



KERN HEALTH SYSTEMS

FINANCE COMMITTEE MEETING

Friday, December 9, 2022

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, December 9, 2022

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: Martinez, Garcia, McGlew, Watson

ROLL CALL:

- 1) Finance Committee Resolution to Allow Virtual Committee Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) - APPROVE

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

- 2) 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

- 3) 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-4) Minutes for Kern Health Systems Finance Committee meeting on October 7, 2022-
APPROVE
- 5) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2022 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 6) Proposed reinsurance policy with HM Life Insurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2023 through December 31, 2023 in an amount not to exceed \$0.22 per member per month (Fiscal Impact: \$914,969 estimated; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Kern Health Systems 2023 Operating and Capital Budgets (Fiscal Impact: None) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 8) Proposed Budget Request for 2023 Project Consulting Professional Services, from January 1, 2023 through December 31, 2023 (Fiscal Impact: \$15,066,478; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 9) Proposed Agreement with Kern County Department of Human Services to facilitate Medi-Cal outreach and enrollment along with Medi-Cal renewal assistance for Kern County Medi-Cal enrollees; total cost not to exceed \$425,000 per year with a maximum not to exceed \$850,000 over the 2-year term of the agreement (Fiscal Impact: \$425,000 annually; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS

Agenda

Finance Committee Meeting
Kern Health Systems

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- 10) Proposed Agreement with OptumInsight, Inc., for the renewal of our Claims Edit Platform Solution, from December 22, 2022 through December 21, 2027 (Fiscal Impact: \$3,845,563; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 11) Proposed Agreement with CDW, for the renewal of our Nutanix hardware and software solution with three years of support and maintenance, from January 1, 2023 through December 31, 2025 (Fiscal Impact: \$1,328,560.25; Budgeted) –
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 12) Report on Kern Health Systems financial statements for September 2022 and October 2022 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 13) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2022 and October 2022 and IT Technology Consulting Resources for the period ended September 30, 2022 (Fiscal Impact: None) –
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, FEBRUARY 10, 2023 AT 8:00 A.M.



To: KHS Finance Committee

From: Emily Duran, CEO

Date: December 9, 2022

Re: AB 361 Remote Meeting Resolution

Background

The Governor's executive order suspending certain requirements of the Brown Act regarding committee meetings has expired, but the proclamation of a state of emergency is still in place. The Legislature has amended Govt Code 54953 to include provisions allowing remote meetings during a state of emergency under certain conditions. The attached resolution allows the Finance Committee to continue meeting remotely until the state of emergency is lifted and social distancing is no longer recommended or required. If the Finance Committee adopts the resolution, it will have to renew the resolution every 30 days.

Recommended Action

The Finance Committee adopt the resolution and continue with remote meetings during the month of December 2022 or until the state of emergency is lifted.



RESOLUTION

In the matter of:

**A RESOLUTION OF THE FINANCE COMMITTEE OF KERN HEALTH SYSTEMS
PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A
STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE
MEETINGS FOR THE MONTH OF DECEMBER 2022**

Section I. WHEREAS

- (a) Kern Health Systems is committed to encouraging and preserving public access and participation in meetings of the Finance Committee; and
- (b) Government Code section 54953, as amended by AB 361, makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953, subject to the existence of certain conditions; and
- (c) a required condition is that there is a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; and
- (d) Governor Newsom declared a State-wide state of emergency due to the Covid-19 pandemic on March 4, 2020, which declaration is still in effect, and state and local health officials continue to recommend social distancing; and
- (e) the Finance Committee does hereby find that the resurgence of the Covid-19 pandemic, particularly through the Delta variant, has caused, and will continue to cause, conditions of peril to the safety of persons that are likely to be beyond the control of services, personnel, equipment, and facilities of Kern Health Systems, and desires to proclaim a local emergency and ratify both the proclamation of state of emergency by the Governor of the State of California and the Kern County Health Department guidance regarding social distancing; and
- (f) based on the above the Finance Committee of Kern Health Systems finds that in-person public meetings of the Committee would further increase the risk of exposure to the Covid-19 virus to the residents of the Health Authority, staff, and Directors; and

WHEREAS, as a consequence of the local emergency, the Finance Committee does hereby find that it shall conduct Committee meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, in compliance with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meetings of the Finance Committee will be available to the public for participation and comments through virtual measures, which shall be fully explained on each posted agenda.

Section 2. NOW, THEREFORE, BE IT RESOLVED that the Finance Committee of Kern Health Systems hereby finds, determines, declares, orders, and resolves as follows:

1. This Committee finds that the facts recited herein are true and further finds that this Finance Committee has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. Proclamation of Local Emergency. The Committee hereby proclaims that a local emergency now exists throughout the Health Authority, as set forth above.

3. Ratification of Governor's Proclamation of a State of Emergency. The Committee hereby ratifies the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2021.

4. Remote Teleconference Meetings. The Chief Executive Officer, staff, and Committee are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

5. Effective Date of Resolution. This Resolution shall take effect on December 9, 2022 and shall be effective until the earlier of January 8, 2023, or such time the Finance Committee adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which Kern Health Systems may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

6. Termination of this Resolution. This Resolution will automatically terminate on the day that both the Governor's Declaration of Emergency and any local agency guideline for social distancing are no longer in effect.

The Clerk of the Committee shall forward copies of this Resolution to the following:

Office of Kern County Counsel

Kern Health Systems

I, Sheilah Woods, Clerk of the Board of Directors of Kern Health Systems, hereby certify that the following resolution, on motion of _____, seconded by _____, was duly and regularly adopted by the Finance Committee of Kern Health Systems at an official meeting thereof on the 9th day of December 2022, by the following vote and that a copy of the resolution has been delivered to the Chairman of the Committee.

AYES:

NOES:

ABSENT:

Sheilah Woods, Clerk
Board of Directors
Kern Health Systems

SUMMARY

FINANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS
2900 Buck Owens Boulevard
Bakersfield, California 93308

Friday, October 7, 2022

8:00 A.M.

COMMITTEE RECONVENED

Members: Martinez, Deats, Garcia, McGlew, Watson
ROLL CALL: 3 Present; 2 Absent – Deats, Garcia

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

- 1) Finance Committee Resolution to Allow Virtual Committee Meeting Participation Pursuant to Government Code Section 54953 (Fiscal Impact: None) -
APPROVED
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia

PUBLIC PRESENTATIONS

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

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 3) 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-4) Minutes for Kern Health Systems Finance Committee meeting on August 5, 2022-
APPROVED
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia
- 5) Proposed revisions to Policy 100.12-I, Contracting Policy for Administrative Contracts (Fiscal Impact: None) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
Watson-McGlew: 3 Ayes; 2 Absent – Deats, Garcia
- 6) Proposed Agreement with Mihalik Group, for NCQA Accreditation Consulting Services, from January 1, 2023, through December 31, 2023 (Fiscal Impact: \$243,720; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia
- 7) Proposed Agreement with Change Healthcare, for Electronic Claims Clearing House Services, from October 20, 2022, through October 19, 2025, in an amount not to exceed \$0.18 Per Claim Fee (Fiscal Impact: \$310,000 estimated annually; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia
- 8) Proposed Agreement with ZeOmega, Inc., for Medical Management Platform, from November 1, 2022, through October 31, 2027 (Fiscal Impact: \$3,918,001; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia
- 9) Proposed Agreement with Health Dialog, for 24/7 Nurse Triage Services for KHS members, from November 2, 2022, through November 1, 2025 (Fiscal Impact: \$1,495,200 estimated; Budgeted) –
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia
- 10) Report on Kern Health Systems financial statements for July 2022 and August 2022 (Fiscal Impact: None) –
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia

Summary

Finance Committee Meeting
Kern Health Systems

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- 11) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for July 2022 and August 2022 and IT Technology Consulting Resources for the period ended July 31, 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS
McGlew-Martinez: 3 Ayes; 2 Absent – Deats, Garcia

ADJOURN TO FRIDAY, DECEMBER 9, 2022 AT 8:00 A.M.

McGlew



To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 9, 2022

Re: Quarterly Review of Kern Health Systems Investment Portfolio

Background

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

- Preservation of principal
- Liquidity
- Yield

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

Short-Term Portfolio (Under 1 year)

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

Long-Term Portfolio (1-5 years)

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

Requested Action

Receive and File; Refer to KHS Board of Directors.

**Kern Health Systems
Investment Portfolio
September 30, 2022**

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.

Description		Dollar Amount	% of Portfolio	Maximum Allowed Per Policy	Approximate Current Yield	Liquidity	Principal Fluctuation
Wells Fargo - Cash	(1)	\$ 2,800,000	0.74%	100%		1 Day	None
Money Market Accounts	(A)	\$ 65,500,000	17.29%	40%	2.98%	1 Day	None
Local Agency Investment Fund (LAIF)	(B)	\$ 74,300,000	19.61%	50%	1.29%	2 Days	None
US T-Bills & Federal Agencies at Wells Fargo	(1)	\$ 176,900,000	46.70%	100%	2.55%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 5,500,000	1.45%		1.81%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 325,000,000	85.80%		2.31%		

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)	\$ 48,900,000	12.91%		4.64%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 4,900,000	1.29%		4.00%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 53,800,000	14.20%		4.58%		
Total Portfolio		\$ 378,800,000	100.00%		2.64%		

Yield Curve	Yield Curve			
	Treasuries	AA Corporate	A Corporate	CD's
1 year	4.50%	4.59%	4.75%	4.20%
2 year	4.51%	4.72%	4.99%	4.45%
3 year	4.52%	4.80%	5.10%	4.50%
5 year	4.31%	4.89%	5.22%	4.55%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
 - (B) LAIF is part of a \$223 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 2022 capital projects.



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

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

UBS Client Review

as of September 30, 2022

Prepared for

Kern Health Systems

Accounts included in this review

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

What's inside

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Portfolio review

as of September 30, 2022

Asset allocation review

	Value on 09/30/2022 (\$)	% of Portfolio
A Cash	1,003,433.09	2.05
Cash	1,003,433.09	2.05
US	1,003,433.09	2.05
B Fixed Income	47,888,218.15	97.95
US	47,888,218.15	97.95
Government	3,822,492.22	7.82
Corporate IG Credit	44,065,725.93	90.13
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	\$48,891,651.24	100%

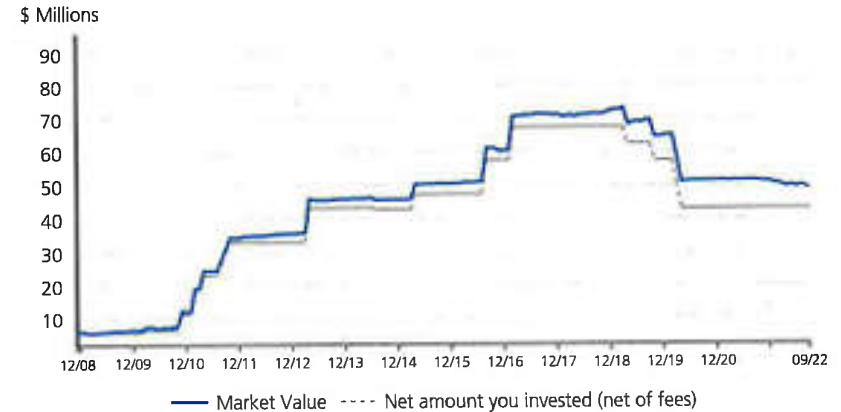
Balanced mutual funds are allocated in the 'Other' category



EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: **Kern Health Systems**
 Risk profile: Conservative
 Return Objective: Current Income

Sources of portfolio value



Portfolio value and investment results

Performance returns (annualized > 1 year)

	For the period of 12/31/2021 to 03/31/2022	For the period of 03/31/2022 to 06/30/2022	For the period of 06/30/2022 to 09/30/2022	YTD 12/31/2021 to 09/30/2022
Opening value	51,044,313.37	49,921,494.38	49,436,575.37	51,044,313.37
Net deposits/withdrawals	-16,286.52	-15,979.52	-16,089.16	-48,355.20
Div./interest income	153,776.90	292,223.52	183,397.34	629,397.76
Change in accr. interest	75,535.73	-57,125.76	65,091.19	83,501.16
Change in value	-1,335,845.10	-704,037.25	-777,323.50	-2,817,205.85
Closing value	49,921,494.38	49,436,575.37	48,891,651.24	48,891,651.24
Net Time-weighted ROR	-2.20	-0.97	-1.10	-4.22

Net deposits and withdrawals include program and account fees.

Summary of gains and losses

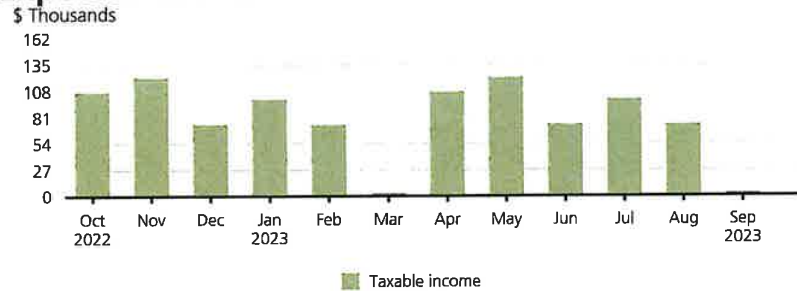
	Short term (\$)	Long term (\$)	Total (\$)
2021 Realized gains and losses	227.34	48,939.49	49,166.83
Taxable	227.34	48,939.49	49,166.83
Tax-deferred	0.00	0.00	0.00
2022 Year to date	0.00	-60,398.10	-60,398.10
Taxable	0.00	-60,398.10	-60,398.10
Tax-deferred	0.00	0.00	0.00

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



Portfolio review - as of September 30, 2022 (continued)

Expected cash flow

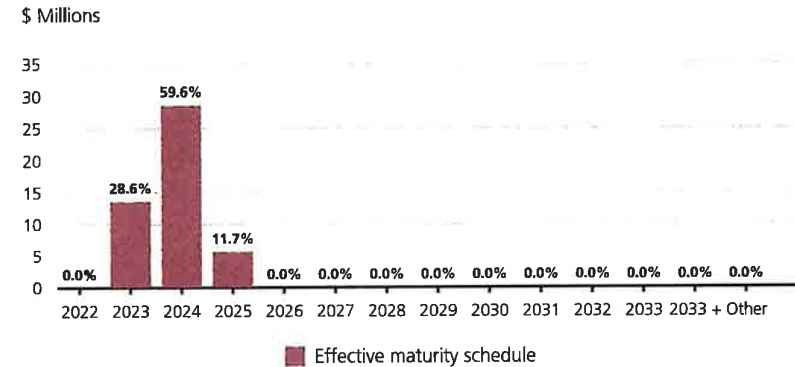


Total taxable income: \$973,125.00

Total expected cash flow: \$973,125.00

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

Bond maturity schedule



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

Equity sector analysis

Compared to S&P 500 index

	Value on 09/30/2022 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	7.60	-7.60
Consumer Discretionary	0.00	0.00	11.25	-11.25
Consumer Staples	0.00	0.00	7.40	-7.40
Energy	0.00	0.00	5.30	-5.30
Financials	0.00	0.00	11.03	-11.03
Health Care	0.00	0.00	15.11	-15.11
Industrials	0.00	0.00	8.16	-8.16
Information Technology	0.00	0.00	25.90	-25.90
Materials	0.00	0.00	2.50	-2.50
Real Estate	0.00	0.00	2.41	-2.41
Utilities	0.00	0.00	2.72	-2.72
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.


EX XX120 • BOND PORTFOLIO • Portfolio Management Program

 Prepared for: **Kern Health Systems**
 Risk profile: Conservative
 Return Objective: Current Income

Portfolio review - as of September 30, 2022 (continued)

Summary of performance by account

					Performance returns (annualized > 1 year)			
					For the period of	For the period of	For the period of	YTD
					12/31/2021 to	03/31/2022 to	06/30/2022 to	12/31/2021 to
					03/31/2022	06/30/2022	09/30/2022	09/30/2022
Performance start date	Value on 09/30/2022 (\$)	% of portfolio						
EX XX120 BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV	Dec 08, 2008	48,891,651.24	100.00%	Net time-weighted	-2.20%	-0.97%	-1.10%	-4.22%
Risk profile: Conservative								
Return objective: Current Income								
Total Portfolio	Dec 08, 2008	\$48,891,651.24	100%	Net time-weighted	-2.20%	-0.97%	-1.10%	-4.22%
Benchmarks - Annualized time-weighted returns					For the period of	For the period of	For the period of	YTD
					12/31/2021 to	03/31/2022 to	06/30/2022 to	12/31/2021 to
					03/31/2022	06/30/2022	09/30/2022	09/30/2022
Blended Index					-2.48%	-0.81%	-1.36%	-4.59%
Blended Index 2					-1.21%	-0.47%	-0.58%	-2.24%
US Treasury Bill - 3 Mos					0.03%	0.12%	0.47%	0.63%
BBG US Agg (1-3 Y)					-2.50%	-0.64%	-1.50%	-4.58%
S&P 500					-4.60%	-16.10%	-4.88%	-23.87%

Blended Index: 11/04/2019 - Current: 45% BBG US Corp 1-3Y Incp75; 55% BBG US Agg Gvt & CR 1-3 Y Blended Index 2: Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos
 Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: November 02, 2022



Asset allocation by account

as of September 30, 2022

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Cash (\$/%)	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total
		U.S.	Global	International	U.S.	Global	International				
	1,003,433.09	0.00	0.00	0.00	47,888,218.15	0.00	0.00	0.00	0.00	0.00	\$48,891,651.24
Total Portfolio	2.05	0.00	0.00	0.00	97.95	0.00	0.00	0.00	0.00	0.00	100%
	1,003,433.09	0.00	0.00	0.00	47,888,218.15	0.00	0.00	0.00	0.00	0.00	\$48,891,651.24
	2.05	0.00	0.00	0.00	97.95	0.00	0.00	0.00	0.00	0.00	100.00%

EX XX120 • BOND PORTFOLIO • BSA PMP

Risk profile: Conservative

Return objective: Current Income

	Cash (\$/%)	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total
		U.S.	Global	International	U.S.	Global	International				
	1,003,433.09	0.00	0.00	0.00	47,888,218.15	0.00	0.00	0.00	0.00	0.00	\$48,891,651.24
Total Portfolio	2.05	0.00	0.00	0.00	97.95	0.00	0.00	0.00	0.00	0.00	100%

Balanced mutual funds are allocated in the 'Other' category



Asset allocation review

as of September 30, 2022

Summary of asset allocation

	Market value (\$)	% of Portfolio
Cash	1,003,433.09	2.05
Cash	1,003,433.09	2.05
US	1,003,433.09	2.05
Fixed Income	47,888,218.15	97.95
US	47,888,218.15	97.95
Government	3,822,492.22	7.82
Corporate IG Credit	44,065,725.93	90.13
Equity	0.00	0.00
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00
Total Portfolio	\$48,891,651.24	100%

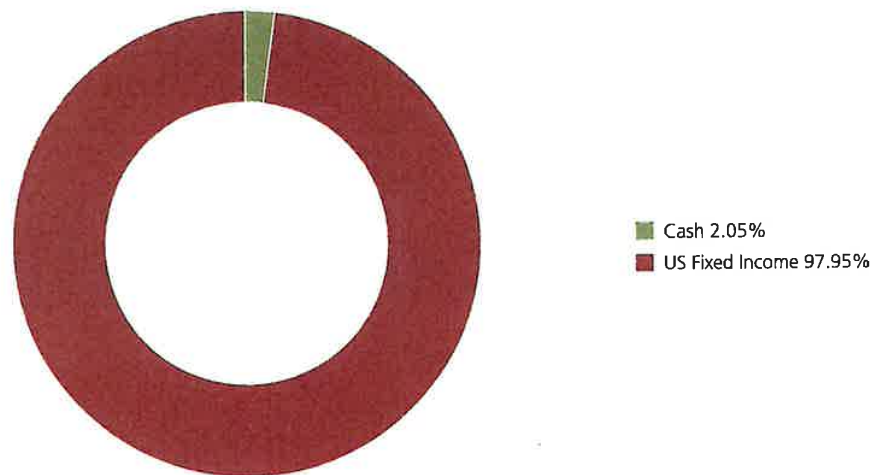
Balanced mutual funds are allocated in the 'Other' category

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income





Bond summary

as of September 30, 2022

Bond overview

Total quantity	49,550,000
Total market value	\$47,587,641.00
Total accrued interest	\$300,577.15
Total market value plus accrued interest	\$47,888,218.15
Total estimated annual bond interest	\$973,125.00
Average coupon	1.97%
Average current yield	2.04%
Average yield to maturity	4.64%
Average yield to worst	4.64%
Average modified duration	1.62
Average effective maturity	1.70

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2022 (\$)	% of port.
A Aaa/AAA/AAA	5	7,657,139.64	16.05
B Aa/AA/AA	2	3,733,300.42	7.81
C A/A/A	24	35,532,285.59	74.14
D Baa/BBB/BBB	1	965,492.50	2.01
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	32	\$47,888,218.15	100%



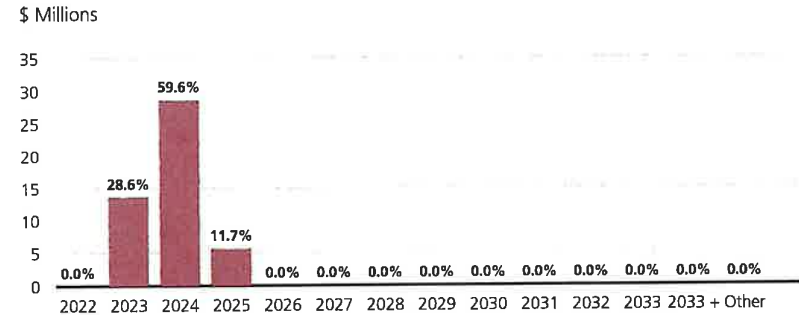
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems
 Risk profile: Conservative
 Return Objective: Current Income

Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	44,065,725.93	0.00	44,065,725.93	92.02
U.S. federal agencies	3,822,492.22	0.00	3,822,492.22	7.98
Total	\$47,888,218.15	\$0.00	\$47,888,218.15	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.



Bond holdings

as of September 30, 2022

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
2022	0	0			NA	NA	NA				
2023	8	14,100,000	69,150.00	0.51%	4.35 %	4.35 %	0.87	14,114,559.27	-499,455.27	13,639,096.08	28.61%
2024	20	29,650,000	708,225.00	2.50%	4.71 %	4.71 %	1.83	30,247,684.27	-1,863,391.27	28,626,396.82	59.65%
2025	4	5,800,000	195,750.00	3.50%	4.97 %	4.97 %	2.35	5,950,857.69	-362,613.69	5,622,725.25	11.74%
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	32	49,550,000	\$973,125.00	2.04%	4.64 %	4.64 %	1.62	\$50,313,101.23	\$-2,725,460.23	\$47,888,218.15	

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: November 02, 2022



Bond holdings - as of September 30, 2022 (continued)

Details of bond holdings

Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
	49,550,000	1.97%	06/13/2024	NA	\$973,125.00 2.04%	4.64% 4.64%	1.62	\$50,313,101.2 -\$2,725,460.23	NA	\$47,587,641.00 \$300,577.15 \$47,888,218.15	100%
Total Bond Portfolio											

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.
Maturing 2023											
PEPSICO INC NTS B/E 00.750% 050123 DTD050120 FC110120 CALL@MW+10BP	1,500,000	0.75%	05/01/2023		11,250.00 0.76%	4.06% 4.06%	0.57	1,503,831.68 -32,271.68	98.104	1,471,560.00 4,656.25	3.09%
APPLE INC NTS B/E 00.750% 051123 DTD051120 FC111120 CALL@MW+10BP	3,000,000	0.75%	05/11/2023		22,500.00 0.77%	4.13% 4.13%	0.59	3,007,909.78 -68,689.78	97.974	2,939,220.00 8,687.50	6.18%
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	1,000,000	0.70%	07/05/2023		7,000.00 0.72%	4.30% 4.30%	0.74	1,002,631.27 -29,431.27	97.320	973,200.00 1,652.78	2.05%
PACCAR FINANCIAL CORP 00.350% 081123 DTD081120 FC021121 MED TERM NTS	2,000,000	0.35%	08/11/2023		7,000.00 0.36%	4.37% 4.37%	0.84	2,000,000.00 -67,460.00	96.627	1,932,540.00 952.78	4.06%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	600,000	0.40%	10/07/2023		2,400.00 0.42%	4.22% 4.22%	0.99	601,037.21 -23,693.21	96.224	577,344.00 1,153.33	1.21%
FFCB BOND 00.290 % DUE 110223 DTD 110220 FC 05022021	2,000,000	0.29%	11/02/2023		5,800.00 0.30%	4.56% 4.56%	1.06	1,998,818.00 -88,618.00	95.510	1,910,200.00 2,384.44	4.01%
FANNIE MAE NTS 00.310 % DUE 111623 DTD 111620 FC 05162021	2,000,000	0.31%	11/16/2023	11/16/2022	6,200.00 0.33%	4.56% 4.56%	1.10	1,999,800.00 -92,200.00	95.380	1,907,600.00 2,307.78	4.01%
BANK OF NY MELLON CORP 00.350% 120723 DTD120720 FC060721 NTS B/E	2,000,000	0.35%	12/07/2023	11/07/2023	7,000.00 0.37%	4.58% 4.58%	1.15	2,000,531.33 -97,091.33	95.172	1,903,440.00 2,197.22	4.00%
Total 2023	14,100,000	0.49%	08/22/2023		\$69,150.00 0.51%	4.35% 4.35%	0.87	\$14,114,559.2 -\$499,455.27		\$13,615,104.00 \$23,992.08	28.61%

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.
Maturing 2024											
US BANCORP MED TERM NTS 03.375% 020524 DTD020419 FACTOR 1.000000000000	300,000	3.38%	02/05/2024	01/05/2024	10,125.00 3.44%	4.73% 4.73%	1.29	311,507.64 -16,775.64	98.244	294,732.00 1,546.88	0.62%

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: November 02, 2022



Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdv/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.
Maturing 2024												
MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 FC080617 CALL@MW+12.5BP	Aaa/AAA/AAA NR/NR/NR	500,000	2.88%	02/06/2024	12/06/2023 100.00	14,375.00 2.93%	4.42% 4.42%	1.29	516,172.14 -26,222.14	97.990	489,950.00 2,156.25	1.03%
COMCAST CORP NTS B/E 03.700% 041524 DTD100518 FC041519 CALL@MW+15BP	A3/A-/A- NR/NR/NR	1,500,000	3.70%	04/15/2024	03/15/2024 100.00	55,500.00 3.76%	4.85% 4.85%	1.45	1,526,569.24 -51,949.24	98.308	1,474,620.00 25,437.50	3.10%
APPLE INC NTS B/E 2.850% 051124 DTD051117 FC111117 CALL@MW+12.5BP	Aaa/NR/AA+ NR/NR/NR	400,000	2.85%	05/11/2024	03/11/2024 100.00	11,400.00 2.92%	4.43% 4.43%	1.53	415,366.35 -25,134.35	97.558	390,232.00 4,401.67	0.82%
AMAZON COM INC NTS B/E 00.450% 051224 DTD051221 CALL@MW+2.5BP	A1/AA-/AA NR/NR/NR	2,000,000	0.45%	05/12/2024		9,000.00 0.48%	4.49% 4.49%	1.57	1,997,660.00 -122,360.00	93.765	1,875,300.00 3,450.00	3.94%
JPMORGAN CHASE & CO NTS 03.625% 051324 DTD051314 FC111314 B/E	A1/AA-/A- NR/NR/NR	1,800,000	3.63%	05/13/2024		65,250.00 3.69%	4.72% 4.72%	1.52	1,886,529.95 -117,003.95	98.307	1,769,526.00 24,831.25	3.72%
US BANCORP NTS B/E 02.400% 073024 DTD072919 FC013020	A2/A+/A+ NR/NR/NR	2,000,000	2.40%	07/30/2024	06/28/2024 100.00	48,000.00 2.50%	4.73% 4.73%	1.75	1,967,640.00 -48,600.00	95.952	1,919,040.00 8,000.00	4.03%
BB&T CORP NTS B/E 02.500% 080124 DTD072919 FC020120	A3/A-/A- NR/NR/NR	1,000,000	2.50%	08/01/2024	07/01/2024 100.00	25,000.00 2.61%	4.92% 4.92%	1.75	1,035,460.35 -77,510.35	95.795	957,950.00 4,097.22	2.01%
UNITEDHEALTH GROUP INC 02.375% 081524 DTD072519 CALL@MW+10BP NTS	A3/A+/A+ NR/NR/NR	2,250,000	2.38%	08/15/2024		53,437.50 2.47%	4.58% 4.58%	1.79	2,265,886.47 -104,086.47	96.080	2,161,800.00 6,679.69	4.54%
JOHN DEERE CAPITAL CORP 00.625% 091024 DTD091021 FC031022 NTS B/E	A2/A/A NR/NR/NR	1,400,000	0.63%	09/10/2024		8,750.00 0.67%	4.45% 4.45%	1.89	1,401,209.15 -99,993.15	92.944	1,301,216.00 486.11	2.73%
PAYPAL HOLDINGS INC NTS 02.400% 100124 DTD092619 FC040120 CALL@MW+15BP	A3/A-/A- NR/NR/NR	2,250,000	2.40%	10/01/2024	09/01/2024 100.00	54,000.00 2.51%	4.80% 4.80%	1.89	2,275,856.70 -127,646.70	95.476	2,148,210.00 26,850.00	4.51%
SIMON PPTY GROUP LP B/E 03.375% 100124 DTD091014 FC040115 CALL@MW+15BP	A3/WD/A- NR/NR/NR	1,900,000	3.38%	10/01/2024	07/01/2024 100.00	64,125.00 3.48%	4.94% 4.94%	1.87	1,990,828.63 -146,821.63	97.053	1,844,007.00 31,884.38	3.87%
BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521 FC042522 B/E	A1/AA-/A NR/NR/NR	1,500,000	0.85%	10/25/2024	09/25/2024 100.00	12,750.00 0.92%	4.76% 4.76%	1.99	1,501,455.50 -115,800.50	92.377	1,385,655.00 5,489.58	2.91%
BB&T CORP MED TERM NTS 02.850% 102624 DTD102617 FC042618 B/E	A3/A-/A- NR/NR/NR	1,000,000	2.85%	10/26/2024	09/26/2024 100.00	28,500.00 2.97%	4.84% 4.84%	1.95	1,042,653.44 -81,463.44	96.119	961,190.00 12,191.67	2.02%
PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119 FC050120 EXP NTS B/E	A3/A-/A- NR/NR/NR	2,000,000	2.20%	11/01/2024	10/02/2024 100.00	44,000.00 2.32%	4.73% 4.73%	1.98	2,069,171.46 -168,651.46	95.026	1,900,520.00 18,211.11	3.99%
GENERAL DYNAMICS CORP 02.375% 111524 DTD091417 FC051518 CALL@MW+10BP	A3/WD/A- NR/NR/NR	1,750,000	2.38%	11/15/2024	09/15/2024 100.00	41,562.50 2.49%	4.76% 4.76%	2.01	1,810,156.27 -143,666.27	95.228	1,666,490.00 15,585.94	3.50%

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



Bond holdings - as of September 30, 2022 (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.
Maturing 2024												
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP	Baa2/BBB+/BBB NR/NR/NR	1,000,000	2.95%	11/15/2024	09/15/2024 100.00	29,500.00 3.09%	5.24% 5.24%	1.99	1,042,346.78 -87,916.78	95.443	954,430.00 11,062.50	2.01%
TRUIST BANK NTS B/E 02.150% 120624 DTD120619 FC060620	A2/A+/A NR/NR/NR	2,000,000	2.15%	12/06/2024	11/06/2024 100.00	43,000.00 2.28%	5.02% 5.02%	2.07	2,006,517.91 -124,017.91	94.125	1,882,500.00 13,616.67	3.96%
WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP	Aa2/AA/AA NR/NR/NR	1,900,000	2.65%	12/15/2024	10/15/2024 100.00	50,350.00 2.74%	4.16% 4.16%	2.09	1,981,316.42 -141,451.42	96.835	1,839,865.00 14,685.42	3.87%
STATE STREET CORP B/E 03.300% 121624 DTD121514 FC061615	A1/AA-/A NR/NR/NR	1,200,000	3.30%	12/16/2024		39,600.00 3.39%	4.62% 4.62%	2.08	1,203,379.87 -36,319.87	97.255	1,167,060.00 11,440.00	2.45%
Total 2024		29,650,000	2.40%	09/06/2024		\$708,225.00 2.50%	4.71% 4.71%	1.83	\$30,247,684.2 -\$1,863,391.27		\$28,384,293.00 \$242,103.82	59.65%
Maturing 2025												
JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 FC072315	A1/AA-/A NR/NR/NR	2,400,000	3.13%	01/23/2025	10/23/2024 100.00	75,000.00 3.26%	5.03% 5.03%	2.18	2,515,384.80 -214,048.80	95.889	2,301,336.00 13,958.33	4.84%
BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 FC082415	A1/AA-/A NR/NR/NR	1,300,000	3.00%	02/24/2025	01/24/2025 100.00	39,000.00 3.12%	4.65% 4.65%	2.27	1,341,904.89 -90,199.89	96.285	1,251,705.00 3,900.00	2.63%
PNC BK B/E 03.250% 060125 DTD060115 FC120115	A2/A+/A NR/NR/NR	300,000	3.25%	06/01/2025	05/01/2025 100.00	9,750.00 3.39%	4.95% 4.95%	2.48	295,368.00 -8,019.00	95.783	287,349.00 3,222.92	0.60%
MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP	A1/A-/A NR/NR/NR	1,800,000	4.00%	07/23/2025		72,000.00 4.12%	5.12% 5.12%	2.60	1,798,200.00 -50,346.00	97.103	1,747,854.00 13,400.00	3.67%
Total 2025		5,800,000	3.38%	04/04/2025		\$195,750.00 3.50%	4.97% 4.97%	2.35	\$5,950,857.69 -\$362,613.69		\$5,588,244.00 \$34,481.25	11.74%
Total Bond Portfolio		49,550,000	1.97%	06/13/2024	NA	\$973,125.00 2.04%	4.64% 4.64%	1.62	\$50,313,101.2 -\$2,725,460.23	NA	\$47,587,641.00 \$300,577.15 \$47,888,218.15	100%

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



Additional information about your portfolio

as of September 30, 2022

Benchmark composition

Account EX XX120

Blended Index

Start - 05/15/2017: 50% BBG US Gvt 1-3 Y; 50% BBG USAgg GvtCr 1-5Y

05/15/2017 - 05/31/2018: 100% BBG Agg Bond

05/31/2018 - 11/04/2019: 100% BBG Agg Bond

11/04/2019 - Current: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y

Blended Index 2

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

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: **Kern Health Systems**

Risk profile: Conservative

Return Objective: Current Income



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 weighs 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 gains/losses 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 "ITD") 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 maybe 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 maybe 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.

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

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

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



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

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

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

Withdrawals: When shown on a report, this information represents the net value of all cash and securities withdrawals subtracted from your accounts 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 program 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 'A' have changed. Performance figures of an account with a changed

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

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

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

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

Concentrated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES use options to seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential

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

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

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

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

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

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

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

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

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

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

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

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



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

overall Morningstar classification. All data is as of the date indicated in the report.

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

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

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

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

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

Equity Capitalization: Market Capitalization is determined by Morningstar. Equity securities are classified as Large Cap, Mid Cap or Small Cap by

Morningstar. Unclassified securities are those for which no capitalization is available on Morningstar.

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

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

Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/interest paid and multiplied by the quantity of shares held in the selected account(s). 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 expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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

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

Gain/Loss reporting for Puerto Rico Income Tax Purposes: Gain/Loss reporting may be prepared solely for Puerto Rico income tax purposes only, if you have received gain/loss reporting for Puerto Rico income tax



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

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.

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 term for tax purposes. Please contact your tax professional to determine eligibility.

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

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

For more information about account or group names, or to make changes, contact your Financial Advisor.

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

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

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

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

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

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

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party sources. UBS Financial Services Inc. has not

independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

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

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Kern Health Systems

Account Number: **EBXX20**

Filtered by: Entry Date 06/30/2022-09/30/2022, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/30/22	09/30/22	CALL REDEMPTION	AFLAC INC B/E 03.625% 111524 DTD110714	656XB1	900,000.00	REDEMPTION	900,000.00
08/19/22	08/19/22	CALL REDEMPTION	HONEYWELL INTL INC NTS 00.483% 081922 DTD081920	6574M1	200,000.00	REDEMPTION	200,000.00
07/15/22	07/15/22	CALL REDEMPTION	UNITEDHEALTH GROUP INC 03.350% 071522 DTD072315	8846W9	1,700,000.00	REDEMPTION	1,700,000.00

Filtered by: Entry Date 06/30/2022-09/30/2022, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
08/22/22	08/24/22	BOUGHT	PNC BK B/E 03.250% 060125 DTD060115	8158Z6	300,000.00	\$98.456	297,615.92
07/18/22	07/20/22	BOUGHT	MORGAN STANLEY B/E 04.000% 072325 DTD072315	659525	1,800,000.00	\$99.900	1,833,600.00

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 **September 30, 2022**, 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
09/01/2022 - 09/30/2022

KERN HEALTH SYSTEMS
 2900 BUCK OWENS BOULEVARD

Account Number
 [REDACTED]

Account Value Summary USD

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

	Amount Last Statement Period	Amount This Statement Period	% Portfolio
Cash	\$ 0.00	\$ 0.00	0%
Money Market Mutual Funds	60,233,255.82	65,506,766.05	26%
Bonds	161,672,762.96	187,264,160.57	74%
Stocks	0.00	0.00	0%
Total Account Value	\$ 221,906,018.78	\$ 252,770,926.62	100%
Value Change Since Last Statement Period		\$ 30,864,907.84	
Percent Increase Since Last Statement Period			14%
Value Last Year-End		\$ 158,053,433.16	
Percent Increase Since Last Year-End			60%

Income Summary USD

	This Period	Year-To-Date
Interest	\$ 0.00	\$ 635,011.24
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	133,810.23	341,398.51
Other	0.00	0.00
Income Total	\$ 133,810.23	\$ 976,409.75

Interest Charged USD

Description	This Period
Debit Interest For September 2022	0.00
Total Interest Charged	\$ 0.00

Money Market Mutual Funds Summary USD

Description	Amount
Opening Balance	\$ 60,233,255.82
Deposits and Other Additions	215,000,000.00
Distributions and Other Subtractions	(209,860,300.00)
Dividends Reinvested	133,810.23
Change in Value	0.00
Closing Balance	\$ 65,506,766.05

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 the "bid" price at month end. The price of CDs that mature in one year or less are shown at last price traded. The price of CDs that mature in greater than one year and of other instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

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

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

FINRA BrokerCheck Program: WFS is a member of the Financial Industry Regulatory Authority (FINRA). Under its BrokerCheck program, FINRA provides certain information regarding the disciplinary history of broker-dealers and their associated persons. Information can be obtained from the FINRA BrokerCheck program hotline number (1-800-289-9999) or the FINRA website (www.finra.org). 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 § 15c(3)-3 under the Securities Exchange Act of 1934. In the course of normal business operations, a customer has the right to receive delivery of the following: any free credit balances to which he or she is entitled, any fully paid securities to which he or she is entitled, and any securities purchased on margin upon full payment of indebtedness to WFS.

