



**KERN HEALTH
SYSTEMS**

**FINANCE COMMITTEE
MEETING**

Friday, June 4, 2021

at

8:00 a.m.

**Kern Health Systems
2900 Buck Owens Blvd.
1st Floor – Board Room
Bakersfield, CA 93308**

For more information, call (661) 664-5000

AGENDA

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, June 4, 2021

8:00 A.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 REMEMBER TO TURN OFF ALL CELL PHONES OR ELECTRONIC DEVICES
DURING MEETINGS.**

COMMITTEE TO RECONVENE

Members: Deats, Martinez, McGlew, Melendez, Rhoades

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

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))
- CA-3) Minutes for KHS Finance Committee meeting on April 9, 2021-
APPROVE
- 4) Report on Kern Health Systems investment portfolio for the first quarter ending March 31, 2021 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Proposed renewal and binding of insurance coverages for crime, excess crime, property, general liability, excess liability, sexual abuse, pollution, workers' compensation, fiduciary liability, cyber insurance, managed care errors and omissions, earthquake insurance, flood insurance and deadly weapon response program from July 1, 2021 through June 30, 2022 (Fiscal Impact: \$1,100,000 Estimated; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 6) Report from the Milliman actuary firm regarding capital reserves (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Agreement with Stria, LLC for on-site Claims mailroom functions and Optical Character Recognition services, from June 14, 2021 through June 14, 2024, in an amount not to exceed \$1,221,000 (Fiscal Impact: \$407,000 estimated annually; Budgeted)
APPROVE; REFER TO KHS BOARD OF DIRECTORS

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- 8) Proposed Agreement with PaySpan, Inc., for the provider payment services, from August 21, 2021 through August 21, 2024, in an amount not to exceed \$480,000 per three years (Fiscal Impact: \$160,000 estimated annually; Budgeted) – APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 9) Proposed Amendment to PMO Partners, LLC Agreement, for consulting services, from June 10, 2021 through July 30, 2021, in an amount not to exceed \$50,000 (Fiscal Impact: \$147,152 estimated annually; Budgeted) – APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 10) Proposed Retroactive Amendment No. 33 to Physician Services Agreement and Amendment No. 58 to Hospital and Other Facility Services Agreement with Kern Medical Center for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between the County of Kern and the California Department of Health Care Services (Fiscal Impact: None) – RETROACTIVE APPROVAL; REFER TO KHS BOARD OF DIRECTORS
- 11) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Kern Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Kern Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – RETROACTIVE APPROVAL; REFER TO KHS BOARD OF DIRECTORS
- 12) Proposed Retroactive Amendment to Hospital and Other Facility Services Agreement with Tehachapi Valley Hospital for Medi-Cal Managed Care Capitation Rate Range Increases pursuant to the Intergovernmental Agreement regarding the transfer of public funds between Tehachapi Valley Healthcare District and the California Department of Health Care Services (Fiscal Impact: None) – RETROACTIVE APPROVAL; REFER TO KHS BOARD OF DIRECTORS
- 13) Proposed 2021 Budget changes relating to Pharmacy, Hospital Directed Payments, Grants and the 2021 Capital Budget and 2021 Corporate Projects (Fiscal Impact to Net Position: Negative \$7,000,000; Not-Budgeted) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 14) Report on Kern Health Systems financial statements for February 2021, March 2021 and April 2021 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 15) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for February 2021, March 2021 and April 2021 and IT Technology Consulting Resources for the period ended April 30, 2021 (Fiscal Impact: None) – RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, AUGUST 6, 2021 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 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.

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, April 9, 2021

8:00 A.M.

COMMITTEE RECONVENED

Members: Deats, Martinez, McGlew, Melendez, Rhoades
ROLL CALL: 4 Present; 1 Absent – Rhoades

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

SUMMARY

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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 February 5, 2021-
APPROVED
Melendez-McGlew: 4 Ayes; 1 Absent - Rhoades

- 4) Report by Daniells Phillips Vaughan & Bock on the audited financial statements of Kern Health Systems for the year ending December 31, 2020 (Fiscal Impact: None) – NANCY BELTON AND SHANNON WEBSTER, DANIELLS PHILLIPS VAUGHAN & BOCK, HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Rhoades

- 5) Proposed Agreement with Office Ally, LLC, to process and submit electronic medical claims from providers and institutions directly to KHS, from April 15, 2021 through April 15, 2024, in an amount not to exceed \$0.23 per claim (Fiscal Impact: \$180,000 estimated annually; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Melendez-McGlew: 4 Ayes; 1 Absent - Rhoades

- 6) Report on Kern Health Systems financial statements for December 2020 and January 2021 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Rhoades

- 7) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for December 2020 and January 2021 and IT Technology Consulting Resources for the period ended December 31, 2020 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Melendez: 4 Ayes; 1 Absent - Rhoades

ADJOURN TO FRIDAY, JUNE 4, 2021 AT 8:00 A.M.



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

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; Refer to KHS Board of Directors.

**Kern Health Systems
Investment Portfolio
March 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) \$ 4,400,000	1.72%	100%		1 Day	None
Money Market Accounts	(A)	(1) \$ 86,600,000	33.91%	40%	0.03%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2) \$ 73,800,000	28.90%	50%	0.41%	2 Days	None
US T-Bills at Wells Fargo		(1) \$ 15,000,000	5.87%	100%	0.07%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1) \$ 21,500,000	8.42%		0.14%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 201,300,000	78.82%		0.18%		

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)	\$ 51,300,000	20.09%		0.36%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 2,800,000	1.10%		0.21%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 54,100,000	21.18%		0.35%		
Total Portfolio		\$ 255,400,000	100.00%		0.22%		

<u>Yield Curve</u>	<u>Yield Curve</u>			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>A Corporate Bonds</u>	<u>CD's</u>
1 year	0.05%	0.20%	0.22%	0.05%
2 year	0.15%	0.35%	0.40%	0.15%
3 year	0.31%	0.57%	0.65%	0.25%
5 year	0.84%	1.25%	1.35%	0.70%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
 - (B) LAIF is part of a \$127 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, municipal securities and US Treasury 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 and/or 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 2021 capital projects.



UBS Client Review

as of March 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	

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Portfolio review

as of March 31, 2021

Asset allocation review

	Value on 03/31/2021 (\$)	% of Portfolio
A Cash	64,899.46	0.13
Cash	64,899.46	0.13
US	64,899.46	0.13
B Fixed Income	51,225,389.92	99.87
US	51,225,389.92	99.87
Government	11,213,834.61	21.86
Municipals	2,494,210.59	4.86
Corporate IG Credit	37,517,344.72	73.15
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$51,290,289.38	100%

Balanced mutual funds are allocated in the 'Other' category



Portfolio value and investment results

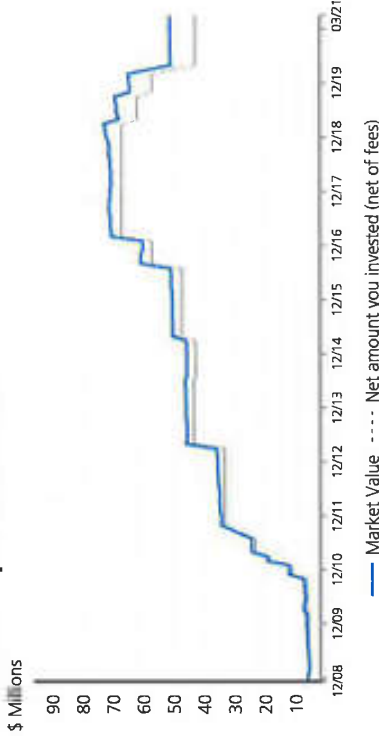
Performance returns (annualized > 1 year)

	For the period of		2019		2020	
	12/31/2020 to	12/31/2021	12/31/2018 to	12/31/2019	12/31/2019 to	12/31/2020
	03/31/2021	03/31/2021	12/31/2019	12/31/2020	12/31/2020	12/31/2020
Opening value	51,314,838.66	51,314,838.66	72,312,732.45	64,774,148.39		
Net deposits/withdrawals	-16,449.05	-16,449.05	-10,132,680.50	-14,501,724.78		
Div./interest income	158,305.49	158,305.49	1,519,927.03	1,016,268.55		
Change in accr. interest	35,203.97	35,203.97	-87,250.44	-103,279.91		
Change in value	-201,609.70	-201,609.70	1,161,419.85	129,426.41		
Closing value	51,290,289.38	51,290,289.38	64,774,148.39	64,774,148.39	51,314,838.66	51,314,838.66
Net Time-weighted ROR	-0.05	-0.05	3.61	1.78		

Net deposits and withdrawals include program and account fees.

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

Sources of portfolio value



Summary of gains and losses

	Short term (\$)	Long term (\$)	Total (\$)
2020 Realized gains and losses	23,642.27	224,416.40	248,058.67
Taxable	23,642.27	224,416.40	248,058.67
Tax-deferred	0.00	0.00	0.00
2021 Year to date	496.34	-3,893.84	-3,397.50
Taxable	496.34	-3,893.84	-3,397.50
Tax-deferred	0.00	0.00	0.00

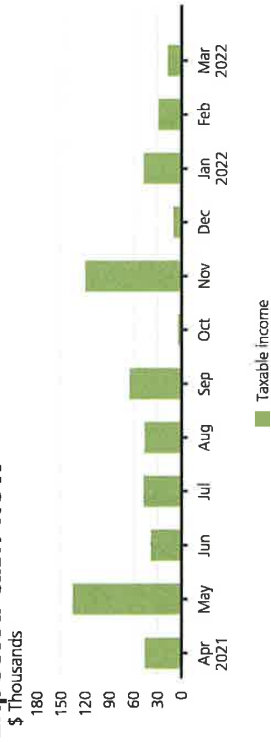
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: May 04, 2021



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

Expected cash flow



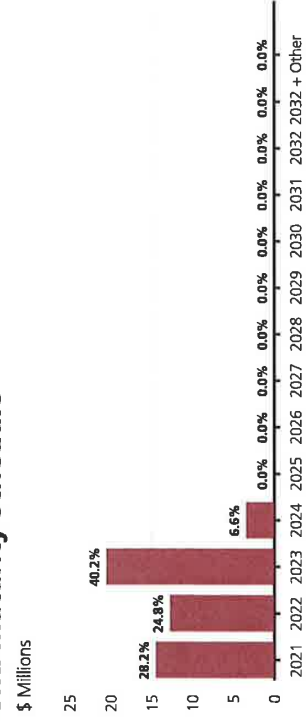
Total taxable income: **\$626,401.43**

Total expected cash flow: **\$626,401.43**

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

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

Bond maturity schedule



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

Equity sector analysis

Compared to S&P 500 index

	Value on 03/31/2021 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	11.50	-11.50
Consumer Discretionary	0.00	0.00	11.74	-11.74
Consumer Staples	0.00	0.00	6.78	-6.78
Energy	0.00	0.00	2.79	-2.79
Financials	0.00	0.00	11.40	-11.40
Health Care	0.00	0.00	12.62	-12.62
Industrials	0.00	0.00	8.08	-8.08
Information Technology	0.00	0.00	26.44	-26.44
Materials	0.00	0.00	2.77	-2.77
Real Estate	0.00	0.00	2.55	-2.55
Utilities	0.00	0.00	2.61	-2.61
Total classified equity	\$0.00			
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: May 04, 2021



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

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

Performance start date	Value on 03/31/2021 (\$)	% of portfolio	Performance returns (annualized > 1 year)			
			For the period of 12/31/2020 to 03/31/2021	2019 12/31/2019 to 12/31/2020	2020 12/31/2019 to 12/31/2020	Net time-weighted
Dec 08, 2008	51,290,289.38	100.00%	-0.05%	-0.05%	3.61%	1.78%
Dec 08, 2008	\$51,290,289.38	100%	-0.05%	-0.05%	3.61%	1.78%
Total Portfolio						
Benchmarks - Annualized time-weighted returns						
Blended Index			For the period of 12/31/2020 to 03/31/2021	2019 12/31/2019 to 12/31/2020	2020 12/31/2019 to 12/31/2020	
Blended Index 2			-0.03%	8.87%	3.56%	
US Treasury Bill - 3 Mos			0.01%	3.53%	2.30%	
Barclays US Agg 1-3Y			0.02%	2.21%	0.54%	
S&P 500			-0.07%	4.04%	3.08%	
			6.17%	31.49%	18.40%	

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 Tfs Note, 40% BofA US Corp 1-3Y A-AAA, 30% US Treasury Bill - 3 Mos
 +Additional benchmark information can be found on the benchmark composition page.
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: May 04, 2021



Asset allocation by account

as of March 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 (\$/%)			Total		
	Cash (\$/%)		U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)		Other (\$/%)	
Total Portfolio	64,899.46	0.13	0.00	0.00	0.00	51,225,389.92	0.00	0.00	0.00	0.00	\$51,290,289.38	100%

64,899.46	0.00	0.00	0.00	0.00	0.00	51,225,389.92	0.00	0.00	0.00	0.00	0.00	0.00
0.13	0.00	0.00	0.00	0.00	0.00	99.87	0.00	0.00	0.00	0.00	0.00	0.00

EX XX120 • BOND PORTFOLIO - BSA PMP

Risk profile: Conservative
 Return objective: Current Income

	Equities (\$/%)		Fixed Income (\$/%)				Commodities (\$/%)			Total		
	Cash (\$/%)		U.S.	Global	International	U.S.	Global	International	Non-Traditional (\$/%)		Other (\$/%)	
Total Portfolio	64,899.46	0.13	0.00	0.00	0.00	51,225,389.92	0.00	0.00	0.00	0.00	\$51,290,289.38	100%

Balanced mutual funds are allocated in the 'Other' category



Asset allocation review

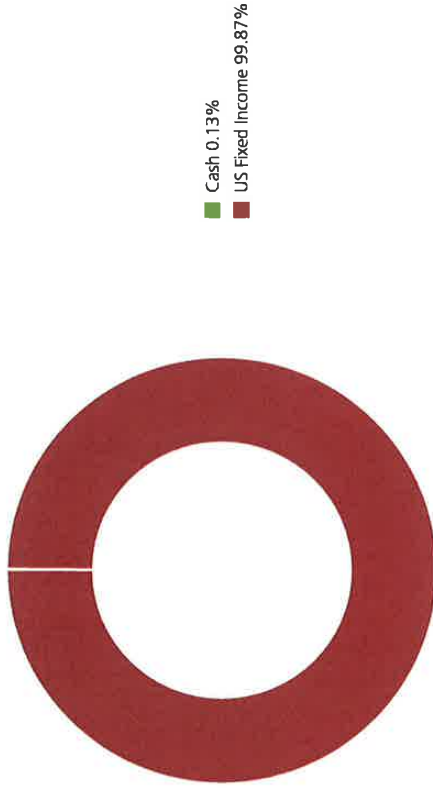
as of March 31, 2021

Summary of asset allocation

	Market value (\$)	% of Portfolio
Cash	64,899.46	0.13
Cash	64,899.46	0.13
US	64,899.46	0.13
Fixed Income	51,225,389.92	99.87
US	51,225,389.92	99.87
Government	11,213,834.61	21.86
Municipals	2,494,210.59	4.86
Corporate IG Credit	37,517,344.72	73.15
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
Total Portfolio	\$51,290,289.38	100%

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



■ Cash 0.13%
 ■ US Fixed Income 99.87%



Bond summary

as of March 31, 2021

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

Bond overview

Total quantity	50,442,000
Total market value	\$51,009,111.33
Total accrued interest	\$216,278.59
Total market value plus accrued interest	\$51,225,389.92
Total estimated annual bond interest	\$775,490.80
Average coupon	1.55%
Average current yield	1.52%
Average yield to maturity	0.49%
Average yield to worst	0.36%
Average modified duration	1.16
Average effective maturity	1.58

Credit quality of bond holdings

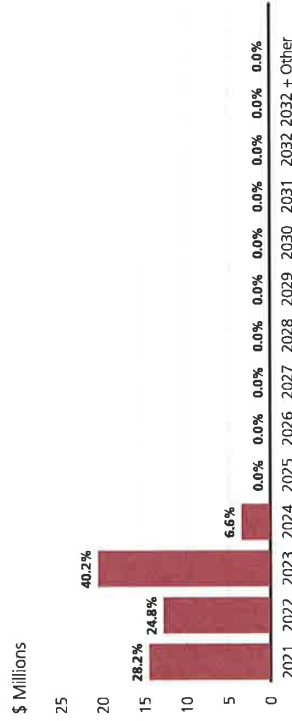
Effective credit rating	Issues	Value on 03/31/2021 (\$)	% of port.
A Aaa/AAA/AAA	7	11,749,280.79	23.00
B Aa/AA/AA	5	6,971,163.20	13.61
C A/A/A	21	29,992,487.65	58.49
D Baa/BBB/BBB	2	2,512,458.28	4.90
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	0	0.00	0.00
Total	35	\$51,225,389.92	100%



Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Municipals	2,494,210.58	0.00	2,494,210.58	4.87
U.S. corporates	37,517,344.72	0.00	37,517,344.72	73.24
U.S. federal agencies	11,213,834.61	0.00	11,213,834.61	21.89
Total	\$51,225,389.91	\$0.00	\$51,225,389.91	100%

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: May 04, 2021



Bond holdings

as of March 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	9	14,318,000	333,993.75	2.32%	0.61%	0.40%	0.27	14,282,154.07	109,672.42	14,481,694.71	28.21%
2022	9	12,474,000	227,069.05	1.79%	0.37%	0.29%	0.94	12,591,131.25	103,124.09	12,759,230.84	24.89%
2023	12	20,450,000	124,028.00	0.60%	0.43%	0.31%	1.62	20,528,445.97	-7,702.47	20,558,662.74	40.23%
2024	5	3,200,000	90,400.00	2.66%	0.84%	0.76%	3.00	3,423,715.93	-21,429.93	3,475,801.62	6.67%
2025	0	0	0		NA	NA	NA				
2026	0	0	0		NA	NA	NA				
2027	0	0	0		NA	NA	NA				
2028	0	0	0		NA	NA	NA				
2029	0	0	0		NA	NA	NA				
2030	0	0	0		NA	NA	NA				
2031	0	0	0		NA	NA	NA				
2032	0	0	0		NA	NA	NA				
2033	0	0	0		NA	NA	NA				
2034	0	0	0		NA	NA	NA				
2035	0	0	0		NA	NA	NA				
2036	0	0	0		NA	NA	NA				
2037	0	0	0		NA	NA	NA				
2038	0	0	0		NA	NA	NA				
2039	0	0	0		NA	NA	NA				
2040	0	0	0		NA	NA	NA				
2041	0	0	0		NA	NA	NA				
2042	0	0	0		NA	NA	NA				
2043	0	0	0		NA	NA	NA				
2044	0	0	0		NA	NA	NA				
2045	0	0	0		NA	NA	NA				
2046	0	0	0		NA	NA	NA				
2047	0	0	0		NA	NA	NA				
2048	0	0	0		NA	NA	NA				
2049	0	0	0		NA	NA	NA				
2050	0	0	0		NA	NA	NA				
2050 +	0	0	0		NA	NA	NA				
Other	0	0	0		NA	NA	NA				
Total	35	50,442,000	\$775,490.80	1.52%	0.49%	0.36%	1.16	\$50,825,447.22	\$183,664.11	\$51,225,389.92	

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: May 04, 2021



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

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

Details of bond holdings

Underlying 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.
Total Bond Portfolio	50,442,000	1.55%	10/30/2022	NA	\$775,490.80 1.52%	0.49% 1.16	\$50,825,447.2 \$183,664.11	NA	\$51,009,111.33 \$216,278.59	100% 100%
Total	14,318,000	2.33%	07/22/2021		\$333,993.75 2.32%	0.61% 0.40%	\$14,282,154.0 \$109,672.42		\$14,391,826.49 \$89,868.22	28.21%
Maturing 2021										
BANK OF AMER CORP 02.625% 041921 DTD041916 FC101916 CALL@MW+25BP	3,143,000	2.63%	04/19/2021		82,503.75 2.62%	0.76% 0.76%	3,146,015.77 -92.78	100.093	3,145,922.99 37,126.69	6.17%
GENL DYNAMICS CORP NTS FC11118 CALL@MW+10BP	1,000,000	3.00%	05/11/2021		30,000.00 2.99%	0.50% 0.50%	994,790.00 7,980.00	100.277	1,002,770.00 11,666.67	1.97%
LAM RESEARCH CORP NTS 2.800% 061521 DTD060716 FC121516 CALL@MW+25BP	2,000,000	2.80%	06/15/2021	05/15/2021 100.00	56,000.00 2.79%	1.45% 0.54%	2,007,429.14 -1,929.14	100.275	2,005,500.00 16,488.89	3.93%
CATERPILLAR FINANCIAL SE 01.700% 080921 DTD080916 FC020917 NTS B/E	2,000,000	1.70%	08/09/2021		34,000.00 1.69%	0.17% 0.17%	1,984,080.00 26,800.00	100.544	2,010,880.00 4,911.11	3.94%
LOS ANG CAL TAX SR A BE/R/ 2.150 090121 DTD 122116 /CA Aa2/NRNR	1,000,000	2.15%	09/01/2021		21,500.00 2.13%	0.31% 0.31%	994,250.00 13,410.00	100.766	1,007,660.00 1,791.67	1.98%
ORACLE CORP NTS B/E 01.900% 091521 DTD070716 FC031517 CALL@MW+15BP	1,425,000	1.90%	09/15/2021	08/15/2021 100.00	27,075.00 1.89%	0.61% 0.32%	1,399,934.25 33,416.25	100.586	1,433,350.50 1,203.33	2.81%
NVIDIA CORP NTS B/E 2.200% 091621 DTD091616 FC031617 CALL@MW+15BP	1,300,000	2.20%	09/16/2021	08/16/2021 100.00	28,600.00 2.18%	0.60% 0.25%	1,309,404.38 72.62	100.729	1,309,477.00 1,191.67	2.57%
CISCO SYSTEMS INC B/E 01.850% 092021 DTD092016 FC032017 CALL@MW+10BP	1,000,000	1.85%	09/20/2021	08/20/2021 100.00	18,500.00 1.84%	0.48% 0.18%	993,660.00 12,770.00	100.643	1,006,430.00 565.28	1.97%
MISSISSIPPI ST TAX SR G BE/R/ 2.470 110121 DTD 120815 Aa2/AAANR	1,450,000	2.47%	11/01/2021		35,815.00 2.44%	0.12% 0.12%	1,452,590.53 17,245.47	101.368	1,469,836.00 14,922.92	2.88%

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: May 04, 2021



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

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

	Effective rating/ Underlying rating (Moody/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.
Maturing 2022											
PEPSICO INC NTS B/E 02.250%	A1/WD/A+	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50 2.21%	0.39% 0.24%	1,087,301.16 23,598.63	102.011	1,110,899.79 10,141.31	2.18%
050222 DTD050217 FC110217 CALL@MW+10BP	NR/NR/R				100.00						
CATERPILLAR FINL SERVICE	A3/A/A	1,500,000	0.95%	05/13/2022		14,250.00 0.94%	0.24% 0.24%	1,504,242.64 7,697.36	100.796	1,511,940.00 5,462.50	2.96%
00.950% 051322 DTD051520 FC111320 CALL@MW+15BP	NR/NR/R										
IBM CORP NTS B/E 02.850%	A2/M/D/A	1,500,000	2.85%	05/13/2022		42,750.00 2.77%	0.29% 0.29%	1,543,771.84 -1,051.84	102.848	1,542,720.00 16,150.00	3.02%
051322 DTD051519 FC111519 CALL@MW+10BP	NR/NR/R										
QUALCOMM INC NTS B/E 03.000%	A2/NR/A-	1,000,000	3.00%	05/20/2022		30,000.00 2.91%	0.29% 0.29%	1,007,019.47 23,710.53	103.073	1,030,730.00 10,916.67	2.02%
052022 DTD052015 FC112015 CALL@MW+15BP	NR/NR/R										
UNITEDHEALTH GROUP INC	A3/A/A+	1,700,000	3.35%	07/15/2022		56,950.00 3.23%	0.37% 0.37%	1,765,987.24 -1,013.24	103.822	1,764,974.00 12,022.78	3.46%
03.350% 071522 DTD072315 FC011516 CALL@MW+20BP	NR/NR/R										
FHLMC MED TERM NTS 00.310 %	Aaa/AAA/R	2,000,000	0.31%	08/19/2022	05/19/2021	6,200.00 0.31%	0.30% 0.19%	1,999,500.00 820.00	100.016	2,000,320.00 2,273.33	3.92%
DUF 081922 DTD 051920 FC 11192020	NR/NR/R				100.00						
HONEYWELL INTL INC NTS	A2/A/A	1,000,000	0.48%	08/19/2022	08/19/2021	4,830.00 0.48%	0.42% 0.24%	1,001,331.32 -411.32	100.092	1,000,920.00 563.50	1.96%
00.483% 081922 DTD081920 FC021921 CALL@MW+5BP	NR/NR/R				100.00						
WALT DISNEY CO NTS B/E 01.650%	A2/A-/BBB+	2,300,000	1.65%	09/01/2022		37,950.00 1.62%	0.35% 0.35%	2,290,501.00 51,773.00	101.838	2,342,274.00 3,162.50	4.59%
090122 DTD090619 FC030120 BANK OF AMER CORP 02.503%	NR/NR/R										
102122 DTD102116 FC042117 CALL@MW+20BP	A2/A/A-	385,000	2.50%	10/21/2022	10/21/2021	9,636.55 2.47%	1.74% 0.40%	391,476.58 -1,999.03	101.163	389,477.55 4,282.91	0.76%
	NR/NR/R				100.00						
Total 2022		12,474,000	1.83%	07/09/2022		\$227,069.05	0.37%	\$12,591,131.2	0.94	\$12,694,255.34	24.89%
						1.79%	0.29%	\$103,124.09		\$64,975.50	

	Effective rating/ Underlying rating (Moody/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.
Maturing 2023											
JPMORGAN CHASE & CO NTS	A2/AA-/A-	1,150,000	2.97%	01/15/2023	01/15/2022	34,178.00 2.91%	1.82% 0.41%	1,177,929.32 -4,779.82	102.013	1,173,149.50 7,215.36	2.30%
02.972% 011523 DTD120816 FC071517 CALL@MW+20BP	NR/NR/R				100.00						
PEPSICO INC NTS B/E 00.750%	A1/WD/A+	1,500,000	0.75%	05/01/2023		11,250.00 0.74%	0.29% 0.29%	1,513,606.82 763.18	100.958	1,514,370.00 4,687.50	2.97%
050123 DTD050120 FC110120 CALL@MW+10BP	NR/NR/R										
APPLE INC NTS B/E 00.750%	Aa1/NR/AA+	3,000,000	0.75%	05/11/2023		22,500.00 0.74%	0.27% 0.27%	3,027,174.29 2,975.71	101.005	3,030,150.00 8,750.00	5.94%
051123 DTD051120 FC111120 CALL@MW+10BP	NR/NR/R										

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 Report created on: May 04, 2021



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

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

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / Modified duration	Adjusted cost basis (\$)/ Unreal. gl (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023											
FNMA NTS 00.475 % DUE 06/16/23 DTD 06/16/20 FC 12/16/20	Aaa/AAA/AA+	2,000,000	0.47%	06/16/2023	06/16/2021	9,500.00 0.47%	0.45% 0.20	2,000,000.00	100.056	2,001,120.00	3.92%
JOHN DEERE CPIL CORP 00.700% 070523 DTD060420 FC010521	NR/NR	1,000,000	0.70%	07/05/2023	100.00	7,000.00 0.69%	0.21% 2.23	1,120.00 1,007,778.20	100.770	1,007,700.00	1.98%
PACCAR FINANCIAL CORP 00.350% 08/11/23 DTD081120 FC021121 MED TERM NTS	A1/NR/A+	2,000,000	0.35%	08/11/2023		7,000.00 0.35%	0.40% 0.40%	2,000,000.00 -2,460.00	99.877	1,997,540.00	3.92%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	NR/NR/A+	600,000	0.40%	10/07/2023		2,400.00 0.40%	0.27% 2.49	602,558.97 -560.97	100.333	601,998.00	1.18%
FFCB BOND 00.290 % DUE 11/02/23 DTD 11/02/20 FC 05022021	NR/AAA/AA+	2,000,000	0.29%	11/02/2023	11/02/2021	5,800.00 0.29%	0.27% 2.57	1,998,818.00 -1,478.00	99.867	1,997,340.00	3.92%
FHLMC MED TERM NTS 00.350 % DUE 11/13/23 DTD 08/13/20 FC 11132020	NR/NR	1,200,000	0.35%	11/13/2023	05/13/2021	4,200.00 0.35%	0.34% 0.11	1,199,580.00 576.00	100.013	1,200,156.00	2.35%
FANNIE MAE NTS 00.310 % DUE 11/16/23 DTD 11/16/20 FC 05162021	Aaa/AAA/AA+	2,000,000	0.31%	11/16/2023	11/16/2022	6,200.00 0.31%	0.29% 1.61	1,999,800.00	100.054	2,001,080.00	3.92%
BANK OF NY MELLON CORP 00.350% 12/07/23 DTD120720 FC060721 NTS B/E	NR/NR	2,000,000	0.35%	12/07/2023	11/07/2023	7,000.00 0.35%	0.28% 2.66	1,280.00 2,001,200.37	99.792	1,995,840.00	3.91%
FHLMC NTS 00.350 % DUE 12/11/23 DTD 12/11/20 FC 06112021	Aaa/AAA/AA+	2,000,000	0.35%	12/11/2023	06/11/2021	7,000.00 0.35%	0.34% 0.19	2,000,000.00 300.00	100.015	2,000,300.00	3.92%
Total 2023		20,450,000	0.61%	08/19/2023		\$124,028.00	0.43%	\$20,528,445.9		\$20,520,743.50	40.23%
						0.60%	0.31%	\$-7,702.47		\$37,919.24	
Maturing 2024											
US BANCORP MED TERM NTS 03.375% 02/05/24 DTD020419 FACTOR 1.000000000000	A1/A+/A+	300,000	3.38%	02/05/2024	01/05/2024	10,125.00 3.14%	0.66% 2.63	324,228.29	107.634	322,902.00	0.63%
MICROSOFT CORP NTS B/E 02.875% 02/06/24 DTD020617 FC080617 CALL@MMW+12.58P	Aaa/AA+/AAA	500,000	2.88%	02/06/2024	12/06/2023	14,375.00 2.70%	0.52% 0.38%	534,023.39 -773.39	106.650	533,250.00	1.05%
APPLE INC NTS B/E 2.850% 05/11/24 DTD051117 FC111117 CALL@MMW+12.58P	Aa1/NR/AA+	400,000	2.85%	05/11/2024	03/11/2024	11,400.00 2.67%	0.68% 2.83	429,548.72 -2,924.72	106.656	426,624.00	0.84%
BB&T CORP NTS B/E 02.500% 080124.DTD072919 FC020120	A3/A/A-	1,000,000	2.50%	08/01/2024	07/01/2024	25,000.00 2.37%	0.89% 3.11	1,064,166.85 -11,416.85	105.275	1,052,750.00	2.06%

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 March 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.
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MMW+158P	1,000,000	2.95%	11/15/2024	09/15/2024 100.00	29,500.00 2.77%	1.07% 0.98%	3.29	1,071,748.68 -4,988.68	106.676	1,066,760.00 11,144.44	2.09%
Total 2024	3,200,000	2.83%	07/11/2024		\$90,400.00 2.66%	0.84% 0.76%	3.00	\$3,423,715.93 \$-21,429.93		\$3,402,286.00 \$23,515.62	6.67%
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.
Total Bond Portfolio	50,442,000	1.55%	10/30/2022	NA	\$775,490.80 1.52%	0.49% 0.36%	1.16	\$50,825,447.2 \$183,664.11	NA	\$51,009,111.33 \$216,278.59	100%
										\$51,225,389.92	

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: May 04, 2021



EX XX120 • BOND PORTFOLIO • Portfolio Management Program
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Additional information about your portfolio

as of March 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 "IID") 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 indexes. 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.

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 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 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



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

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 from the first day to the last day of the period. On Client 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 'W' 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.

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 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.

Purchasable 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



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

weekly basis to UBS FS based on data supplied by the holder of the 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 UITS.

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 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 advisors 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.

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 "0" 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.

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 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 advisors 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.

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

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.

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Kern Health Systems

Account Number: EBXXXX20

Filtered by: Entry Date 01/01/2021-03/31/2021, Call/Redemption

Your Financial Advisor:
THE COHEN GROUP
Phone: 661-663-3006/60-628-8022

Entry Date/Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
03/01/21	CALL REDEMPTION	BURLINGTON NTHN SANTA FE 4.100% 060121 DTD051911	629KN1	1,000,000.00	REDEMPTION	1,000,000.00
02/18/21	CALL REDEMPTION	JPMORGAN CHASE & CO NTS 2.550% 030121 DTD030116	731H11	1,000,000.00	REDEMPTION	1,000,000.00
01/13/21	CALL REDEMPTION	WELLS FARGO NATL B NV US RT 01.6500% MAT 01/13/21	N400Q1	200,000.00	REDEMPTION	200,000.00
01/13/21	CALL REDEMPTION	FECB BOND 01.580 % DUE 011322	FE4EJ5	1,100,000.00	REDEMPTION	1,100,000.00

Entry Date/Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
03/08/21	BOUGHT	ORACLE CORP NTS B/E 02.950% 111524 DTD110917	813DK7	1,000,000.00	\$107.294	-1,082,363.61
02/22/21	BOUGHT	BB&T CORP NTS B/E 02.500% 080124 DTD072919	686MT3	1,000,000.00	\$106.618	-1,067,777.22
01/15/21	BOUGHT	MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617	773EL1	500,000.00	\$107.299	-543,043.61
01/15/21	BOUGHT	APPLE INC NTS B/E 2.850% 051124 DTD051117	855588	400,000.00	\$107.878	-433,697.00
01/15/21	BOUGHT	US BANCORP MED TERM NTS 03.375% 020524 DTD020415 821H18		300,000.00	\$108.663	-330,629.63

Filtered by: Entry Date 01/01/2021-03/31/2021, Bought

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.

The information is based upon the market value of your account(s) as of the close of business on **March 31, 2021**, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmation 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
03/01/2021 - 03/31/2021

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

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	30,049,776.36	86,541,860.19	69%
Bonds	110,015,090.36	39,394,661.53	31%
Stocks	0.00	0.00	0%
Total Account Value	\$ 140,064,866.72	\$ 125,936,521.72	100%
Value Change Since Last Statement Period	\$ (14,128,345.00)		10%
Value Last Year-End		\$ 119,017,553.90	6%
Percent Increase Since Last Year-End			6%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 18,304.16	\$ 65,705.58
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	1,333.25	2,178.38
Other	0.00	0.00
Income Total	\$ 19,637.41	\$ 67,883.96

Interest Charged USD

Description	This Period
Debit Interest For March 2021	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 30,049,776.36
Deposits and Other Additions	264,018,416.66
Distributions and Other Subtractions	(207,527,666.08)
Dividends Reinvested	1,333.25
Change in Value	0.00
Closing Balance	\$ 86,541,860.19

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. The 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 "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 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 (1-800-288-9999) or the FINRA website (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 240.915c(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 taking 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/com/securities/regulatory>.

Equity Extended Hours Trading: See important information relating to equities trading before and after regular trading hours at: www.wellsfargo.com/com/securities/regulatory.

