



**KERN HEALTH  
SYSTEMS**

**FINANCE COMMITTEE  
MEETING**

**Friday, December 4, 2020**

**at**

**8:00 a.m.**

**Kern Health Systems  
2900 Buck Owens Blvd.  
4<sup>th</sup> Floor – Kern River Room  
Bakersfield, CA 93308**

**For more information, call (661) 664-5000**



**AGENDA**  
**FINANCE COMMITTEE MEETING**

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

Friday, December 4, 2020

8:00 A.M.

All agenda item supporting documentation is available for public review at Kern Health Systems in the Administration Department, 2900 Buck Owens Boulevard, Bakersfield, CA 93308 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

**PLEASE REMEMBER TO TURN OFF ALL CELL PHONES OR ELECTRONIC DEVICES  
DURING MEETINGS.**

COMMITTEE TO RECONVENE

Members: Deats, Martinez, McGlew, Melendez, Rhoades

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
- CA-3) Minutes for KHS Finance Committee meeting on October 9, 2020 -  
APPROVE
- 4) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2020 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 5) Proposed policy with IOA RE for reinsurance to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2021 through December 31, 2021 in an amount not to exceed \$0.29 per member per month (Fiscal Impact: \$961,855 estimated; Budgeted) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 6) Proposed Agreement with Edifecs, Inc., for the support and maintenance of the Enterprise Management Software Tool, from December 20, 2020 through December 19, 2025 (Fiscal Impact: \$1,045,332; Budgeted) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 7) Proposed Kern Health Systems 2021 Operating and Capital Budgets (Fiscal Impact: None) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS
- 8) Proposed Budget Request for 2021 Project Consulting Professional Services, from January 1, 2021 through December 31, 2021 (Fiscal Impact: \$3,561,948; Budgeted) –  
APPROVE; REFER TO KHS BOARD OF DIRECTORS

**Agenda**  
Finance Committee Meeting  
Kern Health Systems

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Page 3  
12/4/2020

- 9) Report on Kern Health Systems financial statements for September 2020 and October 2020 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
- 10) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for September 2020 and October 2020 and IT Technology Consulting Resources for the period ended September 30, 2020 (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO FRIDAY, FEBRUARY 5, 2021 AT 8:00 A.M.

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

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



## SUMMARY

### FINANCE COMMITTEE MEETING

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

Friday, October 9, 2020

8:00 A.M.

#### COMMITTEE RECONVENED

Members present: Deats, Melendez, Rhoades

Members absent: McGlew

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

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

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

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

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COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))  
**NO ONE HEARD**
- CA-3) Minutes for KHS Finance Committee meeting on August 7, 2020 -  
APPROVED  
**Melendez-Rhoades: 3 Ayes; 1 Absent – McGlew**
- 4) Proposed Agreement with DST Health Solutions, LLC., for the licensing of the Predictive Modeling Tool, from November 1, 2020 through October 31, 2023 (Fiscal Impact: \$476,607; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 3 Ayes; 1 Absent – McGlew**
- 5) Proposed Agreement with L5 Healthcare Solutions, Inc., for the licensing of the Claims Audit Tool, from December 1, 2020 through December 1, 2023 (Fiscal Impact: \$159,260; Budgeted) –  
APPROVED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 3 Ayes; 1 Absent – McGlew**
- 6) Report on Kern Health Systems financial statements for July 2020 and August 2020 (Fiscal Impact: None) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 3 Ayes; 1 Absent – McGlew**
- 7) Report on Accounts Payable Vendor Report, Administrative Contracts between \$30,000 and \$100,000 for July 2020 and August 2020 and IT Technology Consulting Resources for the period ended August 31, 2020 (Fiscal Impact: None) –  
RECEIVED AND FILED; REFERRED TO KHS BOARD OF DIRECTORS  
**Rhoades-Melendez: 3 Ayes; 1 Absent – McGlew**

ADJOURN TO FRIDAY, DECEMBER 4, 2020 AT 8:00 A.M.  
**Melendez**





**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: December 4, 2020**

**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  
September 30, 2020**

**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) \$ 2,000,000	0.79%	100%		1 Day	None
JP Morgan Money Market	(A)	(1) \$ -	0.00%	40%		1 Day	None
Local Agency Investment Fund (LAIF)	(B)	(2) \$ 70,600,000	27.74%	50%	0.80%	2 Days	None
US T-Bills at Wells Fargo		(1) \$ 128,000,000	50.29%	100%	0.06%	1 Day	Subject to Interest Rate Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	(1) \$ 2,600,000	1.02%		0.55%	3 Days	Subject to Interest Rate Fluctuations
Sub-Total		\$ 203,200,000	79.84%		0.33%		

**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)	\$ 51,300,000	20.16%		0.54%	3 Days	Subject to Interest Rate and Credit Fluctuations
KHS Managed Portfolio at Wells Fargo	(C)	\$ -	0.00%		0.00%	3 Days	Subject to Interest Rate and Credit Fluctuations
Sub-Total		\$ 51,300,000	20.16%		0.54%		
<b>Total Portfolio</b>		<b>\$ 254,500,000</b>	<b>100.00%</b>		<b>0.37%</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	0.13%	0.20%	0.25%	0.10%
2 year	0.15%	0.30%	0.35%	0.20%
3 year	0.20%	0.40%	0.60%	0.30%
5 year	0.34%	0.65%	0.75%	0.45%

- (A) \$29.0 Billion money market fund managed by JP Morgan comprised of US Treasury and Repurchase Agreement Obligations.
- (B) LAIF is part of a \$109 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 2020 capital projects.



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

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

# UBS Client Review

as of September 30, 2020

## Prepared for

Kern Health Systems

## Accounts included in this review

Account	Name	Type
[REDACTED]	• BOND PORTFOLIO	• Portfolio Management Program
Risk profile:	Conservative	
Return Objective:	Current Income	

## What's inside

Portfolio review.....	2
Asset allocation by account.....	5
Asset allocation review.....	6
Bond summary.....	7
Bond holdings.....	8
Additional information about your portfolio.....	13
Important information about this report.....	14



# Portfolio review

as of September 30, 2020

## Asset allocation review

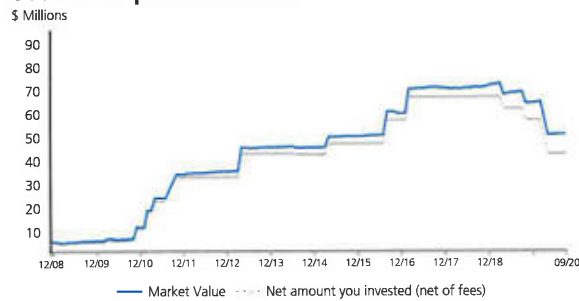
	Value on 09/30/2020 (\$)	% of Portfolio
<b>A Cash</b>	<b>112,407.31</b>	<b>0.22</b>
Cash	112,407.31	0.22
<b>B Fixed Income</b>	<b>51,151,068.59</b>	<b>99.78</b>
US	51,151,068.59	99.78
<b>C Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>E Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>F Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$51,263,475.90</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 12/31/2019 to 03/31/2020	For the period of 03/31/2020 to 06/30/2020	For the period of 06/30/2020 to 09/30/2020	YTD 12/31/2019 to 09/30/2020
<b>Opening value</b>	<b>64,774,148.39</b>	<b>58,129,797.38</b>	<b>51,191,820.22</b>	<b>64,774,148.39</b>
Net deposits/withdrawals	-7,028,930.59	-7,427,147.10	-21,163.90	-14,477,241.59
Div./interest income	344,471.43	276,248.55	162,495.87	783,215.85
Change in accr. interest	-54,177.38	-51,281.07	45,507.55	-59,950.91
Change in value	94,285.33	264,202.47	-115,183.84	243,304.16
<b>Closing value</b>	<b>58,129,797.38</b>	<b>51,191,820.22</b>	<b>51,263,475.90</b>	<b>51,263,475.90</b>
Net Time-weighted ROR	0.64	0.90	0.14	1.68

Net deposits and withdrawals include program and account fees.

## Summary of gains and losses

	Short term (\$)	Long term (\$)	Total (\$)
<b>2019 Realized gains and losses</b>	<b>6,267.00</b>	<b>32,265.75</b>	<b>38,532.75</b>
Taxable	6,267.00	32,265.75	38,532.75
Tax-deferred	0.00	0.00	0.00
<b>2020 Year to date</b>	<b>23,142.27</b>	<b>190,560.90</b>	<b>213,703.17</b>
Taxable	23,142.27	190,560.90	213,703.17
Tax-deferred	0.00	0.00	0.00

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

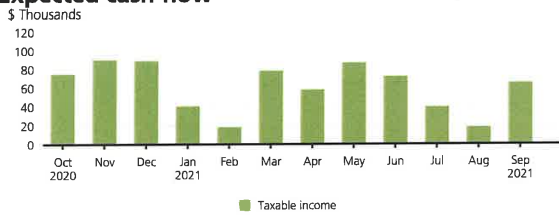
Report created on: November 16, 2020

Page 2 of 17



Portfolio review - as of September 30, 2020 (continued)

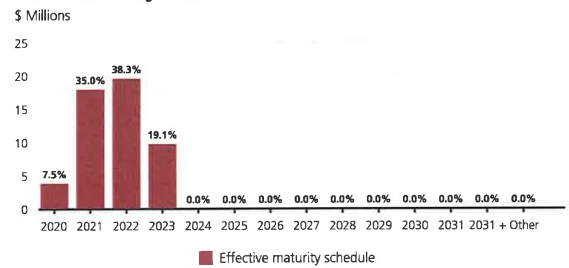
**Expected cash flow**



Total taxable income: \$745,915.37  
 Total expected cash flow: \$745,915.37  
 Cash flows displayed account for known events such as maturities and mandatory puts.

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

**Bond maturity schedule**



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

**Equity sector analysis**

Compared to S&P 500 index

	Value on 09/30/2020 (\$)	Actual (%)	Model (%)	Gap (%)
Communication Services	0.00	0.00	11.25	-11.25
Consumer Discretionary	0.00	0.00	11.80	-11.80
Consumer Staples	0.00	0.00	7.71	-7.71
Energy	0.00	0.00	2.13	-2.13
Financials	0.00	0.00	9.84	-9.84
Health Care	0.00	0.00	13.60	-13.60
Industrials	0.00	0.00	7.86	-7.86
Information Technology	0.00	0.00	26.98	-26.98
Materials	0.00	0.00	2.65	-2.65
Real Estate	0.00	0.00	2.60	-2.60
Utilities	0.00	0.00	2.98	-2.98
<b>Total classified equity</b>	<b>\$0.00</b>			
Unclassified Securities	0.00			

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

Report created on: November 16, 2020

Page 3 of 17



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

Portfolio review - as of September 30, 2020 (continued)

**Summary of performance by account**

	Performance start date	Value on 09/30/2020 (\$)	% of portfolio		Performance returns (annualized > 1 year)			
					For the period of 12/31/2019 to 03/31/2020	For the period of 03/31/2020 to 06/30/2020	For the period of 06/30/2020 to 09/30/2020	YTD 12/31/2019 to 09/30/2020
EX XX120 BOND PORTFOLIO•PMP•The Cohen Group Fixed Income - PIV Risk profile: Conservative Return objective: Current Income	Dec 08, 2008	51,263,475.90	100.00%	Net time-weighted	0.64%	0.90%	0.14%	1.68%
<b>Total Portfolio</b>	<b>Dec 08, 2008</b>	<b>\$51,263,475.90</b>	<b>100%</b>	<b>Net time-weighted</b>	<b>0.64%</b>	<b>0.90%</b>	<b>0.14%</b>	<b>1.68%</b>
<b>Benchmarks - Annualized time-weighted returns</b>					For the period of 12/31/2019 to 03/31/2020	For the period of 03/31/2020 to 06/30/2020	For the period of 06/30/2020 to 09/30/2020	YTD 12/31/2019 to 09/30/2020
Blended Index					0.24%	2.47%	0.40%	3.12%
Blended Index 2					0.54%	1.32%	0.22%	2.09%
US Treasury Bill - 3 Mos					0.47%	0.02%	0.03%	0.52%
BofA US Corp 1-3Y A-AAA					-0.29%	3.33%	0.46%	3.51%
BofA 1Y Trs Note					1.72%	-0.03%	0.08%	1.77%

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

Report created on: November 16, 2020

Page 4 of 17



## Asset allocation by account

as of September 30, 2020

**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>Total Portfolio</b>	<b>112,407.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51,151,068.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$51,263,475.90</b>
	0.22	0.00	0.00	0.00	99.78	0.00	0.00	0.00	0.00	0.00	100%
	112,407.31	0.00	0.00	0.00	51,151,068.59	0.00	0.00	0.00	0.00	0.00	\$51,263,475.90
	0.22	0.00	0.00	0.00	99.78	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>Total Portfolio</b>	<b>112,407.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51,151,068.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$51,263,475.90</b>
	0.22	0.00	0.00	0.00	99.78	0.00	0.00	0.00	0.00	0.00	100%

Balanced mutual funds are allocated in the 'Other' category



## Asset allocation review

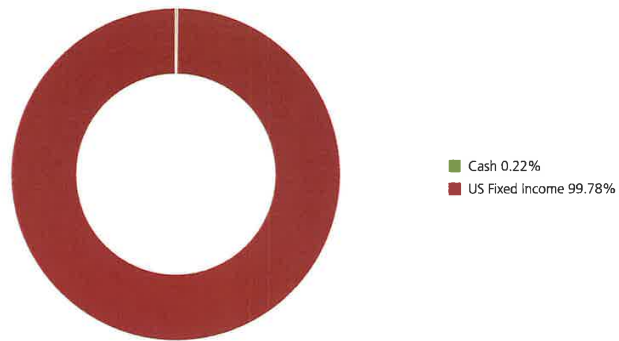
as of September 30, 2020

### Summary of asset allocation

	Market value (\$)	% of Portfolio
<b>Cash</b>	<b>112,407.31</b>	<b>0.22</b>
Cash	112,407.31	0.22
US	112,407.31	0.22
<b>Fixed Income</b>	<b>51,151,068.59</b>	<b>99.78</b>
US	51,151,068.59	99.78
US Fixed Income	201,063.70	0.40
Government	17,943,424.06	35.00
Municipals	2,518,134.38	4.91
Corporate IG Credit	30,488,446.45	59.47
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>0.00</b>	<b>0.00</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$51,263,475.90</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







## Bond summary

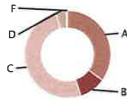
as of September 30, 2020

### Bond overview

Total quantity	50,397,000
Total market value	\$50,926,664.98
Total accrued interest	\$224,403.61
Total market value plus accrued interest	\$51,151,068.59
Total estimated annual bond interest	\$798,221.25
Average coupon	1.59%
Average current yield	1.57%
Average yield to maturity	0.54%
Average yield to worst	-0.47%
Average modified duration	0.91
Average effective maturity	1.51

### Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/30/2020 (\$)	% of port.
<b>A</b> Aaa/AAA/AAA	10	17,943,424.06	35.16
<b>B</b> Aa/AA/AA	4	5,046,014.93	9.86
<b>C</b> A/A/A	18	25,945,595.91	50.66
<b>D</b> Baa/BBB/BBB	1	2,014,970.00	3.93
<b>E</b> Non-investment grade	0	0.00	0.00
<b>F</b> Certificate of deposit	1	201,063.70	0.39
<b>G</b> Not rated	0	0.00	0.00
<b>Total</b>	<b>34</b>	<b>\$51,151,068.59</b>	<b>100%</b>

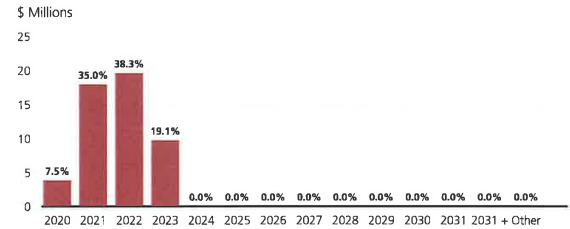


**EX XX120 • BOND PORTFOLIO • Portfolio Management Program**  
 Prepared for: **Kern Health Systems**  
 Risk profile: Conservative  
 Return Objective: Current Income

### Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	201,063.70	0.00	201,063.70	0.39
Municipals	2,518,134.38	0.00	2,518,134.38	4.92
U.S. corporates	30,488,446.47	0.00	30,488,446.47	59.60
U.S. federal agencies	17,943,424.06	0.00	17,943,424.06	35.08
<b>Total</b>	<b>\$51,151,068.61</b>	<b>\$0.00</b>	<b>\$51,151,068.61</b>	<b>100%</b>

### Bond maturity schedule



■ Effective maturity schedule

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

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

Report created on: November 16, 2020

Page 7 of 17



# Bond holdings

as of September 30, 2020

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

## Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2020	3	3,820,000	73,840.00	1.93%	1.11 %	-10.51 %	0.05	3,766,751	57,842.60	3,851,218.04	7.51%
2021	13	17,588,000	424,658.75	2.38%	0.45 %	0.29 %	0.71	17,621,051.95	223,790.07	17,956,324.24	35.04%
2022	12	19,289,000	248,522.50	1.27%	0.56 %	0.37 %	1.08	19,386,050.1	144,776.26	19,600,299.28	38.35%
2023	6	9,700,000	51,200.00	0.53%	0.42 %	0.40 %	1.27	9,725,923.78	479.22	9,743,227.03	19.1%
2024	0	0			NA	NA	NA				
2025	0	0			NA	NA	NA				
2026	0	0			NA	NA	NA				
2027	0	0			NA	NA	NA				
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2049 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
<b>Total</b>	<b>34</b>	<b>50,397,000</b>	<b>\$798,221.25</b>	<b>1.57%</b>	<b>0.54 %</b>	<b>-0.47 %</b>	<b>0.91</b>	<b>\$50,499,776.83</b>	<b>\$426,888.15</b>	<b>\$51,151,068.59</b>	

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

Report created on: November 16, 2020

Page 8 of 17



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

Bond holdings - as of September 30, 2020 (continued)

**Details of bond holdings**

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
<b>Total Bond Portfolio</b>		<b>50,397,000</b>	<b>1.59%</b>	<b>04/06/2022</b>	<b>NA</b>	<b>\$798,221.25</b> <b>1.57%</b>	<b>-0.54%</b> <b>-0.47%</b>	<b>0.91</b>	<b>\$50,499,776.8</b> <b>\$426,888.15</b>	<b>NA</b>	<b>\$50,926,664.98</b> <b>\$224,403.61</b> <b>\$51,151,068.59</b>	<b>100%</b>
<b>Maturing 2020</b>												
BOEING CO B/E 01.650% 103020 DTD102915 FC043016 CALL@MW+10BP	Baa2/BBB/BBB- NR/NR/NR	2,000,000	1.65%	10/30/2020	09/30/2020 100.00	33,000.00 1.65%	0.92% -20.52%	0.00	1,969,800.00 31,420.00	100.061	2,001,220.00 13,750.00	3.93%
PNC BK NTS B/E 02.450% 110520 DTD110315 FC050516	A2/A+/A NR/NR/NR	320,000	2.45%	11/05/2020	10/05/2020 100.00	7,840.00 2.45%	2.19% 0.79%	0.01	316,736.00 3,337.60	100.023	320,073.60 3,157.78	0.63%
VISA INC NTS B/E 2.200% 121420 DTD121415 FC061416 CALL@MW+10BP	Aa3/NR/A- NR/NR/NR	1,500,000	2.20%	12/14/2020	11/14/2020 100.00	33,000.00 2.20%	1.12% 0.40%	0.12	1,480,215.00 23,085.00	100.220	1,503,300.00 9,716.67	2.95%
<b>Total 2020</b>		<b>3,820,000</b>	<b>1.93%</b>	<b>11/17/2020</b>		<b>\$73,840.00</b> <b>1.93%</b>	<b>1.11%</b> <b>-10.51%</b>	<b>0.05</b>	<b>\$3,766,751.00</b> <b>\$57,842.60</b>		<b>\$3,824,593.60</b> <b>\$26,624.44</b>	<b>7.51%</b>
<b>Maturing 2021</b>												
WELLS FARGO NATL B NV US RT 01.6500% MAT 01/13/21 FIXED RATE CD /NV	CD	200,000	1.65%	01/13/2021		3,300.00 1.64%	0.07% 0.07%	0.28	199,800.00 1,110.00	100.455	200,910.00 153.70	0.39%
JPMORGAN CHASE & CO NTS 02.550% 030121 DTD030116 FC090116 B/E	A2/AA-/A- NR/NR/NR	1,000,000	2.55%	03/01/2021	02/01/2021 100.00	25,500.00 2.53%	0.76% 0.32%	0.33	1,003,817.52 3,652.48	100.747	1,007,470.00 2,054.17	1.98%
BANK OF AMER CORP 02.625% 041921 DTD041916 FC101916 CALL@MW+25BP	A2/A+/A- NR/NR/NR	3,143,000	2.63%	04/19/2021		82,503.75 2.59%	0.31% 0.31%	0.54	3,174,575.56 8,623.41	101.279	3,183,198.97 36,897.51	6.25%
GENL DYNAMICS CORP NTS 03.000% 051121 DTD051118 FC111118 CALL@MW+10BP	A2/WD/A NR/NR/NR	1,000,000	3.00%	05/11/2021		30,000.00 2.95%	0.27% 0.27%	0.60	994,790.00 21,920.00	101.671	1,016,710.00 11,583.33	2.00%
BURLINGTON NTHN SANTA FE 04.100% 060121 DTD051911 CALL@MW +15BP CORP NTS	A3/NR/A+ NR/NR/NR	1,000,000	4.10%	06/01/2021	03/01/2021 100.00	41,000.00 4.04%	1.81% 0.48%	0.41	1,010,928.91 4,221.09	101.515	1,015,150.00 13,552.78	1.99%

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

Report created on: November 16, 2020

Page 9 of 17



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

Bond holdings - as of September 30, 2020 (continued)

	Effective rating/ Underlying rating (Moody/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. gain (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2021</b>												
PFIZER INC NTS B/E 01.950%	A1/AAA-	1,070,000	1.95%	06/03/2021		20,865.00	0.14%	0.66	1,065,645.10	101.224	1,083,096.80	2.13%
060321 DTD060316 FC120316	NR/NR/NR					1.93%	0.14%		17,451.70		6,781.13	
CALL@MW+10BP												
LAM RESEARCH CORP NTS 2.800%	A3/NR/A-	2,000,000	2.80%	06/15/2021	05/15/2021	56,000.00	0.61%	0.61	2,025,221.82	101.547	2,030,940.00	3.99%
061521 DTD060716 FC121516	NR/NR/NR				100.00	2.76%	0.32%		5,718.18		16,333.33	
CALL@MW+25BP												
CATERPILLAR FINANCIAL SE	A3/A/A	2,000,000	1.70%	08/09/2021		34,000.00	0.24%	0.85	1,984,080.00	101.249	2,024,980.00	3.98%
01.700% 080921 DTD080916	NR/NR/NR					1.68%	0.24%		40,900.00		4,816.67	
FC020917 NTS B/E												
LOS ANG CAL TAX SR A BE/R/	Aa2/NR/NR	1,000,000	2.15%	09/01/2021		21,500.00	0.36%	0.91	994,250.00	101.646	1,016,460.00	2.00%
2.150 090121 DTD 122116 /CA	Aa2/NR/NR					2.12%	0.36%		22,210.00		1,731.94	
ORACLE CORP NTS B/E 01.900%	A3/A-A	1,425,000	1.90%	09/15/2021	08/15/2021	27,075.00	0.41%	0.86	1,399,934.25	101.425	1,445,306.25	2.84%
091521 DTD070716 FC031517	NR/NR/NR				100.00	1.87%	0.27%		45,372.00		1,128.13	
CALL@MW+15BP												
NVIDIA CORP NTS B/E 2.200%	A2/A/A-	1,300,000	2.20%	09/16/2021	08/16/2021	28,600.00	0.50%	0.87	1,319,572.55	101.627	1,321,151.00	2.59%
091621 DTD091616 FC031617	NR/NR/NR				100.00	2.16%	0.34%		1,578.45		1,112.22	
CALL@MW+15BP												
CISCO SYSTEMS INC B/E 01.850%	A1/NR/AA-	1,000,000	1.85%	09/20/2021	08/20/2021	18,500.00	0.37%	0.88	993,660.00	101.435	1,014,350.00	1.99%
092021 DTD092016 FC032017	NR/NR/NR				100.00	1.82%	0.23%		20,690.00		513.89	
CALL@MW+10BP												
MISSISSIPPI ST TAX SR G	Aa2/AA/AA	1,450,000	2.47%	11/01/2021		35,815.00	0.24%	1.06	1,454,776.24	102.422	1,485,119.00	2.92%
BE/R/ 2.470 110121 DTD 120815	Aa2/AA/NR					2.41%	0.24%		30,342.76		14,823.43	
/MS												
<b>Total 2021</b>		<b>17,588,000</b>	<b>2.41%</b>	<b>07/06/2021</b>		<b>\$424,658.75</b>	<b>0.45%</b>	<b>0.71</b>	<b>\$17,621,051.9</b>		<b>\$17,844,842.02</b>	<b>35.04%</b>
						<b>2.38%</b>	<b>0.29%</b>		<b>\$223,790.07</b>		<b>\$111,482.22</b>	
<b>Maturing 2022</b>												
FFCB BOND 01.580 % DUE 011322	Aaa/AAA/AA+	1,100,000	1.58%	01/13/2022	01/13/2021	17,380.00	1.32%	0.28	1,099,175.00	100.333	1,103,663.00	2.17%
DTD 011320 FC 07132020	NR/NR/NR				100.00	1.57%	0.41%		4,488.00		3,717.39	
PEPSICO INC NTS B/E 02.250%	A1/AA+/A	1,089,000	2.25%	05/02/2022	04/02/2022	24,502.50	0.46%	1.47	1,087,301.16	102.824	1,119,753.36	2.20%
050222 DTD050217 FC110217	NR/NR/NR				100.00	2.19%	0.37%		32,452.20		10,073.25	
CALL@MW+10BP												
CATERPILLAR FINL SERVICE	A3/A/A	1,500,000	0.95%	05/13/2022		14,250.00	0.38%	1.60	1,506,127.31	100.920	1,513,800.00	2.97%
00.950% 051322 DTD051520	NR/NR/NR					0.94%	0.38%		7,672.69		5,343.75	
FC111320 CALL@MW+15BP												
QUALCOMM INC NTS B/E 03.000%	A2/NR/A-	1,000,000	3.00%	05/20/2022		30,000.00	0.42%	1.59	1,010,043.75	104.215	1,042,150.00	2.05%
052022 DTD052015 FC112015	NR/NR/NR					2.88%	0.42%		32,106.25		10,833.33	
CALL@MW+15BP												

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Report created on: November 16, 2020



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

Bond holdings - as of September 30, 2020 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$) Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$) Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$) Accr. interest (\$)	% of bond port.
<b>Maturing 2022</b>												
UNITEDHEALTH GROUP INC 03.350% 071522 DTD072315 FC011516 CALL@MW+20BP	A3/A/A+ NR/NR/NR	1,700,000	3.35%	07/15/2022		56,950.00 3.18%	0.30% 0.30%	1.74	1,791,458.14 1,021.86	105.440	1,792,480.00 11,864.58	3.52%
FHLMC MED TERM NTS 00.310 % DUE 081922 DTD 051920 FC 11192020	Aaa/AAA/NR NR/NR/NR	2,000,000	0.31%	08/19/2022	05/19/2021 100.00	6,200.00 0.31%	0.29% 0.26%	0.63	1,999,500.00 1,160.00	100.033	2,000,660.00 2,256.11	3.93%
HONEYWELL INTL INC NTS 00.483% 081922 DTD081920 FC021921 CALL@MW+5BP	A2/A/A NR/NR/NR	1,000,000	0.48%	08/19/2022	08/19/2021 100.00	4,830.00 0.48%	0.40% 0.30%	0.88	1,001,810.00 -160.00	100.165	1,001,650.00 550.08	1.97%
FHLMC MED TERM NTS 00.340 % DUE 090122 DTD 060120 FC 12012020	Aaa/AAA/NR NR/NR/NR	2,400,000	0.34%	09/01/2022	12/01/2020 100.00	8,160.00 0.34%	0.35% 0.35%	1.91	2,400,000.00 -552.00	99.977	2,399,448.00 2,697.33	4.71%
WALT DISNEY CO NTS B/E 01.650% 090122 DTD090619 FC030120	A2/A-/A- NR/NR/NR	2,300,000	1.65%	09/01/2022		37,950.00 1.61%	0.40% 0.40%	1.89	2,290,501.00 64,469.00	102.390	2,354,970.00 3,057.08	4.62%
FNMA NTS 01.800 % DUE 102822 DTD 102819 FC 04282020	Aaa/AAA/AA- NR/NR/NR	2,000,000	1.80%	10/28/2022	10/28/2020 100.00	36,000.00 1.80%	1.76% 0.64%	0.07	2,000,633.74 1,166.26	100.090	2,001,800.00 15,200.00	3.93%
FHLMC MED TERM NTS 00.375 % DUE 112322 DTD 052220 FC 11232020	Aaa/AAA/NR NR/NR/NR	2,000,000	0.38%	11/23/2022	11/23/2020 100.00	7,500.00 0.37%	0.37% 0.29%	0.14	1,999,500.00 760.00	100.013	2,000,260.00 2,666.67	3.93%
FHLMC NTS 00.400 % DUE 122922 DTD 062920 FC 12292020	Aaa/AAA/NR NR/NR/NR	1,200,000	0.40%	12/29/2022	12/29/2020 100.00	4,800.00 0.40%	0.39% 0.33%	0.24	1,200,000.00 192.00	100.016	1,200,192.00 1,213.33	2.36%
<b>Total 2022</b>		<b>19,289,000</b>	<b>1.30%</b>	<b>08/13/2022</b>		<b>\$248,522.50</b> <b>1.27%</b>	<b>0.56%</b> <b>0.37%</b>	<b>1.08</b>	<b>\$19,386,050.1</b> <b>\$144,776.26</b>		<b>\$19,530,826.36</b> <b>\$69,472.92</b>	<b>38.35%</b>
<b>Maturing 2023</b>												
PEPSICO INC NTS B/E 00.750% 050123 DTD050120 FC110120 CALL@MW+10BP	A1/A/D/A+ NR/NR/NR	1,500,000	0.75%	05/01/2023		11,250.00 0.74%	0.35% 0.35%	2.55	1,516,855.57 -1,600.57	101.017	1,515,255.00 4,656.25	2.98%
FNMA NTS 00.500 % DUE 052523 DTD 052220 FC 11252020	Aaa/AAA/AA- NR/NR/NR	2,500,000	0.50%	05/25/2023	11/25/2020 100.00	12,500.00 0.50%	0.50% 0.47%	0.15	2,500,000.00 100.00	100.004	2,500,100.00 4,444.45	4.91%
FNMA NTS 00.450 % DUE 060223 DTD 060420 FC 12022020	Aaa/AAA/AA- NR/NR/NR	1,500,000	0.45%	06/02/2023	12/02/2020 100.00	6,750.00 0.45%	0.45% 0.39%	0.17	1,500,000.00 150.00	100.010	1,500,150.00 2,175.00	2.95%
FNMA NTS 00.475 % DUE 061623 DTD 061620 FC 12162020	Aaa/AAA/AA- NR/NR/NR	2,000,000	0.47%	06/16/2023	06/16/2021 100.00	9,500.00 0.47%	0.47% 0.45%	0.70	2,000,000.00 400.00	100.020	2,000,400.00 2,744.44	3.93%
JOHN DEERE CPTL CORP 00.700% 070523 DTD060420 FC010521 MED TERM NTS	A2/A/A NR/NR/NR	1,000,000	0.70%	07/05/2023		7,000.00 0.69%	0.29% 0.29%	2.73	1,009,488.21 1,921.79	101.141	1,011,410.00 2,255.56	1.99%

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

Report created on: November 16, 2020



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

Bond holdings - as of September 30, 2020 (continued)

	Effective rating/ Underlying rating (Mdy/FitchS&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$/ Unreal. gain (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
<b>Maturing 2023</b>												
FHLMC MED TERM NTS 00.350 % DUE 111323 DTD 081320 FC 11132020	Aaa/AAANR NRNRRNR	1,200,000	0.35%	11/13/2023	05/13/2021 100.00	4,200.00 0.35%	0.37% 0.37%	3.09	1,199,580.00 -492.00	99.924	1,199,088.00 548.33	2.35%
<b>Total 2023</b>		<b>9,700,000</b>	<b>0.53%</b>	<b>06/22/2023</b>		<b>\$51,200.00</b> <b>0.53%</b>	<b>0.42%</b> <b>0.40%</b>	<b>1.27</b>	<b>\$9,725,923.78</b> <b>\$479.22</b>		<b>\$9,726,403.00</b> <b>\$16,824.03</b>	<b>19.10%</b>
	Effective rating/ Underlying rating (Mdy/FitchS&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$/ Unreal. gain (\$)	Market price (\$)	Mkt. value (\$/ Accr. interest (\$)	% of bond port.
<b>Total Bond Portfolio</b>		<b>50,397,000</b>	<b>1.59%</b>	<b>04/06/2022</b>	<b>NA</b>	<b>\$798,221.25</b> <b>1.57%</b>	<b>0.54%</b> <b>-0.47%</b>	<b>0.91</b>	<b>\$50,499,776.8</b> <b>\$426,888.15</b>	<b>NA</b>	<b>\$50,926,664.98</b> <b>\$224,403.61</b> <b>\$51,151,068.59</b>	<b>100%</b>

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.  
 Report created on: November 16, 2020



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

## Additional information about your portfolio as of September 30, 2020

### Benchmark composition

Account EX XX120

**Blended Index**

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

**Blended Index 2**

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



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

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

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

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

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

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

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

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

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

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

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

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





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

Program Fee rebate that is not reinvested is treated as a withdrawal.

