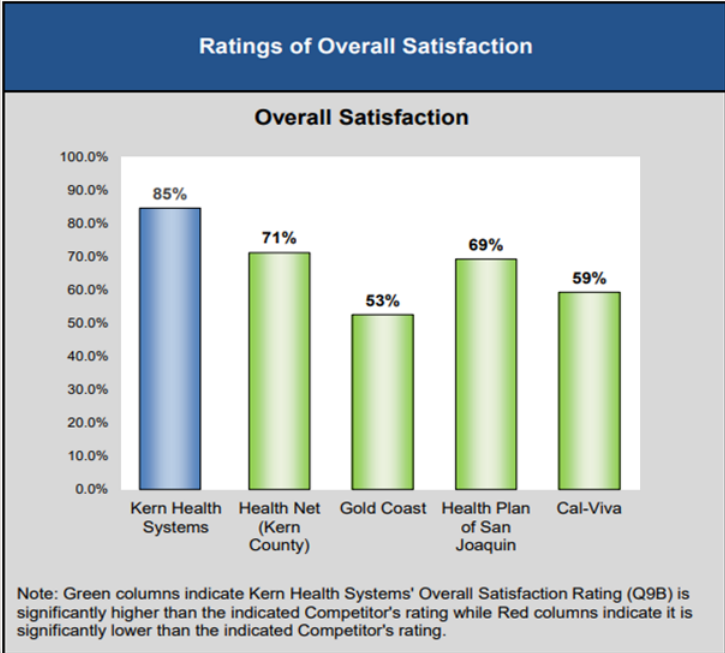


## Report Highlights

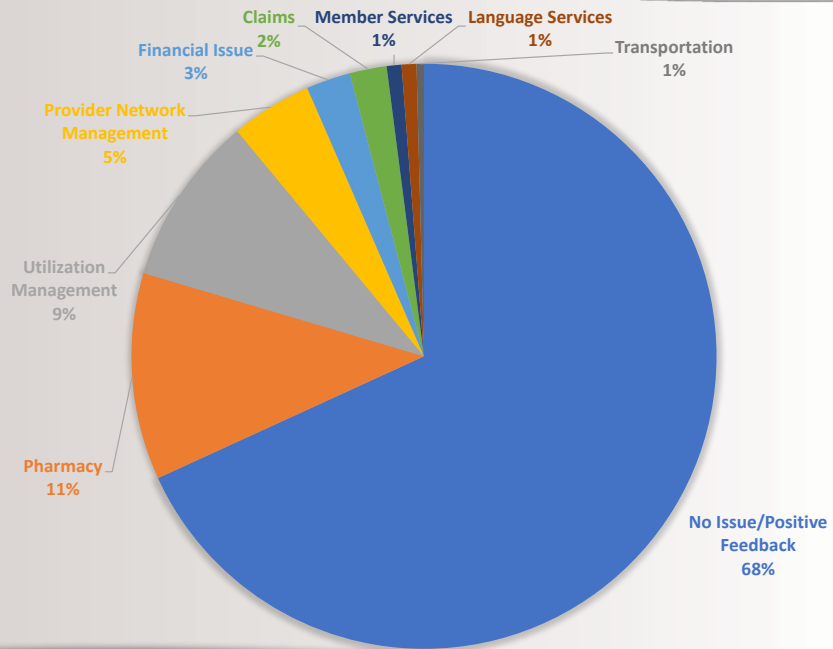
Composites/ Attributes	KHS 2020 Summary Rate	2020 National Medicaid Summary Scores		Percentile Ranking (At or Above 75 <sup>th</sup> )
Overall Satisfaction	84.7%	68.2%	Favorable	96 <sup>th</sup>
Other Local Plans	55.7%	34.6%	Favorable	96 <sup>th</sup>
Compensation	52.0%	30.9%	Favorable	99 <sup>th</sup>
UM & Quality	50.7%	32.0%	Favorable	96 <sup>th</sup>
Network/COC	47.7%	28.2%	Favorable	99 <sup>th</sup>
Pharmacy	30.2%	23.5%	Favorable	81 <sup>st</sup>
Health Plan Call Center	61.1%	35.9%	Favorable	99 <sup>th</sup>
Provider Relations	61.7%	35.1%	Favorable	99 <sup>th</sup>
Recommend to Other MDs	94.8%	85.0%	Favorable	94 <sup>th</sup>



# Health Plan Comparison



# What Can KHS Do To Improve?



## Next Steps

- Reviewed survey results/provider feedback with Department leadership.
- Return to in-person provider visits in 2022
- Explore use of Provider Focus Groups/Forums:
  - Kern County's healthcare landscape
  - Provider education for new programs/initiatives
- Continue work with third party vendor (SPH Analytics) to gauge provider satisfaction. CY2021 survey will kick-off Q2 2022.
  - Review effect of Medi-Cal RX transition on survey questions and future survey results.



## Questions

For additional information, please contact:

Emily Duran  
Chief Network Administration Officer  
(661) 664-5000







**To: KHS Board of Directors**

**From: Douglas Hayward, CEO**

**Date: February 10, 2022**

**Re: 2021 and 2022 Corporate Goals, Department Goals, and Projects**

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### **Background**

The enclosed information reports on the outcome of 2021 Corporate Goals and 2021 KHS Department Goals. In addition, it provides an overview of 2022 Corporate Goals and the process undertaken to create the 2022 Department Goals. It concludes with the list of 2022 KHS Projects attributed to achieving the following:

- Obligations set forth by DHCS/DMHC
- Strategic Initiatives outlined in the Corporate Goals
- Improvements to processes, systems, or outcomes

### **2021 Corporate Goals**

The final status of the 2021 Corporate Goals is included under Attachment B. Completion of the 2021 Corporate Goals went generally as expected, with the following exceptions:

- KHS' Strategic Planning timeline was originally pushed out due to the delay in CalAIM initiatives. Subsequently, with a new incoming CEO in 2022 the timeline was again adjusted to allow for participation of the new CEO. KHS' Strategic Planning process is included in the new 2022 Corporate Goals with updated timelines.
- A portion of the timeline related to the Interoperability Rule was delayed by CMS.
- Pharmacy Carve-Out to Medi-Cal Rx was delayed by DHCS numerous times, but ultimately implemented on 1/1/22.

The deliverables for each goal are color coded with **green** representing completions in Q1, Q2 or Q3 and **blue** showing completions in Q4. Other than Q4, all other deliverables and their completion status were shared with the Board at previous 2021 Board meetings.

### **2021 Department Goals**

Each year, Department Goals are established consistent with Corporate priorities and / or to measure performance. In addition, they are used to evaluate leadership responsible for their achievement.

As noted in the presentation (Attachment A), items in green were completed on time and the desired outcome was achieved. Items in yellow were partially or mostly completed and are still in progress with the desired outcome to be achieved in 2022. Items in red were not completed or the desired outcome was not achieved.

As of the end of 2021 staff completed 108 (92%) of all departmental goals and objectives. The remaining 8 (7%) remain in-progress. Only 2% were not completed. A listing of the in-progress and incomplete goals is also included in the Attachment A slide presentation.

### **2022 Corporate Goals**

In June of the prior year, the Board approves the Corporate Goals for the following year. It is done at this time to aid Management with developing the upcoming year's Department Goals and Corporate Projects in addition to setting the stage for the new annual budget adopted by the Board each December.

The 2022 Corporate Goals approved by the Board at it's June Board Meeting is shown under Attachment C.

In lieu of a formal Strategic Plan, in 2022 KHS will utilize the approved corporate Goals as the topline direction for the company. KHS' Strategic Planning timeline was originally pushed out due to the delay in CalAIM initiatives. Subsequently, with a new incoming CEO in 2022 the timeline was again adjusted to allow for participation of the new CEO. KHS' Strategic Planning process is included in the new 2022 Corporate Goals with updated timelines. The process is scheduled begin sometime in Q3 2022 with completion by the end of 2022.

### **2022 Department Goals**

In Q3/Q4 of each year, Management develops annual Department Goals as well as Projects for the upcoming year. This process aligns the department goals and corporate projects with annual Corporate Goals to ensure all Departments work toward common strategic and Corporate objectives. Additionally, it aids in setting the annual budget and providing metrics on which to measure department performance.

Attachment A provides an overview of the 2022 Department Goals and Corporate Project development process.

### **Requested Action**

Receive and File.



## Attachment A

# 2021 and 2022 Corporate Goals, Department Goals, and Projects

February 10, 2022

LaVonne Banks, Director of Project Management  
Jeremy McGuire, Senior Director of Government  
Relations & Strategic Development

# Agenda

- Report on the outcome of 2021 Corporate goals
- Report on the outcome of 2021 Department goals.
- Steps to develop 2022 Departmental Goals and Objectives
- Steps to develop the 2022 Corporate Project Portfolio
- Identify 2022 Corporate Projects addressing:
  - Regulatory Requirements
  - Strategic Initiatives
  - Organizational Improvement



## 2021 Corporate Goals

- Completion of the 2021 Corporate Goals went generally as expected, except for the following:
  1. KHS' Strategic Planning timeline was pushed out to 2022 to accommodate the one-year delay in CalAIM and give the new CEO the opportunity to participate in its development.
  2. One portion of the timeline related to the Interoperability Rule was delayed by CMS.
  3. Pharmacy Carve-Out to Medi-Cal Rx was delayed by DHCS numerous times, but ultimately implemented on 1/1/22.
- The final status of the 2021 Corporate Goals is included under Attachment B.



## 2021 Department Goals

- With 2021 coming to an end, management has prepared a summary status report for the departmental goals and objectives.
- The summary status report shows each major goal and its completion status: green being done, yellow delayed and held over to 2022 and red, not completed or didn't achieve the desired outcome.



## 2021 Department Goals and Objectives Summary

- Overall completion rate of 92%. Potentially becomes 99% completion rate when “in-progress” goals are completed.

2021 Goals and Objectives Summary			
Department	Green	Yellow	Red
Member Services	8	0	0
ALS Compliance	8	0	0
Claims	6	0	0
Corporate Services	5	0	0
Finance	11	0	1
Government Relations	7	0	0
Case Management	3	0	0
Disease Management	1	2	0
Health Education	6	1	0
Health Homes	4	1	0
Quality Improvement	4	2	0
Utilization Management	5	0	0
Pharmacy	4	0	0
Human Resources	10	1	1
Information Technology	4	0	0
Marketing	10	0	0
Provider Network Management	5	1	0
Project Management	7	0	0
Total	108	8	2
Percentage	92%	7%	2%

**Green** = Completed on time and desired outcome achieved

**Yellow** = In progress and desired outcome achievable

**Red** = Not completed or desired outcome not achieved

## Incomplete Dept. Goals

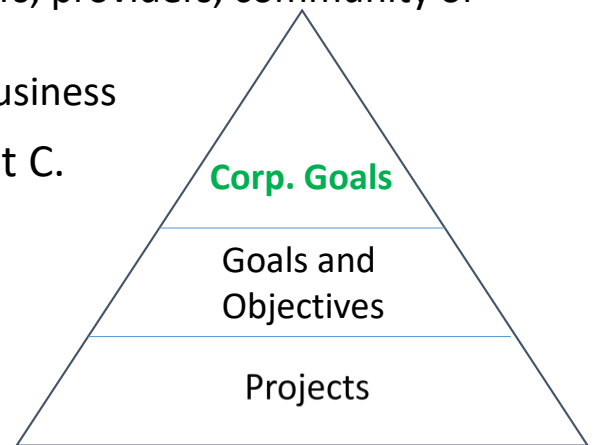
- **Finance** – There was an attempt to improve the Provider Refund process with automation, but unintended impacts to other departments postponed this work until employees fully return to the office.
- **Disease Management** – It was desired to expand the current Diabetes Prevention Program to a physical provider site. Due to COVID, this has been delayed to later in 2022.
- **Disease Management** – A goal to implement and expand a Clinical Engagement Group program was put on hold due to the program's provider becoming ill.
- **Health Education** – An effort to develop a Health Education dashboard was delayed to 2022 due to competing project priorities.
- **Health Homes** – The HHP team intended to launch an additional Clinica Sierra Vista site in 2021. This was delayed, and the new site is scheduled to launch in Q2 2022.
- **Quality Improvement** – Implementation of a new Site Review tool and process was delayed by DHCS due to the ongoing COVID pandemic. The KHS team is ready to move forward when DHCS resumes implementation.
- **Quality Improvement** – The goal related to timely completion of Site Reviews was impacted by ongoing resource challenges within the provider network due to COVID. The team is currently conducting virtual site reviews and DHCS has allowed longer timelines to resolve the current backlog.
- **Human Resources** – The HR team worked to improve the feedback measurement process, including both virtual tools (Glassdoor) and in-person appointment feedback. The virtual measurements have been implemented. The in-person portion of this process improvement has been delayed until employees return to the office.
- **Human Resources** – An attempt to consolidate Health Homes Program provider training was put on hold indefinitely due to limitations within the Learning Management System. HHP training is still occurring via previous methods.
- **Provider Network Management** – PNM administered the Behavioral Health Integration grant program throughout 2021. All deliverables are complete, except for ongoing quarterly reporting and monitoring of the program which are in progress.





## 2022 Corporate Goals

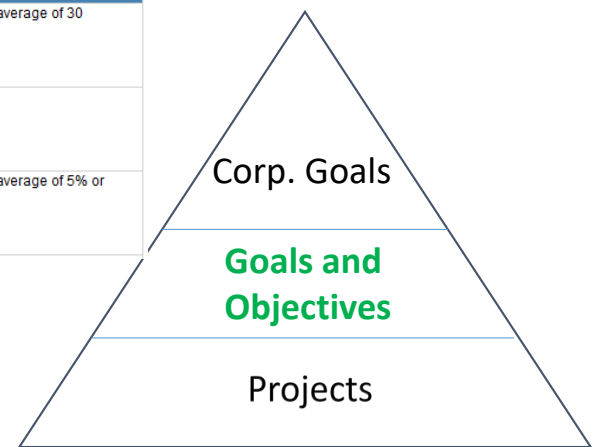
- Corporate Goals are consistent with KHS' mission:
  - *Dedicated to improving the health status of our members through an integrated, managed health care delivery system.*
- Corporate goals are driven by:
  1. State or Federal regulatory or policy requirements
  2. Corporatewide initiatives
  3. Improve service to constituents(members, providers, community or employees)
  4. Improvements in the way we conduct business
- The 2022 Corp. Goals is under Attachment C.



# 2022 Goals and Objectives Development

- 2022 Departmental Goals and Objectives were created to align each department with the Corporate Goals and to monitor operations
  - Each department was asked to produce goals and objectives that align with the strategic plan (2022 corporate goals), outline tasks needed to complete the goal, and define the measurable outcome signifying completion of the goal
  - Reviewed and approved by their respective Executive
  - See example below:

Goals and Objectives				
Goal	Current Completion	Actual Start Date	Actual Completion Date	Desired Outcome
AVERAGE SPEED OF ANSWER	0%	1/1/2022	12/31/2022	Maintain a monthly average of 30 seconds or less.
PERCENT OF CALLS ANSWERED	0%	1/1/2022	12/31/2022	Maintain monthly average of 95% or greater.
PERCENT OF CALLS ABANDONED	0%	1/1/2022	12/31/2022	Maintain a monthly average of 5% or less..



# 2022 Goals and Objectives Tracking

- Throughout the year, department heads document and report their progress to their executive leader
  - SharePoint site houses each department’s goals and allows for tracking and reporting
  - A dashboard view is provided to executives so they can easily see the status of each department’s goals and objectives
  - Annual progress report on the previous year’s goals is provided to the Board in Q1 of the following year

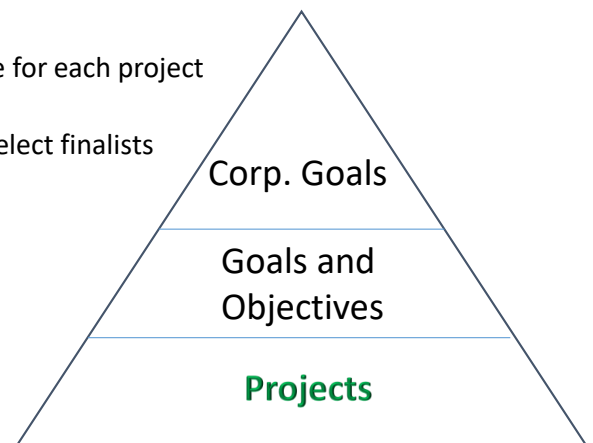
**Goals and Objectives Tracking Summary**

Department	Goal	Current Completion	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Desired Outcome	Actual Outcome	Current Status
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## 2022 Project Portfolio Planning Process

1. Align portfolio planning timeline with annual budget timeline
2. Request project proposals from each department for desired projects
  - Identify business need; Alignment with goals and/or strategy; Benefits; Impacted departments; Costs
  - Conduct initial Discovery sessions as needed to help scope out business needs
3. Conduct Business Intelligence assessment
  - Benefits feasibility review
  - Create Project Process Diagrams
  - Assess ROI (for non-regulatory initiatives)
4. Score project proposals
  - Assign points/ranking based on priority
  - Regulatory, Strategic Goal, Medical Management, Risk, Process Improvement
    - Process Improvements assessed for ROI impacts
5. Create resource plan and duration estimates
  - Estimate and reconcile resource requirements and timeline for each project
6. Internal Committee review and selection
  - Portfolio Governance Committee - Review proposals and select finalists
  - Executive Committee – Portfolio optimization and finalize
7. Reconcile with Capital and Operating Budgets
8. Create and disseminate draft Project Calendar
9. Conduct detailed Discovery sessions to refine scope and prepare for project execution



## 2022 Projects

➤ **Regulatory – Required to meet obligations set forth by DHCS/DMHC**

- DHCS Reporting Changes (carryover from 2021)
- Pharmacy Benefit Manager System Resumed (carryover from 2021)
- Interoperability and Patient Access (carryover from 2021)
- OHC Requirements for APL 20-010.
- CalAIM Population Health Management – Model of Care
- Community Supports Services Expansion and Incentives
- Enhanced Care Management Expansion and Incentives
- Long Term Care Benefit

➤ **Strategic Plan Initiatives – Specific initiatives outlined in the Strategic Plan**

- Population Health Management JIVA Module Implementation
- Population Health Management – Align Existing KHS Programs
- Community-Based Organization Referral Systems
- NCQA Consultant and Readiness Review
- LTSS and D-SNP RFP
- Claims Workflow Conversion to QNXT Workflow



## 2022 Projects

➤ **Other Projects – Projects that align with goals, address risks, and/or improve processes**

- QNXT/NetworX/Optum/CES Upgrade 2022
- CACTUS Credentialing System UPGRADE TO 5.0
- Create Data Reference Software (MDS) Development Standards
- Faxing Software Upgrade
- Establish Purge/Archive Standards
- Database Software Upgrades
- DHCS Audit Remediation
- Medical Loss Ratio (MLR) Optimization
- Comprehensive Pharmacy Program
- Tobacco Cessation Initiative
- Document Repository Update
- Medical Management Platform Upgrade (JIVA)
- Analytics Software Migration
- Retire Legacy (BizTalk) System



## Oversite of Key Initiatives in 2022

- Strategic Plan
  - In mid-2022 KHS will re-engage Pacific Health Consulting Group to begin the development of the next Strategic Plan
  
- Corporate Goals
  - Quarterly Progress Reports provided to the Board of Directors
  - Monthly internal Executive review
  
- Department Goals and Objectives
  - Monitored internally throughout the year
  - Status of 2022 Goals will be presented to the Board of Directors in Q1 2023
  
- Projects
  - To be initiated according to the 2022 portfolio calendar
  - Regular portfolio review meetings occur internally



## Attachment B

# Corporate Performance Goals for 2021

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### Background

No one could have predicted a pandemic nor its impact on our way of life and work. To minimize its toll on the public's health, the Governor issued a Statewide order for all residents to 'stay at home' resulting in an economic downturn from layoffs, furloughs and business interruptions.

Deficit estimates are projected to be between \$30-50 billion which means that there could be significant cuts to services and programs across the State. To put that in perspective, during the recession in 2008, the deficit was approximately \$20 billion. It will take all of us to be sure we're staying focused on our core mission of serving those most vulnerable during the potentially tumultuous days ahead.

The Governor recently shared his revised Fiscal Year 2020-21 proposed budget showing what a significant negative impact COVID-19 has and will continue to have on the State's economy. The final budget agreement is expected to include revenue reductions to the Medi-Cal program. The significance will vary depending on the health plan. However, it is expected to include both a retro rate reduction of 1.5% and future (2021) reduction of an additional 3%. This will have a material impact to KHS revenue in 2021 and will weigh on staffing, projects, contracting and equipment decisions for the 2021 budget.

The following must be kept in mind when developing your department goals and budgets:

1. **Staffing:** Our employees are what makes us who we are at KHS. As we navigate through the difficult days ahead, as much as possible, our existing employees will not be directly impacted by the new realities of the State budget. We fully intend to keep all current employees without layoffs or furloughs. However, new 2021 budget positions will require the department to demonstrate a clear return on investment (ROI). There are times when it will be the best decision to invest in more staff if a particular project will result in large cost savings. It's important that we be the best steward of our existing resources.





2. **New Projects, Programs or Activities:** As a leader of your department, you're truly the experts in your field. You will need to guide the organization on programs *that are nice-to-haves but not essential*. Department heads are expected to discuss with their Executive leader their recommendations for programs, projects or activities that could potentially be placed on-hold for 2021. As with staffing, new projects, programs and activities not mandated by government regulation or policy will need to show a return on investment through savings or efficiency.
  
3. **Provider Payment:** Year over year, the State pays Medi-Cal health plans based on historical cost information they receive from us. The goal is to assure the reimbursement rates health plans receive will cover the anticipated health services cost adjusted for trends in utilization or unanticipated medical cost expenses health plans incur from time to time. When benefits are added, or omitted rates will be adjusted accordingly as well. For the health plan's benefit, this practice should yield "actuarially sound" rates and enough reimbursement to cover medical cost for the insured Medi-Cal population for year in which the rate applies. On the rare occasion (such as the one occurring now) the State will make arbitrary decisions that negatively impacts reimbursement. The retro rate reduction of 1.5% and anticipated 2021 rate reduction of another 3% are two examples of this and will likely result in the amount of money we pay providers in 2021 to be more than what we get reimbursed from the State during that same period. Cash reserves become incredibly important because it allows us to continue to pay Hospitals and Providers even when we're underpaid or delays occur in receiving reimbursement from the State.

As we navigate these uncertain times, it is likely COVID -19 will remain paramount in the minds of the State, Providers, Members and our community. The 2021 Corporate goals will consider both the pandemic and its impact to our way of doing business and obligation to our members. In addition, the goals will recognize the specific requirements the State and Federal government will impose on health plans in 2021 such as Interoperability and Long-Term Care at Home. Finally, it will be necessary to carry over from 2020 certain programs partially or never launched due to the pandemic. These programs have been rescheduled for continued development and implementation in 2021.



**Goal 1– Behavioral Health Integration Program**

The Department of Health Care Services (DHCS) offered grant funding to incentivize Medi-Cal Managed Care Health Plans (MCPs) to promote behavioral health integration (BHI) at the primary care level. The Program objectives were:

- To improve physical and behavioral health outcomes, care delivery efficiency, and patient experience by establishing or expanding fully integrated and coordinated care delivery for the whole patient.
- To increase network integration for providers at all levels of integration, focused on new target populations or health disparities, and improve provider’s level of integration or impact.
- To create and integrated model that can be replicated by MCPs throughout their network.

DHCS identified six options MCPs could follow for achieving the desired outcome:

- Basic Behavioral Health Integration
- Maternal Access to Mental Health and Substance Use Disorder Screening and Treatment
- Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses
- Diabetes Screening and Treatment for People with Serious Mental Illness
- Improving Follow-Up after Hospitalization for Mental Illness
- Improving Follow-Up after Emergency Department Visit for Behavioral Health Diagnosis

Kern Health Systems was awarded five grants for three providers totaling \$11,000,000 from DHCS to implement behavioral health integration programs over a two-year period. The awards were based on proposals received from participating network providers interested in developing integrated physical and behavioral health focused initiatives. Grants were given to: Good Samaritan Hospital (2), Adventist Health (2) and Premier Valley Medical Group.



**Deliverables**

- ***Determine BHI readiness for each grantee by 1<sup>st</sup> Quarter, 2021 – Readiness review for each grantee was completed per their individual program design. Regular contact between organizations occurred beginning late 2020 to ensure successful implementation.***
- ***Create BHI grant agreement for each grantee by 1<sup>st</sup> Quarter, 2021 – Grant agreements and MOUs were developed and approved by DHCS as required. This included specific program readiness and project milestones for achievement tied to the grant funding.***
- ***Contract with each grantee by 1<sup>st</sup> Quarter, 2021 - Grant agreements have been executed for Good Sam Hospital (2 programs), Premier Valley Medical Group, and Adventist Health Tehachapi Valley (2 programs).***
- ***Execute start date of each BHI program initiatives by 1<sup>st</sup> Quarter, 2021 – All programs are currently operational as of April 2021. Below is a summary of the programs:***

**Premier** - Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses. Program started 1/1/2021.

**Good Sam Hospital** - Improving Follow-up after Hospitalization for Mental Illness. Program started 1/1/2021.

**Good Sam Hospital** - Basic Behavioral Health Integration – Wasco Rural Health Center. Program started 4/1/2021.

**Adventist Health Tehachapi Valley** - Diabetes Screening and Treatment for People with Serious Mental Illness. Program started 4/1/2021.

**Adventist Health Tehachapi Valley** - Improving Follow-up after Emergency Department Visit for Behavioral Health Diagnosis. Program started 4/1/2021.

- ***Continue to monitor grantees performance against predetermined objectives throughout the 2-year grant cycle starting following initiation of each grantee’s program by 2<sup>nd</sup> Quarter, 2021. Grantee performance monitoring underway, Q2 results as follows:***

**Premier** - Medication Management for Beneficiaries with Co-occurring Chronic Medical and Behavioral Diagnoses. Data for Q2: Universal Urgent Care Patient Screening for 568 patients, 223 patients served, 98 patients enrolled in treatment for depression, 121



*patients enrolled in treatment for anxiety, 77 patients enrolled in treatment for SUD, 59 patients active with psychiatrist.*

*Good Sam Hospital - Improving Follow-up after Hospitalization for Mental Illness. Data for Q2: 190 patients screened, 100 patients received medication delivery aid, exceeding goals for connecting patients with outreach specialists.*

*Good Sam Hospital - Basic Behavioral Health Integration – Wasco Rural Health Center. Data for Q2: 31 patients accepted treatment, 18 patients positive for depression, 17 patients positive for anxiety, 1 active with psychiatrist.*

*Adventist Health Tehachapi Valley - Diabetes Screening and Treatment for People with Serious Mental Illness. Onboarded new navigator staff and began conducting case conferences, conducted community outreach. 47 patients contacted within 7 days for follow-up.*

*Adventist Health Tehachapi Valley - Improving Follow-up after Emergency Department Visit for Behavioral Health Diagnosis. Data for Q2: 63 patients contacted within 15 days of discharge to develop treatment plans.*

- *PNM continues to monitor the provider's performance towards their milestones outlined for the BHI projects. PNM has submitted to DHCS the Plan's PY1-Quarter 2 Milestone report for the provider's BHI projects.*

### **Goal 2 Expansion of KHS's Alternative Payment Model (Phase V)**

In 2020, KHS expanded its alternative reimbursement program with the implementation of the Chronic Obstructive Pulmonary Disease (COPD) APM Program. COVID-19 impeded the COPD Program's progress preventing KHS from achieving the Program's expected outcomes which will be measured when clinical practice returns to more normal schedules. The APM Program will continue in 2021 with new applications yet to be determined.

#### **Deliverables:**

- *Identify and develop provider specific proposals for another appropriate specialty care practice or special needs program by 1st Quarter, 2021 – Provider Network Management has worked with the Health Services and Business Intelligence team to identify potential proposals for 2021. Opportunities identified include Transition of Care Programs with Premier Valley Medical Group and Golden State Hospitalists, COPD program with Nephrology Medical Group of Bakersfield, and an Oncology APM program.*



- ***For selected providers, initiate provider contract revisions to change or enhance compensation arrangements by 2<sup>nd</sup> Quarter, 2021 - KHS staff have finalized a new TOC program agreement with Golden State Hospitalist Group, (Dr. Sharma). This new TOC started in mid-August. The Transition of Care Program with Premier Valley Medical Group and the COPD program with Nephrology Medical Group of Bakersfield have also already initiated.***
- ***Determine impact to KHS internal operations by beginning of 3<sup>rd</sup> Quarter, 2021 KHS staff continue to work on all programs which are part of our Population Health Management Program. Provider Network Management is working with providers to set up standardized data exchanges and setting up the dashboard to monitor outcomes.***
- ***Design data tracking and reporting of specialty care to determine achievement of the desired outcome and / or ROI by the 3<sup>rd</sup> Quarter, 2021 - KHS staff continue to monitor the COPD and TOC programs. Provider Network Management is working with the MIS departments to create automated reports and dashboards to track the outcomes of the programs. Current enrollment in these programs is as follows: COPD – 355 members, Premier TOC –13 members.***
- ***Following implementation, begin monitoring to determine if targeted outcomes are achieved by 4<sup>th</sup> Quarter, 2021 Provider Network Management (PNM) is continuously monitoring the APM program and other special projects. We are seeing success in reduction in readmissions with the two new TOC Programs (Premier Valley Medical Group and Golden Hospitalist of Bakersfield). The population health management dashboard has been implemented to include COPD & TOC programs. Current enrollment in these programs is meeting expectations.***

*A new Program Description and Scope of Work has been created for all Special Programs. PNM is working to revise our Special Program Agreements boilerplates so all contracts will be standardized and have all the Population Health Management requirements outlined.*



**Goal 3 – Expansion of Kern Health System’s Health Home Program (Cont.)**

Kern Health Systems recognizes several thousand members will benefit from receiving their medical services through a patient centered medical home. To date, Kern Health Systems has established six health homes programs located at various provider sites throughout Kern County.

Despite launching six provider site-based health home programs countywide, there remains significant unmet need in Kern County for these programs. In 2020, it was expected this gap would be significantly reduced with the addition of 2 new external sites and the launch of a new model called the Distributed Health Home Program whereby eligible PCP physicians with a significant number of HHP qualified members assigned to their practice may become part of a “decentralized network”. The network will be supported with six broad service areas in the effort to achieve the HHP goal to address these medically complex cases:

- Comprehensive Care Management
- Care Coordination
- Health Promotion
- Comprehensive Transitional Care
- Individual and Family Support Services
- Referral to Community and Social Supports

While member’s PCP will provide the clinical treatment, KHS will serve as manager and coordinator for these broader services in the DHHP. This HHP “without walls” enables members to continue to receive care from their PCP along with these enhanced services. The DHHP will follow the same DHCS guidelines and reporting requirements of our other HHPs.

COVID -19 delayed implementation of some of our 2020 HHP sites with the Governor’s stay at home order. Although some progress was made in 2020 pre-pandemic, not enough work could be done to consider it successful.

Besides the DHHP rollout delay, KHS expected Clinica Sierra Vista (CSV) to begin their long awaited HHP program in 2020. Due to CSV’s leadership change, their HHP launch was delayed and will need to be reintroduced in 2021.

**Deliverable:**

- *Select remaining interested PCPs with a significant number of HHP qualified members by 1<sup>st</sup> Quarter, 2021. – Staff conducted analytics and identified two additional providers who would qualify for the distributive model: Westside Taft Clinic and Dr. William Bichai.*



- **Modify new PCP participants contract to include role, function and responsibilities as a PCP under the DHHP concept by 2<sup>nd</sup> Quarter, 2021.** *Contract amendments have been fully executed for West Side Taft Clinic and Dr. William Bichai to reflect the responsibilities of the DHHP program. The KHS configuration requirements have been completed to ensure the payments are compensated as agreed.*
- **Modify new PCP participants practice setting to meet DHHP requirements beginning 2<sup>nd</sup> Quarter, 2021.** *The KHS Distributive Model Care team worked with the identified PCPs to ensure readiness for the DHHP requirements.*
- **Conduct new PCP participants and staff training program under the DHHP beginning 3<sup>rd</sup> Quarter, 2021.** *Training for staff and PCP participants has been completed and will be continued as need depending on hiring of new staff.*
- **Launch expanded DHHP with new participants beginning by end of 3<sup>rd</sup> Quarter, 2021.** *Both of the DHHP PCP sites launched their programs early. Westside Taft Clinic began in January 2021 and is currently serving 47 members. Dr. Bichai's office began in April 2021 and is currently serving 66 members.*
- **Launch CSV's HHP site by 2<sup>nd</sup> Quarter, 2021.** – *CSV's Greenfield location began seeing Health Homes Program members in early March. They're currently serving 155 members.*

#### **Goal 4 – Kern Health Systems 2021 to 2023 Three Year Strategic Plan**

In 2017 Pacific Health Consulting Group assisted Kern Health Systems in developing a 3-year Strategic Plan. Over the past 3 years, Kern Health Systems has implemented the strategies and tasks around five major goals:

- Delivery System and Payment Reform
- Primary Care and Specialty Care Access
- Premier Health Plan of Choice for MCAL in Kern County
- Health Plan Sustainability and Diversification
- Technology Optimization to Improve Constituency Service

With outside assistance, Kern Health Systems will again undertake a new Strategic Planning session in early 2021. The Strategic Plan serves as a management tool to ensure KHS remains committed to its mission, working toward achieving desired goals, addressing new challenges and identifying new opportunities.



The overarching themes of this session should revolve around the changing healthcare environment (particularly CalAIM) and its impact to Kern Health Systems. The Board of Directors along with Executive staff will need to evaluate:

- Mission and Vision Statement
- External Environment and Competitive Market Conditions
- Internal review (strengths, weakness)
- Opportunities and Choices (including challenges to success)

From this evaluation, the Board will develop Goals and Strategies to position KHS for future success.

**Deliverable:**

- *Board to adopt a new three-year strategic plan for the period 2021 -2023 by the end of 1<sup>st</sup> Quarter, 2021 – As previously reported to the Board, the re-initiation of CalAIM in January and the ongoing CEO recruitment necessitated a reconsideration of the Strategic Planning timeline. In lieu of an updated Strategic Plan, in 2021 KHS utilized these Corporate Goals as the topline direction for the organization. During the June board meeting the discussion of the 2022 Corporate Goals included an updated requested timeline for Strategic Planning into 2022.*

**Goal – 5 Interoperability and Patient Access**

CMS and the State of California have regulated the Interoperability and Patient Access Rule (CMS-9115-F) to “*deliver on the Administration’s promise to put patients first, giving them access to their health information when they need it most and in a way they can best use it.*” The goal is to break down information silos for patients leading to better care and improved outcomes. This secure data link between 3<sup>rd</sup> parties, payors, providers, and patients and is intended to improve care coordination and reduce cost through data exchange and technological innovations.

**Deliverables:**

- *Establish new technology systems and processes to facilitate data exchanges with members and providers by the end 1<sup>st</sup> Quarter 2021. - The new technology system has been purchased, installed, and configured, and the team continues to test the system to present the data in a meaningful manner for the Q2 goal.*





- ***Create Provider and Member Portal applications to present data in a meaningful manner to providers and members by the end of 2<sup>nd</sup> Quarter 2021*** *The portal application is at 95% completion and will be finalized in late August. The Interoperability data will be accessible for members to present to any clinical engagement for continuity of care.*
- ***Research and identify 3<sup>rd</sup> party applications to use data in a manner that will benefit a Medi-Cal population by end of 2<sup>nd</sup> Quarter 2021.*** *There are a limited number of third-party applications that are being developed in the market, and KHS did a significant amount of research on various tools. KHS did find one vendor that is in the process of registering their application with KHS for member Interoperability data utilization.*
- ***Engage and inform members and providers on new methods of data access and tools by end of 3<sup>rd</sup> Quarter 2021*** *The plan is engaging 3<sup>rd</sup> party providers to create access points for members; developed a website for members to directly access data; and is upgrading the member mobile application to promote more member interactions.*
- ***Establish audit and reconciliation processes to manage data exchange effectiveness with reporting and analytics by end of 4<sup>th</sup> Quarter 2021.*** *The plan has established a utilization report to monitor data exchanges, and as of 12/31/2021 there have been zero requests for data.*
- ***Create Payer to Payer data exchanges to collect external data sources to consolidate and deliver other payor data by end of 1<sup>st</sup> Quarter 2022.*** *This milestone/deadline has been delayed by CMS as the final rule is not complete.*

### **Goal 6 – Prescription Drug Benefit Carved Out from Managed Care Plans**

Beginning 2021, with few exceptions, the Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed care plans (MCP) will continue to administer the Medi-Cal pharmacy benefit. Transitioning to this new arrangement began in 2020 and will continue to a smaller extent in 2021. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1<sup>st</sup> quarter, 2021. Though the claims processing/payment and authorization for outpatient drugs will fall to



the State, the MCPs are expected to continue their case management, DUR, MTM, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

**Deliverables:** *DHCS announced the Medi-Cal Rx transition would resume with an effective date of 1/1/22, after multiple delays. DHCS re-engaged with Health Plans and other stakeholders to work toward this transition date. The deliverables due dates below have been updated accordingly. This item is also included in the 2022 Corporate Goals.*

- ***Create Data Exchange and integration to current system application beginning in 3<sup>rd</sup> Quarter, 2020.*** *Efforts were started in 2020 and ongoing testing has been conducted throughout the postponement. Some reports, data, etc. are not able to be fully integrated until after the transition. Some minor modifications are being made now through the transition as needed.*
- ***Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence by 4<sup>th</sup> Quarter, 2020.*** *Training, Bulletins, and materials were undertaken in 4<sup>th</sup> Quarter 2020 and have continued throughout 2021 as DHCS/Magellan shared them. Webinars, bulletins, and direct outreach efforts to the provider network were intensified in the last Quarter of 2021. Materials from DHCS/Magellan continue to be shared with our network providers. Post transition, KHS has been directing questions and concerns to DHCS as they arise. KHS has also been providing clarification to the network as appropriate to assist our members receiving the medically necessary services required.*
- ***Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1<sup>st</sup> Quarter, 2021.*** *This will now occur beginning 1/1/22. This handoff was successfully accomplished.*
- ***Complete 180-day transition for TAR drugs or grandfathering medications by 2<sup>nd</sup> Quarter, 2021.*** *This will now occur through Q2 2022. This is still ongoing. KHS is able to perform the required activities as they arise. Some issues on DHCS' side are not allowing this process to completely operate as intended.*
- ***Continue to perform run out activities for outpatient pharmacy through 1<sup>st</sup> Quarter, 2021.*** *This will now occur through Q2 2022. As per the APL guidance, KHS will and is performing these functions through Q2 2022.*



- *Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1<sup>st</sup> Quarter, 2021. This will now occur beginning 1/1/22. This transitioned as designed.*
- *Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing). This is ongoing. Transition is taking longer to fully implement as some of the issues from the DHCS end of the transition are slowing the efforts.*

### **Goal 7 - Back to Care for Members**

COVID 19 put a sudden halt to members receiving routine non-emergent care in a variety of areas including:

- Child immunizations, screenings and well visits
- Adult screenings and annual physicals
- High risk patients with chronic medical conditions on medication
- Special needs patients such as Health Home Programs, Chronic Pulmonary Clinic, Prediabetic Prevention Programs, etc.
- Patients who've delayed or deferred elective procedures or elective surgeries

Travel restrictions and government orders to suspend elective care for a time resulted in pent up demand for medical care. With these restrictions lifted, KHS will need to examine members falling into these categories to prioritize who may need assistance to restart or continue their care. A plan will be developed to assist members and providers on when and how members should reengage in their care. Technology will be used to contact members to remind them to resume their care or where appropriate, augment their care by offering telehealth consults for those who remain at home.

With the elimination of Prop 56 supplemental payments and expected performance shortfall in the 2020 P4P incentive program, a new incentive program will be part of the "Back to Care Program" to encourage patients to return to their doctor.

### **Deliverables**

- *Identify membership qualifying for participation from one or more of these groups beginning of 1<sup>st</sup> Quarter, 2021 – The Back to Care program includes a number of initiatives which may apply to some or all of KHS' enrollees and some or all of KHS' provider network. As appropriate, the various initiatives included creation of reports and*



*data to target the desired population. Additionally, KHS staff who have contact with members are reviewing a member's gaps in care when conducting telephone conversations.*

- ***Prioritize members for intervention beginning 1<sup>st</sup> Quarter, 2021 – The Back to Care Program included a comprehensive approach to reach both the member and provider community. This included different interventions both broad and targeted. The targeted campaigns prioritized the areas of child immunizations, adult screenings, and high risk/special needs members.***
- ***Develop the Back to Care Communication Program to encourage providers and members to reengage in their health care by 1<sup>st</sup> Quarter, 2021 – There was a comprehensive communication and media campaign completed as part of this effort. Primary Care and Specialty Providers were notified about the opportunity to participate in provider incentive payments. Also, the “We’re Here For You” member marketing campaign ran from February to May and included television, billboards, radio, print, and digital advertisements.***
- ***Under appropriate circumstances create a provider incentive program to aid in achieving desired outcomes by 2<sup>nd</sup> Quarter, 2021 - KHS created two “back to care” provider incentive programs. These payments were made for services rendered between 9/1/20 and 12/31/20. All reporting was due to KHS by 2/28/21. Payments were issued beginning in May 2021. The Specialist program paid out \$3.67 million and the PCP program paid out \$1.5 million.***
- ***Under appropriate circumstances create a patient incentive program to aid in achieving desired outcomes by 2<sup>nd</sup> Quarter, 2021 - KHS launched its first member rewards and engagement program in the 4<sup>th</sup> Quarter of 2020 and concluded in March 2021. The program leveraged Interactive Voice Recognition calls (IVR, aka Robocalls), text messaging, mailed letters/materials and live phone calls to encourage members to follow through with specific preventive health or condition management services. This outreach included information about gift cards that could be earned for receiving certain services. The gift cards ranged from \$10-\$30 and were paid for wellness visits (baby, child, youth), prenatal/postpartum visits, and new member initial health assessments. The first campaign included a payout total of \$561,438.79.***

*The second campaign kicked off on June 16th and robocalls were completed for non-compliant members at that time. This campaign added additional member incentives for:*



- *Babies who complete 6 well baby visits between 0-15 months are eligible to receive a \$10 gift card per visit. In addition, babies between 15-30 months who complete 2 well baby visits are eligible to receive a \$10 gift card per visit. Total potential incentive is \$80.*
- *Members who are between 3 and 21 years of age and complete a yearly wellness exam are eligible to receive a \$15 gift card.*
- ***Determine ways to use technology to improve member and /or provider communication and with KHS staff by 2<sup>nd</sup> Quarter, 2021 - Gaps in Care dashboard has been implemented on the member and provider portal as well as for KHS staff to have visibility into the various gaps in members preventative health. This provides one source of truth for a member's care gaps and triggers discussions and recommendations for completion. In addition, a member can reference their gaps in care rewards, pregnancy information page, and submit a prenatal visit reward form.***

*Health Services, Member services, and MIS are reviewing a potential pilot with Rite Aid/Health Dialog to implement kiosks that facilitate the collection of social determinants of health (SDoH) information and health risk/initial health assessment. This would also include an aligned member incentive for completion.*

*Mobile mammography clinic was facilitated by KHS Quality Improvement staff to schedule 32 members to have mammograms performed at the Taft Westside Clinic who otherwise would need to travel to Bakersfield for care.*

- ***Incorporate Telehealth Services (where appropriate) to expand access to care by 2<sup>nd</sup> Quarter, 2021 - KHS implemented telehealth services according to the DHCS guidance on telehealth flexibility for services rendered to KHS members for most eligible benefits including behavioral health, home health, physical therapy, and autism therapy. KHS is allowing both synchronous, interactive audio and telecommunications systems and asynchronous store and forward telecommunications systems, thereby allowing both virtual and telephonic communication. In addition, internal auditing reports have been created to validate the utilization patterns of providers, types of services rendered, and will potentially remain after PHE.***

*Provider Network Management and the Clinical team are working on a contract with ConferMED for EConsult capability and Valley Children's Hospital for potential services for pediatric populations.*



*KHS recently awarded grant funding to a provider to purchase a mobile telehealth clinic Vehicle (MTCV). It is an ADA compliant van conversion, with all the necessary equipment for a patient telehealth consultation. The MTCV will be equipped similarly to a consultation room along with a monitor, camera, microphone, speakers, and broadband capability. This vehicle will drive to various Kern County communities including outlying areas such as Delano, McFarland, Lamont, Arvin, and Lost Hills to provide services. They will also partner with Boys and Girls Clubs in Kern County to provide mental health services to their adolescent population. The MTCV represents an additional resource to those who would not otherwise have easy access to medical care for necessary treatments and chronic disease management. The provider will set up a weekly schedule of the areas the MTCV will be set up, so KHS may share that information to our members.*

- ***Develop tracking instrument and report to measure the Program's effectiveness in timely reengagement of patients by 4th Quarter, 2021.*** – *Gaps In Care status (due or complete), Gaps In Care associated member rewards and new pregnancy information page including the ability to upload the prenatal visit reward form have been added to the member portal. Similarly, the Gaps in Care status is also located on the provider portal. Additionally, the Gaps In Care dashboard is available internally to all member facing staff who communicate directly with members to educate, coordinate appointments, to close any preventative care gaps.*

*The Member Engagement Rewards Program (MERP) is demonstrating successful completion of preventative service gap closures and the business Intelligence team is nearing finalization of the MERP dashboard (ETA Q1 2022) due to delays related to CalAIM technical focus in Q4 2021. Until completed, QI department has established manual processes for trending reports analysis and outcome measures to evaluate effectiveness of initiatives which is reported during the MCAS Committee meetings.*



## Attachment C

# Corporate Performance Goals for 2022

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### **Background**

The Corporate Performance Goals for 2022 are heavily influenced by the California Advancing and Innovating Medi-Cal or CalAIM, CalAIM is a series of initiatives proposed by the Department of Health Care Services (DHCS) to advance broad-based delivery system, program, and payment reform across the Medi-Cal program. Furthermore, CalAIM will address social determinants of health, streamline the statewide Medi-Cal delivery system, improve quality, and drive innovation.

Specifically, CalAIM has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

Originally scheduled to begin in January 2021, the proposal was delayed due to the impact of COVID-19. CalAIM was re-announced in January 2021 with DHCS' release of updated policy materials and with the inclusion of CalAIM funding in the draft 2022 State budget.

Major CalAIM initiatives scheduled for implementation in 2022 include:

- Enhanced Care Management (ECM)
- In Lieu of Services (ILOS)



At its conclusion, CalAIM will transform Medi-Cal Managed Care health plans to provide a broader range of benefits through an integrated delivery system comprised of traditional medical services, behavior health services (including specialty mental health) substance use disorder services (detox and therapeutic) and dental care.

In general, Safety Net Providers (Kern Medical, Omni Family Health and Clinica Sierra Vista) will play an important role in accomplishing our goals and will be encouraged, where appropriate, to participate in its achievement or considered in its outcome. Where a goal is specific to one Safety Net Provider, the provider is identified as to whom the goal applies. For example, the 2022 CalAIM initiative goal identifies Kern Medical specifically and its role with Whole Person Care.

KHS keeps this in mind when establishing annual Corporate Goals always considering their impact on the Safety Net Providers. With Safety Net Providers representing an integral network component, no goal will be achieved without their consideration nor accomplished without their involvement.

Successful implementation of initial phases of ECM and ILOS is the 1<sup>st</sup> Goal of our 2022 list of Corporate Goals. Among other things, this includes realigning KHS's Health Home Program and Kern Medical's Whole Person Care Program under ECM. In addition to ECM and ILOS implementation, the 2022 Corporate Goals include the following seven goals:

1. A new **Three-Year Strategic Plan** will be adopted in early 2022 focused mostly around CalAIM initiatives scheduled for launch between January 1, 2023 and December 31, 2025. CalAIM will continue to preoccupy KHS's time and resources for the foreseeable future with its many initiatives scheduled for implementation as far out as 2026.
2. KHS will expand its **Major Organ Transplant** responsibilities with the addition of Heart, Lung, Liver and Pancreas. Historically, other than for kidneys, members needing organ transplants would disenroll with KHS and reenroll in the State's Medi-Cal Fee For Service Coverage Plan. To avoid fragmenting members care and shifting between two Medi-Cal enrollment programs, beginning 1/1/2022, members may remain in their current health plan where patients will be followed from pre-transplant to recovery.
3. The **Chief Executive Officer** will be retiring in 2022. Recruitment of his replacement will commence in 2021. It is anticipated it will take several months to locate and hire a suitable candidate including allowing for time to transition from current employment to the KHS leadership role.





4. **Pharmacy Benefits Management (PBM)** currently administered through health plans will be carved out and centrally administered through a statewide PBM. Originally
5. scheduled to launch in 2021, it appears it will be delayed a year and likely to be implemented in early 2022.
6. **Medi-Cal Eligibility Expansion** will occur over 2022, adding six new Managed Care Medi-Cal eligibility population categories to Managed Care Plans like KHS.
7. An **Incentive Program** to promote health plan and provider participation in ECM and ILOS will be created. The Governor's budget allocated \$300 million for plan incentives from January to June 2022, \$600 million from July 2022 to June 2023, and \$600 million from July 2023 to June 2024.
8. **Telehealth Services** has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay at home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

**Goal 1 – CalAIM 2022 Initiatives (Implementation and Monitoring)**

Effective 1/1/2022 health plans are expected to launch two major CalAIM initiatives:

- **Enhanced Care Management** is comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Kern Health Systems Health Home Program and Kern Medical's Whole Person Care Program will be incorporated under Enhanced Care Management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories. Kern Medical is expected to continue delivering services under its Whole Person Care Program following its inclusion under Enhanced Care Management.
- **In Lieu of Services** are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost.



Since development will occur in second half of 2021, in 2022, KHS will turn its focus to post operations to ensure:

- all program elements are in place and functioning accordingly
- program refinement occurs to improve chances for a successful outcome
- performance tracking and monitoring is in place to measure success and report outcomes for each initiative.

***Deliverables:***

- ***By 1<sup>st</sup> Quarter, 2022, establish methodology for monitoring program performance including identifying staff responsibilities for tracking and reporting on each program's performance against predetermine targets and DHCS performance measures.***
- ***By 2<sup>nd</sup> Quarter, 2022, establish a data collection and reporting framework to track and monitor each initiative's performance to determine if its meeting its intended purpose:***
  - *Data will be developed for all critical components of each initiative.*
  - *Analytics will track each critical component's performance*
  - *Reports will be generated timely to measure outcomes*
- ***By 2<sup>nd</sup> Quarter, 2022, design and format reports and schedules in accordance with DHCS reporting requirements and submission timelines.***

**Goal 2 – Kern Health Systems 2023 to 2025 Three Year Strategic Plan**

January 2022 will begin implementation of the initial phase of CalAIM. Over the next few years, several key priorities of the State, using Medi-Cal as its tool, will change how health care will impact California's most vulnerable population. Programs aimed at homelessness, behavioral health care access, children with complex medical conditions, justice involved populations and the growing aging population will be created to improve their health status and quality of life.

Critical to this change is its impact on network providers. An effort will be made to see to it Safety Net Providers maintain their key role in the delivery of patient care to their currently assigned members. Additionally, KHS will look to work collaboratively with Safety Net Providers on new care models or programs arising from CalAIM occurring between 2023 and 2025.



Under Medi-Cal, the State will create several initiatives to achieve this objective through enhanced services and benefits including:

- Development of a statewide population health management strategy and require health plans to submit local population health management plans.
- Implement a new statewide enhanced care management benefit.
- Implement in lieu of services (e.g., housing navigation/supporting services, recuperative care, respite, sobering center, etc.).
- Implement incentive payments to drive plans and providers to invest in the necessary infrastructure, build appropriate enhanced care management and in lieu of services capacity statewide.
- Pursue participation in the Serious Mental Illness (SMI) /Serious Emotional Disturbance (SED) demonstration opportunity.
- Require screening and enrollment for Medi-Cal prior to release from county jail.
- Pilot full integration of physical health, behavioral health, and oral health under one contracted entity in a county or region.
- Develop a long-term plan for improving health outcomes and delivery of health care for foster care children and youth

The new three-year strategic plan will be developed to guide management with planning, development and implementation of initiatives schedule for launch between 2023 to 2025. These initiatives include:

**2023**

- Enhanced Care Management (Phase 2 eligibility)
- ILOS Services (Phase 2 services)
- Population Health Management (patient centered health strategy)
- Long Term Care added to Medi-Cal Health Plans
- Advanced enrollment of soon-to-be-released (STBR) incarcerated in Medi-Cal
- Dual Eligible (Medicare and Medi-Cal eligible) Planning



**2024**

- DSNP application submission with CMS to enroll Medicare eligible members with dual coverage. (25,000 Kern County eligible beneficiaries with Dual Eligibility)
- Begin NCQA preparation process (18 months before certification)

**2025**

- D-SNP Medicare health plan initial enrollment begins 01/01/2025
- Continue full integration implementation readiness and planning activities for the remaining outstanding CalAIM initiatives

Besides the number of new initiatives health plans are expected to launch, CalAIM will change how health plans are paid and incorporate new risk and incentive programs.

Prominent among these changes is the State's intent to shift from County based health plan reimbursement rates to regional based reimbursement rates. The proposal to move to regional rates has two main benefits. The first benefit is a decrease in the number of distinct actuarial rating cells that are required to be submitted to CMS for review and approval. The reduction in rating cells will simplify the presentation of rates to CMS and allow DHCS to pursue/implement financing advancements and innovations utilizing a more flexible rate model. The second benefit of regional rates is cost averaging across all plans. This will continue to incentivize plan cost efficiencies, as plan rates will be inclusive of the costs within the multi-county region. This shift will produce a larger base for the averaging beyond the experience of plans operating within a single county. This change is fundamental to the ability of DHCS to implement and sustain the other changes proposed in CalAIM

Although CalAIM will dominate KHS's attention over the next three years and appear prominent in the three-year strategic plan, other significant goals the Board would like to see accomplished may be added to the list of CalAIM initiatives for inclusion in the three -year strategic plan.