Equity Open Orders: Open orders will remain in effect until executed or canceled 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 or obligations of the Federal Deposit Insurance Corporation ("FDIC"), 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, statement 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
wiscustomerservice@wellsfargo.com

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. International callers should call 1-877-856-8878. 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: ~~XXXXXXXXXX~~

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
Bonds USD								
13063DGA0	CALIFORNIA ST TXBL	04/01/21	2.800%	5,000,000.000	100.0000	5,000,000.00		N
9127964X4	UNITED STATES TREASURY BILL	04/08/21	0.000%	15,000,000.000	99.9999	14,999,985.00		
91411SRC6	UNIVERSITY OF CALIFORNIA	04/12/21	0.000%	2,325,000.000	99.9963	2,324,914.67		
50000DRD0	KOCH INDUSTRIES INC DISCOUNTED COMMERCIAL PAPER	04/13/21	0.000%	3,000,000.000	99.9976	2,999,927.43		
149123BV2	CATERPILLAR INC	05/27/21	3.900%	1,000,000.000	100.5314	1,005,313.98		N
91324PDG4	UNITEDHEALTH GROUP INC	06/15/21	0.444%	3,150,000.000	100.0355	3,151,118.12		N
24422ERE1	JOHN DEERE CAPITAL CORP	07/12/21	3.900%	1,000,000.000	100.9642	1,009,642.04		N
542433VG9	LONG BEACH CA UNIF SCH DIST ELECTION OF 2008-SER F	08/01/21	5.000%	2,000,000.000	101.5847	2,031,694.00		N
89236TGS8	TOYOTA MOTOR CREDIT CORP	08/13/21	0.319%	3,000,000.000	100.0388	3,001,163.73		N
13063DQA9	CALIFORNIA ST REF	10/01/21	5.000%	1,065,000.000	102.4044	1,090,606.54		N
747525AE3	QUALCOMM INC	05/20/22	3.000%	500,000.000	103.0730	515,365.12		N
94988J5W3	WELLS FARGO BANK NA	05/27/22	0.810%	1,750,000.000	100.0901	1,751,576.75		Y
74460DAB5	PUBLIC STORAGE	09/15/22	2.370%	500,000.000	102.6708	513,354.15		Y
				39,290,000.000		39,394,661.53	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
03/10/21	03/12/21	Security Receipt	13063DGA0	CALIFORNIA ST TXBL	5,000,000.00	100.1420000	(5,007,100.00)	(62,611.11)	(5,069,711.11)
03/16/21	03/16/21	Security Receipt	91411SRC6	UNIVERSITY OF CALIFORNIA	2,325,000.00	99.9910000	(2,324,790.75)	0.00	(2,324,790.75)
03/17/21	03/17/21	Security Receipt	22546QAR8	CREDIT SUISSE NEW YORK	2,000,000.00	101.7220000	(2,034,440.00)	(23,000.00)	(2,057,440.00)
03/16/21	03/17/21	Security Receipt	50000DRD0	KOCH INDUSTRIES INC DISCOUNTED	3,000,000.00	99.9962500	(2,999,887.50)	0.00	(2,999,887.50)
03/18/21	03/22/21	Security Receipt	74460DAB5	PUBLIC STORAGE	500,000.00	102.9370000	(514,685.00)	(230.42)	(514,915.42)
03/18/21	03/22/21	Security Receipt	747525AE3	QUALCOMM INC	500,000.00	103.1460000	(515,730.00)	(5,083.33)	(520,813.33)
03/18/21	03/22/21	Security Receipt	94988J5W3	WELLS FARGO BANK NA	1,750,000.00	100.1220000	(1,752,135.00)	(944.71)	(1,753,079.71)
03/23/21	03/25/21	Security Receipt	149123BV2	CATERPILLAR INC	1,000,000.00	100.8400000	(1,006,400.00)	(12,783.33)	(1,019,183.33)

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

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
Transaction Activity USD									
03/23/21	03/25/21	Security Receipt	91324PDG4	UNITEDHEALTH GROUP INC	3,150,000.00	100.06600000	(3,152,079.00)	(388.39)	(3,152,467.39)
03/25/21	03/29/21	Security Receipt	13063DQAA9	CALIFORNIA ST REF	1,065,000.00	102.48600000	(1,091,475.90)	(26,329.17)	(1,117,805.07)
03/29/21	03/29/21	Security Receipt	542433VG9	LONG BEACH CA UNIF SCH DIST	2,000,000.00	101.66600000	(2,033,320.00)	(16,111.11)	(2,049,431.11)
03/29/21	03/31/21	Security Delivery	22546QAR8	CREDIT SUISSE NEW YORK	(2,000,000.00)	101.48200000	2,029,640.00	25,333.33	2,054,973.33
03/29/21	03/31/21	Security Receipt	89236TGS8	TOYOTA MOTOR CREDIT CORP	3,000,000.00	100.06200000	(3,001,860.00)	(1,142.19)	(3,003,002.19)
03/30/21	04/01/21	Security Receipt	369550BE7	GENERAL DYNAMICS CORP	1,500,000.00	100.31500000	(1,504,725.00)	(17,500.00)	(1,522,225.00)
03/31/21	04/05/21	Security Receipt	0258M0EG0	AMERICAN EXPRESS CREDIT	3,000,000.00	102.06700000	(3,062,010.00)	(7,200.00)	(3,069,210.00)
Income / Payment Activity USD									
03/09/21	03/09/21	Matured	313385CV6	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
03/10/21	03/10/21	Matured	91412GF59	UNIV OF CALIFORNIA CA REVENUES			3,000,000.00		3,000,000.00
03/10/21	03/10/21	Interest	91412GF59	UNIV OF CALIFORNIA CA REVENUES				18,304.16	18,304.16
03/15/21	03/15/21	Matured	29101AQF4	EMERSON ELECTRIC CO 4(2)			3,000,000.00		3,000,000.00
03/17/21	03/17/21	Matured	50000DQH2	KOCH INDUSTRIES INC DISCOUNTED			3,000,000.00		3,000,000.00
03/18/21	03/18/21	Matured	9127964N6	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00
03/23/21	03/23/21	Matured	313385DK9	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
03/30/21	03/30/21	Matured	313385DS2	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
03/30/21	03/30/21	Matured	30229AQW2	EXXON MOBIL CORP DISCOUNTED			5,000,000.00		5,000,000.00

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
03/02/21	03/02/21	ACH/DDA Transaction	DESIGNATED DDA	30,000,000.00	
03/09/21	03/09/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
03/10/21	03/10/21	ACH/DDA Transaction	DESIGNATED DDA		65,000,000.00
03/10/21	03/10/21	ACH/DDA Transaction	DESIGNATED DDA		65,000,000.00
03/16/21	03/16/21	ACH/DDA Transaction	DESIGNATED DDA	25,000,000.00	
03/17/21	03/17/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
03/22/21	03/22/21	ACH/DDA Transaction	DESIGNATED DDA	3,000,000.00	
03/23/21	03/23/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
03/24/21	03/24/21	ACH/DDA Transaction	DESIGNATED DDA	23,000,000.00	
03/30/21	03/30/21	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	

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

Money Market Fund Activity

Morgan Stan TreasSvc 8314						
*As of March 31, 2021						
USD			Dividend paid this period	7 day* simple yield	30 day* simple yield	Share Balance
			0.00	0.010%	0.010%	12.50000
						12.50000

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	12.50		12.50000
	Ending Balance		1.0000	12.50		12.50000

Goldman FS Tr Ob Ins 468						
*As of March 31, 2021						
USD			Dividend paid this period	7 day* simple yield	30 day* simple yield	Share Balance
			452.49	0.030%	0.030%	49,607.71000

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	49,607.71		49,607.71000
03/01/21	Reinvest	452.49000				50,060.20000
03/09/21	Purchase	20,000.000000		20,000,000.00	452.49	20,050,060.20000
03/09/21	Redemption	(20,000.000000)		(20,000,000.00)		50,060.20000
03/10/21	Purchase	3,018.30416000		3,018,304.16		3,068,364.36000
03/10/21	Purchase	65,000.000000		65,000,000.00		68,068,364.36000
03/12/21	Redemption	(5,069,711.11000)		(5,069,711.11)		62,998,653.25000
03/15/21	Purchase	3,000.000000		3,000,000.00		65,998,653.25000
03/16/21	Redemption	(2,324,790.75000)		(2,324,790.75)		63,673,862.50000
03/17/21	Purchase	112.50000		112.50		63,673,975.00000
03/17/21	Redemption	(2,057,440.00000)		(2,057,440.00)		61,616,535.00000
03/17/21	Redemption	(3,000.000000)		(3,000,000.00)		58,616,535.00000
03/18/21	Purchase	20,000.000000		20,000,000.00		78,616,535.00000
03/22/21	Redemption	(2,788,808.46000)		(2,788,808.46)		75,827,726.54000
03/22/21	Redemption	(3,000.000000)		(3,000,000.00)		72,827,726.54000
03/23/21	Purchase	20,000.000000		20,000,000.00		92,827,726.54000
03/23/21	Redemption	(20,000.000000)		(20,000,000.00)		72,827,726.54000
03/24/21	Purchase	23,000.000000		23,000,000.00		95,827,726.54000
03/24/21	Redemption	(23,000.000000)		(23,000,000.00)		72,827,726.54000
03/24/21	Redemption	(23,000.000000)		(23,000,000.00)		49,827,726.54000
03/25/21	Redemption	(4,171,650.72000)		(4,171,650.72)		45,656,075.82000
03/29/21	Redemption	(3,167,236.18000)		(3,167,236.18)		42,488,839.64000
03/29/21	Purchase	20,000.000000		20,000,000.00		62,488,839.64000
03/29/21	Redemption	(20,000.000000)		(20,000,000.00)		42,488,839.64000
03/30/21	Purchase	25,000.000000		25,000,000.00		67,488,839.64000

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

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
03/30/21	Redemption	(20,000,000.00000)		(20,000,000.00)		47,488,839.64000
03/31/21	Redemption	(948,028.86000)		(948,028.86)		46,540,810.78000
	Ending Balance		1.0000	46,540,810.78		46,540,810.78000
JPMorgan UST Plus Inst 3918						
*As of March 31, 2021						
USD						
			Dividend paid this period	7 day* simple yield	30 day* simple yield	
			880.76	0.020%	0.020%	
Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	30,000,156.15		30,000,156.15000
03/01/21	Reinvest	880.76000			880.76	30,001,036.91000
03/02/21	Redemption	(30,000,000.00000)		(30,000,000.00)		1,036.91000
03/10/21	Purchase	65,000,000.00000		65,000,000.00		65,001,036.91000
03/16/21	Redemption	(25,000,000.00000)		(25,000,000.00)		40,001,036.91000
	Ending Balance		1.0000	40,001,036.91		40,001,036.91000



PMIA/LAIF Performance Report as of 04/15/21



PMIA Average Monthly Effective Yields⁽¹⁾

Mar	0.357
Feb	0.407
Jan	0.458

Quarterly Performance Quarter Ended 03/31/21

LAIF Apportionment Rate ⁽²⁾ :	0.44
LAIF Earnings Ratio ⁽²⁾ :	0.00001214175683392
LAIF Fair Value Factor ⁽¹⁾ :	1.001269853
PMIA Daily ⁽¹⁾ :	0.35%
PMIA Quarter to Date ⁽¹⁾ :	0.41%
PMIA Average Life ⁽¹⁾ :	220

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 03/31/21 \$126.7 billion

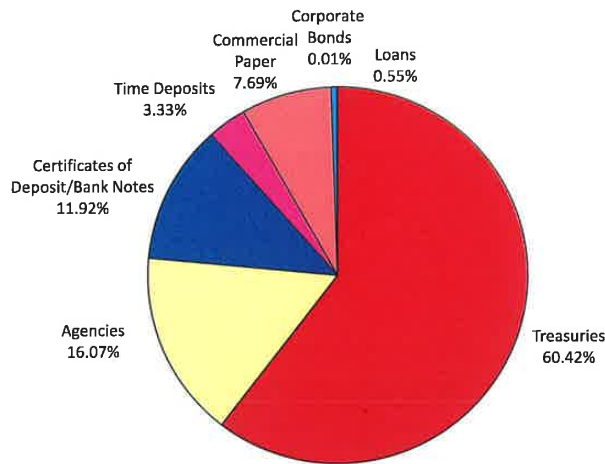


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



To: KHS Finance Committee
From: Robert Landis, CFO
Date: June 4, 2021
Re: Analysis of Insurance Renewals

Background

KHS carries and seeks to renew and bind the following insurance coverages:

- Crime
- Excess Crime
- Property
- Liability
- Excess Liability
- Sexual Abuse Coverage
- Pollution Liability Coverage
- Workers' Compensation
- Fiduciary Liability
- Cyber Liability
- Managed Care Errors and Omissions Liability Insurance
- Earthquake Insurance
- Flood Insurance
- Alliant Deadly Weapon Response Program

KHS utilizes Alliant Insurance Services (“Alliant”) as its insurance agent to access the insurance carrier market and perform the day to day servicing of the account. Alliant has provided early indications for the expiring coverage. It is recommended that Kern Health Systems renew coverages as outlined below.

• **Crime Insurance**

Crime insures against employee theft of money and other property along with faithful performance of duty, forgery, robbery and safe burglary, computer fraud, funds transfer fraud and other social engineering. KHS Employee benefits plans are also covered for theft of funds. This coverage meets the DMHC requirement. Management recommends a renewal of the crime insurance policy.

- National Union Fire Insurance Company of Pittsburgh, PA (AIG)
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2021 through June 30, 2022
- Limits: \$10,000,000
- Deductible: \$2,500
- Annual Premium: \$10,314.
- Prior year's premium was \$9,823.

No claims were filed last year.

- **Excess Crime Insurance**

KHS has additional Crime coverage limits of \$5,000,000 in excess over the above crime insurance. Management recommends renewing coverage with Zurich (incumbent).

- Zurich American Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2021 through June 30, 2022
- Deductible: Excess of National Union Ins. Co. of Pittsburgh, PA (AIG)
- Annual Premium: \$6,509.
- Prior year's premium was \$7,260.

No claims were filed last year.

- **Property and Liability Insurance**

The incumbent carrier SDRMA indicated \$929,567 (Property: \$168,622 and Liability: \$760,945) renewal premium, which is a 95% increase over expiring coverage of \$476,097. Alliant has extensively marketed our coverage and is presenting a change for both property and liability. Management recommends withdrawal from the SDRMA property liability program and renewing coverage under the following presented options.

- **Property Insurance**

The Property Coverage insures against first party losses to KHS owned property including buildings, contents, loss of income and auto physical damage. KHS has approximately \$60 million in property values (\$34M Building and \$26M Contents) which is approximately and \$2 million property value increase from expiring coverage.

- **Property Coverage**

- Special Property Insurance Program (SPIP)
- Rating: Various, rating A- VII from AM Best
- Term: July 1, 2021 through June 30, 2022
- Limit per Occurrence - \$100,000,000 repair or replacement cost
 - Business Income - \$100,000,000
 - Boiler and Machinery - \$100,000,000
- All Risk Deductible: \$25,000 – Autos (Physical Damage \$5,000)
 - Annual Premium: \$154,575. (\$179,115 premium when including comparable coverage i.e. Pollution and Excess Flood Coverage). Prior year's premium was \$127,115. SDRMA Current Renewal Premium is \$168,622

No claims were filed last year.

- **Liability Coverage**

The Liability Coverage insures against third party losses for general liability, auto liability, public officials errors and omissions, employment related practices liability.

- Special Liability Insurance Program (SLIP) – Great American E&S Insurance Company
- Rating: Carrier has a rating of A+ superior XV from AM Best
- Term: July 1, 2021 through September 29, 2021. Program common anniversary date is September 29th and coverage will renew for annual term in September.
- General Liability - \$5,000,000
- Auto Liability - \$5,000,000
- Uninsured Motorist - \$1,000,000
- Public Officials' and Employees' Errors and Omissions - \$5,000,000 each wrongful act/\$5,000,000 Aggregate

- Employment Practices Liability - \$5,000,000 each wrongful act/\$5,000,000 Aggregate
- Employee Benefits Liability - \$5,000,000
- Sexual Abuse – Excluded (See separate quote)
- Deductibles: \$10,000 except \$25,000 for Employment Practices Liability
- Annual Premium: \$238,818 (\$531,635 premium when including comparable coverage i.e. Sexual Abuse and 1st Excess Liability layer).
- Prior year's premium was \$348,982.
- SDRMA Current Renewal Premium is \$760,945.

No claims were filed last year.

- **Excess Liability Insurance**

The excess liability provides additional limits over the Liability Coverage offered above the \$5,000,000 offered with SLIP. This policy insures against losses from General Liability, Auto Liability, Public Officials Errors and Omissions and Employment Related Practices Liability. Management recommends renewing just the 1st Layer of Excess Liability with Hallmark Specialty Insurance Company for \$5,000,000.

- **1st Layer**

- Hallmark Specialty Insurance Company
 - Rating: Carrier has an A- IX rating from AM Best
 - Per Occurrence or Wrongful Act Limit: \$5,000,000 excess of \$5,000,000 (SLIP)
 - Term: July 1, 2021 through June 30, 2022
 - Annual Premium: \$189,567. Prior year's premium was included with SDRMA Package.

- **2nd Layer**

- Great American Assurance Company
 - Rating: Carrier has an A+ XV rating from AM Best
 - Per Occurrence or Wrongful Act Limit: \$5,000,000 excess of \$10,000,000 (Hallmark)
 - Term: July 1, 2021 through June 30, 2022
 - Annual Premium: \$144,000. Prior year's premium was \$51,625 (Hallmark).

- **Additional Excess Layers**

- \$10,000,000 in excess of the \$15,000,000 layers are not available domestically.

This year's total Liability Coverage \$10 million; Last year's total Liability Coverage \$25 million

No claims were filed last year.

- **Sexual Abuse Coverage**

The Sexual Abuse Coverage insures against third party losses for sexual abuse or molestation acts in your care, custody and control.

- Lloyds of London - Beazley
 - Rating: Carrier has a rating of A excellent XV from AM Best
 - Term: July 1, 2021 through June 30, 2022
 - Limit per claim and aggregate \$5,000,000
 - Retention: \$100,000
 - Annual Premium: \$103,250. Prior year's premium was included in SDRMA Package.

No claims were filed last year.

- **Pollution Liability Coverage:**

The Pollution Liability Coverage insures against claims from third parties against bodily injury and property damage caused by pollution release during your company's operations. First party coverage including remediation, loss of income, including mold and legionella.

- Carrier- Ascot Specialty Insurance Company
- Rating: Carrier has a rating of A excellent XIV from AM Best
- Term: July 1, 2021 through June 30, 2022
- Limit: \$2,000,000 per incident/\$2,000,000 Aggregate
- Retention: \$25,000
- Annual Premium: \$9,040. Prior year's premium was included in SDRMA Property premium.
 - 1 Claim filed in 2018/2019 term and is now closed for Damage by Employee/Equipment for \$11,621.70 total incurred.

No claims were filed last year.

- **Workers' Compensation Insurance**

Workers' Compensation coverage insures against losses from work related injuries and \$1,000,000 employers' liability. Coverage is mandated by the state. Alliant has extensively marketed the coverage and we are presenting two options including the incumbent carrier, Berkshire Hathaway Homestate Insurance Company at \$182,417 and American Zurich Insurance Company at approximately \$102,790. Management recommends renewing coverage with American Zurich Insurance Company.

- American Zurich Insurance Company
- Rating: Carrier has an A++ XV rating from AM Best
- Term: July 1, 2021 through June 30, 2022
- Limit per Occurrence: Statutory for Workers' Compensation and \$1,000,000 for Employer's Liability
- Deductible: N/A
- The annual premium is a function of KHS' annual estimated payroll of \$37,119,552 which is a 1% increase over the prior period. The insured has employees in 12 states, California, Arizona, Florida, Georgia, Idaho, Michigan, Oklahoma, Oregon, Utah, Tennessee, Texas, and Wyoming.
- Since 2010, KHS has filed 68 workers' compensation claims with estimated losses of \$705,933.60.
- Annual Premium Estimate: \$102,790. Prior year's estimated premium was \$202,480.
 - Premium decrease of 49% is represented as follows:
 - Payroll increase 1%
 - Rate decrease of 48%
 - 2021 Published Experience Modification Factor is 84%. Last year was 85%.
 - \$328.31 in claims filed last year

- **Fiduciary Liability Insurance**

Fiduciary coverage insures against claims for administrative errors and omissions claims, breach of duty claims and defense for employee benefit claims, such as failure to timely distribute assets, failure to choose/offer prudent investments, failure to monitor investments, breach of responsibilities and negligence in the administration of a plan.

- Hudson Insurance Company
- Rating: Carrier has an A XV rating from AM Best
- Term: August 1, 2021 through August 1, 2022
- Limit per occurrence: \$5,000,000
- Aggregate: \$5,000,000
- Self-Insured Retention: \$0 Non-indemnifiable losses, \$100,000 Class Action Claims, \$25,000 All other losses
- Annual Premium: \$13,002. Prior year's premium was \$11,443.

No claims were filed last year.

- **Cyber Liability Insurance**

We have Cyber Coverage insures against the damages that can occur related to computer system breaches and other breaches of sensitive information.

Last year, included in the SDRMA placement is the limit of \$2,000,000 per incident and in the aggregate and excess coverage provided KHS with an additional \$8,000,000 for total of \$10,000,000.

Alliant has extensively marketed your Cyber placement and is presenting two options. The 1st option will provide \$5,000,000 only in limits with no capacity for excess. The 2nd option is for an additional \$5,000,000. Management recommends renewing coverage for Cyber Liability under the 1st Option.

1st Option

- Carriers Coalition Insurance Solutions, Inc. (North American Capacity Insurance Company 51% and Certain Underwriters at Lloyd's, London 49%)
- Rating: Carriers have a B++ VIII rating from AM Best / A XV rating from AM Best
- Term: July 1, 2021 through June 30, 2022
- Per Claim Limit/Aggregate: \$5,000,000
- Self-Insured Retention: \$250,000
- Term: July 1, 2021 through June 30, 2022
- Annual Premium: \$136,679.

2nd Option

- Carrier Indian Harbor Insurance Company
- Rating: Carrier has an A+ XV rating from AM Best
- Term: July 1, 2021 through June 30, 2022
- Per Claim Limit/Aggregate: \$5,000,000
- Self-Insured Retention: \$500,000
- Annual Premium: \$216,821.
- Annual Premium for \$5,000,000 excess of \$5,000,000 layer is \$149,713 for total premium of \$366,533 for \$10 Million limits

Prior year's premium was \$17,784 for \$10 Million limits.

No claims were filed last year.

- **Managed Care Errors and Omissions Liability Insurance**

Managed Care E&O insures against losses for KHS operations for an act, error or omission in the performance of any health care or managed care financial, management or insurance services performed; the design, development and marketing of such service; vicarious liability for the conduct of others performing any such service on our behalf. Alliant marketed the coverage this renewal and has presented the only competitive option for consideration– TDC National Assurance Company (incumbent) quoted \$62,966, which is a 18% premium increase over last year’s premium. Management recommends renewing the coverage for the Managed Care E&O with TDC.

- TDC National Assurance Company
- Rating: Carrier has an A XV rating from AM Best
- Term: July 1, 2021 through June 30, 2022
- Limit per occurrence: \$1,000,000
- Aggregate: \$3,000,000
- Self-Insured Retention: \$100,000 each claim
- Annual Premium: \$62,966. Prior year’s premium was \$53,609.

1 claim was filed last year (Transportation Claim) \$0 Paid

- **Earthquake Insurance**

Earthquake insures against the peril of earthquake for KHS owned property. Management recommends renewing the Earthquake coverage.

- Princeton Excess & Surplus Lines Insurance Company
- Rating: Carrier has excellent A+ XV rating from AM Best
- Term: October 15, 2021 through October 15, 2022
- Earthquake Limit per occurrence: \$25,000,000
- Earthquake Aggregate: \$25,000,000
- Earthquake Deductible 3% Per unit (unit is defined as replacement cost of the covered Property – Building, Contents and Business Income separately), subject to a minimum of \$50,000
- All Other Perils \$25,000 Deductible
- Earthquake Annual Premium Not to Exceed: \$50,000. Prior year’s premium was \$40,205.

No claims were filed last year.

- **Flood Insurance**

Flood insures against the peril of flood for KHS owned property. Management recommends renewing the Flood Insurance coverage.

- Hartford Ins. Company of the Midwest
- Rating: Carrier has a superior A+ XV rating from AM Best
- Term: November 18, 2021 through November 18, 2022
- 2900 Buck Owens Blvd – Building and Contents
- \$500,000 Building (maximum limit available)
- \$500,000 Contents (maximum limit available)
- \$1,250.00 Deductible on both Building & Contents
- Annual Premium Not to Exceed: \$5,100. Prior year’s premium was \$3,806.

No claims were filed last year.

- **Alliant Deadly Weapon Response Program (ADWRP)**

The Alliant Deadly Weapon Response Program provides coverage for locations per our Property schedule on file where a weapon used by an Active Shooter for 1st Party Property Damage/Business Interruption, Crisis Management, Funeral Expense, Counseling Services and Demolition/Clearance and Memorialization. Management recommends renewing the coverage offering.

- Underwriters at Lloyd's of London
- Rating: Carrier has an Excellent A XV rating from AM Best
- Term: July 1, 2021 to July 1, 2022
- \$1,000,000 Per Occurrence and Annual Aggregate
- \$10,000 Deductible Each Event including Claims Expenses
- Annual Premium: \$9,713. Prior year's premium was \$9,287.

No claims were filed last year.

Representatives from Alliant will be available to answer questions relating to the insurance renewals.

Requested Action

Approve; Refer to KHS Board of Directors.



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

Re: Report by Milliman Regarding Capital Reserves

Representatives from the actuary firm Milliman will be providing a report on Capital Reserves. Attached for your review is a copy of the report that will be presented for discussion.

Requested Action

Receive and File; Refer to KHS Board of Directors.

Kern Health Systems

Discussion on Capital Reserve Strategy

Kern Health System Finance Committee

Craig B. Keizur, FSA, MAAA
JUNE 4 2021



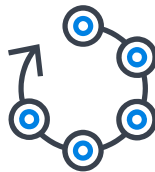
This document has been prepared subject to the terms and conditions of the Consulting Services Agreement between Kern Health Systems and Milliman, Inc. The information contained in this document is intended for the internal use of Kern Health Systems and is only to be relied upon by your organization. No portion may be provided to any other party without Milliman, Inc.'s prior consent.

Agenda

- Executive Summary
- What are Capital Reserves?
- Why Hold Capital Reserves?
- Current Capital Reserve Level
- Capital Reserve Strategy Discussion
- Capital Reserve Strategy Recommendation

Executive Summary

- KHS capital reserves are adequate for current business profile
- KHS capital reserves are **just sufficient** assuming business growth of >\$450 million in annual revenue due to the launch of the CalAim “Duals” program
 - Duals are members who qualify for both Medicare and Medi-Cal, which includes a Long-Term Care (LTC) benefit where KHS will be responsible for members in nursing homes
 - KHS to operate a Dual Medicare special needs plan (D-SNP) by January 2025.
- This presentation is intended to support discussion on tangible net equity in the Medi-Cal Program and is not complete without oral comment



What are Capital Reserves?

- Capital reserves are funds or other assets that are held to provide **financial stability**
 - $\text{Assets} = \text{Liabilities} + \text{Capital}$; capital reserves are the excess of Assets over Liabilities
 - Private sector calls them “**equity**”
 - They are separate and distinct from “**claims reserves**”
 - Claims reserves are estimated funds held for incurred liabilities
- Assets that contribute to capital reserves:
 - Cash
 - Investments
 - Receivables
 - Real Property



Why Hold Capital Reserves?

- Holding a minimum level of capital reserves is a **legal requirement**
- **Absorb volatility** due to unpredictability and uncertainty of healthcare cost levels
 - KHS is largely a fee-for-service (FFS) network; more volatile claims nature versus capitation
 - New Categories of Aid
 - Past: Senior and Persons with Disabilities (SPD), Adult Expansion
 - Upcoming: Dual Eligibles
 - New Benefit & Program Changes
 - Past: Hepatitis C, Behavioral Health
 - Upcoming: Major Organ Transplants, new programs DHCS doesn't compensate plan for, such as In Lieu of Services (ILOS)

Why Hold Capital Reserves?

- **Stability** during periods of insufficient or delayed revenue
 - DHCS efficiency factors resulting in rate reductions
 - Maximum Allowable Cost (MAC) – reduction for pharmacy generic pricing
 - Potentially Preventable Admissions (PPA) – reduction for unnecessary hospital admits
 - Outpatient pharmacy at Medicare Part B pricing
 - Low Acuity Non-Emergent Adjustment (LANE) – reduction for unnecessary emergency room cases
 - Future rate actions that do not cover claims trend
 - State's current underwriting and pricing process takes 3 years for experience to be reflected in premium rates
 - New Programs (e.g. Duals, LTC) increase the baseline cost level, and therefore increase required reserve levels in dollar terms, even if keeping reserves as a % of claims the same
 - Delays, ranging from 30-60 days, in state payments due to budget issues
- Maintain ability to **make investments** in new programs and technology
 - Examples: QNXT for claims processing and JIVA for medical management

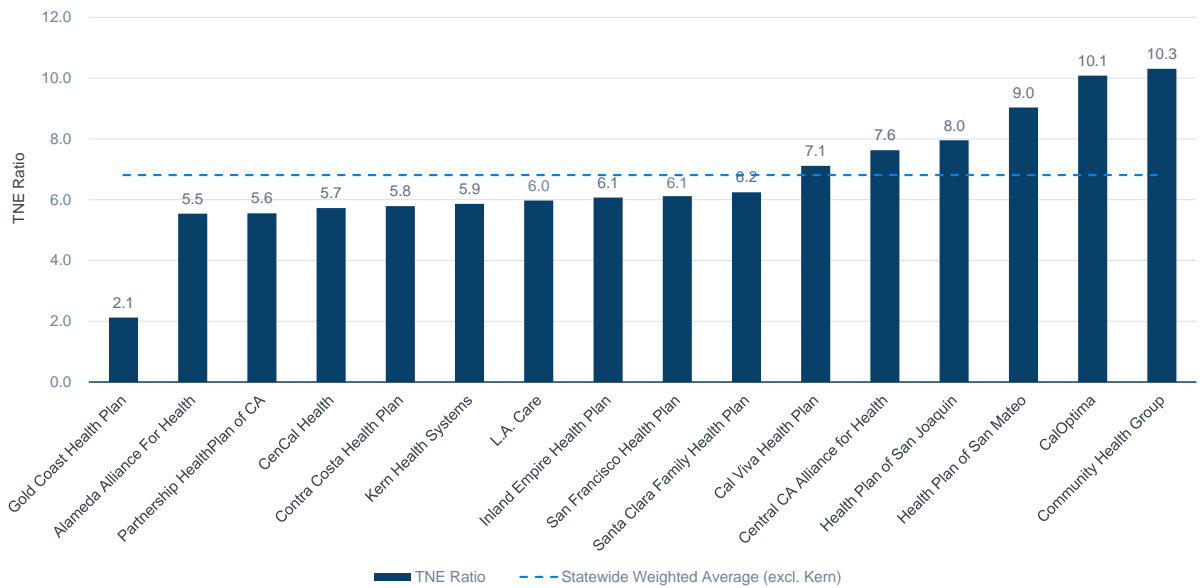


Why Hold Capital Reserves? Legal Requirement

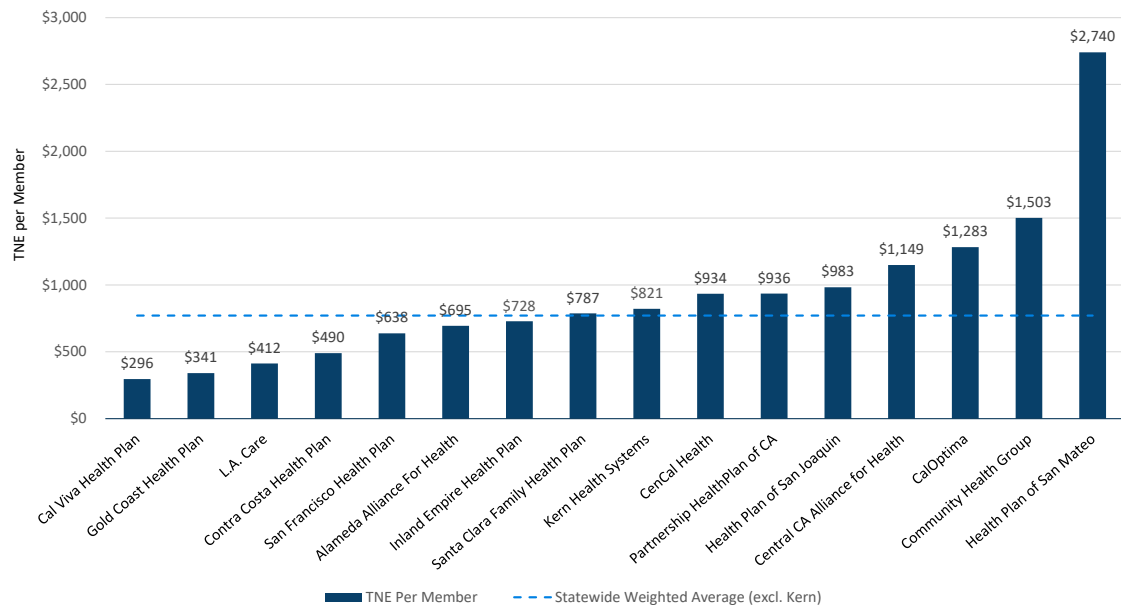
- Tangible Net Equity (TNE)
 - Requirement to hold minimum TNE, or DMHC can take control of health plan
 - TNE requirement based upon % of non-capitated claims
 - 8% of the first \$150 million in claims, and 4% of claims in excess of \$150 million
 - Below 200% of TNE, the plan is placed on DMHC's "watch list" and can require monthly reporting and increased scrutiny (ex: Gold Coast Health Plan)
- Below 130% of TNE, the plan is considered to be in financial jeopardy and DMHC can take control of plan (ex: Alameda Health Plan)



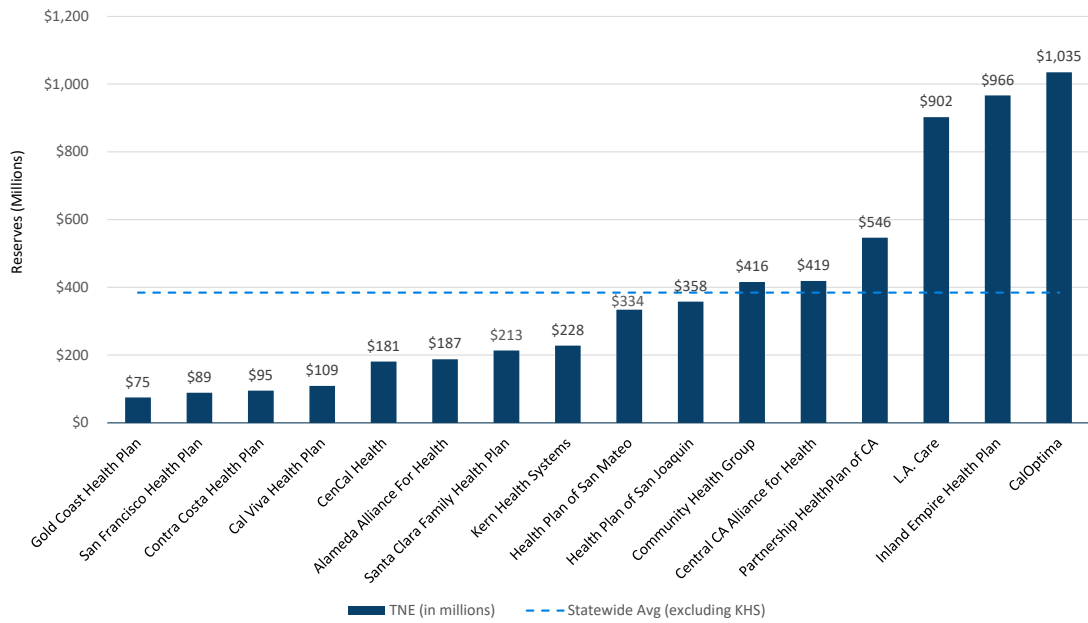
TNE Ratio Comparison - 12/31/2020



TNE per Member Comparison - 12/31/2020



Fund Balance Comparison - 12/31/2020



Capital Reserve Comparison as of 12/31/2020

Medi-Cal Plan	Members	Annual Revenue (Q4-2020 x 4)	Reserve / TNE	Minimum TNE	Min TNE as a % of Rev	TNE as a % of Min TNE	TNE as a % of Rev
L.A. Care	2,189,176	\$8,954,448,148	\$902,321,309	\$151,090,512	1.7%	597.2%	10.1%
Inland Empire Health Plan	1,326,955	5,781,440,184	966,358,137	159,145,753	2.8%	607.2%	16.7%
CalOptima	806,287	3,763,761,944	1,034,671,734	102,638,683	2.7%	1008.1%	27.5%
Partnership HealthPlan of CA	583,912	3,158,719,860	546,467,213	98,375,354	3.1%	555.5%	17.3%
Cal Viva Health Plan	368,417	1,552,696,204	109,130,098	15,340,971	1.0%	711.4%	7.0%
Central CA Alliance for Health	364,448	1,391,870,844	418,775,526	54,895,755	3.9%	762.9%	30.1%
Health Plan of San Joaquin	364,077	1,184,314,760	357,799,461	44,984,237	3.8%	795.4%	30.2%
Kem Health Systems	277,452	1,112,932,000	227,913,000	38,855,000	3.5%	586.6%	20.5%
Community Health Group	276,672	1,075,002,756	415,715,702	40,336,546	3.8%	1030.6%	38.7%
Santa Clara Family Health Plan	271,107	1,241,216,060	213,409,952	34,171,549	2.8%	624.5%	17.2%
Alameda Alliance For Health	269,770	1,036,708,428	187,487,220	33,839,117	3.3%	554.1%	18.1%
Gold Coast Health Plan	220,000	900,000,000	75,000,000	35,300,000	3.9%	212.5%	8.3%
Contra Costa Health Plan	194,255	980,561,944	95,122,161	16,438,621	1.7%	578.7%	9.7%
CenCal Health	193,624	989,155,120	180,812,160	31,590,988	3.2%	572.4%	18.3%
San Francisco Health Plan	139,004	614,389,532	88,736,847	14,507,686	2.4%	611.7%	14.4%
Health Plan of San Mateo	121,811	856,281,092	333,792,530	36,937,051	4.3%	903.7%	39.0%
Statewide Avg (excluding KHS)	7,689,515	\$33,480,566,876	\$5,925,600,050	\$869,592,823	2.6%	681.4%	17.7%

- KHS has higher than average TNE requirements as a % of revenue due to its FFS network
- KHS is holding a lower than average TNE as a % of the minimum requirement
- KHS would need an additional \$37M in reserves (\$265M total) to achieve the statewide average of 681% of minimum TNE; this would result in TNE of ~24% of current annual revenue



Items to Consider

- As of 12/31/2020 with annualized financials, 100% TNE was \$39M and KHS had \$227M in capital (587% TNE)
 - \$98M in assets are in the form of Accounts Receivable, mostly due to the state's late payment of premium (which is perpetual). These assets are not cash and should not be depended on in a time of required liquidity
- In its pricing of new programs, the state does not build in extra premium to reflect increased capital requirements
 - If KHS today managed the future-state Duals + LTC program, the minimum TNE would increase by \$18M
 - Without new funds, current capital drops to 413% of TNE
 - Assumes 18K enrollees, 75% of market's 24,000 eligibles, with an average monthly premium of \$2,150 PMPM). This assumes full risk on Duals (not delegated to Kaiser)

Reserve Strategy: Discussion

- Should capital reserve targets be set based upon current business levels or future business levels?
- Minimum TNE increases by approx. 4% of revenue
 - e.g. business growth of \$100M requires approximately \$4M in new min. capital.
 - If targeting (illustrative) 500% of TNE, then \$100M in revenue growth requires \$20M in new capital
- The state currently prices for expected profit of 2.0%, so it would take several years for any new business to “self-fund” its optimal capital level with normal profit levels
- Assuming a 500% TNE, how much of a claims spike can a company absorb while maintaining a minimum 200% TNE requirement?
 - Approximately <1.5 years at claims levels 10% above priced-for levels
 - Approximately < 3 years at claims levels 5% above priced-for levels
 - These scenarios assume no additional required capital from new business

Reserve Strategy: Recommendation

- In order to withstand elevated claim levels and prepare for required capital increases due to business growth, we recommend that KHS target a range of 500 - 600% TNE
- We recommend that the capital target be based upon expected future business profile rather than historical business profile
- If KHS expects new business from the Duals Program, then the capital reserve target should take into account the required capital of this business





Thank you

Craig Keizur, FSA, MAAA
craig.keizur@milliman.com

Milliman Bio

Craig B. Keizur

FSA, MAAA
Principal, Consulting Actuary



CURRENT RESPONSIBILITY

Craig is a principal and consulting actuary with the Seattle office of Milliman. He joined the firm in 1995.