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

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

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

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

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest. Change in Value may include 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 by 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 "\*" have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends

reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

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

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

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

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

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

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other

than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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

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

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

**Mutual Fund Asset Allocation:** If the option to

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

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

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

**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 reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. Neither UBS nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets.

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

This information is supplied by Morningstar, Inc. on a



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

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

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

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

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

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

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

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

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

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

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or

sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

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

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

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

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

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

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

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

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

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

**Cash Flow:** This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with

the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated – but prior to the report run ("As of") date – are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

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

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

**Gain/Loss:** The gain/loss information may include

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

### Gain/Loss reporting for Puerto Rico Income Tax

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

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

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 "Q" 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.



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

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

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

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

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

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

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

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

available, an "as of" date is included in the description.

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

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

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Your Financial Advisor:  
The COHEN GROUP  
Phone: 981-553-5500/800-422-6000

**Kern Health Systems**

Account Number: ~~490000~~

Filtered by: Entry Date 07/01/2020-09/30/2020, Call/Redemption

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/29/20	09/29/20	CALL REDEMPTION	J P MORGAN CHASE & CO 02.550% 102920 DTD102915	731HX1	-1,000,000.00	REDEMPTION	1,000,000.00
08/21/20	08/21/20	CALL REDEMPTION	AMAZON.COM INC NTS B/E 01.900% 082120 DTD022118	677TE3	2,500,000.00	REDEMPTION	2,500,000.00
08/04/20	08/04/20	CALL REDEMPTION	FHLB BOND 01.600 % DUE 080422	FE64F1	-1,150,000.00	REDEMPTION	1,150,000.00
07/29/20	07/29/20	CALL REDEMPTION	INTEL CORP NTS B/E 02.450% 072920 DTD072915	7385K2	-1,750,000.00	REDEMPTION	1,750,000.00

Filtered by: Entry Date 04/01/2020-06/30/2020, Bought

Entry Date	Settle Date	Activity	Description	Security#	Quantity	Price/Detail	Amount
09/30/20	10/02/20	BOUGHT	HONEYWELL INTL INC NTS 00.483% 081922 DTD081920	6574M1	1,000,000.00	\$100.181	-1,002,386.92
08/24/20	08/26/20	BOUGHT	PEPSICO INC NTS B/E 00.750% 050123 DTD050120	818GM7	1,500,000.00	\$101.167	-1,521,098.75
08/24/20	08/26/20	BOUGHT	JOHN DEERE CPTL CORP 00.700% 070523 DTD060420	791XK5	1,000,000.00	\$100.983	-1,011,424.44
08/05/20	08/13/20	BOUGHT	FHLMC MED TERM NTS 00.350 % DUE 111323	FG4F30	1,200,000.00	\$99.965	-1,199,580.00
07/30/20	08/03/20	BOUGHT	UNITEDHEALTH GROUP INC 03.350% 071522 DTD072315	8846W9	1,700,000.00	\$105.879	-1,802,790.50

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

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

*The information is based upon the market value of your account(s) as of the close of business on **September 30, 2020**, is subject to daily market fluctuation and in some cases may be rounded for convenience. Your UBS account statements and trade confirmation are the official records of your accounts at UBS. We assign index benchmarks to our asset allocations, strategies in our separately managed accounts and discretionary programs based on our understanding of the allocation, strategy, the investment style and our research. The benchmarks included in this report can differ from those assigned through our research process. As a result, you may find that the performance comparisons may differ, sometimes significantly, from that presented in performance reports and other materials that are prepared and delivered centrally by the Firm.*

*Depending upon the composition of your portfolio and your investment objectives, the indexes used in this report may not be an appropriate measure for comparison purposes, and as such, are represented for illustration only. Your portfolio holdings and performance may vary significantly from the index. Your financial advisor can provide additional information about how benchmarks within this report were selected. You have discussed the receipt of this individually customized report with your Financial Advisor and understand that it is being provided for informational purposes only. If you would like to revoke such consent, and no longer receive this report, please notify your Financial Advisor and/or Branch Manager.*



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

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

**Statement Period**  
**09/01/2020 - 09/30/2020**

KERN HEALTH SYSTEMS Account Number  
XXXXXXXXXX  
 2900 BUCK OWENS BOULEVARD

**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	40,963.71	44,847.93	0%
Bonds	81,644,460.94	130,574,024.18	100%
Stocks	0.00	0.00	0%
<b>Total Account Value</b>	<b>\$ 81,685,424.65</b>	<b>\$ 130,618,872.11</b>	<b>100%</b>
<b>Value Change Since Last Statement Period</b>		<b>\$ 48,933,447.46</b>	
<b>Percent Increase Since Last Statement Period</b>			<b>60%</b>
<b>Value Last Year-End</b>		<b>\$ 72,702,342.87</b>	
<b>Percent Increase Since Last Year-End</b>			<b>80%</b>

**Income Summary USD**

	This Period	Year-To-Date
Interest	\$ 13,578.75	\$ 580,455.15
Dividends/Capital Gains	0.00	0.00
Money Market Mutual Funds Dividends	489.25	131,242.50
Other	0.00	0.00
<b>Income Total</b>	<b>\$ 14,068.00</b>	<b>\$ 711,697.65</b>

**Interest Charged USD**

Description	This Period
Debit Interest For September 2020	0.00
<b>Total Interest Charged</b>	<b>\$ 0.00</b>

**Money Market Mutual Funds Summary USD**

Description	Amount
<b>Opening Balance</b>	<b>\$ 40,963.71</b>
Deposits and Other Additions	335,079,175.42
Distributions and Other Subtractions	(335,075,721.07)
Dividends Reinvested	429.87
Change in Value	0.00
<b>Closing Balance</b>	<b>\$ 44,847.93</b>

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**Safekeeping**

**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 CD's underwritten, 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 at 17 CFR Section 240.9110-3 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 credit, 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/wfs/sec/annualreport>.

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

**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 by 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:** Recommendations, 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  
[wfs.customerservice@wellsfargo.com](mailto:wfs.customerservice@wellsfargo.com)

Customers may also report complaints, inaccuracies or discrepancies by calling 1-800-645-3751 option 5. International callers should call 1-877-856-8878. To further protect their rights, including rights under the Securities Investor Protection Act, customers should also re-confirm in writing to the above address any oral communications with WFS relating to the inaccuracies or discrepancies.

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

Statement Ending: September 30, 2020

**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>								
20030NCV1	COMCAST CORP	10/01/20	0.626%	1,550,000.000	100.0000	1,550,000.00		N
9127964G1	US TREASURY BILL	10/06/20	0.000%	20,000,000.000	99.9991	19,999,820.00		
9127964H9	US TREASURY BILL	10/13/20	0.000%	43,000,000.000	99.9975	42,998,925.00		
9127964J5	US TREASURY BILL	10/20/20	0.000%	20,000,000.000	99.9960	19,999,208.40		
9127964K2	US TREASURY BILL	10/27/20	0.000%	25,000,000.000	99.9944	24,998,600.75		
9127962T5	UNITED STATES TREASURY BILL	10/29/20	0.000%	20,000,000.000	99.9942	19,998,848.06		
24422ERE1	JOHN DEERE CAPITAL CORP	07/12/21	3.900%	1,000,000.000	102.8622	1,028,621.97		N
				130,550,000.000		130,574,024.18	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>									
09/04/20	09/04/20	Security Receipt	9127963Y3	US TREASURY BILL	20,000,000.00	99.9978610	(19,999,572.22)	0.00	(19,999,572.22)
09/14/20	09/14/20	Security Receipt	9127963Z0	US TREASURY BILL	30,000,000.00	99.9986670	(29,999,600.00)	0.00	(29,999,600.00)
09/15/20	09/15/20	Security Receipt	9127964A4	US TREASURY BILL	40,000,000.00	99.9972780	(39,998,911.20)	0.00	(39,998,911.20)
09/14/20	09/15/20	Security Receipt	9127964H9	US TREASURY BILL	30,000,000.00	99.9941670	(29,998,250.00)	0.00	(29,998,250.00)
09/16/20	09/16/20	Security Receipt	9127962H1	UNITED STATES TREASURY BILL	50,000,000.00	99.9985560	(49,999,277.78)	0.00	(49,999,277.78)
09/21/20	09/21/20	Security Receipt	9127964G1	US TREASURY BILL	20,000,000.00	99.9975000	(19,999,500.00)	0.00	(19,999,500.00)
09/24/20	09/24/20	Security Receipt	9127962T5	UNITED STATES TREASURY BILL	20,000,000.00	99.9931940	(19,998,638.89)	0.00	(19,998,638.89)
09/23/20	09/24/20	Security Receipt	9127964J5	US TREASURY BILL	20,000,000.00	99.9956670	(19,999,133.33)	0.00	(19,999,133.33)
09/29/20	09/29/20	Security Receipt	9127964H9	US TREASURY BILL	13,000,000.00	99.9980560	(12,999,747.22)	0.00	(12,999,747.22)
09/29/20	09/30/20	Security Receipt	9127964K2	US TREASURY BILL	25,000,000.00	99.9958750	(24,998,968.75)	0.00	(24,998,968.75)

**Income / Payment Activity USD**

09/01/20	09/01/20	Matured	375558BB8	GILEAD SCIENCES INC			1,065,000.00		1,065,000.00
09/01/20	09/01/20	Interest	375558BB8	GILEAD SCIENCES INC				13,578.75	13,578.75
09/03/20	09/03/20	Matured	48306AJ32	KAISER FOUNDATION HOSP			3,000,000.00		3,000,000.00
09/03/20	09/03/20	Matured	912796XH7	UNITED STATES TREASURY BILL			50,000,000.00		50,000,000.00
09/09/20	09/09/20	Matured	50000DJ98	KOCH INDUSTRIES INC DISCOUNTED			5,000,000.00		5,000,000.00



Statement Ending: September 30, 2020

**KERN HEALTH SYSTEMS**

Account Number: **██████████**

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

Transaction / Trade Date	Settlement / Effective Date	Activity	Security ID	Description	Par / Quantity	Price	Principal Amount	Income Amount	Debit / Credit Amount
<b>Income / Payment Activity USD</b>									
09/10/20	09/10/20	Matured	912796TJ8	UNITED STATES TREASURY BILL			20,000,000.00		20,000,000.00
09/15/20	09/15/20	Matured	9127963Y3	US TREASURY BILL			20,000,000.00		20,000,000.00
09/22/20	09/22/20	Matured	9127963Z0	US TREASURY BILL			30,000,000.00		30,000,000.00
09/24/20	09/24/20	Matured	9127962H1	UNITED STATES TREASURY BILL			50,000,000.00		50,000,000.00
09/29/20	09/29/20	Matured	9127964A4	US TREASURY BILL			40,000,000.00		40,000,000.00

**Cash Activity USD**

Transaction / Trade Date	Settlement / Eff. Date	Activity	Description	Debit Amount / Disbursements	Credit Amount / Receipts
09/01/20	09/01/20	ACH/DDA Transaction	DESIGNATED DDA	1,000,000.00	
09/03/20	09/03/20	ACH/DDA Transaction	DESIGNATED DDA	5,000,000.00	
09/08/20	09/08/20	ACH/DDA Transaction	DESIGNATED DDA	13,000,000.00	
09/11/20	09/11/20	ACH/DDA Transaction	DESIGNATED DDA		99,000,000.00
09/14/20	09/14/20	ACH/DDA Transaction	DESIGNATED DDA	83,525.01	
09/14/20	09/14/20	ACH/DDA Transaction	DESIGNATED DDA	59.38	
09/15/20	09/15/20	ACH/DDA Transaction	DESIGNATED DDA		11,000,000.00
09/22/20	09/22/20	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
09/29/20	09/29/20	ACH/DDA Transaction	DESIGNATED DDA	20,000,000.00	
09/30/20	09/30/20	ACH/DDA Transaction	DESIGNATED DDA	2,000,000.00	

**Money Market Fund Activity**

Morgan Stan TreasSvc 8314		Dividend paid this period	7 day* simple yield	30 day* simple yield
*As of September 30, 2020				
USD		0.31	0.010%	0.010%

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
<b>Beginning Balance</b>						
			1.0000	36,874.79		36,874.79000
09/01/20	Reinvest	0.31000			0.31	36,875.10000
09/11/20	Purchase	40,000,000.00000		40,000,000.00		40,036,875.10000
09/15/20	Redemption	(39,996,911.20000)		(39,996,911.20)		37,963.90000
<b>Ending Balance</b>						
			1.0000	37,963.90		37,963.90000

JPMorgan 100%UST Ins 199		Dividend paid this period	7 day* simple yield	30 day* simple yield
*As of September 30, 2020				
USD		488.94	0.010%	0.010%



Statement Ending: September 30, 2020

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

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>		<b>1.0000</b>	<b>4,088.92</b>		<b>4,088.92000</b>
09/01/20	Purchase	1,078,578.75000		1,078,578.75		1,082,667.67000
09/01/20	Redemption	(1,000,000.00000)		(1,000,000.00)		82,667.67000
09/01/20	Reinvest	429.56000			429.56	83,097.23000
09/03/20	Purchase	53,000,000.00000		53,000,000.00		53,083,097.23000
09/03/20	Redemption	(5,000,000.00000)		(5,000,000.00)		48,083,097.23000
09/04/20	Redemption	(19,999,572.22000)		(19,999,572.22)		28,083,525.01000
09/06/20	Redemption	(13,000,000.00000)		(13,000,000.00)		15,083,525.01000
09/09/20	Purchase	5,000,000.00000		5,000,000.00		20,083,525.01000
09/10/20	Purchase	20,000,000.00000		20,000,000.00		40,083,525.01000
09/11/20	Redemption	(40,000,000.00000)		(40,000,000.00)		83,525.01000
09/14/20	Redemption	(83,525.01000)		(83,525.01)		0.00000
09/14/20	Dividend				59.38	0.00000
	<b>Ending Balance</b>		<b>1.0000</b>			<b>0.00000</b>
<b>JPMorgan UST Plus Inst 3918</b>			<b>Dividend paid this period</b>	<b>7 day* simple yield</b>	<b>30 day* simple yield</b>	
*As of September 30, 2020			0.00	0.010%	0.020%	
USD						