The strategic planning process begins with engaging an outside consultant to outline the steps Board and Management will take leading to a one-day session moderated by the consultant.

For continuity sake and CalAIM knowledge, Pacific Health Consulting Group (who assisted with developing the previous three strategic plans) will serve as our moderator.



The overarching themes of this one-day session should revolve around the changing healthcare environment (particularly CalAIM) and its impact to Kern Health Systems. From this evaluation, the Board will develop Goals and Strategies to position KHS for future success.

***Deliverables:***

- ***Q3 2022, KHS Board to receive overview of the process to be undertaken culminating with a new three-year Strategic Plan***
- ***Q3 2022, Board members will receive background information and questionnaire in preparation for upcoming Board of Directors strategic planning retreat.***
- ***Q3 2022, Board to participate in a one-day strategic planning retreat to be held onsite at Kern Health Systems***
- ***Q4 2022, from information and feedback obtained during the retreat, a draft version of the 2023 -2025 Three Year Strategic Plan will be sent to Board members for comment.***
- ***Q4 2022, Board to adopt the 2023 -2025 Three Year Strategic Plan***

**Goal 3 - Major Organ Transplants**

DHCS proposes to standardize managed care plan benefits, so that all Medi-Cal managed care plans provide the same benefit package by 2023. Some of the most significant changes are to carve-in institutional long-term care and major organ transplants into managed care statewide. Beginning in 2022, all major organ transplants, currently not within the scope of many Medi-Cal managed care plans, will be carved into all plans statewide for all Medi-Cal members enrolled with a health plan.

Historically, KHS was only responsible for administering transplant benefits for patients who needed a Kidney transplant. Since 2018, on average, 20 KHS members would undergo Kidney transplants annually. Besides being financially responsible for Kidney transplant, KHS will become responsible for heart, liver, lung and pancreas transplants as well.

In preparation for this occurrence, KHS will need to establish a transplant care coordination team to follow these patients after qualifying for an organ transplant. Patients will be assigned to the organ transplant program where they will be followed through their pre-transplant care, transplant



surgery and post discharge therapy and rehabilitation. Preliminary estimates are KHS could have upward of 100 patients at any given time participating in the transplant program.

***Deliverables***

- *Identify qualified major organ transplant centers with whom KHS will contract for transplant services by 3<sup>rd</sup> Quarter, 2021.*
- *Determine compensation arrangements and payment methodology with selected transplant centers 3<sup>rd</sup> Quarter, 2021.*
- *Negotiate an agreement for provision of transplant services with selected transplant centers by 4<sup>th</sup> Quarter, 2021.*
- *Determine internal staffing requirements for the KHS Transplant Program based on the #, type and time involved with coordinating and overseeing services provided to qualified patients participating in the KHS Transplant Program by 3<sup>rd</sup> Quarter, 2021.*
- *Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 4<sup>th</sup> Quarter, 2021*
- *Launch Major Organ Transplant Program by 1<sup>st</sup> Quarter, 2022.*
- *Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022)*

**Goal 4 - Selection of New Chief Executive Officer**

The transition of key employees, particularly the Chief Executive Officer (CEO) is one of the most formidable challenges an organization will face. In the CEO's case, the shift engenders a variety of adjustments including changes in style and sometimes substance. Each CEO makes his/her mark bringing about major directional, policy and priority revisions. As a rule, the longer and more successful the CEO, the more difficult the shift. This can be somewhat mitigated with a well thought out and effectively executed Succession Plan. Serving one of every three citizens, Kern Health Systems has experienced unprecedented growth over our current CEO's service tenure of



10 years to become Kern County's largest health plan. With success comes responsibility to assure there is a plan for leadership continuity. To achieve this Kern Health Systems will create a Search Committee charged with the responsibility to identify qualified candidates to replace the current retiring CEO. The following tasks and timeline were stipulated in the current CEO's

employment agreement and adopted by the Board of Directors to aid in locating a suitable replacement in a timely manner.

1. 12 months before the CEO's retirement date, the Board shall receive notification of the CEO's retirement date from the CEO.
2. Upon receiving notice, the Board shall appoint 5 Board members to serve as a Search Committee who will be responsible for searching for and recommending the finalist(s) for the CEO position to the Board.
3. Within 45 days following its appointment, the Search Committee shall engage a professional executive search firm to assist with recruitment. The Director of Employee Relations shall serve as KHS staff to the Committee to assist with locating and providing background information to qualified search firms experienced with recruiting qualified candidates for the CEO position. An appropriate competitive process shall take place to select the search firm to find qualified candidates for the position.
4. Within 90 days following engagement, the search firm will present its slate of qualified, screened candidates to the Committee for interview consideration.
5. Within 30 days, all selected candidates must be interviewed by the Search Committee.
6. Within 30 days of the conclusion of interviews and evaluation of the candidates, the finalist shall be presented to the Board for recommendation for hire and the candidate will receive an employment offer.



7. If the finalist declines the offer of employment or is otherwise unavailable, the candidate ranked next in order by the search firm shall be recommended for hire.
8. Within 30 days, KHS will receive a signed employment agreement leaving up to 4.5 months for the newly hired CEO to give sufficient notice (if currently employed) to his/her current employer.

The CEO agrees, for purposes of continuity, to serve as consultant to KHS for a period no less than 90 days following retirement.

***Deliverable***

- ***Locate a suitable replace for the CEO, Kern Health Systems.***

**Goal 5 – Medi-Cal Eligibility Expansion for 2022**

In 2022, Medi-Cal will shift several new and currently covered population categories to health plans like KHS including:

- Undocumented Adults over 50 (pending approval of legislation)
- Enrollees from Medi-Cal Fee-For-Service eligible population:
  - Accelerated Enrollment (AE)
  - Pregnancy Related (Title XIX)
  - American Indian
  - Beneficiaries in Rural Zip Codes
  - Beneficiaries with Other Healthcare Coverage

It's not known how many eligible members are represented in the over 50 undocumented population in Kern County. Consequently, KHS is unsure how many new eligible members will enroll with Kern Family Health Care from this group. There are approximately 60,000 potential members among the five groups moving from Medi-Cal Fee-For-Service to a Medi-Cal Managed Care Health Plan (MCMCHP).





For Kern County, beneficiaries will choose between Kern Health Systems (Kern Family Health Care) and HealthNet. Typically, when newly eligible members are given a choice 80 -85% select Kern Family Health Care (KFHC). Each newly eligible enrollee will receive an enrollment packet 90 days in advance of their effective date of coverage (January 1<sup>st</sup>, 2022). Eligible members failing to select a health plan, will be automatically assigned by the State to either HealthNet or KFHC. Those coming to KFHC, are randomly assigned to Kern Medical, Omni Family Health and Clinica Sierra Vista (Safety Net Providers).

It is estimated approximately 20% will fail to select and will automatically be enrolled with one of the two available health plans. When this happens, members may change the State's default selection anytime. For those who change, it's been KHS's experience we gain four members for each member lost to HealthNet.

***Deliverables:***

- *Provide information and support to community-based organizations enrolling newly eligible members into full scope Medi-Cal by 1<sup>st</sup> Quarter, 2022.*
- *Initiate enrollment of newly eligible Medi-Cal members starting in 2<sup>nd</sup> Quarter, 2022.*

***\*Dates may change based on final APL adoption and allowable timeframe for implementation***

**Goal 6 – Prescription Drug Benefit Carved Out from Managed Care Plans**

The transition to a State operated pharmacy administrator was scheduled to take effect at the beginning of 2021. However, the State delayed implementation. It is believed the delay will be lifted shortly and a new transition date established. The new date will likely occur sometime 1<sup>st</sup> quarter, 2022. Despite the year delay, KHS fully expects the State to move forward with their original plan.

Therefore, beginning 2022, with few exceptions, the Medi-Cal prescription drug benefit will be administered by the State in partnership with Magellan Medicaid Administration. For managed care health plans like KHS, this will mean a diminished role in the administration and distribution of the pharmacy benefit. However, under certain circumstances and in specific situations, managed



care plans (MCP) will continue to administer the Medi-Cal pharmacy benefit. Transitioning to this new arrangement will again start sometime during the last quarter of this year and continue to a smaller extent in 2022. The transition to the new arrangement with realignments in place is expected to be finished by the end of 1<sup>st</sup> quarter, 2022.

Though the claims processing/payment and authorization for outpatient drugs will fall to the State, the KHS is expected to continue case management, Drug Utilization Review, Medication Therapy Management, and other related activities. Quality measures that involve administrative pharmacy data will also be activities the plans will be required to meet.

Assuming the State moves to transfer pharmacy administration responsibilities to Magellan 1<sup>st</sup> quarter, KHS will need to undertake the following changes in preparation for this change and the modified responsibilities remaining with KHS.

**Deliverables:**

- *Continue to exchange data and reinstitute integration procedures to current system application (ongoing)*
- *Incorporate Operational readiness for Member Services, Provider Network Management, Health Services, Claims Adjudication, and Business Intelligence beginning 1<sup>st</sup> Quarter, 2022*
- *Transition Pharmacy Operations for outpatient pharmacy processing only beginning 1<sup>st</sup> Quarter, 2022*
- *Complete transition for TAR drugs or grandfathering medications by 2<sup>nd</sup> Quarter, 2022*
- *Continue to perform run out activities for outpatient pharmacy through 1<sup>st</sup> Quarter, 2022.*
- *Complete Member and Provider transition for outpatient pharmacy from KHS to Magellan by beginning of 1<sup>st</sup> Quarter, 2022*
- *Transition department to providing ongoing support to members and providers for pharmacy prescription benefits remaining the responsibility of KHS (ongoing)*



**Goal 7 - CalAIM Incentive Payment Program**

CalAIM’s Enhanced Care Management (ECM) and In Lieu Of Services (ILOS) programs will launch in January 2022, requiring significant new investments in care management capabilities, ILOS infrastructure, information technology (IT), data exchange, and workforce capacity for both health plans and providers. Incentives will be available over the next three years to help pay for these investments. DHCS has designed the proposed incentive payment approach with the goal of issuing initial payments to health plans beginning in January 2022 for the achievement of defined milestones such as:

- Build appropriate and sustainable ECM and ILOS capacity
- Drive health plan investment in necessary delivery system infrastructure
- Incentivize health plans to progressively engage in development of ILOS
- Bridge current silos across physical and behavioral health delivery
- Reduce health disparities and promote health equity
- Achieve improvements in quality performance

DHCS will use the following 8 guidelines for designing their incentive payment program:

1. Develop a clear incentive payment allocation methodology where all plans have an opportunity to participate equitably
2. Set ambitious, yet achievable measure targets
3. Ensure efficient and effective use of all performance incentive dollars
4. Drive significant investments in core priority areas up front
5. Minimize administrative complexity
6. Address variation in existing infrastructure and capacity between Whole Person Care and Health Home Programs
7. Ensure use of incentive dollars does not overlap with other DHCS incentive programs or with services funded through the rates



8. Measure and report on the impact of incentive funds

Incentive payments will be distributed over three payment cycles each year of the incentive program following determining the maximum potential annual incentive dollar amount for each health plan like KHS.

Beginning in 2021, KHS will create its incentive program focused on the following priority areas:

- Create / enhance delivery system infrastructure for health plan's, ECM and ILOS provider health information technology and data exchange required for ECM and ILOS
- Build ECM capacity with incentives to fund ECM workforce, training, technical assistance, workflow development, operational requirements, and oversight
- Build ILOS capacity with incentives to fund ILOS workforce, training, technical assistance, workflow development, operational requirements, and oversight

Each priority will have measurable outcomes to show progress toward achieving expectations. Awards will be based on achievement and payment will follow when evidence is provided showing outcomes were met.

*Deliverables*

- *Following DHCS's priorities, complete a "Gap / Need Assessment" to determine what is necessary to meet structural and capacity requirements to fulfill ECM and ILOS objectives under CalAIM by 4th Quarter, 2021*
- *Submit to DHCS, the "Gap-Filling Plan" outlining implementation approach to address gaps and needs by 4<sup>th</sup> Quarter, 2021.*
- *Implement the "Gap-Filling Plan" outlining implementation approach to address gaps and needs by 1<sup>st</sup> Quarter, 2022*
- *Create performance monitoring capability to measure the "Gap-Filling Plan success by as defined as demonstrated performance against measure targets linked to achievement of "Gap-Filling Plan" milestones by 1<sup>st</sup> Quarter, 2022*
- *Create an earned incentive payment mechanism around DHCS reporting requirements to demonstrate when incentives are earned by 2<sup>nd</sup> Quarter, 2022*



**Goal 8 - Instituting Telehealth as New (Permanent) Medi-Cal Benefit**

The Governor’s Budget proposes to make permanent and expand certain telehealth flexibilities currently in place due to COVID-19. Telehealth has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay at home order. DHCS will make telehealth (audio services) a permanent benefit effective 2022.

Specifically, DHCS proposes:

- Establishing a distinct rate for audio-only telehealth services
- Authorizing audio-only telehealth reimbursement for FQHCs to allow telehealth services to be provided in the patient’s home.
  - Currently payment is restricted to clinical onsite services only
  - FQHCs would have their own rate for telephonic care
- Providing for remote patient monitoring as an option for established patients (subject to a separate fee schedule and not including FQHCs)
- Establishing specific utilization management protocols for all telehealth services
- allowing use of telehealth to meet network adequacy standards in health plans (revise the alternate access standards (AAS) submission process accordingly)

With a large portion of Kern County designated as a medically underserved geographical area, KHS is challenged with meeting access standards based on the size of our enrolled population and provider availability. Allowing including Telehealth services to our provider count will favorably impact service access and improve our scores.

**Deliverables**

- *Determine the impact to the participating provider network by 4<sup>th</sup> Quarter, 2021.*



- *Determine the impact to KHS, its policy, procedures, protocols, tracking and reporting by 4<sup>th</sup> Quarter, 2021*
- *Inform participating providers telehealth will become a permanent benefit effective 2022 under Medi-Cal by 4<sup>th</sup> Quarter, 2021*
- *Convey logistical information about the benefit and procedures providers will need to follow when using telehealth services and receiving payment for telehealth services by 1<sup>st</sup> Quarter, 2022*
- *Inform members that telehealth will be added to their Medi-Cal benefits explaining what it is, why it is beneficial and how this service will be provided and used for the member's benefit by 1<sup>st</sup> Quarter, 2022*
- *Post implementation, audit each activity to ensure installation and performance meets KHS and government agencies expectations (ongoing over 2022)*

*\*Dates may change based on final APL adoption and allowable timeframe for implementation*



**To: KHS Board of Directors**

**From: Isabel Silva, MPH**

**Date: February 10, 2022**

**Re: 2022 School Wellness Grant Program**

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**Background**

The KHS Wellness Committee established a School Wellness Grant Program in 2017 to address obesity and chronic disease in the community through school wellness programs. Each year the Wellness Grant Program was expanded introducing a broad range of school-based initiatives around good nutritional habits and physical activity contributing to the improved health and wellbeing of children. Added shortly after its inception was a college level internship program to aid in the assistance and accomplishment of each schools' goals under the Grant. Interns are selected from Bakersfield College and CSUB serving one year. Besides receiving a stipend from KHS, students may use their experience for credit toward their degree.

KHS awarded \$211,000 in grant funds to seven public school sites to implement wellness programs during the 2019-20 academic year. Due to the pandemic, KHS approved an extension through the 2020-21 academic year to allow the awarded schools to complete their remaining program activities. The awarded schools were Curran Middle School, Kelly F. Blanton Education Center, Rafer Johnson Community Day School, and Williams Elementary School in Bakersfield, Terrace Elementary School in Delano, Woodrow E. Wallace Elementary School in Lake Isabella, and Standard School District in Oildale. Each school pursued different evaluation metrics to determine success around social emotional learning, nutrition, physical activity and outdoor safety. Results demonstrated reduction in student discipline referrals, improvement in peer relationships and academic performance, and increased levels of physical activity and knowledge on nutrition, outdoor safety and gardening. The KHS Wellness Committee approved continuation of the grant program to additional schools starting with the 2022-23 academic year, extending the length of the grant program to 2 years to allow awarded schools more time to operationalize their program, continuing the School Wellness Internship Program and increasing the total funding for 2 years to \$350,000. Funding for the 2022 Grant Program was approved as part of the overall KHS 2022 budget.

Enclosed is a presentation summarizing the Grant Program results from the school-based initiatives for the academic years 2019 -2020 and 2020-2021. Presented also, is the 2022 proposed Grant Program extension.

**Requested Action**

Receive and File.



# School Wellness Grant Program

Isabel Silva, MPH, CHES

Director of Health Education, Cultural & Linguistic Services

February 10, 2022



# Background

- Initiation of a School Wellness Grant Program to expand efforts to engage students and stakeholders in activities that promote physical activity, healthy eating and social and emotional learning during the 2019-21 Academic Year.
- 7 Public Schools Awarded (\$210,000 Grant Funds):
  - Curran Middle School (BCSD)
  - Rafer Johnson Community Day School (BCSD)
  - Williams Elementary School (BCSD)
  - Blanton Education Center
  - Standard School District
  - Terrace Elementary School (Delano)
  - Wallace Elementary School (Lake Isabella)
- 7 School Health Promoter Interns Hired (\$38,000)
  - Students attend CSUB or Bakersfield Community College



*Rafer Johnson School garden*

## Results – Bakersfield City School District

Williams Elementary (TK-5)	Curran Middle (6-8)	Rafer Johnson Community Day School (K-8)
<ol style="list-style-type: none"> <li>1. All staff receive SEL training on Toolbox and Classroom Circles curriculum. Average observed implementation was 85% which exceeded goal of 80% compliance.</li> <li>2. Suspension rate decreased from 3.5% to &lt;1%. Office Discipline Referral rate ↓ from 12.8% to 6.8%</li> <li>3. Incidents related to:                             <ul style="list-style-type: none"> <li>• Intentional assault against staff and class disruption= ↓ 82%.</li> <li>• Uncooperative behavior = ↓ 90%.</li> <li>• Threatening physical injury= ↓ 89%</li> <li>• Physical aggression= ↓ 64%</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. 13% ↑ in academic performance for the BOLD students 8% higher than the 5% originally projected.</li> <li>2. Home visits had a 75% completion rate.</li> <li>3. There was 18% ↓ vs the 20% increase in teacher confidence in SEL due to the distance learning.</li> <li>4. Overall 75-90% BOLD student participation</li> </ol>	<ol style="list-style-type: none"> <li>1. Water filling station installed to encourage drinking water instead of soda and other sugary beverages among students and staff.</li> <li>2. School garden installed and used for nutrition lessons and hands on activities. Each classroom assigned a garden bed to grow and harvest vegetables, fruits and herbs.</li> <li>3. School-wide average mile run time ↓ by 13% (2 minute reduction).</li> <li>4. Unable to assess sugary beverage consumption and nutritional habits post intervention due to lack of student and teacher participation during distance learning.</li> </ol>

## Results – Kern County Superintendent of Schools & Standard School District

Blanton Education Center (K-12)	Standard School District (TK-8)
<ol style="list-style-type: none"> <li>1. 70% of student population participated in the school wellness program. Participation in the running club ↑ by 271% before the COVID-19 shutdown.</li> <li>2. 44 students earned a certificate of completion for the Enright Sun Safety online course.</li> <li>3. 93% of Bridges students including 100% of Cooking Club participants earned ServSafe certifications.</li> <li>4. Farm-to-Table knowledge ↑ by 43%. 75% of the students improved their knowledge of soil, light and water requirements when growing food. 73% of students in the Lifespan Development class improved their knowledge scores by 30% or greater.</li> <li>5. Shade structure installed for play cooking, nutrition instruction, and sun safety. Students prepared vegetable planters and flowers for toddlers to watch the plants grow, water the garden, and taste the vegetables.</li> <li>6. 64% ↓ in student behavioral issues requiring officer intervention at Bridges and Blanton.</li> </ol>	<ol style="list-style-type: none"> <li>1. All middle school teachers were trained on SEL curriculum: Second Step. Lessons were implemented in at least 85% of classrooms, according to initial survey.</li> <li>2. All teachers at one elementary and 25% of teachers at 2 other elementaries (pilots) were trained on SEL curriculum: MindUP. Although implementation of MindUP in elementary schools was low, initial surveys demonstrate 100% of trained teachers implemented some type of SEL activities.</li> <li>3. Teachers were trained on other evidence-based, behavior analytic SEL curriculum: Accept Identify Move (AIM).</li> <li>4. Implementation of SEL activities averaged at 85% at elementaries and 55% in middle schools from 2019-2021.</li> <li>5. MTSS leadership team participated in Training of Trainers on Acceptance and Commitment Therapy and Behavior Analytic SEL curriculum.</li> </ol>

## Results – Delano Union School District & Kernville Unified School District

Terrace Elementary (K-6)	Wallace Elementary (TK-5)
<ol style="list-style-type: none"> <li>Over 500 students and staff received reusable water bottles and 4 water filling stations installed on campus. All students gained knowledge in hydration and nutrition.</li> <li>All students participated with the 100-mile club during in-person learning. Virtual field day and physical activity challenges posted to school’s Flipgrid.</li> <li>16 garden boxes built on campus by students and staff (1 per classroom). At-home gardening supplies and lesson plans distributed to students and parents during distance learning.</li> <li>Interactive SEL Google Classroom site and weekly newsletters developed for students and parents. Second Step curriculum purchased to address SEL among teachers and students.</li> </ol>	<ol style="list-style-type: none"> <li>Students ↑ their walking distances by 20%. Over 1/3 (38%) of the students walked more than 60 miles by March 2020.</li> <li>All students ↑ their water intake by 50%.</li> <li>Over 100 families participated in the family bonding/cooking nights.</li> <li>Outdoor safety education was expanded from water safety to include sun safety and hand washing.</li> <li>Unable to determine if there was a reduction in BMI among any students due stay-at-home order and distance learning.</li> </ol>



# Interns



- 4 completed internship program
- Positive feedback from schools
- Facilitated group sessions with students and parents
- Final presentation on internship experience completed
- 100% positive feedback from interns
- Benefit of Internship Experience:
  - New acceptance into CSU Channel Islands for BPH
  - New acceptance into CSU Los Angeles for MPH
  - New employment at a Public Health Dept and KCSOS
  - Career in school counseling



# Success Highlights

- **Student health and wellness**

- Knowledge improvement on healthy meal preparation, Farm-to-Table, preparing and serving food safely
- Walking/Running clubs, Fun Run community events
- High student participation in courses for hygiene, water and sun safety
- Family nights, student field trips and home visits
- Installation of new drinking water stations and distribution of reusable water bottles
- School gardens



*Blanton Ed Center Running Club*



*Blanton Ed Center Cooking Club*

- **Social and Emotional Learning**

- Staff and teacher training
- Improvement in student behaviors and peer relationships
- Reduction in student discipline referrals
- Student and family wellness messages via Google classrooms, school website and newsletters

# Program Challenges



*Williams Elementary Bathroom Murals (girls)*

- **COVID-19 & Technology**
- **Parents and staff**
  - Lack of parent involvement, staff commitment and communication
  - Competing priorities of program leads and parents
  - Staffing changes – new principals and program leads
  - Intern access restrictions to school systems, students and teachers due to district policies

- **Implementation & Data Collection**
  - Lack of SMART goals and objectives
  - Slow progress on completion of work plan activities
  - Inability to collect post intervention data
- **Budget**
  - Schools unable to access funds
  - Restricted purchases due to district policies



*Williams Elementary Bathroom Murals (boys)*



## 2022 Grant Program Changes:

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- Initiate a 2-year grant program to allow more time to implement activities, collect data and evaluate success of program
- Work with awarded schools to revise work plans to include SMART objectives to better measure success and challenges
- Conduct a group onboarding in-service for all awarded schools on grant program expectations, report submission deadlines and reporting formats
- Work with the schools to develop a communication plan to staff, teachers, students and parents
- Allow schools to budget for extra help staff to assist with implementation, tracking and monitoring of work plan activities
- Meet with the school district's purchasing and finance departments on approved budget to prevent delays in ordering and receipt of budgeted items.

*Wallace Elementary Walking Incentive*



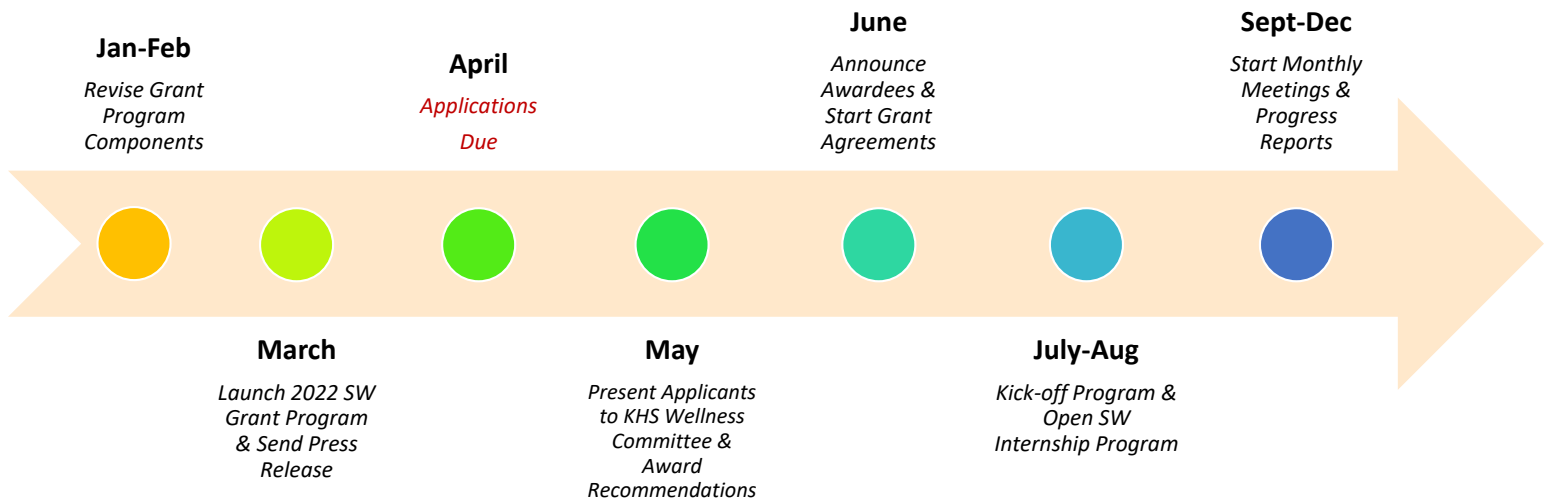


Curran Middle School BOLD Program

## 2022 Internship Program Changes

- Initiate a 2-year internship
- Role redefined to focus experiences on:
  - Tracking and monitoring school progress
  - Research, data collection and analysis
  - Identifying barriers and problem solving
  - Meeting coordination and group discussions
  - Public speaking and presentations
  - Development of community education and engagement messaging

# 2022 Timeline



## Grant Program Budget Approved by KHS Wellness Committee

Item	Cost
School Wellness Grant Programs	\$300,000
Internship	\$50,000
<b>TOTAL:</b>	<b>\$350,000</b>

- New Changes:
  - 2-year grant program. Up to \$50,000 per awarded school
  - 2-year Internship for college-level students

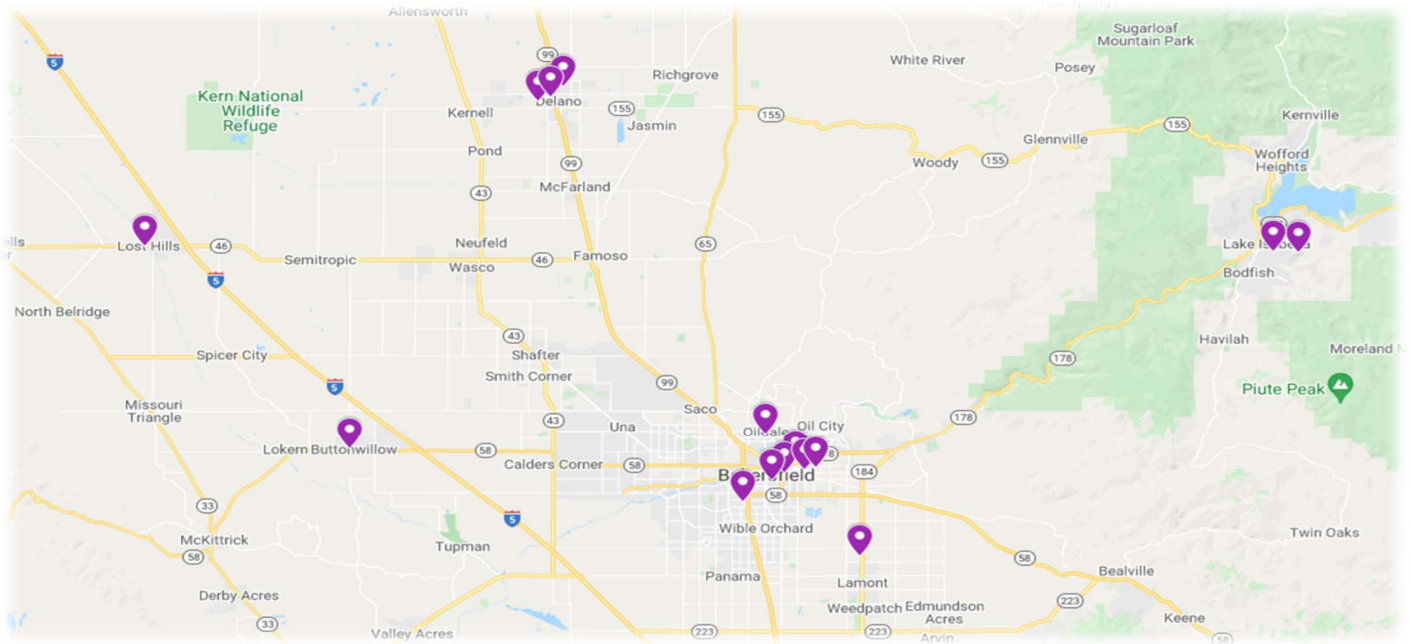
# Questions?

Isabel Silva, MPH, CHES

Director of Health Education, Cultural and Linguistic Services

[isabel.silva@khs-net.com](mailto:isabel.silva@khs-net.com)

661-664-5117



*KHS Grant Funded School Wellness Programs*





**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 10, 2022**

**Re: Quarterly Review of Kern Health Systems Investment Portfolio**

---

**Background**

The Kern Health Systems (“KHS”) Investment Policy stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

The investment portfolios are designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. KHS currently maintains the following investment portfolios:

**Short-Term Portfolio (Under 1 year)**

Funds held in this time frame are typically utilized to pay providers, meet operating expenses and fund capital projects. Additionally, extra liquidity is maintained in the event the State is late with its monthly capitation payment.

**Long-Term Portfolio (1-5 years)**

Funds held in this time frame are typically for reserves and to take advantage of obtaining higher yields.

**Requested Action**

Receive and File.

**Kern Health Systems  
Investment Portfolio  
December 31, 2021**

**Short Term Portfolio (under 1 year)**

Funds held in this time frame are typically utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals and/or support to be paid and monies owed to the State for MCO Taxes. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.

<u>Description</u>		<u>Dollar Amount</u>	<u>% of Portfolio</u>	<u>Maximum Allowed Per Policy</u>	<u>Approximate Current Yield</u>	<u>Liquidity</u>	<u>Principal Fluctuation</u>
Wells Fargo - Cash		(1) \$ 3,300,000	1.15%	100%		1 Day	None
Money Market Accounts	(A)	(1) \$ 13,100,000	4.58%	40%	0.01%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2) \$ 73,800,000	25.79%	50%	0.21%	2 Days	None
US T-Bills & Federal Agencies at Wells Fargo		(1) \$ 120,000,000	41.93%	100%	0.04%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1) \$ 25,000,000	8.74%		0.18%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 235,200,000	82.18%		0.11%		

**Long Term Portfolio (1 - 5 years)**

Funds held in this time frame are typically for reserves and to take advantage of obtaining higher yields.

UBS Managed Portfolio	(D)	\$ 51,000,000	17.82%		0.85%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ -	0.00%		0.00%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 51,000,000	17.82%		0.85%		
<b>Total Portfolio</b>		<b>\$ 286,200,000</b>	<b>100.00%</b>		<b>0.24%</b>		

**Yield Curve**

<u>Yield Curve</u>	<u>Treasur</u>	<u>AA Corporate Bonds</u>	<u>A Corporate Bonds</u>	<u>CD's</u>
1 year	0.38%	0.40%	0.50%	0.25%
2 year	0.73%	0.88%	0.93%	0.60%
3 year	0.96%	1.15%	1.23%	0.90%
5 year	1.26%	1.53%	1.68%	1.15%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
  - (B) LAIF is part of a \$181 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.
  - (C) High quality diversified portfolio comprising commercial paper, corporate bonds and notes.
  - (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, US Treasury and Municipal Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.
- (1) Funds are utilized to pay providers, meet operating expenses, distribute pass-through monies waiting for additional approvals/support, amounts owed to the State for MCO Taxes, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.
  - (2) Funds are primarily utilized to fund various Grant Programs and 2022 capital projects.



# UBS Client Review

as of December 31, 2021

**Branch office:**  
9201 Camino Media  
Suite 230  
Bakersfield, CA 93311

**Financial Advisor:**  
The Cohen Group  
(661) 663-3233

**Prepared for**  
Kern Health Systems

## Accounts included in this review

Account	Name	Type
EX XX120	• BOND PORTFOLIO	• Portfolio Management Program
Risk profile:	Conservative	
Return Objective:	Current Income	

## What's inside

Portfolio review .....	2
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Asset allocation review .....	6
Bond summary .....	7
Bond holdings .....	8
Additional information about your portfolio .....	13
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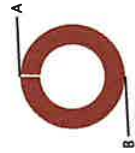
# Portfolio review

as of December 31, 2021

## Asset allocation review

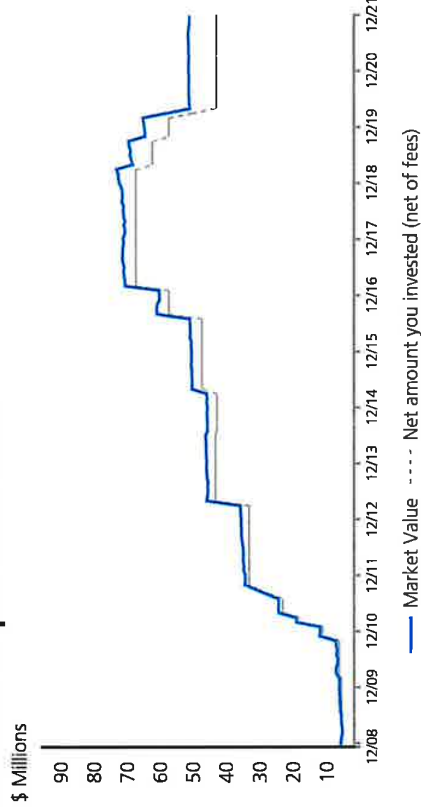
	Value on 12/31/2021 (\$)	% of Portfolio
<b>A Cash</b>	<b>264,815.53</b>	<b>0.52</b>
Cash	264,815.53	0.52
<b>B Fixed Income</b>	<b>50,779,497.84</b>	<b>99.48</b>
US	50,779,497.84	99.48
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$51,044,313.37</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

## Sources of portfolio value



## Portfolio value and investment results

	Performance returns (annualized > 1 year)			
	For the period of 12/31/2020 to 03/31/2021	For the period of 06/30/2021 to 09/30/2021	For the period of 09/30/2021 to 12/31/2021	For the period of 12/31/2020 to 12/31/2021
<b>Opening value</b>	<b>51,314,838.66</b>	<b>51,290,289.38</b>	<b>51,312,945.47</b>	<b>51,340,721.83</b>
Net deposits/withdrawals	-16,449.05	-16,623.68	-16,813.78	-16,822.88
Div./interest income	158,305.49	199,253.40	142,171.96	316,014.55
Change in accr. interest	35,203.97	-3,453.30	87,252.73	-83,002.02
Change in value	-201,609.70	-156,520.33	-184,834.55	-512,598.10
<b>Closing value</b>	<b>51,290,289.38</b>	<b>51,312,945.47</b>	<b>51,340,721.83</b>	<b>51,044,313.37</b>
Net time-weighted ROR	-0.05	0.04	0.05	-0.58

Net deposits and withdrawals include program and account fees.

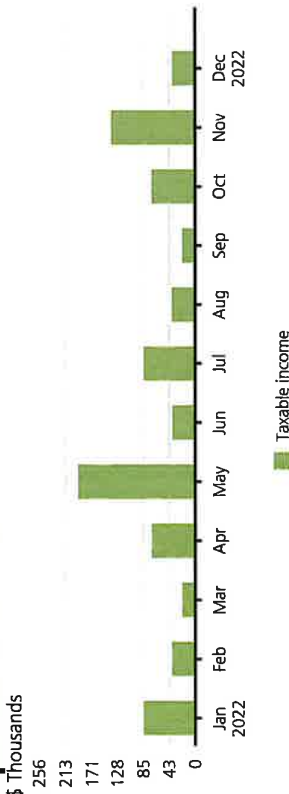
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.





Portfolio review - as of December 31, 2021 (continued)

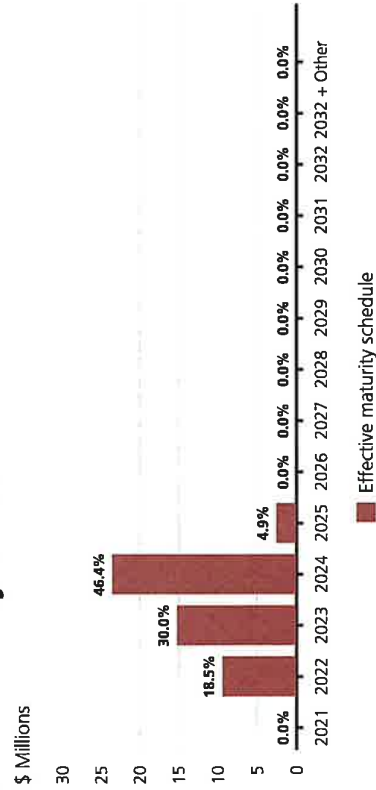
**Expected cash flow**



Total taxable income: \$861,070.25  
 Total expected cash flow: \$861,070.25

Cash flows displayed account for known events such as maturities and mandatory puts.

**Bond maturity schedule**



Cash, mutual funds and some preferred securities are not included.  
 Effective maturity schedule

**Equity sector analysis**

Compared to S&P 500 index

	Value on 12/31/2021 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	10.29	-10.29
Consumer Discretionary	0.00	0.00	13.44	-13.44
Consumer Staples	0.00	0.00	6.33	-6.33
Energy	0.00	0.00	2.76	-2.76
Financials	0.00	0.00	10.62	-10.62
Health Care	0.00	0.00	12.69	-12.69
Industrials	0.00	0.00	7.78	-7.78
Information Technology	0.00	0.00	28.51	-28.51
Materials	0.00	0.00	2.50	-2.50
Real Estate	0.00	0.00	2.63	-2.63
Utilities	0.00	0.00	2.35	-2.35
<b>Total classified equity</b>	<b>\$0.00</b>			
Unclassified Securities	0.00			

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: January 05, 2022



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

Portfolio review - as of December 31, 2021 (continued)  
**Summary of performance by account**

		Performance returns (annualized > 1 year)					
	Performance start date	Value on 12/31/2021 (\$)	% of portfolio	For the period of 12/31/2020 to 03/31/2021	For the period of 03/31/2021 to 06/30/2021	For the period of 06/30/2021 to 09/30/2021	For the period of 09/30/2021 to 12/31/2021
EX XX120	BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV	51,044,313.37	100.00%	-0.05%	0.04%	0.05%	-0.58%
	Risk profile: Conservative						
	Return objective: Current Income						
<b>Total Portfolio</b>	<b>Dec 08, 2008</b>	<b>\$51,044,313.37</b>	<b>100%</b>	<b>-0.05%</b>	<b>0.04%</b>	<b>0.05%</b>	<b>-0.58%</b>
<b>Benchmarks - Annualized time-weighted returns</b>							
Blended Index				For the period of 12/31/2020 to 03/31/2021	For the period of 03/31/2021 to 06/30/2021	For the period of 06/30/2021 to 09/30/2021	For the period of 09/30/2021 to 12/31/2021
Blended Index 2				-0.03%	0.15%	0.12%	-0.55%
US Treasury Bill - 3 Mos				0.01%	0.10%	0.07%	-0.28%
Barclays US Agg 1-3Y				0.02%	0.00%	0.01%	0.01%
S&P 500				-0.07%	0.05%	0.09%	-0.56%
				6.17%	8.55%	0.58%	11.03%

Blended Index: 11/04/2019 - Current: 45% Barclays Corp 1-3Y; 55% Barclays Govt/Credit 1-3Y Blended Index 2: Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos  
 Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: January 05, 2022



# Asset allocation by account

as of December 31, 2021

**EX XX120 - BOND PORTFOLIO - Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

	Equities (\$/%)				Fixed Income (\$/%)				Commodities (\$/%)	Non-Traditional (\$/%)	Other (\$/%)	Total
	Cash (\$/%)	U.S.	Global	International	U.S.	Global	International	Other (\$/%)				
<b>Total Portfolio</b>	<b>264,815.53</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,779,497.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$51,044,313.37</b>
		<b>0.52</b>	<b>0.00</b>	<b>0.00</b>	<b>99.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>

EX XX120 - BOND PORTFOLIO - BSA PMP

Risk profile: Conservative  
 Return objective: Current Income

	Equities (\$/%)				Fixed Income (\$/%)				Commodities (\$/%)	Non-Traditional (\$/%)	Other (\$/%)	Total
	Cash (\$/%)	U.S.	Global	International	U.S.	Global	International	Other (\$/%)				
<b>Total Portfolio</b>	<b>264,815.53</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,779,497.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$51,044,313.37</b>
		<b>0.52</b>	<b>0.00</b>	<b>0.00</b>	<b>99.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100.00%</b>

Balanced mutual funds are allocated in the 'Other' category



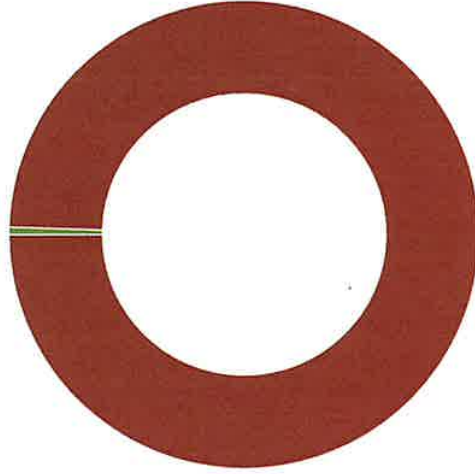
# Asset allocation review

as of December 31, 2021

## Summary of asset allocation

	Market value (\$)	% of Portfolio
<b>Cash</b>	<b>264,815.53</b>	<b>0.52</b>
Cash	264,815.53	0.52
US	264,815.53	0.52
<b>Fixed Income</b>	<b>50,779,497.84</b>	<b>99.48</b>
US	50,779,497.84	99.48
Government	3,977,605.56	7.79
Corporate IG Credit	46,801,892.28	91.69
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$51,044,313.37</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category



Cash 0.52%  
US Fixed Income 99.48%

**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
Prepared for Kern Health Systems  
Risk profile: Conservative  
Return Objective: Current Income



# Bond summary

as of December 31, 2021

## Bond overview

Total quantity	49,689,000
Total market value	\$50,562,421.85
Total accrued interest	\$217,075.99
Total market value plus accrued interest	\$50,779,497.84
Total estimated annual bond interest	\$917,059.00
Average coupon	1.87%
Average current yield	1.81%
Average yield to maturity	0.93%
Average yield to worst	0.85%
Average modified duration	1.84
Average effective maturity	1.97

## Credit quality of bond holdings

Effective credit rating	Issues	Value on 12/31/2021 (\$)	% of port.
A Aaa/AAA/AAA	5	7,933,707.82	15.67
B Aa/AA/AA	2	3,972,838.78	7.85
C A/A/A	28	37,828,951.80	74.43
D Baa/BBB/BBB	1	1,043,999.44	2.06
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	0	0.00	0.00
<b>Total</b>	<b>36</b>	<b>\$50,779,497.84</b>	<b>100%</b>

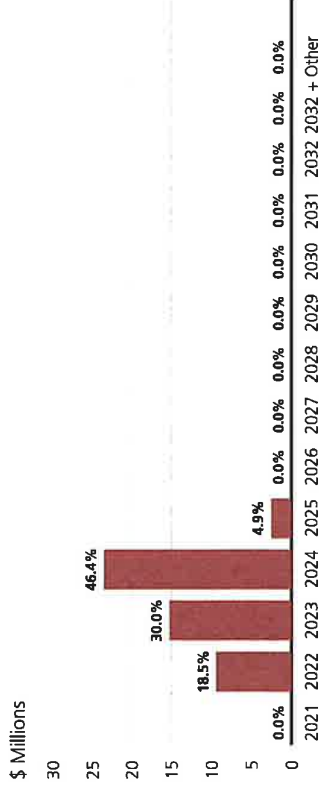


**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for **Kern Health Systems**  
 Risk profile: **Conservative**  
 Return Objective: **Current Income**

## Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	46,801,892.29	0.00	46,801,892.29	92.17
U.S. federal agencies	3,977,605.56	0.00	3,977,605.56	7.83
<b>Total</b>	<b>\$50,779,497.85</b>	<b>\$0.00</b>	<b>\$50,779,497.85</b>	<b>100%</b>

## Bond maturity schedule



■ Effective maturity schedule  
 Cash, mutual funds and some preferred securities are not included.

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.  
 Report created on: January 05, 2022



# Bond holdings

as of December 31, 2021

**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

## Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2021	0	0			NA	NA	NA				
2022	7	9,289,000	207,368.50	2.21%	0.43%	0.38%	0.46	9,323,908.26	43,484.59	9,421,452.18	18.53%
2023	9	15,250,000	103,328.00	0.68%	0.84%	0.71%	1.51	15,299,106.02	-97,726.52	15,231,036.02	30.06%
2024	19	22,750,000	531,362.50	2.26%	1.13%	1.08%	2.51	23,750,559.36	-277,869.86	23,573,132.97	46.42%
2025	1	2,400,000	75,000.00	2.98%	1.44%	1.29%	2.68	2,552,221.45	-31,261.45	2,553,876.67	4.99%
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2050 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
<b>Total</b>	<b>36</b>	<b>49,689,000</b>	<b>\$917,059.00</b>	<b>1.81%</b>	<b>0.93%</b>	<b>0.85%</b>	<b>1.84</b>	<b>\$50,925,795.09</b>	<b>\$-363,373.24</b>	<b>\$50,779,497.84</b>	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of December 31, 2021 (continued)

**Details of bond holdings**

Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. gr (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
	<b>49,689,000</b>	<b>1.87%</b>	<b>12/21/2023</b>	<b>NA</b>	<b>\$917,059.00</b> <b>1.81%</b>	<b>0.93%</b> <b>0.85%</b>	<b>1.84</b> <b>\$50,925,795.0</b>	<b>\$-363,373.24</b>	<b>NA</b>	<b>\$50,562,421.85</b> <b>\$217,075.99</b>	<b>100%</b>
<b>Total Bond Portfolio</b>											

Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. gr (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2022</b>											
PEPSICO INC NTS B/E 02.250%	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50 2.24%	0.86%	0.25	1,087,301.16 6,762.69	100.465	1,094,063.85 4,015.69	2.16%
050222 DTD050217 FC110217 CALL@MMW+10BP											
CATERPILLAR FINL SERVICE	1,500,000	0.95%	05/13/2022		14,250.00 0.95%	0.32%	0.36	1,501,403.39 2,031.61	100.229	1,503,435.00 1,900.00	2.97%
00.950% 051322 DTD051520 FC111320 CALL@MMW+15BP											
IBM CORP NTS B/E 02.850%	1,500,000	2.85%	05/13/2022		42,750.00 2.82%	0.35%	0.36	1,514,456.75 -731.75	100.915	1,513,725.00 5,462.50	2.99%
051322 DTD051519 FC111519 CALL@MMW+10BP											
QUALCOMM INC NTS B/E 03.000%	1,000,000	3.00%	05/20/2022		30,000.00 2.97%	0.39%	0.38	1,002,416.19 7,623.81	101.004	1,010,040.00 3,416.67	2.00%
052022 DTD052015 FC112015 CALL@MMW+15BP											
UNITEDHEALTH GROUP INC	1,700,000	3.35%	07/15/2022		56,950.00 3.30%	0.36%	0.52	1,727,707.41 -371.41	101.608	1,727,336.00 26,260.28	3.42%
03.350% 071522 DTD072315 FC011516 CALL@MMW+20BP											
HONEYWELL INTL INC NTS	200,000	0.48%	08/19/2022		966.00 0.48%	0.48%	0.63	200,122.36 -120.36	100.001	200,002.00 354.20	0.40%
00.483% 081922 DTD081920 FC021921 CALL@MMW+5BP											
WALT DISNEY CO NTS B/E 01.650%	2,300,000	1.65%	09/01/2022		37,950.00 1.64%	0.42%	0.66	2,290,501.00 28,290.00	100.817	2,318,791.00 12,650.00	4.59%
090122 DTD090619 FC030120											
<b>Total 2022</b>											
	<b>9,289,000</b>	<b>2.24%</b>	<b>06/23/2022</b>		<b>\$207,368.50</b> <b>2.21%</b>	<b>0.43%</b> <b>0.38%</b>	<b>0.46</b> <b>\$9,323,908.26</b>	<b>\$43,484.59</b>		<b>\$9,367,392.85</b> <b>\$54,059.33</b>	<b>18.53%</b>

Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. gr (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2023</b>											
JPMORGAN CHASE & CO NTS	1,150,000	2.97%	01/15/2023	01/15/2022	34,178.00 2.97%	2.90%	0.03	1,166,336.40 -15,542.90	100.069	1,150,793.50 15,759.86	2.28%
02.972% 011523 DTD120816 FC071517 CALL@MMW+20BP											

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

**Bond holdings - as of December 31, 2021 (continued)**

Underlying rating/ (Mdy/Fitch/S&P)	Effective rating/ (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Maturing 2023</b>												
PEPSICO INC NTS B/E 00.750% 050123 DTD050120 FC110120 CALL@MW+10BP	A1/MW/A+ NR/NR/NR	1,500,000	0.75%	05/01/2023		11,250.00 0.75%	0.65%	1.32	1,508,724.79 -6,684.79	100.136	1,502,040.00 1,875.00	2.97%
APPLE INC NTS B/E 00.750% 051123 DTD051120 FC111120 CALL@MW+10BP	Aaa/NR/A+ NR/NR/NR	3,000,000	0.75%	05/11/2023		22,500.00 0.75%	0.54%	1.35	3,017,553.37 -9,123.37	100.281	3,008,430.00 3,125.00	5.95%
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	A2/A+ NR/NR/NR	1,000,000	0.70%	07/05/2023		7,000.00 0.70%	0.72%	1.49	1,005,208.50 -5,448.50	99.976	999,760.00 3,422.22	1.98%
PACCAR FINANCIAL CORP 00.350% 081123 DTD081120 FC021121 MED TERM NTS	A1/NR/A+ NR/NR/NR	2,000,000	0.35%	08/11/2023		7,000.00 0.35%	0.85%	1.59	2,000,000.00 -15,960.00	99.202	1,984,040.00 2,722.22	3.92%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	A1/NR/A+ NR/NR/NR	600,000	0.40%	10/07/2023		2,400.00 0.40%	0.70%	1.75	601,798.68 -5,002.68	99.466	596,796.00 560.00	1.18%
FFCB BOND 00.290 % DUE 110223 DTD 110220 FC 05022021	NR/AAA/AA+ NR/NR/NR	2,000,000	0.29%	11/02/2023		5,800.00 0.29%	0.70%	1.82	1,998,818.00 -13,818.00	99.250	1,985,000.00 950.56	3.93%
FANNIE MAE NTS 00.310 % DUE 111623 DTD 111620 FC 05162021	Aaa/AAA/AA+ NR/NR/NR	2,000,000	0.31%	11/16/2023	11/16/2022	6,200.00 0.31%	0.55%	1.86	1,999,800.00 -8,920.00	99.544	1,990,880.00 775.00	3.94%
BANK OF NY MELLON CORP 00.350% 120723 DTD120720 FC060721 NTS B/E	A1/AA-/A NR/NR/NR	2,000,000	0.35%	12/07/2023	11/07/2023	7,000.00 0.35%	0.78%	1.92	2,000,866.28 -17,226.28	99.182	1,983,640.00 466.67	3.92%
<b>Total 2023</b>		<b>15,250,000</b>	<b>0.68%</b>	<b>08/06/2023</b>		<b>\$103,328.00</b> <b>0.68%</b>	<b>0.84%</b>	<b>1.51</b>	<b>\$15,299,106.0</b> <b>\$-97,726.52</b>		<b>\$15,201,379.50</b> <b>\$29,656.52</b>	<b>30.06%</b>
<b>Maturing 2024</b>												
US BANCORP MED TERM NTS 03.375% 020524 DTD020419 FACTOR 1.000000000000	A2/A+/A+ NR/NR/NR	300,000	3.38%	02/05/2024	01/05/2024	10,125.00 3.22%	1.03%	1.92	317,880.51 -3,351.51	104.843	314,529.00 4,106.25	0.62%
MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 FC080617 CALL@MW+12.5BP	Aaa/AAA/AAA NR/NR/NR	500,000	2.88%	02/06/2024	12/06/2023	14,375.00 2.76%	0.90%	1.88	525,113.77 -4,623.77	104.098	520,490.00 5,789.93	1.03%
COMCAST CORP NTS B/E 03.700% 041524 DTD100518 FC041519 CALL@MW+15BP	A3/A-/A- NR/NR/NR	400,000	3.70%	04/15/2024	03/15/2024	14,800.00 3.48%	0.93%	2.11	425,246.13 -206.13	106.260	425,040.00 3,124.44	0.84%
APPLE INC NTS B/E 2.850% 051124 DTD051117 FC111117 CALL@MW+12.5BP	Aaa/NR/AA+ NR/NR/NR	400,000	2.85%	05/11/2024	03/11/2024	11,400.00 2.74%	1.06%	2.11	422,469.15 -5,785.15	104.171	416,684.00 1,583.33	0.82%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Report created on: January 05, 2022





