



# **KERN HEALTH SYSTEMS**

## **FINANCE COMMITTEE MEETING**

**Friday, February 10, 2023**

**at**

**8:00 a.m.**

**Kern Health Systems  
2900 Buck Owens Blvd.  
1<sup>st</sup> 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, February 10, 2023

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 MEETING.**

#### 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 December 9, 2022-  
APPROVE
- 5) Report on Kern Health Systems Investment Portfolio for the Fourth Quarter Ending December 31, 2022 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 6) Report on 2022 Annual Review of the Kern Health Systems Investment Policy (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 7) Request to change the previously approved 2023 reinsurance carrier from HM Life Insurance back to the current 2022 carrier IOA Re (2023 Fiscal Impact: \$1,122,917; \$914,969 Budgeted; \$207,948 Not Budgeted) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 8) Report on 2022 Annual Travel Report (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 9) Report on 2022 Annual Report of Disposed Assets (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 10) Review of Kern Health Systems Cyber Insurance Policy (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

- 11) Review of 2022 Budgeted Capital Projects scheduled to be completed in 2023 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 12) Report on Kern Health Systems Financial Statements for November 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 November 2022 and IT Technology Consulting Resources for the period ended November 30, 2022 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, APRIL 7, 2023 AT 8:00 A.M.

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

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the KHS Finance Committee may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.





**To: KHS Finance Committee**

**From: Emily Duran, CEO**

**Date: February 10, 2023**

**Re: AB 361 Remote Meeting Resolution**

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**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 February 2023 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 FEBRUARY 2023**

Section 1. 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 February 10, 2023 and shall be effective until the earlier of March 9, 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 10<sup>th</sup> day of February 2023, by the following vote and that a copy of the resolution has been delivered to the Chairman of the Committee.

AYES:

NOES:

ABSENT:

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Sheilah Woods, Clerk  
Board of Directors  
Kern Health Systems



## SUMMARY

### FINANCE COMMITTEE MEETING

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

Friday, December 9, 2022

8:00 A.M.

#### COMMITTEE RECONVENED

Members: Martinez, Garcia, McGlew, Watson

ROLL CALL: All present

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

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

#### 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-Watson: All Ayes**

#### 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**

**Summary**

Finance Committee Meeting  
Kern Health Systems

Page 2  
12/9/2022

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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))

DIRECTOR MCGLEW WISHED ALL A VERY HAPPY HOLIDAY SEASON

- CA-4) Minutes for Kern Health Systems Finance Committee meeting on October 7, 2022-  
APPROVED

**Watson-McGlew: All Ayes**

- 5) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2022 (Fiscal Impact: None) – IRA COHEN, UBS FINANCIAL SERVICES, INC., HEARD; RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS

**McGlew-Watson: All Ayes**

- 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) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

**McGlew-Watson: All Ayes**

- 7) Proposed Kern Health Systems 2023 Operating and Capital Budgets (Fiscal Impact: None) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

**Watson-McGlew-Watson: All Ayes**

- 8) Proposed Budget Request for 2023 Project Consulting Professional Services, from January 1, 2023 through December 31, 2023 (Fiscal Impact: \$15,066,478; Budgeted) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

**McGlew-Watson: All Ayes**

- 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) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

**McGlew-Watson: All Ayes**

- 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) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS

**McGlew-Watson: All Ayes**

**Summary**

Finance Committee Meeting  
Kern Health Systems

Page 3  
12/9/2022

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- 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) – APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Watson-McGlew: All Ayes**
  
- 12) Report on Kern Health Systems financial statements for September 2022 and October 2022 (Fiscal Impact: None) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Watson-McGlew: All Ayes**
  
- 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) – RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Garcia-McGlew: All Ayes**

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





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 10, 2023**

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

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**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  
December 31, 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.

<u>Description</u>		<u>Dollar Amount</u>	<u>% of Portfolio</u>	<u>Maximum Allowed Per Policy</u>	<u>Approximate Current Yield</u>	<u>Liquidity</u>	<u>Principal Fluctuation</u>
Wells Fargo - Cash	(1)	\$ 2,900,000	0.69%	100%		1 Day	None
Money Market Accounts	(A) (1)	\$ 24,100,000	5.74%	40%	4.10%	1 Day	None
Local Agency Investment Fund (LAIF)	(B) (2)	\$ 74,500,000	17.76%	50%	1.98%	2 Days	None
US T-Bills & Federal Agencies at Wells Fargo	(1)	\$ 244,600,000	58.29%	100%	3.74%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C) (1)	\$ 4,100,000	0.98%		1.80%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 350,200,000	83.46%		3.34%		

**Long Term Port Folio ( 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)	\$ 59,500,000	14.18%		4.88%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ 9,900,000	2.36%		4.53%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 69,400,000	16.54%		4.83%		
<b>Total Portfolio</b>		<b>\$ 419,600,000</b>	<b>100.00%</b>		<b>3.58%</b>		

<u>Yield Curve</u>	<u>Yield Curve</u>			
	<u>Treasuries</u>	<u>AA Corporate Bonds</u>	<u>A Corporate Bonds</u>	<u>CD's</u>
1 year	4.76%	4.80%	4.85%	4.70%
2 year	4.47%	4.64%	4.80%	4.50%
3 year	4.24%	4.59%	4.75%	4.20%
5 year	3.95%	4.53%	4.76%	4.00%

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$200 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 2023 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 December 31, 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

Portfolio review. ....	2
Asset allocation review. ....	5
Asset allocation by account. ....	6
Portfolio holdings. ....	7
Bond summary. ....	12
Additional information about your portfolio. ....	13
Important information about this report. ....	14



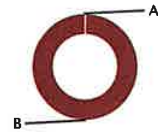
# Portfolio review

as of December 31, 2022

## Asset allocation review

	Value on 12/31/2022 (\$)	% of Portfolio
<b>A Cash</b>	<b>77,477.04</b>	<b>0.13</b>
Cash	77,477.04	0.13
US	77,477.04	0.13
<b>B Fixed Income</b>	<b>59,413,099.80</b>	<b>99.87</b>
US	59,413,099.80	99.87
Government	6,668,558.42	11.21
Corporate IG Credit	52,744,541.38	88.66
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$59,490,576.84</b>	<b>100%</b>

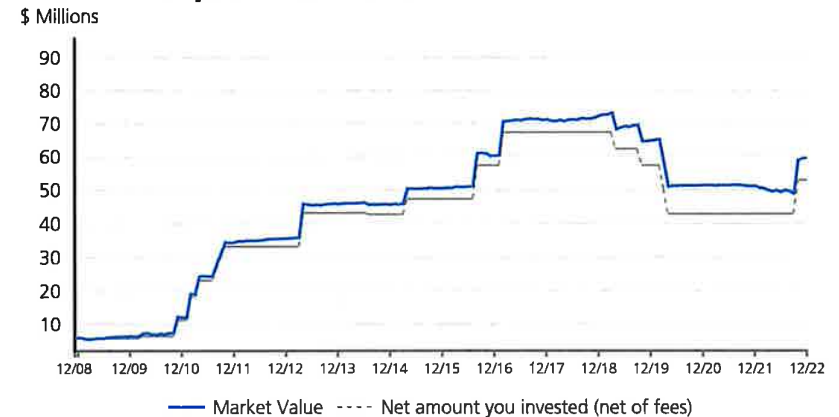
Balanced mutual funds are allocated in the 'Other' category



## EX XX120 • BOND PORTFOLIO • Portfolio Management Program

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

## Sources of portfolio value



## Portfolio value and investment results

Performance returns (annualized > 1 year)

	For the period of 12/31/2021 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	For the period of 09/30/2022 to 12/31/2022
<b>Opening value</b>	<b>51,044,313.37</b>	<b>49,921,494.38</b>	<b>49,436,575.37</b>	<b>48,891,651.24</b>
Net deposits/withdrawals	-16,286.52	-15,979.52	-16,089.16	9,983,979.61
Div./interest income	153,776.90	292,223.52	183,397.34	259,091.84
Change in accr. interest	75,535.73	-57,125.76	65,091.19	67,996.15
Change in value	-1,335,845.10	-704,037.25	-777,323.50	287,858.00
<b>Closing value</b>	<b>49,921,494.38</b>	<b>49,436,575.37</b>	<b>48,891,651.24</b>	<b>59,490,576.84</b>
Net Time-weighted ROR	-2.20	-0.97	-1.10	1.06

Net deposits and withdrawals include program and account fees.

## Summary of gains and losses

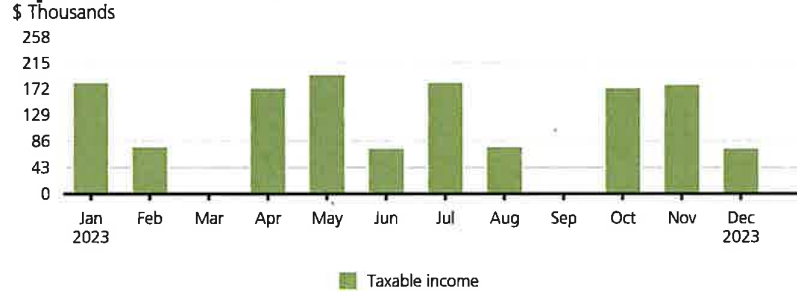
	Short term (\$)	Long term (\$)	Total (\$)
<b>2021 Realized gains and losses</b>	<b>227.34</b>	<b>48,939.49</b>	<b>49,166.83</b>
Taxable	227.34	48,939.49	49,166.83
Tax-deferred	0.00	0.00	0.00
<b>2022 Year to date</b>	<b>0.00</b>	<b>-60,398.10</b>	<b>-60,398.10</b>
Taxable	0.00	-60,398.10	-60,398.10
Tax-deferred	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 December 31, 2022 (continued)

**Expected cash flow**

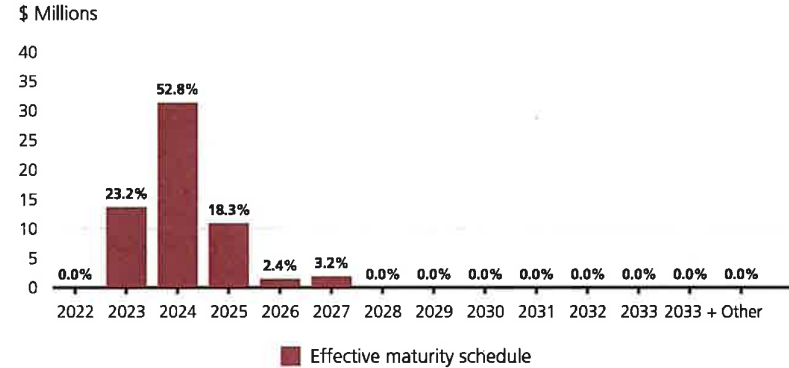


Total taxable income: \$1,405,287.50

Total expected cash flow: \$1,405,287.50

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 12/31/2022 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	7.79	-7.79
Consumer Discretionary	0.00	0.00	10.55	-10.55
Consumer Staples	0.00	0.00	7.43	-7.43
Energy	0.00	0.00	5.02	-5.02
Financials	0.00	0.00	11.29	-11.29
Health Care	0.00	0.00	14.93	-14.93
Industrials	0.00	0.00	8.49	-8.49
Information Technology	0.00	0.00	25.63	-25.63
Materials	0.00	0.00	2.73	-2.73
Real Estate	0.00	0.00	2.54	-2.54
Utilities	0.00	0.00	2.83	-2.83
<b>Total classified equity</b>	<b>\$0.00</b>			
Unclassified Securities	0.00			

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


**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**

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

Portfolio review - as of December 31, 2022 (continued)

**Summary of performance by account**

					Performance returns (annualized > 1 year)				
					For the period of	For the period of	For the period of	For the period of	
					12/31/2021 to	03/31/2022 to	06/30/2022 to	09/30/2022 to	
					03/31/2022	06/30/2022	09/30/2022	12/31/2022	
		Performance start date	Value on 12/31/2022 (\$)	% of portfolio					
EX XX120	BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV	Dec 08, 2008	59,490,576.84	100.00%	Net time-weighted	-2.20%	-0.97%	-1.10%	1.06%
	Risk profile: Conservative								
	Return objective: Current Income								
<b>Total Portfolio</b>		<b>Dec 08, 2008</b>	<b>\$59,490,576.84</b>	<b>100%</b>	<b>Net time-weighted</b>	<b>-2.20%</b>	<b>-0.97%</b>	<b>-1.10%</b>	<b>1.06%</b>

					For the period of	For the period of	For the period of	For the period of
					12/31/2021 to	03/31/2022 to	06/30/2022 to	09/30/2022 to
					03/31/2022	06/30/2022	09/30/2022	12/31/2022
<b>Benchmarks - Annualized time-weighted returns</b>								
	Blended Index				-2.48%	-0.81%	-1.36%	1.12%
	Blended Index 2				-1.21%	-0.47%	-0.58%	1.00%
	US Treasury Bill - 3 Mos				0.03%	0.12%	0.47%	0.89%
	BBG US Agg (1-3 Y)				-2.50%	-0.64%	-1.50%	0.90%
	S&P 500				-4.60%	-16.10%	-4.88%	7.56%

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



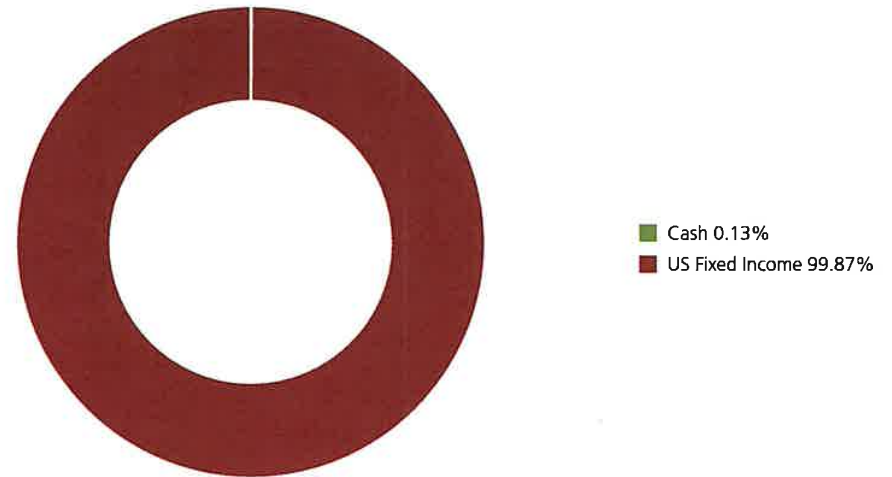
# Asset allocation review

as of December 31, 2022

## Summary of asset allocation

	Market value (\$)	% of Portfolio
<b>Cash</b>	<b>77,477.04</b>	<b>0.13</b>
Cash	77,477.04	0.13
<b>Fixed Income</b>	<b>59,413,099.80</b>	<b>99.87</b>
US	59,413,099.80	99.87
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$59,490,576.84</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category





# Asset allocation by account

as of December 31, 2022

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total	
	Cash (\$/%)	U.S.	Global	International	U.S.	Global					International
	<b>77,477.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>59,413,099.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$59,490,576.84</b>
<b>Total Portfolio</b>	<b>0.13</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>99.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>
	77,477.04	0.00	0.00	0.00	59,413,099.80	0.00	0.00	0.00	0.00	0.00	\$59,490,576.84
	0.13	0.00	0.00	0.00	99.87	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

	Equities (\$/%)			Fixed Income (\$/%)			Non-Traditional (\$/%)	Commodities (\$/%)	Other (\$/%)	Total	
	Cash (\$/%)	U.S.	Global	International	U.S.	Global					International
	<b>77,477.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>59,413,099.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$59,490,576.84</b>
<b>Total Portfolio</b>	<b>0.13</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>99.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category



# Portfolio holdings

as of December 31, 2022

## Summary of Portfolio Holdings

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

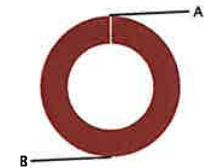
Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

	Cost basis (\$)	Value on 12/31/2022 (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Portfolio
<b>A Cash</b>	<b>77,477.04</b>	<b>77,477.04</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.13%</b>
Cash	77,477.04	77,477.04	0.00	0.00%	0.00	0.00%	0.13%
<b>B Fixed Income</b>	<b>61,370,840.01</b>	<b>59,413,099.80</b>	<b>-1,957,740.21</b>	<b>-3.19%</b>	<b>1,422,162.50</b>	<b>2.39%</b>	<b>99.87%</b>
US	61,370,840.01	59,413,099.80	-1,957,740.21	-3.19%	1,422,162.50	2.39%	99.87%
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Portfolio</b>	<b>\$61,448,317.05</b>	<b>\$59,490,576.84</b>	<b>\$-1,957,740.21</b>	<b>-3.19%</b>	<b>\$1,422,162.50</b>	<b>2.39%</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category





Portfolio holdings - as of December 31, 2022 (continued)

## Details of portfolio holdings

				Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of Portfolio
<b>Total Portfolio</b>				<b>\$61,448,317.05</b>	<b>\$59,490,576.84</b>	<b>-\$1,957,740.21</b>	<b>-3.19%</b>	<b>\$1,422,162.50</b>	<b>2.39%</b>	<b>100%</b>	<b>100%</b>
<b>Cash</b>	Quantity	Purchase price (\$)/ Avg Price	Price on 12/31/2022 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Cash	% of Portfolio
<b>Cash</b>											
UBS INSURED SWEEP PROGRAM	77,477.04	1.00	1.00	77,477.04	77,477.04	0.00	0.00%	0.00	0.00%	100.00%	0.13%
<b>Total Cash</b>				<b>\$77,477.04</b>	<b>\$77,477.04</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.13%</b>
<b>Total Cash</b>				<b>\$77,477.04</b>	<b>\$77,477.04</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.13%</b>
<b>Fixed Income</b>	Quantity	Purchase price (\$)/ Avg Price	Price on 12/31/2022 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of Portfolio
<b>US</b>											
AMAZON COM INC NTS B/E 00.450% 051224 DTD051221 CALL@MW+2.5BP	2,000,000.00	99.88	94.23	1,997,660.00	1,885,725.00	-111,935.00	-5.60%	9,000.00	0.48%	3.17%	3.17%
AMAZON.COM INC NTS B/E 03.300% 041327 DTD041322 FC101322 CALL@MW+10BP	1,000,000.00	94.29	95.04	942,880.00	957,590.00	14,710.00	1.56%	33,000.00	3.47%	1.61%	1.61%
APPLE INC NTS B/E 00.750% 051123 DTD051120 FC111120 CALL@MW+10BP	3,000,000.00	100.16	98.56	3,004,689.99	2,959,864.99	-44,824.99	-1.49%	22,500.00	0.76%	4.98%	4.97%
APPLE INC NTS B/E 2.850% 051124 DTD051117 FC111117 CALL@MW+12.5BP	400,000.00	103.25	97.39	412,993.17	391,159.33	-21,833.84	-5.29%	11,400.00	2.93%	0.66%	0.66%
BANK OF NY MELLON CORP 00.350% 120723 DTD120720 FC060721 NTS B/E	2,000,000.00	100.02	95.95	2,000,419.52	1,919,526.67	-80,892.85	-4.04%	7,000.00	0.36%	3.23%	3.23%
BB&T CORP MED TERM NTS 02.850% 102624 DTD102617 FC042618 B/E	2,000,000.00	99.69	96.47	1,993,761.22	1,939,651.67	-54,109.55	-2.71%	57,000.00	2.95%	3.26%	3.26%
BB&T CORP NTS B/E 02.500% 080124 DTD072919 FC020120	1,000,000.00	103.07	96.12	1,030,654.04	971,616.67	-59,037.37	-5.73%	25,000.00	2.60%	1.64%	1.63%





Portfolio holdings - as of December 31, 2022 (continued)

Fixed Income	Quantity	Purchase price (\$)/ Avg Price	Price on 12/31/2022 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of Portfolio
<b>US</b>											
BK OF NY MELLON CORP B/E 03.000% 022425 DTD022415 FC082415	1,300,000.00	102.89	96.45	1,337,613.03	1,267,569.33	-70,043.70	-5.24%	39,000.00	3.11%	2.13%	2.13%
BK OF NY MELLON CORP NTS 00.850% 102524 DTD102521 FC042522 B/E	1,500,000.00	100.09	92.98	1,501,280.85	1,396,992.50	-104,288.35	-6.95%	12,750.00	0.91%	2.35%	2.35%
BURLINGTN NORTH SANTA FE 03.000% 040125 DTD030915 FC100115 CALL@MW+15BP	1,000,000.00	95.72	96.22	957,230.00	969,690.00	12,460.00	1.30%	30,000.00	3.12%	1.63%	1.63%
COMCAST CORP NTS B/E 03.700% 041524 DTD100518 FC041519 CALL@MW+15BP	1,500,000.00	101.49	98.51	1,522,300.91	1,489,396.67	-32,904.24	-2.16%	55,500.00	3.76%	2.51%	2.50%
COMCAST CORP NTS B/E 3.950% 101525 DTD100518 FC041519 CALL@MW+15BP	1,000,000.00	96.82	98.02	968,230.00	988,518.89	20,288.89	2.10%	39,500.00	4.03%	1.66%	1.66%
FANNIE MAE NTS 00.310 % DUE 111623 DTD 111620 FC 05162021	2,000,000.00	99.99	96.09	1,999,800.00	1,922,495.00	-77,305.00	-3.87%	6,200.00	0.32%	3.24%	3.23%
FFCB BOND 00.290 % DUE 110223 DTD 110220 FC 05022021	2,000,000.00	99.94	96.27	1,998,818.00	1,926,370.56	-72,447.44	-3.62%	5,800.00	0.30%	3.24%	3.24%
FFCB BOND 05.200 % DUE 110325 DTD 110322 FC 05032023	1,300,000.00	99.95	99.87	1,299,350.00	1,309,149.11	9,799.11	0.75%	67,600.00	5.21%	2.20%	2.20%
FHLMC MED TERM NTS 05.250 % DUE 110824 DTD 110822 FC 05082023	1,500,000.00	100.00	99.93	1,500,000.00	1,510,543.75	10,543.75	0.70%	78,750.00	5.25%	2.54%	2.54%
GENERAL DYNAMICS CORP 02.375% 111524 DTD091417 FC051518 CALL@MW+10BP	1,750,000.00	103.04	95.50	1,803,127.49	1,676,473.26	-126,654.23	-7.02%	41,562.50	2.49%	2.82%	2.82%
JOHN DEERE CAPITAL CORP 00.625% 091024 DTD091021 FC031022 NTS B/E	1,400,000.00	100.08	93.36	1,401,054.38	1,309,723.92	-91,330.46	-6.52%	8,750.00	0.67%	2.20%	2.20%
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	1,000,000.00	100.18	97.95	1,001,771.13	982,902.22	-18,868.91	-1.88%	7,000.00	0.71%	1.65%	1.65%
JPMORGAN CHASE & CO B/E 03.125% 012325 DTD012315 FC072315	2,400,000.00	104.29	96.57	2,503,054.45	2,350,524.67	-152,529.78	-6.09%	75,000.00	3.24%	3.96%	3.95%
JPMORGAN CHASE & CO NTS 03.625% 051324 DTD051314 FC111314 B/E	1,800,000.00	104.07	98.31	1,873,228.34	1,778,280.00	-94,948.34	-5.07%	65,250.00	3.69%	2.99%	2.99%
LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 FC071516 CALL@MW+20BP	1,500,000.00	96.38	97.24	1,445,685.00	1,483,094.17	37,409.17	2.59%	53,250.00	3.65%	2.50%	2.49%