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
	<b>Beginning Balance</b>					<b>0.00000</b>
09/11/20	Purchase	99,000,000.00000		99,000,000.00		99,000,000.00000
09/14/20	Redemption	(29,999,600.00000)		(29,999,600.00)		69,000,400.00000
09/15/20	Redemption	(9,998,250.00000)		(9,998,250.00)		59,002,150.00000
09/15/20	Purchase	11,000,000.00000		11,000,000.00		70,002,150.00000
09/16/20	Redemption	(49,999,277.78000)		(49,999,277.78)		20,002,872.22000
09/21/20	Redemption	(19,999,500.00000)		(19,999,500.00)		3,372.22000
09/22/20	Purchase	30,000,000.00000		30,000,000.00		30,003,372.22000
09/22/20	Redemption	(20,000,000.00000)		(20,000,000.00)		10,003,372.22000
09/23/20	Purchase	5,999,730.00000		5,999,730.00		16,003,102.22000
09/23/20	Redemption	(5,999,730.00000)		(5,999,730.00)		10,003,372.22000
09/24/20	Purchase	30,000,866.67000		30,000,866.67		40,004,238.89000
09/24/20	Redemption	(19,998,638.89000)		(19,998,638.89)		20,005,600.00000
09/29/20	Purchase	40,000,000.00000		40,000,000.00		60,005,600.00000
09/29/20	Redemption	(20,000,000.00000)		(20,000,000.00)		40,005,600.00000

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Safekeeping

**KERN HEALTH SYSTEMS**

Account Number: **(b) (6)**

**Money Market Fund Activity (Continued)**

Transaction Date	Activity	Shares	Price	Market Value (\$)	Dividend Amount	Share Balance
08/29/20	Redemption	(12,999,747.22000)		(12,999,747.22)		27,005,852.79000
08/31/20	Redemption	(24,998,968.75000)		(24,998,968.75)		2,005,884.03000
09/30/20	Redemption	(2,000,000.00000)		(2,000,000.00)		6,884.03000
	<b>Ending Balance</b>		<b>1.0000</b>	<b>6,884.03</b>		<b>6,884.03000</b>



## PMIA/LAIF Performance Report as of 10/14/20



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

<b>Sep</b>	<b>0.685</b>
Aug	0.784
Jul	0.920

### Quarterly Performance Quarter Ended 09/30/20

LAIF Apportionment Rate <sup>(2)</sup> :	0.84
LAIF Earnings Ratio <sup>(2)</sup> :	0.00002309407394024
LAIF Fair Value Factor <sup>(1)</sup> :	1.004114534
PMIA Daily <sup>(1)</sup> :	0.65%
PMIA Quarter to Date <sup>(1)</sup> :	0.80%
PMIA Average Life <sup>(1)</sup> :	169

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 09/30/20 \$109.2 billion

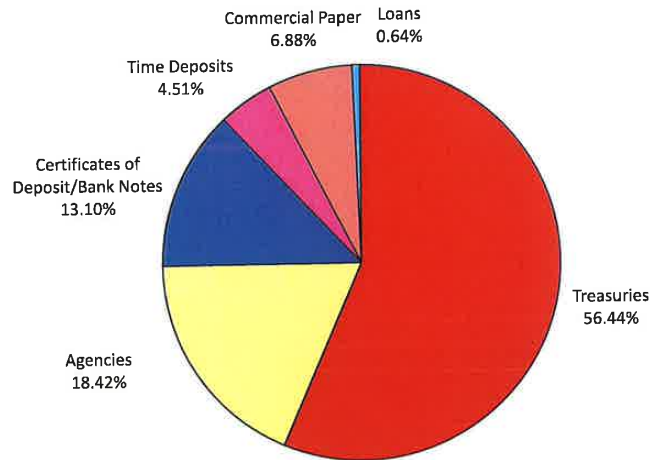


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

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

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

Source:

<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: December 4, 2020**  
**Re: Annual Renewal of the Reinsurance Policy**

---

### **Background**

Kern Health Systems (“KHS”) has purchased a reinsurance policy to mitigate the costs of catastrophic cases since the plan’s inception. The KHS population has changed significantly over the last several years with SPD members incurring high medical costs. More recently, management believes that there is an increasing trend in the medical expenses for the longer-term enrolled Expansion members. The overall increase in medical costs has led to higher reinsurance premiums over the years.

### **Discussion**

Over the last 3 years KHS reinsurance recoveries have approximated the reinsurance claim payments. For the policy years 2017, 2018, and 2019 KHS recovered approximately \$3.4 million in reinsurance claims while paying reinsurance premiums of approximately \$3.9 million. **These 3 years represent an 87% ratio of recoveries to expense.**

Based on information **through October 31, 2020**, KHS has requested approximately \$440,834 in recoveries (which has been applied towards the annual aggregate deductible of \$826,011) against approximately \$739,331 in premiums paid. This represents an overall cumulative 73% ratio for all periods. We have until December 31, 2021 to turn in claims for the 2020 policy period. Accordingly, continuing with the reinsurance program is still warranted.

The current 2020 Reinsurance Policy is with IOA Re and has a deductible of \$300,000, a blended rate of \$.29 pmpm and an aggregate deductible of \$.27 pmpm with an estimated total exposure of \$1,713,209. (This is comprised of \$887,197 for premiums and \$826,011 for the aggregate deductible).

### **Fiscal Impact**

The lowest quote for renewal is with the carrier IOA Re at a blended rate of \$.29 per member with the current deductible of \$300,000 per member and a \$.23 pmpm aggregate deductible for an overall expected reinsurance cost of \$1,724,705 (This is comprised of \$ 961,855 for premiums and \$762,850 for the aggregate deductible) which reflects a 3% rate decrease when taking into account the growth in membership. IOA Re has been the reinsurance carrier since 1/1/2020.

KHS can lower the IOA Re premium to a blended rate of \$.23 pmpm and a \$.22 pmpm aggregate deductible by increasing the deductible to \$350,000. This would save approximately \$232,172 of reinsurance costs, but would cost KHS an additional \$50,000 per member that reaches the reinsurance deductible. The savings of \$232,172 would be lost if the members reaching the \$350,000 deductible exceeds 4 ( $\$232,172 \text{ savings} / \$50,000 \text{ increase in deductible} = 4.64$  members). Based on utilization data of 11 members in 2017, 5 members in 2018, 4 members in 2019 and 3 members through October 31, 2020, management expects the 2021 utilization to exceed 4 members. Accordingly, management does not recommend increasing the deductible to \$350,000 and lowering the blended rate to \$.23 pmpm and lowering the aggregate deductible to \$.22 pmpm.

The 2021 Budget includes estimated reinsurance premium payments at a blended rate of \$.29 pmpm and reinsurance recoveries at a blended rate of \$.29 pmpm. Estimated fiscal dollar impact is \$961,855.

**Risk Assessment**

Based on the prior program years, the continued expense of the SPD population and the increasing trend in medical expenses for the longer-term enrolled Expansion members, management believes that binding coverage is warranted for 2021 and is recommending the IOA RE option at a blended rate of \$.29 pmpm and maintaining the deductible at \$300,000.

**Requested Action**

Approve; Refer to KHS Board of Directors.



**To: KHS Finance Committee**

**From: Tom Van Matre, Director of Enterprise Development**

**Date: December 4, 2020**

**Re: EDIFECS Maintenance and Support Renewal**

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**Background**

Kern Health System is responsible for processing a variety of electronic data transactions. In 2017, KHS purchased a perpetual license for the EDIFECS Electronic Data Interchange (EDI) software to process these transactions. Each year, approximately thirteen million transactions are transformed using the EDIFECS platform to process files such as Claims, Laboratory, Pharmacy and Eligibility. In order to continue to process these electronic transactions, KHS recommends that the EDIFECS software be renewed for an amount not to exceed \$1,045,332.00 for the five-year term to sustain the operations of the organization.

**Discussion**

EDIFECS will provide technical maintenance and support for the EDIFECS Electronic Data Interchange platform for a five (5) year period.

**Financial Impact**

Cost for the five-year term will not exceed \$1,045,332.00

**Requested Action**

Approve; Refer to the KHS Board of Directors.

# Kern Health Systems

EDIFECS Software Renewal

December 4, 2020

Tom Van Matre  
Director, Enterprise Development



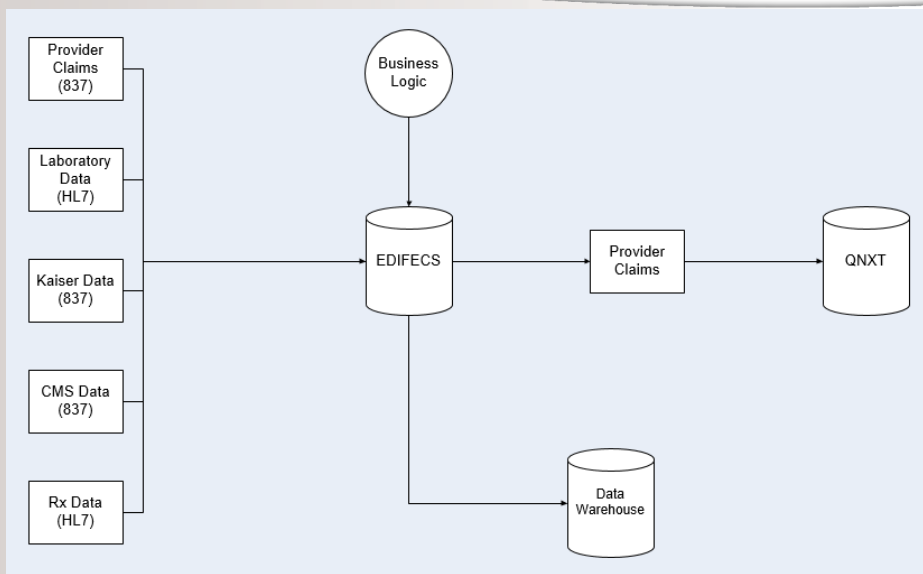


## Background

Kern Health System is responsible for processing a variety of electronic data transactions. In 2017, KHS purchased a perpetual license for the EDIFECS Electronic Data Interchange (EDI) software to process these transactions. Each year, approximately thirteen million transactions are transformed using the EDIFECS platform to process files such as Claims, Laboratory, Pharmacy and Eligibility. In order to continue to process these electronic transactions, KHS recommends that the EDIFECS software be renewed for an amount not to exceed \$1,045,332.00 for the five-year term to sustain the operations of the organization.



## System Function



## Transaction File Types

- **Transaction File Types**

- Claims Inbound & Outbound Institutional & Professional Files
- Provider Inbound Service Authorization/Referrals
- Provider Directory Inbound & Outbound Files
- Lab Observation Results Inbound Files
- Real-Time Eligibility Inbound & Outbound Files
- CMS COBA Inbound & Outbound Files
- KHS HHP Distributed Model Encounter Files
- Magellan Pharmacy Claim & Authorization Inbound Files
- KHS Pharmacy Claim & Authorization Outbound Files for KP
- Interoperability Outbound Files



## Renewal Details

- **Maintenance & Support:**

- Allowed 20,000,000 Transactions Annually
- Ten (10) Users Authorized to Use the System
- 150 Trading Partners (Entities We Can Accept Transactions)
- One (1) Production Environment License Covered
- Two (2) Non-Production Environment Licenses Covered



## Board Request

Request the Board of Directors to authorize the KHS Chief Executive Officer to approve a five (5) year maintenance and support contract with EDIFECS to support up to twenty (20) million transactions per year in an amount not to exceed \$1,045,332.00 for the five-year term.



## Questions

Please Contact:

Tom Van Matre

Director, Enterprise Development

[tom.vanmatre@khs-net.com](mailto:tom.vanmatre@khs-net.com)

661-664-5564



## **Proposed Administrative Contract over \$100,000, December 4, 2020**

### 1. Operational Agreement with Edifecs, Inc.

#### a. Recommended Action

Approve; Authorize Chief Executive Officer to Sign

#### b. Contact

Tom Van Matre, Director Enterprise Development

#### c. Background

Kern Health System is responsible for processing a variety of electronic data transactions. In 2017, KHS purchased a perpetual license for the EDIFECS Electronic Data Interchange (EDI) software to process these transactions. Each year, approximately thirteen million transactions are transformed using the EDIFECS platform to process files such as Claims, Laboratory, Pharmacy and Eligibility. In order to continue to process these electronic transactions, KHS recommends that the EDIFECS software be renewed for an amount not to exceed \$1,045,332.00 for the five-year term to sustain the operations of the organization.

#### d. Discussion

EDIFECS will provide technical maintenance and support for the EDIFECS Electronic Data Interchange platform for a five (5) year period.

#### e. Fiscal Impact

Not to exceed estimated cost of \$1,045,332.00 per five-year term.

#### f. Risk Assessment

If KHS does not renew this contract it would need to find an alternate system to process electronic transactions that are used to

pay providers. A new system would incur significantly higher costs and would exceed the maintenance and support of the proposed contract.

g. Attachments

An Agreement at a Glance form is attached.

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

This contract has been approval by KHS legal counsel.





# KERN HEALTH SYSTEMS

## AGREEMENT AT A GLANCE

Department Name: IT

Department Head: Richard M. Pruitt

Vendor Name: Edifecs

Contact name & e-mail: Mitch Baum, Mitch.baum@edifecs.com

What services will this vendor provide to KHS? Edifecs will provide KHS with a perpetual license for its Enterprise EDI Management software solution and 5 years of support and maintenance to support twenty (20) million transactions per year.

Description of Contract	
Type of Agreement: <u>Software</u> <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Purchase <input type="checkbox"/> New agreement <input checked="" type="checkbox"/> Continuation of Agreement <input type="checkbox"/> Addendum <input type="checkbox"/> Amendment No. _____ <input type="checkbox"/> Retroactive Agreement	Background: <u>In 2017, Kern Health Systems (KHS) migrated from a custom EDI solution to Enterprise EDI Management solution to accommodate the EDI growth. This contract will extend the license utilization and provide an additional five (5) years of support and maintenance.</u>  Brief Explanation: <u>Edifecs will provide KHS with a perpetual license for its Enterprise EDI Management software solution and 5 years of support and maintenance to support twenty (20) million transactions per year.</u>
<input type="checkbox"/> Summary of Quotes and/or Bids attached. <i>Pursuant to KHS Policy #8.11-1, KHS will secure competitive quotes and bids to obtain the maximum value from the expenditures. Electronic (e-mail/fax) solicitation may be used for purchases of up to Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00) but must be documented on the RFQ form (Attachment A). Actual bid, sole or single source justification and/or cost price analysis documents are required for purchases over Fifty Thousand Dollars or more if not budgeted (\$50,000.00) and One Hundred Thousand Dollars or more if budgeted (\$100,000.00). Request for Proposal (RFP) shall be used to solicit bids for professional services over Fifty Thousand Dollars (\$50,000). Lowest bid price not accepted must be fully explained and justified in writing. All bids will be treated as a not to exceed amount with "change orders" used to track any changes. )</i>	
Brief vendor selection justification: _____ <input checked="" type="checkbox"/> Sole source – no competitive process can be performed.	
Brief reason for sole source: <u>KHS has an ongoing contract with Edifecs for the support and maintenance of the EDI platform.</u>	
<input type="checkbox"/> Conflict of Interest Form is required for this Contract	
<input type="checkbox"/> HIPAA Business Associate Agreement is required for this Contract	
Fiscal Impact	
KHS Governing Board previously approved this expense in KHS' FY 2020 Administrative Budget	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Will this require additional funds?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Capital project	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES
Project type: _____	

Form updated 11/21/19

Budgeted Cost Center <u>225</u> GL# <u>5402</u>	
Maximum cost of this agreement not to exceed: <u>\$1,045,332.00 per five years</u>	
Notes: _____	
<b>Contract Terms and Conditions</b>	
Effective date: <u>12/20/2020</u>	Termination date: <u>12/19/2025</u>
Explain extension provisions, termination conditions and required notice: _____	
<b>Approvals</b>	
<b>Compliance DMHC/DHCS Review:</b>  _____ Director of Compliance and Regulatory Affairs  _____ Date  <b>Contract Owner:</b>  _____ Department Head  _____ Date  <b>Reviewed as to Budget:</b>  _____ Chief Financial Officer or Controller  _____ Date  <b>IT Approval:</b>  _____ Chief Information Officer or IT Director  _____ Date	<b>Legal Review:</b>  _____ Legal Counsel  _____ Date  <b>Purchasing:</b>  _____ Director of Procurement and Facilities  _____ Date  <b>Recommended by the Executive Committee:</b>  _____ Chief Operating Officer  _____ Date  <b>Chief Executive Officer Approval:</b>  _____ Chief Executive Officer  _____ Date
<b>Board of Directors approval is required on all contracts over \$50,000 if not budgeted and \$100,000 if budgeted.</b>	
_____ KHS Board Chairman  _____ Date	

Form updated 11/21/19



**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: December 4, 2020**

**Re: 2021 Budget**

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### **Background**

The 2021 Budget supports the KHS 2021 Corporate and Department Goals and the 2021 Corporate Projects which will be presented at the next Board meeting. The scope of the Corporate 2021 Goals reflect the expanded role Medi-Cal Managed Care health plans are expected to play in preparation for CalAIM and the additional responsibilities accompanying it.