**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

**Bond holdings - as of December 31, 2021 (continued)**

	Effective rating/ Underlying rating (Mdy/Frch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gl (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2024</b>												
AMAZON COM INC NTS B/E	A1/AA- NR/NR/NR	2,000,000	0.45%	05/12/2024		9,000.00 0.45%	0.86%	2.34	1,997,660.00 -16,900.00	99.038	1,980,760.00 1,225.00	3.92%
00.450% 051224 DTD051221 CALL@MW+2.5BP												
JPMORGAN CHASE & CO NTS	A2/AA- NR/NR/NR	1,800,000	3.63%	05/13/2024		65,250.00 3.43%	1.12%	2.26	1,926,306.34 -21,350.34	105.832	1,904,976.00 8,700.00	3.77%
03.625% 051324 DTD051314 FC111314 B/E												
BB&T CORP NTS B/E 02.500%	A3/A- NR/NR/NR	1,000,000	2.50%	08/01/2024	07/01/2024	25,000.00 2.42%	1.22%	2.39	1,049,843.48 -17,453.48	103.239	1,032,390.00 10,416.67	2.04%
080124 DTD072919 FC020120					100.00							
UNITEDHEALTH GROUP INC	A3/A+ NR/NR/NR	1,000,000	2.38%	08/15/2024		23,750.00 2.29%	0.99%	2.52	1,045,673.98 -9,983.98	103.569	1,035,690.00 8,972.22	2.05%
02.375% 081524 DTD072519 CALL@MW+10BP NTS												
JOHN DEERE CAPITAL CORP	A2/A NR/NR/NR	1,400,000	0.63%	09/10/2024		8,750.00 0.63%	1.04%	2.65	1,401,671.88 -17,113.88	98.897	1,384,558.00 2,697.92	2.74%
00.625% 091024 DTD091021 FC031022 NTS B/E												
PAYPAL HOLDINGS INC NTS	A3/A- NR/NR/NR	1,000,000	2.40%	10/01/2024	09/01/2024	24,000.00 2.32%	1.10%	2.56	1,047,670.36 -12,490.36	103.518	1,035,180.00 6,000.00	2.05%
02.400% 100124 DTD092619 FC040120 CALL@MW+15BP					100.00							
SIMON PPTY GROUP LP B/E	A3/MD/A- NR/NR/NR	1,900,000	3.38%	10/01/2024	07/01/2024	64,125.00 3.21%	1.44%	2.36	2,024,383.64 -25,469.64	105.206	1,998,914.00 16,031.25	3.95%
03.375% 100124 DTD091014 FC040115 CALL@MW+15BP					100.00							
BK OF NY MELLON CORP NTS	A1/AA- NR/NR/NR	1,500,000	0.85%	10/25/2024	09/25/2024	12,750.00 0.86%	1.15%	2.76	1,501,977.06 -14,322.06	99.177	1,487,655.00 2,337.50	2.94%
00.850% 102524 DTD102521 FC042522 B/E					100.00							
BB&T CORP MED TERM NTS	A3/A- NR/NR/NR	1,000,000	2.85%	10/26/2024	09/26/2024	28,500.00 2.73%	1.22%	2.62	1,057,922.95 -12,772.95	104.515	1,045,150.00 5,145.83	2.07%
02.850% 102624 DTD102617 FC042618 B/E					100.00							
PNC FINL SERV GRP INC WT	A3/A- NR/NR/NR	2,000,000	2.20%	11/01/2024	10/02/2024	44,000.00 2.14%	1.22%	2.65	2,093,853.17 -39,653.17	102.710	2,054,200.00 7,333.33	4.06%
02.200% 110124 DTD110119 FC050120 EXP NTS B/E					100.00							
AFLAC INC B/E 03.625%	A3/MD/A- NR/NR/NR	900,000	3.63%	11/15/2024		32,625.00 3.39%	1.21%	2.73	973,096.27 -11,896.27	106.800	961,200.00 4,168.75	1.90%
111524 DTD110917 FC051515 CALL@MW+20BP												
GENERAL DYNAMICS CORP	A3/MD/A- NR/NR/NR	1,750,000	2.38%	11/15/2024	09/15/2024	41,562.50 2.29%	1.04%	2.60	1,831,164.75 -15,207.25	103.769	1,815,957.50 5,310.76	3.59%
02.375% 111524 DTD091417 FC051518 CALL@MW+10BP					100.00							
ORACLE CORP NTS B/E 02.950%	Baa2/BBB+/BBB+ NR/NR/NR	1,000,000	2.95%	11/15/2024	09/15/2024	29,500.00 2.84%	1.51%	2.58	1,057,095.45 -16,865.45	104.023	1,040,230.00 3,769.44	2.06%
111524 DTD110917 FC051518 CALL@MW+15BP					100.00							
TRUIST BANK NTS B/E 02.150%	A2/A+ NR/NR/NR	1,000,000	2.15%	12/06/2024	11/06/2024	21,500.00 2.09%	1.09%	2.75	1,042,870.91 -12,400.91	103.047	1,030,470.00 1,493.06	2.04%
120624 DTD120619 FC060620					100.00							
WAL MART STORES INC NTS	Aa2/AA/AA NR/NR/NR	1,900,000	2.65%	12/15/2024	10/15/2024	50,350.00 2.53%	1.04%	2.68	2,008,659.56 -20,043.56	104.664	1,988,616.00 2,237.78	3.93%
02.650% 121524 DTD120217 FC061518 CALL@MW+10BP					100.00							
<b>Total 2024</b>		<b>22,750,000</b>	<b>2.36%</b>	<b>09/10/2024</b>		<b>\$531,362.50</b> <b>2.26%</b>	<b>1.13%</b> <b>1.08%</b>	<b>2.51</b>	<b>\$23,750,559.3</b> <b>\$-277,869.86</b>	<b>\$23,472,689.50</b> <b>\$100,443.47</b>		<b>46.42%</b>

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Report created on: January 05, 2022



**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

Bond holdings - as of December 31, 2021 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2025</b>												
JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 FC072315	A2/AA-/A- NR/NR/NR	2,400,000	3.13%	01/23/2025	10/23/2024 100.00	75,000.00 2.98%	1.44% 1.29%	2.68	2,552,221.45 -31,261.45	105.040	2,520,960.00 32,916.67	4.99%
<b>Total 2025</b>		<b>2,400,000</b>	<b>3.13%</b>	<b>01/23/2025</b>		<b>\$75,000.00</b> <b>2.98%</b>	<b>1.44%</b> <b>1.29%</b>	<b>2.68</b>	<b>\$2,552,221.45</b> <b>\$-31,261.45</b>		<b>\$2,520,960.00</b> <b>\$32,916.67</b>	<b>4.99%</b>
<b>Total Bond Portfolio</b>		<b>49,689,000</b>	<b>1.87%</b>	<b>12/21/2023</b>	<b>NA</b>	<b>\$917,059.00</b> <b>1.81%</b>	<b>0.93%</b> <b>0.85%</b>	<b>1.84</b>	<b>\$50,925,795.0</b> <b>\$-363,373.24</b>	<b>NA</b>	<b>\$50,562,421.85</b> <b>\$217,075.99</b>	<b>100%</b>
											<b>\$50,779,497.84</b>	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



# Additional information about your portfolio

as of December 31, 2021

## Benchmark composition

### Account EX XX120

#### Blended Index

**Start - 05/15/2017:** 50% Barclays US Gov 1-3Y; 50% Barclays Govt/Credit 1-5Y  
**05/15/2017 - 05/31/2018:** 100% Barclays Agg Bond  
**05/31/2018 - 11/04/2019:** 100% Barclays Agg Bond  
**11/04/2019 - Current:** 45% Barclays Corp 1-3Y; 55% Barclays Govt/Credit 1-3Y

#### Blended Index 2

**Start - Current:** 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos



## Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

**Client Accounts:** This report may include all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can

vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your account records.

**Performance:** This report presents account activity and performance depending on which inception type you've chosen. The two options are: (1) All Assets (Since Performance Start); This presents performance for all assets since the earliest possible date; (2) Advisory Assets (Advisory Strategy Start) for individual advisory accounts; This presents Advisory level performance since the Latest Strategy Start date; if an account that has never been managed is included in the consolidated report, the total performance of that unmanaged account will be included since inception.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Monthly periods):** The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weights each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010. Advisory assets before 12/31/2010 and SWP sleeves before 04/30/2018.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Daily periods):** The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception listed in the report under the column "TD\*" and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports. This

applies to all performance for all assets on or after 09/30/2010. Advisory assets on or after 12/31/2010. SWP/AAP sleeves on or after 04/30/2018 as well as all Asset Class and Security level returns.

**Money-weighted returns:** Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure of returns on a portfolio.

**Annualized Performance:** All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

**Cumulative Performance:** A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

**Net of Fees and Gross of Fees Performance:** Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. It should also be noted that where gross returns are compared to an index, the index performance also does not reflect any transaction costs, which would lower the performance results. Market index data may be subject to review and revision.

**Benchmark/Major Indices:** The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. Although most portfolios use indices as benchmarks, portfolios are actively managed and generally are not restricted to investing only in securities in the index. As a result, your portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance

results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data may be subject to review and revision. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Blended Index - For Advisory accounts, Blended Index is designed to reflect the asset categories in which your account is invested. For Brokerage accounts, you have the option to select any benchmark from the list.

For certain products, the blended index represents the investment style corresponding to your client target allocation. If you change your client target allocation, your blended index will change in step with your change to your client target allocation.

Blended Index 2 - 8 - are optional indices selected by you which may consist of a blend of indices. For advisory accounts, these indices are for informational purposes only. Depending on the selection, the benchmark selected may not be an appropriate basis for comparison of your portfolio based on its holdings.

For strategies that are highly customized, such as Concentrated Equity Solutions (CES), benchmarks are broad market indices included for general reference and are not intended to show comparative market performance or potential portfolios with risk or return profiles similar to your account. Benchmark indices are shown for illustrative purposes only.

**Custom Time Periods:** If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result, only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

**Net Deposits/Withdrawals:** When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement. When shown on Client summary and/or Portfolio review report, program fees (including wrap fees) may not be included in net deposits/withdrawals. PACE program fees paid from sources other than your PACE account are treated as a contribution. A PACE Program Fee rebate that is not reinvested is treated as a withdrawal.

**Deposits:** When shown on a report, this information represents the net value of all cash and securities contributions added to your accounts from the first day to the last day of the period. On Client Summary Report and/or Portfolio Review Report, this may exclude the Opening balance. For security contributions, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Withdrawals:** When shown on a report, this information represents the net value of all cash and securities withdrawals subtracted from your accounts summary and/or portfolio review report. Withdrawals may not include program fees (including wrap fees). For security withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

**Change in Accrued Interest:** When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest. Change in Value may include programs fees (including wrap fees) and other fees.

**Fees:** Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a 'v' have changed. Performance figures of an account with a changed

Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

**Closed Account Performance:** Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

**Important information on options-based strategies:** Options involve risk and are not suitable for everyone. Prior to buying or selling an option investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODD). It explains the characteristics and risks of exchange traded options. The options risk disclosure document can be accessed at the following web address: [www.optionsclearing.com/about/publications/characteristics](http://www.optionsclearing.com/about/publications/characteristics).

Concentrated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The CES Strategy seeks to manage idiosyncratic (un-systematic) risk through options trades on a client's existing concentrated equity position(s). The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES use options to

seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential return profile of your stock. In certain scenarios, such as call writing, the call position will limit your ability to participate in any potential increase in the underlying equity position upon which the call was written. Therefore, in some market conditions, particularly during periods of significant appreciation of the underlying equity position(s), the CES account will decrease the performance that would have been achieved had the stock been held long without implementing the CES strategy.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Percentage:** Portfolio (in the "% Portfolio / Total" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

**Tax lots:** This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the

pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

**Cash:** Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

**Asset Allocation:** Your allocation analysis is based on your current portfolio. The Asset Allocation portion of this report shows the mix of various investment classes in your account. An asset allocation that shows a significantly higher percentage of equity investments may be more appropriate for an investor with a more aggressive investment strategy and higher tolerance for risk. Similarly, the asset allocation of a more conservative investor may show a higher percentage of fixed income investments.

**Separately Managed Accounts and Pooled Investment Vehicles:** (such as mutual funds, closed end funds and exchanged traded funds): The asset classification displayed is based on firm's proprietary methodology for classifying assets. Please note that the asset classification assigned to rolled up strategies may include individual investments that provide exposure to other asset classes. For example, an International Developed Markets strategy may include exposure to Emerging Markets, and a US Large Cap strategy may include exposure to Mid Cap and Small Cap, etc.

**Mutual Fund Asset Allocation:** If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a daily basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

All pooled investment vehicles (such as mutual funds, closed end mutual funds, and exchange traded funds) incorporate internal management and operation expenses, which are reflected in the performance returns. Please see relevant fund prospectus for more information. Please note, performance for mutual funds is inclusive of multiple share classes.

**Ineligible Assets:** We require that you hold and purchase only eligible managed assets in your advisory accounts. Please contact your Financial Advisor for a list of the eligible assets in your program. These reports may provide performance information for eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your advisory assets. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. Neither UBS nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets.

**Variable Annuity Asset Allocation:** If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

**Equity Style:** The Growth, Value and Core labels are determined by Morningstar. If an Equity Style is unclassified, it is due to non-availability of data required by Morningstar to assign it a particular style.

**Equity Capitalization:** Market Capitalization is

determined by Morningstar. Equity securities are classified as Large Cap, Mid Cap or Small Cap by Morningstar. Unclassified securities are those for which no capitalization is available on Morningstar.

**Equity Sectors:** The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account-by-account basis to determine the overall impact on the account's portfolio.

**Classified Equity:** Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

**Estimated Annual Income:** The Estimated Annual Income is calculated by summing the previous four dividend/interest rates per share and multiplying by the quantity of shares held in the selected account(s) as of the End Date of Report. For savings product & sweep funds this value is not calculated and is displayed as 0.

**Current Yield:** Current yield is defined as the estimated annual income divided by the total market value.

**Bond Rating:** These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

**NR:** When NR is displayed under bond rating column, no ratings are currently available from that rating agency.

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life

of the bond can have a major impact on the bond's total return.

**Call Provisions:** When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

**Effective Maturity:** Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UFs.

**Yields:** Yield to Maturity and Yield to Worst are calculated to the worst call.

**Accrued Interest:** Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

**Bond Averages:** All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Cash Flow:** This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated – but prior to the report run ("As of") date – are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be

reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

**Expected Cash Flow reporting for Puerto Rico Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Bond sensitivity analysis:** This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. A For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

**Gain/Loss:** The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

**Gain/Loss reporting for Puerto Rico Income Tax Purposes:** Gain/(Loss) reporting may be prepared solely



## Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC), long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss 60/40:** Index options listed in this report may be subject to IRS Tax Code - section 1256 categorizing them as broad-based index options. If so, the index may be eligible to be treated as 60% long term and 40% short terms for tax purposes. Please contact your tax professional to determine eligibility.

**Accounts Included in this Report:** The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "®" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or

to make changes, contact your Financial Advisor.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
- 2) Would you like to implement or modify any restrictions regarding the management of your account? If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in

this report and is based on data provided by third party sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

**Important information about brokerage and advisory services.** As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at [ubs.com/relationshipssummary](https://ubs.com/relationshipssummary).

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**Kern Health Systems**

**Account Number: EBXXX20**

View Financial Advisor  
THE COHEN GROUP  
Phone: 661-563-3200/800-628-8022

Filtered by: Entry Date 10/01/2021-12/31/2021, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
11/01/21	11/01/21	CALL REDEMPTION	MISSISSIPPI ST TAX SR G BE/R	772CF4	1,450,000.00	REDEMPTION	1,450,000.00
10/21/21	10/21/21	CALL REDEMPTION	BANK OF AMER CORP 02.503% 102122 DTD102116	6686D8	385,000.00	REDEMPTION	385,000.00

Filtered by: Entry Date 10/01/2021-12/31/2021, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
11/04/21	11/08/21	BOUGHT	BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521699PK1		1,500,000.00	\$100.139	1,502,545.42
10/25/21	10/27/21	BOUGHT	COMCAST CORP NTS B/E 03.700% 041524 DTD100518	682UV4	400,000.00	\$106.804	427,709.33

This report is provided for informational purposes with your consent. Your UBS Financial Services Inc. ("UBSFS") accounts statements and confirmations are the official record of your holdings, balances, transactions and security values. UBSFS does not provide tax or legal advice. You should consult with your attorney or tax advisor regarding your personal circumstances. Rely only on year-end tax forms when preparing your tax return. Past performance does not guarantee future results and current performance may be lower or higher than past performance data presented. Past performance for periods greater than one year are presented on an annualized basis. UBS official reports are available upon request.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers both investment advisory services and brokerage services. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business and that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information visit our website at [ubs.com/workingwithus](http://ubs.com/workingwithus).

The information is based upon the market value of your account(s) as of the close of business on December 31, 2021, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmations are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process.

As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm. Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected.

You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.





Wells Fargo Bank, N.A.  
 333 SOUTH GRAND AVENUE  
 8TH FLOOR LOS ANGELES CA 90071  
 JONATHAN CHUANG  
 1-213-253-6202

**Bank Account Statement**  
**Wells Fargo Bank, N.A.**

**Statement Period**  
**12/01/2021 - 12/31/2021**

KERN HEALTH SYSTEMS  
 2900 BUCK OWENS BOULEVARD  
**Account Value Summary USD**

**Account Value Summary USD**

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	70,044,470.78	13,043,121.70	8%
Bonds	92,890,545.75	145,010,311.46	92%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 162,935,016.53</b>	<b>\$ 158,053,433.16</b>	<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ (4,881,583.37)</b>	<b>3%</b>
<b>Percent Decrease Since Last Statement Period</b>			
<b>Value Last Year-End</b>		<b>\$ 119,017,553.90</b>	<b>33%</b>
<b>Percent Increase Since Last Year-End</b>			

**Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 19,496.67	\$ 2,544,531.04
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	192.23	7,275.05
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 19,688.90</b>	<b>\$ 2,551,806.09</b>

**Interest Charged USD**

Description	This Period
Debit Interest For December 2021	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 70,044,470.78</b>
Deposits and Other Additions	168,025,643.36
Distributions and Other Subtractions	(225,027,184.67)
Dividends Reinvested	169.50
Change in Value	22.73
<b>Closing Balance</b>	<b>\$ 13,043,121.70</b>

**Important Information**

This statement is provided to customers of Wells Fargo Securities, LLC ("WFS"), broker dealer 0250. Statements are provided monthly for accounts with transactions and/or security positions. This account statement contains a list of securities held in safekeeping by WFS as of the statement date and provides details of purchase and sale transactions, the receipt and disbursement of cash and securities, and other activities relating to the account during the statement period.

For WFS customers who choose to maintain a safekeeping account at Wells Fargo Bank, N.A. ("Bank"), this statement is accompanied by a separate Bank safekeeping statement. The Bank safekeeping statement, if applicable, contains a list of securities held in safekeeping by the Bank as of the statement date.

**Pricing:** Security and brokered certificate of deposit ("CD") prices shown on the statement are obtained from independent vendors or internal pricing models. While we believe the prices are reliable, we cannot guarantee their accuracy. For exchange-listed securities, the price provided is the closing price at month end. For unlisted securities, it is the "bid" price at month end. The price of CDs that mature in one year or less are shown at last price traded. The price of CDs that mature in greater than one year and of other instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

**Brokered CD Pricing:** Like bonds, brokered CDs are subject to price fluctuation and the value of a CD, if sold prior to maturity, may be less than at the time of its purchase. Significant loss of principal could result. While WFS generally makes a market in CDs it underwrites, the secondary market for CDs that it does not underwrite may be very limited. In those cases, WFS will use its best efforts to help investors find a buyer.

**SIPC:** WFS is a member of the Securities Investor Protection Corporation ("SIPC"). In the event of insolvency or liquidation of WFS, securities held in safekeeping at WFS are covered by SIPC against the loss, but not investment risk, up to a maximum of \$500,000 per customer, which includes a \$250,000 limit on claims for cash held in the account. SIPC protection does not provide any protection whatsoever against investment risk, including the loss of principal on an investment. This coverage does not apply to securities held in safekeeping by the Bank. Additional information about SIPC, including a SIPC brochure, may be obtained by visiting [www.sipc.org](http://www.sipc.org) or by calling SIPC at 1-202-371-8300.

**FINRA BrokerCheck Program:** WFS is a member of the Financial Industry Regulatory Authority (FINRA). Under its BrokerCheck program, FINRA provides certain information regarding the disciplinary history of broker-dealers and their associated persons. Information can be obtained from the FINRA BrokerCheck program hotline number (1-800-289-9999) or the FINRA website ([www.finra.org](http://www.finra.org)). A brochure describing the FINRA BrokerCheck program will be furnished upon written request.

**Free Credit Balances:** Any customer free credit balances may be used in the business of WFS subject to limitation of 17 CFR Section 2.40 § 15c(3)-3 under the Securities Exchange Act of 1934. In the course of normal business operations, a customer has the right to receive delivery of the following: any free credit balances to which he or she is entitled, any fully paid securities to which he or she is entitled, and any securities purchased on margin upon full payment of indebtedness to WFS.

**Equity Order Routing:** WFS will generally route equity and listed options orders having into consideration among other factors, the quality and speed of execution, as well as the credits, cash or other payments it may receive from any exchange, broker-dealer or market center. This may not be true if a customer has directed or placed limits on any orders. Whenever possible, WFS will route orders in an attempt to obtain executions at prices equal or superior to the nationally displayed best bid or offer. WFS will also attempt to obtain the best execution regardless of any compensation it may receive. The nature and source of credits and payments WFS receives in connection with specific orders will be furnished to a customer upon request. WFS prepares quarterly reports describing its order routing practices for non-directed orders routed to a particular venue for execution. A printed copy of this report along with other compliance and regulatory information is available upon written request or by visiting: <https://www.wellsfargo.com/securities/regulatory>.

**Equity Extended Hours Trading:** See important information relating to securities trading before and after regular trading hours at: [www.wellsfargo.com/com/securities/regulatory](http://www.wellsfargo.com/com/securities/regulatory).

**Equity Open Orders:** Open orders will remain in effect until executed or cancelled by you. Failure to cancel an open order may result in the transaction being executed for your account. WFS has no responsibility to cancel an open order at its own initiative.

**Dividend Reinvestment:** In any dividend reinvestment transaction, WFS acted as agent. Additional information regarding transactions of this nature will be furnished to a customer upon written request.

**Account Transfers:** A fee will be charged to customers transferring their existing WFS account to another broker/dealer or any other financial institution.

Non-deposit investment products recommended, offered or sold by WFS, including mutual funds, are not federally insured or guaranteed by the Federal Reserve System or any other agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or WFS; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and investment return to fluctuate.

When the investment is sold, the value may be higher or lower than the amount originally invested. WFS is a subsidiary of Wells Fargo & Company, is not a bank or thrift, and is separate from any other affiliated bank or thrift. WFS is a registered broker-dealer and member of FINRA. No affiliate of WFS is responsible for the securities sold by WFS.

**Mutual Funds:** The distributor of Wells Fargo Funds is affiliated with WFS/Wells Fargo Securities, LLC.

Institutional Prime and Institutional Tax Exempt money market mutual funds are required to price and transact at a net asset value ("NAV") per share that fluctuates based upon the pricing of the underlying portfolio of securities and this requirement may impact the value of those fund shares. Additionally, Institutional Prime and Institutional Tax Exempt funds may be subject to redemption fees and/or gates that can affect the availability of funds invested.

Mutual funds are sold by prospectus, which includes more complete information on risks, charges, expenses and other matters of interest. Investors should read the prospectus carefully before investing.

**Financial Statements:** WFS financial statements are available upon request.

**Trade Confirmations:** Investment purchases and sales are subject to the terms and conditions stated on the trade confirmation relating to that transaction. In the event of a conflict between the trade confirmation and this statement, the trade confirmation will govern.

**Listed Options:** Commissions and other charges related to the execution of listed option transactions have been included in confirmations of such transactions that have been previously furnished and are available upon request. Promptly advise your WFS sales representative of any material change in your investment objectives or financial situation.

**Customer Complaints and Reporting Discrepancies:** Customer complaints, statements reporting inaccuracies or discrepancies should be promptly reported in writing to:

Customer Service  
90 South 7th Street  
5th Floor, MAC N9305-05F  
Minneapolis, MN 55402  
wfscustomerservice@wellsfargo.com

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. International callers should call 1-877-852-0878. To further protect their rights, including rights under the Securities Investor Protection Act, customers should also re-confirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

**Wells Fargo Bank, N.A. Institutional Deposit:** Funds invested in the Institutional Deposit are on deposit at Wells Fargo Bank, N.A. and balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the full amount allowable by law. Institutional Deposit balances are not insured by the Securities Investor Protection Corporation ("SIPC"). For further details, see the Institutional Deposit Product Description.

**KERN HEALTH SYSTEMS**

Account Number: [REDACTED]

**Portfolio Holdings** Security positions held with Wells Fargo Bank N.A.

Security ID	Description	Maturity Date	Coupon	Current Par / Original Par	Market Price*	Market Value	Original Par Pledged**	Callable
<b>Bonds USD</b>								
313385RJ7	FED HOME LN DISCOUNT NT	01/04/22	0.000%	20,000,000.000	100.0000	19,999,994.40		N
912796Q69	UNITED STATES TREASURY BILL	01/11/22	0.000%	20,000,000.000	99.9999	19,999,977.80		N
313385RS7	FED HOME LN DISCOUNT NT	01/12/22	0.000%	30,000,000.000	99.9998	29,999,925.00		N
912796K73	UNITED STATES TREASURY BILL	01/13/22	0.000%	20,000,000.000	99.9996	19,999,916.60		N
437076BV3	HOME DEPOT INC	03/01/22	3.250%	3,000,000.000	100.4477	3,013,429.89		Y
0258M0EG0	AMERICAN EXPRESS CREDIT	03/03/22	2.700%	4,500,000.000	100.1693	4,507,618.10		N
717081ER0	PFIZER INC	03/11/22	2.800%	3,000,000.000	100.4503	3,013,507.71		N
24422ERM3	JOHN DEERE CAPITAL CORP	03/15/22	2.750%	1,000,000.000	100.4880	1,004,879.90		N
13063DLY2	CALIFORNIA ST TXBL-VARIOUS PURPOSE-BID GROUP	04/01/22	2.350%	2,000,000.000	100.5160	2,010,320.80		N
912796T82	UNITED STATES TREASURY BILL	04/12/22	0.000%	30,000,000.000	99.9887	29,996,600.10		N
14913R2B2	CATERPILLAR FINL SERVICE	05/13/22	0.950%	2,000,000.000	100.2291	2,004,582.90		N
459200JX0	IBM CORP	05/13/22	2.850%	2,275,000.000	100.9150	2,295,817.16		N
747525AE3	QUALCOMM INC	05/20/22	3.000%	500,000.000	101.0035	505,017.65		N
90331HPD9	US BANK NA CINCINNATI	05/23/22	0.604%	2,000,000.000	100.1048	2,002,096.64		Y
48306BF75	KAISER FOUNDATION HOSP DISCOUNTED COMMERCIAL PAPER	06/07/22	0.000%	3,000,000.000	99.8525	2,995,575.99		Y
244199BE4	DEERE & COMPANY	06/08/22	2.600%	1,150,000.000	100.4435	1,155,100.71		Y
74460DAB5	PUBLIC STORAGE	09/15/22	2.370%	500,000.000	101.1900	505,950.11		Y
				144,925,000.000		145,010,311.46	0.00	

\*See important information regarding security pricing on Page 2.

\*\*Total amount that is pledged to or held for another party or parties. Refer to the Pledge Detail Report for more information.

**Daily Account Activity**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
11/30/21	12/02/21	Security Receipt	244199BE4	DEERE & COMPANY	1,150,000.00	100.6260000	(1,157,199.00)	(14,451.67)	(1,171,650.67)
12/02/21	12/06/21	Security Receipt	90331HPD9	US BANK NA CINCINNATI	2,000,000.00	100.1550000	(2,003,100.00)	(436.22)	(2,003,536.22)
12/07/21	12/07/21	Security Receipt	48306BF75	KAISER FOUNDATION HOSP	3,000,000.00	99.9039440	(2,997,118.32)	0.00	(2,997,118.32)

**KERN HEALTH SYSTEMS**

Account Number: [REDACTED]

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
12/09/21	12/10/21	Security Receipt	912796ZX0	UNITED STATES TREASURY BILL	40,000,000.00	99.9992360	(39,999,694.44)	0.00	(39,999,694.44)
12/13/21	12/14/21	Security Receipt	313385RU7	FED HOME LN DISCOUNT NT	20,000,000.00	99.9985420	(19,999,708.33)	0.00	(19,999,708.33)
12/13/21	12/14/21	Security Receipt	912796T82	UNITED STATES TREASURY BILL	30,000,000.00	99.9768610	(29,993,058.33)	0.00	(29,993,058.33)
12/15/21	12/15/21	Security Receipt	313385RS7	FED HOME LN DISCOUNT NT	30,000,000.00	99.9976670	(29,999,300.00)	0.00	(29,999,300.00)
12/14/21	12/16/21	Security Receipt	14913R2B2	CATERPILLAR FINL SERVICE	2,000,000.00	100.2890000	(2,005,780.00)	(1,741.67)	(2,007,521.67)
12/20/21	12/21/21	Security Receipt	912796K73	UNITED STATES TREASURY BILL	20,000,000.00	99.9980830	(19,999,616.67)	0.00	(19,999,616.67)
12/27/21	12/27/21	Security Receipt	912796Q69	UNITED STATES TREASURY BILL	20,000,000.00	99.9991670	(19,999,633.33)	0.00	(19,999,633.33)
<b>Income / Payment Activity USD</b>									
12/07/21	12/07/21	Matured	48306AZ75	KAISER FOUNDATION HOSP	(3,000,000.00)		3,000,000.00		3,000,000.00
12/07/21	12/07/21	Matured	48306AZ75	KAISER FOUNDATION HOSP				14,950.00	14,950.00
12/08/21	12/08/21	Interest	244199BE4	DEERE & COMPANY			20,000,000.00		20,000,000.00
12/14/21	12/14/21	Matured	912796P60	UNITED STATES TREASURY BILL	(20,000,000.00)		40,000,000.00		40,000,000.00
12/14/21	12/14/21	Matured	912796P60	UNITED STATES TREASURY BILL					
12/15/21	12/15/21	Matured	912796ZX0	UNITED STATES TREASURY BILL	(40,000,000.00)		20,000,000.00		20,000,000.00
12/15/21	12/15/21	Matured	912796ZX0	UNITED STATES TREASURY BILL					
12/21/21	12/21/21	Matured	912796P78	UNITED STATES TREASURY BILL	(20,000,000.00)		20,000,000.00		20,000,000.00
12/21/21	12/21/21	Matured	912796P78	UNITED STATES TREASURY BILL					
12/28/21	12/28/21	Matured	912796P86	UNITED STATES TREASURY BILL	(20,000,000.00)		20,000,000.00		20,000,000.00
12/28/21	12/28/21	Matured	912796P86	UNITED STATES TREASURY BILL					
12/30/21	12/30/21	Matured	13059QAM7	CALIFORNIA SCH FIN AUTH REVENU	(3,000,000.00)		3,000,000.00		3,000,000.00
12/30/21	12/30/21	Matured	13059QAM7	CALIFORNIA SCH FIN AUTH REVENU				4,546.67	4,546.67
12/30/21	12/30/21	Interest	13059QAM7	CALIFORNIA SCH FIN AUTH REVENU					
12/31/21	12/31/21	Matured	912796Y94	UNITED STATES TREASURY BILL	(10,000,000.00)		10,000,000.00		10,000,000.00
12/31/21	12/31/21	Matured	912796Y94	UNITED STATES TREASURY BILL					

<b>Cash Activity USD</b>				Debit Amount / Disbursements	Credit Amount / Receipts
Transaction / Trade Date	Settlement / Eff. Date	Activity	Description		
12/02/21	12/02/21	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/07/21	12/07/21	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
12/13/21	12/13/21	ACH/DDA Transaction	DESIGNATED DDA		45,000,000.00
12/13/21	12/13/21	ACH/DDA Transaction	DESIGNATED DDA		50,000,000.00
12/14/21	12/14/21	ACH/DDA Transaction	DESIGNATED DDA	12,000,000.00	
12/16/21	12/16/21	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
12/21/21	12/21/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
12/28/21	12/28/21	ACH/DDA Transaction	DESIGNATED DDA	39,000,000.00	
12/29/21	12/29/21	ACH/DDA Transaction	DESIGNATED DDA	850,000.00	

**KERN HEALTH SYSTEMS**

Account Number: [REDACTED]

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Cash Activity USD		Debit Amount / Disbursements	Credit Amount / Receipts
Transaction / Trade Date	Settlement / Eff. Date	Activity	Description
12/29/21	12/29/21	ACH/DDA Transaction	DESIGNATED DDA
		3,000,000.00	

**Money Market Fund Activity**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		1.0000	12.50		12.50000
	<b>Ending Balance</b>		1.0000	12.50		12.50000
					Dividend paid this period	
					0.00	
					7 day* simple yield	
					0.010%	
					30 day* simple yield	
					0.010%	

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		1.0000	55,038,691.40		55,038,691.40000
	<b>Ending Balance</b>		1.0000	55,038,691.40		55,038,691.40000
					Dividend paid this period	
					180.73	
					7 day* simple yield	
					0.010%	
					30 day* simple yield	
					0.010%	

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		1.0000	55,038,691.40		55,038,691.40000
12/01/21	Reinvest	158.00000			158.00	55,038,849.40000
12/02/21	Redemption	(1,171,650.67000)		(1,171,650.67)		53,867,198.73000
12/02/21	Redemption	(5,000,000.00000)		(5,000,000.00)		48,867,198.73000
12/06/21	Redemption	(2,003,536.22000)		(2,003,536.22)		46,863,662.51000
12/07/21	Purchase	5,763.36000		5,763.36		46,869,425.87000
12/07/21	Redemption	(2,881.68000)		(2,881.68)		46,866,544.19000
12/08/21	Purchase	14,950.00000		14,950.00		46,881,494.19000
12/10/21	Redemption	(39,999,694.44000)		(39,999,694.44)		6,881,799.75000
12/13/21	Purchase	45,000,000.00000		45,000,000.00		51,881,799.75000
12/14/21	Redemption	(29,992,766.66000)		(29,992,766.66)		21,889,033.09000
12/15/21	Purchase	40,000,000.00000		40,000,000.00		61,889,033.09000
12/16/21	Redemption	(2,007,521.67000)		(2,007,521.67)		59,881,511.42000
12/21/21	Purchase	383.33000		383.33		59,881,894.75000
12/21/21	Redemption	(20,000,000.00000)		(20,000,000.00)		39,881,894.75000
12/22/21	Dividend				22.73	39,881,894.75000
12/27/21	Redemption	(19,999,833.33000)		(19,999,833.33)		19,882,061.42000

KERN HEALTH SYSTEMS  
Account Number: ██████████

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
12/28/21	Purchase	20,000,000.000000		20,000,000.00		39,882,061.42000
12/28/21	Redemption	(39,000,000.000000)		(39,000,000.00)		882,061.42000
12/29/21	Redemption	(850,000.000000)		(850,000.00)		32,061.42000
12/30/21	Purchase	3,004,546.67000		3,004,546.67		3,036,608.09000
12/31/21	Purchase	10,000,000.000000	1.0000	10,000,000.00		13,036,608.09000
	<b>Ending Balance</b>			<b>13,036,630.82</b>		<b>13,036,630.82000</b>
<b>JPMorgan UST Plus Inst 3918</b>						
*As of December 31, 2021						
USD						
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		1.0000	<b>15,005,766.88</b>		<b>15,005,766.88000</b>
12/01/21	Reinvest	11.50000			11.50	15,005,778.38000
12/07/21	Redemption	(15,000,000.000000)		(15,000,000.00)		5,778.38000
12/13/21	Purchase	50,000,000.000000		50,000,000.00		50,005,778.38000
12/14/21	Redemption	(12,000,000.000000)		(12,000,000.00)		38,005,778.38000
12/15/21	Redemption	(29,999,300.000000)		(29,999,300.00)		8,006,478.38000
12/16/21	Redemption	(5,000,000.000000)		(5,000,000.00)		3,006,478.38000
12/29/21	Redemption	(3,000,000.000000)		(3,000,000.00)		6,478.38000
	<b>Ending Balance</b>		1.0000	<b>6,478.38</b>		<b>6,478.38000</b>



# PMIA/LAIF Performance Report as of 01/13/22



### PMIA Average Monthly Effective Yields<sup>(1)</sup>

Dec	0.212
Nov	0.203
Oct	0.203

### Quarterly Performance Quarter Ended 12/31/21

LAIF Apportionment Rate <sup>(2)</sup> :	0.23
LAIF Earnings Ratio <sup>(2)</sup> :	0.00000625812849570
LAIF Fair Value Factor <sup>(1)</sup> :	0.997439120
PMIA Daily <sup>(1)</sup> :	0.22%
PMIA Quarter to Date <sup>(1)</sup> :	0.21%
PMIA Average Life <sup>(1)</sup> :	340

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 12/31/21 \$181.4 billion

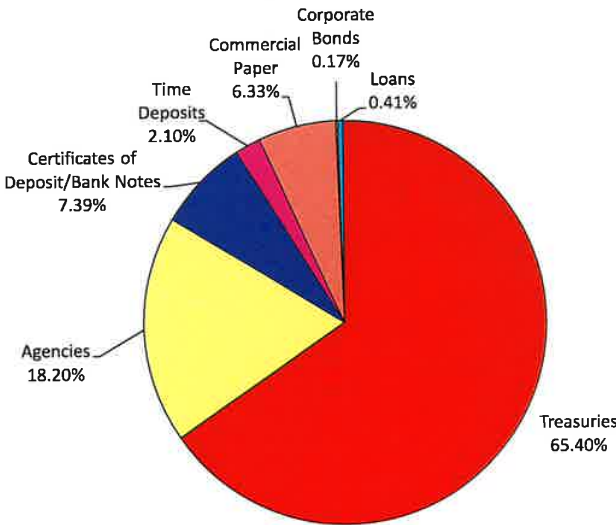


Chart does not include \$6,716,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:  
<sup>(1)</sup> State of California, Office of the Treasurer  
<sup>(2)</sup> State of California, Office of the Controller







**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 10, 2022**

**Re: 2021 Annual Review of Kern Health Systems Investment Policy**

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**Background**

The KHS Investment Portfolio follows the Board approved Investment Policy (Attachment 1). As part of their annual review, Senior Management **is not recommending any revisions to the Investment Policy at this time.** The Investment Policy stipulates the following order of investment objectives:

KHS utilizes three different investment organizations to invest the cash that is not needed for the immediate needs of the agency (Attachment 2). All investments follow the Board approved investment policy that stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

**UBS** is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds and FDIC insured certificates of deposit with an average effective maturity of slightly less than 2 years. For the 2021-year UBS investments earned the highest returns.

The **Local Agency Investment Fund (LAIF)** is a public agency that allows smaller public agencies to pool their money and get the economies of scale that larger agencies with large portfolios receive. The California State Treasurer operates LAIF. Because it serves many agencies with short term liquidity needs, investments have an average maturity of approximately 11 months.

**Wells Fargo** is KHS' local bank. This is beneficial since surplus cash can be easily moved to and from the checking accounts. KHS invests directly with the Wells Fargo Securities Fixed Income division in high quality bonds, commercial paper and Money Market Funds.

**Requested Action**

Receive and File.



**KERN HEALTH  
SYSTEMS**

<b>KERN HEALTH SYSTEMS</b>					
<b>POLICY AND PROCEDURES</b>					
SUBJECT: Investment Policy				POLICY #: 80.11-I	
DEPARTMENT: Finance					
Effective Date: 2010-10	Review/Revised Date: 7/21/2020	DMHC		PAC	
		DHCS		QI/UM COMMITTEE	
		BOD	X	FINANCE COMMITTEE	

Doug Hayward Date 7/21/2020  
Douglas A. Hayward  
Chief Executive Officer

Robert Landis Date 7/20/2020  
Chief Financial Officer

Alan Avery Date 7/20/2020  
Chief Operating Officer

Veronica Barker Date 7/13/2020  
Controller

**POLICY:**

This Investment Policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of Kern Health Systems invested on and after the date of adoption. The objective of this Investment Policy is to ensure Kern Health Systems' funds are prudently invested according to the Board of Director's objectives to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Investment Policy. The Kern Health Systems Investment Policy has been prepared in accordance with sections 53600 et seq. and 53630 et seq. of the California Government Code (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

- A. Safety of Principal -- Safety of principal is the foremost objective of Kern Health Systems. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities.
- B. Liquidity -- Liquidity is the second most important objective of Kern Health Systems. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- C. Total Return -- Kern Health Systems' portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk.

I. **OBJECTIVES**

Safety of principal is the primary objective of Kern Health Systems. Each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default. Kern Health Systems shall seek to ensure that capital losses are minimized from the erosion of market value. Kern Health Systems shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit risk, the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio according to this Investment Policy.

Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with Kern Health Systems' expected cash flow draws. It is explicitly recognized herein, however that, in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

II. **PRUDENCE**

Kern Health Systems' Board of Directors or persons authorized to make investment decisions on behalf of Kern Health Systems are trustees and fiduciaries subject to the prudent investor standard. The standard of prudence to be used by investment officials shall be the "prudent person" standard as defined in Code Section 53600.3 and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

**THE PRUDENT PERSON STANDARD:** When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of Kern Health Systems, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

**III. ETHICS AND CONFLICTS OF INTEREST**

Kern Health Systems' officers and employees involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Kern Health Systems' officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with Kern Health Systems, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of Kern Health Systems' investments.

**IV. DELEGATION OF AUTHORITY**

Authority to manage Kern Health Systems' investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to Kern Health Systems' Chief Financial Officer. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Chief Financial Officer.

The Chief Financial Officer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

**A. Financial Benchmarks**

Kern Health Systems' portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. The performance benchmark for each investment portfolio will be based upon the market indices for short-term investments of comparable risk and duration. These performance benchmarks will be agreed to by Kern Health Systems' Chief Financial Officer and the Investment Managers and will be reviewed by the Board of Directors quarterly.

**B. Safekeeping**

The investments purchased by the Investment Manager shall be held by Custodian Bank acting as the agent of Kern Health Systems under the terms of a custody agreement in compliance with Code Section 53608.

**C. Periodic Review of the Investment Policy**

The Chief Financial Officer is responsible for providing the Board of Directors with a statement of investment policy, and the Board of Directors is responsible for adopting the Investment Policy and ensuring investments are made in compliance with this Investment Policy. This Investment Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to Section 53646 (a) of the California Government Code.

The Chief Financial Officer is responsible for directing Kern Health Systems' investment program and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. The Chief Financial Officer shall make a quarterly report to the Board of Directors in accordance with Code Section 53646(b).

D. Chief Financial Officer's Procedures

The following procedures will be performed by the Chief Financial Officer:

1. The Operating Funds and Board-Designated Reserve Funds targeted average maturities will be established and reviewed periodically.
2. All Investment Managers will be provided a copy of the Investment Policy, which will be appended to an Investment Manager's investment contract. Any investments made by the Investment Manager outside the Investment Policy may subject the Investment Manager to termination for cause.
3. Investment diversification and portfolio performance will be reviewed monthly to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this policy.
4. The Chief Financial Officer will evaluate candidates for the role of Investment Manager. The candidates will be reviewed and approved by the CEO and the Board of Directors.

E. Duties and Responsibilities of Finance Committee:

The Chief Financial Officer and staff are responsible for the day-to-day management of Kern Health Systems' investment portfolio and the making of specific investments. The Board of Directors is responsible for Kern Health Systems' Investment Policy. The Finance Committee shall not make or direct Kern Health Systems staff to make any particular investment, purchase any particular investment product, or do business with any particular investment companies or brokers. It shall not be the purpose of the Finance Committee to advise on particular investment decisions of Kern Health Systems.

The duties and responsibilities of the Finance Committee shall consist of the following:

1. Annually review Kern Health Systems' Investment Policy before its consideration by the Board of Directors and recommend revisions, as necessary, to the Finance Committee of the Board of Directors.
2. Quarterly review Kern Health Systems' investment portfolio for conformance with Kern Health Systems' Investment Policy diversification and maturity guidelines, and make recommendations to the Finance Committee of the Board of Directors as appropriate.
3. Provide comments to Kern Health Systems' staff regarding potential investments and potential investment strategies.
4. Perform such additional duties and responsibilities as may be required from time to time by specific action and direction of the Board of Directors.

**V. DEFINITIONS**

- A. Operating Funds are intended to serve as a money market account for Kern Health Systems to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent Kern Health Systems' monthly capitation revenues from its State contracts. Disbursements from this fund to Kern Health Systems' operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.

**VI. PERMITTED INVESTMENTS**

Kern Health Systems' policy is to invest only in instruments as permitted by the Code, subject to the limitations of this Investment Policy. Permitted investments are subject to a maximum stated term of five years. The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term.

Maturity shall mean the stated final maturity of the security, or the unconditional put option date if the security contains such provision. Term or tenure shall mean the remaining time to maturity when purchased.

Permitted investments shall include:

A. U.S. Treasuries

These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Government securities include:

1. Treasury Bills: U.S. government Securities issued and traded at a discount.
2. Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. government which guarantees interest and principal payments.
3. Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system.
4. Treasury Inflation Protected (TIPs) securities: Special Treasury notes or bonds that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation as measured by the consumer price index (CPI).

U. S. Treasury coupon and principal STRIPS as well as TIPs are not considered to be derivatives for the purpose of this Investment Policy and are, therefore, permitted investments pursuant to the Investment Policy.

Maximum term: Five Years

B. Federal Agencies and U.S. Government Sponsored Enterprises

These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a United States government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). Often simply referred to as "Agencies", the following are specifically allowed:

1. Federal Home Loan Banks (FHLB)
2. Federal Home Loan Mortgage Corporation (FHLMC)
3. Federal National Mortgage Association (FNMA)
4. Federal Farm Credit Banks (FFCB)
5. Student Loan Marketing Association (SLMA)
6. Government National Mortgage Association (GNMA)
7. Small Business Administration (SBA)
8. Export-Import Bank of the United States
9. U.S. Maritime Administration
10. Washington Metro Area Transit
11. U.S. Department of Housing & Urban Development
12. Tennessee Valley Authority
13. Federal Agricultural Mortgage Company (FAMC)
14. Temporary Liquidity Guarantee (TLG) Program securities
15. Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

Maximum Term: Five years

C. State of California and Local Agency Obligations

Registered state warrants, treasury notes or bonds of the State of California and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or local agency. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments.

Maximum Term: Five years

D. State and Local Agency Obligations Outside of California

Registered state warrants, treasury notes or bonds of any U.S. State and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely

out of revenues from a revenue producing property owned, controlled, or operated by the state. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's and A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (industrial development bonds) are specifically excluded as allowable investments. Any single investment in a particular State is limited to 5% of portfolio at time of Purchase.

Maximum Term: Five years

Maximum of 20% of the portfolio

E. Bankers Acceptances

Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the bankers acceptance (BA) upon maturity if the drawer does not. Eligible bankers acceptances:

1. Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1 or better by Fitch Ratings or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.
2. May not exceed the five percent (5%) limit of any one commercial bank and may not exceed the five percent limit for any security of any bank.

Maximum Term: 180 days

F. Commercial Paper

Commercial paper (CP) is unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable (marketable or transferable), although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days. Commercial paper must meet the following criteria:

1. Rated P-1 by Moody's and A-1 or better by Standard & Poor's, and
2. Have an A or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's and Standard & Poor's, and
3. Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
4. May not represent more than ten percent (10%) of the outstanding commercial paper of the issuing corporation.

Maximum Term: 270 days



G. Negotiable Certificates of Deposit

A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate. Negotiable Certificates of Deposit must be issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better by Fitch Ratings, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency. Maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Maximum Term: Five years

H. Repurchase Agreements

A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.

Repurchase agreements collateralized by U. S. Treasuries, GNMA's, FNMA's or FHLMC's with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the FDIC so long as at the time of the investment such primary dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated P-1 short-term or A-2 long-term or better by Moody's, and A-1 short-term or A long-term or better by Standard & Poor's, provided:

1. A broker-dealer master repurchase agreement signed by the investment manager (acting as "Agent") and approved by Kern Health Systems; and,
2. The securities are held free and clear of any lien by Kern Health Systems' custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million and the custodian shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for Kern Health Systems' custodian; and,
3. A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of Kern Health Systems' custodian and Kern Health Systems; and
4. The Agent provides Kern Health Systems' custodian and Kern Health Systems with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within two business days of such valuation.

Maximum Term: One year

Reverse repurchase agreements are not allowed.

I. Corporate Debt Securities

Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

1. For the purpose of this Investment Policy, corporate securities that are rated A or better by both Moody's and Standard & Poor's, or by one of either of Moody's or Standard & Poor's and with a comparable rating by a nationally recognized rating service on longer term debt, and
2. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and have total assets in excess of five hundred million dollars (\$500,000,000), and
3. May not represent more than five percent (5 %) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e. medium term notes ("MTNs"). Under no circumstance can the MTNs or any other corporate security of any one corporate issuer represent more than 5% of the portfolio.

Maximum Term: Five years

J. Money Market Funds

Shares of beneficial interest issued by diversified management companies (commonly called money market funds):

1. Which are rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services, and,
2. Such investment may not represent more than five percent (5%) of the money market fund's assets.

K. Mortgage or Asset-backed Securities

Pass-through securities are instruments by which the cash flow from the mortgages, receivables or other assets underlying the security is passed-through as principal and interest payments to the investor.

Though these securities may contain a third party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (such as leases or consumer receivables) pledged to support the debt service.

Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which

1. Are rated AAA (Code AA) by a nationally recognized rating service, and
2. Are issued by an issuer having an A or better rating by a nationally recognized rating service for its long-term debt.

Maximum Term: Five years

L. Variable and Floating Rate Securities

Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities. A variable rate security provides for the automatic establishment of a new interest rate on set dates. For the purposes of this Investment Policy, a Variable

Rate Security and Floating Rate Security where the rate of interest is readjusted no less frequently than every 762 calendar days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest so long as the next readjustment period is within 5 years.

Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities and Negotiable Certificates of Deposit, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or LIBOR. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

Maximum Term: Five Years

M. Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a voluntary program created by statute (Section 16429.1 et seq.) as an investment alternative for California's local governments and special districts managed by the State Treasurer. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly. The investment objective of LAIF mirrors those of KHS' with preservation of capital being the primary objective and liquidity second. Any agency with funds on deposit with LAIF can withdraw those funds within 24 hours' notice.

Maximum Term: Five Years

## VII. POLICIES

### A. Securities Lending

Investment securities shall not be lent to an Investment Manager or broker.

### B. Leverage

The investment portfolio, or investment portfolios managed by an Investment Manager, cannot be used as collateral to obtain additional investable funds.

### C. Other Investments

Any investment not specifically referred to herein will be considered a prohibited investment.

### D. Underlying Nature of Investments

Kern Health Systems and its Investment Manager shall not make investments in organizations which have a line of business that is visibly in conflict with the interests of public health (which shall be defined by the Kern Health Systems Board of Directors). Furthermore, Kern Health Systems shall not make investments in organizations with which it has a business relationship through contracting, purchasing or other arrangements.

Kern Health Systems' Board of Directors will provide the Investment Manager with a list of corporations that do not comply with its Investment Policy and shall immediately notify its Investment Manager of any changes.

### E. Investment Managers

Outside Investment Managers must certify that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with Code Section 53601.5 and this Investment Policy.

### F. Derivatives

Except as expressly permitted by this policy, investments in derivative securities are not allowed.

### G. Rating Category

Rating category shall mean with respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.

H. Rating Downgrades

Kern Health Systems may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this investment policy.

If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify the Chief Financial Officer or designee within two (2) business days of the downgrade. A decision to retain a downgraded security shall be approved by the Chief Financial Officer or designee within five (5) business days of the downgrade.

I. Maximum Stated Term

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security, or the unconditional put option date if the security contains such provision.

J. Diversification Guidelines

Diversification limits ensure the portfolio is not unduly concentrated in the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Kern Health Systems' Investment Manager must review the portfolio it manages to ensure compliance with Kern Health Systems' diversification guidelines on an ongoing basis.

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)	100%
B. Federal Agencies and U.S. Government Sponsored Enterprises	100%
C. State of California and Local Agency Obligations	100%
D. State and Local Agency Obligations Outside of California	20%
E. Bankers Acceptances	40%
F. Commercial Paper	25%
G. Negotiable Certificates of Deposit	30%
H. Repurchase Agreements	100%
I. Corporate Securities	40%

<i>INSTRUMENTS</i>	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
J. Money Market Funds	40%
K. Mortgage and Asset-backed Securities	20%
L. Variable and Floating Rate Securities	30%
M. Local Agency Investment Fund (KAIF)	50%

a. Issuer/Counterparty Diversification Guidelines – The percentages specified below shall be adhered to on the basis of the entire portfolio:

- i. Any one Federal Agency or Government Sponsored Enterprise 35%
- ii. Any one repurchase agreement counterparty name
  - If maturity/term is  $\leq$  7 days 50%
  - If maturity/term is  $>$  7 days 25%

b. Issuer/Counterparty Diversification Guidelines for All Other Securities described in Subsections A-K in VII. Permitted Investments of this Investment Policy. Any one corporation, bank, local agency, or other corporate name for one or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer. 5%

Negotiable Certificates of Deposit with maturities greater than one year and less than five years shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Each Investment Advisor shall adhere to the diversification limits discussed in this section. If one Investment Advisor exceeds the aforementioned diversification limits, the Investment Advisor shall inform the Kern Health Systems Chief Financial Officer and second Investment Advisor (if any) by close of business on the day of the occurrence. Within the parameters authorized by the Government code, the Committee recognizes the practicalities of portfolio management, securities maturing, and changing status, and market volatility, and, as such, will consider breaches in:

- i. The context of the amount in relation to the total portfolio concentration;
- ii. Market and security specific conditions contributing to a breach in policy; and
- iii. The managers' actions to enforce the spirit of the policy and decisions made in the best interest of the portfolio.