## EX XX120 • BOND PORTFOLIO • Portfolio Management Program

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

## Portfolio holdings - as of December 31, 2022 (continued)

Fixed Income	Quantity	Purchase price (\$) / Avg Price	Price on 12/31/2022 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of Portfolio
<b>US</b>											
MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 FC080617 CALL@MW+12.5BP	750,000.00	101.17	98.14	758,757.58	744,734.90	-14,022.68	-1.85%	21,562.50	2.93%	1.25%	1.25%
MORGAN STANLEY B/E 03.625% 012027 DTD012017 FC072017	1,000,000.00	91.31	94.42	913,100.00	960,391.81	47,291.81	5.18%	36,250.00	3.84%	1.62%	1.61%
MORGAN STANLEY B/E 04.000% 072325 DTD072315 FC012316 CALL@MW+25BP	1,800,000.00	99.90	97.78	1,798,200.00	1,791,604.00	-6,596.00	-0.37%	72,000.00	4.09%	3.02%	3.01%
ORACLE CORP NTS B/E 02.950% 111524 DTD110917 FC051518 CALL@MW+15BP	1,000,000.00	103.74	96.36	1,037,407.63	967,379.44	-70,028.19	-6.75%	29,500.00	3.06%	1.63%	1.63%
PACCAR FINANCIAL CORP 00.350% 081123 DTD081120 FC021121 MED TERM NTS	2,000,000.00	100.00	97.18	2,000,000.00	1,946,402.22	-53,597.78	-2.68%	7,000.00	0.36%	3.28%	3.27%
PAYPAL HOLDINGS INC NTS 02.400% 100124 DTD092619 FC040120 CALL@MW+15BP	2,250,000.00	100.96	95.88	2,271,537.78	2,170,845.00	-100,692.78	-4.43%	54,000.00	2.50%	3.65%	3.65%
PEPSICO INC NTS B/E 00.400% 100723 DTD100720 FC040721	600,000.00	100.13	96.60	600,783.02	580,166.00	-20,617.02	-3.43%	2,400.00	0.41%	0.98%	0.98%
PEPSICO INC NTS B/E 00.750% 050123 DTD050120 FC110120 CALL@MW+10BP	1,500,000.00	100.15	98.71	1,502,197.82	1,482,450.00	-19,747.82	-1.31%	11,250.00	0.76%	2.50%	2.49%
PNC BK B/E 03.250% 060125 DTD060115 FC120115	300,000.00	98.46	96.54	295,368.00	290,441.50	-4,926.50	-1.67%	9,750.00	3.37%	0.49%	0.49%
PNC FINL SERV GRP INC WT 02.200% 110124 DTD110119 FC050120 EXP NTS B/E	2,000,000.00	103.05	95.59	2,060,920.13	1,919,193.33	-141,726.80	-6.88%	44,000.00	2.30%	3.23%	3.23%
SIMON PPTY GROUP LP B/E 03.375% 100124 DTD091014 FC040115 CALL@MW+15BP	1,900,000.00	104.19	97.05	1,979,572.47	1,859,943.25	-119,629.22	-6.04%	64,125.00	3.48%	3.13%	3.13%
STATE STREET CORP B/E 03.300% 121624 DTD121514 FC061615	1,200,000.00	100.25	97.63	1,203,010.23	1,173,162.00	-29,848.23	-2.48%	39,600.00	3.38%	1.97%	1.97%
TRUIST BANK NTS B/E 02.150% 120624 DTD120619 FC060620	2,000,000.00	100.14	95.03	2,002,879.96	1,903,526.11	-99,353.85	-4.96%	43,000.00	2.26%	3.20%	3.20%
UNION PAC CORP NTS B/E 03.750% 071525 DTD060818 FC011519 CALL@MW+15BP	2,000,000.00	97.04	97.25	1,940,760.00	1,979,523.33	38,763.33	2.00%	75,000.00	3.86%	3.33%	3.33%
UNITEDHEALTH GROUP INC 02.375% 081524 DTD072519 CALL@MW+10BP NTS	2,250,000.00	100.51	96.20	2,261,548.10	2,184,732.50	-76,815.60	-3.40%	53,437.50	2.47%	3.68%	3.67%



Portfolio holdings - as of December 31, 2022 (continued)

Fixed Income	Quantity	Purchase price (\$)/ Avg Price	Price on 12/31/2022 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of Portfolio
<b>US</b>											
US BANCORP MED TERM NTS 03.375% 020524 DTD020419 FACTOR 1.000000000000	300,000.00	103.13	98.24	309,378.30	298,835.25	-10,543.05	-3.41%	10,125.00	3.44%	0.50%	0.50%
US BANCORP NTS B/E 02.400% 073024 DTD072919 FC013020	2,000,000.00	98.38	96.18	1,967,640.00	1,943,500.00	-24,140.00	-1.23%	48,000.00	2.50%	3.27%	3.27%
WAL MART STORES INC NTS 02.650% 121524 DTD102017 FC061518 CALL@MW+10BP	1,900,000.00	103.80	96.17	1,972,177.47	1,829,410.78	-142,766.69	-7.24%	50,350.00	2.76%	3.08%	3.08%
<b>Total US</b>				<b>\$61,370,840.01</b>	<b>\$59,413,099.80</b>	<b>\$-1,957,740.21</b>	<b>-3.19%</b>	<b>\$1,422,162.50</b>	<b>2.39%</b>	<b>100.00%</b>	<b>99.87%</b>
<b>Total Fixed Income</b>				<b>\$61,370,840.01</b>	<b>\$59,413,099.80</b>	<b>\$-1,957,740.21</b>	<b>-3.19%</b>	<b>\$1,422,162.50</b>	<b>2.39%</b>	<b>100.00%</b>	<b>99.87%</b>
				Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of Portfolio
<b>Total Portfolio</b>				<b>\$61,448,317.05</b>	<b>\$59,490,576.84</b>	<b>\$-1,957,740.21</b>	<b>-3.19%</b>	<b>\$1,422,162.50</b>	<b>2.39%</b>	<b>100%</b>	<b>100%</b>
<b>Total accrued interest (included in market values): \$368,573.30</b>											



# Bond summary

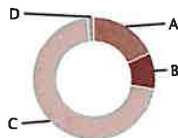
as of December 31, 2022

## Bond overview

Total quantity	61,100,000
Total market value	\$59,044,526.50
Total accrued interest	\$368,573.30
Total market value plus accrued interest	\$59,413,099.80
Total estimated annual bond interest	\$1,422,162.50
Average coupon	2.34%
Average current yield	2.41%
Average yield to maturity	4.88%
Average yield to worst	4.88%
Average modified duration	1.60
Average effective maturity	1.69

## Credit quality of bond holdings

Effective credit rating	Issues	Value on 12/31/2022 (\$)	% of port.
<b>A</b> Aaa/AAA/AAA	7	10,764,317.65	18.17
<b>B</b> Aa/AA/AA	4	5,642,415.78	9.53
<b>C</b> A/A/A	28	42,038,986.93	70.68
<b>D</b> Baa/BBB/BBB	1	967,379.44	1.63
<b>E</b> Non-investment grade	0	0.00	0.00
<b>F</b> Certificate of deposit	0	0.00	0.00
<b>G</b> Not rated	0	0.00	0.00
<b>Total</b>	<b>40</b>	<b>\$59,413,099.80</b>	<b>100%</b>



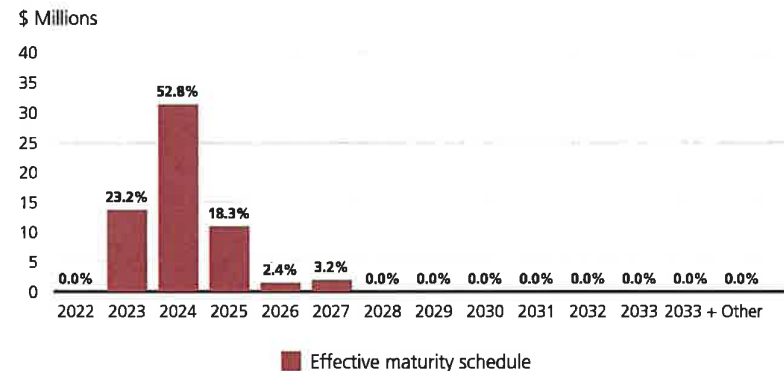
## EX XX120 • BOND PORTFOLIO • Portfolio Management Program

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

## Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	52,744,541.38	0.00	52,744,541.38	88.78
U.S. federal agencies	6,668,558.42	0.00	6,668,558.42	11.22
<b>Total</b>	<b>\$59,413,099.80</b>	<b>\$0.00</b>	<b>\$59,413,099.80</b>	<b>100%</b>

## Bond maturity schedule



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

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

Report created on: January 17, 2023

Page 12 of 17



# Additional information about your portfolio

as of December 31, 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



## 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 gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "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 <sup>1A</sup> 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](http://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.

**Margin:** The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

**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



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

multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

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

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

**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.

**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 taxes, you 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.

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

**Gain/Loss reporting for Puerto Rico Income Tax Purposes:** Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this





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

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

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

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

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

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

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

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

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

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

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

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

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

**Important information about brokerage and advisory services.** As a firm providing wealth management services to clients, UBS Financial Services

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

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 **UBS**  
**Kern Health Systems**  
 Account Number: EBXXX20

Your Financial Advisor  
 THE COHEN GROUP  
 Phone : 661-663-3200/800-628-8022

Filtered by: Entry Date 10/01/2022-12/31/2022, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
No Activity							

Filtered by: Entry Date 10/01/2022-12/31/2022, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
11/22/22	11/25/22	BOUGHT	MICROSOFT CORP NTS B/E 02.875% 020624 DTD020617 Trade#:22149 Blot:97	773EL1	250,000.000	\$98.229	-247,748.72
10/26/22	11/03/22	BOUGHT	FFCB BOND 05.200% DUE 110325 Trade#:27770 Blot:08	FQ8Q35	1,300,000.000	\$99.950	-1,299,350.00
10/24/22	10/26/22	BOUGHT	UNION PAC CORP NTS B/E 03.750% 071525 DTD060818 Trade#:05678 Blot:97	8818C0	2,000,000.000	\$97.038	-1,961,801.67
10/24/22	10/26/22	BOUGHT	BB&T CORP MED TERM NTS 02.850% 102624 DTD102617 Trade#:05485 Blot:97	674HH5	1,000,000.000	\$95.622	-956,220.00
10/20/22	10/24/22	BOUGHT	MORGAN STANLEY B/E 03.625% 012027 DTD012017 Trade#:37336 Blot:97	670UJ3	1,000,000.000	\$91.310	-922,565.28
10/17/22	11/08/22	BOUGHT	FHLMC MED TERM NTS 05.250% DUE 110824 Trade#:07153 Blot:08	FQ8CN5	1,500,000.000	\$100.000	-1,500,000.00
10/14/22	10/18/22	BOUGHT	LOCKHEED MARTIN CORP B/E 03.550% 011526 DTD112315 Trade#:49536 Blot:9	753FN3	1,500,000.000	\$96.379	-1,459,441.25
10/13/22	10/17/22	BOUGHT	COMCAST CORP NTS B/E 3.950% 101525 DTD100518 Trade#:33932 Blot:97	682TX3	1,000,000.000	\$96.823	-968,449.44
10/13/22	10/17/22	BOUGHT	BURLINGTN NORTH SANTA FE 03.000% 040125 DTD030915 Trade#:39358 Blot:9	658DP2	1,000,000.000	\$95.723	-958,563.33
10/11/22	10/13/22	BOUGHT	AMAZON.COM INC NTS B/E 03.300% 041327 DTD041322 Trade#:24999 Blot:97	702U21	1,000,000.000	\$94.288	-942,880.00

*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.*

**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](https://ubs.com/relationshipsummary).

The information is based upon the market value of your account(s) as of the close of business on **December 31, 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**  
**12/01/2022 - 12/31/2022**

KERN HEALTH SYSTEMS  
 2900 BUCK OWENS BOULEVARD

**Account Number**  
~~XXXXXXXXXX~~

**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	101,781,589.73	23,839,290.35	8%
Bonds	152,007,138.40	258,569,826.26	92%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 253,788,728.13</b>	<b>\$ 282,409,116.61</b>	<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ 28,620,388.48</b>	
<b>Percent Increase Since Last Statement Period</b>			<b>11%</b>
<b>Value Last Year-End</b>		<b>\$ 158,053,433.16</b>	
<b>Percent Increase Since Last Year-End</b>			<b>79%</b>

**Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 141,625.00	\$ 776,636.24
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	329,581.17	1,108,101.29
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 471,206.17</b>	<b>\$ 1,884,737.53</b>

**Interest Charged USD**

Description	This Period
Debit Interest For December 2022	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 101,781,589.73</b>
Deposits and Other Additions	168,541,625.00
Distributions and Other Subtractions	(246,813,505.55)
Dividends Reinvested	329,581.17
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 23,839,290.35</b>

## Important Information

This statement is provided to customers of Wells Fargo Securities, LLC ("WFS"), broker dealer 0250. Statements are provided monthly for accounts with transactions and/or security positions. 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](http://www.sipc.org) or by calling SIPC at 1-202-371-8300.

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

**Free Credit Balances:** Any customer free credit balances may be used in the business of WFS subject to limitation of 17 CFR Section 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](http://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
<b>Bonds USD</b>								
912796ZH5	UNITED STATES TREASURY BILL	01/03/23	0.000%	20,000,000.000	100.0000	20,000,000.00		
313384AE9	FED HOME LN DISCOUNT NT	01/05/23	0.000%	20,000,000.000	99.9762	19,995,248.20		N
912796X95	UNITED STATES TREASURY BILL	01/05/23	0.000%	40,000,000.000	99.9786	39,991,446.80		
912796ZJ1	UNITED STATES TREASURY BILL	01/10/23	0.000%	20,000,000.000	99.9331	19,986,623.40		
912796XR5	UNITED STATES TREASURY BILL	01/12/23	0.000%	30,000,000.000	99.9124	29,973,709.80		
912796ZK8	UNITED STATES TREASURY BILL	01/17/23	0.000%	20,000,000.000	99.8512	19,970,246.80		
313312AU4	FED FARM CRD DISCOUNT NT	01/19/23	0.000%	20,000,000.000	99.8101	19,962,016.40		N
90331HNL3	US BANK NA CINCINNATI	01/23/23	2.850%	3,000,000.000	99.9066	2,997,198.00		Y
313312BA7	FED FARM CRD DISCOUNT NT	01/25/23	0.000%	20,000,000.000	99.7390	19,947,791.20		N
313312CD0	FED FARM CRD DISCOUNT NT	02/21/23	0.000%	20,000,000.000	99.4001	19,880,016.60		N
3130AS4V8	FEDERAL HOME LOAN BANK	03/09/23	2.000%	10,000,000.000	99.5967	9,959,665.70		Y
3130AT2E6	FEDERAL HOME LOAN BANK	06/15/23	3.330%	5,000,000.000	99.7933	4,989,664.15		Y
912796ZQ5	UNITED STATES TREASURY BILL	06/22/23	0.000%	5,000,000.000	97.8920	4,894,602.35		
06406FAD5	BANK OF NY MELLON CORP	08/16/23	2.200%	1,090,000.000	98.4503	1,073,108.46		Y
3130AU4F8	FEDERAL HOME LOAN BANK	09/27/23	4.875%	5,000,000.000	100.2209	5,011,047.05		Y
3130ATJB4	FEDERAL HOME LOAN BANK	10/26/23	4.500%	5,000,000.000	99.9336	4,996,680.80		Y
3130ATVJ3	FEDERAL HOME LOAN BANK	12/06/23	5.000%	5,000,000.000	100.0514	5,002,567.95		N
3134GY6Z0	FREDDIE MAC	03/22/24	5.050%	5,000,000.000	100.0592	5,002,960.25		Y
3134GXS88	FREDDIE MAC	02/28/25	4.000%	5,000,000.000	98.7046	4,935,232.35		Y
				259,090,000.000		258,569,826.26	0.00	

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

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

**Daily Account Activity**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
12/05/22	12/05/22	Security Receipt	313384AE9	FED HOME LN DISCOUNT NT	20,000,000.00	99.6641667	(19,932,833.33)	0.00	(19,932,833.33)
12/08/22	12/08/22	Security Receipt	313312AU4	FED FARM CRD DISCOUNT NT	20,000,000.00	99.5450000	(19,909,000.00)	0.00	(19,909,000.00)
12/13/22	12/14/22	Security Receipt	912796ZH5	UNITED STATES TREASURY BILL	20,000,000.00	99.8072222	(19,961,444.44)	0.00	(19,961,444.44)

Statement Ending: December 31, 2022

**KERN HEALTH SYSTEMS**

Account Number: ~~9901790~~

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Transaction Activity USD</b>									
12/13/22	12/14/22	Security Receipt	912796ZJ1	UNITED STATES TREASURY BILL	20,000,000.00	99.7270000	(19,945,400.00)	0.00	(19,945,400.00)
12/13/22	12/14/22	Security Receipt	912796ZK8	UNITED STATES TREASURY BILL	20,000,000.00	99.6515000	(19,930,300.00)	0.00	(19,930,300.00)
12/20/22	12/20/22	Security Receipt	313312BA7	FED FARM CRD DISCOUNT NT	20,000,000.00	99.5950000	(19,919,000.00)	0.00	(19,919,000.00)
12/20/22	12/20/22	Security Receipt	313312CD0	FED FARM CRD DISCOUNT NT	20,000,000.00	99.2650000	(19,853,000.00)	0.00	(19,853,000.00)
12/05/22	12/22/22	Security Receipt	3134GY6Z0	FREDDIE MAC	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
12/19/22	12/22/22	Security Receipt	912796ZQ5	UNITED STATES TREASURY BILL	5,000,000.00	97.7250000	(4,886,250.00)	0.00	(4,886,250.00)
12/05/22	12/27/22	Security Receipt	3130AU4F8	FEDERAL HOME LOAN BANK	5,000,000.00	100.0000000	(5,000,000.00)	0.00	(5,000,000.00)
12/28/22	12/29/22	Security Receipt	912796X95	UNITED STATES TREASURY BILL	40,000,000.00	99.9406945	(39,976,277.78)	0.00	(39,976,277.78)

**Income / Payment Activity USD**

12/09/22	12/09/22	Interest	3130AS4V8	FEDERAL HOME LOAN BANK				100,000.00	100,000.00
12/13/22	12/13/22	Matured	912796YY9	UNITED STATES TREASURY BILL			30,000,000.00		30,000,000.00
12/13/22	12/13/22	Matured	912796YY9	UNITED STATES TREASURY BILL	(30,000,000.00)				
12/15/22	12/15/22	Interest	3130AT2E6	FEDERAL HOME LOAN BANK				41,625.00	41,625.00
12/16/22	12/16/22	Matured	23102VMG2	CUMMINS INC 4(2) DISCOUNTED			2,000,000.00		2,000,000.00
12/16/22	12/16/22	Matured	23102VMG2	CUMMINS INC 4(2) DISCOUNTED	(2,000,000.00)				
12/20/22	12/20/22	Matured	912796YZ6	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00
12/20/22	12/20/22	Matured	912796YZ6	UNITED STATES TREASURY BILL	(20,000,000.00)				
12/21/22	12/21/22	Matured	313313T99	FED FARM CRD DISCOUNT NT			10,000,000.00		10,000,000.00
12/21/22	12/21/22	Matured	313313T99	FED FARM CRD DISCOUNT NT	(10,000,000.00)				
12/27/22	12/27/22	Matured	912796ZA0	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00
12/27/22	12/27/22	Matured	912796ZA0	UNITED STATES TREASURY BILL	(20,000,000.00)				
12/28/22	12/28/22	Matured	69448XMU3	PACIFIC LIFE SHORT TERM 4(2)			3,000,000.00		3,000,000.00
12/28/22	12/28/22	Matured	69448XMU3	PACIFIC LIFE SHORT TERM 4(2)	(3,000,000.00)				
12/29/22	12/29/22	Matured	69372BMV9	PACCAR FINANCIAL CORP			3,400,000.00		3,400,000.00
12/29/22	12/29/22	Matured	69372BMV9	PACCAR FINANCIAL CORP	(3,400,000.00)				

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
12/06/22	12/06/22	ACH/DDA Transaction	DESIGNATED DDA	11,500,000.00	
12/13/22	12/13/22	ACH/DDA Transaction	DESIGNATED DDA	15,500,000.00	
12/14/22	12/14/22	ACH/DDA Transaction	DESIGNATED DDA	4,000,000.00	
12/14/22	12/14/22	ACH/DDA Transaction	DESIGNATED DDA		50,000,000.00
12/14/22	12/14/22	ACH/DDA Transaction	DESIGNATED DDA		50,000,000.00
12/19/22	12/19/22	ACH/DDA Transaction	DESIGNATED DDA	1,000,000.00	
12/20/22	12/20/22	ACH/DDA Transaction	DESIGNATED DDA	14,500,000.00	
12/21/22	12/21/22	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
12/27/22	12/27/22	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
12/28/22	12/28/22	ACH/DDA Transaction	DESIGNATED DDA	1,000,000.00	

**Money Market Fund Activity**

**Morgan Stan TreasSvc 8314**

\*As of December 31, 2022

USD	Dividend paid this period	7 day* simple yield	30 day* simple yield
	98,307.90	4.040%	3.800%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>31,670,825.70</b>		<b>31,670,825.70000</b>
12/01/22	Reinvest	98,307.90000			98,307.90	31,769,133.60000
12/06/22	Redemption	(11,500,000.00000)		(11,500,000.00)		20,269,133.60000
12/08/22	Redemption	(19,909,000.00000)		(19,909,000.00)		360,133.60000
12/14/22	Purchase	50,000,000.00000		50,000,000.00		50,360,133.60000
12/19/22	Redemption	(1,000,000.00000)		(1,000,000.00)		49,360,133.60000
12/20/22	Redemption	(14,500,000.00000)		(14,500,000.00)		34,860,133.60000
12/21/22	Redemption	(5,000,000.00000)		(5,000,000.00)		29,860,133.60000
12/27/22	Redemption	(20,000,000.00000)		(20,000,000.00)		9,860,133.60000
12/28/22	Redemption	(1,000,000.00000)		(1,000,000.00)		8,860,133.60000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>8,860,133.60</b>		<b>8,860,133.60000</b>

**Goldman FS Tr Ob Ins 468**

\*As of December 31, 2022

USD	Dividend paid this period	7 day* simple yield	30 day* simple yield
	231,273.27	4.140%	3.910%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>70,110,764.03</b>		<b>70,110,764.03000</b>
12/01/22	Reinvest	231,273.27000			231,273.27	70,342,037.30000
12/05/22	Redemption	(19,932,833.33000)		(19,932,833.33)		50,409,203.97000
12/09/22	Purchase	100,000.00000		100,000.00		50,509,203.97000
12/13/22	Purchase	30,000,000.00000		30,000,000.00		80,509,203.97000
12/13/22	Redemption	(15,500,000.00000)		(15,500,000.00)		65,009,203.97000
12/14/22	Redemption	(59,837,144.44000)		(59,837,144.44)		5,172,059.53000

Statement Ending: December 31, 2022

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
12/14/22	Purchase	50,000,000.00000		50,000,000.00		55,172,059.53000
12/14/22	Redemption	(4,000,000.00000)		(4,000,000.00)		51,172,059.53000
12/15/22	Purchase	41,625.00000		41,625.00		51,213,684.53000
12/16/22	Purchase	2,000,000.00000		2,000,000.00		53,213,684.53000
12/20/22	Redemption	(19,772,000.00000)		(19,772,000.00)		33,441,684.53000
12/21/22	Purchase	10,000,000.00000		10,000,000.00		43,441,684.53000
12/22/22	Redemption	(9,886,250.00000)		(9,886,250.00)		33,555,434.53000
12/27/22	Redemption	(5,000,000.00000)		(5,000,000.00)		28,555,434.53000
12/27/22	Purchase	20,000,000.00000		20,000,000.00		48,555,434.53000
12/28/22	Purchase	3,000,000.00000		3,000,000.00		51,555,434.53000
12/29/22	Redemption	(39,976,277.78000)		(39,976,277.78)		11,579,156.75000
12/29/22	Purchase	3,400,000.00000		3,400,000.00		14,979,156.75000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>14,979,156.75</b>		<b>14,979,156.75000</b>





## PMIA/LAIF Performance Report as of 01/18/23



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

December	2.173
November	2.007
October	1.772

### Quarterly Performance Quarter Ended 12/31/22

LAIF Apportionment Rate <sup>(2)</sup> :	2.07
LAIF Earnings Ratio <sup>(2)</sup> :	0.00005680946709337
LAIF Fair Value Factor <sup>(1)</sup> :	0.981389258
PMIA Daily <sup>(1)</sup> :	2.29
PMIA Quarter to Date <sup>(1)</sup> :	1.98
PMIA Average Life <sup>(1)</sup> :	287

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 12/31/22 \$199.6 billion

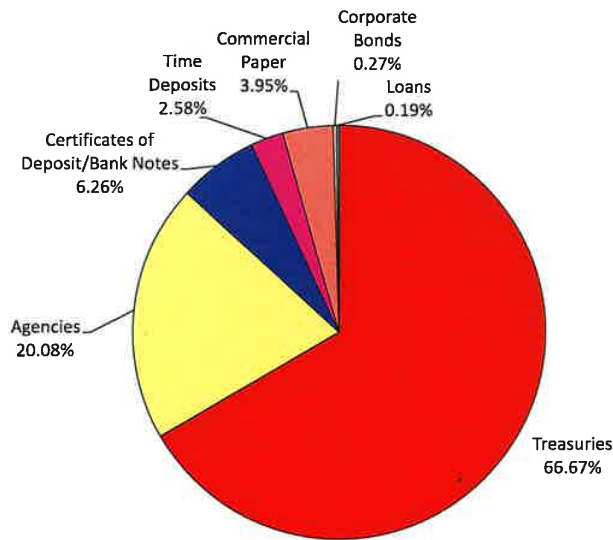


Chart does not include \$3,466,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

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:

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





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 10, 2023**

**Re: 2022 Annual Review of Kern Health Systems Investment Policy**

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**Background**

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

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

- Preservation of principal
- Liquidity
- Yield

**UBS** is a national brokerage firm with a Bakersfield office that administers the KHS Board approved investment policy in a segregated account. Investments are in high quality bonds and FDIC insured certificates of deposit with an average effective maturity of slightly less than 1 3/4 years. For the 2022-year UBS investments earned the highest returns.