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

Newly eligible populations present unique challenges. KHS expanded its network of providers, both in scope and depth, so that the appropriate level and type of services would be available to treat new members often with medically complex conditions. Much of what has been developed and implemented over the past 8 years relates to the creation and administration of these new programs and the additional benefits and expanded services that accompany them. Enrollment in KHS has increased nearly 300% during that time to where today, KHS serves 4 of 5 Medi-Cal beneficiaries in Kern County.

### **Setting the Stage**

In 2020 there were several new or modified DHCS and DMHC requirements which will impact the 2021 Budget including:

- Expanded regulatory oversight for quality of care measures and timely access to care standards
- New or expanded data and analytic reporting requirements
- A 200% increase in DHCS APLs stipulating changes to policies and protocols mostly addressing the Coronavirus.

To: KHS Finance Committee  
Re: 2021 Budget  
Page 2

- Increase in the application of supplemental payments pertaining to Hospital Directed Payments, Proposition 56 payments, GEMT, HYDE as well as other supplemental payment arrangements for physician and hospitals
- The State's unilateral decision to centralize administration of the pharmacy benefits

### **New 2021 Key Initiatives for KHS**

Besides these State mandated changes impacting the 2021 budget, several internal initiatives are scheduled for next year including:

- Expansion of Health Home Programs to several new sites.
- Administration of the State's Behavioral Health / Integrated Care Grant Program
- Corporate projects for improving processes, initiating new programs or enhancing services such as:
  - MCAS Data Submission and Audit
  - Interoperability System
  - JIVA Systems Upgrade
  - Pharmacy Benefit Manager System Transition
  - QNXT/NetworX/Optum Upgrade
  - Update Workflow to Support Multiple Browsers
  - Provider Credentialing System
  - Population Health Management
  - Social Determinants of Health - In Lieu of Service Program
  - Community-Based Organization Referral System
  - Project Portfolio Management System
  - OHC Requirements for APL 20-010
- Continued development of Provider Performance Based Alternative reimbursement arrangements
- Back to Care Program to encourage members to return to their doctor for deferred services that occurred due to COVID-19. This includes PCP and Specialty Care services
- Expansion of department dashboards for operational metric transparency
- Comply with State mandated coordination of benefits to help mitigate unwarranted cost and recovery including retro eligibility activity based on state information
- Creation of a new 3-year Strategic Plan

To: KHS Finance Committee  
 Re: 2021 Budget  
 Page 3

### **Support for Existing Programs and Initiatives in 2021**

Other major responsibilities annually performed by KHS that will impact the 2021 budget include:

- Introduction of the Distributed Health Home Program model to eligible PCP physicians with a significant number of HHP qualified members assigned to their practice
- Development of a social services network using community-based organizations to address the social determinants of health
- Continue work with Kern Medical through the joint operations committee to explore collaboration opportunities and address operation issues.
- Strengthen collaboration with Kern County Mental Health and GATE team for Substance Use Disorders and resource/referral coordination
- Continue KHS' role and responsibility in Whole Person Care Pilot Program with Kern Medical
- Expand the Transitional Care Program with local hospitals or independent KHS provider network
- Expand Telehealth Specialty Care services
- Development of home bound program to deliver care directly to members' home for vulnerable populations
- Conduct the Disease Management Programs focused on lifestyle changes to prevent pre-diabetics from becoming diabetics
- Continue the School based Wellness Programs
- Expand the Case Management Program, including homelessness outreach, ER overutilization, and care coordination efforts
- Enhancing MCAS Tracking and Reporting, including expanded electronic data collection
- Continue with Pay for Performance incentives to reward providers who demonstrate improved MCAS outcomes
- Expand pregnancy related programs to improve pre and postnatal compliance to promote healthy babies
- Relocate in-house the Medication Therapy Management Program & expand this program to include Health Home Program sites.
- Use the Care Gradient Analysis Predictive Modeling tool to identify populations for diagnoses specific engagement schemes
- Continue to monitor and measure member satisfaction via satisfaction survey
- Expand design and implementation of department specific outcome metrics

To: KHS Finance Committee  
Re: 2021 Budget  
Page 4

- Continue monitoring of Fraud, Waste, and Abuse and delegated oversight of contracted providers and community partners
- Expand COPD program to include other chronic cardio-pulmonary diagnoses

**2021 Budget - Resources for Collaboration to Enhance Member or Provider Experience**

Finally, the 2021 budget will provide resources to support a variety of programs administered either directly or through collaboration with outside organizations. Examples include:

- Provider/Member Portal for notification and education to network providers
- Autism Spectrum Disorder Behavioral Therapy, including Non-Autism diagnoses
- California Children’s Services Coordination of Care
- Kern Regional Center Coordination of Care
- Vision Services Plan for optometric diabetic screenings
- Kaiser Permanente Subcontract
- Program awareness of Mental Health benefit, including coordination with Kern County Public Health for Emergent Mental health services and Medication Assisted Therapy
- Hospitalist program expansion
- Low Income Housing through the Kern County Housing Authority

**2021 Budget Documents**

Attached are the following documents relating to the 2021 Budget:

- 1) Consolidated Operating Budget
  - 2) Operating Budget by Aid Category
  - 3) Enrollment Assumptions
  - 4) Revenue Assumptions
  - 5) Medical Expense Assumptions
  - 6) Administrative Expense Assumptions
  - 7) Budgeted FTE by Department
  - 8) Capital Budget for 2021
- Exhibit A-Medical Management 2021 MLR Strategies  
Exhibit B-Pharmacy Department’s New Role

**Requested Action**

Approve and refer to KHS Board of Directors

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

	2021 BUDGET	EST ANNUAL 2020	DIFFERENCE	PMPM 2021 BUDGET	PMPM 2020 ANNUAL	PMPM DIFFERENCE	PMPM % DIFFERENCE
	\$	\$	\$	3,316,740	3,070,680	246,060	
<b>REVENUE</b>							
Capitation (excludes Prop 56 & GEMT)	663,641,129	701,072,003	(37,430,874)	200.09	228.31	(28.22)	-12%
Maternity Kick	32,821,680	31,490,201	1,331,479	9.90	10.26	(0.36)	-4%
Health Home Kick	10,624,814	11,440,050	(815,236)	3.20	3.73	(0.52)	-14%
HEP C Kick	1,145,008	4,579,420	(3,434,412)	1.39	1.49	(0.10)	-7%
BHT Kick	15,049,646	11,313,516	3,736,130	4.54	3.68	0.85	23%
Behavioral Health Integration Program	4,800,000		4,800,000				100%
Prop 56	64,803,772	60,671,166	4,132,606	19.54	19.76	(0.22)	-1%
GEMT	5,546,148	5,536,516	9,632	1.67	1.80	(0.13)	-7%
Total MCAL Revenue	798,432,197	826,102,872	(27,670,675)	240.73	269.03	(28.30)	-11%
Add-Ons (Directed Provider Payments)	110,079,293	106,245,966	3,833,327	33.19	34.60	(1.41)	-4%
MCO Tax Revenue	112,792,218	97,499,431	15,292,787	34.01	31.75	2.26	7%
Interest	2,000,000	2,563,076	(563,076)	0.60	0.83	(0.23)	-28%
Reinsurance	961,855	295,035	666,819	0.29	0.10	0.19	202%
<b>TOTAL REVENUE</b>	<b>1,024,265,562</b>	<b>1,032,706,380</b>	<b>(8,440,818)</b>	<b>308.82</b>	<b>336.31</b>	<b>(27.49)</b>	<b>-8%</b>
<b>MEDICAL</b>							
Inpatient Hospital	184,923,062	196,306,048	(11,382,986)	55.75	63.93	(8.17)	-13%
Outpatient Facility	83,900,377	77,315,482	6,584,895	25.30	25.18	0.12	0%
Emergency Room Facility	66,844,872	56,222,221	10,622,652	20.15	18.31	1.84	10%
Long-Term Care Facility	15,609,449	14,216,850	1,392,599	4.71	4.63	0.08	2%
Primary Physician Services	36,817,849	33,412,245	3,405,604	11.10	10.88	0.22	2%
Health Homes Capitation and Incentive	4,739,154	2,989,033	1,750,121	1.43	0.97	0.46	47%
Urgent Care	18,127,110	16,435,022	1,692,088	5.47	5.35	0.11	2%
Physician Specialty	126,966,103	114,219,120	12,746,982	38.28	37.20	1.08	3%
BHT	15,049,646	13,167,803	1,881,843	4.54	4.29	0.25	6%
Mental Health	2,274,888	1,731,441	543,447	0.69	0.56	0.12	22%
Vision	3,543,605	3,261,556	282,049	1.07	1.06	0.01	1%
Other Medical Professional	14,977,912	13,929,343	1,048,569	4.52	4.54	(0.02)	0%
Pharmacy	28,039,050 (5)	101,168,109	(73,129,059)	34.04	32.95	1.09	3%
HEP C	1,145,008	4,944,301	(3,799,293)	1.39	1.61	(0.22)	-14%
DME/Pharmacy net of Rebates	9,243,891	7,484,800	1,759,092	2.79	2.44	0.35	14%
Pharmacy Rebates	(100,000)	(1,413,459)	1,313,459	(0.12)	(0.46)	0.34	-74%
Home Health and CBAS	5,110,470	5,155,111	(44,641)	1.54	1.68	(0.14)	-8%
Other- Ambulance and Non-Emergent Transportation	18,616,312	15,826,192	2,790,120	5.61	5.15	0.46	9%
Behavioral Health Integration Program	4,800,000		4,800,000	1.45		1.45	100%
Pay for Performance Quality Incentive	6,301,806	6,141,360	160,446	1.90	2.00	(0.10)	-5%
Provider Incentive Payments (Prop 56 & GEMT)	67,109,731	63,288,448	3,821,283	20.23	20.61	(0.38)	-2%
Add-Ons Directed Provider Payments	110,079,293	106,245,966	3,833,327	33.19	34.60	(1.41)	-4%
Reinsurance Premium	961,855	885,115	76,740	0.29	0.20	0.09	1%
UM/QA Costs (including Utilization & Quality Review)	26,784,739	22,518,309	4,266,430	8.08	7.33	0.74	10%
<b>Total Medical Costs</b>	<b>851,866,183 (3) (4)</b>	<b>875,450,416</b>	<b>(23,584,232)</b>	<b>256.84</b>	<b>285.10</b>	<b>(28.26)</b>	<b>-10%</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>172,399,379</b>	<b>157,255,965</b>	<b>15,143,414</b>	<b>51.98</b>	<b>51.21</b>	<b>0.77</b>	<b>1%</b>
<b>ADMINISTRATIVE</b>	<b>58,534,466</b>	<b>51,133,508</b>	<b>7,400,958</b>	<b>17.65</b>	<b>16.65</b>	<b>1.00</b>	<b>6%</b>
<b>NET PROFIT/(LOSS) BEFORE MCO TAX</b>	<b>113,864,913</b>	<b>106,122,457</b>	<b>7,742,456</b>	<b>34.33</b>	<b>34.56</b>	<b>(0.23)</b>	<b>-1%</b>
<b>MCO TAX EXPENSE</b>	<b>112,792,218</b>	<b>100,919,574</b>	<b>11,872,644</b>	<b>34.01</b>	<b>32.87</b>	<b>1.14</b>	<b>3%</b>
<b>NET PROFIT/(LOSS) AFTER MCO TAX</b>	<b>1,072,695</b>	<b>5,202,883</b>	<b>(4,130,187)</b>	<b>0.32</b>	<b>1.69</b>	<b>(1.37)</b>	<b>-81%</b>
<b>HEALTH HOME PROGRAM GRANTS</b>	<b>2,000,000</b>	<b>1,379,630</b>					
<b>PROVIDER QUALITY CARE GRANTS</b>	<b>1,000,000</b>	<b>3,000,000</b>					
<b>NET PROFIT/(LOSS) AFTER GRANT EXPENSE</b>	<b>(1,927,305)</b>	<b>823,253 (1) (2)</b>					
<b>MEDICAL LOSS RATIO (EXCLUDING MCO TAX, GRANTS AND DIRECTED PAYMENTS)</b>	<b>92.56%</b>	<b>92.79%</b>					
<b>ADMIN RATIO (EXCLUDING MCO TAX, GRANTS AND DIRECTED PAYMENTS)</b>	<b>7.30%</b>	<b>6.17%</b>					

(1) 2020 has been adjusted for approximately \$13.4 million of favorable prior period adjustments including retro capitation adjustments and IBNR and paid claims adjustments recognized as of September 2020, excludes \$12.8 million of COVID-19 provider expenses reported as of September, and approximately \$6.3 million of additional COVID-19 program expenses expected through the end of the year.

(2) 2020 Annual is estimated using September Financials, the 2020 Budget, and other adjustments due to timing differences and availability of updated current information.

(3) Includes \$10 million of cost savings as outlined in the Medical Management 2021 MLR Strategies - Exhibit A.

(4) Includes \$2.0 million of cost savings relating to the Pharmacy Department's new role - Exhibit B.

(5) 2021 Pharmacy amounts are only for the period January 1, 2021 - March 31, 2021.