**REFERENCE:**

**Revision 2020-06:** Policy updated to reflect Board of Directors approved changes on 6/11/2020. **Revision 2015-04:** Item "M" Local Agency Investment Fund (LAIF) added to Section VII Permitted Investments as approved by KHS Board of Directors at April 2015 meeting. **Revision 2014-08:** Policy revised by Controller to allow for non-California municipal investments as approved by KHS Board of Directors. **Revision 2010-11:** Policy revised to conform to government code requirements. The Board of Directors approved current policy on October 14, 2010.

**KERN HEALTH SYSTEMS  
2021 INVESTMENT ANALYSIS**

**Attachment 2**

	<b>UBS</b>	<b>LAIF</b>	<b>Wells Fargo Securities</b>
	<hr/>	<hr/>	<hr/>
December 31, 2021 Balance	51,044,312	74,004,191	158,053,433
Average Monthly Balance	51,292,276	73,420,721	139,950,758
Total Interest/Revenue (YTD)	851,469	226,076	624,440
Percentage	1.66%	0.31%	0.45%





**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 10, 2022**

**Re: 2021 Annual Report for Travel**

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**Background**

Kern Health Systems Employee Travel and Expense Reimbursement Policy requires an annual report (attached) to be submitted to the KHS Board of Directors.

**Discussion**

KHS encourages employees to attend conferences and seminars to:

1. Obtain updated information on key issues that they are concerned about.
2. Interact with other health plans that may be experiencing similar issues and problems and to solve those issues together.
3. Have issues addressed on a specific topic by recognized experts who are up to date with the latest developments in the field.
4. Evaluate the latest technologies that can potentially help make KHS more efficient.
5. Learn about facts and statistics that will help employees better understand the changing dynamics in the healthcare industry.

Examples of KHS travel include attending meetings with State regulators such as DHCS & DMHC, attending trade association conferences, participating on vendor advisory boards and professional education and training seminars.

During 2021 \$6,576 was spent on regulatory or trade association travel, \$667 was spent on professional development and training travel, \$7,478 was spent on conference attendance travel. The total travel expenses incurred for 2021 was \$14,721 which was approximately \$17,200 less than the prior year. **This decrease is a result of continued Covid-19 travel restrictions during 2021.**

**Requested Action**

Receive and File.



EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In Country (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
1 Chief Executive Officer	Local Health Plans of California Board Meeting and Strategic Retreat	R	Out	Napa	7/19/2021	7/21/2021	1,801.56	198.00	1,999.56
2 Senior Director of Government Relations & Strategic Development	Local Health Plans of California Board Meeting and Strategic Retreat	R	Out	Napa	7/19/2021	7/20/2021	986.30	82.50	1,068.80
3 Chief Operating Officer	California Assoc of Health Plans Annual Conference	C	Out	San Diego	10/11/2021	10/13/2021	2,127.01	177.50	2,304.51
4 Chief Executive Officer	California Assoc of Health Plans Annual Conference	C	Out	San Diego	10/11/2021	10/13/2021	1,308.85	158.75	1,467.60
5 Senior Director of Government Relations & Strategic Development	California Assoc of Health Plans Annual Conference	C	Out	San Diego	10/11/2021	10/13/2021	1,390.93	159.75	1,550.68
6 Chief Information Office	California Assoc of Health Plans Annual Conference	C	Out	San Diego	10/11/2021	10/13/2021	1,044.93	213.59	1,258.52
7 Chief Executive Officer	Association for Community Affiliated Plans: CEO Summit & Fall Council Meeting	R	OS	Washington DC	10/26/2021	10/29/2021	1,360.07	207.09	1,567.16
8 Senior Director of Government Relations & Strategic Development	Association for Community Affiliated Plans: CEO Summit & Fall Council Meeting	R	OS	Washington DC	10/26/2021	10/29/2021	1,768.99	171.00	1,939.99
<b>Executive Total</b>							<b>11,788.64</b>	<b>1,368.18</b>	<b>13,156.82</b>
9 Deputy Director of Provider Network	The Rise Women in Health Care Leadership Summit	C	Out	San Diego	12/12/2021	12/16/2021	594.65	302.40	897.05
10 QJRN II	Master Trainer Certification for DHCS	P	Out	Sacramento	8/11/2021	8/12/2021	552.01	115.50	667.51
<b>Health Services - QM/QI Total</b>							<b>552.01</b>	<b>115.50</b>	<b>667.51</b>
<b>Sub-Totals</b>							<b>12,935.30</b>	<b>1,786.08</b>	<b>14,721.38</b>

Travel & Lodging	12,935.30	Grand Total	14,721.38
Meals	1,786.08		

Regulatory or Trade Associations	6,575.51	Professional Development	667.51	Conferences	7,478.36	Other	-	Total	14,721.38
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2021 Budget	128,585.00	32,470.00	Grand Total	161,055.00
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**To: KHS Board of Directors**  
**From: Robert Landis, CFO**  
**Date: February 10, 2022**  
**Re: 2021 Annual Report for Disposed Assets**

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**Background**

Kern Health Systems Asset and Surplus Property or Equipment Disposition Policy (Attachment 2) requires an annual report (Attachment 1) to be submitted to the KHS Finance Committee.

**Discussion**

KHS Department Managers are to identify property or equipment that is no longer being used in operations, indicate an item as non-repairable, obsolete, or surplus and are to submit a request for disposal of the item. It is the responsibility of the Corporate Services Department to dispose of equipment in a manner that maximizes returns while ensuring open and effective competition.

The principal methods for disposing of equipment no longer in use (in priority order) are:

1. Determine if the equipment can be used by another department at KHS.
2. Sale by competitive bid or direct negotiation.
3. Trade-in towards the purchase of a new, like item.
4. Donate surplus equipment within Kern County according to the following priority:
  - a) Offer equipment to contracted providers to promote electronic business to business interactions
  - b) Offer to non-profit organizations and government agencies
5. Sell or donate to KHS employees.
6. Items with a value of less than \$50 which cannot be sold or donated will be recycled using an E-Waste vendor.

During 2021, a loss of \$0 was recorded on the disposition of equipment.

**Requested Actions**

Receive and File.



**Attachment 1**

**2021 Asset Dispositions**




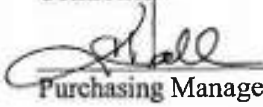
<b>Date in Service</b>	<b>Category</b>	<b>Description</b>	<b>Book Value at Date of Disposal</b>	<b>Disposition Date</b>	<b>Reason for Disposal</b>	<b>Disposition Notes</b>
5/1/2008	Equipment	Refrigerator	-	5/31/2021	Obsolete	Disposed-Recycled
10/16/2008	Equipment	Refrigerator	-	5/31/2021	Obsolete	Disposed-Recycled
2/18/2009	Equipment	Refrigerator	-	5/31/2021	Obsolete	Disposed-Recycled
2/12/2015	Equipment	Document Scanner	-	5/31/2021	Obsolete	Donated to Dr. Salmassi
2/19/2015	Equipment	Document Scanner	-	5/31/2021	Obsolete	Donated to Dr. Salmassi
4/13/2016	Equipment	IPAD	-	5/31/2021	Obsolete	Donated to Kern Valley Hospital

**TOTAL LOSS RECOGNIZED ON DISPOSITION OF OFFICE FURNITURE & EQUIPMENT** \$           -

Attachment 2

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition		INDEX NUMBER 80.21-1		Page 1 of 4	
RESPONSIBLE DEPARTMENT HEAD: Controller					
Review Date	01/01/12				
Effective Date	01/06/12				
Revision No.	2012-01				

Approved	 Acting Chief Executive Officer	Date	1/6/12
Approved	 Chief Financial Officer	Date	1-5-12
Approved	 Controller	Date	1-5-12
Approved	 Purchasing Manager	Date	1-5-12

**POLICY<sup>1</sup>:** Asset and Surplus Property or Equipment Disposition

**PURPOSE:** To appropriately dispose of Kern Health Systems (KHS) owned tagged assets and surplus equipment that no longer has operational value.

**DEFINITIONS:**

Asset	Any tangible property owned by KHS, either with or without value, excluding real property
Disposal/Disposition	The sale, replacement, transfer, scrap, discard, recycling or other means of disposing of assets
E Waste	Electronic items to be recycled such as computers, monitors, phones
Fixed Asset	Classification of an item determined at the time of purchase to meet the capitalization requirements established by policy 80.11 Budget Guidelines
Item	Any piece of property or equipment

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition	INDEX NUMBER 80.21-I	Page 2 of 4
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Obsolete	Significant decline in the competitiveness, usefulness, or value of an item or property whether due to alternatives that perform better, are cheaper, or both; or due to changes in user preference or requirements. For the purposes of this policy, obsolete will mean little to no monetary value.
Salvage Value	The estimated residual value of a depreciable asset (fixed asset) at the end of its economic or useful life.
Surplus Equipment	Excess, obsolete, salvageable or non-salvageable assets which are sold, replaced through the budget process, transferred, scrapped, discarded or otherwise removed from service by any other means of disposal.
Useful Life	The number of years an asset is determined to last at the time of purchase, to which a matching depreciation period is assigned.

**ASSET DISPOSITION AUTHORITY:**

- 1.0 Any Department Manager may identify KHS' property or equipment that is no longer being used in operations, whether that item is non-repairable, obsolete, or surplus, and may submit a request for disposal of that item. It is the responsibility of the Corporate Services department to dispose of surplus equipment in a manner that maximizes returns while ensuring open and effective competition. Surplus equipment and property may be disposed of via: interdepartmental transfer, sale by competitive bid or direct negotiation, trade-in on new property, donation, e-waste recycling, or scrap. Proceeds from the sale or recycling of equipment shall go into the KHS General Fund.

**NOTIFICATION AND VERIFICATION:**

- 1.0 Notification to Accounting of intent to dispose of property
  - a) When a Department Manager has determined an item is non-repairable, obsolete or surplus, they will notify the Accounting department to obtain the necessary specification details located on either the item's existing equipment card (in the case of a fixed asset), or purchasing documentation for non-capitalized items.
  - b) Upon receipt of the information from the Accounting department, the Department Manager will complete the Intent to Dispose of Property (IDP) form and will submit the form to Corporate Services.
- 2.0 Verification of Non-Repairable, Obsolete or Surplus
 

Corporate Services will make a reasonable effort to classify the item into one of the following categories: Non-Repairable, Obsolete or Surplus.

  - a) Non-Repairable Equipment: equipment that is broken beyond repair
  - b) Obsolete Equipment: equipment that has no useful value to KHS, has little to no monetary value, but may have value to another organization
  - c) Surplus Equipment: equipment in working order that is no longer being used by a

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

<b>SUBJECT:</b> Asset and Surplus Property or Equipment Disposition	<b>INDEX NUMBER</b> 80.21-I	Page 3 of 4
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- 3.0 Notification to Accounting of sale, donation or recycling of property  
When a fixed asset is sold, donated, or recycled, Corporate Services will notify Accounting by completing a Disposal of Fixed Asset (DFA) form. Corporate Services will attach the completed and executed IDP form to the DFA form. Accounting will review the DFA form and will record the disposition of the fixed asset on the equipment card.
- 4.0 The Controller will maintain the log of assets sold, transferred, traded, donated or scrapped.
- 5.0 On an annual basis, the CFO will present a listing of disposed assets for review by the Finance Committee.
- 6.0 In the event a potential disposal item has a book or market value in excess of \$5,000.00, then Board approval is required before disposition is authorized.

**DISPOSITION METHODS:**

The principal methods for disposal of surplus equipment are:

- 1.0 Interdepartmental transfer: Prior to disposal, Corporate Services will make a reasonable effort to ensure the equipment cannot be used by another department. If the item can be used by another department, Corporate Services will deliver that item to the requesting department. In the case of a fixed asset, Corporate Services will indicate the new location on the IDP form and will forward the form to Accounting so that a change in location can be recorded on the equipment card. A copy of the IDP form will also be sent to the requesting Department Manager.
- 2.0 Sale by competitive bid or direct negotiation: If obsolete or surplus equipment is in working condition and has previously been determined to have a resale value greater than \$100, Corporate Services will attempt to bundle like (or networked) items and sell the equipment via an online auction competitive bidding process or directly negotiated sale. It will be made clear to all prospective buyers that assets are sold as-is and at the buyer's risk. No warranty or after sale service will be offered. Delivery of the equipment will be at the buyer's expense.
- 3.0 Trade-in: If the surplus equipment has trade-in value toward the purchase of a new, like item, the item will be hauled away by the new equipment vendor. The trade-in value will be reflected on the invoice for the new equipment.
- 4.0 Donate or Sell:  
KHS will donate surplus equipment within Kern County according to the following priority list:
  - KHS will offer computer equipment to contracted providers to promote electronic business to business interactions.
  - KHS will offer equipment to non-profit organizations and governmental agencies.
  - KHS will sell equipment to KHS employees.
- 5.0 Prior to the sale or donation of any computer equipment, KHS will ensure that the computers are scrubbed clean of all corporate information (all electronic files deleted and licensed software removed), and the operating system will be reloaded. Inventory and identification tags will be removed. KHS will donate computer equipment as is, with no guarantee toward the current or future working condition of the equipment. KHS will not provide technical assistance with set-up or operation of the equipment.
- 6.0 E-Waste: Electronic items that have monetary value less than \$50, which cannot be sold or donated, will be recycled using an approved e-waste vendor selected by Corporate Services.

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition	INDEX NUMBER 80.21-I	Page 4 of 4
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- Corporate Services will complete a DFA form and will submit to Accounting.
- 7.0 Scrap: If the surplus equipment is broken and is not e-waste, Corporate Services will make a reasonable effort to determine the cost of repairs, the extended life of the repairs, and compare the repaired value against the cost of a replacement item. If the cost to repair the item is greater than replacement or if the item cannot be repaired due to the non-availability of parts, the item will be marked as scrap. Scrap equipment will be physically disposed of following current city and county dump site requirements.

---

**Attachments:**


- ❖ Attachment A – Intent to Dispose of KHS Property
- ❖ Attachment B – Disposal of Fixed Asset(s)

---

<sup>1</sup> **Revision 2012-01:** Developed by KHS' Chief Financial Officer to appropriately dispose of KHS owned assets and surplus equipment that no longer have an operational value.



Attachment A

 <b>KERN HEALTH SYSTEMS</b> 9700 Stockdale Hwy Bakersfield, CA 93311 661-664-5000	<b>Intent to Dispose of Property, Plant &amp; Equipment</b>
--	---

<b>Department:</b>	
<b>Contact Person:</b>	<b>Phone:</b>

QTY	Serial number	Description	KHS Tag #

**Status of Item**

**Non-Repairable**

**Obsolete**

**Surplus**

<b>Comments:</b>
------------------

**Verification of Item Status:** \_\_\_\_\_

**New Location of Surplus Equipment:** \_\_\_\_\_

**Cc: Accounting, Corporate Service, Department Manager**

 <p><b>KERN HEALTH SYSTEMS</b>                  9700 Stockdale Hwy                  Bakersfield, CA 93311                  661-664-5000</p>	<h2 style="margin: 0;">Disposal of Fixed Asset</h2>
--	---

<b>Department:</b>	
<b>Contact Person:</b>	<b>Phone:</b>

QTY	Serial number	Description	KHS Tag #

**Disposition Notes:** (method and details of disposal: donate, trade-in, sell, E-waste, scrap)

**CHAIN OF CUSTODY**

**MIS (computer equip only):** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Time:** \_\_\_\_\_

**Relinquished:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Time:** \_\_\_\_\_

**Received:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Time:** \_\_\_\_\_

cc: Accounting, Relinquishing Department and Corporate Services (Original stays with accounting)



**To: KHS Board of Directors**

**From: Deborah Murr, RN, BS-HCM, Chief Health Services Officer**

**Date: February 10, 2022**

**Re: Purchase of (2) Additional MCG Clinical Care Guidelines**

---

**Background**

Access to evidence-based decision criteria is essential to remain compliant under our contractual requirements with DHCS and DMHC. Additionally, as KHS prepares for NCQA accreditation, decision pathways and member self-support and education tools will also be required to provide transitional care coordination and chronic condition management. Population Health Management, as defined under CalAIM, must provide an array of complex clinical, behavioral, and social needs support to the KHS membership utilizing standardized protocols.

**Discussion**

KHS has maintained a contract with MCG since 2008 for managing all aspects of medical and behavioral health conditions. This contract includes dynamic and interactive version to provide evidence-based decision making and care coordination for our most vulnerable membership, thereby allowing the clinical staff to provide comprehensive, patient centered, and high-quality care across the continuum of care. The two modules will support member education and self-management of disease, measure and optimize utilization by benchmarking, and provide care setting support for the PHM staff for alignment with NCQA accreditation standards.

**Financial Impact**

Not to exceed \$141,000 annually for the remainder of the contract.

**Requested Action**

Approve; Authorize Chief Executive Officer to Sign.

# MCG Clinical Guidelines Module Expansion

Deborah Murr, RN, BS-HCM  
Chief Health Services Officer  
February 10, 2022



## Agenda

- Chronological Overview
- Current Licensed Modules
- Proposed Purchase of (2) New Modules
- Pricing
- Board Request

## Chronological Overview

- DHCS contract requirement
- Evidence-based criteria for complex medical and behavioral health conditions
- Partner since 2008
  - Membership growth
    - 100,000 in 2008
    - 185,000 in 2016
    - 310,000 in 2021
  - Non automated workflow-static version
- Evolution of material and method of accessing criteria
  - Integrated in JIVA Medical Management System
  - Sole source

## Current Licensed Modules

- Ambulatory Care
- Inpatient & Surgical Care
- General Recovery Care
- Behavioral Health Care
- Recovery Facility Care
- Home Care
- Interrater Reliability Module-competency tool
- Learning Management System-on demand training
- Care Web QI (CWQI) Guideline Modification Module-customization
- Care Web QI (CWQI) Integrated API-JIVA automation
- Cite Auto Auth-Point of service authorization

## Proposed Purchase of (2) New Guideline Modules

### Chronic Care Guidelines

- Disease management algorithms
- Align with Quality Measures

### Transition of Care Guidelines

- Patient self-care modules
- Post discharge to home/other setting

\*\* Both support NCQA accreditation for Population Health Management



## Board Request

Authorize the CEO to sign an amendment for the purchase of (2) new MCG modules, Transitions of Care and Chronic Care Guidelines, under the current MCG contract not to exceed budgeted amount of \$141,000 estimated annually (as adjusted for future membership and costs increases) under the Population Health Management Medical Budget.

## Questions

Deborah Murr, RN, BS-HCM  
Chief Health Services Officer

661-664-5141

[deborah.murr@khs-net.com](mailto:deborah.murr@khs-net.com)





# KERN HEALTH SYSTEMS

## AGREEMENT AT A GLANCE

Department Name: Population Health Management

Department Head: Abigail Romo

Vendor Name: MCG

Contact name & e-mail: Richard Miller

What services will this vendor provide to KHS? Evidenced based support PHM and care coordination and transitional care services with standalone nonintegrated Chronic Condition guideline

Description of Contract	
<p>Type of Agreement: <u>Software</u></p> <p><input checked="" type="checkbox"/> Contract</p> <p><input type="checkbox"/> Purchase</p> <p><input type="checkbox"/> New agreement</p> <p><input type="checkbox"/> Continuation of Agreement</p> <p><input type="checkbox"/> Addendum</p> <p><input checked="" type="checkbox"/> Amendment No. <u>1</u></p> <p><input type="checkbox"/> Retroactive Agreement</p>	<p>Background: <u>KHS currently contracts with MCG for access to this evidence-based criteria information. DHCS and DMHC requires that Health Plans apply evidence-based criteria to decisions rendered for complex medical and behavioral health conditions. In addition, KHS is preparing for NCOA accreditation, and therefore, it requires access to relevant and current care guidelines outlining care coordination and transitional care. These guidelines are necessary for the clinical staff to provide member education materials, care coordination and transitional support for members enrolled in Population Health Management programs.</u></p> <p><u>This in turn will improve outcomes, reduce readmission, and promote self-care. Assessment in JIVA will continue to be utilized as this new module provides education, measure and optimize utilization by benchmarking, and provide care setting support for UM and PHM staff for care plans and SMART alignment with NCOA accreditation standards.</u></p> <p> </p> <p>Brief Explanation: <u>KHS has maintained a contract with MCG since 2008 for managing all aspects of medical and behavioral health conditions. CalAIM has required a heightened focus on the social aspects of member's health outcomes as a critical part of their overall conditions' management. Chronic Care guidelines (CCG) help staff evaluate needs, identify goals, develop personalized care plans, and support effective self-care for patients with chronic diseases or complex care issues. The modular design supports quick, efficient assessments and enables the management of multiple comorbidities and behavioral health conditions. High-intensity disease CCG guidelines consist of various modules clinicians can use to create comprehensive assessments and care plans, including patient engagement tools. Transitions of Care will help proactively identify and address barriers to effective care transitions with assessments, care plans, and informative handouts that provide care coordination guidance.</u></p>

Summary of Quotes and/or Bids attached. Pursuant to KHS Policy 98.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not

KHS Board of Directors Meeting, February 10, 2022

budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes. )

Brief vendor selection justification: MCG under contract

Sole source – no competitive process can be performed.

Brief reason for sole source: Adding (2) new modules, TOC and CCG under existing contract with MCG 8/2021-8/2025 as required under DHS contract.

Conflict of Interest Form is required for this Contract

HIPAA Business Associate Agreement is required for this Contract

**Fiscal Impact**

KHS Governing Board previously approved this expense in KHS' FY 2022 Administrative Budget  NO  YES

Will this require additional funds?  NO  YES

Capital project  NO  YES

Project type: Medical mgmt.

Budgeted Cost Center 316 GL# 5645

Maximum cost of this agreement not to exceed: \$141,000 estimated annually

Notes: Standalone guideline for Population Health Management staff with no JIVA integration required.

**Contract Terms and Conditions**

Effective date: 2/17/2022

Termination date: 8/17/2025

Explain extension provisions, termination conditions and required notice: Purchase of additional guidelines will require annual license PMPY to be amended in current contract in 2/17/2022

**Approvals**

**Compliance DMHC/DHCS Review:**

**Legal Review:**

Approved by Carmen Deby  
Director of Compliance and Regulatory Affairs

Approved by Gunjodha Khalsa  
Legal Counsel

per email 7/24/20  
Date

per email date 12/5/16  
Date

**Contract Owner:**

**Purchasing:**

Approved by Deb Murr  
Department Head

Approved by Alonso Hurtado  
Director of Procurement and Facilities

per Contract meeting 1/27/22  
Date

per Contract meeting 1/27/22  
Date

**Reviewed as to Budget:**

*Phil Lewis*

Chief Financial Officer or Controller

*1/31/22*

Date

**IT Approval:**

*Approved by Richard Pruitt*

Chief Information Officer or IT Director

*per contract meeting 1/27/22*

Date

**Recommended by the Executive Committee:**

*[Signature]*

Chief Operating Officer

*1-31-22*

Date

**Chief Executive Officer Approval:**

Chief Executive Officer

Date

Board of Directors approval is required on all contracts over \$50,000 if not budgeted and \$100,000 if budgeted.

\_\_\_\_\_  
KHS Board Chairman

\_\_\_\_\_  
Date





**To: KHS Board of Directors**

**From: Anita Martin, Chief Human Resources Officer**

**Date: February 10, 2022**

**Re: Ceridian Agreement**

---

**Background**

In April 2015, Kern Health Systems (“KHS”) issued a Request for Proposal (“RFP”) to provide Human Resource and Payroll Services. In August of 2015, KHS selected Ceridian as the vendor for these services and began the implementation process with a final go-live date of April 1, 2016.

**Discussion**

Ceridian is the descendant of the original Control Data Corporation (CDC) founded in 1957, and is a global leader in payroll, HR software and technology. Advances in technology with Ceridian’s innovative Dayforce platform, provides the ability to deliver a “real-time” HR application that is based on a single employee record. The “real-time” cloud-based technology eliminates latency issues, and their single point of employee entry reduces errors that are normally faced as a result of multiple platform entries, and data being synchronized through an interface.

KHS has enjoyed consistent service delivery from Ceridian with very few service disruptions over the nearly six-year relationship. We have experienced outstanding customer service and incident response times and have benefited from their constant innovation in HR services to employees.

KHS is seeking to sign a three-year agreement with Ceridian for the continuation of their services to provide Benefits Management, Compensation, Employee Engagement, HR Admin, Learning and Development (LMS), Payroll, Performance Reviews, Talent/Recruiting, Workforce Management (Timesheets and Schedules) and Succession Planning.

**Financial Impact**

Ceridian cost for these services are \$36.00 (PEPM) Per Employee Per Month rate. Estimated cost \$216,000 annually.

**Requested Action**

Approve; Authorize Chief Executive Office to Sign.







# KERN HEALTH SYSTEMS

## **Payroll and HCM Services**

**Anita Martin**  
**Chief Human Resources Officer**  
**February 10, 2022**



## Agenda

- Background
- Scope of Services
- Results and Recommendation
- Questions



## Background

KHS has been utilizing Ceridian since April 2016 to provide Payroll and HCM services.

Ceridian is the descendant of the original Control Data Corporation (CDC) founded in 1957, and is a global leader in payroll, HR software and technology. Advances in technology with Ceridian's innovative Dayforce platform, provides the ability to deliver a "real-time" HR application that is based on a single employee record.

The "real-time" cloud-based technology eliminates latency issues, and their single point of employee entry reduces errors that are normally faced as a result of multiple platform entries, and data being synchronized through an interface.



## Scope of Services

- Our Entire HCM Platform Consists of the Following:

- Benefits
- Compensation
- Payroll
- HR Admin
- Learning and Development (LMS)
- Talent/Recruiting
- Performance Reviews
- HR Administration
- Workforce Management (Timesheets and Schedules)
- Succession Planning\*

( An employee assessment tool that divides and plots employees across 9 key data points in coordination with the performance module and evaluates employees' potential growth and talent used for succession planning.)

\*indicates new module



## Results and Recommendation

- In the nearly **six years** that KHS has contracted with Ceridian as our HCM vendor, we have had:
  - Consistent delivery of services and very few service disruptions
  - Outstanding customer service and incident response times
  - Constant innovation and addition of new modules to simplify and automate HR Services to employees
  - No price increases
- Request the Board of Directors authorize the CEO to approve a three-year contract with Ceridian, in the amount not to exceed \$216,000 annually (\$36 Per Employee Per Month) for Payroll and HRIS Services.



## Questions

Please contact:

**Anita Martin**

Chief Human Resources Officer

661-664-5000

[Anita.Martin@khs-net.com](mailto:Anita.Martin@khs-net.com)





# KERN HEALTH SYSTEMS

## AGREEMENT AT A GLANCE

Department Name: HR

Department Head: Anita Martin

Vendor Name: Ceridian

Contact name & e-mail: Chris Tillery, Chris.Tillery@ceridian.com

What services will this vendor provide to KHS? Payroll and HCM services

Description of Contract	
<p>Type of Agreement: <u>Professional Services</u></p> <p><input type="checkbox"/> Contract</p> <p><input type="checkbox"/> Purchase</p> <p><input type="checkbox"/> New agreement</p> <p><input checked="" type="checkbox"/> Continuation of Agreement</p> <p><input type="checkbox"/> Addendum</p> <p><input type="checkbox"/> Amendment No. _____</p> <p><input type="checkbox"/> Retroactive Agreement</p>	<p>Background: <u>In April 2015, Kern Health Systems ("KHS") issued a Request for Proposal ("RFP") to provide Human Resource and Payroll Services. In August 2015, KHS selected Ceridian as the vendor for these services, with an April 1, 2016 go-live.</u></p> <p>Brief Explanation: <u>KHS is proposing to renew the services of Ceridian to provide our HCM platform. Ceridian delivers Dayforce HCM, a single SaaS (cloud-based) application for Benefits, Compensation, Employee Engagement, HR Admin, Learning and Development (LMS), Payroll, Performance Reviews, Talent/Recruiting, Workforce Management and Succession Planning. As a descendent of the original Control Data Corporation (CDC) founded in 1957, Ceridian is a global leader of HR software and services operating in the USA, Canada, Europe and Mauritius with 9,500 employees worldwide. Dayforce HCM has the ability to deliver a "real-time" HR application based on one employee record which has eliminated our previous latency issues and eliminated errors created as a result of multiple platform entries such as experienced with our previous provider.</u></p>
<p><input type="checkbox"/> Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.</i></p>	
<p>Brief vendor selection justification:</p> <p><input checked="" type="checkbox"/> Sole source – no competitive process can be performed.</p>	
<p>Brief reason for sole source: <u>KHS has a current contract with Ceridian for all of our HR technology needs.</u></p>	
<p><input type="checkbox"/> Conflict of Interest Form is required for this Contract</p>	
<p><input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract</p>	
Fiscal Impact	
<p>KHS Governing Board previously approved this expense in KHS' FY 2022 Administrative Budget</p>	<p><input type="checkbox"/> NO      <input checked="" type="checkbox"/> YES</p>
<p>Will this require additional funds?</p>	<p><input checked="" type="checkbox"/> NO      <input type="checkbox"/> YES</p>
<p>Capital project</p>	<p><input checked="" type="checkbox"/> NO      <input type="checkbox"/> YES</p>

Form updated 11/21/19

Project type: \_\_\_\_\_

Budgeted Cost Center 510

GL#5495

Maximum cost of this agreement not to exceed: \$36.00 PEPM (Per Member Per Month)

Notes: \_\_\_\_\_

**Contract Terms and Conditions**

Effective date: 3/18/22

Termination date: 3/17/25

Explain extension provisions, termination conditions and required notice:

**Approvals**

**Compliance DMHC/DHCS Review:**

**Legal Review:**

Director of Compliance and Regulatory Affairs

Legal Counsel

Date

Date

**Contract Owner:**

**Purchasing:**

Approved by Anita Martin  
Department Head

Approved by Alonso Hurtado  
Director of Procurement and Facilities

per contract meeting 1/27/22  
Date

per contract meeting 1/27/22  
Date

**Reviewed as to Budget:**

**Recommended by the Executive Committee:**

Robert Landis  
Chief Financial Officer or Controller

[Signature]  
Chief Operating Officer

1/31/22  
Date

1-31-22  
Date

**IT Approval:**

**Chief Executive Officer Approval:**

Approved by Richard Pruitt  
Chief Information Officer or IT Director

\_\_\_\_\_  
Chief Executive Officer

per contract meeting 1/27/22  
Date

\_\_\_\_\_  
Date

**Board of Directors approval is required on all contracts over \$50,000 if not budgeted and \$100,000 if budgeted.**

\_\_\_\_\_  
KHS Board Chairman

\_\_\_\_\_  
Date





**To: KHS Board of Directors**

**From: Robert Landis, CFO**

**Date: February 10, 2022**

**Re: November 30, 2021 Financial Results**

---

The November results reflect a \$845,979 Net Increase in Net Position which is a \$2,172,638 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$13.2 million favorable variance primarily due to:
  - A) \$8.0 million favorable variance primarily due to higher-than-expected budgeted membership.
  - B) \$2.3 million favorable variance in revenues earned from DHCS under the KHS Covid-19 Vaccination Incentive Program by meeting key performance measurements designed to improve the vaccination rate with our Members. Under this Program, KHS has offered incentives to Providers to perform significantly expanded outreach to KHS Members that are based on achieving specified outcomes. Additionally, there are Member Incentives (not to exceed \$50 per member) for our Members that get vaccinated. This amount is offset against amounts included in 2C below.
  - C) \$2.6 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving updated rates for calendar year 2021 from DHCS and higher than expected membership offset against amounts included in 2D below.
- 2) Total Medical Costs reflect a \$10.7 million unfavorable variance primarily due to:
  - A) \$2.0 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization of Primary Care and Urgent Care Services over the last several months.
  - B) \$5.8 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization.
  - C) \$2.3 million unfavorable variance in Other Medical due to Vaccine Incentive Program expenses earned by our Providers along with Incentives earned by our Members offset against amounts included in 1B above.
  - D) \$2.6 million unfavorable variance in Hospital Directed Payments primarily due to receiving updated rates for calendar year 2021 from DHCS and higher than expected Membership offset against amounts included in 1C above.

- E) \$1.4 million favorable IBNR, Incentive, Paid Claims Adjustment primarily from lower-than-expected P4P payouts relating to the prior year.

The November Medical Loss Ratio is 91.5% which is favorable to the 93.3% budgeted amount. The November Administrative Expense Ratio is 6.1% which is favorable to the 6.7% budgeted amount.

The results for the 11 months ended November 30, 2021 reflect a Net Increase in Net Position of \$14,990,250. This is a \$22,571,135 favorable variance to budget and includes approximately \$4.6million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 92.7 % which is favorable to the 93.2% budgeted amount. The year-to-date Administrative Expense Ratio is 5.6% which is favorable to the 6.7% budgeted amount.

**Kern Health Systems  
Financial Packet  
November 2021**

**KHS – Medi-Cal Line of Business**

Comparative Statement of Net Position	Page 1
Statement of Revenue, Expenses, and Changes in Net Position	Page 2
Statement of Revenue, Expenses, and Changes in Net Position - PMPM	Page 3
Statement of Revenue, Expenses, and Changes in Net Position by Month	Page 4-5
Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM	Page 6-7
Schedule of Revenues	Page 8
Schedule of Medical Costs	Page 9
Schedule of Medical Costs - PMPM	Page 10
Schedule of Medical Costs by Month	Page 11-12
Schedule of Medical Costs by Month – PMPM	Page 13-14
Schedule of Administrative Expenses by Department	Page 15
Schedule of Administrative Expenses by Department by Month	Page 16-17

**KHS Group Health Plan – Healthy Families Line of Business**

Comparative Statement of Net Position	Page 18
Statement of Revenue, Expenses, and Changes in Net Position	Page 19

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 20
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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2021</b>			
<b>ASSETS</b>	<b>NOVEMBER 2021</b>	<b>OCTOBER 2021</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 156,432,908	\$ 112,022,947	\$ 44,409,961
Short-Term Investments	139,573,231	146,132,207	(6,558,976)
Premiums Receivable - Net	117,505,175	109,116,929	8,388,246
Premiums Receivable - Hospital Direct Payments	301,594,558	284,832,595	16,761,963
Interest Receivable	184,046	90,191	93,855
Provider Advance Payment	5,126,469	5,166,656	(40,187)
Other Receivables	923,710	772,288	151,422
Prepaid Expenses & Other Current Assets	2,996,406	2,683,400	313,006
<b>Total Current Assets</b>	<b>\$ 724,336,503</b>	<b>\$ 660,817,213</b>	<b>\$ 63,519,290</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,777,138	1,668,151	108,987
Computer Hardware and Software - Net	14,208,129	12,346,824	1,861,305
Building and Building Improvements - Net	34,515,645	34,591,339	(75,694)
Capital Projects in Progress	12,784,572	15,133,452	(2,348,880)
<b>Total Capital Assets</b>	<b>\$ 67,376,190</b>	<b>\$ 67,830,472</b>	<b>\$ (454,282)</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,593,961	1,593,961	-
<b>Total Long Term Assets</b>	<b>\$ 1,893,961</b>	<b>\$ 1,893,961</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 3,018,341</b>	<b>\$ 3,018,341</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 796,624,995</b>	<b>\$ 733,559,987</b>	<b>\$ 63,065,008</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 3,565,173	\$ 4,379,517	(814,344)
Accrued Other Operating Expenses	1,797,562	1,542,264	255,298
Accrued Taxes and Licenses	19,638,235	9,744,181	9,894,054
Claims Payable (Reported)	24,429,531	22,032,450	2,397,081
IBNR - Inpatient Claims	44,582,541	43,141,224	1,441,317
IBNR - Physician Claims	17,350,901	15,903,083	1,447,818
IBNR - Accrued Other Medical	24,208,119	21,386,468	2,821,651
Risk Pool and Withholds Payable	5,023,866	6,423,866	(1,400,000)
Statutory Allowance for Claims Processing Expense	2,157,367	2,157,367	-
Other Liabilities	104,313,884	74,899,693	29,414,191
Accrued Hospital Directed Payments	301,594,558	284,832,595	16,761,963
<b>Total Current Liabilities</b>	<b>\$ 548,661,737</b>	<b>\$ 486,442,708</b>	<b>\$ 62,219,029</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	5,800,140	5,800,140	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 5,800,140</b>	<b>\$ 5,800,140</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 86,684</b>	<b>\$ 86,684</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	14,990,250	14,144,271	845,979
<b>Total Net Position</b>	<b>\$ 242,076,434</b>	<b>\$ 241,230,455</b>	<b>\$ 845,979</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 796,624,995</b>	<b>\$ 733,559,987</b>	<b>\$ 63,065,008</b>

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION			YEAR-TO-DATE MEMBER MONTHS		
			ACTUAL	BUDGET	VARIANCE	FOR THE MONTH ENDED NOVEMBER 30, 2021		
193,430	185,400	8,030	Family Members			2,072,537	2,017,400	55,137
78,693	70,565	8,128	Expansion Members			829,086	776,215	52,871
15,840	15,230	610	SPD Members			176,424	167,530	8,894
9,026	7,000	2,026	Other Members			92,194	77,000	15,194
12,547	10,500	2,047	Kaiser Members			129,946	115,500	14,446
309,536	288,695	20,841	Total Members - MCAL			3,300,187	3,153,645	146,542
			REVENUES					
37,111,335	32,280,191	4,831,144	Title XIX - Medicaid - Family and Other			385,142,863	352,815,550	32,327,313
31,001,586	26,523,701	4,477,885	Title XIX - Medicaid - Expansion Members			320,433,671	291,760,710	28,672,961
16,254,790	15,294,634	960,156	Title XIX - Medicaid - SPD Members			174,539,419	168,240,971	6,298,448
10,229,533	9,894,054	335,479	Premium - MCO Tax			109,321,239	102,898,163	6,423,076
16,753,272	14,106,810	2,646,462	Premium - Hospital Directed Payments			177,719,929	154,496,560	23,223,369
157,659	168,241	(10,582)	Investment Earnings And Other Income			622,290	1,831,410	(1,209,120)
-	80,677	(80,677)	Reinsurance Recoveries			-	881,062	(881,062)
8,691	-	8,691	Rate Adjustments - Hospital Directed Payments			49,176,877	-	49,176,877
66,815	-	66,815	Rate/Income Adjustments			3,179,171	-	3,179,171
111,583,681	98,348,307	13,235,374	TOTAL REVENUES			1,220,135,459	1,072,924,425	147,211,034
			EXPENSES					
			Medical Costs:					
17,258,969	15,231,590	(2,027,379)	Physician Services			176,103,413	166,663,398	(9,440,015)
4,829,415	4,739,638	(89,777)	Other Professional Services			52,033,181	51,992,648	(40,533)
4,818,883	5,601,587	782,704	Emergency Room			50,361,154	61,236,357	10,875,203
21,256,426	15,465,135	(5,791,291)	Inpatient			222,380,583	169,445,732	(52,934,851)
86,151	80,677	(5,474)	Reinsurance Expense			914,112	881,062	(33,050)
7,793,785	7,015,531	(778,254)	Outpatient Hospital			85,487,992	76,879,550	(8,608,442)
12,549,269	10,205,441	(2,343,828)	Other Medical			119,916,340	111,664,755	(8,251,585)
10,196,195	10,525,976	329,781	Pharmacy			108,072,882	115,420,101	7,347,219
-	528,571	528,571	Pay for Performance Quality Incentive			4,317,262	5,772,476	1,455,214
16,753,272	14,106,810	(2,646,462)	Hospital Directed Payments			177,719,929	154,496,560	(23,223,369)
8,691	-	(8,691)	Hospital Directed Payment Adjustment			48,165,023	-	(48,165,023)
24,857	-	(24,857)	Non-Claims Expense Adjustment			987,671	-	(987,671)
(1,378,922)	-	1,378,922	IBNR, Incentive, Paid Claims Adjustment			(1,237,376)	-	1,237,376
94,196,991	83,500,955	(10,696,036)	Total Medical Costs			1,045,222,166	914,452,637	(130,769,529)
17,386,690	14,847,351	2,539,339	GROSS MARGIN			174,913,293	158,471,788	16,441,505
			Administrative:					
2,775,542	2,856,030	80,488	Compensation			30,210,602	31,491,333	1,280,731
1,095,098	1,071,006	(24,092)	Purchased Services			10,392,490	11,781,066	1,388,576
188,536	133,106	(55,430)	Supplies			974,278	1,464,169	489,891
716,552	500,520	(216,032)	Depreciation			4,969,027	5,505,724	536,697
276,718	385,959	109,241	Other Administrative Expenses			2,917,698	4,245,551	1,327,853
77,569	-	(77,569)	Administrative Expense Adjustment			(187,239)	-	187,239
5,130,015	4,946,622	(183,393)	Total Administrative Expenses			49,276,856	54,487,844	5,210,988
99,327,006	88,447,578	(10,879,428)	TOTAL EXPENSES			1,094,499,022	968,940,481	(125,558,541)
12,256,675	9,900,729	2,355,946	OPERATING INCOME (LOSS) BEFORE TAX			125,636,437	103,983,944	21,652,493
9,894,054	9,894,054	-	MCO TAX			102,925,961	102,898,163	(27,798)
2,362,621	6,675	2,355,946	OPERATING INCOME (LOSS) NET OF TAX			22,710,476	1,085,781	21,624,695
			NONOPERATING REVENUE (EXPENSE)					
-	-	-	Gain on Sale of Assets			-	-	-
(1,346,906)	(1,166,667)	(180,239)	Provider Recruitment and Retention Grants			(6,770,178)	(6,833,333)	63,155
(169,736)	(166,667)	(3,069)	Health Home			(950,048)	(1,833,333)	883,285
(1,516,642)	(1,333,334)	(183,308)	TOTAL NONOPERATING REVENUE (EXPENSE)			(7,720,226)	(8,666,666)	946,440
845,979	(1,326,659)	2,172,638	NET INCREASE (DECREASE) IN NET POSITION			14,990,250	(7,580,885)	22,571,135
91.5%	93.3%	1.8%	MEDICAL LOSS RATIO			92.7%	93.2%	0.5%
6.1%	6.7%	0.6%	ADMINISTRATIVE EXPENSE RATIO			5.6%	6.7%	1.1%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2021			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
<b>ENROLLMENT</b>								
193,430	185,400	8,030	Family Members	2,072,537	2,017,400	55,137		
78,693	70,565	8,128	Expansion Members	829,086	776,215	52,871		
15,840	15,230	610	SPD Members	176,424	167,530	8,894		
9,026	7,000	2,026	Other Members	92,194	77,000	15,194		
12,547	10,500	2,047	Kaiser Members	129,946	115,500	14,446		
309,536	288,695	20,841	Total Members - MCAL	3,300,187	3,153,645	146,542		
<b>REVENUES</b>								
183.31	167.78	15.53	Title XIX - Medicaid - Family and Other	177.92	168.46	9.46		
393.96	375.88	18.08	Title XIX - Medicaid - Expansion Members	386.49	375.88	10.61		
1,026.19	1,004.24	21.94	Title XIX - Medicaid - SPD Members	989.32	1,004.24	(14.93)		
34.44	35.57	(1.12)	Premium - MCO Tax	34.48	33.87	0.61		
56.41	50.71	5.70	Premium - Hospital Directed Payments	56.06	50.85	5.21		
0.53	0.60	(0.07)	Investment Earnings And Other Income	0.20	0.60	(0.41)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
0.03	0.00	0.03	Rate Adjustments - Hospital Directed Payments	15.51	0.00	15.51		
0.22	0.00	0.22	Rate/Income Adjustments	1.00	0.00	1.00		
375.72	353.52	22.19	TOTAL REVENUES	384.87	353.15	31.72		
<b>EXPENSES</b>								
<b>Medical Costs:</b>								
58.11	54.75	(3.36)	Physician Services	55.55	54.86	(0.69)		
16.26	17.04	0.78	Other Professional Services	16.41	17.11	0.70		
16.23	20.14	3.91	Emergency Room	15.89	20.16	4.27		
71.57	55.59	(15.98)	Inpatient	70.15	55.77	(14.37)		
0.29	0.29	(0.00)	Reinsurance Expense	0.29	0.29	0.00		
26.24	25.22	(1.02)	Outpatient Hospital	26.97	25.30	(1.66)		
42.25	36.68	(5.57)	Other Medical	37.83	36.75	(1.07)		
34.33	37.84	3.50	Pharmacy	34.09	37.99	3.90		
0.00	1.90	1.90	Pay for Performance Quality Incentive	1.36	1.90	0.54		
56.41	50.71	(5.70)	Hospital Directed Payments	56.06	50.85	(5.21)		
0.03	0.00	(0.03)	Hospital Directed Payment Adjustment	15.19	0.00	(15.19)		
0.08	0.00	(0.08)	Non-Claims Expense Adjustment	0.31	0.00	(0.31)		
(4.64)	0.00	4.64	IBNR, Incentive, Paid Claims Adjustment	(0.39)	0.00	0.39		
317.17	300.15	(17.02)	Total Medical Costs	329.70	300.99	(28.71)		
58.54	53.37	5.17	GROSS MARGIN	55.17	52.16	3.01		
<b>Administrative:</b>								
9.35	10.27	0.92	Compensation	9.53	10.37	0.84		
3.69	3.85	0.16	Purchased Services	3.28	3.88	0.60		
0.63	0.48	(0.16)	Supplies	0.31	0.48	0.17		
2.41	1.80	(0.61)	Depreciation	1.57	1.81	0.24		
0.93	1.39	0.46	Other Administrative Expenses	0.92	1.40	0.48		
0.26	0.00	(0.26)	Administrative Expense Adjustment	(0.06)	0.00	0.06		
17.27	17.78	0.51	Total Administrative Expenses	15.54	17.93	2.39		
334.45	317.93	(16.51)	TOTAL EXPENSES	345.24	318.93	(26.32)		
41.27	35.59	5.68	OPERATING INCOME (LOSS) BEFORE TAX	39.63	34.23	5.40		
33.31	35.57	2.25	MCO TAX	32.47	33.87	1.40		
7.96	0.02	7.93	OPERATING INCOME (LOSS) NET OF TAX	7.16	0.36	6.81		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(4.54)	(4.19)	(0.34)	Reserve Fund Projects/Community Grants	(2.14)	(2.25)	0.11		
(0.57)	(0.60)	0.03	Health Home	(0.30)	(0.60)	0.30		
(5.11)	(4.79)	(0.31)	TOTAL NONOPERATING REVENUE (EXPENSE)	(2.44)	(2.85)	0.42		
2.85	(4.77)	7.62	NET INCREASE (DECREASE) IN NET POSITION	4.73	(2.50)	7.22		
91.5%	93.3%	1.8%	MEDICAL LOSS RATIO	92.7%	93.2%	0.5%		
6.1%	6.7%	0.6%	ADMINISTRATIVE EXPENSE RATIO	5.6%	6.7%	1.1%		

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2021	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
	2020	2020	2021	2021	2021	2021	2021
<b>ENROLLMENT</b>							
Members - MCAL	275,080	277,452	278,517	276,880	282,972	284,587	287,199
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	30,920,096	32,216,002	33,254,490	33,365,704	33,587,650	33,739,041	34,872,666
Title XIX - Medicaid - Expansion Members	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	28,547,171	28,728,667
Title XIX - Medicaid - SPD Members	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	15,527,562	16,024,510
Premium - MCO Tax	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	9,805,142	9,876,747
Premium - Hospital Directed Payments	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	14,811,749
Investment Earnings And Other Income	166,556	147,197	4,303	116,471	(249,580)	205,894	195,233
Rate Adjustments - Hospital Directed Payments	10,627	(2,692)	39,990	21,877	78,150,342	3,134	79,899
Rate/Income Adjustments	127,031	226,726	799,886	594,678	1,527,455	266,498	595,656
<b>TOTAL REVENUES</b>	<b>90,469,419</b>	<b>93,858,589</b>	<b>101,673,293</b>	<b>102,076,001</b>	<b>179,189,761</b>	<b>102,829,055</b>	<b>105,185,127</b>
<b>EXPENSES</b>							
<b>Medical Costs:</b>							
Physician Services	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	15,642,095	15,744,708
Other Professional Services	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	5,107,193	4,658,383
Emergency Room	4,638,713	3,194,257	4,676,327	4,420,437	4,353,449	4,480,205	5,023,372
<b>Inpatient</b>	<b>17,212,070</b>	<b>19,183,080</b>	<b>19,853,180</b>	<b>19,321,533</b>	<b>17,577,565</b>	<b>18,419,878</b>	<b>20,578,157</b>
Reinsurance Expense	84,521	77,390	81,215	80,770	80,461	80,129	84,297
Outpatient Hospital	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	8,681,740	8,842,725
Other Medical	10,958,385	13,070,247	10,641,113	10,412,229	11,840,899	9,883,445	10,960,637
Pharmacy	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	9,412,697	9,349,484
Pay for Performance Quality Incentive	544,962	-	529,182	529,183	526,070	540,715	540,715
Hospital Directed Payments	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	14,811,759
Hospital Directed Payment Adjustment	6,596	(1,263)	39,990	21,878	77,356,953	3,134	597
Non-Claims Expense Adjustment	(209,309)	1,598	287,063	233,372	212,564	71,855	58,763
IBNR, Incentive, Paid Claims Adjustment	205,986	316,193	4,787	858,658	1,700,070	(85,946)	449,838
<b>Total Medical Costs</b>	<b>75,939,534</b>	<b>79,392,380</b>	<b>86,772,505</b>	<b>86,383,866</b>	<b>164,164,093</b>	<b>86,971,753</b>	<b>91,103,435</b>
<b>GROSS MARGIN</b>	<b>14,529,885</b>	<b>14,466,209</b>	<b>14,900,788</b>	<b>15,692,135</b>	<b>15,025,668</b>	<b>15,857,302</b>	<b>14,081,692</b>
<b>Administrative:</b>							
Compensation	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	2,691,957	2,748,394
Purchased Services	745,537	1,172,530	818,908	824,152	941,200	986,086	996,889
Supplies	106,489	39,305	57,592	57,416	4,446	131,712	57,943
Depreciation	419,850	421,301	422,833	422,834	426,541	426,541	422,382
Other Administrative Expenses	242,696	351,189	277,245	267,201	102,962	248,235	230,567
Administrative Expense Adjustment	-	1,407,045	18,296	(271,318)	57,294	(5,010)	(215)
<b>Total Administrative Expenses</b>	<b>3,970,929</b>	<b>6,158,239</b>	<b>4,367,458</b>	<b>4,208,389</b>	<b>3,989,603</b>	<b>4,479,521</b>	<b>4,455,960</b>
<b>TOTAL EXPENSES</b>	<b>79,910,463</b>	<b>85,550,619</b>	<b>91,139,963</b>	<b>90,592,255</b>	<b>168,153,696</b>	<b>91,451,274</b>	<b>95,559,395</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>10,558,956</b>	<b>8,307,970</b>	<b>10,533,330</b>	<b>11,483,746</b>	<b>11,036,065</b>	<b>11,377,781</b>	<b>9,625,732</b>
<b>MCO TAX</b>	<b>8,904,649</b>	<b>8,904,649</b>	<b>8,902,943</b>	<b>8,904,649</b>	<b>8,933,228</b>	<b>8,905,080</b>	<b>8,905,142</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>1,654,307</b>	<b>(596,679)</b>	<b>1,630,387</b>	<b>2,579,097</b>	<b>2,102,837</b>	<b>2,472,701</b>	<b>720,590</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(931,682)</b>	<b>1,433,032</b>	<b>(137,472)</b>	<b>(151,159)</b>	<b>(88,366)</b>	<b>(167,372)</b>	<b>(245,779)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>722,625</b>	<b>836,353</b>	<b>1,492,915</b>	<b>2,427,938</b>	<b>2,014,471</b>	<b>2,305,329</b>	<b>474,811</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.6%</b>	<b>92.5%</b>	<b>93.1%</b>	<b>92.2%</b>	<b>94.3%</b>	<b>92.3%</b>	<b>94.9%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.5%</b>	<b>8.2%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.1%</b>	<b>5.7%</b>	<b>5.5%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2021							
	JUNE 2021	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	13 MONTH TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	289,309	290,980	292,271	294,672	295,865	296,989	3,722,773
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	35,878,342	35,761,670	34,569,656	35,961,464	37,040,845	37,111,335	448,278,961
Title XIX - Medicaid - Expansion Members	29,533,533	29,676,566	29,540,608	29,932,046	30,140,656	31,001,586	373,135,677
Title XIX - Medicaid - SPD Members	15,971,978	16,260,445	16,115,519	16,075,172	16,206,131	16,254,790	206,051,867
Premium - MCO Tax	9,961,634	10,025,153	10,069,582	10,136,079	10,229,218	10,229,533	126,572,124
Premium - Hospital Directed Payments	22,138,233	16,337,340	16,361,944	16,554,814	16,726,476	16,753,272	196,771,055
Investment Earnings And Other Income	(408,458)	(39,267)	567,469	(59,079)	131,645	157,659	936,043
Rate Adjustments - Hospital Directed Payments	4,445	(29,149,066)	7,365	5,709	4,491	8,691	49,184,812
Rate/Income Adjustments	(93,658)	(294,637)	(458,866)	122,473	52,871	66,815	3,532,928
<b>TOTAL REVENUES</b>	<b>112,986,049</b>	<b>78,578,204</b>	<b>106,773,277</b>	<b>108,728,678</b>	<b>110,532,333</b>	<b>111,583,681</b>	<b>1,404,463,467</b>
<b>EXPENSES</b>							
<b>Medical Costs:</b>							
Physician Services	16,190,717	15,305,367	15,819,470	17,895,535	17,549,058	17,258,969	202,631,648
Other Professional Services	4,460,451	4,604,443	4,825,412	4,347,759	4,846,005	4,829,415	61,358,066
Emergency Room	5,040,670	4,833,831	4,472,304	3,735,609	4,506,067	4,818,883	58,194,124
Inpatient	20,739,625	20,542,490	20,581,248	20,303,427	23,207,054	21,256,426	258,775,733
Reinsurance Expense	82,530	84,045	84,997	84,384	85,133	86,151	1,076,023
Outpatient Hospital	8,800,023	7,937,455	7,942,981	7,529,697	7,080,379	7,793,785	98,263,186
Other Medical	12,430,651	9,927,247	9,914,269	10,572,454	10,784,127	12,549,269	143,944,972
Pharmacy	10,442,688	9,774,211	10,298,442	9,913,574	10,236,384	10,196,195	126,441,930
Pay for Performance Quality Incentive	545,673	552,862	552,862	-	-	-	4,862,224
Hospital Directed Payments	22,138,233	16,337,330	16,361,944	16,554,814	16,726,476	16,753,272	196,771,055
Hospital Directed Payment Adjustment	3,943	(29,149,382)	7,365	(132,637)	4,491	8,691	48,170,356
Non-Claims Expense Adjustment	46,953	(11,833)	34,433	20,737	8,907	24,857	779,960
IBNR, Incentive, Paid Claims Adjustment	(2,226,487)	406,066	(55,915)	14,595	(924,120)	(1,378,922)	(715,197)
<b>Total Medical Costs</b>	<b>98,695,670</b>	<b>61,144,132</b>	<b>90,839,812</b>	<b>90,839,948</b>	<b>94,109,961</b>	<b>94,196,991</b>	<b>1,200,554,080</b>
<b>GROSS MARGIN</b>							
Administrative:	14,290,379	17,434,072	15,933,465	17,888,730	16,422,372	17,386,690	203,909,387
Compensation	2,731,289	2,805,915	2,781,896	2,791,543	2,746,218	2,775,542	35,433,828
Purchased Services	985,876	939,689	845,393	968,021	991,178	1,095,098	12,310,557
Supplies	85,576	156,626	193,504	(17,330)	58,257	188,536	1,120,072
Depreciation	425,837	425,522	427,805	427,804	424,376	716,552	5,810,178
Other Administrative Expenses	233,637	274,638	214,396	443,524	348,575	276,718	3,511,583
Administrative Expense Adjustment	(63,654)	(1,674)	(2,367)	3,540	300	77,569	1,219,806
<b>Total Administrative Expenses</b>	<b>4,398,561</b>	<b>4,600,716</b>	<b>4,460,627</b>	<b>4,617,102</b>	<b>4,568,904</b>	<b>5,130,015</b>	<b>59,406,024</b>
<b>TOTAL EXPENSES</b>	<b>103,094,231</b>	<b>65,744,848</b>	<b>95,300,439</b>	<b>95,457,050</b>	<b>98,678,865</b>	<b>99,327,006</b>	<b>1,259,960,104</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>9,891,818</b>	<b>12,833,356</b>	<b>11,472,838</b>	<b>13,271,628</b>	<b>11,853,468</b>	<b>12,256,675</b>	<b>144,503,363</b>
<b>MCO TAX</b>	<b>8,904,648</b>	<b>9,894,054</b>	<b>9,894,055</b>	<b>9,894,054</b>	<b>9,894,054</b>	<b>9,894,054</b>	<b>120,735,259</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>987,170</b>	<b>2,939,302</b>	<b>1,578,783</b>	<b>3,377,574</b>	<b>1,959,414</b>	<b>2,362,621</b>	<b>23,768,104</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(164,148)</b>	<b>(833,809)</b>	<b>(949,330)</b>	<b>(2,438,918)</b>	<b>(1,027,231)</b>	<b>(1,516,642)</b>	<b>(7,218,876)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>823,022</b>	<b>2,105,493</b>	<b>629,453</b>	<b>938,656</b>	<b>932,183</b>	<b>845,979</b>	<b>16,549,228</b>
<b>MEDICAL LOSS RATIO</b>	<b>94.6%</b>	<b>90.9%</b>	<b>92.7%</b>	<b>90.7%</b>	<b>92.6%</b>	<b>91.5%</b>	<b>92.6%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.4%</b>	<b>5.7%</b>	<b>5.6%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>6.1%</b>	<b>5.8%</b>



KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2021	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
	2020	2020	2021	2021	2021	2021	2021
<b>ENROLLMENT</b>							
Members - MCAL	275,080	277,452	278,517	276,880	282,972	284,587	287,199
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	164.62	168.64	174.01	177.17	172.94	173.28	177.71
Title XIX - Medicaid - Expansion Members	371.41	384.47	385.83	397.58	382.20	385.72	381.99
Title XIX - Medicaid - SPD Members	1,012.68	989.03	957.28	816.21	1,005.21	978.42	1,017.24
Premium - MCO Tax	30.61	31.83	34.39	34.88	34.47	34.45	34.39
Premium - Hospital Directed Payments	33.86	35.10	54.29	55.01	45.76	51.78	51.57
Investment Earnings And Other Income	0.61	0.53	0.02	0.42	(0.88)	0.72	0.68
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.04	(0.01)	0.14	0.08	276.18	0.01	0.28
Rate/Income Adjustments	0.46	0.82	2.87	2.15	5.40	0.94	2.07
<b>TOTAL REVENUES</b>	<b>328.88</b>	<b>338.29</b>	<b>365.05</b>	<b>368.67</b>	<b>633.24</b>	<b>361.33</b>	<b>366.24</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	50.41	45.63	53.52	53.21	53.22	54.96	54.82
Other Professional Services	15.96	17.79	15.88	17.64	17.84	17.95	16.22
Emergency Room	16.86	11.51	16.79	15.97	15.38	15.74	17.49
Inpatient	62.57	69.14	71.28	69.78	62.12	64.72	71.65
Reinsurance Expense	0.31	0.28	0.29	0.29	0.28	0.28	0.29
Outpatient Hospital	22.58	23.66	25.52	23.87	25.30	30.51	30.79
Other Medical	39.84	47.11	38.21	37.61	41.84	34.73	38.16
Pharmacy	31.69	34.79	32.67	32.68	36.40	33.07	32.55
Pay for Performance Quality Incentive	1.98	0.00	1.90	1.91	1.86	1.90	1.88
Hospital Directed Payments	33.86	35.10	54.29	55.01	45.76	51.78	51.57
Hospital Directed Payment Adjustment	0.02	(0.00)	0.14	0.08	273.37	0.01	0.00
Non-Claims Expense Adjustment	(0.76)	0.01	1.03	0.84	0.75	0.25	0.20
IBNR, Incentive, Paid Claims Adjustment	0.75	1.14	0.02	3.10	6.01	(0.30)	1.57
Total Medical Costs	276.06	286.15	311.55	311.99	580.14	305.61	317.21
GROSS MARGIN	52.82	52.14	53.50	56.67	53.10	55.72	49.03
Administrative:							
Compensation	8.93	9.97	9.95	10.50	8.68	9.46	9.57
Purchased Services	2.71	4.23	2.94	2.98	3.33	3.46	3.47
Supplies	0.39	0.14	0.21	0.21	0.02	0.46	0.20
Depreciation	1.53	1.52	1.52	1.53	1.51	1.50	1.47
Other Administrative Expenses	0.88	1.27	1.00	0.97	0.36	0.87	0.80
Administrative Expense Adjustment	0.00	5.07	0.07	(0.98)	0.20	(0.02)	(0.00)
Total Administrative Expenses	14.44	22.20	15.68	15.20	14.10	15.74	15.52
<b>TOTAL EXPENSES</b>	<b>290.50</b>	<b>308.34</b>	<b>327.23</b>	<b>327.19</b>	<b>594.24</b>	<b>321.35</b>	<b>332.73</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>38.39</b>	<b>29.94</b>	<b>37.82</b>	<b>41.48</b>	<b>39.00</b>	<b>39.98</b>	<b>33.52</b>
<b>MCO TAX</b>	<b>32.37</b>	<b>32.09</b>	<b>31.97</b>	<b>32.16</b>	<b>31.57</b>	<b>31.29</b>	<b>31.01</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>6.01</b>	<b>(2.15)</b>	<b>5.85</b>	<b>9.31</b>	<b>7.43</b>	<b>8.69</b>	<b>2.51</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(3.39)</b>	<b>5.16</b>	<b>(0.49)</b>	<b>(0.55)</b>	<b>(0.31)</b>	<b>(0.59)</b>	<b>(0.86)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>2.63</b>	<b>3.01</b>	<b>5.36</b>	<b>8.77</b>	<b>7.12</b>	<b>8.10</b>	<b>1.65</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.6%</b>	<b>92.5%</b>	<b>93.1%</b>	<b>92.2%</b>	<b>94.3%</b>	<b>92.3%</b>	<b>94.9%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.5%</b>	<b>8.2%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.1%</b>	<b>5.7%</b>	<b>5.5%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2021	JUNE 2021	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	13 MONTH TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	289,309	290,980	292,271	294,672	295,865	296,989	3,722,773
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	181.55	180.10	173.76	179.43	183.53	183.31	176.12
Title XIX - Medicaid - Expansion Members	388.41	387.35	380.84	383.93	383.57	393.96	384.80
Title XIX - Medicaid - SPD Members	1,020.90	1,029.14	1,023.27	1,017.48	1,018.29	1,026.19	991.62
Premium - MCO Tax	34.43	34.45	34.45	34.40	34.57	34.44	34.00
Premium - Hospital Directed Payments	76.52	56.15	55.98	56.18	56.53	56.41	52.86
Investment Earnings And Other Income	(1.41)	(0.13)	1.94	(0.20)	0.44	0.53	0.25
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.02	(100.18)	0.03	0.02	0.02	0.03	13.21
Rate/Income Adjustments	(0.32)	(1.01)	(1.57)	0.42	0.18	0.22	0.95
<b>TOTAL REVENUES</b>	<b>390.54</b>	<b>270.05</b>	<b>365.32</b>	<b>368.98</b>	<b>373.59</b>	<b>375.72</b>	<b>377.26</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	55.96	52.60	54.13	60.73	59.31	58.11	54.43
Other Professional Services	15.42	15.82	16.51	14.75	16.38	16.26	16.48
Emergency Room	17.42	16.61	15.30	12.68	15.23	16.23	15.63
Inpatient	71.69	70.60	70.42	68.90	78.44	71.57	69.51
Reinsurance Expense	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Outpatient Hospital	30.42	27.28	27.18	25.55	23.93	26.24	26.40
Other Medical	42.97	34.12	33.92	35.88	36.45	42.25	38.67
Pharmacy	36.10	33.59	35.24	33.64	34.60	34.33	33.96
Pay for Performance Quality Incentive	1.89	1.90	1.89	0.00	0.00	0.00	1.31
Hospital Directed Payments	76.52	56.15	55.98	56.18	56.53	56.41	52.86
Hospital Directed Payment Adjustment	0.01	(100.18)	0.03	(0.45)	0.02	0.03	12.94
Non-Claims Expense Adjustment	0.16	(0.04)	0.12	0.07	0.03	0.08	0.21
IBNR, Incentive, Paid Claims Adjustment	(7.70)	1.40	(0.19)	0.05	(3.12)	(4.64)	(0.19)
<b>Total Medical Costs</b>	<b>341.14</b>	<b>210.13</b>	<b>310.81</b>	<b>308.27</b>	<b>318.08</b>	<b>317.17</b>	<b>322.49</b>
<b>GROSS MARGIN</b>	<b>49.39</b>	<b>59.92</b>	<b>54.52</b>	<b>60.71</b>	<b>55.51</b>	<b>58.54</b>	<b>54.77</b>
Administrative:							
Compensation	9.44	9.64	9.52	9.47	9.28	9.35	9.52
Purchased Services	3.41	3.23	2.89	3.29	3.35	3.69	3.31
Supplies	0.30	0.54	0.66	(0.06)	0.20	0.63	0.30
Depreciation	1.47	1.46	1.46	1.45	1.43	2.41	1.56
Other Administrative Expenses	0.81	0.94	0.73	1.51	1.18	0.93	0.94
Administrative Expense Adjustment	(0.22)	(0.01)	(0.01)	0.01	0.00	0.26	0.33
<b>Total Administrative Expenses</b>	<b>15.20</b>	<b>15.81</b>	<b>15.26</b>	<b>15.67</b>	<b>15.44</b>	<b>17.27</b>	<b>15.96</b>
<b>TOTAL EXPENSES</b>	<b>356.35</b>	<b>225.94</b>	<b>326.07</b>	<b>323.94</b>	<b>333.53</b>	<b>334.45</b>	<b>338.45</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>34.19</b>	<b>44.10</b>	<b>39.25</b>	<b>45.04</b>	<b>40.06</b>	<b>41.27</b>	<b>38.82</b>
<b>MCO TAX</b>	<b>30.78</b>	<b>34.00</b>	<b>33.85</b>	<b>33.58</b>	<b>33.44</b>	<b>33.31</b>	<b>32.43</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>3.41</b>	<b>10.10</b>	<b>5.40</b>	<b>11.46</b>	<b>6.62</b>	<b>7.96</b>	<b>6.38</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.57)</b>	<b>(2.87)</b>	<b>(3.25)</b>	<b>(8.28)</b>	<b>(3.47)</b>	<b>(5.11)</b>	<b>(1.94)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>2.84</b>	<b>7.24</b>	<b>2.15</b>	<b>3.19</b>	<b>3.15</b>	<b>2.85</b>	<b>4.45</b>
<b>MEDICAL LOSS RATIO</b>	<b>94.6%</b>	<b>90.9%</b>	<b>92.7%</b>	<b>90.7%</b>	<b>92.6%</b>	<b>91.5%</b>	<b>92.6%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.4%</b>	<b>5.7%</b>	<b>5.6%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>6.1%</b>	<b>5.8%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>REVENUES</b>						
<b>Title XIX - Medicaid - Family &amp; Other</b>						
28,182,544	24,914,087	3,268,457	Premium - Medi-Cal	299,178,401	272,538,512	26,639,889
2,277,551	2,520,887	(243,336)	Premium - Maternity Kick	26,601,561	27,729,757	(1,128,196)
26,385	79,948	(53,563)	Premium - Hep C Kick	398,207	871,765	(473,558)
606,456	494,175	112,281	Premium - BHT Kick	6,886,066	5,388,565	1,497,501
226,217	178,742	47,475	Premium - Health Home Kick	1,896,893	1,949,027	(52,134)
3,756,615	3,511,100	245,515	Premium - Provider Enhancement	40,112,778	38,353,093	1,759,685
189,592	170,253	19,339	Premium - Ground Emergency Medical Transportation	2,016,056	1,862,477	153,579
152,174	277,863	(125,689)	Premium - Behavioral Health Integration Program	4,393,659	3,029,866	1,363,793
1,579,313	-	1,579,313	Premium - Vaccine Incentive	2,456,181	-	2,456,181
114,488	91,926	22,562	Other	1,203,061	1,010,066	192,995
<b>37,111,335</b>	<b>32,238,981</b>	<b>4,872,354</b>	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>385,142,863</b>	<b>352,733,128</b>	<b>32,409,735</b>
<b>Title XIX - Medicaid - Expansion Members</b>						
27,289,404	24,002,303	3,287,101	Premium - Medi-Cal	289,025,199	264,025,333	24,999,866
615,407	214,253	401,154	Premium - Maternity Kick	4,130,335	2,356,783	1,773,552
200,939	202,017	(1,078)	Premium - Hep C Kick	2,035,591	2,222,186	(186,595)
390,695	356,121	34,574	Premium - Health Home Kick	3,272,937	3,917,331	(644,394)
1,604,409	1,455,050	149,359	Premium - Provider Enhancement	16,973,955	16,005,550	968,405
192,603	165,235	27,368	Premium - Ground Emergency Medical Transportation	2,037,975	1,817,585	220,390
61,064	102,122	(41,058)	Premium - Behavioral Health Integration Program	1,658,091	1,123,342	534,749
614,689	-	614,689	Premium - Vaccine Incentive	956,083	-	956,083
32,376	26,600	5,776	Other	343,505	292,600	50,905
<b>31,001,586</b>	<b>26,523,701</b>	<b>4,477,885</b>	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>320,433,671</b>	<b>291,760,710</b>	<b>28,672,961</b>
<b>Title XIX - Medicaid - SPD Members</b>						
14,589,057	13,474,791	1,114,266	Premium - Medi-Cal	157,437,861	148,222,697	9,215,164
78,628	100,288	(21,660)	Premium - Hep C Kick	611,551	1,103,165	(491,614)
528,487	763,566	(235,079)	Premium - BHT Kick	6,558,432	8,399,224	(1,840,792)
311,430	351,842	(40,412)	Premium - Health Home Kick	2,771,596	3,870,262	(1,098,666)
474,120	454,632	19,488	Premium - Provider Enhancement	5,116,466	5,000,952	115,514
137,274	127,475	9,799	Premium - Ground Emergency Medical Transportation	1,481,394	1,402,225	79,169
11,810	22,041	(10,231)	Premium - Behavioral Health Integration Program	368,991	242,451	126,540
123,984	-	123,984	Premium - Vaccine Incentive	193,128	-	193,128
<b>16,254,790</b>	<b>15,294,634</b>	<b>960,156</b>	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>174,539,419</b>	<b>168,240,975</b>	<b>6,298,444</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
3,850,517	3,086,864	(763,653)	Primary Care Physician Services	38,103,138	33,726,827	(4,376,311)
11,112,843	10,623,987	(488,856)	Referral Specialty Services	120,572,995	116,332,454	(4,240,541)
2,286,609	1,511,739	(774,870)	Urgent Care & After Hours Advise	17,327,080	16,503,916	(823,164)
9,000	9,000	-	Hospital Admitting Team	100,200	100,200	-
17,258,969	15,231,590	(2,027,379)	<b>TOTAL PHYSICIAN SERVICES</b>	<b>176,103,413</b>	<b>166,663,398</b>	<b>(9,440,015)</b>
			<b>OTHER PROFESSIONAL SERVICES</b>			
297,073	297,220	147	Vision Service Capitation	3,280,248	3,245,958	(34,290)
1,673,006	1,740,737	67,731	Medical Departments - UM Allocation *	18,156,288	19,148,105	991,817
1,177,462	1,258,770	81,308	Behavior Health Treatment	13,362,483	13,789,847	427,364
203,166	190,255	(12,911)	Mental Health Services	1,490,394	2,084,482	594,088
1,478,708	1,252,656	(226,052)	Other Professional Services	15,743,768	13,724,256	(2,019,512)
4,829,415	4,739,638	(89,777)	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>52,033,181</b>	<b>51,992,648</b>	<b>(40,533)</b>
			<b>EMERGENCY ROOM</b>			
4,818,883	5,601,587	782,704	EMERGENCY ROOM	50,361,154	61,236,357	10,875,203
21,256,426	15,465,135	(5,791,291)	<b>INPATIENT HOSPITAL</b>	<b>222,380,583</b>	<b>169,445,732</b>	<b>(52,934,851)</b>
86,151	80,677	(5,474)	REINSURANCE EXPENSE PREMIUM	914,112	881,062	(33,050)
7,793,785	7,015,531	(778,254)	<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>85,487,992</b>	<b>76,879,550</b>	<b>(8,608,442)</b>
			<b>OTHER MEDICAL</b>			
1,282,994	1,559,164	276,170	Ambulance and NEMT	14,456,895	17,055,413	2,598,518
780,824	427,330	(353,494)	Home Health Services & CBAS	7,769,453	4,682,816	(3,086,637)
337,336	491,325	153,989	Utilization and Quality Review Expenses	4,522,233	5,404,575	882,342
1,171,936	1,303,271	131,335	Long Term/SNF/Hospice	15,104,920	14,305,626	(799,294)
435,425	396,351	(39,074)	Health Home Capitation & Incentive	3,094,957	4,342,487	1,247,530
5,555,024	5,162,432	(392,592)	Provider Enhancement Expense - Prop. 56	59,209,486	56,394,734	(2,814,752)
442,696	462,963	20,267	Provider Enhancement Expense - GEMT	5,093,769	5,082,287	(11,482)
-	-	-	Provider COVID-19 Expenses	2,125,900	-	(2,125,900)
2,317,986	-	(2,317,986)	Vaccine Incentive Program Expense	2,317,986	-	(2,317,986)
225,048	402,605	177,557	Behaviorial Health Integration Program	6,220,741	4,396,816	(1,823,925)
12,549,269	10,205,441	(2,343,828)	<b>TOTAL OTHER MEDICAL</b>	<b>119,916,340</b>	<b>111,664,755</b>	<b>(8,251,585)</b>
			<b>PHARMACY SERVICES</b>			
9,186,350	9,404,400	218,050	RX - Drugs & OTC	97,130,813	103,118,400	5,987,587
290,397	382,419	92,022	RX - HEP-C	2,966,452	4,197,448	1,230,996
874,776	772,585	(102,191)	Rx - DME	9,227,208	8,470,804	(756,404)
(155,328)	(33,428)	121,900	RX - Pharmacy Rebates	(1,251,591)	(366,551)	885,040
10,196,195	10,525,976	329,781	<b>TOTAL PHARMACY SERVICES</b>	<b>108,072,882</b>	<b>115,420,101</b>	<b>7,347,219</b>
-	528,571	528,571	PAY FOR PERFORMANCE QUALITY INCENTIVE	4,317,262	5,772,476	1,455,214
16,753,272	14,106,810	(2,646,462)	<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>177,719,929</b>	<b>154,496,560</b>	<b>(23,223,369)</b>
8,691	-	(8,691)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	48,165,023	-	(48,165,023)
24,857	-	(24,857)	NON-CLAIMS EXPENSE ADJUSTMENT	987,671	-	(987,671)
(1,378,922)	-	1,378,922	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(1,237,376)	-	1,237,376
94,196,991	83,500,955	(10,696,036)	<b>Total Medical Costs</b>	<b>1,045,222,166</b>	<b>914,452,637</b>	<b>(130,769,529)</b>

KHS1/24/2022 \* Medical costs per DMHC regulations  
Management Use Only

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
12.97	11.10	(1.87)	Primary Care Physician Services	12.02	11.10	(0.92)
37.42	38.19	0.77	Referral Specialty Services	38.03	38.29	0.26
7.70	5.43	(2.27)	Urgent Care & After Hours Advise	5.47	5.43	(0.03)
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
58.11	54.75	(3.36)	<b>TOTAL PHYSICIAN SERVICES</b>	55.55	54.86	(0.69)
			<b>OTHER PROFESSIONAL SERVICES</b>			
1.00	1.07	0.07	Vision Service Capitation	1.03	1.07	0.03
5.63	6.26	0.62	Medical Departments - UM Allocation *	5.73	6.30	0.58
3.96	4.52	0.56	Behavior Health Treatment	4.21	4.54	0.32
0.68	0.68	(0.00)	Mental Health Services	0.47	0.69	0.22
4.98	4.50	(0.48)	Other Professional Services	4.97	4.52	(0.45)
16.26	17.04	0.78	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	16.41	17.11	0.70
16.23	20.14	3.91	<b>EMERGENCY ROOM</b>	15.89	20.16	4.27
71.57	55.59	(15.98)	<b>INPATIENT HOSPITAL</b>	70.15	55.77	(14.37)
0.29	0.29	(0.00)	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
26.24	25.22	(1.02)	<b>OUTPATIENT HOSPITAL SERVICES</b>	26.97	25.30	(1.66)
			<b>OTHER MEDICAL</b>			
4.32	5.60	1.28	Ambulance and NEMT	4.56	5.61	1.05
2.63	1.54	(1.09)	Home Health Services & CBAS	2.45	1.54	(0.91)
1.14	1.77	0.63	Utilization and Quality Review Expenses	1.43	1.78	0.35
3.95	4.68	0.74	Long Term/SNF/Hospice	4.76	4.71	(0.06)
1.47	1.42	(0.04)	Health Home Capitation & Incentive	0.98	1.43	0.45
18.70	18.56	(0.15)	Provider Enhancement Expense - Prop. 56	18.68	18.56	(0.11)
1.49	1.66	0.17	Provider Enhancement Expense - GEMT	1.61	1.67	0.07
0.00	0.00	0.00	Provider COVID-19 Expens	0.67	0.00	(0.67)
7.80	0.00	(7.80)	Vaccine Incentive Program Expense	0.73	0.00	(0.73)
0.76	1.45	0.69	Behaviorial Health Integration Program	1.96	1.45	(0.52)
42.25	36.68	(5.57)	<b>TOTAL OTHER MEDICAL</b>	37.83	36.75	(1.07)
			<b>PHARMACY SERVICES</b>			
30.93	33.81	2.87	RX - Drugs & OTC	30.64	33.94	3.30
0.98	1.37	0.40	RX - HEP-C	0.94	1.38	0.45
2.95	2.78	(0.17)	Rx - DME	2.91	2.79	(0.12)
(0.52)	(0.12)	0.40	RX - Pharmacy Rebates	(0.39)	(0.12)	0.27
34.33	37.84	3.50	<b>TOTAL PHARMACY SERVICES</b>	34.09	37.99	3.90
-	1.90	1.90	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.36	1.90	0.54
56.41	50.71	(5.70)	<b>HOSPITAL DIRECTED PAYMENTS</b>	56.06	50.85	(5.21)
0.03	0.00	(0.03)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	15.19	0.00	(15.19)
0.08	0.00	(0.08)	<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	0.31	0.00	(0.31)
(4.64)	0.00	4.64	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(0.39)	0.00	0.39
317.17	300.15	(17.02)	<b>Total Medical Costs</b>	329.70	300.99	(28.71)

KHS1/24/2022 \* Medical costs per DMHC regulations  
Management Use Only

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH NOVEMBER 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	3,563,867	3,699,457	3,720,742
Referral Specialty Services	10,512,215	10,171,851	9,997,168	11,114,617	11,103,264	11,178,950
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	954,611	932,687	1,282,025
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000
<b>TOTAL PHYSICIAN SERVICES</b>	<b>14,907,160</b>	<b>14,731,540</b>	<b>15,058,794</b>	<b>15,642,095</b>	<b>15,744,708</b>	<b>16,190,717</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	294,054	292,442	292,443	289,005	305,213	298,817
Medical Departments - UM Allocation *	1,593,546	1,548,498	1,654,203	1,591,328	1,632,091	1,626,889
Behavior Health Treatment	867,517	947,944	1,407,309	1,506,149	1,204,226	1,186,572
Mental Health Services	292,517	181,749	96,618	153,559	43,140	72,194
Other Professional Services	1,373,918	1,913,308	1,598,054	1,567,152	1,473,713	1,275,979
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>4,421,552</b>	<b>4,883,941</b>	<b>5,048,627</b>	<b>5,107,193</b>	<b>4,658,383</b>	<b>4,460,451</b>
<b>EMERGENCY ROOM</b>	<b>4,676,327</b>	<b>4,420,437</b>	<b>4,353,449</b>	<b>4,480,205</b>	<b>5,023,372</b>	<b>5,040,670</b>
<b>INPATIENT HOSPITAL</b>	<b>19,853,180</b>	<b>19,321,533</b>	<b>17,577,565</b>	<b>18,419,878</b>	<b>20,578,157</b>	<b>20,739,625</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>81,215</b>	<b>80,770</b>	<b>80,461</b>	<b>80,129</b>	<b>84,297</b>	<b>82,530</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>7,108,674</b>	<b>6,610,422</b>	<b>7,160,111</b>	<b>8,681,740</b>	<b>8,842,725</b>	<b>8,800,023</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	1,338,929	1,314,492	1,189,224
Home Health Services & CBAS	490,933	582,371	853,147	657,817	707,296	964,318
Utilization and Quality Review Expenses	228,696	372,499	688,633	430,683	359,626	509,705
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	1,041,624	1,114,812	1,301,188
Health Home Capitation & Incentive	211,140	294,005	334,675	299,855	228,752	341,280
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	5,318,961	5,342,952	5,386,833
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	423,904	494,669	527,330
Provider COVID-19 Expenes	674,580	767,440	683,880	-	-	-
Vaccine Incentive Program Expense	-	-	-	-	-	-
Behaviorial Health Integration Program	371,672	371,672	371,672	371,672	1,398,038	2,210,773
<b>TOTAL OTHER MEDICAL</b>	<b>10,641,113</b>	<b>10,412,229</b>	<b>11,840,899</b>	<b>9,883,445</b>	<b>10,960,637</b>	<b>12,430,651</b>
<b>PHARMACY SERVICES</b>						
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	8,462,224	8,518,642	9,049,899
RX - HEP-C	245,144	264,815	249,449	260,020	290,418	365,687
Rx - DME	815,963	839,212	868,236	825,453	690,067	1,035,049
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(135,000)	(149,643)	(7,947)
<b>TOTAL PHARMACY SERVICES</b>	<b>9,100,359</b>	<b>9,049,621</b>	<b>10,299,227</b>	<b>9,412,697</b>	<b>9,349,484</b>	<b>10,442,688</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>529,182</b>	<b>529,183</b>	<b>526,070</b>	<b>540,715</b>	<b>540,715</b>	<b>545,673</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>15,121,903</b>	<b>15,230,282</b>	<b>12,949,303</b>	<b>14,734,613</b>	<b>14,811,759</b>	<b>22,138,233</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>39,990</b>	<b>21,878</b>	<b>77,356,953</b>	<b>3,134</b>	<b>597</b>	<b>3,943</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>287,063</b>	<b>233,372</b>	<b>212,564</b>	<b>71,855</b>	<b>58,763</b>	<b>46,953</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>4,787</b>	<b>858,658</b>	<b>1,700,070</b>	<b>(85,946)</b>	<b>449,838</b>	<b>(2,226,487)</b>
<b>Total Medical Costs</b>	<b>86,772,505</b>	<b>86,383,866</b>	<b>164,164,093</b>	<b>86,971,753</b>	<b>91,103,435</b>	<b>98,695,670</b>

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH NOVEMBER 30, 2021	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	YEAR TO DATE 2021
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	3,239,377	3,824,662	3,847,107	2,864,591	3,850,517	38,103,138
Referral Specialty Services	10,801,894	10,559,258	11,970,037	12,050,898	11,112,843	120,572,995
Urgent Care & After Hours Advise	1,254,796	1,426,250	2,069,391	2,624,269	2,286,609	17,327,080
Hospital Admitting Team	9,300	9,300	9,000	9,300	9,000	100,200
<b>TOTAL PHYSICIAN SERVICES</b>	<b>15,305,367</b>	<b>15,819,470</b>	<b>17,895,535</b>	<b>17,549,058</b>	<b>17,258,969</b>	<b>176,103,413</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	304,301	307,745	305,529	293,626	297,073	3,280,248
Medical Departments - UM Allocation *	1,665,834	1,672,683	1,872,595	1,625,615	1,673,006	18,156,288
Behavior Health Treatment	1,269,876	1,426,863	1,080,856	1,287,709	1,177,462	13,362,483
Mental Health Services	95,878	114,350	92,882	144,341	203,166	1,490,394
Other Professional Services	1,268,554	1,303,771	995,897	1,494,714	1,478,708	15,743,768
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>4,604,443</b>	<b>4,825,412</b>	<b>4,347,759</b>	<b>4,846,005</b>	<b>4,829,415</b>	<b>52,033,181</b>
<b>EMERGENCY ROOM</b>	<b>4,833,831</b>	<b>4,472,304</b>	<b>3,735,609</b>	<b>4,506,067</b>	<b>4,818,883</b>	<b>50,361,154</b>
<b>INPATIENT HOSPITAL</b>	<b>20,542,490</b>	<b>20,581,248</b>	<b>20,303,427</b>	<b>23,207,054</b>	<b>21,256,426</b>	<b>222,380,583</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>84,045</b>	<b>84,997</b>	<b>84,384</b>	<b>85,133</b>	<b>86,151</b>	<b>914,112</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>7,937,455</b>	<b>7,942,981</b>	<b>7,529,697</b>	<b>7,080,379</b>	<b>7,793,785</b>	<b>85,487,992</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	1,328,439	1,323,146	1,451,342	1,175,141	1,282,994	14,456,895
Home Health Services & CBAS	749,534	599,655	595,101	788,457	780,824	7,769,453
Utilization and Quality Review Expenses	373,641	230,711	404,807	585,896	337,336	4,522,233
Long Term/SNF/Hospice	1,204,596	1,258,956	1,619,759	1,708,929	1,171,936	15,104,920
Health Home Capitation & Incentive	162,780	267,430	263,420	256,195	435,425	3,094,957
Provider Enhancement Expense - Prop. 56	5,433,266	5,440,313	5,498,898	5,550,393	5,555,024	59,209,486
Provider Enhancement Expense - GEMT	449,942	569,010	514,078	494,068	442,696	5,093,769
Provider COVID-19 Expenes	-	-	-	-	-	2,125,900
Vaccine Incentive Program Expense	-	-	-	-	2,317,986	2,317,986
Behaviorial Health Integration Program	225,049	225,048	225,049	225,048	225,048	6,220,741
<b>TOTAL OTHER MEDICAL</b>	<b>9,927,247</b>	<b>9,914,269</b>	<b>10,572,454</b>	<b>10,784,127</b>	<b>12,549,269</b>	<b>119,916,340</b>
<b>PHARMACY SERVICES</b>						
RX - Drugs & OTC	8,878,267	9,311,107	8,903,588	9,249,348	9,186,350	97,130,813
RX - HEP-C	239,266	251,754	258,446	251,056	290,397	2,966,452
Rx - DME	791,678	870,581	761,862	854,331	874,776	9,227,208
RX - Pharmacy Rebates	(135,000)	(135,000)	(10,322)	(118,351)	(155,328)	(1,251,591)
<b>TOTAL PHARMACY SERVICES</b>	<b>9,774,211</b>	<b>10,298,442</b>	<b>9,913,574</b>	<b>10,236,384</b>	<b>10,196,195</b>	<b>108,072,882</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>552,862</b>	<b>552,862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,317,262</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>16,337,330</b>	<b>16,361,944</b>	<b>16,554,814</b>	<b>16,726,476</b>	<b>16,753,272</b>	<b>177,719,929</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>(29,149,382)</b>	<b>7,365</b>	<b>(132,637)</b>	<b>4,491</b>	<b>8,691</b>	<b>48,165,023</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(11,833)</b>	<b>34,433</b>	<b>20,737</b>	<b>8,907</b>	<b>24,857</b>	<b>987,671</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>406,066</b>	<b>(55,915)</b>	<b>14,595</b>	<b>(924,120)</b>	<b>(1,378,922)</b>	<b>(1,237,376)</b>
<b>Total Medical Costs</b>	<b>61,144,132</b>	<b>90,839,812</b>	<b>90,839,948</b>	<b>94,109,961</b>	<b>94,196,991</b>	<b>1,045,222,166</b>

<b>KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH NOVEMBER 30, 2021</b>	<b>JANUARY 2021</b>	<b>FEBRUARY 2021</b>	<b>MARCH 2021</b>	<b>APRIL 2021</b>	<b>MAY 2021</b>	<b>JUNE 2021</b>
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	10.64	10.70	12.61	12.52	12.88	12.86
Referral Specialty Services	37.74	36.74	35.33	39.06	38.66	38.64
Urgent Care & After Hours Advise	5.11	5.74	5.25	3.35	3.25	4.43
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03
<b>TOTAL PHYSICIAN SERVICES</b>	<b>53.52</b>	<b>53.21</b>	<b>53.22</b>	<b>54.96</b>	<b>54.82</b>	<b>55.96</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	1.06	1.06	1.03	1.02	1.06	1.03
Medical Departments - UM Allocation *	5.72	5.59	5.85	5.59	5.68	5.62
Behavior Health Treatment	3.11	3.42	4.97	5.29	4.19	4.10
Mental Health Services	1.05	0.66	0.34	0.54	0.15	0.25
Other Professional Services	4.93	6.91	5.65	5.51	5.13	4.41
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>15.88</b>	<b>17.64</b>	<b>17.84</b>	<b>17.95</b>	<b>16.22</b>	<b>15.42</b>
<b>EMERGENCY ROOM</b>	<b>16.79</b>	<b>15.97</b>	<b>15.38</b>	<b>15.74</b>	<b>17.49</b>	<b>17.42</b>
<b>INPATIENT HOSPITAL</b>	<b>71.28</b>	<b>69.78</b>	<b>62.12</b>	<b>64.72</b>	<b>71.65</b>	<b>71.69</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>0.29</b>	<b>0.29</b>	<b>0.28</b>	<b>0.28</b>	<b>0.29</b>	<b>0.29</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>25.52</b>	<b>23.87</b>	<b>25.30</b>	<b>30.51</b>	<b>30.79</b>	<b>30.42</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	5.03	4.36	5.10	4.70	4.58	4.11
Home Health Services & CBAS	1.76	2.10	3.01	2.31	2.46	3.33
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.51	1.25	1.76
Long Term/SNF/Hospice	5.80	4.09	6.83	3.66	3.88	4.50
Health Home Capitation & Incentive	0.76	1.06	1.18	1.05	0.80	1.18
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.69	18.60	18.62
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.49	1.72	1.82
Provider COVID-19 Expenes	2.42	2.77	2.42	0.00	0.00	0.00
Vaccine Incentive Program Expense	0.00	0.00	0.00	0.00	0.00	0.00
Behaviorial Health Integration Program	1.33	1.34	1.31	1.31	4.87	7.64
<b>TOTAL OTHER MEDICAL</b>	<b>38.21</b>	<b>37.61</b>	<b>41.84</b>	<b>34.73</b>	<b>38.16</b>	<b>42.97</b>
<b>PHARMACY SERVICES</b>						
RX - Drugs & OTC	29.35	29.18	32.92	29.74	29.66	31.28
RX - HEP-C	0.88	0.96	0.88	0.91	1.01	1.26
Rx - DME	2.93	3.03	3.07	2.90	2.40	3.58
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.47)	(0.52)	(0.03)
<b>TOTAL PHARMACY SERVICES</b>	<b>32.67</b>	<b>32.68</b>	<b>36.40</b>	<b>33.07</b>	<b>32.55</b>	<b>36.10</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>1.90</b>	<b>1.91</b>	<b>1.86</b>	<b>1.90</b>	<b>1.88</b>	<b>1.89</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>54.29</b>	<b>55.01</b>	<b>45.76</b>	<b>51.78</b>	<b>51.57</b>	<b>76.52</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>0.14</b>	<b>0.08</b>	<b>273.37</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>1.03</b>	<b>0.84</b>	<b>0.75</b>	<b>0.25</b>	<b>0.20</b>	<b>0.16</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>0.02</b>	<b>3.10</b>	<b>6.01</b>	<b>(0.30)</b>	<b>1.57</b>	<b>(7.70)</b>
<b>Total Medical Costs</b>	<b>311.55</b>	<b>311.99</b>	<b>580.14</b>	<b>305.61</b>	<b>317.21</b>	<b>341.14</b>



KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH NOVEMBER 30, 2021	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	YEAR TO DATE 2021
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	11.13	13.09	13.06	9.68	12.97	12.02
Referral Specialty Services	37.12	36.13	40.62	40.73	37.42	38.03
Urgent Care & After Hours Advise	4.31	4.88	7.02	8.87	7.70	5.47
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03
<b>TOTAL PHYSICIAN SERVICES</b>	<b>52.60</b>	<b>54.13</b>	<b>60.73</b>	<b>59.31</b>	<b>58.11</b>	<b>55.55</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	1.05	1.05	1.04	0.99	1.00	1.03
Medical Departments - UM Allocation *	5.72	5.72	6.35	5.49	5.63	5.73
Behavior Health Treatment	4.36	4.88	3.67	4.35	3.96	4.21
Mental Health Services	0.33	0.39	0.32	0.49	0.68	0.47
Other Professional Services	4.36	4.46	3.38	5.05	4.98	4.97
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>15.82</b>	<b>16.51</b>	<b>14.75</b>	<b>16.38</b>	<b>16.26</b>	<b>16.41</b>
<b>EMERGENCY ROOM</b>	<b>16.61</b>	<b>15.30</b>	<b>12.68</b>	<b>15.23</b>	<b>16.23</b>	<b>15.89</b>
<b>INPATIENT HOSPITAL</b>	<b>70.60</b>	<b>70.42</b>	<b>68.90</b>	<b>78.44</b>	<b>71.57</b>	<b>70.15</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>0.29</b>	<b>0.29</b>	<b>0.29</b>	<b>0.29</b>	<b>0.29</b>	<b>0.29</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>27.28</b>	<b>27.18</b>	<b>25.55</b>	<b>23.93</b>	<b>26.24</b>	<b>26.97</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	4.57	4.53	4.93	3.97	4.32	4.56
Home Health Services & CBAS	2.58	2.05	2.02	2.66	2.63	2.45
Utilization and Quality Review Expenses	1.28	0.79	1.37	1.98	1.14	1.43
Long Term/SNF/Hospice	4.14	4.31	5.50	5.78	3.95	4.76
Health Home Capitation & Incentive	0.56	0.92	0.89	0.87	1.47	0.98
Provider Enhancement Expense - Prop. 56	18.67	18.61	18.66	18.76	18.70	18.68
Provider Enhancement Expense - GEMT	1.55	1.95	1.74	1.67	1.49	1.61
Provider COVID-19 Expenses	0.00	0.00	0.00	0.00	0.00	0.67
Vaccine Incentive Program Expense	0.00	0.00	0.00	0.00	7.80	0.73
Behaviorial Health Integration Program	0.77	0.77	0.76	0.76	0.76	1.96
<b>TOTAL OTHER MEDICAL</b>	<b>34.12</b>	<b>33.92</b>	<b>35.88</b>	<b>36.45</b>	<b>42.25</b>	<b>37.83</b>
<b>PHARMACY SERVICES</b>						
RX - Drugs & OTC	30.51	31.86	30.22	31.26	30.93	30.64
RX - HEP-C	0.82	0.86	0.88	0.85	0.98	0.94
Rx - DME	2.72	2.98	2.59	2.89	2.95	2.91
RX - Pharmacy Rebates	(0.46)	(0.46)	(0.04)	(0.40)	(0.52)	(0.39)
<b>TOTAL PHARMACY SERVICES</b>	<b>33.59</b>	<b>35.24</b>	<b>33.64</b>	<b>34.60</b>	<b>34.33</b>	<b>34.09</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>1.90</b>	<b>1.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.36</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>56.15</b>	<b>55.98</b>	<b>56.18</b>	<b>56.53</b>	<b>56.41</b>	<b>56.06</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>(100.18)</b>	<b>0.03</b>	<b>(0.45)</b>	<b>0.02</b>	<b>0.03</b>	<b>15.19</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(0.04)</b>	<b>0.12</b>	<b>0.07</b>	<b>0.03</b>	<b>0.08</b>	<b>0.31</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>1.40</b>	<b>(0.19)</b>	<b>0.05</b>	<b>(3.12)</b>	<b>(4.64)</b>	<b>(0.39)</b>
<b>Total Medical Costs</b>	<b>210.13</b>	<b>310.81</b>	<b>308.27</b>	<b>318.08</b>	<b>317.17</b>	<b>329.70</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED NOVEMBER 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
393,580	377,031	(16,549)	110 - Executive	4,314,037	4,222,343	(91,694)
190,753	212,651	21,898	210 - Accounting	2,151,926	2,339,162	187,236
385,122	362,443	(22,679)	220 - Management Information Systems	3,957,656	3,986,875	29,219
11,546	64,468	52,922	221 - Business Intelligence	143,635	709,148	565,513
217,197	281,931	64,734	222 - Enterprise Development	2,668,914	3,101,240	432,326
573,033	448,524	(124,509)	225 - Infrastructure	4,440,981	4,933,760	492,779
546,377	576,323	29,946	230 - Claims	5,999,959	6,339,554	339,595
53,063	149,779	96,716	240 - Project Management	1,279,045	1,647,573	368,528
111,298	101,775	(9,523)	310 - Health Services - Utilization Management	1,185,586	1,119,524	(66,062)
23,180	27,902	4,722	311 - Health Services - Quality Improvement	281,697	306,924	25,227
-	55	55	312 - Health Services - Education	59	605	546
158,204	142,146	(16,058)	313- Pharmacy	1,651,822	1,563,604	(88,218)
95	6,642	6,547	314 - Health Homes	4,355	73,058	68,703
-	22,357	22,357	315 - Case Management	209,565	245,924	36,359
38,981	-	(38,981)	316 - Population Health Management	38,981	-	(38,981)
-	29,325	29,325	616 - Disease Management	260,833	322,578	61,745
313,414	323,502	10,088	320 - Provider Network Management	3,101,539	3,558,527	456,988
721,826	656,475	(65,351)	330 - Member Services	6,609,625	7,221,228	611,603
928,414	702,275	(226,139)	340 - Corporate Services	6,710,601	7,725,023	1,014,422
42,560	66,363	23,803	360 - Audit & Investigative Services	614,043	729,992	115,949
51,562	69,250	17,688	410 - Advertising Media	615,302	761,750	146,448
87,412	73,950	(13,462)	420 - Sales/Marketing/Public Relations	648,994	813,446	164,452
204,829	251,455	46,626	510 - Human Resources	2,574,940	2,766,006	191,066
77,569	-	(77,569)	Administrative Expense Adjustment	(187,239)	-	187,239
5,130,015	4,946,622	(183,393)	Total Administrative Expenses	49,276,856	54,487,844	5,210,988

<b>KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2021</b>	<b>JANUARY 2021</b>	<b>FEBRUARY 2021</b>	<b>MARCH 2021</b>	<b>APRIL 2021</b>	<b>MAY 2021</b>	<b>JUNE 2021</b>
110 - Executive	353,943	483,744	293,288	272,219	482,689	358,282
210 - Accounting	203,619	198,129	146,511	287,032	86,601	198,636
220 - Management Information Systems (MIS)	340,212	345,719	394,230	384,019	349,136	376,280
221 - Business Intelligence	-	-	-	12,308	46,180	24,115
222 - Enterprise Development	250,306	269,236	185,800	249,199	261,073	252,105
225 - Infrastructure	365,340	337,172	345,070	407,880	459,371	352,463
230 - Claims	550,124	558,095	460,086	554,302	542,410	526,593
240 - Project Management	99,808	119,159	128,304	121,381	127,251	189,626
310 - Health Services - Utilization Management	103,641	120,732	82,239	113,686	116,283	100,257
311 - Health Services - Quality Improvement	18,870	16,833	21,040	18,597	20,088	27,421
312 - Health Services - Education	-	-	-	59	-	-
313- Pharmacy	141,859	137,379	151,340	147,394	145,687	151,338
314 - Health Homes	-	-	4,225	-	-	-
315 - Case Management	23,536	22,769	24,444	22,612	23,420	22,757
316 - Population Health Management	-	-	-	-	-	-
616 - Disease Management	32,453	29,912	37,220	29,802	29,065	28,513
320 - Provider Network Management	304,995	273,211	231,758	274,082	295,300	262,297
330 - Member Services	567,625	586,939	545,846	622,842	566,155	559,817
340 - Corporate Services	561,450	559,640	535,874	586,682	567,567	540,444
360 - Audit & Investigative Services	68,976	83,366	38,089	60,406	61,212	61,445
410 - Advertising Media	27,368	39,637	81,326	55,258	21,513	152,571
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	65,999	51,803	57,056
510 - Human Resources	281,636	228,332	179,367	198,772	203,371	220,199
<b>Total Department Expenses</b>	<b>4,349,162</b>	<b>4,479,707</b>	<b>3,932,309</b>	<b>4,484,531</b>	<b>4,456,175</b>	<b>4,462,215</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>18,296</b>	<b>(271,318)</b>	<b>57,294</b>	<b>(5,010)</b>	<b>(215)</b>	<b>(63,654)</b>
<b>Total Administrative Expenses</b>	<b>4,367,458</b>	<b>4,208,389</b>	<b>3,989,603</b>	<b>4,479,521</b>	<b>4,455,960</b>	<b>4,398,561</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2021	JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	YEAR TO DATE 2021
110 - Executive	361,179	347,546	484,965	482,602	393,580	4,314,037
210 - Accounting	202,043	228,799	196,234	213,569	190,753	2,151,926
220 - Management Information Systems (MIS)	325,601	386,243	328,212	342,882	385,122	3,957,656
221 - Business Intelligence	14,545	11,545	11,602	11,794	11,546	143,635
222 - Enterprise Development	253,485	225,132	261,069	244,312	217,197	2,668,914
225 - Infrastructure	459,826	393,273	374,951	372,602	573,033	4,440,981
230 - Claims	539,331	558,400	653,741	510,500	546,377	5,999,959
240 - Project Management	160,413	89,609	93,857	96,574	53,063	1,279,045
310 - Health Services - Utilization Management	91,643	121,643	111,276	112,888	111,298	1,185,586
311 - Health Services - Quality Improvement	25,067	5,726	19,122	85,753	23,180	281,697
312 - Health Services - Education	-	-	-	-	-	59
313- Pharmacy	150,515	155,464	155,452	157,190	158,204	1,651,822
314 - Health Homes	-	-	35	-	95	4,355
315 - Case Management	25,548	22,605	31,573	(9,699)	-	209,565
316 - Population Health Management	-	-	-	-	38,981	38,981
616 - Disease Management	30,175	30,230	27,472	(14,009)	-	260,833
320 - Provider Network Management	286,715	280,971	294,114	284,682	313,414	3,101,539
330 - Member Services	624,470	570,700	614,787	628,618	721,826	6,609,625
340 - Corporate Services	620,533	709,892	514,089	586,016	928,414	6,710,601
360 - Audit & Investigative Services	68,450	28,549	39,743	61,247	42,560	614,043
410 - Advertising Media	88,385	11,477	97,203	(10,998)	51,562	615,302
420 - Sales/Marketing/Public Relations	37,987	55,545	56,141	67,695	87,412	648,994
510 - Human Resources	236,479	229,645	247,924	344,386	204,829	2,574,940
<b>Total Department Expenses</b>	<b>4,602,390</b>	<b>4,462,994</b>	<b>4,613,562</b>	<b>4,568,604</b>	<b>5,052,446</b>	<b>49,464,095</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>(1,674)</b>	<b>(2,367)</b>	<b>3,540</b>	<b>300</b>	<b>77,569</b>	<b>(187,239)</b>
<b>Total Administrative Expenses</b>	<b>4,600,716</b>	<b>4,460,627</b>	<b>4,617,102</b>	<b>4,568,904</b>	<b>5,130,015</b>	<b>49,276,856</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF NOVEMBER 30, 2021</b>			
<b>ASSETS</b>	<b>NOVEMBER 2021</b>	<b>OCTOBER 2021</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,138,351	\$ 1,138,351	-
Interest Receivable	560	280	280
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,138,911</b>	<b>\$ 1,138,631</b>	<b>\$ 280</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Other Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	845	565	280
<b>Total Net Position</b>	<b>\$ 1,138,911</b>	<b>\$ 1,138,631</b>	<b>\$ 280</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,138,911</b>	<b>\$ 1,138,631</b>	<b>\$ 280</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2021	YEAR-TO-DATE		
<b>ENROLLMENT</b>						
-	-	-	Members	-	-	-
<b>REVENUES</b>						
-	-	-	Premium	-	-	-
280	-	280	Interest	3,408	-	3,408
-	-	-	Other Investment Income	(2,563)	-	(2,563)
280	-	280	<b>TOTAL REVENUES</b>	845	-	845
<b>EXPENSES</b>						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
280	-	280	<b>GROSS MARGIN</b>	845	-	845
<b>Administrative</b>						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	<b>TOTAL EXPENSES</b>	-	-	-
280	-	280	<b>OPERATING INCOME (LOSS)</b>	845	-	845
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-
280	-	280	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	845	-	845
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	0%	0%	0%

<b>KERN HEALTH SYSTEMS</b>												
<b>MONTHLY MEMBERS COUNT</b>												
<b>KERN HEALTH SYSTEMS</b>												
<b>MEDI-CAL</b>	<b>2021 MEMBER MONTHS</b>	<b>JAN'21</b>	<b>FEB'21</b>	<b>MAR'21</b>	<b>APR'21</b>	<b>MAY'21</b>	<b>JUN'21</b>	<b>JUL'21</b>	<b>AUG'21</b>	<b>SEP'21</b>	<b>OCT'21</b>	<b>NOV'21</b>
<b>ADULT AND FAMILY</b>												
ADULT	602,191	51,548	53,449	52,941	53,378	54,092	54,867	55,250	55,691	56,542	56,931	57,502
CHILD	1,470,346	131,669	126,764	133,240	133,228	133,944	134,540	134,904	134,848	135,535	135,746	135,928
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>2,072,537</b>	<b>183,217</b>	<b>180,213</b>	<b>186,181</b>	<b>186,606</b>	<b>188,036</b>	<b>189,407</b>	<b>190,154</b>	<b>190,539</b>	<b>192,077</b>	<b>192,677</b>	<b>193,430</b>
<b>OTHER MEMBERS</b>												
PARTIAL DUALS - FAMILY	6,908	403	523	529	576	563	576	594	673	809	831	831
PARTIAL DUALS - CHILD	-1	0	-1	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	34	2	2	2	2	2	4	4	4	4	4	4
BCCTP - TABACCO SETTLEMENT	0	0	0	0	0	0	0	0	0	0	0	0
<b>FULL DUALS (SPD)</b>												
SPD FULL DUALS	85,253	7,484	7,591	7,505	7,523	7,635	7,640	7,814	7,739	8,069	8,062	8,191
<b>SUBTOTAL OTHER MEMBERS</b>	<b>92,194</b>	<b>7,889</b>	<b>8,115</b>	<b>8,036</b>	<b>8,101</b>	<b>8,200</b>	<b>8,220</b>	<b>8,412</b>	<b>8,416</b>	<b>8,882</b>	<b>8,897</b>	<b>9,026</b>
<b>TOTAL FAMILY &amp; OTHER</b>	<b>2,164,731</b>	<b>191,106</b>	<b>188,328</b>	<b>194,217</b>	<b>194,707</b>	<b>196,236</b>	<b>197,627</b>	<b>198,566</b>	<b>198,955</b>	<b>200,959</b>	<b>201,574</b>	<b>202,456</b>
<b>SPD</b>												
SPD (AGED AND DISABLED)	176,424	16,011	18,829	15,328	15,870	15,756	15,645	15,800	15,749	15,775	15,821	15,840
<b>MEDI-CAL EXPANSION</b>												
ACA Expansion Adult-Citizen	818,929	70,649	69,251	72,532	73,089	74,161	74,905	75,451	76,525	77,016	77,595	77,755
ACA Expansion Duals	10,157	751	472	895	921	1,046	1,132	1,163	1,042	922	875	938
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>829,086</b>	<b>71,400</b>	<b>69,723</b>	<b>73,427</b>	<b>74,010</b>	<b>75,207</b>	<b>76,037</b>	<b>76,614</b>	<b>77,567</b>	<b>77,938</b>	<b>78,470</b>	<b>78,693</b>
<b>TOTAL KAISER</b>	<b>129,946</b>	<b>11,047</b>	<b>11,196</b>	<b>11,349</b>	<b>11,505</b>	<b>11,692</b>	<b>11,852</b>	<b>11,983</b>	<b>12,108</b>	<b>12,250</b>	<b>12,417</b>	<b>12,547</b>
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>3,300,187</b>	<b>289,564</b>	<b>288,076</b>	<b>294,321</b>	<b>296,092</b>	<b>298,891</b>	<b>301,161</b>	<b>302,963</b>	<b>304,379</b>	<b>306,922</b>	<b>308,282</b>	<b>309,536</b>





