



KERN HEALTH SYSTEMS

GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

Friday, January 30, 2026

at

3:00 p.m.

**Kern Health Systems
2900 Buck Owens Blvd.
4th floor – Executive Conference Room
Bakersfield, CA 93308**

For more information, call (661) 664-5000

AGENDA

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KERN HEALTH SYSTEMS
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Bakersfield, California 93308

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3:00 P.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Boulevard, Bakersfield, CA 93308 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, 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 for review at the same location.

PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING

COMMITTEE TO RECONVENE

Members: Hoffmann, Acharya, Meave, Turnipseed
ROLL CALL:

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 COMMITTEE 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 COMMITTEE CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

AGENDA

Governance and Compliance Committee Meeting
Kern Health Systems

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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!**

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))

COMMITTEE MATTERS

- 3) Report on Kern Health Systems Enterprise Risk Management Project Update (Fiscal Impact: None) -
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 4) Report on Board Referral on Stress Testing Resilience Analysis Strategy (Fiscal Impact: None) -
RECEIVE AND FILE
- 5) Report on Center for Medicare and Medicaid Services Annual Compliance Audit and Investigation Standards Scores for CY2024. (Fiscal Impact: None) -
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO THURSDAY, MARCH 26, 2026 AT 8:30 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 KHS Finance Committee may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. 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.



MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Enterprise Risk Assessment Project Update
DATE: January 30, 2026

BACKGROUND

Establishing an Enterprise Risk Management (ERM) program provides a framework to identify and evaluate emerging risks through a program that combines existing risk management practices, process improvement opportunities, facilitate risk related conversations and activities. KHS engaged Moss Adams/Baker Tilly in 2025 to assess, analyze, and define an Enterprise Wide Risk Register to serve as the organizational roadmap for risk mitigation and resolution.

Throughout the risk assessment project, a risk register identified the risks, likelihood and magnitude weightings, to prioritize exposures in specific focus areas. This tool will assist KHS in developing an audit and monitoring work plan and management strategies to reduce organizational risk and define mitigation efforts for 2026.

Elements of the Risk Register include:

Risk Area	Overall Risk Rating
Risk Definition	Executive Risk Owner
Likelihood Rating	Operational Risk Owner
Magnitude Rating	Committee Oversight
Identified Controls	Management Risk Response
Control Reliance Rating	

REQUESTED ACTION

Receive and file the Enterprise Risk Assessment Project update and refer to the KHS Board of Directors.



MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee
FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer
SUBJECT: Board Referral on Stress Testing Resilience Analysis Strategy
DATE: January 30, 2026

BACKGROUND

Director Michael Turnipseed submitted a referral to the Governance and Compliance Committee for consideration of performing a formal Stress Test to assess KHS's financial sustainability, regulatory risk, delivery system stability, and reputational stewardship using a quantitative, scenario-based analytical review designed to measure how an organization performs under adverse conditions. Director Turnipseed's request is based on his concerns that "KHS's operating environment has become materially more volatile, policy-driven, and financially asymmetric—indicating potential downside risks significantly outweigh upside opportunities."

REQUESTED ACTION

Receive and file.



MEMORANDUM

TO: Kern Health Systems Governance and Compliance Committee

FROM: Deborah Murr, Chief Compliance and Fraud Prevention Officer

SUBJECT: Center for Medicare and Medicaid Services (CMS) Annual Compliance Audit and Investigation Standards Scores for CY2024

DATE: January 30, 2026

BACKGROUND

CMS requires the Department of Health Care Services (DHCS) to review, and report Managed Care Plans (MCPs) compliance with Federal Standards set forth in 42 CFR Subpart D and the Quality Assurance and Performance Improvement (QAPI) requirements described in 42 CFR 438.330. As such, CMS is requiring states to correspond its audit categories to specific CFR elements. CMS required states to develop a compliance scoring methodology to be able to draw comparisons across MCPs pertaining to their overall compliance status.

Compliance Score %							
Standard Number	CFR	Compliance Review Standard	Total Points Available	Total Points Scored	KHS 2024	2023	2022
1	§438.206	Availability of Services	30	30	100%	100%	80%
2	§438.207	Assurance of Adequate Capacity and Services	8	8	100%	100%	100%
3	§438.208	Coordination and Continuity of Care	36	36	100%	100%	89%
4	§438.210	Coverage and Authorization of Services	36	36	100%	100%	83%
5	§438.214	Provider Selection	8	8	100%	100%	75%
6	§438.224	Confidentiality	12	12	100%	100%	83%
7	§438.228	Grievance and Appeal Systems	80	80	100%	100%	80%
8	§438.230	Sub-contractual Relationships and Delegation	20	20	100%	100%	70%
9	§438.236	Practice Guidelines	12	12	100%	100%	83%
10	§438.242	Health Information Systems	22	22	100%	100%	100%
11	§438.330	QAPI Program	30	30	100%	100%	100%
12	§438.56	Disenrollment: Requirements and Limitations	2	2	100%	100%	100%
13	§438.100	Enrollee Rights	18	18	100%	100%	78%
14	§438.114	Emergency and Post-stabilization Services	16	16	100%	100%	100%
Total Points			330	330	100%	100%	85%

In an effort for DHCS to be fully compliant with all CMS requirements, the process commenced with the July 1, 2022-June 30, 2023 Audits & Investigations (A&I) medical audit cycle, with MCP scoring subsequently reflected in the External Quality Review Organization (EQRO) Technical Report.

REQUESTED ACTION

Receive and file the CMS Annual Compliance Audit and Investigations Standards Scores for CY2024 and refer to the KHS Board of Directors.