	ALL COAs		FAMILY & OT/PT		SPD		EXPANSION	
	\$	1,316,700	\$	2,287,200	\$	182,740	\$	846,780
<b>REVENUE</b>								
Capitation	663,641,129	200.09	272,717,747	119.24	140,980,449	771.40	249,942,933	295.17
Maternity Kick	32,821,680	9.90	30,250,648	13.23	-	-	2,571,032	3.04
Health Home Cap	10,624,814	3.20	2,129,258	0.93	4,222,102	23.10	4,273,454	5.05
HEP C Kick	1,145,008	1.39	238,095	0.42	300,863	6.60	606,050	2.86
BHT Kick	15,049,646	4.54	5,886,859	2.57	9,162,787	50.14	-	-
Behavioral Health Integration Program	4,800,000	1.45	1,877,581	0.82	2,922,419	15.99	-	-
Prop 56	64,803,772	19.54	41,887,584	18.31	5,455,584	29.85	17,460,604	20.62
GEMT	5,546,148	1.67	2,033,622	0.89	1,529,701	8.37	1,982,825	2.34
Total MCAL Revenue	798,432,197	240.73	357,021,394	156.10	164,573,906	900.49	276,836,897	326.93
Add-Ons (Directed Provider Payments)	110,079,293	33.19	46,951,056	20.53	18,506,278	101.26	44,621,960	52.70
MCO Tax Revenue	112,792,218	34.01	78,128,307	34.16	6,101,448	33.39	28,562,463	33.73
Interest	2,000,000	0.60	2,000,000	0.87	-	-	-	-
Renewance	961,855	0.29	663,288	0.29	53,000	0.29	245,566	0.29
<b>TOTAL REVENUE</b>	<b>1,024,165,562</b>	<b>308.82</b>	<b>484,764,044</b>	<b>211.95</b>	<b>189,234,632</b>	<b>1,035.43</b>	<b>350,166,886</b>	<b>413.65</b>
<b>MEDICAL</b>								
Inpatient Hospital	184,923,062	55.75	69,733,597	30.49	41,507,503	227.11	73,681,562	87.01
Outpatient Facility	83,900,377	25.30	30,283,795	13.24	18,136,784	99.24	35,479,799	41.90
Health Homes Capitation and Incentive	4,739,154	1.43	1,806,221	0.79	1,380,236	7.55	1,552,697	1.83
Emergency Room Facility	66,844,872	20.15	39,620,419	17.32	6,990,503	38.25	20,233,950	23.90
Long-Term Care Facility	15,409,449	4.71	3,156,012	1.38	8,215,066	44.95	4,238,371	5.01
Primary Physician Services	36,812,849	11.10	23,774,225	10.39	2,772,895	15.17	10,270,730	12.13
Urgent Care	18,127,110	5.47	12,893,094	5.64	931,415	5.10	4,302,601	5.08
Physician Specialty	126,966,103	38.28	55,246,525	24.15	21,421,430	117.21	50,298,147	59.40
BHT	15,049,646	4.54	5,886,859	2.57	9,162,787	50.14	-	-
Mental Health	2,274,888	0.69	864,841	0.38	883,639	4.83	526,407	0.62
VSP	3,543,665	1.07	2,439,144	1.07	192,385	1.05	912,076	1.08
Other Medical Professional	14,977,912	4.52	5,713,977	2.50	2,608,121	14.27	6,655,814	7.86
Pharmacy	28,039,050	34.04	8,497,350	3.64	6,840,000	36.60	12,701,700	15.12
HEP C	1,145,008	1.39	238,095	0.42	300,863	6.60	606,050	2.86
DME/Pharmacy net of Rebates & Savings	9,243,891	2.79	2,872,738	1.26	3,976,740	21.76	2,394,414	2.83
Behavioral Health Integration Program	(100,000)	(0.12)	(30,000)	(0.15)	(25,000)	(0.55)	(45,000)	(0.21)
Pharmacy Rebates	4,800,000	1.45	1,877,581	0.82	2,922,419	15.99	(45,000)	(0.05)
Home Health and CBAS	5,110,470	1.54	1,852,063	0.81	2,092,440	11.45	1,165,966	1.38
Other- Ambulance and Non-Emergent Transportation	18,616,312	5.61	9,917,116	4.34	3,633,522	19.88	5,065,673	5.98
Pay for Performance Quality Incentive	6,301,806	1.90	4,345,680	1.90	347,244	1.90	1,608,882	1.90
Provider Incentive Payments - Prop 56 & GEMT	67,109,731	20.23	41,836,827	18.29	6,712,506	36.73	18,570,398	21.93
Directed Provider Payments	110,079,293	33.19	46,951,056	20.53	18,506,278	101.26	44,621,960	52.70
Renewance Premium	961,855	0.29	663,288	0.29	53,000	0.29	245,566	0.29
UM/QA Costs (including Utilization & Quality Review)	26,784,739	8.08	11,114,042	4.86	5,665,305	31.00	10,005,392	11.82
<b>Total Medical Costs</b>	<b>851,866,183</b>	<b>256.84</b>	<b>381,544,044</b>	<b>166.82</b>	<b>165,228,082</b>	<b>904.07</b>	<b>305,048,156</b>	<b>360.24</b>
<b>GROSS PROFIT/(LOSS)</b>	<b>172,399,379</b>	<b>51.98</b>	<b>103,219,100</b>	<b>45.13</b>	<b>24,006,549</b>	<b>131.36</b>	<b>45,218,730</b>	<b>53.40</b>
<b>ADMINISTRATIVE</b>	<b>58,534,466</b>	<b>17.65</b>	<b>24,288,252</b>	<b>10.62</b>	<b>12,380,767</b>	<b>67.74</b>	<b>21,865,447</b>	<b>25.82</b>
<b>NET PROFIT/(LOSS) BEFORE MCO TAX</b>	<b>113,864,913</b>	<b>34.33</b>	<b>78,930,848</b>	<b>34.51</b>	<b>11,625,783</b>	<b>63.61</b>	<b>23,353,283</b>	<b>27.58</b>
<b>MCO TAX EXPENSE</b>	<b>112,792,218</b>	<b>34.01</b>	<b>78,128,307</b>	<b>34.16</b>	<b>6,101,448</b>	<b>33.39</b>	<b>28,562,463</b>	<b>33.73</b>
<b>NET PROFIT/(LOSS) AFTER MCO TAX</b>	<b>1,072,695</b>	<b>0.32</b>	<b>802,541</b>	<b>0.35</b>	<b>5,524,335</b>	<b>30.23</b>	<b>(5,209,181)</b>	<b>(6.15)</b>
<b>MEDICAL LOSS RATIO (EXCLUDING MCO TAX AND DIRECTED PROVIDER PAYMENTS)</b>	92.56%		93.02%		89.12%		93.99%	
<b>ADMIN RATIO (EXCLUDING MCO TAX)</b>	7.31%		6.75%		7.52%		7.89%	

Attachment 2



**KERN HEALTH SYSTEMS  
BUDGETED MEMBER MONTHS  
CY 2021**

MEDI-CAL	Increased Amt	JAN'21	FEB'21	MAR'21	APR'21	MAY'21	JUN'21	JUL'21	AUG'21	SEP'21	OCT'21	NOV'21	DEC'21	CY 2021
<b>19 &amp; OVER</b>	0	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	50,400	604,800
<b>UNDER 19</b>	400	131,000	131,400	131,800	132,200	132,600	133,000	133,400	133,800	134,200	134,600	135,000	135,400	1,598,400
<b>SPDS</b>	0	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	182,400
<b>TOTAL OTHER</b>	0	7,030	7,030	7,030	7,030	7,030	7,030	7,030	7,030	7,030	7,030	7,030	7,030	84,360
-Blind/Disabled Dual	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
-Aged Dual	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
-BCCPT	0	30	30	30	30	30	30	30	30	30	30	30	30	360
<b>MEDI-CAL EXPANSION</b>	0	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	840,000
-Expansion Dual	0	550	550	550	550	550	550	550	550	550	550	550	550	6,600
-Expansion Partial Dual	0	15	15	15	15	15	15	15	15	15	15	15	15	180
<b>TOTAL MEDI-CAL</b>	400	274,195	274,595	274,995	275,395	275,795	276,195	276,595	276,995	277,395	277,795	278,195	278,595	3,316,740
<b>Kaiser Membership</b>	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000
<b>TOTAL COMBINED</b>	400	284,695	285,095	285,495	285,895	286,295	286,695	287,095	287,495	287,895	288,295	288,695	289,095	3,442,740

**KERN HEALTH SYSTEMS  
MEDI-CAL  
2021 REVENUE BUDGET**

E N R O L L M E N T	
Family and Other	2,287,200
SPD Members	182,760
MCAL Expansion	846,780
<b>T o t a l M e m b e r s - M C A L</b>	<b>3,316,740</b>

R E V E N U E S		PMPM	\$
Title XIX - Medicaid Adult & Child		156.10	357,021,394
Title XIX - Medicaid Seniors & Persons w/Disabilities		900.49	164,573,906
Title XIX - Medicaid Expansion		326.93	276,836,897
SUBTOTAL PREMIUM REVENUE	(1-8)	240.73	798,432,197
DIRECTED PAYMENT REVENUE	(9)	33.19	110,079,293
Title XIX - Medicaid - MCO TAX	(12)	34.01	112,792,218
<b>TOTAL MEDICAID REVENUE</b>		<b>307.92</b>	<b>1,021,303,707</b>
Interest Revenue	(10)	0.60	2,000,000
Reinsurance Recoveries	(11)	0.29	961,855
<b>TOTAL REVENUES</b>		<b>308.82</b>	<b>1,024,265,562</b>

REVENUE ASSUMPTIONS

- 1) PREMIUM REVENUE IS BASED ON DRAFT RATES PROVIDED BY DHCS (JANUARY-DECEMBER 2021) ON SEPTEMBER 28, 2020 WHICH INCLUDE THE REMOVAL OF PHARMACY SERVICES FOR THE PERIOD APRIL 1, 2021 - DECEMBER 31, 2021. ALSO INCLUDED ARE ADDITIONAL RATE ASSUMPTIONS TO ACCOUNT FOR ADJUSTMENTS TO BE INCLUDED IN THE FINAL RATES.
- 2) MATERNITY KICK REVENUE INCLUDED IN PREMIUM REVENUE INCLUDES A MONTHLY DELIVERY ASSUMPTION OF 400 DELIVERIES PER MONTH AND NEWBORNS ACCOUNT FOR THE MONTHLY MEMBERSHIP INCREASE.
- 3) HEALTH HOME PROGRAM REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED WITH DRAFT CY 2021 RATES. TOTAL MEMBER MONTHS FOR 2021 IS ASSUMED AT 37,489 MEMBER MONTHS.
- 4) SUPPLEMENTAL HEP C KICK REVENUE IS BUDGETED FOR THE PERIOD JANUARY 1, 2021 THROUGH MARCH 31, 2021. PHARMACY SERVICES WILL NO LONGER BE A MANAGED CARE COVERED BENEFIT AS OF APRIL 1, 2021. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 5) BHT KICK REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON 3,910 UTILIZER MONTHS OF TREATMENT AT \$4,317 PER MONTH FOR 0-6 YEAR OLDS AND \$3,098 FOR 7-20 YEAR OLDS IN ACCORDANCE WITH ESTIMATED RATES. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 6) PROP 56 ADD-ON REVENUE IS BUDGETED WITH DRAFT CY 2021 RATES AND ASSUMES NO SIGNIFICANT PROGRAM CHANGES FROM 2020. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 7) GEMT ADD-ON REVENUE IS BUDGETED WITH DRAFT CY 2021 RATES AND ASSUMES NO SIGNIFICANT PROGRAM CHANGES FROM 2020. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 8) BEHAVIORAL HEALTH INTEGRATION PROGRAM REVENUE IS BUDGETED BASED ON EXPECTED PROJECT EXPENSES TO BE INCURRED BY APPROVED DHCS PROGRAM PROVIDERS. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 9) DIRECTED PAYMENT ADD-ON REVENUE INCLUDING PHDP, EPP, AND QIP IS BUDGETED WITH THE MOST CURRENT 18/19 RATES PROVIDED BY DHCS ON AUGUST 21, 2020 USED AS A PLACEHOLDER. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 10) INTEREST REVENUE IS BASED ON ACTUAL INVESTMENT REVENUE RECEIVED FOR THE MONTH OF AUG 2020 AND ASSUMES SIMILAR PRINCIPAL BALANCES AVAILABLE FOR INVESTMENT AND CURRENT INTEREST RATES FOR 2021. POTENTIAL UNKNOWN MARKET GAINS OR LOSSES ARE NOT INCLUDED.
- 11) REINSURANCE RECOVERIES ARE ASSUMED AT 100% OF PREMIUM. PREMIUM IS ASSUMED TO BE CONSISTENT WITH CY 2020.
- 12) MCO TAX REVENUE IS BASED ON ESTIMATED PMPM RATES OF \$34.01 WHICH IS ESTIMATED BASED ON KNOWN QUARTERLY MCO TAX EXPENSE PAYMENTS. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.

**KERN HEALTH SYSTEMS  
2021 MEDICAL BUDGET  
UTILIZATION AND UNIT COST ASSUMPTIONS**

**FAMILY & OTHER**

	Annualized Increase	
	Unit Cost	Utilization
Inpatient Hospital	3.00%	-2.00%
Outpatient Facility	2.00%	1.00%
Emergency Room	2.00%	1.00%
Long Term Care	3.00%	1.00%
Urgent Care	3.00%	1.00%
Physician Primary Care	3.00%	2.00%
Physician Specialty	2.00%	1.00%
Other Medical Professional	5.00%	1.00%
Mental Health	3.00%	2.00%
Laboratory and Radiology	3.00%	1.00%
Home and Community Based Services	3.00%	5.00%
Other, Ambulance, and Non-Emergency Medical Transportation	3.00%	1.00%

**SENIORS & PERSONS WITH DISABILITIES (SPD)**

	Annualized Increase	
	Unit Cost	Utilization
Inpatient Hospital	3.00%	2.00%
Outpatient Facility	2.00%	1.00%
Emergency Room	2.00%	1.00%
Long Term Care	3.00%	1.00%
Urgent Care	3.00%	1.00%
Physician Primary Care	2.00%	1.00%
Physician Specialty	2.00%	1.00%
Other Medical Professional	3.00%	1.00%
Mental Health	3.00%	1.00%
Laboratory and Radiology	3.00%	1.00%
Home and Community Based Services	3.00%	3.00%
Other, Ambulance, and Non-Emergency Medical Transportation	3.00%	1.00%

**EXPANSION**

	Annualized Increase	
	Unit Cost	Utilization
Inpatient Hospital	3.00%	-2.00%
Outpatient Facility	1.00%	1.00%
Emergency Room	2.00%	1.00%
Long Term Care	3.00%	1.00%
Urgent Care	3.00%	2.00%
Physician Primary Care	1.00%	1.00%
Physician Specialty	3.00%	1.00%
Other Medical Professional	3.00%	1.00%
Mental Health	3.00%	1.00%
Laboratory and Radiology	3.00%	1.00%
Home and Community Based Services	3.00%	3.00%
Other, Ambulance, and Non-Emergency Medical Transportation	3.00%	1.00%

Note 1: The above percentages were based on paid claims cost history for the nine month period ending March 2020. Percentages are rounded to the nearest whole percentage.

Note 2: The above percentages do not include Medical Management 2021 MLR Strategies and Pharmacy Department Savings used in the development of health services cost savings which represent approximately \$12 million of utilization savings included in 2021 Budgeted Medical Costs.

**2021 ADMINISTRATIVE BUDGET ASSUMPTIONS**

KERN HEALTH SYSTEMS MEDI-CAL ADMINISTRATIVE EXPENSES						
	2021 BUDGET		2020 ESTIMATED		DIFFERENCE	
	PMPM	\$	PMPM	\$	PMPM	\$
Administrative:						
Compensation	10.36	34,347,364	10.25	31,476,925	0.10	2,870,439
Purchased Services	3.76	12,481,233	3.34	10,250,656	0.42	2,230,577
Supplies	0.30	983,114	0.28	853,966	0.02	129,148
Depreciation	1.81	6,006,245	1.51	4,623,259	0.31	1,382,986
Other Administrative Expenses	1.42	4,716,510	1.28	3,928,702	0.14	787,808
<b>Total Administrative Expenses</b>	<b>17.65</b>	<b>\$ 58,534,466</b>	<b>16.65</b>	<b>\$ 51,133,508</b>	<b>1.00</b>	<b>\$ 7,400,958</b>
<b>Member Months</b>		<b>3,316,740</b>		<b>3,070,690</b>		<b>246,060</b>

COMPENSATION

COMPENSATION EXPENSE WAS BASED ON STAFFING LEVELS NEEDED FOR THE GRADUAL ENROLLMENT OF 3,316,740 MEMBER MONTHS.