Equity Order Routing: WFS will generally route equity and listed options orders 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
wfscustomerservice@wellsfargo.com

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. 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: ██████████

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								
313385J23	FED HOME LN DISCOUNT NT	10/03/22	0.000%	40,000,000.000	100.0000	40,000,000.00		N
912796YC7	UNITED STATES TREASURY BILL	10/04/22	0.000%	80,000,000.000	99.9933	79,994,657.60		
912796YD5	UNITED STATES TREASURY BILL	10/11/22	0.000%	15,000,000.000	99.9457	14,991,851.55		
69448XKE1	PACIFIC LIFE SHORT TERM 4(2) DISCOUNTED COMMERCIAL PAPER	10/14/22	0.000%	2,500,000.000	99.8804	2,497,010.43		
313313M21	FED FARM CRD DISCOUNT NT	10/27/22	0.000%	12,000,000.000	99.8012	11,976,143.76		N
313385N77	FED HOME LN DISCOUNT NT	11/09/22	0.000%	15,000,000.000	99.6768	14,951,518.05		N
90331HNL3	US BANK NA CINCINNATI	01/23/23	2.850%	3,000,000.000	99.6218	2,988,654.18		Y
3130AS4V8	FEDERAL HOME LOAN BANK	03/09/23	2.000%	10,000,000.000	99.2560	9,925,603.10		Y
3130AT2E6	FEDERAL HOME LOAN BANK	06/15/23	3.330%	5,000,000.000	99.8742	4,993,710.65		Y
3134GXS88	FREDDIE MAC	02/28/25	4.000%	5,000,000.000	98.9002	4,945,011.25		Y
				187,500,000.000		187,284,160.57	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
Transaction Activity USD									
09/06/22	09/07/22	Security Receipt	912796YC7	UNITED STATES TREASURY BILL	50,000,000.00	99.8245000	(49,912,250.00)	0.00	(49,912,250.00)
08/18/22	09/15/22	Security Receipt	3130AT2E6	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
09/27/22	09/27/22	Security Receipt	313313M21	FED FARM CRD DISCOUNT NT	12,000,000.00	99.7583330	(11,971,000.00)	0.00	(11,971,000.00)
09/27/22	09/27/22	Security Receipt	313385N77	FED HOME LN DISCOUNT NT	15,000,000.00	99.6345000	(14,945,175.00)	0.00	(14,945,175.00)
09/28/22	09/28/22	Security Receipt	313385J23	FED HOME LN DISCOUNT NT	40,000,000.00	99.9625000	(39,985,000.00)	0.00	(39,985,000.00)
09/28/22	09/29/22	Security Receipt	69448XKE1	PACIFIC LIFE SHORT TERM 4(2)	2,500,000.00	99.8750000	(2,496,875.00)	0.00	(2,496,875.00)
09/27/22	10/26/22	Security Receipt	3130ATJB4	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
Income / Payment Activity USD									
09/07/22	09/07/22	Matured	91411UJ71	UNIVERSITY CALIF REVS TAXABLE			3,000,000.00		3,000,000.00
09/07/22	09/07/22	Matured	91411UJ71	UNIVERSITY CALIF REVS TAXABLE	(3,000,000.00)				
09/13/22	09/13/22	Matured	313385F68	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00

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
Income / Payment Activity USD									
09/13/22	09/13/22	Matured	313385F68	FED HOME LN DISCOUNT NT	(20,000,000.00)				
09/14/22	09/14/22	Matured	48306BJE6	KAISER FOUNDATION HOSP			3,000,000.00		3,000,000.00
09/14/22	09/14/22	Matured	48306BJE6	KAISER FOUNDATION HOSP	(3,000,000.00)				
09/20/22	09/20/22	Matured	313385G59	FED HOME LN DISCOUNT NT			15,000,000.00		15,000,000.00
09/20/22	09/20/22	Matured	313385G59	FED HOME LN DISCOUNT NT	(15,000,000.00)				
09/23/22	09/23/22	Matured	313385G83	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
09/23/22	09/23/22	Matured	313385G83	FED HOME LN DISCOUNT NT	(20,000,000.00)				
09/27/22	09/27/22	Matured	313385H41	FED HOME LN DISCOUNT NT			20,000,000.00		20,000,000.00
09/27/22	09/27/22	Matured	313385H41	FED HOME LN DISCOUNT NT	(20,000,000.00)				
09/27/22	09/27/22	Matured	23102VJT8	CUMMINS INC 4(2) DISCOUNTED			3,000,000.00		3,000,000.00
09/27/22	09/27/22	Matured	23102VJT8	CUMMINS INC 4(2) DISCOUNTED	(3,000,000.00)				
09/27/22	09/27/22	Matured	313313H50	FED FARM CRD DISCOUNT NT			15,000,000.00		15,000,000.00
09/28/22	09/28/22	Matured	313313H50	FED FARM CRD DISCOUNT NT	(15,000,000.00)				

Cash Activity USD

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
09/01/22	09/01/22	ACH/DDA Transaction	DESIGNATED DDA		4,000,000.00
09/07/22	09/07/22	ACH/DDA Transaction	DESIGNATED DDA	4,000,000.00	
09/07/22	09/07/22	ACH/DDA Transaction	DESIGNATED DDA	10,000,000.00	
09/08/22	09/08/22	ACH/DDA Transaction	DESIGNATED DDA		75,000,000.00
09/08/22	09/08/22	ACH/DDA Transaction	DESIGNATED DDA		75,000,000.00
09/13/22	09/13/22	ACH/DDA Transaction	DESIGNATED DDA	18,000,000.00	
09/14/22	09/14/22	ACH/DDA Transaction	DESIGNATED DDA	16,000,000.00	
09/15/22	09/15/22	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
09/19/22	09/19/22	ACH/DDA Transaction	DESIGNATED DDA	17,000,000.00	
09/20/22	09/20/22	ACH/DDA Transaction	DESIGNATED DDA	15,000,000.00	
09/27/22	09/27/22	ACH/DDA Transaction	DESIGNATED DDA	25,000,000.00	
09/30/22	09/30/22	ACH/DDA Transaction	DESIGNATED DDA	250,000.00	
09/30/22	09/30/22	ACH/DDA Transaction	DESIGNATED DDA	3,300,000.00	

Money Market Fund Activity

Morgan Stan TreasSvc 8314

*As of September 30, 2022

USD

Dividend paid this period

0.02

7 day* simple yield

2.720%

30 day* simple yield

2.230%

KERN HEALTH SYSTEMS

Account Number: ██████████

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	12.53		12.53000
09/01/22	Reinvest	0.02000			0.02	12.55000
	Ending Balance		1.0000	12.55		12.55000
Goldman FS Tr Ob Ins 468			Dividend paid this period	7 day* simple yield	30 day* simple yield	
*As of September 30, 2022			86,762.01	2.910%	2.410%	
USD						

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	50,024,871.35		50,024,871.35000
09/01/22	Purchase	4,000,000.00000		4,000,000.00		54,024,871.35000
09/01/22	Reinvest	86,762.01000			86,762.01	54,111,633.36000
09/07/22	Redemption	(49,912,250.00000)		(49,912,250.00)		4,199,383.36000
09/07/22	Purchase	3,000,000.00000		3,000,000.00		7,199,383.36000
09/07/22	Redemption	(4,000,000.00000)		(4,000,000.00)		3,199,383.36000
09/08/22	Purchase	75,000,000.00000		75,000,000.00		78,199,383.36000
09/13/22	Purchase	20,000,000.00000		20,000,000.00		98,199,383.36000
09/14/22	Purchase	3,000,000.00000		3,000,000.00		101,199,383.36000
09/14/22	Redemption	(16,000,000.00000)		(16,000,000.00)		85,199,383.36000
09/15/22	Redemption	(5,000,000.00000)		(5,000,000.00)		80,199,383.36000
09/15/22	Redemption	(15,000,000.00000)		(15,000,000.00)		65,199,383.36000
09/20/22	Purchase	15,000,000.00000		15,000,000.00		80,199,383.36000
09/23/22	Purchase	20,000,000.00000		20,000,000.00		100,199,383.36000
09/27/22	Redemption	(3,916,175.00000)		(3,916,175.00)		96,283,208.36000
09/28/22	Redemption	(24,985,000.00000)		(24,985,000.00)		71,298,208.36000
09/29/22	Redemption	(2,496,875.00000)		(2,496,875.00)		68,801,333.36000
09/30/22	Redemption	(3,300,000.00000)		(3,300,000.00)		65,501,333.36000
	Ending Balance		1.0000	65,501,333.36		65,501,333.36000
JPMorgan UST Plus Inst 3918			Dividend paid this period	7 day* simple yield	30 day* simple yield	
*As of September 30, 2022			47,048.20	2.590%	2.100%	
USD						

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	Beginning Balance		1.0000	10,208,371.94		10,208,371.94000

KERN HEALTH SYSTEMS

Account Number: ██████████

Money Market Fund Activity (Continued)

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
09/01/22	Reinvest	47,048.20000			47,048.20	10,255,420.14000
09/07/22	Redemption	(10,000,000.00000)		(10,000,000.00)		255,420.14000
09/08/22	Purchase	75,000,000.00000		75,000,000.00		75,255,420.14000
09/13/22	Redemption	(18,000,000.00000)		(18,000,000.00)		57,255,420.14000
09/19/22	Redemption	(17,000,000.00000)		(17,000,000.00)		40,255,420.14000
09/20/22	Redemption	(15,000,000.00000)		(15,000,000.00)		25,255,420.14000
09/27/22	Redemption	(25,000,000.00000)		(25,000,000.00)		255,420.14000
09/30/22	Redemption	(250,000.00000)		(250,000.00)		5,420.14000
	Ending Balance		1.0000	5,420.14		5,420.14000



PMIA/LAIF Performance Report as of 10/14/22



PMIA Average Monthly Effective Yields⁽¹⁾

September	1.513
August	1.276
July	1.090

Quarterly Performance Quarter Ended 09/30/22

LAIF Apportionment Rate ⁽²⁾ :	1.35
LAIF Earnings Ratio ⁽²⁾ :	0.00003699565555327
LAIF Fair Value Factor ⁽¹⁾ :	0.980760962
PMIA Daily ⁽¹⁾ :	1.63%
PMIA Quarter to Date ⁽¹⁾ :	1.29%
PMIA Average Life ⁽¹⁾ :	304

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 09/30/22 \$222.9 billion

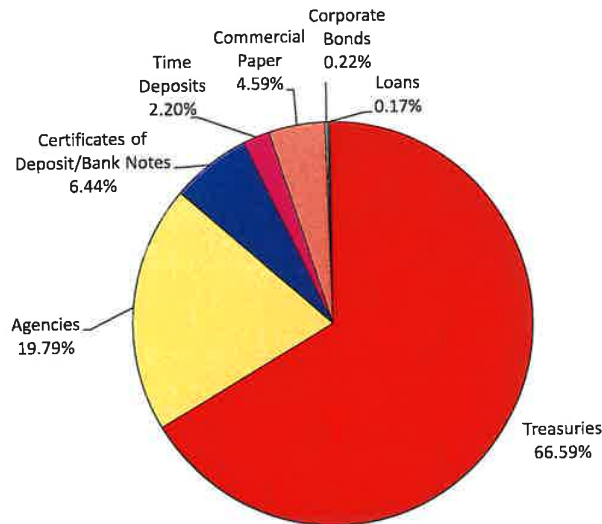


Chart does not include \$3,917,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

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: December 9, 2022

Re: Annual Renewal of the Reinsurance Policy

Background

Kern Health Systems (“KHS”) has purchased a reinsurance policy to mitigate the costs of catastrophic cases since the plan’s inception. The KHS population has changed significantly over the last several years with SPD members incurring high medical costs. Additionally, KHS will continue to be at risk for major organ transplants. This may pose an increase in catastrophic claims in 2023 along with the unknown longer term medical expenses relating to Covid-19.

Discussion

Over the last 3 completed years, KHS reinsurance recoveries have been lower than the reinsurance claim payments. For the policy years 2019, 2020 and 2021 KHS recovered approximately \$354,000 in net reinsurance claims while paying reinsurance premiums of approximately \$3.4 million. **These 3 years represent a 10% ratio of recoveries to expense.**

Based on information **through September 30, 2022**, KHS has requested approximately \$1,202,788 in recoveries (which has been applied towards the annual aggregate deductible of \$483,990) against approximately \$670,140 in premiums paid. This represents a **107% ratio for this period and an overall cumulative ratio 26% for all periods.** We have until December 31, 2023 to turn in claims for the 2022 policy period.

The current 2022 Reinsurance Policy is with IOA Re (AM Best Rating A+ Superior Financial Rating; Financial Size Category X) and has a deductible of \$350,000, a blended rate of \$.18 pmpm and an aggregate deductible of \$.13 pmpm with an estimated total exposure of \$1,154,130. (This is comprised of \$670,140 for premiums and \$483,990 for the aggregate deductible).

Fiscal Impact

The lowest quote for renewal is with the carrier HM Life Insurance Company (AM Best Rating A Excellent Financial Rating; Financial Size Category XV) at a blended rate of \$.22 per member with the current deductible of \$350,000 per member and a \$.16 pmpm aggregate deductible for an overall expected reinsurance cost of \$1,580,401 (This is comprised of \$ 914,969 for premiums and \$665,432 for the aggregate deductible). All 2023 rates now include coverage for outpatient services. For this renewal, IOA Re originally requested an increase of 0% but after receiving \$1.2 million in claims, changed their renewal proposal to a 61% increase. After several negotiation discussions, our insurance broker, Arthur J Gallagher & Co, was able to secure an increase of 24% with alternate insurer HM Life. The savings achieved with HM Life is \$499,074 less than the renewal offered by IOA Re. IOA Re has been the reinsurance carrier since 1/1/2020. HM Life would be a new carrier.

KHS can lower the HM Life premium to a blended rate of \$.16 pmpm and a \$.11 pmpm aggregate deductible by increasing the deductible to \$400,000. This would save approximately \$623,843 of reinsurance costs but would cost KHS an additional \$50,000 per member that reaches the reinsurance deductible. The savings of \$623,843 would be lost if the members reaching the \$400,000 deductible exceeds 12 ($\$623,843 \text{ savings} / \$50,000 \text{ increase in deductible} = 12.47$ members). Based on utilization data exceeding \$400,000, there were 2 members in 2019, 2 members in 2020, 2 members in 2021 and 6 member through November 18, 2022, management expects the 2023 utilization to be less than 12 members. However, the prior years did not include transplant risk. Accordingly, management does not recommend increasing the deductible to \$400,000 and lowering the blended rate to \$.16 pmpm and lowering the aggregate deductible to \$.11 pmpm.

The 2023 Budget includes estimated reinsurance premium payments at a blended rate of \$.22 pmpm and reinsurance recoveries at a blended rate of \$.22 pmpm. Estimated fiscal dollar impact is \$914,969.

Risk Assessment

Based on the continued expense of the SPD population and the additional utilization from COVID-19 complications and the risk for major organ transplants, management believes that binding reinsurance coverage is warranted for 2023 and is recommending the HM Life option at a blended rate of \$.22 pmpm and keeping the deductible at \$350,000.

Requested Action

Approve; Refer to KHS Board of Directors.



To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 9, 2022

Re: 2023 Budget

Background

The 2023 Budget supports the KHS 2023 Corporate and Department Goals, the 2023 Corporate Projects and contributes to the 2023-2026 Strategic Plan Initiatives. Such goals take into consideration and prioritize the continued support afforded to the Safety Net Providers. The scope of the 2023 Corporate Goals reflect the expanded role Medi-Cal Managed Care health plans will be responsible for under the CalAIM initiative continuing during 2023.

Specifically, CalAIM has three primary goals:

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

Major CalAIM initiatives that will continue during 2023 include:

- Enhanced Care Management (ECM) is a comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories
- Community Support Services (CSS) also formerly referred to as In Lieu of Services or ILOS, are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost

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

Since 2012, we have witnessed an increase in membership from expansion in eligibility, adoption of the affordable care act and inclusion of a variety of new coverage categories and programs like Seniors and Persons with Disabilities (SPDs), Community Based Adult Services (CBAS), childless adults, children with autism and undocumented children and young adults.

Newly eligible populations present unique challenges. KHS expanded its network of providers, both in scope and depth, so that the appropriate level and type of services would be available to treat new members often with medically complex conditions. Much of what has been developed and implemented over the past 10 years relates to the creation and administration of these new programs and the additional benefits and expanded services that accompany them. Enrollment in KHS has increased over 300% during that time to where today, KHS serves approximately 340,000+ of Kern County's residents.

Setting the Stage

In 2022 there were several new or modified Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC) requirements that impact the 2023 Budget including:

- **Long Term Care** responsibilities will include transitioning and retaining members who are placed in Long Term Care (custodial) facilities, versus previous requirement of managed care plan disenrollment to Fee for Service Medi-Cal. The Plan will now be clinically and fiscally responsible for care coordination, LTC management, and alternate setting placements when appropriate.
- **Incentive Programs** created to promote health plan and provider participation in ECM and CSS will be continue. The Governor's budget allocated \$300 million for plan incentives from January to June 2022, \$600 million from July 2022 to June 2023, and \$600 million from July 2023 to June 2024. The CalAIM Incentive Payment Program supports the implementation and expansion of ECM and Community Supports by incentivizing managed care plans (MCPs) to drive MCP delivery system investment into provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports. KHS was allocated \$14.2M in performance-based incentive funding.

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- **Housing and Homelessness Incentive Program**, (HHIP), is another Incentive Program that will continue during 2023. HHIP is a part of the state's overarching home and community-based services (HCBS) spending plan, whereby MCPs can earn these incentive payments for investments and progress in addressing homelessness as a social determinant of health and keeping individuals housed. HHIP is a voluntary incentive program that will enable Medi-Cal managed care plans (MCPs) to earn incentive funds for making progress in addressing homelessness and housing insecurity as social determinants of health. The program is effective January 1, 2022 – December 31, 2023, with the possibility of extended project timelines. KHS was allocated \$19M in performance-based incentive funding.
- **School-Based Behavioral Health** (SBHIP) is an additional Incentive Program that was initiated in 2022 to increase access to preventive, early intervention, and behavioral health services by school-affiliated behavioral health providers for TK-12 children in schools through coordination and partnership with the Local Education Agency (LEA), KHS, Kern County Behavioral Health and Recovery Services (KHBRs), and other community-based organizations and health plans in Kern County. The Governor's budget allocated \$398 million for Medi-Cal plan incentives with Kern County receiving \$13.2 million from January 2022 to December 2024. This initiative will be the foundation for a broader focus on developing and maintaining a school-linked fee schedule for outpatient Mental health and Substance use disorder services for ages 25 and younger by January 2024 under the Children and Youth Behavioral Health Initiative
- **Telehealth Services** has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the stay-at-home order. This will allow expansion of synchronous, asynchronous, audio-visual, and telephonic provision of care to meet network adequacy and foster member satisfaction
- **Population Health Management** preparation will continue through 2023 to develop and maintain a whole system, person centered population health management strategy for addressing member needs across the continuum of care based on data driven risk stratification, predictive analytics, and standardized assessment processes for 2023 readiness
- **Expanded Regulatory Oversight** for quality-of-care measures and timely access to care standards. DHCS and DMHC are releasing an increasing volume of guidance/directives/reporting requirements – with increased complexity - both through and outside of APLs. Along the same lines, increased scrutiny/oversight from regulators (through Audits, other DHCS/DMHC oversight activities), which requires Corrective Action Planning, follow up, and internal audits
- **New or Expanded Data and Analytic Reporting Requirements**, including integration of various data sources not historically captured for member risk stratification and segmentation. DHCS is also requiring integration and participation in a universal Medi-Cal platform to capture social determinate of health with further alignment for a count specific Health Information Exchange

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- **Increase in the Application of Supplemental Payments** pertaining to Hospital Directed Payments, Proposition 56 payments, GEMT, HYDE as well as other supplemental payment arrangements for physician and hospitals
- **Other New Benefits and Programs** included in the State Budget (i.e., dyadic services and doula services,)
- **Mandatory Managed Care Enrollment Phase 2** members transitioning to Managed Care
- **Expansion of Undocumented Adults** ages 26-49 effective 1/1/2024

New 2023 Key Initiatives for KHS

Besides these State mandated changes impacting the 2023 budget, several internal initiatives are scheduled for next year including:

- Implementation of a new 3-year Corporate Strategic Plan
- D-SNP preparations for all Managed MCAL plans to align enrollment of Medicare eligible members to promote more integrated care and ensure continuity of care protections
- NCQA accreditation preparation standardizing quality assurance and clinical practice protocols across all Managed MCAL plans to comply with state and federal requirements
- Expand the Enhanced Care Management network to include new sites and operational models to serve the new populations of focus in 2023
- Long Term Care will be a covered benefit for KHS members
- Expand partnerships with new community-based organizations and integrate into the current Community Services Referral System that will allow CSS services to be referred, authorized, and monitored
- Health Services staffing restructure to support Population Health Management program
- Creation of a Behavioral Health department within KHS to increase collaboration for coordinating KHS member's behavioral health needs through Medication Assisted Treatment (MAT) and Substance Use Disorders and detoxification centers
- Ongoing administration of the DHCS Behavioral Health / Integrated Care Grant
- Continued administration of the KHS Provider and Community Grant program supporting the CalAIM initiatives defined by Department of Health Care Services (DHCS)
- Broad focus on healthcare equity, inclusion, and diversity across the health plan and network, i.e., reporting, population identification, and program implementation to address specific population needs based on race, ethnicity, and other social determinants of health that improve the clinical outcomes for our members.
- Continued partnership with Kern County Department of Human Services with assisting KHS members in completing their redetermination packages correctly and on time

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- Corporate projects for improving processes, initiating new programs or enhancing services such as:
 - Enhance Care Management Expansion and Incentive Payment Program
 - Community Support Services Program adding new CS benefits on January 1, 2023, Respite Services, Sobering Centers, and Medically-Supportive Food/Meals/Medically Tailored Meals. Then July 1, 2023 we will implement Nursing Facility Transition/Diversion, Community Transition Services/Nursing Facility Transition to a Home and Personal Care & Homemaker Services
 - Long Term Care Benefit will incorporate new services historically carved out of KHS responsibility including intermediate care facilities for developmentally and intellectually delayed individuals, pediatric and adult subacute care, and other long term care settings
 - JIVA Medical Management System Upgrade to integrate new and improve existing functionality as our clinical platform for population management. New modules and other integrative functions will improve KHS ability to approach care coordination through a holistic lens
 - Milliman Clinical Guidelines (MCG) Update performed annually to align with current evidence-based standards of care and new technologies and treatments, required for clinical authorizations and provider oversight
 - QNXT/NetworX/Optum Core Claims System Upgrade
 - Population Health Management Program Development will include the Model of Care and Program readiness for identification of member risk, stratification of severity, and segmentation of program eligibility through a health equitable lens
 - Expansion of Health Information Exchange (HIE) which allows health care professionals and patients to appropriately access and securely share a patient's medical information electronically
 - JIVA Grievance Module Implementation will remove bifurcated documentation in different systems to manage member grievance processes between UM, QI, and Member services departments
 - NCQA Consultant and Readiness Review will begin in 2023 to bring in field expertise to assist KHS with document preparation, mock audit, and final submissions in its pursuit of NCQA accreditation on or before 2026
 - 2024 DHCS Contract Amendment to complete DHCS Operational Readiness deliverables and implement internal processes needed to support the 2024 Contract
 - D-SNP Consultant and Readiness Review will begin in 2023 in preparation of going live with a D-SNP line of business on January 1, 2026
- Continued development of Provider Performance Based reimbursement arrangements
- Expansion of Member incentive program across new or existing programs for enterprise-wide eligibility including a solution for real-time delivery of incentives and robust tracking mechanisms
- Identify and mitigate social determinants of health and reduce health disparities or inequities
- Expansion of department dashboards for operational metric transparency

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- Define/refine Medical Loss Ratio dashboard for monitoring and Executive transparency for budgeting considerations
- Comply with State mandated coordination of benefits to help mitigate unwarranted cost and recovery including retro eligibility activity based on state information

Support for Existing Programs and Initiatives in 2023

Other major responsibilities annually performed by KHS that will impact the 2023 budget include:

- Continue work with Kern Medical through the joint operations committee to explore collaboration opportunities and address operation issues and development of new chronic condition programs for Population Health
- Continue to work with Dignity hospitals (Memorial, Mercy & Mercy Southwest) to ensure mutual success assuming risk via DRG agreement
- Strengthen collaboration with, Kern County Behavioral Health and Recovery Services (KHBRs) and the GATE team for Substance Use Disorders and resource/referral coordination
- Expand the Transitional Care Program with local hospitals or independent KHS provider network
- Palliative Care program expansion
- Continue with managing the Major Organ Transplant benefit that took place on January 1, 2022 with the inclusion of Heart, Lung, Liver and Pancreas transplants
- Expand Telehealth Specialty Care services to all eligible service sectors
- Implement efficiencies across the health services departments through automation and robot technology to streamline process and reduce manual intervention
- Development of home bound program to deliver care directly to members' home for vulnerable populations
- Broad focus on Potentially Preventable Admissions with hospital and provider network collaboration as defined in the ER Navigation Program
- Expand the Diabetic Prevention Programs to provider settings focused on lifestyle changes for diabetes prevention
- Ongoing support for the School based Wellness Programs
- Collaboration with Kern County Community Alliance for Tobacco Cessation
- Expand the Population Health Management Programs, including homelessness outreach, ER overutilization, and care coordination efforts to support CalAIM and low utilization members
- Enhancing Managed Care Accountability Set (MCAS) Tracking and Reporting, including expanded electronic data collection
- Expansion of mobile services for preventative care and gaps in care closures
- Implement a year-round direct member outreach program to improved minimal performance levels (MPL) requirements for MCAS measures
- Continue with Pay for Performance incentives to reward providers who demonstrate improved MCAS outcomes and other non-MCAS preventative care measures

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- Expand pregnancy related programs to improve pre and postnatal compliance to promote healthy babies with increased focus on maternal mental health and depression
- Expand provider support and education for collection of data for social determinants of health (SDoH) and provision of Basic Population Health Management through preventative screenings and assessments, e.g., PHQ-2; PHQ-9 (psychiatric health questionnaire), ACE (Adverse Childhood Events), EPSDT (Early Prevention Screening and Diagnostic Testing), IHA (Initial Health Assessment), HRA (Health Risk Assessment), etc.
- Design an in-house Medication Therapy Management Program for eligible members not deemed eligible in an Enhanced Care Management provider setting
- Use the Care Gradient Analysis Predictive Modeling tool to identify populations for diagnoses specific engagement schemes to differentiate care requirements for enhanced, complex, basic, and unmet healthcare needs of our members
- Continue to monitor and measure member and provider satisfaction independently via satisfaction surveys
- Expand design and implementation of department specific outcome metrics
- Broaden audits across all departments to proactively identify process or performance gaps to allow for corrective actions to foster compliance with DHCS and DMHC requirements
- Continue monitoring of Fraud, Waste, and Abuse and delegated oversight of contracted providers and community partners
- Strengthen departmental policy and procedures review process to ensure the documents reflect current or new processes accurately
- Expand COPD program to include other chronic cardio-pulmonary diagnoses such as Congestive Heart Failure (CHF) and Hypertension (HTN)
- Continued recruitment and retention of talent to meet the ongoing changes and initiatives with CalAIM
- Develop and provide training and support for KHS staff into each new phase of CalAIM
- Continue to enhance the Business Intelligence systems with a new data lineage tool.
- Routine hardware and software upgrades and replacements to maintain systems.

Budget - Resources for Collaboration to Enhance Member or Provider Experience

Finally, the 2023 budget will provide resources to support a variety of programs administered either directly or through collaboration with outside organizations. Examples include:

- Provider/Member Portal for notification and education to network providers
- Implement Claims Department Call Center to directly service all Provider inquiries
- Autism Spectrum Disorder Behavioral Therapy, including Non-Autism diagnoses
- California Children's Services Coordination of Care
- Kern Regional Center Coordination of Care

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- Kern County Public Health Department for new or existing public health issues such as Black Infant Health, preventative care and immunizations, and communicable and sexually transmitted disease
- Vision Services Plan for optometric diabetic screenings
- Kaiser Permanente Subcontract
- Program awareness of Mental Health benefit, including coordination with Kern County Public Health for Emergent Mental health services, including 9-8-8 hotline and Mental Evaluation Team (MET) and Medication Assisted Therapy (MAT)
- Hospitalist program expansion
- Low Income Housing through the Kern County Housing Authority and other partners
- Respite Services for our members and their care givers.
- Medically-Supportive Food/Meals/Medically Tailored Meals for members.
- Nursing Facility Transition/Diversion, Community Transition Services/Nursing Facility Transition to a Home and Personal Care & Homemaker Services for our older adult populations of focus

2023 Budget Documents

Attached are the following documents relating to the 2023 Budget:

- 1) Consolidated Operating Budget
- 2) Operating Budget by Aid Category
- 3) Enrollment Assumptions
- 4) Revenue Assumptions
- 5) Medical Expense Assumptions
- 6) Administrative Expense Assumptions
- 7) Budgeted FTE by Department
- 8) Capital Budget for 2023
- 9) Preliminary 2022 Year-end and Projected 2023 TNE Calculation

Requested Action

Approve and refer to KHS Board of Directors.



KERN HEALTH SYSTEMS

2023 Corporate Budget

Finance Committee Meeting
December 9, 2022



Presentation Overview

- KHS Corporate Projects and Strategic Path Overview (CEO)
- 2023 Corporate Budget and Assumptions (CFO)
- 2023 Corporate Project Consulting & Professional Services(CIO)
- Requested Finance Committee Action

CalAIM



BEHAVIORAL HEALTH

Quality Metrics

2023 Corporate Goals

Goal	Description
Implementation of new internal Behavioral Health Program	Development of internal Behavioral Health Department, Provider Network enhancements, expansion of Medication Assisted Treatments and Emergency Stabilization Services.
Quality and Health Equity Program	Health Equity Officer role, Care Management Programs and Strategies, Member Engagement and Communication.
Health Information Data Exchange and Security	System monitoring and logging, security audit and remediation.
Dual-Eligible Special Needs Plan (Medicare D-SNP)	Operational/Fiscal gap analysis, Implementation preparations, NCQA Accreditation gap analysis and readiness.
Department of Health Care Services (DHCS) Incentive Programs	Administration of CalAIM Incentive Program, Housing and Homelessness Incentive Program, and Student Behavioral Health Incentive Program.
Expansions to Telehealth Benefit	Implementation of permanent telehealth flexibilities based on DHCS' final policy design.



CalAIM is a long-term commitment to transform and strengthen Medi-Cal, making the program more equitable, coordinated, and person-centered to help people maximize their health and life trajectory.

CalAIM Goals



Implement a whole-person care approach and address social drivers of health.

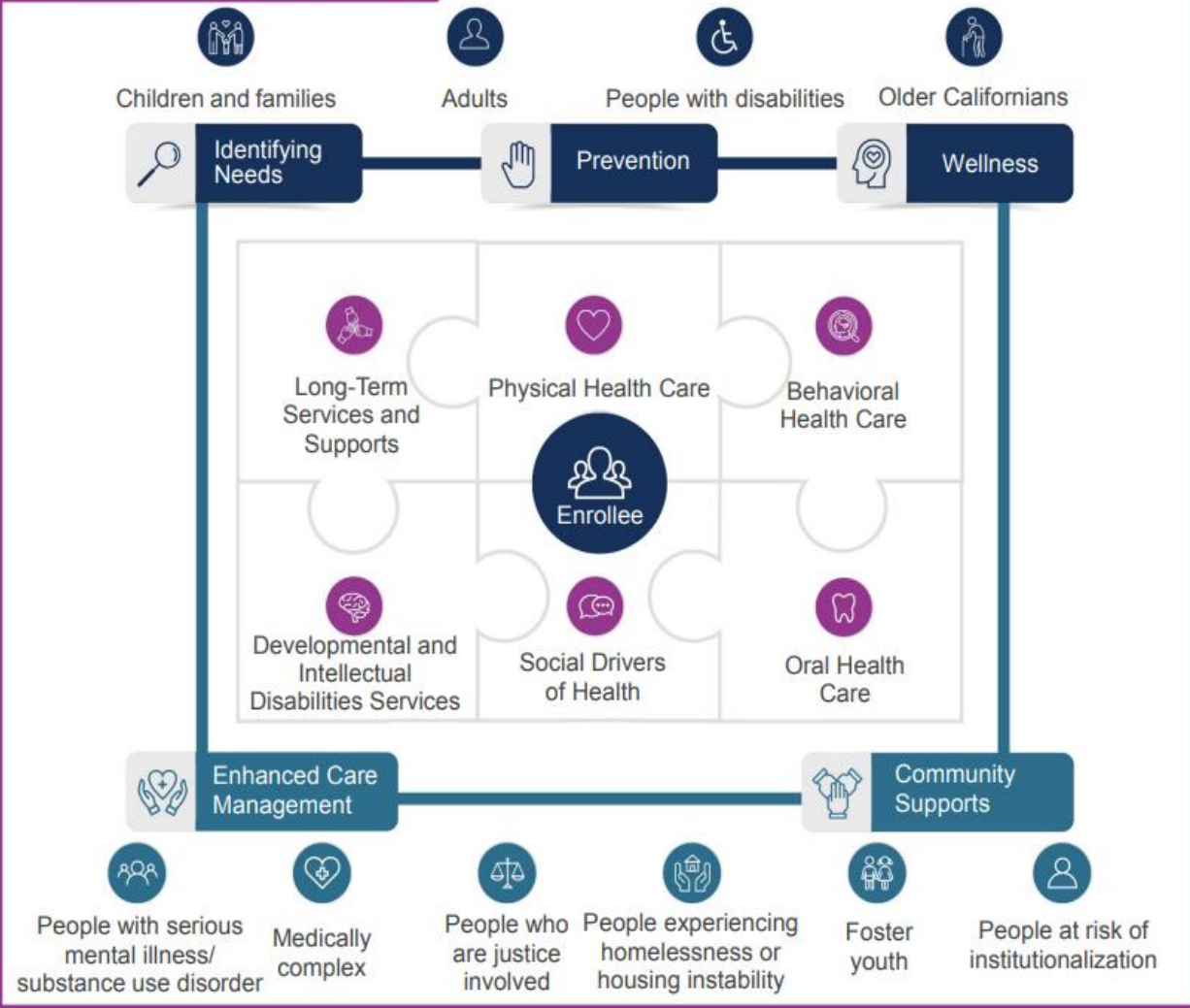


Improve quality outcomes, reduce health disparities, and drive delivery system transformation.



Create a consistent, efficient, and seamless Medi-Cal system.

Population Health Management



2023 Corporate Budget & Assumptions

Robert Landis
Chief Financial Officer

Budget Assumptions

(Dollar Amounts in Thousands Except for PMPMs and Member Months)

	Budgeted \$ 2023	Projected \$ 2022	Actual \$ 2021	Budgeted PMPM 2023	Projected PMPM 2022	Actual PMPM 2021
Annual Member Months (1)	4,158,950	3,834,013	3,468,398			
Total Revenues (2)	1,601,496	1,342,884	1,330,200	385.07	350.26	383.52
Total Medical Costs (3)	1,370,414	1,128,897	1,134,546	329.51	294.44	327.11
Total Administrative Expenses (4)	84,391	63,603	54,547	20.29	16.59	15.73
Total MCO Tax	144,953	124,957	112,821	33.50	32.59	32.53
Net Profit/(Loss)	1,739	25,427	28,286	0.42	6.63	8.16
D-SNP Expenses	7,504	-	-	1.80	-	-
Health Home/CalAIM Grant Expenses	-	5,974	7,895	-	1.56	2.28
Net Profit/ (Loss) After D-SNP and Health Home/CalAIM Grant Expenses	(5,764)	19,454 (5)	20,390	(1.39)	5.07	5.88
Medical Loss Ratio Excluding MCO Tax D-SNP & Health Home/CalAIM Grants	92.98%	91.08%	92.24%			
Admin Ratio Excluding MCO Tax D-SNP & Health Home/CalAIM Grants	6.87%	6.37%	5.64%			

(1) See Attachment 3 in the 2023 Budget for Membership assumptions

(2) See Attachment 4 in the 2023 Budget for Revenue assumptions

(3) See Attachment 5 in the 2023 Budget for Utilization and Unit Cost assumptions

(4) See Attachment 6 in the 2023 Budget for Administrative assumptions

(5) Excludes \$12.6 million of net favorable prior period adjustments



Membership Assumptions

BUDGETED MEMBER MONTHS CY 2023	JAN'23	FEB'23	MAR'23	APR'23	MAY'23	JUN'23	JUL'23	AUG'23	SEP'23	OCT'23	NOV'23	DEC'23	CY 2023
19 & OVER	64,000	65,000	65,000	65,000	65,000	65,000	64,600	64,200	63,800	63,400	63,000	62,600	770,600
UNDER 19	145,000	148,400	148,800	149,200	149,600	150,000	149,500	149,000	148,500	148,000	147,500	147,000	1,780,500
SPDS	17,000	18,000	18,000	18,000	18,000	18,000	17,900	17,800	17,700	17,600	17,500	17,400	212,900
TOTAL OTHER	8,700	24,150	24,150	24,150	24,150	24,150	24,350	24,350	24,350	24,350	24,350	24,350	275,550
MEDI-CAL EXPANSION	91,000	93,000	93,000	93,000	93,000	93,000	92,400	91,800	91,200	90,600	90,000	89,400	1,101,400
-Expansion Dual	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	17,400
-Expansion Partial Dual	50	50	50	50	50	50	50	50	50	50	50	50	600
TOTAL MEDI-CAL	327,200	350,050	350,450	350,850	351,250	351,650	350,250	348,650	347,050	345,450	343,850	342,250	4,158,950
Kaiser Membership	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
TOTAL COMBINED	341,200	364,050	364,450	364,850	365,250	365,650	364,250	362,650	361,050	359,450	357,850	356,250	4,326,950

- (1) Assumes additional 400 births each month for Child
- (2) Assumes -2000 members reduction per month due to redeterminations beginning in July: Adult -400, Child -900, Expansion -600, Spd -100
- (3) Assumes 1,000 Adults; 3,000 Children; 1,000 SPD's; 15,000 Duals; 2,000 Expansion members being transferred from Fee for Service to Managed Care starting in February
- (4) Assumes 400 Long-Term Care Duals and 50 NonDual Members starting in February being transferred from Fee for Service to Managed Care then additional 200 Long-Term Care Duals in July



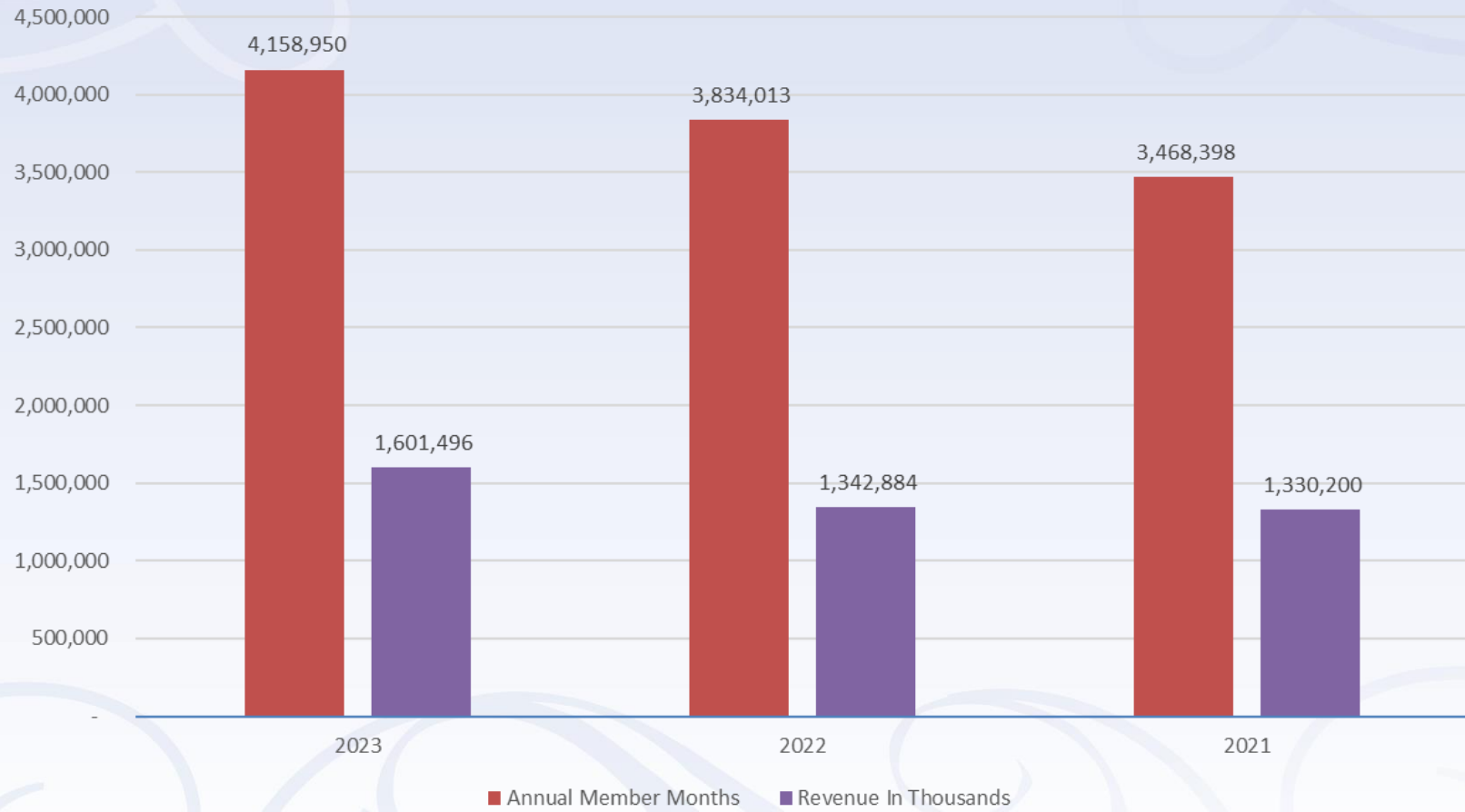
Revenue Assumptions

	<u>2023 BUDGET</u>	<u>EST. ANNUAL 2022</u>	<u>2021 ACTUAL</u>
	\$	\$	\$
REVENUE			
Capitation (excludes Prop 56 & GEMT)	942,680,028	829,971,589	726,504,349
Pharmacy Component of Capitation Revenue	-	-	118,022,231 (1)
LTC Dual/Non Dual Capitation	93,705,838	-	-
Maternity Kick Supplemental Payment	36,227,616	38,207,296	33,603,930
Behavioral Health Integration Program	-	4,569,085	6,645,789
Enhanced Care Management	25,475,578	22,988,032	-
Major Organ Transplant	6,615,222	6,130,022	-
CalAIM Incentive Program	30,606,291	17,973,215	4,868,691
Proposition 56 Supplemental Payments	79,782,687	69,962,512	68,061,590
Ground Emergency Medical Transportation (GEMT)	6,392,315	6,913,384	6,056,803
Total MCAL Revenue	<u>1,221,485,574</u>	<u>996,715,136</u>	<u>963,763,383</u>
Add-Ons (Directed Provider Payments)	228,984,127	220,023,715	243,729,690
MCO Tax Revenue	144,952,825	124,962,872	119,594,632
Interest	5,158,950	1,006,431	3,112,119
Reinsurance	914,969	175,997	-
TOTAL REVENUE	<u>1,601,496,445</u>	<u>1,342,884,151</u>	<u>1,330,199,824</u>

(1) Effective January 1, 2022 the Pharmacy Benefit was craved out from managed-care plans



Revenue Assumptions (continued)



Utilization and Unit Cost Assumptions

The below percentages were applied to paid claims incurred during the 6-month period January – June 2022 paid as of August 2022 to estimate 2023 medical expenses. Percentages are rounded to the nearest whole percentage.

MEDICAL EXPENSES

Inpatient Hospital	3.00%	1.00%
Outpatient Facility	3.00%	1.00%
Emergency Room	3.00%	1.00%
Long Term Care/Hospice	3.00%	1.00%
Physician Primary Care	3.00%	1.00%
Urgent Care	3.00%	1.00%
Physician Specialty	3.00%	1.00%
Other Medical Professional and Medical Expenses	3.00%	1.00%

FAMILY & OTHER

Annualized Increase	
Unit Cost	Utilization
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%

SENIORS & PERSONS WITH DISABILITIES (SPD)

Annualized Increase	
Unit Cost	Utilization
4.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%

EXPANSION

Annualized Increase	
Unit Cost	Utilization
3.00%	1.00%
2.00%	3.00%
1.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%



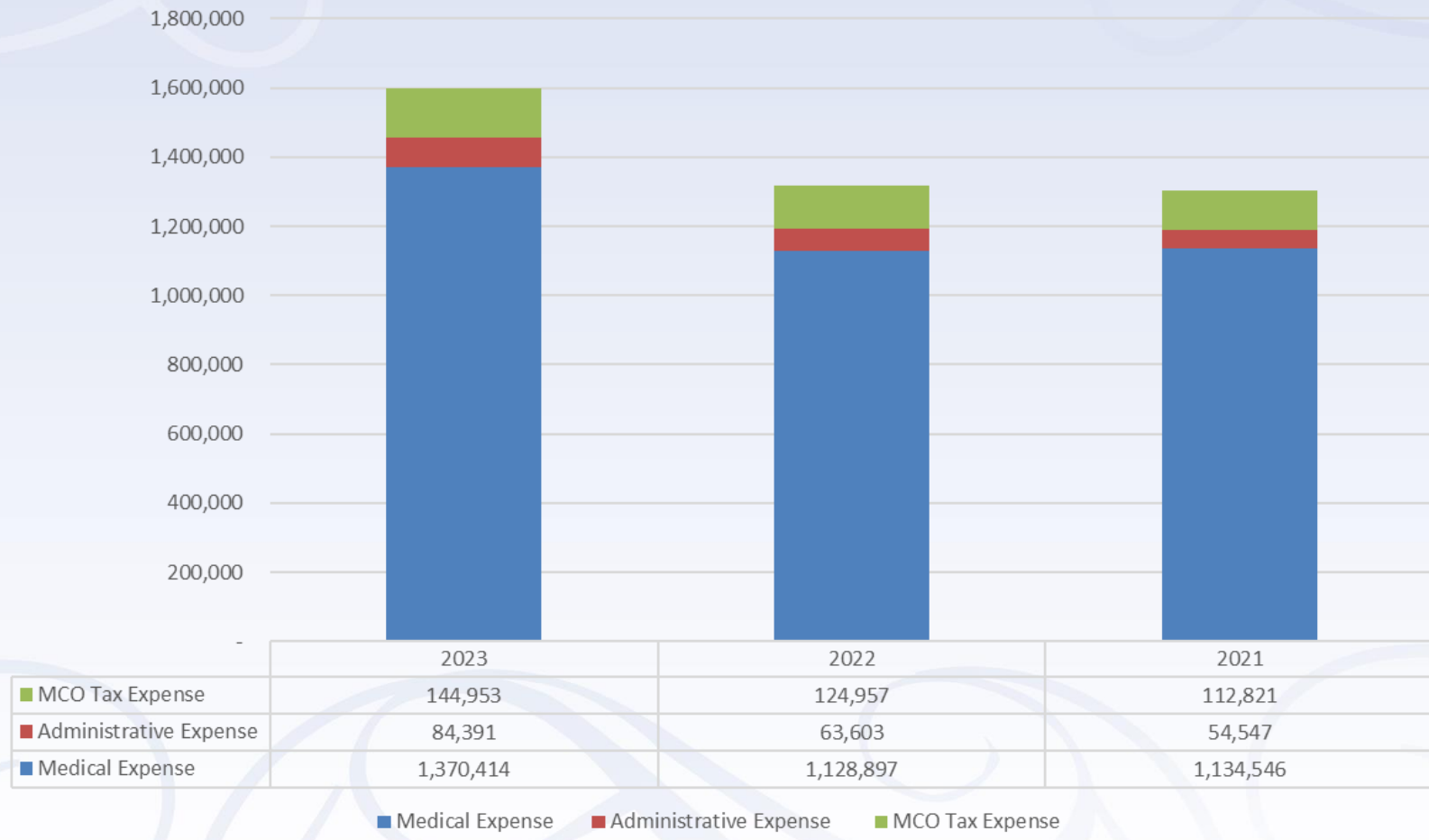
Expense Assumptions

	<u>2023 BUDGET</u>	<u>EST. ANNUAL 2022</u>	<u>2021 ACTUAL</u>
	\$	\$	\$
MEDICAL			
Inpatient Hospital	281,876,533	251,394,336	239,518,145
Outpatient Facility	122,276,102	106,982,989	91,571,151
Emergency Room Facility	68,934,910	60,238,341	54,752,776
Long-Term Care Facility - Long-Term	93,705,838	-	-
Primary Physician Services	53,023,513	46,289,209	41,047,521
Urgent Care	30,571,682	24,844,404	19,331,419
Physician Specialty	173,754,546	154,880,404	133,587,903
Provider Enhancement Expense - Prop 56	75,793,553	69,119,613	4,868,691
Add-Ons Directed Provider Payments	228,984,127	220,023,715	242,717,836
Pharmacy Services	-	-	110,173,753
Other Medical Expenses	241,492,846	195,124,218	196,976,803
TOTAL MEDICAL EXPENSES	1,370,413,650	1,128,897,230	1,134,545,998
ADMINISTRATIVE EXPENSES	84,390,686	63,602,827	54,547,131
MCO TAX EXPENSE	144,952,825	124,956,603	112,821,118
TOTAL EXPENSES	1,599,757,161	1,317,456,660	1,301,914,247



Expense Assumptions (continued)

In Thousands



Staffing (FTE) Summary

Department		Projected FTE's: 2022	Projected FTE's: 2023	Total Additional 2023 FTE's
Administrative FTE's				
110	EXECUTIVE	6	6	0
210	FINANCE	15	15	0
220	INFORMATION TECHNOLOGY	24	30	6
222	ENTERPRISE DEVELOPMENT	20	22	2
230	CLAIMS	61	62	1
240	PROJECT MANAGEMENT	10	12	2
320	PROVIDER NETWORK MANAGEMENT	27	27	0
330	MEMBER SERVICES	98	107	9
340	CORPORATE SERVICES	12	12	0
360	COMPLIANCE & REGULATORY AFFAIRS	8	11	3
420	MARKETING	4	6	2
510	HR	16	17	1
603	D-SNP/MEDICARE	0	3	3
Medical FTES:				
221	BUSINESS INTELLIGENCE	20	22	2
310	UTILIZATION MANAGEMENT	69	80	11
311	QI	21	21	0
312	HEALTH ED	20	21	1
313	PHARMACY	10	10	0
314	ENHANCED CARE MANAGEMENT	27	35	8
316	POPULATION HEALTH MANAGEMENT	40	43	3
317	COMMUNITY SUPPORT SERVICES	7	10	3
318	HHIP	1	1	0
319	IPP	2	2	0
410	MEMBER ENGAGEMENT	1	5	4
601	BEHAVIORAL HEALTH	2	5	3
602	HEALTH EQUITY	0	3	3
		521	588	67



2023 Corporate Project Consulting & Professional Services

Richard M. Pruitt
Chief Information Officer

General Overview

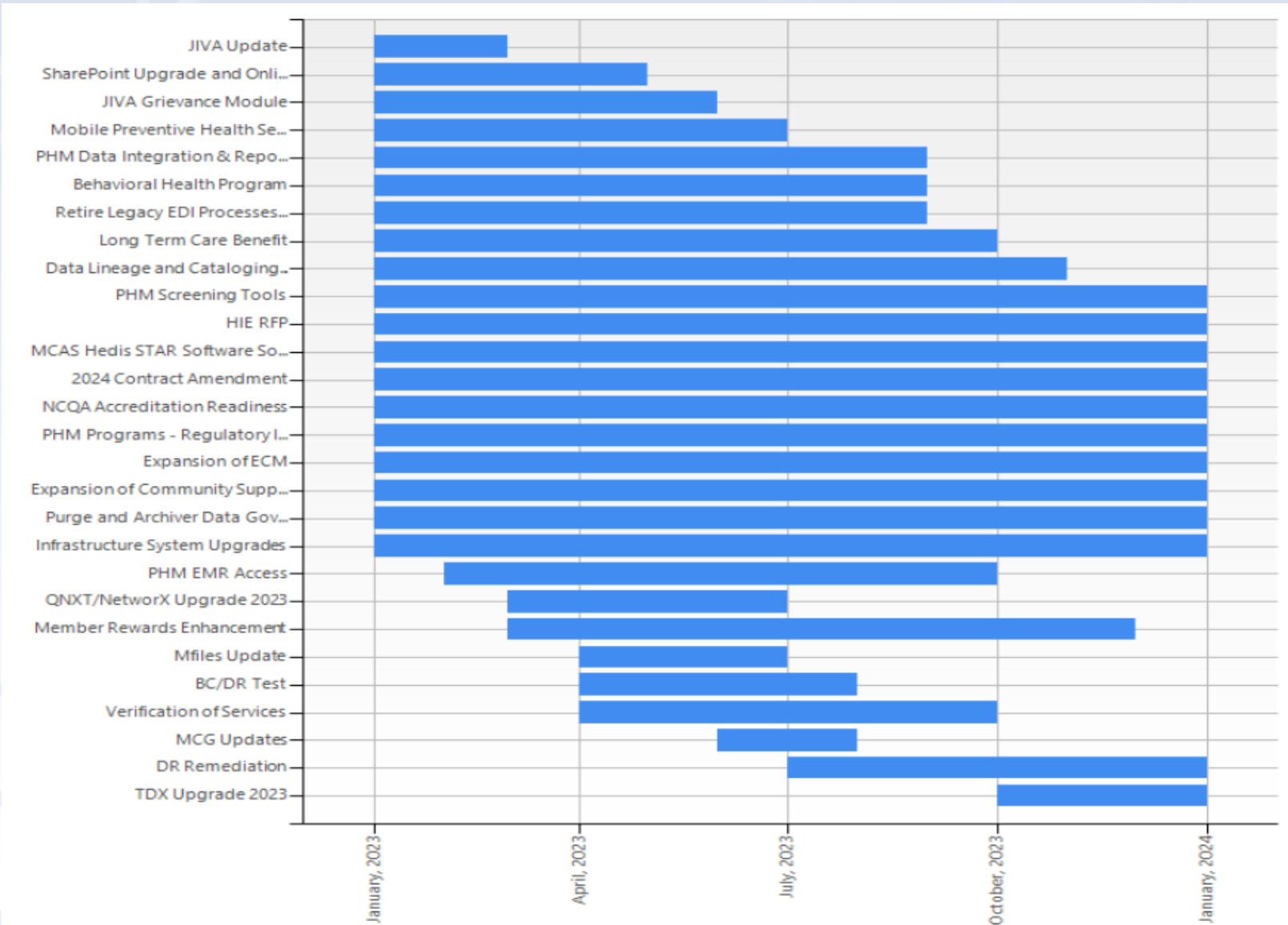
- Over the last few years, KHS started a transformation so that the convergence of the Health Plan, Clinician (Medical & Behavioral), Member/Patient, Social Services, and Community Supports are communicating/coordinated when rendering their respective services so that holistic care is being delivered.
- All of this is being accomplished by KHS through people (staff), processes, and systems as outlined by the State of California through the CalAIM initiatives (<https://www.dhcs.ca.gov/calaim#initiatives>).
- Each year, the organization augments the workforce by outsourcing with consultants, thus avoiding full-time employee hires, to accommodate the temporary resource demands of the organizational projects.