EXPERIENCE

Craig's expertise is in group healthcare, with an emphasis on government-sponsored programs, including Medicaid, Medicare, and special programs. His experience covers a broad range of perspectives, including payors, providers, and purchasers, helping to review the past and present in order to make strategic decisions for the future. Types of clients he has supported include the following:

- Medicaid, low-income, and uninsured programs
- Medicare Advantage (including Part D), and Medicare Supplement plan sponsors
- Other government programs (e.g., Veterans)
- Managed care organizations (HMO, PPO)
- Hospitals and physician groups
- BCBS and traditional insurance companies
- Large and small employer groups
- Collectively bargained labor unions
- Native American tribal organizations

His consulting assignments have included:

- Actuarial modeling of healthcare variables to test their impact of proposed changes to current and projected healthcare costs
- Feasibility studies for entering new markets, such as Medicare or Medicaid
- Research and data mining of large public and proprietary databases to estimate prevailing usage and unit cost for a variety of needs.
- Medicare Part C and Part D bid support
- Medicaid rate setting
- Expert testimony support

- Review and implementation of risk-adjustment algorithms
- Projecting liabilities for claims incurred but not paid
- Developing and analyzing changes to provider reimbursement contracts
- Pricing and experience analysis for collective bargaining negotiations, supporting both sides of the negotiating table (employers and unions)
- Developing regulatory rate filings for individual and group business
- Review and development of group and individual underwriting and rating models
- Projecting financial liabilities and capital needs for the Native American population
- Assessing the financial value of new healthcare technologies and practices
- Actuarial support for other nonmedical benefit types, including Rx, dental, vision, disability, and other welfare benefits

In addition to experience at Milliman, Craig has also worked as a consulting actuary for a national employee benefits consulting firm, and as an actuarial analyst for a major group insurance company.

PROFESSIONAL DESIGNATIONS

- Fellow, Society of Actuaries
- Member, American Academy of Actuaries

EDUCATION

- BS (honors), Actuarial Science / Mathematics, Central Washington University, Ellensburg

PUBLICATIONS

- Coauthored [Risk-Based Capital Requirements for Managed Care Organizations](#)



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To: KHS Finance Committee

From: Alan Avery, Chief Operating Officer

Date: June 4, 2021

Re: Renewal of Stria, LLC Agreement

Background

In 2013, KHS entered into a five-year agreement with Stria, LLC a local company to replace the in-house outdated Optical Character Recognition (OCR) solution to scan and process paper claims. Stria used their OCR solution to convert KHS paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS' claims processing and payment system. After thorough analysis, efficiencies were found to exist by outsourcing KHS' internal scanning and OCR solution. At the conclusion of the five-year agreement with Stria, KHS performed an RFP process in 2017/2018 to continue to outsource claims scanning along with adding on-site mailroom and on-site scanning of disputes and six-month storage of hard copy disputes. KHS received two responses: Stria and Smartdata Solutions. After reviewing both proposals, the decision was made to continue services with Stria for another three years.

Discussion

During the term of the current agreement, KHS requested additional services from Stria. In addition to their current services, scanning of member appeals & grievances along with storage of open grievance files was added. KHS also added the management and storage of the KHS Human Resource payroll documentation. Most recently, Stria worked with KHS to develop a disaster recovery site and processes whereby they can effectively process all of KHS administrative processes (mailroom, printing letters, assembling packets) in the event of an office temporary shutdown due to COVID or disaster. No other local vendor is able to perform the services KHS receives from Stria. All other vendors require documents be sent to a centralized processing center outside California which would significantly reduce timeliness, eliminate the local on-site mailroom, claims scanning, timely file storage transfers and backup disaster recovery site. I recommend the renewal of the Stria Agreement for an additional three years.

Financial Impact

Not to exceed \$1,221,000.00 per three years.

Requested Action

Approve; Refer to KHS Board of Directors.

Stria Agreement Renewal

Claims Mailroom & Administrative Support Services

Finance Committee
June 4, 2021

Alan Avery
Chief Operating Officer



Agenda

- Background
- Continuation of agreement
- Current Costs & Projected Expense
- Benefits to KHS
- Recommendation
- Questions



Background

- In 2018, KHS posted an RFP for the Claims Mailroom and Optical Recognition Services (OCR).
- Two Responses to RFP were received: Stria and Smartdata Solutions.
- Stria was selected as the vendor based on the following factors:
 - Cost
 - On Site Claims mailroom
 - Storage of hard copy disputes up to 6 months
 - Meet time and date sensitive deadlines due to local presence



Continuation of agreement

- Original services provided by Stria were:
 - On-Site Mailroom services
 - Claims Scanning and OCR activities
 - Image and Data file return
 - Onsite Scanning of Disputes & 6-month storage of hard copy disputes
- Additional Services added mid contract
 - Grievance and Appeal Scanning. Storage and retrieval for 2 years.
 - Human Resource payroll storage
- 2020 New Service: Partnered with KHS to implement local Disaster Recovery site during the COVID-19 Pandemic to handle all administrative processes (mailroom, printing letters, assembling packets) in case of office shutdown.



Current Costs & Projected Expense

Types of Services	2020 Spend	Projected Annual Expense	Projected 3 Year Expense
Claims processing, transportation, EDI programming, exception handling, PM 160 Processing	\$193,000	\$203,000	\$609,000
On-Site Mailroom services-opening, sorting, and digitizing mail. Off-Site mailroom facility-printing, mailing. Includes digital mailroom service setup.	\$131,000	\$151,000	\$453,000
Records Storage and Mgt-Grievance & Claims Files	\$14,000	\$15,000	\$45,000
Human Resources Records-Scanning & DocuSign	\$59,000	\$38,000	\$114,000
Special Projects-HRA Surveys & digital services	\$29,000	TBD	TBD
Total	\$426,000	\$407,000	\$1,221,000



Benefits for Kern Health Systems

- Local Claims On-Site Mailroom Functions. Stria staff replaced KHS staff who were repurposed within Claims Department:
- Eliminated outdated KHS scanning equipment and software. Replaced with Stria local state of the art equipment and staff. Scanning completed locally by Stria. Avoided significant investments & ongoing staffing and maintenance costs.
- Stria continually meets KHS quality results-97% on volumes of 11,000 monthly claims.
- Local storage and timely retrieval of open member appeals & grievance and provider appeals to ensure KHS compliance. Digitized once closed.
- Local disaster recovery site for KHS administrative services (letter generation, authorization printing, packet assembly and mail)to respond to office closures in the event of COVID-19 incident or other disaster disruptions.



Recommendation

- Request the Board of Directors to authorize the CEO to approve a three-year agreement with Stria for the Claims Mailroom and OCR services in the amount not to exceed \$1,221,000 for a period of three years.



Questions

Please contact:

Alan Avery

Chief Operating Officer

661-664-5000

Alan.avery@khs-net.com



Proposed Administrative Contract over \$100,000, June 4, 2021

1. Operational Agreement with Stria, LLC.

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Alan Avery, Chief Operating Officer

c. Background

In 2013 KHS entered into a five-year agreement with Stria LLC, a local company to replace our outdated in-house Optical Character Recognition (OCR) solution to scan and process paper claims. Stria used their OCR solution to convert KHS paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS claims processing and payment systems. At the conclusion of the five-year agreement with Stria, KHS performed an RFP process in 2017/2018 to continue to outsource claims scanning along with adding on-site mailroom and on-site scanning of disputes and six-month storage of hard copy claims disputes. KHS received two responses: Stria and Smartdata Solutions. After reviewing both proposals, the decision was made to continue services with Stria for another three years.

d. Discussion

During the term of the current three-year agreement with Stria, KHS requested additional services from Stria. In addition to the current services, scanning of member appeals & grievances along

with storage of open grievance files was added. We also added the management and storage of the KHS Human Resource payroll documentation. Most recently, Stria worked with KHS to develop a disaster recovery site and processes whereby they can effectively process all of our administrative processes (mailroom, printing letters and assembling packets) in the event of an temporary office shutdown due to COVID or another disaster.

e. Fiscal Impact

Not to exceed \$1,221,000.00 per three years.

f. Risk Assessment

All other vendors who provide similar services as Stria require documents be sent to a centralized processing center, thus risking missing key deadlines and misplaced paper documents. In addition, no other vendor could provide the local on-site mailroom and processing and the critical backup disaster recovery site.

g. Attachments

An Agreement at a Glance form is attached.

h. Reviewed by Chief Compliance Officer and/or Legal Counsel

This contract has been approved by KHS legal counsel.



KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: EXEC

Department Head: Alan Avery

Vendor Name: Stria, LLC

Contact name & e-mail: Scott Garrison, sgarrison@stria.com

What services will this vendor provide to KHS? Claims Mailroom functions onsite, OCR services, dispute scanning, data storage and transfer, grievance and appeal scanning, storage and retrieval.

Description of Contract	
Type of Agreement: Professional Services <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Purchase <input checked="" type="checkbox"/> New agreement <input type="checkbox"/> Continuation of Agreement <input type="checkbox"/> Addendum <input type="checkbox"/> Amendment No. ____ <input type="checkbox"/> Retroactive Agreement	Background: <u>In 2007, KHS acquired an Optical Character Recognition (OCR) solution to scan and process paper claims. KHS receives approximately 12% of its total claim volume (360,000 claims per year resulting in 1.1M images) on paper and utilized the OCR process to convert the paper forms into an electronic format. Electronically converted claims eliminate the need for manual data entry into KHS' claims processing and payment system. After thorough analysis, efficiencies were found to exist by outsourcing KHS' internal scanning and OCR solution. In 2013, KHS performed an RFP process and selected Stria, LLC as the preferred organization to provide an outsourced OCR solution.</u> Brief Explanation: <u>Claims Mailroom functions onsite, OCR services, dispute scanning, data storage and transfer, grievance and appeal scanning, storage and retrieval.</u>
<input checked="" 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>	
Brief vendor selection justification: <input type="checkbox"/> Sole source – no competitive process can be performed.	
Brief reason for sole source: <input type="checkbox"/> Conflict of Interest Form is required for this Contract	
<input checked="" type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract	
Fiscal Impact	
KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Will this require additional funds?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Capital project	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Project type: _____	

Form updated 11/21/19

Budgeted Cost Center <u>230</u>	GL# <u>5490</u>
Maximum cost of this agreement not to exceed: <u>\$1,219,241.76 per three years</u>	
Notes: _____	
Contract Terms and Conditions	
Effective date: <u>6/14/2021</u>	Termination date: <u>6/14/2024</u>
Explain extension provisions, termination conditions and required notice: _____	
Approvals	
Compliance DMHC/DHCS Review:	Legal Review:
_____ Director of Compliance and Regulatory Affairs	<u>Approved by Legal per PSA</u> _____ Legal Counsel
_____ Date	_____ Date
Contract Owner:	Purchasing:
<u>[Signature]</u> _____ Department Head	<u>Approved by Alonso Hurtado</u> _____ Director of Procurement and Facilities
<u>5/14/21</u> _____ Date	<u>per Contracts meeting 5/11/21</u> _____ Date
Reviewed as to Budget:	Recommended by the Executive Committee:
<u>[Signature]</u> _____ Chief Financial Officer or Controller	<u>[Signature]</u> _____ Chief Operating Officer
<u>5/17/21</u> _____ Date	<u>5/14/21</u> _____ Date
IT Approval:	Chief Executive Officer Approval:
<u>Approved by Richard Pruitt</u> _____ Chief Information Officer or IT Director	_____ Chief Executive Officer
<u>per contracts meeting 5/11/21</u> _____ 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 Finance Committee
From: Veronica Barker, Controller
Date: June 4, 2021
Re: Agreement with PaySpan, Inc.

Background

In January 2021, KHS released an RFP for the outsourcing of Provider Claims Payments from vendors offering payment solutions along with print and mail fulfillment that improves efficiencies, reduces administrative costs, and increases provider satisfaction. This outsourcing process has become standard industry practice. KHS been utilizing PaySpan for the last six years to provide this service.

Discussion

KHS produces approximately 80,000 provider payments annually. Along with each provider payment is a Remittance Advice (“RA”) which describes that payment. Prior to PaySpan, RAs were printed on paper and required significant KHS Accounting Staff involvement to print the checks and RAs, match the check to the RA and then prepare for mailing.

KHS received four proposals for consideration. The attached matrix outlines the scoring structure KHS stakeholders used to evaluate each system. KHS selected the incumbent PaySpan due to their costs and for being the least disruptive solution to the provider community as well as to the organization.

PaySpan provides an electronic settlement network delivering comprehensive capabilities for a variety of payment methods, while delivering savings and efficiencies to both KHS and providers. PaySpan’s application is a web-based solution designed to provide a technology-based approach to the claim’s settlement process between healthcare payers and providers.

- Payment methods include ACH and Check
- Facilitates the delivery of electronic and paper payments as well as remittance data
- Ties payment information to claims data in a single view and gives providers flexibility for payment management
- Uses the network to reduce administrative and provider support costs
- Enables a self- service environment for providers to manage electronic payments from multiple payers

PaySpan has more than 25 years of payments expertise and provides services to more than 600 Health Plans, 100 million Members and 1.3 million Providers.

Financial Impact

This agreement will not exceed \$160,000.00 per year for 3 years with option to extend for 2 years.

Requested Action

Approve; Refer to KHS Board of Directors.

Healthcare Payer Services

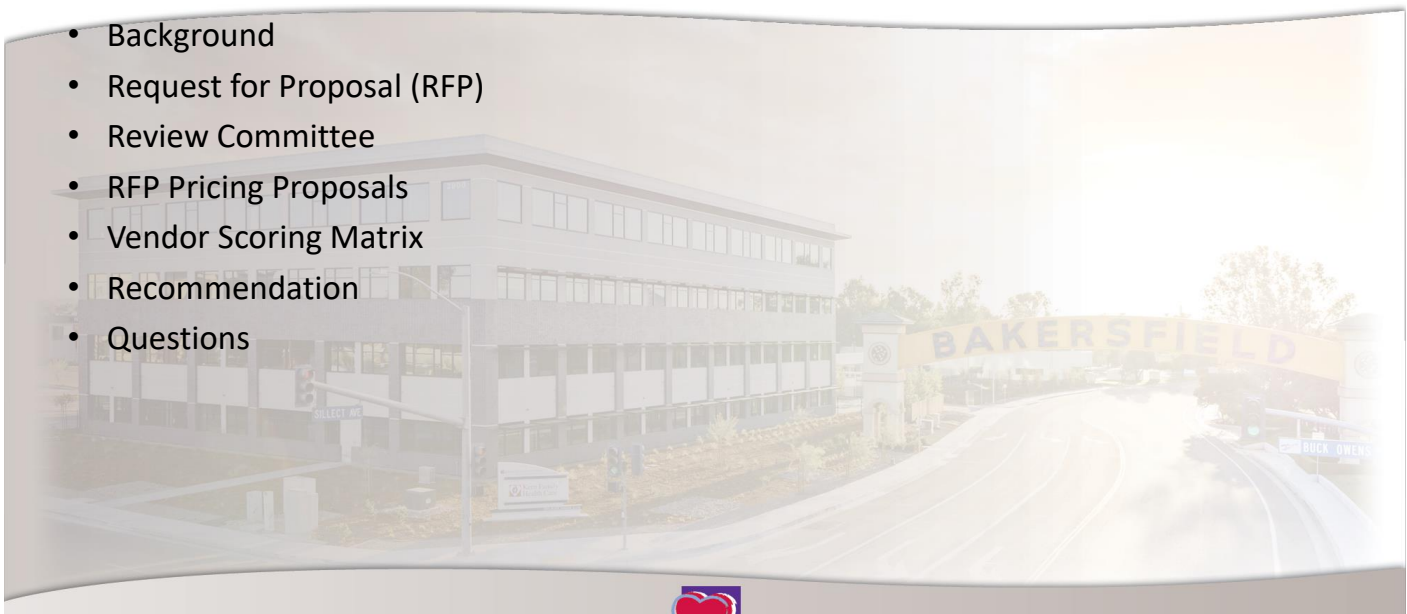
Finance Committee
June 4, 2021

Veronica Barker
Controller



Agenda

- Background
- Request for Proposal (RFP)
- Review Committee
- RFP Pricing Proposals
- Vendor Scoring Matrix
- Recommendation
- Questions



Background

KHS produces approximately 80,000 provider payments annually along with each provider payment is a Remittance Advice (RA) which describes each payment.

Since 2015, KHS has outsourced the provider payment process. This in turn reduced administrative cost for both KHS and providers.

Subcontractor provides a web-based solution designed to provide a technology-based approach to the claims settlement process between payers and providers.

This services is at no cost to Providers.



Request for Proposal

- KHS conducted an RFP Process in January 2021
- Four vendors submitted proposals, including the current vendor used for healthcare payer services.
- Two of the vendors did not meet business criteria deemed essential



KHS Review Committee

KHS internal review team consisted of 1 representative from each stakeholders/departments:

- Information Technology
- Accounting
- Provider Network Management



RFP Pricing Proposals

Vendor	Annual Cost	Estimated Internal Implementation Cost	Estimated Customization Cost	Estimated Provider/Training Cost	Year 1	Year 2	Year 3	Total Cost
PaySpan	\$160,000.00	\$ -	\$ -	\$ -	\$160,000.00	\$160,000.00	\$160,000.00	\$480,000.00
Vendor 2	\$82,800.00	\$180,000.00	\$100,000.00	\$50,000.00	\$412,800.00	\$82,800.00	\$82,800.00	\$578,400.00



Vendor Scoring Matrix

Category and Description							
	Company: Onboarding, Training, Network Capacity	System: Cloud, Security, Platform to Deliver services	References: Provided References	Market: Medi-Cal plan and health care experience	Essential Functions: Ability to provide customer service during business hours, maintain operational metrics, allow EOP customization, proper handling of funds	Price: Overall cost to KHS for annual cost and implementation	Overall Ranking
PaySpan	4.33	4.00	3.00	4.67	4.00	4.00	4.00
Vendor 2	3.00	3.00	3.00	2.33	2.67	3.00	2.83

Scoring Metric
1= Does not Meet Requirement of RFP
2= Meets Some Requirement of RFP
3=Meets RFP Minimum Requirement
4= Meets more than Minimum Requirements
5= Exceeds Minimum Requirements



Recommendation

- Request the Board of Directors to authorize the CEO to approve a three-year agreement with PaySpan for the Healthcare Payer Services in the amount not to exceed \$480,000.
- PaySpan is KHS' incumbent contractor for these services.
- PaySpan provides services to Centene Corporation, WellCare, and Beacon Health
- New proposal includes a 20% overall cost discount from current prices.



Questions

Please contact:

Veronica Barker

Controller

661-664-5000

Veronica.Barker@khs-net.com



Proposed Administrative Contract over \$100,000, June 4, 2021

1. Operational Agreement with PaySpan

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Veronica Barker, Controller

c. Background

KHS produces approximately 80,000 provider payments annually along with each provider check is a Remittance Advice (“RA”) which describes that payment. RAs are printed on paper and require significant KHS Accounting Staff involvement to print checks and RAs, match the check to the RA and then prepare for mailing. This is a very manual, cumbersome, and time-consuming weekly process.

d. Discussion

KHS is proposing to amend/extend the current contract with PaySpan for the provider check payment process. Continuing to outsource the provider payment process to PaySpan, a specialized vendor offering payment solution along with print and mail fulfillment, improved efficiencies, reduced administrative costs and increased provider satisfaction has become standard industry practice. PaySpan’s application is a web-based solution designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

e. Fiscal Impact

Not to exceed \$480,000.00 per three years

f. Risk Assessment

KHS has been provided with an AICPA Service Organization Control Report (Formerly a SAS 70 Report). PaySpan has more than 30 years of payments expertise and provides services to more than 600 health plans, 100 million members, 1.3 million provider payees and 15,000 financial institutions. PaySpan currently provides services to Centene Corporation, WellCare and Beacon Health.

g. Attachments

An Agreement at a Glance form is attached.

h. Reviewed by Chief Compliance Officer and/or Legal Counsel

This contract is pending approval from KHS legal counsel.



KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: ACCT

Department Head: Veronica Barker

Vendor Name: PaySpan, Inc.

Contact name & e-mail: Claire Campbell, Claire.campbell@payspan.com

What services will this vendor provide to KHS? PaySpan will provide KHS with a web-based application designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.

Description of Contract	
Type of Agreement: Software <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Purchase <input checked="" type="checkbox"/> New agreement <input type="checkbox"/> Continuation of Agreement <input type="checkbox"/> Addendum <input type="checkbox"/> Amendment No. _____ <input type="checkbox"/> Retroactive Agreement	Background: <u>KHS produces approximately 40,000 provider payments annually along with each provider check is a Remittance Advices ("RA") which describes that payment. RA's are printed on paper and require significant KHS Accounting Staff involvement to print the checks and RA's, match the check to the RA and then prepare for mailing. This is a very manual, cumbersome and time-consuming weekly process.</u> Brief Explanation: <u>PaySpan will provide KHS with a web-based application designed to provide a technology-based approach to the claims settlement process between healthcare payers and providers with print and mail services along with EFT payments for a three (3) year period.</u>
<input checked="" 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>	
Brief vendor selection justification: _____ <input type="checkbox"/> Sole source – no competitive process can be performed.	
Brief reason for sole source: <input type="checkbox"/> Conflict of Interest Form is required for this Contract <input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract	
Fiscal Impact	
KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	
Will this require additional funds? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	
Capital project <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	
Project type: _____	

Form updated 11/21/19

Budgeted Cost Center <u>210</u> GL# <u>5495</u>	
Maximum cost of this agreement not to exceed: <u>\$480,000.00 per three years</u>	
Notes: _____	
Contract Terms and Conditions	
Effective date: <u>8/21/2021</u>	Termination date: <u>8/20/2024</u>
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:
<u>Approved by Veronica Barker</u> Department Head	<u>[Signature]</u> Director of Procurement and Facilities
<u>Per Contract Meeting 5/25/2021</u> Date	<u>5/25/21</u> Date
Reviewed as to Budget:	Recommended by the Executive Committee:
<u>[Signature]</u> Chief Financial Officer or Controller	<u>[Signature]</u> Chief Operating Officer
<u>5/26/21</u> Date	<u>5-27-21</u> Date
IT Approval:	Chief Executive Officer Approval:
<u>Approved by Richard Pruitt</u> Chief Information Officer or IT Director	_____ Chief Executive Officer
<u>Per Contract Meeting 5/25/2021</u> 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 Finance Committee

From: Angela Ahsan, Director of Project Management

Date: June 4, 2021

Re: Project Management and Portfolio Support

Background

In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution. In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software. KHS internal Contracts Committee approved a not to exceed contract in the amount of \$97,152 (time and materials) to cover the cost of the Senior PM Consultant. KHS has identified additional work required for the completion of this project in the amount of \$50,000 (time and materials), bringing the aggregate cost to \$147,152 (approved within PMO 2021 operating budget).

Discussion

KHS currently holds an ongoing contract with PMO Partners. KHS is asking for additional funds to complete the implementation of the Project Portfolio Management System. If not completed, key automations and efficiencies will not get implemented to support 2022 portfolio planning processes and portfolio shifts associated with the CalAIM efforts.

Financial Impact

Not to exceed \$147,152.00 per project

Requested Action

Approve; Refer to KHS Board of Directors.

PMO Consulting Services

PMO Partners, LLC

KHS Finance Committee
June 4, 2021

Angela Ahsan, MBA, PMP, SSGB
Director of Project Management



Agenda

- Background
- Benefits
- Recommendation
- Questions



Background

- In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution.
- In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software.
- KHS internal Contracts Committee approved a not to exceed contract in the amount of \$97,152 (time and materials) to cover the cost of the Sr PM Consultant.
- KHS has identified additional work required for the completion of this project in the amount of \$50,000 (time and materials), bringing the aggregate cost to \$147,152 (approved within PMO 2021 operating budget).



Benefits

- Additional funding will cover key capabilities needed to support 2022 portfolio planning functions and ability to incorporate portfolio changes associated with the CalAIM strategy.
- Project Portfolio Management System project will enable process automations and efficiencies for the portfolio planning and management lifecycle at KHS.
- TeamDynamix (3rd party solution) that has been purchased, will be infused into the portfolio and project processes and significantly reduce manual work processes today.



Recommendation

- Request the Board of Directors to authorize the CEO to approve amendment to current contract to increase the not to exceed amount to \$147,152 with PMO Partners, LLC for the Sr PM consultant to cover the additional professional services.



Questions

Please contact:

Angela Ahsan, MBA, PMP, SSGB

Director of Project Management

661-302-5452

angela.ahsan@khs-net.com



Proposed Administrative Contract over \$100,000, June 4, 2021

1. Operational Agreement with PMO Partners, LLC

a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

b. Contact

Angela Ahsan, Director of Project Management

c. Background

In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution. In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software. KHS internal Contracts Committee approved a not to exceed contract in the amount of \$97,152 (time and materials) to cover the cost of the Sr PM Consultant. KHS has identified additional work required for the completion of this project in the amount of \$50,000 (time and materials), bringing the aggregate cost to \$147,152 (approved within PMO 2021 operating budget).

d. Discussion

KHS currently holds an ongoing contract with PMO Partners. KHS is asking for additional funds to complete the implementation of the Project Portfolio Management System.

e. Fiscal Impact

Not to exceed \$147,152.00 per project

f. Risk Assessment

If not completed, key automations and efficiencies will not get implemented to support 2022 portfolio planning processes and portfolio shifts associated with the CalAIM efforts.

g. Attachments

An Agreement at a Glance form is attached.

h. Reviewed by Chief Compliance Officer and/or Legal Counsel

This contract has been approval by KHS legal counsel.



KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: PM

Department Head: Angela Ahsan

Vendor Name: PMO Partners

Contact name & e-mail: Trisha Champa, trisha@pmopart.com

What services will this vendor provide to KHS? PMO Partners will provided Project Management and Portfolio Support to support execution of Project Management System.

Description of Contract	
Type of Agreement: Professional Services <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Purchase <input type="checkbox"/> New agreement <input checked="" type="checkbox"/> Continuation of Agreement <input type="checkbox"/> Addendum <input type="checkbox"/> Amendment No. ____ <input type="checkbox"/> Retroactive Agreement	Background: <u>In January of 2021, KHS engaged TeamDynamix for the purchase of their Project Portfolio software solution. In February of 2021, KHS contracted PMO Partners, LLC for their services in providing a Senior PM Consultant that was tasked with driving the implementation of this software. KHS internal Contracts Committee approved a not to exceed contract in the amount of \$97,152 (time and materials) to cover the cost of the Sr PM Consultant. KHS has identified additional work required for the completion of this project in the amount of \$50,000 (time and materials), bringing the aggregate cost to \$147,152 (approved within PMO 2021 operating budget).</u> Brief Explanation: <u>Support execution of Project Management System. Support management in enhancement of portfolio management processes associated with implementation of the Project Portfolio Management System.</u>
<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>	
Brief vendor selection justification: _____ <input checked="" type="checkbox"/> Sole source – no competitive process can be performed.	
Brief reason for sole source: <u>KHS currently holds an ongoing contract with vendor.</u>	
<input type="checkbox"/> Conflict of Interest Form is required for this Contract	
<input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract	
Fiscal Impact	
KHS Governing Board previously approved this expense in KHS' FY 2021 Administrative Budget	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Will this require additional funds?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Capital project	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Project type: _____	
Budgeted Cost Center 240	GL# 1700-20

Form updated 11/21/19

Maximum cost of this agreement not to exceed: \$50,000.00 per project

Notes: Total cost of this agreement not to exceed \$147,152.00.

Contract Terms and Conditions

Effective date: 6/11/2021 Termination date: 7/30/2021

Explain extension provisions, termination conditions and required notice: _____

Approvals

<p>Compliance DMHC/DHCS Review:</p> <p>_____ Director of Compliance and Regulatory Affairs</p> <p>_____ Date</p>	<p>Legal Review:</p> <p>_____ Legal Counsel</p> <p>_____ Date</p>
<p>Contract Owner:</p> <p><u>Approved by Angela Atisan</u> Department Head</p> <p><u>per contracts meeting 5/11/21</u> Date</p>	<p>Purchasing:</p> <p><u>[Signature]</u> Director of Procurement and Facilities</p> <p><u>5/14/21</u> Date</p>
<p>Reviewed as to Budget:</p> <p><u>[Signature]</u> Chief Financial Officer or Controller</p> <p><u>5/17/21</u> Date</p>	<p>Recommended by the Executive Committee:</p> <p><u>[Signature]</u> Chief Operating Officer</p> <p><u>5/14/21</u> Date</p>
<p>IT Approval:</p> <p><u>Approved by Richard Pruitt</u> Chief Information Officer or IT Director</p> <p><u>per contracts meeting 5/11/21</u> Date</p>	<p>Chief Executive Officer Approval:</p> <p>_____ Chief Executive Officer</p> <p>_____ Date</p>

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 Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

Re: Intergovernmental Transfer (“IGT”) Funding Agreements

Background

The Department of Health Care Services (DHCS) provided qualified local hospitals with the opportunity to participate in voluntary IGT distributions for the period 7/1/19 - 6/30/20. Besides Kern Medical, the two district hospitals in our service area also qualified for participation. Each hospital is required to contribute funding, which is then matched with federal dollars and returned through KHS to the respective institutions. Hospitals participating with their total payment amounts are listed below:

1. Kern Medical - \$42,255,231
2. Kern Valley Healthcare District - \$1,878,010
3. Tehachapi Valley Healthcare District - \$2,817,015

Agenda items 10, 11 and 12 are amendments to our respective hospital agreements with each institution that will require retro-active approval by the Board to document the transfer of such funds.

Requested Action

Retro-active Approval; Refer to KHS Board of Directors.

HEALTH PLAN-PROVIDER AGREEMENT

PHYSICIAN SERVICES AGREEMENT

AMENDMENT NO. 33

This Amendment is made this 18th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Physician Services Agreement effective January 1, 2001 (the "Agreement");

WHEREAS, section 11.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the Kern County Hospital Authority (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Article X, section 11.16 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #19-96428 ("Intergovernmental Agreement") effective for the funding periods of July 1, 2019 through June 30, 2020 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS that are designated to be paid to PROVIDER, in accordance

with paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller’s Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room; and

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer). Based on revenue, cost, and other factors, a percentage of the LMMCRR IGT Payments will be allocated between the Hospital and Other Facility Services Agreement (42%) and the Physician Services Agreement (58%).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subparagraph 1.F (1)(b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER

complied with the provisions set forth in paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in section 11.04 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in paragraph J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from the GOVERNMENTAL FUNDING ENTITY, or the IGT MMCRRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a

determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to recoup, offset or withhold immediately any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this paragraph shall include, but not be limited to, reduction in future IGT MMCRRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER;

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) in response to an action described in subparagraph 1.J (1)(a) or subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this paragraph J shall prevail to the extent any provision in this paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This paragraph J shall survive termination of this Amendment.

2. **Term**

The term of this Amendment shall commence on July 1, 2019 and shall terminate on December 31, 2022.

[Signatures follow on next page]

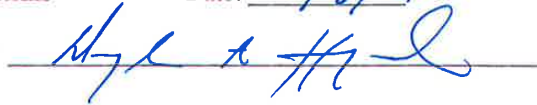
All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: Kern Health Systems

Date: 5/18/21

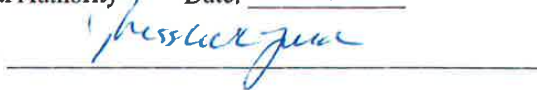
By: Title: Chief Executive Officer



PROVIDER: Kern County Hospital Authority

Date: 5/17/21

By: Title: Chief Executive Officer



APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By



Karen S. Barnes, Esq.
Vice President & General Counsel
Kern County Hospital Authority

HEALTH PLAN-PROVIDER AGREEMENT

HOSPITAL AND OTHER FACILITY SERVICES AGREEMENT

AMENDMENT NO. 58

This Amendment is made this 18th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Hospital and other Facility Services Agreement effective January 1, 2001 (the "Agreement");

WHEREAS, section 10.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the Kern County Hospital Authority (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Article X, section 10.16 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #19-96428 ("Intergovernmental Agreement") effective for the funding periods of July 1, 2019 through June 30, 2020 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRI"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRI received from State DHCS that are designated to be paid to PROVIDER, in accordance

with paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller’s Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room; and

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer). Based on revenue, cost, and other factors, a percentage of the LMMCRR IGT Payments will be allocated between the Hospital and Other Facility Services Agreement (42%) and the Physician Services Agreement (58%).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MLCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subparagraph 1.F (1)(b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER

complied with the provisions set forth in paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in section 10.04 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in paragraph J below. PLAN agrees to transmit to PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from GOVERNMENTAL FUNDING ENTITY, or the IGT MMCRRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a

determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to recoup, offset or withhold immediately any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this paragraph shall include, but not be limited to, reduction in future IGT MMCRRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) in response to an action described in subparagraph 1.J (1)(a) or subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this paragraph J shall prevail to the extent any provision in this paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This paragraph J shall survive termination of this Amendment.

2. **Term**

The term of this Amendment shall commence on July 1, 2019 and shall terminate on December 31, 2022.

[Signatures follow on next page]

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN: Kern Health Systems Date: 5/18/21
By: Title: Chief Executive Officer [Signature]

PROVIDER: Kern County Hospital Authority Date: 5/17/21
By: Title: Chief Executive Officer [Signature]

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By: [Signature]
Karen S. Barnes, Esq.
Vice President & General Counsel
Kern County Hospital Authority

HEALTH PLAN-PROVIDER AGREEMENT

HOSPITAL AND OTHER FACILITY SERVICES AGREEMENT

This Amendment is made this 15th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Kern Valley Healthcare District, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Hospital and Other Facility Services Agreement, effective January 1, 2004, as amended ("Agreement");

WHEREAS, Section 10.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the GOVERNMENTAL FUNDING ENTITY to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:
Article X, section 10.14 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #19-96429 ("Intergovernmental Agreement") effective for the periods of July 1, 2019 through December 31, 2019 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRI"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRI received from State DHCS that are designated to be paid to PROVIDER, in accordance with Paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCR") IGT Payments. LMMCR IGT

Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller's Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) The PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code Section 14301.5.

(3) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room;

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of Subparagraph 1.B above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by the PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this Paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 10.04 of the Agreement. The reconciliation processes established under this Paragraph are distinct from the indemnification provisions set forth in Paragraph J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This Paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRi or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is

denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from the GOVERNMENT FUNDING ENTITY, or the IGT MMCRRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this Paragraph shall include, but not be limited to, reduction in future IGT MMCRRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER;

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) in response to an action described in Subparagraph 1.J (1)(a) or Subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this Paragraph J shall prevail to the extent any provision in this Paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This Paragraph J shall survive termination of this Amendment.

2. Term

The term of this Amendment shall commence on July 1, 2018 and shall terminate on September 30, 2021.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

KERN HEALTH SYSTEMS

BY: 

PRINT NAME: Douglas A. Hayward

TITLE: Chief Executive Officer

DATE: 5/17/21

KERN VALLEY HEALTHCARE DISTRICT

BY: 

PRINT NAME: Chester N. Beedle

TITLE: Chief Financial Officer

DATE: May 15, 2021

HEALTH PLAN-PROVIDER AGREEMENT

HOSPITAL AND OTHER FACILITY SERVICES AGREEMENT

This Amendment is made this 15th day of May, 2021, by and between Kern Health Systems, a county health authority, hereinafter referred to as "PLAN," and the Tehachapi Valley Healthcare District, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into a Hospital and Other Facility Services Agreement, effective November 1, 2016, as amended ("Agreement");

WHEREAS, Section 10.02 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN is a county health authority formed pursuant to Welfare and Institutions Code section 14087.38 and Chapter 2.94 of the Ordinance Code of Kern County;

WHEREAS, PROVIDER is a general acute care hospital licensed by the state of California pursuant to Division 2, Chapter 2, Article 2 of the Health and Safety Code;

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the GOVERNMENTAL FUNDING ENTITY to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:
Article X, section 10.14 shall be made part of the Agreement as follows:

2018-19 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Payment

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the GOVERNMENTAL FUNDING ENTITY specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds, #18-95641 ("Intergovernmental Agreement") effective for the periods of July 1, 2019 through June 30, 2020 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRI"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRI received from State DHCS that are designated to be paid to PROVIDER, in accordance with Paragraph 1.E below, which specifies the form and timing of Local Medi-Cal Managed Care

Rate Range (“LMMCRR”) IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. Health Plan Retention

(1) Medi-Cal Managed Care Seller’s Tax related withholds or payments do not apply to any service months on or after July 1, 2016.

(2) The PLAN shall not impose a fee or retention amount, or reduce other payments to a county public hospital health system, that would result in a direct or indirect reduction to the payments authorized under Welfare and Institutions Code Section 14301.5.

(3) PLAN will not retain any other portion of the IGT Payments received from the State DHCS other than those mentioned above.

C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;

(2) maintain its current emergency room licensure status and not close its emergency room;

(3) maintain its current inpatient surgery suites and not close these facilities.

D. Schedule and Notice of Transfer of Non-Federal Funds

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of GOVERNMENTAL FUNDING ENTITY funds to the State DHCS, referred to in the Intergovernmental Agreement, within 15 days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after transferring GOVERNMENTAL FUNDING ENTITY funds to the State DHCS for use as the nonfederal share of the LMMCRR IGT Payments.

E. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

- (1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).
- (2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than 30 calendar days after receipt of the IGT MMCRRIs from State DHCS.

F. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of Subparagraph 1.B above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY's general fund, the State, or any other intermediary organization. Payments made by the PLAN to PROVIDER under the terms of this Amendment constitute patient care revenues.

G. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this Paragraph. PLAN shall request, within 30 calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within 30 calendar days of PLAN's request.

H. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Kern County.

I. Reconciliation

Within 120 calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within 30 calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 10.04 of the Agreement. The reconciliation processes established under this Paragraph are distinct from the indemnification provisions set forth in Paragraph J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within 30 calendar days of PLAN's identification of such underpayment. This Paragraph 1.I shall survive termination of this Amendment.

J. Indemnification

(1) Anything to the contrary contained in the Agreement or this Amendment notwithstanding, PROVIDER shall indemnify and hold PLAN (including its directors, officers, agents, and employees) harmless against any losses, claims, demands, liabilities, court costs, judgments and expenses, imposed by a court or otherwise incurred by PLAN arising out of, or in any way related to any payments made by PLAN to PROVIDER related to the IGT MMCRRi or LMMCRR IGT Payments, including but not limited to the following circumstances:

(a) In the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any money from or fails to provide any money to PLAN, or PLAN is

denied any money to which it otherwise would have been entitled, for any reason relating to any payments made, or scheduled under this Amendment to be made, by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments, including, but not limited to, (i) State DHCS' use of IGT MMCRRRI or LMMCRR IGT Payments to supplant or replace other amounts in violation of the restrictions in section 2.2 of the Intergovernmental Agreement; (ii) the failure of the intergovernmental transfers from the GOVERNMENT FUNDING ENTITY, or the IGT MMCRRRI or LMMCRR IGT Payments to qualify in whole or part for federal participation pursuant to 42 C.F.R. part 433, subpart B; (iii) overpayment of IGT MMCRRRI or LMMCRR IGT Payments to PLAN by State DHCS; or (iv) a determination that PROVIDER's use of payments made by PLAN to PROVIDER related to the IGT MMCRRRI or LMMCRR IGT Payments do not meet program requirements, PLAN shall have a right to immediately recoup, offset or withhold any and all such amounts from any other amounts owed to PROVIDER.

(2) Recovery by PLAN pursuant to this Paragraph shall include, but not be limited to, reduction in future IGT MMCRRRI or LMMCRR IGT Payments paid to PROVIDER in an amount equal to the amount of IGT MMCRRRI or LMMCRR IGT Payments recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER;

(3) PLAN may pursue an appeal, a lawsuit, or any other available legal action to challenge any recoupment by State DHCS, the Department of Health and Human Services, or any other federal or state agency, that is not required by law, unless after consultation with PROVIDER and with good cause, PLAN determines that it is not in the best interest of PLAN and/or PROVIDER to do so.

(4) At PLAN's discretion, PROVIDER shall either immediately provide or arrange for legal representation on PLAN's behalf or PLAN shall arrange for its own representation and be entitled to reimbursement, from PROVIDER, of its reasonable attorney's fees and costs incurred for such representation, in addition to any and all other relief to which PLAN may be entitled, including, but not limited to, the following circumstances:

(a) If any action at law, suit in equity, arbitration, or administrative action is brought against PLAN by State DHCS, the Department of Health and Human Services, any other federal or state agency or other individual or organization to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) recoup, offset, or otherwise withhold any money from PLAN relating to the IGT MMCRRRI or LMMCRR IGT Payments; or

(b) If PLAN brings any appeal, action at law, suit in equity, arbitration or administrative action against State DHCS, the Department of Health and Human Services or any other federal or state agency to: (i) enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments; or (ii) in response to an action described in Subparagraph 1.J (1)(a) or Subparagraph 1.J (4)(a) above.

(5) If PLAN prevails in any appeal, action at law, suit in equity, arbitration, or administrative action against PROVIDER to enforce or interpret the IGT MMCRRRI or LMMCRR IGT Payments or to recoup, offset, or otherwise withhold any money relating to the IGT MMCRRRI or LMMCRR IGT Payments, PLAN shall be entitled to reasonable attorney's fees and costs from PROVIDER.

(6) It is the parties' intention that PLAN not be economically harmed as a result of its willingness to enter into this Amendment.

(7) For the avoidance of doubt and purposes of clarity, the parties agree that this Paragraph J shall prevail to the extent any provision in this Paragraph J is contrary to or conflicts with any other provision, section, paragraph, or part of this Amendment or any provision of the Agreement. This Paragraph J shall survive termination of this Amendment.

2. Term

The term of this Amendment shall commence on July 1, 2018 and shall terminate on December 31, 2021.

All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

KERN HEALTH SYSTEMS

**ADVENTIST HEALTH MEDICAL CENTER
TEHACHAPI**

BY: 

BY: Chester N. Beedle

PRINT NAME: Douglas A. Hayward

PRINT NAME: Chester N. Beedle

TITLE: Chief Executive Officer

TITLE: Chief Financial Officer

DATE: 5/17/21

DATE: May 15, 2021



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

Re: 2021 Budget Changes

Background

Due to several items that occurred after the Board of Directors (“Board”) approved the 2021 Budget, management is seeking approval to adjust the following 2021 Budget items:

- 1) Pharmacy (Net Position Budget Neutral)
- 2) Hospital Directed Payments (Net Position Budget Neutral)
- 3) Grants (Net Position \$7 million negative impact to the Budget-Part of a \$10 million grant approved by the Board at the February 11, 2021 Board Meeting)
- 4) Capital Budget and Corporate Projects (\$414.00 net increase)

Discussion

Pharmacy

KHS currently manages the pharmacy benefit for its members by contracting with a Pharmacy Benefit Manger (“PBM”) to assist with claims processing and pharmacy rebate services. KHS had been notified by DHCS that they intended to transition all Medi-Cal pharmacy benefits from managed care plans like KHS to fee-for-service (“FFS”). DHCS believes that this is required to combat rising prices for prescription drugs by increasing the State’s bargaining power in negotiating prescription drug prices with pharmaceutical companies. At the time of developing the 2021 Budget the date of the transition was expected to occur April 1, 2021. Accordingly, our budget only included 3 months of managing the pharmacy benefit. The date of the transition has been pushed back from April 1, 2021 to an undetermined future date. Management believes that KHS will continue managing the pharmacy benefit for the remainder of 2021 and has updated the 2021 Budget to reflect an additional 9 months of Pharmacy Revenue and Expenses.

Fiscal Impact

There will not be an increase or decrease in the net position to the 2021 Budget for Pharmacy as the additional \$88.5 million of revenue and \$88.5 million of net expense are assumed to be budget neutral. (Please see Footnote A in Attachment 1)

Hospital Directed Payments

At the time of developing the 2021 Budget for Hospital Directed Payments (“HDP”) management was utilizing the most current HDP rates known to KHS. After finalizing the 2021 Budget, KHS received rates from DHCS for the 19/20 HDP rate year.

Fiscal Impact

There will not be an increase or decrease in the net position to the 2021 Budget for Hospital Directed Payments as the additional \$58.5 million of revenue and the \$58.5 million of expense are budget neutral. (Please see Footnote B in Attachment 1)

Grants

At the February 11, 2021 KHS Board of Directors meeting, the Board approved \$10 million of Provider Grants primarily for CalAIM Initiatives, Increasing Access to Care, Service Area Expansion and Quality Care Initiatives. The project timeframe for the grants covers the period July 1, 2021 to June 30, 2022.

Fiscal Impact

Management’s best estimate based on the grant proposals received is that there will be a \$7 million negative impact to KHS’ 2021 Budgeted net position. (Please see Footnote C in Attachment 1)

Capital Budget and Corporate Projects

At the April 15, 2021 KHS Board of Directors meeting, management provided an update on DHCS’ CalAIM initiatives. As discussed in the meeting, CalAIM was re-announced in January 2021 with DHCS’ release of updated policy materials. Given the resumed focus on CalAIM, management had to prioritize its Project Resources and Capital Budget to meet items scheduled for implementation in 2021 and 2022.

Due to the CalAim initiatives launching January 1, 2022 (Enhanced Case Management, In Lieu of Services and Major Organ Transplants), KHS performed an impact assessment to the portfolio including resource planning and identified required adjustments that were needed to the corporate portfolio. The technology department identified the need for two (2) additional resources and the business identified three (3) additional resources that will be required full time for six months (June to December) to adequately staff in preparation to meet the January 1, 2022 DHCS regulatory deadline.

The Provider Credentialing System capital corporate project was identified in the portfolio assessment as a project that could be eliminated for 2021 and delayed to 2022. KHS performed an upgrade to the provider credentialing system in 2020 allowing for the system to be supported by the vendor until 2022. KHS will plan for a system upgrade in the 2022 corporate portfolio.

The MCAS System Replacement capital corporate project was identified in the portfolio assessment as a project that could be eliminated for 2021 and delayed to 2022. We currently have

a vendor in place to ensure the MCAS regulatory requirements are met. KHS conducted an RFP in 2021 to review the current system landscape and pricing. Based on the 2021 RFP outcomes, if the decision is to replace our existing vendor, KHS will plan for a 2022 corporate project.

Fiscal Impact

The overall impact to the organization's 2021 Capital Budget and Corporate Projects is budget neutral, however, a portfolio shift is required. The shift is comprised of Project Additions requiring \$1,105,000 of Professional Resources and is offset against Corporate Project Amendments and Corporate Project eliminations totaling \$1,104,586 from the Capital Budget and from Professional Resources.

Requested Action

Approve 2021 Budget Changes and authorize the CEO to approve contracts associated with budget revisions to the 2021 Capital Budget and Corporate Projects; Refer to KHS Board of Directors.

KHS Finance Committee Meeting, June 4, 2021

**KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2021 BUDGET REVISIONS**

	2021 BUDGET		2021 BUDGET		2021 BUDGET		2021 BUDGET	
	AS ORIGINALLY APPROVED	AS ORIGINALLY APPROVED	REVISED	REVISED	(REDUCTIONS)/INCREASE	(REDUCTIONS)/INCREASE	(REDUCTIONS)/INCREASE	(REDUCTIONS)/INCREASE
	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
REVENUE								
Capitation (excludes Prop 56 & GEMT)	663,641,129	200.09	748,730,879	225.74	85,089,750 (A)	25.65		
Maternity Kick	32,821,680	9.90	32,821,680	9.90	-	-		
Health Home Kick	10,624,814	3.20	10,624,814	3.20	-	-		
HEP C Kick	1,145,008	1.39	4,380,032	1.38	3,435,024 (A)	(0.01)		
BHT Kick	15,049,646	4.54	15,049,646	4.54	-	-		
Behavioral Health Integration Program	4,800,000	1.45	4,800,000	1.45	-	-		
Prop 56	64,803,772	19.54	64,803,772	19.54	-	-		
GEMT	5,546,148	1.67	5,546,148	1.67	-	-		
Total MCAL Revenue	798,432,197	240.73	886,956,971	267.42	-	-		
Add-Ons (Directed Provider Payments)	110,079,293	33.19	168,615,703	50.84	58,536,410 (B)	17.65		
MCO Tax Revenue	112,792,218	34.01	112,792,218	34.01	-	-		
Interest	2,000,000	0.60	2,000,000	0.60	-	-		
Reinsurance	961,855	0.29	961,855	0.29	-	-		
TOTAL REVENUE	1,024,265,562	308.82	1,171,326,746	353.16	147,061,184	44.34		
MEDICAL								
Inpatient Hospital	184,923,062	55.75	184,923,062	55.75	-	-		
Outpatient Facility	83,900,377	25.30	83,900,377	25.30	-	-		
Emergency Room Facility	66,844,872	20.15	66,844,872	20.15	-	-		
Long-Term Care Facility	15,609,449	4.71	15,609,449	4.71	-	-		
Primary Physician Services	36,817,849	11.10	36,817,849	11.10	-	-		
Health Homes Capitation and Incentive	4,739,154	1.43	4,739,154	1.43	-	-		
Urgent Care	18,127,110	5.47	18,127,110	5.47	-	-		
Physician Specialty	126,966,103	38.28	126,966,103	38.28	-	-		
BHT	15,049,646	4.54	15,049,646	4.54	-	-		
Mental Health	2,274,888	0.69	2,274,888	0.69	-	-		
Vision	3,543,605	1.07	3,543,605	1.07	-	-		
Other Medical Professional	14,977,912	4.52	14,977,912	4.52	-	-		
Pharmacy	28,039,050	34.04	112,528,800	33.93	84,489,750 (A)	(0.11)		
HEP C	1,145,008	1.39	4,380,032	1.38	3,435,024 (A)	(0.01)		
DME/Pharmacy net of Rebates	9,243,891	2.79	9,243,891	2.79	-	-		
Pharmacy Rebates	(100,000)	(0.12)	(400,000)	(0.12)	(300,000) (A)	0.00		
Home Health and CBAS	5,110,470	1.54	5,110,470	1.54	-	-		
Other- Ambulance and Non-Emergent Transportation	18,616,312	5.61	18,616,312	5.61	-	-		
Behavioral Health Integration Program	4,800,000	1.45	4,800,000	1.45	-	-		
Pay for Performance Quality Incentive	6,301,806	1.90	6,301,806	1.90	-	-		
Provider Incentive Payments (Prop 56 & GEMT)	67,109,731	20.23	67,109,731	20.23	-	-		
Add-Ons Directed Provider Payments	110,079,293	33.19	168,615,703	50.84	58,536,410 (B)	17.65		
Reinsurance Premium	961,855	0.29	961,855	0.29	-	-		
UM/QA Costs (including Utilization & Quality Review)	26,784,739	8.08	26,784,739	8.08	-	-		
Total Medical Costs	851,866,183	256.84	998,027,367	300.91	146,161,184	44.07		
GROSS PROFIT/(LOSS)	172,399,379	51.98	173,299,379	52.25	900,000	0.27		
ADMINISTRATIVE	58,534,466	17.65	59,434,466	17.92	900,000 (A)	0.27		
NET PROFIT/(LOSS) BEFORE MCO TAX	113,864,913	34.33	113,864,913	34.33	-	-		
MCO TAX EXPENSE	112,792,218	34.01	112,792,218	34.01	-	-		
NET PROFIT/(LOSS) AFTER MCO TAX	1,072,695	0.32	1,072,695	0.32	-	-		
HEALTH HOME PROGRAM GRANTS	2,000,000		2,000,000		-	-		
PROVIDER RECRUITMENT AND RETENTION GRANTS	1,000,000		8,000,000		7,000,000 (C)			
NET PROFIT/(LOSS) AFTER GRANT EXPENSE	(1,927,305)		(8,927,305)		(7,000,000)			

- (A) Pharmacy Budget Changes
- (B) Hospital Directed Payment Budget Changes
- (C) Grant Budget Changes

Attachment 1



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

Re: February 2021 Financial Results

The February results reflect a \$2,427,938 Net Increase in Net Position which is a \$1,825,681 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$9.0 million favorable variance primarily due to:
 - A) \$2.0 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$.8 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.
 - C) \$5.8 million favorable variance in Premium-Hospital Directed Payments primarily due to receiving revised 19/20 HDP rates. This amount is offset against amounts included in 2D below.
 - D) \$.6 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year offset against amounts included in 2E below.
- 2) Total Medical Costs reflect a \$8.1 million unfavorable variance primarily due to:
 - A) \$1.1 million favorable variance in Emergency Room primarily due to lower than expected utilization.
 - B) \$4.0 million unfavorable variance in Inpatient primarily due to higher than expected utilization.
 - C) \$1.4 million favorable variance in Pharmacy primarily due from formulary modifications that capitalized on new generics that came to market and less costly brands within the same therapeutic class. There was also a timing impact from the lengthening of the day supply per prescription of maintenance medications that occurred beginning in March 2020. Additionally, the Flu Season was not as severe as expected due to increased social distancing, washing hands, wearing masks and an increase in flu vaccine administration due to our efforts in reaching out to our members during the 4th quarter of 2020.
 - D) \$5.8 million unfavorable variance in Hospital Directed Payments primarily due to receiving revised 19/20 HDP rates. This amount is offset against amounts included in 1C above.

- E) \$.9 million unfavorable variance in IBNR, Incentive Paid Claims Adjustment primarily due to increasing the Bridge Risk Corridor Liability to account for amounts included in 1D above. (The purpose of the Bridge Risk Corridor was to mitigate significant upward or downward risk associated with COVID-19 that was unknown at the time that our rates were determined by DHCS for the period July 1, 2019- December 31,2020).

The February Medical Loss Ratio is 92.2% which is slightly unfavorable to the 92.1% budgeted amount. The February Administrative Expense Ratio is 5.5% which is favorable to the 6.6% budgeted amount.

The results for the 2 months ended February 28, 2021 reflect a Net Increase in Net Position of \$3,920,853. This is a \$2,697,057 favorable variance to budget and includes approximately \$.3 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 92.6% which is unfavorable to the 92.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.6% which is favorable to the 6.6% budgeted amount.

**Kern Health Systems
Financial Packet
February 2021**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF FEBRUARY 28, 2021			
ASSETS	FEBRUARY 2021	JANUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 79,253,937	\$ 105,073,268	\$ (25,819,331)
Short-Term Investments	161,378,989	129,481,278	31,897,711
Pass-through Monies Held for Future Payment	-	63,901,877	(63,901,877)
Premiums Receivable - Net	112,510,770	99,682,751	12,828,019
Premiums Receivable - Hospital Direct Payments	226,081,325	210,829,165	15,252,160
Interest Receivable	192,810	96,977	95,833
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	1,356,469	1,162,978	193,491
Prepaid Expenses & Other Current Assets	2,979,660	2,977,322	2,338
Total Current Assets	\$ 589,260,478	\$ 618,712,134	\$ (29,451,656)
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,027,361	2,074,454	(47,093)
Computer Hardware and Software - Net	14,509,483	14,611,138	(101,655)
Building and Building Improvements - Net	35,196,893	35,272,587	(75,694)
Capital Projects in Progress	12,697,216	12,438,635	258,581
Total Capital Assets	\$ 68,521,659	\$ 68,487,520	\$ 34,139
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,944	1,556,944	-
Total Long Term Assets	\$ 1,856,944	\$ 1,856,944	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 3,018,341	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 662,657,422	\$ 692,074,939	\$ (29,417,517)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 3,783,861	\$ 3,724,831	59,030
Accrued Other Operating Expenses	1,590,824	2,387,430	(796,606)
Accrued Taxes and Licenses	17,629,921	8,725,272	8,904,649
Other Medical Liabilities - Nonoperating Passthrough	-	63,901,877	(63,901,877)
Claims Payable (Reported)	30,739,256	30,841,482	(102,226)
IBNR - Inpatient Claims	38,020,148	35,269,379	2,750,769
IBNR - Physician Claims	17,106,358	16,682,703	423,655
IBNR - Accrued Other Medical	26,758,443	24,247,032	2,511,411
Risk Pool and Withholds Payable	5,366,985	5,534,345	(167,360)
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	53,828,299	50,607,359	3,220,940
Accrued Hospital Directed Payments	226,081,325	210,829,165	15,252,160
Total Current Liabilities	\$ 423,131,324	\$ 454,976,779	\$ (31,845,455)
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	\$ 8,432,377	\$ 8,432,377	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 86,684	\$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	3,920,853	1,492,915	2,427,938
Total Net Position	\$ 231,007,037	\$ 228,579,099	\$ 2,427,938
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 662,657,422	\$ 692,074,939	\$ (29,417,517)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2021			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
180,213	181,800	(1,587)	Family Members	363,430	363,200	230		
69,723	70,565	(842)	Expansion Members	141,123	141,130	(7)		
18,865	15,230	3,635	SPD Members	34,919	30,460	4,459		
8,079	7,000	1,079	Other Members	15,925	14,000	1,925		
11,196	10,500	696	Kaiser Members	22,243	21,000	1,243		
288,076	285,095	2,981	Total Members - MCAL	577,640	569,790	7,850		
REVENUES								
33,365,704	32,140,652	1,225,052	Title XIX - Medicaid - Family and Other	66,620,194	64,239,603	2,380,591		
27,720,576	26,861,201	859,375	Title XIX - Medicaid - Expansion Members	55,268,887	53,722,402	1,546,485		
15,368,431	15,473,370	(104,939)	Title XIX - Medicaid - SPD Members	30,695,409	30,946,741	(251,332)		
9,657,982	8,904,649	753,333	Premium - MCO Tax	19,235,414	17,809,298	1,426,117		
15,230,282	9,470,920	5,759,362	Premium - Hospital Directed Payments	30,352,185	18,938,379	11,413,806		
116,471	165,093	(48,622)	Investment Earnings And Other Income	120,774	329,836	(209,062)		
	79,633	(79,633)	Reinsurance Recoveries	-	159,149	(159,149)		
21,877	-	21,877	Rate Adjustments - Hospital Directed Payments	61,867	-	61,867		
594,678	-	594,678	Rate/Income Adjustments	1,394,564	-	1,394,564		
102,076,001	93,095,516	8,980,485	TOTAL REVENUES	203,749,294	186,145,407	17,603,887		
EXPENSES								
Medical Costs:								
14,731,540	15,086,920	355,380	Physician Services	29,638,700	30,157,766	519,066		
4,883,941	4,716,177	(167,764)	Other Professional Services	9,305,493	9,429,747	124,254		
4,420,437	5,539,225	1,118,788	Emergency Room	9,096,764	11,071,521	1,974,757		
19,321,533	15,355,375	(3,966,158)	Inpatient	39,174,713	30,698,555	(8,476,158)		
80,770	79,633	(1,137)	Reinsurance Expense	161,985	159,149	(2,836)		
6,610,422	6,967,865	357,443	Outpatient Hospital	13,719,096	13,930,434	211,338		
10,412,229	10,108,062	(304,167)	Other Medical	21,053,342	20,205,303	(848,039)		
9,049,621	10,462,750	1,413,129	Pharmacy	18,149,980	20,918,849	2,768,869		
529,183	521,731	(7,453)	Pay for Performance Quality Incentive	1,058,365	1,042,701	(15,664)		
-	-	-	Risk Corridor Expense	-	-	-		
15,230,282	9,470,920	(5,759,362)	Hospital Directed Payments	30,352,185	18,938,379	(11,413,806)		
21,878	-	(21,878)	Hospital Directed Payment Adjustment	61,868	-	(61,868)		
233,372	-	(233,372)	Non-Claims Expense Adjustment	520,435	-	(520,435)		
858,658	-	(858,658)	IBNR, Incentive, Paid Claims Adjustment	863,445	-	(863,445)		
86,383,866	78,308,657	(8,075,209)	Total Medical Costs	173,156,371	156,552,405	(16,603,966)		
15,692,135	14,786,860	905,275	GROSS MARGIN	30,592,923	29,593,002	999,921		
Administrative:								
2,908,104	2,856,030	(52,074)	Compensation	5,680,688	5,712,061	31,373		
824,152	1,071,006	246,854	Purchased Services	1,643,060	2,142,012	498,952		
57,416	133,106	75,690	Supplies	115,008	266,212	151,204		
422,834	500,520	77,686	Depreciation	845,667	1,001,041	155,374		
267,201	385,959	118,758	Other Administrative Expenses	544,446	771,918	227,472		
(271,318)	-	271,318	Administrative Expense Adjustment	(253,022)	-	253,022		
4,208,389	4,946,622	738,233	Total Administrative Expenses	8,575,847	9,893,244	1,317,397		
90,592,255	83,255,279	(7,336,976)	TOTAL EXPENSES	181,732,218	166,445,649	(15,286,569)		
11,483,746	9,840,238	1,643,508	OPERATING INCOME (LOSS) BEFORE TAX	22,017,076	19,699,758	2,317,318		
8,904,649	8,904,649	-	MCO TAX	17,807,592	17,809,298	1,706		
2,579,097	935,589	1,643,508	OPERATING INCOME (LOSS) NET OF TAX	4,209,484	1,890,460	2,319,024		
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets	-	-	-		
(81,396)	(166,666)	85,270	Provider Recruitment and Retention Grants	(162,792)	(333,332)	170,540		
(69,763)	(166,666)	96,903	Health Home	(125,839)	(333,332)	207,493		
(151,159)	(333,332)	182,173	TOTAL NONOPERATING REVENUE (EXPENSE)	(288,631)	(666,664)	378,033		
2,427,938	602,257	1,825,681	NET INCREASE (DECREASE) IN NET POSITION	3,920,853	1,223,796	2,697,057		
92.2%	92.1%	-0.1%	MEDICAL LOSS RATIO	92.6%	92.1%	-0.5%		
5.5%	6.6%	1.2%	ADMINISTRATIVE EXPENSE RATIO	5.6%	6.6%	1.1%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2021			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT								
180,213	181,800	(1,587)	Family Members	363,430	363,200	230		
69,723	70,565	(842)	Expansion Members	141,123	141,130	(7)		
18,865	15,230	3,635	SPD Members	34,919	30,460	4,459		
8,079	7,000	1,079	Other Members	15,925	14,000	1,925		
11,196	10,500	696	Kaiser Members	22,243	21,000	1,243		
288,076	285,095	2,981	Total Members - MCAL	577,640	569,790	7,850		
REVENUES								
177.20	170.24	6.97	Title XIX - Medicaid - Family and Other	175.61	170.31	5.31		
397.58	380.66	16.92	Title XIX - Medicaid - Expansion Members	391.64	380.66	10.98		
814.65	1,015.98	(201.33)	Title XIX - Medicaid - SPD Members	879.05	1,015.98	(136.93)		
34.88	32.43	2.45	Premium - MCO Tax	34.63	32.45	2.18		
55.01	34.49	20.52	Premium - Hospital Directed Payments	54.65	34.51	20.14		
0.42	0.60	(0.18)	Investment Earnings And Other Income	0.22	0.60	(0.38)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
0.08	0.00	0.08	Rate Adjustments - Hospital Directed Payments	0.11	0.00	0.11		
2.15	0.00	2.15	Rate/Income Adjustments	2.51	0.00	2.51		
368.67	339.03	29.64	TOTAL REVENUES	366.85	339.19	27.66		
EXPENSES								
Medical Costs:								
53.21	54.94	1.74	Physician Services	53.36	54.95	1.59		
17.64	17.18	(0.46)	Other Professional Services	16.75	17.18	0.43		
15.97	20.17	4.21	Emergency Room	16.38	20.17	3.80		
69.78	55.92	(13.86)	Inpatient	70.53	55.94	(14.60)		
0.29	0.29	(0.00)	Reinsurance Expense	0.29	0.29	(0.00)		
23.87	25.38	1.50	Outpatient Hospital	24.70	25.38	0.68		
37.61	36.81	(0.79)	Other Medical	37.91	36.82	(1.09)		
32.68	38.10	5.42	Pharmacy	32.68	38.12	5.44		
1.91	1.90	(0.01)	Pay for Performance Quality Incentive	1.91	1.90	(0.01)		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
55.01	34.49	(20.52)	Hospital Directed Payments	54.65	34.51	(20.14)		
0.08	0.00	(0.08)	Hospital Directed Payment Adjustment	0.11	0.00	(0.11)		
0.84	0.00	(0.84)	Non-Claims Expense Adjustment	0.94	0.00	(0.94)		
3.10	0.00	(3.10)	IBNR, Incentive, Paid Claims Adjustment	1.55	0.00	(1.55)		
311.99	285.18	(26.81)	Total Medical Costs	311.77	285.27	(26.50)		
56.67	53.85	2.83	GROSS MARGIN	55.08	53.92	1.16		
Administrative:								
10.50	10.40	(0.10)	Compensation	10.23	10.41	0.18		
2.98	3.90	0.92	Purchased Services	2.96	3.90	0.94		
0.21	0.48	0.28	Supplies	0.21	0.49	0.28		
1.53	1.82	0.30	Depreciation	1.52	1.82	0.30		
0.97	1.41	0.44	Other Administrative Expenses	0.98	1.41	0.43		
(0.98)	0.00	0.98	Administrative Expense Adjustment	(0.46)	0.00	0.46		
15.20	18.01	2.81	Total Administrative Expenses	15.44	18.03	2.59		
327.19	303.19	(24.00)	TOTAL EXPENSES	327.21	303.30	(23.92)		
41.48	35.84	5.64	OPERATING INCOME (LOSS) BEFORE TAX	39.64	35.90	3.75		
32.16	32.43	0.27	MCO TAX	32.06	32.45	0.39		
9.31	3.41	5.91	OPERATING INCOME (LOSS) NET OF TAX	7.58	3.44	4.13		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(0.29)	(0.61)	0.31	Reserve Fund Projects/Community Grants	(0.29)	(0.61)	0.31		
(0.25)	(0.61)	0.35	Health Home	(0.23)	(0.61)	0.38		
(0.55)	(1.21)	0.67	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.52)	(1.21)	0.70		
8.77	2.19	6.58	NET INCREASE (DECREASE) IN NET POSITION	7.06	2.23	4.83		
92.2%	92.1%	-0.1%	MEDICAL LOSS RATIO	92.6%	92.1%	-0.5%		
5.5%	6.6%	1.2%	ADMINISTRATIVE EXPENSE RATIO	5.6%	6.6%	1.1%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2021														FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	13 MONTH TOTAL
ENROLLMENT																											
Members - MCAL	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	3,455,226													
REVENUES																											
Title XIX - Medicaid - Family and Other	28,136,428	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	397,094,876													
Title XIX - Medicaid - Expansion Members	23,419,130	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	327,801,159													
Title XIX - Medicaid - SPD Members	16,158,895	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	198,118,727													
Premium - MCO Tax	16,158,895	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	118,154,138													
Premium - Hospital Directed Payments	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	126,989,120													
Investment Earnings And Other Income	301,265	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	2,439,025													
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Rate Adjustments - Hospital Directed Payments	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	(51,832,555)													
Rate/Income Adjustments	809,261	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	(518,096)													
TOTAL REVENUES	95,391,047	87,579,613	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	1,118,246,394													
EXPENSES																											
Medical Costs:																											
Physician Services	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	176,210,475													
Other Professional Services	3,966,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	55,093,897													
Emergency Room	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	57,153,757													
Inpatient	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,367	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	220,463,660													
Reinsurance Expense	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	998,776													
Outpatient Hospital	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	83,981,918													
Other Medical	10,021,013	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	142,158,302													
Pharmacy	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	118,724,110													
Pay for Performance Quality Incentive	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	6,282,457													
Risk Corridor Expense	-	-	-	-	4,700,000	(2,000,000)	-	-	(2,700,000)	-	-	-	-	-													
Hospital Directed Payments	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	126,989,120													
Hospital Directed Payment Adjustment	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	(51,832,555)													
Non-Claims Expense Adjustment	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,663	233,372	(1,990,693)													
IBNR, Incentive, Paid Claims Adjustment	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	858,658	(10,231,354)													
Total Medical Costs	74,784,002	73,829,944	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	923,757,387													
GROSS MARGIN	20,607,045	13,749,669	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	194,489,007													
Administrative:																											
Compensation	2,407,112	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	34,228,396													
Purchased Services	728,049	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	10,638,415													
Supplies	149,042	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	900,064													
Depreciation	287,536	306,318	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	5,592,483													
Other Administrative Expenses	181,493	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	3,529,759													
Administrative Expense Adjustment	-	-	-	(212,229)	-	-	-	-	-	-	1,407,045	18,296	(271,318)	941,794													
Total Administrative Expenses	3,753,232	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	55,830,911													
TOTAL EXPENSES	78,537,234	77,814,431	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	979,588,298													
OPERATING INCOME (LOSS) BEFORE TAX	16,853,813	9,765,182	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	138,658,096													
MCO TAX	16,159,021	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,902,943	8,904,649	118,727,166													
OPERATING INCOME (LOSS) NET OF TAX	694,792	2,178,473	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	19,930,930													
TOTAL NONOPERATING REVENUE (EXPENSE)	(569,882)	(1,076,457)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(3,665,272)													
NET INCREASE (DECREASE) IN NET POSITION	124,910	1,102,016	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	16,265,558													
MEDICAL LOSS RATIO	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	91.8%													
ADMINISTRATIVE EXPENSE RATIO	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	6.0%													

KHS Finance Committee Meeting, June 4, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH FEBRUARY 28, 2021														
	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	250,007	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	3,455,226
REVENUES														
Title XIX - Medicaid - Family and Other	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.05	177.17	166.32
Title XIX - Medicaid - Expansion Members	387.18	388.37	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	381.00
Title XIX - Medicaid - SPD Members	975.52	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	954.71	815.91	955.75
Premium - MCO Tax	64.63	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.20
Premium - Hospital Directed Payments	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	36.75
Investment Earnings And Other Income	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	0.71
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	(15.00)
Rate/Income Adjustments	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	(0.15)
TOTAL REVENUES	381.55	348.16	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	323.64
EXPENSES														
Medical Costs:														
Physician Services	55.49	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	51.00
Other Professional Services	15.87	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	15.95
Emergency Room	21.03	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	16.54
Inpatient	55.57	58.61	63.24	56.36	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	63.81
Reinsurance Expense	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.29
Outpatient Hospital	24.82	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	24.31
Other Hospital	40.08	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.14
Pharmacy	36.98	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	34.36
Pay for Performance Quality Incentive	2.00	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.82
Risk Corridor Expense	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	36.75
Hospital Directed Payment Adjustment	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	(15.07)
Non-Claims Expense Adjustment	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	(0.58)
IBNR, Incentive, Paid Claims Adjustment	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	(2.96)
Total Medical Costs	299.13	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	267.35
GROSS MARGIN	82.43	54.66	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	56.29
Administrative:														
Compensation	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	9.91
Purchased Services	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.08
Supplies	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.26
Depreciation	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.62
Other Administrative Expenses	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	1.02
Administrative Expense Adjustment	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.27
Total Administrative Expenses	15.01	15.84	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	16.16
TOTAL EXPENSES	314.14	309.34	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	283.51
OPERATING INCOME (LOSS) BEFORE TAX	67.41	38.82	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	40.13
MCO TAX	64.63	30.16	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	34.36
OPERATING INCOME (LOSS) NET OF TAX	2.78	8.66	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	5.77
TOTAL NONOPERATING REVENUE (EXPENSE)	(2.28)	(4.28)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(1.06)
NET INCREASE (DECREASE) IN NET POSITION	0.50	4.38	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	4.71
MEDICAL LOSS RATIO	93.4%	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	91.8%
ADMINISTRATIVE EXPENSE RATIO	5.5%	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	6.0%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,256,862	24,880,943	1,375,919	Premium - Medi-Cal	52,301,855	49,728,427	2,573,428
2,304,629	2,520,887	(216,258)	Premium - Maternity Kick	4,841,471	5,041,774	(200,303)
34,946	79,365	(44,419)	Premium - Hep C Kick	78,628	158,562	(79,934)
504,803	485,939	18,864	Premium - BHT Kick	966,125	970,848	(4,723)
177,192	175,762	1,430	Premium - Health Home Kick	284,251	351,152	(66,901)
3,548,915	3,464,316	84,599	Premium - Provider Enhancement	7,071,587	6,922,784	148,803
176,399	168,461	7,938	Premium - Ground Emergency Medical Transportation	351,328	336,698	14,630
252,794	273,232	(20,438)	Premium - Behavioral Health Integration Program	507,798	545,885	(38,087)
109,164	91,746	17,418	Other	217,151	183,472	33,679
33,365,704	32,140,652	1,225,052	Total Title XIX - Medicaid - Family & Other	66,620,194	64,239,603	2,380,591
			Title XIX - Medicaid - Expansion Members			
25,118,719	24,339,803	778,916	Premium - Medi-Cal	50,052,364	48,679,606	1,372,758
396,595	214,253	182,342	Premium - Maternity Kick	731,650	428,506	303,144
214,042	202,017	12,025	Premium - Hep C Kick	406,244	404,034	2,210
206,303	356,121	(149,818)	Premium - Health Home Kick	518,825	712,242	(193,417)
1,483,119	1,455,050	28,069	Premium - Provider Enhancement	2,956,009	2,910,100	45,909
177,323	165,235	12,088	Premium - Ground Emergency Medical Transportation	353,417	330,470	22,947
93,593	102,122	(8,529)	Premium - Behavioral Health Integration Program	188,874	204,244	(15,370)
30,882	26,600	4,282	Other	61,504	53,200	8,304
27,720,576	26,861,201	859,375	Total Title XIX - Medicaid - Expansion Members	55,268,887	53,722,402	1,546,485
			Title XIX - Medicaid - SPD Members			
14,064,152	13,653,527	410,625	Premium - Medi-Cal	28,063,189	27,307,054	756,135
17,473	100,288	(82,815)	Premium - Hep C Kick	43,682	200,576	(156,894)
454,925	763,566	(308,641)	Premium - BHT Kick	901,940	1,527,132	(625,192)
214,928	351,842	(136,914)	Premium - Health Home Kick	459,327	703,684	(244,357)
459,214	454,632	4,582	Premium - Provider Enhancement	916,304	909,264	7,040
132,454	127,475	4,979	Premium - Ground Emergency Medical Transportation	264,295	254,950	9,345
25,285	22,041	3,244	Premium - Behavioral Health Integration Program	46,672	44,082	2,590
15,368,431	15,473,370	(104,939)	Total Title XIX - Medicaid - SPD Members	30,695,409	30,946,741	(251,332)