- 1.) THE 2021 BUDGETED COMPENSATION AMOUNT INCLUDES AN INCREASE OF APPROXIMATELY \$1,100,000 FOR EXPECTED SALARY INCREASES INCLUDING PROMOTIONS, COST OF LIVING INCREASES, 2 NEW ADMINISTRATIVE STAFF POSITIONS AND AVERAGE MERIT INCREASE ADJUSTMENTS OF 3.0% FOR ADMIN EMPLOYEES.
- 2.) THE 2021 EXPENSE ASSUMES ALL POSITIONS WILL REMAIN FILLED DURING THE YEAR. IN 2020 UNEXPECTED VACANCIES AND EMPLOYEE TURNOVER RESULTED IN APPROXIMATELY \$800,000 IN COMPENSATION SAVINGS.
- 3.) THE 2021 EXPENSE INCLUDES AN INCREASE OF APPROXIMATELY \$900,000 FROM ESTIMATED 2020 EXPENSE DUE TO ESTIMATED INCREASES IN PAYROLL TAXES AND BENEFIT RATES, INCLUDING CALPERS AND EMPLOYER RETIREMENT CONTRIBUTIONS.

PURCHASED SERVICES

- 4.) THE 2021 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$1,800,000 FOR OUTSIDE PROFESSIONAL SERVICES AND CONSULTING SERVICES NEEDED TO COMPLETE 2021 APPROVED PROJECTS WHICH INCLUDE REGULATORY REQUIRED PROJECTS AND APPROXIMATELY \$400,000 FOR INCREASES IN ANNUAL SYSTEM MAINTENANCE EXPENSES.

SUPPLIES

- 5.) THE 2021 BUDGETED EXPENSE FOR SUPPLIES INCLUDES AN INCREASE OF APPROXIMATELY \$129,000 FOR SUCH SUPPLIES AS LETTERHEAD, ENVELOPES, OFFICE EQUIPMENT PURCHASES, AND SUPPLIES RELATED TO MEMBER MAILINGS INCLUDING POSTAGE.

DEPRECIATION

- 6.) THE 2021 DEPRECIATION EXPENSE IS EXPECTED TO INCREASE APPROXIMATELY \$1,380,000 DUE TO A FULL YEAR OF EXPENSE FOR CAPITALIZED ASSETS COMPLETED AND PUT INTO PRODUCTION IN 2020, INCLUDING THE COMPLETION OF BUILDING IMPROVEMENTS.

OTHER ADMINISTRATIVE EXPENSES

- 7.) THE 2021 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES IN PROPERTY INSURANCE PREMIUMS OF \$300,000.
- 8.) THE 2021 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES IN ON-SITE TRAINING EXPENSE OF \$200,000.
- 9.) THE 2021 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$200,000 FOR OTHER ADMINISTRATIVE EXPENSES INCLUDING INCREASES IN REGULATORY LICENSE FEES, EMPLOYEE TRAINING COSTS, AND UTILITIES.

KERN HEALTH SYSTEMS

2021 BUDGETED FTE BY DEPARTMENT

EXPECTED MEMBERSHIP		274,195	274,595	274,995	275,395	275,795	276,195	276,595	276,995	277,395	277,795	278,195	278,595	3,316,740		
CC	DEPARTMENT	PROJECTED DECEMBER 2020	JAN 2021	FEB 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021	JULY 2021	AUGUST 2021	SEPT 2021	OCT 2021	NOV 2021	DEC 2021	TOTAL 2021	TOTAL 2021 FTE ADDITIONS
110	EXECUTIVE	6	-	-	-	-	-	-	-	-	-	-	-	-	6	-
210	FINANCE	15	-	-	-	-	-	-	-	-	-	-	-	-	15	-
220	INFORMATION TECHNOLOGY	19	-	-	-	-	-	-	-	-	-	-	-	-	19	-
221	BUSINESS INTELLIGENCE	17	-	-	-	-	-	-	-	-	-	-	-	-	17	-
222	MIS DEVELOPMENT	17	-	-	-	-	-	-	-	-	-	-	-	-	17	-
230	CLAIMS	59	-	-	-	-	-	-	-	-	-	-	-	-	59	-
240	PROJECT MANAGEMENT	9	-	-	-	-	-	-	-	-	-	-	-	-	9	-
310	UM	62	-	-	-	-	-	-	-	-	-	-	-	-	62	-
314	HEALTH HOMES	20	3	-	-	-	-	-	-	-	-	-	-	-	23	3
315	CASE MANAGEMENT	25	-	-	-	-	-	-	-	-	-	-	-	-	25	-
311	QH	18	-	-	-	-	-	-	-	-	-	-	-	-	18	-
312	HEALTH ED	17	-	-	-	-	-	-	-	-	-	-	-	-	17	-
313	PHARMACY	10	-	-	-	-	-	-	-	-	-	-	-	-	10	-
616	DISEASE MANAGEMENT	9	-	-	-	-	-	-	-	-	-	-	-	-	9	-
320	PROVIDER NETWORK MANAGEMENT	28	1	-	-	-	-	-	-	-	-	-	-	-	29	1
330	MEMBER SERVICES/ENGAGEMENT	83	-	-	-	-	-	-	-	-	-	-	-	-	84	-
340	CORPORATE SERVICES	10	-	-	-	-	-	-	-	-	-	-	-	-	10	-
360	COMPLIANCE	6	-	-	-	-	-	-	-	-	-	-	-	-	6	-
420	MARKETING	5	-	-	-	-	-	-	-	-	-	-	-	-	5	-
510	HR	13	-	-	-	-	-	-	-	-	-	-	-	-	13	-
<b>TOTAL</b>		<b>443</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>448</b>	<b>5</b>

The KHS CEO met with each department to review all departmental budgets and staffing requests. Requests were presented for 20 new positions to be added in 2021. After the review was completed, the CEO agreed to five new FTEs necessary to meet the department demand from expansion of mandated DHCS programs, performing newly required DHCS responsibilities and meeting increased responsibilities relating to network access data gathering and filings with DHCS and DMHC. Specifically, additional staffing is required for the following areas:

**Health Home Program (HHP)**

DHCS has identified 12,000 KHS enrollees eligible for the Health Home Program. Currently, KHS enrolls just under 2,500. Enrollment is conducted through a series of interviews with prospective members using a ratio of one enrollment outreach worker per HHP site. In order to expand the HHP program to measurably impact 12,000 eligible enrollees will require extending the HHP to 5 new locations by the end of 2021 giving KHS a total of 11 sites. To support this expansion will require hiring 3 new outreach workers to assist with member qualification assessment, HHP enrollment, member advocacy and clinical care coordination.

**(Necessary to fulfill DHCS requirements in 2021)**

**Provider Network Management**

As membership in Medi-Cal Managed Care Programs like KHS has grown over the past 6 years, DHCS and DMHC has become concerned about health plans providing timely access to members needing care. As the State becomes more rigorous in their oversight, more responsibility is given to health plans to ensure timely access standards are met resulting in increased surveillance and greater need for more frequent analysis and reporting. With the growth and complexity that has occurred in KHS's network, an additional FTE is necessary to keep up with the number of regulatory compliance filings required by DHCS and DMHC relating to the KHS provider network access and availability.

**(Necessary to fulfill DHCS requirements in 2021)**

**Member Services**

Member Services requires 1 FTE to assist with meeting the growing demand of maintaining and updating the complicated membership records that is the basis for KHS financial and eligibility records used by the entire organization. Due to a new regulation (APL 20-010) this additional resource is needed to ensure KHS maintains compliance with Cost Avoidance & Post-Payment Recovery for Other Health Coverage. This position will work in collaboration with IT to focus on reconciling the daily and monthly membership files from DHCS.

**(Necessary to fulfill DHCS performance standards and service requirements in 2021).**

**2 of 2**

**KERN HEALTH SYSTEMS  
2021 CAPITAL BUDGET**

ITEM	CORPORATE PROJECTS	TYPE (1)	QTR	COST	2021	2020	2019	TOT. PRJ. (2)
1	Project Portfolio Management System	N	1,2	\$ 574,562	\$ 574,562			\$ 574,562
2	Community Based Organization Referral System	N	1,2,3,4	\$ 459,653	\$ 459,653			\$ 459,653
3	Provider Credentialing System	R	1,2,3	\$ 464,231	\$ 464,231			\$ 464,231
4	Managed Care Accountability System Replacement	R	3,4	\$ 540,355	\$ 540,355			\$ 540,355
5	Enterprise Logging System	N	1,2,3	\$ 333,996	\$ 333,996	\$ 18,447		\$ 352,443
6	Interoperability System	N	2,3	\$ 312,044	\$ 312,044	\$ 927,035		\$ 1,239,079
7	Enterprise Data Warehouse System	R	1,2,3,4	\$ 673,553	\$ 673,553	\$ 847,478		\$ 1,521,031
<b>CORPORATE PROJECT SUBTOTAL</b>				<b>\$</b>	<b>3,358,394</b>	<b>5,362,940</b>	<b>4,930,906</b>	<b>5,151,354</b>
OFFICE FURNITURE & EQUIPMENT			QTR	COST	TOTAL	2020	2019	TOT. PRJ.
8	Office Furniture	B	1,2,3,4	\$ 88,250	\$ 88,250			\$ 88,250
<b>OFFICE FURNITURE &amp; EQUIPMENT SUBTOTAL</b>				<b>\$</b>	<b>88,250</b>	<b>408,602</b>	<b>23,549,784</b>	<b>88,250</b>
TECHNOLOGY			QTR	COST	TOTAL	2020	2019	TOT. PRJ.
9	Hardware Fulfillment and Replacement	B	1,2,3,4	\$ 202,500	\$ 202,500			\$ 202,500
10	Information Security Software	N	1,2,3,4	\$ 75,000	\$ 75,000			\$ 75,000
11	Data Management Software	N	1,2,3,4	\$ 223,800	\$ 223,800			\$ 223,800
12	Electronic Medical Record Interfaces	N	1,2,3,4	\$ 50,000	\$ 50,000			\$ 50,000
13	Microsoft® Software	B	3,4	\$ 160,000	\$ 160,000			\$ 160,000
14	Inventory System	R	1,2,3,4	\$ 50,000	\$ 50,000			\$ 50,000
<b>TECHNOLOGY SUBTOTAL</b>				<b>\$</b>	<b>761,300</b>	<b>507,000</b>	<b>590,750</b>	<b>1,422,600</b>
<b>TOTAL 2021 CAPITAL ITEMS</b>						<b>\$</b>	<b>4,207,944</b>	<b>6,278,542</b>
							<b>29,071,440</b>	Total 2019 Capital Budget
							<b>(23,473,284)</b>	Less 2019 Building Costs
							<b>5,598,156</b>	<b>6,662,204</b>

(1) Type R is a Renewal or Replacement / Type N is New / Type B is Both  
 (2) Does not include ongoing maintenance and support that is expected not to exceed 10% of the total project cost during the initial five years

## 2021 Capital Summary

### Corporate Projects

#### **1. Project Portfolio Management (PPM) System**

The KHS Project Management Office oversees various projects as part of the corporate portfolio. Additionally, there are many department projects that are managed by the individual departments. The Project Management Office (PMO) directly and indirectly manages the entire portfolio and ensures that the overall schedules are aligned and conducive for success. This project will procure a Project Portfolio Management system and the resources needed to implement. Some benefits of the PPM system are:

- a. - Flexible workflows
- b. - Portfolio metrics and measurements
- c. - Portfolio re-rationalizations and prioritizations
- d. - People resource capacity and demand management
- e. -Risk management

(Budgetary Impact: \$574,562.)

#### **2. Community Based Organization Referral System**

The Whole Person Care pilots and Health Homes Program built a foundation for an integrated approach to coordinating medical care, behavioral health and social services to improve beneficiary health outcomes. However, the implementation of these programs has varied across California and did not provide a statewide platform to comprehensively address the needs of beneficiaries with the most complex health challenges. KHS was approached by the United Way and Dignity to collaboratively fund a new software solution that will provide a referral workflow to Community Based Organizations (CBO's). The software solution will allow KHS to integrate its JIVA Medical Management system to review and manage the various social determinants that members require. This will create linkages amongst clinical providers and local community organizations that provide services vital to underserved populations. Its aim is to build a robust digital infrastructure connecting clinics, hospitals, community service organizations and other relevant partners to efficiently communicate and coordinate care, provide access to comprehensive resources, refer people to eligible programs, and track outcomes. It is a dynamic network of community partners collectively addressing the social determinants of health and ultimately linking anyone who needs help to appropriate community resources.

(Budgetary Impact: \$459,653.)



## 2021 Capital Summary

### 3. **Provider Credentialing System**

KHS uses the Symplr provider credentialing software to manage the plan's contracted provider network. This credentialing software is the workflow for Provider Management and the regulated credentialing process, and the data repository for all reports (regulatory and internal) related to the KHS contracted providers. Symplr will be retiring their credentialing software with a migration path to their hosted new Software as a Solution (SaaS) platform. This project will migrate the existing Symplr credentialing software to either the new Symplr model or a competitor in order to maintain a provide credentialing repository.

(Budgetary Impact: \$464,231.)

### 4. **Managed Care Accountability System Replacement**

KHS is rated on how well the plan gives service and care to its members. One tool that the Department of Healthcare Services (DHCS) measures is performance through the Managed Care Accountability System (MCAS). Each plan is required to manage and report (annually) its performance by DHCS. This project will provide the funds needed to procure an MCAS system to be implemented in 2022.

(Budgetary Impact: \$540,355.)

### 5. **Enterprise Logging System**

In 2020, KHS started to develop a custom monitoring system that will provide KHS with a centralized software system that records automated processes, data transfers and system services to a real-time reporting database. This will allow the organization to proactively report on systems that are having interruptions in order to minimize system down-time and perform more root-cause analysis through problem resolution. This project will provide the completion of building and implementing the Enterprise Logging System for the MIS Department.

(Budgetary Impact: \$333,996.)

### 6. **Interoperability System**

The U.S. Department of Health and Human Services (HHS) proposed new rules to support seamless and secure access, exchange and use of electronic health information. The rules are designed to increase choice and competition while fostering innovation that promotes patient access to and control over their health information. The proposed rules would require that patient electronic access to this electronic health information (EHI) be made available at no cost. CMS' proposed changes to the healthcare delivery system would increase the seamless flow of health information, reduce burden on patients and providers, and foster innovation by unleashing data for researchers and innovators. In 2020, KHS purchased software to meet this need, and is in the process of implementing the solution to

## 2021 Capital Summary

meet the June 2021 regulatory deadline. This project will complete the implementation of the purchased Interoperability System before the regulatory deadline.

(Budgetary Impact: \$312,044.)

### **7. Enterprise Data Warehouse System**

The Enterprise Data Warehouse (EDW) is the centralized repository that KHS uses to aggregate its various data feeds (i.e. Lab, Claim, Rx, Social Determinants, Immunization, etc.). The current data repository is over ten years old and will need to be modernized to continue to support the analytics and reporting of KHS. KHS leverages the EDW for almost every analytic and software application in the company. This data repository is responsible for all regulatory reporting and encounter data that is delivered to DHCS. This project will complete the work that was started in 2020.

(Budgetary Impact: \$675,553.)

## **Office Furniture**

### **8. Office Furniture**

Corporate Services is responsible for the overall upkeep and growth of office furniture and equipment. Type of furniture included but not limited to are chairs, desks and cubicle furniture. This expense will provide for employee growth, standing workstations, office copiers and replacement of chairs that are worn and were not replaced when relocating to Buck Owens.

(Budgetary Impact: \$88,250.)

## **Technology**

### **9. Hardware Fulfillment and Replacement**

Annually, KHS procures desktops, laptops, servers, and storage equipment to replace existing hardware, based on the equipment life cycle and wear, and to support the organizations growth. This expense will procure additional hardware for the 2021 calendar year in order to meet the organization's needs.

(Budgetary Impact: \$202,500.)