Sequence of Events

- Corporate Strategic Planning / Corporate Goals & Objectives
- Design the Annual Project Portfolio with Leadership
- Scope and Resource Planning for Annual Project Portfolio
- Executive Approval of Annual Project Portfolio
- Annual Budget Process for KHS
- Create Recommendation for the Board of Directors.

2023 Corporate Portfolio



2023 Medicare DSNP

1.0 Medicare Strategy	2.0 Product Management	3.0 Member Sales & Marketing	4.0 Member Service Operations	5.0 Claims Operations	6.0 Provider Services	7.0 Medical Management	8.0 Pharmacy Services	9.0 Risk Adjustment & Quality	10.0 Business Oversight
1.1 Marketing Assessment	2.1 Market Research	3.1 MA Sales Management <ul style="list-style-type: none"> • Direct Sales Support • CMS Sales Support 	4.1 Enrollment & Billing	5.1 Clearing- house Management	6.1 Provider Contract Maintenance	7.1 Medical Operations <ul style="list-style-type: none"> • Preservice • Medical Policies • Emergent/Urgent - Authorization assist 	8.1 Drug formulary management	9.1 Risk Adjustment & Risk Accuracy	10.1 Compliance & Audit Support
1.2. Capability Maturity	2.2 Benefit Design & Pricing	3.2 Administer Commissions	4.2 Membership Maintenance	5.2 Claims Intake (EDI & Paper)	6.2 Provider Contract Development	7.2 In-Patient Utilization Management & Discharge Planning	8.2 Pharmacy Benefit Management	9.2 Encounters Submission	10.2 Operations & Process Oversight
1.3 Competitor Assessment	2.3 Supplemental Benefits	3.3 Broker/Agent Management	4.3 Membership Reconciliation	5.3 Authorization Processing	6.3 Provider Credentialing	7.3 Outpatient Care Management <ul style="list-style-type: none"> • Proactive CM • Reactive CM & care transitions • Behavioral Health 	8.3 Clinical Protocols	9.3 Stars Initiative Analytics	10.3 Reporting & Data Management
1.4 Department of Insurance Due Diligence	2.3 Product Development	3.4 Marketing Materials Management	4.4 ID Cards and Member Material Fulfillment	5.4 Benefit Configuration	6.4 Provider Data Management	7.4 Post-acute Management	8.4 Specialty Drug Management	9.4 Stars Initiative Management	10.4 Performance Reporting & Analytics
1.5 Financial Alignment	2.4 MA Bid Creation & Submission	3.5 Market Products	4.5 Print fulfillment	5.5 Claims Adjudication	6.5 Provider Recruiting & Network Development	7.5 Model of Care Chronic Condition Program	8.5 Manage Pharmacy Directory	9.5 HEDIS Submissions	10.5 Risk Management
1.6 Corporate Strategic Alignment	2.5 CMS Application Process	3.6 Agent Customer Service & Self Service	4.6 Organization Determinations, Appeals & Grievances	5.6 Prepayment Editing	6.6 Service Provider Inquiries	7.6 Home & community-based services/partners (e.g., local and National)	8.6 Medication Therapy Management	9.6 CAHPS & HOS	10.6 Vendor Performance & Delegation Oversight
1.7 Enterprise Organizational Alignment		3.7 Shopping Experience	4.7 Call Center Management	5.7 Claims Payment	6.7 Manage Provider Directory	7.7 Wellness Programs	8.7 Pharmacy Customer Service & Self Service	9.10 Quality Improvement Program	10.7 Finance & Reconciliations
1.8 IT Strategic Alignment		3.8 Digital Marketing	4.8 IVR Management	5.8 Remittance Generation	6.8 Provider Performance Management	7.8 Provider Engagement (e.g., ACN, point of care collaboration)	8.8 Coverage Determinations, Appeals & Grievance	9.11 NCQA Measures	
1.9 Internal Comms & Change Management			4.9 Service Member Inquiries & Self Service	5.9 EOB Generation	6.9 Payment Integrity	7.9 Advanced Analytics	8.9 Pharmacy Reporting & Analytics		
			4.10 Medical Customer Service & Self Service		6.10 Provider Customer Service & Self Service	7.10 Population Health			

2023 Resource Planning

ITEM	PROJECTS PROJECT NAME	CATEGORY		TECHNICAL OPERATIONS			ENTERPRISE CONFIG			ENTERPRISE DEVELOPMENT				BUSINESS INTELLIGENCE				LABOR TOTAL TECH HOURS
		BUDGET	TYPE	InfoSEC	System	Network	CONFIG (PAYMENT)	CONFIG (CLAIMS)	CONFIG (CLINICAL)	DB OPS	DB DEV	APP DEV	EDI DEV	BIA	PIA	DS	DA	
1	D-SNP Planning and Implementation Preparations	Expense	Regulatory		1,900		1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	23,344
2	PHM Programs - Regulatory Implementation	Expense	Regulatory		650				1,900		800	400		800	120	1,900	1,900	8,270
3	Expansion of ECM	Expense	Regulatory		372		216	216	1,384		1,500	300	552	444	80	180	180	5,283
4	NCQA Accreditation Readiness	Expense	Regulatory		560		280	280	728		560	560	560	608	528	560	560	5,156
5	2024 Contract Amendment	Expense	Regulatory					720	640		560	160	480				1,440	4,200
6	PHM EMR Access	IPP	Regulatory		240				120		800	250	800	40	60	800	200	3,310
7	Expansion of Community Support Services (CSS)	Expense	Regulatory		192		192	192	1,524					624	120		460	3,600
8	Behavioral Health Program	Expense	Regulatory		84				978		500	90	186	212	60	160	256	2,177
9	Retire Legacy EDI Processes/Systems	Expense	Risk		200					60	100	50	500	200	40	200	100	2,200
10	PHM Screening Tools	Capital	Regulatory		262				726		260	260	260	160	180	180	120	2,288
11	QNXT/NetworkX Upgrade 2023	Expense	Risk		298		120	240	68		90	200	155	130	95	70	205	2,200
12	Infrastructure System Upgrades	Capital	Risk		640					1,900								2,120
13	ODS to EDW Migration	Expense	Risk		48					100	610	345		100	60	540	240	2,043
14	Purge and Archiver Data Governance Standards	Expense	Risk		412						960			140	180	140	140	1,522
15	Data Lineage and Cataloging (new) Governance Stand	Capital	Risk		412					360	360			140	180	140	140	1,522
16	PHM Data Integration & Reporting	IPP	Regulatory		180						300	180	120	176	120	336	240	1,522
17	DR Remediation	Expense	Risk		280					280	120	120	120	120	160	280	120	1,600
18	Long Term Care Benefit	Expense	Regulatory		96		112	128	408		220		220	128	100	60	60	1,532
19	Member Rewards Enhancement	Capital	Process Improvement		24				100		106		226		100	384	328	1,268
20	Verification of Services	Expense	Regulatory		196						224	408		124	60	80	60	1,152
21	BC/DR Test	Expense	Risk	106	178	94		80	80	80		80	80	80			80	1,104
22	MCAS Hedis STAR Software Solution	Capital	Risk		236						432				48	120	292	1,028
23	JIVA Grievance Module	Capital	DSNP						162		162	50	50		110	80	90	654
24	TDX Upgrade 2023	Expense	Risk		144					120		80			40	80	60	524
25	Claims Editing Software (CES) KB Updates	Expense	Regulatory		40				360		60						80	520
26	SharePoint Upgrade and Online Migration	Expense	Risk	24	120					80		20		88	70		80	482
27	Mobile Preventive Health Services Program	Expense	Medical Management				30							124	120	60	80	414
28	JIVA Update	Expense	Medical Management		120				120		80							320
29	Mfiles Update	Expense	Risk		60					68		64		12			44	248
30	MCG Updates	Expense	Regulatory		20				40									60
Total (Hours)				2,782	17,244	1,926	6,900	10,668	16,553	9,299	16,244	10,472	12,299	10,152	6,611	12,830	16,868	199,255
Resource Demand (Employee)				1.46	9.08	1.01	3.63	5.61	8.71	4.89	8.55	5.51	6.47	5.34	3.48	6.75	8.88	85
Full-Time Employees				2.00	5.00	1.00	1.00	2.00	4.00	3.00	4.00	5.00	4.00	5.00	2.00	1.00	7.00	53
Variance				0.54	(4.08)	(0.01)	(2.63)	(3.61)	(4.71)	(1.89)	(4.55)	(0.51)	(2.47)	(0.34)	(1.48)	(5.75)	(1.88)	32
2023 CONSULTING REQUEST				1.0	5.0	1.0	3.0	4.0	5.0	2.0	6.0	1.0	3.0	1.0	2.0	6.0	2.0	42.0

Benefits of Outsourcing

- Staffing Flexibility to Accommodate Temporary Project Load.
- Reduce Long Term Administrative Costs.
- Obtain Resources Not Easily Available Locally.
- Find Skilled Resources Needed for Specific Projects.
- Ensure Projects are Successful Through Adequate Staffing.

Historical Expenditures

AREA	PROJECTS	RESOURCES	REQUESTED	ACTUAL	VARIANCE	
2020						
Management Information Systems	20	16	\$4,236,600	\$3,849,616	\$386,984	
2021						
Management Information Systems	28	13	\$3,561,948	\$3,164,567	\$397,381	
2022*						
AREA	PROJECTS	RESOURCES	REQUESTED	ACTUAL	PROJECTED	VARIANCE
Management Information Systems	28	35	\$9,178,190	\$3,987,869	\$5,827,772	\$3,350,418
Project Management		5	\$1,096,000	\$465,540	\$507,505	\$588,495
DSNP		1	\$95,000	\$0	\$81,648	\$13,352
TOTAL:			\$10,369,190	\$4,453,409	\$6,416,925	\$3,952,265
2023 (REQUEST)						
AREA	PROJECTS	RESOURCES	REQUESTED			
Management Information Systems	30	29	\$7,365,693	N/A		
Project Management		5	\$1,185,600			
DSNP		21	\$6,515,185			
TOTAL:			\$15,066,478			

* Actual as of end of September and variance forecasted out to end of year.

Professional Services Vendors

Item	Vendor	Avg. Price	Approach	LHPC	Onshore	Incumbent	Location	References	Financials
1	VENDOR 1	\$80.32	5	5	Y	N	CA	3	N
2	VENDOR 2	\$82.27	4	0	Y	N	NJ	4	Y
3	VENDOR 3	\$87.18	5	5	Y	N	PA	3	Y
4	VENDOR 4	\$91.10	5	0	Y	N	VA	3	Y
5	VENDOR 5	\$93.00	4	5	Y	Y	MA	3	N
6	VENDOR 6	\$98.36	5	5	Y	N	MD	3	Y
7	VENDOR 7	\$102.27	4	5	Y	Y	WA	3	N
8	VENDOR 8	\$108.18	4	0	Y	N	CA	3	Y
9	VENDOR 9	\$113.18	5	5	Y	Y	PA	3	N
10	VENDOR 10	\$118.64	4	0	Y	N	VA	3	Y
11	VENDOR 11	\$118.95	5	5	Y	Y	MD	3	Y
12	VENDOR 12	\$124.82	5	5	Y	Y	NY	4	Y

KHS Finance Committee Meeting, December 9, 2022



Finance Committee Request

- 1) Recommend to KHS Board of Directors to approve 2023 Operating & Capital Budgets.
- 2) Recommend to KHS Board of Directors, as requested in the following agenda item, to authorize the CEO to approve contracts associated with the procurement of Professional Resources to various consulting companies in the amount not to exceed \$15,066,478 in operating and capital expenses associated for labor needed to complete the 2023 corporate and department projects.

KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2023 BUDGET

	2023 BUDGET	EST ANNUAL 2022	DIFFERENCE	PMPM 2023 BUDGET	PMPM 2022 ANNUAL	PMPM DIFFERENCE	PMPM % DIFFERENCE
	\$	\$	\$	4,158,950	3,834,013	324,937	8%
REVENUE							
Capitation (excludes Prop 56 & GEMT)	942,680,028	829,971,589 (3)	112,708,438	226.66	216.48	10.19	5%
LTC Dual/Non Dual Capitation	93,705,838 (4)	-	93,705,838	22.53	-	22.53	100%
Maternity Kick Supplemental Payment	36,227,616	38,207,296	(1,979,680)	8.71	9.97	(1.25)	-13%
Behavioral Health Integration Program	- (7)	4,569,085	(4,569,085)	-	1.19	(1.19)	-100%
Enhanced Care Management	25,475,578	22,988,032	2,487,546	6.13	6.00	0.13	2%
Major Organ Transplant	6,615,222	6,130,022	485,200	1.59	1.60	(0.01)	-1%
CalAIM Incentive Program	30,606,291	17,973,215	12,633,076	7.36	4.69	2.67	57%
Proposition 56 Supplemental Payments	79,782,687	69,962,512	9,820,175	19.18	18.25	0.94	5%
Ground Emergency Medical Transportation (GEMT)							
Supplemental Payments	6,392,315	6,913,384	(521,070)	1.54	1.80	(0.27)	-15%
Total MCAL Revenue	1,221,485,574	996,715,136	224,770,438	293.70	259.97	33.73	13%
Add-Ons (Directed Provider Payments)	228,984,127	220,023,715	8,960,412	52.92	57.39	(4.47)	-8%
MCO Tax Revenue	144,952,825	124,962,872	19,989,953	33.50	32.59	0.91	3%
Interest	5,158,950	1,006,431	4,152,519	1.24	0.26	0.98	373%
Reinsurance	914,969	175,997	738,972	0.22	0.05	0.17	379%
TOTAL REVENUE	1,601,496,445	1,342,884,151	258,612,294	385.07	350.26	34.82	10%
MEDICAL							
Inpatient Hospital	281,876,533	251,394,336	30,482,197	67.78	65.57	2.21	3%
Outpatient Facility	122,276,102	106,982,989	15,293,113	29.40	27.90	1.50	5%
Emergency Room Facility	68,934,910	60,238,341	8,696,569	16.58	15.71	0.86	5%
Long-Term Care Facility - Long-Term	93,705,838 (4)	-	93,705,838	22.53	-	22.53	100%
Primary Physician Services	53,023,513	46,289,209	6,734,304	12.75	12.07	0.68	6%
Urgent Care	30,571,682	24,844,404	5,727,278	7.35	6.48	0.87	13%
Physician Specialty	173,754,546	154,880,404	18,874,142	41.78	40.40	1.38	3%
Behavioral Health Treatment and Mental Health	22,620,105	18,666,004	3,954,101	5.44	4.87	0.57	12%
Vision	4,252,839	3,872,353	380,486	1.02	1.01	0.01	1%
Other Medical Professional	22,607,969	18,000,368	4,607,600	5.44	4.69	0.74	16%
Enhanced Care Management	24,201,799	21,838,630	2,363,168	5.82	5.70	0.12	2%
Major Organ Transplant	6,284,461	5,823,521	460,940	1.51	1.52	(0.01)	-1%
DME	12,742,556	11,227,526	1,515,030	3.06	2.93	0.14	5%
Home Health and CBAS	12,024,455	10,031,679	1,992,776	2.89	2.62	0.27	10%
Other- Ambulance and Non-Emergent Transportation	19,687,593	17,037,921	2,649,672	4.73	4.44	0.29	7%
Other - LTC (Short-Term), SNF, Hospice	22,009,483	19,589,039	2,420,444	5.29	5.11	0.18	4%
Behavioral Health Integration Program	- (7)	4,569,086	(4,569,086)	-	1.19	(1.19)	-100%
Pay for Performance Quality Incentive	6,238,425	5,751,020	487,405	1.50	1.50	(0.00)	0%
CalAIM Incentive Program	29,075,976	18,669,027	10,406,950	6.99	4.87	2.12	44%
Provider Enhancement Expense - Prop 56	75,793,553	69,119,613	6,673,940	18.22	18.03	0.20	1%
Provider Enhancement Expense - GEMT	6,072,699	5,759,007	313,691	1.46	1.50	(0.04)	-3%
Add-Ons Directed Provider Payments	228,984,127	220,023,715	8,960,412	52.92	57.39	(4.47)	-8%
Reinsurance Premium	914,969	690,122	224,847	0.22	0.18	0.04	22%
UM/QA Costs (including Utilization & Quality Review)	52,759,517 (5)	33,598,914	19,160,603	12.69	8.76	3.92	45%
Total Medical Costs	1,370,413,650 (8)	1,128,897,230	241,516,420	329.51	294.44	35.07	12%
GROSS PROFIT/(LOSS)	231,082,795	213,986,921	17,095,875	55.56	55.81	(0.25)	0%

ADMINISTRATIVE	<u>84,390,686</u>	<u>63,602,827</u>	<u>20,787,859</u>	<u>20.19</u>	<u>16.59</u>	<u>3.70</u>	22%
NET PROFIT/(LOSS) BEFORE MCO TAX	<u>146,692,109</u>	<u>150,384,093</u>	<u>(3,691,984)</u>	<u>35.27</u>	<u>39.22</u>	<u>(3.95)</u>	-10%
MCO TAX EXPENSE	<u>144,952,825</u>	<u>124,956,603</u>	<u>19,996,222</u>	<u>33.50</u>	<u>32.59</u>	<u>0.91</u>	3%
NET PROFIT/(LOSS) AFTER MCO TAX	<u>1,739,284</u>	<u>25,427,491</u>	<u>(23,688,207)</u>	<u>0.42</u>	<u>6.63</u>	<u>(6.21)</u>	-94%
D-SNP EXPENSES	7,503,760 (6)	*					
HEALTH HOME PROGRAM/CAL AIM GRANT EXPENSES	*	5,973,631					
NET PROFIT/(LOSS) AFTER GRANT EXPENSE	<u>(5,764,476)</u>	<u>19,453,860</u> (1)(2)					
MEDICAL LOSS RATIO (EXCLUDING MCO TAX, GRANTS, DIRECTED PAYMENTS AND D-SNP)	92.98%	91.08%					
ADMIN RATIO (EXCLUDING MCO TAX, GRANTS, DIRECTED PAYMENTS AND D-SNP)	6.87%	6.37%					

(1) 2022 has been adjusted for approximately \$12.6 million of net favorable prior period adjustments including retro capitation adjustments and IBNR and paid claims adjustments recognized as of September 2022.

(2) 2022 Annual is estimated using September Financials, the 2022 Budget, and other adjustments due to timing differences and availability of updated current information.

(3) 2022 Estimated Capitation revenue includes Behavioral Health Treatment (BHT) supplemental kick payments of approximately \$18 mil. Starting January 1, 2023, the BHT supplemental payments will be paid as part of the monthly capitation payments.

(4) Assumed in CY 2023 approximately 650 Long-Term Care Dual/Non-Dual members will be transferred from Fee for Service to Managed Care in addition to non-LTC aid code transitions. The impact is budgeted to be cost neutral.

(5) Includes new departments for Behavioral Health, Member Engagement, Health Equity and significant increases for member incentives.

(6) Readiness preparation related to D-SNP/MediCare implementation with a scheduled go-live date of January 1, 2026.

(7) The Behavioral Health Integration (BHI) Incentive Program was a two year program scheduled through December 31, 2022.

(8) Includes \$8.3 million of cost savings from Medical Management 2023 MLR Strategies.

**KERN HEALTH SYSTEMS
P & L BY MAJOR CATEGORY OF SERVICE
2023 BUDGET**

	ALL COAs		FAMILY & OTHER		SPD		EXPANSION	
	4,158,950		\$	2,826,650	\$	212,900	\$	1,119,400
REVENUE								
Capitation	942,680,028	226.66	404,838,140	143.22	189,148,694	888.44	348,693,194	311.50
LTC Dual/Non Dual Capitation	93,705,838	22.53	48,019,080	16.99	32,454,658	152.44	13,232,100	11.82
Maternity Kick	36,227,616	8.71	33,389,786	11.81	-	-	2,837,830	2.54
Enhanced Care Management	25,475,578	6.13	8,055,361	2.85	6,086,811	28.59	11,333,406	10.12
Major Organ Transplant	6,615,222	1.59	1,849,363	0.65	1,935,261	9.09	2,830,598	2.53
CalAIM Incentive Program	30,606,291	7.36	13,385,047	4.74	6,535,815	30.70	10,685,428	9.55
Proposition 56 Supplemental Payments	79,782,687	19.18	51,086,695	18.07	6,335,767	29.76	22,360,225	19.98
GEMT	6,392,315	1.54	2,240,546	0.79	1,705,329	8.01	2,446,440	2.19
Total MCAL Revenue	1,221,485,574	293.70	562,864,017	199.13	244,202,336	1,147.03	414,419,221	370.22
Add-Ons (Directed Provider Payments)	228,984,127	52.92	102,523,426	36.27	41,153,974	193.30	85,306,726	76.21
MCO Tax Revenue	144,952,825	33.50	98,862,216	34.98	7,286,827	34.23	38,803,782	34.66
Interest	5,158,950	1.24	5,158,950	1.83	-	-	-	-
Reinsurance	914,969	0.22	621,863	0.22	46,838	0.22	246,268	0.22
TOTAL REVENUE	1,601,496,445	385.07	770,030,473	272.42	292,689,975	1,374.78	538,775,997	481.31
MEDICAL								
Inpatient Hospital	281,876,533	67.78	102,357,498	36.21	69,337,484	325.68	110,181,551	98.43
Outpatient Facility	122,276,102	29.40	44,263,662	15.66	25,479,644	119.68	52,532,796	46.93
Emergency Room Facility	68,934,910	16.58	39,206,952	13.87	7,103,688	33.37	22,624,270	20.21
Long-Term Care Facility - Long-Term	93,705,838	22.53	48,019,080	16.99	32,454,658	152.44	13,232,100	11.82
Primary Physician Services	53,023,513	12.75	36,017,151	12.74	3,680,699	17.29	13,325,663	11.90
Urgent Care	30,571,682	7.35	21,166,256	7.49	1,451,539	6.82	7,953,887	7.11
Physician Specialty	173,754,546	41.78	82,529,892	29.20	25,183,290	118.29	66,041,363	59.00
Behavioral Health Treatment and Mental Health	22,620,105	5.44	12,637,238	4.47	9,128,883	42.88	853,985	0.76
Vision	4,252,839	1.02	2,888,758	1.02	222,293	1.04	1,141,788	1.02
Other Medical Professional	22,607,969	5.44	9,863,979	3.49	3,555,302	16.70	9,188,688	8.21
Enhanced Care Management	24,201,799	5.82	7,652,592	2.71	5,782,470	27.16	10,766,736	9.62
Major Organ Transplant	6,284,461	1.51	1,756,895	0.62	1,838,498	8.64	2,689,068	2.40
DME	12,742,556	3.06	4,618,711	1.63	5,115,980	24.03	3,007,865	2.69
Home Health and CBAS	12,024,455	2.89	4,150,486	1.47	5,107,328	23.99	2,766,641	2.47
Other- Ambulance and Non-Emergent Transportation	19,687,593	4.73	10,413,984	3.68	3,867,306	18.16	5,406,303	4.83
Other - LTC (Short-Term), SNF, Hospice	22,009,483	5.29	4,349,624	1.54	11,429,074	53.68	6,230,785	5.57
Pay for Performance Quality Incentive	6,238,425	1.50	4,239,975	1.50	319,350	1.50	1,679,100	1.50
CalAIM Incentive Program	29,075,976	6.99	12,715,795	4.50	6,209,025	29.16	10,151,157	9.07
Provider Incentive Payments - Prop 56 & GEMT	81,866,252	19.68	50,660,878	17.92	7,639,042	35.88	23,566,332	21.05
Add Ons Directed Provider Payments	228,984,127	52.92	102,523,426	36.27	41,153,974	193.30	85,306,726	76.21
Reinsurance Premium	914,969	0.22	621,863	0.22	46,838	0.22	246,268	0.22
UM/QA Costs (including Utilization & Quality Review)	52,759,517	12.69	23,073,316	8.16	11,266,522	52.92	18,419,678	16.45
Total Medical Costs	1,370,413,650	329.51	625,728,011	221.37	277,372,887	1,302.83	467,312,752	417.47
GROSS PROFIT/(LOSS)	231,082,795	55.56	144,302,461	51.05	15,317,088	71.94	71,463,245	63.84
ADMINISTRATIVE	84,390,686	20.29	38,887,467	13.76	16,871,589	79.25	28,631,629	25.58
NET PROFIT/(LOSS) BEFORE MCO TAX	146,692,109	35.27	105,414,994	37.29	(1,554,501)	(7.30)	42,831,616	38.26
MCO TAX EXPENSE	144,952,825	33.50	98,862,216	34.98	7,286,827	34.23	38,803,782	34.66
NET PROFIT/(LOSS) AFTER MCO TAX	1,739,284	0.42	6,552,778	2.32	(8,841,328)	(41.53)	4,027,834	3.60
MEDICAL LOSS RATIO (EXCLUDING MCO TAX AND DIRECTED PROVIDER PAYMENTS)	92.98%		92.01%		96.71%		92.12%	
ADMIN RATIO (EXCLUDING MCO TAX AND DIRECTED PAYMENTS)	6.87%		6.84%		6.91%		6.90%	

**KERN HEALTH SYSTEMS
BUDGETED MEMBER MONTHS
CY 2023**

MEDI-CAL	JAN'23	FEB'23	MAR'23	APR'23	MAY'23	JUN'23	JUL'23	AUG'23	SEP'23	OCT'23	NOV'23	DEC'23	CY 2023
19 & OVER	64,000	65,000	65,000	65,000	65,000	65,000	64,600	64,200	63,800	63,400	63,000	62,600	770,600
UNDER 19	145,000	148,400	148,800	149,200	149,600	150,000	149,500	149,000	148,500	148,000	147,500	147,000	1,780,500
SPDS	17,000	18,000	18,000	18,000	18,000	18,000	17,900	17,800	17,700	17,600	17,500	17,400	212,900
TOTAL OTHER	8,700	24,150	24,150	24,150	24,150	24,150	24,350	24,350	24,350	24,350	24,350	24,350	275,550
-Blind Disabled/Aged Dual (3)	8,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	23,700	269,400
-LTC Non Dual (4)	0	50	50	50	50	50	50	50	50	50	50	50	550
-LTC Dual (4)	0	400	400	400	400	400	600	600	600	600	600	600	5,600
MEDI-CAL EXPANSION	91,000	93,000	93,000	93,000	93,000	93,000	92,400	91,800	91,200	90,600	90,000	89,400	1,101,400
-Expansion Dual	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	17,400
-Expansion Partial Dual	50	50	50	50	50	50	50	50	50	50	50	50	600
TOTAL MEDI-CAL	327,200	350,050	350,450	350,850	351,250	351,650	350,250	348,650	347,050	345,450	343,850	342,250	4,158,950
Kaiser Membership	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
TOTAL COMBINED	341,200	364,050	364,450	364,850	365,250	365,650	364,250	362,650	361,050	359,450	357,850	356,250	4,326,950

- (1) Assumes additional 400 births each month for Child
- (2) Assumes -2000 members reduction per month due to redeterminations beginning in July: Adult -400, Child -900, Expansion -600, Spd -100
- (3) Assumes 1,000 Adults; 3,000 Children; 1,000 SPD's; 15,000 Duals; 2,000 Expansion members being transferred from Fee for Service to Managed Care starting in February
- (4) Assumes 400 Long-Term Care Duals and 50 NonDual Members starting in February being transferred from Fee for Service to Managed Care then

KERN HEALTH SYSTEMS MEDI-CAL 2023 REVENUE BUDGET	
REVENUES	
Title XIX - Medicaid Adult/Child & Other	
Title XIX - Medicaid Seniors & Persons w/Disabilities	
Title XIX - Medicaid Expansion	
SUBTOTAL PREMIUM REVENUE	
Directed Payment Revenue	
Title XIX - Medicaid - MCO Tax	
TOTAL MEDICAID REVENUE	
Interest Revenue	
Reinsurance Recoveries	
TOTAL REVENUES	

	PMPM	\$
	199.13	562,864,017
	1,147.03	244,202,336
	370.22	414,419,221
(1-8)	293.70	1,221,485,574
(9)	52.92	228,984,127
(12)	33.50	144,952,825
	383.61	1,595,422,526
(10)	1.24	5,158,950
(11)	0.22	914,969
	385.07	1,601,496,445

REVENUE ASSUMPTIONS

- 1) PREMIUM REVENUE IS BASED ON DRAFT RATE INFORMATION FOR CY 2023 PROVIDED BY DHCS (JANUARY-DECEMBER 2023) ON SEPTEMBER 17, 2022. BASED ON ASSUMPTIONS, WE HAVE ACCOUNTED FOR ADJUSTMENTS TO BE INCLUDED IN THE FINAL RATES FOR NEW PROGRAM BENEFITS, TRENDS, AND RISK ADJUSTMENTS. PRELIMINARY DRAFT RATES FOR CY 2023 ARE EXPECTED TO BE ISSUED IN DECEMBER 2022.
- 2) PREMIUM REVENUE INCLUDES APPROXIMATELY \$93.7 MILLION OF ADDITIONAL CAPITATION FOR THE LONG-TERM CARE DUAL/NON-DUAL MEMBER POPULATION BEING TRANSFERRED FROM FEE FOR SERVICE TO MANAGED CARE IN CY 2023. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 3) MATERNITY KICK REVENUE INCLUDED IN PREMIUM REVENUE INCLUDES A MONTHLY DELIVERY ASSUMPTION OF 400 DELIVERIES PER MONTH AND NEWBORNS ACCOUNT FOR A PORTION OF THE MONTHLY MEMBERSHIP INCREASE.
- 4) PROP 56 ADD-ON REVENUE IS BUDGETED WITH CY 2022 RATES AS PLACEHOLDER RATES AND ASSUMES NO SIGNIFICANT PROGRAM CHANGES FROM 2022. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 5) GEMT ADD-ON REVENUE IS BUDGETED USING CY 2022 RATES AND ASSUMES NO SIGNIFICANT PROGRAM CHANGES FROM 2022. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 6) ENHANCED CARE MANAGEMENT PROGRAM ADD-ON REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED USING CY 2022 RATES. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 7) MAJOR ORGAN TRANSPLANT ADD-ON REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED WITH CY 2022 RATE INFORMATION. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 8) CALAIM INCENTIVE PROGRAM REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON PROGRAM DOLLAR AMOUNTS EXPECTED TO BE PROVIDED BY DHCS. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 9) DIRECTED PAYMENT ADD-ON REVENUE INCLUDING PHDP, EPP, AND QIP IS BUDGETED USING CY 2021 RATES AS A PLACEHOLDER AS THESE RATES ARE THE MOST CURRENT AVAILABLE RATES PROVIDED BY DHCS. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 10) BUDGETED INTEREST REVENUE IS BASED ON THE RESULTS OF 2022 YTD EARNINGS THROUGH AUGUST AND INCREASED TO ACCOUNT FOR AN EXPECTED INCREASE IN CY 2023 INTEREST RATES. POTENTIAL UNKNOWN MARKET GAINS OR LOSSES ARE NOT INCLUDED.
- 11) FOR CY 2023, THE REINSURANCE DEDUCTIBLE IS EXPECTED TO INCREASE APPROXIMATELY 20% FROM THE 2022 RATES TO .22 PMPM. REINSURANCE RECOVERIES ARE ASSUMED AT 100% OF PREMIUM.
- 12) MCO TAX REVENUE IS BASED ON ESTIMATED PMPM RATES OF \$33.50 WHICH IS ESTIMATED BASED ON THE CY2022 MCO TAX RATES. THE CURRENT MCO TAX PROGRAM IS SCHEDULED TO EXPIRE IN DECEMBER 2022 AND THE STATUS OF PROGRAM RENEWAL AND RATES AT THIS TIME IS UNKNOWN. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.

**KERN HEALTH SYSTEMS
2023 BUDGET
UTILIZATION AND UNIT COST ASSUMPTIONS**

FAMILY & OTHER

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%

SENIORS & PERSONS WITH DISABILITIES (SPD)

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
4.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%

EXPANSION

Inpatient Hospital
Outpatient Facility
Emergency Room
Long Term Care/Hospice
Urgent Care
Physician Primary Care
Physician Specialty
Other Medical Professional
Mental Health
Laboratory and Radiology
Home and Community Based Services
Other, Ambulance, and Non-Emergency Medical Transportation

Annualized Increase	
Unit Cost	Utilization
3.00%	1.00%
2.00%	3.00%
1.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	1.00%
3.00%	3.00%
3.00%	1.00%

Note 1: The above percentages were based on paid claims cost history for the 6 month period January 2022 through June 2022 paid as of August 2022. Percentages are rounded to the nearest whole percentage.

Note 2: The above percentages do not include any proposed 2023 Medical Management MLR Strategies which could result in utilization savings

2023 ADMINISTRATIVE BUDGET ASSUMPTIONS

KERN HEALTH SYSTEMS MEDI-CAL ADMINISTRATIVE EXPENSES	2023 BUDGET		2022 ESTIMATED		DIFFERENCE	
	PMPM	\$	PMPM	\$	PMPM	\$
	Administrative:					
Compensation	11.59	48,218,491	10.20	39,108,465	1.39	9,110,025
Purchased Services	5.01	20,816,085	3.20	12,251,429	1.81	8,564,656
Supplies	0.49	2,045,056	0.34	1,289,093	0.16	755,963
Depreciation	1.88	7,799,394	1.82	6,969,109	0.06	830,285
Other Administrative Expenses	1.33	5,511,660	1.04	3,984,730	0.29	1,526,929
Total Administrative Expenses	20.29	\$ 84,390,686	16.59	\$ 63,602,827	3.70	\$ 20,787,859
Member Months		4,158,950		3,834,013		324,937

COMPENSATION

COMPENSATION EXPENSE WAS BASED ON STAFFING LEVELS NEEDED FOR THE GRADUAL ENROLLMENT OF 4,158,950 MEMBER MONTHS AND FOR THE IMPLEMENTATION AND MANAGEMENT OF BENEFITS AND PROGRAMS REQUIRED UNDER CALAIM.

- 1.) THE 2023 BUDGETED COMPENSATION AMOUNT INCLUDES AN INCREASE OF APPROXIMATELY \$3,600,000 FOR 28 NEW ADMINISTRATIVE STAFF POSITIONS NEEDED FOR REGULATORY PROJECTS, AND TO SUPPORT OPERATIONAL IMPROVEMENTS, MEMBERSHIP GROWTH AND NEW BENEFITS. APPROXIMATELY \$3,100,000 OF THE PROJECTED INCREASE IS FOR A 4% AVERAGE MERIT ADJUSTMENT, PROMOTIONS, AND A \$5,000 PER EMPLOYEE INFLATION STIPEND ON JULY 1, 2023 FOR ALL EMPLOYEES.
- 2.) THE 2023 EXPENSE INCLUDES AN INCREASE OF APPROXIMATELY \$2,400,000 FROM ESTIMATED 2022 EXPENSE DUE TO ESTIMATED INCREASES IN PAYROLL TAXES AND BENEFIT RATES, INCLUDING CALPERS AND EMPLOYER RETIREMENT CONTRIBUTIONS.

PURCHASED SERVICES

- 3.) THE 2023 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$3,800,000 FOR OUTSIDE PROFESSIONAL SERVICES AND CONSULTING NEEDED TO COMPLETE 2023 APPROVED PROJECTS WHICH INCLUDE REGULATORY REQUIRED PROJECTS AND AN EXPECTED INCREASE OF APPROXIMATELY \$2,000,000 FOR PROFESSIONAL RESOURCES NEEDED TO SUPPORT THE OPERATIONS OF ENHANCED CARE MANAGEMENT AND COMMUNITY SUPPORT SERVICES PROGRAMS.
- 4.) THE 2023 BUDGET INCLUDES APPROXIMATELY \$2,200,000 FOR INCREASES IN ANNUAL SYSTEM MAINTENANCE EXPENSES INCLUDING PURCHASES OF NEW LICENSES AND INCREASES TO INFORMATION SECURITY SYSTEM EXPENSES.
- 5.) THE 2023 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$500,000 FOR OTHER PROFESSIONAL SERVICES EXPENSES INCLUDING INCREASES IN ADVERTISING AND PROMOTIONS, EQUIPMENT MAINTENANCE AND REPAIRS, LEGAL EXPENSES, AND CLAIM PROCESSING EXPENSES.

SUPPLIES

- 6.) THE 2023 BUDGETED EXPENSE FOR SUPPLIES INCLUDES AN INCREASE OF APPROXIMATELY \$750,000 FOR SUCH OFFICE ITEMS AS LETTERHEAD, ENVELOPES, OFFICE EQUIPMENT PURCHASES, AND SUPPLIES RELATED TO MEMBER MAILINGS INCLUDING POSTAGE.

DEPRECIATION

- 7.) THE 2023 DEPRECIATION EXPENSE IS EXPECTED TO INCREASE APPROXIMATELY \$800,000 DUE TO A FULL YEAR OF EXPENSE FOR CAPITALIZED ASSETS COMPLETED AND PUT INTO PRODUCTION IN 2022, INCLUDING NEW SOLAR PANELS.

OTHER ADMINISTRATIVE EXPENSES

- 8.) THE 2023 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES OF APPROXIMATELY \$500,000 IN RECRUITMENT EXPENSES AND TRAINING & DEVELOPMENT EXPENSE.
- 9.) THE 2023 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$1,000,000 FOR OTHER ADMINISTRATIVE EXPENSES INCLUDING INCREASES IN REGULATORY LICENSE FEES, EMPLOYEE TRAINING COSTS, UTILITIES AND MISCELLANEOUS OTHER EXPENSES.

KERN HEALTH SYSTEMS

2023 BUDGETED FTE BY DEPARTMENT

EXPECTED MEMBERSHIP		327,210	330,874	336,450	343,840	351,250	359,650	370,214	380,431	387,050	395,470	403,850	411,250	4,198,974		
CC	DEPARTMENT	PROJECTED DECEMBER 2022	JAN 2023	FEB 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	JULY 2023	AUGUST 2023	SEPT 2023	OCT 2023	NOV 2023	DEC 2023	TOTAL 2023	TOTAL 2023 FTE ADDITIONS
ADMINISTRATIVE FTES:																
	110 EXECUTIVE	6	-	-	-	-	-	-	-	-	-	-	-	-	6	-
	210 FINANCE	15	-	-	-	-	-	-	-	-	-	-	-	-	15	-
	220 INFORMATION TECHNOLOGY	24	6	-	-	-	-	-	-	-	-	-	-	-	30	6
	222 ENTERPRISE DEVELOPMENT	20	2	-	-	-	-	-	-	-	-	-	-	-	22	2
	230 CLAIMS	41	1	-	-	-	-	-	-	-	-	-	-	-	42	1
	240 PROJECT MANAGEMENT	10	2	-	-	-	-	-	-	-	-	-	-	-	12	2
	320 PROVIDER NETWORK MANAGEMENT	27	-	-	-	-	-	-	-	-	-	-	-	-	27	-
	330 MEMBER SERVICES	98	8	-	-	-	-	-	-	-	-	-	-	-	106	8
	340 CORPORATE SERVICES	17	-	-	-	-	-	-	-	-	-	-	-	-	17	-
	360 COMPLIANCE & REGULATORY AFFAIRS	3	3	-	-	-	-	-	-	-	-	-	-	-	6	3
	470 MARKETING	4	2	-	-	-	-	-	-	-	-	-	-	-	6	2
	510 HR	18	1	-	-	-	-	-	-	-	-	-	-	-	19	1
	603 D-SNP/MEDICARE	6	3	-	-	-	-	-	-	-	-	-	-	-	9	3
MEDICAL FTES:																
	211 BUSINESS INTELLIGENCE	20	2	-	-	-	-	-	-	-	-	-	-	-	22	2
	310 UTILIZATION MANAGEMENT	69	2	-	6	-	-	3	-	-	-	-	-	-	80	11
	311 QE	21	-	-	-	-	-	-	-	-	-	-	-	-	21	-
	312 HEALTH ED	20	1	-	-	-	-	-	-	-	-	-	-	-	21	1
	313 PHARMACY	14	-	-	-	-	-	-	-	-	-	-	-	-	14	-
	314 ENHANCED CARE MANAGEMENT	27	2	-	-	3	-	-	3	-	-	-	-	-	35	8
	316 POPULATION HEALTH MANAGEMENT	40	3	-	-	-	-	-	-	-	-	-	-	-	43	3
	317 COMMUNITY SUPPORT SERVICES	3	3	-	-	-	-	-	-	-	-	-	-	-	6	3
	318 HRBP	11	-	-	-	-	-	-	-	-	-	-	-	-	11	-
	319 IPT	2	-	-	-	-	-	-	-	-	-	-	-	-	2	-
	410 MEMBER ENGAGEMENT	3	4	-	-	-	-	-	-	-	-	-	-	-	7	4
	601 BEHAVIORAL HEALTH	3	3	-	-	-	-	-	-	-	-	-	-	-	6	3
	602 HEALTH EQUITY	4	3	-	-	-	-	-	-	-	-	-	-	-	7	3
	TOTAL	521	52	-	6	3	-	3	3	-	-	-	-	-	588	67



ATTACHMENT 7

2023 New Employee Requests

Background:

Budget period 2023 is a continuation of the major transformation occurring with the Medi-Cal Managed Care Plans throughout California. The CalAIM initiatives will add several new benefits, expansion of membership, implementation of specific initiatives, and significant growth over the next three (3) years. To be successful in implementing the expanded regulatory requirements, KHS will have to expand in all functional areas and in some instances create new departments to be in regulatory compliance with DHCS. For 2023, the addition of full-time employees (FTEs) will be prioritized by focusing on strengthening regulatory compliance and implementation of CalAIM initiatives previously outlined in the 2023 corporate goals.