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED FEBRUARY 28, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
2,963,060	3,049,444	86,384	Primary Care Physician Services	5,925,324	6,094,730	169,406
10,171,851	10,537,030	365,179	Referral Specialty Services	20,684,066	21,064,399	380,333
1,588,229	1,492,046	(96,183)	Urgent Care & After Hours Advise	3,011,610	2,980,937	(30,673)
8,400	8,400	-	Hospital Admitting Team	17,700	17,700	-
14,731,540	15,086,920	355,380	TOTAL PHYSICIAN SERVICES	29,638,700	30,157,766	519,066
			OTHER PROFESSIONAL SERVICES			
292,442	293,381	939	Vision Service Capitation	586,496	586,335	(161)
222,415	212,115	(10,300)	221 - Business Intelligence	433,078	424,230	(8,848)
563,907	597,920	34,013	310 - Health Services - Utilization Management - UM Allocation *	1,158,910	1,195,840	36,930
123,443	189,152	65,709	311 - Health Services - Quality Improvement - UM Allocation *	261,831	378,304	116,473
124,149	123,336	(813)	312 - Health Services - Education - UM Allocation *	244,770	246,672	1,902
75,369	80,283	4,914	313 - Health Services - Pharmacy - UM Allocation *	150,415	160,566	10,151
119,317	210,465	91,148	314 - Health Homes - UM Allocation *	239,487	420,930	181,443
261,834	270,692	8,858	315 - Case Management - UM Allocation *	532,491	541,384	8,893
58,064	56,773	(1,291)	616 - Disease Management - UM Allocation *	121,062	113,546	(7,516)
947,944	1,249,504	301,560	Behavior Health Treatment	1,815,461	2,497,979	682,518
181,749	188,893	7,144	Mental Health Services	474,266	377,636	(96,630)
1,913,308	1,243,662	(669,646)	Other Professional Services	3,287,226	2,486,326	(800,900)
4,883,941	4,716,177	(167,764)	TOTAL OTHER PROFESSIONAL SERVICES	9,305,493	9,429,747	124,254
4,420,437	5,539,225	1,118,788	EMERGENCY ROOM	9,096,764	11,071,521	1,974,757
19,321,533	15,355,375	(3,966,158)	INPATIENT HOSPITAL	39,174,713	30,698,555	(8,476,158)
80,770	79,633	(1,137)	REINSURANCE EXPENSE PREMIUM	161,985	159,149	(2,836)
6,610,422	6,967,865	357,443	OUTPATIENT HOSPITAL SERVICES	13,719,096	13,930,434	211,338
			OTHER MEDICAL			
1,208,039	1,543,555	335,516	Ambulance and NEMT	2,609,010	3,085,375	476,365
582,371	424,415	(157,956)	Home Health Services & CBAS	1,073,304	848,506	(224,798)
372,499	491,325	118,826	Utilization and Quality Review Expenses	601,195	982,650	381,455
1,132,832	1,298,304	165,472	Long Term/SNF/Hospice	2,749,409	2,596,055	(153,354)
294,005	393,508	99,503	Health Home Capitation & Incentive	505,145	786,700	281,555
5,226,990	5,098,389	(128,601)	Provider Enhancement Expense - Prop. 56	10,417,154	10,189,688	(227,466)
456,381	461,171	4,790	Provider Enhancement Expense - GEMT	912,761	922,118	9,357
767,440	-	(767,440)	Provider COVID-19 Expenses	1,442,020	-	(1,442,020)
371,672	397,395	25,723	Behavioral Health Integration Program	743,344	794,211	50,867
10,412,229	10,108,062	(304,167)	TOTAL OTHER MEDICAL	21,053,342	20,205,303	(848,039)
			PHARMACY SERVICES			
8,080,594	9,346,350	1,265,756	RX - Drugs & OTC	16,254,846	18,686,699	2,431,853
264,815	381,669	116,854	RX - HEP-C	509,959	763,171	253,212
839,212	768,063	(71,149)	Rx - DME	1,655,175	1,535,625	(119,550)
(135,000)	(33,333)	101,667	RX - Pharmacy Rebates	(270,000)	(66,645)	203,355
9,049,621	10,462,750	1,413,129	TOTAL PHARMACY SERVICES	18,149,980	20,918,849	2,768,869
529,183	521,731	(7,453)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1,058,365	1,042,701	(15,664)
-	-	-	RISK CORRIDOR EXPENSE	-	-	-
15,230,282	9,470,920	(5,759,362)	HOSPITAL DIRECTED PAYMENTS	30,352,185	18,938,379	(11,413,806)
21,878	-	(21,878)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	61,868	-	(61,868)
233,372	-	(233,372)	NON-CLAIMS EXPENSE ADJUSTMENT	520,435	-	(520,435)
858,658	-	(858,658)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	863,445	-	(863,445)
86,383,866	78,308,657	(8,075,209)	Total Medical Costs	173,156,371	156,552,405	(16,603,966)

KHS5/28/2021
Management Use Only

* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED FEBRUARY 28, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
10.70	11.11	0.40	Primary Care Physician Services	10.67	11.11	0.44
36.74	38.37	1.64	Referral Specialty Services	37.24	38.38	1.14
5.74	5.43	(0.30)	Urgent Care & After Hours Advise	5.42	5.43	0.01
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
53.21	54.94	1.74	TOTAL PHYSICIAN SERVICES	53.36	54.95	1.59
OTHER PROFESSIONAL SERVICES						
1.06	1.07	0.01	Vision Service Capitation	1.06	1.07	0.01
0.80	0.77	(0.03)	221 - Business Intelligence	0.78	0.77	(0.01)
2.04	2.18	0.14	310 - Health Services - Utilization Management - UM Allocation *	2.09	2.18	0.09
0.45	0.69	0.24	311 - Health Services - Quality Improvement - UM Allocation *	0.47	0.69	0.22
0.45	0.45	0.00	312 - Health Services - Education - UM Allocation *	0.44	0.45	0.01
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.43	0.77	0.34	314 - Health Homes - UM Allocation *	0.43	0.77	0.34
0.95	0.99	0.04	315 - Case Management - UM Allocation *	0.96	0.99	0.03
0.21	0.21	(0.00)	616 - Disease Management - UM Allocation *	0.22	0.21	(0.01)
3.42	4.55	1.13	Behavior Health Treatment	3.27	4.55	1.28
0.66	0.69	0.03	Mental Health Services	0.85	0.69	(0.17)
6.91	4.53	(2.38)	Other Professional Services	5.92	4.53	(1.39)
17.64	17.18	(0.46)	TOTAL OTHER PROFESSIONAL SERVICES	16.75	17.18	0.43
15.97	20.17	4.21	EMERGENCY ROOM	16.38	20.17	3.80
69.78	55.92	(13.86)	INPATIENT HOSPITAL	70.53	55.94	(14.60)
0.29	0.29	(0.00)	REINSURANCE EXPENSE PREMIUM	0.29	0.29	(0.00)
23.87	25.38	1.50	OUTPATIENT HOSPITAL SERVICES	24.70	25.38	0.68
OTHER MEDICAL						
4.36	5.62	1.26	Ambulance and NEMT	4.70	5.62	0.92
2.10	1.55	(0.56)	Home Health Services & CBAS	1.93	1.55	(0.39)
1.35	1.79	0.44	Utilization and Quality Review Expenses	1.08	1.79	0.71
4.09	4.73	0.64	Long Term/SNF/Hospice	4.95	4.73	(0.22)
1.06	1.43	0.37	Health Home Capitation & Incentive	0.91	1.43	0.52
18.88	18.57	(0.31)	Provider Enhancement Expense - Prop. 56	18.76	18.57	(0.19)
1.65	1.68	0.03	Provider Enhancement Expense - GEMT	1.64	1.68	0.04
2.77	0.00	(2.77)	Provider COVID-19 Expenses	2.60	0.00	(2.60)
1.34	1.45	0.10	Behavioral Health Integration Program	1.34	1.45	0.11
37.61	36.81	(0.79)	TOTAL OTHER MEDICAL	37.91	36.82	(1.09)
PHARMACY SERVICES						
29.18	34.04	4.85	RX - Drugs & OTC	29.27	34.05	4.78
0.96	1.39	0.43	RX - HEP-C	0.92	1.39	0.47
3.03	2.80	(0.23)	Rx - DME	2.98	2.80	(0.18)
(0.49)	(0.12)	0.37	RX - Pharmacy Rebates	(0.49)	(0.12)	0.36
32.68	38.10	5.42	TOTAL PHARMACY SERVICES	32.68	38.12	5.44
1.91	1.90	(0.01)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.91	1.90	-0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
55.01	34.49	(20.52)	HOSPITAL DIRECTED PAYMENTS	54.65	34.51	(20.14)
0.08	0.00	(0.08)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.11	0.00	(0.11)
0.84	0.00	(0.84)	NON-CLAIMS EXPENSE ADJUSTMENT	0.94	0.00	(0.94)
3.10	0.00	(3.10)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	1.55	0.00	(1.55)
311.99	285.18	(26.81)	Total Medical Costs	311.77	285.27	(26.50)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH FEBRUARY 28, 2021	JANUARY 2021	FEBRUARY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES			
Primary Care Physician Services	2,962,264	2,963,060	5,925,324
Referral Specialty Services	10,512,215	10,171,851	20,684,066
Urgent Care & After Hours Advise	1,423,381	1,588,229	3,011,610
Hospital Admitting Team	9,300	8,400	17,700
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	29,638,700
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	294,054	292,442	586,496
221 - Business Intelligence	210,663	222,415	433,078
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	1,158,910
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	261,831
312 - Health Services - Education - UM Allocation *	120,621	124,149	244,770
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	150,415
314 - Health Homes - UM Allocation *	120,170	119,317	239,487
315 - Case Management - UM Allocation *	270,657	261,834	532,491
616 - Disease Management - UM Allocation *	62,998	58,064	121,062
Behavior Health Treatment	867,517	947,944	1,815,461
Mental Health Services	292,517	181,749	474,266
Other Professional Services	1,373,918	1,913,308	3,287,226
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	9,305,493
EMERGENCY ROOM	4,676,327	4,420,437	9,096,764
INPATIENT HOSPITAL	19,853,180	19,321,533	39,174,713
REINSURANCE EXPENSE PREMIUM	81,215	80,770	161,985
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	13,719,096
OTHER MEDICAL			
Ambulance and NEMT	1,400,971	1,208,039	2,609,010
Home Health Services & CBAS	490,933	582,371	1,073,304
Utilization and Quality Review Expenses	228,696	372,499	601,195
Long Term/SNF/Hospice	1,616,577	1,132,832	2,749,409
Health Home Capitation & Incentive	211,140	294,005	505,145
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	10,417,154
Provider Enhancement Expense - GEMT	456,380	456,381	912,761
Provider COVID-19 Expenes	674,580	767,440	1,442,020
Behavioral Health Integration Program	371,672	371,672	743,344
TOTAL OTHER MEDICAL	10,641,113	10,412,229	21,053,342
PHARMACY SERVICES			
RX - Drugs & OTC	8,174,252	8,080,594	16,254,846
RX - HEP-C	245,144	264,815	509,959
Rx - DME	815,963	839,212	1,655,175
RX - Pharmacy Rebates	(135,000)	(135,000)	(270,000)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	18,149,980
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	1,058,365
RISK CORRIDOR EXPENSE	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	30,352,185
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	61,868
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	520,435
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	863,445
Total Medical Costs	86,772,505	86,383,866	173,156,371

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH FEBRUARY 28, 2021	JANUARY 2021	FEBRUARY 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES			
Primary Care Physician Services	10.64	10.70	10.67
Referral Specialty Services	37.74	36.74	37.24
Urgent Care & After Hours Advise	5.11	5.74	5.42
Hospital Admitting Team	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.36
OTHER PROFESSIONAL SERVICES			
Vision Service Capitation	1.06	1.06	1.06
221 - Business Intelligence	0.76	0.80	0.78
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.09
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.47
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.44
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.43
315 - Case Management - UM Allocation *	0.97	0.95	0.96
616 - Disease Management - UM Allocation *	0.23	0.21	0.22
Behavior Health Treatment	3.11	3.42	3.27
Mental Health Services	1.05	0.66	0.85
Other Professional Services	4.93	6.91	5.92
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	16.75
EMERGENCY ROOM	16.79	15.97	16.38
INPATIENT HOSPITAL	71.28	69.78	70.53
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	24.70
OTHER MEDICAL			
Ambulance and NEMT	5.03	4.36	4.70
Home Health Services & CBAS	1.76	2.10	1.93
Utilization and Quality Review Expenses	0.82	1.35	1.08
Long Term/SNF/Hospice	5.80	4.09	4.95
Health Home Capitation & Incentive	0.76	1.06	0.91
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.76
Provider Enhancement Expense - GEMT	1.64	1.65	1.64
Provider COVID-19 Expenes	2.42	2.77	2.60
Behaviorial Health Integration Program	1.33	1.34	1.34
TOTAL OTHER MEDICAL	38.21	37.61	37.91
PHARMACY SERVICES			
RX - Drugs & OTC	29.35	29.18	29.27
RX - HEP-C	0.88	0.96	0.92
Rx - DME	2.93	3.03	2.98
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.49)
TOTAL PHARMACY SERVICES	32.67	32.68	32.68
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.91
RISK CORRIDOR EXPENSE	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	54.65
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	0.11
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.94
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	1.55
Total Medical Costs	311.55	311.99	311.77

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED FEBRUARY 28, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
483,744	377,031	(106,713)	110 - Executive	837,687	754,062	(83,625)
198,129	212,651	14,522	210 - Accounting	401,748	425,302	23,554
345,719	362,443	16,724	220 - Management Information Systems	685,931	724,886	38,955
-	64,468	64,468	221 - Business Intelligence	-	128,936	128,936
269,236	281,931	12,695	222 - Enterprise Development	519,542	563,862	44,320
337,172	448,524	111,352	225 - Infrastructure	702,512	897,047	194,535
558,095	576,323	18,228	230 - Claims	1,108,219	1,152,646	44,427
119,159	149,779	30,620	240 - Project Management	218,967	299,559	80,592
120,732	101,775	(18,957)	310 - Health Services - Utilization Management	224,373	203,550	(20,823)
16,833	27,902	11,069	311 - Health Services - Quality Improvement	35,703	55,804	20,101
-	55	55	312 - Health Services - Education	-	110	110
137,379	142,146	4,767	313- Pharmacy	279,238	284,292	5,054
-	6,642	6,642	314 - Health Homes	-	13,283	13,283
22,769	22,357	(412)	315 - Case Management	46,305	44,714	(1,591)
29,912	29,325	(587)	616 - Disease Management	62,365	58,650	(3,715)
273,211	323,502	50,291	320 - Provider Network Management	578,206	647,005	68,799
586,939	656,475	69,536	330 - Member Services	1,154,564	1,312,951	158,387
559,640	702,275	142,635	340 - Corporate Services	1,121,090	1,404,550	283,460
83,366	66,363	(17,003)	360 - Audit & Investigative Services	152,342	132,726	(19,616)
39,637	69,250	29,613	410 - Advertising Media	67,005	138,500	71,495
69,703	73,950	4,247	420 - Sales/Marketing/Public Relations	123,104	147,899	24,795
228,332	251,455	23,123	510 - Human Resources	509,968	502,910	(7,058)
(271,318)	-	271,318	Administrative Expense Adjustment	(253,022)	-	253,022
4,208,389	4,946,622	738,233	Total Administrative Expenses	8,575,847	9,893,244	1,317,397

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED FEBRUARY 28, 2021	JANUARY 2021	FEBRUARY 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	837,687
210 - Accounting	203,619	198,129	401,748
220 - Management Information Systems (MIS)	340,212	345,719	685,931
221 - Business Intelligence	-	-	-
222 - Enterprise Development	250,306	269,236	519,542
225 - Infrastructure	365,340	337,172	702,512
230 - Claims	550,124	558,095	1,108,219
240 - Project Management	99,808	119,159	218,967
310 - Health Services - Utilization Management	103,641	120,732	224,373
311 - Health Services - Quality Improvement	18,870	16,833	35,703
312 - Health Services - Education	-	-	-
313- Pharmacy	141,859	137,379	279,238
314 - Health Homes	-	-	-
315 - Case Management	23,536	22,769	46,305
616 - Disease Management	32,453	29,912	62,365
320 - Provider Network Management	304,995	273,211	578,206
330 - Member Services	567,625	586,939	1,154,564
340 - Corporate Services	561,450	559,640	1,121,090
360 - Audit & Investigative Services	68,976	83,366	152,342
410 - Advertising Media	27,368	39,637	67,005
420 - Sales/Marketing/Public Relations	53,401	69,703	123,104
510 - Human Resources	281,636	228,332	509,968
Total Department Expenses	4,349,162	4,479,707	8,828,869
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	(253,022)
Total Administrative Expenses	4,367,458	4,208,389	8,575,847

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF FEBRUARY 28, 2021			
ASSETS	FEBRUARY 2021	JANUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,135,503	\$ 1,135,503	-
Interest Receivable	1,190	595	595
TOTAL CURRENT ASSETS	\$ 1,136,693	\$ 1,136,098	\$ 595
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(1,373)	(1,968)	595
Total Net Position	\$ 1,136,693	\$ 1,136,098	\$ 595
TOTAL LIABILITIES AND NET POSITION	\$ 1,136,693	\$ 1,136,098	\$ 595

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED FEBRUARY 28, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
595	-	595	Interest	1,190	-	1,190
-	-	-	Other Investment Income	(2,563)	-	(2,563)
595	-	595	TOTAL REVENUES	(1,373)	-	(1,373)
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
595	-	595	GROSS MARGIN	(1,373)	-	(1,373)
Administrative						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
595	-	595	OPERATING INCOME (LOSS)	(1,373)	-	(1,373)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
595	-	595	NET INCREASE (DECREASE) IN NET POSITION	(1,373)	-	(1,373)
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

		2021 MEMBER MONTHS											
MEDI-CAL		JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY													
ADULT	104,997	51,548	53,449	0	0	0	0	0	0	0	0	0	0
CHILD	258,433	131,669	126,764	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	363,430	183,217	180,213	0	0	0	0	0	0	0	0	0	0
OTHER MEMBERS													
PARTIAL DUALS - FAMILY	926	403	523	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	-1	0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	4	2	2	0	0	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)													
SPD FULL DUALS	14,996	7,441	7,555	0	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	15,925	7,846	8,079	0	0	0	0	0	0	0	0	0	0
TOTAL FAMILY & OTHER	379,355	191,063	188,292	0	0	0	0	0	0	0	0	0	0
SPD													
SPD (AGED AND DISABLED)	34,919	16,054	18,865	0	0	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION													
ACA Expansion Adult-Citizen	139,900	70,649	69,251	0	0	0	0	0	0	0	0	0	0
ACA Expansion Duals	1,223	751	472	0	0	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	141,123	71,400	69,723	0	0	0	0	0	0	0	0	0	0
TOTAL KAISER	22,243	11,047	11,196	0	0	0	0	0	0	0	0	0	0
TOTAL MEDI-CAL MEMBERS	577,640	289,564	288,076	0	0	0	0	0	0	0	0	0	0



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

Re: March 2021 Financial Results

The March results reflect a \$2,014,471 Net Increase in Net Position which is a \$1,431,499 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$86.0 million favorable variance primarily due to:
 - A) \$2.5 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$.8 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.
 - C) \$3.5 million favorable variance in Premium-Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 2D below. ⁽¹⁾
 - D) \$78.2 million favorable variance in Premium-Hospital Directed Payments (Prior Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 2E below. ⁽¹⁾
 - E) \$1.5 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year offset against amounts included in 2F below.

⁽¹⁾ In 2019, the Department of Health Care Services (DHCS) implemented two statewide directed payment programs for designated public hospitals (EPP and QIP), and one statewide directed payment program for private hospitals (PHDP). Under these programs KHS pays specified Network Providers in accordance with terms approved by the Centers for Medicare & Medicaid Services (CMS) based on the performance of specified quality measures that became effective with the State fiscal year 2017/18. The payment amounts received by KHS are determined by DHCS. DHCS also determines the exact dollar amounts to pay each hospital. Both payment amounts are designed to be equal with perhaps a slight plus or minus variance occurring due to membership variances. Payments are issued by KHS within 15 days of receiving the funds in conjunction with also receiving appropriate distribution instructions.

- 2) Total Medical Costs reflect a \$85.8 million unfavorable variance primarily due to:
- A) \$1.2 million favorable variance in Emergency Room primarily due to lower than expected utilization by Family and Expansion members.
 - B) \$2.2 million unfavorable variance in Inpatient primarily due to higher than expected utilization by Expansion and SPD members.
 - C) \$1.7 million unfavorable variance in Other Medical primarily due to higher than expected Skilled Nursing Facility and Hospice utilization (\$.6 million) and Provider Covid-19 Expenses (\$.7 million)
 - D) \$3.5 million unfavorable variance in Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 1C above. ⁽¹⁾
 - E) \$77.4 million favorable variance in Premium-Hospital Directed Payments (Prior Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 1D above. ⁽¹⁾
 - F) \$1.7 million unfavorable variance in IBNR, Incentive Paid Claims Adjustment primarily due to increasing the Bridge Risk Corridor Liability to account for amounts included in 1E above. (The purpose of the Bridge Risk Corridor was to mitigate significant upward or downward risk associated with COVID-19 that was unknown at the time that our rates were determined by DHCS for the period July 1, 2019- December 31,2020).

The March Medical Loss Ratio is 94.3% which is unfavorable to the 92.2% budgeted amount. The March Administrative Expense Ratio is 5.1% which is favorable to the 6.6% budgeted amount.

The results for the 3 months ended March 31, 2021 reflect a Net Increase in Net Position of \$5,935,324. This is a \$4,128,555 favorable variance to budget and includes approximately \$.6 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.2% which is unfavorable to the 92.1% budgeted amount. The year-to-date Administrative Expense Ratio is 5.4% which is favorable to the 6.6% budgeted amount.

**Kern Health Systems
Financial Packet
March 2021**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KHS Administrative Analysis and Other Reporting

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF MARCH 31, 2021			
ASSETS	MARCH 2021	FEBRUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 164,710,189	\$ 79,253,937	\$ 85,456,252
Short-Term Investments	90,684,951	161,378,989	(70,694,038)
Premiums Receivable - Net	102,225,983	112,510,770	(10,284,787)
Premiums Receivable - Hospital Direct Payments	279,887,335	226,081,325	53,806,010
Interest Receivable	78,095	192,810	(114,715)
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	958,891	1,356,469	(397,578)
Prepaid Expenses & Other Current Assets	3,118,904	2,979,660	139,244
Total Current Assets	\$ 647,170,866	\$ 589,260,478	\$ 57,910,388
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,980,267	2,027,361	(47,094)
Computer Hardware and Software - Net	14,229,805	14,509,483	(279,678)
Building and Building Improvements - Net	35,121,198	35,196,893	(75,695)
Capital Projects in Progress	12,830,876	12,697,216	133,660
Total Capital Assets	\$ 68,252,852	\$ 68,521,659	\$ (268,807)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,621	1,556,944	(323)
Total Long Term Assets	\$ 1,856,621	\$ 1,856,944	\$ (323)
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 3,018,341	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 720,298,680	\$ 662,657,422	\$ 57,641,258
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 3,838,557	\$ 3,783,861	54,696
Accrued Other Operating Expenses	1,310,747	1,590,824	(280,077)
Accrued Taxes and Licenses	26,563,149	17,629,921	8,933,228
Claims Payable (Reported)	24,068,549	30,739,256	(6,670,707)
IBNR - Inpatient Claims	38,257,461	38,020,148	237,313
IBNR - Physician Claims	14,248,031	17,106,358	(2,858,327)
IBNR - Accrued Other Medical	24,121,218	26,758,443	(2,637,225)
Risk Pool and Withholds Payable	5,893,055	5,366,985	526,070
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	58,344,105	53,828,299	4,515,806
Accrued Hospital Directed Payments	279,887,335	226,081,325	53,806,010
Total Current Liabilities	\$ 478,758,111	\$ 423,131,324	\$ 55,626,787
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	\$ 8,432,377	\$ 8,432,377	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 86,684	\$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	5,935,324	3,920,853	2,014,471
Total Net Position	\$ 233,021,508	\$ 231,007,037	\$ 2,014,471
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 720,298,680	\$ 662,657,422	\$ 57,641,258

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2021	YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
186,181	182,200	3,981	Family Members	549,611	545,400	4,211
73,427	70,565	2,862	Expansion Members	214,550	211,695	2,855
15,328	15,230	98	SPD Members	50,168	45,690	4,478
8,036	7,000	1,036	Other Members	24,040	21,000	3,040
11,349	10,500	849	Kaiser Members	33,592	31,500	2,092
294,321	285,495	8,826	Total Members - MCAL	871,961	855,285	16,676
REVENUES						
33,587,650	32,182,352	1,405,298	Title XIX - Medicaid - Family and Other	100,207,844	96,421,955	3,785,889
28,063,951	26,861,201	1,202,750	Title XIX - Medicaid - Expansion Members	83,332,838	80,583,603	2,749,235
15,407,903	15,473,370	(65,467)	Title XIX - Medicaid - SPD Members	46,103,312	46,420,111	(316,799)
9,752,737	8,904,649	848,088	Premium - MCO Tax	28,988,151	26,713,946	2,274,205
12,949,303	9,474,380	3,474,923	Premium - Hospital Directed Payments	43,301,488	28,412,759	14,888,729
(249,580)	165,442	(415,022)	Investment Earnings And Other Income	(128,806)	495,278	(624,084)
	79,749	(79,749)	Reinsurance Recoveries	-	238,898	(238,898)
78,150,342	-	78,150,342	Rate Adjustments - Hospital Directed Payments	78,212,209	-	78,212,209
1,527,455	-	1,527,455	Rate/Income Adjustments	2,922,019	-	2,922,019
179,189,761	93,141,142	86,048,619	TOTAL REVENUES	382,939,055	279,286,549	103,652,506
EXPENSES						
15,058,794	15,102,995	44,201	Medical Costs:			
5,048,627	4,718,785	(329,842)	Physician Services	44,697,494	45,260,760	563,266
4,353,449	5,546,154	1,192,705	Other Professional Services	14,354,120	14,148,532	(205,588)
17,577,565	15,367,571	(2,209,994)	Emergency Room	13,450,213	16,617,676	3,167,463
80,461	79,749	(712)	Inpatient	56,752,278	46,066,126	(10,686,152)
7,160,111	6,973,161	(186,950)	Reinsurance Expense	242,446	238,898	(3,548)
11,840,899	10,118,882	(1,722,017)	Outpatient Hospital	20,879,207	20,903,595	24,388
10,299,227	10,469,400	170,173	Other Medical	32,894,241	30,324,185	(2,570,056)
526,070	522,491	(3,580)	Pharmacy	28,449,207	31,388,249	2,939,042
-	-	-	Pay for Performance Quality Incentive	1,584,435	1,565,192	(19,244)
-	-	-	Risk Corridor Expense	-	-	-
12,949,303	9,474,380	(3,474,923)	Hospital Directed Payments	43,301,488	28,412,759	(14,888,729)
77,356,953	-	(77,356,953)	Hospital Directed Payment Adjustment	77,418,821	-	(77,418,821)
212,564	-	(212,564)	Non-Claims Expense Adjustment	732,999	-	(732,999)
1,700,070	-	(1,700,070)	IBNR, Incentive, Paid Claims Adjustment	2,563,515	-	(2,563,515)
164,164,093	78,373,566	(85,790,527)	Total Medical Costs	337,320,464	234,925,971	(102,394,493)
15,025,668	14,767,576	258,092	GROSS MARGIN	45,618,591	44,360,578	1,258,013
2,457,160	2,856,030	398,870	Administrative:			
941,200	1,071,006	129,806	Compensation	8,137,848	8,568,091	430,243
4,446	133,106	128,660	Purchased Services	2,584,260	3,213,018	628,758
426,541	500,520	73,979	Supplies	119,454	399,319	279,865
102,962	385,959	282,997	Depreciation	1,272,208	1,501,561	229,353
57,294	-	(57,294)	Other Administrative Expenses	647,408	1,157,878	510,470
3,989,603	4,946,622	957,019	Administrative Expense Adjustment	(195,728)	-	195,728
168,153,696	83,320,188	(84,833,508)	Total Administrative Expenses	12,565,450	14,839,866	2,274,416
11,036,065	9,820,954	1,215,111	TOTAL EXPENSES	349,885,914	249,765,837	(100,120,077)
8,933,228	8,904,649	(28,579)	OPERATING INCOME (LOSS) BEFORE TAX	33,053,141	29,520,712	3,532,429
2,102,837	916,305	1,186,532	MCO TAX	26,740,820	26,713,946	(26,874)
2,014,471	582,972	1,431,499	OPERATING INCOME (LOSS) NET OF TAX	6,312,321	2,806,766	3,505,555
-	-	-	NONOPERATING REVENUE (EXPENSE)			
75,749	(166,667)	242,416	Gain on Sale of Assets	-	-	-
(164,115)	(166,666)	2,551	Provider Recruitment and Retention Grants	(87,043)	(499,999)	412,956
(88,366)	(333,333)	244,967	Health Home	(289,954)	(499,998)	210,044
2,014,471	582,972	1,431,499	TOTAL NONOPERATING REVENUE (EXPENSE)	(376,997)	(999,997)	623,000
94.3%	92.2%	-2.1%	NET INCREASE (DECREASE) IN NET POSITION	5,935,324	1,806,769	4,128,555
5.1%	6.6%	1.5%	MEDICAL LOSS RATIO	93.2%	92.1%	-1.1%
			ADMINISTRATIVE EXPENSE RATIO	5.4%	6.6%	1.2%

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED MARCH 31, 2021					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
ENROLLMENT								
186,181	182,200	3,981	Family Members	549,611	545,400	4,211		
73,427	70,565	2,862	Expansion Members	214,550	211,695	2,855		
15,328	15,230	98	SPD Members	50,168	45,690	4,478		
8,036	7,000	1,036	Other Members	24,040	21,000	3,040		
11,349	10,500	849	Kaiser Members	33,592	31,500	2,092		
294,321	285,495	8,826	Total Members - MCAL	871,961	855,285	16,676		
REVENUES								
172.94	170.10	2.84	Title XIX - Medicaid - Family and Other	174.68	170.24	4.45		
382.20	380.66	1.54	Title XIX - Medicaid - Expansion Members	388.41	380.66	7.75		
1,005.21	1,015.98	(10.77)	Title XIX - Medicaid - SPD Members	918.98	1,015.98	(97.00)		
34.47	32.38	2.08	Premium - MCO Tax	34.58	32.43	2.15		
45.76	34.45	11.31	Premium - Hospital Directed Payments	51.65	34.49	17.16		
(0.88)	0.60	(1.48)	Investment Earnings And Other Income	(0.15)	0.60	(0.75)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
276.18	0.00	276.18	Rate Adjustments - Hospital Directed Payments	93.29	0.00	93.29		
5.40	0.00	5.40	Rate/Income Adjustments	3.49	0.00	3.49		
633.24	338.70	294.54	TOTAL REVENUES	456.77	339.03	117.74		
EXPENSES								
Medical Costs:								
53.22	54.92	1.70	Physician Services	53.31	54.94	1.63		
17.84	17.16	(0.68)	Other Professional Services	17.12	17.18	0.05		
15.38	20.17	4.78	Emergency Room	16.04	20.17	4.13		
62.12	55.88	(6.23)	Inpatient	67.69	55.92	(11.77)		
0.28	0.29	0.01	Reinsurance Expense	0.29	0.29	0.00		
25.30	25.36	0.05	Outpatient Hospital	24.90	25.38	0.47		
41.84	36.80	(5.05)	Other Medical	39.24	36.81	(2.43)		
36.40	38.07	1.67	Pharmacy	33.93	38.10	4.17		
1.86	1.90	0.04	Pay for Performance Quality Incentive	1.89	1.90	0.01		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
45.76	34.45	(11.31)	Hospital Directed Payments	51.65	34.49	(17.16)		
273.37	0.00	(273.37)	Hospital Directed Payment Adjustment	92.34	0.00	(92.34)		
0.75	0.00	(0.75)	Non-Claims Expense Adjustment	0.87	0.00	(0.87)		
6.01	0.00	(6.01)	IBNR, Incentive, Paid Claims Adjustment	3.06	0.00	(3.06)		
580.14	285.00	(295.14)	Total Medical Costs	402.35	285.18	(117.17)		
53.10	53.70	(0.60)	GROSS MARGIN	54.41	53.85	0.56		
Administrative:								
8.68	10.39	1.70	Compensation	9.71	10.40	0.69		
3.33	3.89	0.57	Purchased Services	3.08	3.90	0.82		
0.02	0.48	0.47	Supplies	0.14	0.48	0.34		
1.51	1.82	0.31	Depreciation	1.52	1.82	0.31		
0.36	1.40	1.04	Other Administrative Expenses	0.77	1.41	0.63		
0.20	0.00	(0.20)	Administrative Expense Adjustment	(0.23)	0.00	0.23		
14.10	17.99	3.89	Total Administrative Expenses	14.99	18.01	3.03		
594.24	302.99	(291.25)	TOTAL EXPENSES	417.34	303.19	(114.15)		
39.00	35.71	3.29	OPERATING INCOME (LOSS) BEFORE TAX	39.43	35.84	3.59		
31.57	32.38	0.81	MCO TAX	31.90	32.43	0.53		
7.43	3.33	4.10	OPERATING INCOME (LOSS) NET OF TAX	7.53	3.41	4.12		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
0.27	(0.61)	0.87	Reserve Fund Projects/Community Grants	(0.10)	(0.61)	0.50		
(0.58)	(0.61)	0.03	Health Home	(0.35)	(0.61)	0.26		
(0.31)	(1.21)	0.90	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.45)	(1.21)	0.76		
7.12	2.12	5.00	NET INCREASE (DECREASE) IN NET POSITION	7.08	2.19	4.89		
94.3%	92.2%	-2.1%	MEDICAL LOSS RATIO	93.2%	92.1%	-1.1%		
5.1%	6.6%	1.5%	ADMINISTRATIVE EXPENSE RATIO	5.4%	6.6%	1.2%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH MARCH 31, 2021														MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	13 MONTH TOTAL
ENROLLMENT																											
Members - MCAL																											
	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	3,488,191													
REVENUES																											
Title XIX - Medicaid - Family and Other																											
	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	33,587,650	402,546,098													
Title XIX - Medicaid - Expansion Members																											
	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	332,445,980													
Title XIX - Medicaid - SPD Members																											
	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	198,412,917													
Premium - MCO Tax																											
	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	111,747,980													
Premium - Hospital Directed Payments																											
	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	128,547,027													
Investment Earnings And Other Income																											
	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	(249,580)	1,888,180													
Reinsurance Recoveries																											
	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Rate Adjustments - Hospital Directed Payments																											
	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	26,256,828													
Rate/Income Adjustments																											
	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	1,527,455	200,098													
TOTAL REVENUES																											
	87,579,613	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	179,189,761	1,202,045,108													
EXPENSES																											
Medical Costs:																											
Physician Services																											
	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	177,396,031													
Other Professional Services																											
	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	56,176,009													
Emergency Room																											
	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	4,353,449	56,249,122													
Inpatient																											
	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	17,577,565	224,147,519													
Reinsurance Expense																											
	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	84,521	77,390	81,215	80,770	80,461	929,812													
Outpatient Hospital																											
	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	84,937,419													
Other Medical																											
	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	119,777,129													
Pay for Performance Quality Incentive																											
	503,104	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	526,070	6,308,513													
Risk Corridor Expense																											
	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-	-													
Hospital Directed Payments																											
	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	128,547,027													
Hospital Directed Payment Adjustment																											
	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	26,256,828													
Non-Claims Expense Adjustment																											
	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	212,564	(2,010,522)													
IBNR, Incentive, Paid Claims Adjustment																											
	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	838,658	1,704,070	(8,522,725)													
Total Medical Costs																											
	73,829,944	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	164,164,093	1,013,137,478													
GROSS MARGIN																											
	13,749,669	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	15,025,668	188,907,630													
Administrative:																											
Compensation																											
	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	34,278,444													
Purchased Services																											
	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	941,200	10,851,566													
Supplies																											
	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	4,446	755,468													
Depreciation																											
	306,318	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	426,541	5,731,488													
Other Administrative Expenses																											
	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	102,962	3,451,228													
Administrative Expense Adjustment																											
	-	-	-	(212,229)	-	-	-	-	-	1,407,045	18,296	(271,318)	57,294	999,088													
Total Administrative Expenses																											
	3,984,487	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	3,989,603	56,067,282													
TOTAL EXPENSES																											
	77,814,431	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	168,153,696	1,069,204,760													
OPERATING INCOME (LOSS) BEFORE TAX																											
	9,765,182	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	11,036,065	132,840,348													
MCO TAX																											
	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	8,904,649	8,904,649	8,904,649	8,904,649	8,933,228	111,501,373													
OPERATING INCOME (LOSS) NET OF TAX																											
	2,178,473	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	2,102,837	21,338,975													
TOTAL NONOPERATING REVENUE (EXPENSE)																											
	(1,076,457)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(88,366)	(3,183,850)													
NET INCREASE (DECREASE) IN NET POSITION																											
	1,102,016	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	2,014,471	18,155,119													
MEDICAL LOSS RATIO																											
	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	91.9%													
ADMINISTRATIVE EXPENSE RATIO																											
	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	6.0%													