# KERN • HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	440,685.45	4,776,430.28	NOV., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4699	ZEOMEGA ****	395,508.98	494,237.45	AUG., SEPT., OCT. & NOV. 2021 PROFESSIONAL SERVICES & ANNUAL LICENSE AND M&S FEES	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE ****	284,955.06	595,829.91	2ND & FINAL PAYMENT 2021 MCAL ANNUAL ASSESSMENT FEES	ADMINISTRATION
T4350	COMPUTER ENTERPRISE INC.	259,768.72	2,525,721.65	OCT., NOV. 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4695	EDIFECs, INC ****	206,738.07	214,343.07	ANNUAL TSM MAINTENANCE RENEWAL	MIS INFRASTRUCTURE
T4237	FLUIDEDGE CONSULTING, INC.	174,984.40	1,222,203.90	OCT. 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T5377	TELEHEALTHDOCS MEDICAL GROUP ****	140,952.57	140,952.57	OCT. 2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5413	PHILIPP RAMON MELENDEZ MD ****	126,137.57	126,137.57	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	124,614.12	1,282,960.56	OCT. 2021 PHARMACY CLAIMS	PHARMACY
T4069	KERN VALLEY HEALTHCARE DISTRICT ****	80,743.35	80,743.35	OCT. 2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	69,246.57	760,215.53	NOV. 2021 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	62,015.73	560,521.19	OCT. 2021 INTERPRETATION SERVICES	UTILIZATION MANAGEMENT - HE
T5398	GOLDEN EMPIRE GLEANERS ****	55,000.00	55,000.00	SEPT. 2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS



November AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5376	KHCC ****	53,418.00	78,418.00	SEPT. - DEC. 2021 COVID-19 VACCINE CAMPAIGN	HEALTH EDUCATION
T4165	SHI INTERNATIONAL CO.	47,107.22	208,584.46	2021-2022 VMWARE SUPPORT RENEWAL	MIS INFRASTRUCTURE
T4582	HEALTHX, INC.	41,576.00	465,336.00	NOV. 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	40,298.54	465,883.24	OCT. 2021 PROFESSIONAL SERVICES	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	39,026.83	835,422.41	SEPT. 2021 ESD AZURE COVERAGE	MIS INFRASTRUCTURE
T5412	DIAGENIX CORPORATION ****	34,358.40	34,358.40	2021-2024 NUANCE SOFTWARE SUPPORT & MAINTENANCE	MIS INFRASTRUCTURE
T4496	VOX NETWORK SOLUTIONS, INC ****	33,262.60	47,965.99	YR 3 TELSTRAT LICENSE RENEWAL	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC ****	33,000.00	363,000.00	SEPT. & OCT. 2021 PROFESSIONAL SERVICES	ADMINISTRATION
T5321	TYK TECHNOLOGIES LTD ****	30,000.00	30,000.00	2021-2022 TYK SOLUTION LICENSE	MIS INFRASTRUCTURE
T4193	STRIA LLC	26,226.42	286,324.95	OCT. 2021 OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	24,583.84	232,532.78	OCT. 2021 TEMPORARY HELP - (7) MS; (1) HHP; (1) HE; (1) UM	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	24,510.80	261,282.79	OCT. 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5145	CCS ENGINEERING FRESNO INC	24,412.00	184,973.26	OCT. & NOV. 2021 JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES
T1128	HALL LETTER SHOP ****	23,103.50	121,511.30	MEMBER COVID -19 FLYER & MAIL PREP & NEW MEMBER PACKETS	VARIOUS
T4537	BURKE, WILLIAMS & SORENSEN, LLP ****	22,832.00	22,832.00	AUG. & SEPT. 2021 LEGAL SERVICES	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	22,750.00	196,690.00	OCT. 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM

# KERN·HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC	21,306.25	210,069.00	OCT. 2021 EDI CLAIM PROCESSING	CLAIMS
T4657	DAPONDE SIMPSON ROWE PC	20,516.00	152,005.00	SEPT. 2021 LEGAL FEES	VARIOUS
T5215	RICHARD GARCIA ***	20,475.00	32,550.00	AUG., SEPT. & OCT. 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-JM
T2584	UNITED STATES POSTAL SVC. - HASLER ****	20,000.00	200,000.00	REPLENISH POSTAGE (PERMIT) FUNDS	CORPORATE SERVICES
T4460	PAYSPAN, INC	17,209.23	191,621.21	OCT. 2021 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4261	KAISER FOUNDATION HEALTH PLAN-TX PPO	17,092.60	127,063.04	NOV. 2021 EMPLOYEE PPO HEALTH BENEFITS PREMIUM	VARIOUS
T4652	BAKERSFIELD SYMPHONY ORCHESTRA ****	16,666.66	41,666.67	OCT. & NOV. 2021 SPONSORSHIP	ADMINISTRATION
T5022	SVAM INTERNATIONAL INC	16,530.00	291,686.00	OCT. 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T5322	MANINDER KHALSA	16,510.00	107,100.50	OCT. 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-JM
T2167	PG&E	16,439.74	249,355.41	NOV. 2021 USAGE / UTILITIES	CORPORATE SERVICES
T5389	ADAKC ****	16,159.98	20,296.03	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1408	DELL MARKETING L.P.	14,344.15	174,339.72	SUPPORT & MAINTENANCE FOR 11 POWEREDGE M630 BLADE SERVERS	MIS INFRASTRUCTURE
T4483	INFUSION AND CLINICAL SERVICES, INC ****	13,065.05	206,300.77	AUG. 2021 HEALTH HOMES GRANT	COMMUNITY GRANT
T4501	ALLIED UNIVERSAL SECURITY SERVICES	12,705.80	156,447.87	OCT. & NOV. 2021 ONSITE SECURITY	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT	11,767.04	131,807.33	OCT. 2021 LIFE INSURANCE PREMIUM	VARIOUS

# KERN·HEALTH SYSTEMS

November AP Vendor Report

Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4959	BERKSHIRE HATHAWAY HOMESTATE COMPANIES ****	11,153.00	11,384.00	2020 - 2021 WORKERS COMP FINAL AUDIT	VARIOUS
T4182	THE LAMAR COMPANIES****	10,615.00	63,190.00	OCT. & NOV. 2021 BILLBOARDS	MARKETING
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES ****	10,000.00	12,000.00	HOLIDAY COTTAGE SPONSORSHIP	MARKETING
T5318	CANONICAL GROUP LIMITED ****	10,000.00	17,500.00	2020 - 2021 UA INFRASTRUCTURE LICENSE	MIS INFRASTRUCTURE
		<b>3,234,372.24</b>			
	TOTAL VENDORS OVER \$10,000	3,234,372.24			
	TOTAL VENDORS UNDER \$10,000	243,684.45			
	TOTAL VENDOR EXPENSES- NOVEMBER	<b>\$ 3,478,056.69</b>			

Note:

\*\*\*\*New vendors over \$10,000 for the month of November

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	4,776,430.28	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T1001	KERN MEDICAL CENTER	3,730,673.49	2019/2020 PROVIDER QUALITY CARE GRANT & 2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE INC.	2,525,721.65	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	1,676,270.87	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2704	MCG HEALTH LLC	1,648,909.88	HEALTH CARE MANAGEMENT & SOFTWARE LICENSE 8/5/2021 - 08/04/2022	UTILIZATION MANAGEMENT
T2726	DST PHARMACY SOLUTIONS, INC.	1,282,960.56	PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	1,222,203.90	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	1,210,766.90	ANNUAL INSURANCE & ACIP CRIME PREMIUMS	ADMINISTRATION
T3130	OPTUMINSIGHT, INC.	1,043,176.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH	860,848.60	HEALTH HOMES AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5005	CRAYON SOFTWARE EXPERTS LLC	835,422.41	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	760,215.53	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	595,829.91	2021-2022 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T1180	LANGUAGE LINE SERVICES INC.	560,521.19	INTERPRETATION SERVICES	MEMBER SERVICES

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4699	Z6OMEGA, INC.	494,237.45	PROFESSIONAL SERVICES AND TRAVEL EXP.	UTILIZATION MANAGEMENT
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	465,883.24	PROFESSIONAL SERVICES	VARIOUS
T4582	HEALTHX, INC.	465,336.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC.	363,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5109	RAND EMPLOYMENT SOLUTIONS	342,810.38	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T5111	ENTISYS 360	306,584.94	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	CAPITAL PROJECT/MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	291,686.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4193	STRIA LLC	286,324.95	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	261,282.79	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2167	PG&E	249,355.41	USAGE/UTILITIES	CORPORATE SERVICES
T4483	INFUSION AND CLINICAL SERVICES, INC.	206,300.77	HEALTH HOMES GRANT	COMMUNITY GRANT
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC.	241,910.78	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	232,532.78	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T4695	EDIFECS, INC ****	214,343.07	ANNUAL TSM MAINTENANCE	MIS INFRASTRUCTURE

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T3011	OFFICE ALLY, INC.	210,069.00	EDI CLAIM PROCESSING	CLAIMS
T4165	SHI INTERNATIONAL CO.	208,584.46	SOFTWARE LICENSES	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	200,948.26	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T2584	UNITED STATES POSTAL SVC.-HASLER	200,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	196,690.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4460	PAYSPAN, INC	191,621.21	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5337	CAZADOR CONSULTING GROUP INC	186,170.68	TEMPORARY HELP	VARIOUS
T5145	CCS ENGINEERING FRESNO INC.,	184,973.26	JANITORIAL SERVICES	CORPORATE SERVICES
T1408	DELL MARKETING L.P.	174,339.72	HARDWARE & COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	159,028.03	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	156,447.87	ONSITE SECURITY	CORPORATE SERVICES
T4331	COTIVITI, INC	152,237.24	CALIFORNIA MEDI-CAL MEDICAID MEASURES & ANNUAL LICENSE FEE	QUALITY IMPROVEMENT



Year to Date AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4657	DAPONDE SIMPSON ROWE PC	152,005.00	LEGAL FEES	VARIOUS
T1071	CLINICA SIERRA VISTA	143,473.30	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T3448	SYNERGY HEALTHCARE, INC.	141,500.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T5377	TELEHEALTHDOCS MEDICAL GROUP ****	140,952.57	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	131,807.33	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5344	SIGNATURE STAFF RESOURCES LLC	129,444.00	PROJECT MANAGEMENT CONSULTING	PROJECT MANAGEMENT
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO	127,063.04	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T5413	PHILIPP RAMON MELENDEZ MD ****	126,137.57	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5319	CITIUSTECH INC.	125,000.00	CITIUS TECHS FAST AND IMPLEMENTATION FEES	MIS INFRASTRUCTURE
T1128	HALL LETTER SHOP, INC.	121,511.30	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T5185	HOUSING AUTHORITY COUNTY OF KERN	117,200.00	2021 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1272	COFFEY COMMUNICATIONS INC.	113,747.48	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T2850	QUEST SOFTWARE INC.	109,598.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T5322	MANINDER KHALSA	107,100.50	2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	101,257.59	2021 ANNUAL DUE ASSESSMENT & TRAINING REGISTRATION	VARIOUS



# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4396	KAISER FOUNDATION HEALTH-DHMO	100,716.63	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4353	TWE SOLUTIONS, INC.	96,518.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T3446	WITT/KIEFFER INC	95,091.19	RECRUITMENT FEES	HUMAN RESOURCES
T3449	CDW GOVERNMENT	94,458.15	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	89,361.64	TEMPORARY HELP	MIS ADMINISTRATION
T2413	TREK IMAGING INC	81,371.62	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4059	KERN VALLEY HEALTHCARE DISTRICT ****	80,743.35	2021 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5376	KCHCC	78,418.00	COVID TASK FORCE SPONSORSHIP	MARKETING
T4963	LINKEDIN CORPORATION	78,275.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	77,925.82	2021 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5121	TPx COMMUNICATIONS	77,465.78	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T1022	UNUM LIFE INSURANCE CO.	75,346.40	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5329	RELAY NETWORK, LLC	73,333.37	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5132	TIME WARNER CABLE LLC	71,370.25	INTERNET SERVICES	MIS INFRASTRUCTURE
T4217	CONTEXT 4 HEALTHCARE, INC	69,630.00	AMA ROYALTY FEE & CPT RENEWAL	MIS INFRASTRUCTURE



Year to Date AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4960	ZELIS CLAIMS INTEGRITY, LLC	67,536.96	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T5401	KERN MEDICAL SUPPLY, LLC	65,546.02	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	2021 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5346	TURNKEY ENERGY	63,378.00	EV CHARGING STATIONS	CORPORATE SERVICES
T4182	THE LAMAR COMPANIES	63,190.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4785	COMMIGAP	61,624.75	INTERPRETATION SERVICES	HEALTH EDUCATION
T4503	VISION SERVICE PLAN	60,772.77	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	60,098.72	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4563	SPH ANALYTICS	59,988.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4792	KP LLC	56,884.05	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PHARMACY/PROVIDER RELATIONS
T4944	CENTRAL VALLEY FARMWORKER FOUNDATION	56,528.25	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5325	WADE A MCNAIR	56,174.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T5398	GOLDEN EMPIRE GLEANERS ****	55,000.00	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T2580	GOLDEN EMPIRE TRANSIT DISTRICT	54,735.75	2021-2022 OUTDOOR ADVERTISING	MARKETING
T3986	JACQUELYN S. JANS	54,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T1957	FRIENDS OF MERCY FOUNDATION	54,000.00	COVID VACCINE CAMPAIGN SPONSORSHIP	MARKETING
T2961	SOLUTION BENCH, LLC	53,814.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4415	DANIELS PHILLIPS VAUGHAN AND BOCK	49,950.00	2020 AUDIT FEES	FINANCE
T2933	SIERRA PRINTERS, INC.	48,793.65	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC	48,600.00	CONSULTING SERVICES	ADMINISTRATION
T4496	VOX NETWORK SOLUTIONS, INC	47,965.99	WORKFORCE MANAGEMENT ADVANCED LICENSE ANNUAL RENEWAL	MIS INFRASTRUCTURE
T2446	AT&T MOBILITY	46,909.50	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T1183	MILLIMAN USA	45,672.75	CY2019/2020 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4038	POLYCLINIC MEDICAL CENTER, INC	43,118.97	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5396	NYMI INC	43,000.00	CONTRACT TRACING DEVICES	CORPORATE SERVICES
T2441	LAURA J. BREZINSKI	41,900.00	MARKETING MATERIALS	MARKETING
T5201	JAC SERVICES, INC.	41,794.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	41,666.67	COMMUNITY SPONSORSHIP	ADMINISTRATION
T2407	KAISER FOUNDATION HEALTH -COBRA	41,551.84	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T2969	AMERICAN BUSINESS MACHINES INC	40,584.20	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5015	SENTINEL ENGINEERING	40,380.00	JUNIPER ANNUAL SUPPORT RENEWAL	MIS INFRASTRUCTURE
T2918	STINSON'S	38,804.28	2021 OFFICE SUPPLIES	VARIOUS
T5340	GARTNER INC	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4607	AGILITY RECOVERY SOLUTIONS INC.	37,990.00	PROFESSIONAL SERVICES	ADMINISTRATION



Year to Date AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T5107	CITRIX SYSTEMS, INC.	37,350.00	ANNUAL LICENSE AND SUPPORT FEES	MIS INFRASTRUCTURE
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	37,242.25	CONSULTING SERVICES	ADMINISTRATION
T5292	ALL'S WELL HEALTH CARE SERVICES	37,179.00	TEMPORARY HELP	VARIOUS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	36,199.00	2021 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T2135	BAKERSFIELD CITY SCHOOL DISTRICT	35,955.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T5412	DIAGENIX CORPORATION ***	34,358.40	2021-2024 NUANCE SOFTWARE SUPPORT & MAINTENANCE	MIS INFRASTRUCTURE
T2941	KERN PRINT SERVICES INC.	34,257.75	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T1655	KERN,KXXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT,KRQK,KPAT,	34,000.00	DIGITAL ADS	MARKETING
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	33,654.85	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	33,535.60	INTERNET SERVICES	MIS INFRASTRUCTURE
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	33,440.00	COVID-19 TESTING	HUMAN RESOURCES
T5215	RICHARD GARCIA	32,550.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5321	TYK TECHNOLOGIES LTD ***	30,000.00	2021-2022 TYK LICENSE	MIS INFRASTRUCTURE
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	29,603.47	2021 BUILDING MAINTENANCE	CORPORATE SERVICE
T2509	USPS	28,798.14	REPLENISH POSTAGE (PERMIT) FUNDS	CORPORATE SERVICES
T5387	NAVIA BENEFITS SOLUTIONS, INC	28,446.27	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS

# KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4575	SCHNEIDER ELECTRIC IT CORPORATION	26,791.50	APC COOLING UNITS - ANNUAL MAINTENANCE	CORPORATE SERVICES
T4216	NEXSTAR BROADCASTING INC	26,610.00	ADVERTISEMENT - MEDIA	MARKETING
T5269	KERN COMMUNITY FOUNDATION	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT- OUTREACH
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC.	25,000.00	LEADERSHIP FOUNDATION LICENSE	HUMAN RESOURCES
T5345	DEVVIO INC	23,250.00	ANNUAL SOFTWARE & HARDWARE DEVVTRACE WEARABLES & GATEWAYS - CONTRACT TRACING	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4873	L5 HEALTHCARE SOLUTIONS, INC.	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T4424	GUROCK SOFTWARE GmbH ****	23,100.00	TESTRAIL RENEWAL	MIS INFRASTRUCTURE
T3092	LINKS FOR LIFE, INC	22,950.00	2021 EVENT SPONSORSHIP	MARKETING
T4537	BURKE, WILLIAMS & SORENSEN, LLP ****	22,832.00	LEGAL FEES	VARIOUS
T5159	AT&T CORP	21,481.77	INTERNET SERVICES	MIS INFRASTRUCTURE
T5334	PACIFIC INTERPRETERS, INCORPORATED	21,443.57	INTERPRETATION SERVICES	HEALTH EDUCATION
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	21,390.00	2021 CENTRAL CALIFORNIA ASTHMA COLLAB. GRANT	HE WELLNESS
T5161	INTEGRATED HEALTHCARE ASSOCIATION	21,304.73	ADVERTISEMENT - FILMING SERVICES	MARKETING
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	21,044.56	EMPLOYEE PREMIUM	ADMINISTRATION
T4228	THE SSI GROUP, LLC.	20,695.20	EDI CLAIM PROCESSING	CLAIMS
T5389	ADAKC ****	20,296.03	2021-2022 COMMUNITY GRANT	COMMUNITY GRANTS



Year to Date AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Year-to Date	Description	Department
T3084	KERN COUNTY-COUNTY COUNSEL	20,161.20	LEGAL FEES	ADMINISTRATION
T4605	KERNVILLE UNION SCHOOL DISTRICT	19,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T1326	WALKER-LEWIS RENTS	19,279.51	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T1097	NCQA	19,230.75	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	QUALITY IMPROVEMENT
T4934	APPLE INC	19,066.34	2021 SERVICE AWARDS & CELL PHONES	VARIOUS
T4514	A.J. KLEIN, INC. T. DENATALE, B. GOLDNER	18,193.50	LEGAL FEES	ADMINISTRATION
T5128	STANDARD SCHOOL DISTRICT	18,000.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T4585	DELANO UNION SCHOOL DISTRICT	17,500.00	2019/2021 SCHOOL WELLNESS PROGRAM GRANT- FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T5318	CANONICAL GROUP LIMITED ****	17,500.00	2020 - 2021 UA INFRASTRUCTURE LICENSE	MIS INFRASTRUCTURE
T5013	ELIZA CORPORATION	17,130.00	202 DATA MANAGEMENT FEE	CASE MANAGEMENT
T4993	LEGALSHIELD	17,083.81	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T4962	LIBERTY DATA, INC.	17,000.00	PROFESSIONAL SERVICES ANNUAL RENEWAL	MIS INFRASTRUCTURE
T4016	FIRST DATABANK, INC	16,620.00	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T1347	ADVANCED DATA STORAGE	16,065.70	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T2955	DELTA ELECTRIC INC.	15,915.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T2787	SAGE SOFTWARE, INC	15,819.93	2020-21 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T5336	TEAMDYNAMIX SOLUTIONS LLC	15,200.00	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	15,025.00	ADVERTISEMENT - TELEVISION	MARKETING
T2578	AMERICAN HEART ASSOCIATION - KERN COUNTY	15,000.00	COMMUNITY ACTIVITIES-SPONSORSHIP	ADMINISTRATION
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	14,935.00	ADVERTISEMENT - TELEVISION	MARKETING
T4389	EXACT STAFF, INC.	13,998.52	TEMPORARY HELP	VARIOUS
T4920	OTIS ELEVATOR COMPANY	13,174.60	2021 ELEVATOR MAINTENANCE SERVICES	CORPORATE SERVICES
T4686	CENTRIC HEALTH	13,060.08	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T4466	SMOOTH MOVE USA	12,884.73	2021 MOVING EXPENSES	CORPORATE SERVICES
T1650	UNIVISION TELEVISION GROUP	12,750.00	ADVERTISEMENT - TELEVISION	MARKETING
T5375	HADASSAH E PEREZ ****	12,458.98	EMPLOYEE RELOCATION	HUMAN RESOURCES
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T4476	KERN PARTNERSHIP FOR CHILDREN AND FAMILIES ****	12,000.00	COMMUNITY SPONSORSHIP	MARKETING
T4577	LA CAMPESSINA, KBDS, KUFW, KMYX, KSEA, KBHH, KYLI, KCEC, KNAI	12,000.00	ADVERTISEMENT - RADIO	MARKETING



**Year to Date AP Vendor Report  
Amounts over \$10,000.00**

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES ****	11,384.00	2020-2021 WORKER'S COMPENSATION INSURANCE PREMIUM	ADMINISTRATION
T5386	PARTNER ENGINEERING AND SCIENCE, INC	11,150.00	PROFESSIONAL SERVICES	CORPORATE SERVICES
T5099	PROGRESS SOFTWARE CORPORATION	10,968.02	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
T4932	SPECTRUM REACH (MEDIA)	10,200.00	ADVERTISEMENT - TELEVISION	MARKETING
T2869	COMMUNITY ACTION PARTNERSHIP OF KERN	10,000.00	COMMUNITY GRANTS	MARKETING
		<b><u>35,946,977.75</u></b>		
	TOTAL VENDORS OVER \$10,000	35,946,977.75		
	TOTAL VENDORS UNDER \$10,000	750,637.81		
	TOTAL VENDOR EXPENSES - NOVEMBER	<b><u>\$36,697,615.56</u></b>		

Note:  
\*\*\*\*New vendors over \$10,000 for the month of November



Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
Poppyrock Designs	\$46,200.00	Yes	MRK	Louie Iturriria	Graphic design of KHS-KFHC member & provider MKT materials	1/1/2021	12/31/2021
Symplr/Cactus	\$35,700.00	Yes	IT	Richard Pruitt	Annual SaaS Application manager & the DEA State license monitor	1/6/2021	1/5/2022
HD Dynamics	\$50,000.00	Yes	PR	Emily Duran	Consulting Services	1/1/2021	12/31/2021
LinkedIn	\$52,000.00	Yes	HR	Anita Martin	Online training for managed learners	1/1/2021	12/31/2021
Jacquelyn Jans	\$60,000.00	Yes	MRK	Louie Iturriria	Marketing and Corporate Image Consulting	1/1/2021	12/31/2021
<b>February</b>							
CDW-G	\$54,287.48	Yes	IT	Richard Pruitt	Dell 5420 (25) laptops and (25) Dockbolt stations	2/24/2021	2/24/2025
SPH Analytics	\$87,010.00	Yes	PR	Emily Duran	Custom provider satisfaction survey	2/11/2021	12/31/2021
Lamar	\$41,595.00	Yes	MRK	Louie Iturriria	Production of 5 Billboard advertisement	1/25/2021	1/24/2022
LifeSigns	\$80,000.00	Yes	HE	Isabel Silva	ASL interpreting services for KHS members	2/23/2021	2/22/2023
Quest Software	\$99,995.00	Yes	IT	Richard Pruitt	Unlimited Enterprise Spotlight on SQL server licenses	2/1/2021	1/31/2026
PMO Partners	\$97,152.00	Yes	PM	Angela Ahsan	Professional consulting services	2/11/2021	6/18/2021
<b>March</b>							
Gartner	\$38,500.00	Yes	IT	Richard Pruitt	One (1) license for individual access advisor	3/1/2021	2/28/2022
SHI	\$33,432.79	Yes	IT	Richard Pruitt	Co-termed support for all Fortinet-Fortigate security appliances	3/15/2021	12/31/2022
<b>April</b>							
Citrix	\$37,350.00	Yes	IT	Richard Pruitt	Maintenance and support for Citrix licenses	4/2/2021	4/1/2022
SHI	\$58,469.60	Yes	IT	Richard Pruitt	Cisco SMARTnet renewal	4/22/2021	4/22/2022
TWE Solutions	\$73,165.00	Yes	IT	Richard Pruitt	Cortex XDR Pro licenses	4/23/2021	4/22/2022
Presidio	\$47,225.00	Yes	IT	Richard Pruitt	Security Program Assessment services	4/23/2021	4/22/2022
<b>May</b>							
Entsys360	\$99,999.00	Yes	IT	Richard Pruitt	Xi Leap Cloud Services co-termed	5/26/2021	5/26/2022
<b>June</b>							
Milliman	\$50,000.00	Yes	ACCT	Veronica Barker	Actuarial services (IBNP)	6/1/2021	5/31/2022
Dell	\$62,756.60	Yes	IT	Richard Pruitt	25 Dell 5420 Laptops and 25 docking stations	6/24/2021	6/23/2025
Edrington Health Consulting	\$99,000.00	Yes	ACCT	Veronica Barker	Actuarial services (RDT, SDR's, rate analysis, discussion guide)	6/1/2021	5/31/2022
Presidio	\$80,418.89	Yes	IT	Richard Pruitt	Node purchase to expand Rubrik backup and recovery solution	6/24/2021	6/23/2024
Entsys360	\$99,400.36	Yes	IT	Richard Pruitt	Rubrik polaris Sonar software	6/24/2021	6/23/2024

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>July</b>							
Solution Bench	\$33,814.59	Yes	IT	Richard Pruitt	Subscription-based licensing program for all M-Files licenses	7/24/2021	7/23/2022
ABM	\$91,854.00	Yes	IT	Richard Pruitt	Support and printing for all printing equipment	10/1/2021	9/30/2023
Golden Empire Transit (GET)	\$53,735.75	Yes	MRK	Louie Iturrria	Four (4) King Kong outdoor advertisements	7/15/2021	6/30/2022
Sentinel	\$40,380.00	Yes	IT	Richard Pruitt	Juniper Networks switches support and maintenance	7/1/2021	6/30/2022
<b>August</b>							
FluidEdge	\$78,000.00	Yes	Compl	Alan Avery	Resource (Amy Kramer) to support the compliance team	8/16/2021	11/12/2022
Context4 Healthcare	\$68,600.00	Yes	IT	Richard Pruitt	CPT code set licenses for access to CPT additional through AMA	8/12/2021	8/11/2022
Dell	\$53,967.22	Yes	IT	Richard Pruitt	Fifty (50) OptiPlex 5090 Micro Desktop with 4 years support	8/4/2021	8/3/2025
WittKieffer	\$65,000.00	Yes	HR	Anita Martin	Recruitment/search of a new CEO for KHS	8/24/2021	8/23/2022
FluidEdge	\$86,600.00	Yes	PM	Lavonne Banks	Temporarily Interim Senior Project Manager for PMO dept	8/16/2021	11/19/2021
Entisys360	\$83,976.66	Yes	IT	Richard Pruitt	Rubrik backup and recovery solution one (1) year renewal	8/23/2021	8/22/2022
TotalMed	\$40,000.00	Yes	HR	Anita Martin	Staffing services	8/14/2021	8/13/2022
TriZetto	\$88,000.00	Yes	CLM	Robin Dow-Morales	Electronic claims processing	8/28/2021	8/27/2022
ZeOmega	\$96,000.00	Yes	IT	Richard Pruitt	Professional consulting services for CalAIM	8/16/2021	12/31/2021
TPx	\$43,839.36	Yes	IT	Richard Pruitt	SIP Cloud Network for DR site	8/12/2021	8/11/2024
<b>September</b>							
The Periscope Group	\$98,880.00	Yes	UM	Deborah Muir	In-home assessment visits for evaluation of DME support	9/25/2021	9/24/2022
<b>October</b>							
ABM	\$91,954.00	Yes	IT	Richard Pruitt	Support & printing for all printing equipment	10/1/2021	9/30/2023
Lamar	\$32,450.00	Yes	PNM	Emily Duran	Outdoor advertisement (23 billboards) for COVID Vaccination	10/18/2021	2/20/2022
<b>November</b>							
TYK Launch	\$30,000.00	Yes	IT	Richard Pruitt	Annual support for Launch subscription for API Manager	11/12/2021	11/12/2022
Dell	\$58,863.68	Yes	IT	Richard Pruitt	25 Dell 5420 Laptops and 25 Docking stations	11/12/2021	11/11/2025
Payscale	\$51,360.00	Yes	IT	Richard Pruitt	Compensation study and salary analytics	11/24/2021	11/23/2024
NYMI	\$39,040.00	Yes	IT	Richard Pruitt	(150) Additional Nyimi Generation 3 Bands co-termed	11/19/2021	9/22/2022
Dell	\$54,017.03	Yes	IT	Richard Pruitt	50 OptiPlex	11/12/2021	11/11/2025
Entisys360	\$99,999.99	Yes	IT	Richard Pruitt	Support and maint. For Nutanix VDI Cluster	11/4/2021	11/1/2022
<b>December</b>							
SHI	\$47,107.22	Yes	IT	Richard Pruitt	(54) VMware licenses renewal with support and maint.	12/8/2021	12/31/2022
Diagenix	\$34,358.40	Yes	IT	Richard Pruitt	Diagenix voice survey and Nuance Speech Recognition support and maint	12/31/2021	12/31/2024
FluidEdge	\$31,920.00	Yes	PMO	Lavonne Banks	Interim Senior Project Management resource, Karie Klepper	12/1/2021	12/31/2021

2021 TECHNOLOGY CONSULTING RESOURCES																	
ITEM #	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD TOTAL	REMAINING BALANCE
Project Name																	
1	Project Portfolio Management System	CAP	\$154,562	\$0	\$0	\$18,400	\$0	\$16,000	\$43,040	\$34,440	\$17,600					\$129,480	\$25,082
2	Community Based Organization Referral System	CAP	\$359,653	\$0	\$0	\$0	\$0	\$10,925	\$55,209	\$78,556	\$79,816	\$0	\$8,150	\$35,075		\$267,731	\$91,922
3	Enterprise Logging System	CAP	\$333,996	\$12,036	\$15,200	\$0	\$17,600	\$0	\$0	\$0	\$14,960	\$18,480	\$18,480	\$89,960		\$186,716	\$147,280
4	Interoperability	CAP	\$162,044	\$4,944	\$0	\$0	\$0	\$0	\$0	\$27,720	\$16,500	\$26,400	\$27,390	\$21,780		\$124,734	\$37,310
5	Enterprise Data Warehouse System	CAP	\$673,553	\$87,957	\$94,932	\$104,117	\$111,364	\$86,608	\$29,040	\$0	\$0	\$0	\$73,364	\$15,552		\$602,934	\$70,619
6	Major Organ Transplants	CAP	\$62,000							\$0	\$17,290	\$37,800	\$0	\$0		\$55,090	\$6,910
7	Enhanced Care Management	CAP	\$344,000							\$0	\$17,640	\$91,938	\$56,235	\$57,120		\$222,933	\$121,067
8	Staff Augmentation	EXP	\$1,918,488	\$142,543	\$143,097	\$174,994	\$156,367	\$142,092	\$166,264	\$144,199	\$154,486	\$154,536	\$145,230	\$143,600		\$1,667,408	\$251,080
Totals:			\$4,008,296	\$247,480	\$253,229	\$297,511	\$285,331	\$255,625	\$293,553	\$284,915	\$318,292	\$329,154	\$328,849	\$363,087		\$3,257,026	\$751,270

Updated 1/18/22



**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
NEW VENDOR CONTRACTS  
February 10, 2022**

Legal Name DBA	Specialty	Address	Comments	Contract Effective Date
<b>PAC 02/02/2022</b>				
ACES 2020 LLC dba: Aces	ABA Provider	1405 Commercial Way Ste. 120 Bakersfield CA 93309		3/1/2022
Central California Asthma Collaborative	Asthma Remediation & Housing Transition	4991 E. McKinley Ave Ste. 109 Fresno CA 93727		Retro-Eff 1/1/2022
Coastal Kids, A Professional Medical Corporation	Pediatrics	300 Old River Rd Ste. 105 1215 34th Street 9508 Stockdale Hwy Ste. 150 Bakersfield CA	Existing Providers - Ownership Change Bakersfield Pediatrics Riverwalk Pediatrics	3/1/2022
Corbow Inc dba: The Papo Hernandez Respite, Rest and Recovery Home	Short-Term Post Hospitalization Housing	2813 University Avenue Bakersfield CA 93306		Retro-Eff 1/1/2022
Expert MRI, PC	Radiology / MRI	9802 Stockdale Hwy Ste.106A Bakersfield CA 93311		3/1/2022
Good Samaritan Healing Center LLC dba: Good Samaritan Healing Center	Recuperative Care (Medical Respite)	229 S Chester Avenue Bakersfield CA 93304		Retro-Eff 1/1/2022
Housing Authority of the County of Kern	Housing Tenancy & Sustaining Svcs; Housing Transition/Navigation Svcs & Housing Deposits	601 24th Street Bakersfield CA 93301		Retro-Eff 1/1/2022
Super Care Inc dba: SuperCare Health	DME (O2 & Respiratory Supplies)	3335 Pegasus Dr. Ste. 308 Bakersfield CA 93308		3/1/2022
Western Health Resources dba: Adventist Health Home Care Services - Home Health	Home Health	2800 K Street Bakersfield CA 93301		3/1/2022
Western Health Resources dba: Adventist Health Home Care Services - Hospice	Hospice	1601 New Stine Rd Ste. 103 Bakersfield CA 93309		3/1/2022





**TO: KHS Board of Directors**

**FROM: Alan Avery, COO**

**DATE: February 10, 2022**

**RE: 4<sup>th</sup> Quarter 2021 Operations Report**

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### **Operations Overview**

Kern Health Systems Operational Departments continue to meet all regulatory performance and health plan performance goals during the 4<sup>th</sup> Quarter of 2021. This continued trend during the COVID-19 pandemic ensures provider claims are processed in a timely and accurate manner, member inquiries and questions are adequately addressed, and all plan operational units are working efficiently and effectively together while the majority of staff are working remotely in their respective homes. Even though we are meeting all production standards, some operational areas are challenged due to the impact of COVID.

### **Claims**

Incoming provider claims receipts for the 4<sup>th</sup> Quarter of 2021 decreased slightly over the previous quarter by 27,000 claims. Our analysis suggests this decrease was in part caused by one of the major provider groups experiencing billing challenges. We are working closely with this provider and anticipate this backlog of professional claims will become current sometime during the 1<sup>st</sup> quarter. Overall, we experienced an increase of 400,000 claims being submitted in 2021 over 2020 for an overall growth of claim encounters of 13%. Even though claim receipts continue to increase, we are not overly concerned as 98% of those claims are being submitted electronically with only 2% of the claims received on paper. These paper claims are forwarded to a local partner (Stria) who scans the paper claims and converts them into an electronic file format allowing them to load electronically into the KHS claims workflow. Once loaded into the claims workflow, the QNXT core system processes them automatically. Auto adjudication of claims, meaning claims received and processed without any manual intervention, continued at an exceptional level of 87% during the quarter. Improvements in electronic claim submission combined with increased auto adjudication of claims has greatly decreased processing time, improved quality, and increased timely payments to providers. The claims department continues

to meet and often exceeds all regulatory payment requirements for the quarter-including claims processing timeliness and inventory measures.

### **Member Services**

Calls into the Member Services Department call center decreased by 7% during the 4<sup>th</sup> quarter. This is consistent with previous years' experience due to the holiday season and its impact on call volume reduction. For all of 2021, unlike the 13% increase of provider claims received over the prior year, Member Services volume remained almost identical to 2020 with 263,000 calls received by KHS. Another notable indicator in the 4<sup>th</sup> quarter is the increased outbound call activity primarily associated with the COVID-19 vaccination program. We continue to successfully manage phone activity by encouraging members to obtain their own personal account into the Member Portal. Currently 44,000 of our members have online accounts which allows them to perform all the top five reasons they would normally call Member Services.

### **Provider Relations**

The Primary Care Provider (PCP) network remained relatively flat for the 4<sup>th</sup> Quarter increasing only by two PCPs. From a regulatory reporting perspective, there are 16 core specialists that we must continually monitor and report to the regulatory agencies. These specialists include: Cardiology, Dermatology, Endocrinology, ENT, Gastroenterology, General Surgery, Hematology, HIV/AIDS/Infectious Disease, Nephrology, Neurology, Oncology, Ophthalmology, Orthopedic Surgery, Physical Medicine, Psychiatry and Pulmonology. In the core specialty category, we experienced a net change of 22 providers (5%). Our complete contracted provider network (PCP + Core Specialists + All others) increased by 35 providers, for a total of 2538 providers.

Another key accessibility measurement is the provider network adequacy component. We are required to monitor and report to the regulators the adequacy of our PCP and Core Specialty provider network. This measurement is based on a provider to member ratio. For PCP's, the ratio is one PCP for every 2,000 members. We currently have one PCP for every 1819 members, thus meeting the requirement. For Core Specialists, the ratio is one Specialists for every 1,200 members. We currently are reporting one for every 671 members, clearly exceeding the requirement. Even though we are currently meeting all regulatory accessibility requirements, we are continually accepting all providers who meet our participation requirements.

The last key provider network indicator that we continually monitor, and report is PCP and Specialty care appointment availability. Non-urgent PCP appointments must be available within 10 days. We are currently reporting 2.5 days for the 4<sup>th</sup> Quarter. Non-urgent appointments with a specialist must be available within 15 days. We are currently reporting a little over 6 days.



## **Human Resources**

During the 4<sup>th</sup> Quarter, the Human Resources Department continued to perform ongoing staff recruitment and new employee orientation to meet the expanding personnel needs of the health plan, primarily to support the new CalAIM initiatives. The biggest CalAIM impact on staff is the introduction of Enhanced Care Management (ECM) on 1/1/22 which is combining Health Homes and Whole Person Care into ECM.

During the 4<sup>th</sup> Quarter KHS staffing increased to 431 employees compared to a budget of 449. Employee turnover is 10.83% for the year.

## **Grievance Report**

Formal Grievances during the 4<sup>th</sup> Quarter increased slightly by 32 grievances or 4% over the previous quarter. The category that saw a significant increase during the quarter was for Potential Inappropriate Care grievances, with an additional 92 grievances received. We attribute this to DHCS refining the criteria, further qualifying what constitutes a Potential Inappropriate Care grievance. We will monitor this change closely to determine if this is the reason for the increase and determine if this increase is the new norm.

Exempt Grievances on the other hand decreased by 89 grievances during the quarter. Exempt grievances are primarily simple service-related complaints, usually when the member doesn't want to file a Formal complaint. They can usually be easily resolved the same day without significant research or follow up. These include such things as PCP changes or complaints about the physical nature of the office or staff. I believe the reason for the decrease can be directly attributed to the increase in the Potential Inappropriate Care formal grievances as these would previously be reported as Exempt Grievance but are now being classified as Formal Potential Inappropriate Care grievances.

Part two of the Grievance Report is the disposition of the formal grievances. This report indicates what decisions were made by the KHS Grievance Committee regarding the Formal grievances. As the report indicates, 256 Potential Inappropriate Care Formal Grievances were forwarded to the Quality Department, 144 were investigated and QI determined there was no inappropriate care issues, 103 cases required further review by the QI department and 9 cases were overturned and upheld the position of the member, meaning there were potential quality issues. The other major category was Medical Necessity where 266 cases were reported, 199 cases where the decision of the Grievance Committee was upheld, and 667 grievance decisions were reversed in favor of the member. The Quality Department has not identified any trends that need to be addressed. The primary reason for overturning the original decision of the grievance occurs when we receive additional supporting documentation from the member or the provider.

**Transportation Update**

Transportation activity during the 4<sup>th</sup> quarter followed similar overall volume trends throughout 2021, with 78,330 rides being provided during the quarter. The ride programs (GET OnDemand and Uber) saw the most unique volume changes with decreased ridership on GET OnDemand vans and increased ridership with UBER. This is attributed to the lack of drivers by GET thus decreased availability. In addition, the Member Reimbursement transportation mode continued to receive support by our members. All other transportation options had minor increases/decreases. Overall, the use of transportation services continues at 50% of pre-COVID activity.

**Requested Action**

Receive and File.



# **2021 4<sup>th</sup> Quarter Operational Report**

Alan Avery  
Chief Operating Officer

## 4<sup>th</sup> Quarter 2021 Claims Department Indicators

Activity	Goal	4 <sup>th</sup> Quarter	Status	3rd Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
Claims Received		<b>853,656</b>		881,263	840,553	827,140	812,995
Electronic	95%	<b>98%</b>		98%	98%	98%	98%
Paper	5%	<b>2%</b>		2%	2%	2%	2%
Claims Processed Within 30 days	90%	<b>99%</b>		99%	98%	99%	99%
Claims Processed within 45 days	95%	<b>99%</b>		99%	99%	99%	99%
Claims Processed within 90 days	99%	<b>99%</b>		100%	99%	99%	99%
Claims Inventory-Under 30 days	96%	<b>99%</b>		99%	99%	99%	99%
31-45 days	<3%	<b>&lt;1%</b>		1%	1%	1%	1%
Over 45 days	<1%	<b>1%</b>		1%	0	1%	1%
Auto Adjudication	85%	<b>87%</b>		87%	85%	85%	85%
Audited Claims with Errors	<3%	<b>2%</b>		1%	1%	2%	2%
Claims Disputes	<5%	<b>1%</b>		1%	1%	1%	1%

## 4<sup>th</sup> Quarter 2021 Member Service Indicators

Activity	Goal	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
Incoming Calls		<b>63,724</b>		69,132	65,968	64,320	61,469
Abandonment Rate	<5%	<b>1.14%</b>		3%	2%	1.4%	1.19%
Avg. Answer Speed	<2:00	<b>:13</b>		:40	:26	:16	:11
Average Talk Time	<8:00	<b>8:00</b>		8:19	8:13	8:06	7:50
Top Reasons for Member Calls	Trend	<ol style="list-style-type: none"> <li>1. New Member</li> <li>2. PCP Change</li> <li>3. Referrals</li> <li>4. Demographic</li> <li>5. ID Card</li> </ol>		<ol style="list-style-type: none"> <li>1. New Member</li> <li>2. Referrals</li> <li>3. Demographic</li> <li>4. ID Card</li> <li>5. PCP Change</li> </ol>	Same	Same	Same
Outbound Calls	Trend	<b>79,894</b>		69,826	69,608	66,148	63,979
# of Walk Ins	Trend	<b>0</b>		0	0	0	0
Member Portal Accounts-Q/Total	4%	<b>2605</b> <b>44,301</b> <b>(14.23%)</b>		2842 41,697 (14.18%)	2740 38,858 (13.34%)	3062 36,025 12.65%	2948 33,053 (11.8%)

## 4<sup>th</sup> Quarter Provider Network Indicators

Activity	Goal	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
<b>Provider Counts</b>							
# of PCP		425		423	439	417	408
% Growth		2.84%		[3.64%]	5.28%	2.21%	0%
# of Specialist		444		422	426	441	447
% Growth		5.21%		[-.94%]	[3.40%]	[1.34%]	.45%
<b>Provider Ratios</b>							
FTE PCP Ratio	1:2000	1:1819		1:1837	1:1742	1:1798	1:1773
FTE Physician Ratio	1:1200	1:671		1:680	1:620	1:614	1:1571
<b>Access to Care</b>							
PCP	< 10 days	2.5 days		4.2 days	3.0 days	2.3 days	5.2 days
Specialty	< 15 days	6.3 days		6 days	11.4 days	10.5 days	5.7 days

## 4<sup>th</sup> Quarter Human Resources Indicators

Activity	Budget	4 <sup>th</sup> Quarter	Status	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	4 <sup>th</sup> Quarter
Staffing Count	449	<b>431</b>		425	425	425	422
Employee Turnover	12%	<b>10.83%</b>		10.38%	10.38%	7.55%	6.68
Turnover Reasons	Voluntary Involuntary Retired Deceased	<b>60.87%</b> <b>23.91%</b> <b>8.70%</b> <b>6.52%</b>		66.67 23.24 3.03 6.06	63.64% 22.73% 4.54% 9.09%	75% 12.5% 0 12.5%	85.8% 7.1% 7.1%

# 4th Quarter 2021 Grievance Report

Category	4 <sup>th</sup> Quarter 2021	Status	Issue	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Access to Care	131		Appointment Availability	148	90	77	72
Coverage Dispute	0		Authorizations and Pharmacy	0	0	0	0
Medical Necessity	266		Questioning denial of service	329	308	308	317
Other Issues	36		Miscellaneous	18	20	11	14
Potential Inappropriate Care	256		Questioning services provided. All cases forwarded to Quality Dept.	164	183	156	200
Quality of Service	55		Questioning the professionalism, courtesy and attitude of the office staff. All cases forwarded to PR Department	53	31	8	7
<b>Total Formal Grievances</b>	<b>744</b>			712	632	560	610
Exempt**	1431		Exempt Grievances-	1520	1570	1179	1050
<b>Total Grievances (Formal &amp; Exempt)</b>	<b>2175</b>			2232	2202	1739	1660



## Additional Insights-Formal Grievance Detail

Issue	4 <sup>th</sup> Quarter Grievances	Upheld Plan Decision	Further Review by Quality	Overtured Ruled for Member	Still Under Review
Access to Care	73	47	0	21	5
Coverage Dispute	0	0	0	0	0
Specialist Access	58	27	0	22	9
Medical Necessity	266	199	0	67	0
Other Issues	36	20	0	8	8
Potential Inappropriate Care	256	144	103	9	0
Quality of Service	55	32	0	12	11
<b>Total</b>	<b>744</b>	<b>469</b>	<b>103</b>	<b>139</b>	<b>33</b>

## 4<sup>th</sup> Quarter 2021 Transportation Update

Operational Statistics	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
ALC Calls	<b>63,425</b>	67,680	69,978	77,033	81,672
One Way Rides Scheduled	<b>78,330</b>	75,066	70,643	73,836	79,456
NMT	<b>39,898</b>	37,936	34,256	41,433	46,071
Bus Passes Distributed	<b>1047</b>	1065	833	670	869
GET Van Share	<b>5248</b>	8253	7619	3303	3725
Ride Share Rides	<b>32,315</b>	28,618	25,804	37,460	41,477
No Shows	<b>4320</b>	5103	3669	3156	3640
NEMT	<b>38,162</b>	37,129	36,387	32,403	33,385
Van Rides Scheduled	<b>37,632</b>	36,546	35,797	31,626	32,636
Gurney Rides Scheduled	<b>530</b>	583	590	777	749
Member Reimbursement	<b>1785</b>	2496	2377	1707	1834
ALC Admin Expense	<b>\$423,776.90</b>	\$415,333.25	\$387,345.71	\$415,080.00	\$444,850.78



**To: KHS Board of Directors**

**From: Martha Tasinga M.D, MPH, MBA, Chief Medical Officer**

**Date: February 10, 2022**

**Re: CMO BOARD REPORT**

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**Medical Cost and Utilization Trend Analyses: (Attachment A)**

**Physician Services: (PCPs, Specialists, Hospitalist, Other Professional and Urgent Care):**

The utilization of physician services by the SPDs was higher than budget for all of 2021 with spikes occurring during COVID -19 surges. For the 4<sup>th</sup> quarter of 2021, the spike started in October and tapered slightly in November and December. The cost per professional visit for the SPDs has remained stable and close to budget from July 2021 to the end of the year. This is seen as a good thing because it indicates members are using lower cost professional services to manage their chronic conditions and not waiting until their disease becomes more acute requiring an ER visit and /or inpatient admission.

KHS will implement more population-oriented programs in 2022 that would address the physical, social and behavioral needs of the members with chronic conditions. This approach to care management would ensure timely care at more appropriate venues designed to address specific medical and other conditions. The goal is to see that patients are treated and followed in the most appropriate setting which should show favorable outcomes for members using these services.

The most frequent diagnosis for physician services for the SPDs in December was Primary Hypertension followed by Diabetes as a close second. Chronic Kidney Disease treatment represents the 4<sup>th</sup> highest reason for professional service's utilization. Again, this may be attributed to patients with Hypertension and Diabetes since both are detrimental to the kidneys when not controlled. Like SPD's, these same two diagnoses rank one and two as the most frequent reasons for professional services utilization by our Expansion Population Aid Category.

The Family / Other AID category indicate general examination without complaint and routine child health exams to be the number one reason to visit the doctor with immunizations being the second most frequent reason.

### **Pharmacy**

The monthly cost and utilization per enrollee for all aid categories is at or below budget through December 2021. The management of this benefit transferred to the STATE on 1/1/2022 and no longer will be included in this report going forward.

### **Inpatient Services**

The overall bed-days incurred and average length of stay in the acute hospital for all aide codes was at or below budget despite spikes that corresponded to the surge in COVID-19 cases in the 4<sup>th</sup> quarter. However, the cost per admit was higher than projected and this is due to patients being admitted to higher levels of care such as ICU.

In 2022 we expect to see fewer admissions for patients whose care will be managed in the same population-oriented programs as mentioned under Physician Services above. By focusing on early and continued treatment, we expect to reduce the need for hospital admissions and readmissions for these patients which should impact positively on hospital utilization and cost.

The top admitting hospitals from July 2021 through December 2021 was KM and BMH respectively. **(Attachment B)**.

The C/Section rate is 17 % which continues to be below State average for low-risk, first birth deliveries. For the month of November 2021, most of our deliveries occurred at BMH with KMC second. **(Attachment C)**. The downward trend reflects the delay between births occurring and when claims for the corresponding procedure are received at KHS. The delay between the two occurrences means recent months will show fewer births until such time as all claims have been received. The best way to gauge the trend is to look back starting at 60 days.

### **Hospital Outpatient**

Hospital outpatient utilization is stable even though, as we saw with the other metrics, the SPD's utilization was over budget. The most frequent diagnosis for hospital outpatient utilization in December 2021 was Chronic Kidney Disease.

### **Emergency Room (ER)**

ER visits for 2021 were mostly at or below budget for all AID codes. The most frequent diagnosis for the ER for all aide categories is Upper Respiratory Infection, followed by COVID-19 and the third was other disorders like Urinary Tract Infections.

Most of the ER visits are occurring at BMH with Mercy hospital a close second **(Attachment D)**.