Described below is each department's additional FTE needs for 2023.

Process:

The KHS CEO and CFO met with each department to review all budgets and staffing requests. After the review was completed, **67 new FTEs** are deemed necessary positions required to meet the various departments demand resulting from:

- Expansion of DHCS programs, primarily from CalAIM initiatives, required over the next several years (D-SNP; NCQA Accreditation; Behavioral Health Program; Quality and Health Equity Program; Expansion of Telehealth Benefit)
- Increase in membership due to Medi-Cal eligibility membership being transferred from the State's Fee for Service Programs
- Increased focus on member Quality scores and overall regulatory compliance
- DHCS Incentive Programs (Incentive Payment Program, Housing and Homelessness Incentive Program, and Student Behavioral Health Improvement Program)
- Expanding health plans' role in data collection, compilation, formatting, presentation and filing requirements as mandated by DHCS and DMHC.



Department Specific Staffing Needs:

- **Information Technology (IT)**

IT requires **6 FTEs** to manage the increased demand for more complex systems and population management as prescribed by DHCS with the CalAIM strategy. The CalAIM approach has placed a significant demand on the Clinical operations for initiatives such as PHM, ECM, CSS, MOT, and LTC, and so **2 FTEs** are required to provide support for the Enterprise Configuration team to complete the additional workload over the JIVA Medical Management System.

Another significant requirement for CalAIM is member and provider engagement. Over the next two years, KHS will transform how it interacts with members and providers and **1 FTE** is required to support the call center, IVR campaigns, local and wide area networking, and internet connectivity. Historically for the last two years, this role has been filled by a consultant and the need to migrate from consulting to a permanent position will provide cost savings.

As KHS grows, and adds 67 employees in 2023, **1 FTE** is needed to support the employee growth in end user support through the organizations help desk function. This role will be added to the existing three help desk analysts that exist today to work on initial support calls.

Information Security is an essential function at KHS to safeguard and protect the company's digital asset. The Security Analyst at KHS has been with KHS for over seven years and is an active military reservist. Over the years, KHS has been able to provide coverage and **1 FTE** is required to provide continuous cyber security oversight to systems and the expansion of health information data exchanges with numerous provider groups and other third parties.

Additionally, **1 FTE** is required to support the need for a new Quality Assurance (QA) program that will perform internal technical audits to ensure that all regulatory deliverables are reviewed for quality. This new role will institute and manage various routine and unplanned inspections for management to establish a quality assurance system.



- **Enterprise Development (ED)**

ED requires a total of **2 FTEs** to keep up with overall growth and demand on Medi-Cal health plans from DHCS. This department is responsible for all data management for the company in the data warehouse; software system integrations; and third party (i.e., providers, supplemental benefits) data transformation and delivery. With CalAIM putting more demand on population health and data driven work approaches, this team has seen a significant increase in the data being managed by the plan and its partners. The ED department requires 2 FTEs for the Database Development and Operations team to manage and support the complex and growing database systems infrastructure needs for the organization.

- **Claims Adjudication and Processing**

Claims requires **1 FTE** to meet the demand of growing regulatory implementations as well as the increase in claims volume. Claims volume will increase due to additional populations and benefit offerings required under Cal-Aim implementations.
(Necessary to fulfill DHCS performance standards and service requirements in 2023)

- **Project Management (PM)**

The PM department requires **2 FTEs** to keep up with the consistent need for new projects to meet the demands of more sophisticated, complex technical infrastructure, performance requirements from DHCS, DMHC and NCQA. The staff will be required to support the need for additional corporate projects to ensure that all regulatory deliverables are managed through the required related business and technical projects.

- **Member Services (MS)**

The Member Services and grievance teams require **9 FTEs** to keep up with the growth in membership by approximately 15,000 members and the rising demand of incoming and outgoing customer service transactions. The Grievances & Appeals regulatory requirements as set forth by DHCS in APL 17-006 whereby all member dissatisfactions are considered grievances, has also increased in volume, administrative oversight, and reporting requirements. Furthermore, APL 21-004 requires Managed Care Plans to adopt additional grievance procedures that provide for the prompt and equitable resolution of discrimination related grievances.
(Necessary to fulfill DHCS performance standards and service requirements in 2023)



- **Compliance and Regulatory Affairs (CRA)**

The compliance and regulatory oversight needs to be fortified due to the financial and operational risk for the plan. CRA requires **3 FTEs** to support the increased number and complexity of regulatory requirements issued through All Plan Letters and other Directives, anticipated increases in Corrective Action Plan development and follow up related to upcoming Routine DHCS and DMHC Medical Audits, increased workload related to 2024 Contract Readiness Activities which includes the submission of approximately 150 deliverables in 2023 and resuming/expanding upon internal audits of operational areas from a contractual and DMHC/DHCS Audit perspective.

(Necessary to fulfill DMHC and DHCS performance standards, filings, and service requirements in 2023)

- **Marketing**

The Marketing department requires **2 FTEs** to enhance member, provider, employee, and corporate communications and to implement strategic approaches to maximize the continuity of coverage as normal eligibility and enrollment operations resume as per DHCS APL 22-004. Marketing will improve and expand communications by promoting KHS accomplishments and community benefits to our employees, providers and community, along with overseeing the development of messaging for member omnichannel communications. Marketing will lead vital Medi-Cal redetermination efforts in Kern County in collaboration with county, provider, and community partners.

- **Human Resources (HR)**

HR requires **1 FTE** as an Instructional Designer in the Learning and Development (“L&D”) area. With the addition of new departments, CalAIM requirements, a planned project to increase functionality and reporting in our current Learning Management System (“LMS”), the revision of all of our Compliance Courses to reflect updated laws and regulations, along with the integration of the LMS to provide resources for the Provider and Member portals, this position will enable the L&D Team to complete the 2023 anticipated project slate without extensive overtime or overburdening the existing team.



- **Dual Eligible Special Needs Population (D-SNP) and Medicare (New Department for 2023)**

D-SNP requires **3 FTEs** to meet the new DHCS requirement to have a D-SNP operational by January 1, 2026. 1 FTE will serve as the Executive Director of Medicare and will be responsible for overall management, planning and setting of strategic objectives. 1 FTE will serve as the Compliance Specialist and will be responsible to set up and implement the compliance monitoring program and oversight for the Medicare DSNP line of business by ensuring compliance with all applicable federal, state and county rules and regulations including but not limited to regulatory guidelines/policies/procedures. 1 FTE will serve as the D-SNP Quality RN and will be responsible for the solutioning/design and implementation of the KHS quality program, policies and procedures to ensure the Medicare D-SNP line of business meets or exceeds quality standards for HEDIS, Medicare 5-Star Quality, NCQA, CMS Quality measures and D-SNP Quality Measures. This team will be charged with leading the D-SNP roadmap for the organization.

(Necessary to meet DHCS requirement in 2026)

- **Business Intelligence (BI)**

BI requires **2 FTEs** to manage the increase in demand for more sophisticated analytics and reporting requirements on Medi-Cal health plans from DHCS, DMHC and NCQAA. This department is tasked with all reporting and analytics for the company. Much of the additional work in 2023 originates from the CalAIM strategy that is being implemented by KHS. Additionally, frequent audits, the consistent delivery of numerous APLs to the plan, and the new DSNP line of business will put even more demand on the BI department. The BI Department has not increased its FTE count over the last 2 years, but instead augmented with consultants. Since the demand for additional hours that will be persistent in future years, the Department requires 2 additional FTEs to support the growth in the workload

- **Utilization Management (UM)**

UM requires **11 FTEs** to support the increased membership enrollment and volume of prior authorization requests to ensure compliance with DHCS requirements for decision timeliness. 7 FTEs will be Non-Clinical Intake coordinators (medical assistant level) and 2 will be Clinical Intake coordinators (RN level). Additionally, 2 new Clinical Intake coordinators (RN Level) will be needed for the new Long-Term Care (LTC) benefit in 2023 for oversight and census management with KHS physician involvement to ensure the care delivery setting is appropriate for the member's clinical and behavioral needs.

(Necessary to fulfill DHCS performance standards, service requirements and new benefit in 2023)



- **Health Education (HE)**

HE requires **1 FTE** to meet KHS' growing and diverse demands for health education program and services. The FTE will be a Health Education Assistant and will allow the department to continue to process referral requests for health education services from providers, members, internal KHS staff and community partners. This position will assist members with registering for KHS' health education services, provide technical assistance to members when accessing these services through KHS' virtual class platform, communicate member participation to the PCP and coordinate access to educational literature and resources. Health education services are not only required under KHS' contract with DHCS, but it is also a key component of prevention and wellness programs as part of KHS Population Health Management model of care and obtaining future NCQA accreditation.

(CalAIM Expansion)

- **Enhanced Care Management (ECM)**

ECM requires **8 FTEs** to assist with care management and outreach support to network ECM provider sites. As a key part of CalAIM, ECM is a Medi-Cal benefit available to select "Populations of Focus" that will address clinical and non-clinical needs of the highest-need enrollees through intensive coordination of health and health-related services. In 2023, the ECM program will be adding 4 more sites/providers to the ECM network. As a result of this expansion, ECM requires 1 ECM Department Trainer for initial and ongoing training required for our ECM providers/sites, 1 ECM Nurse Auditor to support the quality audits required to be done for each site to ensure compliance with the ECM program requirements, 2 ECM Outreach Specialists to outreach to new members for enrollment and continued engagement into the program and 4 ECM Advocates for placement directly with ECM providers/sites, for continued member engagement and to serve as a liaison between the site and KHS.

(CalAIM Expansion)

- **Population Health Management (PHM)**

PHM requires **3 FTE** Licensed Vocational Nurse ("LVN") positions to support and fulfill the carve-in benefit responsibility for Long Term Care ("LTC") beginning January 1, 2023. The LVNs will provide care management and coordination to moderate and low risk level referrals. The LVNs will be assigned to approximately 200 referrals and conducting site visits in various facilities.

(Necessary to fulfill DHCS performance standards and service requirements in 2023)



- **Community Support Services (CSS)**

CCS requires **3 FTEs** to support additional services being offered effective January 1, 2023 such as Respite Care, Medically Tailored Meals, and Sobering Centers. Based on initial estimates, approximately 78,000 members will be considered eligible to receive these new services. Beginning July 1, 2023 additional services we be added including Nursing Facility Transition/Diversion, Community Transition Services/Nursing Facility Transition, Personal Care and Homemaker Services.

(CalAIM Expansion)

- **Member Engagement (ME) - New Department for 2023**

ME requires **4 FTEs** to encourage members to become more active and empowered in their health care, provide the right communication at the right time, create equity of access to health resources, and improve member health disparities. The FTEs will coordinate member engagement strategies for all KHS departments that serve members so that gaps are identified, successful strategies are shared, and member satisfaction and utilization are improved throughout the member's continuum of care.

(Necessary to fulfill DHCS performance standards and service requirements in 2023)

- **Behavioral Health (BH) - New Department for 2023**

BH requires **3 FTEs** as managed care plans have experienced a number of behavioral health focused services that transitioned under their scope of services. In 2018, the managed care plans assumed responsibility of Autistic Behavioral Therapy (ABA) and non-specialty mental health service delivery. Most recently, the plans are to collaborate with specialty mental health providers to incorporate a "No Wrong Door" structure which requires close engagement between providers in coordinating behavioral and mental health care for the member, regardless of initial screening or service entry point. Accordingly, with this increased focus on care integrations, the need to develop a department is essential.

(Necessary to fulfill DHCS performance standards and service requirements in 2023)

- **Health Equity (HE) - New Department for 2023**

CalAIM requires the implementation of a health equity program that will lead the health plan in the development of program services to address the specific inequities in care. This new department will initially require **3 FTEs** to take lead on these initiatives and ensure regulatory requirements are met. This team will also lead the member engagement initiatives to focus on addressing social determinants of health to specific ethnic groups and geographic disparities.

(Necessary to fulfill DHCS performance standards and service requirements in 2023)

2023 CAPITAL BUDGET

**KERN HEALTH SYSTEMS
2023 CAPITAL BUDGET**

ITEM	CORPORATE PROJECTS	TYPE	QTR	COST	NOTES	2022	2021	2020	TOT. PRJ. ⁽²⁾	CalAIM
1	Member Engagement System	B	3,4	\$ 658,500					\$ 658,500	Y
2	DSNP MCAS Star Software	N	3,4	\$ 408,500					\$ 408,500	Y
3	Population Health Management	N	1,2,3,4	\$ 351,000					\$ 351,000	Y
4	DSNP CRM System	B		\$ 275,000					\$ 275,000	Y
5	DSNP JIVA Medicare Module	N	3,4	\$ 281,750					\$ 281,750	Y
6	DSNP Risk Adjustment Software	N	3,4	\$ 250,000					\$ 250,000	Y
7	Data Lineage and Cataloging System	N	1,2	\$ 181,012		\$ 139,381			\$ 320,393	N
				CORPORATE PROJECT SUBTOTAL		\$ 3,664,556	\$ 3,358,394	\$ 5,362,940	\$ 2,545,143	
						2022	2021	2020	PROJECT COST	
				BUILDING IMPROVEMENTS, OFFICE FURNITURE, & EQUIPMENT	QTR	COST				
8	Office Furniture and Equipment	N	1,2,3,4	\$ 560,000		\$ 169,000	\$ 88,250	\$ 343,000	N/A	N
				OFFICE FURNITURE & EQUIPMENT SUBTOTAL		\$ 169,000	\$ 88,250	\$ 343,000	N/A	
						2022³	2021³	2020³		
				TECHNOLOGY	QTR	COST				
9	Information Security (InfoSec) Software	N	1,2,3,4	\$ 750,000		\$ 50,051	\$ 73,165	\$ 69,791	N/A	N
10	Infrastructure Growth and Expansion	N	1,2,3,4	\$ 582,000		\$ 964,320	\$ 197,743	\$ 247,276	N/A	N
11	Employee Equipment	N	1,2,3,4	\$ 290,000		\$ 186,258	\$ 167,168	\$ 74,070	N/A	N
12	Core System Licensing ⁽⁴⁾	N	3,4	\$ 443,590		\$ 624,264	\$ 253,861	\$ 417,275	N/A	N
				TECHNOLOGY SUBTOTAL		\$ 1,824,893	\$ 691,937	\$ 808,412	N/A	
TOTAL 2023 CAPITAL ITEMS						\$ 5,658,449	\$ 4,138,581	\$ 6,514,352	\$ 2,545,143	

(1) Type R is a Renewal or Replacement / Type N is New / Type B is Both

(2) Does not include ongoing maintenance and support that is expected not to exceed 10% of the total project cost during the initial five years

(3) Actual Expenditures

(4) Pending 2022 Invoice from Microsoft

2023 Capital Summary

Corporate Projects

1. *Member Engagement System*

Member engagement is the ongoing interaction between a member and an organization in exchange for meaningful value. Kern Health Systems (KHS) has procured and built several systems over the years to facilitate the organizations member engagement. These systems include the customer service phone calls (cold calls); social media; member website portal; mobile phone application; texting software; automated phone calls (robocalls); online and mobile health risk assessment applications; member rewards; and a Patient Access API (Interoperability). As per policy, KHS reviews major systems after two contract renewals, and the KHS member and provider portal are due to be bid out again in 2023. The incumbent vendor for the portals has been acquired and has outlined a new roadmap for their platform. This project will review all the member engagement systems that exist within KHS and potentially consolidate into a new core member engagement platform.
(Budgetary Impact: \$658,500.)

2. *DSNP Managed Care Accountability Sets (MCAS) Star System*

Medicare uses a Star Rating System to measure how well Medicare Advantage and Part D plans perform. Medicare scores plan performance in several categories, including quality of care and customer service. Ratings range from one to five stars, with five being the highest and one being the lowest. The Star Ratings system helps Medicare consumers compare the quality of Medicare health and drug plans being offered so they are empowered to make the best health plan selection. The Star Ratings system financially rewards higher-performing plans. As part of the DSNP Line of Business KHS will need to procure a system to manage the plan's Star rating using the collective KHS data set.
(Budgetary Impact: \$408,500.)

3. *Population Health Management Screening Tools*

Population Health Management screening tools and health surveys are used by health plans to engage with members and providers. Member satisfaction surveys are required and necessary to keep in touch with the needs of our membership, increasing the effectiveness and efficiency of each visit, and improving patient outcomes. The Health Plan is expected to use surveys from various medians such as provider and member portals, phone, apps, and point of service methods. Additionally, CalAIM requires plans to address Social Determinants of Health that is best captured by direct member applications and tools. This project will expand the

2023 Capital Summary

current health surveys tools and system integration needed to accommodate the additional CalAIM requirement in 2023.
(Budgetary Impact: \$351,000.)

4. *DSNP Customer Relationship Management (CRM) System*

As part of the DSNP Line of Business (LOB), KHS will need to procure a Customer Relationship Module system that allows the plan to store customer and prospect contact information, identify sales opportunities, and manage marketing campaigns all in one central location. The CRM will store all customer information about every interaction for anyone at the company who might need it for reporting and analytics. KHS will need to market and engage potential members for the DSNP Medicare product. This will require KHS to procure a CRM system to perform the complexity of calculating return on investment (ROI); allow for planning; and implement marketing campaigns.
(Budgetary Impact: \$275,000.)

5. *DSNP JIVA Medicare Module*

KHS leverages the ZeOmega JIVA software as the core medical management system. This system stores all clinical information and provides the many operational workflows in a single location for medical management to function. As part of the DSNP LOB, KHS will review and may procure the ZeOmega JIVA Medicare Module in 2023 as part of the comprehensive review of the systems for the DSNP LOB.
(Budgetary Impact: \$281,750.)

6. *DSNP Risk Adjustment Software*

Risk Adjustment is a statistical technique that calculates a relative risk score which can be accumulated to compare health risks of a population and of individuals. This process often uses the Hierarchical Condition Category to estimate future health care costs for patients. As part of the DSNP Line of Business, KHS will need to ensure that Dual eligible members are being properly evaluated and that they receive the appropriate diagnosis, risk code, treatment, and outcomes for their specific set of conditions and disease states. KHS will need to gain insights into provider performance and capabilities, as well as the current health condition of this population for evaluation and consideration for developing care programs. This project will review and procure a system or vendor that will perform these functions for the health plan.
(Budgetary Impact: \$250,000.)

2023 Capital Summary

7. *Data Lineage and Cataloging System*

As KHS has grown in members, utilization, and new programs, so has the amount of data that KHS manages. Examples of these data sets include Electronic Medical Records, laboratory results, vision encounters, pharmacy data, and claims. The data is stored in the Enterprise Data Warehouse (EDW) and normalized for the business to perform analytics and reporting. To ensure that strong organizational data governance occurs, a data lineage software tool is required. Today, KHS uses manual processes and audit reporting to facilitate this aspect of data governance and will replace the manual system with a commercial enterprise data lineage system. Data lineage software will provide KHS with tools that dynamically source data origins, how it is transformed, and reduce data errors for analytics and reporting.

(Budgetary Impact: \$181,012.)

Office Furniture

8. *Office Furniture and Equipment*

Corporate Services is responsible for maintaining appropriate office furniture to accommodate current and future staffing levels and improving efficiencies in mail processing throughout the company. The furniture makeup includes items such as chairs, desks, credenzas, standing desks, cubicle furniture, and office configuration. In 2023, KHS will be centralizing much of its printing fulfillment into the Corporate Services Department to create a more efficient mail processing system that will automate most mail processing tasks. Equipment needed includes a paper folder/inserter, postage machine, an industrial capacity printer, and the associated software.

(Budgetary Impact: \$560,000.)

Technology

9. *Information Security (InfoSec) Solutions*

KHS is responsible for safeguarding the Personal Healthcare Information (PHI) of its members. On an annual basis, KHS solicits a third-party audit of its Information Security system and strategy. Two recommendations from the prior audit were that KHS improve its manual Security Information Event Management (SIEM) and to deidentify PHI in non-production environments known as data masking. This capital expenditure will provide KHS with the procurement, installation, and configuration of a software based SIEM tool and Data Masking software solution to continue to protect the organizations data assets.

(Budgetary Impact: \$750,000.)

2023 Capital Summary

10. Infrastructure Growth and Expansion

Annually, KHS reviews data center equipment (i.e., Servers, memory, disks, etc.) for replacement and growth based on prior year growth trends; manufacturers life cycle and support; normal wear and tear; utilization performance; and potential new systems that will be installed. Based on this review, this capital expenditure will provide the procurement of additional data center hardware for the 2023 calendar year to meet the organization's demands.

(Budgetary Impact: \$582,000.)

11. Employee Equipment

Each year KHS procures various types of desktop equipment for employees. This equipment can be attributed to a change in role, new employee hires, or aged equipment that is no longer supported. For 2023, KHS is proposing to hire 67 new employees which require new operation set-ups. Also on the schedule is the replacement of forty-nine (49) outdated laptops. The average costs per employee and laptop replacement is \$2,500 per desktop environment and this includes the desktop computer, dual monitors, cisco telephone and associated hardware.

(Budgetary Impact: \$290,000.)

12. Core System Licensing

Annually, KHS is contractually obligated to audit various operational systems for licensure. The operational systems in this category are the core member and claims processing system (Cognizant QNXT); the clinical management system (ZeOmega JIVA); and the employee desktop and data center server software (Microsoft). The licensure models are either users based (per employee) or member based (Medi-Cal membership). These audits are normally based on a "True-up" process where KHS pays for new licenses in use at the end of the calendar year based on the license model.

(Budgetary Impact: \$443,590.)

**KERN HEALTH SYSTEMS
TANGIBLE NET EQUITY (TNE) REVIEW
2023 BUDGET**

	<u>12/31/2021</u> <u>ACTUAL</u> <u>\$</u>	<u>12/31/2022</u> <u>ESTIMATED</u> <u>\$</u>	<u>12/31/2023</u> <u>BUDGET</u> <u>\$</u>
CAPITAL RESERVE	\$ 247,476,323	\$ 280,090,057	\$ 274,325,581
CALCULATION OF MINIMUM TANGIBLE NET EQUITY (TNE) AMOUNT (1)	\$ 51,387,565	\$ 51,470,471	\$ 60,909,984
CAPITAL RESERVE AS % OF TNE	481.59%	544.18%	450.38%
CURRENT BOARD APPROVED TNE TARGET RANGE	500% - 600%	500% - 600%	500% - 600%

(1) AMOUNT BASED ON DMHC'S CALCULATION FOR MINIMUM TNE USING ANNUAL HEALTHCARE EXPENSES



To: KHS Finance Committee

From: Richard M. Pruitt, Chief Information Officer

Date: December 9, 2022

Re: Project Consulting Professional Services

Background

Over the last few years, KHS started a transformation so that the convergence of the Health Plan, Clinician (Medical & Behavioral), Member/Patient, Social Services, and Community Supports are communicating/coordinated when rendering their respective services so that holistic care is being delivered.

All of this is being accomplished by KHS through people (staff), processes, and systems as outlined by the State of California through the CalAIM initiatives (<https://www.dhcs.ca.gov/calaim#initiatives>).

Each year, the organization augments the workforce by outsourcing with consultants, thus avoiding full-time employee hires, to accommodate the temporary resource demands of the organizational projects.

Requested Action

Recommend to the Board of Directors to authorize the CEO to approve contracts associated with the procurement of Professional Resources to various consulting companies in the amount not to exceed \$15,066,478 in operating and capital expenses associated for labor needed to complete the 2023 corporate and department projects.



To: KHS Finance Committee
From: Alan Avery, COO
Date: December 9, 2022
Re: Agreement with Kern County Department of Human Services

Background

During the Public Health Emergency, the annual eligibility redetermination (renewal) process required by the Centers for Medicare and Medicare Services and Kern County Department of Human Services (“KCDHS) for Medi-Cal beneficiaries was suspended. That suspension is anticipated to be withdrawn with the elimination of the Public Health Emergency sometime during the first quarter of 2023. With that elimination, KCDHS will be required to implement the redetermination process for all Medi-Cal participants.

KHS management has reached out to KCDHS to help in coordinating the redetermination of Medi-Cal beneficiaries as this will be a huge undertaking. The first phase of that coordination includes finalizing an Agreement between KHS & KCDHS to share ongoing beneficiary demographic change information. KHS will develop an extensive member outreach communication campaign to members requesting they update their contact information with KCDHS and/or KHS. KCDHS reports that approximately 70% of the beneficiaries require manual intervention for their renewal, primarily due to incorrect contact information or missing documentation. Demographic data changes will then be shared between the two entities.

The second phase of the redetermination coordination will involve KCDHS embedding dedicated Human Services Technicians (HST’s) within the KHS offices to assist KHS members to resolve redetermination eligibility issues. KCDHS has agreed to provide 3-5 HSTs beginning February 1, 2023. KHS will provide office space and technology assistance for the dedicated HST staff. KHS has also agreed to provide reimbursement of KCDHS personnel costs of the agreed upon number of HST staff, not to exceed \$85,000 per employee with the total costs to be paid by KHS not to exceed \$425,000 per year with a maximum total not to exceed \$850,000 over the two-year term of the agreement.

Requested Action

Recommend to the Board of Directors to authorize the CEO to sign the Medi-Cal Outreach, Enrollment and Renewal Assistant Agreement with KCDHS for an amount not to exceed \$425,000 per year with a maximum total not to exceed \$850,000 over the two-year term of the agreement.



To: KHS Finance Committee

From: Robin Dow-Morales, Director of Claims

Date: December 9, 2022

Re: Optum Renewal, Claims Editing Software

Background

The Kern Health Systems (“KHS”) contract with the Department of Health Care Services (“DHCS”) requires health plans to use industry standard claims editing software to ensure the accuracy of claims submissions from billing providers. KHS issued a Request for Quote (“RFQ”) for a Claims Editing Software (“CES”) in October of 2017 to replace McKesson Claimcheck software that reached its end of life. CES allows KHS to edit claim errors automatically for clinical coding and billing using a set of industry rules to prevent provider payments with incorrect code combinations. CES also contributes to the Auto Adjudication of claims which reduces manual processing by staff. This is the first renewal.

Discussion

Optum will provide KHS with the Claims Editing Software for a five (5) year term with support.

Financial Impact

Cost for the five-year term not to exceed \$3,845,563 per five years.

Requested Action

Approve; Refer to KHS Board of Directors.

Claims Editing Software

Finance Committee
December 9, 2022

Robin Dow-Morales
Director of Claims



Agenda

- Agenda
- Background
- System Function/Design
- Effectiveness
- Evaluation
- Board Request

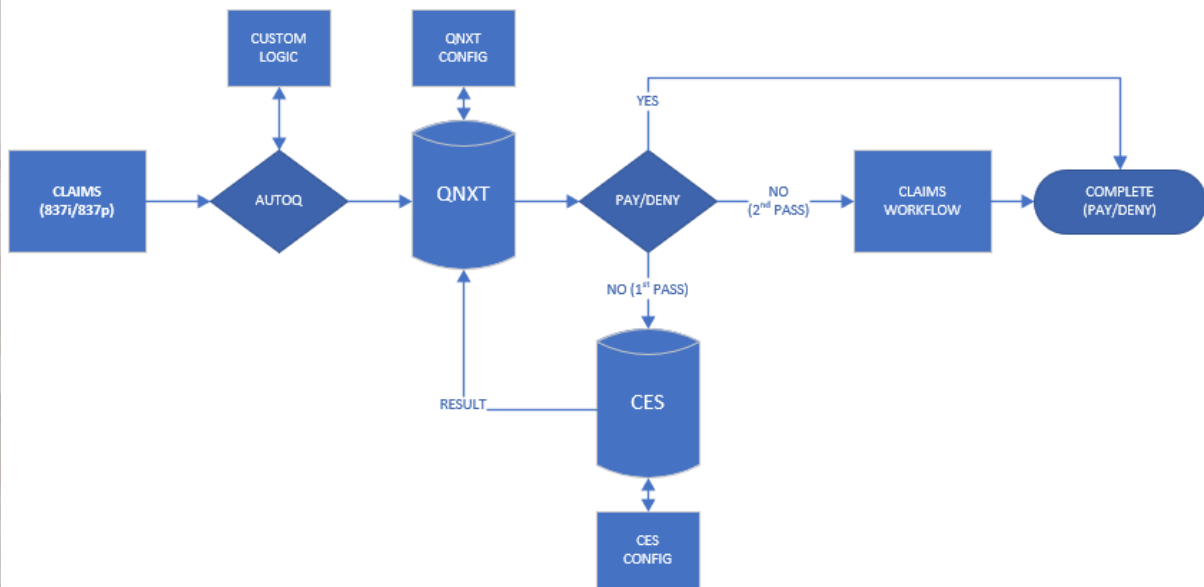


Background

- KHS uses the Optum Claims Edit System (CES) in tandem with the QNXT claims processing system to review providers claims prior to adjudication.
- Allows KHS to edit claim errors automatically for clinical coding and billing using an expansive set of industry rules to prevent improper provider payment when incorrect code combinations are identified.
- Contributes to the Auto Adjudication that KHS leverages to reduce manual processing by staff
- Per DHCS Contract, the plan is required to edit claims based on Medi-Cal, CCI, and standard coding requirements.



System Design/Function



Effectiveness

Claim Edit Software | CES Impact Quantification Analysis
 January 2018 through November 2022



	Total Claims	Claims with CES Edits	% of Claims with CES Edits	Claims with CES Edits AA	Claims with CES Edits AA Rate	Claims Processor per Day	Working Days per Year	Claims Processor per Year	Amount of Staff to Process
2018	2,563,668	594,793	23%	329,345	55%	100	252	25,200	13.07
2019	3,034,771	971,122	32%	661,143	68%	100	252	25,200	26.24
2020	2,978,154	912,392	31%	621,365	68%	100	253	25,300	24.56
2021	3,368,694	1,086,767	32%	832,959	77%	100	249	24,900	33.45
2022	3,315,308	1,153,801	35%	887,125	77%	100	222	22,200	39.96

Run Date: 11/15/2022



Evaluation

- First renewal of the Optum CES contract after the initial five-year term.
- Complex system that would require significant effort and time to replace to ensure accurate auditing.
- Tool provides significant plan savings by reducing manual claims processing by thirty (30) full-time employees in 2022. (\$3M in salaries and benefits).



Board Request

Authorize the CEO to approve the renewal of the Optum Claims Editing System (CES) contract in the amount not to exceed \$3,845,563 in operating expense for a five (5) year term.



Questions

For additional information, please contact:

Robin Dow-Morales

Director of Claims

661-617-2598

Robin.dow-morales@khs-net.com





KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: CL

Department Head: Robin Dow-Morales

Vendor Name: OptumInsight, Inc.

Contact name & e-mail: Chris Bentley, chris.bentley@optum.com

What services will this vendor provide to KHS? Optum will provide KHS with Claims Editing Software for a five (5) year term with support.

Description of Contract	
<p>Type of Agreement: <u>Software</u></p> <p><input checked="" type="checkbox"/> Contract</p> <p><input type="checkbox"/> Purchase</p> <p><input type="checkbox"/> New agreement</p> <p><input checked="" type="checkbox"/> Continuation of Agreement</p> <p><input type="checkbox"/> Addendum</p> <p><input checked="" type="checkbox"/> Amendment No. 2</p> <p><input type="checkbox"/> Retroactive Agreement</p>	<p>Background: <u>Optum to provide Claims Editing Software that has the ability to identify Medicare, Medicaid and Medi-Cal edits. It also has the flexibility to allow KHS to select specific rules based on business needs and contracts. Software identifies services that should be bundled, MUE edits, and limits/maximums. Optum to provide support for the use of the CES as well as training.</u></p> <p>Brief Explanation: <u>Optum will provide KHS with Claims Editing Software for a five (5) year term.</u></p>
<p><input type="checkbox"/> Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-I, 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00) 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 One Hundred Thousand Dollars or more if not budgeted (\$100,000.00) and Two Hundred Thousand Dollars or more if budgeted (\$200,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Two Hundred Thousand Dollars (\$200,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes.)</i></p>	
<p>Brief vendor selection justification: _____</p> <p><input checked="" type="checkbox"/> Sole source – no competitive process can be performed.</p>	
<p>Brief reason for sole source: <u>KHS currently holds an ongoing contract with vendor.</u></p>	
<p><input type="checkbox"/> Conflict of Interest Form is required for this Contract</p>	
<p><input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract</p>	
Fiscal Impact	
<p>KHS Governing Board previously approved this expense in KHS' FY 2022 Administrative Budget</p>	<p><input type="checkbox"/> NO <input checked="" type="checkbox"/> YES</p>
<p>Will this require additional funds?</p>	<p><input checked="" type="checkbox"/> NO <input type="checkbox"/> YES</p>
<p>Capital project</p>	<p><input checked="" type="checkbox"/> NO <input type="checkbox"/> YES</p>
<p>Project type: _____</p>	
<p>Budgeted Cost Center <u>225</u></p>	<p>GL# <u>5400</u></p>

Form updated 10/13/22

Maximum cost of this agreement not to exceed: \$3,845,563.00 per five years

Notes: _____

Contract Terms and Conditions

Effective date: 12/22/2022

Termination date: 12/21/2027

Explain extension provisions, termination conditions and required notice: _____

Approvals

Compliance DMHC/DHCS Review:

Legal Review:

Director of Compliance and Regulatory Affairs

Approved by Legal Scott Koller
Legal Counsel

Date

per email dated 12/26/17
Date

Contract Owner:

Purchasing:

Department Head

[Signature]
~~Director of Procurement and Facilities~~ Y.H.
Senior Contracts Coordinator
11/29/22
Date

Date

Reviewed as to Budget:

Recommended by the Executive Committee:

[Signature]
Chief Financial Officer or Controller

[Signature]
Chief Operating Officer

Date

12-1-2027
Date

IT Approval:

Chief Executive Officer Approval:

Chief Information Officer or IT Director

Chief Executive Officer

Date

Date

Board of Directors approval is required on all contracts over \$100,000 if not budgeted and \$200,000 if budgeted.

KHS Board Chairman

Date



To: KHS Finance Committee

From: Richard Pruitt, Chief Information Officer

Date: December 9, 2022

Re: Nutanix Software Support and Maintenance Renewal

Background

KHS leverages the Nutanix manufacturer of hardware and software as its Hyper-Converged Infrastructure (HCI) for the company servers and storage. The HCI infrastructure supports the end-user desktop, core processing systems, various applications, and database technology within KHS.

Discussion

KHS continuously reviews data center equipment for replacement and growth based on the manufacturers life cycle and support; normal wear and tear; utilization performance; and when procuring new systems to be installed. Based on this review, KHS will continue to leverage the Nutanix HCI infrastructure to support its production systems. This expenditure will support the data center renewal of hardware and software for a three-year term (2023-2025).

Fiscal Impact

Cost for three (3) years term not to exceed \$1,328,560.25 in budgeted expenses

Requested Action

Approve; Refer to KHS Board of Directors.

Nutanix Support Renewal

Finance Committee
December 9, 2022

Richard Pruitt
Chief Information Officer



Agenda

- Background
- Procurement Process
- Vendor Selection
- Management Recommendation
- Board Request



Background

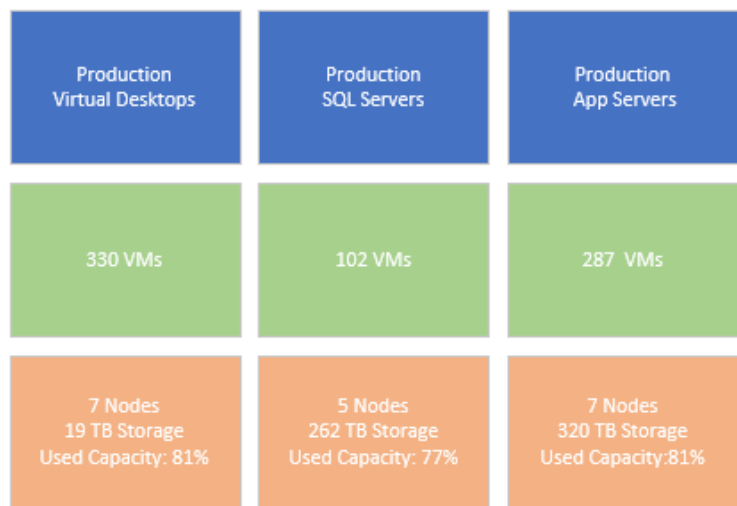
KHS leverages the Nutanix manufacturer of hardware and software as its Hyper-Converged Infrastructure (HCI) for the company servers and storage. The HCI infrastructure supports the end-user desktop, core processing systems, various application and database technology within KHS.

KHS continuously reviews data center equipment for replacement and growth based on the manufacturers life cycle and support; normal wear and tear; utilization performance; and when procuring new systems to be installed. Based on this review, this expenditure will support the data center renewal of hardware and software for a three-year term (2023-2025).



Nutanix Renewal Usage

- Production Systems Supported by Renewal:
- Total Servers: 719
- Total Storage: 601 TB
- Total Nodes: 19
- Supported Production Systems:
 - Production Virtual Desktops
 - Production SQL Servers (All KHS Production Data)
 - Production Application Servers (All KHS Production Systems)



Procurement Process

- Reviewed and Defined Licensing Needs
- Created and Published RFQ
- Reviewed and Selected Vendor
- Create Recommendation and Presentation for Board



Vendor Recommendation

Vendor	Vendor 1	Vendor 2	Vendor 3
Price	\$ 1,328,560.25	\$ 1,376,336.82	\$ 1,337,936.89
Shipping	\$ -	\$ -	\$ -
Tax	\$ -	\$ -	\$ -
Total Cost	\$ 1,328,560.25	\$ 1,376,336.82	\$ 1,337,936.89



Board Request

Authorize the CEO to approve a three-year contract for FY 2023-2026 with CDW-G for the Nutanix Support renewal in the amount not to exceed \$1,328,560.25.



Questions

For additional information, please contact:

Richard Pruitt
Chief Information Officer
Richard.Pruitt@khs-net.com





KERN HEALTH SYSTEMS

AGREEMENT AT A GLANCE

Department Name: IT

Department Head: Richard M. Pruitt

Vendor Name: CDW-G

Contact name & e-mail: Tom Latzke, tomlat@cdw.com

What services will this vendor provide to KHS? CDW-G will provide KHS with software support and maintenance for our current Nutanix Hardware Platform for a three (3) year term.

Description of Contract	
Type of Agreement: <u>Software</u> <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 leverages the Nutanix manufacturer of hardware and software as its Hyper-Converged Infrastructure (HCI) for the company servers and storage. The HCI infrastructure supports the end-user desktop, core processing systems, various application and database technology within KHS.</u> Brief Explanation: <u>CDW-G will provide KHS with software support and maintenance for our current Nutanix Hardware Platform for a three (3) year term.</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: <u>Vendor provided with the lowest pricing</u> <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 2023 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: _____	
Budgeted Cost Center <u>225</u> GL# <u>5403</u>	

Maximum cost of this agreement not to exceed: \$1,328,560.25 per three years

Notes: _____

Contract Terms and Conditions

Effective date: 1/23/2023

Termination date: 1/22/2026

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:

Department Head

Director of Procurement and Facilities

Date

Date 10/26/22

Reviewed as to Budget:

Recommended by the Executive Committee:

Chief Financial Officer or Controller

Chief Operating Officer

Date

Date 10-27-2022

IT Approval:

Chief Executive Officer Approval:

Chief Information Officer or IT Director

Chief Executive Officer

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: Robert Landis, CFO

Date: December 9, 2022

Re: September 2022 Financial Results

The September results reflect a \$3,211,068 Net Increase in Net Position which is a \$3,450,110 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$1.1 million favorable variance primarily due to:
 - A) \$4.0 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$1.3 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset against amounts included in 2D below.
 - C) \$4.6 million unfavorable variance in Rate Adjustment -Hospital Directed Payments due to receiving updated rates from DHCS in September 2022 for the period July 1, 2020-December 31, 2020, which is offset against amounts included in 2E below.
- 2) Total Medical Costs reflect a \$2.0 million favorable variance primarily due to:
 - A) \$1.0 million unfavorable variance in Physician Services primarily due to higher-than-expected utilization of Referral Specialty Services over the last several months by Family and SPD members.
 - B) \$1.0 million favorable variance in Emergency Room primarily due to lower-than-expected utilization over the last several months.
 - C) \$2.2 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization over the last several months by Family and SPD members.
 - D) \$1.3 million unfavorable variance in Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset against amounts included in 1B above.
 - E) \$4.1 million favorable variance in Hospital Directed Payment Adjustment due to receiving updated rates from DHCS in September 2022 for the period July 1, 2020-December 31, 2020, which is offset against amounts included in 1C above.
 - F) \$.8 million favorable IBNR, Incentive, Paid Claims Adjustment primarily from lower-than-expected P4P payouts relating to the prior year.

The September Medical Loss Ratio is 89.0% which is favorable to the 92.9% budgeted amount. The September Administrative Expense Ratio is 6.5% which is favorable to the 6.9% budgeted amount.

The results for the 9 months ended September 30, 2022 reflects a Net Increase in Net Position of \$31,031,094. This is a \$34,010,417 favorable variance to the budget and includes approximately \$12.6 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 88.7% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 6.4% which is favorable to the 7.1% budgeted amount.