KHSS/26/2021
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KHS Finance Committee Meeting, June 4, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH MARCH 31, 2021														
	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	251,552	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	3,488,191
REVENUES														
Title XIX - Medicaid - Family and Other	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.01	177.17	172.94	167.19
Title XIX - Medicaid - Expansion Members	388.37	369.84	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	382.20	380.67
Title XIX - Medicaid - SPD Members	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	957.28	816.21	1,005.21	958.04
Premium - MCO Tax	30.16	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.47	32.04
Premium - Hospital Directed Payments	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	36.85
Investment Earnings And Other Income	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	(0.88)	0.54
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	276.18	7.53
Rate/Income Adjustments	2.45	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	5.40	0.06
TOTAL REVENUES	348.16	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	633.24	344.60
EXPENSES														
Medical Costs:														
Physician Services	57.05	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	53.22	50.86
Other Professional Services	16.00	15.45	13.62	13.04	16.89	17.45	17.41	13.97	15.96	15.88	17.64	17.64	17.84	16.10
Emergency Room	21.35	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	15.38	16.13
Inpatient	58.61	63.24	56.26	65.93	65.27	62.83	64.29	62.89	62.57	69.14	71.28	69.78	62.12	64.26
Reinsurance Expense	(0.00)	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.28	0.27
Outpatient Hospital	26.10	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	25.30	24.35
Other Medical	42.35	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.84	41.28
Pharmacy	40.99	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	36.40	34.34
Pay for Performance Quality Incentive	2.00	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.86	1.81
Risk Corridor Expense	0.00	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.70	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	36.85
Hospital Directed Payment Adjustment	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.02	(0.00)	0.14	0.08	273.37	7.23
Non-Claims Expense Adjustment	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	0.75	(0.58)
IBNR, Incentive, Paid Claims Adjustment	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	6.01	(2.44)
Total Medical Costs	293.50	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	580.14	290.45
GROSS MARGIN														
Administrative:	54.66	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	53.10	54.16
Compensation	9.73	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	8.68	9.83
Purchased Services	3.45	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.33	3.11
Supplies	0.40	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.02	0.22
Depreciation	1.19	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.52	1.53	1.51	1.64
Other Administrative Expenses	1.07	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	0.36	0.99
Administrative Expense Adjustment	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.20	0.29
Total Administrative Expenses	15.84	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	14.10	16.07
TOTAL EXPENSES	309.34	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	594.24	306.52
OPERATING INCOME (LOSS) BEFORE TAX	38.82	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	39.00	38.08
MCO TAX	30.16	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	31.57	31.97
OPERATING INCOME (LOSS) NET OF TAX	8.66	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	7.43	6.12
TOTAL NONOPERATING REVENUE (EXPENSE)	(4.28)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(0.31)	(0.91)
NET INCREASE (DECREASE) IN NET POSITION	4.38	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	7.12	5.20
MEDICAL LOSS RATIO	91.0%	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	91.9%
ADMINISTRATIVE EXPENSE RATIO	5.8%	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	6.0%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED MARCH 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,506,668	24,914,403	1,592,265	Premium - Medi-Cal	78,808,523	74,642,830	4,165,693
2,065,441	2,520,887	(455,446)	Premium - Maternity Kick	6,906,912	7,562,661	(655,749)
39,314	79,533	(40,219)	Premium - Hep C Kick	117,942	238,095	(120,153)
714,038	486,968	227,070	Premium - BHT Kick	1,680,163	1,457,816	222,347
143,222	176,135	(32,913)	Premium - Health Home Kick	427,473	527,287	(99,814)
3,577,688	3,470,164	107,524	Premium - Provider Enhancement	10,649,275	10,392,948	256,327
177,991	168,685	9,306	Premium - Ground Emergency Medical Transportation	529,319	505,382	23,937
252,803	273,811	(21,008)	Premium - Behavioral Health Integration Program	760,601	819,696	(59,095)
110,485	91,766	18,719	Other	327,636	275,238	52,398
33,587,650	32,182,352	1,405,298	Total Title XIX - Medicaid - Family & Other	100,207,844	96,421,953	3,785,891
			Title XIX - Medicaid - Expansion Members			
25,403,025	24,339,803	1,063,222	Premium - Medi-Cal	75,455,389	73,019,409	2,435,980
410,271	214,253	196,018	Premium - Maternity Kick	1,141,921	642,759	499,162
190,018	202,017	(11,999)	Premium - Hep C Kick	596,262	606,051	(9,789)
257,294	356,121	(98,827)	Premium - Health Home Kick	776,119	1,068,363	(292,244)
1,499,239	1,455,050	44,189	Premium - Provider Enhancement	4,455,248	4,365,150	90,098
179,260	165,235	14,025	Premium - Ground Emergency Medical Transportation	532,677	495,705	36,972
93,593	102,122	(8,529)	Premium - Behavioral Health Integration Program	282,467	306,366	(23,899)
31,251	26,600	4,651	Other	92,755	79,800	12,955
28,063,951	26,861,201	1,202,750	Total Title XIX - Medicaid - Expansion Members	83,332,838	80,583,603	2,749,235
			Title XIX - Medicaid - SPD Members			
13,948,804	13,653,527	295,277	Premium - Medi-Cal	42,011,993	40,960,581	1,051,412
26,210	100,288	(74,078)	Premium - Hep C Kick	69,892	300,864	(230,972)
600,359	763,566	(163,207)	Premium - BHT Kick	1,502,299	2,290,698	(788,399)
220,439	351,842	(131,403)	Premium - Health Home Kick	679,766	1,055,526	(375,760)
455,449	454,632	817	Premium - Provider Enhancement	1,371,753	1,363,896	7,857
131,367	127,475	3,892	Premium - Ground Emergency Medical Transportation	395,662	382,425	13,237
25,275	22,041	3,234	Premium - Behavioral Health Integration Program	71,947	66,123	5,824
15,407,903	15,473,370	(65,467)	Total Title XIX - Medicaid - SPD Members	46,103,312	46,420,112	(316,800)

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED MARCH 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
3,567,494	3,053,602	(513,892)	Primary Care Physician Services	9,492,818	9,148,332	(344,486)
9,997,168	10,546,692	549,524	Referral Specialty Services	30,681,234	31,611,091	929,857
1,484,832	1,493,401	8,569	Urgent Care & After Hours Advise	4,496,442	4,474,337	(22,105)
9,300	9,300	-	Hospital Admitting Team	27,000	27,000	-
15,058,794	15,102,995	44,201	TOTAL PHYSICIAN SERVICES	44,697,494	45,260,760	563,266
			OTHER PROFESSIONAL SERVICES			
292,443	293,807	1,364	Vision Service Capitation	878,939	880,142	1,203
197,310	212,115	14,805	221 - Business Intelligence	630,388	636,345	5,957
605,345	597,920	(7,425)	310 - Health Services - Utilization Management - UM Allocation *	1,764,255	1,793,760	29,505
154,295	189,152	34,857	311 - Health Services - Quality Improvement - UM Allocation *	416,126	567,456	151,330
95,259	123,337	28,078	312 - Health Services - Education - UM Allocation *	340,029	370,009	29,980
75,552	80,283	4,731	313 - Health Services - Pharmacy - UM Allocation *	225,967	240,849	14,882
173,098	210,465	37,367	314 - Health Homes - UM Allocation *	412,585	631,395	218,810
281,125	270,692	(10,433)	315 - Case Management - UM Allocation *	813,616	812,076	(1,540)
72,219	56,773	(15,446)	616 - Disease Management - UM Allocation *	193,281	170,319	(22,962)
1,407,309	1,250,534	(156,775)	Behavior Health Treatment	3,222,770	3,748,513	525,743
96,618	189,045	92,427	Mental Health Services	570,884	566,680	(4,204)
1,598,054	1,244,662	(353,392)	Other Professional Services	4,885,280	3,730,987	(1,154,293)
5,048,627	4,718,785	(329,842)	TOTAL OTHER PROFESSIONAL SERVICES	14,354,120	14,148,532	(205,588)
			EMERGENCY ROOM	13,450,213	16,617,676	3,167,463
			INPATIENT HOSPITAL	56,752,278	46,066,126	(10,686,152)
80,461	79,749	(712)	REINSURANCE EXPENSE PREMIUM	242,446	238,898	(3,548)
7,160,111	6,973,161	(186,950)	OUTPATIENT HOSPITAL SERVICES	20,879,207	20,903,595	24,388
			OTHER MEDICAL			
1,444,178	1,545,289	101,111	Ambulance and NEMT	4,053,188	4,630,664	577,476
853,147	424,739	(428,408)	Home Health Services & CBAS	1,926,451	1,273,245	(653,206)
688,633	491,325	(197,308)	Utilization and Quality Review Expenses	1,289,828	1,473,975	184,147
1,933,711	1,298,856	(634,855)	Long Term/SNF/Hospice	4,683,120	3,894,911	(788,209)
334,675	393,824	59,149	Health Home Capitation & Incentive	839,820	1,180,524	340,704
5,265,692	5,105,480	(160,212)	Provider Enhancement Expense - Prop. 56	15,682,846	15,295,169	(387,677)
265,311	461,395	196,084	Provider Enhancement Expense - GEMT	1,178,072	1,383,512	205,440
683,880	-	(683,880)	Provider COVID-19 Expenses	2,125,900	-	(2,125,900)
371,672	397,974	26,302	Behavioral Health Integration Program	1,115,016	1,192,185	77,169
11,840,899	10,118,882	(1,722,017)	TOTAL OTHER MEDICAL	32,894,241	30,324,185	(2,570,056)
			PHARMACY SERVICES			
9,316,542	9,352,351	35,809	RX - Drugs & OTC	25,571,388	28,039,050	2,467,662
249,449	381,838	132,389	RX - HEP-C	759,408	1,145,008	385,600
868,236	768,566	(99,670)	Rx - DME	2,523,411	2,304,190	(219,221)
(135,000)	(33,355)	101,645	RX - Pharmacy Rebates	(405,000)	(100,000)	305,000
10,299,227	10,469,400	170,173	TOTAL PHARMACY SERVICES	28,449,207	31,388,249	2,939,042
526,070	522,491	(3,580)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1,584,435	1,565,192	(19,244)
-	-	-	RISK CORRIDOR EXPENSE	-	-	-
12,949,303	9,474,380	(3,474,923)	HOSPITAL DIRECTED PAYMENTS	43,301,488	28,412,759	(14,888,729)
77,356,953	-	(77,356,953)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	77,418,821	-	(77,418,821)
212,564	-	(212,564)	NON-CLAIMS EXPENSE ADJUSTMENT	732,999	-	(732,999)
1,700,070	-	(1,700,070)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2,563,515	-	(2,563,515)
164,164,093	78,373,566	(85,790,527)	Total Medical Costs	337,320,464	234,925,971	(102,394,493)

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* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED MARCH 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
12.61	11.10	(1.50)	Primary Care Physician Services	11.32	11.11	(0.22)
35.33	38.35	3.02	Referral Specialty Services	36.60	38.37	1.78
5.25	5.43	0.18	Urgent Care & After Hours Advise	5.36	5.43	0.07
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
53.22	54.92	1.70	TOTAL PHYSICIAN SERVICES	53.31	54.94	1.63
OTHER PROFESSIONAL SERVICES						
1.03	1.07	0.03	Vision Service Capitation	1.05	1.07	0.02
0.70	0.77	0.07	221 - Business Intelligence	0.75	0.77	0.02
2.14	2.17	0.04	310 - Health Services - Utilization Management - UM Allocation *	2.10	2.18	0.07
0.55	0.69	0.14	311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.69	0.19
0.34	0.45	0.11	312 - Health Services - Education - UM Allocation *	0.41	0.45	0.04
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.61	0.77	0.15	314 - Health Homes - UM Allocation *	0.49	0.77	0.27
0.99	0.98	(0.01)	315 - Case Management - UM Allocation *	0.97	0.99	0.02
0.26	0.21	(0.05)	616 - Disease Management - UM Allocation *	0.23	0.21	(0.02)
4.97	4.55	(0.43)	Behavior Health Treatment	3.84	4.55	0.71
0.34	0.69	0.35	Mental Health Services	0.68	0.69	0.01
5.65	4.53	(1.12)	Other Professional Services	5.83	4.53	(1.30)
17.84	17.16	(0.68)	TOTAL OTHER PROFESSIONAL SERVICES	17.12	17.18	0.05
15.38	20.17	4.78	EMERGENCY ROOM	16.04	20.17	4.13
62.12	55.88	(6.23)	INPATIENT HOSPITAL	67.69	55.92	(11.77)
0.28	0.29	0.01	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
25.30	25.36	0.05	OUTPATIENT HOSPITAL SERVICES	24.90	25.38	0.47
OTHER MEDICAL						
5.10	5.62	0.52	Ambulance and NEMT	4.83	5.62	0.79
3.01	1.54	(1.47)	Home Health Services & CBAS	2.30	1.55	(0.75)
2.43	1.79	(0.65)	Utilization and Quality Review Expenses	1.54	1.79	0.25
6.83	4.72	(2.11)	Long Term/SNF/Hospice	5.59	4.73	(0.86)
1.18	1.43	0.25	Health Home Capitation & Incentive	1.00	1.43	0.43
18.61	18.57	(0.04)	Provider Enhancement Expense - Prop. 56	18.71	18.57	(0.14)
0.94	1.68	0.74	Provider Enhancement Expense - GEMT	1.41	1.68	0.27
2.42	0.00	(2.42)	Provider COVID-19 Expenses	2.54	0.00	(2.54)
1.31	1.45	0.13	Behavioral Health Integration Program	1.33	1.45	0.12
41.84	36.80	(5.05)	TOTAL OTHER MEDICAL	39.24	36.81	(2.43)
PHARMACY SERVICES						
32.92	34.01	1.09	RX - Drugs & OTC	30.50	34.04	3.54
0.88	1.39	0.51	RX - HEP-C	0.91	1.39	0.48
3.07	2.79	(0.27)	Rx - DME	3.01	2.80	(0.21)
(0.48)	(0.12)	0.36	RX - Pharmacy Rebates	(0.48)	(0.12)	0.36
36.40	38.07	1.67	TOTAL PHARMACY SERVICES	33.93	38.10	4.17
1.86	1.90	0.04	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.89	1.90	0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
45.76	34.45	(11.31)	HOSPITAL DIRECTED PAYMENTS	51.65	34.49	(17.16)
273.37	0.00	(273.37)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	92.34	0.00	(92.34)
0.75	0.00	(0.75)	NON-CLAIMS EXPENSE ADJUSTMENT	0.87	0.00	(0.87)
6.01	0.00	(6.01)	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	3.06	0.00	(3.06)
580.14	285.00	(295.14)	Total Medical Costs	402.35	285.18	(117.17)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH MARCH 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES				
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	9,492,818
Referral Specialty Services	10,512,215	10,171,851	9,997,168	30,681,234
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	4,496,442
Hospital Admitting Team	9,300	8,400	9,300	27,000
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	15,058,794	44,697,494
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	294,054	292,442	292,443	878,939
221 - Business Intelligence	210,663	222,415	197,310	630,388
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	605,345	1,764,255
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	154,295	416,126
312 - Health Services - Education - UM Allocation *	120,621	124,149	95,259	340,029
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	75,552	225,967
314 - Health Homes - UM Allocation *	120,170	119,317	173,098	412,585
315 - Case Management - UM Allocation *	270,657	261,834	281,125	813,616
616 - Disease Management - UM Allocation *	62,998	58,064	72,219	193,281
Behavior Health Treatment	867,517	947,944	1,407,309	3,222,770
Mental Health Services	292,517	181,749	96,618	570,884
Other Professional Services	1,373,918	1,913,308	1,598,054	4,885,280
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	5,048,627	14,354,120
EMERGENCY ROOM	4,676,327	4,420,437	4,353,449	13,450,213
INPATIENT HOSPITAL	19,853,180	19,321,533	17,577,565	56,752,278
REINSURANCE EXPENSE PREMIUM	81,215	80,770	80,461	242,446
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	7,160,111	20,879,207
OTHER MEDICAL				
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	4,053,188
Home Health Services & CBAS	490,933	582,371	853,147	1,926,451
Utilization and Quality Review Expenses	228,696	372,499	688,633	1,289,828
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	4,683,120
Health Home Capitation & Incentive	211,140	294,005	334,675	839,820
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	15,682,846
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	1,178,072
Provider COVID-19 Expens	674,580	767,440	683,880	2,125,900
Behaviorial Health Integration Program	371,672	371,672	371,672	1,115,016
TOTAL OTHER MEDICAL	10,641,113	10,412,229	11,840,899	32,894,241
PHARMACY SERVICES				
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	25,571,388
RX - HEP-C	245,144	264,815	249,449	759,408
Rx - DME	815,963	839,212	868,236	2,523,411
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(405,000)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	10,299,227	28,449,207
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	526,070	1,584,435
RISK CORRIDOR EXPENSE	-	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	12,949,303	43,301,488
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	77,356,953	77,418,821
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	212,564	732,999
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	1,700,070	2,563,515
Total Medical Costs	86,772,505	86,383,866	164,164,093	337,320,464

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH MARCH 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES				
Primary Care Physician Services	10.64	10.70	12.61	11.32
Referral Specialty Services	37.74	36.74	35.33	36.60
Urgent Care & After Hours Advise	5.11	5.74	5.25	5.36
Hospital Admitting Team	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.22	53.31
OTHER PROFESSIONAL SERVICES				
Vision Service Capitation	1.06	1.06	1.03	1.05
221 - Business Intelligence	0.76	0.80	0.70	0.75
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.14	2.10
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.55	0.50
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.34	0.41
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.61	0.49
315 - Case Management - UM Allocation *	0.97	0.95	0.99	0.97
616 - Disease Management - UM Allocation *	0.23	0.21	0.26	0.23
Behavior Health Treatment	3.11	3.42	4.97	3.84
Mental Health Services	1.05	0.66	0.34	0.68
Other Professional Services	4.93	6.91	5.65	5.83
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	17.84	17.12
EMERGENCY ROOM	16.79	15.97	15.38	16.04
INPATIENT HOSPITAL	71.28	69.78	62.12	67.69
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.28	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	25.30	24.90
OTHER MEDICAL				
Ambulance and NEMT	5.03	4.36	5.10	4.83
Home Health Services & CBAS	1.76	2.10	3.01	2.30
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.54
Long Term/SNF/Hospice	5.80	4.09	6.83	5.59
Health Home Capitation & Incentive	0.76	1.06	1.18	1.00
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.71
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.41
Provider COVID-19 Expens	2.42	2.77	2.42	2.54
Behavioral Health Integration Program	1.33	1.34	1.31	1.33
TOTAL OTHER MEDICAL	38.21	37.61	41.84	39.24
PHARMACY SERVICES				
RX - Drugs & OTC	29.35	29.18	32.92	30.50
RX - HEP-C	0.88	0.96	0.88	0.91
Rx - DME	2.93	3.03	3.07	3.01
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.48)
TOTAL PHARMACY SERVICES	32.67	32.68	36.40	33.93
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.86	1.89
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	45.76	51.65
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	273.37	92.34
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.75	0.87
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	6.01	3.06
Total Medical Costs	311.55	311.99	580.14	402.35

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED MARCH 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
293,288	377,031	83,743	110 - Executive	1,130,975	1,131,093	118
146,511	212,651	66,140	210 - Accounting	548,259	637,953	89,694
394,230	362,443	(31,787)	220 - Management Information Systems	1,080,161	1,087,330	7,169
-	64,468	64,468	221 - Business Intelligence	-	193,404	193,404
185,800	281,931	96,131	222 - Enterprise Development	705,342	845,793	140,451
345,070	448,524	103,454	225 - Infrastructure	1,047,582	1,345,571	297,989
460,086	576,323	116,237	230 - Claims	1,568,305	1,728,969	160,664
128,304	149,779	21,475	240 - Project Management	347,271	449,338	102,067
82,239	101,775	19,536	310 - Health Services - Utilization Management	306,612	305,325	(1,287)
21,040	27,902	6,862	311 - Health Services - Quality Improvement	56,743	83,706	26,963
-	55	55	312 - Health Services - Education	-	165	165
151,340	142,146	(9,194)	313- Pharmacy	430,578	426,437	(4,141)
4,225	6,642	2,417	314 - Health Homes	4,225	19,925	15,700
24,444	22,357	(2,087)	315 - Case Management	70,749	67,070	(3,679)
37,220	29,325	(7,895)	616 - Disease Management	99,585	87,976	(11,609)
231,758	323,502	91,744	320 - Provider Network Management	809,964	970,507	160,543
545,846	656,475	110,629	330 - Member Services	1,700,410	1,969,426	269,016
535,874	702,275	166,401	340 - Corporate Services	1,656,964	2,106,825	449,861
38,089	66,363	28,274	360 - Audit & Investigative Services	190,431	199,089	8,658
81,326	69,250	(12,076)	410 - Advertising Media	148,331	207,750	59,419
46,252	73,950	27,698	420 - Sales/Marketing/Public Relations	169,356	221,849	52,493
179,367	251,455	72,088	510 - Human Resources	689,335	754,365	65,030
57,294	-	(57,294)	Administrative Expense Adjustment	(195,728)	-	195,728
3,989,603	4,946,622	957,019	Total Administrative Expenses	12,565,450	14,839,866	2,274,416

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED MARCH 31, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	293,288	1,130,975
210 - Accounting	203,619	198,129	146,511	548,259
220 - Management Information Systems (MIS)	340,212	345,719	394,230	1,080,161
221 - Business Intelligence	-	-	-	-
222 - Enterprise Development	250,306	269,236	185,800	705,342
225 - Infrastructure	365,340	337,172	345,070	1,047,582
230 - Claims	550,124	558,095	460,086	1,568,305
240 - Project Management	99,808	119,159	128,304	347,271
310 - Health Services - Utilization Management	103,641	120,732	82,239	306,612
311 - Health Services - Quality Improvement	18,870	16,833	21,040	56,743
312 - Health Services - Education	-	-	-	-
313- Pharmacy	141,859	137,379	151,340	430,578
314 - Health Homes	-	-	4,225	4,225
315 - Case Management	23,536	22,769	24,444	70,749
616 - Disease Management	32,453	29,912	37,220	99,585
320 - Provider Network Management	304,995	273,211	231,758	809,964
330 - Member Services	567,625	586,939	545,846	1,700,410
340 - Corporate Services	561,450	559,640	535,874	1,656,964
360 - Audit & Investigative Services	68,976	83,366	38,089	190,431
410 - Advertising Media	27,368	39,637	81,326	148,331
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	169,356
510 - Human Resources	281,636	228,332	179,367	689,335
Total Department Expenses	4,349,162	4,479,707	3,932,309	12,761,178
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	57,294	(195,728)
Total Administrative Expenses	4,367,458	4,208,389	3,989,603	12,565,450

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF MARCH 31, 2021			
ASSETS	MARCH 2021	FEBRUARY 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,135,503	\$ 1,135,503	-
Interest Receivable	1,235	1,190	45
TOTAL CURRENT ASSETS	\$ 1,136,738	\$ 1,136,693	\$ 45
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(1,328)	(1,373)	45
Total Net Position	\$ 1,136,738	\$ 1,136,693	\$ 45
TOTAL LIABILITIES AND NET POSITION	\$ 1,136,738	\$ 1,136,693	\$ 45

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED MARCH 31, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
45	-	45	Interest	1,235	-	1,235
-	-	-	Other Investment Income	(2,563)	-	(2,563)
45	-	45	TOTAL REVENUES	(1,328)	-	(1,328)
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
45	-	45	GROSS MARGIN	(1,328)	-	(1,328)
Administrative						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
45	-	45	OPERATING INCOME (LOSS)	(1,328)	-	(1,328)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
45	-	45	NET INCREASE (DECREASE) IN NET POSITION	(1,328)	-	(1,328)
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

MEDI-CAL		2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY														
ADULT	157,938		51,548	53,449	52,941	0	0	0	0	0	0	0	0	0
CHILD	391,673		131,669	126,764	133,240	0	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	549,611		183,217	180,213	186,181	0	0	0	0	0	0	0	0	0
OTHER MEMBERS														
PARTIAL DUALS - FAMILY	1,455		403	523	529	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	-1		0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	6		2	2	2	0	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	0		0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)														
SPD FULL DUALS	22,580		7,484	7,591	7,505	0	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	24,040		7,889	8,115	8,036	0	0	0	0	0	0	0	0	0
TOTAL FAMILY & OTHER	573,651		191,106	188,328	194,217	0	0	0	0	0	0	0	0	0
SPD														
SPD (AGED AND DISABLED)	50,168		16,011	18,829	15,328	0	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION														
ACA Expansion Adult-Citizen	212,432		70,649	69,251	72,532	0	0	0	0	0	0	0	0	0
ACA Expansion Duals	2,118		751	472	895	0	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	214,550		71,400	69,723	73,427	0	0	0	0	0	0	0	0	0
TOTAL KAISER	33,592		11,047	11,196	11,349	0	0	0	0	0	0	0	0	0
TOTAL MEDI-CAL MEMBERS	871,961		289,564	288,076	294,321	0	0	0	0	0	0	0	0	0



To: KHS Finance Committee

From: Robert Landis, CFO

Date: June 4, 2021

Re: April 2021 Financial Results

The April results reflect a \$2,305,329 Net Increase in Net Position which is a \$2,743,051 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$20.5 million favorable variance primarily due to:
 - A) \$4.0 million favorable variance primarily due to higher than expected budgeted membership.
 - B) \$10.1 million favorable variance in Pharmacy Revenue as there was not any Pharmacy Revenue budgeted since the Pharmacy Benefit was expected to be transitioned back to the State on April 1, 2021. This amount is partially offset against amounts included in 2C below. (There would have been a \$.3 million favorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)
 - C) \$.9 million favorable variance in MCO Tax Premiums primarily due to receiving revised MCO Tax rates for calendar year 2021 from DHCS.
 - D) \$5.3 million favorable variance in Premium-Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 2D below. (There would have been a \$.7 million favorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)
 - E) \$.3 million favorable variance in Rate/Income Adjustments primarily due to retroactive revenue received for the prior year.
- 2) Total Medical Costs reflect a \$18.2 million unfavorable variance primarily due to:
 - A) \$3.0 million unfavorable variance in Inpatient primarily due to higher than expected utilization.
 - B) \$1.7 million unfavorable variance in Outpatient Hospital due to higher than expected utilization.
 - C) \$8.6 million unfavorable variance Pharmacy Expense as there was not any Pharmacy Expense budgeted since the Pharmacy Benefit was expected to be transitioned back to the State on April 1, 2021. This amount is offset against amounts included in 1B above. (There would have been a \$1.1 million favorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)

D) \$5.3 million unfavorable variance in Hospital Directed Payments (Current Year) primarily due to receiving the 19/20 HDP rates. This amount is offset against amounts included in 1D above. (There would have been a \$.7 million unfavorable variance with the updated budgeted amounts in accordance with the 2021 Revised Budget)

The April Medical Loss Ratio is 92.3% which is favorable to the 92.6% budgeted amount. The April Administrative Expense Ratio is 5.7% which is favorable to the 7.6% budgeted amount.

The results for the 4 months ended April 30, 2021 reflect a Net Increase in Net Position of \$8,240,653. This is a \$6,871,606 favorable variance to budget and includes approximately \$.9 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 93.0% which is unfavorable to the 92.2% budgeted amount. The year-to-date Administrative Expense Ratio is 5.5% which is favorable to the 6.8% budgeted amount.

**Kern Health Systems
Financial Packet
April 2021**

KHS – Medi-Cal Line of Business

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KHS Group Health Plan – Healthy Families Line of Business

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KHS Administrative Analysis and Other Reporting

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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF APRIL 30, 2021			
ASSETS	APRIL 2021	MARCH 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 140,721,084	\$ 164,710,189	\$ (23,989,105)
Short-Term Investments	89,951,219	90,684,951	(733,732)
Premiums Receivable - Net	102,839,001	102,225,983	613,018
Premiums Receivable - Hospital Direct Payments	294,625,083	279,887,335	14,737,748
Interest Receivable	87,840	78,095	9,745
Provider Advance Payment	5,506,518	5,506,518	-
Other Receivables	1,116,542	958,891	157,651
Prepaid Expenses & Other Current Assets	2,205,711	3,118,904	(913,193)
Total Current Assets	\$ 637,052,998	\$ 647,170,866	\$ (10,117,868)
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,933,173	1,980,267	(47,094)
Computer Hardware and Software - Net	13,980,339	14,229,805	(249,466)
Building and Building Improvements - Net	35,045,504	35,121,198	(75,694)
Capital Projects in Progress	13,032,352	12,830,876	201,476
Total Capital Assets	\$ 68,082,074	\$ 68,252,852	\$ (170,778)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,556,621	1,556,621	-
Total Long Term Assets	\$ 1,856,621	\$ 1,856,621	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,018,341	\$ 3,018,341	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 710,010,034	\$ 720,298,680	\$ (10,288,646)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 4,099,845	\$ 3,838,557	261,288
Accrued Other Operating Expenses	1,466,394	1,310,747	155,647
Accrued Taxes and Licenses	8,754,282	26,563,149	(17,808,867)
Claims Payable (Reported)	26,958,004	24,068,549	2,889,455
IBNR - Inpatient Claims	36,006,825	38,257,461	(2,250,636)
IBNR - Physician Claims	14,854,906	14,248,031	606,875
IBNR - Accrued Other Medical	22,163,584	24,121,218	(1,957,634)
Risk Pool and Withholds Payable	6,433,771	5,893,055	540,716
Statutory Allowance for Claims Processing Expense	2,225,904	2,225,904	-
Other Liabilities	63,575,538	58,344,105	5,231,433
Accrued Hospital Directed Payments	279,625,083	279,887,335	(262,252)
Total Current Liabilities	\$ 466,164,136	\$ 478,758,111	\$ (12,593,975)
NONCURRENT LIABILITIES:			
Net Pension Liability	8,432,377	8,432,377	-
TOTAL NONCURRENT LIABILITIES	\$ 8,432,377	\$ 8,432,377	\$ -
DEFERRED INFLOWS OF RESOURCES	\$ 86,684	\$ 86,684	\$ -
NET POSITION:			
Net Position - Beg. of Year	227,086,184	227,086,184	-
Increase (Decrease) in Net Position - Current Year	8,240,653	5,935,324	2,305,329
Total Net Position	\$ 235,326,837	\$ 233,021,508	\$ 2,305,329
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 710,010,034	\$ 720,298,680	\$ (10,288,646)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2021			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
186,606	182,600	4,006	Family Members	736,217	728,000	8,217		
74,010	70,565	3,445	Expansion Members	288,560	282,260	6,300		
15,870	15,230	640	SPD Members	66,038	60,920	5,118		
8,101	7,000	1,101	Other Members	32,141	28,000	4,141		
11,505	10,500	1,005	Kaiser Members	45,097	42,000	3,097		
296,092	285,895	10,197	Total Members - MCAL	1,168,053	1,141,180	26,873		
REVENUES								
33,739,041	28,975,271	4,763,770	Title XIX - Medicaid - Family and Other	133,946,885	125,397,226	8,549,659		
28,547,171	21,942,084	6,605,087	Title XIX - Medicaid - Expansion Members	111,880,009	102,525,686	9,354,323		
15,527,562	12,832,874	2,694,688	Title XIX - Medicaid - SPD Members	61,630,874	59,252,985	2,377,889		
9,805,142	8,904,649	900,493	Premium - MCO Tax	38,793,293	35,618,595	3,174,698		
14,734,613	9,477,840	5,256,773	Premium - Hospital Directed Payments	58,036,101	37,890,598	20,145,503		
205,894	165,792	40,102	Investment Earnings And Other Income	77,088	661,070	(583,982)		
-	79,865	(79,865)	Reinsurance Recoveries	-	318,762	(318,762)		
3,134	-	3,134	Rate Adjustments - Hospital Directed Payments	78,215,343	-	78,215,343		
266,498	-	266,498	Rate/Income Adjustments	3,188,517	-	3,188,517		
102,829,055	82,378,374	20,450,681	TOTAL REVENUES	485,768,110	361,664,923	124,103,187		
EXPENSES								
Medical Costs:								
15,642,095	15,119,069	(523,026)	Physician Services	60,339,589	60,379,829	40,240		
5,107,193	4,721,391	(385,802)	Other Professional Services	19,461,313	18,869,923	(591,390)		
4,480,205	5,553,083	1,072,878	Emergency Room	17,930,418	22,170,759	4,240,341		
18,419,878	15,379,766	(3,040,112)	Inpatient	75,172,156	61,445,892	(13,726,264)		
80,129	79,865	(264)	Reinsurance Expense	322,575	318,762	(3,813)		
8,681,740	6,978,458	(1,703,282)	Outpatient Hospital	29,560,947	27,882,053	(1,678,894)		
9,883,445	10,129,702	246,257	Other Medical	42,777,686	40,453,887	(2,323,799)		
9,412,697	769,068	(8,643,629)	Pharmacy	37,861,904	32,157,317	(5,704,587)		
540,715	523,251	(17,465)	Pay for Performance Quality Incentive	2,125,150	2,088,442	(36,708)		
-	-	-	Risk Corridor Expense	-	-	-		
14,734,613	9,477,840	(5,256,773)	Hospital Directed Payments	58,036,101	37,890,598	(20,145,503)		
3,134	-	(3,134)	Hospital Directed Payment Adjustment	77,421,955	-	(77,421,955)		
71,855	-	(71,855)	Non-Claims Expense Adjustment	804,854	-	(804,854)		
(85,946)	-	85,946	IBNR, Incentive, Paid Claims Adjustment	2,477,569	-	(2,477,569)		
86,971,753	68,731,492	(18,240,261)	Total Medical Costs	424,292,217	303,657,463	(120,634,754)		
15,857,302	13,646,882	2,210,420	GROSS MARGIN	61,475,893	58,007,460	3,468,433		
Administrative:								
2,691,957	2,856,030	164,073	Compensation	10,829,805	11,424,121	594,316		
986,086	971,006	(15,080)	Purchased Services	3,570,346	4,184,024	613,678		
131,712	133,106	1,394	Supplies	251,166	532,425	281,259		
426,541	500,520	73,979	Depreciation	1,698,749	2,002,082	303,333		
248,235	385,959	137,724	Other Administrative Expenses	895,643	1,543,837	648,194		
(5,010)	-	5,010	Administrative Expense Adjustment	(200,738)	-	200,738		
4,479,521	4,846,622	367,101	Total Administrative Expenses	17,044,971	19,686,488	2,641,517		
91,451,274	73,578,114	(17,873,160)	TOTAL EXPENSES	441,337,188	323,343,951	(117,993,237)		
11,377,781	8,800,260	2,577,521	OPERATING INCOME (LOSS) BEFORE TAX	44,430,922	38,320,972	6,109,950		
8,905,080	8,904,649	(431)	MCO TAX	35,645,900	35,618,595	(27,305)		
2,472,701	(104,389)	2,577,090	OPERATING INCOME (LOSS) NET OF TAX	8,785,022	2,702,377	6,082,645		
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets	-	-	-		
(81,397)	(166,667)	85,270	Provider Recruitment and Retention Grants	(168,440)	(666,666)	498,226		
(85,975)	(166,666)	80,691	Health Home	(375,929)	(666,664)	290,735		
(167,372)	(333,333)	165,961	TOTAL NONOPERATING REVENUE (EXPENSE)	(544,369)	(1,333,330)	788,961		
2,305,329	(437,722)	2,743,051	NET INCREASE (DECREASE) IN NET POSITION	8,240,653	1,369,047	6,871,606		
92.3%	92.6%	0.3%	MEDICAL LOSS RATIO	93.0%	92.2%	-0.7%		
5.7%	7.6%	1.9%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.8%	1.3%		