The **Local Agency Investment Fund (LAIF)** is a public agency that allows smaller public agencies to pool their money and get the economies of scale that larger agencies with large portfolios receive. The California State Treasurer operates LAIF. Because it serves many agencies with short term liquidity needs, investments have an average maturity of approximately 10 months.

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

**Requested Action**

Receive and File; Refer to KHS Board of Directors.

Attachment 1



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

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

Robert Landis Date 7/20/2020  
 Chief Financial Officer

Alan Avery Date 7/20/2020  
 Chief Operating Officer

Veronica Barker Date 7/13/2020  
 Controller

**POLICY:**

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

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

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

**I. OBJECTIVES**

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

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

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

**II. PRUDENCE**

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

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

**III. ETHICS AND CONFLICTS OF INTEREST**

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

**IV. DELEGATION OF AUTHORITY**

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

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

**A. Financial Benchmarks**

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

**B. Safekeeping**

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

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

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

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

D. Chief Financial Officer's Procedures

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

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

E. Duties and Responsibilities of Finance Committee:

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

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

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

**V. DEFINITIONS**

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

**VI. PERMITTED INVESTMENTS**

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

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

Permitted investments shall include:

A. U.S. Treasuries

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

U.S. Government securities include:

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

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

Maximum term: Five Years



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

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

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

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

Maximum Term: Five years

C. State of California and Local Agency Obligations

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

Maximum Term: Five years

D. State and Local Agency Obligations Outside of California

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

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

Maximum Term: Five years

Maximum of 20% of the portfolio

E. Bankers Acceptances

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

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

Maximum Term: 180 days

F. Commercial Paper

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

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

Maximum Term: 270 days

G. Negotiable Certificates of Deposit

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

Maximum Term: Five years

H. Repurchase Agreements

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

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

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

Maximum Term: One year

Reverse repurchase agreements are not allowed.

I. Corporate Debt Securities

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

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

Maximum Term: Five years

J. Money Market Funds

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

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

K. Mortgage or Asset-backed Securities

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

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

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

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

Maximum Term: Five years

L. Variable and Floating Rate Securities

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

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

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

Maximum Term: Five Years

M. Local Agency Investment Fund (LAIF)

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

Maximum Term: Five Years

**VII. POLICIES**

**A. Securities Lending**

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

**B. Leverage**

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

**C. Other Investments**

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

**D. Underlying Nature of Investments**

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

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

**E. Investment Managers**

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

**F. Derivatives**

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

**G. Rating Category**

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

H. Rating Downgrades

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

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

I. Maximum Stated Term

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

J. Diversification Guidelines

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

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

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

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

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

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

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

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

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

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



**REFERENCE:**

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

**KERN HEALTH SYSTEMS  
2022 INVESTMENT ANALYSIS**

**Attachment 2**

	<u>UBS</u>	<u>LAIF</u>	<u>Wells Fargo Securities</u>
December 31, 2022 Balance	59,486,759	74,496,510	282,409,117
Average Monthly Balance	52,163,873	74,223,084	222,667,313
Total Dividend/Revenue (YTD)	1,036,171	838,883	1,884,738
Percentage	1.99%	1.13%	0.85%



**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 10, 2023**

**Re: Request to Change 2023 Reinsurance Carrier**

---

**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.

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).

**Discussion**

At the December 15, 2022 Board Meeting, Management recommended changing the KHS reinsurance carrier from IOA RE to HM Life based on receiving a lower quote from HM Life. Based on a review of recently paid claims, the HM Life underwriters determined that a significant increase to their 2023 proposed reinsurance rates was required. Our insurance broker, Arthur J. Gallagher re-approached our 2022 carrier IOA RE for an updated 2023 quote.

**Fiscal Impact**

For the renewal, HM Life Insurance Company (AM Best Rating A Excellent Financial Rating Size Category XV) originally proposed a blended rate of \$.22 pmpm 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).

The new revised rate with HM Life is at a blended rate of \$.36 pmpm with the current deductible of \$350,000 per member and a \$.27 pmpm aggregate deductible for an overall expected reinsurance cost of \$2,620,139. (This is comprised of \$1,497,222 for premiums and \$1,122,917 for the aggregate deductible).

The lowest quote is now with the current carrier IOA Re (AM Best Rating A+ Superior Financials Rating; Financial Size Category X) at a blended rate of \$.27 pmpm with the current deductible of \$350,000 per member and a \$.23 pmpm aggregate deductible for an overall expected reinsurance cost of \$2,079,476. (This is comprised of \$1,122,917 for premiums and \$956,559 for the aggregate deductible). All 2023 rates include new transplant services for which we accepted risk in 2022.

The 2023 Budget includes estimated reinsurance premium payments of \$914,969. The revised reinsurance quote will have a negative impact of \$207,948 (\$1,122,917-\$914,969) to the 2023 Budget.

**Recommendation**

Renew the 2023 reinsurance with the incumbent reinsurance carrier IOA RE as they provided the lowest 2023 renewal quote.

**Requested Action**

Approve; Refer to KHS Board of Directors.



**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: February 10, 2023**  
**Re: 2022 Annual Report for Travel**

---

**Background**

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

**Discussion**

KHS encourages employees to attend conferences and seminars to:

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

Examples of KHS travel includes attending meetings with State regulators such as DHCS & DMHC, attending trade association conferences hosted by the Local Health Plans of California (LHPC), California Association of Health Plans (CAHP), Association for Community Affiliated Plans (ACAP) and participating on vendor advisory boards and professional education and training seminars.

During 2022 \$7,582 was spent on regulatory or trade association travel, \$399 was spent on vendor meetings and \$41,179 was spent on conference attendance travel. The total travel expenses incurred for 2022 was \$49,160 which was approximately \$34,400 more than the prior year. **This increase is primarily due to the resumption of employees attending conferences due to less Covid-19 travel restrictions in place during 2022.**

**Requested Action**

Receive and file, for informational purposes only.

# KERN HEALTH SYSTEMS

	EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
1	Senior Director of Government Relations & Strategic Development	Association for Community Affiliated Plans 2022 Spring Meeting	C	Out	San Diego	3/27/2022	3/30/2022	668.73	92.50	761.23
2	Chief Executive Officer (Former)	Association for Community Affiliated Plans 2022 Spring Meeting	C	Out	San Diego	3/27/2022	3/30/2022	1,716.89	240.50	1,957.39
3	Chief Executive Officer (Former)	Local Health Plans of California Board Meeting and Strategic Retreat	C	Out	Sacramento	4/17/2022	4/18/2022	1,076.48	103.40	1,179.88
4	Chief Executive Officer (Former)	Local Health Plans of California Board Meeting and Strategic Retreat	C	Out	Santa Barbara	5/15/2022	5/17/2022	1,135.18	92.50	1,227.68
5	Chief Executive Officer	Local Health Plans of California Board Meeting and Strategic Retreat	C	Out	Santa Barbara	5/15/2022	5/17/2022	820.87	92.50	913.37
6	Senior Director of Government Relations & Strategic Development	Local Health Plans of California Board Meeting and Strategic Retreat	C	Out	Santa Barbara	5/15/2022	5/17/2022	821.46	92.50	913.96
7	Chief Operating Officer	Zelis Forum 2022	C	Out	Carlsbad	5/22/2022	5/25/2022	1,162.41	240.50	1,402.91
8	Chief Executive Officer	CAHP Annual Conference	C	Out	Palm Desert	10/17/2022	10/19/2022	1,318.89	189.75	1,508.64
9	Senior Director of Government Relations & Strategic Development	CAHP Annual Conference	C	Out	Palm Desert	10/17/2022	10/19/2022	1,229.38	86.15	1,315.53
10	Chief Operating Officer	CAHP Annual Conference	C	Out	Palm Desert	10/17/2022	10/19/2022	1,229.28	189.75	1,419.03
11	Chief Information Officer	CAHP Annual Conference	C	Out	Palm Desert	10/17/2022	10/19/2022	1,936.53	51.70	1,988.23
12	Chief Information Officer	LHPC CIO Meeting	R	Out	San Francisco	8/25/2022	8/26/2022	892.71	118.50	1,011.21
13	Chief Information Officer	LHPC CIO Meeting	R	Out	Alameda	12/1/2022	12/2/2022	1,158.85	111.00	1,269.85
<b>Executive Total</b>								<b>15,167.66</b>	<b>1,701.25</b>	<b>16,868.91</b>

# KERN HEALTH SYSTEMS

	EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
14	Senior Director of Technical Operations	Client Meeting	O	Out	Agoura Hills	4/27/2022	4/27/2022	340.10	59.25	399.35
15	Senior Director of Technical Operations	Zelis Forum 2022	C	Out	Carlsbad	5/23/2022	5/26/2022	1,504.66	185.00	1,689.66
16	Enterprise Configuration Manager	ZeOmega Client Conference	C	OS	Frisco	5/23/2022	5/26/2022	1,474.67	128.00	1,602.67
17	Director of Development	Evolution California Conference	C	Out	San Francisco	9/28/2022	10/1/2022	1,671.13	217.25	1,888.38
18	Director of Development	LHPC CIO Meeting	R	Out	Alameda	12/1/2022	12/2/2022	1,122.73	173.00	1,295.73
<b>MIS Total</b>								<b>6,113.29</b>	<b>762.50</b>	<b>6,875.79</b>
19	Director of Business Intelligence	RISE Quality Leadership Summit	C	OS	Las Vegas	6/27/2022	6/26/2022	593.48	207.00	800.48
20	Director of Business Intelligence	LHPC CIO Meeting	R	Out	San Francisco	8/25/2022	8/26/2022	956.32	138.25	1,094.57
<b>Business Intelligence Total</b>								<b>1,549.80</b>	<b>345.25</b>	<b>1,895.05</b>
21	Director of Claims	Zelis Forum	C	Out	Carlsbad	5/23/2022	5/26/2022	1,615.87	58.50	1,674.37
22	Claims Operation Senior Specialist	Zelis Forum	C	Out	Carlsbad	5/23/2022	5/26/2022	1,282.29	58.50	1,340.79
<b>Claims Total</b>								<b>2,898.16</b>	<b>117.00</b>	<b>3,015.16</b>
23	PM Program Manager I	PMI Global Summit 2022	C	OS	Las Vegas	12/1/2022	12/3/2022	1,104.76	241.50	1,346.26
24	PM Program Manager II	PMI Global Summit 2022	C	OS	Las Vegas	12/1/2022	12/3/2022	1,073.88	189.75	1,263.63
<b>Project Management Total</b>								<b>2,178.64</b>	<b>431.25</b>	<b>2,609.89</b>
25	Director of Quality Improvement	Rise Quality Leadership Summit	C	OS	Las Vegas	6/27/2022	6/29/2022	965.58	172.50	1,138.08
26	QI Senior Operational Analyst	Rise Quality Leadership Summit	C	OS	Las Vegas	6/27/2022	6/29/2022	752.70	172.50	925.20
<b>Health Services - QM/QI Total</b>								<b>1,718.28</b>	<b>345.00</b>	<b>2,063.28</b>

# KERN • HEALTH SYSTEMS

	EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
27	Cultural & Linguistic Specialist II	CHIA 22nd Annual Educational Conference	C	Out	San Jose	5/12/2022	5/14/2022	656.47	148.00	804.47
28	Health Education Specialist - Bilingual	CalFresh Healthy Living Forum	C	Out	Garden Grove	10/17/2022	10/19/2022	353.86	166.50	520.36
29	Health Education Specialist	CalFresh Healthy Living Forum	C	Out	Garden Grove	10/17/2022	10/19/2022	353.86	166.50	520.36
<b>Health Services - Health Ed Total</b>								<b>1,364.19</b>	<b>481.00</b>	<b>1,845.19</b>
30	Director of Pharmacy	APHA 2022	C	OS	San Antonio	3/17/2022	3/22/2022	2,572.96	368.00	2,940.96
<b>Health Services - Pharmacy Total</b>								<b>2,572.96</b>	<b>368.00</b>	<b>2,940.96</b>
31	Administrative Director	LHPC Cal AIM Learning Collaborative	R	Out	Sacramento	9/20/2022	9/23/2022	1,273.56	138.00	1,411.56
<b>Enhanced Care Management Total</b>								<b>1,273.56</b>	<b>138.00</b>	<b>1,411.56</b>
32	Director of Community & Social Services	LHPC Cal AIM Learning Collaborative	R	Out	Sacramento	9/20/2022	9/23/2022	1,360.86	138.00	1,498.86
<b>Community Support Services Total</b>								<b>1,360.86</b>	<b>138.00</b>	<b>1,498.86</b>
33	Deputy Director of Provider Network	CAHP Seminar: Unprecedented Investment in Home & Community Based Services	C	Out	Los Angeles	3/23/2022	3/23/2022	113.31	-	113.31
34	Provider Relations Manager, Special Projects	4th Annual LA Street Medicine Symposium	C	Out	Los Angeles	8/10/2022	8/13/2022	537.48	185.00	722.48
35	Deputy Director of Provider Network	CAHP Annual Conference	C	Out	Palm Desert	10/16/2022	10/19/2022	940.53	34.50	975.03
36	Grants Manager	The Rise Women in Healthcare Leadership Summit	C	Out	San Diego	12/13/2022	12/15/2022	1,024.11	148.00	1,172.11
<b>Provider Network Management Total</b>								<b>2,615.43</b>	<b>367.50</b>	<b>2,982.93</b>
37	Facilities Superintendent	IFMA Facility Fusion 2022	C	OS	Austin	4/26/2022	4/28/2022	1,429.60	224.00	1,653.60



# KERN HEALTH SYSTEMS

	EMPLOYEE TITLE	CONFERENCE TITLE	REGULATORY OR TRADE ASSOCIATION (R), PROFESSIONAL DEVELOPMENT (P), CONFERENCES (C), OTHER (O)	In County (In), Out of County (Out), or Out of State (OS)	LOCATION	START DATE	END DATE	TRAVEL & LODGING	MEALS	TOTAL AMOUNT SPENT
<b>Corporate Services Total</b>								<b>1,429.60</b>	<b>224.00</b>	<b>1,653.60</b>
38	Pavroll and HCM Manager	Ceridian Insights 2022 Conference	C	OS	Las Vegas	11/7/2022	11/11/222	1,230.45	207.00	1,437.45
39	Chief Human Resources Offices	Ceridian Insights 2022 Conference	C	OS	Las Vegas	11/7/2022	11/11/222	-	166.50	166.50
40	HR and HCM Manager	Ceridian Insights 2022 Conference	C	OS	Las Vegas	11/7/2022	11/11/222	497.50	310.50	808.00
41	Chief Human Resources Offices	The Global Research Conference for HR	C	Out	Los Angeles	5/23/2022	5/25/2022	920.18	166.50	1,086.68
<b>Human Resources Total</b>								<b>2,648.13</b>	<b>850.50</b>	<b>3,498.63</b>

	<u>Travel &amp; Lodging</u>	<u>Meals</u>			
<b>Sub-Totals</b>	<u>42,890.56</u>	<u>6,269.25</u>	<b>Grand Total</b>	<u>49,159.81</u>	

	<u>Regulatory or Trade Associations</u>	<u>Professional Development</u>	<u>Conferences</u>	<u>Other-Vendor</u>	<u>Total</u>
<b>Sub-Totals by Travel Type</b>	<u>7,581.78</u>	-	<u>41,178.68</u>	<u>399.35</u>	<u>49,159.81</u>





**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: February 10, 2023**  
**Re: 2022 Annual Report for Disposed Assets**

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**Background**

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

**Discussion**

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

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

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

During 2022, a loss of \$1,813 was recorded on the disposition of obsolete equipment.

**Requested Actions**

Receive and file, for informational purposes only.



Attachment 1





2022 Asset Dispositions

Date in Service	Category	Description	Book Value at Date of Disposal	Disposition Date	Reason for Disposal	Disposition Notes
11/5/2003	Furniture	4 Sofas & 11 Chairs	-	4/30/2022	Obsolete	Donated to Kern Bridges Youth Homes
10/24/2003	Furniture	Furn - Office	-	5/31/2022	Obsolete	Donated to Premier Valley Medical Group
10/24/2003	Furniture	Furniture- Desk	-	5/31/2022	Obsolete	Donated to Premier Valley Medical Group
8/6/2015	Furniture	Furniture - Desk - 3 in 1 -Long desk -Mecry	-	5/31/2022	Obsolete	Donated to Premier Valley Medical Group
2/6/2008	Equipment	Powered Quick Lift	-	6/30/2022	Obsolete	Disposed-Recycled
4/20/2017	Furniture	Desk MS PR analysts	-	6/30/2022	Obsolete	Donated to Parkside Congregate Living
10/24/2003	Furniture	Desk w/ 6/6/12 Pedestal Drawer 24x72	-	6/30/2022	Obsolete	Donated to Parkside Congregate Living
8/19/2010	Equipment	Dell Latitude E6410	-	6/30/2022	Obsolete	Disposed-Recycled
7/2/2014	Equipment	Fujitsu FI-7160 Col Duplex 60PPM USB	-	6/30/2022	Obsolete	Disposed-Recycled
4/20/2017	Equipment	HEX Surface Pro 4 sleeve w/rear	-	6/30/2022	Obsolete	Disposed-Recycled
9/29/2017	Equipment	12 - Dell Latitude E5470	104.10	6/30/2022	Obsolete	Disposed-Recycled
10/15/2013	Equipment	13- E6330 Laptop w/Doc Station	-	6/30/2022	Obsolete	Disposed-Recycled
4/13/2015	Equipment	10 - Dell Latitude E5450	-	6/30/2022	Obsolete	Disposed-Recycled
8/7/2015	Equipment	12 - Dell Venue 11 Pro	-	6/30/2022	Obsolete	Disposed-Recycled
9/14/2015	Equipment	4 - Dell Latitude e5400	-	6/30/2022	Obsolete	Disposed-Recycled
2/20/2014	Equipment	14 - Latitude 14 5000 w/dual monitor	-	6/30/2022	Obsolete	Disposed-Recycled
5/4/2012	Equipment	3 - Latitude E6320	-	6/30/2022	Obsolete	Disposed-Recycled
1/18/2013	Equipment	6 - XPS 12 Mobile Device	-	6/30/2022	Obsolete	Disposed-Recycled
6/4/2014	Equipment	4 - Optiplex 3020	-	6/30/2022	Obsolete	Disposed-Recycled
2/16/2012	Equipment	15 - 790 Optiplex Desktop	-	6/30/2022	Obsolete	Disposed-Recycled
4/22/2017	Equipment	2 - Checkpoint CPAP-4-1C	-	6/30/2022	Obsolete	Disposed-Recycled
12/7/2011	Equipment	Copier-IR 5050n w/Finisher AD1	-	6/30/2022	Obsolete	Disposed-Recycled
12/7/2011	Equipment	Copier-IR advanced C5035	-	6/30/2022	Obsolete	Disposed-Recycled
10/24/2003	Furniture	Desk W/2 Pedestal	-	8/31/2022	Obsolete	Disposed-Recycled
4/1/2020	Equipment	Surface Pro 7	-	10/30/2022	Obsolete	Disposed-Sold
4/15/2008	Equipment	2 - 1841 Router Cisco	-	11/30/2022	Obsolete	Disposed-Recycled
7/1/2011	Equipment	Blade Server Enclosure	-	11/30/2022	Obsolete	Disposed-Recycled
12/31/2013	Equipment	Canon ImageRunner Adv.	-	11/30/2022	Obsolete	Disposed-Recycled
4/22/2017	Equipment	Checkpoint CPAP- SG3200 NGTX	-	11/30/2022	Obsolete	Disposed-Recycled
7/1/2011	Equipment	Checkpoint UTM Device and Subscription	-	11/30/2022	Obsolete	Disposed-Recycled
7/11/2012	Equipment	Checkpoint-4200 Series Appliance with 7 Blades	-	11/30/2022	Obsolete	Disposed-Recycled
7/1/2011	Equipment	2 - Cisco Catalyst	-	11/30/2022	Obsolete	Disposed-Recycled
2/8/2013	Equipment	Cisco Ironport	-	11/30/2022	Obsolete	Disposed-Recycled
12/4/2008	Equipment	Cisco 3845	-	11/30/2022	Obsolete	Disposed-Recycled
11/11/2016	Equipment	16 - Dell Latitude E5470 CXCTO	38.22	11/30/2022	Obsolete	Disposed-Recycled
8/8/2013	Equipment	Dell Latitude E6540	-	11/30/2022	Obsolete	Disposed-Recycled
4/22/2010	Equipment	E6400 Latitude Intel Core	-	11/30/2022	Obsolete	Disposed-Recycled
5/6/2016	Equipment	5 - EX3300 , 48 Port connection	-	11/30/2022	Obsolete	Disposed-Recycled
5/6/2016	Equipment	EX3300 48-Port Juniper Care	-	11/30/2022	Obsolete	Disposed-Recycled
7/11/2013	Equipment	IR Advance 6255	-	11/30/2022	Obsolete	Disposed-Recycled
4/9/2015	Equipment	Latitude 14 5000 Series	-	11/30/2022	Obsolete	Disposed-Recycled
1/30/2015	Equipment	Latitude E7440	-	11/30/2022	Obsolete	Disposed-Recycled
1/30/2015	Equipment	15 - Optiplex 3020	-	11/30/2022	Obsolete	Disposed-Recycled
4/5/2012	Equipment	4 - Optiplex 790 desktop	-	11/30/2022	Obsolete	Disposed-Recycled
12/1/2013	Equipment	5 - PCV-EX2200-48P-4G	-	11/30/2022	Obsolete	Disposed-Recycled
10/12/2016	Equipment	3 - PowerEdge M360 Blade Server	-	11/30/2022	Obsolete	Disposed-Recycled
12/31/2013	Equipment	2 - PowerEdge M520 Server Node for VRTX Chasis	-	11/30/2022	Obsolete	Disposed-Recycled
12/31/2013	Equipment	PowerEdge VRTX Rack	-	11/30/2022	Obsolete	Disposed-Recycled
6/4/2008	Equipment	Port Console & Adaptor	-	11/30/2022	Obsolete	Disposed-Recycled
6/6/2018	Equipment	Rack Shelf for Dual 1400/700 Appliances 14-D8DB5-	27.81	11/30/2022	Obsolete	Disposed-Recycled
11/9/2015	Equipment	Optiplex Small Form Factor	-	11/30/2022	Obsolete	Disposed-Recycled
9/14/2015	Equipment	3 - Dell Latitude E5450	-	11/30/2022	Obsolete	Disposed-Recycled
6/6/2018	Equipment	CPAP SG1470 NGTP POE	298.59	11/30/2022	Obsolete	Disposed-Recycled
2/28/2018	Equipment	3 - Dell Latitude 5480XCTO	449.25	11/30/2022	Obsolete	Disposed-Recycled
5/10/2019	Equipment	2 - Dell Latitude 5490 XCTO 210-ANMX	895.18	11/30/2022	Obsolete	Disposed-Recycled
3/31/2012	Equipment	Voice Galerway & Postacard	-	11/30/2022	Obsolete	Disposed-Recycled
12/7/2004	Automobile	Ford Escape	-	12/30/2022	Obsolete	Disposed-Sold
<b>TOTAL LOSS RECOGNIZED ON DISPOSITION OF OFFICE FURNITURE &amp; EQUIPMENT</b>			<b>\$ 1,813.15</b>			

**Attachment 2**

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

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

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

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

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

**DEFINITIONS:**

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

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

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

**ASSET DISPOSITION AUTHORITY:**

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

**NOTIFICATION AND VERIFICATION:**

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

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

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

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

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

**DISPOSITION METHODS:**

The principal methods for disposal of surplus equipment are:

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

**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Asset and Surplus Property or Equipment Disposition	INDEX NUMBER 80.21-I	Page 4 of 4
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Corporate Services will complete a DFA form and will submit to Accounting.