Attachment A

*Governed Reporting System*

# **Kern Health Systems**

## **KHS Medical Management Performance Dashboard (Critical Performance Measurements)**



Governed Reporting System

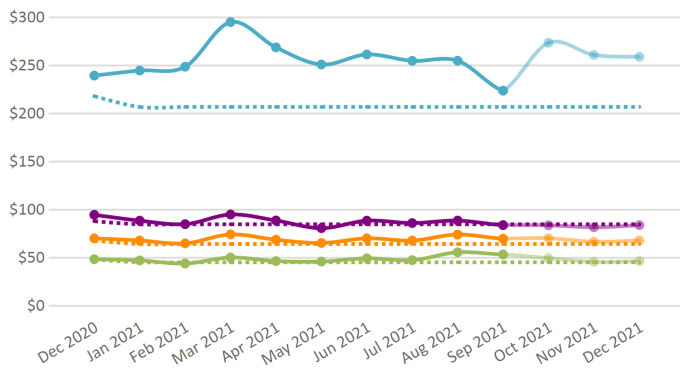


Physician Services

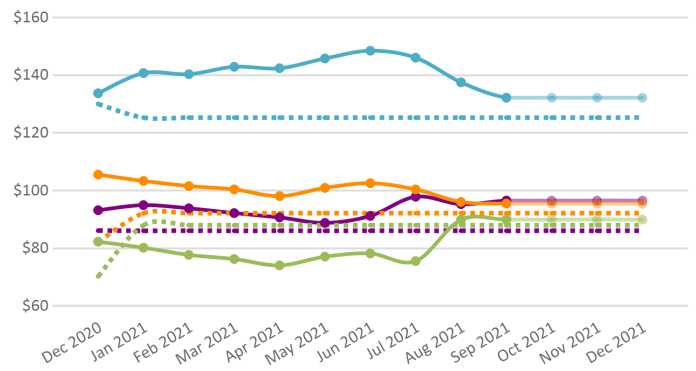
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- MCAL Expansion - Actual
- MCAL Expansion - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Actual
- MCAL Family\Other - Budget
- MCAL Family\Other - Forecast
- MCAL SPD - Actual
- MCAL SPD - Budget
- MCAL SPD - Forecast
- Total Combined - Actual
- Total Combined - Budget
- Total Combined - Forecast

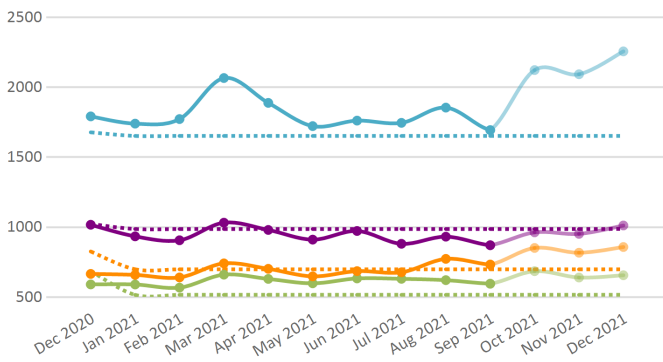
Professional Services Incurred by Aid Group PMPM



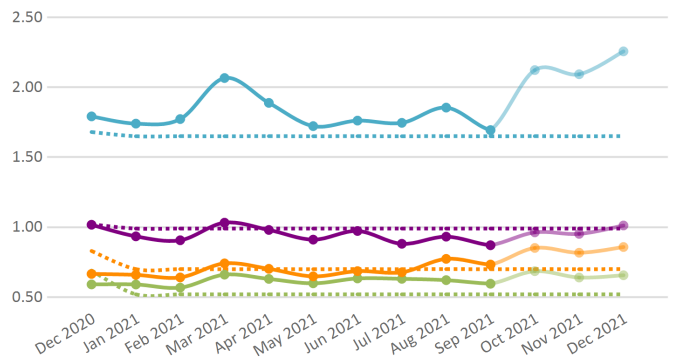
Cost per Professional Service Visit by Aid Group



Professional Service Visits per 1,000 per Month by Aid Group



Professional Service Visits per Member per Month by Aid Group





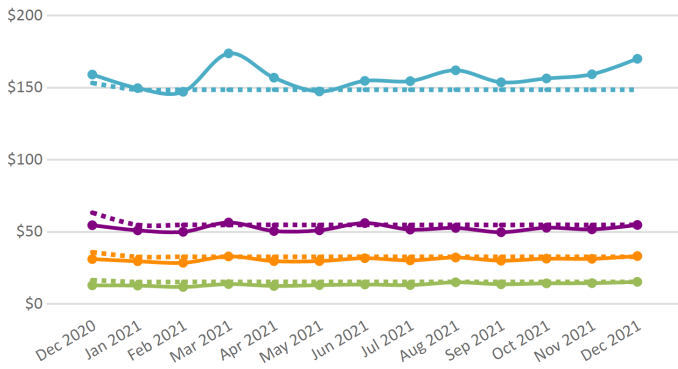
Governed Reporting System

Pharmacy

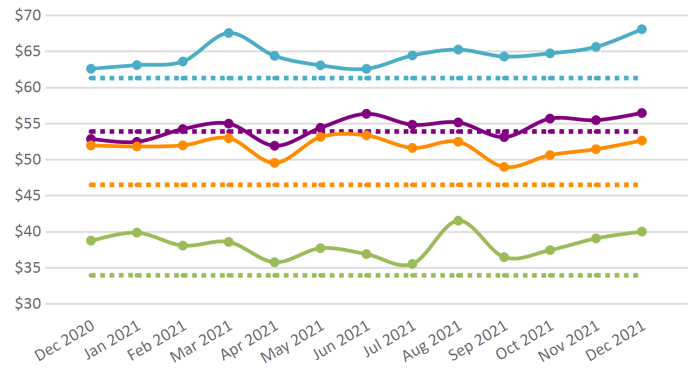
(Includes: Claims paid by PBM)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- ⋯ MCAL Expansion - Budget
- ⋯ MCAL Family\Other - Budget
- ⋯ MCAL SPD - Budget
- ⋯ Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

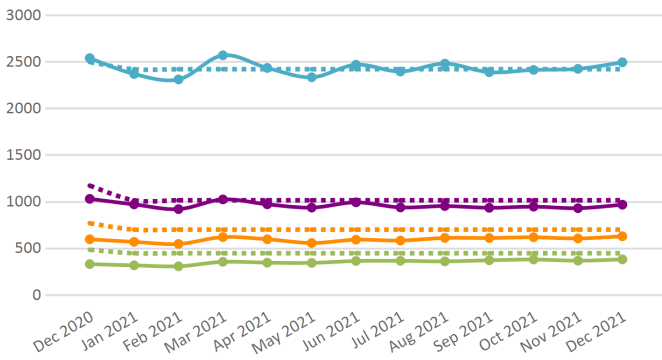
Pharmacy Services Incurred by Aid Group PMPM



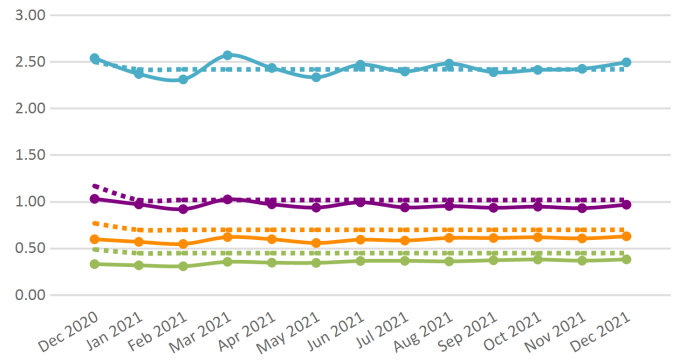
Cost per Script by Aid Group



Incurred Scripts per 1,000 per Month by Aid Group



Pharmacy Services Incurred per Member per Month by Aid Group





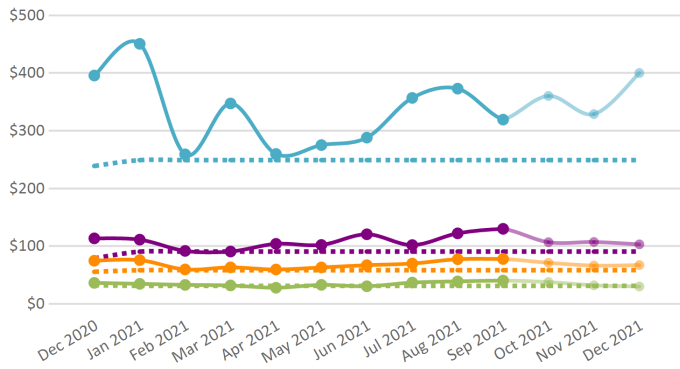
Governed Reporting System

**Inpatient**

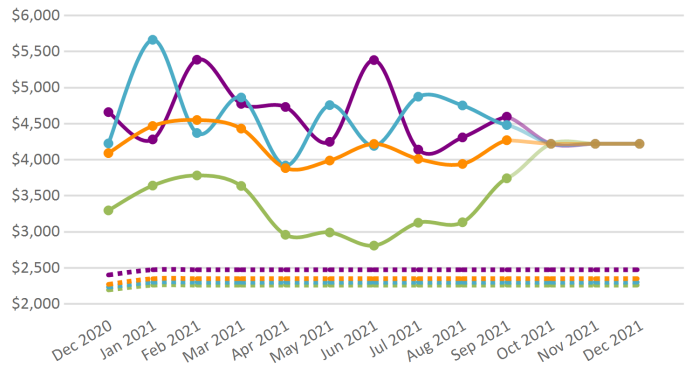
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
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- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

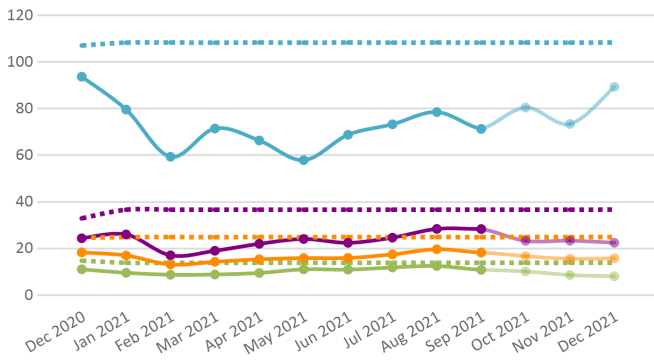
**Inpatient Services Incurred by Aid Group PMPM**



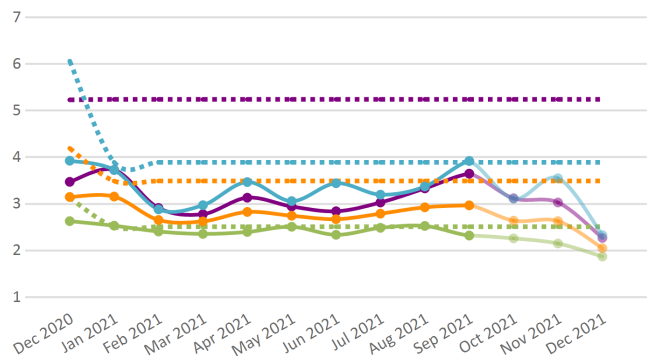
**Cost Per Bed Day by Aid Group**



**Incurred Bed Days per 1,000 per Month by Aid Group**



**Average Length of Stay in Days by Aid Group**







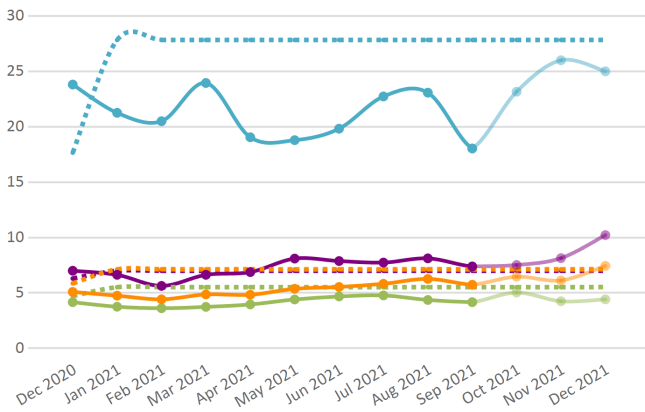
Governed Reporting System

Inpatient

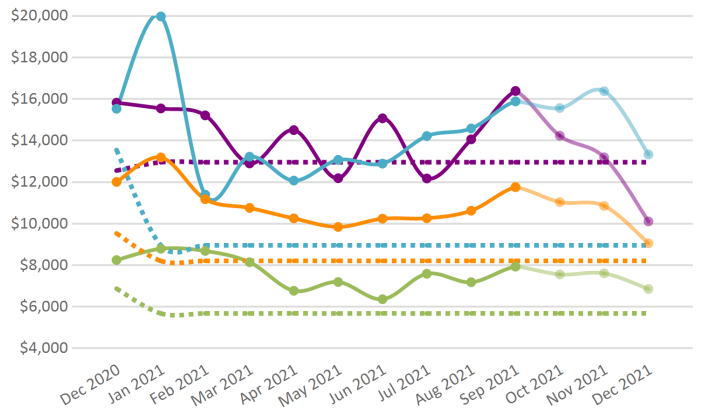
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL Expansion - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Actual
- MCAL Family\Other - Budget
- MCAL Family\Other - Forecast
- MCAL SPD - Actual
- MCAL SPD - Budget
- MCAL SPD - Forecast
- Total Combined - Actual
- Total Combined - Budget
- Total Combined - Forecast

Incurring Admits per 1,000 per Month by Aid Group



Cost per Admit by Aid Group





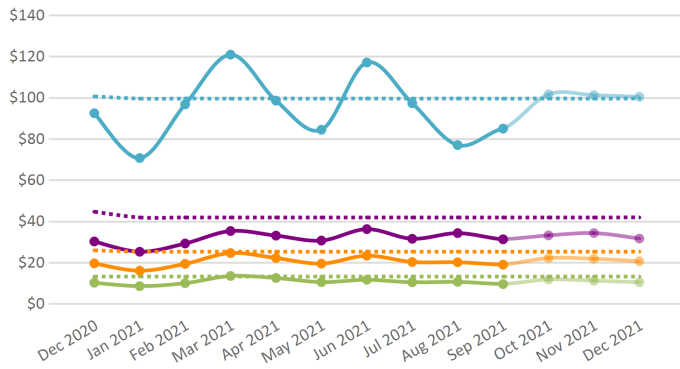
Governed Reporting System

Outpatient Hospital

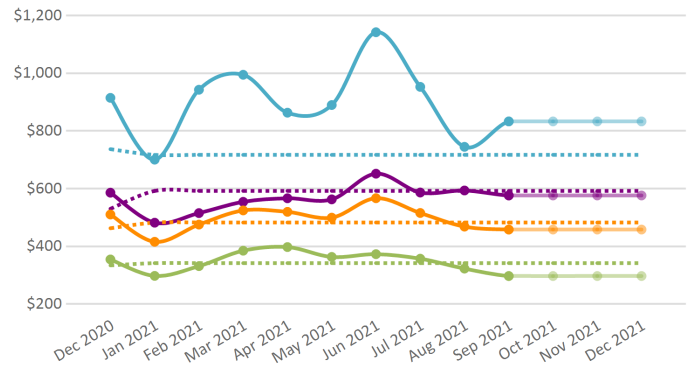
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
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- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

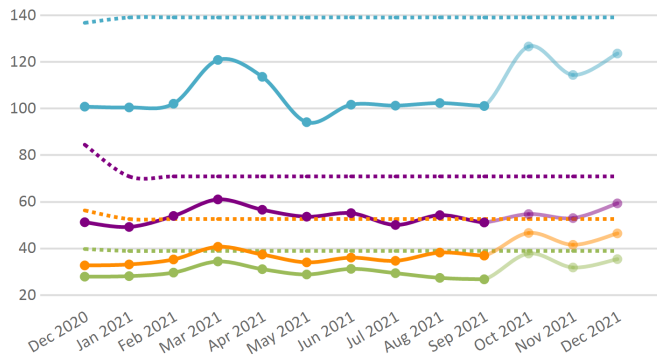
Outpatient Services Incurred by Aid Group PMPM



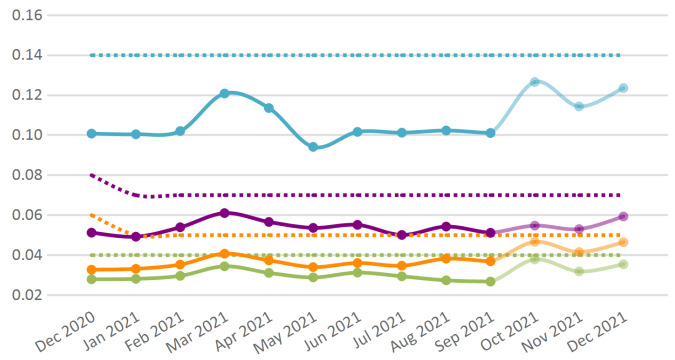
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group





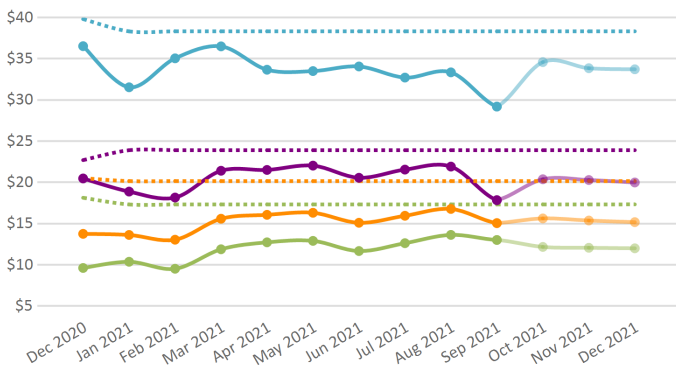
Governed Reporting System



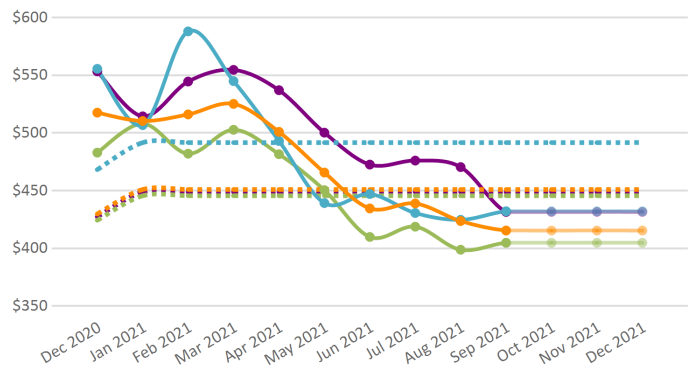
Emergency Room

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- MCAL Expansion - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Actual
- MCAL Family\Other - Budget
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- Total Combined - Actual
- Total Combined - Budget
- Total Combined - Forecast

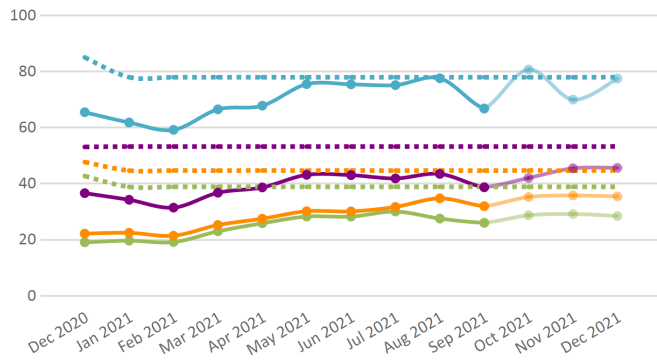
ER Services Incurred by Aid Group PMPM



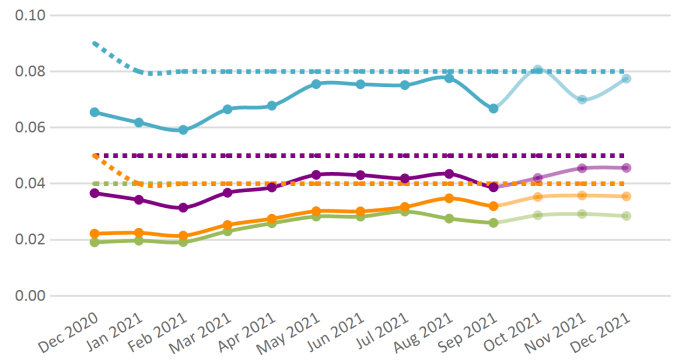
Cost Per ER Visit by Aid Group



ER Visits per 1,000 per Month by Aid Group



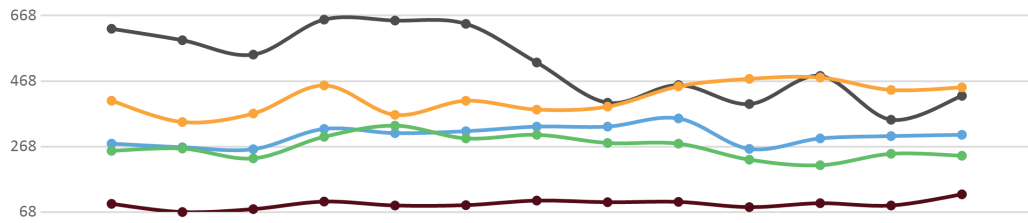
ER Visits per Member per Month by Aid Group



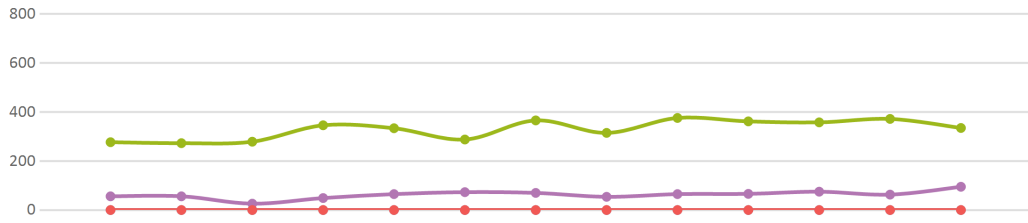


Governed Reporting System

Inpatient Admits by Hospital



	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
BAKERSFIELD MEMORIAL	628	593	549	656	653	643	525	402	456	398	484	350	423
KERN MEDICAL	408	343	369	455	365	408	381	390	452	475	479	441	449
MERCY HOSPITAL	255	262	232	298	332	293	304	279	277	228	211	246	240
ADVENTIST HEALTH	277	266	260	322	309	315	329	329	354	261	293	300	304
GOOD SAMARITAN HOSPITAL	93	68	77	100	88	89	103	98	99	83	95	88	122

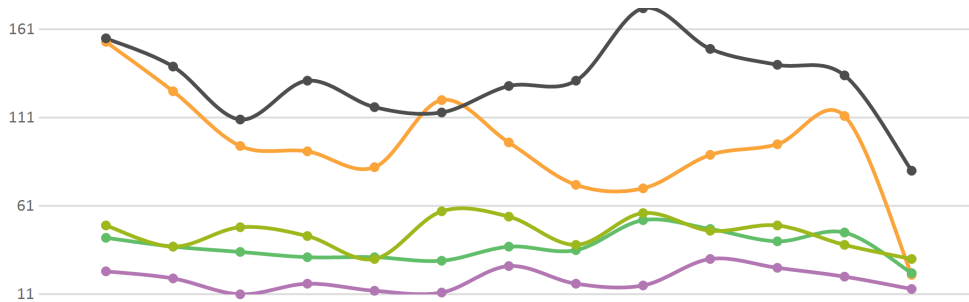


	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
DELANO REGIONAL HOSPITAL	56	56	26	49	65	73	70	54	65	66	75	63	95
OUT OF AREA	277	273	279	346	334	288	366	315	376	362	358	372	335
BAKERSFIELD HEART HOSP	54	54	57	44	63	46	37	44	35	38	35	49	39

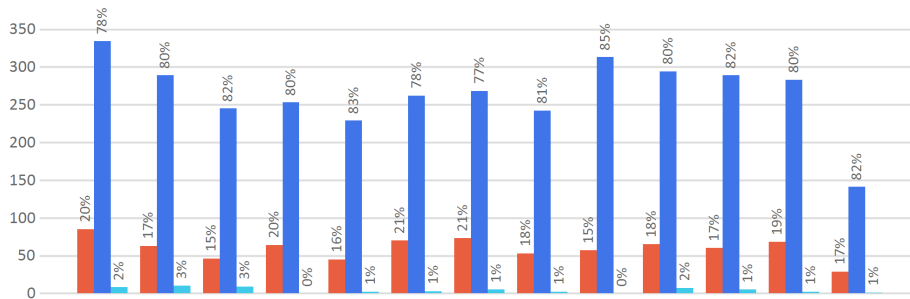


Governed Reporting System

Obstetrics Metrics



	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
BAKERSFIELD MEMORIAL	156	140	110	132	117	114	129	132	173	150	141	135	81
KERN MEDICAL	154	126	95	92	83	121	97	73	71	90	96	112	22
MERCY HOSPITAL	43	38	35	32	32	30	38	36	53	48	41	46	23
OTHER	50	38	49	44	31	58	55	39	57	47	50	39	31
DELANO REGIONAL HOSPITAL	24	20	11	17	13	12	27	17	16	31	26	21	14

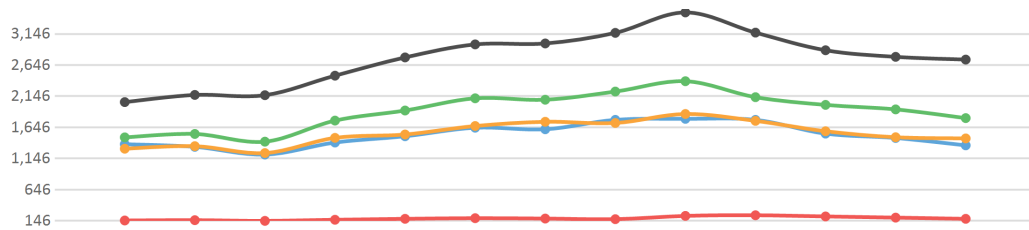


	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
VAGINAL DELIVERY	334	289	245	253	229	262	268	242	313	294	289	283	141
C-SECTION DELIVERY	85	63	46	64	45	70	73	53	57	65	60	68	29
PREVIOUS C-SECTION DELIVERY	8	10	9	0	2	3	5	2	0	7	5	2	1

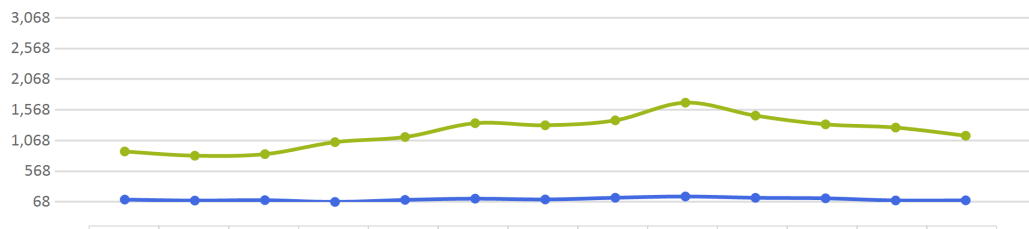


Governed Reporting System

Emergency Visits by Hospital



	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
BAKERSFIELD MEMORIAL	2,052	2,167	2,163	2,476	2,769	2,978	2,993	3,163	3,491	3,167	2,884	2,778	2,734
MERCY HOSPITAL	1,486	1,541	1,417	1,755	1,917	2,113	2,090	2,221	2,387	2,131	2,007	1,935	1,795
ADVENTIST HEALTH	1,376	1,334	1,210	1,403	1,504	1,641	1,616	1,767	1,783	1,767	1,546	1,476	1,358
KERN MEDICAL	1,304	1,345	1,234	1,478	1,532	1,668	1,736	1,717	1,861	1,751	1,584	1,488	1,469
BAKERSFIELD HEART HOSP	152	157	146	164	179	189	183	173	226	236	217	198	179



	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
OUT OF AREA	890	821	847	1,042	1,126	1,351	1,317	1,397	1,685	1,474	1,332	1,280	1,147
KERN VLY HLTHCRE HOSP	106	90	97	68	101	121	108	136	157	135	127	92	94

**KERN HEALTH SYSTEMS  
CHIEF EXECUTIVE OFFICER'S REPORT  
FEBRUARY 10<sup>TH</sup>, 2022  
BOARD OF DIRECTORS MEETING**

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**COMPLIANCE AND REGULATORY ACTIVITIES**

The February Compliance and Regulatory Affairs Report showing December and January activities is included under Attachment A and B to this report. Attachment B, KHS COVID – 19 2021 Regulatory Guidance Tracking Log shows current DHCS requirements that health plans must follow concerning vaccine administration, payment of vaccine administered encounters and other related activities governing COVID -19 and flu vaccines.

**COVID-19 UPDATE**

As KHS enters its 24th month of adjusting to the COVID-19 pandemic new strains continue to emerge, with the latest being Omicron. While the federal and state government continues to push for higher vaccine rates, Kern County’s rate continues to lag most California counties. Kern County has 463,940 fully vaccinated people as of February 4<sup>th</sup>, 2022 according to data from DataBases.com. 52.5% of the eligible population living in Kern County are fully vaccinated as of that date. Vaccination rates for KHS members continues to lag below the County average although rates have improved since last reported.

- **Hospital Admissions and Bed Day Trends** - KHS’s COVID -19 related hospitalizations continued to increase starting early January. This was expected given how contagious Omicron was and the rise in family and social activities around the holidays. Vaccinated vs. unvaccinated members hospitalized show a dramatic difference. 93% of 2021 admissions for adults were members not vaccinated and no admissions were recorded for children receiving vaccines. For purposes of this count, members are considered children to the age of 18.

**Hospital Admissions (2021) Vaccinated vs. Unvaccinated**

<b>Vaccine Status</b>	<b>Adult</b>	<b>Children</b>	<b>%</b>
<b>Unvaccinated</b>	967	21	93%
<b>Vaccinated</b>	78	0	07%
<b>Total</b>	1045	21	100%

- **Vaccine Distribution and Monitoring** – On September 1<sup>st</sup>, 2021 KHS started a COVID-19 Vaccination Incentive Program focused on identifying unvaccinated beneficiaries, educating them as to the vaccine’s importance, increasing access to COVID-19 vaccination sites and providing incentives to encourage becoming vaccinated. The Program will continue through the 1<sup>st</sup> quarter of 2022. Results of the Program’s effectiveness will be reported at a later date.
  
- **Return to Work Plan update** - Starting January 10<sup>th</sup>, KHS implemented its second phase of its Return-to-Work Plan. The Plan outlines steps and timeframes KHS will follow to return all employees to the office except for employees with compromised immune systems. To qualify for this exemption, KHS requires documentation from their personal physician substantiating their condition and indicating if their condition is temporary or permanent.

Currently, approximately 25% of the workforce is now on-site. Phase 3 of the Return-to-Work Plan was delayed with the recent surge in COVID-19 cases. Besides the surge delaying our decision, still outstanding at the time, was SCOTUS’s ruling on President Biden’s ordering employers with 100 + employees to return to work. The order mandated that employees must either be fully vaccinated or required to weekly test for COVID-19. When SCOTUS ruled the order “non- enforceable”, employers were left to decide for themselves when and under what conditions employees will return to work.

KHS witnessed a greater than normal increase in infection among employees that coincides with similar trends occurring in Kern County and Statewide. For 14 months, KHS has been tracking COVID cases with employees and have seen spikes in the virus as we are seeing now; one example is what has happened in our Member Services Department since 2021. With a staff of 78, there have been 69 reported incidents of COVID with 51 unique employees contracting COVID. 12 employees had COVID more than once. One employee had COVID 5 times and another 3 different times. That is a 64% infection rate.

With the pandemic still being felt throughout the organization, the HR staff continues to monitor employee COVID incidents for both remote and on-site employees. In January, we implemented a new contact tracing program using wristbands to identify employees within 6 feet of an infected employee for 15 minutes. Qualified employees were given a COVID test. The benefit of the tracing system limits who needs to be tested to only those who meet the exposure protocol. In addition, it isolates our sanitation and decontamination efforts only to areas of the building occupied by the infected employee.

The Omicron virus is expected to plateau soon in Kern County hopefully reducing the chances for continued widespread infection. After evaluating its trajectory and in consideration of employee onsite safety we’ll proceed with planning for phase 3 of the Return-to-Work Plan.



## **PROGRAM DEVELOPMENT ACTIVITIES (UPDATES)**

### ***Rx Carve-Out***

As of 1/1/22 Medi-Cal pharmacy benefits are administered by Medi-Cal Rx. Shortly after launching, some important issues were discovered which impacted members and providers statewide. KHS Staff and other Plans worked with LHPC/CAHP and DHCS to escalate areas of concern. DHCS has taken steps to alleviate some of the impacts to members and providers including temporarily suspending some of the Prior Authorization requirements. Our internal team continues to proactively engage with our pharmacies and is assisting members as needed. Members have reported long wait times when reaching out to the Medi-Cal Rx call center. Generally, these issues have been manageable, but staff will continue to monitor and engage.

### ***CalAIM***

KHS successfully implemented the CalAIM items scheduled to go live on 1/1/22. This includes the transition of the Health Homes Program to Enhanced Care Management (ECM), implementation of community supports (formerly ILOS), coverage of Major Organ Transplants, and enrolling new populations into Medi-Cal Managed Care. As outlined in the 2022 Corporate Project Portfolio, there is much additional work that will take place in 2022 to operationalize future initiatives. This includes further expanding ECM and Community Supports to offer additional services to additional members, taking on responsibility for Long Term Care services, and aligning our Population Health Management program with DHCS' CalAIM requirements. Concurrently, DHCS and internal staff are participating in policy development discussions for future CalAIM transitions in 2023 and beyond.

### ***Youth Behavioral Health Initiative***

The State Budget for 2021-2022 included five years of funding for several initiatives aimed at improving behavioral health services for students. This includes \$400 million statewide over three years in incentives funding to build infrastructure, partnerships, and capacity for school behavioral health services. DHCS discussions through the end of 2021 led to the release of the final program overview documents in January. KHS convened local education and behavioral health stakeholders in January to begin the process of identifying specific school districts, student populations, and interventions to target. This assessment process will take place through the first half of the year and culminate in a Q4 submission to DHCS requesting funding for needed interventions.

### ***Expanded Medi-Cal Benefits and Enrollment Coverage***

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The State Budget for 2021-2022 included several population and benefit changes that DHCS is working to implement this year. This includes expanding Medi-Cal to undocumented immigrants aged 50 and older by 5/1/22, expanding eligibility to 12 months for postpartum individuals effective 4/1/22, and adding both Doula services and Community Health Workers (CHWs) as a provider type by 7/1/22. Related to the older adult expansion, DHCS will be sending transition notices to impacted members in March. There are an estimated 4,300 eligible members in Kern County. The addition of Doula Services and CHWs is still under policy development at the State level. Staff continue to engage with DHCS and internally on these items.

## **LEGISLATIVE SUMMARY UPDATE**

### ***State 2022 Legislative Session and Governor's Proposed Budget***

The Governor's administration released a proposed 2022-2023 State Budget on Monday January 10<sup>th</sup>. This kicks off the months-long process of negotiations which ultimately leads to a final budget in early Summer. Generally, the State is expecting budget surpluses and proposes to make further investments in many key areas including health care. Some notable proposals include:

- Expansion of full-scope Medi-Cal coverage to all income-eligibility adults aged 26 through 49 regardless of immigration status, beginning no sooner than Jan 1, 2024. Currently, Medi-Cal coverage is available for those up to age 26 and over 50.
- Ongoing funding needed to continue to implement CalAIM.
- Additional funding for COVID response.
- Equity and Practice Transformation Payments to qualifying Medi-Cal providers, to close critical health equity gaps; address gaps in preventive, maternity, and behavioral health care measures; and address gaps in care arising out of the COVID-19 Public Health Emergency (PHE).
- Ongoing funding needed to implement the Children and Youth Behavioral Health Initiative.

Notably missing was any specific detail on the future of telehealth flexibilities. This is something that was discussed in last budget cycle and is expected as part of the upcoming budget. The administration is expected to release more details on that proposal at a later date. Staff will continue to work with relevant stakeholders throughout the budget process.

The State legislature reconvened on January 3<sup>rd</sup>. This is the 2<sup>nd</sup> year of the two-year legislative cycle which means bills that did not pass last year are given consideration at the beginning of this session. As a result, much of the focus thus far has been on re-hearing past legislative proposals. That said, the

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deadline for introducing new bills is February 18<sup>th</sup> and we expect to see many more bills in the coming weeks.

**KHS FEBRUARY 2022 ENROLLMENT**

***Medi-Cal Enrollment***

As of February 1, 2022, Medi-Cal enrollment is 211,120 which represents an increase of 0.3% from January enrollment.

***Seniors and Persons with Disabilities (SPDs)***

As of February 1, 2022, SPD enrollment is 16,007, which represents an increase of 0.06% from January enrollment.

***Expanded Eligible Enrollment***

As of February 1, 2022, Expansion enrollment is 83,901, which represents an increase of 1.0% from January enrollment.

***Kaiser Permanente (KP)***

As of February 1, 2022, Kaiser enrollment is 12,988 which represents an increase of 1.6% from January enrollment.

***Total KHS Medi-Cal Managed Care Enrollment***

As of February 1, 2022, total Medi-Cal enrollment is 324,016 which represents an increase of 0.5% from January enrollment.

<b>Membership as of Month of Eligibility</b>	<b>FAMILY</b>	<b>SPD</b>	<b>EXPANSION</b>	<b>KP</b>	<b>BABIES</b>	<b>Member Total</b>
2017-12	170,006	14,084	57,141	7,933	447	249,611
2018-12	172,290	14,531	58,837	8,371	478	254,507
2019-12	175,128	15,539	60,503	9,044	429	260,643
2020-12	191,547	15,559	69,937	10,917	407	288,367
2021-03	194,777	15,566	72,367	11,370	386	294,466
2021-06	198,650	15,562	75,081	11,888	395	301,576
2021-09	201,599	15,548	77,157	12,246	513	307,063
2021-12	204,483	15,484	78,535	12,671	426	311,599
2022-01	209,955	15,998	83,102	12,787	446	322,288
2022-02	210,728	16,007	83,901	12,988	392	324,016

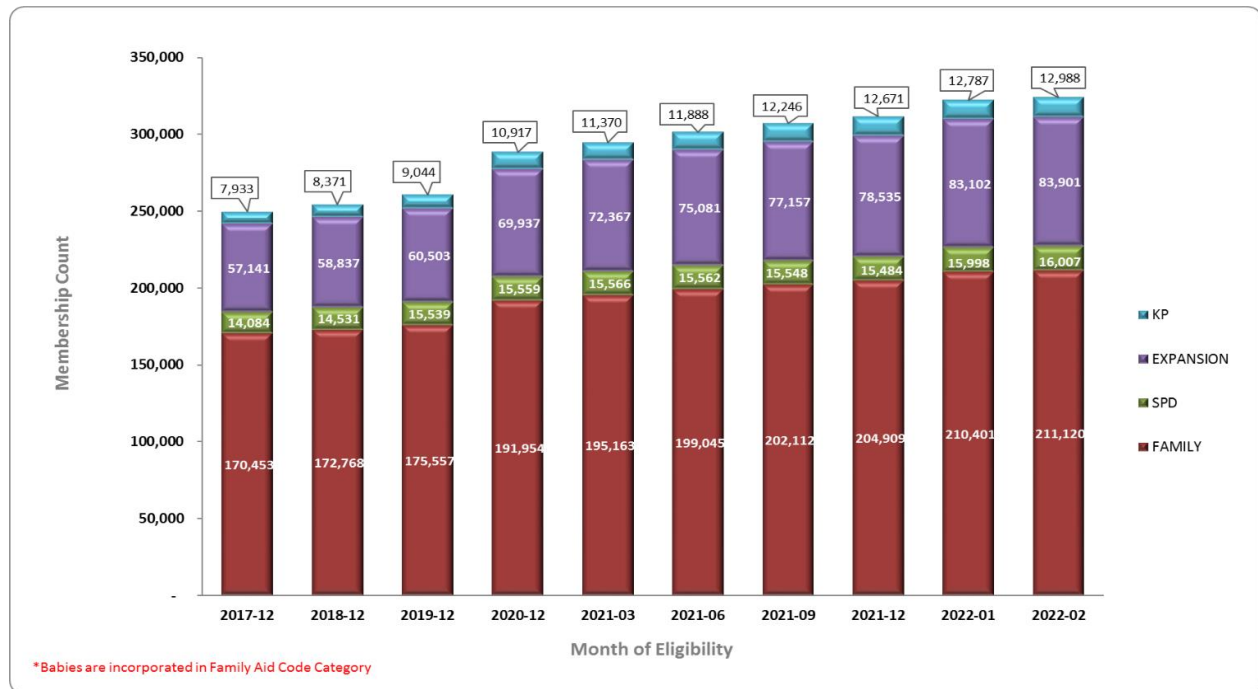
***KHS Service Area Expansion***

Analytics were performed in January 2022 due to the large increase in enrollment. Over 12,000 members were enrolled in the plan on January 1, 2022 that were not enrolled in December 2021. 96% of those members were new to KHS having never been enrolled previously with the health plan.

Historically we see the largest number of new enrollees coming from Bakersfield. For the first time, this was not the case. The area of the County with the highest number of new members was Eastern Kern County, primarily from the Ridgecrest and Rosamond communities. As of January 1, 2022, we have over 3,000 new members in Ridgecrest. Most of the new membership were 0 to 35 years of age with the top category of aid categories being Family and Expansion.

***Eligibility Redetermination Remains on Hold***

The U.S. Department of Health & Human Services’ public health emergency order remains in place. As a result, the Department of Health Care Services continues to freeze Medi-Cal redeterminations. Thus, the Kern County Department of Human Services’ suspension of their “automated discontinuance process” for Medi-Cal Redeterminations continues. The automated discontinuance process was in place locally prior to the public health emergency order when Medi-Cal beneficiaries did not complete the Annual Eligibility Redetermination process. However, Kern DHS continues working new Medi-Cal applications, reenrollments, renewals, and family additions which only add to our enrollment numbers.



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## **KHS MARKETING AND PUBLIC RELATIONS**

### ***KHS Sponsorships***

KHS will share sponsorship in the following events in February and March:

- KHS donated \$1,250 to Garden Pathways to sponsor “2022 Heart of the Country”.
- KHS donated \$3,700 to the Kern County Hispanic Chamber of Commerce to sponsor their “2022 Annual Installation & Business Awards Gala”.
- KHS donated \$2,500 to the Kern County Black Chamber of Commerce to sponsor their “20 Year Anniversary Celebration and 2022 Gala”.

### ***Employee Newsletters***

KHS Employee Newsletters can be seen by clicking the following links:

- December 2021 – [Keeping Up with KHS 32nd Edition - December 2021 \(campaign-archive.com\)](#)
- January 2022 – [Keeping Up with KHS 33rd Edition - January 2022 \(campaign-archive.com\)](#)



# **Compliance and Regulatory Affairs Update**

## **Board of Directors Meeting**

**Jane MacAdam**  
**Director of Compliance and Regulatory Affairs**  
**February 10, 2022**  
**Attachment A**

## STATE REGULATORY AFFAIRS

### All Plan Letters released since the December 16, 2021 Kern Health Systems Board of Directors' meeting:

The **Department of Health Care Services (DHCS)** released two new All Plan Letters (APL) and revised three previously release APL during this time period:

- APL20-022 COVID-19 Vaccination Administration (Revised 01/20/2022)

This previously released DHCS APL will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers. Additionally, the APL addresses approval of vaccines for every California age 5 and older and in accordance with CDC and ACIP guidelines, booster recommendations, and face covering guidance in response to variants and population vaccination rates. This revised version provides more guidance on booster-eligible individuals such as persons with suppressed immune systems and workers, who are eligible, receiving their booster dose.

- APL21-004 Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services (Revised 01/07/2022)

This APL serves to inform all Plans of the dataset for threshold and concentration languages and clarifies the standards specified in state and federal law and managed care plans contracts. This APL also provides guidance on federal and state requirements regarding nondiscrimination, discrimination grievance procedures, language assistance, and communications with individuals with disabilities as set forth in the federal regulations.



## STATE REGULATORY AFFAIRS (continued)

- APL21-010 Medi-Cal COVID-19 Vaccination Incentive Program (Attachment Revised 01/27/2022)

The purpose of this APL is to provide guidance to Medi-Cal managed care health plans regarding the Medi-Cal COVID-19 Vaccination Incentive Program. The revised attachment updates verbiage and achievement criteria.

- APL21-018 Public and Private Hospital Directed Payment Programs for State Fiscal Years 2017-2018 and 2018-2019, The Bridge Period, and Calendar Year 2021 (Date Issued 12/23/2021)

To support public and private hospitals serving Medi-Cal beneficiaries, the Department of Health Care Services is implementing two statewide directed payment programs. These programs direct Managed Care Plans to pay specified Network Providers in accordance with terms approved by the Centers for Medicare & Medicaid Services.

- APL22-001 2022-2023 Medi-Cal Managed Care Health Plan Meds/834 Cutoff and Processing Schedule (Date Issued 01/11/2022)

The APL provides the DHCS cutoff and processing schedule and covers the period of December 2021 through January 2023. These cutoff dates and timelines are critical to ensuring timely processing of eligibility files and data.



## STATE REGULATORY AFFAIRS *(continued)*

The **Department of Managed Health Care (DMHC)** released two new All Plan Letters during this time period:

- DMHC APL 21-024 - Risk-Bearing Arrangement Disclosures (11/17/2021)

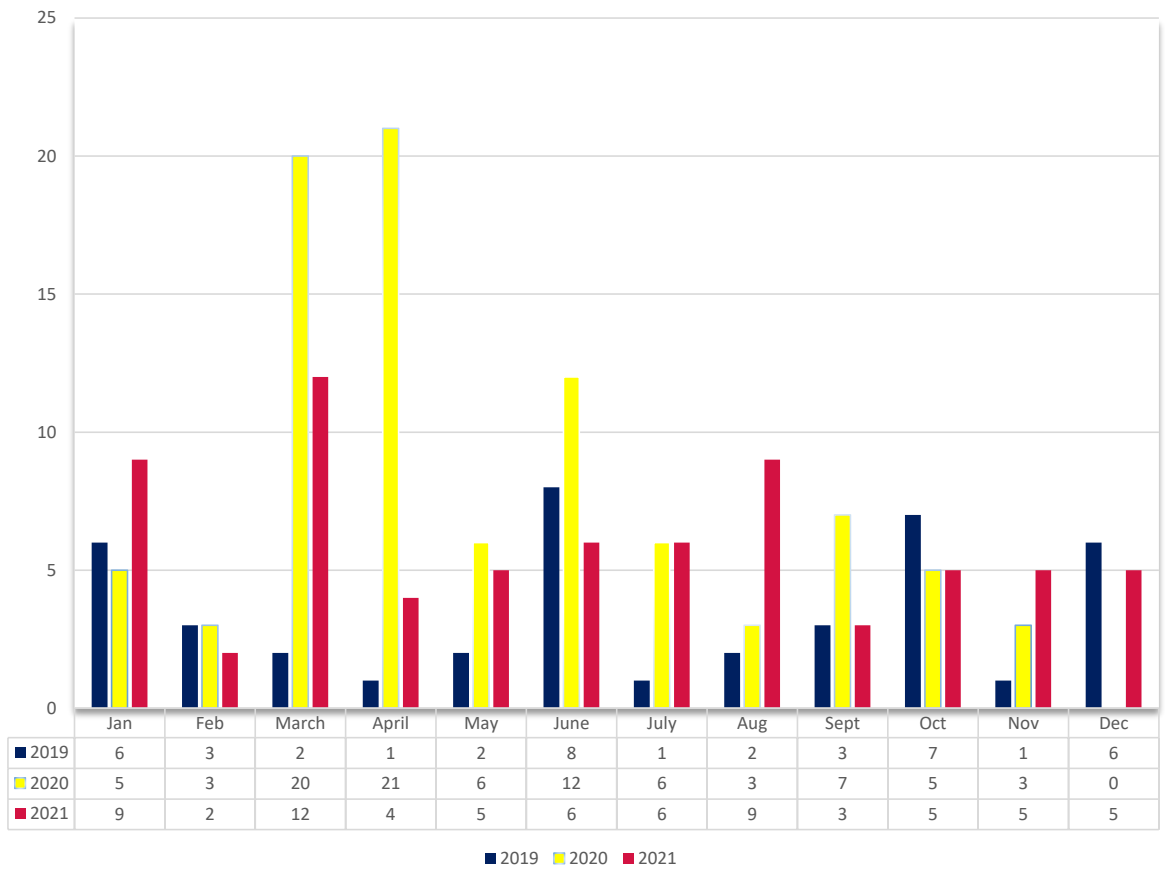
This All Plan Letter requires contracts between a health care service plan and a risk-bearing organization to include provisions concerning the risk-bearing organization's administrative and financial capacity, including a requirement for health plan disclosure to the risk-bearing organization information that enables the risk-bearing organization to be informed regarding the financial risk assumed under the contract.

- DMHC APL 21-025 - Newly Enacted Statutes Impacting Health Plans (12/20/2021)

In this All Plan Letter, the Office of Plan Licensing identifies and discusses 15 bills enacted this session that may require plans to update Evidences of Coverage, disclosure forms, provider contracts and/or other plan documents.



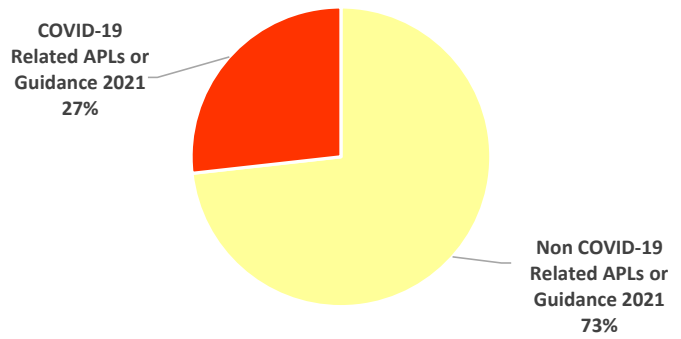
### Number of Regulatory All Plan Letters and Guidance Letters Received by the Plan



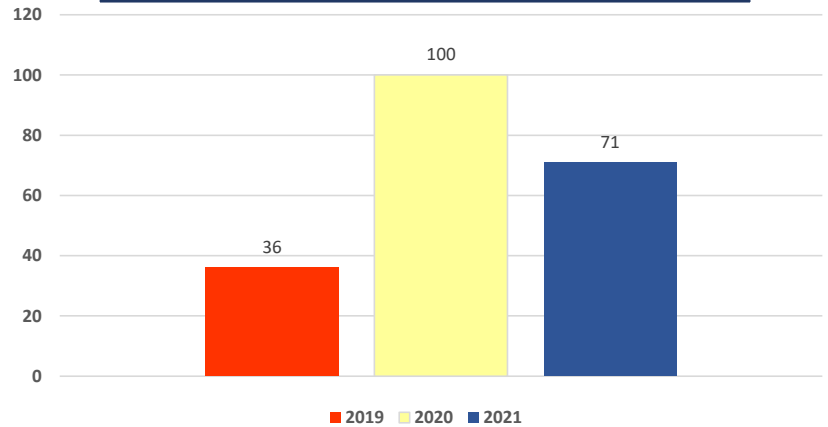
# COVID-19 Impact 2021

## Regulatory All Plan Letters and Guidance

**Percentage of COVID-19 vs. Non COVID-19  
Related All Plan Letters or Guidance for 2021**



**Comparison of All Plan Letters and Guidance Letters  
Received by the Plan for Years 2019, 2020, & 2021**



**Number of Regulatory Reports & Filings  
Submissions to Government Agencies  
December 2021 and January 2022**

Regulatory Agency	December 2021		January 2022	
	Ad Hoc	Routine	Ad Hoc	Routine
DHCS	20	11	22	37
DMHC	1	1	4	4



## Regulatory Audits

### Department of Managed Health Care (DMHC)

#### **2020 Non-Routine Survey:**

- The Plan is waiting for the DMHC to provide the Preliminary Report of the Non-Routine Survey.

#### **2021 Follow-Up Survey – August 2021:**

- The DMHC conducted a Follow-Up Survey of the outstanding deficiencies identified in the July 10, 2020, Final Report of the Routine Survey of Kern Health Systems.
- KHS received the Follow-Up Report on February 2, 2022.
  - The DMHC found 12 of the 13 outstanding deficiencies corrected.
  - The remaining deficiency, related to the language included in our letters when denying or modifying a request for a prescription drug, will longer be an issue due to the transition of prescription drug coverage to Medi-Cal Rx effective January 1, 2022.
  - The Follow-Up Report will be made public on February 12, 2022.
  - For a copy of the full report, please email Jane MacAdam, Director of Compliance and Regulatory Affairs, at [jane.macadam@khs-net.com](mailto:jane.macadam@khs-net.com).



## Regulatory Audits (continued)

### Department of Health Care Services (DHCS)

#### 2021 Medical Audit – September 2021

- The DHCS conducted a Medical Audit of Kern Health Systems from September 13, 2021 through September 24, 2021. The survey period was from August 1, 2019 through July 31, 2021.
- The Plan received the Preliminary Audit Report on January 5, 2022 and the DHCS Audit Team conducted an Exit Conference on January 10, 2022 with key KHS Stakeholders.
- The Plan returned comments related to the Preliminary Report on January 25, 2022 and is waiting for the Final Audit Report from DHCS.



## **Compliance Department Fraud, Waste, & Abuse Activity December 2021 and January 2022**



**The Compliance Department maintains communications with State and Federal agencies and cooperates with their related investigations and requests for information.**

**State Medi-Cal Program Integrity Unit, US Department of Justice, and the Kern County Deputy Attorney's Office Requests for Information for the months of December 2021 and January 2022:**

**Providers:**

The Plan received one request for information from the State Medi-Cal Program Integrity Unit related to potential provider fraud, waste, or abuse during this time period.

**Members:**

During months of December 2021 and January 2022, the Plan did not receive any requests for information from the State Medi-Cal Program Integrity Unit related to Plan Members.

The Plan is not provided with an outcome in relation to the information requests by the two regulatory agencies.

**The Plan investigates and reports information and evidence of alleged fraud, waste, & abuse cases to appropriate state and federal officials.**

**Information compiled during an investigation is forwarded to the appropriate state and federal agencies as required.**

## **Fraud, Waste, & Abuse Allegations Reported to the Plan December 2021 and January 2022**

### **Members:**

During months of December 2021 and January 2022, the Compliance Department did not receive any allegations of fraud, waste, or abuse involving Plan Members.

### **Providers:**

During months of December 2021 and January 2022, the Compliance Department received two allegations of Provider fraud from the public.

The Plan is investigating the allegations.





## **Compliance Department HIPAA Breach Activity December 2021 and January 2022**



### **Summary of Potential Protected Health Information (“PHI”) Disclosures for December 2021 and January 2022:**

The Plan is dedicated to ensuring the privacy and security of the PHI and personally identifiable information (“PII”) that may be created, received, maintained, transmitted, used or disclosed in relation to the Plan’s members. The Plan strictly complies with the standards and requirements of Health Insurance Portability and Accountability Act (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act (“HITECH”).

In December 2021 and January 2022, the Compliance Department investigated and reported on three allegations of privacy concerns. Two of the three were closed as non-breaches and one of the incidents is still under review.