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED APRIL 30, 2021					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
ENROLLMENT								
186,606	182,600	4,006	Family Members	736,217	728,000	8,217		
74,010	70,565	3,445	Expansion Members	288,560	282,260	6,300		
15,870	15,230	640	SPD Members	66,038	60,920	5,118		
8,101	7,000	1,101	Other Members	32,141	28,000	4,141		
11,505	10,500	1,005	Kaiser Members	45,097	42,000	3,097		
296,092	285,895	10,197	Total Members - MCAL	1,168,053	1,141,180	26,873		
REVENUES								
173.28	152.82	20.46	Title XIX - Medicaid - Family and Other	174.33	165.87	8.46		
385.72	310.95	74.77	Title XIX - Medicaid - Expansion Members	387.72	363.23	24.49		
978.42	842.61	135.82	Title XIX - Medicaid - SPD Members	933.26	972.64	(39.37)		
34.45	32.33	2.12	Premium - MCO Tax	34.55	32.40	2.14		
51.78	34.42	17.36	Premium - Hospital Directed Payments	51.68	34.47	17.21		
0.72	0.60	0.12	Investment Earnings And Other Income	0.07	0.60	(0.53)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
0.01	0.00	0.01	Rate Adjustments - Hospital Directed Payments	69.65	0.00	69.65		
0.94	0.00	0.94	Rate/Income Adjustments	2.84	0.00	2.84		
361.33	299.13	62.20	TOTAL REVENUES	432.58	329.03	103.55		
EXPENSES								
Medical Costs:								
54.96	54.90	(0.06)	Physician Services	53.73	54.93	1.20		
17.95	17.14	(0.80)	Other Professional Services	17.33	17.17	(0.16)		
15.74	20.16	4.42	Emergency Room	15.97	20.17	4.20		
64.72	55.85	(8.88)	Inpatient	66.94	55.90	(11.04)		
0.28	0.29	0.01	Reinsurance Expense	0.29	0.29	0.00		
30.51	25.34	(5.17)	Outpatient Hospital	26.32	25.37	(0.96)		
34.73	36.78	2.05	Other Medical	38.09	36.80	(1.29)		
33.07	2.79	(30.28)	Pharmacy	33.72	29.26	(4.46)		
1.90	1.90	0.00	Pay for Performance Quality Incentive	1.89	1.90	0.01		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
51.78	34.42	(17.36)	Hospital Directed Payments	51.68	34.47	(17.21)		
0.01	0.00	(0.01)	Hospital Directed Payment Adjustment	68.94	0.00	(68.94)		
0.25	0.00	(0.25)	Non-Claims Expense Adjustment	0.72	0.00	(0.72)		
(0.30)	0.00	0.30	IBNR, Incentive, Paid Claims Adjustment	2.21	0.00	(2.21)		
305.61	249.57	(56.03)	Total Medical Costs	377.84	276.26	(101.58)		
55.72	49.55	6.17	GROSS MARGIN	54.74	52.77	1.97		
Administrative:								
9.46	10.37	0.91	Compensation	9.64	10.39	0.75		
3.46	3.53	0.06	Purchased Services	3.18	3.81	0.63		
0.46	0.48	0.02	Supplies	0.22	0.48	0.26		
1.50	1.82	0.32	Depreciation	1.51	1.82	0.31		
0.87	1.40	0.53	Other Administrative Expenses	0.80	1.40	0.61		
(0.02)	0.00	0.02	Administrative Expense Adjustment	(0.18)	0.00	0.18		
15.74	17.60	1.86	Total Administrative Expenses	15.18	17.91	2.73		
321.35	267.17	(54.17)	TOTAL EXPENSES	393.01	294.17	(98.85)		
39.98	31.96	8.02	OPERATING INCOME (LOSS) BEFORE TAX	39.57	34.86	4.70		
31.29	32.33	1.04	MCO TAX	31.74	32.40	0.66		
8.69	(0.38)	9.07	OPERATING INCOME (LOSS) NET OF TAX	7.82	2.46	5.36		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(0.29)	(0.61)	0.32	Reserve Fund Projects/Community Grants	(0.15)	(0.61)	0.46		
(0.30)	(0.61)	0.30	Health Home	(0.33)	(0.61)	0.27		
(0.59)	(1.21)	0.62	TOTAL NONOPERATING REVENUE (EXPENSE)	(0.48)	(1.21)	0.73		
8.10	(1.59)	9.69	NET INCREASE (DECREASE) IN NET POSITION	7.34	1.25	6.09		
92.3%	92.6%	0.3%	MEDICAL LOSS RATIO	93.0%	92.2%	-0.7%		
5.7%	7.6%	1.9%	ADMINISTRATIVE EXPENSE RATIO	5.5%	6.8%	1.3%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH APRIL 30, 2021														APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	13 MONTH TOTAL
ENROLLMENT																											
Members - MCAL	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	3,521,226													
REVENUES																											
Title XIX - Medicaid - Family and Other	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	30,920,096	32,216,002	33,254,490	33,365,704	33,587,650	33,739,041	407,695,401													
Title XIX - Medicaid - Expansion Members	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	25,504,052	27,197,954	27,548,311	27,720,576	28,063,951	28,547,171	337,444,750													
Title XIX - Medicaid - SPD Members	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	14,457,143	16,007,482	15,504,966	15,326,978	15,368,431	15,407,903	15,527,562	198,664,499													
Premium - MCO Tax	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	8,420,487	8,830,398	9,577,432	9,657,982	9,752,737	9,805,142	113,966,413													
Premium - Hospital Directed Payments	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	131,786,183													
Investment Earnings And Other Income	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	166,556	147,197	4,303	116,471	(249,580)	205,894	1,669,980													
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Rate Adjustments - Hospital Directed Payments	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	10,627	(2,692)	39,990	21,877	78,150,342	3,134	26,217,526													
Rate/Income Adjustments	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	127,031	226,726	799,886	594,678	1,527,455	266,498	(150,202)													
TOTAL REVENUES	80,435,517	86,859,012	91,604,031	17,506,553	88,503,816	88,185,134	94,104,369	90,469,419	93,858,589	101,673,293	102,076,001	179,189,761	102,829,055	1,217,294,550													
EXPENSES																											
Medical Costs:																											
Physician Services	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	13,867,872	12,660,363	14,907,160	14,731,540	15,058,794	15,642,095	178,686,846													
Other Professional Services	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	4,389,484	4,935,401	4,421,552	4,883,941	5,048,627	5,107,193	57,258,440													
Emergency Room	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	4,638,713	3,194,257	4,676,327	4,420,437	4,353,449	4,480,205	55,358,532													
Inpatient	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	17,137,251	17,212,070	19,183,080	19,853,180	19,321,533	17,577,565	18,419,878	227,823,493													
Reinsurance Expense	77,341	69,310	73,356	75,202	76,284	76,523	77,652	77,390	84,521	81,215	80,770	80,461	80,129	1,010,154													
Outpatient Hospital	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	6,209,999	6,565,195	7,108,674	6,610,422	7,160,111	8,681,740	87,053,069													
Other Medical	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	10,958,385	13,070,247	10,641,113	10,412,229	11,840,899	9,883,445	143,208,203													
Pharmacy	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	8,717,167	9,651,881	9,100,359	9,049,621	10,299,227	9,412,697	118,877,953													
Pay for Performance Quality Incentive	509,814	508,354	519,184	523,464	529,498	529,498	556,200	544,962	-	529,182	529,183	526,070	540,715	6,346,124													
Risk Corridor Expense	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	-	-	-	-	-	-	-													
Hospital Directed Payments	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	9,313,088	9,738,038	15,121,903	15,230,282	12,949,303	14,734,613	131,786,183													
Hospital Directed Payment Adjustment	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	6,596	(1,263)	39,990	21,878	77,356,953	3,134	25,184,654													
Non-Claims Expense Adjustment	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(209,309)	1,598	287,063	233,372	212,564	71,855	(354,897)													
IBNR, Incentive, Paid Claims Adjustment	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	205,986	316,193	4,787	858,658	1,700,070	(85,946)	(5,959,467)													
Total Medical Costs	67,702,880	71,626,453	76,311,140	3,228,909	73,696,401	74,755,703	79,333,670	75,939,534	79,392,380	86,772,505	86,383,866	164,164,093	86,971,753	1,026,279,287													
GROSS MARGIN	12,732,637	15,232,559	15,292,891	14,277,644	14,807,415	13,429,431	14,770,699	14,529,885	14,466,209	14,900,788	15,692,135	15,025,668	15,857,302	191,015,263													
Administrative:																											
Compensation	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	2,456,357	2,766,869	2,772,584	2,908,104	2,457,160	2,691,957	34,522,734													
Purchased Services	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	745,537	1,172,530	818,908	824,152	941,200	986,086	10,970,261													
Supplies	60,138	59,208	29,774	71,551	63,919	71,111	34,967	106,489	39,305	57,592	57,416	4,446	131,712	787,628													
Depreciation	300,318	924,253	418,036	417,768	418,389	419,251	419,796	419,850	421,301	422,833	422,834	426,541	426,541	5,857,711													
Other Administrative Expenses	441,804	223,548	345,337	240,778	254,091	296,858	137,960	242,696	351,189	277,245	267,201	102,962	248,235	3,429,904													
Administrative Expense Adjustment	-	-	(212,229)	-	-	-	-	-	1,407,045	18,296	(271,318)	57,294	(5,010)	994,078													
Total Administrative Expenses	4,125,793	4,486,081	4,559,340	4,322,041	4,153,745	3,845,341	3,895,836	3,970,929	6,158,239	4,367,458	4,208,389	3,989,603	4,479,521	56,562,316													
TOTAL EXPENSES	71,828,673	76,112,534	80,870,480	7,550,950	77,850,146	78,601,044	83,229,506	79,910,463	85,550,619	91,139,963	90,592,255	168,153,696	91,451,274	1,082,841,603													
OPERATING INCOME (LOSS) BEFORE TAX	8,606,844	10,746,478	10,733,551	9,955,603	10,653,670	9,584,090	10,874,863	10,558,956	8,307,970	10,533,330	11,483,746	11,036,065	11,377,781	134,452,947													
MCO TAX	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,649	8,904,649	8,904,649	8,902,943	8,904,649	8,933,228	8,905,080	112,819,744													
OPERATING INCOME (LOSS) NET OF TAX	691,601	2,831,481	2,818,307	1,050,955	1,748,553	679,441	1,970,215	1,654,307	(596,679)	1,630,387	2,579,097	2,102,837	2,472,701	21,633,203													
TOTAL NONOPERATING REVENUE (EXPENSE)	424,682	(587,120)	(479,019)	462,756	(687,453)	(176,843)	(1,188,755)	(931,682)	1,433,032	(137,472)	(151,159)	(88,366)	(167,372)	(2,274,771)													
NET INCREASE (DECREASE) IN NET POSITION	1,116,283	2,244,361	2,339,288	1,513,711	1,061,100	502,598	781,460	722,625	836,353	1,492,915	2,427,938	2,014,471	2,305,329	19,358,432													
MEDICAL LOSS RATIO	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	92.0%													
ADMINISTRATIVE EXPENSE RATIO	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	6.0%													

KHS Finance Committee Meeting, June 4, 2021

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH APRIL 30, 2021														
	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	NOVEMBER 2020	DECEMBER 2020	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	13 MONTH TOTAL
ENROLLMENT														
Members - MCAL	252,950	256,134	259,592	261,732	264,749	278,100	272,481	275,080	277,452	278,517	276,880	282,972	284,587	3,521,226
REVENUES														
Title XIX - Medicaid - Family and Other	157.08	158.57	169.56	165.45	166.87	166.16	173.40	164.62	168.64	174.01	177.17	172.94	173.28	171.74
Title XIX - Medicaid - Expansion Members	369.04	373.98	388.48	377.98	376.19	379.54	393.46	371.41	384.47	385.83	397.58	382.20	385.72	380.57
Title XIX - Medicaid - SPD Members	930.77	938.61	987.39	981.08	972.23	972.22	945.03	1,012.68	989.03	957.28	816.21	1,005.21	978.42	958.41
Premium - MCO Tax	31.29	30.90	30.91	31.47	31.48	29.96	33.64	30.61	31.83	34.39	34.88	34.47	34.45	32.37
Premium - Hospital Directed Payments	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	37.43
Investment Earnings And Other Income	1.05	1.26	0.24	1.21	0.66	(0.05)	0.56	0.61	0.53	0.02	0.42	(0.88)	0.72	0.47
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	0.04	(0.01)	0.14	0.08	276.18	0.01	7.45
Rate/Income Adjustments	(17.91)	1.74	1.84	0.52	1.10	0.25	(2.14)	0.46	0.82	2.87	2.15	5.40	0.94	(0.04)
TOTAL REVENUES	317.99	339.12	352.88	66.89	334.29	317.10	345.36	328.88	338.29	365.05	368.67	633.24	361.33	345.70
EXPENSES														
Medical Costs:														
Physician Services	49.10	48.53	45.48	51.04	49.61	52.19	51.96	50.41	45.63	53.52	53.21	53.22	54.96	50.75
Other Professional Services	15.45	13.62	13.84	16.89	17.45	17.41	13.97	15.96	17.79	15.88	17.64	17.84	17.95	16.26
Emergency Room	15.08	16.45	12.96	13.95	18.18	17.71	17.67	16.86	11.51	16.79	15.97	15.38	15.74	15.72
Inpatient	63.24	56.26	65.93	65.27	62.83	64.29	62.89	63.57	69.14	71.28	69.78	62.12	64.72	64.70
Reinsurance Expense	0.31	0.27	0.28	0.29	0.29	0.28	0.28	0.31	0.28	0.29	0.29	0.28	0.28	0.29
Outpatient Hospital	24.79	20.30	24.84	24.63	26.04	24.47	24.42	22.58	23.66	25.52	23.87	25.30	30.51	24.72
Other Medical	34.92	42.40	35.44	43.96	34.20	50.46	47.40	39.84	47.11	38.21	37.61	41.84	34.73	40.67
Pharmacy	34.27	33.64	32.03	33.55	34.68	35.34	33.98	31.69	34.79	32.67	32.68	36.40	33.07	33.76
Pay for Performance Quality Incentive	2.02	1.98	2.00	2.00	2.00	1.90	2.04	1.98	0.00	1.90	1.91	1.86	1.90	1.80
Risk Corridor Expense	0.00	0.00	18.11	(7.64)	0.00	(9.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hospital Directed Payments	45.92	45.35	46.80	(33.85)	34.42	32.77	36.53	33.86	35.10	54.29	55.01	45.76	51.78	37.43
Hospital Directed Payment Adjustment	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	0.02	(0.00)	0.14	0.08	273.37	0.01	7.15
Non-Claims Expense Adjustment	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.80)	0.02	(0.76)	0.01	1.03	0.84	0.75	0.25	(0.10)
IBNR, Incentive, Paid Claims Adjustment	(17.57)	0.85	(1.64)	1.32	(0.46)	(15.53)	(0.02)	0.75	1.14	0.02	3.10	6.01	(0.30)	(1.69)
Total Medical Costs	267.65	279.64	293.97	12.34	278.36	268.81	291.15	276.06	286.15	311.55	311.99	580.14	305.61	291.46
GROSS MARGIN	50.34	59.47	58.91	54.55	55.93	48.29	54.21	52.82	52.14	53.50	56.67	53.10	55.72	54.25
Administrative:														
Compensation	10.59	9.28	10.92	10.44	9.81	9.48	9.59	8.93	9.97	9.95	10.50	8.68	9.46	9.80
Purchased Services	2.55	3.53	4.40	3.29	3.10	1.52	2.53	2.71	4.23	2.94	2.98	3.33	3.46	3.12
Supplies	0.24	0.23	0.11	0.27	0.24	0.26	0.13	0.39	0.14	0.21	0.21	0.02	0.46	0.22
Depreciation	1.19	3.61	1.61	1.60	1.58	1.51	1.54	1.53	1.52	1.53	1.53	1.51	1.50	1.66
Other Administrative Expenses	1.75	0.87	1.33	0.92	0.96	1.07	0.51	0.88	1.27	1.00	0.97	0.36	0.87	0.97
Administrative Expense Adjustment	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.00	5.07	0.07	(0.98)	0.20	(0.02)	0.28
Total Administrative Expenses	16.31	17.51	17.56	16.51	15.69	13.83	14.30	14.44	22.20	15.68	15.20	14.10	15.74	16.06
TOTAL EXPENSES	283.96	297.16	311.53	28.85	294.05	282.64	305.45	290.50	308.34	327.23	327.19	594.24	321.35	307.52
OPERATING INCOME (LOSS) BEFORE TAX	34.03	41.96	41.35	38.04	40.24	34.46	39.91	38.39	29.94	37.82	41.48	39.00	39.98	38.18
MCO TAX	31.29	30.90	30.49	34.02	33.64	32.02	32.68	32.37	32.09	31.97	32.16	31.57	31.29	32.04
OPERATING INCOME (LOSS) NET OF TAX	2.73	11.05	10.86	4.02	6.60	2.44	7.23	6.01	(2.15)	5.85	9.31	7.43	8.69	6.14
TOTAL NONOPERATING REVENUE (EXPENSE)	1.68	(2.29)	(1.85)	1.77	(2.60)	(0.64)	(4.36)	(3.39)	5.16	(0.49)	(0.55)	(0.31)	(0.59)	(0.65)
NET INCREASE (DECREASE) IN NET POSITION	4.41	8.76	9.01	5.78	4.01	1.81	2.87	2.63	3.01	5.36	8.77	7.12	8.10	5.50
MEDICAL LOSS RATIO	92.1%	89.1%	89.8%	91.4%	91.2%	92.8%	92.5%	91.6%	92.5%	93.1%	92.2%	94.3%	92.3%	92.0%
ADMINISTRATIVE EXPENSE RATIO	6.8%	6.7%	6.4%	6.2%	5.8%	5.4%	5.2%	5.5%	8.2%	5.7%	5.5%	5.1%	5.7%	6.0%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED APRIL 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			REVENUES			
			Title XIX - Medicaid - Family & Other			
26,639,709	21,778,783	4,860,926	Premium - Medi-Cal	105,448,232	96,421,614	9,026,618
2,120,007	2,520,887	(400,880)	Premium - Maternity Kick	9,026,919	10,083,548	(1,056,629)
26,209	-	26,209	Premium - Hep C Kick	144,151	238,095	(93,944)
635,676	487,998	147,678	Premium - BHT Kick	2,315,839	1,945,814	370,025
170,849	176,507	(5,658)	Premium - Health Home Kick	598,322	703,794	(105,472)
3,599,987	3,476,012	123,975	Premium - Provider Enhancement	14,249,262	13,868,961	380,301
179,466	168,909	10,557	Premium - Ground Emergency Medical Transportation	708,785	674,291	34,494
255,096	274,390	(19,294)	Premium - Behavioral Health Integration Program	1,015,697	1,094,086	(78,389)
112,042	91,786	20,256	Other	439,678	367,024	72,654
33,739,041	28,975,271	4,763,770	Total Title XIX - Medicaid - Family & Other	133,946,885	125,397,226	8,549,659
			Title XIX - Medicaid - Expansion Members			
25,889,701	19,622,702	6,266,999	Premium - Medi-Cal	101,345,090	92,642,110	8,702,980
314,541	214,253	100,288	Premium - Maternity Kick	1,456,462	857,012	599,450
216,227	-	216,227	Premium - Hep C Kick	812,489	606,051	206,438
285,505	356,121	(70,616)	Premium - Health Home Kick	1,061,624	1,424,484	(362,860)
1,529,997	1,455,050	74,947	Premium - Provider Enhancement	5,985,245	5,820,200	165,045
182,908	165,235	17,673	Premium - Ground Emergency Medical Transportation	715,585	660,940	54,645
96,444	102,122	(5,678)	Premium - Behavioral Health Integration Program	378,911	408,488	(29,577)
31,848	26,600	5,248	Other	124,603	106,400	18,203
28,547,171	21,942,084	6,605,087	Total Title XIX - Medicaid - Expansion Members	111,880,009	102,525,686	9,354,323
			Title XIX - Medicaid - SPD Members			
14,026,710	11,113,319	2,913,391	Premium - Medi-Cal	56,038,703	52,073,899	3,964,804
52,418	-	52,418	Premium - Hep C Kick	122,310	300,864	(178,554)
580,558	763,566	(183,008)	Premium - BHT Kick	2,082,857	3,054,263	(971,406)
257,649	351,842	(94,193)	Premium - Health Home Kick	937,415	1,407,368	(469,953)
457,992	454,632	3,360	Premium - Provider Enhancement	1,829,745	1,818,528	11,217
132,102	127,475	4,627	Premium - Ground Emergency Medical Transportation	527,764	509,900	17,864
20,133	22,041	(1,908)	Premium - Behavioral Health Integration Program	92,080	88,164	3,916
15,527,562	12,832,874	2,694,688	Total Title XIX - Medicaid - SPD Members	61,630,874	59,252,985	2,377,889

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED APRIL 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
3,563,867	3,057,760	(506,107)	PHYSICIAN SERVICES			
11,114,617	10,556,354	(558,263)	Primary Care Physician Services	13,056,685	12,206,092 (850,593)	
954,611	1,495,955	541,344	Referral Specialty Services	41,795,851	42,167,444 371,593	
9,000	9,000	-	Urgent Care & After Hours Advise	5,451,053	5,970,293 519,240	
15,642,095	15,119,069	(523,026)	Hospital Admitting Team	36,000	36,000 -	
			TOTAL PHYSICIAN SERVICES	60,339,589	60,379,829 40,240	
			OTHER PROFESSIONAL SERVICES			
289,005	294,234	5,229	Vision Service Capitation	1,167,944	1,174,376 6,432	
217,207	212,115	(5,092)	221 - Business Intelligence	847,595	848,460 865	
602,798	597,920	(4,878)	310 - Health Services - Utilization Management - UM Allocation *	2,367,053	2,391,680 24,627	
136,098	189,152	53,054	311 - Health Services - Quality Improvement - UM Allocation *	552,224	756,608 204,384	
119,982	123,337	3,355	312 - Health Services - Education - UM Allocation *	460,011	493,346 33,335	
75,945	80,283	4,338	313 - Health Services - Pharmacy - UM Allocation *	301,912	321,132 19,220	
121,413	210,465	89,052	314 - Health Homes - UM Allocation *	533,998	841,860 307,862	
260,034	270,692	10,658	315 - Case Management - UM Allocation *	1,073,650	1,082,768 9,118	
57,851	56,773	(1,078)	616 - Disease Management - UM Allocation *	251,132	227,092 (24,040)	
1,506,149	1,251,563	(254,586)	Behavior Health Treatment	4,728,919	5,000,076 271,157	
153,559	189,196	35,637	Mental Health Services	724,443	755,876 31,433	
1,567,152	1,245,661	(321,491)	Other Professional Services	6,452,432	4,976,648 (1,475,784)	
5,107,193	4,721,391	(385,802)	TOTAL OTHER PROFESSIONAL SERVICES	19,461,313	18,869,923 (591,390)	
4,480,205	5,553,083	1,072,878	EMERGENCY ROOM	17,930,418	22,170,759 4,240,341	
18,419,878	15,379,765	(3,040,112)	INPATIENT HOSPITAL	75,172,156	61,445,892 (13,726,264)	
80,129	79,865	(264)	REINSURANCE EXPENSE PREMIUM	322,575	318,762 (3,813)	
8,681,740	6,978,458	(1,703,282)	OUTPATIENT HOSPITAL SERVICES	29,560,947	27,882,053 (1,678,894)	
			OTHER MEDICAL			
1,338,929	1,547,023	208,094	Ambulance and NEMT	5,392,117	6,177,687 785,570	
657,817	425,063	(232,754)	Home Health Services & CBAS	2,584,268	1,698,308 (885,960)	
430,683	491,325	60,642	Utilization and Quality Review Expenses	1,720,511	1,965,300 244,789	
1,041,624	1,299,408	257,784	Long Term/SNF/Hospice	5,724,744	5,194,319 (530,425)	
299,855	394,140	94,285	Health Home Capitation & Incentive	1,139,675	1,574,664 434,989	
5,318,961	5,112,571	(206,390)	Provider Enhancement Expense - Prop. 56	21,001,807	20,407,740 (594,067)	
423,904	461,619	37,715	Provider Enhancement Expense - GEMT	1,601,976	1,845,131 243,155	
-	-	-	Provider COVID-19 Expenses	2,125,900	- (2,125,900)	
371,672	398,553	26,881	Behavioral Health Integration Program	1,486,688	1,590,738 104,050	
9,883,445	10,129,702	246,257	TOTAL OTHER MEDICAL	42,777,686	40,453,887 (2,323,799)	
			PHARMACY SERVICES			
8,462,224	-	(8,462,224)	RX - Drugs & OTC	34,033,612	28,039,050 (5,994,562)	
260,020	-	(260,020)	RX - HEP-C	1,019,428	1,145,008 125,580	
825,453	769,068	(56,385)	Rx - DME	3,348,864	3,073,259 (275,605)	
(135,000)	0	135,000	RX - Pharmacy Rebates	(540,000)	(100,000) 440,000	
9,412,697	769,068	(8,643,629)	TOTAL PHARMACY SERVICES	37,861,904	32,157,317 (5,704,587)	
540,715	523,251	(17,465)	PAY FOR PERFORMANCE QUALITY INCENTIVE	2,125,150	2,088,442 (36,708)	
-	-	-	RISK CORRIDOR EXPENSE	-	- -	
14,734,613	9,477,840	(5,256,773)	HOSPITAL DIRECTED PAYMENTS	58,036,101	37,890,598 (20,145,503)	
3,134	-	(3,134)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	77,421,955	- (77,421,955)	
71,855	-	(71,855)	NON-CLAIMS EXPENSE ADJUSTMENT	804,854	- (804,854)	
(85,946)	-	85,946	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2,477,569	- (2,477,569)	
86,971,753	68,731,492	(18,240,261)	Total Medical Costs	424,292,217	303,657,463 (120,634,754)	

KHSS/26/2021
Management Use Only

* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED APRIL 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
12.52	11.10	(1.42)	Primary Care Physician Services	11.63	11.10	(0.52)
39.06	38.33	(0.72)	Referral Specialty Services	37.22	38.36	1.14
3.35	5.43	2.08	Urgent Care & After Hours Advise	4.85	5.43	0.58
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
54.96	54.90	(0.06)	TOTAL PHYSICIAN SERVICES	53.73	54.93	1.20
OTHER PROFESSIONAL SERVICES						
1.02	1.07	0.05	Vision Service Capitation	1.04	1.07	0.03
0.76	0.77	0.01	221 - Business Intelligence	0.75	0.77	0.02
2.12	2.17	0.05	310 - Health Services - Utilization Management - UM Allocation *	2.11	2.18	0.07
0.48	0.69	0.21	311 - Health Services - Quality Improvement - UM Allocation *	0.49	0.69	0.20
0.42	0.45	0.03	312 - Health Services - Education - UM Allocation *	0.41	0.45	0.04
0.27	0.29	0.02	313 - Health Services - Pharmacy - UM Allocation *	0.27	0.29	0.02
0.43	0.76	0.34	314 - Health Homes - UM Allocation *	0.48	0.77	0.29
0.91	0.98	0.07	315 - Case Management - UM Allocation *	0.96	0.99	0.03
0.20	0.21	0.00	616 - Disease Management - UM Allocation *	0.22	0.21	(0.02)
5.29	4.54	(0.75)	Behavior Health Treatment	4.21	4.55	0.34
0.54	0.69	0.15	Mental Health Services	0.65	0.69	0.04
5.51	4.52	(0.98)	Other Professional Services	5.75	4.53	(1.22)
17.95	17.14	(0.80)	TOTAL OTHER PROFESSIONAL SERVICES	17.33	17.17	(0.16)
15.74	20.16	4.42	EMERGENCY ROOM	15.97	20.17	4.20
64.72	55.85	(8.88)	INPATIENT HOSPITAL	66.94	55.90	(11.04)
0.28	0.29	0.01	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
30.51	25.34	(5.17)	OUTPATIENT HOSPITAL SERVICES	26.32	25.37	(0.96)
OTHER MEDICAL						
4.70	5.62	0.91	Ambulance and NEMT	4.80	5.62	0.82
2.31	1.54	(0.77)	Home Health Services & CBAS	2.30	1.55	(0.76)
1.51	1.78	0.27	Utilization and Quality Review Expenses	1.53	1.79	0.26
3.66	4.72	1.06	Long Term/SNF/Hospice	5.10	4.73	(0.37)
1.05	1.43	0.38	Health Home Capitation & Incentive	1.01	1.43	0.42
18.69	18.56	(0.13)	Provider Enhancement Expense - Prop. 56	18.70	18.57	(0.14)
1.49	1.68	0.19	Provider Enhancement Expense - GEMT	1.43	1.68	0.25
0.00	0.00	0.00	Provider COVID-19 Expenses	1.89	0.00	(1.89)
1.31	1.45	0.14	Behavioral Health Integration Program	1.32	1.45	0.12
34.73	36.78	2.05	TOTAL OTHER MEDICAL	38.09	36.80	(1.29)
PHARMACY SERVICES						
29.74	0.00	(29.74)	RX - Drugs & OTC	30.31	25.51	(4.80)
0.91	0.00	(0.91)	RX - HEP-C	0.91	1.04	0.13
2.90	2.79	(0.11)	Rx - DME	2.98	2.80	(0.19)
(0.47)	0.00	0.47	RX - Pharmacy Rebates	(0.48)	(0.09)	0.39
33.07	2.79	(30.28)	TOTAL PHARMACY SERVICES	33.72	29.26	(4.46)
1.90	1.90	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.89	1.90	0.01
0.00	0.00	0.00	RISK CORRIDOR EXPENSE	0.00	0.00	0.00
51.78	34.42	(17.36)	HOSPITAL DIRECTED PAYMENTS	51.68	34.47	(17.21)
0.01	0.00	(0.01)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	68.94	0.00	(68.94)
0.25	0.00	(0.25)	NON-CLAIMS EXPENSE ADJUSTMENT	0.72	0.00	(0.72)
(0.30)	0.00	0.30	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	2.21	0.00	(2.21)
305.61	249.57	(56.03)	Total Medical Costs	377.84	276.26	(101.58)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH APRIL 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES					
Primary Care Physician Services	2,962,264	2,963,060	3,567,494	3,563,867	13,056,685
Referral Specialty Services	10,512,215	10,171,851	9,997,168	11,114,617	41,795,851
Urgent Care & After Hours Advise	1,423,381	1,588,229	1,484,832	954,611	5,451,053
Hospital Admitting Team	9,300	8,400	9,300	9,000	36,000
TOTAL PHYSICIAN SERVICES	14,907,160	14,731,540	15,058,794	15,642,095	60,339,589
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	294,054	292,442	292,443	289,005	1,167,944
221 - Business Intelligence	210,663	222,415	197,310	217,207	847,595
310 - Health Services - Utilization Management - UM Allocation *	595,003	563,907	605,345	602,798	2,367,053
311 - Health Services - Quality Improvement - UM Allocation *	138,388	123,443	154,295	136,098	552,224
312 - Health Services - Education - UM Allocation *	120,621	124,149	95,259	119,982	460,011
313 - Health Services - Pharmacy - UM Allocation *	75,046	75,369	75,552	75,945	301,912
314 - Health Homes - UM Allocation *	120,170	119,317	173,098	121,413	533,998
315 - Case Management - UM Allocation *	270,657	261,834	281,125	260,034	1,073,650
616 - Disease Management - UM Allocation *	62,998	58,064	72,219	57,851	251,132
Behavior Health Treatment	867,517	947,944	1,407,309	1,506,149	4,728,919
Mental Health Services	292,517	181,749	96,618	153,559	724,443
Other Professional Services	1,373,918	1,913,308	1,598,054	1,567,152	6,452,432
TOTAL OTHER PROFESSIONAL SERVICES	4,421,552	4,883,941	5,048,627	5,107,193	19,461,313
EMERGENCY ROOM	4,676,327	4,420,437	4,353,449	4,480,205	17,930,418
INPATIENT HOSPITAL	19,853,180	19,321,533	17,577,565	18,419,878	75,172,156
REINSURANCE EXPENSE PREMIUM	81,215	80,770	80,461	80,129	322,575
OUTPATIENT HOSPITAL SERVICES	7,108,674	6,610,422	7,160,111	8,681,740	29,560,947
OTHER MEDICAL					
Ambulance and NEMT	1,400,971	1,208,039	1,444,178	1,338,929	5,392,117
Home Health Services & CBAS	490,933	582,371	853,147	657,817	2,584,268
Utilization and Quality Review Expenses	228,696	372,499	688,633	430,683	1,720,511
Long Term/SNF/Hospice	1,616,577	1,132,832	1,933,711	1,041,624	5,724,744
Health Home Capitation & Incentive	211,140	294,005	334,675	299,855	1,139,675
Provider Enhancement Expense - Prop. 56	5,190,164	5,226,990	5,265,692	5,318,961	21,001,807
Provider Enhancement Expense - GEMT	456,380	456,381	265,311	423,904	1,601,976
Provider COVID-19 Expenses	674,580	767,440	683,880	-	2,125,900
Behavioral Health Integration Program	371,672	371,672	371,672	371,672	1,486,688
TOTAL OTHER MEDICAL	10,641,113	10,412,229	11,840,899	9,883,445	42,777,686
PHARMACY SERVICES					
RX - Drugs & OTC	8,174,252	8,080,594	9,316,542	8,462,224	34,033,612
RX - HEP-C	245,144	264,815	249,449	260,020	1,019,428
Rx - DME	815,963	839,212	868,236	825,453	3,348,864
RX - Pharmacy Rebates	(135,000)	(135,000)	(135,000)	(135,000)	(540,000)
TOTAL PHARMACY SERVICES	9,100,359	9,049,621	10,299,227	9,412,697	37,861,904
PAY FOR PERFORMANCE QUALITY INCENTIVE	529,182	529,183	526,070	540,715	2,125,150
RISK CORRIDOR EXPENSE	-	-	-	-	-
HOSPITAL DIRECTED PAYMENTS	15,121,903	15,230,282	12,949,303	14,734,613	58,036,101
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	39,990	21,878	77,356,953	3,134	77,421,955
NON-CLAIMS EXPENSE ADJUSTMENT	287,063	233,372	212,564	71,855	804,854
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	4,787	858,658	1,700,070	(85,946)	2,477,569
Total Medical Costs	86,772,505	86,383,866	164,164,093	86,971,753	424,292,217

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH APRIL 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	YEAR TO DATE 2021
PHYSICIAN SERVICES					
Primary Care Physician Services	10.64	10.70	12.61	12.52	11.63
Referral Specialty Services	37.74	36.74	35.33	39.06	37.22
Urgent Care & After Hours Advise	5.11	5.74	5.25	3.35	4.85
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	53.52	53.21	53.22	54.96	53.73
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	1.06	1.06	1.03	1.02	1.04
221 - Business Intelligence	0.76	0.80	0.70	0.76	0.75
310 - Health Services - Utilization Management - UM Allocation *	2.14	2.04	2.14	2.12	2.11
311 - Health Services - Quality Improvement - UM Allocation *	0.50	0.45	0.55	0.48	0.49
312 - Health Services - Education - UM Allocation *	0.43	0.45	0.34	0.42	0.41
313 - Health Services - Pharmacy - UM Allocation *	0.27	0.27	0.27	0.27	0.27
314 - Health Homes - UM Allocation *	0.43	0.43	0.61	0.43	0.48
315 - Case Management - UM Allocation *	0.97	0.95	0.99	0.91	0.96
616 - Disease Management - UM Allocation *	0.23	0.21	0.26	0.20	0.22
Behavior Health Treatment	3.11	3.42	4.97	5.29	4.21
Mental Health Services	1.05	0.66	0.34	0.54	0.65
Other Professional Services	4.93	6.91	5.65	5.51	5.75
TOTAL OTHER PROFESSIONAL SERVICES	15.88	17.64	17.84	17.95	17.33
EMERGENCY ROOM	16.79	15.97	15.38	15.74	15.97
INPATIENT HOSPITAL	71.28	69.78	62.12	64.72	66.94
REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.28	0.28	0.29
OUTPATIENT HOSPITAL SERVICES	25.52	23.87	25.30	30.51	26.32
OTHER MEDICAL					
Ambulance and NEMT	5.03	4.36	5.10	4.70	4.80
Home Health Services & CBAS	1.76	2.10	3.01	2.31	2.30
Utilization and Quality Review Expenses	0.82	1.35	2.43	1.51	1.53
Long Term/SNF/Hospice	5.80	4.09	6.83	3.66	5.10
Health Home Capitation & Incentive	0.76	1.06	1.18	1.05	1.01
Provider Enhancement Expense - Prop. 56	18.63	18.88	18.61	18.69	18.70
Provider Enhancement Expense - GEMT	1.64	1.65	0.94	1.49	1.43
Provider COVID-19 Expenses	2.42	2.77	2.42	0.00	1.89
Behaviorial Health Integration Program	1.33	1.34	1.31	1.31	1.32
TOTAL OTHER MEDICAL	38.21	37.61	41.84	34.73	38.09
PHARMACY SERVICES					
RX - Drugs & OTC	29.35	29.18	32.92	29.74	30.31
RX - HEP-C	0.88	0.96	0.88	0.91	0.91
Rx - DME	2.93	3.03	3.07	2.90	2.98
RX - Pharmacy Rebates	(0.48)	(0.49)	(0.48)	(0.47)	(0.48)
TOTAL PHARMACY SERVICES	32.67	32.68	36.40	33.07	33.72
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.90	1.91	1.86	1.90	1.89
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	54.29	55.01	45.76	51.78	51.68
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.14	0.08	273.37	0.01	68.94
NON-CLAIMS EXPENSE ADJUSTMENT	1.03	0.84	0.75	0.25	0.72
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.02	3.10	6.01	(0.30)	2.21
Total Medical Costs	311.55	311.99	580.14	305.61	377.84

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED APRIL 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
272,219	377,031	104,812	110 - Executive	1,403,194	1,508,125	104,931
287,032	212,651	(74,381)	210 - Accounting	835,291	850,604	15,313
384,019	362,443	(21,576)	220 - Management Information Systems	1,464,180	1,449,773	(14,407)
12,308	64,468	52,160	221 - Business Intelligence	12,308	257,872	245,564
249,199	281,931	32,732	222 - Enterprise Development	954,541	1,127,724	173,183
407,880	448,524	40,644	225 - Infrastructure	1,455,462	1,794,094	338,632
554,302	576,323	22,021	230 - Claims	2,122,607	2,305,292	182,685
121,381	149,779	28,398	240 - Project Management	468,652	599,117	130,465
113,686	101,775	(11,911)	310 - Health Services - Utilization Management	420,298	407,100	(13,198)
18,597	27,902	9,305	311 - Health Services - Quality Improvement	75,340	111,609	36,269
59	55	(4)	312 - Health Services - Education	59	220	161
147,394	42,146	(105,248)	313- Pharmacy	577,972	468,583	(109,389)
-	6,642	6,642	314 - Health Homes	4,225	26,567	22,342
22,612	22,357	(255)	315 - Case Management	93,361	89,427	(3,934)
29,802	29,325	(477)	616 - Disease Management	129,387	117,301	(12,086)
274,082	323,502	49,420	320 - Provider Network Management	1,084,046	1,294,010	209,964
622,842	656,475	33,633	330 - Member Services	2,323,252	2,625,901	302,649
586,682	702,275	115,593	340 - Corporate Services	2,243,646	2,809,099	565,453
60,406	66,363	5,957	360 - Audit & Investigative Services	250,837	265,452	14,615
55,258	69,250	13,992	410 - Advertising Media	203,589	277,000	73,411
65,999	73,950	7,951	420 - Sales/Marketing/Public Relations	235,355	295,799	60,444
198,772	251,455	52,683	510 - Human Resources	888,107	1,005,820	117,713
(5,010)	-	5,010	Administrative Expense Adjustment	(200,738)	-	200,738
4,479,521	4,846,622	367,101	Total Administrative Expenses	17,044,971	19,686,488	2,641,517

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED APRIL 30, 2021	JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	YEAR TO DATE 2021
110 - Executive	353,943	483,744	293,288	272,219	1,403,194
210 - Accounting	203,619	198,129	146,511	287,032	835,291
220 - Management Information Systems (MIS)	340,212	345,719	394,230	384,019	1,464,180
221 - Business Intelligence	-	-	-	12,308	12,308
222 - Enterprise Development	250,306	269,236	185,800	249,199	954,541
225 - Infrastructure	365,340	337,172	345,070	407,880	1,455,462
230 - Claims	550,124	558,095	460,086	554,302	2,122,607
240 - Project Management	99,808	119,159	128,304	121,381	468,652
310 - Health Services - Utilization Management	103,641	120,732	82,239	113,686	420,298
311 - Health Services - Quality Improvement	18,870	16,833	21,040	18,597	75,340
312 - Health Services - Education	-	-	-	59	59
313- Pharmacy	141,859	137,379	151,340	147,394	577,972
314 - Health Homes	-	-	4,225	-	4,225
315 - Case Management	23,536	22,769	24,444	22,612	93,361
616 - Disease Management	32,453	29,912	37,220	29,802	129,387
320 - Provider Network Management	304,995	273,211	231,758	274,082	1,084,046
330 - Member Services	567,625	586,939	545,846	622,842	2,323,252
340 - Corporate Services	561,450	559,640	535,874	586,682	2,243,646
360 - Audit & Investigative Services	68,976	83,366	38,089	60,406	250,837
410 - Advertising Media	27,368	39,637	81,326	55,258	203,589
420 - Sales/Marketing/Public Relations	53,401	69,703	46,252	65,999	235,355
510 - Human Resources	281,636	228,332	179,367	198,772	888,107
Total Department Expenses	4,349,162	4,479,707	3,932,309	4,484,531	17,245,709
ADMINISTRATIVE EXPENSE ADJUSTMENT	18,296	(271,318)	57,294	(5,010)	(200,738)
Total Administrative Expenses	4,367,458	4,208,389	3,989,603	4,479,521	17,044,971