- 7.0 Scrap: If the surplus equipment is broken and is not e-waste, Corporate Services will make a reasonable effort to determine the cost of repairs, the extended life of the repairs, and compare the repaired value against the cost of a replacement item. If the cost to repair the item is greater than replacement or if the item cannot be repaired due to the non-availability of parts, the item will be marked as scrap. Scrap equipment will be physically disposed of following current city and county dump site requirements.

---

**Attachments:**

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

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



Attachment A

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

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

QTY	Serial number	Description	KHS Tag #

**Status of Item**

**Non-Repairable**

**Obsolete**

**Surplus**

<b>Comments:</b>          
--

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

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

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

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

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

QTY	Serial number	Description	KHS Tag #

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

**CHAIN OF CUSTODY**

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

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

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

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



**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: February 10, 2023**  
**Re: Review of Cyber Insurance Policy**

---

**Background**

At the December 15, 2022 Board of Directors (“Board”) Meeting, the Board requested a review of the KHS Cyber Insurance Policy. In particular, the Board wanted a better understanding of:

- 1) Covered items under the KHS cyber insurance policy
- 2) Adequacy of the dollar amount of the cyber insurance coverage

KHS utilizes Alliant Insurance Services (“Alliant”) as its insurance agent to access the insurance carrier (including cyber insurance) market and perform the day-to-day servicing of the account.

**Discussion**

Cyber Coverage insures against the damages that can occur related to computer system breaches and other breaches of sensitive information. Alliant extensively marketed the KHS Cyber placement in May of 2022 (See Attachment 1) and at the time the incumbent was the most competitive option. Management recommended at the June 16, 2022 Board Meeting renewing coverage for Cyber Liability with Coalition as follows:

- Term: July 1, 2022 through June 30, 2023
- Per Claim Limit/Aggregate: \$5,000,000
- Separate Limit/Aggregate for Breach Response: \$5,000,000
- Self-Insured Retention: \$250,000/8 hour waiting period
- Annual Premium: \$231,311. Prior year’s premium was \$149,585.

The following coverages have a \$5,000,000 Limit/Aggregate unless noted below with a sub-limit (sub-limit is the limit available for a specific coverage and is a part of the overall limit of the policy):

**Third Party Liability Coverages:**

- Network and Information Security Liability (a)
- Regulatory Defense and Penalties (b)
- Multimedia Content Liability (c)
- Payment Card Industry (“PCI”) Fines and Assessments (d)

**First Party Liability Coverages:**

- Crisis Management and Public Relations (e)
- Cyber Extortion (f)
- Business Interruption and Extra Expenses (g)
- Extra Expense (h)
- Digital Asset Restoration (i)
- Non- IT Vendor Contingent Business Interruption and Extra Expense Security Failure \$5,000,000/System Failure \$2,500,000 sub-limit
- Funds Transfer Fraud - \$250,000 sub-limit (j)
- Computer Replacement - \$2,500,000 sub-limit (k)
- Criminal Reward - \$25,000 sub-limit, \$0 retention (l)
- Invoice Manipulation - \$250,000 sub-limit (m)

The following coverage has separate \$5,000,000 Limit/Aggregate and is not a part of the \$5,000,000 limit above (limit is addition to the limits listed above).

Breach Response- Costs for an actual or suspected security failure or data breach including computer forensic fees/expenses; notification costs; legal fees; credit monitoring.

This is an added enhancement to the policy and is not widely available in today's market. It provides an additional tower of \$5M in limits for Breach Response outside the other coverage limits. We were able to hold onto this enhancement at renewal due to Alliant's relationship with the market and KHS system and controls in place at the time.

Management believes that the \$5 million coverage for Third Party and First Party Liability Coverage is adequate based on internal conversations with the KHS Chief Information Officer as to the Cyber Security standard controls in place. Additionally, management believes that there is limited exposure to business interruption and data restoration costs.

Management also believes that the \$5,000,000 for Breach expenses is adequate based on assuming that KHS would need to notify approximately 350,000 individuals (mostly members) at a cost of \$15 per notification.

**Management will evaluate increasing the Cyber Insurance during the 2023 renewal.**

Coverages are defined as follows:


- (a) Network and Information Liability – Claims associated with security failure, data breach or privacy liability.
- (b) Regulatory – Fines and penalties imposed in a regulatory proceeding.
- (c) Multimedia Content Liability – Liability associated with gathering, communicating, reproducing, publishing, disseminating, displaying, releasing, transmitting, or disclosing media content including social media associated with defamation, libel, slander, violation of privacy, plagiarism, infringement of copyright and improper deep-linking or faming within electronic content.

- (d) PCI Fines and Assessments – Fines and penalties for fraud recovery, operation expenses including card reissuance fees and notification of cardholders and case management fees under the terms of a merchant services agreement.
- (e) Crisis Management and Public Relations – Costs for a public relations or crisis management consultant; media, printing or mailing materials about a public relations event and notifications where notifications are not required by law.
- (f) Cyber Extortion – Money, Securities, Bitcoin or other virtual currencies paid due a threat is made for the purpose of demanding payment with the intent of access, acquire, sell, or disclose non-public information in your care, custody, or control, provided such information is stored in an electronic medium in a computer system and is retrievable in a perceivable form; alter, damage, or destroy any computer program, software, or other electronic data that is stored within a computer system; maliciously or fraudulently introduce malicious code or ransomware into a computer system; or initiate a denial of service attack on a computer system.
- (g) Business Interruption – Loss of income due to partial or complete interruption of computer systems; \$5,000,000 Limit/Aggregate.
- (h) Extra Expense – Costs of employing contract staff or overtime costs, including internal IT department in order to continue KHS business operations; additional costs of employing specialist consultants, including IR forensic consultants, or order to diagnose and fix security failure or systems failure.
- (i) Digital Asset Restoration – Costs to replace, restore or recreate digital assets to the level or condition that existed prior to a security failure.
- (j) Funds Transfer Fraud – Fraudulent instruction transmitted by electronic means, including social engineering.
- (k) Computer Replacement – Costs for computer replacement as a result of the loss of integrity in the firmware of any computer systems you own or lease due to security failure.
- (l) Criminal Reward – Costs offered and paid for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to coverage under the policy.
- (m) Invoice Manipulation – The release or distribution of any fraudulent invoice or payment instruction by a third party as a result of a security failure.

Representatives from Alliant will be presenting a power-point presentation about the Cyber Insurance Market (Attachment 2) and will be available to answer questions relating to the KHS cyber insurance policy. Richard Pruitt, KHS Chief Information Officer, will also be present to answer questions.

**Requested Action**

Receive and File; Refer to KHS Board of Directors.

 <b>Kern Health Systems Cyber Liability Marketing Log 07/01/2022 - 07/01/2023</b>	
Market	Status
Coalition	Incumbent - Quoted - see proposal, \$250K retention for premium of \$233,676 and \$500K retention for premium of \$193,810.
Tokio Marine	Quoted - not as competitive as incumbent, \$500K retention for premium of \$207,052
Resilience	Quoted-not as competitive as incumbent, \$1 Million retention for premium of \$212,013 and \$500K retention for premium of \$240,406 but requires CPC engagement process with master service agreement.
XL	Declined – due to not writing new public entity business. Was on excess placement in 20/21 term.
AXIS	Declined – due to class of business, size and controls required. Was on excess placement in 20/21 term.
C&F	Declined – due to size of risk is too large.
Great American	Declined - due to size of risk is too large. Declined last year too.
AIG	Declined – due to exposure not a fit. Declined last year too.
Allianz	Declined – not writing Public Entity Cyber. Declined last year too.
Corvus	Declined - due to size of risk is too large. Declined last year too.
Westchester	Declined – no longer writing Public Entity Cyber risks
Cowbell	Declined – due to size of risk is too large. Declined last year too.
Beazley	Declined – no longer writing new business public entity. This carrier was on primary placement in 20/21 under SDRMA Package placement.
Hiscox	Declined – due to size of risk is too large
Sompo	Declined – no longer writing Public Entity Cyber risks
Markel	Declined – no longer writing Public Entity Cyber risks

# Preparing For Today's Cyber Market



PRESENTED BY:  
ALLIANT INSURANCE SERVICES

# Agenda

- **Cyber Liability – State of the Market**
- **Minimum Security Standards**
- **Expectations for 2023 Renewal**



Cyber

# State of the Market

**Alliant**

KHS Finance Committee Meeting, February 10, 2023<sup>3</sup>

# Financial Impact of Cyber Crime

Estimated to have cost \$6 Trillion globally in 2021

If viewed as a country, would be third largest economy in the world!



# Cyber – State of the Market

## Other Scary Cyber Statistics

- Impact of cyber crime projected to be \$10.5 Trillion by 2025
- A consumer or business suffered a ransomware attack every 11 seconds in 2021...expected to drop to every 2 seconds by 2031!
- World population on the internet is about 75%..expected to grow to 90% by 2030
- We will need to protect 200 Zetabytes of data by 2025!
- Global cybersecurity spend over the next 5 years expected to exceed \$1.75 Trillion
- Cyber Insurance market expected to reach \$15 Billion by 2025

\* ***SOURCE: 2022 Cybersecurity Almanac***

# Cyber – State of the Market

## The Ransomware Epidemic

Ransomware surged in recent years, and there is no foreseeable slowdown. All industry segments were impacted. Manufacturing and professional services were particularly hard hit, followed closely by healthcare, education and government entities.



### Estimated global damage from ransomware.

2018	2019	2021
<b>\$8 Billion</b>	<b>\$11.5 Billion</b>	<b>\$20 Billion</b>
2024	2028	2031
<b>\$42 Billion</b>	<b>\$157 Billion</b>	<b>\$265 Billion</b>

# Cyber – State of the Market

## Recent Ransomware Losses



**Colonial Pipeline** was hit with a devastating cyberattack in 2021 that forced the company to shut down approximately 5,500 miles of pipeline in the United States, crippling gas delivery systems in Southeastern states. The FBI blamed the attack on DarkSide, a cybercriminal gang believed to be based in Eastern Europe, and Colonial reportedly paid a **\$5 million ransom** to the group.



**JBS SA**, a leading food company and the largest meat producer globally, had to shut down production at multiple sites worldwide following a cyberattack. The incident impacted multiple JBS production facilities worldwide over the weekend, including those from the United States, Australia, and Canada. The FBI attributed the attack to REvil, a Russian-speaking gang that has made some of the largest ransomware demands on record in recent months.



**Royal Dutch Shell** became the next victim of the Clop ransomware gang. The gang exfiltrated sensitive data from a Accellion file transfer service used by the oil giant and later leaked the stolen data online to prompt them to pay a ransom. Some of the leaked data included employee visa and passport information.



US based insurance giant **CNA** were victim of a ransomware attack using a new variant called Phoenix CryptoLocker, possibly linked to the Evil Corp hacking group. Sources familiar with the attack have told BleepingComputer that over 15,000 devices on their network were encrypted and remote employees logged into the VPN were also affected. It's been reported that CNA paid the **\$40 million demand** but the loss is likely to be north of \$100 million after business interruption and data restoration costs are taken into account.

# Cyber – State of the Market

Rate Trends	“Low End”	“High End”
Cyber	5%	200%



## Capacity

Insurers have been extremely conservative with capacity, with most only offering \$5M limits. Total capacity available in the marketplace is likely below \$400 million and could continue to shrink. Energy sector being watched more closely, and avoided by some markets, given the conflict in the Ukraine.



## Coverage

Coverage generally intact for most classes of business with mature information security programs and strong controls. However, leading Primary insurers are pushing for 50% coinsurance provisions and sublimits or other coverage restrictions for ransomware losses where companies are less secure. Dependent Business Interruption and Dependent System Failure coverage is slowly being lowered or removed entirely



## Retentions

Continued pressure on primary retentions and waiting periods for business interruption losses















## Pricing

Short-tail nature of Cyber risk results in rapid pricing feedback, with abrupt pricing correction due to uptick in severity of claims. Insurers have consistently secured primary increases of 80% - 250% on Q1 and Q2 2022 renewals, depending on controls and what increases they had in 2021. Still very dependent on strength of controls, with minimum standards being tightened. Excess insurers are following Primary increases and pushing for higher percentage increases on certain attachment points, with ILF's still well over 80%.

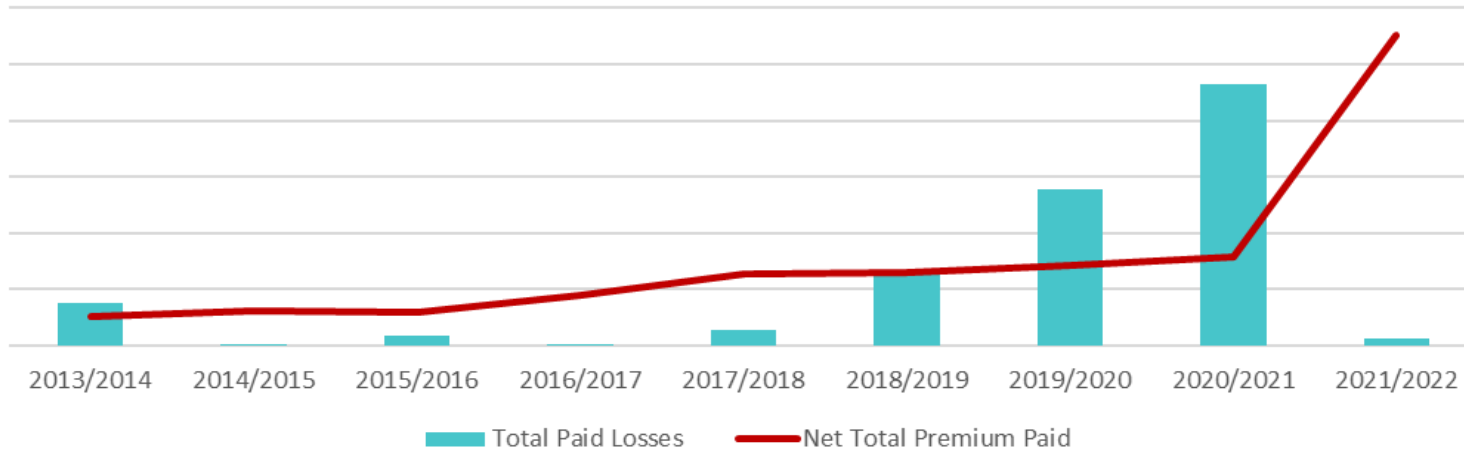
# Cyber – State of the Market

## Standalone Sample Market Capacity for PE's

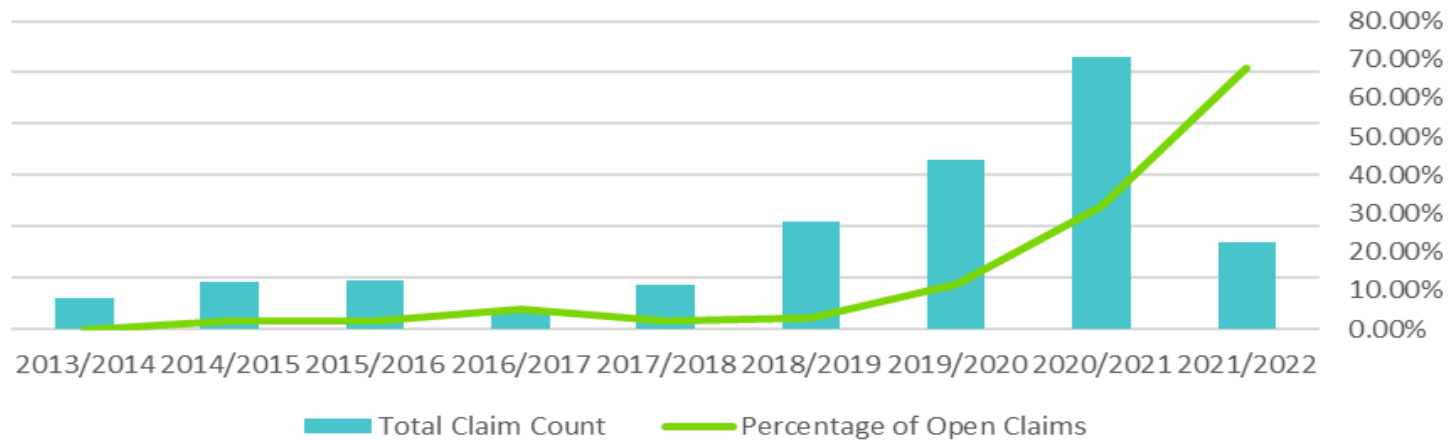
 <p>2021 (\$ Millions): 30 2021 (\$ Millions): 5 – 10 2022 (\$Millions): 5 - 10</p>	 <p>2020 (\$ Millions): 50 2021 (\$ Millions): 5 – 10 2022 (\$Millions): 5 - 10</p>	 <p>2020 (\$ Millions): 15 2021 (\$ Millions): 5 – 10 2022 (\$Millions): 5 - 10</p>	 <p>2020 (\$ Millions): 15 2021 (\$ Millions): 5 – 10 2022 (\$Millions): 5 - 10</p>
 <p>2020 (\$ Millions): 5 2021 (\$ Millions): 5 2022 (\$Millions): 5 - 10</p>	 <p>2020 (\$ Millions): 10 2021 (\$ Millions): 0 – 5 2022 (\$Millions): 0</p>	 <p>2020 (\$ Millions): 10 2021 (\$ Millions): 1- 2 2022 (\$Millions): 1 - 5</p>	 <p>2020 (\$ Millions): 10 2021 (\$ Millions): 0 – 5 2022 (\$Millions): 0 - 5</p>
 <p>2020 (\$ Millions): 7.5 2021 (\$ Millions): 0 – 5 2022 (\$Millions): 5 – 7.5</p>	 <p>2020 (\$ Millions): 30 2021 (\$ Millions): 0 – 10 2022 (\$Millions): 0</p>	 <p>2020 (\$ Millions): 10 2021 (\$ Millions): 5 2022 (\$Millions): 5</p>	 <p>2020 (\$ Millions): 10 2021 (\$ Millions): 2 – 5 2022 (\$Millions): 2 - 10</p>

# Public Entity Sector Cyber Loss Statistics

Paid Losses & Net Premiums



Claim Count and Open Claims



Source: Alliant Insurance Services, Inc.



Cyber

# Minimum Security Standards

Alliant

KHS Finance Committee Meeting, February 10, 2023

# Security Standards Guidelines

## Minimum System Standards of Cyber Market Underwriters

There are several key areas which insurers focus on with regards to security controls, with the following nine as the most crucial. **As a general rule, the larger the revenue/budget for an insured, the higher the expectations will be for their controls.**

- **Multi-factor authentication – 100% implemented for:**

- Remote access (Faculty, Staff, and Students – not uncommon with Universities, not yet required for K-12 students)
- Laptops
- Privileged access

- **Well managed end point detection**

- **Well managed RDP connections – VPN, MFA, etc.**

- **Back Ups**

- 1 working copy, 1 offsite, disconnected not working, 1 onsite disconnected not working
- Tested at least twice a year
- Ability to bring up within 24-72 hours – less time for critical operations (4 hours)
- Protected with antivirus or monitored on a continuous basis
- Encryption

# Security Standards Guidelines

- **Planning and Training**

- Incident response plan
- Business continuity plan
- Social engineering training
- Phishing training
- Training of accounting/finance staff on fraudulent transactions
- General cyber security training

- **Reasonable patching schedule/plan**

- ✓ Critical & high severity patches installed within 30 or fewer days, optimally within 1-7 days for critical & high severity patches regarding active exploits

- **Plan or adequate measures in place to protect end of life software**

- **Email Security**

- Screening for malicious attachments
- Screening for malicious links
- Quarantine Services
- Tagging External Emails

# Security Standards Guidelines

- **Privileged Access Management (PAM)**

- Establish and enforce comprehensive privilege management policy
- Identify and bring under management all privileged accounts and credentials
- Enforce least privilege over end users, endpoints, accounts, services, systems, etc.
- Enforce separation of privileges and separation of duties
- Segment systems and networks
- Enforce password security best practices
- Monitor and audit all privileged activity
- Enforce vulnerability based least privilege access
- Implement privileged threat/user analytics

Cyber

# 2023 Cyber Renewal

**Alliant**

# 2023 Renewal Expectations

## Cyber Renewal Outlook



## Leading insurers have indicated “We may have hit rate equilibrium”

### 2023 Forecast:

- 15% to 75% increases, at a minimum, for “good” risks and most starting much higher
- Lower overall capacity deployment
- Increased per-claim, self-insured retentions across the board
- Increased waiting period (time element deductible) before electronic business interruption (EBI) cover kicks in
- Potential coinsurance percentages added for ransomware
- Further reduction of ransomware limit



### Requirement to evidence security posture:

- MFA
- Data Backups
- Endpoint Detection
- Employee Education & Training Programs

# 2023 Renewal Expectations

## What we expect in 2023

- Too early to tell. Market still in flux
- Prepare for the worst. Controls are key!
- We expect that the largest changes will come from endorsements
- C&F and Chubb led the charge on endorsements in 21/22
- Other carriers to follow in the next renewal cycle

## What can Kern Health Systems expect in 2023

- Marketing coverage this year – current carrier Coalition – Quota Share with five carriers
- Complete renewal applications early!
- Ransomware application Version 7 – 2022 two pages, 2023 seven pages – Most important and highly scrutinized
- Questions surrounding Budgets and Personnel within IT
- Be concise and detailed on answers, more is better!

# 2023 Renewal Expectations

## Cyber Insurance Wording Changes

**Biometric Exclusion:** Coverage may be excluded for any claim or circumstance arising out of the processing, storage, or compromise of biometric data. This includes but is not limited to fingerprints, iris scans, facial images, voice and/or other biometry used to for automatic recognition of individuals based on their biological or behavioural characteristic

**End of Life Software, Patching (or Lack Of) and Government Required Shutdown:** Reduced coverage for utilizing end of life software or for not patching within recommended timeframes. Exclusion of any government-mandated restriction of operations, closure, or shutdown, entity or person operating a computer system or any computer system that is not under a targeted cyber attack

**Software Vulnerability Exclusions:** Insurers were excluding SolarWinds, Microsoft Exchange, Kaseya claims at the following renewal to reduce exposure

**Systemic Versus Targeted Coverage Differentiation:** Markets in London have been making this distinction for a few years with regards to cyber coverage in property insurance placements. In the 2021, a large U.S. insurer made created the first widespread wording for standalone cyber

**Co-Insurance:** Generally on ransomware related coverages which have historically paid out large claim amounts, such as cyber extortion and business interruption as a result of a security breach. Also utilized to obtain the coverage in excess layers, or for entities with poorer controls / looking to reduce premium



# 2023 Renewal Expectations

## Catastrophic Events Clauses

- Look to exclude events that have a detrimental effect on a nation's digital infrastructure (AWS, etc) or key services relied upon by a nation's core financial services utilities
- Such events have never happened
- Chubb already uses them
- London markets looking to introduce beyond 1<sup>st</sup> January 2023 (sub limits?)
- Reinsurers asking for such exclusions
- Insurers want to entice new capital into the market and such new capital is asking for clarity around these events.

THANK YOU!





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 10, 2023**

**Re: Review of 2022 Budgeted Capital Projects Extended Into 2023**

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**Background**

At the December 15, 2022 Board of Directors (“Board”) Meeting, the Board requested a review of the KHS 2022 Budgeted Capital Projects that were being extended into 2023. Management has identified the following 2022 Budgeted Capital Projects that will continue during 2023:

- 1) Community Based Organization (CBO) Referral System
- 2) Solar Panels

**Discussion**

**Community Based Organization (CBO) Referral System**

***2022 Budget \$1,105,080; 12/31/2022 Amount Outstanding \$333,456***

KHS established this project to acquire an integrated referral software system to support the Community Based Organizations (CBOs) for the new Medi-Cal Community Based Supports benefits (formerly known as In Lieu of Services, ILOS). This software will provide connectivity between the Health Plan and the CBO for a seamless process to coordinate the new non-clinical services/benefits.

**Expected Completion Date: 2<sup>nd</sup> Quarter 2023**

**Solar Panels**

***2022 Budget \$2,400,00; 12/31/2022 Amount Outstanding \$1,040,000***

Purchase of an additional carport solar system that will expand our electricity production capacity to approximately 100% of what we consume. (Amount Outstanding reflects expected Tax Credit of \$560,000)

**Expected Completion Date: 4<sup>th</sup> Quarter 2023**

**Requested Action**

Receive and File; Refer to KHS Board of Directors.