**Kern Health Systems
Financial Packet
September 2022**

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

Monthly Member Count	Page 20
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2022			
ASSETS	SEPTEMBER 2022	AUGUST 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 142,667,501	\$ 134,523,073	\$ 8,144,428
Short-Term Investments	236,155,812	215,869,792	20,286,020
Premiums Receivable - Net	107,091,819	109,684,845	(2,593,026)
Premiums Receivable - Hospital Direct Payments	358,506,643	396,775,284	(38,268,641)
Interest Receivable	252,634	92,007	160,627
Provider Advance Payment	2,777,176	2,986,954	(209,778)
Other Receivables	322,166	289,002	33,164
Prepaid Expenses & Other Current Assets	3,335,933	3,666,291	(330,358)
Total Current Assets	\$ 851,109,684	\$ 863,887,248	\$ (12,777,564)
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,323,130	1,371,186	(48,056)
Computer Hardware and Software - Net	18,855,103	19,119,241	(264,138)
Building and Building Improvements - Net	33,943,525	34,019,634	(76,109)
Capital Projects in Progress	6,066,787	5,954,066	112,721
Total Capital Assets	\$ 64,279,251	\$ 64,554,833	\$ (275,582)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,604,652	1,623,201	(18,549)
Total Long Term Assets	\$ 1,904,652	\$ 1,923,201	\$ (18,549)
DEFERRED OUTFLOWS OF RESOURCES	\$ 4,731,067	\$ 4,731,067	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 922,024,654	\$ 935,096,349	\$ (13,071,695)
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 4,858,302	\$ 4,659,585	198,717
Accrued Other Operating Expenses	2,465,066	1,990,876	474,190
Accrued Taxes and Licenses	32,495,339	21,611,880	10,883,459
Claims Payable (Reported)	21,227,073	15,291,586	5,935,487
IBNR - Inpatient Claims	53,360,793	47,880,532	5,480,261
IBNR - Physician Claims	19,207,025	18,053,928	1,153,097
IBNR - Accrued Other Medical	24,584,524	24,241,114	343,410
Risk Pool and Withholds Payable	4,727,132	6,503,576	(1,776,444)
Statutory Allowance for Claims Processing Expense	2,509,938	2,509,938	-
Other Liabilities	113,519,424	114,343,380	(823,956)
Accrued Hospital Directed Payments	358,324,300	396,775,284	(38,450,984)
Total Current Liabilities	\$ 637,278,916	\$ 653,861,679	\$ (16,582,763)
NONCURRENT LIABILITIES:			
Net Pension Liability	900,000	600,000	300,000
TOTAL NONCURRENT LIABILITIES	\$ 900,000	\$ 600,000	\$ 300,000
DEFERRED INFLOWS OF RESOURCES	\$ 5,338,319	\$ 5,338,319	\$ -
NET POSITION:			
Net Position - Beg. of Year	247,476,325	247,476,325	-
Increase (Decrease) in Net Position - Current Year	31,031,094	27,820,026	3,211,068
Total Net Position	\$ 278,507,419	\$ 275,296,351	\$ 3,211,068
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 922,024,654	\$ 935,096,349	\$ (13,071,695)

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2022			YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
206,544	207,100	(556)	Family Members	1,830,864	1,817,100	13,764		
92,424	83,830	8,594	Expansion Members	791,148	735,870	55,278		
17,289	16,330	959	SPD Members	150,134	143,370	6,764		
9,663	7,740	1,923	Other Members	84,107	69,660	14,447		
14,126	13,000	1,126	Kaiser Members	121,693	117,000	4,693		
340,046	328,000	12,046	Total Members - MCAL	2,977,946	2,883,000	94,946		
REVENUES								
37,957,277	36,480,346	1,476,931	Title XIX - Medicaid - Family and Other	334,350,043	321,608,180	12,741,863		
31,275,148	29,197,301	2,077,847	Title XIX - Medicaid - Expansion Members	272,718,273	256,325,041	16,393,232		
15,760,220	15,301,788	458,432	Title XIX - Medicaid - SPD Members	136,478,439	134,342,763	2,135,676		
10,883,460	10,850,379	33,081	Premium - MCO Tax	92,014,704	91,716,915	297,789		
18,857,014	17,605,832	1,251,182	Premium - Hospital Directed Payments	163,452,673	154,861,070	8,591,603		
353,347	84,613	268,734	Investment Earnings And Other Income	(193,569)	743,888	(936,657)		
-	56,700	(56,700)	Reinsurance Recoveries	-	497,880	(497,880)		
(4,606,563)	-	(4,606,563)	Rate Adjustments - Hospital Directed Payments	22,544,963	-	22,544,963		
203,911	-	203,911	Rate/Income Adjustments	(1,726,541)	-	(1,726,541)		
110,683,814	109,576,959	1,106,855	TOTAL REVENUES	1,019,638,985	960,094,937	59,544,048		
EXPENSES								
Medical Costs:								
18,622,853	17,632,262	(990,591)	Physician Services	167,691,287	154,817,365	(12,873,922)		
5,024,917	5,926,418	901,501	Other Professional Services	45,879,154	52,509,592	6,630,438		
4,773,821	5,738,181	964,360	Emergency Room	42,063,554	50,384,434	8,320,880		
22,797,560	20,611,293	(2,186,267)	Inpatient	188,753,846	180,965,414	(7,788,432)		
142,533	56,700	(85,833)	Reinsurance Expense	418,844	497,880	79,036		
9,352,210	8,762,220	(589,990)	Outpatient Hospital	80,353,699	76,932,212	(3,421,487)		
15,744,662	16,160,821	416,159	Other Medical	145,155,663	142,170,833	(2,984,830)		
490,964	472,500	(18,464)	Pay for Performance Quality Incentive	4,280,127	4,149,000	(131,127)		
18,857,014	17,605,832	(1,251,182)	Hospital Directed Payments	163,452,673	154,861,070	(8,591,603)		
(4,064,727)	-	4,064,727	Hospital Directed Payment Adjustment	22,878,119	-	(22,878,119)		
9,821	-	(9,821)	Non-Claims Expense Adjustment	(628,170)	-	628,170		
(789,121)	-	789,121	IBNR, Incentive, Paid Claims Adjustment	(16,146,287)	-	16,146,287		
90,962,507	92,966,226	2,003,719	Total Medical Costs	844,152,509	817,287,799	(26,864,710)		
19,721,307	16,610,733	3,110,574	GROSS MARGIN	175,486,476	142,807,138	32,679,338		
Administrative:								
3,213,222	3,369,438	156,216	Compensation	28,057,715	30,399,946	2,342,231		
997,356	1,108,544	111,188	Purchased Services	8,605,075	9,976,898	1,371,823		
85,530	212,108	126,578	Supplies	818,313	1,908,968	1,090,655		
583,673	526,572	(57,101)	Depreciation	5,229,746	4,739,148	(490,598)		
298,240	366,066	67,826	Other Administrative Expenses	2,907,310	3,294,591	387,281		
420,793	-	(420,793)	Administrative Expense Adjustment	2,105,161	-	(2,105,161)		
5,598,814	5,582,728	(16,086)	Total Administrative Expenses	47,723,320	50,319,550	2,596,230		
96,561,321	98,548,954	1,987,633	TOTAL EXPENSES	891,875,829	867,607,349	(24,268,480)		
14,122,493	11,028,005	3,094,488	OPERATING INCOME (LOSS) BEFORE TAX	127,763,156	92,487,588	35,275,568		
10,883,459	10,850,379	(33,080)	MCO TAX	92,008,435	91,716,915	(291,520)		
3,239,034	177,626	3,061,408	OPERATING INCOME (LOSS) NET OF TAX	35,754,721	770,673	34,984,048		
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets	-	-	-		
4,416	(333,334)	337,750	Provider Grants/CalAIM Initiative Grant	(4,091,014)	(2,999,998)	(1,091,016)		
(32,382)	(83,334)	50,952	Health Home	(632,613)	(749,998)	117,385		
(27,966)	(416,668)	388,702	TOTAL NONOPERATING REVENUE (EXPENSE)	(4,723,627)	(3,749,996)	(973,631)		
3,211,068	(239,042)	3,450,110	NET INCREASE (DECREASE) IN NET POSITION	31,031,094	(2,979,323)	34,010,417		
89.0%	92.9%	3.9%	MEDICAL LOSS RATIO	88.7%	92.8%	4.1%		
6.5%	6.9%	0.3%	ADMINISTRATIVE EXPENSE RATIO	6.4%	7.1%	0.6%		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2022			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
ENROLLMENT						ACTUAL	BUDGET	VARIANCE
206,544	207,100	(556)	Family Members	1,830,864	1,817,100	13,764		
92,424	83,830	8,594	Expansion Members	791,148	735,870	55,278		
17,289	16,330	959	SPD Members	150,134	143,370	6,764		
9,663	7,740	1,923	Other Members	84,107	69,660	14,447		
14,126	13,000	1,126	Kaiser Members	121,693	117,000	4,693		
340,046	328,000	12,046	Total Members - MCAL	2,977,946	2,883,000	94,946		
REVENUES								
175.56	169.80	5.76	Title XIX - Medicaid - Family and Other	174.60	170.46	4.14		
338.39	348.29	(9.90)	Title XIX - Medicaid - Expansion Members	344.71	348.33	(3.62)		
911.57	937.04	(25.46)	Title XIX - Medicaid - SPD Members	909.04	937.04	(27.99)		
33.39	34.45	(1.05)	Premium - MCO Tax	32.22	33.16	(0.94)		
57.86	55.89	1.97	Premium - Hospital Directed Payments	57.23	55.99	1.24		
1.08	0.27	0.82	Investment Earnings And Other Income	(0.07)	0.27	(0.34)		
0.00	0.18	(0.18)	Reinsurance Recoveries	0.00	0.18	(0.18)		
(14.13)	0.00	(14.13)	Rate Adjustments - Hospital Directed Payments	7.89	0.00	7.89		
0.63	0.00	0.63	Rate/Income Adjustments	(0.60)	0.00	(0.60)		
339.60	347.86	(8.26)	TOTAL REVENUES	356.98	347.11	9.88		
EXPENSES								
Medical Costs:								
57.14	55.98	(1.16)	Physician Services	58.71	55.97	(2.74)		
15.42	18.81	3.40	Other Professional Services	16.06	18.98	2.92		
14.65	18.22	3.57	Emergency Room	14.73	18.22	3.49		
69.95	65.43	(4.52)	Inpatient	66.08	65.42	(0.66)		
0.44	0.18	(0.26)	Reinsurance Expense	0.15	0.18	0.03		
28.69	27.82	(0.88)	Outpatient Hospital	28.13	27.81	(0.32)		
48.31	51.30	3.00	Other Medical	50.82	51.40	0.58		
1.51	1.50	(0.01)	Pay for Performance Quality Incentive	1.50	1.50	0.00		
57.86	55.89	(1.97)	Hospital Directed Payments	57.23	55.99	(1.24)		
(12.47)	0.00	12.47	Hospital Directed Payment Adjustment	8.01	0.00	(8.01)		
0.03	0.00	(0.03)	Non-Claims Expense Adjustment	(0.22)	0.00	0.22		
(2.42)	0.00	2.42	IBNR, Incentive, Paid Claims Adjustment	(5.65)	0.00	5.65		
279.09	295.13	16.04	Total Medical Costs	295.55	295.48	(0.07)		
60.51	52.73	7.78	GROSS MARGIN	61.44	51.63	9.81		
Administrative:								
9.86	10.70	0.84	Compensation	9.82	10.99	1.17		
3.06	3.52	0.46	Purchased Services	3.01	3.61	0.59		
0.26	0.67	0.41	Supplies	0.29	0.69	0.40		
1.79	1.67	(0.12)	Depreciation	1.83	1.71	(0.12)		
0.92	1.16	0.25	Other Administrative Expenses	1.02	1.19	0.17		
1.29	0.00	(1.29)	Administrative Expense Adjustment	0.74	0.00	(0.74)		
17.18	17.72	0.54	Total Administrative Expenses	16.71	18.19	1.48		
296.27	312.85	16.58	TOTAL EXPENSES	312.25	313.67	1.41		
43.33	35.01	8.32	OPERATING INCOME (LOSS) BEFORE TAX	44.73	33.44	11.29		
33.39	34.45	1.05	MCO TAX	32.21	33.16	0.95		
9.94	0.56	9.37	OPERATING INCOME (LOSS) NET OF TAX	12.52	0.28	12.24		
NONOPERATING REVENUE (EXPENSE)								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
0.01	(1.06)	1.07	Reserve Fund Projects/Community Grants	(1.43)	(1.08)	(0.35)		
(0.10)	(0.26)	0.17	Health Home	(0.22)	(0.27)	0.05		
(0.09)	(1.32)	1.24	TOTAL NONOPERATING REVENUE (EXPENSE)	(1.65)	(1.36)	(0.30)		
9.85	(0.76)	10.61	NET INCREASE (DECREASE) IN NET POSITION	10.86	(1.08)	11.94		
89.0%	92.9%	3.9%	MEDICAL LOSS RATIO	88.7%	92.8%	4.1%		
6.5%	6.9%	0.3%	ADMINISTRATIVE EXPENSE RATIO	6.4%	7.1%	0.6%		

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2022	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	2021	2021	2021	2021	2022	2022	2022
ENROLLMENT							
Members - MCAL	294,672	295,865	296,989	298,205	309,342	310,281	312,490
REVENUES							
Title XIX - Medicaid - Family and Other	35,961,464	37,040,845	37,111,335	36,899,197	37,009,614	37,126,546	36,539,594
Title XIX - Medicaid - Expansion Members	29,932,046	30,140,656	31,001,586	30,241,720	29,968,453	29,945,915	29,350,530
Title XIX - Medicaid - SPD Members	16,075,172	16,206,131	16,254,790	16,506,513	14,953,594	14,858,906	14,791,754
Premium - MCO Tax	10,136,079	10,229,218	10,229,533	10,273,393	9,899,314	9,894,054	9,893,826
Premium - Hospital Directed Payments	16,554,814	16,726,476	16,753,272	16,836,470	17,606,870	17,654,496	17,949,134
Investment Earnings And Other Income	(59,079)	131,645	157,659	(694,967)	329,573	86,457	(1,241,065)
Rate Adjustments - Hospital Directed Payments	5,709	4,491	8,691	(3,586)	230,177	24,013	26,907,309
Rate/Income Adjustments	122,473	52,871	66,815	5,625	957,475	977,794	493,268
TOTAL REVENUES	108,728,678	110,532,333	111,583,681	110,064,365	110,955,070	110,568,181	134,684,350
EXPENSES							
Medical Costs:							
Physician Services	17,895,535	17,549,058	17,258,969	17,972,930	17,538,030	19,319,317	19,919,152
Other Professional Services	4,347,759	4,846,005	4,829,415	4,344,076	5,041,033	4,902,710	5,254,779
Emergency Room	3,735,609	4,506,067	4,818,883	4,391,622	5,209,937	5,098,972	5,150,400
Inpatient	20,303,427	23,207,054	21,256,426	17,137,562	20,610,105	20,031,970	20,232,342
Reinsurance Expense	84,384	85,133	86,151	86,147	53,660	53,896	57,686
Outpatient Hospital	7,529,697	7,080,379	7,793,785	6,083,159	8,214,215	8,223,126	8,686,122
Other Medical	10,572,454	10,784,127	12,549,269	11,502,354	17,263,621	17,534,988	15,788,879
Pharmacy	9,913,574	10,236,384	10,196,195	10,620,178	-	-	-
Pay for Performance Quality Incentive	-	-	-	1,420,000	464,013	465,422	465,421
Hospital Directed Payments	16,554,814	16,726,476	16,753,272	16,836,470	17,606,870	17,654,496	17,949,134
Hospital Directed Payment Adjustment	(132,637)	4,491	8,691	(3,586)	230,177	24,013	26,678,156
Non-Claims Expense Adjustment	20,737	8,907	24,857	(44,256)	43,538	4,118	572,469
IBNR, Incentive, Paid Claims Adjustment	14,595	(924,120)	(1,378,922)	(1,022,824)	627	(1,010,781)	(3,987,493)
Total Medical Costs	90,839,948	94,109,961	94,196,991	89,323,832	92,275,826	92,302,247	116,767,047
GROSS MARGIN	17,888,730	16,422,372	17,386,690	20,740,533	18,679,244	18,265,934	17,917,303
Administrative:							
Compensation	2,791,543	2,746,218	2,775,542	2,592,690	3,116,842	2,847,002	3,108,703
Purchased Services	968,021	991,178	1,095,098	1,355,474	846,917	877,498	1,098,614
Supplies	(17,330)	58,257	188,536	164,659	191,908	(8,268)	103,207
Depreciation	427,804	424,376	716,552	746,072	571,126	571,126	571,126
Other Administrative Expenses	443,524	348,575	276,718	605,706	389,918	259,997	346,089
Administrative Expense Adjustment	3,540	300	77,569	(194,326)	(1,904)	(44,283)	31,776
Total Administrative Expenses	4,617,102	4,568,904	5,130,015	5,270,275	5,114,807	4,503,072	5,259,515
TOTAL EXPENSES	95,457,050	98,678,865	99,327,006	94,594,107	97,390,633	96,805,319	122,026,562
OPERATING INCOME (LOSS) BEFORE TAX	13,271,628	11,853,468	12,256,675	15,470,258	13,564,437	13,762,862	12,657,788
MCO TAX	9,894,054	9,894,054	9,894,054	9,895,157	9,894,054	9,894,054	9,893,826
OPERATING INCOME (LOSS) NET OF TAX	3,377,574	1,959,414	2,362,621	5,575,101	3,670,383	3,868,808	2,763,962
TOTAL NONOPERATING REVENUE (EXPENSE)	(2,438,918)	(1,027,231)	(1,516,642)	(175,210)	(400,389)	(986,700)	(1,001,012)
NET INCREASE (DECREASE) IN NET POSITION	938,656	932,183	845,979	5,399,891	3,269,994	2,882,108	1,762,950
MEDICAL LOSS RATIO	90.7%	92.6%	91.5%	87.4%	89.4%	89.9%	90.2%
ADMINISTRATIVE EXPENSE RATIO	5.6%	5.5%	6.1%	6.4%	6.1%	5.4%	6.6%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2022	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	13 MONTH
	2022	2022	2022	2022	2022	2022	TOTAL
ENROLLMENT							
Members - MCAL	314,691	315,663	319,333	323,572	324,961	325,920	4,041,984
REVENUES							
Title XIX - Medicaid - Family and Other	36,762,722	35,766,911	37,731,384	37,514,641	37,941,354	37,957,277	481,362,884
Title XIX - Medicaid - Expansion Members	29,812,384	29,600,713	30,533,210	30,993,375	31,238,545	31,275,148	394,034,281
Title XIX - Medicaid - SPD Members	14,924,745	14,887,158	15,402,431	15,833,803	15,065,828	15,760,220	201,521,045
Premium - MCO Tax	9,894,054	9,872,493	9,910,584	10,883,460	10,883,459	10,883,460	132,882,927
Premium - Hospital Directed Payments	17,905,917	17,928,276	18,280,365	18,674,627	18,595,974	18,857,014	230,323,705
Investment Earnings And Other Income	(326,288)	357,517	(633,952)	1,002,315	(121,473)	353,347	(658,311)
Rate Adjustments - Hospital Directed Payments	3,898	(23,892)	5,129	9,235	(4,343)	(4,606,563)	22,560,268
Rate/Income Adjustments	59,935	(4,649,731)	(364,397)	350,036	245,168	203,911	(1,478,757)
TOTAL REVENUES	109,037,367	103,739,445	110,864,754	115,261,492	113,844,512	110,683,814	1,460,548,042
EXPENSES							
Medical Costs:							
Physician Services	18,291,501	17,895,843	18,921,901	18,984,281	18,198,409	18,622,853	238,367,779
Other Professional Services	5,361,545	4,835,075	5,112,961	5,137,341	5,208,793	5,024,917	64,246,409
Emergency Room	5,098,584	4,139,529	3,167,228	4,764,039	4,661,044	4,773,821	59,515,735
Inpatient	20,364,608	21,395,635	19,551,774	22,935,749	20,834,103	22,797,560	270,658,315
Reinsurance Expense	56,409	56,248	57,216	(33,668)	(25,136)	142,533	760,659
Outpatient Hospital	8,458,833	8,281,163	9,196,013	10,013,268	9,928,749	9,352,210	108,840,719
Other Medical	16,341,907	16,301,024	15,522,071	15,416,935	15,241,576	15,744,662	190,563,867
Pharmacy	-	-	-	-	-	-	40,966,331
Pay for Performance Quality Incentive	472,037	473,494	478,060	485,358	485,358	490,964	5,700,127
Hospital Directed Payments	17,905,917	17,928,276	18,280,365	18,674,627	18,595,974	18,857,014	230,323,705
Hospital Directed Payment Adjustment	3,898	(3,419)	5,129	9,235	(4,343)	(4,064,727)	22,755,078
Non-Claims Expense Adjustment	62,025	(1,371,999)	29,799	17,040	5,019	9,821	(617,925)
IBNR, Incentive, Paid Claims Adjustment	(2,812,496)	(3,724,314)	(4,072,490)	(238,100)	487,881	(789,121)	(19,457,558)
Total Medical Costs	89,604,768	86,206,555	86,250,027	96,166,105	93,617,427	90,962,507	1,212,623,241
GROSS MARGIN	19,432,599	17,532,890	24,614,727	19,095,387	20,227,085	19,721,307	247,924,801
Administrative:							
Compensation	3,075,151	3,259,102	2,980,813	3,307,910	3,148,970	3,213,222	38,963,708
Purchased Services	783,960	927,532	850,526	1,078,360	1,144,312	997,356	13,014,846
Supplies	41,533	145,499	66,970	74,368	117,566	85,530	1,212,435
Depreciation	570,835	575,899	626,073	576,074	583,814	583,673	7,544,550
Other Administrative Expenses	252,930	300,845	329,335	414,331	315,625	298,240	4,581,833
Administrative Expense Adjustment	164,256	(2,834)	811,890	425,467	300,000	420,793	1,992,244
Total Administrative Expenses	4,888,665	5,206,043	5,665,607	5,876,510	5,610,287	5,598,814	67,309,616
TOTAL EXPENSES	94,493,433	91,412,598	91,915,634	102,042,615	99,227,714	96,561,321	1,279,932,857
OPERATING INCOME (LOSS) BEFORE TAX	14,543,934	12,326,847	18,949,120	13,218,877	14,616,798	14,122,493	180,615,185
MCO TAX	9,894,054	9,888,018	9,894,051	10,883,459	10,883,460	10,883,459	131,585,754
OPERATING INCOME (LOSS) NET OF TAX	4,649,880	2,438,829	9,055,069	2,335,418	3,733,338	3,239,034	49,029,431
TOTAL NONOPERATING REVENUE (EXPENSE)	(1,110,153)	744,870	(1,996,822)	(3,380)	57,925	(27,966)	(9,881,628)
NET INCREASE (DECREASE) IN NET POSITION	3,539,727	3,183,699	7,058,247	2,332,038	3,791,263	3,211,068	39,147,803
MEDICAL LOSS RATIO	88.3%	89.9%	82.2%	90.4%	88.9%	89.0%	89.3%
ADMINISTRATIVE EXPENSE RATIO	6.0%	6.9%	6.9%	6.9%	6.6%	6.5%	6.3%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2022	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
	2021	2021	2021	2021	2022	2022	2022
ENROLLMENT							
Members - MCAL	294,672	295,865	296,989	298,205	309,342	310,281	312,490
REVENUES							
Title XIX - Medicaid - Family and Other	179.43	183.53	183.31	181.56	177.17	177.17	173.28
Title XIX - Medicaid - Expansion Members	383.93	383.57	393.96	382.19	357.24	355.03	344.90
Title XIX - Medicaid - SPD Members	1,017.48	1,018.29	1,026.19	1,042.14	903.21	907.36	895.60
Premium - MCO Tax	34.40	34.57	34.44	34.45	32.00	31.89	31.66
Premium - Hospital Directed Payments	56.18	56.53	56.41	56.46	56.92	56.90	57.44
Investment Earnings And Other Income	(0.20)	0.44	0.53	(2.33)	1.07	0.28	(3.97)
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.02	0.02	0.03	(0.01)	0.74	0.08	86.11
Rate/Income Adjustments	0.42	0.18	0.22	0.02	3.10	3.15	1.58
TOTAL REVENUES	368.98	373.59	375.72	369.09	358.68	356.35	431.00
EXPENSES							
Medical Costs:							
Physician Services	60.73	59.31	58.11	60.27	56.69	62.26	63.74
Other Professional Services	14.75	16.38	16.26	14.57	16.30	15.80	16.82
Emergency Room	12.68	15.23	16.23	14.73	16.84	16.43	16.48
Inpatient	68.90	78.44	71.57	57.47	66.63	64.56	64.75
Reinsurance Expense	0.29	0.29	0.29	0.29	0.17	0.17	0.18
Outpatient Hospital	25.55	23.93	26.24	20.40	26.55	26.50	27.80
Other Medical	35.88	36.45	42.25	38.57	55.81	56.51	50.53
Pharmacy	33.64	34.60	34.33	35.61	0.00	0.00	0.00
Pay for Performance Quality Incentive	0.00	0.00	0.00	4.76	1.50	1.50	1.49
Hospital Directed Payments	56.18	56.53	56.41	56.46	56.92	56.90	57.44
Hospital Directed Payment Adjustment	(0.45)	0.02	0.03	(0.01)	0.74	0.08	85.37
Non-Claims Expense Adjustment	0.07	0.03	0.08	(0.15)	0.14	0.01	1.83
IBNR, Incentive, Paid Claims Adjustment	0.05	(3.12)	(4.64)	(3.43)	0.00	(3.26)	(12.76)
Total Medical Costs	308.27	318.08	317.17	299.54	298.30	297.48	373.67
GROSS MARGIN	60.71	55.51	58.54	69.55	60.38	58.87	57.34
Administrative:							
Compensation	9.47	9.28	9.35	8.69	10.08	9.18	9.95
Purchased Services	3.29	3.35	3.69	4.55	2.74	2.83	3.52
Supplies	(0.06)	0.20	0.63	0.55	0.62	(0.03)	0.33
Depreciation	1.45	1.43	2.41	2.50	1.85	1.84	1.83
Other Administrative Expenses	1.51	1.18	0.93	2.03	1.26	0.84	1.11
Administrative Expense Adjustment	0.01	0.00	0.26	(0.65)	(0.01)	(0.14)	0.10
Total Administrative Expenses	15.67	15.44	17.27	17.67	16.53	14.51	16.83
TOTAL EXPENSES	323.94	333.53	334.45	317.21	314.83	311.99	390.50
OPERATING INCOME (LOSS) BEFORE TAX	45.04	40.06	41.27	51.88	43.85	44.36	40.51
MCO TAX	33.58	33.44	33.31	33.18	31.98	31.89	31.66
OPERATING INCOME (LOSS) NET OF TAX	11.46	6.62	7.96	18.70	11.87	12.47	8.84
TOTAL NONOPERATING REVENUE (EXPENSE)	(8.28)	(3.47)	(5.11)	(0.59)	(1.29)	(3.18)	(3.20)
NET INCREASE (DECREASE) IN NET POSITION	3.19	3.15	2.85	18.11	10.57	9.29	5.64
MEDICAL LOSS RATIO	90.7%	92.6%	91.5%	87.4%	89.4%	89.9%	90.2%
ADMINISTRATIVE EXPENSE RATIO	5.6%	5.5%	6.1%	6.4%	6.1%	5.4%	6.6%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2022	APRIL 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	13 MONTH TOTAL
ENROLLMENT							
Members - MCAL	314,691	315,663	319,333	323,572	324,961	325,920	4,041,984
REVENUES							
Title XIX - Medicaid - Family and Other	173.44	168.25	176.65	173.99	175.92	175.56	176.76
Title XIX - Medicaid - Expansion Members	345.21	341.10	343.27	340.07	338.95	338.39	356.47
Title XIX - Medicaid - SPD Members	912.10	913.04	917.14	941.54	880.12	911.57	944.29
Premium - MCO Tax	31.44	31.28	31.04	33.64	33.49	33.39	32.88
Premium - Hospital Directed Payments	56.90	56.80	57.25	57.71	57.23	57.86	56.98
Investment Earnings And Other Income	(1.04)	1.13	(1.99)	3.10	(0.37)	1.08	(0.16)
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.01	(0.08)	0.02	0.03	(0.01)	(14.13)	5.58
Rate/Income Adjustments	0.19	(14.73)	(1.14)	1.08	0.75	0.63	(0.37)
TOTAL REVENUES	346.49	328.64	347.18	356.22	350.33	339.60	361.34
EXPENSES							
Medical Costs:							
Physician Services	58.13	56.69	59.25	58.67	56.00	57.14	58.97
Other Professional Services	17.04	15.32	16.01	15.88	16.03	15.42	15.89
Emergency Room	16.20	13.11	9.92	14.72	14.34	14.65	14.72
Inpatient	64.71	67.78	61.23	70.88	64.11	69.95	66.96
Reinsurance Expense	0.18	0.18	0.18	(0.10)	(0.08)	0.44	0.19
Outpatient Hospital	26.88	26.23	28.80	30.95	30.55	28.69	26.93
Other Medical	51.93	51.64	48.61	47.65	46.90	48.31	47.15
Pharmacy	0.00	0.00	0.00	0.00	0.00	0.00	10.14
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.50	1.49	1.51	1.41
Hospital Directed Payments	56.90	56.80	57.25	57.71	57.23	57.86	56.98
Hospital Directed Payment Adjustment	0.01	(0.01)	0.02	0.03	(0.01)	(12.47)	5.63
Non-Claims Expense Adjustment	0.20	(4.35)	0.09	0.05	0.02	0.03	(0.15)
IBNR, Incentive, Paid Claims Adjustment	(8.94)	(11.80)	(12.75)	(0.74)	1.50	(2.42)	(4.81)
Total Medical Costs	284.74	273.10	270.09	297.20	288.09	279.09	300.01
GROSS MARGIN	61.75	55.54	77.08	59.01	62.24	60.51	61.34
Administrative:							
Compensation	9.77	10.32	9.33	10.22	9.69	9.86	9.64
Purchased Services	2.49	2.94	2.66	3.33	3.52	3.06	3.22
Supplies	0.13	0.46	0.21	0.23	0.36	0.26	0.30
Depreciation	1.81	1.82	1.96	1.78	1.80	1.79	1.87
Other Administrative Expenses	0.80	0.95	1.03	1.28	0.97	0.92	1.13
Administrative Expense Adjustment	0.52	(0.01)	2.54	1.31	0.92	1.29	0.49
Total Administrative Expenses	15.53	16.49	17.74	18.16	17.26	17.18	16.65
TOTAL EXPENSES	300.27	289.59	287.84	315.36	305.35	296.27	316.66
OPERATING INCOME (LOSS) BEFORE TAX	46.22	39.05	59.34	40.85	44.98	43.33	44.68
MCO TAX	31.44	31.32	30.98	33.64	33.49	33.39	32.55
OPERATING INCOME (LOSS) NET OF TAX	14.78	7.73	28.36	7.22	11.49	9.94	12.13
TOTAL NONOPERATING REVENUE (EXPENSE)	(3.53)	2.36	(6.25)	(0.01)	0.18	(0.09)	(2.44)
NET INCREASE (DECREASE) IN NET POSITION	11.25	10.09	22.10	7.21	11.67	9.85	9.69
MEDICAL LOSS RATIO	88.3%	89.9%	82.2%	90.4%	88.9%	89.0%	89.3%
ADMINISTRATIVE EXPENSE RATIO	6.0%	6.9%	6.9%	6.9%	6.6%	6.5%	6.3%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
R E V E N U E S						
Title XIX - Medicaid - Family & Other						
27,964,412	27,294,992	669,420	Premium - Medi-Cal	246,568,130	240,285,886	6,282,244
3,704,403	2,764,572	939,831	Premium - Maternity Kick	25,459,293	24,881,151	578,142
541,408	475,450	65,958	Premium - Enhanced Care Management	4,719,802	4,208,526	511,276
143,459	133,272	10,187	Premium - Major Organ Transplant	1,254,476	1,176,120	78,356
786,750	502,208	284,542	Premium - Cal AIM	7,176,338	4,410,475	2,765,863
791,280	775,537	15,743	Premium - BHT Kick	6,923,807	6,810,893	112,914
3,537,141	4,110,301	(573,160)	Premium - Provider Enhancement	34,776,790	36,105,685	(1,328,895)
212,766	207,727	5,039	Premium - Ground Emergency Medical Transportation	1,877,625	1,826,811	50,814
145,874	105,564	40,310	Premium - Behavioral Health Integration Program	2,554,888	927,076	1,627,812
-	-	-	Premium - Vaccine Incentive	885,814	-	885,814
-	-	-	Premium - Student Behavioral Health Incentive	364,822	-	364,822
-	-	-	Premium - Housing and Homelessness Incentive	652,683	-	652,683
129,784	110,722	19,062	Other	1,135,575	975,556	160,019
37,957,277	36,480,346	1,476,931	Total Title XIX - Medicaid - Family & Other	334,350,043	321,608,180	12,741,863
Title XIX - Medicaid - Expansion Members						
27,678,514	25,416,139	2,262,375	Premium - Medi-Cal	236,941,877	223,084,484	13,857,393
194,969	234,964	(39,995)	Premium - Maternity Kick	3,749,395	2,114,676	1,634,719
991,672	852,007	139,665	Premium - Enhanced Care Management	8,480,419	7,476,743	1,003,676
236,313	212,795	23,518	Premium - Major Organ Transplant	2,023,580	1,867,369	156,211
338,928	466,917	(127,989)	Premium - Cal AIM	2,966,011	4,098,651	(1,132,640)
-	-	-	Premium - BHT Kick	12,659	-	12,659
1,502,756	1,674,520	(171,764)	Premium - Provider Enhancement	14,495,003	14,699,140	(204,137)
232,598	212,006	20,592	Premium - Ground Emergency Medical Transportation	1,992,376	1,861,015	131,361
63,041	98,145	(35,104)	Premium - Behavioral Health Integration Program	1,042,319	861,531	180,788
-	-	0	Premium - Vaccine Incentive	291,013	-	291,013
-	-	-	Premium - Student Behavioral Health Incentive	148,933	-	148,933
-	-	-	Premium - Housing and Homelessness Incentive	263,528	-	263,528
36,357	29,808	6,549	Other	311,160	261,432	49,728
31,275,148	29,197,301	2,077,847	Total Title XIX - Medicaid - Expansion Members	272,718,273	256,325,041	16,393,232
Title XIX - Medicaid - SPD Members						
13,809,689	12,978,268	831,422	Premium - Medi-Cal	118,486,337	113,943,307	4,543,031
505,700	466,875	38,825	Premium - Enhanced Care Management	4,338,876	4,098,951	239,925
157,327	148,440	8,887	Premium - Major Organ Transplant	1,349,855	1,303,236	46,619
63,673	238,436	(174,763)	Premium - Cal AIM	561,811	2,093,359	(1,531,548)
608,032	788,597	(180,565)	Premium - BHT Kick	5,853,108	6,923,525	(1,070,417)
449,546	485,064	(35,518)	Premium - Provider Enhancement	4,222,390	4,258,640	(36,250)
154,386	145,990	8,396	Premium - Ground Emergency Medical Transportation	1,324,622	1,281,726	42,896
11,867	50,119	(38,252)	Premium - Behavioral Health Integration Program	200,506	440,020	(239,514)
-	-	-	Premium - Vaccine Incentive	61,893	-	61,893
-	-	-	Premium - Student Behavioral Health Incentive	27,982	-	27,982
-	-	-	Premium - Housing and Homelessness Incentive	51,059	-	51,059
15,760,220	15,301,788	458,432	Total Title XIX - Medicaid - SPD Members	136,478,439	134,342,763	2,135,676

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
PHYSICIAN SERVICES						
3,859,118	4,053,899	194,781	Primary Care Physician Services	33,972,955	35,596,880	1,623,925
13,253,634	11,906,522	(1,347,112)	Referral Specialty Services	115,119,502	104,540,430	(10,579,072)
1,501,101	1,662,841	161,740	Urgent Care & After Hours Advise	18,516,930	14,598,155	(3,918,775)
9,000	9,000	-	Hospital Admitting Team	81,900	81,900	-
18,622,853	17,632,262	(990,591)	TOTAL PHYSICIAN SERVICES	167,691,287	154,817,365	(12,873,922)
OTHER PROFESSIONAL SERVICES						
327,811	331,025	3,214	Vision Service Capitation	2,828,225	2,906,715	78,490
1,890,140	2,154,063	263,923	Medical Departments - UM Allocation *	16,839,246	19,386,561	2,547,315
1,282,862	1,564,134	281,272	Behavior Health Treatment	12,099,901	13,734,420	1,634,519
180,406	156,954	(23,452)	Mental Health Services	1,339,712	1,378,144	38,432
1,343,698	1,720,242	376,544	Other Professional Services	12,772,070	15,103,753	2,331,683
5,024,917	5,926,418	901,501	TOTAL OTHER PROFESSIONAL SERVICES	45,879,154	52,509,592	6,630,438
4,773,821	5,738,181	964,360	EMERGENCY ROOM	42,063,554	50,384,434	8,320,880
22,797,560	20,611,293	(2,186,267)	INPATIENT HOSPITAL	188,753,846	180,965,414	(7,788,432)
142,533	56,700	(85,833)	REINSURANCE EXPENSE PREMIUM	418,844	497,880	79,036
9,352,210	8,762,220	(589,990)	OUTPATIENT HOSPITAL SERVICES	80,353,699	76,932,212	(3,421,487)
OTHER MEDICAL						
1,597,466	1,649,882	52,416	Ambulance and NEMT	12,025,244	14,486,837	2,461,593
739,073	711,257	(27,816)	Home Health Services & CBAS	7,870,890	6,245,053	(1,625,837)
1,076,096	1,106,708	30,612	Utilization and Quality Review Expenses	6,877,428	9,960,372	3,082,944
1,573,989	1,486,357	(87,632)	Long Term/SNF/Hospice	15,072,909	13,049,836	(2,023,073)
5,228,484	5,985,413	756,929	Provider Enhancement Expense - Prop. 56	50,934,834	52,554,788	1,619,954
520,821	537,437	16,616	Provider Enhancement Expense - GEMT	4,126,184	4,721,080	594,896
825	-	(825)	Vaccine Incentive Program Expense	3,172,868	-	(3,172,868)
220,783	253,828	33,045	Behaviorial Health Integration Program	3,797,714	2,228,628	(1,569,086)
1,936,841	1,794,332	(142,509)	Enhanced Care Management	16,662,142	15,784,216	(877,926)
510,244	494,909	(15,335)	Major Organ Transplant	4,396,516	4,344,554	(51,962)
1,352,580	1,207,561	(145,019)	Cal AIM Incentive Programs	11,826,431	10,602,485	(1,223,946)
987,460	933,137	(54,323)	DME/Rebates	8,392,503	8,192,984	(199,519)
15,744,662	16,160,821	416,159	TOTAL OTHER MEDICAL	145,155,663	142,170,833	(2,984,830)
490,964	472,500	(18,464)	PAY FOR PERFORMANCE QUALITY INCENTIVE	4,280,127	4,149,000	(131,127)
18,857,014	17,605,832	(1,251,182)	HOSPITAL DIRECTED PAYMENTS	163,452,673	154,861,070	(8,591,603)
(4,064,727)	-	4,064,727	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	22,878,119	-	(22,878,119)
9,821	-	(9,821)	NON-CLAIMS EXPENSE ADJUSTMENT	(628,170)	-	628,170
(789,121)	-	789,121	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(16,146,287)	-	16,146,287
90,962,507	92,966,226	2,003,719	Total Medical Costs	844,152,509	817,287,799	(26,864,710)

KHS11/29/2022

* Medical costs per DMHC regulations

Management Use Only

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
11.84	12.87	1.03	Primary Care Physician Services	11.89	12.87	0.98
40.67	37.80	(2.87)	Referral Specialty Services	40.30	37.79	(2.51)
4.61	5.28	0.67	Urgent Care & After Hours Advise	6.48	5.28	(1.21)
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
57.14	55.98	(1.16)	TOTAL PHYSICIAN SERVICES	58.71	55.97	(2.74)
			OTHER PROFESSIONAL SERVICES			
1.01	1.05	0.05	Vision Service Capitation	0.99	1.05	0.06
5.80	6.84	1.04	Medical Departments - UM Allocation *	5.90	7.01	1.11
3.94	4.97	1.03	Behavior Health Treatment	4.24	4.97	0.73
0.55	0.50	(0.06)	Mental Health Services	0.47	0.50	0.03
4.12	5.46	1.34	Other Professional Services	4.47	5.46	0.99
15.42	18.81	3.40	TOTAL OTHER PROFESSIONAL SERVICES	16.06	18.98	2.92
14.65	18.22	3.57	EMERGENCY ROOM	14.73	18.22	3.49
69.95	65.43	(4.52)	INPATIENT HOSPITAL	66.08	65.42	(0.66)
0.44	0.18	(0.26)	REINSURANCE EXPENSE PREMIUM	0.15	0.18	0.03
28.69	27.82	(0.88)	OUTPATIENT HOSPITAL SERVICES	28.13	27.81	(0.32)
			OTHER MEDICAL			
4.90	5.24	0.34	Ambulance and NEMT	4.21	5.24	1.03
2.27	2.26	(0.01)	Home Health Services & CBAS	2.76	2.26	(0.50)
3.30	3.51	0.21	Utilization and Quality Review Expenses	2.41	3.60	1.19
4.83	4.72	(0.11)	Long Term/SNF/Hospice	5.28	4.72	(0.56)
16.04	19.00	2.96	Provider Enhancement Expense - Prop. 56	17.83	19.00	1.17
1.60	1.71	0.11	Provider Enhancement Expense - GEMT	1.44	1.71	0.26
0.00	0.00	(0.00)	Vaccine Incentive Program Expense	1.11	0.00	(1.11)
0.68	0.81	0.13	Behaviorial Health Integration Program	1.33	0.81	(0.52)
5.94	5.70	(0.25)	Enhanced Care Management	5.83	5.71	(0.13)
1.57	1.57	0.01	Major Organ Transplant	1.54	1.57	0.03
4.15	3.83	(0.32)	Cal AIM Incentive Programs	4.14	3.83	(0.31)
3.03	2.96	(0.07)	DME	2.94	2.96	0.02
48.31	51.30	3.00	TOTAL OTHER MEDICAL	50.82	51.40	0.58
1.51	1.50	(0.01)	PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	0.00
57.86	55.89	(1.97)	HOSPITAL DIRECTED PAYMENTS	57.23	55.99	(1.24)
(12.47)	0.00	12.47	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	8.01	0.00	(8.01)
0.03	0.00	(0.03)	NON-CLAIMS EXPENSE ADJUSTMENT	(0.22)	0.00	0.22
(2.42)	0.00	2.42	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(5.65)	0.00	5.65
279.09	295.13	16.04	Total Medical Costs	295.55	295.48	(0.07)

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH SEPTEMBER 30, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022
PHYSICIAN SERVICES					
Primary Care Physician Services	3,472,901	3,950,940	3,869,340	4,216,012	3,710,885
Referral Specialty Services	11,390,029	12,825,148	13,133,782	12,603,720	12,666,671
Urgent Care & After Hours Advise	2,665,800	2,534,829	2,906,730	1,462,769	1,508,987
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300
TOTAL PHYSICIAN SERVICES	17,538,030	19,319,317	19,919,152	18,291,501	17,895,843
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	298,113	299,421	320,479	313,381	312,490
Medical Departments - UM Allocation *	1,874,290	1,814,144	1,930,871	1,799,307	1,920,750
Behavior Health Treatment	1,143,733	984,520	1,425,684	1,406,426	1,172,372
Mental Health Services	385,915	151,598	138,742	134,047	69,233
Other Professional Services	1,338,982	1,653,027	1,439,003	1,708,384	1,360,230
TOTAL OTHER PROFESSIONAL SERVICES	5,041,033	4,902,710	5,254,779	5,361,545	4,835,075
EMERGENCY ROOM	5,209,937	5,098,972	5,150,400	5,098,584	4,139,529
INPATIENT HOSPITAL	20,610,105	20,031,970	20,232,342	20,364,608	21,395,635
REINSURANCE EXPENSE PREMIUM	53,660	53,896	57,686	56,409	56,248
OUTPATIENT HOSPITAL SERVICES	8,214,215	8,223,126	8,686,122	8,458,833	8,281,163
OTHER MEDICAL					
Ambulance and NEMT	1,321,069	1,293,500	1,339,544	1,466,846	1,405,832
Home Health Services & CBAS	733,519	813,833	841,676	781,545	1,039,980
Utilization and Quality Review Expenses	767,373	755,405	504,541	724,744	1,037,565
Long Term/SNF/Hospice	1,585,601	1,669,982	1,938,253	1,975,528	1,770,701
Provider Enhancement Expense - Prop. 56	5,806,204	5,819,707	5,888,710	5,878,051	5,871,736
Provider Enhancement Expense - GEMT	463,070	463,069	300,851	354,994	480,313
Vaccine Incentive Program Expense	1,143,595	1,628,354	173,216	136,387	739
Behaviorial Health Integration Program	824,339	824,339	824,339	225,048	216,518
Enhanced Care Management	2,023,406	1,561,486	1,821,649	1,818,393	1,820,636
Major Organ Transplant	472,866	473,613	496,178	480,362	480,654
Cal AIM Incentive Programs	1,241,196	1,257,731	1,089,466	1,285,346	1,268,891
DME	881,383	973,969	570,456	1,214,663	907,459
TOTAL OTHER MEDICAL	17,263,621	17,534,988	15,788,879	16,341,907	16,301,024
PAY FOR PERFORMANCE QUALITY INCENTIVE	464,013	465,422	465,421	472,037	473,494
HOSPITAL DIRECTED PAYMENTS	17,606,870	17,654,496	17,949,134	17,905,917	17,928,276
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	230,177	24,013	26,678,156	3,898	(3,419)
NON-CLAIMS EXPENSE ADJUSTMENT	43,538	4,118	572,469	62,025	(1,371,999)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	627	(1,010,781)	(3,987,493)	(2,812,496)	(3,724,314)
Total Medical Costs	92,275,826	92,302,247	116,767,047	89,604,769	86,206,555