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF APRIL 30, 2021			
ASSETS	APRIL 2021	MARCH 2021	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,136,738	\$ 1,135,503	1,235
Interest Receivable	411	1,235	(824)
TOTAL CURRENT ASSETS	\$ 1,137,149	\$ 1,136,738	\$ 411
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,138,066	1,138,066	-
Increase (Decrease) in Net Position - Current Year	(917)	(1,328)	411
Total Net Position	\$ 1,137,149	\$ 1,136,738	\$ 411
TOTAL LIABILITIES AND NET POSITION	\$ 1,137,149	\$ 1,136,738	\$ 411

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED APRIL 30, 2021	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
-	-	-	Members	-	-	-
REVENUES						
-	-	-	Premium	-	-	-
411	-	411	Interest	1,646	-	1,646
-	-	-	Other Investment Income	(2,563)	-	(2,563)
411	-	411	TOTAL REVENUES	(917)	-	(917)
EXPENSES						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	Total Medical Costs	-	-	-
411	-	411	GROSS MARGIN	(917)	-	(917)
Administrative						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	Total Administrative Expenses	-	-	-
-	-	-	TOTAL EXPENSES	-	-	-
411	-	411	OPERATING INCOME (LOSS)	(917)	-	(917)
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)	-	-	-
411	-	411	NET INCREASE (DECREASE) IN NET POSITION	(917)	-	(917)
0%	0%	0%	MEDICAL LOSS RATIO	0%	0%	0%
0%	0%	0%	ADMINISTRATIVE EXPENSE RATIO	0%	0%	0%

**KERN HEALTH SYSTEMS
MONTHLY MEMBERS COUNT**

KERN HEALTH SYSTEMS

MEDI-CAL		2021 MEMBER MONTHS	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21
ADULT AND FAMILY														
ADULT	211,316		51,548	53,449	52,941	53,378	0	0	0	0	0	0	0	0
CHILD	524,901		131,669	126,764	133,240	133,228	0	0	0	0	0	0	0	0
SUB-TOTAL ADULT & FAMILY	736,217		183,217	180,213	186,181	186,606	0	0	0	0	0	0	0	0
OTHER MEMBERS														
PARTIAL DUALS - FAMILY	2,031		403	523	529	576	0	0	0	0	0	0	0	0
PARTIAL DUALS - CHILD	-1		0	-1	0	0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	8		2	2	2	2	0	0	0	0	0	0	0	0
BCCTP - TABACCO SETTLEMENT	0		0	0	0	0	0	0	0	0	0	0	0	0
FULL DUALS (SPD)														
SPD FULL DUALS	30,103		7,484	7,591	7,505	7,523	0	0	0	0	0	0	0	0
SUBTOTAL OTHER MEMBERS	32,141		7,889	8,115	8,036	8,101	0	0	0	0	0	0	0	0
TOTAL FAMILY & OTHER	768,358		191,106	188,328	194,217	194,707	0	0	0	0	0	0	0	0
SPD														
SPD (AGED AND DISABLED)	66,038		16,011	18,829	15,328	15,870	0	0	0	0	0	0	0	0
MEDI-CAL EXPANSION														
ACA Expansion Adult-Citizen	285,521		70,649	69,251	72,532	73,089	0	0	0	0	0	0	0	0
ACA Expansion Duals	3,039		751	472	895	921	0	0	0	0	0	0	0	0
SUB-TOTAL MED-CAL EXPANSION	288,560		71,400	69,723	73,427	74,010	0	0	0	0	0	0	0	0
TOTAL KAISER	45,097		11,047	11,196	11,349	11,505	0	0	0	0	0	0	0	0
TOTAL MEDI-CAL MEMBERS	1,168,053		289,564	288,076	294,321	296,092	0	0	0	0	0	0	0	0

**KERN HEALTH
SYSTEMS**

February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2704	MCG HEALTH LLC*****	742,147.77	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T1045	KAISER FOUNDATION HEALTH - HMO	434,259.86	866,270.78	FEB., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	363,225.96	678,636.45	2020 ANNUAL SOFTWARE LICENSE TRUE UP AND DEC. ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.*****	223,699.76	223,699.76	DEC., 2020 & JAN., 2021 PHARMACY CLAIMS	PHARMACY
T4982	NGC US, LLC	189,366.29	200,366.29	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	138,466.90	364,323.50	JAN., 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2650	QUEST SOFTWARE INC.*****	99,995.00	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	66,911.02	108,196.57	JAN., 2021 PROFESSIONAL SERVICES	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	56,027.21	88,104.70	DEC., 2020 & JAN., 2021 TEMPORARY HELP & ACA INSURANCE - (7) MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4391	OMNI FAMILY HEALTH	42,872.22	82,981.42	NOV., 2020 SHAFER HEALTH HOME GRANT	COMMUNITY GRANTS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.*****	41,800.00	41,800.00	DEC., 2020 & JAN., 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4582	HEALTHX, INC.	41,576.00	83,152.00	FEB., 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE



February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4237	FLUIDEDGE CONSULTING, INC.	37,125.00	93,155.00	JAN., & FEB., 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4193	STRIA LLC	34,572.33	68,756.75	JAN., & FEB., 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS*****	33,199.00	33,199.00	2021 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T1861	CERIDIAN HCM, INC.	33,161.20	45,011.20	FEB., 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T3448	SYNERGY HEALTHCARE, INC.*****	24,700.00	24,700.00	NOV., & DEC., 2020 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T5022	SVAM INTERNATIONAL INC	21,336.00	65,976.00	JAN., 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4483	INFUSION AND CLINICAL SERVICES, INC.*****	21,024.67	21,024.67	DEC., 2020 HEALTH HOMES GRANT	COMMUNITY GRANT
T4960	ZELIS CLAIMS INTEGRITY, LLC*****	20,182.89	21,234.08	DEC., 2020 POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T2458	HEALTHCARE FINANCIAL, INC.	20,000.00	52,500.00	DEC., 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	19,630.01	42,153.46	JAN., 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5145	CCS ENGINEERING FRESNO INC.,*****	18,865.64	21,465.64	JAN., 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T2167	PG&E	18,015.21	34,180.22	DEC., 2020/JAN., 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	17,766.44	35,282.07	JAN. 2021 TEMPORARY HELP & ACA INSURANCE - (1) BI; (1) HH; (1) HR; (1) HE; (1) PHARMACY; (1) MS	VARIOUS
T3011	OFFICE ALLY, INC.	17,165.75	35,717.25	JAN., 2021 EDI CLAIM PROCESSING	CLAIMS
T4731	LOGMEIN USA, INC.*****	14,009.27	15,535.27	JAN., 2021 INTERNET SERVICES	MIS INFRASTRUCTURE

KERN • HEALTH SYSTEMS

February AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5334	PACIFIC INTERPRETERS, INCORPORATED*****	13,377.98	13,377.98	DEC., 2020 INTERPRETATION SERVICES	HEALTH EDUCATION
T3449	CDW GOVERNMENT*****	12,369.93	15,340.75	2021 ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,119.42	24,221.95	JAN., 2021 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4563	SPH ANALYTICS*****	11,041.20	11,041.20	2020 KFHC MEMBER SATISFACTION SURVEY	MEMBER SERVICES
T5292	ALL'S WELL HEALTH CARE SERVICES*****	11,016.00	11,016.00	JAN., 2021 TEMPORARY HELP - (1) DM	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	10,699.21	21,398.42	FEB., 2021 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4182	THE LAMAR COMPANIES*****	10,630.00	16,210.00	JAN./FEB., 2021 OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4967	ADMINISTRATIVE SOLUTIONS, INC.	10,017.30	38,434.19	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
		<u>2,882,114.44</u>			
	TOTAL VENDORS OVER \$10,000	2,882,114.44			
	TOTAL VENDORS UNDER \$10,000	246,132.08			
	TOTAL VENDOR EXPENSES- FEBRUARY	<u>\$ 3,128,246.52</u>			

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

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	866,270.78	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T2704	MCG HEALTH LLC****	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	678,636.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	364,323.50	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2726	DST PHARMACY SOLUTIONS, INC.*****	223,699.76	PHARMACY CLAIMS	PHARMACY
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T4982	NGC US, LLC	200,366.29	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	108,196.57	PROFESSIONAL SERVICES	VARIOUS
T2850	QUEST SOFTWARE INC.*****	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T4237	FLUIDEDGE CONSULTING, INC.	93,155.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	88,104.70	TEMPORARY HELP & ACA INSURANCE	VARIOUS

KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4582	HEALTHX, INC.	83,152.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH	82,981.42	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	68,879.40	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T4193	STRIA LLC	68,756.75	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5022	SVAM INTERNATIONAL INC	65,976.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4963	LINKEDIN CORPORATION	55,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T2458	HEALTHCARE FINANCIAL, INC.	52,500.00	PROFESSIONAL SERVICES	ADMINISTRATION
T1861	CERIDIAN HCM, INC.	45,011.20	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	42,153.46	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.*****	41,800.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4967	ADMINISTRATIVE SOLUTIONS, INC.	38,434.19	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T3011	OFFICE ALLY, INC.	35,717.25	EDI CLAIM PROCESSING	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	35,282.07	TEMPORARY HELP & ACA INSURANCE	VARIOUS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2167	PG&E	34,180.22	USAGE/UTILITIES	CORPORATE SERVICES
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS*****	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T4501	ALLIED UNIVERSAL SECURITY SERVICES	29,872.44	ONSITE SECURITY	CORPORATE SERVICES
T4792	KP LLC	26,091.91	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T4781	EDRINGTON HEALTH CONSULTING, LLC	25,793.75	CONSULTING SERVICES	ADMINISTRATION
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T3448	SYNERGY HEALTHCARE, INC.*****	24,700.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	24,221.95	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5145	CCS ENGINEERING FRESNO INC.,*****	21,465.64	JANITORIAL SERVICES	CORPORATE SERVICES
T4396	KAISER FOUNDATION HEALTH-DHMO	21,398.42	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC*****	21,234.08	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4483	INFUSION AND CLINICAL SERVICES, INC.*****	21,024.67	HEALTH HOMES GRANT	COMMUNITY GRANT
T4460	PAYSPAN, INC	17,984.49	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4182	THE LAMAR COMPANIES*****	16,210.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING

KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T2413	TREK IMAGING INC*****	15,797.30	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4731	LOGMEIN USA, INC. ****	15,535.27	INTERNET SERVICES	MIS INFRASTRUCTURE
T3449	CDW GOVERNMENT*****	15,340.75	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T1189	APPLE ONE INC, EMPLOYMENT SERVICES*****	15,049.06	TEMPORARY HELP	MIS ADMINISTRATION
T4785	COMMGAP*****	14,868.75	INTERPRETATION SERVICES	HEALTH EDUCATION
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO*****	14,735.00	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4657	DAPONDE SIMPSON ROWE PC	14,289.50	LEGAL FEES	VARIOUS
T5121	TPx COMMUNICATIONS	13,902.81	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4353	TWE SOLUTIONS, INC.	13,803.42	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC.	13,732.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T5334	PACIFIC INTERPRETERS, INCORPORATED*****	13,377.98	INTERPRETATION SERVICES	HEALTH EDUCATION
T1022	UNUM LIFE INSURANCE CO.*****	13,338.80	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5329	RELAY NETWORK, LLC*****	13,333.34	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5132	TIME WARNER CABLE LLC*****	12,975.82	INTERNET SERVICES	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
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T4503	VISION SERVICE PLAN*****	11,190.70	EMPLOYEE HEALTH BENEFITS	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.*****	11,106.53	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T4563	SPH ANALYTICS*****	11,041.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T5292	ALL'S WELL HEALTH CARE SERVICES*****	11,016.00	TEMPORARY HELP	VARIOUS
T2407	KAISER FOUNDATION HEALTH -COBRA*****	10,709.25	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
		5,897,373.42		
	TOTAL VENDORS OVER \$10,000	5,897,373.42		
	TOTAL VENDORS UNDER \$10,000	271,540.31		
	TOTAL VENDOR EXPENSES- February	\$6,168,913.73		

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

KERN HEALTH SYSTEMS

March AP Vendor Report Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	864,771.49	1,731,042.27	MAR. & APR., 2021 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4982	NGC US, LLC	410,279.59	610,645.88	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	255,648.08	619,971.58	JAN., & FEB., 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T2726	DST PHARMACY SOLUTIONS, INC.	105,077.09	328,778.95	FEB., 2021 PHARMACY CLAIMS	PHARMACY
T5111	ENTISYS 360*****	99,999.00	100,208.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T5109	RAND EMPLOYMENT SOLUTIONS	92,423.93	180,528.63	FEB., 2021 & MAR., 2021 TEMPORARY HELP & ACA INSURANCE - MS (7), MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4391	OMNI FAMILY HEALTH	79,423.62	162,405.04	DEC., & JAN., - SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY*****	75,925.82	75,925.82	DEC., 2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC.*****	71,241.34	72,993.33	JAN., & FEB., 2021 INTERPRETATION SERVICES	MEMBER SERVICES
T2488	THE LINCOLN NATIONAL LIFE INSURANCE*****	68,961.14	137,840.54	FEB., 2021 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.	49,576.27	70,500.94	JAN., & FEB., 2021 HEALTH HOMES GRANT	COMMUNITY GRANT
T4237	FLUIDEDGE CONSULTING, INC.	42,795.00	135,950.00	JAN., & FEB., 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4582	HEALTHX, INC.	41,576.00	124,728.00	MAR., 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4193	STRIA LLC	39,935.27	108,692.02	FEB., & MAR., 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5340	GARTNER INC*****	38,500.00	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION

KERN HEALTH SYSTEMS

March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5145	CCS ENGINEERING FRESNO INC.	36,016.92	57,482.56	JAN., MAR., & APR., 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T3448	SYNERGY HEALTHCARE, INC.	35,900.00	60,600.00	JAN., & FEB., 2021 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T2167	PG&E	31,947.04	66,127.26	JAN., & FEB., 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T4460	PAYSPAN, INC*****	30,560.23	48,544.72	JAN., & FEB., 2021 ELECTRONIC CLAIMS/PAYMENTS & PPD REIMBURSEMENTS	FINANCE
T4967	ADMINISTRATIVE SOLUTIONS, INC.	29,201.90	67,636.09	FEB/MAR FSA EMPLOYEE PREMIUM & FEB., 2021 SECTION 125 ADMINISTRATION	VARIOUS
T5269	KERN COMMUNITY FOUNDATION*****	26,311.00	26,311.00	2021 ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT- UM OUTREACH
T5185	HOUSING AUTHORITY COUNTY OF KERN*****	26,300.00	26,300.00	NOVEMBER & DECEMBER 2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1655	KERN,KXXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG, KVEC,KSTT,KRQK,KPAT,*****	26,000.00	26,000.00	FEB., MAR., APR., & JUN., 2021 DIGITAL ADS	MARKETING
T5005	CRAYON SOFTWARE EXPERTS LLC	25,643.04	704,279.49	JAN., & FEB., 2021 ESD AZURE COVERAGE	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	24,150.10	48,372.05	FEB., & MAR., 2021 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.*****	24,075.03	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE
T2458	HEALTHCARE FINANCIAL, INC.	23,500.00	76,000.00	JAN., 2021 PROFESSIONAL SERVICES	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	22,331.96	64,485.42	FEB., 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	21,563.81	56,845.88	FEB., & MAR., 2021 TEMPORARY HELP & ACA INSURANCE - (1) BI; (1) HH; (1) HR; (1) HE; (1) PHARMACY; (1) MS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	20,884.04	42,282.46	MAR., & APR., 2021 EMPLOYEE HEALTH BENEFITS	VARIOUS
T4873	L5 HEALTHCARE SOLUTIONS, INC.*****	19,415.00	23,115.00	2021 LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES*****	19,069.73	48,942.17	FEB., & MAR., 2021 ONSITE SECURITY	CORPORATE SERVICES
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	18,980.00	60,580.00	FEB., 2021 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT

KERN HEALTH SYSTEMS

March AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC.	17,515.50	53,232.75	FEB., 2021 EDI CLAIM PROCESSING	CLAIMS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS*****	17,500.00	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T1861	CERIDIAN HCM, INC.	17,420.00	62,431.20	MAR., 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK****	16,500.00	16,950.00	2020 AUDIT FEES	FINANCE
T5022	SVAM INTERNATIONAL INC	15,200.00	81,176.00	FEB., 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO****	14,735.00	29,470.00	MAR., & APR., 2021 TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4960	ZELIS CLAIMS INTEGRITY, LLC	13,616.45	34,850.53	FEB, 2021 POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T1022	UNUM LIFE INSURANCE CO,****	13,451.20	26,790.00	MAR., & APR., 2021 EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T5292	ALL'S WELL HEALTH CARE SERVICES	13,311.00	24,327.00	FEB., & MAR., 2021 TEMPORARY HELP - (1) DM	UM-DISEASE MANAGEMENT
T1189	APPLE ONE INC. EMPLOYMENT SERVICES****	13,001.93	28,050.99	FEB., & MAR., 2021 TEMPORARY HELP - (1) MIS	IT- ADMINISTRATION
T2961	SOLUTION BENCH, LLC****	12,600.00	12,600.00	2021/2022 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	12,414.44	120,611.01	FEB., 2021 PROFESSIONAL SERVICES	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC****	11,543.75	37,337.50	JAN. 2021 CONSULTING SERVICES	ADMINISTRATION
T2407	KAISER FOUNDATION HEALTH -COBRA****	11,351.80	22,061.05	MAR., & APR., 2021 COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T1128	HALL LETTER SHOP, INC.****	11,044.05	19,243.24	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, NEW MEMBER PACKETS & ID CARD SURVEY	VARIOUS
T5344	SIGNATURE STAFF RESOURCES LLC****	11,040.00	11,040.00	FEB., 2021 PROFESSIONAL SERVICES	PROJECT MANAGEMENT
		<u>3,020,228.56</u>			
	TOTAL VENDORS OVER \$10,000	3,020,228.56			
	TOTAL VENDORS UNDER \$10,000	273,341.40			
	TOTAL VENDOR EXPENSES- MARCH	<u>\$ 3,293,569.96</u>			

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

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	1,731,042.27	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T2704	MCG HEALTH LLC*****	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	704,279.49	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4350	COMPUTER ENTERPRISE INC.	619,971.58	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	610,645.88	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2726	DST PHARMACY SOLUTIONS, INC.	328,776.85	PHARMACY CLAIMS	PHARMACY
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T5109	RAND EMPLOYMENT SOLUTIONS	180,528.63	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4391	OMNI FAMILY HEALTH	162,405.04	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2584	UNITED STATES POSTAL SVC -HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	137,840.54	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	135,950.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	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
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	120,611.01	PROFESSIONAL SERVICES	VARIOUS
T4193	STRIA LLC	108,692.02	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5111	ENTISYS 360*****	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T2850	QUEST SOFTWARE INC.	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	81,176.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T2458	HEALTHCARE FINANCIAL, INC.	76,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY*****	75,925.82	2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1180	LANGUAGE LINE SERVICES INC.*****	72,993.33	INTERPRETATION SERVICES	MEMBER SERVICES
T4483	INFUSION AND CLINICAL SERVICES, INC.*****	70,600.94	HEALTH HOMES GRANT	COMMUNITY GRANT
T4967	ADMINISTRATIVE SOLUTIONS, INC.	67,636.09	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T2167	PG&E	66,127.26	USAGE/UTILITIES	CORPORATE SERVICES
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	65,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	64,485.42	EDI CLAIM PROCESSING (EMDEON)	CLAIMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1861	CERIDIAN HCM, INC.	62,431.20	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T3448	SYNERGY HEALTHCARE, INC.	60,600.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	60,580.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5145	CCS ENGINEERING FRESNO INC.,	57,482.56	JANITORIAL SERVICES	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	56,845.88	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4963	LINKEDIN CORPORATION	55,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T3011	OFFICE ALLY, INC.	53,232.75	EDI CLAIM PROCESSING	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	48,942.17	ONSITE SECURITY	CORPORATE SERVICES
T4460	PAYSPAN, INC	48,544.72	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	48,372.05	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4396	KAISER FOUNDATION HEALTH-DHMO	42,282.46	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5340	GARTNER INC*****	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4781	EDRINGTON HEALTH CONSULTING, LLC	37,337.50	CONSULTING SERVICES	ADMINISTRATION

KERN HEALTH SYSTEMS

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Vendor No.	Vendor Name	Year-to Date	Description	Department
T4960	ZELIS CLAIMS INTEGRITY, LLC	34,850.53	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO	29,470.00	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	28,050.99	TEMPORARY HELP	MIS ADMINISTRATION
T1022	UNUM LIFE INSURANCE CO.	26,790.00	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4792	KP LLC	26,691.91	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T5269	KERN COMMUNITY FOUNDATION*****	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT-OUTREACH
T5185	HOUSING AUTHORITY COUNTY OF KERN*****	26,300.00	2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1655	KERN, KXXX, KISV, KGEO, KGFM, KEBT, KZOZ, K KJG, KVEC, KSST, KRQK, KPAT, *****	26,000.00	DIGITAL ADS	MARKETING
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T5292	ALL'S WELL HEALTH CARE SERVICES	24,327.00	TEMPORARY HELP	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.*****	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE

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Year to Date AP Vendor Report
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Vendor No.	Vendor Name	Year-to Date	Description	Department
T4182	THE LAMAR COMPANIES	23,290.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4873	L5 HEALTHCARE SOLUTIONS, INC.*****	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS
T2407	KAISER FOUNDATION HEALTH -COBRA	22,061.05	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T4657	DAPONDE SIMPSON ROWE PC	21,093.50	LEGAL FEES	VARIOUS
T5121	TPx COMMUNICATIONS	20,916.27	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T5334	PACIFIC INTERPRETERS, INCORPORATED	20,785.11	INTERPRETATION SERVICES	HEALTH EDUCATION
T4785	COMM GAP	20,452.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T5132	TIME WARNER CABLE LLC	19,464.09	INTERNET SERVICES	MIS INFRASTRUCTURE
T4563	SPH ANALYTICS	19,417.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T1128	HALL LETTER SHOP, INC.*****	19,243.24	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC*****	17,855.86	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T2413	TREK IMAGING INC	17,739.02	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS*****	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK*****	16,950.00	2020 AUDIT FEES	FINANCE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA*****	16,666.68	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4503	VISION SERVICE PLAN	16,660.63	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3449	CDW GOVERNMENT	16,395.07	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	15,535.27	INTERNET SERVICES	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.	15,429.65	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T2441	LAURA J. BREZINSKI*****	14,950.00	MARKETING MATERIALS	MARKETING
T5201	JAC SERVICES, INC.	14,730.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T3986	JACQUELYN S. JANS*****	14,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4353	TWE SOLUTIONS, INC.	14,353.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T5329	RELAY NETWORK, LLC	13,333.34	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T4389	EXACT STAFF, INC.*****	12,799.96	TEMPORARY HELP	VARIOUS
T2961	SOLUTION BENCH, LLC*****	12,600.00	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T2446	AT&T MOBILITY*****	12,315.57	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE

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KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4607	AGILITY RECOVERY SOLUTIONS INC.*****	11,481.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5344	SIGNATURE STAFF RESOURCES LLC*****	11,040.00	CONSULTING SERVICES	PROJECT MANAGEMENT
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
		9,096,268.80		
	TOTAL VENDORS OVER \$10,000	9,096,268.80		
	TOTAL VENDORS UNDER \$10,000	363,888.37		
	TOTAL VENDOR EXPENSES- MARCH	\$9,460,157.17		

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

**KERN HEALTH
SYSTEMS**

April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4350	COMPUTER ENTERPRISE INC.	167,867.64	787,839.22	FEB. & MAR. 2021 PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	161,100.00	771,745.88	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER & DISEASE MANAGEMENT & QUALITY IMPROVEMENT INCENTIVES	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	139,500.00	275,450.00	MAR. & APR. 2021 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T2726	DST PHARMACY SOLUTIONS, INC.	118,959.74	447,736.59	MAR 2021 PHARMACY CLAIMS	PHARMACY
T2458	HEALTHCARE FINANCIAL, INC	99,000.00	175,000.00	FEB. 2021 PROFESSIONAL SERVICES	ADMINISTRATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	69,198.81	207,039.35	MAR. 2021 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T3449	CDW GOVERNMENT****	54,476.10	70,871.17	HARDWARE - 25 DELL CTO 5420 LAPTOPS	MIS INFRASTRUCTURE
T4165	SHI INTERNATIONAL CO.****	53,750.86	55,343.70	SOFTWARE LICENSES - CISCO IVR LICENSES, PROOFPOINT LICENSES	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	51,169.47	124,162.80	MAR. 2021 INTERPRETATION SERVICES	MEMBER SERVICES
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	50,171.85	170,782.86	MAR. 2021 PROFESSIONAL SERVICES	VARIOUS
T4582	HEALTHX, INC.	49,576.00	174,304.00	APR. 2021 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T5109	RAND EMPLOYMENT SOLUTIONS	44,237.36	224,765.99	MAR. & APR. 2021 TEMPORARY HELP - MS (7), MIS; (1) UM; (1) CM; (1) HHP; (1) HE	VARIOUS
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	33,000.00	49,950.00	2020 AUDIT FEES	FINANCE
T1861	CERIDIAN HCM, INC.	29,207.52	91,638.72	MAR. & APR. 2021 MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	26,982.07	91,467.49	MAR. 2021 EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T3448	SYNERGY HEALTHCARE, INC.	23,500.00	84,100.00	MAR. 2021 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T4193	STRIA LLC	22,484.56	131,176.58	MAR. & APR. 2021 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T5344	SIGNATURE STAFF RESOURCES LLC	21,942.00	32,982.00	MAR. 2021 PROFESSIONAL SERVICES	PROJECT MANAGEMENT
T3011	OFFICE ALLY, INC.	20,284.25	73,517.00	MAR. 2021 EDI CLAIM PROCESSING	CLAIMS

KERN • HEALTH SYSTEMS

April AP Vendor Report
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4967	ADMINISTRATIVE SOLUTIONS, INC.	19,168.60	86,804.69	MAR. & APR. 2021 FSA EMPLOYEE PREMIUM & FEB., 2021 SECTION 125 ADMINISTRATION	HUMAN RESOURCES
T4563	SPH ANALYTICS****	18,691.00	38,108.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T5022	SVAM INTERNATIONAL INC	18,400.00	99,576.00	MAR. 2021 PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T5145	CCS ENGINEERING FRESNO INC.,	18,025.64	75,508.20	MAR., APR. & MAY 2021 JANITORIAL SERVICES	CORPORATE SERVICES
T4460	PAYSPAN, INC	16,075.46	64,620.18	MAR. 2021 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T2167	PG&E	15,375.34	81,502.60	MAR. 2021 - USAGE/UTILITIES	CORPORATE SERVICES
T4731	LOGMEIN USA, INC.****	14,059.08	29,594.35	2021-2022 ANNUAL INTERNET SUBSCRIPTIONS	MIS INFRASTRUCTURE
T5329	RELAY NETWORK, LLC****	13,333.34	26,666.68	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T1128	HALL LETTER SHOP, INC.	12,361.33	31,604.57	MEMBER COVID -19 FLYER & MAIL PREP	VARIOUS
T2938	SAP AMERICA, INC****	12,308.32	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T4501	ALLIED UNIVERSAL SECURITY SERVICES	12,010.50	60,952.67	MAR. & APR. 2021 ONSITE SECURITY	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	11,966.64	60,338.69	APR. 2021 EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T5099	PROGRESS SOFTWARE CORPORATION****	10,968.02	10,968.02	TELERIK LICENSES ANNUAL RENEWAL	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	10,758.16	67,604.04	MAR. & APR. 2021 TEMPORARY HELP - (1) HH; (1) HR; (1) HE	VARIOUS
		1,439,909.66			
	TOTAL VENDORS OVER \$10,000	1,439,909.66			
	TOTAL VENDORS UNDER \$10,000	236,549.43			
	TOTAL VENDOR EXPENSES- APRIL	\$ 1,676,459.09			

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

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	1,731,042.27	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	787,639.22	PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECT
T4982	NGC US, LLC	771,745.88	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	HEALTH EDUCATION
T2704	MCG HEALTH LLC	742,147.77	ANNUAL SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5005	CRAYON SOFTWARE EXPERTS LLC	704,279.49	ANNUAL SOFTWARE LICENSE AND ESD AZURE COVERAGE	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC.	630,066.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T2726	DST PHARMACY SOLUTIONS, INC.	447,736.59	PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	275,450.00	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	224,765.99	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	217,442.81	HEALTH HOME GRANT	COMMUNITY GRANTS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	207,039.35	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE PREMIUM	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC.	175,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4582	HEALTHX, INC.	174,304.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	170,782.86	PROFESSIONAL SERVICES	VARIOUS
T4391	OMNI FAMILY HEALTH	162,405.04	SHAFTER HEALTH HOME GRANT	COMMUNITY GRANTS
T2584	UNITED STATES POSTAL SVC.-HASLER	150,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4193	STRIA LLC	131,176.58	QCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS

KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1180	LANGUAGE LINE SERVICES INC.	124,162.80	INTERPRETATION SERVICES	MEMBER SERVICES
T5111	ENTISYS 360	100,206.28	ANNUAL DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T2850	QUEST SOFTWARE INC.	99,995.00	SQL LICENSE / SPOTLIGHT SOFTWARE	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	99,576.00	PROFESSIONAL SERVICES/UPDATE TO STANDARD BUSINESS REPORTING	IT BUSINESS INTELLIGENCE
T1861	CERIDIAN HCM, INC.	91,638.72	MONTHLY SUBSCRIPTION FEES/ PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	91,467.49	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	86,604.69	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T3448	SYNERGY HEALTHCARE, INC.	84,100.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T2167	PG&E	81,502.60	USAGE/UTILITIES	CORPORATE SERVICES
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	75,925.82	2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5145	CCS ENGINEERING FRESNO INC.,	75,508.20	JANITORIAL SERVICES	CORPORATE SERVICES
T3011	OFFICE ALLY, INC.	73,517.00	EDI CLAIM PROCESSING	CLAIMS
T3449	CDW GOVERNMENT	70,871.17	ANNUAL ADOBE TEAM LICENSING	MIS INFRASTRUCTURE
T4483	INFUSION AND CLINICAL SERVICES, INC.	70,855.94	HEALTH HOMES GRANT	COMMUNITY GRANT
T4733	UNITED STAFFING ASSOCIATES	67,604.04	TEMPORARY HELP & ACA INSURANCE	VARIOUS
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	66,000.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	66,000.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4460	PAYSPAN, INC	64,620.18	ELECTRONIC CLAIMS/PAYMENTS	FINANCE

KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4501	ALLIED UNIVERSAL SECURITY SERVICES	60,952.67	ONSITE SECURITY	CORPORATE SERVICES
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	60,338.69	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T4165	SHI INTERNATIONAL CO.*****	55,343.70	SOFTWARE LICENSES	MIS INFRASTRUCTURE
T4963	LINKEDIN CORPORATION	58,250.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,950.00	2020 AUDIT FEES	FINANCE
T4960	ZELIS CLAIMS INTEGRITY, LLC	43,701.73	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T4396	KAISER FOUNDATION HEALTH-DHMO	42,282.46	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC	41,275.00	CONSULTING SERVICES	ADMINISTRATION
T5340	GARTNER INC	38,500.00	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T4563	SPH ANALYTICS	38,108.20	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	33,199.00	ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4182	THE LAMAR COMPANIES	33,185.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T5325	WADE A MCNAIR	32,995.00	LEADABILITY PROGRAM FACILITATION-CONSULTING SERVICES/ONSITE TRAINING	HUMAN RESOURCES
T5344	SIGNATURE STAFF RESOURCES LLC*****	32,982.00	PROJECT MANAGEMENT CONSULTING	PROJECT MANAGEMENT
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	32,486.30	TEMPORARY HELP	MIS ADMINISTRATION
T1128	HALL LETTER SHOP, INC.	31,604.57	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T4731	LOGMEIN USA, INC.	29,594.35	INTERNET SERVICES	MIS INFRASTRUCTURE
T4261	KAISER FOUNDATION HEALTH PLAN - TX PPO	29,470.00	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS

KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T4785	COMM GAP	28,565.00	INTERPRETATION SERVICES	HEALTH EDUCATION
T5292	ALL'S WELL HEALTH CARE SERVICES	28,458.00	TEMPORARY HELP	VARIOUS
T5121	TPx COMMUNICATIONS	27,818.00	LOCAL CALL SERVICES, LONG DISTANCE CALLS, INTERNET SERVICES, 800 LINES	MIS INFRASTRUCTURE
T4792	KP LLC	27,291.91	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T1022	UNUM LIFE INSURANCE CO.	26,790.00	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4657	DAPONDE SIMPSON ROWE PC	26,786.50	LEGAL FEES	VARIOUS
T5329	RELAY NETWORK, LLC	26,666.66	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T5269	KERN COMMUNITY FOUNDATION	26,311.00	ANNUAL CONTRIBUTION - KERN CONNECTED COMMUNITY NETWORK MGMT FEE	UTILIZATION MANAGEMENT- OUTREACH
T5185	HOUSING AUTHORITY COUNTY OF KERN	26,300.00	2020 HOUSING AUTHORITY GRANT	UTILIZATION MANAGEMENT - UM WELLNESS
T1656	KERN, KIOX, KISV, KGEO, KGFM, KEBT, KZOZ, KKJG, KVEC, KSTT, KRQK, KPAT,	26,000.00	DIGITAL ADS	MARKETING
T5298	TOTALMED, INC.	25,591.00	DIRECT PLACEMENT FEES	HUMAN RESOURCES
T5132	TIME WARNER CABLE LLC	25,503.36	INTERNET SERVICES	MIS INFRASTRUCTURE
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	25,000.01	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	24,075.03	HARDWARE BOARD ROOM REMOTE VIDEO CONFERENCING	MIS INFRASTRUCTURE
T2407	KAISER FOUNDATION HEALTH -COBRA	23,667.42	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T4673	L5 HEALTHCARE SOLUTIONS, INC.	23,115.00	ANNUAL LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	CLAIMS

KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2413	TREK IMAGING INC	21,830.46	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5334	PACIFIC INTERPRETERS, INCORPORATED	20,785.11	INTERPRETATION SERVICES	HEALTH EDUCATION
T3988	JACQUELYN S. JANS	19,600.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T1272	COFFEY COMMUNICATIONS INC.	18,809.18	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T2441	LAURA J. BREZINSKI	18,800.00	MARKETING MATERIALS	MARKETING
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	17,855.86	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4802	KERN COUNTY SUPERINTENDENT OF SCHOOLS	17,500.00	2019/2020 SCHOOL WELLNESS PROGRAM GRANT - FINAL PAYMENT	UTILIZATION MANAGEMENT - HE WELLNESS
T2446	AT&T MOBILITY	16,699.79	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	16,660.63	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4708	HEALTH MANAGEMENT ASSOCIATES, INC. *****	15,936.00	CONSULTING SERVICES	ADMINISTRATION
T4907	AGILITY RECOVERY SOLUTIONS INC.	15,268.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5201	JAC SERVICES, INC.	14,730.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T4353	TWE SOLUTIONS, INC.	14,353.01	ANNUAL TECHNICAL SUPPORT AND MAINTENANCE FOR NIMBLE STORAGE SOLUTIONS	MIS INFRASTRUCTURE
T4389	EXACT STAFF, INC.	13,998.52	TEMPORARY HELP	VARIOUS
T2790	KERN COUNTY DEPT OF PUBLIC HEALTH	12,915.00	INFLUENZA VACCINATION SPONSORSHIP	MARKETING
T2961	SOLUTION BENCH, LLC	12,600.00	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T2938	SAP AMERICA, INC*****	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T2989	AMERICAN BUSINESS MACHINES INC*****	11,540.51	HARDWARE AND MAINTENANCE	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to Date	Description	Department
T1326	WALKER-LEWIS RENTS*****	11,096.68	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T5099	PROGRESS SOFTWARE CORPORATION*****	10,968.02	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC *****	10,745.45	2021 BUILDING MAINTENANCE	CORPORATE SERVICE
T2840	ATALASOFT, INC.	10,254.00	ANNUAL DOTIMAGE DOCUMENT IMAGING MAINTENANCE	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC*****	10,025.00	ADVERTISEMENT - TELEVISION	MARKETING
		10,699,016.90		
	TOTAL VENDORS OVER \$10,000	10,699,016.90		
	TOTAL VENDORS UNDER \$10,000	437,599.36		
	TOTAL VENDOR EXPENSES- APRIL	\$11,136,616.26		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
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
February							
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
March							
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

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	CA	\$154,562	\$0	\$0	\$0	\$0										\$0	\$154,562
2	Community Based Organization Referral System	CA	\$159,653	\$0	\$0	\$0	\$0										\$0	\$159,653
3	Provider Credentialing System	CA	\$139,231														\$0	\$139,231
4	Managed Care Accountability System Replacement	CA	\$20,355	\$0	\$0	\$0	\$0										\$0	\$20,355
5	Enterprise Logging System	CA	\$333,996	\$12,036	\$15,200	\$18,400	\$17,600										\$63,236	\$270,760
6	Interoperability	CA	\$162,044	\$4,944	\$0	\$0	\$0										\$4,944	\$157,100
7	Enterprise Data Warehouse System	CA	\$673,553	\$87,957	\$94,932	\$105,147	\$111,364										\$399,400	\$274,153
8	Staff Augmentation	EXP	\$1,918,488	\$142,543	\$140,996	\$171,335	\$156,367										\$611,241	\$1,307,247
	Totals:	Totals	\$3,561,882	\$247,480	\$251,128	\$294,882	\$285,331	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,078,821	\$2,483,061	

Updated 5/18/21