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: February 10, 2023**

**Re: November 2022 Financial Results**

---

The November results reflect a \$11,631,938 Net Increase in Net Position which is a \$11,823,282 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$9.9 million favorable variance primarily due to:
  - A) \$6.5 million favorable variance primarily due to higher-than-expected budgeted membership.
  - B) \$1.5 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset against amounts included in 2B below.
  - C) \$1.3 million favorable variance in Rate/Income Adjustments primarily due to earning additional Covid-19 Vaccination Incentive Funds from the High Performance Pool for meeting an additional qualifying measurement for children between 5-11 being within 10% of the County Rate.
  
- 2) Total Medical Costs reflect a \$1.5 million favorable variance primarily due to:
  - A) \$2.5 million favorable variance in Inpatient primarily due to lower-than-expected utilization over the last several months by Family and Expansion members.
  - B) \$1.5 million unfavorable variance in Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset against amounts included in 1B above.

The November Medical Loss Ratio is 80.8% which is favorable to the 92.9% budgeted amount. The November Administrative Expense Ratio is 6.4% which is favorable to the 6.8% budgeted amount.

The results for the 11 months ended November 30, 2022 reflects a Net Increase in Net Position of \$46,650,958. This is a \$50,036,818 favorable variance to the budget and includes approximately \$14.5 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 87.9% which is favorable to the 92.9% budgeted amount. The year-to-date Administrative Expense Ratio is 6.4% which is favorable to the 7.0% budgeted amount.

**Kern Health Systems  
Financial Packet  
November 2022**

**KHS – Medi-Cal Line of Business**

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

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

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

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 20
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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF NOVEMBER 30, 2022</b>			
<b>ASSETS</b>	<b>NOVEMBER 2022</b>	<b>OCTOBER 2022</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 179,619,246	\$ 155,712,819	\$ 23,906,427
Short-Term Investments	210,720,910	216,266,372	(5,545,462)
Premiums Receivable - Net	109,732,438	106,316,288	3,416,150
Premiums Receivable - Hospital Direct Payments	396,795,571	377,478,453	19,317,118
Interest Receivable	168,011	84,010	84,001
Provider Advance Payment	2,361,487	2,599,965	(238,478)
Other Receivables	2,071,184	1,973,160	98,024
Prepaid Expenses & Other Current Assets	2,723,407	3,011,430	(288,023)
<b>Total Current Assets</b>	<b>\$ 904,192,254</b>	<b>\$ 863,442,497</b>	<b>\$ 40,749,757</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	1,259,875	1,307,117	(47,242)
Computer Hardware and Software - Net	20,493,849	18,555,056	1,938,793
Building and Building Improvements - Net	33,791,308	33,867,417	(76,109)
Capital Projects in Progress	4,168,950	6,353,893	(2,184,943)
<b>Total Capital Assets</b>	<b>\$ 63,804,688</b>	<b>\$ 64,174,189</b>	<b>\$ (369,501)</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,604,652	1,604,652	-
<b>Total Long Term Assets</b>	<b>\$ 1,904,652</b>	<b>\$ 1,904,652</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,731,067</b>	<b>\$ 4,731,067</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 974,632,661</b>	<b>\$ 934,252,405</b>	<b>\$ 40,380,256</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 4,033,090	\$ 5,183,589	(1,150,499)
Accrued Other Operating Expenses	2,223,938	2,332,830	(108,892)
Accrued Taxes and Licenses	21,611,880	10,728,420	10,883,460
Claims Payable (Reported)	19,495,865	25,138,610	(5,642,745)
IBNR - Inpatient Claims	56,225,683	55,619,619	606,064
IBNR - Physician Claims	19,440,798	19,630,283	(189,485)
IBNR - Accrued Other Medical	26,682,535	24,071,362	2,611,173
Risk Pool and Withholds Payable	5,714,494	5,220,812	493,682
Statutory Allowance for Claims Processing Expense	2,509,938	2,509,938	-
Other Liabilities	119,115,609	117,487,167	1,628,442
Accrued Hospital Directed Payments	396,613,229	377,296,111	19,317,118
<b>Total Current Liabilities</b>	<b>\$ 673,667,059</b>	<b>\$ 645,218,741</b>	<b>\$ 28,448,318</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	1,500,000	1,200,000	300,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 1,500,000</b>	<b>\$ 1,200,000</b>	<b>\$ 300,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 5,338,319</b>	<b>\$ 5,338,319</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	247,476,325	247,476,325	-
Increase (Decrease) in Net Position - Current Year	46,650,958	35,019,020	11,631,938
<b>Total Net Position</b>	<b>\$ 294,127,283</b>	<b>\$ 282,495,345</b>	<b>\$ 11,631,938</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 974,632,661</b>	<b>\$ 934,252,405</b>	<b>\$ 40,380,256</b>

			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2022			YEAR-TO-DATE MEMBER MONTHS		
CURRENT MONTH MEMBERS								
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
208,436	209,700	(1,264)	Family Members			2,247,076	2,235,200	11,876
95,468	85,030	10,438	Expansion Members			980,921	905,330	75,591
17,063	16,530	533	SPD Members			184,376	176,330	8,046
10,012	7,740	2,272	Other Members			103,980	85,140	18,840
14,433	13,000	1,433	Kaiser Members			150,407	143,000	7,407
345,412	332,000	13,412	Total Members - MCAL			3,666,760	3,545,000	121,760
<b>REVENUES</b>								
39,648,035	36,853,398	2,794,637	Title XIX - Medicaid - Family and Other			411,947,301	395,128,449	16,818,852
32,934,833	29,613,473	3,321,360	Title XIX - Medicaid - Expansion Members			337,202,475	315,343,901	21,858,574
15,878,315	15,489,195	389,120	Title XIX - Medicaid - SPD Members			168,270,099	165,227,449	3,042,650
10,883,460	10,982,734	(99,274)	Premium - MCO Tax			113,781,623	113,616,188	165,435
19,322,384	17,817,966	1,504,418	Premium - Hospital Directed Payments			201,736,942	190,390,843	11,346,099
888,027	85,637	802,390	Investment Earnings And Other Income			873,726	913,851	(40,125)
-	57,420	(57,420)	Reinsurance Recoveries			-	612,360	(612,360)
(5,267)	-	(5,267)	Rate Adjustments - Hospital Directed Payments			22,549,622	-	22,549,622
1,298,007	-	1,298,007	Rate/Income Adjustments			(304,086)	-	(304,086)
120,847,794	110,899,823	9,947,971	TOTAL REVENUES			1,256,057,702	1,181,233,042	74,824,660
<b>EXPENSES</b>								
Medical Costs:								
18,483,343	17,860,248	(623,095)	Physician Services			204,344,404	190,423,868	(13,920,536)
5,432,710	5,974,188	541,478	Other Professional Services			56,353,862	64,434,083	8,080,221
5,682,299	5,811,901	129,602	Emergency Room			52,536,673	61,971,376	9,434,703
18,414,421	20,880,163	2,465,742	Inpatient			229,630,704	222,591,306	(7,039,398)
58,838	57,420	(1,418)	Reinsurance Expense			536,175	612,360	76,185
8,727,267	8,876,430	149,163	Outpatient Hospital			98,400,821	94,627,967	(3,772,854)
16,382,849	16,352,220	(30,629)	Other Medical			177,956,606	174,779,573	(3,177,033)
493,681	478,500	(15,181)	Pay for Performance Quality Incentive			5,267,489	5,103,000	(164,489)
19,322,384	17,817,966	(1,504,418)	Hospital Directed Payments			201,736,942	190,390,843	(11,346,099)
(5,266)	-	5,266	Hospital Directed Payment Adjustment			22,882,779	-	(22,882,779)
4,018	-	(4,018)	Non-Claims Expense Adjustment			(872,920)	-	872,920
(436,641)	-	436,641	IBNR, Incentive, Paid Claims Adjustment			(17,018,623)	-	17,018,623
92,559,903	94,109,038	1,549,135	Total Medical Costs			1,031,754,912	1,004,934,377	(26,820,535)
28,287,891	16,790,785	11,497,106	GROSS MARGIN			224,302,790	176,298,665	48,004,125
Administrative:								
3,241,130	3,369,438	128,308	Compensation			34,686,341	37,138,823	2,452,482
1,034,408	1,108,544	74,136	Purchased Services			10,648,876	12,193,986	1,545,110
258,430	212,108	(46,322)	Supplies			1,142,900	2,333,183	1,190,283
622,602	526,572	(96,030)	Depreciation			6,437,253	5,792,291	(644,962)
320,234	366,066	45,832	Other Administrative Expenses			3,531,773	4,026,722	494,949
299,689	-	(299,689)	Administrative Expense Adjustment			2,704,279	-	(2,704,279)
5,776,493	5,582,728	(193,765)	Total Administrative Expenses			59,151,422	61,485,005	2,333,583
98,336,396	99,691,765	1,355,369	TOTAL EXPENSES			1,090,906,334	1,066,419,382	(24,486,952)
22,511,398	11,208,057	11,303,341	OPERATING INCOME (LOSS) BEFORE TAX			165,151,368	114,813,660	50,337,708
10,883,460	10,982,733	99,273	MCO TAX			113,775,355	113,616,188	(159,167)
11,627,938	225,324	11,402,614	OPERATING INCOME (LOSS) NET OF TAX			51,376,013	1,197,472	50,178,541
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets			-	-	-
4,000	(333,334)	337,334	Provider Grants/CalAIM Initiative Grant			(4,091,430)	(3,666,666)	(424,764)
-	(83,334)	83,334	Health Home			(633,625)	(916,666)	283,041
4,000	(416,668)	420,668	TOTAL NONOPERATING REVENUE (EXPENSE)			(4,725,055)	(4,583,332)	(141,723)
11,631,938	(191,344)	11,823,282	NET INCREASE (DECREASE) IN NET POSITION			46,650,958	(3,385,860)	50,036,818
80.8%	92.9%	12.1%	MEDICAL LOSS RATIO			87.9%	92.9%	4.9%
6.4%	6.8%	0.4%	ADMINISTRATIVE EXPENSE RATIO			6.4%	7.0%	0.6%



CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2022			YEAR-TO-DATE		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
208,436	209,700	(1,264)	Family Members	2,247,076	2,235,200	11,876		
95,468	85,030	10,438	Expansion Members	980,921	905,330	75,591		
17,063	16,530	533	SPD Members	184,376	176,330	8,046		
10,012	7,740	2,272	Other Members	103,980	85,140	18,840		
14,433	13,000	1,433	Kaiser Members	150,407	143,000	7,407		
345,412	332,000	13,412	<b>Total Members - MCAL</b>	<b>3,666,760</b>	<b>3,545,000</b>	<b>121,760</b>		
<b>REVENUES</b>								
181.50	169.49	12.01	Title XIX - Medicaid - Family and Other	175.22	170.29	4.93		
344.98	348.27	(3.29)	Title XIX - Medicaid - Expansion Members	343.76	348.32	(4.56)		
930.57	937.04	(6.47)	Title XIX - Medicaid - SPD Members	912.65	937.04	(24.39)		
32.88	34.43	(1.55)	Premium - MCO Tax	32.36	33.40	(1.04)		
58.38	55.86	2.52	Premium - Hospital Directed Payments	57.37	55.96	1.41		
2.68	0.27	2.41	Investment Earnings And Other Income	0.25	0.27	(0.02)		
0.00	0.18	(0.18)	Reinsurance Recoveries	0.00	0.18	(0.18)		
(0.02)	0.00	(0.02)	Rate Adjustments - Hospital Directed Payments	6.41	0.00	6.41		
3.92	0.00	3.92	Rate/Income Adjustments	(0.09)	0.00	(0.09)		
365.12	347.65	17.47	<b>TOTAL REVENUES</b>	<b>357.20</b>	<b>347.22</b>	<b>9.99</b>		
<b>EXPENSES</b>								
<b>Medical Costs:</b>								
55.84	55.99	0.14	Physician Services	58.11	55.97	(2.14)		
16.41	18.73	2.31	Other Professional Services	16.03	18.94	2.91		
17.17	18.22	1.05	Emergency Room	14.94	18.22	3.28		
55.64	65.46	9.82	Inpatient	65.30	65.43	0.13		
0.18	0.18	0.00	Reinsurance Expense	0.15	0.18	0.03		
26.37	27.83	1.46	Outpatient Hospital	27.98	27.82	(0.17)		
49.50	51.26	1.76	Other Medical	50.61	51.38	0.77		
1.49	1.50	0.01	Pay for Performance Quality Incentive	1.50	1.50	0.00		
58.38	55.86	(2.52)	Hospital Directed Payments	57.37	55.96	(1.41)		
(0.02)	0.00	0.02	Hospital Directed Payment Adjustment	6.51	0.00	(6.51)		
0.01	0.00	(0.01)	Non-Claims Expense Adjustment	(0.25)	0.00	0.25		
(1.32)	0.00	1.32	IBNR, Incentive, Paid Claims Adjustment	(4.84)	0.00	4.84		
279.65	295.01	15.36	<b>Total Medical Costs</b>	<b>293.42</b>	<b>295.40</b>	<b>1.98</b>		
85.47	52.64	32.83	<b>GROSS MARGIN</b>	<b>63.79</b>	<b>51.82</b>	<b>11.97</b>		
<b>Administrative:</b>								
9.79	10.56	0.77	Compensation	9.86	10.92	1.05		
3.13	3.48	0.35	Purchased Services	3.03	3.58	0.56		
0.78	0.66	(0.12)	Supplies	0.33	0.69	0.36		
1.88	1.65	(0.23)	Depreciation	1.83	1.70	(0.13)		
0.97	1.15	0.18	Other Administrative Expenses	1.00	1.18	0.18		
0.91	0.00	(0.91)	Administrative Expense Adjustment	0.77	0.00	(0.77)		
17.45	17.50	0.05	<b>Total Administrative Expenses</b>	<b>16.82</b>	<b>18.07</b>	<b>1.25</b>		
297.11	312.51	15.41	<b>TOTAL EXPENSES</b>	<b>310.24</b>	<b>313.47</b>	<b>3.23</b>		
68.01	35.13	32.88	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>46.97</b>	<b>33.75</b>	<b>13.22</b>		
32.88	34.43	1.55	<b>MCO TAX</b>	<b>32.36</b>	<b>33.40</b>	<b>1.04</b>		
35.13	0.71	34.43	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>14.61</b>	<b>0.35</b>	<b>14.26</b>		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
0.01	(1.04)	1.06	Reserve Fund Projects/Community Grants	(1.16)	(1.08)	(0.09)		
0.00	(0.26)	0.26	Health Home	(0.18)	(0.27)	0.09		
0.01	(1.31)	1.32	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(1.34)</b>	<b>(1.35)</b>	<b>0.00</b>		
35.14	(0.60)	35.74	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>13.27</b>	<b>(1.00)</b>	<b>14.26</b>		
80.8%	92.9%	12.1%	<b>MEDICAL LOSS RATIO</b>	<b>87.9%</b>	<b>92.9%</b>	<b>4.9%</b>		
6.4%	6.8%	0.4%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.4%</b>	<b>7.0%</b>	<b>0.6%</b>		

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2022	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
	2021	2021	2022	2022	2022	2022	2022
<b>ENROLLMENT</b>							
Members - MCAL	296,989	298,205	309,342	310,281	312,490	314,691	315,663
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	37,111,335	36,899,197	37,009,614	37,126,546	36,539,594	36,762,722	35,766,911
Title XIX - Medicaid - Expansion Members	31,001,586	30,241,720	29,968,453	29,945,915	29,350,530	29,812,384	29,600,713
Title XIX - Medicaid - SPD Members	16,254,790	16,506,513	14,953,594	14,858,906	14,791,754	14,924,745	14,887,158
Premium - MCO Tax	10,229,533	10,273,393	9,899,314	9,894,054	9,893,826	9,894,054	9,872,493
Premium - Hospital Directed Payments	16,753,272	16,836,470	17,606,870	17,654,496	17,949,134	17,905,917	17,928,276
Investment Earnings And Other Income	157,659	(694,967)	329,573	86,457	(1,241,065)	(326,288)	357,517
Rate Adjustments - Hospital Directed Payments	8,691	(3,586)	230,177	24,013	26,907,309	3,898	(23,892)
Rate/Income Adjustments	66,815	5,625	957,475	977,794	493,268	59,935	(4,649,731)
<b>TOTAL REVENUES</b>	<b>111,583,681</b>	<b>110,064,365</b>	<b>110,955,070</b>	<b>110,568,181</b>	<b>134,684,350</b>	<b>109,037,367</b>	<b>103,739,445</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	17,258,969	17,972,930	17,538,030	19,319,317	19,919,152	18,291,501	17,895,843
Other Professional Services	4,829,415	4,344,076	5,041,033	4,902,710	5,254,779	5,361,545	4,835,075
Emergency Room	4,818,883	4,391,622	5,209,937	5,098,972	5,150,400	5,098,584	4,139,529
Inpatient	21,256,426	17,137,562	20,610,105	20,031,970	20,232,342	20,364,608	21,395,635
Reinsurance Expense	86,151	86,147	53,660	53,896	57,686	56,409	56,248
Outpatient Hospital	7,793,785	6,083,159	8,214,215	8,223,126	8,686,122	8,458,833	8,281,163
Other Medical	12,549,269	11,502,354	17,263,621	17,534,988	15,788,879	16,341,907	16,301,024
Pharmacy	10,196,195	10,620,178	-	-	-	-	-
Pay for Performance Quality Incentive	-	1,420,000	464,013	465,422	465,421	472,037	473,494
Hospital Directed Payments	16,753,272	16,836,470	17,606,870	17,654,496	17,949,134	17,905,917	17,928,276
Hospital Directed Payment Adjustment	8,691	(3,586)	230,177	24,013	26,678,156	3,898	(3,419)
Non-Claims Expense Adjustment	24,857	(44,256)	43,538	4,118	572,469	62,025	(1,371,999)
IBNR, Incentive, Paid Claims Adjustment	(1,378,922)	(1,022,824)	627	(1,010,781)	(3,987,493)	(2,812,496)	(3,724,314)
<b>Total Medical Costs</b>	<b>94,196,991</b>	<b>89,323,832</b>	<b>92,275,826</b>	<b>92,302,247</b>	<b>116,767,047</b>	<b>89,604,768</b>	<b>86,206,555</b>
<b>GROSS MARGIN</b>	<b>17,386,690</b>	<b>20,740,533</b>	<b>18,679,244</b>	<b>18,265,934</b>	<b>17,917,303</b>	<b>19,432,599</b>	<b>17,532,890</b>
Administrative:							
Compensation	2,775,542	2,592,690	3,116,842	2,847,002	3,108,703	3,075,151	3,259,102
Purchased Services	1,095,098	1,355,474	846,917	877,498	1,098,614	783,960	927,532
Supplies	188,536	164,659	191,908	(8,268)	103,207	41,533	145,499
Depreciation	716,552	746,072	571,126	571,126	571,126	570,835	575,899
Other Administrative Expenses	276,718	605,706	389,918	259,997	346,089	252,930	300,845
Administrative Expense Adjustment	77,569	(194,326)	(1,904)	(44,283)	31,776	164,256	(2,834)
<b>Total Administrative Expenses</b>	<b>5,130,015</b>	<b>5,270,275</b>	<b>5,114,807</b>	<b>4,503,072</b>	<b>5,259,515</b>	<b>4,888,665</b>	<b>5,206,043</b>
<b>TOTAL EXPENSES</b>	<b>99,327,006</b>	<b>94,594,107</b>	<b>97,390,633</b>	<b>96,805,319</b>	<b>122,026,562</b>	<b>94,493,433</b>	<b>91,412,598</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>12,256,675</b>	<b>15,470,258</b>	<b>13,564,437</b>	<b>13,762,862</b>	<b>12,657,788</b>	<b>14,543,934</b>	<b>12,326,847</b>
<b>MCO TAX</b>	<b>9,894,054</b>	<b>9,895,157</b>	<b>9,894,054</b>	<b>9,894,054</b>	<b>9,893,826</b>	<b>9,894,054</b>	<b>9,888,018</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>2,362,621</b>	<b>5,575,101</b>	<b>3,670,383</b>	<b>3,868,808</b>	<b>2,763,962</b>	<b>4,649,880</b>	<b>2,438,829</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(1,516,642)</b>	<b>(175,210)</b>	<b>(400,389)</b>	<b>(986,700)</b>	<b>(1,001,012)</b>	<b>(1,110,153)</b>	<b>744,870</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>845,979</b>	<b>5,399,891</b>	<b>3,269,994</b>	<b>2,882,108</b>	<b>1,762,950</b>	<b>3,539,727</b>	<b>3,183,699</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.5%</b>	<b>87.4%</b>	<b>89.4%</b>	<b>89.9%</b>	<b>90.2%</b>	<b>88.3%</b>	<b>89.9%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.1%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>5.4%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>6.9%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2022	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	13 MONTH
	2022	2022	2022	2022	2022	2022	TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	319,333	323,572	324,961	325,920	329,121	330,979	4,111,547
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	37,731,384	37,514,641	37,941,354	37,957,277	37,949,223	39,648,035	485,957,833
Title XIX - Medicaid - Expansion Members	30,533,210	30,993,375	31,238,545	31,275,148	31,549,369	32,934,833	398,445,781
Title XIX - Medicaid - SPD Members	15,402,431	15,833,803	15,065,828	15,760,220	15,913,345	15,878,315	201,031,402
Premium - MCO Tax	9,910,584	10,883,460	10,883,459	10,883,460	10,883,459	10,883,460	134,284,549
Premium - Hospital Directed Payments	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	19,322,384	235,326,684
Investment Earnings And Other Income	(633,952)	1,002,315	(121,473)	353,347	179,268	888,027	336,418
Rate Adjustments - Hospital Directed Payments	5,129	9,235	(4,343)	(4,606,563)	9,926	(5,267)	22,554,727
Rate/Income Adjustments	(364,397)	350,036	245,168	203,911	124,448	1,298,007	(231,646)
<b>TOTAL REVENUES</b>	<b>110,864,754</b>	<b>115,261,492</b>	<b>113,844,512</b>	<b>110,683,814</b>	<b>115,570,923</b>	<b>120,847,794</b>	<b>1,477,705,748</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	18,921,901	18,984,281	18,198,409	18,622,853	18,169,774	18,483,343	239,576,303
Other Professional Services	5,112,961	5,137,341	5,208,793	5,024,917	5,041,998	5,432,710	65,527,353
Emergency Room	3,167,228	4,764,039	4,661,044	4,773,821	4,790,820	5,682,299	61,747,178
Inpatient	19,551,774	22,935,749	20,834,103	22,797,560	22,462,437	18,414,421	268,024,692
Reinsurance Expense	57,216	(33,668)	(25,136)	142,533	58,493	58,838	708,473
Outpatient Hospital	9,196,013	10,013,268	9,928,749	9,352,210	9,319,855	8,727,267	112,277,765
Other Medical	15,522,071	15,416,935	15,241,576	15,744,662	16,418,094	16,382,849	202,008,229
Pharmacy	-	-	-	-	-	-	20,816,373
Pay for Performance Quality Incentive	478,060	485,358	485,358	490,964	493,681	493,681	6,687,489
Hospital Directed Payments	18,280,365	18,674,627	18,595,974	18,857,014	18,961,885	19,322,384	235,326,684
Hospital Directed Payment Adjustment	5,129	9,235	(4,343)	(4,064,727)	9,926	(5,266)	22,887,884
Non-Claims Expense Adjustment	29,799	17,040	5,019	9,821	(248,768)	4,018	(892,319)
IBNR, Incentive, Paid Claims Adjustment	(4,072,490)	(238,100)	487,881	(789,121)	(435,695)	(436,641)	(19,420,369)
<b>Total Medical Costs</b>	<b>86,250,027</b>	<b>96,166,105</b>	<b>93,617,427</b>	<b>90,962,507</b>	<b>95,042,500</b>	<b>92,559,903</b>	<b>1,215,275,735</b>
<b>GROSS MARGIN</b>	<b>24,614,727</b>	<b>19,095,387</b>	<b>20,227,085</b>	<b>19,721,307</b>	<b>20,528,423</b>	<b>28,287,891</b>	<b>262,430,013</b>
Administrative:							
Compensation	2,980,813	3,307,910	3,148,970	3,213,222	3,387,496	3,241,130	40,054,573
Purchased Services	850,526	1,078,360	1,144,312	997,356	1,009,393	1,034,408	13,099,448
Supplies	66,970	74,368	117,566	85,530	66,157	258,430	1,496,095
Depreciation	626,073	576,074	583,814	583,673	584,905	622,602	7,899,877
Other Administrative Expenses	329,335	414,331	315,625	298,240	304,229	320,234	4,414,197
Administrative Expense Adjustment	811,890	425,467	300,000	420,793	299,429	299,689	2,587,522
<b>Total Administrative Expenses</b>	<b>5,665,607</b>	<b>5,876,510</b>	<b>5,610,287</b>	<b>5,598,814</b>	<b>5,651,609</b>	<b>5,776,493</b>	<b>69,551,712</b>
<b>TOTAL EXPENSES</b>	<b>91,915,634</b>	<b>102,042,615</b>	<b>99,227,714</b>	<b>96,561,321</b>	<b>100,694,109</b>	<b>98,336,396</b>	<b>1,284,827,447</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>18,949,120</b>	<b>13,218,877</b>	<b>14,616,798</b>	<b>14,122,493</b>	<b>14,876,814</b>	<b>22,511,398</b>	<b>192,878,301</b>
<b>MCO TAX</b>	<b>9,894,051</b>	<b>10,883,459</b>	<b>10,883,460</b>	<b>10,883,459</b>	<b>10,883,460</b>	<b>10,883,460</b>	<b>133,564,566</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>9,055,069</b>	<b>2,335,418</b>	<b>3,733,338</b>	<b>3,239,034</b>	<b>3,993,354</b>	<b>11,627,938</b>	<b>59,313,735</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(1,996,822)</b>	<b>(3,380)</b>	<b>57,925</b>	<b>(27,966)</b>	<b>(5,428)</b>	<b>4,000</b>	<b>(6,416,907)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>7,058,247</b>	<b>2,332,038</b>	<b>3,791,263</b>	<b>3,211,068</b>	<b>3,987,926</b>	<b>11,631,938</b>	<b>52,896,828</b>
<b>MEDICAL LOSS RATIO</b>	<b>82.2%</b>	<b>90.4%</b>	<b>88.9%</b>	<b>89.0%</b>	<b>88.7%</b>	<b>80.8%</b>	<b>88.2%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>6.4%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2022	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
	2021	2021	2022	2022	2022	2022	2022
<b>ENROLLMENT</b>							
Members - MCAL	296,989	298,205	309,342	310,281	312,490	314,691	315,663
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	183.31	181.56	177.17	177.17	173.28	173.44	168.25
Title XIX - Medicaid - Expansion Members	393.96	382.19	357.24	355.03	344.90	345.21	341.10
Title XIX - Medicaid - SPD Members	1,026.19	1,042.14	903.21	907.36	895.60	912.10	913.04
Premium - MCO Tax	34.44	34.45	32.00	31.89	31.66	31.44	31.28
Premium - Hospital Directed Payments	56.41	56.46	56.92	56.90	57.44	56.90	56.80
Investment Earnings And Other Income	0.53	(2.33)	1.07	0.28	(3.97)	(1.04)	1.13
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.03	(0.01)	0.74	0.08	86.11	0.01	(0.08)
Rate/Income Adjustments	0.22	0.02	3.10	3.15	1.58	0.19	(14.73)
<b>TOTAL REVENUES</b>	<b>375.72</b>	<b>369.09</b>	<b>358.68</b>	<b>356.35</b>	<b>431.00</b>	<b>346.49</b>	<b>328.64</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	58.11	60.27	56.69	62.26	63.74	58.13	56.69
Other Professional Services	16.26	14.57	16.30	15.80	16.82	17.04	15.32
Emergency Room	16.23	14.73	16.84	16.43	16.48	16.20	13.11
Inpatient	71.57	57.47	66.63	64.56	64.75	64.71	67.78
Reinsurance Expense	0.29	0.29	0.17	0.17	0.18	0.18	0.18
Outpatient Hospital	26.24	20.40	26.55	26.50	27.80	26.88	26.23
Other Medical	42.25	38.57	55.81	56.51	50.53	51.93	51.64
Pharmacy	34.33	35.61	0.00	0.00	0.00	0.00	0.00
Pay for Performance Quality Incentive	0.00	4.76	1.50	1.50	1.49	1.50	1.50
Hospital Directed Payments	56.41	56.46	56.92	56.90	57.44	56.90	56.80
Hospital Directed Payment Adjustment	0.03	(0.01)	0.74	0.08	85.37	0.01	(0.01)
Non-Claims Expense Adjustment	0.08	(0.15)	0.14	0.01	1.83	0.20	(4.35)
IBNR, Incentive, Paid Claims Adjustment	(4.64)	(3.43)	0.00	(3.26)	(12.76)	(8.94)	(11.80)
<b>Total Medical Costs</b>	<b>317.17</b>	<b>299.54</b>	<b>298.30</b>	<b>297.48</b>	<b>373.67</b>	<b>284.74</b>	<b>273.10</b>
<b>GROSS MARGIN</b>	<b>58.54</b>	<b>69.55</b>	<b>60.38</b>	<b>58.87</b>	<b>57.34</b>	<b>61.75</b>	<b>55.54</b>
Administrative:							
Compensation	9.35	8.69	10.08	9.18	9.95	9.77	10.32
Purchased Services	3.69	4.55	2.74	2.83	3.52	2.49	2.94
Supplies	0.63	0.55	0.62	(0.03)	0.33	0.13	0.46
Depreciation	2.41	2.50	1.85	1.84	1.83	1.81	1.82
Other Administrative Expenses	0.93	2.03	1.26	0.84	1.11	0.80	0.95
Administrative Expense Adjustment	0.26	(0.65)	(0.01)	(0.14)	0.10	0.52	(0.01)
<b>Total Administrative Expenses</b>	<b>17.27</b>	<b>17.67</b>	<b>16.53</b>	<b>14.51</b>	<b>16.83</b>	<b>15.53</b>	<b>16.49</b>
<b>TOTAL EXPENSES</b>	<b>334.45</b>	<b>317.21</b>	<b>314.83</b>	<b>311.99</b>	<b>390.50</b>	<b>300.27</b>	<b>289.59</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>41.27</b>	<b>51.88</b>	<b>43.85</b>	<b>44.36</b>	<b>40.51</b>	<b>46.22</b>	<b>39.05</b>
<b>MCO TAX</b>	<b>33.31</b>	<b>33.18</b>	<b>31.98</b>	<b>31.89</b>	<b>31.66</b>	<b>31.44</b>	<b>31.32</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>7.96</b>	<b>18.70</b>	<b>11.87</b>	<b>12.47</b>	<b>8.84</b>	<b>14.78</b>	<b>7.73</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(5.11)</b>	<b>(0.59)</b>	<b>(1.29)</b>	<b>(3.18)</b>	<b>(3.20)</b>	<b>(3.53)</b>	<b>2.36</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>2.85</b>	<b>18.11</b>	<b>10.57</b>	<b>9.29</b>	<b>5.64</b>	<b>11.25</b>	<b>10.09</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.5%</b>	<b>87.4%</b>	<b>89.4%</b>	<b>89.9%</b>	<b>90.2%</b>	<b>88.3%</b>	<b>89.9%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.1%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>5.4%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>6.9%</b>

KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH NOVEMBER 30, 2022	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	13 MONTH
	2022	2022	2022	2022	2022	2022	TOTAL
<b>ENROLLMENT</b>							
Members - MCAL	319,333	323,572	324,961	325,920	329,121	330,979	4,111,547
<b>REVENUES</b>							
Title XIX - Medicaid - Family and Other	176.65	173.99	175.92	175.56	174.37	180.89	176.23
Title XIX - Medicaid - Expansion Members	343.27	340.07	338.95	338.39	334.55	344.93	349.90
Title XIX - Medicaid - SPD Members	917.14	941.54	880.12	911.57	926.33	919.20	929.85
Premium - MCO Tax	31.04	33.64	33.49	33.39	33.07	32.88	32.66
Premium - Hospital Directed Payments	57.25	57.71	57.23	57.86	57.61	58.38	57.24
Investment Earnings And Other Income	(1.99)	3.10	(0.37)	1.08	0.54	2.68	0.08
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)	(14.13)	0.03	(0.02)	5.49
Rate/Income Adjustments	(1.14)	1.08	0.75	0.63	0.38	3.92	(0.06)
<b>TOTAL REVENUES</b>	<b>347.18</b>	<b>356.22</b>	<b>350.33</b>	<b>339.60</b>	<b>351.15</b>	<b>365.12</b>	<b>359.40</b>
<b>EXPENSES</b>							
Medical Costs:							
Physician Services	59.25	58.67	56.00	57.14	55.21	55.84	58.27
Other Professional Services	16.01	15.88	16.03	15.42	15.32	16.41	15.94
Emergency Room	9.92	14.72	14.34	14.65	14.56	17.17	15.02
Inpatient	61.23	70.88	64.11	69.95	68.25	55.64	65.19
Reinsurance Expense	0.18	(0.10)	(0.08)	0.44	0.18	0.18	0.17
Outpatient Hospital	28.80	30.95	30.55	28.69	28.32	26.37	27.31
Other Medical	48.61	47.65	46.90	48.31	49.88	49.50	49.13
Pharmacy	0.00	0.00	0.00	0.00	0.00	0.00	5.06
Pay for Performance Quality Incentive	1.50	1.50	1.49	1.51	1.50	1.49	1.63
Hospital Directed Payments	57.25	57.71	57.23	57.86	57.61	58.38	57.24
Hospital Directed Payment Adjustment	0.02	0.03	(0.01)	(12.47)	0.03	(0.02)	5.57
Non-Claims Expense Adjustment	0.09	0.05	0.02	0.03	(0.76)	0.01	(0.22)
IBNR, Incentive, Paid Claims Adjustment	(12.75)	(0.74)	1.50	(2.42)	(1.32)	(1.32)	(4.72)
Total Medical Costs	270.09	297.20	288.09	279.09	288.78	279.65	295.58
<b>GROSS MARGIN</b>	<b>77.08</b>	<b>59.01</b>	<b>62.24</b>	<b>60.51</b>	<b>62.37</b>	<b>85.47</b>	<b>63.83</b>
Administrative:							
Compensation	9.33	10.22	9.69	9.86	10.29	9.79	9.74
Purchased Services	2.66	3.33	3.52	3.06	3.07	3.13	3.19
Supplies	0.21	0.23	0.36	0.26	0.20	0.78	0.36
Depreciation	1.96	1.78	1.80	1.79	1.78	1.88	1.92
Other Administrative Expenses	1.03	1.28	0.97	0.92	0.92	0.97	1.07
Administrative Expense Adjustment	2.54	1.31	0.92	1.29	0.91	0.91	0.63
Total Administrative Expenses	17.74	18.16	17.26	17.18	17.17	17.45	16.92
<b>TOTAL EXPENSES</b>	<b>287.84</b>	<b>315.36</b>	<b>305.35</b>	<b>296.27</b>	<b>305.95</b>	<b>297.11</b>	<b>312.49</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>59.34</b>	<b>40.85</b>	<b>44.98</b>	<b>43.33</b>	<b>45.20</b>	<b>68.01</b>	<b>46.91</b>
<b>MCO TAX</b>	<b>30.98</b>	<b>33.64</b>	<b>33.49</b>	<b>33.39</b>	<b>33.07</b>	<b>32.88</b>	<b>32.49</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>28.36</b>	<b>7.22</b>	<b>11.49</b>	<b>9.94</b>	<b>12.13</b>	<b>35.13</b>	<b>14.43</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(6.25)</b>	<b>(0.01)</b>	<b>0.18</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>0.01</b>	<b>(1.56)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>22.10</b>	<b>7.21</b>	<b>11.67</b>	<b>9.85</b>	<b>12.12</b>	<b>35.14</b>	<b>12.87</b>
<b>MEDICAL LOSS RATIO</b>	<b>82.2%</b>	<b>90.4%</b>	<b>88.9%</b>	<b>89.0%</b>	<b>88.7%</b>	<b>80.8%</b>	<b>88.2%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>6.4%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>REVENUES</b>						
Title XIX - Medicaid - Family & Other						
28,700,729	27,593,304	1,107,425	Premium - Medi-Cal	303,420,239	295,323,339	8,096,900
3,187,586	2,764,572	423,014	Premium - Maternity Kick	32,006,336	30,410,295	1,596,041
559,463	479,368	80,095	Premium - Enhanced Care Management	5,823,869	5,165,303	658,566
148,100	134,568	13,532	Premium - Major Organ Transplant	1,547,044	1,444,608	102,436
785,076	508,286	276,790	Premium - Cal AIM	8,749,345	5,424,008	3,325,337
732,099	784,923	(52,824)	Premium - BHT Kick	8,495,053	8,376,046	119,007
3,633,757	4,159,580	(525,823)	Premium - Provider Enhancement	42,091,674	44,400,206	(2,308,532)
218,246	210,101	8,145	Premium - Ground Emergency Medical Transportation	2,310,158	2,245,826	64,332
145,996	106,841	39,155	Premium - Behavioral Health Integration Program	2,851,811	1,140,119	1,711,692
590,888	-	590,888	Premium - Vaccine Incentive	1,405,896	-	1,405,896
178,858	-	178,858	Premium - Student Behavioral Health Incentive	543,680	-	543,680
646,227	-	646,227	Premium - Housing and Homelessness Incentive	1,298,910	-	1,298,910
121,010	111,854	9,156	Other	1,403,286	1,198,698	204,588
39,648,035	36,853,398	2,794,637	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>411,947,301</b>	<b>395,128,449</b>	<b>16,818,852</b>
Title XIX - Medicaid - Expansion Members						
28,622,534	25,781,359	2,841,175	Premium - Medi-Cal	293,317,416	274,464,593	18,852,823
450,227	234,964	215,263	Premium - Maternity Kick	4,597,058	2,584,604	2,012,454
1,025,844	864,351	161,493	Premium - Enhanced Care Management	10,501,173	9,199,273	1,301,900
244,258	215,878	28,380	Premium - Major Organ Transplant	2,504,765	2,297,583	207,182
342,943	473,600	(130,657)	Premium - Cal AIM	3,646,876	5,042,509	(1,395,633)
-	-	-	Premium - BHT Kick	12,659	-	12,659
1,555,696	1,698,490	(142,794)	Premium - Provider Enhancement	17,577,146	18,084,135	(506,989)
240,311	215,041	25,270	Premium - Ground Emergency Medical Transportation	2,465,866	2,289,579	176,287
63,262	99,550	(36,288)	Premium - Behavioral Health Integration Program	1,163,755	1,059,929	103,826
7,351	-	7,351	Premium - Vaccine Incentive	266,803	-	266,803
77,915	-	77,915	Premium - Student Behavioral Health Incentive	226,848	-	226,848
270,529	-	270,529	Premium - Housing and Homelessness Incentive	534,057	-	534,057
33,963	30,240	3,723	Other	388,053	321,696	66,357
32,934,833	29,613,473	3,321,360	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>337,202,475</b>	<b>315,343,901</b>	<b>21,858,574</b>
Title XIX - Medicaid - SPD Members						
13,781,940	13,137,218	644,723	Premium - Medi-Cal	146,160,261	140,138,266	6,021,996
504,582	472,593	31,989	Premium - Enhanced Care Management	5,352,302	5,041,278	311,024
157,010	150,258	6,752	Premium - Major Organ Transplant	1,665,130	1,602,843	62,287
61,333	241,356	(180,023)	Premium - Cal AIM	686,641	2,574,611	(1,887,970)
694,510	798,256	(103,746)	Premium - BHT Kick	7,226,214	8,515,207	(1,288,993)
447,218	491,004	(43,786)	Premium - Provider Enhancement	5,121,624	5,237,678	(116,054)
154,076	147,778	6,298	Premium - Ground Emergency Medical Transportation	1,634,003	1,576,388	57,615
11,524	50,733	(39,209)	Premium - Behavioral Health Integration Program	223,714	541,179	(317,465)
1,512	-	1,512	Premium - Vaccine Incentive	56,559	-	56,559
14,096	-	14,096	Premium - Student Behavioral Health Incentive	42,078	-	42,078
50,514	-	50,514	Premium - Housing and Homelessness Incentive	101,573	-	101,573
15,878,315	15,489,195	389,120	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>168,270,099</b>	<b>165,227,449</b>	<b>3,042,650</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED NOVEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
3,684,488	4,105,418	420,930	Primary Care Physician Services	41,197,251	43,781,956	2,584,705
12,648,430	12,061,595	(586,835)	Referral Specialty Services	140,573,500	128,586,083	(11,987,417)
2,141,425	1,684,236	(457,189)	Urgent Care & After Hours Advise	22,473,453	17,955,629	(4,517,824)
9,000	9,000	-	Hospital Admitting Team	100,200	100,200	-
18,483,343	17,860,248	(623,095)	<b>TOTAL PHYSICIAN SERVICES</b>	<b>204,344,404</b>	<b>190,423,868</b>	<b>(13,920,536)</b>
			<b>OTHER PROFESSIONAL SERVICES</b>			
326,879	335,229	8,350	Vision Service Capitation	3,481,454	3,575,070	93,616
1,936,887	2,154,063	217,176	Medical Departments - UM Allocation *	20,715,532	23,694,687	2,979,155
1,371,019	1,583,178	212,159	Behavior Health Treatment	14,816,522	16,891,254	2,074,732
221,811	158,952	(62,859)	Mental Health Services	1,714,316	1,695,049	(19,267)
1,576,114	1,742,766	166,652	Other Professional Services	15,626,038	18,578,023	2,951,985
5,432,710	5,974,188	541,478	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>56,353,862</b>	<b>64,434,083</b>	<b>8,080,221</b>
5,682,299	5,811,901	129,602	<b>EMERGENCY ROOM</b>	<b>52,536,673</b>	<b>61,971,376</b>	<b>9,434,703</b>
18,414,421	20,880,163	2,465,742	<b>INPATIENT HOSPITAL</b>	<b>229,630,704</b>	<b>222,591,306</b>	<b>(7,039,398)</b>
58,838	57,420	(1,418)	<b>REINSURANCE EXPENSE PREMIUM</b>	<b>536,175</b>	<b>612,360</b>	<b>76,185</b>
8,727,267	8,876,430	149,163	<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>98,400,821</b>	<b>94,627,967</b>	<b>(3,772,854)</b>
			<b>OTHER MEDICAL</b>			
1,514,523	1,670,892	156,369	Ambulance and NEMT	15,061,423	17,818,116	2,756,693
1,034,966	720,263	(314,703)	Home Health Services & CBAS	9,683,083	7,681,076	(2,002,007)
884,261	1,106,708	222,447	Utilization and Quality Review Expenses	8,765,185	12,173,788	3,408,603
1,390,150	1,505,377	115,227	Long Term/SNF/Hospice	17,979,306	16,051,079	(1,928,227)
5,354,477	6,061,593	707,116	Provider Enhancement Expense - Prop. 56	61,545,984	64,639,884	3,093,900
455,360	544,274	88,914	Provider Enhancement Expense - GEMT	5,074,274	5,806,210	731,936
11,536	-	(11,536)	Vaccine Incentive Program Expense	3,180,904	-	(3,180,904)
220,783	257,124	36,341	Behavioral Health Integration Program	4,239,281	2,741,228	(1,498,053)
1,511,694	1,816,311	304,617	Enhanced Care Management	20,119,777	19,405,849	(713,928)
521,901	501,428	(20,473)	Major Organ Transplant	5,431,092	5,344,150	(86,942)
2,527,452	1,223,243	(1,304,209)	Cal AIM Incentive Programs	16,489,538	13,041,130	(3,448,408)
955,746	945,007	(10,739)	DME/Rebates	10,386,759	10,077,063	(309,696)
16,382,849	16,352,220	(30,629)	<b>TOTAL OTHER MEDICAL</b>	<b>177,956,606</b>	<b>174,779,573</b>	<b>(3,177,033)</b>
493,681	478,500	(15,181)	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>5,267,489</b>	<b>5,103,000</b>	<b>(164,489)</b>
19,322,384	17,817,966	(1,504,418)	<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>201,736,942</b>	<b>190,390,843</b>	<b>(11,346,099)</b>
(5,266)	-	5,266	<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>22,882,779</b>	<b>-</b>	<b>(22,882,779)</b>
4,018	-	(4,018)	<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>(872,920)</b>	<b>-</b>	<b>872,920</b>
(436,641)	-	436,641	<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>(17,018,623)</b>	<b>-</b>	<b>17,018,623</b>
92,559,903	94,109,038	1,549,135	<b>Total Medical Costs</b>	<b>1,031,754,912</b>	<b>1,004,934,377</b>	<b>(26,820,535)</b>

KHS1/31/2023 Management Use Only \* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED NOVEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
11.13	12.87	1.74	Primary Care Physician Services	11.72	12.87	1.15
38.22	37.81	(0.40)	Referral Specialty Services	39.98	37.80	(2.18)
6.47	5.28	(1.19)	Urgent Care & After Hours Advise	6.39	5.28	(1.11)
0.03	0.03	0.00	Hospital Admitting Team	0.03	0.03	0.00
55.84	55.99	0.14	<b>TOTAL PHYSICIAN SERVICES</b>	58.11	55.97	(2.14)
			<b>OTHER PROFESSIONAL SERVICES</b>			
0.99	1.05	0.06	Vision Service Capitation	0.99	1.05	0.06
5.85	6.75	0.90	Medical Departments - UM Allocation *	5.89	6.96	1.07
4.14	4.96	0.82	Behavior Health Treatment	4.21	4.97	0.75
0.67	0.50	(0.17)	Mental Health Services	0.49	0.50	0.01
4.76	5.46	0.70	Other Professional Services	4.44	5.46	1.02
16.41	18.73	2.31	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	16.03	18.94	2.91
17.17	18.22	1.05	<b>EMERGENCY ROOM</b>	14.94	18.22	3.28
55.64	65.46	9.82	<b>INPATIENT HOSPITAL</b>	65.30	65.43	0.13
0.18	0.18	0.00	<b>REINSURANCE EXPENSE PREMIUM</b>	0.15	0.18	0.03
26.37	27.83	1.46	<b>OUTPATIENT HOSPITAL SERVICES</b>	27.98	27.82	(0.17)
			<b>OTHER MEDICAL</b>			
4.58	5.24	0.66	Ambulance and NEMT	4.28	5.24	0.95
3.13	2.26	(0.87)	Home Health Services & CBAS	2.75	2.26	(0.50)
2.67	3.47	0.80	Utilization and Quality Review Expenses	2.49	3.58	1.09
4.20	4.72	0.52	Long Term/SNF/Hospice	5.11	4.72	(0.39)
16.18	19.00	2.82	Provider Enhancement Expense - Prop. 56	17.50	19.00	1.50
1.38	1.71	0.33	Provider Enhancement Expense - GEMT	1.44	1.71	0.26
0.03	0.00	(0.03)	Vaccine Incentive Program Expense	0.90	0.00	(0.90)
0.67	0.81	0.14	Behavioral Health Integration Program	1.21	0.81	(0.40)
4.57	5.69	1.13	Enhanced Care Management	5.72	5.70	(0.02)
1.58	1.57	(0.00)	Major Organ Transplant	1.54	1.57	0.03
7.64	3.83	(3.80)	Cal AIM Incentive Programs	4.69	3.83	(0.86)
2.89	2.96	0.07	DME	2.95	2.96	0.01
49.50	51.26	1.76	<b>TOTAL OTHER MEDICAL</b>	50.61	51.38	0.77
1.49	1.50	0.01	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	1.50	1.50	0.00
58.38	55.86	(2.52)	<b>HOSPITAL DIRECTED PAYMENTS</b>	57.37	55.96	(1.41)
(0.02)	0.00	0.02	<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	6.51	0.00	(6.51)
0.01	0.00	(0.01)	<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	(0.25)	0.00	0.25
(1.32)	0.00	1.32	<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	(4.84)	0.00	4.84
279.65	295.01	15.36	<b>Total Medical Costs</b>	293.42	295.40	1.98