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH SEPTEMBER 30, 2022	JUNE 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES					
Primary Care Physician Services	3,643,312	3,951,533	3,298,914	3,859,118	33,972,955
Referral Specialty Services	14,157,633	12,653,874	12,435,011	13,253,634	115,119,502
Urgent Care & After Hours Advise	1,111,956	2,369,574	2,455,184	1,501,101	18,516,930
Hospital Admitting Team	9,000	9,300	9,300	9,000	81,900
TOTAL PHYSICIAN SERVICES	18,921,901	18,984,281	18,198,409	18,622,853	167,691,287
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	317,864	315,663	323,003	327,811	2,828,225
Medical Departments - UM Allocation *	1,835,227	1,913,288	1,861,229	1,890,140	16,839,246
Behavior Health Treatment	1,493,794	1,392,248	1,798,262	1,282,862	12,099,901
Mental Health Services	98,672	112,742	68,357	180,406	1,339,712
Other Professional Services	1,367,404	1,403,400	1,157,942	1,343,698	12,772,070
TOTAL OTHER PROFESSIONAL SERVICES	5,112,961	5,137,341	5,208,793	5,024,917	45,879,154
EMERGENCY ROOM	3,167,228	4,764,039	4,661,044	4,773,821	42,063,554
INPATIENT HOSPITAL	19,551,774	22,935,749	20,834,103	22,797,560	188,753,846
REINSURANCE EXPENSE PREMIUM	57,216	(33,668)	(25,136)	142,533	418,844
OUTPATIENT HOSPITAL SERVICES	9,196,013	10,013,268	9,928,749	9,352,210	80,353,699
OTHER MEDICAL					
Ambulance and NEMT	825,707	1,358,335	1,416,945	1,597,466	12,025,244
Home Health Services & CBAS	1,056,675	1,083,945	780,644	739,073	7,870,890
Utilization and Quality Review Expenses	642,907	696,258	672,539	1,076,096	6,877,428
Long Term/SNF/Hospice	1,113,446	1,750,512	1,694,897	1,573,989	15,072,909
Provider Enhancement Expense - Prop. 56	6,032,156	5,197,617	5,212,169	5,228,484	50,934,834
Provider Enhancement Expense - GEMT	494,051	503,001	546,014	520,821	4,126,184
Vaccine Incentive Program Expense	85,682	2,148	1,922	825	3,172,868
Behaviorial Health Integration Program	220,783	220,782	220,783	220,783	3,797,714
Enhanced Care Management	1,866,858	1,907,842	1,905,031	1,936,841	16,662,142
Major Organ Transplant	492,226	504,463	485,910	510,244	4,396,516
Cal AIM Incentive Programs	1,807,413	1,195,617	1,328,191	1,352,580	11,826,431
DME	884,167	996,415	976,531	987,460	8,392,503
TOTAL OTHER MEDICAL	15,522,071	15,416,935	15,241,576	15,744,662	145,155,663
PAY FOR PERFORMANCE QUALITY INCENTIVE	478,060	485,358	485,358	490,964	4,280,127
HOSPITAL DIRECTED PAYMENTS	18,280,365	18,674,627	18,595,974	18,857,014	163,452,673
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	5,129	9,235	(4,343)	(4,064,727)	22,878,119
NON-CLAIMS EXPENSE ADJUSTMENT	29,799	17,040	5,019	9,821	(628,170)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(4,072,490)	(238,100)	487,881	(789,121)	(16,146,287)
Total Medical Costs	86,250,027	96,166,105	93,617,427	90,962,508	844,152,509

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH SEPTEMBER 30, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022
PHYSICIAN SERVICES					
Primary Care Physician Services	11.23	12.73	12.38	13.40	11.76
Referral Specialty Services	36.82	41.33	42.03	40.05	40.13
Urgent Care & After Hours Advise	8.62	8.17	9.30	4.65	4.78
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	56.69	62.26	63.74	58.13	56.69
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	0.96	0.96	1.03	1.00	0.99
Medical Departments - UM Allocation *	6.06	5.85	6.18	5.72	6.08
Behavior Health Treatment	3.70	3.17	4.56	4.47	3.71
Mental Health Services	1.25	0.49	0.44	0.43	0.22
Other Professional Services	4.33	5.33	4.60	5.43	4.31
TOTAL OTHER PROFESSIONAL SERVICES	16.30	15.80	16.82	17.04	15.32
EMERGENCY ROOM	16.84	16.43	16.48	16.20	13.11
INPATIENT HOSPITAL	66.63	64.56	64.75	64.71	67.78
REINSURANCE EXPENSE PREMIUM	0.17	0.17	0.18	0.18	0.18
OUTPATIENT HOSPITAL SERVICES	26.55	26.50	27.80	26.88	26.23
OTHER MEDICAL					
Ambulance and NEMT	4.27	4.17	4.29	4.66	4.45
Home Health Services & CBAS	2.37	2.62	2.69	2.48	3.29
Utilization and Quality Review Expenses	2.48	2.43	1.61	2.30	3.29
Long Term/SNF/Hospice	5.13	5.38	6.20	6.28	5.61
Provider Enhancement Expense - Prop. 56	18.77	18.76	18.84	18.68	18.60
Provider Enhancement Expense - GEMT	1.50	1.49	0.96	1.13	1.52
Vaccine Incentive Program Expense	3.70	5.25	0.55	0.43	0.00
Behaviorial Health Integration Program	2.66	2.66	2.64	0.72	0.69
Enhanced Care Management	6.54	5.03	5.83	5.78	5.77
Major Organ Transplant	1.53	1.53	1.59	1.53	1.52
Cal AIM Incentive Programs	4.01	4.05	3.49	4.08	4.02
DME	2.85	3.14	1.83	3.86	2.87
TOTAL OTHER MEDICAL	55.81	56.51	50.53	51.93	51.64
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	1.49	1.50	1.50
HOSPITAL DIRECTED PAYMENTS	56.92	56.90	57.44	56.90	56.80
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.74	0.08	85.37	0.01	(0.01)
NON-CLAIMS EXPENSE ADJUSTMENT	0.14	0.01	1.83	0.20	(4.35)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(3.26)	(12.76)	(8.94)	(11.80)
Total Medical Costs	298.30	297.48	373.67	284.74	273.10

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH SEPTEMBER 30, 2022	JUNE 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES					
Primary Care Physician Services	11.41	12.21	10.15	11.84	11.89
Referral Specialty Services	44.34	39.11	38.27	40.67	40.30
Urgent Care & After Hours Advise	3.48	7.32	7.56	4.61	6.48
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	59.25	58.67	56.00	57.14	58.71
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	1.00	0.98	0.99	1.01	0.99
Medical Departments - UM Allocation *	5.75	5.91	5.73	5.72	5.90
Behavior Health Treatment	4.68	4.30	5.53	3.94	4.24
Mental Health Services	0.31	0.35	0.21	0.55	0.47
Other Professional Services	4.28	4.34	3.56	4.12	4.47
TOTAL OTHER PROFESSIONAL SERVICES	16.01	15.88	16.03	15.34	16.06
EMERGENCY ROOM	9.92	14.72	14.34	14.65	14.73
INPATIENT HOSPITAL	61.23	70.88	64.11	69.95	66.08
REINSURANCE EXPENSE PREMIUM	0.18	(0.10)	(0.08)	0.44	0.15
OUTPATIENT HOSPITAL SERVICES	28.80	30.95	30.55	28.69	28.13
OTHER MEDICAL					
Ambulance and NEMT	2.59	4.20	4.36	4.90	4.21
Home Health Services & CBAS	3.31	3.35	2.40	2.27	2.76
Utilization and Quality Review Expenses	2.01	2.15	2.07	3.30	2.41
Long Term/SNF/Hospice	3.49	5.41	5.22	4.83	5.28
Provider Enhancement Expense - Prop. 56	18.89	16.06	16.04	16.04	17.83
Provider Enhancement Expense - GEMT	1.55	1.55	1.68	1.60	1.44
Vaccine Incentive Program Expense	0.27	0.01	0.01	0.00	1.11
Behaviorial Health Integration Program	0.69	0.68	0.68	0.68	1.33
Enhanced Care Management	5.85	5.90	5.86	5.94	5.83
Major Organ Transplant	1.54	1.56	1.50	1.57	1.54
Cal AIM Incentive Programs	5.66	3.70	4.09	4.15	4.14
DME	2.77	3.08	3.01	3.03	2.94
TOTAL OTHER MEDICAL	48.61	47.65	46.90	48.31	50.82
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	1.49	1.51	1.50
HOSPITAL DIRECTED PAYMENTS	57.25	57.71	57.23	57.86	57.23
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.02	0.03	(0.01)	(12.47)	8.01
NON-CLAIMS EXPENSE ADJUSTMENT	0.09	0.05	0.02	0.03	(0.22)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(12.75)	(0.74)	1.50	(2.42)	(5.65)
Total Medical Costs	270.09	297.20	288.09	279.02	295.55

			KERN HEALTH SYSTEMS MEDI-CAL			
CURRENT MONTH			SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED SEPTEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
480,177	459,798	(20,379)	110 - Executive	4,019,294	4,213,181	193,887
205,332	234,469	29,137	210 - Accounting	1,903,142	2,110,221	207,079
379,477	359,967	(19,510)	220 - Management Information Systems	3,154,167	3,239,702	85,535
35,696	54,298	18,602	221 - Business Intelligence	312,325	488,682	176,357
262,856	383,664	120,808	222 - Enterprise Development	2,531,169	3,452,976	921,807
415,178	533,193	118,015	225 - Infrastructure	4,336,384	4,798,737	462,353
474,159	615,321	141,162	230 - Claims	5,109,744	5,537,889	428,145
252,716	187,947	(64,769)	240 - Project Management	1,442,885	1,691,523	248,638
169,157	180,989	11,832	310 - Health Services - Utilization Management	1,347,845	1,628,901	281,056
317	14,039	13,722	311 - Health Services - Quality Improvement	2,981	126,351	123,370
(2,865)	513	3,378	312 - Health Services - Education	1,042	4,617	3,575
43,043	50,828	7,785	313- Pharmacy	322,815	457,452	134,637
18,382	2,308	(16,074)	314 - Enhanced Care Management	108,173	20,772	(87,401)
55,570	74,558	18,988	316 -Population Health Management	538,067	671,022	132,955
25	333	308	317 - Community Based Services	293	2,997	2,704
-	-	-	318 - Housing & Homeless Incentive Program	-	-	-
313,213	359,942	46,729	320 - Provider Network Management	2,784,805	3,239,478	454,673
715,313	871,663	156,350	330 - Member Services	6,129,090	7,844,967	1,715,877
836,837	721,857	(114,980)	340 - Corporate Services	7,047,353	6,496,713	(550,640)
86,380	97,177	10,797	360 - Audit & Investigative Services	712,069	874,593	162,524
23,027	92,450	69,423	410 - Advertising Media	466,451	832,050	365,599
75,839	76,696	857	420 - Sales/Marketing/Public Relations	584,680	690,264	105,584
338,192	303,042	(35,150)	510 - Human Resources	2,763,385	2,727,378	(36,007)
420,793	(92,324)	(513,117)	Administrative Expense Adjustment	2,105,161	(830,916)	(2,936,077)
5,598,814	5,582,728	(16,086)	Total Administrative Expenses	47,723,320	50,319,550	2,596,230

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED SEPTEMBER 30, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022
110 - Executive	424,308	403,286	429,743	446,418	470,648
210 - Accounting	233,241	178,928	252,864	163,976	225,728
220 - Management Information Systems (MIS)	335,777	238,917	337,588	352,426	352,473
221 - Business Intelligence	13,042	65,687	31,834	45,508	45,708
222 - Enterprise Development	307,654	250,898	286,566	265,813	303,353
225 - Infrastructure	473,799	427,685	536,529	343,776	562,405
230 - Claims	582,040	548,583	591,767	559,648	590,588
240 - Project Management	171,917	152,433	174,210	123,662	152,467
310 - Health Services - Utilization Management	139,536	126,622	128,165	132,502	154,797
311 - Health Services - Quality Improvement	277	15,545	(90)	186	(15,257)
312 - Health Services - Education	-	180	2,174	310	89
313- Pharmacy	39,824	36,716	38,879	36,385	35,680
314 - Enhanced Care Management	3,281	241	19	12,005	22,519
316 -Population Health Management	65,121	62,696	63,150	64,161	66,172
317 - Community Based Services	-	24	22	17	5
318 - Housing & Homeless Incentive Program	-	-	-	-	9,346
320 - Provider Network Management	327,923	326,761	325,559	269,804	308,858
330 - Member Services	754,477	623,424	700,611	644,994	694,732
340 - Corporate Services	786,930	685,514	778,083	735,005	751,597
360 - Audit & Investigative Services	69,757	69,895	71,016	82,269	83,957
410 - Advertising Media	11,825	27,353	55,984	38,254	34,202
420 - Sales/Marketing/Public Relations	66,531	51,460	70,326	65,913	62,815
510 - Human Resources	309,451	254,507	352,740	341,377	295,995
Total Department Expenses	5,116,711	4,547,355	5,227,739	4,724,409	5,208,877
ADMINISTRATIVE EXPENSE ADJUSTMENT	(1,904)	(44,283)	31,776	164,256	(2,834)
Total Administrative Expenses	5,114,807	4,503,072	5,259,515	4,888,665	5,206,043

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED SEPTEMBER 30, 2022	JUNE 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	YEAR TO DATE 2022
110 - Executive	353,073	504,491	507,150	480,177	4,019,294
210 - Accounting	222,884	202,574	217,615	205,332	1,903,142
220 - Management Information Systems (MIS)	336,194	449,253	372,062	379,477	3,154,167
221 - Business Intelligence	16,186	42,730	15,934	35,696	312,325
222 - Enterprise Development	291,350	256,153	306,526	262,856	2,531,169
225 - Infrastructure	524,493	450,547	601,972	415,178	4,336,384
230 - Claims	529,776	654,284	578,899	474,159	5,109,744
240 - Project Management	105,055	152,605	157,820	252,716	1,442,885
310 - Health Services - Utilization Management	166,719	167,284	163,063	169,157	1,347,845
311 - Health Services - Quality Improvement	178	1,002	823	317	2,981
312 - Health Services - Education	222	895	37	(2,865)	1,042
313- Pharmacy	34,727	33,787	23,774	43,043	322,815
314 - Enhanced Care Management	12,559	16,919	22,248	18,382	108,173
316 -Population Health Management	55,430	54,747	51,020	55,570	538,067
317 - Community Based Services	36	7	157	25	293
318 - Housing & Homeless Incentive Program	(9,346)	42	(42)	-	-
320 - Provider Network Management	305,807	307,080	299,800	313,213	2,784,805
330 - Member Services	635,012	682,669	677,858	715,313	6,129,090
340 - Corporate Services	842,924	814,888	815,575	836,837	7,047,353
360 - Audit & Investigative Services	69,158	91,281	88,356	86,380	712,069
410 - Advertising Media	52,260	169,122	54,424	23,027	466,451
420 - Sales/Marketing/Public Relations	72,927	58,511	60,358	75,839	584,680
510 - Human Resources	236,093	340,172	294,858	338,192	2,763,385
Total Department Expenses	4,853,717	5,451,043	5,310,287	5,178,021	45,618,159
ADMINISTRATIVE EXPENSE ADJUSTMENT	811,890	425,467	300,000	420,793	2,105,161
Total Administrative Expenses	5,665,607	5,876,510	5,610,287	5,598,814	47,723,320

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF SEPTEMBER 30, 2022			
ASSETS	SEPTEMBER 2022	AUGUST 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,142,022	\$ 1,142,022	-
Interest Receivable	3,869	1,400	2,469
TOTAL CURRENT ASSETS	\$ 1,145,891	\$ 1,143,422	\$ 2,469
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,136,102	1,136,102	-
Increase (Decrease) in Net Position - Current Year	9,789	7,320	2,469
Total Net Position	\$ 1,145,891	\$ 1,143,422	\$ 2,469
TOTAL LIABILITIES AND NET POSITION	\$ 1,145,891	\$ 1,143,422	\$ 2,469

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2022			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members			-	-	-
REVENUES								
-	-	-	Premium			-	-	-
2,469	-	2,469	Interest			6,887	-	6,887
-	-	-	Other Investment Income			2,902	-	2,902
2,469	-	2,469	TOTAL REVENUES			9,789	-	9,789
EXPENSES								
-	-	-	Medical Costs			-	-	-
-	-	-	IBNR and Paid Claims Adjustment			-	-	-
-	-	-	Total Medical Costs			-	-	-
2,469	-	2,469	GROSS MARGIN			9,789	-	9,789
Administrative								
-	-	-	Management Fee Expense and Other Admin Exp			-	-	-
-	-	-	Total Administrative Expenses			-	-	-
-	-	-	TOTAL EXPENSES			-	-	-
2,469	-	2,469	OPERATING INCOME (LOSS)			9,789	-	9,789
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)			-	-	-
2,469	-	2,469	NET INCREASE (DECREASE) IN NET POSITION			9,789	-	9,789
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		2022 MEMBER MONTHS	JAN'22	FEB'22	MAR'22	APR'22	MAY'22	JUN'22	JULY'22	AUG'22	SEPT'22
ADULT AND FAMILY											
ADULT	560,633		60,708	60,882	61,379	61,726	61,739	62,276	63,581	64,006	64,336
CHILD	1,270,231		139,223	139,605	140,344	141,029	141,356	141,902	142,505	142,059	142,208
SUB-TOTAL ADULT & FAMILY	1,830,864		199,931	200,487	201,723	202,755	203,095	204,178	206,086	206,065	206,544
OTHER MEMBERS											
PARTIAL DUALS - FAMILY	7,384		824	801	811	796	815	837	842	814	844
PARTIAL DUALS - CHILD	0		0	0	0	0	0	0	0	0	0
PARTIAL DUALS - BCCTP	56		4	13	6	5	5	5	6	6	6
FULL DUALS (SPD)											
SPD FULL DUALS	76,667		8,138	8,257	8,336	8,411	8,662	8,572	8,684	8,794	8,813
SUBTOTAL OTHER MEMBERS	84,107		8,966	9,071	9,153	9,212	9,482	9,414	9,532	9,614	9,663
TOTAL FAMILY & OTHER	1,914,971		208,897	209,558	210,876	211,967	212,577	213,592	215,618	215,679	216,207
SPD											
SPD (AGED AND DISABLED)	150,134		16,556	16,376	16,516	16,363	16,305	16,794	16,817	17,118	17,289
MEDI-CAL EXPANSION											
ACA Expansion Adult-Citizen	779,059		82,803	83,199	83,828	85,037	85,412	87,526	89,680	90,672	90,902
ACA Expansion Duals	12,089		1,086	1,148	1,270	1,324	1,369	1,421	1,457	1,492	1,522
SUB-TOTAL MED-CAL EXPANSION	791,148		83,889	84,347	85,098	86,361	86,781	88,947	91,137	92,164	92,424
TOTAL KAISER	121,693		12,787	13,032	13,253	13,407	13,552	13,722	13,842	13,972	14,126
TOTAL MEDI-CAL MEMBERS	2,977,946		322,129	323,313	325,743	328,098	329,215	333,055	337,414	338,933	340,046



To: KHS Finance Committee

From: Robert Landis, CFO

Date: December 9, 2022

Re: October 2022 Financial Results

The October results reflect a \$3,987,926 Net Increase in Net Position which is a \$4,203,119 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$5.3 million favorable variance primarily due to:
 - A) \$4.0 million favorable variance primarily due to higher-than-expected budgeted membership.
 - B) \$1.3 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset against amounts included in 2C below.

- 2) Total Medical Costs reflect a \$1.5 million unfavorable variance primarily due to:
 - A) \$1.0 million favorable variance in Emergency Room primarily due to lower-than-expected utilization over the last several months.
 - B) \$1.7 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization over the last several months by Family and SPD members.
 - C) \$1.3 million unfavorable variance in Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset against amounts included in 1B above.
 - D) \$.4 million favorable variance primarily from IBNR Adjustments relating to the prior year.

The October Medical Loss Ratio is 88.7% which is favorable to the 92.9% budgeted amount. The October Administrative Expense Ratio is 6.6% which is favorable to the 6.8% budgeted amount.

The results for the 10 months ended October 31, 2022 reflects a Net Increase in Net Position of \$35,019,020. This is a \$38,213,536 favorable variance to the budget and includes approximately \$13.1 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 88.7% which is favorable to the 92.8% budgeted amount. The year-to-date Administrative Expense Ratio is 6.5% which is favorable to the 7.0% budgeted amount.

**Kern Health Systems
Financial Packet
October 2022**

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

Monthly Member Count	Page 20
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KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF OCTOBER 31, 2022			
ASSETS	OCTOBER 2022	SEPTEMBER 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 155,712,819	\$ 142,667,501	\$ 13,045,318
Short-Term Investments	216,266,372	236,155,812	(19,889,440)
Premiums Receivable - Net	106,316,288	107,091,819	(775,531)
Premiums Receivable - Hospital Direct Payments	377,478,453	358,506,643	18,971,810
Interest Receivable	84,010	252,634	(168,624)
Provider Advance Payment	2,599,965	2,777,176	(177,211)
Other Receivables	1,973,160	322,166	1,650,994
Prepaid Expenses & Other Current Assets	3,011,430	3,335,933	(324,503)
Total Current Assets	\$ 863,442,497	\$ 851,109,684	\$ 12,332,813
CAPITAL ASSETS - NET OF ACCUM DEPREE:			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,307,117	1,323,130	(16,013)
Computer Hardware and Software - Net	18,555,056	18,855,103	(300,047)
Building and Building Improvements - Net	33,867,417	33,943,525	(76,108)
Capital Projects in Progress	6,353,893	6,066,787	287,106
Total Capital Assets	\$ 64,174,189	\$ 64,279,251	\$ (105,062)
LONG TERM ASSETS:			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,604,652	1,604,652	-
Total Long Term Assets	\$ 1,904,652	\$ 1,904,652	\$ -
DEFERRED OUTFLOWS OF RESOURCES	\$ 4,731,067	\$ 4,731,067	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 934,252,405	\$ 922,024,654	\$ 12,227,751
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accrued Salaries and Employee Benefits	\$ 5,183,589	\$ 4,858,302	325,287
Accrued Other Operating Expenses	2,332,830	2,465,066	(132,236)
Accrued Taxes and Licenses	10,728,420	32,495,339	(21,766,919)
Claims Payable (Reported)	25,138,610	21,227,073	3,911,537
IBNR - Inpatient Claims	55,619,619	53,360,793	2,258,826
IBNR - Physician Claims	19,630,283	19,207,025	423,258
IBNR - Accrued Other Medical	24,071,362	24,584,524	(513,162)
Risk Pool and Withholds Payable	5,220,812	4,727,132	493,680
Statutory Allowance for Claims Processing Expense	2,509,938	2,509,938	-
Other Liabilities	117,487,167	113,519,424	3,967,743
Accrued Hospital Directed Payments	377,296,111	358,324,300	18,971,811
Total Current Liabilities	\$ 645,218,741	\$ 637,278,916	\$ 7,939,825
NONCURRENT LIABILITIES:			
Net Pension Liability	1,200,000	900,000	300,000
TOTAL NONCURRENT LIABILITIES	\$ 1,200,000	\$ 900,000	\$ 300,000
DEFERRED INFLOWS OF RESOURCES	\$ 5,338,319	\$ 5,338,319	\$ -
NET POSITION:			
Net Position - Beg. of Year	247,476,325	247,476,325	-
Increase (Decrease) in Net Position - Current Year	35,019,020	31,031,094	3,987,926
Total Net Position	\$ 282,495,345	\$ 278,507,419	\$ 3,987,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 934,252,405	\$ 922,024,654	\$ 12,227,751

CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2022			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
207,776	208,400	(624)	Family Members	2,038,640	2,025,500	13,140		
94,305	84,430	9,875	Expansion Members	885,453	820,300	65,153		
17,179	16,430	749	SPD Members	167,313	159,800	7,513		
9,861	7,740	2,121	Other Members	93,968	77,400	16,568		
14,281	13,000	1,281	Kaiser Members	135,974	130,000	5,974		
343,402	330,000	13,402	Total Members - MCAL	3,321,348	3,213,000	108,348		
			REVENUES					
37,949,223	36,666,872	1,282,351	Title XIX - Medicaid - Family and Other	372,299,266	358,275,052	14,024,214		
31,549,369	29,405,387	2,143,982	Title XIX - Medicaid - Expansion Members	304,267,642	285,730,428	18,537,214		
15,913,345	15,395,491	517,854	Title XIX - Medicaid - SPD Members	152,391,784	149,738,254	2,653,530		
10,883,459	10,916,540	(33,081)	Premium - MCO Tax	102,898,163	102,633,455	264,708		
18,961,885	17,711,807	1,250,078	Premium - Hospital Directed Payments	182,414,558	172,572,877	9,841,681		
179,268	85,125	94,143	Investment Earnings And Other Income	(14,301)	828,213	(842,514)		
-	57,060	(57,060)	Reinsurance Recoveries	-	554,940	(554,940)		
9,926	-	9,926	Rate Adjustments - Hospital Directed Payments	22,554,889	-	22,554,889		
124,448	-	124,448	Rate/Income Adjustments	(1,602,093)	-	(1,602,093)		
115,570,923	110,238,282	5,332,641	TOTAL REVENUES	1,135,209,908	1,070,333,219	64,876,689		
			EXPENSES					
			Medical Costs:					
18,169,774	17,746,255	(423,519)	Physician Services	185,861,061	172,563,620	(13,297,441)		
5,041,998	5,950,303	908,305	Other Professional Services	50,921,152	58,459,895	7,538,743		
4,790,820	5,775,041	984,221	Emergency Room	46,854,374	56,159,475	9,305,101		
22,462,437	20,745,728	(1,716,709)	Inpatient	211,216,283	201,711,142	(9,505,141)		
58,493	57,060	(1,433)	Reinsurance Expense	477,337	554,940	77,603		
9,319,855	8,819,325	(500,530)	Outpatient Hospital	89,673,554	85,751,537	(3,922,017)		
16,418,094	16,256,520	(161,574)	Other Medical	161,573,757	158,427,353	(3,146,404)		
493,681	475,500	(18,181)	Pay for Performance Quality Incentive	4,773,808	4,624,500	(149,308)		
18,961,885	17,711,807	(1,250,078)	Hospital Directed Payments	182,414,558	172,572,877	(9,841,681)		
9,926	-	(9,926)	Hospital Directed Payment Adjustment	22,888,045	-	(22,888,045)		
(248,768)	-	248,768	Non-Claims Expense Adjustment	(876,938)	-	876,938		
(435,695)	-	435,695	IBNR, Incentive, Paid Claims Adjustment	(16,581,982)	-	16,581,982		
95,042,500	93,537,540	(1,504,960)	Total Medical Costs	939,195,009	910,825,339	(28,369,670)		
20,528,423	16,700,742	3,827,681	GROSS MARGIN	196,014,899	159,507,880	36,507,019		
			Administrative:					
3,387,496	3,369,438	(18,058)	Compensation	31,445,211	33,769,384	2,324,173		
1,009,393	1,108,544	99,151	Purchased Services	9,614,468	11,085,442	1,470,974		
66,157	212,108	145,951	Supplies	884,470	2,121,076	1,236,606		
584,905	526,572	(58,333)	Depreciation	5,814,651	5,265,720	(548,931)		
304,229	366,066	61,837	Other Administrative Expenses	3,211,539	3,660,657	449,118		
299,429	-	(299,429)	Administrative Expense Adjustment	2,404,590	-	(2,404,590)		
5,651,609	5,582,728	(68,881)	Total Administrative Expenses	53,374,929	55,902,278	2,527,349		
100,694,109	99,120,267	(1,573,842)	TOTAL EXPENSES	992,569,938	966,727,617	(25,842,321)		
14,876,814	11,118,015	3,758,799	OPERATING INCOME (LOSS) BEFORE TAX	142,639,970	103,605,603	39,034,367		
10,883,460	10,916,540	33,080	MCO TAX	102,891,895	102,633,455	(258,440)		
3,993,354	201,475	3,791,879	OPERATING INCOME (LOSS) NET OF TAX	39,748,075	972,148	38,775,927		
			NONOPERATING REVENUE (EXPENSE)					
-	-	-	Gain on Sale of Assets	-	-	-		
(4,416)	(333,334)	328,918	Provider Grants/CalAIM Initiative Grant	(4,095,430)	(3,333,332)	(762,098)		
(1,012)	(83,334)	82,322	Health Home	(633,625)	(833,332)	199,707		
(5,428)	(416,668)	411,240	TOTAL NONOPERATING REVENUE (EXPENSE)	(4,729,055)	(4,166,664)	(562,391)		
3,987,926	(215,193)	4,203,119	NET INCREASE (DECREASE) IN NET POSITION	35,019,020	(3,194,516)	38,213,536		
88.7%	92.9%	4.2%	MEDICAL LOSS RATIO	88.7%	92.8%	4.1%		
6.6%	6.8%	0.2%	ADMINISTRATIVE EXPENSE RATIO	6.5%	7.0%	0.6%		

			KERN HEALTH SYSTEMS MEDI-CAL			
CURRENT MONTH			STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED OCTOBER 31, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
ENROLLMENT						
207,776	208,400	(624)	Family Members	2,038,640	2,025,500	13,140
94,305	84,430	9,875	Expansion Members	885,453	820,300	65,153
17,179	16,430	749	SPD Members	167,313	159,800	7,513
9,861	7,740	2,121	Other Members	93,968	77,400	16,568
14,281	13,000	1,281	Kaiser Members	135,974	130,000	5,974
343,402	330,000	13,402	Total Members - MCAL	3,321,348	3,213,000	108,348
REVENUES						
174.37	169.64	4.73	Title XIX - Medicaid - Family and Other	174.57	170.37	4.20
334.55	348.28	(13.74)	Title XIX - Medicaid - Expansion Members	343.63	348.32	(4.69)
926.33	937.04	(10.71)	Title XIX - Medicaid - SPD Members	910.82	937.04	(26.22)
33.07	34.44	(1.37)	Premium - MCO Tax	32.30	33.29	(0.99)
57.61	55.87	1.74	Premium - Hospital Directed Payments	57.27	55.98	1.29
0.54	0.27	0.28	Investment Earnings And Other Income	(0.00)	0.27	(0.27)
0.00	0.18	(0.18)	Reinsurance Recoveries	0.00	0.18	(0.18)
0.03	0.00	0.03	Rate Adjustments - Hospital Directed Payments	7.08	0.00	7.08
0.38	0.00	0.38	Rate/Income Adjustments	(0.50)	0.00	(0.50)
351.15	347.75	3.40	TOTAL REVENUES	356.38	347.17	9.21
EXPENSES						
Medical Costs:						
55.21	55.98	0.77	Physician Services	58.35	55.97	(2.38)
15.32	18.77	3.45	Other Professional Services	15.99	18.96	2.98
14.56	18.22	3.66	Emergency Room	14.71	18.22	3.51
68.25	65.44	(2.81)	Inpatient	66.31	65.43	(0.88)
0.18	0.18	0.00	Reinsurance Expense	0.15	0.18	0.03
28.32	27.82	(0.50)	Outpatient Hospital	28.15	27.81	(0.34)
49.88	51.28	1.40	Other Medical	50.72	51.39	0.66
1.50	1.50	0.00	Pay for Performance Quality Incentive	1.50	1.50	0.00
57.61	55.87	(1.74)	Hospital Directed Payments	57.27	55.98	(1.29)
0.03	0.00	(0.03)	Hospital Directed Payment Adjustment	7.19	0.00	(7.19)
(0.76)	0.00	0.76	Non-Claims Expense Adjustment	(0.28)	0.00	0.28
(1.32)	0.00	1.32	IBNR, Incentive, Paid Claims Adjustment	(5.21)	0.00	5.21
288.78	295.07	6.29	Total Medical Costs	294.85	295.43	0.59
62.37	52.68	9.69	GROSS MARGIN	61.54	51.74	9.80
Administrative:						
10.29	10.63	0.34	Compensation	9.87	10.95	1.08
3.07	3.50	0.43	Purchased Services	3.02	3.60	0.58
0.20	0.67	0.47	Supplies	0.28	0.69	0.41
1.78	1.66	(0.12)	Depreciation	1.83	1.71	(0.12)
0.92	1.15	0.23	Other Administrative Expenses	1.01	1.19	0.18
0.91	0.00	(0.91)	Administrative Expense Adjustment	0.75	0.00	(0.75)
17.17	17.61	0.44	Total Administrative Expenses	16.76	18.13	1.38
305.95	312.68	6.73	TOTAL EXPENSES	311.60	313.57	1.96
45.20	35.07	10.13	OPERATING INCOME (LOSS) BEFORE TAX	44.78	33.61	11.17
33.07	34.44	1.37	MCO TAX	32.30	33.29	0.99
12.13	0.64	11.50	OPERATING INCOME (LOSS) NET OF TAX	12.48	0.32	12.16
NONOPERATING REVENUE (EXPENSE)						
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00
(0.01)	(1.05)	1.04	Reserve Fund Projects/Community Grants	(1.29)	(1.08)	(0.20)
(0.00)	(0.26)	0.26	Health Home	(0.20)	(0.27)	0.07
(0.02)	(1.31)	1.30	TOTAL NONOPERATING REVENUE (EXPENSE)	(1.48)	(1.35)	(0.13)
12.12	(0.68)	12.80	NET INCREASE (DECREASE) IN NET POSITION	10.99	(1.04)	12.03
88.7%	92.9%	4.2%	MEDICAL LOSS RATIO	88.7%	92.8%	4.1%
6.6%	6.8%	0.2%	ADMINISTRATIVE EXPENSE RATIO	6.5%	7.0%	0.6%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH OCTOBER 31, 2022	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL
	2021	2021	2021	2022	2022	2022	2022
ENROLLMENT							
Members - MCAL	295,865	296,989	298,205	309,342	310,281	312,490	314,691
REVENUES							
Title XIX - Medicaid - Family and Other	37,040,845	37,111,335	36,899,197	37,009,614	37,126,546	36,539,594	36,762,722
Title XIX - Medicaid - Expansion Members	30,140,656	31,001,586	30,241,720	29,968,453	29,945,915	29,350,530	29,812,384
Title XIX - Medicaid - SPD Members	16,206,131	16,254,790	16,506,513	14,953,594	14,858,906	14,791,754	14,924,745
Premium - MCO Tax	10,229,218	10,229,533	10,273,393	9,899,314	9,894,054	9,893,826	9,894,054
Premium - Hospital Directed Payments	16,726,476	16,753,272	16,836,470	17,606,870	17,654,496	17,949,134	17,905,917
Investment Earnings And Other Income	131,645	157,659	(694,967)	329,573	86,457	(1,241,065)	(326,288)
Rate Adjustments - Hospital Directed Payments	4,491	8,691	(3,586)	230,177	24,013	26,907,309	3,898
Rate/Income Adjustments	52,871	66,815	5,625	957,475	977,794	493,268	59,935
TOTAL REVENUES	110,532,333	111,583,681	110,064,365	110,955,070	110,568,181	134,684,350	109,037,367
EXPENSES							
Medical Costs:							
Physician Services	17,549,058	17,258,969	17,972,930	17,538,030	19,319,317	19,919,152	18,291,501
Other Professional Services	4,846,005	4,829,415	4,344,076	5,041,033	4,902,710	5,254,779	5,361,545
Emergency Room	4,506,067	4,818,883	4,391,622	5,209,937	5,098,972	5,150,400	5,098,584
Inpatient	23,207,054	21,256,426	17,137,562	20,610,105	20,031,970	20,232,342	20,364,608
Reinsurance Expense	85,133	86,151	86,147	53,660	53,896	57,686	56,409
Outpatient Hospital	7,080,379	7,793,785	6,083,159	8,214,215	8,223,126	8,686,122	8,458,833
Other Medical	10,784,127	12,549,269	11,502,354	17,263,621	17,534,988	15,788,879	16,341,907
Pharmacy	10,236,384	10,196,195	10,620,178	-	-	-	-
Pay for Performance Quality Incentive	-	-	1,420,000	464,013	465,422	465,421	472,037
Hospital Directed Payments	16,726,476	16,753,272	16,836,470	17,606,870	17,654,496	17,949,134	17,905,917
Hospital Directed Payment Adjustment	4,491	8,691	(3,586)	230,177	24,013	26,678,156	3,898
Non-Claims Expense Adjustment	8,907	24,857	(44,256)	43,538	4,118	572,469	62,025
IBNR, Incentive, Paid Claims Adjustment	(924,120)	(1,378,922)	(1,022,824)	627	(1,010,781)	(3,987,493)	(2,812,496)
Total Medical Costs	94,109,961	94,196,991	89,323,832	92,275,826	92,302,247	116,767,047	89,604,768
GROSS MARGIN	16,422,372	17,386,690	20,740,533	18,679,244	18,265,934	17,917,303	19,432,599
Administrative:							
Compensation	2,746,218	2,775,542	2,592,690	3,116,842	2,847,002	3,108,703	3,075,151
Purchased Services	991,178	1,095,098	1,355,474	846,917	877,498	1,098,614	783,960
Supplies	58,257	188,536	164,659	191,908	(8,268)	103,207	41,533
Depreciation	424,376	716,552	746,072	571,126	571,126	571,126	570,835
Other Administrative Expenses	348,575	276,718	605,706	389,918	259,997	346,089	252,930
Administrative Expense Adjustment	300	77,569	(194,326)	(1,904)	(44,283)	31,776	164,256
Total Administrative Expenses	4,568,904	5,130,015	5,270,275	5,114,807	4,503,072	5,259,515	4,888,665
TOTAL EXPENSES	98,678,865	99,327,006	94,594,107	97,390,633	96,805,319	122,026,562	94,493,433
OPERATING INCOME (LOSS) BEFORE TAX	11,853,468	12,256,675	15,470,258	13,564,437	13,762,862	12,657,788	14,543,934
MCO TAX	9,894,054	9,894,054	9,895,157	9,894,054	9,894,054	9,893,826	9,894,054
OPERATING INCOME (LOSS) NET OF TAX	1,959,414	2,362,621	5,575,101	3,670,383	3,868,808	2,763,962	4,649,880
TOTAL NONOPERATING REVENUE (EXPENSE)	(1,027,231)	(1,516,642)	(175,210)	(400,389)	(986,700)	(1,001,012)	(1,110,153)
NET INCREASE (DECREASE) IN NET POSITION	932,183	845,979	5,399,891	3,269,994	2,882,108	1,762,950	3,539,727
MEDICAL LOSS RATIO	92.6%	91.5%	87.4%	89.4%	89.9%	90.2%	88.3%
ADMINISTRATIVE EXPENSE RATIO	5.5%	6.1%	6.4%	6.1%	5.4%	6.6%	6.0%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH OCTOBER 31, 2022	MAY 2022	JUNE 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	13 MONTH TOTAL
	ENROLLMENT						
Members - MCAL	315,663	319,333	323,572	324,961	325,920	329,121	4,076,433
REVENUES							
Title XIX - Medicaid - Family and Other	35,766,911	37,731,384	37,514,641	37,941,354	37,957,277	37,949,223	483,350,643
Title XIX - Medicaid - Expansion Members	29,600,713	30,533,210	30,993,375	31,238,545	31,275,148	31,549,369	395,651,604
Title XIX - Medicaid - SPD Members	14,887,158	15,402,431	15,833,803	15,065,828	15,760,220	15,913,345	201,359,218
Premium - MCO Tax	9,872,493	9,910,584	10,883,460	10,883,459	10,883,460	10,883,459	133,630,307
Premium - Hospital Directed Payments	17,928,276	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	232,730,776
Investment Earnings And Other Income	357,517	(633,952)	1,002,315	(121,473)	353,347	179,268	(419,964)
Rate Adjustments - Hospital Directed Payments	(23,892)	5,129	9,235	(4,343)	(4,606,563)	9,926	22,564,485
Rate/Income Adjustments	(4,649,731)	(364,397)	350,036	245,168	203,911	124,448	(1,476,782)
TOTAL REVENUES	103,739,445	110,864,754	115,261,492	113,844,512	110,683,814	115,570,923	1,467,390,287
EXPENSES							
Medical Costs:							
Physician Services	17,895,843	18,921,901	18,984,281	18,198,409	18,622,853	18,169,774	238,642,018
Other Professional Services	4,835,075	5,112,961	5,137,341	5,208,793	5,024,917	5,041,998	64,940,648
Emergency Room	4,139,529	3,167,228	4,764,039	4,661,044	4,773,821	4,790,820	60,570,946
Inpatient	21,395,635	19,551,774	22,935,749	20,834,103	22,797,560	22,462,437	272,817,325
Reinsurance Expense	56,248	57,216	(33,668)	(25,136)	142,533	58,493	734,768
Outpatient Hospital	8,281,163	9,196,013	10,013,268	9,928,749	9,352,210	9,319,855	110,630,877
Other Medical	16,301,024	15,522,071	15,416,935	15,241,576	15,744,662	16,418,094	196,409,507
Pharmacy	-	-	-	-	-	-	31,052,757
Pay for Performance Quality Incentive	473,494	478,060	485,358	485,358	490,964	493,681	6,193,808
Hospital Directed Payments	17,928,276	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	232,730,776
Hospital Directed Payment Adjustment	(3,419)	5,129	9,235	(4,343)	(4,064,727)	9,926	22,897,641
Non-Claims Expense Adjustment	(1,371,999)	29,799	17,040	5,019	9,821	(248,768)	(887,430)
IBNR, Incentive, Paid Claims Adjustment	(3,724,314)	(4,072,490)	(238,100)	487,881	(789,121)	(435,695)	(19,907,848)
Total Medical Costs	86,206,555	86,250,027	96,166,105	93,617,427	90,962,507	95,042,500	1,216,825,793
GROSS MARGIN	17,532,890	24,614,727	19,095,387	20,227,085	19,721,307	20,528,423	250,564,494
Administrative:							
Compensation	3,259,102	2,980,813	3,307,910	3,148,970	3,213,222	3,387,496	39,559,661
Purchased Services	927,532	850,526	1,078,360	1,144,312	997,356	1,009,393	13,056,218
Supplies	145,499	66,970	74,368	117,566	85,530	66,157	1,295,922
Depreciation	575,899	626,073	576,074	583,814	583,673	584,905	7,701,651
Other Administrative Expenses	300,845	329,335	414,331	315,625	298,240	304,229	4,442,538
Administrative Expense Adjustment	(2,834)	811,890	425,467	300,000	420,793	299,429	2,288,133
Total Administrative Expenses	5,206,043	5,665,607	5,876,510	5,610,287	5,598,814	5,651,609	68,344,123
TOTAL EXPENSES	91,412,598	91,915,634	102,042,615	99,227,714	96,561,321	100,694,109	1,285,169,916
OPERATING INCOME (LOSS) BEFORE TAX	12,326,847	18,949,120	13,218,877	14,616,798	14,122,493	14,876,814	182,220,371
MCO TAX	9,888,018	9,894,051	10,883,459	10,883,460	10,883,459	10,883,460	132,575,160
OPERATING INCOME (LOSS) NET OF TAX	2,438,829	9,055,069	2,335,418	3,733,338	3,239,034	3,993,354	49,645,211
TOTAL NONOPERATING REVENUE (EXPENSE)	744,870	(1,996,822)	(3,380)	57,925	(27,966)	(5,428)	(7,448,138)
NET INCREASE (DECREASE) IN NET POSITION	3,183,699	7,058,247	2,332,038	3,791,263	3,211,068	3,987,926	42,197,073
MEDICAL LOSS RATIO	89.9%	82.2%	90.4%	88.9%	89.0%	88.7%	89.1%
ADMINISTRATIVE EXPENSE RATIO	6.9%	6.9%	6.9%	6.6%	6.5%	6.6%	6.3%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH OCTOBER 31, 2022	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL
	2021	2021	2021	2022	2022	2022	2022
ENROLLMENT							
Members - MCAL	295,865	296,989	298,205	309,342	310,281	312,490	314,691
REVENUES							
Title XIX - Medicaid - Family and Other	183.53	183.31	181.56	177.17	177.17	173.28	173.44
Title XIX - Medicaid - Expansion Members	383.57	393.96	382.19	357.24	355.03	344.90	345.21
Title XIX - Medicaid - SPD Members	1,018.29	1,026.19	1,042.14	903.21	907.36	895.60	912.10
Premium - MCO Tax	34.57	34.44	34.45	32.00	31.89	31.66	31.44
Premium - Hospital Directed Payments	56.53	56.41	56.46	56.92	56.90	57.44	56.90
Investment Earnings And Other Income	0.44	0.53	(2.33)	1.07	0.28	(3.97)	(1.04)
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.02	0.03	(0.01)	0.74	0.08	86.11	0.01
Rate/Income Adjustments	0.18	0.22	0.02	3.10	3.15	1.58	0.19
TOTAL REVENUES	373.59	375.72	369.09	358.68	356.35	431.00	346.49
EXPENSES							
Medical Costs:							
Physician Services	59.31	58.11	60.27	56.69	62.26	63.74	58.13
Other Professional Services	16.38	16.26	14.57	16.30	15.80	16.82	17.04
Emergency Room	15.23	16.23	14.73	16.84	16.43	16.48	16.20
Inpatient	78.44	71.57	57.47	66.63	64.56	64.75	64.71
Reinsurance Expense	0.29	0.29	0.29	0.17	0.17	0.18	0.18
Outpatient Hospital	23.93	26.24	20.40	26.55	26.50	27.80	26.88
Other Medical	36.45	42.25	38.57	55.81	56.51	50.53	51.93
Pharmacy	34.60	34.33	35.61	0.00	0.00	0.00	0.00
Pay for Performance Quality Incentive	0.00	0.00	4.76	1.50	1.50	1.49	1.50
Hospital Directed Payments	56.53	56.41	56.46	56.92	56.90	57.44	56.90
Hospital Directed Payment Adjustment	0.02	0.03	(0.01)	0.74	0.08	85.37	0.01
Non-Claims Expense Adjustment	0.03	0.08	(0.15)	0.14	0.01	1.83	0.20
IBNR, Incentive, Paid Claims Adjustment	(3.12)	(4.64)	(3.43)	0.00	(3.26)	(12.76)	(8.94)
Total Medical Costs	318.08	317.17	299.54	298.30	297.48	373.67	284.74
GROSS MARGIN							
	55.51	58.54	69.55	60.38	58.87	57.34	61.75
Administrative:							
Compensation	9.28	9.35	8.69	10.08	9.18	9.95	9.77
Purchased Services	3.35	3.69	4.55	2.74	2.83	3.52	2.49
Supplies	0.20	0.63	0.55	0.62	(0.03)	0.33	0.13
Depreciation	1.43	2.41	2.50	1.85	1.84	1.83	1.81
Other Administrative Expenses	1.18	0.93	2.03	1.26	0.84	1.11	0.80
Administrative Expense Adjustment	0.00	0.26	(0.65)	(0.01)	(0.14)	0.10	0.52
Total Administrative Expenses	15.44	17.27	17.67	16.53	14.51	16.83	15.53
TOTAL EXPENSES	333.53	334.45	317.21	314.83	311.99	390.50	300.27
OPERATING INCOME (LOSS) BEFORE TAX	40.06	41.27	51.88	43.85	44.36	40.51	46.22
MCO TAX	33.44	33.31	33.18	31.98	31.89	31.66	31.44
OPERATING INCOME (LOSS) NET OF TAX	6.62	7.96	18.70	11.87	12.47	8.84	14.78
TOTAL NONOPERATING REVENUE (EXPENSE)	(3.47)	(5.11)	(0.59)	(1.29)	(3.18)	(3.20)	(3.53)
NET INCREASE (DECREASE) IN NET POSITION	3.15	2.85	18.11	10.57	9.29	5.64	11.25
MEDICAL LOSS RATIO	92.6%	91.5%	87.4%	89.4%	89.9%	90.2%	88.3%
ADMINISTRATIVE EXPENSE RATIO	5.5%	6.1%	6.4%	6.1%	5.4%	6.6%	6.0%