**KHS COVID-19 Regulatory Guidance  
Tracking Log 2021 2022  
Attachment B**

State Agency	Date Received by Plan	Title	Department Impacted	Status	Summary	Status
DHCS	1/27/2022	APL21-010 COVID-19 Vaccine Incentive	Member Services Provider Network Management Health Services Marketing Finance Compliance	1. 12/2/22 APL Sent to Stakeholders 2. 2/4/22 Stakeholder meeting scheduled	Effective September 1, 2021, participating Plans may be eligible to participate in the Medi-Cal COVID-19 Vaccination Incentive Program. MCP Eligibility and Participation. Attachment A of the APL includes updated language for the High Performance Pool.	
DHCS	12/28/2021 & 01/20/2022	APL20-022 - COVID-18 Vaccination Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 1/31/22 Updated APL sent to Stakeholders 2. 2/10/22 Stakeholder meeting scheduled.	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims.  Updates include: Third Primary Series Dose of mRNA COVID-19 Vaccine for Persons Considered Moderately or Severely Immunosuppressed, Booster Recommendations, OVID-19 Testing Requirements for Health and Congregate Care Workers, Face Covering Guidance in Response to COVID-19 Variants and Population Vaccination Rates, Requirements for Visitors in Acute Health Care and Long-Term Care Settings, and Health Care Worker Vaccine Requirement.	
DHCS	11/22/2021	APL20-022 - COVID-18 Vaccination Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 11/09/21 APL update sent to stakeholders 2. 12/10/21 & 12/13/21 meeting scheduled to discuss APL with Stakeholders. 3. Complete	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims.  Updates include: New language regarding eligibility, Booster shots, and Confirms the continued carve out of vaccines from MMC.	
DHCS	11/9/2021	APL20-022 - COVID-18 Vaccination Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 11/09/21 APL update sent to stakeholders 2. 12/10/21 & 12/13/21 meeting scheduled to discuss APL with Stakeholders. 3. Complete	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims.  Updates include: COVID-19 Vaccine Administration - Approves the use of vaccines for every California age 5 and in accordance with CDC and ACIP guidelines, Booster Recommendations – Changes requirements based on vaccine type and age, and Face Covering Guidance in Response to COVID -19 Variants and Population Vaccination Rates.	
DMHC	11/1/2021	APL21-023 - Flu Vaccines; Preparation for COVID-19 Vaccines for ages 5-11	Provider Network Mgmt. Health Services Claims Member Services IT- Configuration Compliance	1. 11/1/2021 Sent to Stakeholders 2. Complete	The DMHC reminds health plans of their existing obligation to cover CDC recommended immunizations, including influenza vaccinations, without any cost-sharing.1 California Health and Safety Code section 1367.002. Additionally, the APL encourages Plans prepare for administration of COVID-19 vaccines to children ages 5-11	
DMHC	10/26/2021	APL 21-022 – Continued Applicability of COVID-19 Requirements	Provider Network Mgmt. Health Services Claims Member Services Compliance	1. 10/26/21 APL sent to Stakeholders. 2. Complete	The DMHC encourages health plans should examine their administrative staffing levels, the wait times for hospital staff to speak with plan representatives when the hospital staff contact the plan, and the amount of time it takes the plan to respond to hospitals’ requests for admissions, transfers, and/or discharges and that the Plan should take appropriate actions if they find their administrative requirements are unnecessarily impeding hospitals’ ability to efficiently care for patients	

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DHCS	9/29/2021	APL20-022 (Revised) COVID-19 Vaccine Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 9/30/21 Sent to Stakeholders 2. Stakeholder Meeting to be scheduled 3.	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims.  Updates include: Third Dose of Vaccine for Persons Considered Moderately or Severely Immunosuppressed, Booster Recommendations, COVID-19 Testing Requirements for Health and Congregate Care Workers, Face Covering Guidance in Response to COVID-19 Variants and Population Vaccination Rates, Requirements for Visitors in Acute Health Care and Long-Term Care Settings, and Health Care Worker Vaccine Requirement	
DHCS	9/24/2021	APL21-010 COVID-19 Vaccine Incentive	Member Services Provider Network Management Health Services Marketing Finance Compliance	1. 09/01/2021 Updated APL Sent to Stakeholders. 2. Weekly Stakeholder Meetings are ongoing.	Effective September 1, 2021, participating Plans may be eligible to participate in the Medi-Cal COVID-19 Vaccination Incentive Program. MCP Eligibility and Participation. The Plan's participation in this incentive program is voluntary, but strongly encouraged by DHCS. MCPs that elect to participate must adhere to program and applicable federal and state requirements in order to earn incentive payments.	
DMHC	8/17/2021	APL 21-021 - Transfer of Hospital Enrollee; Order of the State Public Health Officer Hospital and Health Care System Surge	Member Services Provider Network Management Health Services Marketing Finance Compliance	1. 8/18/21 Sent to Stakeholders 2. 9/13/21 Stakeholder meeting 3. 9/21/21 UM submitted updated P&Ps. 4. Complete	This APL reminds health plans of their obligations to comply with California Code of Regulations, title 28, section 1300.67.02. That section directs plans to remove certain barriers to enrollee transfers between hospitals when such transfers are made pursuant to a public health order. Section 1300.67.02 also specifies how plans must reimburse for the transfer and continued hospitalization of enrollees transferred pursuant to a public health order.	
DHCS	9/9/2021	APL20-004 (Revised) Emergency Guidance for Medi-Cal Managed Care Health Plans in Response to COVID-19	Pharmacy Member Services Claims Provider Network Management Health Services Health Homes Program IT - Configuration Compliance	1. 09/09/21 Stakeholders sent APL. 2. 9/29/21 Stakeholders met and reviewed the requirements of the APL. 3. Complete	The purpose of this APL revision is to provide information to Medi-Cal managed plans on temporary changes to federal requirements as a result of the ongoing global Novel Coronavirus Disease (COVID-19) pandemic. The APL covers the approved 1135 Waiver and other guidance provided by DHCS in response to the public health crisis. Updates to this release, include: Continuation of Benefits & Aid Paid Pending, Pediatric Well-Care guidance including telehealth, Transportation, Return of EDV in 2021-2022., Initial Health Assessments, Quality Monitoring, Programs & Initiatives, QMRT returns, Timely Access Survey, and COVID-19 Testing Requirements.	
DHCS	7/8/2021	APL20-011 (Revised) Governor's Executive Order	Quality Improvement Health Services Member Services Provider Network Mgmt. Compliance	1. 7/7/2021 APL update and template sent to Jane D. , Deb M, and Dr. Tasinga outlining reporting requirements 2. 7/19/21 Site Review Tracker submitted to the DHCS 2. 7/30/21 Stakeholder Meeting 3. Complete	The purpose of this revised APL is to provide information to Plans regarding the termination of temporary flexibilities that were issued by the Department of Health Care Services (DHCS) pursuant to Executive Order (EO) authority in response to the COVID-19 public health emergency (PHE). Specific areas addressed, include: MCP Site Reviews and Subcontractor Monitoring, Annual Medical Audits, Health Risk Assessments. Additionally, the Plan will submit no later than August 1, 2021, a written plan detailing how the will address and complete any site reviews not conducted during the PHE, including projected timelines.	

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DMHC	6/7/2021	APL21-016	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1.6/8/2021 Set to Stakeholders. No action required by Stakeholders at this time.	As health plans must continue to cover certain COVID-19 testing for their enrollees pursuant to federal law, this APL announces that the CDC issued updated guidance on May 27, 2021, which provides clarity regarding when a test provides an individualized assessment versus when it is for surveillance purposes. On June 7, 2021, the California Department of Public Health (CDPH) issued updated COVID-19 testing guidance. A copy of the guidance can be found at the website of the California Department of Public Health. The updated guidance outlines when diagnostic testing, including diagnostic screening testing, may be appropriate	
DHCS	5/5/2021	APL20-022 (Revised) COVID-19 Vaccine Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 5/10/2021 Stakeholders met and discussed the updated APL that was released on 5/5/2021. 2. 5/19/2021 Stakeholders discussed the Plan's COVID-19 Communication Plan and efforts to reach homebound Members.	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims.  *APL Update - 5/5/2021 MCPs should take steps to identify members who may be homebound and contact those members to determine if they have already been vaccinated against COVID-19 and, if not, whether they want to be vaccinated. For those members who have not been vaccinated and want to be, the MCP should ascertain whether the member wants an in-home vaccination. After the MCP identifies those homebound members who want an in-home vaccination, the MCPs are to refer the member to the MyTurn appointment request system and instruct the member to check the box to indicate they need an in-home vaccination.	
DHCS	4/22/2021	DHCS Communication to MCPs Regarding Virtual CSR/MT Certification	QI Department Provider Network Mgmt. Compliance	1. 4/22/21 Sent to Stakeholders	Due to the continued PHE, DHCS will allow MCPs to conduct CSR certifications virtually with post PHE verification done in person for the FSR portion (MRR portion done virtually does not require verification). Similarly, due to the continued PHE, MMU will now offer to conduct Master Trainer certifications virtually on a case by case basis only with post PHE verification done in person for the FSR portion.	
DHCS	3/12/2021	APL20-022 (Revised) COVID-19 Vaccine Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 3/16/2021 APL sent to Stakeholders. 2. 3/29/2021 Stakeholders reviewed the document and discussed next steps. The Stakeholders will continue to meet to discuss the Plan's communication Strategy.	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims.  *Update - Beginning March 15, 2021, health care providers may use their clinical judgement to vaccinate individuals ages 16-64 who are deemed to be at the very highest risk for morbidity and mortality from COVID-19 as a direct result of one or more severe health conditions, or if as a result of a developmental or other severe high-risk disability or other factors. Individuals will self-attest to having one of the qualifying conditions.	
DMHC	3/12/2021	APL 21-012 - COVID-19 Vaccine Prioritization for Individuals with High-Risk Health Conditions and/or Disabilities	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 3/12/2021 APL sent to Stakeholders. 2.4/2/2021 Compliance to send review of APL requirements to Stakeholders. APL aligns with DHCS APL20-022 (revised)	The California Department of Public Health ("CDPH") issued a Provider Bulletin ("Provider Bulletin") regarding vaccine prioritization for individuals deemed to be at the very highest risk to get very sick from COVID-19 either because the individual has one or more enumerated severe health conditions and/or a developmental or other significant, high-risk disability.	

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DHCS	3/9/2021	APL20-004 (Revised) Emergency Guidance for Medi-Cal Managed Care Health Plans in Response to COVID-19	Pharmacy Member Services Claims Provider Network Management Health Services Health Homes Program IT - Configuration Compliance	1. 3/11/21 APL sent to Stakeholders. 2. 3/30/21 Stakeholders met and discussed the revised APL. Member Services and Utilization Management will implement the new requirements of the APL.	The purpose of this APL revision is to provide information to Medi-Cal managed plans on temporary changes to federal requirements as a result of the ongoing global Novel Coronavirus Disease (COVID-19) pandemic. The APL covers the approved 1135 Waiver and other guidance provided by DHCS in response to the public health crisis.  *Update - This update includes information regarding the provision of: previously authorized services when a Member's appeal involves the termination, suspension, or reduction of previously authorized services, MCPs must provide APP when the member timely files; the AAP has developed guidance on providing pediatric well-care during COVID-19, including guidance on the necessary use of telehealth during the COVID-19 pandemic; Postponement of the annual Encounter Data Validation activities, and COVID-19 testing requirements outlined in the COVID-19 Virus and Antibody Testing guidance document.	
DHCS	2/1/2021	COVID-19 Vaccination Administration Claims Data Exchange	IT Provider Network Mgmt. Health Services Claims Member Services Compliance	1. 2/1/2021 Sent to Stakeholders by CEO 2. 2/2/2021 Richard queued the work needed for weekly disbursement of the report to Stakeholders. 3. Complete	DHCS notified Plans that it will begin transferring member specific COVID-19 vaccination administration claims data to Medi-Cal Managed Care Plans beginning on Thursday, February 4, 2021.	
DHCS	1/6/2021	COVID-19 Codes, Effective Dates, and PACES Deployment Dates	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 1/6/2021 Sent to Stakeholders 2. Complete	DHCS sent the spreadsheet to Plans to inform them of updates regarding COVID-19 codes. It provides code descriptions, effective dates, and tentative PACES deployment dates. Please utilize this information appropriately for encounters including COVID-19 services.	
DHCS	1/5/2021	Medi-Cal Payment for Telehealth and Virtual/Telephonic Communications Relative to the 2019-Novel Coronavirus	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 1/6/2021 Sent to Stakeholders 2. Complete	Update to guidance provided on June 23, 2020. This iteration of the guidance provides details regarding changes to telehealth and home health visits and changes to E/M codes for outpatient telehealth services. DHCS will provide additional guidance regarding both areas at the end of January. There is also updates to the FAQ included in the document.	
DHCS	12/28/2020	APL20-022 COVID-19 Vaccine Administration	Provider Network Mgmt. Health Services Claims IT- Configuration Compliance	1. 1/5/21 APL sent to Stakeholders. 2. 1/8/21 Stakeholder met and will develop outreach for Members. 3. 1/20/21 Stakeholder meeting discussed communication strategies. 4. Complete	DHCS will carve out the COVID-19 vaccines and associated administration fees from the Medi-Cal managed care delivery system and will reimburse providers under Medi-Cal fee-for-service (FFS) for medical, pharmacy, and outpatient claims. This approach will ease program administration, eliminate challenges with out-of-network provider reimbursements, and keep vaccine administration fee rates consistent for providers regardless of delivery system. <i>*The APL notes that, "DHCS is also seeking federal approvals to pay Federally Qualified Health Centers, Rural Health Centers, and Tribal 638 clinics for the vaccine administration fees outside of their current Prospective Payment System or All Inclusive Rate."</i>	
DHCS	12/28/2020	APL20-021 Acute Care Hospitals at Home	Provider Network Mgmt. Health Services Claims Member Services Compliance	1. 1/5/21 APL sent to Stakeholders. 2. 1/13/21 Stakeholder meeting. Action items - follow-up with Kaiser and wait for reporting template from DHCS. 3. Complete	For MCP network hospitals that are participating in the Acute Hospital Care at Home program, MCPs are responsible for tracking each participating hospital's waiver authorities, as well as the status of each hospital's approved waiver for the duration of the COVID-19 PHE. MCPs are also responsible for authorizing acute care inpatient services at home for members, as medically appropriate, in accordance with this APL, CDPH's AFL 20-90 and applicable CMS guidelines.	

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DMHC	12/16/2020	APL 20-043 - Health Plan Reporting Regarding PPE and Related Support to Providers	Health Services Provider Network Mgmt. Compliance	1. 12/16/20 Sent to Stakeholders 2. 12/29/20 Due date extended to 12/15/20 3. 01/5/20 Report submitted to the DMHC. 4. 02/01/21 Report submitted to the DMHC 5. Complete	Pursuant to the authority granted by the Executive Order issued by Governor Gavin Newsom on September 23, 2020, health plans (including Medi-Cal managed care plans) must report to the DMHC information regarding the support they (or their delegated entities on behalf of the plan) have provided to their contracted providers to ensure the providers have sufficient COVID-19 Supplies to safely deliver services to the plan's enrollees.	
DMHC	12/16/2020	APL 20-042 - Removal of Administrative Burdens on Hospitals	Health Services Provider Network Mgmt. Compliance	1. 12/17/20 Sent to Stakeholders 2. 12/18/20 Stakeholder reviewed requirements in a Stakeholder meeting. 3. 12/29/20 Documents submitted to the DMHC . 4. 1/12/21 Reports sent to DMHC 5. Complete	The DMHC is directing plans to take immediate steps to reduce or remove unnecessary barriers to the efficient admission, transfer, and/or discharge of health plan enrollees. Reducing and removing such barriers will allow hospitals to quickly respond to the unfolding crisis and will enable hospital staff to ensure their hospitals are operating as efficiently as possible.	
DMHC	12/14/2020	APL 20-040 - Health Plan Reporting Regarding Network Stability	Provider Network Mgmt. Compliance	1. 12/14/20 Sent to Stakeholders. 2. 01/06/21 Stakeholder Meeting 3. 1/26/20 Follow-up Stakeholder Meeting 4. 2/16/21 Reports will be due 5. Complete	The DMHC is concerned health plan networks may be significantly affected by provider closures. Such closures could adversely impact enrollees' ability to access health care services in a timely manner. Health plans must report to the DMHC information regarding contracted primary care practices identified as "priority practices" as defined the APL, closures or sales of their contracted primary care practices, and how those closures and/or sales may impact the plan's ongoing ability to provide services to enrollees.	
DMHC	12/14/2020	APL 20-039 – Health Plan Coverage of COVID-19 Vaccines	Claims Health Services Member Services Provider Network Mgmt.	1. 12/14/20 Sent to Stakeholders 2. 12/14/20 Waiting for communication by LHPC, prior to scheduling Stakeholder meeting. 3. 3/26/2021 Stakeholders met and discussed APL21-022 which aligns with ALP20-039 and updates eligible populations. 4. Complete	The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act requires full-service health plans (other than grandfathered plans) to cover "qualifying" vaccines to prevent COVID-19. <i>LHPC has flagged for DMHC that this APL should not apply to Medi-Cal plans' lines of business/enrollees, since coverage, reimbursement and policies on that will be from DHCS and CMS. The referenced federal rule also applies to individual and group products – not Medicaid. However, the footnote only exempts specialized plans. DMHC is following up with their Office of Legal Services.</i>	
DHCS	11/25/2020	COVID-19 Virus and Antibody Testing	Claims Provider Network Mgmt. Compliance	1. 11/30/20 Sent to Stakeholders 2. Complete	The document provided updates to the COVID-19 Virus and Antibody Testing guidance provided in August. The updates includes: Additional detail under COVID testing procedures and billing information, ICD-10 coding directions, with a link to official guidelines, Reference to SPA 20-0025 and the CMS IFR regarding coverage of lab tests and x-ray services during COVID and any future PHE if the service is to diagnose or detect COVID. Also, the documents provides reference to FDA approval of self-testing at-home kits, and a notation that it's too soon for DHCS to provide guidance on this.	

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DHCS	9/8/2020	Increase in LTC per diem rates	Claims Provider Network Mgmt. Compliance	1. 9/14/20 Sent to Claims to review 2.9/14/20 Robin will have staff follow their process for updating the rates in the system. <b>3. Complete</b>	Due to the Coronavirus disease (COVID-19) outbreak, a public health emergency was declared for the United States on January 31, 2020, and a national emergency was declared under the Stafford Act on March 13, 2020. In response to the COVID-19 outbreak, the Department will temporarily provide an additional 10% reimbursement for LTC per diem rates.	
DMHC	9/9/2020	APL20-32 Continuation of DMHC's All Plan Letters Regarding Telehealth and previous APL's regarding telehealth	Provider Network Mgmt. Health Services Claims Member Services Compliance	1. 9/14/2020 Sent to Stakeholders to review. 2. 9/14/20 Unless requested by the Stakeholders there will not be a large Stakeholder Meeting. <b>3. Complete</b>	The purpose of the APL is to extend the effective dates of APL20-009 (No material changes between the initial published version and the version included in APL20-023) and APL20-013 (APL20-013 did not apply to Managed Care Plans). The APL does clearly state that the APLs will remain in affect further notice and provides guidance for the Provider Directory. The APL also discusses the applicability of the APL to Delegated Entities.	
DHCS	9/8/2020	CPT Codes 86408 and 86409	Claims Provider Network Mgmt. Compliance	1. 9/8/20 Sent to Claims to review 2. 9/8/2020 Kelli Brower said the codes do not have a rate currently attached. She said Claims will monitor the codes. 3. 9/14/20 Robin will have staff monitor claims that use codes <b>4. Complete</b>	Effective for dates of service on or after August 10, 2020, CPT codes 86408 (neutralizing antibody, severe acute respiratory syndrome coronavirus 2 [SARS-CoV-2] [Coronavirus disease (COVID-19)]; screen) and 86409 (neutralizing antibody, severe acute respiratory syndrome coronavirus 2 [SARS-CoV-2] [Coronavirus disease (COVID-19)]; titer) for coronavirus disease 2019 (COVID-19) are now Medi-Cal benefits.	
DHCS	8/18/2020	APL20-004rev Emergency Guidance for Medi-Cal Managed Care Health Plans in Plans in Response to COVID-19	Pharmacy Member Services Claims Health Services Health Homes Program IT Compliance	1. 8/19/20 updated APL sent to stakeholders. 2. 8/20/20 Stakeholders waiting for additional guidance regarding pharmacies and pharmacists participation. 2. 8/24/20 Stakeholders provided a redline version of the document. Large Stakeholder meeting scheduled for 9/2/20. 3. 9/2/20 Stakeholders reviewed the updated APL, Stakeholders will complete Action Items. <b>4. Complete</b>	The purpose of this APL revision is to provide information to Medi-Cal managed plans on temporary changes to federal requirements as a result of the ongoing global Novel Coronavirus Disease (COVID-19) pandemic. The APL covers the approved 1135 Waiver and other guidance provided by DHCS in response to the public health crisis.  This version of the APL includes updates : New guidance added reflective of new Testing guidance, New resource links for Plans - Pharmacy specifically mentioned, New Suicide Prevention Guidance added for Providers, reflects July 10th letter to Plans, Member Eligibility section updates, Update to Encounter Data Validation Project - HSAG tentative resumption of EDV Project activities, and , LTC reimbursement language included here with additional guidance	

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DHCS	8/7/2020	COVID-19 Virus and Antibody Testing	Claims Provider Network Mgmt. Health Services Claims Member Services	1. 8/12/20 Sent to Stakeholders for review. 2. 8/20/20 Stakeholders met and reviewed the requirements of the Guidance letter. Stakeholders asked that questions be sent to DHCS. 3. 8/20/20 Questions sent to the DHCS. 4. Complete	Medi-Cal covers all medically necessary FDA approved COVID-19 tests. All enrolled Medi-Cal beneficiaries are eligible for a COVID-19 test, when determined medically necessary. Additionally for all enrolled Medi-Cal individuals, regardless of their scope of coverage, DHCS has deemed COVID-19 testing, testing-related and related medically necessary treatment services, including services rendered outside of hospital emergency department, as an emergency service to treat an emergency medical condition.	
DHCS	7/12/2020	DHCS Suicide Prevention Letter for Providers	Provider Network Mgmt. Health Services Compliance	1. 7/13/20 Letter sent to Stakeholders - Provider Network Management posted the information on the website and sent out a Provider Bulletin . 2. <b>Complete</b>	DHCS requests that all Plans send to Providers a letter regarding suicide prevention Provided by the DHCS.	
DHCS	6/23/2020	Medi-Cal Payment for Telehealth and Virtual/Telephonic Communications Relative to the 2019-Novel Coronavirus (COVID-19) (June Revision)	Provider Network Mgmt. Claims Configuration Member Services Health Services Compliance	1. 6/29/2020 sent to Stakeholders 2. <b>Complete</b>	Comprehensive update of Telehealth/Virtual Telephonic communication requirements. In light of both the federal Health and Human Services Secretary's January 31, 2020, public health emergency declaration, as well as the President's March 13, 2020, national emergency declaration relative to COVID-19, the Department of Health Care Services (DHCS) is issuing additional guidance to enrolled Medi-Cal providers, including, but not limited to physicians, nurses, mental health practitioners, substances use disorder practitioners, dentists – as well as Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Tribal 638 Clinics	
DHCS	6/12/2020	APL20-011 Governor's Executive Order (June Rev)	Quality Improvement Health Services Member Services Provider Network Mgmt. Compliance	1. 6/18/20 Sent to Stakeholders 2. 6/26/20 Stakeholders met reviewed updated requirements. 3. <b>Complete</b>	This Executive Order provides for various flexibilities in relation to state statutes and regulations, thereby allowing DHCS to take appropriate actions to mitigate the effects of the COVID-19 pandemic - specifically as it applies to MCP Site Reviews and Subcontractor Monitoring, Annual Medical Audits, and Health Risk Assessments	
DHCS	6/9/2020	APL20-004rev (June Rev). Emergency Guidance for Medi-Cal Managed Care Health Plans in Response to COVID-19	Pharmacy Member Services Claims Health Services Health Homes Program IT Compliance	1. 6/12/20 Revised (2x) APL sent to Stakeholders 2. 6/18/20 Stakeholders reviewed the updated guidance. 3. <b>Complete</b>	The purpose of this APL revision is to provide information to Medi-Cal managed plans on temporary changes to federal requirements as a result of the ongoing global Novel Coronavirus Disease (COVID-19) pandemic. The APL covers the approved 1135 Waiver and other guidance provided by DHCS in response to the public health crisis.	



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DHCS	6/3/2020	Provision of Care in Alternative Settings, Hospital Capacity, State Plan and Blanket Section 1135 Waiver Flexibilities for Medicare and Medicaid Enrolled Providers Relative to COVID-19	Health Services Provider Network Mgmt. Member Services Claims Compliance	1. 6/8/20 Redline version created and sent to Stakeholders. 2. 6/11/20 Stakeholder met discussed options, requested follow-up questions with DHCS, and an additional meeting to discuss follow-up Face-to-face encounters. 3. 6/17/20 Stakeholders discussed the Providers ability to bill for a follow-up face-to-face visit after a telehealth Encounter. 4. <b>Complete</b>	Updates 4/22/20 guidance (Locations, Ambulance Services, Laboratories, etc.)- This revised notice is to inform providers of the additional waivers flexibilities applicable to Medi-Cal providers enrolled in Medicare and Medicaid Programs. These waivers are in effect, with a retroactive effective date of March 1, 2020, through the end of the PHE. Where these flexibilities affect Medi-Cal billing or prior approval policies, DHCS has included additional billing guidance, where warranted, at the end of the flexibility, and added applicable website links to the additional CMS fact sheets	
DHCS	5/29/2020	MedIL I 20-14 Extension of Delaying Annual Redeterminations, Discontinuances, and Negative Actions Due to COVID-19 PHE	Member Services Health Services Provider Network Mgmt. Compliance	1.6/1/20 Sent to Stakeholders 2. <b>Complete</b>	The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to instruct counties to extend the delay of processing Medi-Cal annual redeterminations and delay discontinuances and negative actions for Medi-Cal, Medi-Cal Access Program (MCAP), Medi-Cal Access Infant Program (MCAIP), and County Children's Health Initiative Program (CCHIP) through the end of the Public Health Emergency (PHE).	
DHCS	5/20/2020	Associate Clinical Social Worker and Associate Marriage and Family Therapist Services for Federally Qualified Health Centers and Rural Health Clinics	Provider Network Mgmt. Health Services QI Claims	1. 5/26/20 Sent to Stakeholders 2. 6/18/20 Stakeholder met and discussed the requirements of the mandate. 3. <b>Complete</b>	Pursuant to the federally approved State Plan Amendment (SPA) 20-0024, a FQHC or RHC can be reimbursed at the Prospective Payment System (PPS) rate for a visit between a FQHC or RHC patient and an ACSW or AMFT. The visit may be conducted as a face to face encounter or meet the requirements of a face to visit provided via telehealth.	
DHCS	5/13/2020	Email: Member Notification Flexibilities Update	Member Services Marketing Compliance	1. 5/13/20 Sent to Stakeholders 2. <b>Complete</b>	DHCS is not able to allow MCPs flexibility to provide non-public member notices electronically, as several California state laws, for which DHCS does not have Executive Order authority to waive, require MCPs to specifically mail such written notices to members. MCPs to specifically mail such written notices to members. As a result, MCPs must continue to follow all current written noticing requirements for non-public member notices, such as those used for Grievances and Appeals, and ensure that members are properly informed of their rights regarding MCP actions.	
DHCS	4/30/2020	APL19-017 Supplement Quality and Performance Improvement Adjustments Due to COVID-19	Health Services Quality Improvement Provider Network Mgmt. Compliance	1. 4/30/20 Sent to Stakeholders 2. 5/19/20 Stakeholders reviewed the APL and QI stated that they were currently meeting the requirements. 3. <b>Complete</b>	On March 13, 2020, NCQA released guidance on reporting year (RY) 2020 Healthcare Effectiveness Data Information Set (HEDIS) reporting. This included an adjustment for RY 2020 reporting on measures utilizing the hybrid methodology given the limitations on medical record collection imposed by COVID-19 due to travel restrictions, quarantines, and risk to staff.	

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DHCS	4/27/2020	APL20-004rev Emergency Guidance for Medi-Cal Managed Care Health Plans in Response to COVID-19	Pharmacy Member Services Claims Health Services Health Homes Program IT Compliance	1. 4/27/20 Sent to Stakeholders 2. 5/11/20 Stakeholders met and reviewed updated requirements. 3. <b>Complete</b>	The purpose of this APL revision is to provide information to Medi-Cal managed plans on temporary changes to federal requirements as a result of the ongoing global Novel Coronavirus Disease (COVID-19) pandemic. The APL covers the approved 1135 Waiver and other guidance provided by DHCS in response to the public health crisis.	
DMHC	4/29/2020	APL20-018 COVID-19 (OPM) Modification of Timely Access Provider Appointment Availability Surveys (PAAS) Timeframes	Provider Network Mgmt. Claims	1. 4/29/20 Sent to Stakeholders 2. <b>Complete</b>	Health and Safety Code section 1367.03(f)(3) and page 11 of the PAAS Methodology require health plans to complete the administration of the PAAS between April 1 and December 31. For MY 2020, health plans shall begin administration of the PAAS no earlier than August 1, 2020.	
DHCS	4/27/2020	Information on Closures/Changes March 11 through April 24, 2020	Provider Network Mgmt. Health Services Member Services Compliance	1. 4/27/20 Sent to Stakeholders 2. 4/28/20 Stakeholder meeting held 3. 4/29/20 Questions raised about the template on All Plan Call 4. 5/4/20 Template due to DHCS (Plans may submit sooner) 5. 5/11/20 Provider Network Mgmt. submits weekly report. 6. <b>Complete</b>	The Department of DHCS needs to ensure that members assigned to your managed care plans are not experiencing access to care issues as a result of closures/changes (including but not limited to provider offices, clinics, medical offices, etc.) related to COVID-19. Therefore, the DHCS is requiring that MCPs report to the DHCS via the attached Excel template	
DHCS	4/25/2020	Waiver of Requirement for Patient Signature On-File for Mailed or Delivered Prescriptions	Pharmacy Provider Network Mgmt. Member Services Health Services Compliance	1. 4/25/20 Sent to Bruce Wearda for clarification 2. 4/29/20 Sent to all Stakeholders 3. 5/4/20 Per Bruce, this is FFS, not Medi-Cal 4. <b>Complete</b>	Effective immediately the Department of Health Care Services (DHCS) will allow any form of delivery service tracking or electronically documented proof of delivery to suffice as proof of receipt of a drug or device by the Medi-Cal and Family PACT beneficiary or authorized representative.	
DHCS	4/24/2020	APL20-011 Governor's Executive Order N-55-20 in response to COVID-19	Quality Improvement Health Services Member Services Provider Network Mgmt. Compliance	1. 4/25/20 Sent to Stakeholders 2. 5/8/20 Stakeholder meeting. Stakeholder reviewed documents. Follow-up meeting for IHA completion scheduled. 3. <b>Complete</b>	This Executive Order provides for various flexibilities in relation to state statutes and regulations, thereby allowing DHCS to take appropriate actions to mitigate the effects of the COVID-19 pandemic - specifically as it applies to MCP Site Reviews and Subcontractor Monitoring, Annual Medical Audits, and Health Risk Assessments.	
DHCS	4/24/2020	Well-Child Visits During Coronavirus (COVID-19) Pandemic	Provider Network Mgmt. Health Services Member Services Compliance	1. 4/25/20 Sent to Stakeholders 2. 5/4/20 Stakeholder meeting scheduled. 3. 6/4/20 Stakeholders met and discuss telehealth options. 4. <b>Complete</b>	Where community circumstances require pediatricians to limit in-person visits, this guidance encourages clinicians to prioritize in-person newborn care, and well visits and immunizations of infants and young children (through 24 months of age) whenever possible.	

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State Agency	Date Received by Plan	Title	Department Impacted	Status	Summary	Status
DHCS	4/22/2020	Information about Novel Coronavirus for Medi-Cal Transportation Providers	Member Services Provider Network Mgmt. Compliance	1. 4/23/20 Sent to Stakeholders 2. <b>Complete</b>	The DHCS continues to closely monitor the emerging 2019 COVID-19 situation, and is providing information to all nonemergency medical transportation NEMT and nonmedical transportation (NMT) providers as a reminder of federal Centers for Disease Control and Prevention (CDC) and California Department of Public Health (CDPH)-recommended safety procedures and protocols to help prevent spread of COVID-19.	
DHCS	4/17/2020	Medication Assisted Treatment and Telehealth - COVID-19 FAQ - for FFS	Member Services Provider Network Mgmt. Health Services Compliance	1. 4/18/20 Sent to Stakeholders - Bruce verified that is was related to FFS 2. <b>Complete</b>	Telehealth FAQ for FFS updated April 7, 2020	
DHCS	4/17/2020	Breast and Cervical Cancer Treatment Program (BCCTP) Presumptive Eligibility Flexibilities due to COVID-19	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/18/20 Sent to Stakeholders 2. 5/1/20 Stakeholder met and discussed impacts. 3. <b>Complete</b>	DHCS is approving immediate flexibilities for Every Woman Counts (EWC) and Family Planning, Access, Care, and Treatment (FPACT) program Qualified Providers that are enrolling individuals into the Breast and Cervical Cancer Treatment Program (BCCTP) to limit potential exposure to COVID-19.	
DHCS	4/17/2020	APL 20-009 Older/At-Risk Individuals – Guidelines to Reduce Isolation and Promote Health While Sheltering at Home	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/18/20 Sent to Stakeholders 2. 4/27/20 Stakeholders met and shared resource information and identified efforts to reach at risk individuals. 3. <b>Complete</b>	During California’s stay-at-home order, older members and other at-risk members – especially those living alone – will likely need their MCPs, as well as family, friends, neighbors and community, to help them maintain basic needs like groceries and prescriptions, and much-needed social interaction and connection.	
DHCS	4/16/2020	Email: E-Mail File and Use	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/16/20 Sent to Stakeholders 2. <b>Complete</b>	MCPs are approved to utilize a “file and use” approach for COVID-19 related emails with the agreement and understanding that the information being shared by the MCPs is in alignment with information or guidance already shared and approved regarding COVID-19 from DHCS, CDPH or the Centers for Disease Control and Prevention.	
DMHC	4/16/2020	DMHC APL20-016 Assistance to Seniors	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/16/20 Sent to Stakeholders 2. 4/27/20 Stakeholders met and shared resource information and identified efforts to reach at risk individuals. 3. <b>Complete</b>	The purpose of this All Plan Letter is to offer reminders and resources to help health care service plans serve enrollees who are aged 60+ or have high-risk health conditions during the COVID-19 emergency response stay home, stay healthy, and stay connected.	
DHCS	4/15/2020	DHCS APL20-007rev Policy Guidance for Community-Based Adult Services response to COVID-19 Public Health Emergency	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/16/20 Sent to Stakeholders 2. 4/23/20 Meeting Scheduled with Stakeholders 3. CBAS Centers have completed the applications and submitted them to DHCS. 4. <b>Complete</b>	APL 20-007rev provides Plans with policy guidance regarding the temporary authorization of Community-Based Adult Services (CBAS) provided telephonically, in members’ homes, and individually in centers, in lieu of congregate services provided at CBAS centers, during the period of this current public health emergency. **This revision includes updates from the California Department on Aging and requirements related to alternative services provided during the COVID-19 health emergency.	
DMHC	4/13/2020	DMHC APL20-015 Temporary Extension of Plan Deadlines	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/14/20 Sent to Stakeholders 2. <b>Complete</b>	COVID-19 Temporary Extension of Plan Deadlines In light of the COVID-19 State of Emergency, the Director has determined that select deadlines and requirements may be temporarily extended to give health plans additional time to comply.	

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State Agency	Date Received by Plan	Title	Department Impacted	Status	Summary	Status
DHCS	4/13/2020	Follow-up Guidance to MEDIL I 20-07	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/13/20 Sent to Stakeholders 2. <b>Complete</b>	The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to provide additional information and clarification for counties and the Statewide Automated Welfare System (SAWS) regarding the instructions found in MEDIL I 20-07. MEDIL I 20-07 directs counties to delay processing of Medi-Cal annual renewals, and defer discontinuances and negative actions based on the declared State and National Emergency due to the COVID-19 public health crisis.	
DHCS	4/3/2020	Every Woman Counts (EWC) Primary Care Provider (PCP) Information Notice Program	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/10/20 Sent to Stakeholders 2. 4/10/20 Stakeholders reviewed analytics 3. 4/24/20 Stakeholder reviewed the Guidance in meeting. 4. <b>Complete</b>	It is critical that EWC providers assess their office policies and follow recommended safety procedures and protocols from the federal Centers for Disease Control and Prevention (CDC) and California Department of Public Health (CDPH) to help prevent the spread of the virus. The Guidance provides information on enrollment and re-certification.	
DHCS	4/10/2020	Update Provision of Care in Alternative Settings, Hospital Capacity, and Blanket Section 1135 Waiver Flexibilities for Medicare and Medicaid Enrolled Providers Relative to COVID-19	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/10/20 Sent to Stakeholders 2. 4/15/20 Stakeholder reviewed the updated guidance and made changes as needed. 3. <b>Complete</b>	This revised notice is to inform providers of the additional waivers flexibilities applicable to Medi-Cal providers enrolled in Medicare and Medicaid Programs. These waivers are in effect, with a retroactive effective date of March 1, 2020, through the end of the PHE. Where these flexibilities affect Medi-Cal billing or prior approval policies, DHCS has included additional billing guidance, where warranted, at the end of the flexibility, and added applicable website links to the additional CMS fact sheets	
DHCS	4/9/2020	"File and Use" Approach for Robocall and Phone Call Campaigns, Printed Mailer Communications	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/9/20 Sent to Stakeholders 2. <b>Complete</b>	DHCS is approving the "file and use" approach for robocall and phone call campaigns and printed mailer communications in response to COVID-19. MCPs are approved to utilize a "file and use" approach for these COVID-19 related robocalls, phone call campaigns and printed mailer communications in response to COVID-19 with the agreement and understanding that the information being shared by the MCPs is in alignment with the Plans' already approved Emergency Call Scripts	
DHCS	4/8/2020	Coverage of Emergency COVID-19 Inpatient or Outpatient Services	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/10/20 Sent to Stakeholders 2. 4/14/20 Stakeholders met and discussed limits of some Medi-Cal programs and implementation of Guidance. 3. <b>Complete</b>	The guidance states that all enrolled Medi-Cal beneficiaries, regardless of their scope of coverage under Medi-Cal or documentation status, are entitled to all inpatient and outpatient services necessary for the testing and treatment of COVID-19 as certified by the attending physician. The guidance also provides billing information.	
DMHC	4/7/2020	APL 20-014 Mitigating Negative Health Outcomes due to COVID-19	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/10/20 Sent to Stakeholders 2. 4/15/20 Stakeholders met and discussed the Plan's approach to mitigating negative health outcomes. 3. <b>Complete</b>	The purpose of this All Plan Letter is to offer reminders and resources to help health care service plans serve enrollees and mitigate negative health outcomes to members due to the COVID-19 emergency.	
DHCS	4/7/2020	APL20-008 Mitigating Health Impacts of Secondary Stress due to COVID-19 Emergency	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/10/20 Sent to Stakeholders 2. 4/15/20 Stakeholders met and discussed the Plan's approach to mitigating negative health outcomes. 3. <b>Complete</b>	The purpose of this All Plan Letter is to offer recommendations to Medi-Cal managed care health plans on mitigating negative health outcomes to members due to the COVID-19 emergency.	

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State Agency	Date Received by Plan	Title	Department Impacted	Status	Summary	Status
DHCS	4/7/2020	Telehealth Services Guidance email	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/10/20 Sent to Stakeholders 2. 4/13/20 Stakeholders met and discussed the Provider Bulletin and Provider Network Mgmt.'s outreach to FQHCs/RHCs 3. Complete	Although the DHCS' Section 1135 Waiver has not yet been approved, DHCS has instructed all Medi-Cal providers, including for FQHCs, RHCs, and IHS clinics, to implement the guidance relative to telehealth and virtual/telephonic communication modalities immediately in light of COVID-19.	
DHCS	4/3/2020	1135 Waiver (4/3/20)	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/7/20 Sent to Stakeholders 2. <b>Complete</b>	1135 Waiver (4/3/20) request that will provide the State with greater flexibility in managing the COVID-19 health crisis. Included in the Waiver is language that clarifies the parameters for telehealth and telephonic services provided by RHCs and FQHCs.	
DHCS	4/1/2020	Use of Telehealth During COVID-19 Emergency	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/1/20 Sent to Stakeholders. 2. <b>Complete</b>	An email from DHCS reminding Plans of the changes to telehealth services, including; communication methods, HIPAA issues, and the use of telehealth by FQHCs and RHCs.	
DHCS	3/30/2020	DHCS Releases Guidance Related to "File and Use" of Texting Campaign Requests Related to COVID-19	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/30/20 Sent documents to Stakeholders 2. 4/1/20 Meeting scheduled to discuss DHCS comments. 3. 4/6/20 KHS has documents that require approval by DHCS prior to moving forward. Compliance will ask DHCS to approve documents that were submitted in December 2019. 4. <b>Complete</b>	For Plans that have any prior approved texting campaigns on file with DHCS (as of June 18, 2019, forward) to submit a new request related to COVID-19 for "file and use." For those MCPs that do not have an approved texting campaign on file with the DHCS, DHCS indicates it cannot approve "file and use" but will make every effort to expedite review of the submission once received.	
DHCS	3/30/2020	APL20-007 Policy Guidance for Community-based Adult Services in Response to COVID-19 Public Health Emergency	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/30 /20 APL sent to Stakeholders 2. 4/3/20 Meeting scheduled to review the APL 3. <b>Complete</b>	APL 20-007 provides Plans with policy guidance regarding the temporary authorization of Community-Based Adult Services (CBAS) provided telephonically, in members' homes, and individually in centers, in lieu of congregate services provided at CBAS centers, during the period of this current public health emergency. The APL outlines mechanisms by which CBAS centers may continue to provide services to CBAS members now remaining at home. The APL also addresses reimbursement for these temporary services, as well as reporting requirements for CBAS centers	
DHCS	3/30/2020	Guidance Relating to Non-Discrimination in Medical Treatment for Novel Coronavirus 2019 (COVID-19)	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/30/20 Sent to Stakeholders 2. 4/3/20 Heather met with Melissa, Robin DM, and discussed language for Provider Bulletin. 3. 4/9/20 Compliance is drafting and updating potential language for Provider Network Mgmt.'s Provider Bulletin . 4. Complete	DHCS reminds providers that no person, on the basis of mental, developmental, intellectual, or physical disability or a perceived disability, may be unlawfully denied full and equal access to the benefits of Medi-Cal services, including the receipt of COVID-19 treatment, in the event of limited hospital or other health care facility resources and/or capacity.	

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State Agency	Date Received by Plan	Title	Department Impacted	Status	Summary	Status
DHCS	3/28/2020	Provision of Care in Alternative Settings, Hospital Capacity, and Blanket 1135 Waiver Flexibilities - Mar 27, 2020	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/30/20 Sent to all Stakeholders 2. 4/3/20 Stakeholders reviewed requirements and found no impediments to implementation 3. <b>Complete.</b>	The 1135 Waiver relaxes several rules, including: reimbursement to unlicensed facilities under certain conditions, removes restrictions from Critical Access Hospitals, and address the requirement for qualifying hospital stay prior to SNF authorization.	
DMHC	3/27/2020	APL20-012 Health Plan Actions to Reach Vulnerable Populations	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/30/20 Carmen working with Stakeholders to complete required submission on 3/31/20 2. <b>Complete</b>	Health Plans should be actively engaging with vulnerable populations. By March 31, 2020, each health plan to which this All Plan Letter applies shall file with the Department of Managed Health Care (DMHC): A description of the steps the health plan has taken or is taking to contact (1) enrollees over age 65 and approximately how many enrollees the Health Plan has contacted in each category provided by the DMHC.	
DHCS	3/27/2020	APL 20-004 Emergency Guidance for Medi-Cal Managed Care Health Plans - Mar 27, 2020	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent to all Stakeholders on 3/30/20 2. 4/7/20 Stakeholders met and reviewed the APL. There were no impediments to implementation. 3. <b>Complete</b>	Highlights the flexibilities included in the approved 1135 Wavier, including: State Fair Hearings, Provider Enrollment, Prior Authorization, Reimbursement of COVID-19 Testing, and Provision of Care in Alternate Settings.	
DHCS	3/27/2020	Guidance for Emergency Medi-Cal Provider Enrollment	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/26/20 Sent to Stakeholders 2. 3/27/20 Compliance met with Stakeholders - The Plan is ready to follow the guidance if needed. Will potentially be used for telehealth. 3. <b>Complete</b>	DHCS is establishing requirements and procedures to suspend certain provider enrollment requirements in order to facilitate greater beneficiary access to care. After the crisis the Providers will have to go back and enroll through the normal process.	
DHCS	3/26/2020	State Fair Hearing Timeframe Change - Managed Care - Mar 26, 2020 - Supplement to All Plan Letter 17-006	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/26/20 Sent to Stakeholders 2. 3/27/20 Compliance met with Stakeholders 3. 4/1/20 Compliance met with stakeholders. 4. 04/8/2020 DHCS approved letter language. Stakeholders implementing guidance. 5. <b>Complete</b>	The March 23, 2020, Section 1135 Waiver approval temporarily extends the timeframe and allows beneficiaries to have more than 90 days, up to an additional 120 days, for an eligibility or FFS appeal to request a State Fair Hearing. Specifically, individuals for whom the 90-day deadline would have occurred between March 1, 2020, through the end of the COVID-19 public health emergency, are now allowed up to an additional 120 days to request a State Fair Hearing (i.e. initial 90 day timeframe plus an additional 120 days, for a total of up to 210 days). All other existing State Fair Hearing processes remain unchanged.	
DHCS	3/19/2020	COVID-19 Lab Tests are New Medi-Cal Benefits	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/27/20 Sent to Claims - Robin sent an IR when the codes were first announced. Config has updated. 2. <b>Complete</b>	From the Medi-Cal website, provides testing codes for COVID-19	

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DMHC	3/18/2020	APL20-008 Provision of Health Care Services During Self Isolation Orders	Member Services Health Services Provider Network Mgmt. Compliance	1. 4/2/20 Sent to Stakeholders 2. 4/6/20 Stakeholder reviewed APL and are working to implement the requirements. 3. <b>Complete</b>	Plans were provided guidance for the provision of Health Care Services During Self Isolation Orders.	
DHCS	3/18/2020	Medi-Cal Payment for Telehealth and Virtual/Telephonic Communications Relative to the 2019-Novel Coronavirus (COVID-19) v.3	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent 3/19/20 Sent to Stakeholders 2. 3/20/20 Met with Stakeholders 3. 3/23/20 Met with Stakeholders - Action Items include an updated Provider Bulletin, implementation of new codes and rates. 4. 3/30/20 Robin DM put in IR for codes. 5. <b>Complete</b>	The Bulletin provides new codes and rates for telehealth/telephonic encounters. Additionally, it addresses the potential relaxing of the telehealth requirements for FQHCs and RHCs.	
DMHC	3/18/2020	APL 20-009 (OPL) - Reimbursement for Telehealth Services	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/18/20 Compliance reviewed the APL and conferred with Provider Network Mgmt. and concluded that current KHS P&Ps support the APLs requirements and does impede the implementation of APL. 2. <b>Complete</b>	Effective immediately, Plans must comply with the following: shall reimburse providers at the same rate or services provided via telehealth, a health plan may not subject enrollees to cost-sharing greater than the same cost-sharing if the service were provided in person, and Plans shall provide the same amount of reimbursement for a service rendered via telephone as they would if the service is rendered via video provided the modality by which the service is rendered (telephone versus video) is medically appropriate for the enrollee.	
DHCS	3/18/2020	Medi-Cal Payment for Medical Services Related to the 2019-Novel Coronavirus (COVID-19) - Supplemental to APL19-006	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent 3/19/20 Sent to Stakeholders 2. 3/20/20 Met with Stakeholders 3. 3/23/20 Met with Stakeholders - Action items completed including; Configuration and creation of a Provider Bulletin. 4. <b>Complete</b>	Unless otherwise agreed to by the MCP and provider, MCPs must reimburse providers at the same rate, whether a service is provided in-person or through telehealth, if the service is the same regardless of the modality of delivery and Plan MCPs must provide the same amount of reimbursement for a service rendered via telephone as they would if the service is rendered via video.	
DHCS	3/17/2020	MEDIL I 20-07 Access to Care During Public Health Crisis or Disaster	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent to Stakeholders on 3/30/20 2. <b>Complete</b>	Directive to County Agencies to continue to provide benefits beyond the certification period, as needed, to provide additional time to submit renewals or verifications, and Modify eligibility requirements at application or renewal to allow for self-attest	
DHCS	3/16/2020	Medi-Cal Payment for Medical Services Related to the 2019-Novel Coronavirus (COVID-19)	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/30/20 Sent to Stakeholders 2. <b>Complete</b>	Provides guidance for Medi-Cal providers of existing state and federal laws requiring Medi-Cal providers to ensure their patients do not experience barriers. Discusses telehealth as it relates to providing services timely.	
DHCS	3/14/2020	COVID-19 Guidance for NEMT and NMT Providers	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent to Stakeholders on 4/1/20 2. <b>Complete</b>	Provides information to all non-emergency medical transportation (NEMT) and non-medical transportation (NMT) providers as regarding recommended safety procedures and protocols to help prevent spread of COVID-19.	

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DMHC	3/12/2020	APL 20-007 (OPL) "Social Distancing" Measures in Response to COVID-19	Member Services Health Services Provider Network Mgmt. Compliance	1. 3/16/20 APL sent to Stakeholders 2. Stakeholders reviewed APL and implemented requirements on 3/18/20 3. <b>Complete</b>	Describes how health plans can assist with medically appropriate social distancing in the delivery of health care services for the duration of the state of emergency proclaimed by the Governor	
DHCS	3/12/2020	MEDIL I 20-06 Public Health Crisis or Disaster Reminders for Medi-Cal	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent to Stakeholders on 3/30/20 2. <b>Complete</b>	Directive to County Agencies to continue to provide benefits beyond the certification period, as needed, to provide additional time to submit renewals or verifications, and Modify eligibility requirements at application or renewal to allow for self-attestation	
DMHC	3/6/2020	APL20-006 COVID-19 Screening and Testing	Member Services Health Services Provider Network Mgmt. Compliance	1. Sent to Stakeholders on 3/6/20 2. Stakeholders met and reviewed the APL's requirements. 3. <b>Complete</b>	The APL reminds Plans to provide timely access to services during the emergency. Specifically, Covering all medically necessary emergency care without prior authorization, whether that care is provided by an in-network or out-of-network provider.	



## SUMMARY

### FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Friday, December 10, 2021

8:00 A.M.

#### COMMITTEE RECONVENED

Members: Deats, Martinez, McGlew, Melendez, Rhoades  
ROLL CALL: 4 Present; 1 Absent - Melendez

NOTE: The vote is displayed in bold below each item. For example, Rhoades-Deats denotes Director Rhoades made the motion and Director Deats seconds the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**  
**NO ONE HEARD**

#### COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))  
**NO ONE HEARD**

- CA-3) Minutes for KHS Finance Committee meeting on October 8, 2021 - APPROVED  
**Rhoades-Martinez: 4 Ayes; 1 Absent - Melendez**
- 4) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2021 (Fiscal Impact: None) – IRA COHEN, UBS FINANCIAL SERVICES, INC., HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-McGlew: 4 Ayes; 1 Absent - Melendez**
- 5) Proposed policy renewal with IOA RE for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2022 through December 31, 2022 in an amount not to exceed \$0.18 per member per month (Fiscal Impact: \$670,140 estimated; Budgeted) – KATHRYN BOWEN, ARTHUR J. GALLAGHER & CO., HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Rhoades: 4 Ayes; 1 Absent - Melendez**
- 6) Proposed Kern Health Systems 2022 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**McGlew-Rhoades: 4 Ayes; 1 Absent - Melendez**
- 7) Proposed Budget Request for 2022 Project Consulting Professional Services, from January 1, 2022 through December 31, 2022 (Fiscal Impact: \$10,369,190; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Martinez: 4 Ayes; 1 Absent - Melendez**
- 8) Proposed Agreement with Dell, Inc, for Microsoft Licensing, maintenance and technical support, from January 1, 2022 through December 31, 2024, in an amount not to exceed \$1,358,808 (Fiscal Impact: \$452,936 annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Martinez: 4 Ayes; 1 Absent - Melendez**
- 9) Proposed Agreement with Entysis360, for the purchase of the Nutanix Storage Solution with one year support and maintenance, from January 1, 2022 through December 31, 2022 (Fiscal Impact: \$733,444 annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Martinez: 4 Ayes; 1 Absent - Melendez**
- DIRECTOR DEATS LEFT THE DAIS AT 9:15 A.M. AND DID NOT RETURN
- 10) Proposed Agreement with LinkedIn, Co., for the online training platform for KHS' employees, from January 1, 2022 through December 31, 2024, in an amount not to exceed \$178,950 (Fiscal Impact: \$59,650 annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Martinez-Rhoades: 3 Ayes; 2 Absent – Deats, Melendez**

- 11) Proposed Agreement with A-C Electric, for the design and installation of a Solar Panel system for the KHS' facility, from January 1, 2022 through October 30, 2022, (Fiscal Impact: \$2,371,559; Budgeted) – JEFF PETRINI, A-C ELECTRIC, HEARD; APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Martinez: 3 Ayes; 2 Absent – Deats, Melendez**
  
- 12) Report on Kern Health Systems financial statements for September 2021 and October 2021 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Martinez-Rhoades: 3 Ayes; 2 Absent – Deats, Melendez**
  
- 13) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2021 and October 2021 and IT Technology Consulting Resources for the period ended October 31, 2021 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Martinez: 3 Ayes; 2 Absent – Deats, Melendez**

ADJOURN TO FRIDAY, FEBRUARY 4, 2022 AT 8:00 A.M.