\* Medical costs per DMHC regulations



KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH NOVEMBER 30, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
<b>PHYSICIAN SERVICES</b>						
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
<b>TOTAL PHYSICIAN SERVICES</b>	<b>17,538,030</b>	<b>19,319,317</b>	<b>19,919,152</b>	<b>18,291,501</b>	<b>17,895,843</b>	<b>18,921,901</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
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
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>5,041,033</b>	<b>4,902,710</b>	<b>5,254,779</b>	<b>5,361,545</b>	<b>4,835,075</b>	<b>5,112,961</b>
<b>EMERGENCY ROOM</b>	<b>5,209,937</b>	<b>5,098,972</b>	<b>5,150,400</b>	<b>5,098,584</b>	<b>4,139,529</b>	<b>3,167,228</b>
<b>INPATIENT HOSPITAL</b>	<b>20,610,105</b>	<b>20,031,970</b>	<b>20,232,342</b>	<b>20,364,608</b>	<b>21,395,635</b>	<b>19,551,774</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>53,660</b>	<b>53,896</b>	<b>57,686</b>	<b>56,409</b>	<b>56,248</b>	<b>57,216</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>8,214,215</b>	<b>8,223,126</b>	<b>8,686,122</b>	<b>8,458,833</b>	<b>8,281,163</b>	<b>9,196,013</b>
<b>OTHER MEDICAL</b>						
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
<b>TOTAL OTHER MEDICAL</b>	<b>17,263,621</b>	<b>17,534,988</b>	<b>15,788,879</b>	<b>16,341,907</b>	<b>16,301,024</b>	<b>15,522,071</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>464,013</b>	<b>465,422</b>	<b>465,421</b>	<b>472,037</b>	<b>473,494</b>	<b>478,060</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>17,606,870</b>	<b>17,654,496</b>	<b>17,949,134</b>	<b>17,905,917</b>	<b>17,928,276</b>	<b>18,280,365</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>230,177</b>	<b>24,013</b>	<b>26,678,156</b>	<b>3,898</b>	<b>(3,419)</b>	<b>5,129</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>43,538</b>	<b>4,118</b>	<b>572,469</b>	<b>62,025</b>	<b>(1,371,999)</b>	<b>29,799</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>627</b>	<b>(1,010,781)</b>	<b>(3,987,493)</b>	<b>(2,812,496)</b>	<b>(3,724,314)</b>	<b>(4,072,490)</b>
<b>Total Medical Costs</b>	<b>92,275,826</b>	<b>92,302,247</b>	<b>116,767,047</b>	<b>89,604,769</b>	<b>86,206,555</b>	<b>86,250,027</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH NOVEMBER 30, 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	NOVEMBER 2022	YEAR TO DATE 2022
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	3,951,533	3,298,914	3,859,118	3,539,808	3,684,488	41,197,251
Referral Specialty Services	12,653,874	12,435,011	13,253,634	12,805,568	12,648,430	140,573,500
Urgent Care & After Hours Advise	2,369,574	2,455,184	1,501,101	1,815,098	2,141,425	22,473,453
Hospital Admitting Team	9,300	9,300	9,000	9,300	9,000	100,200
<b>TOTAL PHYSICIAN SERVICES</b>	<b>18,984,281</b>	<b>18,198,409</b>	<b>18,622,853</b>	<b>18,169,774</b>	<b>18,483,343</b>	<b>204,344,404</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	315,663	323,003	327,811	326,350	326,879	3,481,454
Medical Departments - UM Allocation *	1,913,288	1,861,229	1,890,140	1,939,399	1,936,887	20,715,532
Behavior Health Treatment	1,392,248	1,798,262	1,282,862	1,345,602	1,371,019	14,816,522
Mental Health Services	112,742	68,357	180,406	152,793	221,811	1,714,316
Other Professional Services	1,403,400	1,157,942	1,343,698	1,277,854	1,576,114	15,626,038
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>5,137,341</b>	<b>5,208,793</b>	<b>5,024,917</b>	<b>5,041,998</b>	<b>5,432,710</b>	<b>56,353,862</b>
<b>EMERGENCY ROOM</b>	<b>4,764,039</b>	<b>4,661,044</b>	<b>4,773,821</b>	<b>4,790,820</b>	<b>5,682,299</b>	<b>52,536,673</b>
<b>INPATIENT HOSPITAL</b>	<b>22,935,749</b>	<b>20,834,103</b>	<b>22,797,560</b>	<b>22,462,437</b>	<b>18,414,421</b>	<b>229,630,704</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>(33,668)</b>	<b>(25,136)</b>	<b>142,533</b>	<b>58,493</b>	<b>58,838</b>	<b>536,175</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>10,013,268</b>	<b>9,928,749</b>	<b>9,352,210</b>	<b>9,319,855</b>	<b>8,727,267</b>	<b>98,400,821</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	1,358,335	1,416,945	1,597,466	1,521,656	1,514,523	15,061,423
Home Health Services & CBAS	1,083,945	780,644	739,073	777,227	1,034,966	9,683,083
Utilization and Quality Review Expenses	696,258	672,539	1,076,096	1,003,496	884,261	8,765,185
Long Term/SNF/Hospice	1,750,512	1,694,897	1,573,989	1,516,247	1,390,150	17,979,306
Provider Enhancement Expense - Prop. 56	5,197,617	5,212,169	5,228,484	5,256,673	5,354,477	61,545,984
Provider Enhancement Expense - GEMT	503,001	546,014	520,821	492,730	455,360	5,074,274
Vaccine Incentive Program Expense	2,148	1,922	825	(3,500)	11,536	3,180,904
Behaviorial Health Integration Program	220,782	220,783	220,783	220,784	220,783	4,239,281
Enhanced Care Management	1,907,842	1,905,031	1,936,841	1,945,941	1,511,694	20,119,777
Major Organ Transplant	504,463	485,910	510,244	512,675	521,901	5,431,092
Cal AIM Incentive Programs	1,195,617	1,328,191	1,352,580	2,135,655	2,527,452	16,489,538
DME	996,415	976,531	987,460	1,038,510	955,746	10,386,759
<b>TOTAL OTHER MEDICAL</b>	<b>15,416,935</b>	<b>15,241,576</b>	<b>15,744,662</b>	<b>16,418,094</b>	<b>16,382,849</b>	<b>177,956,606</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>485,358</b>	<b>485,358</b>	<b>490,964</b>	<b>493,681</b>	<b>493,681</b>	<b>5,267,489</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>18,674,627</b>	<b>18,595,974</b>	<b>18,857,014</b>	<b>18,961,885</b>	<b>19,322,384</b>	<b>201,736,942</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>9,235</b>	<b>(4,343)</b>	<b>(4,064,727)</b>	<b>9,926</b>	<b>(5,266)</b>	<b>22,882,779</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>17,040</b>	<b>5,019</b>	<b>9,821</b>	<b>(248,768)</b>	<b>4,018</b>	<b>(872,920)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>(238,100)</b>	<b>487,881</b>	<b>(789,121)</b>	<b>(435,695)</b>	<b>(436,641)</b>	<b>(17,018,623)</b>
<b>Total Medical Costs</b>	<b>96,166,105</b>	<b>93,617,427</b>	<b>90,962,508</b>	<b>95,042,500</b>	<b>92,559,903</b>	<b>1,031,754,912</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH NOVEMBER 30, 2022	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
<b>PHYSICIAN SERVICES</b>						
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
<b>TOTAL PHYSICIAN SERVICES</b>	<b>56.69</b>	<b>62.26</b>	<b>63.74</b>	<b>58.13</b>	<b>56.69</b>	<b>59.25</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
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
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>16.30</b>	<b>15.80</b>	<b>16.82</b>	<b>17.04</b>	<b>15.32</b>	<b>16.01</b>
<b>EMERGENCY ROOM</b>	<b>16.84</b>	<b>16.43</b>	<b>16.48</b>	<b>16.20</b>	<b>13.11</b>	<b>9.92</b>
<b>INPATIENT HOSPITAL</b>	<b>66.63</b>	<b>64.56</b>	<b>64.75</b>	<b>64.71</b>	<b>67.78</b>	<b>61.23</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>0.17</b>	<b>0.17</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>26.55</b>	<b>26.50</b>	<b>27.80</b>	<b>26.88</b>	<b>26.23</b>	<b>28.80</b>
<b>OTHER MEDICAL</b>						
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
Behavioral 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
<b>TOTAL OTHER MEDICAL</b>	<b>55.81</b>	<b>56.51</b>	<b>50.53</b>	<b>51.93</b>	<b>51.64</b>	<b>48.61</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>1.50</b>	<b>1.50</b>	<b>1.49</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>56.92</b>	<b>56.90</b>	<b>57.44</b>	<b>56.90</b>	<b>56.80</b>	<b>57.25</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>0.74</b>	<b>0.08</b>	<b>85.37</b>	<b>0.01</b>	<b>(0.01)</b>	<b>0.02</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>0.14</b>	<b>0.01</b>	<b>1.83</b>	<b>0.20</b>	<b>(4.35)</b>	<b>0.09</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>0.00</b>	<b>(3.26)</b>	<b>(12.76)</b>	<b>(8.94)</b>	<b>(11.80)</b>	<b>(12.75)</b>
<b>Total Medical Costs</b>	<b>298.30</b>	<b>297.48</b>	<b>373.67</b>	<b>284.74</b>	<b>273.10</b>	<b>270.09</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH NOVEMBER 30, 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	NOVEMBER 2022	YEAR TO DATE 2022
<b>PHYSICIAN SERVICES</b>						
Primary Care Physician Services	12.21	10.15	11.84	10.76	11.13	11.72
Referral Specialty Services	39.11	38.27	40.67	38.91	38.22	39.98
Urgent Care & After Hours Advise	7.32	7.56	4.61	5.51	6.47	6.39
Hospital Admitting Team	0.03	0.03	0.03	0.03	0.03	0.03
<b>TOTAL PHYSICIAN SERVICES</b>	<b>58.67</b>	<b>56.00</b>	<b>57.14</b>	<b>55.21</b>	<b>55.84</b>	<b>58.11</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
Vision Service Capitation	0.98	0.99	1.01	0.99	0.99	0.99
Medical Departments - UM Allocation *	5.91	5.73	5.80	5.89	5.85	5.89
Behavior Health Treatment	4.30	5.53	3.94	4.09	4.14	4.21
Mental Health Services	0.35	0.21	0.55	0.46	0.67	0.49
Other Professional Services	4.34	3.56	4.12	3.88	4.76	4.44
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>15.88</b>	<b>16.03</b>	<b>15.42</b>	<b>15.32</b>	<b>16.41</b>	<b>16.03</b>
<b>EMERGENCY ROOM</b>	<b>14.72</b>	<b>14.34</b>	<b>14.65</b>	<b>14.56</b>	<b>17.17</b>	<b>14.94</b>
<b>INPATIENT HOSPITAL</b>	<b>70.88</b>	<b>64.11</b>	<b>69.95</b>	<b>68.25</b>	<b>55.64</b>	<b>65.30</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>(0.10)</b>	<b>(0.08)</b>	<b>0.44</b>	<b>0.18</b>	<b>0.18</b>	<b>0.15</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>30.95</b>	<b>30.55</b>	<b>28.69</b>	<b>28.32</b>	<b>26.37</b>	<b>27.98</b>
<b>OTHER MEDICAL</b>						
Ambulance and NEMT	4.20	4.36	4.90	4.62	4.58	4.28
Home Health Services & CBAS	3.35	2.40	2.27	2.36	3.13	2.75
Utilization and Quality Review Expenses	2.15	2.07	3.30	3.05	2.67	2.49
Long Term/SNF/Hospice	5.41	5.22	4.83	4.61	4.20	5.11
Provider Enhancement Expense - Prop. 56	16.06	16.04	16.04	15.97	16.18	17.50
Provider Enhancement Expense - GEMT	1.55	1.68	1.60	1.50	1.38	1.44
Vaccine Incentive Program Expense	0.01	0.01	0.00	(0.01)	0.03	0.90
Behavioral Health Integration Program	0.68	0.68	0.68	0.67	0.67	1.21
Enhanced Care Management	5.90	5.86	5.94	5.91	4.57	5.72
Major Organ Transplant	1.56	1.50	1.57	1.56	1.58	1.54
Cal AIM Incentive Programs	3.70	4.09	4.15	6.49	7.64	4.69
DME	3.08	3.01	3.03	3.16	2.89	2.95
<b>TOTAL OTHER MEDICAL</b>	<b>47.65</b>	<b>46.90</b>	<b>48.31</b>	<b>49.88</b>	<b>49.50</b>	<b>50.61</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>1.50</b>	<b>1.49</b>	<b>1.51</b>	<b>1.50</b>	<b>1.49</b>	<b>1.50</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>57.71</b>	<b>57.23</b>	<b>57.86</b>	<b>57.61</b>	<b>58.38</b>	<b>57.37</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>0.03</b>	<b>(0.01)</b>	<b>(12.47)</b>	<b>0.03</b>	<b>(0.02)</b>	<b>6.51</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>0.05</b>	<b>0.02</b>	<b>0.03</b>	<b>(0.76)</b>	<b>0.01</b>	<b>(0.25)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>(0.74)</b>	<b>1.50</b>	<b>(2.42)</b>	<b>(1.32)</b>	<b>(1.32)</b>	<b>(4.84)</b>
<b>Total Medical Costs</b>	<b>297.20</b>	<b>288.09</b>	<b>279.09</b>	<b>288.78</b>	<b>279.65</b>	<b>293.42</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED NOVEMBER 30, 2022	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
510,892	459,798	(51,094)	110 - Executive	4,945,911	5,132,776	186,865
197,832	234,469	36,637	210 - Accounting	2,295,751	2,579,159	283,408
460,864	359,967	(100,897)	220 - Management Information Systems	4,016,430	3,959,636	(56,794)
28,206	54,298	26,092	221 - Business Intelligence	382,646	597,278	214,632
315,687	383,664	67,977	222 - Enterprise Development	3,170,912	4,220,304	1,049,392
576,799	533,193	(43,606)	225 - Infrastructure	5,403,787	5,865,123	461,336
567,845	615,321	47,476	230 - Claims	6,276,472	6,768,531	492,059
163,970	187,947	23,977	240 - Project Management	1,775,876	2,067,417	291,541
168,427	180,989	12,562	310 - Health Services - Utilization Management	1,701,990	1,990,879	288,889
121	14,039	13,918	311 - Health Services - Quality Improvement	1,400	154,429	153,029
88	513	425	312 - Health Services - Education	1,260	5,643	4,383
35,770	50,828	15,058	313- Pharmacy	393,642	559,108	165,466
924	2,308	1,384	314 - Enhanced Care Management	109,549	25,388	(84,161)
59,675	74,558	14,883	316 -Population Health Management	654,829	820,138	165,309
34	333	299	317 - Community Based Services	483	3,663	3,180
-	-	-	318 - Housing & Homeless Incentive Program	6	-	(6)
297,803	359,942	62,139	320 - Provider Network Management	3,407,528	3,959,362	551,834
750,638	871,663	121,025	330 - Member Services	7,669,220	9,588,293	1,919,073
814,807	721,857	(92,950)	340 - Corporate Services	8,604,089	7,940,427	(663,662)
98,518	97,177	(1,341)	360 - Audit & Investigative Services	928,047	1,068,947	140,900
127,122	92,450	(34,672)	410 - Advertising Media	637,122	1,016,950	379,828
31,931	76,696	44,765	420 - Sales/Marketing/Public Relations	753,794	843,656	89,862
268,851	303,042	34,191	510 - Human Resources	3,316,399	3,333,462	17,063
299,689	(92,324)	(392,013)	Administrative Expense Adjustment	2,704,279	(1,015,564)	(3,719,843)
5,776,493	5,582,728	(193,765)	Total Administrative Expenses	59,151,422	61,485,005	2,333,583

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 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
<b>Total Department Expenses</b>	<b>5,116,711</b>	<b>4,547,355</b>	<b>5,227,739</b>	<b>4,724,409</b>	<b>5,208,877</b>	<b>4,853,717</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>(1,904)</b>	<b>(44,283)</b>	<b>31,776</b>	<b>164,256</b>	<b>(2,834)</b>	<b>811,890</b>
<b>Total Administrative Expenses</b>	<b>5,114,807</b>	<b>4,503,072</b>	<b>5,259,515</b>	<b>4,888,665</b>	<b>5,206,043</b>	<b>5,665,607</b>

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED NOVEMBER 30, 2022	JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	NOVEMBER 2022	YEAR TO DATE 2022
110 - Executive	504,491	507,150	480,177	415,725	510,892	4,945,911
210 - Accounting	202,574	217,615	205,332	194,777	197,832	2,295,751
220 - Management Information Systems (MIS)	449,253	372,062	379,477	401,399	460,864	4,016,430
221 - Business Intelligence	42,730	15,934	35,696	42,115	28,206	382,646
222 - Enterprise Development	256,153	306,526	262,856	324,056	315,687	3,170,912
225 - Infrastructure	450,547	601,972	415,178	490,604	576,799	5,403,787
230 - Claims	654,284	578,899	474,159	598,883	567,845	6,276,472
240 - Project Management	152,605	157,820	252,716	169,021	163,970	1,775,876
310 - Health Services - Utilization Management	167,284	163,063	169,157	185,718	168,427	1,701,990
311 - Health Services - Quality Improvement	1,002	823	317	(1,702)	121	1,400
312 - Health Services - Education	895	37	(2,865)	130	88	1,260
313- Pharmacy	33,787	23,774	43,043	35,057	35,770	393,642
314 - Enhanced Care Management	16,919	22,248	18,382	452	924	109,549
316 -Population Health Management	54,747	51,020	55,570	57,087	59,675	654,829
317 - Community Based Services	7	157	25	156	34	483
318 - Housing & Homeless Incentive Program	42	(42)	-	6	-	6
320 - Provider Network Management	307,080	299,800	313,213	324,920	297,803	3,407,528
330 - Member Services	682,669	677,858	715,313	789,492	750,638	7,669,220
340 - Corporate Services	814,888	815,575	836,837	741,929	814,807	8,604,089
360 - Audit & Investigative Services	91,281	88,356	86,380	117,460	98,518	928,047
410 - Advertising Media	169,122	54,424	23,027	43,549	127,122	637,122
420 - Sales/Marketing/Public Relations	58,511	60,358	75,839	137,183	31,931	753,794
510 - Human Resources	340,172	294,858	338,192	284,163	268,851	3,316,399
<b>Total Department Expenses</b>	<b>5,451,043</b>	<b>5,310,287</b>	<b>5,178,021</b>	<b>5,352,180</b>	<b>5,476,804</b>	<b>56,447,143</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>425,467</b>	<b>300,000</b>	<b>420,793</b>	<b>299,429</b>	<b>299,689</b>	<b>2,704,279</b>
<b>Total Administrative Expenses</b>	<b>5,876,510</b>	<b>5,610,287</b>	<b>5,598,814</b>	<b>5,651,609</b>	<b>5,776,493</b>	<b>59,151,422</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF NOVEMBER 30, 2022</b>			
<b>ASSETS</b>	<b>NOVEMBER 2022</b>	<b>OCTOBER 2022</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,145,891	\$ 1,145,891	-
Interest Receivable	2,400	1,200	1,200
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,148,291</b>	<b>\$ 1,147,091</b>	<b>\$ 1,200</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Other Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position- Beg. of Year	1,136,102	1,136,102	-
Increase (Decrease) in Net Position - Current Year	12,189	10,989	1,200
Total Net Position	\$ 1,148,291	\$ 1,147,091	\$ 1,200
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,148,291</b>	<b>\$ 1,147,091</b>	<b>\$ 1,200</b>



CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED NOVEMBER 30, 2022	YEAR-TO-DATE		
<b>ENROLLMENT</b>						
-	-	-	Members	-	-	-
<b>REVENUES</b>						
-	-	-	Premium	-	-	-
1,200	-	1,200	Interest	9,287	-	9,287
-	-	-	Other Investment Income	2,902	-	2,902
1,200	-	1,200	<b>TOTAL REVENUES</b>	12,189	-	12,189
<b>EXPENSES</b>						
-	-	-	Medical Costs	-	-	-
-	-	-	IBNR and Paid Claims Adjustment	-	-	-
-	-	-	<b>Total Medical Costs</b>	-	-	-
1,200	-	1,200	<b>GROSS MARGIN</b>	12,189	-	12,189
<b>Administrative</b>						
-	-	-	Management Fee Expense and Other Admin Exp	-	-	-
-	-	-	<b>Total Administrative Expenses</b>	-	-	-
-	-	-	<b>TOTAL EXPENSES</b>	-	-	-
1,200	-	1,200	<b>OPERATING INCOME (LOSS)</b>	12,189	-	12,189
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-
1,200	-	1,200	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	12,189	-	12,189
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	0%	0%	0%

<b>KERN HEALTH SYSTEMS</b>											
<b>MONTHLY MEMBERS COUNT</b>											
<b>KERN HEALTH SYSTEMS</b>											
<b>MEDI-CAL</b>	<b>2022 MEMBER MONTHS</b>	<b>JAN'22</b>	<b>FEB'22</b>	<b>MAR'22</b>	<b>APR'22</b>	<b>MAY'22</b>	<b>JUN'22</b>	<b>JULY'22</b>	<b>AUG'22</b>	<b>SEPT'22</b>	<b>OCT'22</b>
<b>ADULT AND FAMILY</b>											
ADULT	691,093	60,708	60,882	61,379	61,726	61,739	62,276	63,581	64,006	64,336	65,252
CHILD	1,555,983	139,223	139,605	140,344	141,029	141,356	141,902	142,505	142,059	142,208	142,524
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>2,247,076</b>	<b>199,931</b>	<b>200,487</b>	<b>201,723</b>	<b>202,755</b>	<b>203,095</b>	<b>204,178</b>	<b>206,086</b>	<b>206,065</b>	<b>206,544</b>	<b>207,776</b>
<b>OTHER MEMBERS</b>											
PARTIAL DUALS - FAMILY	9,050	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	68	4	13	6	5	5	5	6	6	6	6
<b>FULL DUALS (SPD)</b>											
SPD FULL DUALS	94,862	8,138	8,257	8,336	8,411	8,662	8,572	8,684	8,794	8,813	9,027
<b>SUBTOTAL OTHER MEMBERS</b>	<b>103,980</b>	<b>8,966</b>	<b>9,071</b>	<b>9,153</b>	<b>9,212</b>	<b>9,482</b>	<b>9,414</b>	<b>9,532</b>	<b>9,614</b>	<b>9,663</b>	<b>9,861</b>
<b>TOTAL FAMILY &amp; OTHER</b>	<b>2,351,056</b>	<b>208,897</b>	<b>209,558</b>	<b>210,876</b>	<b>211,967</b>	<b>212,577</b>	<b>213,592</b>	<b>215,618</b>	<b>215,679</b>	<b>216,207</b>	<b>217,637</b>
<b>SPD</b>											
SPD (AGED AND DISABLED)	184,376	16,556	16,376	16,516	16,363	16,305	16,794	16,817	17,118	17,289	17,179
<b>MEDI-CAL EXPANSION</b>											
ACA Expansion Adult-Citizen	965,493	82,803	83,199	83,828	85,037	85,412	87,526	89,680	90,672	90,902	92,658
ACA Expansion Duals	15,428	1,086	1,148	1,270	1,324	1,369	1,421	1,457	1,492	1,522	1,647
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>980,921</b>	<b>83,889</b>	<b>84,347</b>	<b>85,098</b>	<b>86,361</b>	<b>86,781</b>	<b>88,947</b>	<b>91,137</b>	<b>92,164</b>	<b>92,424</b>	<b>94,305</b>
<b>TOTAL KAISER</b>	<b>150,407</b>	<b>12,787</b>	<b>13,032</b>	<b>13,253</b>	<b>13,407</b>	<b>13,552</b>	<b>13,722</b>	<b>13,842</b>	<b>13,972</b>	<b>14,126</b>	<b>14,281</b>
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>3,666,760</b>	<b>322,129</b>	<b>323,313</b>	<b>325,743</b>	<b>328,098</b>	<b>329,215</b>	<b>333,055</b>	<b>337,414</b>	<b>338,933</b>	<b>340,046</b>	<b>343,402</b>

# KERN HEALTH SYSTEMS

## November AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1071	CLINICA SIERRA VISTA ****	880,584.52	2,760,963.65	AUG. & SEPT. 2022 PROVIDER CARE QUALITY GRANT PROGRAM & SPONSORSHIP	COMMUNITY GRANTS
T1045	KAISER FOUNDATION HEALTH - HMO	557,622.06	5,656,164.23	NOV. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE	484,489.78	3,799,310.60	SEPT. & OCT. 2022 PROFESSIONAL SERVICES/CONSULTING SERVICES	VARIOUS
T4695	EDIFECS, INC ****	208,884.20	227,371.33	ANNUAL LICENSE TSM RENEWAL 2022	MIS INFRASTRUCTURE
T1408	DELL MARKETING L.P.	99,856.78	1,358,744.06	HARDWARE - (47) DELL LATITUDE	MIS INFRASTRUCTURE
T4982	NGC US, LLC	88,090.64	2,841,007.92	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T5337	CAZADOR CONSULTING GROUP INC ****	81,068.42	391,040.45	SEPT. & OCT. 2022 TEMPORARY HELP - (2) IT: (11) MS (1): CS	VARIOUS
T1180	LANGUAGE LINE	79,917.48	723,525.90	OCT. 2022 INTERPRETATION SERVICES	MEMBER SERVICES
T5466	ZIPARI, INC ****	78,762.88	343,008.00	OCT. & NOV. 2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T3449	CDW GOVERNMENT ****	74,517.58	261,948.10	(9) DELL DOCKS, ADOBE LICENSES, FORTINET CO-TERM RENEWAL & KINGSTON 16 GB	MIS INFRASTRUCTURE
T1001	KERN MEDICAL CENTER ****	73,500.00	93,375.00	(21) POP UP COVID 19 CLINICS	PROVIDER NETWORK MANAGEMENT
T4059	KERN VALLEY HEALTHCARE DISTRICT ****	68,719.83	113,434.63	SEPT. & OCT. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	66,300.00	482,242.50	AUG., SEPT. & OCT. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5022	SVAM INTERNATIONAL INC	63,192.50	427,702.50	SEPT. & OCT. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE