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH OCTOBER 31, 2022	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	13 MONTH
	2022	2022	2022	2022	2022	2022	TOTAL
ENROLLMENT							
Members - MCAL	315,663	319,333	323,572	324,961	325,920	325,920	4,073,232
REVENUES							
Title XIX - Medicaid - Family and Other	168.25	176.65	173.99	175.92	175.56	174.37	176.41
Title XIX - Medicaid - Expansion Members	341.10	343.27	340.07	338.95	338.39	334.55	352.71
Title XIX - Medicaid - SPD Members	913.04	917.14	941.54	880.12	911.57	926.33	937.37
Premium - MCO Tax	31.28	31.04	33.64	33.49	33.39	33.39	32.78
Premium - Hospital Directed Payments	56.80	57.25	57.71	57.23	57.86	58.18	57.09
Investment Earnings And Other Income	1.13	(1.99)	3.10	(0.37)	1.08	0.55	(0.10)
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	(0.08)	0.02	0.03	(0.01)	(14.13)	0.03	5.54
Rate/Income Adjustments	(14.73)	(1.14)	1.08	0.75	0.63	0.38	(0.36)
TOTAL REVENUES	328.64	347.18	356.22	350.33	339.60	354.60	359.97
EXPENSES							
Medical Costs:							
Physician Services	56.69	59.25	58.67	56.00	57.14	55.75	58.54
Other Professional Services	15.32	16.01	15.88	16.03	15.42	15.47	15.93
Emergency Room	13.11	9.92	14.72	14.34	14.65	14.70	14.86
Inpatient	67.78	61.23	70.88	64.11	69.95	68.92	66.93
Reinsurance Expense	0.18	0.18	(0.10)	(0.08)	0.44	0.18	0.18
Outpatient Hospital	26.23	28.80	30.95	30.55	28.69	28.60	27.14
Other Medical	51.64	48.61	47.65	46.90	48.31	50.37	48.18
Pharmacy	0.00	0.00	0.00	0.00	0.00	0.00	7.62
Pay for Performance Quality Incentive	1.50	1.50	1.50	1.49	1.51	1.51	1.52
Hospital Directed Payments	56.80	57.25	57.71	57.23	57.86	58.18	57.09
Hospital Directed Payment Adjustment	(0.01)	0.02	0.03	(0.01)	(12.47)	0.03	5.62
Non-Claims Expense Adjustment	(4.35)	0.09	0.05	0.02	0.03	(0.76)	(0.22)
IBNR, Incentive, Paid Claims Adjustment	(11.80)	(12.75)	(0.74)	1.50	(2.42)	(1.34)	(4.88)
Total Medical Costs	273.10	270.09	297.20	288.09	279.09	291.61	298.50
GROSS MARGIN							
	55.54	77.08	59.01	62.24	60.51	62.99	61.47
Administrative:							
Compensation	10.32	9.33	10.22	9.69	9.86	10.39	9.70
Purchased Services	2.94	2.66	3.33	3.52	3.06	3.10	3.20
Supplies	0.46	0.21	0.23	0.36	0.26	0.20	0.32
Depreciation	1.82	1.96	1.78	1.80	1.79	1.79	1.89
Other Administrative Expenses	0.95	1.03	1.28	0.97	0.92	0.93	1.09
Administrative Expense Adjustment	(0.01)	2.54	1.31	0.92	1.29	0.92	0.56
Total Administrative Expenses	16.49	17.74	18.16	17.26	17.18	17.34	16.77
TOTAL EXPENSES	289.59	287.84	315.36	305.35	296.27	308.95	315.27
OPERATING INCOME (LOSS) BEFORE TAX	39.05	59.34	40.85	44.98	43.33	45.65	44.70
MCO TAX	31.32	30.98	33.64	33.49	33.39	33.39	32.52
OPERATING INCOME (LOSS) NET OF TAX	7.73	28.36	7.22	11.49	9.94	12.25	12.18
TOTAL NONOPERATING REVENUE (EXPENSE)	2.36	(6.25)	(0.01)	0.18	(0.09)	(0.02)	(1.83)
NET INCREASE (DECREASE) IN NET POSITION	10.09	22.10	7.21	11.67	9.85	12.24	10.35
MEDICAL LOSS RATIO	89.9%	82.2%	90.4%	88.9%	89.0%	88.7%	89.1%
ADMINISTRATIVE EXPENSE RATIO	6.9%	6.9%	6.9%	6.6%	6.5%	6.6%	6.3%

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
R E V E N U E S						
Title XIX - Medicaid - Family & Other						
28,151,380	27,444,148	707,232	Premium - Medi-Cal	274,719,510	267,730,035	6,989,475
3,359,457	2,764,572	594,885	Premium - Maternity Kick	28,818,750	27,645,723	1,173,027
544,604	477,409	67,195	Premium - Enhanced Care Management	5,264,406	4,685,935	578,471
144,468	133,920	10,548	Premium - Major Organ Transplant	1,398,944	1,310,040	88,904
787,931	505,247	282,684	Premium - Cal AIM	7,964,269	4,915,722	3,048,547
839,147	780,230	58,917	Premium - BHT Kick	7,762,954	7,591,123	171,831
3,681,127	4,134,940	(453,813)	Premium - Provider Enhancement	38,457,917	40,240,625	(1,782,708)
214,287	208,914	5,373	Premium - Ground Emergency Medical Transportation	2,091,912	2,035,725	56,187
150,927	106,202	44,725	Premium - Behavioral Health Integration Program	2,705,815	1,033,278	1,672,537
(70,806)	-	(70,806)	Premium - Vaccine Incentive	815,008	-	815,008
-	-	-	Premium - Student Behavioral Health Incentive	364,822	-	364,822
-	-	-	Premium - Housing and Homelessness Incentive	652,683	-	652,683
146,701	111,288	35,413	Other	1,282,276	1,086,844	195,432
37,949,223	36,666,872	1,282,351	Total Title XIX - Medicaid - Family & Other	372,299,266	358,275,052	14,024,214
Title XIX - Medicaid - Expansion Members						
27,753,005	25,598,749	2,154,256	Premium - Medi-Cal	264,694,882	248,683,233	16,011,649
397,436	234,964	162,472	Premium - Maternity Kick	4,146,831	2,349,640	1,797,191
994,910	858,179	136,731	Premium - Enhanced Care Management	9,475,329	8,334,922	1,140,407
236,927	214,336	22,591	Premium - Major Organ Transplant	2,260,507	2,081,705	178,802
337,922	470,258	(132,336)	Premium - Cal AIM	3,303,933	4,568,909	(1,264,976)
-	-	-	Premium - BHT Kick	12,659	-	12,659
1,526,447	1,686,505	(160,058)	Premium - Provider Enhancement	16,021,450	16,385,645	(364,195)
233,179	213,523	19,656	Premium - Ground Emergency Medical Transportation	2,225,555	2,074,538	151,017
58,174	98,848	(40,674)	Premium - Behavioral Health Integration Program	1,100,493	960,379	140,114
(31,561)	-	(31,561)	Premium - Vaccine Incentive	259,452	-	259,452
-	-	-	Premium - Student Behavioral Health Incentive	148,933	-	148,933
-	-	-	Premium - Housing and Homelessness Incentive	263,528	-	263,528
42,930	30,024	12,906	Other	354,090	291,456	62,634
31,549,369	29,405,387	2,143,982	Total Title XIX - Medicaid - Expansion Members	304,267,642	285,730,428	18,537,214
Title XIX - Medicaid - SPD Members						
13,891,984	13,057,743	834,242	Premium - Medi-Cal	132,378,321	127,001,049	5,377,273
508,844	469,734	39,110	Premium - Enhanced Care Management	4,847,720	4,568,685	279,035
158,265	149,349	8,916	Premium - Major Organ Transplant	1,508,120	1,452,585	55,535
63,497	239,896	(176,399)	Premium - Cal AIM	625,308	2,333,255	(1,707,947)
678,596	793,426	(114,830)	Premium - BHT Kick	6,531,704	7,716,951	(1,185,247)
452,016	488,034	(36,018)	Premium - Provider Enhancement	4,674,406	4,746,674	(72,268)
155,305	146,884	8,421	Premium - Ground Emergency Medical Transportation	1,479,927	1,428,610	51,317
11,684	50,426	(38,742)	Premium - Behavioral Health Integration Program	212,190	490,446	(278,256)
(6,846)	-	(6,846)	Premium - Vaccine Incentive	55,047	-	55,047
-	-	-	Premium - Student Behavioral Health Incentive	27,982	-	27,982
-	-	-	Premium - Housing and Homelessness Incentive	51,059	-	51,059
15,913,345	15,395,491	517,854	Total Title XIX - Medicaid - SPD Members	152,391,784	149,738,254	2,653,530

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES			
3,539,808	4,079,659	539,851	Primary Care Physician Services	37,512,763	39,676,538	2,163,775
12,805,568	11,984,058	(821,510)	Referral Specialty Services	127,925,070	116,524,488	(11,400,582)
1,815,098	1,673,238	(141,860)	Urgent Care & After Hours Advise	20,332,028	16,271,394	(4,060,634)
9,300	9,300	-	Hospital Admitting Team	91,200	91,200	-
18,169,774	17,746,255	(423,519)	TOTAL PHYSICIAN SERVICES	185,861,061	172,563,620	(13,297,441)
			OTHER PROFESSIONAL SERVICES			
326,350	333,127	6,777	Vision Service Capitation	3,154,575	3,239,842	85,267
1,939,399	2,154,063	214,664	Medical Departments - UM Allocation *	18,778,645	21,540,624	2,761,979
1,345,602	1,573,656	228,054	Behavior Health Treatment	13,445,503	15,308,076	1,862,573
152,793	157,953	5,160	Mental Health Services	1,492,505	1,536,097	43,592
1,277,854	1,731,504	453,650	Other Professional Services	14,049,924	16,835,256	2,785,332
5,041,998	5,950,303	908,305	TOTAL OTHER PROFESSIONAL SERVICES	50,921,152	58,459,895	7,538,743
4,790,820	5,775,041	984,221	EMERGENCY ROOM	46,854,374	56,159,475	9,305,101
22,462,437	20,745,728	(1,716,709)	INPATIENT HOSPITAL	211,216,283	201,711,142	(9,505,141)
58,493	57,060	(1,433)	REINSURANCE EXPENSE PREMIUM	477,337	554,940	77,603
9,319,855	8,819,325	(500,530)	OUTPATIENT HOSPITAL SERVICES	89,673,554	85,751,537	(3,922,017)
			OTHER MEDICAL			
1,521,656	1,660,387	138,731	Ambulance and NEMT	13,546,900	16,147,224	2,600,324
777,227	715,760	(61,467)	Home Health Services & CBAS	8,648,117	6,960,813	(1,687,304)
1,003,496	1,106,708	103,212	Utilization and Quality Review Expenses	7,880,924	11,067,080	3,186,156
1,516,247	1,495,867	(20,380)	Long Term/SNF/Hospice	16,589,156	14,545,703	(2,043,453)
5,256,673	6,023,503	766,830	Provider Enhancement Expense - Prop. 56	56,191,507	58,578,291	2,386,784
492,730	540,856	48,126	Provider Enhancement Expense - GEMT	4,618,914	5,261,936	643,022
(3,500)	-	3,500	Vaccine Incentive Program Expense	3,169,368	-	(3,169,368)
220,784	255,476	34,692	Behaviorial Health Integration Program	4,018,498	2,484,104	(1,534,394)
1,945,941	1,805,322	(140,619)	Enhanced Care Management	18,608,083	17,589,538	(1,018,545)
512,675	498,168	(14,507)	Major Organ Transplant	4,909,191	4,842,722	(66,469)
2,135,655	1,215,402	(920,253)	Cal AIM Incentive Programs	13,962,086	11,817,887	(2,144,199)
1,038,510	939,072	(99,438)	DME/Rebates	9,431,013	9,132,056	(298,957)
16,418,094	16,256,520	(161,574)	TOTAL OTHER MEDICAL	161,573,757	158,427,353	(3,146,404)
493,681	475,500	(18,181)	PAY FOR PERFORMANCE QUALITY INCENTIVE	4,773,808	4,624,500	(149,308)
18,961,885	17,711,807	(1,250,078)	HOSPITAL DIRECTED PAYMENTS	182,414,558	172,572,877	(9,841,681)
9,926	-	(9,926)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	22,888,045	-	(22,888,045)
(248,768)	-	248,768	NON-CLAIMS EXPENSE ADJUSTMENT	(876,938)	-	876,938
(435,695)	-	435,695	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(16,581,982)	-	16,581,982
95,042,500	93,537,540	(1,504,960)	Total Medical Costs	939,195,009	910,825,339	(28,369,670)

			KERN HEALTH SYSTEMS MEDI-CAL					
CURRENT MONTH			SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED OCTOBER 31, 2022			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
			PHYSICIAN SERVICES					
10.76	12.87	2.11	Primary Care Physician Services			11.78	12.87	1.09
38.91	37.80	(1.10)	Referral Specialty Services			40.16	37.80	(2.36)
5.51	5.28	(0.24)	Urgent Care & After Hours Advise			6.38	5.28	(1.11)
0.03	0.03	0.00	Hospital Admitting Team			0.03	0.03	0.00
55.21	55.98	0.77	TOTAL PHYSICIAN SERVICES			58.35	55.97	(2.38)
			OTHER PROFESSIONAL SERVICES					
0.99	1.05	0.06	Vision Service Capitation			0.99	1.05	0.06
5.89	6.80	0.90	Medical Departments - UM Allocation *			5.90	6.99	1.09
4.09	4.96	0.88	Behavior Health Treatment			4.22	4.97	0.74
0.46	0.50	0.03	Mental Health Services			0.47	0.50	0.03
3.88	5.46	1.58	Other Professional Services			4.41	5.46	1.05
15.32	18.77	3.45	TOTAL OTHER PROFESSIONAL SERVICES			15.99	18.96	2.98
14.56	18.22	3.66	EMERGENCY ROOM			14.71	18.22	3.51
68.25	65.44	(2.81)	INPATIENT HOSPITAL			66.31	65.43	(0.88)
0.18	0.18	0.00	REINSURANCE EXPENSE PREMIUM			0.15	0.18	0.03
28.32	27.82	(0.50)	OUTPATIENT HOSPITAL SERVICES			28.15	27.81	(0.34)
			OTHER MEDICAL					
4.62	5.24	0.61	Ambulance and NEMT			4.25	5.24	0.98
2.36	2.26	(0.10)	Home Health Services & CBAS			2.71	2.26	(0.46)
3.05	3.49	0.44	Utilization and Quality Review Expenses			2.47	3.59	1.12
4.61	4.72	0.11	Long Term/SNF/Hospice			5.21	4.72	(0.49)
15.97	19.00	3.03	Provider Enhancement Expense - Prop. 56			17.64	19.00	1.36
1.50	1.71	0.21	Provider Enhancement Expense - GEMT			1.45	1.71	0.26
(0.01)	0.00	0.01	Vaccine Incentive Program Expense			0.99	0.00	(0.99)
0.67	0.81	0.14	Behaviorial Health Integration Program			1.26	0.81	(0.46)
5.91	5.70	(0.22)	Enhanced Care Management			5.84	5.71	(0.14)
1.56	1.57	0.01	Major Organ Transplant			1.54	1.57	0.03
6.49	3.83	(2.65)	Cal AIM Incentive Programs			4.38	3.83	(0.55)
3.16	2.96	(0.19)	DME			2.96	2.96	0.00
49.88	51.28	1.40	TOTAL OTHER MEDICAL			50.72	51.39	0.66
1.50	1.50	0.00	PAY FOR PERFORMANCE QUALITY INCENTIVE			1.50	1.50	0.00
57.61	55.87	(1.74)	HOSPITAL DIRECTED PAYMENTS			57.27	55.98	(1.29)
0.03	0.00	(0.03)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT			7.19	0.00	(7.19)
(0.76)	0.00	0.76	NON-CLAIMS EXPENSE ADJUSTMENT			(0.28)	0.00	0.28
(1.32)	0.00	1.32	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT			(5.21)	0.00	5.21
288.78	295.07	6.29	Total Medical Costs			294.85	295.43	0.59

* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH OCTOBER 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
PHYSICIAN SERVICES						
Primary Care Physician Services	3,472,901	3,950,940	3,869,340	4,216,012	3,710,885	3,643,312
Referral Specialty Services	11,390,029	12,825,148	13,133,782	12,603,720	12,666,671	14,157,633
Urgent Care & After Hours Advise	2,665,800	2,534,829	2,906,730	1,462,769	1,508,987	1,111,956
Hospital Admitting Team	9,300	8,400	9,300	9,000	9,300	9,000
TOTAL PHYSICIAN SERVICES	17,538,030	19,319,317	19,919,152	18,291,501	17,895,843	18,921,901
OTHER PROFESSIONAL SERVICES						
Vision Service Capitation	298,113	299,421	320,479	313,381	312,490	317,864
Medical Departments - UM Allocation *	1,874,290	1,814,144	1,930,871	1,799,307	1,920,750	1,835,227
Behavior Health Treatment	1,143,733	984,520	1,425,684	1,406,426	1,172,372	1,493,794
Mental Health Services	385,915	151,598	138,742	134,047	69,233	98,672
Other Professional Services	1,338,982	1,653,027	1,439,003	1,708,384	1,360,230	1,367,404
TOTAL OTHER PROFESSIONAL SERVICES	5,041,033	4,902,710	5,254,779	5,361,545	4,835,075	5,112,961
EMERGENCY ROOM	5,209,937	5,098,972	5,150,400	5,098,584	4,139,529	3,167,228
INPATIENT HOSPITAL	20,610,105	20,031,970	20,232,342	20,364,608	21,395,635	19,551,774
REINSURANCE EXPENSE PREMIUM	53,660	53,896	57,686	56,409	56,248	57,216
OUTPATIENT HOSPITAL SERVICES	8,214,215	8,223,126	8,686,122	8,458,833	8,281,163	9,196,013
OTHER MEDICAL						
Ambulance and NEMT	1,321,069	1,293,500	1,339,544	1,466,846	1,405,832	825,707
Home Health Services & CBAS	733,519	813,833	841,676	781,545	1,039,980	1,056,675
Utilization and Quality Review Expenses	767,373	755,405	504,541	724,744	1,037,565	642,907
Long Term/SNF/Hospice	1,585,601	1,669,982	1,938,253	1,975,528	1,770,701	1,113,446
Provider Enhancement Expense - Prop. 56	5,806,204	5,819,707	5,888,710	5,878,051	5,871,736	6,032,156
Provider Enhancement Expense - GEMT	463,070	463,069	300,851	354,994	480,313	494,051
Vaccine Incentive Program Expense	1,143,595	1,628,354	173,216	136,387	739	85,682
Behaviorial Health Integration Program	824,339	824,339	824,339	225,048	216,518	220,783
Enhanced Care Management	2,023,406	1,561,486	1,821,649	1,818,393	1,820,636	1,866,858
Major Organ Transplant	472,866	473,613	496,178	480,362	480,654	492,226
Cal AIM Incentive Programs	1,241,196	1,257,731	1,089,466	1,285,346	1,268,891	1,807,413
DME	881,383	973,969	570,456	1,214,663	907,459	884,167
TOTAL OTHER MEDICAL	17,263,621	17,534,988	15,788,879	16,341,907	16,301,024	15,522,071
PAY FOR PERFORMANCE QUALITY INCENTIVE	464,013	465,422	465,421	472,037	473,494	478,060
HOSPITAL DIRECTED PAYMENTS	17,606,870	17,654,496	17,949,134	17,905,917	17,928,276	18,280,365
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	230,177	24,013	26,678,156	3,898	(3,419)	5,129
NON-CLAIMS EXPENSE ADJUSTMENT	43,538	4,118	572,469	62,025	(1,371,999)	29,799
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	627	(1,010,781)	(3,987,493)	(2,812,496)	(3,724,314)	(4,072,490)
Total Medical Costs	92,275,826	92,302,247	116,767,047	89,604,769	86,206,555	86,250,027

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH OCTOBER 31, 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES					
Primary Care Physician Services	3,951,533	3,298,914	3,859,118	3,539,808	37,512,763
Referral Specialty Services	12,653,874	12,435,011	13,253,634	12,805,568	127,925,070
Urgent Care & After Hours Advise	2,369,574	2,455,184	1,501,101	1,815,098	20,332,028
Hospital Admitting Team	9,300	9,300	9,000	9,300	91,200
TOTAL PHYSICIAN SERVICES	18,984,281	18,198,409	18,622,853	18,169,774	185,861,061
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	315,663	323,003	327,811	326,350	3,154,575
Medical Departments - UM Allocation *	1,913,288	1,861,229	1,890,140	1,939,399	18,778,645
Behavior Health Treatment	1,392,248	1,798,262	1,282,862	1,345,602	13,445,503
Mental Health Services	112,742	68,357	180,406	152,793	1,492,505
Other Professional Services	1,403,400	1,157,942	1,343,698	1,277,854	14,049,924
TOTAL OTHER PROFESSIONAL SERVICES	5,137,341	5,208,793	5,024,917	5,041,998	50,921,152
EMERGENCY ROOM	4,764,039	4,661,044	4,773,821	4,790,820	46,854,374
INPATIENT HOSPITAL	22,935,749	20,834,103	22,797,560	22,462,437	211,216,283
REINSURANCE EXPENSE PREMIUM	(33,668)	(25,136)	142,533	58,493	477,337
OUTPATIENT HOSPITAL SERVICES	10,013,268	9,928,749	9,352,210	9,319,855	89,673,554
OTHER MEDICAL					
Ambulance and NEMT	1,358,335	1,416,945	1,597,466	1,521,656	13,546,900
Home Health Services & CBAS	1,083,945	780,644	739,073	777,227	8,648,117
Utilization and Quality Review Expenses	696,258	672,539	1,076,096	1,003,496	7,880,924
Long Term/SNF/Hospice	1,750,512	1,694,897	1,573,989	1,516,247	16,589,156
Provider Enhancement Expense - Prop. 56	5,197,617	5,212,169	5,228,484	5,256,673	56,191,507
Provider Enhancement Expense - GEMT	503,001	546,014	520,821	492,730	4,618,914
Vaccine Incentive Program Expense	2,148	1,922	825	(3,500)	3,169,368
Behaviorial Health Integration Program	220,782	220,783	220,783	220,784	4,018,498
Enhanced Care Management	1,907,842	1,905,031	1,936,841	1,945,941	18,608,083
Major Organ Transplant	504,463	485,910	510,244	512,675	4,909,191
Cal AIM Incentive Programs	1,195,617	1,328,191	1,352,580	2,135,655	13,962,086
DME	996,415	976,531	987,460	1,038,510	9,431,013
TOTAL OTHER MEDICAL	15,416,935	15,241,576	15,744,662	16,418,094	161,573,757
PAY FOR PERFORMANCE QUALITY INCENTIVE	485,358	485,358	490,964	493,681	4,773,808
HOSPITAL DIRECTED PAYMENTS	18,674,627	18,595,974	18,857,014	18,961,885	182,414,558
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	9,235	(4,343)	(4,064,727)	9,926	22,888,045
NON-CLAIMS EXPENSE ADJUSTMENT	17,040	5,019	9,821	(248,768)	(876,938)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(238,100)	487,881	(789,121)	(435,695)	(16,581,982)
Total Medical Costs	96,166,105	93,617,427	90,962,508	95,042,500	939,195,009

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH OCTOBER 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
PHYSICIAN SERVICES						
Primary Care Physician Services	11.23	12.73	12.38	13.40	11.76	11.41
Referral Specialty Services	36.82	41.33	42.03	40.05	40.13	44.34
Urgent Care & After Hours Advise	8.62	8.17	9.30	4.65	4.78	3.48
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03
TOTAL PHYSICIAN SERVICES	56.69	62.26	63.74	58.13	56.69	59.25
OTHER PROFESSIONAL SERVICES						
Vision Service Capitation	0.96	0.96	1.03	1.00	0.99	1.00
Medical Departments - UM Allocation *	6.06	5.85	6.18	5.72	6.08	5.75
Behavior Health Treatment	3.70	3.17	4.56	4.47	3.71	4.68
Mental Health Services	1.25	0.49	0.44	0.43	0.22	0.31
Other Professional Services	4.33	5.33	4.60	5.43	4.31	4.28
TOTAL OTHER PROFESSIONAL SERVICES	16.30	15.80	16.82	17.04	15.32	16.01
EMERGENCY ROOM	16.84	16.43	16.48	16.20	13.11	9.92
INPATIENT HOSPITAL	66.63	64.56	64.75	64.71	67.78	61.23
REINSURANCE EXPENSE PREMIUM	0.17	0.17	0.18	0.18	0.18	0.18
OUTPATIENT HOSPITAL SERVICES	26.55	26.50	27.80	26.88	26.23	28.80
OTHER MEDICAL						
Ambulance and NEMT	4.27	4.17	4.29	4.66	4.45	2.59
Home Health Services & CBAS	2.37	2.62	2.69	2.48	3.29	3.31
Utilization and Quality Review Expenses	2.48	2.43	1.61	2.30	3.29	2.01
Long Term/SNF/Hospice	5.13	5.38	6.20	6.28	5.61	3.49
Provider Enhancement Expense - Prop. 56	18.77	18.76	18.84	18.68	18.60	18.89
Provider Enhancement Expense - GEMT	1.50	1.49	0.96	1.13	1.52	1.55
Vaccine Incentive Program Expense	3.70	5.25	0.55	0.43	0.00	0.27
Behaviorial Health Integration Program	2.66	2.66	2.64	0.72	0.69	0.69
Enhanced Care Management	6.54	5.03	5.83	5.78	5.77	5.85
Major Organ Transplant	1.53	1.53	1.59	1.53	1.52	1.54
Cal AIM Incentive Programs	4.01	4.05	3.49	4.08	4.02	5.66
DME	2.85	3.14	1.83	3.86	2.87	2.77
TOTAL OTHER MEDICAL	55.81	56.51	50.53	51.93	51.64	48.61
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.50	1.49	1.50	1.50	1.50
HOSPITAL DIRECTED PAYMENTS	56.92	56.90	57.44	56.90	56.80	57.25
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.74	0.08	85.37	0.01	(0.01)	0.02
NON-CLAIMS EXPENSE ADJUSTMENT	0.14	0.01	1.83	0.20	(4.35)	0.09
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(3.26)	(12.76)	(8.94)	(11.80)	(12.75)
Total Medical Costs	298.30	297.48	373.67	284.74	273.10	270.09

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH OCTOBER 31, 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	YEAR TO DATE 2022
PHYSICIAN SERVICES					
Primary Care Physician Services	12.21	10.15	11.84	0.87	11.78
Referral Specialty Services	39.11	38.27	40.67	3.14	40.16
Urgent Care & After Hours Advise	7.32	7.56	4.61	0.45	6.38
Hospital Admitting Team	0.03	0.03	0.03	0.00	0.03
TOTAL PHYSICIAN SERVICES	58.67	56.00	57.14	4.46	58.35
OTHER PROFESSIONAL SERVICES					
Vision Service Capitation	0.98	0.99	1.01	0.08	0.99
Medical Departments - UM Allocation *	5.91	5.73	5.72	0.47	5.90
Behavior Health Treatment	4.30	5.53	3.94	0.33	4.22
Mental Health Services	0.35	0.21	0.55	0.04	0.47
Other Professional Services	4.34	3.56	4.12	0.31	4.41
TOTAL OTHER PROFESSIONAL SERVICES	15.88	16.03	15.34	1.23	15.99
EMERGENCY ROOM	14.72	14.34	14.65	1.18	14.71
INPATIENT HOSPITAL	70.88	64.11	69.95	5.51	66.31
REINSURANCE EXPENSE PREMIUM	(0.10)	(0.08)	0.44	0.01	0.15
OUTPATIENT HOSPITAL SERVICES	30.95	30.55	28.69	2.29	28.15
OTHER MEDICAL					
Ambulance and NEMT	4.20	4.36	4.90	0.37	4.25
Home Health Services & CBAS	3.35	2.40	2.27	0.19	2.71
Utilization and Quality Review Expenses	2.15	2.07	3.30	0.25	2.47
Long Term/SNF/Hospice	5.41	5.22	4.83	0.37	5.21
Provider Enhancement Expense - Prop. 56	16.06	16.04	16.04	1.29	17.64
Provider Enhancement Expense - GEMT	1.55	1.68	1.60	0.12	1.45
Vaccine Incentive Program Expense	0.01	0.01	0.00	(0.00)	0.99
Behaviorial Health Integration Program	0.68	0.68	0.68	0.05	1.26
Enhanced Care Management	5.90	5.86	5.94	0.48	5.84
Major Organ Transplant	1.56	1.50	1.57	0.13	1.54
Cal AIM Incentive Programs	3.70	4.09	4.15	0.52	4.38
DME	3.08	3.01	3.03	0.25	2.96
TOTAL OTHER MEDICAL	47.65	46.90	48.31	4.03	50.72
PAY FOR PERFORMANCE QUALITY INCENTIVE	1.50	1.49	1.51	0.12	1.50
HOSPITAL DIRECTED PAYMENTS	57.71	57.23	57.86	4.65	57.27
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.03	(0.01)	(12.47)	0.00	7.19
NON-CLAIMS EXPENSE ADJUSTMENT	0.05	0.02	0.03	(0.06)	(0.28)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(0.74)	1.50	(2.42)	(0.11)	(5.21)
Total Medical Costs	297.20	288.09	279.02	23.32	294.85

			KERN HEALTH SYSTEMS MEDI-CAL					
CURRENT MONTH			SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED OCTOBER 31, 2022			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
415,725	459,798	44,073		110 - Executive		4,435,019	4,672,979	237,960
194,777	234,469	39,692		210 - Accounting		2,097,919	2,344,690	246,771
401,399	359,967	(41,432)		220 - Management Information Systems		3,555,566	3,599,669	44,103
42,115	54,298	12,183		221 - Business Intelligence		354,440	542,980	188,540
324,056	383,664	59,608		222 - Enterprise Development		2,855,225	3,836,640	981,415
490,604	533,193	42,589		225 - Infrastructure		4,826,988	5,331,930	504,942
598,883	615,321	16,438		230 - Claims		5,708,627	6,153,210	444,583
169,021	187,947	18,926		240 - Project Management		1,611,906	1,879,470	267,564
185,718	180,989	(4,729)		310 - Health Services - Utilization Management		1,533,563	1,809,890	276,327
(1,702)	14,039	15,741		311 - Health Services - Quality Improvement		1,279	140,390	139,111
130	513	383		312 - Health Services - Education		1,172	5,130	3,958
35,057	50,828	15,771		313- Pharmacy		357,872	508,280	150,408
452	2,308	1,856		314 - Enhanced Care Management		108,625	23,080	(85,545)
57,087	74,558	17,471		316 -Population Health Management		595,154	745,580	150,426
156	333	177		317 - Community Based Services		449	3,330	2,881
6	-	(6)		318 - Housing & Homeless Incentive Program		6	-	(6)
324,920	359,942	35,022		320 - Provider Network Management		3,109,725	3,599,420	489,695
789,492	871,663	82,171		330 - Member Services		6,918,582	8,716,630	1,798,048
741,929	721,857	(20,072)		340 - Corporate Services		7,789,282	7,218,570	(570,712)
117,460	97,177	(20,283)		360 - Audit & Investigative Services		829,529	971,770	142,241
43,549	92,450	48,901		410 - Advertising Media		510,000	924,500	414,500
137,183	76,696	(60,487)		420 - Sales/Marketing/Public Relations		721,863	766,960	45,097
284,163	303,042	18,879		510 - Human Resources		3,047,548	3,030,420	(17,128)
299,429	(92,324)	(391,753)		Administrative Expense Adjustment		2,404,590	(923,240)	(3,327,830)
5,651,609	5,582,728	(68,881)		Total Administrative Expenses		53,374,929	55,902,278	2,527,349

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED OCTOBER 31, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
110 - Executive	424,308	403,286	429,743	446,418	470,648	353,073
210 - Accounting	233,241	178,928	252,864	163,976	225,728	222,884
220 - Management Information Systems (MIS)	335,777	238,917	337,588	352,426	352,473	336,194
221 - Business Intelligence	13,042	65,687	31,834	45,508	45,708	16,186
222 - Enterprise Development	307,654	250,898	286,566	265,813	303,353	291,350
225 - Infrastructure	473,799	427,685	536,529	343,776	562,405	524,493
230 - Claims	582,040	548,583	591,767	559,648	590,588	529,776
240 - Project Management	171,917	152,433	174,210	123,662	152,467	105,055
310 - Health Services - Utilization Management	139,536	126,622	128,165	132,502	154,797	166,719
311 - Health Services - Quality Improvement	277	15,545	(90)	186	(15,257)	178
312 - Health Services - Education	-	180	2,174	310	89	222
313- Pharmacy	39,824	36,716	38,879	36,385	35,680	34,727
314 - Enhanced Care Management	3,281	241	19	12,005	22,519	12,559
316 -Population Health Management	65,121	62,696	63,150	64,161	66,172	55,430
317 - Community Based Services	-	24	22	17	5	36
318 - Housing & Homeless Incentive Program	-	-	-	-	9,346	(9,346)
320 - Provider Network Management	327,923	326,761	325,559	269,804	308,858	305,807
330 - Member Services	754,477	623,424	700,611	644,994	694,732	635,012
340 - Corporate Services	786,930	685,514	778,083	735,005	751,597	842,924
360 - Audit & Investigative Services	69,757	69,895	71,016	82,269	83,957	69,158
410 - Advertising Media	11,825	27,353	55,984	38,254	34,202	52,260
420 - Sales/Marketing/Public Relations	66,531	51,460	70,326	65,913	62,815	72,927
510 - Human Resources	309,451	254,507	352,740	341,377	295,995	236,093
Total Department Expenses	5,116,711	4,547,355	5,227,739	4,724,409	5,208,877	4,853,717
ADMINISTRATIVE EXPENSE ADJUSTMENT	(1,904)	(44,283)	31,776	164,256	(2,834)	811,890
Total Administrative Expenses	5,114,807	4,503,072	5,259,515	4,888,665	5,206,043	5,665,607

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED OCTOBER 31, 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	YEAR TO DATE 2022
110 - Executive	504,491	507,150	480,177	415,725	4,435,019
210 - Accounting	202,574	217,615	205,332	194,777	2,097,919
220 - Management Information Systems (MIS)	449,253	372,062	379,477	401,399	3,555,566
221 - Business Intelligence	42,730	15,934	35,696	42,115	354,440
222 - Enterprise Development	256,153	306,526	262,856	324,056	2,855,225
225 - Infrastructure	450,547	601,972	415,178	490,604	4,826,988
230 - Claims	654,284	578,899	474,159	598,883	5,708,627
240 - Project Management	152,605	157,820	252,716	169,021	1,611,906
310 - Health Services - Utilization Management	167,284	163,063	169,157	185,718	1,533,563
311 - Health Services - Quality Improvement	1,002	823	317	(1,702)	1,279
312 - Health Services - Education	895	37	(2,865)	130	1,172
313- Pharmacy	33,787	23,774	43,043	35,057	357,872
314 - Enhanced Care Management	16,919	22,248	18,382	452	108,625
316 -Population Health Management	54,747	51,020	55,570	57,087	595,154
317 - Community Based Services	7	157	25	156	449
318 - Housing & Homeless Incentive Program	42	(42)	-	6	6
320 - Provider Network Management	307,080	299,800	313,213	324,920	3,109,725
330 - Member Services	682,669	677,858	715,313	789,492	6,918,582
340 - Corporate Services	814,888	815,575	836,837	741,929	7,789,282
360 - Audit & Investigative Services	91,281	88,356	86,380	117,460	829,529
410 - Advertising Media	169,122	54,424	23,027	43,549	510,000
420 - Sales/Marketing/Public Relations	58,511	60,358	75,839	137,183	721,863
510 - Human Resources	340,172	294,858	338,192	284,163	3,047,548
Total Department Expenses	5,451,043	5,310,287	5,178,021	5,352,180	50,970,339
ADMINISTRATIVE EXPENSE ADJUSTMENT	425,467	300,000	420,793	299,429	2,404,590
Total Administrative Expenses	5,876,510	5,610,287	5,598,814	5,651,609	53,374,929

KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF OCTOBER 31, 2022			
ASSETS	OCTOBER 2022	SEPTEMBER 2022	INC(DEC)
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 1,145,891	\$ 1,142,022	3,869
Interest Receivable	1,200	3,869	(2,669)
TOTAL CURRENT ASSETS	\$ 1,147,091	\$ 1,145,891	\$ 1,200
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Other Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ -
NET POSITION:			
Net Position- Beg. of Year	1,136,102	1,136,102	-
Increase (Decrease) in Net Position - Current Year	10,989	9,789	1,200
Total Net Position	\$ 1,147,091	\$ 1,145,891	\$ 1,200
TOTAL LIABILITIES AND NET POSITION	\$ 1,147,091	\$ 1,145,891	\$ 1,200

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2022			YEAR-TO-DATE		
ENROLLMENT								
-	-	-	Members			-	-	-
REVENUES								
-	-	-	Premium			-	-	-
1,200	-	1,200	Interest			8,087	-	8,087
-	-	-	Other Investment Income			2,902	-	2,902
1,200	-	1,200	TOTAL REVENUES			10,989	-	10,989
EXPENSES								
-	-	-	Medical Costs			-	-	-
-	-	-	IBNR and Paid Claims Adjustment			-	-	-
-	-	-	Total Medical Costs			-	-	-
1,200	-	1,200	GROSS MARGIN			10,989	-	10,989
Administrative								
-	-	-	Management Fee Expense and Other Admin Exp			-	-	-
-	-	-	Total Administrative Expenses			-	-	-
-	-	-	TOTAL EXPENSES			-	-	-
1,200	-	1,200	OPERATING INCOME (LOSS)			10,989	-	10,989
-	-	-	TOTAL NONOPERATING REVENUE (EXPENSES)			-	-	-
1,200	-	1,200	NET INCREASE (DECREASE) IN NET POSITION			10,989	-	10,989
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		2022 MEMBER MONTHS	JAN'22	FEB'22	MAR'22	APR'22	MAY'22	JUN'22	JULY'22	AUG'22	SEPT'22	OCT'22
ADULT AND FAMILY												
ADULT	625,885	60,708	60,882	61,379	61,726	61,739	62,276	63,581	64,006	64,336	65,252	
CHILD	1,412,755	139,223	139,605	140,344	141,029	141,356	141,902	142,505	142,059	142,208	142,524	
SUB-TOTAL ADULT & FAMILY	2,038,640	199,931	200,487	201,723	202,755	203,095	204,178	206,086	206,065	206,544	207,776	
OTHER MEMBERS												
PARTIAL DUALS - FAMILY	8,212	824	801	811	796	815	837	842	814	844	828	
PARTIAL DUALS - CHILD	0	0	0	0	0	0	0	0	0	0	0	
PARTIAL DUALS - BCCTP	62	4	13	6	5	5	5	6	6	6	6	
FULL DUALS (SPD)												
SPD FULL DUALS	85,694	8,138	8,257	8,336	8,411	8,662	8,572	8,684	8,794	8,813	9,027	
SUBTOTAL OTHER MEMBERS	93,968	8,966	9,071	9,153	9,212	9,482	9,414	9,532	9,614	9,663	9,861	
TOTAL FAMILY & OTHER	2,132,608	208,897	209,558	210,876	211,967	212,577	213,592	215,618	215,679	216,207	217,637	
SPD												
SPD (AGED AND DISABLED)	167,313	16,556	16,376	16,516	16,363	16,305	16,794	16,817	17,118	17,289	17,179	
MEDI-CAL EXPANSION												
ACA Expansion Adult-Citizen	871,717	82,803	83,199	83,828	85,037	85,412	87,526	89,680	90,672	90,902	92,658	
ACA Expansion Duals	13,736	1,086	1,148	1,270	1,324	1,369	1,421	1,457	1,492	1,522	1,647	
SUB-TOTAL MED-CAL EXPANSION	885,453	83,889	84,347	85,098	86,361	86,781	88,947	91,137	92,164	92,424	94,305	
TOTAL KAISER	135,974	12,787	13,032	13,253	13,407	13,552	13,722	13,842	13,972	14,126	14,281	
TOTAL MEDI-CAL MEMBERS	3,321,348	322,129	323,313	325,743	328,098	329,215	333,055	337,414	338,933	340,046	343,402	

KERN·HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	529,097.70	4,572,366.60	SEPT. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4982	NGC US, LLC	437,291.36	2,452,917.28	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T5155	A-C ELECTRIC COMPANY ****	227,572.50	229,186.50	SOLAR PROJECT DEPOSIT	CAPITAL PROJECT
T2686	ALLIANT INSURANCE SERVICES INC. ****	214,936.27	894,688.79	2022 -2023 INSURANCE PREMIUM - SPECIAL LIABILITY INSURANCE PROGRAM (SLIP)	ADMINISTRATION
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC ****	205,000.00	290,000.00	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT- QI/HE
T1408	DELL MARKETING L.P.	116,522.79	1,083,326.85	HARDWARE- (49) DELL LATITUDE BASE AND (50) DELL DOCKS	MIS INFRASTRUCTURE
T1071	CLINICA SIERRA VISTA	105,231.26	1,879,828.04	JUN. & JUL. 2022 HEALTH HOMES GRANT	COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	87,922.45	1,368,061.63	2021-2022 PROVIDER GRANT PROGRAM- JAN.	COMMUNITY GRANTS
T2458	HEALTHCARE FINANCIAL, INC ****	75,502.99	189,502.99	JUL. 2022 PROFESSIONAL SERVICES	ADMINISTRATION
T4350	COMPUTER ENTERPRISE	59,008.20	2,676,990.41	JUL. & AUG. 2022 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS

KERN·HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5447	PROSPHIRE, LLC	58,140.00	189,620.00	JUL. & AUG.. 2022 PROFESSIONAL SERVICES	CAPITAL PROJECT
T2167	PG&E	55,973.50	290,067.03	SEPT. 2022 USAGE / UTILITIES	CORPORATE SERVICES
T3449	CDW GOVERNMENT ****	54,941.08	178,852.48	(168) DELL DOCKS, PRINTER LABELS, (15) ADOBE LICENSES & (2) UBIQUITI LICENSES	MIS INFRASTRUCTURE
T5509	NGUYEN CAO LUU-TRONG ****	53,587.50	59,437.50	AUG 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	51,937.50	362,955.00	AUG. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5466	ZIPARI, INC	43,123.28	264,245.12	AUG. 2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T5337	CAZADOR CONSULTING GROUP INC	41,537.77	296,436.51	AUG. & SEPT. 2022 TEMPORARY HELP - (8) MS; (2) IT; (1) CS	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	41,209.97	359,456.44	SEPT. 2022 EMPLOYEE HEALTH BENEFITS	VARIOUS
T1183	MILLIMAN USA ****	40,217.25	70,066.75	JUL. 2022 PROFESSIONAL SERVICES	FINANCE