# KERN·HEALTH SYSTEMS

## November AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T2458	HEALTHCARE FINANCIAL, INC	62,598.53	299,288.44	SEPT. 2022 PROFESSIONAL SERVICES	ADMINISTRATION
T4733	UNITED STAFFING ASSOCIATES	61,415.38	628,340.92	SEPT. & OCT. 2022 TEMPORARY HELP - (12) MS; (1) HE	VARIOUS
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC. ****	57,155.50	90,318.00	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	53,935.71	113,667.63	OCT. 2022 OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	51,820.13	1,122,033.92	2022 -2023 INSURANCE PREMIUMS - EARTHQUAKE RENEWAL	ADMINISTRATION
T4699	ZEOMEGA	48,000.00	403,202.65	SEPT. & OCT. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	47,265.63	1,321,951.97	OCT. 2022 PROFESSIONAL SERVICES & EDI CLAIM PROCESSING	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	42,337.75	443,657.50	NOV. 2022 EMPLOYEE HEALTH BENEFITS	VARIOUS
T5421	PREMIER ACCESS INSURANCE COMPANY	41,615.74	424,338.35	NOV. 2022 EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4737	TEKSYSTEMS, INC	40,950.00	438,587.35	OCT. & NOV. 2022 PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T2584	UNITED STATES POSTAL SVC. - HASLER ****	40,000.00	320,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	40,000.00	367,303.70	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI

# KERN·HEALTH SYSTEMS

## November AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T5562	JDM SOLUTIONS INC. ****	39,900.00	39,900.00	SEPT. & OCT. 2022 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
T3130	OPTUMINSIGHT, INC ****	39,737.00	581,767.00	EASY GROUP LICENSE RENEWAL	MIS INFRASTRUCTURE
T5435	TEGRIA SERVICES GROUP - US, INC ****	38,750.00	170,750.00	SEPT. & OCT. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5509	NGUYEN CAO LUU-TRONG	38,212.50	145,500.00	OCT. 2022 PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2509	USPS ****	37,374.92	66,842.25	FUND MAILING PERMIT #88	CORPORATE SERVICES
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	36,629.03	227,592.46	SEPT. 2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4792	KP LLC ****	33,156.02	83,712.56	PROVIDER DIRECTORY/PROVIDER DIRECTORY UPDATES/PRENATAL & POSTPARTUM MAILING	PROVIDER NETWORK MANAGEMENT
T2167	PG&E	32,347.39	360,395.50	OCT. 2022 USAGE / UTILITIES	CORPORATE SERVICES
T5321	TYK TECHNOLOGIES LTD ****	32,250.00	32,250.00	TYK LICENSE RENEWAL 2022/2023	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	27,776.05	246,489.11	OCT. & NOV. 2022 MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T4452	WELLS FARGO	26,822.94	261,490.04	NOV. - ACH MISC CREDIT CARD PURCHASES	VARIOUS
T4353	TWE SOLUTIONS, INC. ****	25,602.52	219,139.32	ANNUAL SUPPORT RENEWAL	MIS INFRASTRUCTURE
T4657	DAPONDE SIMPSON ROWE PC	24,836.75	276,781.06	SEPT. 2022 LEGAL FEES	VARIOUS

# KERN · HEALTH SYSTEMS

**November AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4484	JACOBSON SOLUTIONS	24,430.50	92,640.11	OCT. & NOV. 2022 TEMPORARY HELP (3) UM	VARIOUS
T3011	OFFICE ALLY, INC ****	23,825.93	231,036.74	OCT. 2022 EDI CLAIM PROCESSING	CLAIMS
T1005	COLONIAL LIFE & ACCIDENT ****	22,850.40	141,846.21	NOV. 2022 EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	21,600.00	591,682.10	OCT. 2022 CONSULTING SERVICES	VARIOUS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	20,918.16	295,820.96	OCT. 2022 EDI CLAIM PROCESSING	CLAIMS
T1183	MILLIMAN USA	20,770.75	136,171.75	SEPT. 2022 PROFESSIONAL SERVICES	FINANCE
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT ****	20,000.00	40,000.00	1ST INSTALLMENT SCHOOL WELLNESS GRANT	HEALTH EDUCATION
WT/ACH	USPS	20,000.00	110,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
		<b>4,100,391.90</b>			
	TOTAL VENDORS OVER \$20,000	4,100,391.90			
	TOTAL VENDORS UNDER \$20,000	505,041.80			
	TOTAL VENDOR EXPENSES- NOVEMBER	<b>\$ 4,605,433.70</b>			

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

# 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	5,656,164.23	EMPLOYEE HMO HEALTH BENEFITS PREMIUM	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	3,799,310.60	PROFESSIONAL SERVICES / CONSULTING SERVICES	VARIOUS
T4391	OMNI FAMILY HEALTH	3,009,560.61	HEALTH HOMES GRANT	COMMUNITY GRANTS
T4982	NGC US, LLC	2,841,007.92	PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM	VARIOUS
T1071	CLINICA SIERRA VISTA	2,760,963.65	2022 HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM	COMMUNITY GRANTS
T1408	DELL MARKETING L.P.	1,358,744.06	HARDWARE & COMPUTER EQUIPMENT & LICENSE FEES	MIS INFRASTRUCTURE
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	1,321,951.97	PROFESSIONAL SERVICES & ANNUAL LICENSING	VARIOUS
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.	1,122,033.92	2022 -2023 INSURANCE PREMIUMS	ADMINISTRATION
T5111	ENTISYS 360	850,833.77	ACROPOLIS ANNUAL LICENSE 2022	MIS INFRASTRUCTURE
T1180	LANGUAGE LINE SERVICES INC.	723,525.90	INTERPRETATION SERVICES	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
T4483	INFUSION AND CLINICAL SERVICES, INC	660,808.66	HEALTH HOMES GRANT	COMMUNITY GRANT
T4733	UNITED STAFFING ASSOCIATES	628,340.92	TEMPORARY HELP	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	591,682.10	CONSULTING SERVICES/UPDATE TO STANDARD BUSINESS REPORTING-CALAIM EXPANSION	VARIOUS
T3130	OPTUMINSIGHT, INC	581,767.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T1845	DEPARTMENT OF MANAGED HEALTH CARE	482,779.20	2022-2023 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	482,242.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	443,657.50	VOLUNTARY LIFE, AD&D INSURANCE PREMIUM	VARIOUS
T4737	TEKSYSTEMS, INC.	438,587.35	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5022	SVAM INTERNATIONAL INC	427,702.50	PROFESSIONAL SERVICES	IT BUSINESS INTELLIGENCE
T5421	PREMIER ACCESS INSURANCE COMPANY	424,338.35	EMPLOYEE DENTAL BENEFITS PREMIUM	VARIOUS
T4699	ZEOMEGA, INC.	403,202.65	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T5337	CAZADOR CONSULTING GROUP INC	391,040.45	TEMPORARY HELP	VARIOUS



# KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4165	SHI INTERNATIONAL CO.	370,563.89	NETWORK SWITCHES WITH SUPPORT	MIS INFRASTRUCTURE
T5452	BLACKHAWK ENGAGEMENT SOLUTIONS, INC	367,303.70	PREFUND HEALTH EDUCATION MEMBER INCENTIVES	UTILIZATION MANAGEMENT-QI
T2167	PG&E	360,395.50	USAGE / UTILITIES	CORPORATE SERVICES
T5466	ZIPARI, INC	343,008.00	2022 JIVA MEMBER PORTAL	MIS INFRASTRUCTURE
T2584	UNITED STATES POSTAL SVC. - HASLER	320,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T2458	HEALTHCARE FINANCIAL, INC	299,288.44	PROFESSIONAL SERVICES	ADMINISTRATION
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	295,820.96	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4193	STRIA LLC	285,379.86	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T4657	DAPONDE SIMPSON ROWE PC	276,781.06	LEGAL FEES	VARIOUS
T3449	CDW GOVERNMENT	261,948.10	HEADSETS, CABLES & ADOBE LICENSES	MIS INFRASTRUCTURE
T4452	WELLS FARGO	261,490.04	ACH- MISC CREDIT CARD PURCHASES	VARIOUS

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1861	CERIDIAN HCM, INC.	246,489.11	MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT	HUMAN RESOURCES
T5005	CRAYON SOFTWARE EXPERTS LLC	233,512.45	ANNUAL SOFTWARE LICENSE AND ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T3011	OFFICE ALLY, INC	231,036.74	EDI CLAIM PROCESSING	CLAIMS
T5155	A-C ELECTRIC COMPANY	229,186.50	CARPPOOL SOLAR PROJECT DEPOSIT	CAPITAL
T2726	DST PHARMACY SOLUTIONS, INC.	227,677.01	PHARMACY CLAIMS	PHARMACY
T5447	PROSPHIRE, LLC	227,620.00	CONSULTING - CLINICAL ADMINISTRATOR STAFF AUGMENTATION	UTILIZATION MANAGEMENT
T5479	TRANSFORMING LOCAL COMMUNITIES, INC	227,592.46	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T4695	EDIFECS, INC. ****	227,371.33	ANNUAL LICENSE TSM RENEWAL 2022	MIS INFRASTRUCTURE
T5319	CITIUSTECH INC.	219,162.00	FAST+ ANNUAL MAINTENANCE & SUPPORT	MIS INFRASTRUCTURE
T4353	TWE SOLUTIONS, INC	219,139.32	INTERNAL AUDIT SOFTWARE	MIS INFRASTRUCTURE
T4460	PAYSPAN, INC	213,825.67	ELECTRONIC CLAIMS/PAYMENTS	FINANCE
T5145	CCS ENGINEERING FRESNO INC.	201,296.41	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
T5435	TEGRIA SERVICES GROUP - US, INC.	170,750.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T2469	DST HEALTH SOLUTIONS, LLC.	156,427.30	ANNUAL ACG LICENSE & SUPPORT	BUSINESS INTELLEGENGE
T5333	CENTRAL CALIFORNIA ASTHMA COLLABORATIVE	154,812.20	PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5322	MANINDER KHALSA	154,030.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4707	SHAFTER PEDIATRICS	150,000.00	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5509	NGUYEN CAO LUU-TRONG	145,500.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T1005	COLONIAL LIFE & ACCIDENT	141,846.21	LIFE INSURANCE PREMIUM	VARIOUS
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	138,936.44	2022 ANNUAL DUE ASSESSMENT	VARIOUS
T1183	MILLIMAN USA	136,171.75	CY2020/2021 TNE & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4582	HEALTHX, INC.	124,728.00	MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T5275	CREATIVE FINANCIAL STAFFING, LLC.	123,966.32	RECRUITMENT FEES	HUMAN RESOURCES
T1128	HALL LETTER SHOP	120,372.91	MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS	VARIOUS

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5292	ALL'S WELL HEALTH CARE SERVICES	113,965.22	TEMPORARY HELP	VARIOUS
T5546	BITWISE TECHNOLOGY CONSULTING, LLC	113,667.63	OCR SERVICES AND PROFESSIONAL SERVICES	VARIOUS
T4059	KERN VALLEY HEALTHCARE DISTRICT	113,434.63	2022 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2918	STINSONS	109,370.98	2022 OFFICE SUPPLIES	VARIOUS
T5360	SYNERGY PHARMACY SOLUTIONS INC.	108,900.00	2021 KOMOTO ASTHMA PROGRAM	POPULATION HEALTH MANAGEMENT
T5300	CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC	105,960.00	COVID-19 TESTING	HUMAN RESOURCES
T2961	SOLUTION BENCH, LLC	104,061.95	2022/2023 ANNUAL M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4038	POLYCLINIC MEDICAL CENTER, INC	102,089.73	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
WT/ACH	USPS	110,000.00	FUND KHS POSTAL ONE/EPS ACCOUNT	CORPORATE SERVICES
T3001	MERCER	99,500.00	PROFESSIONAL SERVICES	HUMAN RESOURCES
T4688	VANGUARD MEDICAL CORPORATION	95,000.00	2021-2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T1001	KERN MEDICAL CENTER ****	93,375.00	(21) POP UP COVID 19 CLINICS	PROVIDER NETWORK MANAGEMENT

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2933	SIERRA PRINTERS, INC	93,164.65	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4484	JACOBSON SOLUTIONS	92,640.11	TEMPORARY HELP	UTILIZATION MANAGEMENT-UM
T5486	ALLIED GENERAL CONTRACTORS, INC	92,425.76	BUILDING IMPROVEMENTS	CORPORATE SERVICES
T4503	VISION SERVICE PLAN	90,487.76	EMPLOYEE HEALTH BENEFITS	VARIOUS
T5317	PRESIDIO NETWORKED SOLUTIONS GROUP LLC.	90,318.00	NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT	MIS INFRASTRUCTURE
T1022	UNUM LIFE INSURANCE CO.	88,925.06	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4686	CENTRIC HEALTH	86,939.92	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5121	TPX COMMUNICATIONS	86,417.74	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	85,646.25	CONSULTING SERVICES	ADMINISTRATION
T4792	KP LLC	83,712.56	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PHARMACY/PROVIDER RELATIONS
T5529	FINDHELP	83,000.00	COMMUNITY SUPPORT REFERRAL SYSTEM IMPLEMENTATION	CAPITAL PROJECT
T1272	COFFEY COMMUNICATIONS INC.	82,955.73	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/MEDIA & ADVERTISING

# 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
T4501	ALLIED UNIVERSAL SECURITY SERVICES	76,314.18	ONSITE SECURITY	CORPORATE SERVICES
T2413	TREK IMAGING INC	75,884.44	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
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
T5329	RELAY NETWORK, LLC	73,333.37	TEXT MESSAGING SUBSCRIPTION	CAPITAL PROJECT
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	70,414.30	EDI CLAIM PROCESSING	CLAIMS
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
T5185	HOUSING AUTHORITY COUNTY OF KERN	67,600.00	2021 HOUSING AUTHORITY GRANT	POPULATION HEALTH MANAGEMENT
T2509	USPS	66,842.25	FUND MAILING PERMIT #88	CORPORATE SERVICES
T5109	RAND EMPLOYMENT SOLUTIONS	61,061.46	TEMPORARY HELP	VARIOUS

# KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5377	TELEHEALTHDOCS MEDICAL GROUP	59,047.43	PROVIDER GRANT PROGRAM 2021-2022	COMMUNITY GRANT
T5376	KCHCC	58,200.00	COVID-19 VACCINE CAMPAIGN GRANT	HEALTH EDUCATION
T3986	JACQUELYN S. JANS	57,742.25	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T5313	HEALTH LITERACY INNOVATIONS, LLC	57,630.00	LITERACY ADVISOR ANNUAL SOFTWARE LICENSE	MIS INFRASTRUCTURE
T2969	AMERICAN BUSINESS MACHINES INC	57,327.17	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T5132	TIME WARNER CABLE LLC	55,025.27	INTERNET SERVICES	MIS INFRASTRUCTURE
T1195	KOMOTO PHARMACY, INC	54,500.00	COVID-19 POP UP CLINIC	PROVIDER NETWORK MANAGEMENT
T5387	NAVIA BENEFITS SOLUTIONS, INC.	52,724.21	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T5420	PAYPRO ADMINISTRATORS	52,016.12	FSA EMPLOYEE BENEFIT	VARIOUS
T5396	NYMI INC	51,520.00	WEARABLES/ SOFTWARE/MAINTENANCE FOR TRACING DEVICES	CORPORATE SERVICES
T4182	THE LAMAR COMPANIES	50,807.00	OUTDOOR ADVERTISEMENT - BILLBOARDS	ADVERTISING
T4934	APPLE INC.	50,202.17	EQUIPMENT - CELL PHONES	VARIOUS

# KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
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
T5487	MR2 SOLUTIONS, INC	49,400.00	2022/2023 VIRTUAL CHIEF INFORMATION SECURITY OFFICER	MIS INFRASTRUCTURE
T2441	LAURA J. BREZINSKI	48,400.00	MARKETING MATERIALS	MARKETING
T5215	RICHARD GARCIA	46,837.50	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T4563	SPH ANALYTICS	46,784.40	2021/2022 PROVIDER SATISFACTION SURVEYS	MEMBER SERVICES
T5018	FIRESTONE GRILL - BAKERSFIELD	46,599.64	EMPLOYEE SERVICE AWARDS 2022	MARKETING
T2446	AT&T MOBILITY	46,350.67	CELLULAR PHONE/INTERNET USAGE	MIS INFRASTRUCTURE
T4607	AGILITY RECOVERY SOLUTIONS INC.	45,633.35	PROFESSIONAL SERVICES	ADMINISTRATION
T4785	COMMGAP	44,465.00	INTERPRETATION SERVICES	HEALTH EDUCATION
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
T2941	KERN PRINT SERVICES INC.	42,234.09	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5408	MARY HARRIS	42,000.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT-UM
T5455	HC2 STRATEGIES, INC	41,345.00	CALAIM ROUNDTABLE SUPPORT	COMMUNITY SUPPORT SERVICES
T5535	PANAMA-BUENA VISTA UNION SCHOOL DISTRICT	40,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T5389	ADAKC	38,953.97	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5562	JDM SOLUTIONS INC. ****	39,900.00	2022 PROFESSIONAL SERVICES	MIS INFRASTRUCTURE
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
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

# KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4605	KERNVILLE UNION SCHOOL DISTRICT	36,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	35,953.34	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4502	MORGAN CONSULTING RESOURCES, INC.	35,840.00	RECRUITMENT FEES - DIRECTOR OF POPULATION HEALTH MANAGEMENT	HUMAN RESOURCES
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO. INC.	33,892.86	2022 BUILDING MAINTENANCE	CORPORATE SERVICE
T5520	BG HEALTHCARE CONSULTING, INC	33,825.00	PROFESSIONAL SERVICES	POPULATION HEALTH MANAGEMENT
T3092	LINKS FOR LIFE, INC.	33,100.00	COMMUNITY RESOURCES GRANT PROGRAM	COMMUNITY GRANT
T5401	KERN MEDICAL SUPPLY, LLC	32,303.30	2021/2022 PROVIDER GRANT PROGRAM	COMMUNITY GRANTS
T5321	TYK TECHNOLOGIES LTD ****	32,250.00	TYK LICENSE RENEWAL 22/23	MIS INFRASTRUCTURE
T4514	A.J. KLEIN, INC. T.DENATALE, B. GOLDNER	32,129.32	LEGAL FEES	ADMINISTRATION
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
T5325	WADE A MCNAIR	30,000.00	LEADERSHIP ACADEMY TRAINING	HUMAN RESOURCES

# KERN·HEALTH SYSTEMS

Year to Date AP Vendor Report

Amounts over \$20,000.00

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1097	NCQA	29,247.00	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	HEALTH SERVICES - QI
T4944	CENTRAL VALLEY FARMWORKER FOUNDATION	28,600.50	COVID EDUCATION OUTREACH SPECIALIST	PROVIDER NETWORK MANAGEMENT
T4496	VOX NETWORK SOLUTIONS, INC	28,310.97	TELSTRAT LICENSES & ANNUAL HOSTING	MIS INFRASTRUCTURE
T4331	COTIVITI, INC ****	28,075.47	CALIFORNIA MEDI-CAL MEDICAID MEASURES-HEALTH RISK ASSESSMENT	QUALITY IMPROVEMENT
T4417	KAISER FOUNDATION HEALTH PLAN - OR	28,045.13	2021-2022 EMPLOYEE HEALTH BENEFITS PREMIUM	VARIOUS
T5503	SECURE-CENTRIC INC ****	27,699.60	POLARIS LICENSE, SUPPORT & CLOUD VAULT BACKUP SUPPORT	CAPITAL PROJECT
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
T1694	KERN COUNTY FAIR ****	27,104.00	2022 KHS COMPANY EVENT	MARKETING
T5201	JAC SERVICES, INC	26,593.50	AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T4424	GUROCK SOFTWARE GmbH	26,565.00	TESTRAIL RENEWAL	MIS INFRASTRUCTURE
T4993	LEGALSHIELD	26,554.10	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
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
T4466	SMOOTH MOVE USA	25,346.45	OFF SITE STORAGE	CORPORATE SERVICES
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC	25,000.00	2021-2023 LEADERSHIP LICENSE	HUMAN RESOURCES
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	24,739.50	EMPLOYEE PREMIUM	ADMINISTRATION
T4228	THE SSI GROUP, LLC	24,194.20	EDI CLAIM PROCESSING	CLAIMS
T4731	LOGMEIN USA, INC.	23,137.81	INTERNET SERVICES	MIS INFRASTRUCTURE
T5568	MICHELLE OXFORD ****	23,100.00	CONSULTING SERVICES	EXECUTIVE
T1347	ADVANCED DATA STORAGE	22,872.28	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T4920	OTIS ELEVATOR COMPANY ****	22,509.30	ELEVATOR INSPECTION AND MAINTENANCE	CORPORATE SERVICES
T5480	PRESS GANEY ASSOCIATES LLC	22,500.00	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T5366	CONCUR TECHNOLOGIES, INC	22,131.30	2021 - 2022 SAP PROFESSIONAL SERVICES	FINANCE
T4611	LAMONT SCHOOL DISTRICT	22,000.00	2022-2024 SCHOOL WELLNESS GRANT	HEALTH EDUCATION

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4216	NEXSTAR BROADCASTING INC	20,650.00	ADVERTISEMENT - MEDIA	MARKETING
T5161	INTEGRATED HEALTHCARE ASSOCIATION	20,142.92	CONSULTING SERVICES	PROVIDER NETWORK MANAGEMENT
		<b><u>44,373,246.53</u></b>		
	TOTAL VENDORS OVER \$20,000	44,373,246.53		
	TOTAL VENDORS UNDER \$20,000	1,676,922.52		
	TOTAL VENDOR EXPENSES-YTD	<b><u>46,050,169.05</u></b>		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
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	12/31/2023
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
<b>February</b>							
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
<b>March</b>							
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	Additional 201 bulk of hours for project driven work and 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
<b>April</b>							
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
<b>May</b>							
Dell	\$98,096.46	Yes	IT	Richard Pruitt	Dell 5520 Latitude, Qnty 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
<b>June</b>							

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
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/HCPCS 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
<b>July</b>							
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
<b>August</b>							
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
<b>September</b>							
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
<b>October</b>							
HMA	\$99,150.00	Yes	COMP	Jane MacAdam	One (1) Senior Consultant to assist withing KHS Complinace 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
Dell	\$99,856.63	Yes	IT	Richard Pruitt	Additional (47) Dell Latitude 5530 Laptops	10/27/2022	10/26/2026
Optum	\$61,177.00	Yes	IT	Richard Pruitt	Payment system	10/1/2022	4/30/2024

KHS Finance Committee Meeting, February 10, 2023

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
Secure-Centric	\$191,889.68	Yes	IT	Richard Pruitt	Rubrik brick	10/20/2022	10/19/2023
Coffey Communications	\$111,674.00	Yes	HE	Isabel Silva	Printing services Addendum	10/26/2022	2/14/2023
<b>November</b>							
FluidEdge	\$62,400.00	Yes	PM	LaVonne Banks	NCQA Program Manager	11/1/2022	12/31/2023



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	\$7,920			\$94,040	\$276,040	
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	\$7,120	\$0		\$304,938	\$167,862	
4	Data Linage System	CAP	\$184,800	\$17,472	\$0	\$19,320	\$0	\$0	\$37,789	\$0	\$0	\$0	\$0	\$15,840		\$90,421	\$94,379	
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	\$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	\$518,851	\$515,914		\$4,368,976	\$3,024,339	
Totals:		Totals	\$9,167,595	\$464,618	\$434,278	\$472,992	\$439,026	\$431,663	\$453,828	\$398,931	\$431,523	\$461,010	\$533,891	\$531,754	\$0	\$5,053,514	\$4,114,081	

Updated 1/19/23