KERN·HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2584	UNITED STATES POSTAL SVC. - HASLER	40,000.00	280,000.00	POSTAGE METER PREFUND	CORPORATE SERVICES
T4737	TEKSYSTEMS, INC	39,811.34	340,876.12	JUN., JUL. & AUG. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5421	PREMIER ACCESS INSURANCE COMPANY	38,995.95	342,926.80	SEPT. 2022 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	37,017.63	148,193.39	DEC. 2021 & JUN. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4502	MORGAN CONSULTING RESOURCES, INC. ****	35,840.00	35,840.00	RECRUITMENT FEES - DIRECTOR OF POPULATION HEALTH MANAGEMENT	HUMAN RESOURCES
T5546	BITWISE TECHNOLOGY CONSULTING, LLC ****	27,793.23	27,793.23	JUL. & AUG. 2022 OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	26,960.99	249,302.33	AUG. 2022 EDI CLAIM PROCESSING	CLAIMS
T4424	GUROCK SOFTWARE GmbH ****	26,565.00	26,565.00	TESTRAIL SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	25,498.08	536,406.08	AUG. 2022 TEMPORARY HELP - (8) MS; (1) HE	VARIOUS
T4452	WELLS FARGO	23,728.44	205,429.39	SEPT. - ACH MISC CREDIT CARD PURCHASES	VARIOUS
T4460	PAYSPAN, INC	22,715.35	173,095.16	AUG. 2022 ELECTRONIC CLAIMS/PAYMENTS	FINANCE

KERN·HEALTH SYSTEMS

September AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T3011	OFFICE ALLY, INC.	21,806.30	189,191.23	AUG. 2022 EDI CLAIMS PROCESSING	CLAIMS
T4237	FLUIDEDGE CONSULTING, INC.	21,280.00	507,802.10	AUG. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T5490	WORKSITE LABS, INC	20,300.00	31,620.00	AUG. 2022 ONSITE COVID-19 TESTING	HUMAN RESOURCES
T4585	DELANO UNION SCHOOL DISTRICT ****	20,000.00	70,000.00	SCHOOL WELLNESS GRANT - 1ST INSTALLMENT	HEALTH EDUCATION
		<u>2,927,065.68</u>			
	TOTAL VENDORS OVER \$20,000	2,927,065.68			
	TOTAL VENDORS UNDER \$20,000	586,135.59			
	TOTAL VENDOR EXPENSES- SEPTEMBER	<u>\$ 3,513,201.27</u>			

Note:

****New vendors over \$20,000 for the month of September

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	4,572,366.60	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	2,676,990.41	PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4982	NGC US, LLC	2,452,917.28	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T1071	CLINICA SIERRA VISTA	1,879,828.04	2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T4391	OMNI FAMILY HEALTH	1,368,061.63	2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T2704	MCG HEALTH LLC	1,214,288.28	HEALTH CARE MANAGEMENT & SOFTWARE LICENSE 8/5/2022 -08/04/2023	UTILIZATION MANAGEMENT
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	1,131,436.65	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1408	DELL MARKETING L.P.	1,083,326.85	HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC.	894,688.79	2022 -2023 INSURANCE PREMIUMS	ADMINISTRATION
T5111	ENTISYS 360	850,833.77	ACROPOLIS ANNUAL LICENSE 2022	MIS INFRASTRUCTURE
T4483	INFUSION AND CLINICAL SERVICES, INC	640,212.76	HEALTH HOMES GRANT	COMMUNITY GRANT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3130	OPTUMINSIGHT, INC	542,030.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4733	UNITED STAFFING ASSOCIATES	536,406.08	TEMPORARY HELP	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	507,802.10	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T1180	LANGUAGE LINE SERVICES INC.	500,815.74	INTERPRETATION SERVICES	MEMBER SERVICES
T1845	DEPARTMENT OF MANAGED HEALTH CARE	471,317.70	2022-2023 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	362,955.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	359,456.44	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4165	SHI INTERNATIONAL CO.	354,929.12	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T5421	PREMIER ACCESS INSURANCE COMPANY	342,926.80	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4737	TEKSYSTEMS, INC.	340,876.12	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5022	SVAM INTERNATIONAL INC	329,366.00	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5337	CAZADOR CONSULTING GROUP INC	296,436.51	TEMPORARY HELP	VARIOUS
T2167	PG&E	290,067.03	USAGE / UTILITIES	CORPORATE SERVICES
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	290,000.00	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T4699	ZEOMEGA, INC.	288,312.46	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T2584	UNITED STATES POSTAL SVC. - HASLER	280,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4193	STRIA LLC	275,736.02	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T5466	ZIPARI, INC	264,245.12	2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	249,302.33	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5005	CRAYON SOFTWARE EXPERTS LLC	233,512.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	230,586.31	LEGAL FEES	VARIOUS
T5155	A-C ELECTRIC COMPANY ****	229,186.50	CARPPOOL SOLAR PROJECT DEPOSIT	CAPITAL
T2726	DST PHARMACY SOLUTIONS, INC.	208,431.51	PHARMACY CLAIMS	PHARMACY

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4452	WELLS FARGO	205,429.39	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T5319	CITIUSTECH INC.	197,913.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T4353	TWE SOLUTIONS, INC	193,536.80	INTERNAL AUDIT SOFTWARE	MIS INFRASTRUCTURE
T5447	PROSPHIRE, LLC	189,620.00	CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION	UTILIZATION MANAGEMENT
T2458	HEALTHCARE FINANCIAL, INC	189,502.99	PROFESSIONAL SERVICES	ADMINISTRATION
T3011	OFFICE ALLY, INC	189,191.23	EDI CLAIM PROCESSING	CLAIMS
T3449	CDW GOVERNMENT	178,852.48	HEADSETS, CABLES & ADOBE LICENSES	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	173,342.55	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4460	PAYSPAN, INC	173,095.16	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5145	CCS ENGINEERING FRESNO INC.	166,986.41	JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2469	DST HEALTH SOLUTIONS, LLC.	156,427.30	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENCE
T5322	MANINDER KHALSA	154,030.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	150,508.69	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4707	SHAFTER PEDIATRICS	150,000.00	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	148,193.39	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	138,017.53	2022 ANNUAL DUE ASSESSMENT	VARIOUS
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T5435	TEGRIA SERVICES GROUP - US, INC.	114,500.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5360	SYNERGY PHARMACY SOLUTIONS INC.	108,900.00	2021 KOMOTO ASTHMA PROGRAM	POPULATION HEALTH MANAGEMENT
T1005	COLONIAL LIFE & ACCIDENT	107,552.57	LIFE INSURANCE PREMIUM	VARIOUS
T2961	SOLUTION BENCH, LLC	104,061.95	2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1128	HALL LETTER SHOP	102,489.25	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS
T4038	POLYCLINIC MEDICAL CENTER, INC	102,089.73	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	101,140.00	COVID-19 TESTING	HUMAN RESOURCES
T5292	ALL'S WELL HEALTH CARE SERVICES	99,938.31	TEMPORARY HELP	VARIOUS
T2918	STINSONS	99,775.75	2022 OFFICE SUPPLIES	VARIOUS
T3001	MERCER	97,500.00	PROFESSIONAL SERVICES	HUMAN RESOURCES
T5486	ALLIED GENERAL CONTRACTORS, INC	92,425.76	BUILDING IMPROVEMENTS	CORPORATE SERVICES
WT/ACH	USPS	90,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T2933	SIERRA PRINTERS, INC	88,087.73	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4686	CENTRIC HEALTH	86,939.92	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5529	FINDHELP	83,000.00	COMMUNITY SUPPORT REFERRAL SYSTEM IMPLEMENTATION	CAPITAL PROJECT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4963	LINKEDIN CORPORATION	81,729.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T4217	CONTEXT 4 HEALTHCARE, INC	75,142.83	AMA ROYALTY FEE & CPT RENEWAL	MIS INFRASTRUCTURE
T1272	COFFEY COMMUNICATIONS INC.	73,645.40	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	73,600.00	2022 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4503	VISION SERVICE PLAN	73,185.20	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	72,786.25	CONSULTING SERVICES	ADMINISTRATION
T1022	UNUM LIFE INSURANCE CO.	71,690.26	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T1183	MILLIMAN USA	70,066.75	CY2020/2021 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4052	RAHUL SHARMA	70,000.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4585	DELANO UNION SCHOOL DISTRICT	70,000.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T5121	TPX COMMUNICATIONS	67,775.83	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T5185	HOUSING AUTHORITY COUNTY OF KERN	67,600.00	2021 HOUSING AUTHORITY GRANT	POPULATION HEALTH MANAGEMENT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5275	CREATIVE FINANCIAL STAFFING, LLC.	67,409.92	RECRUITMENT FEES	HUMAN RESOURCES
T2413	TREK IMAGING INC	61,394.72	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T5509	NGUYEN CAO LUU-TRONG ****	59,437.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5377	TELEHEALTHDOCS MEDICAL GROUP	59,047.43	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	58,841.86	EDI CLAIM PROCESSING	CLAIMS
T5109	RAND EMPLOYMENT SOLUTIONS	57,634.76	TEMPORARY HELP	VARIOUS
T5376	KCHCC	55,700.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T1195	KOMOTO PHARMACY, INC	54,500.00	COVID-19 POP UP CLINIC	PROVIDER NETWORK MANAGEMENT
T5329	RELAY NETWORK, LLC	53,333.36	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T4688	VANGUARD MEDICAL CORPORATION	51,500.00	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5132	TIME WARNER CABLE LLC	51,023.05	INTERNET SERVICES	MIS INFRASTRUCTURE
T5426	UNIVERSAL HEALTHCARE SERVICES, INC	50,000.00	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5367	ADVENTIST HEALTH DELANO	49,697.20	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,500.00	2021 AUDIT FEES	FINANCE
T2969	AMERICAN BUSINESS MACHINES INC	49,400.15	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5487	MR2 SOLUTIONS, INC	49,400.00	2022/2023 VIRTUAL CHIEF INFORMATION SECURITY OFFICER	MIS INFRASTRUCTURE
T5420	PAYPRO ADMINISTRATORS	49,351.12	FSA EMPLOYEE BENEFIT	VARIOUS
T4792	KP LLC	48,521.84	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PHARMACY/PROVIDER RELATIONS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	47,728.42	ONSITE SECURITY	CORPORATE SERVICES
T3986	JACQUELYN S. JANS	47,242.25	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4182	THE LAMAR COMPANIES	45,063.00	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T5396	NYMI INC	44,745.00	15 WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES	CORPORATE SERVICES
T5215	RICHARD GARCIA	42,600.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5340	GARTNER INC	42,391.67	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4607	AGILITY RECOVERY SOLUTIONS INC.	41,657.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4785	COMMGAP	41,187.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T2941	KERN PRINT SERVICES INC.	41,161.91	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4059	KERN VALLEY HEALTHCARE DISTRICT	40,461.90	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2441	LAURA J. BREZINSKI	40,300.00	MARKETING MATERIALS	MARKETING
T5408	MARY HARRIS	38,325.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5107	CITRIX SYSTEMS, INC.	38,250.00	ANNUAL SERVICE RENEWAL	MIS INFRASTRUCTURE
T2446	AT&T MOBILITY	37,890.00	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T5286	BROOKLYNNS BOX INC.	37,750.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5389	ADAKC	37,453.97	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4484	JACOBSON SOLUTIONS	36,891.09	TEMPORARY HELP	UTILIZATION MANAGEMENT-UM

KERN HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3515	DOUG HAYWARD	36,565.85	CONSULTING SERVICES	ADMINISTRATION
T4605	KERVILLE UNION SCHOOL DISTRICT	36,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T5398	GOLDEN EMPIRE GLEANERS	35,979.59	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4502	MORGAN CONSULTING RESOURCES, INC. ****	35,840.00	RECRUITMENT FEES - DIRECTOR OF POPULATION HEALTH MANAGEMENT	HUMAN RESOURCES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	35,833.34	COMMUNITY SPONSORSHIP	ADMINISTRATION
T5455	HC2 STRATEGIES, INC	34,639.00	CALAIM ROUNDTABLE SUPPORT	COMMUNITY SUPPORT SERVICES
T3092	LINKS FOR LIFE, INC.	33,100.00	COMMUNITY RESOURCES GRANT PROGRAM	COMMUNITY GRANT
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO. INC.	32,742.86	2022 BUILDING MAINTENANCE	CORPORATE SERVICE
T5401	KERN MEDICAL SUPPLY, LLC	32,303.30	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5490	WORKSITE LABS, INC	31,620.00	EMPLOYEE ON-SITE COVID TESTING	HUMAN RESOURCES
T4563	SPH ANALYTICS	31,046.40	2021/2022 PROVIDER SATISFACTION SURVEYS	MEMBER SERVICES

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5325	WADE A MCNAIR	30,000.00	LEADERSHIP ACADEMY TRAINING	HUMAN RESOURCES
T2509	USPS	29,467.33	FUND MAILING PERMIT #88	CORPORATE SERVICES
T1097	NCQA	29,247.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	QUALITY IMPROVEMENT
T4944	CENTRAL VALLEY FARMWORKER FOUNDATION	28,600.50	COVID EDUCATION OUTREACH SPECIALIST	PROVIDER NETWORK MANAGEMENT
T5387	NAVIA BENEFITS SOLUTIONS, INC.	28,207.23	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T4496	VOX NETWORK SOLUTIONS, INC	28,013.43	TELSTRAT LICENSES & ANNUAL HOSTING	MIS INFRASTRUCTURE
T4514	A.J. KLEIN, INC. T.DENATALE, B. GOLDNER	27,853.82	LEGAL FEES	ADMINISTRATION
T5546	BITWISE TECHNOLOGY CONSULTING, LLC ****	27,793.23	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	27,530.00	ADVERTISEMENT - MEDIA	MARKETING
T5494	LDP ASSOCIATES, INC	27,300.00	2022/2023 DISASTER RECOVERY & PC COOLING MAINT.	VARIOUS
T4424	GUROCK SOFTWARE GmbH ****	26,565.00	TESTRAIL SOFTWARE RENEWAL	MIS INFRASTRUCTURE
T5488	SALUSKY LAW GROUP	25,417.00	LEGAL FEES	ADMINISTRATION

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC	25,000.00	2021-2023 LEADERSHIP LICENSE	HUMAN RESOURCES
T4466	SMOOTH MOVE USA	23,866.24	OFF SITE STORAGE	CORPORATE SERVICES
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC.	23,612.50	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T4731	LOGMEIN USA, INC.	23,137.81	INTERNET SERVICES	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC	23,135.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T5480	PRESS GANEY ASSOCIATES LLC	22,500.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4611	LAMONT SCHOOL DISTRICT	22,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4993	LEGALSHIELD	21,508.45	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T4216	NEXSTAR BROADCASTING INC	20,650.00	ADVERTISEMENT - MEDIA	MARKETING
T5520	BG HEALTHCARE CONSULTING, INC ****	20,475.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	20,355.22	EMPLOYEE PREMIUM	ADMINISTRATION
T1347	ADVANCED DATA STORAGE	20,288.44	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5161	INTEGRATED HEALTHCARE ASSOCIATION	20,142.92	CONSULTING SERVICES	PROVIDER NETWORK MANAGEMENT
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
		<u>34,469,774.39</u>		
	TOTAL VENDORS OVER \$20,000	34,469,774.39		
	TOTAL VENDORS UNDER \$20,000	1,504,329.63		
	TOTAL VENDOR EXPENSES-YTD	<u><u>35,974,104.02</u></u>		

Note:
****New vendors over \$20,000 for the month of September

KERN HEALTH SYSTEMS

October AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4391	OMNI FAMILY HEALTH	1,633,456.23	3,001,517.86	MAR, APR, MAY 2022 PROVIDER GRANT PROGRAM, & OCT 2021 - FEB 2022 SUPPLEMENTAL PGP 2021-2022	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE	637,830.41	3,314,820.82	JUL. AUG. & SEPT. 2022 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T1045	KAISER FOUNDATION HEALTH - HMO	526,175.57	5,098,542.17	OCT. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4982	NGC US, LLC	300,000.00	2,752,917.28	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T1408	DELL MARKETING L.P.	175,560.43	1,258,887.28	HARDWARE- (16) OPTIPLEX, (1000) MONITORS, (49) DELL LATITUDE AND (102) DELL DOCKS	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC.	175,525.00	1,070,213.79	2022 -2023 INSURANCE PREMIUMS - EXCESS COMMERCIAL LIABILITY	ADMINISTRATION
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	143,249.69	1,274,686.34	SEPT. 2022 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING	VARIOUS
T1180	LANGUAGE LINE ****	142,792.68	570,082.10	AUG. & SEPT. 2022 INTERPRETATION SERVICES	MEMBER SERVICES
T4699	ZEOMEGA ****	66,890.19	355,202.65	AUG. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4237	FLUIDEDGE CONSULTING, INC.	62,280.00	570,082.10	AUG. & SEPT. 2022 CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T4737	TEKSYSTEMS, INC	56,761.23	397,637.35	AUG., SEPT., & OCT. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	52,987.50	415,942.50	SEPT. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5509	NGUYEN CAO LUU-TRONG	47,850.00	107,287.50	SEPT. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2458	HEALTHCARE FINANCIAL, INC	47,186.92	236,689.91	AUG. 2022 PROFESSIONAL SERVICES	ADMINISTRATION

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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5018	FIRESTONE GRILL - BAKERSFIELD ****	46,599.64	46,599.64	EMPLOYEE SERVICE AWARDS 2022	MARKETING
T5275	CREATIVE FINANCIAL STAFFING, LLC ****	46,056.40	113,466.32	PLACEMENT FEES	HUMAN RESOURCES
T1861	CERIDIAN HCM, INC.	45,370.51	218,713.06	AUG., SEPT. & OCT 2022 MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T1183	MILLIMAN USA	45,334.25	115,401.00	AUG. 2022 PROFESSIONAL SERVICES	FINANCE
T4688	VANGUARD MEDICAL CORPORATION ****	43,500.00	95,000.00	AUG. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4934	APPLE INC. ****	42,534.59	50,202.17	(49) IPHONES, POWER ADAPTERS AND LIGHTNING CABLES	MIS INFRASTRUCTURE
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	41,863.31	401,319.75	OCT. 2022 EMPLOYEE HEALTH BENEFITS	VARIOUS
T5479	TRANSFORMING LOCAL COMMUNITIES, INC ****	40,454.74	190,963.43	AUG. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5313	HEALTH LITERACY INNOVATIONS, LLC ****	40,125.00	57,630.00	HLA 1 YR LICENSE RENEWAL	MIS INFRASTRUCTURE
T5421	PREMIER ACCESS INSURANCE COMPANY	39,795.81	382,722.61	OCT. 2022 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T5447	PROSPHIRE, LLC	38,000.00	22,762.00	SEPT. 2022 PROFESSIONAL SERVICES	CAPITAL PROJECT
T2167	PG&E	37,981.08	328,048.11	SEPT. 2022 USAGE / UTILITIES	CORPORATE SERVICES
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	37,303.70	327,303.70	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T5467	MOSS ADAMS LLP ****	36,997.00	36,997.00	2022 CLAIMS AUDIT TOOL	CLAIMS

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Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5022	SVAM INTERNATIONAL INC ****	35,144.00	364,510.00	AUG. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5574	CARMAX AUTO SUPERSTORES, INC ****	31,952.35	31,952.35	2022 EQUINOX COMPANY VEHICLE	CORPORATE SERVICES
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	31,938.69	59,731.92	SEPT. 2022 OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T4484	JACOBSON SOLUTIONS ****	31,318.52	68,209.61	SEPT. & OCT. 2022 TEMPORARY HELP (3) UM	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	30,519.46	566,925.54	SEPT. 2022 TEMPORARY HELP - (11) MS; (1) HE	VARIOUS
T4452	WELLS FARGO	29,237.71	234,667.10	OCT - ACH MISC CREDIT CARD PURCHASES	VARIOUS
T4417	KAISER FOUNDATION HEALTH PLAN - OR ****	25,893.22	25,893.22	NOV. 2021 - OCT 2022 EMPLOYEE HEALTH BENEFITS PREMIUM	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	25,600.47	274,902.80	SEPT. 2022 EDI CLAIM PROCESSING	CLAIMS
T5387	NAVIA BENEFITS SOLUTIONS, INC ****	24,516.98	52,724.21	AUG. 2021-OCT. 2021 FSA DISBURSEMENTS	HUMAN RESOURCES
T4460	PAYSPAN, INC	22,296.21	195,391.37	SEPT. 2022 ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4657	DAPONDE SIMPSON ROWE PC	21,358.00	251,944.31	AUG. & SEPT. 2022 LEGAL FEES	VARIOUS
T5319	CITIUSTECH INC. ****	21,249.00	219,162.00	Q3 2022 FAST MAINTENANCE AND SUPPORT	MIS INFRASTRUCTURE
		4,981,486.49			
	TOTAL VENDORS OVER \$20,000	4,981,486.49			
	TOTAL VENDORS UNDER \$20,000	502,044.84			
	TOTAL VENDOR EXPENSES- OCTOBER	\$ 5,483,531.33			

Note:
****New vendors over \$20,000 for the month of October

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	5,098,542.17	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	3,314,820.82	PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4391	OMNI FAMILY HEALTH	3,001,517.86	HEALTH HOMES GRANT	COMMUNITY GRANTS
T4982	NGC US, LLC	2,752,917.28	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T1071	CLINICA SIERRA VISTA	1,880,379.13	2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	1,274,686.34	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
T1408	DELL MARKETING L.P.	1,258,887.28	HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES	MIS INFRASTRUCTURE
T2704	MCG HEALTH LLC	1,214,288.28	HEALTH CARE MANAGEMENT & SOFTWARE LICENSE 8/5/2022 -08/04/2023	UTILIZATION MANAGEMENT
T2686	ALLIANT INSURANCE SERVICES INC.	1,070,213.79	2022 -2023 INSURANCE PREMIUMS	ADMINISTRATION
T5111	ENTISYS 360	850,833.77	ACROPOLIS ANNUAL LICENSE 2022	MIS INFRASTRUCTURE
T4483	INFUSION AND CLINICAL SERVICES, INC	650,148.66	HEALTH HOMES GRANT	COMMUNITY GRANT
T1180	LANGUAGE LINE SERVICES INC.	643,608.42	INTERPRETATION SERVICES	MEMBER SERVICES

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4237	FLUIDEDGE CONSULTING, INC.	570,082.10	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	566,925.54	TEMPORARY HELP	VARIOUS
T3130	OPTUMINSIGHT, INC	542,030.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	471,317.70	2022-2023 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	415,942.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	401,319.75	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4737	TEKSYSTEMS, INC.	397,637.35	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5421	PREMIER ACCESS INSURANCE COMPANY	382,722.61	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4165	SHI INTERNATIONAL CO.	368,751.07	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T5022	SVAM INTERNATIONAL INC	364,510.00	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T4699	ZEOMEGA, INC.	355,202.65	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T2167	PG&E	328,048.11	USAGE / UTILITIES	CORPORATE SERVICES

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	327,303.70	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T5337	CAZADOR CONSULTING GROUP INC	309,972.03	TEMPORARY HELP	VARIOUS
T4193	STRIA LLC	285,379.86	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T2584	UNITED STATES POSTAL SVC. - HASLER	280,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	274,902.80	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T5466	ZIPARI, INC	264,245.12	2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	251,944.31	LEGAL FEES	VARIOUS
T4452	WELLS FARGO	234,667.10	ACH- MISC CREDIT CARD PURCHASES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC	236,689.91	PROFESSIONAL SERVICES	ADMINISTRATION
T5005	CRAYON SOFTWARE EXPERTS LLC	233,512.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T5155	A-C ELECTRIC COMPANY	229,186.50	CARPPOOL SOLAR PROJECT DEPOSIT	CAPITAL
T5447	PROSPHIRE, LLC	227,620.00	CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION	UTILIZATION MANAGEMENT

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5319	CITIUSTECH INC.	219,162.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	218,713.06	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T2726	DST PHARMACY SOLUTIONS, INC.	218,002.98	PHARMACY CLAIMS	PHARMACY
T3011	OFFICE ALLY, INC	207,210.81	EDI CLAIM PROCESSING	CLAIMS
T4460	PAYSPAN, INC	195,391.37	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T4353	TWE SOLUTIONS, INC	193,536.80	INTERNAL AUDIT SOFTWARE	MIS INFRASTRUCTURE
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	190,963.43	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T3449	CDW GOVERNMENT	187,430.52	HEADSETS, CABLES & ADOBE LICENSES	MIS INFRASTRUCTURE
T5145	CCS ENGINEERING FRESNO INC.	183,131.41	JANITORIAL & ADDITIONAL DAY PORTER	CORPORATE SERVICES
T2469	DST HEALTH SOLUTIONS, LLC.	156,427.30	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENCE
T5322	MANINDER KHALSA	154,030.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4707	SHAFTER PEDIATRICS	150,000.00	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	149,250.71	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	138,110.50	2022 ANNUAL DUE ASSESSMENT	VARIOUS
T5435	TEGRIA SERVICES GROUP - US, INC.	132,000.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT	118,995.81	LIFE INSURANCE PREMIUM	VARIOUS
T1128	HALL LETTER SHOP	118,463.41	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS
T1183	MILLIMAN USA	115,401.00	CY2020/2021 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T5275	CREATIVE FINANCIAL STAFFING, LLC.	113,466.32	RECRUITMENT FEES	HUMAN RESOURCES
T5360	SYNERGY PHARMACY SOLUTIONS INC.	108,900.00	2021 KOMOTO ASTHMA PROGRAM	POPULATION HEALTH MANAGEMENT
T5509	NGUYEN CAO LUU-TRONG	107,287.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	105,960.00	COVID-19 TESTING	HUMAN RESOURCES

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2961	SOLUTION BENCH, LLC	104,061.95	2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T5292	ALL'S WELL HEALTH CARE SERVICES	102,776.46	TEMPORARY HELP	VARIOUS
T4038	POLYCLINIC MEDICAL CENTER, INC	102,089.73	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T2918	STINSONS	99,775.75	2022 OFFICE SUPPLIES	VARIOUS
T3001	MERCER	97,500.00	PROFESSIONAL SERVICES	HUMAN RESOURCES
T4688	VANGUARD MEDICAL CORPORATION	95,000.00	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5486	ALLIED GENERAL CONTRACTORS, INC	92,425.76	BUILDING IMPROVEMENTS	CORPORATE SERVICES
WT/ACH	USPS	90,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T2933	SIERRA PRINTERS, INC	88,568.50	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4686	CENTRIC HEALTH	86,939.92	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5529	FINDHELP	83,000.00	COMMUNITY SUPPORT REFERRAL SYSTEM IMPLEMENTATION	CAPITAL PROJECT

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Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	82,257.50	CONSULTING SERVICES	ADMINISTRATION
T4503	VISION SERVICE PLAN	81,812.92	EMPLOYEE HEALTH BENEFITS	VARIOUS
T4963	LINKEDIN CORPORATION	81,729.00	ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES	HUMAN RESOURCES
T1022	UNUM LIFE INSURANCE CO.	80,513.06	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T1272	COFFEY COMMUNICATIONS INC.	78,941.32	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING
T5121	TPX COMMUNICATIONS	77,116.51	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4217	CONTEXT 4 HEALTHCARE, INC	75,142.83	AMA ROYALTY FEE & CPT RENEWAL	MIS INFRASTRUCTURE
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	73,600.00	2022 ANNUAL DUES ASSESSMENT	ADMINISTRATION
T4052	RAHUL SHARMA	70,000.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4585	DELANO UNION SCHOOL DISTRICT	70,000.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T2413	TREK IMAGING INC	69,907.44	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4484	JACOBSON SOLUTIONS	68,209.61	TEMPORARY HELP	UTILIZATION MANAGEMENT-UM
T5185	HOUSING AUTHORITY COUNTY OF KERN	67,600.00	2021 HOUSING AUTHORITY GRANT	POPULATION HEALTH MANAGEMENT
T5329	RELAY NETWORK, LLC	66,666.70	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	64,761.18	EDI CLAIM PROCESSING	CLAIMS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	62,197.68	ONSITE SECURITY	CORPORATE SERVICES
T5109	RAND EMPLOYMENT SOLUTIONS	59,760.38	TEMPORARY HELP	VARIOUS
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	59,731.92	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T5377	TELEHEALTHDOCS MEDICAL GROUP	59,047.43	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5313	HEALTH LITERACY INNOVATIONS, LLC	57,630.00	LITERACY ADVISOR ANNUAL SOFTWARE LICENSE	MIS INFRASTRUCTURE
T5376	KCHCC	55,700.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T5132	TIME WARNER CABLE LLC	55,025.27	INTERNET SERVICES	MIS INFRASTRUCTURE

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1195	KOMOTO PHARMACY, INC	54,500.00	COVID-19 POP UP CLINIC	PROVIDER NETWORK MANAGEMENT
T2969	AMERICAN BUSINESS MACHINES INC	53,260.74	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5387	NAVIA BENEFITS SOLUTIONS, INC.	52,724.21	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T3986	JACQUELYN S. JANS	52,492.25	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T5396	NYMI INC	51,520.00	WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES	CORPORATE SERVICES
T5420	PAYPRO ADMINISTRATORS	51,136.12	FSA EMPLOYEE BENEFIT	VARIOUS
T4792	KP LLC	50,556.54	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PHARMACY/PROVIDER RELATIONS
T4934	APPLE INC. ****	50,202.17	EQUIPMENT - CELL PHONES	VARIOUS
T5426	UNIVERSAL HEALTHCARE SERVICES, INC	50,000.00	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5367	ADVENTIST HEALTH DELANO	49,697.20	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	49,500.00	2021 AUDIT FEES	FINANCE

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5487	MR2 SOLUTIONS, INC	49,400.00	2022/2023 VIRTUAL CHIEF INFORMATION SECURITY OFFICER	MIS INFRASTRUCTURE
T4182	THE LAMAR COMPANIES	47,935.00	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T5215	RICHARD GARCIA	46,837.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5018	FIRESTONE GRILL - BAKERSFIELD ****	46,599.64	EMPLOYEE SERVICE AWARDS 2022	MARKETING
T4059	KERN VALLEY HEALTHCARE DISTRICT	44,714.80	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2441	LAURA J. BREZINSKI	44,350.00	MARKETING MATERIALS	MARKETING
T5340	GARTNER INC	42,391.67	ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES	MIS ADMINISTRATION
T2446	AT&T MOBILITY	42,136.04	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T2941	KERN PRINT SERVICES INC.	41,783.65	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T4607	AGILITY RECOVERY SOLUTIONS INC.	41,657.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4785	COMMGAP	41,187.50	INTERPRETATION SERVICES	HEALTH EDUCATION

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5455	HC2 STRATEGIES, INC	38,770.00	CALAIM ROUNDTABLE SUPPORT	COMMUNITY SUPPORT SERVICES
T5408	MARY HARRIS	38,325.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5107	CITRIX SYSTEMS, INC.	38,250.00	ANNUAL SERVICE RENEWAL	MIS INFRASTRUCTURE
T5286	BROOKLYNNS BOX INC.	37,750.00	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5389	ADAKC	37,453.97	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5467	MOSS ADAMS LLP ****	36,997.00	2022 CLAIMS AUDIT TOOL ANNUAL SUPPORT	CLAIMS
T3515	DOUG HAYWARD	36,565.85	CONSULTING SERVICES	ADMINISTRATION
T5398	GOLDEN EMPIRE GLEANERS	36,372.59	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4605	KERNVILLE UNION SCHOOL DISTRICT	36,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4502	MORGAN CONSULTING RESOURCES, INC.	35,840.00	RECRUITMENT FEES - DIRECTOR OF POPULATION HEALTH MANAGEMENT	HUMAN RESOURCES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	35,833.34	COMMUNITY SPONSORSHIP	ADMINISTRATION

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC.	33,162.50	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T3092	LINKS FOR LIFE, INC.	33,100.00	COMMUNITY RESOURCES GRANT PROGRAM	COMMUNITY GRANT
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO. INC.	32,742.86	2022 BUILDING MAINTENANCE	CORPORATE SERVICE
T5401	KERN MEDICAL SUPPLY, LLC	32,303.30	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5574	CARMAX AUTO SUPERSTORES, INC ****	31,952.35	2022 EQUINOX COMPANY VEHICLE	CORPORATE SERVICES
T5490	WORKSITE LABS, INC	31,620.00	EMPLOYEE ON-SITE COVID TESTING	HUMAN RESOURCES
T4563	SPH ANALYTICS	31,046.40	2021/2022 PROVIDER SATISFACTION SURVEYS	MEMBER SERVICES
T5325	WADE A MCNAIR	30,000.00	LEADERSHIP ACADEMY TRAINING	HUMAN RESOURCES
T2509	USPS	29,467.33	FUND MAILING PERMIT #88	CORPORATE SERVICES
T1097	NCQA	29,247.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	QUALITY IMPROVEMENT
T4514	A.J. KLEIN, INC. T.DENATALE, B. GOLDNER	28,843.82	LEGAL FEES	ADMINISTRATION
T4944	CENTRAL VALLEY FARMWORKER FOUNDATION	28,600.50	COVID EDUCATION OUTREACH SPECIALIST	PROVIDER NETWORK MANAGEMENT

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Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4496	VOX NETWORK SOLUTIONS, INC	28,211.79	TELSTRAT LICENSES & ANNUAL HOSTING	MIS INFRASTRUCTURE
T2851	SINCLAIR TELEVISION OF BAKERSFIELD, LLC	27,530.00	ADVERTISEMENT - MEDIA	MARKETING
T5494	LDP ASSOCIATES, INC	27,300.00	2022/2023 DISASTER RECOVERY & PC COOLING MAINT.	VARIOUS
T4424	GUROCK SOFTWARE GmbH	26,565.00	TESTRAIL RENEWAL	MIS INFRASTRUCTURE
T4417	KAISER FOUNDATION HEALTH PLAN - OR ****	25,893.22	2021-2022 EMPLOYEE HEALTH BENEFITS PREMIUM	VARIOUS
T5488	SALUSKY LAW GROUP	25,417.00	LEGAL FEES	ADMINISTRATION
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC	25,000.00	2021-2023 LEADERSHIP LICENSE	HUMAN RESOURCES
T4993	LEGALSHIELD	24,023.40	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T4466	SMOOTH MOVE USA	23,866.24	OFF SITE STORAGE	CORPORATE SERVICES
T4731	LOGMEIN USA, INC.	23,137.81	INTERNET SERVICES	MIS INFRASTRUCTURE
T5201	JAC SERVICES, INC	23,135.00	AC MAINTENANCE & SERVICE	CORPORATE SERVICES

KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1347	ADVANCED DATA STORAGE	22,872.28	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	22,536.74	EMPLOYEE PREMIUM	ADMINISTRATION
T5480	PRESS GANEY ASSOCIATES LLC	22,500.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T4611	LAMONT SCHOOL DISTRICT	22,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4228	THE SSI GROUP, LLC	21,686.80	EDI CLAIM PROCESSING	CLAIMS
T5366	CONCUR TECHNOLOGIES, INC	20,693.35	2021 - 2022 SAP PROFESSIONAL SERVICES	FINANCE
T4216	NEXSTAR BROADCASTING INC	20,650.00	ADVERTISEMENT - MEDIA	MARKETING
T5520	BG HEALTHCARE CONSULTING, INC	20,475.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T5161	INTEGRATED HEALTHCARE ASSOCIATION	20,142.92	CONSULTING SERVICES	PROVIDER NETWORK MANAGEMENT
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	20,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
		<u>39,825,271.60</u>		
	TOTAL VENDORS OVER \$20,000	39,825,271.60		
	TOTAL VENDORS UNDER \$20,000	984,305.33		
	TOTAL VENDOR EXPENSES-YTD	<u>40,809,576.93</u>		

Note:
****New vendors over \$20,000 for the month of October

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
January							
FluidEdge	\$50,000.00	Yes	PNM	Emily Duran	Interim Program Manager for ECM and PNM dept. (Katie Sykes)	1/3/2022	3/31/2022
CEI	\$93,555.00	Yes	PM	LaVonne Banks	Project Manager/Scrum Master professional resources (Mark Stepko)	1/3/2022	4/30/2022
HD Dynamics	\$53,760.00	Yes	PNM	Emily Duran	Support and consulting hours for CRM for HHP	1/3/2022	12/31/2022
Symplr	\$35,700.00	Yes	IT	Richard Pruitt	Annual support for Cactus SaaS & DEA licenses	1/6/2022	1/5/2023
Mercer	\$95,000.00	Yes	HR	Anita Martin	Compensation study for 75 KHS jobs	1/20/2022	12/31/2022
KP	\$35,000.00	Yes	HE	Isabel Silva	Prenatal, postpartum, and COVID guides insert mailing	1/2/2022	12/31/2022
Lamar	\$37,336.00	Yes	MRK	Louie Iturriria	5 Billboard Advertisement	1/24/2022	1/23/2023
Jacquelyn Jans	\$63,000.00	Yes	MRK	Louie Iturriria	Marketing and corporate image consultant	1/2/2022	12/31/2022
Poppyrock	\$99,600.00	Yes	MRK	Louie Iturriria	Graphic design for KHS/KFHC members and provider	1/2/2022	12/31/2022
February							
Gartner	\$42,391.67	Yes	IT	Richard Pruitt	Individual Access Advisor license	2/1/2022	1/31/2023
MKB Landscaping	\$30,800.00	Yes	CS	Alonso Hurtado	Weekly landscaping services	2/10/2022	2/9/2023
Dell	\$56,799.22	Yes	IT	Richard Pruitt	Dell laptops (18), Docking Stations (18), and monitors (36)	2/9/2022	2/8/2026
Coffey Communications	\$70,000.00	Yes	HE	Isabel Silva	Provider Directory Print agreement	2/15/2022	2/14/2023
ZeOmega	\$57,818.70	Yes	IT	Richard Pruitt	Member portal implementation	2/9/2022	12/31/2022
March							
Wade McNair	\$30,000.00	Yes	HR	Anita Martin	Leadership Academy Training for new and experienced leaders	3/1/2022	6/17/2022
Ceridian	\$34,170.00	Yes	HR	Anita Martin	configurations	3/10/2022	3/9/2023
HC2	\$54,756.00	Yes	PNM	Emily Duran	Needs assessment for CalAIM initiatives	3/10/2022	3/9/2023
April							
TWE Solutions	\$91,450.00	Yes	IT	Richard Pruitt	1,355 Cortex XDR Pro licenses and 100 Annual Forensics licenses	4/29/2022	4/29/2023
Citrix	\$38,250.00	Yes	IT	Richard Pruitt	403 Citrix ADC Premium Edition and Desktop licenses	4/2/2022	4/1/2023
SSI Group, LLC	\$56,000.00	Yes	Claims	Robin Dow-Morales	EDI claims and electronic transactions	4/4/2022	4/3/2024
FluidEdge	\$67,200.00	Yes	PNM	Emily Duran	Interim Program Manager, Katie Sykes	4/2/2022	6/30/2022
Dell	\$53,328.33	Yes	IT	Richard Pruitt	25 Dell 5420 Laptops and 25 Docking stations	4/21/2022	4/20/2026
Cognizant	\$54,000.00	Yes	IT	Richard Pruitt	Claims Integrity Implementation for Zelis	4/21/2022	3/20/2025
Coffey Communications	\$89,360.00	Yes	MRK	Louie Iturriria	KHS Digital platform agreement	4/1/2022	3/31/2023
May							
Dell	\$98,096.46	Yes	IT	Richard Pruitt	Dell 5520 Latitude, Qty 49	5/18/2022	5/17/2026
Cognizant	\$99,999.00	Yes	IT	Richard Pruitt	Nutanix Xi Leap Cloud annual renewal	5/27/2022	5/26/2023
MR2	\$44,400.00	Yes	IT	Richard Pruitt	vCISO (Virtual Chief Information Security) Services	5/26/2022	5/25/2023

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
June							
Milliman	\$99,900.00	Yes	ACCT	Veronica Barker	D-SNP (Base, Level and Gap Analysis)	6/1/2022	5/31/2023
HMA	\$99,000.00	Yes	ACCT	Veronica Barker	Actuarial Services (RDT, SDR's & Rate Analysis)	6/1/2022	5/31/2023
LDPq	\$40,365.00	Yes	CS	Alonso Hurtado	Support and maintenance for 3 APC InRow cooling units (1st floor)	6/4/2022	6/3/2025
Presidio	\$50,550.00	Yes	IT	Richard Pruitt	Exchange Online Migration	6/14/2022	6/13/2023
Presidio	\$57,174.00	Yes	IT	Richard Pruitt	SSRS Dashboard Discovery & Power BI implementation	6/14/2022	6/13/2023
TWE Solutions	\$99,946.40	Yes	IT	Richard Pruitt	24x7 Managed Security services	6/14/2022	6/13/2023
Context4 Healthcare	\$75,142.83	Yes	IT	Richard Pruitt	ICD-10 and CPT codes through AMA co-termed w/HCPSC codes	6/27/2022	6/27/2023
LDP	\$41,535.00	Yes	CS	Alonso Hurtado	Support & maint. for 3 APC cooling units	6/4/2022	6/3/2025
JLL/Technologies	\$38,752.00	Yes	CS	Alonso Hurtado	Cubicle resource scheduling app	6/28/2022	6/27/2023
July							
Spectrum	\$61,164.00	Yes	IT	Richard Pruitt	1Gbps of Internet access	7/17/2022	7/16/2025
AT&T	\$63,576.00	Yes	IT	Richard Pruitt	1Gbps of Internet access for KHS building	7/13/2022	7/12/2025
Rest and Reassure, LLC	\$72,000.00	Yes	IT	Richard Pruitt	Consulting services for Cal-Aim & PHM dept requirements	7/15/2022	12/31/2022
Solution Bench	\$76,461.95	Yes	IT	Richard Pruitt	M-files subscription base licenses & 2 add-on modules	7/23/2022	7/22/2022
CDW-G	\$41,811.41	Yes	IT	Richard Pruitt	Juniper switches support & maint.	7/1/2022	6/30/2023
FluidEdge	\$67,200.00	Yes	PNM	Amisha Pannu	PNM consultant, Katie Sykes	7/1/2022	9/30/2022
BG Healthcare Consulting	\$30,000.00	Yes	PHM	Deborah Murr	Consulting services to audit KHS policies	7/13/2022	12/31/2022
August							
Octopai	\$64,800.00	Yes	IT	Richard Pruitt	Data Lineage System	8/10/2022	8/9/2023
Cotiviti	\$80,750.00	Yes	PHM	Deborah Murr	HRA outreach of SPD members	8/1/2022	7/31/2023
Dell	\$98,099.72	Yes	IT	Richard Pruitt	(49) 5520 laptops	8/30/2022	8/29/2026
September							
CCS	\$193,740.00	Yes	CS	Alonso Hurtado	Janitorial Services for KHS building	9/6/2022	9/5/2023
Spectrum	\$84,480.00	Yes	IT	Richard Pruitt	Cloud Connect to Azure	9/24/2022	9/23/2024
The Periscope Group	\$98,880.00	Yes	UM	Deb Murr	In-home assessment visits to members	9/5/2022	9/4/2023
JMD Solutions	\$144,000.00	Yes	IT	Richard Pruitt	Kern Medical Data Extration and Transformation	9/26/2022	1/31/2023
TriZetto	\$95,000.00	Yes	CL	Robin Dow-Morales	Electronic claims processing	9/6/2022	9/5/2025
October							
HMA	\$99,150.00	Yes	COMP	Jane MacAdam	One (1) Senior Consultant to assist withing KHS Complinance Dept	10/5/2022	5/30/2023
Catalyst Solutions	\$90,720.00	Yes	IT	Richard Pruitt	D-SNP Advisor/ Program Manager	10/11/2022	12/31/2022
FluidEdge	\$96,200.00	Yes	COMP	Jane MacAdam	Consulting services	10/4/2022	12/31/2022

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
Dell	\$99,856.63	Yes	IT	Richard Pruitt	Additional (47) Dell Latitude 5530 Laptops	10/27/2022	10/26/2024
Optum	\$61,177.00	Yes	IT	Richard Pruitt	Payment system	10/1/2022	4/30/2024
Secure-Centric	\$191,889.68	Yes	IT	Richard Pruitt	Rubrik brick	10/20/2022	10/19/2023

2022 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	Community Based Organization Referral System	CAP	\$370,080	\$15,440	\$30,360	\$20,160	\$20,160	\$0	\$0	\$0	\$0	\$0					\$86,120	\$283,960
2	Medical Management/Fraud, Waste, and Abuse Programs	CAP	\$500,000	\$21,120	\$35,798	\$25,066	\$17,472	\$0	\$0	\$0	\$0	\$0					\$99,456	\$400,544
3	Claims Workflow Conversion (QNXT)	CAP	\$472,800		\$8,826	\$51,501	\$57,335	\$40,726	\$37,318	\$45,317	\$38,701	\$18,094					\$297,818	\$174,982
4	Data Lineage System	CAP	\$184,800	\$17,472	\$0	\$19,320	\$0	\$0	\$37,789	\$0	\$0	\$0					\$74,581	\$110,219
5	Analytic Software (Power BI) Migration	CAP	\$124,800						\$36,691	\$17,472	\$0	\$0					\$54,163	\$70,637
6	Communication Software Replacement	CAP	\$121,800					\$17,600	\$0	\$23,920	\$0	\$0					\$41,520	\$80,280
8	Staff Augmentation	EXP	\$7,393,315	\$410,586	\$359,294	\$356,945	\$344,059	\$373,337	\$342,030	\$312,222	\$392,822	\$442,916					\$3,334,211	\$4,059,104
Totals:		Totals	\$9,167,595	\$464,618	\$434,278	\$472,992	\$439,026	\$431,663	\$453,828	\$398,931	\$431,523	\$461,010	\$0	\$0	\$0		\$3,987,869	\$5,179,726

Updated 11/7/22