### **10. Information Security Software**

KHS is responsible for safeguarding the Personal Healthcare Information (PHI) of its constituents. There are various security techniques to ensure that unauthorized access has occurred within a data network, and the Intrusion Detection/Projection (IDS/IPS) Software is an industry standard solution. KHS will be procuring an IDS/IPS system to continue to protect the organizations data assets.

(Budgetary Impact: \$75,000.)

## 2021 Capital Summary

### **11. Data Management Software**

The databases within KHS aggregate a significant amount of data from a variety of sources (claims, immunizations, laboratory, pharmacy, etc.). These databases require a significant amount of oversight and tools to ensure that data is easily accessible and secure. This expense will help the database team with that responsibility and provide several tools (database cloning, analytic plug-ins, and address validation) to continue said oversight. (Budgetary Impact: \$223,800.)

### **12. Electronic Medical Record Interfaces**

In 2020, KHS has engaged several providers in the Health Homes Programs (HHP) to exchange clinical information between plan and provider. KHS is budgeting for several additional interfaces in 2021 and have earmarked this expense to facilitate these connections for this effort. (Budgetary Impact: \$50,000.)

### **13. Microsoft Software**

Annually, KHS procures Microsoft Software for employee growth, new projects, and normal replacement. Additionally, KHS will replace three critical databases that are working with the Standard version of the Microsoft database with the Microsoft Enterprise edition. (Budgetary Impact: \$160,000.)

### **14. Inventory System**

Asset management is a key tool for the Information Technology (IT) team. Assets are defined as software, licensing, data security certifications, hardware (servers, workstations, networking equipment, etc.), and accessories. Currently, this inventory is managed in a custom local database and this expense will cover the procurement and installation of a commercial technology asset tracking system. (Budgetary Impact: \$50,000.)

# Medical Management 2021 MLR Strategies

Martha Tasinga, Chief Medical Officer  
Deborah Murr, Chief Health Services Officer  
November 2020



EXHIBIT A

1 of 9

## Medical Management Program Purpose

- Deliver medically appropriate services
  - Authorization
  - Emergent
  - Coordination of Benefits
  - Parity with physical and behavioral care
  
- Performed in the most efficient setting
  - Inpatient/Hospital
  - Outpatient/Clinic/Office
  - Home
  
- Follow Clinical Practice Standards derived from Evidence based medicine
  - MCG criteria
  - Medi-Cal guidelines
  - Preventative care United States Preventative Task Force (USPTF)/Bright Futures

## Challenges Facing Medical Management

Provide full range of benefits within the medical cost component limits outlined in the 2021 reimbursement rates

Steps to accomplish this include:

- Examining historical medical expenses and utilization for each service category
- Determine additional / modified benefits (none for 2021)
- Compare the historical expenses adjusted for medical cost inflation and expected utilization by service to the 2021 rate reimbursement component for medical cost.
- Establish medical management strategy(s) to close financial gap between estimated 2021 medical cost and allowable medical cost included in the 2021 reimbursement rates

## 2021 Strategies

- Inpatient
  - Local
  - Tertiary
- Skilled Nursing Facility (SNF)
- Transition/Discharge Coordination
- Emergency Room/Urgent Care
- Potentially Preventable Admissions (PPA)
- Medication Therapy Management (MTM)
- Specialty Care
- Durable Medical Equipment (DME)
- Outpatient Facility Services
- Pharmacy
  - Drug Utilization Review (DUR)
  - Physician Administered Drugs (PAD)

## 2021 Strategies

- Inpatient stays- *\$187M-reduce 1%=\$1.8M savings*
  - Homebound Program
  - Discharge Planning
  - Medication Therapy Management
  - Tertiary Utilization/Redirection
    - Continuity of Care
    - UCLA vs. USC
    - Other
- Post Acute-*\$16M-reduce 1%=\$0.2M savings*
  - Transitional Care
  - SNF/Rehab
  - Respite/Recuperative
  - Home Health
  - Community Based Adult Services (CBAS)
- Urgent Care/Emergency room-Avoidable/reduction- *\$85M-reduce 1%-\$0.9M savings*
  - Telemedicine
  - Nurse Advice Line
  - Quarterly Outreach



## 2021 Strategies

- Potentially Preventable Admissions (PPA)-avoidance of IP cost incurred=\$2M savings
  - *Primary Care/Specialty Care*
  - *Hospitalist/MTM*
  - *Specific conditions*
- Respite/Recuperative-10 beds/month/annually=\$3M savings
  - *Alternative to Inpatient/Rehab/SNF*
  - *Homeless*
- Specialty Care-\$126M Physician specialty mgmt.-reduce 1%=\$1.3M savings
  - Chronic Disease Medication Therapy Management by KHS pharmacy staff
  - Chronic Obstructive Pulmonary Disease (COPD) Program-add Congestive Heart Failure (CHF)
  - Outreach Programs
    - *Health Risk Assessment (HRA)*
    - *Preventative care-Managed Care Accountability Set (MCAS)*
    - *Back to Care Initiative*
  - Alternative Payment(APM)/ Value Based (VBP) reimbursement methodology

## 2021 Strategies (cont'd)

- Wound care-~~\$9M~~-reduce 1%=\$0.1M savings
  - Home health
  - Podiatry
  - DME
- Outpatient Facility
  - Freestanding vs. Hospital based services
    - Radiology-CT/MRI/PET/Nuclear
    - Outpatient procedures-~~\$55M~~-reduce 1%=\$0.5M savings
    - Laboratory-genetics testing/non-IP costs
- Physician Administered Drugs (PAD)-Brown bag to outpatient infusion center vs. office/hospital-~~\$22M~~-reduce 1%=\$0.2M savings
  - Chemotherapy-contractual
  - Biologics-contractual
    - Gastrointestinal
    - Rheumatology

## Additional Areas Impacting Medical Costs

- Back to Care Initiatives
- Social Determinants of Health (SDoH)/In Lieu of Services (ILOS)
- Housing Case Management
- HHP/Distributive model expansion
- MCAS Incentive Program
- COPD program
- Diabetes Prevention Program (DPP)/Diabetic (DM) clinic
- Clinical Engagement
- Pregnancy Initiatives
- Central California Asthma Coalition (CCAC)
- Contract amendments
- APM/VBP Reimbursement models

## Summary

### Deployment of these strategies will:

- Provide full range of MCAL benefits within the medical dollars allocated for this purpose in the 2021 rates
- Ensure all medical services follow evidence based medical guidelines
- Services will be delivered in the most cost-effective setting using medically qualified providers
- Yield medical cost savings of \$10 million

# KHS Pharmacy Administration post – transition effective 4/1/2021

December 4, 2020

Bruce Wearda, BS. Pharm., R. Ph.

Director of Pharmacy

## Agenda

- Rx Benefit Administration Transition
- Health Plan Pharmacy Department's new role post transition:
  - Pharmacy Benefits Administration (remaining duties)
    - Medical Services
    - Institutional Services
  - Pharmacy Clinical Mgmt. Oversight
  - State Agency DUR Board and Committee participation
- Pharmacy role added to Medical Mgmt./ Quality Assurance/ (Health Homes Program) HHP functions
- Anticipated Benefits of including Pharmacy using Medication Therapy Management (MTM) as an example:
  - Savings in Medical Cost
  - Improvement in Quality Measures

# Rx Benefit Administration Transition

## KHS RX Activities Pre and Post April 1, 2021



### Medi-Cal Rx: Post-Transition Roles & Responsibilities

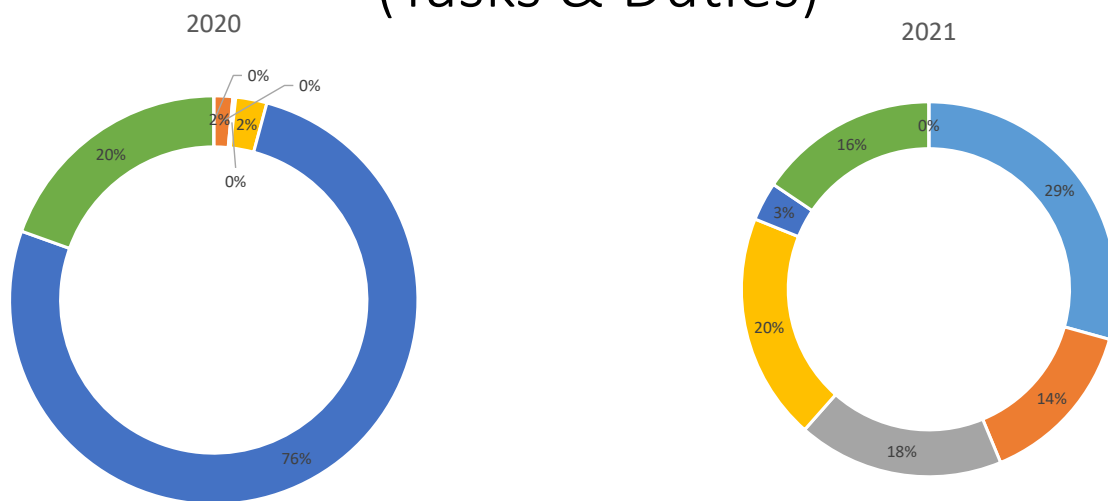
This document is intended to give a high-level overview of the post-transition roles and responsibilities for the Department of Health Care Services (DHCS), contracted plan partners, and the new Medi-Cal Rx Contractor, as of January 1, 2021. This document is not intended to give an exhaustive list but to be representative of the most critical functions that each respective entity will be responsible for pertaining to Medi-Cal Rx.



DHCS	Contracted Plan Partners	Medi-Cal Rx Contractor
<p><i>DHCS will be responsible for activities including but not limited to the following:</i></p> <ul style="list-style-type: none"> <li>▪ Developing, implementing, and maintaining all Medi-Cal pharmacy policy, including but not limited to:                             <ul style="list-style-type: none"> <li>○ Drug coverage</li> <li>○ State supplemental drug rebates</li> <li>○ Prior authorization (PA) and utilization management (UM)</li> </ul> </li> <li>▪ Negotiation of, and contracting for, state supplemental drug rebates</li> <li>▪ Reviewing and issuing final determinations regarding all PA denials for Medi-Cal Rx benefits</li> <li>▪ Providing oversight of and facilitation for the State Fair Hearing process</li> <li>▪ Establishing Medi-Cal Rx pharmacy reimbursement methodologies, consistent with applicable state and federal requirements</li> <li>▪ Establishing and maintaining the Medi-Cal pharmacy provider network</li> <li>▪ Contract management and oversight/monitoring of the Medi-Cal Rx Contractor, including review of performance/deliverables, approval of invoices, etc.</li> <li>▪ Overseeing the Medi-Cal Global Drug Utilization Review (DUR) Board and other DHCS pharmacy committees, in collaboration with the Medi-Cal Rx Contractor</li> </ul>	<p><i>Contracted Plan Partners will be responsible for activities including but not limited to the following:</i></p> <ul style="list-style-type: none"> <li>▪ Overseeing and maintaining all activities necessary for enrolled Medi-Cal beneficiary care coordination and related activities, consistent with contractual obligations</li> <li>▪ Providing oversight and management of all the clinical aspects of pharmacy adherence, including providing disease and medication management</li> <li>▪ Processing and payment of all pharmacy services billed on medical and institutional claims</li> <li>▪ Participating in Medi-Cal Global DUR Board and other DHCS pharmacy committee meetings.</li> </ul>	<p><i>The Medi-Cal Rx Contractor will be responsible for activities including but not limited to the following:</i></p> <ul style="list-style-type: none"> <li>▪ Providing claims administration, processing, and payment functionalities for all pharmacy services billed on pharmacy claims</li> <li>▪ Overseeing coordination of benefits with other health coverage, including Medicare</li> <li>▪ Providing UM, including ensuring all pharmacy PA adjudication within 24 hours (note: all pharmacy PA denials will require DHCS review prior to final determination)</li> <li>▪ Providing Prospective and Retrospective DUR services</li> <li>▪ Providing drug rebate administration services, which are compliant with federal and state laws, and adhere to DHCS policies and direction</li> <li>▪ Providing beneficiary and provider supports, including 24/7/365 Customer Service Center to support all provider and beneficiary calls, as well as outreach, training, and informing materials</li> <li>▪ Providing to Medi-Cal providers and contracted plan partners real-time data access (through electronic database/portal), and daily data feeds for the purposes of coordinating care</li> <li>▪ Providing direct contracted plan partner liaisons to assist with care coordination and clinical issues</li> </ul>



# Pharmacy Dept. Resource Reassignment (Tasks & Duties)



- Shift away from formulary mgt/prescription processing / Rx Benefit admin. (76% to 3%)
- Pharmacy clinical management activities (MTM), HHP, Transition of Care (TOC)) ( 4% to 63%)
- Add quality assurance role to support MCAS Quality Measures (0% to 18%)
- Maintain Rx processing and benefits administration for professional and institutional administered medications (20% to 16%)





## Medication Therapeutic Management (MTM) (Projected Medical Cost Savings)

		Cost per		
		\$16,942.90 (admission)	\$563.68 (visit)	\$80.25 (visit)
Population	PPA Rate	Inpatient	Emergency Room	Urgent Care
Chronic Obstructive Pulmonary Disorder	8.3%	260	835	426
Congestive Heart Failure	15.8%	273	539	209
Diabetes	1.9%	535	1906	1392
Persistent Asthma	1.8%	362	2643	2949
		Inpatient	Emergency Room	Urgent Care
Chronic Obstructive Pulmonary Disorder		\$ 4,401,240.00	\$ 470,431.01	\$ 34,154.27
Congestive Heart Failure		\$ 4,620,786.08	\$ 303,663.53	\$ 16,753.27
Diabetes		\$ 9,072,075.40	\$ 1,074,480.29	\$ 111,726.74
Persistent Asthma		\$ 6,128,670.23	\$ 1,490,007.00	\$ 236,704.15
		\$ 24,222,771.71	\$ 3,338,581.83	\$ 399,338.43
Reduction Rate		10%	5%	10%
Savings		\$ 2,422,277.17	\$ 166,929.09	\$ 39,933.84
Grand Total Savings		\$ 2,629,140.11		
Projected 2021 Total Savings		\$ 1,971,855.09*		

\*2021 Savings Amount is for the period April 1, 2021 -December 31, 2021 due to DHCS extending the RX carve out date to begin 4/1/21 instead of 1/1/21



## Managed Care Accountability Set (MCAS) (Quality Measures)

- MCAS is a performance tool to show how timely medical care and clinical service utilization contributes to member's health status
- Performance metrics are based on “best practices” covering selected preventive services, screening programs, health measures and chronic disease monitoring
- Repurposing **pharmacy** resources will aid in achieving DHCS MCAS required **medication** specific performance metrics for:
  - Asthma
  - Depression
  - ADHD

# Summary

Repurposing KHS pharmacy management resources will:

- Assure members and physicians of a smooth, uninterrupted transition from the current, local Rx benefit administration to a new, Statewide Rx benefit administration program
- Enable a gradual transition of current staff to new roles and responsibilities to aid with key KHS programs such as MTM, HHP, TOC and MCAS.
- Redeployment to key programs will improve KHS quality performance scores (MCAS) and potentially save \$2.0 million in medical services





**To: KHS Finance Committee**

**From: Richard M. Pruitt, Chief Information Officer**

**Date: December 4, 2020**

**Re: Project Consulting Professional Services**

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**Background**

In 2020, KHS engaged in a variety of complex corporate projects such as Hospital Directed Payments, Enterprise Data Warehouse, Disaster Recovery, Interoperability, Member Engagement, and RX PBM Transition. The company has been very successful with the 2020 portfolio, and next year, 2021, the project expectations will continue.

Each year, the technology team augments the department staff, by outsourcing with professional technical consultants, thus avoiding full-time employee hires, to accommodate the resource requirements of the corporate projects. During the organization's 2021 annual project and resource planning, the technology department identified the need for thirteen (13) resources to adequately staff the twenty-eight (28) Corporate and Department Projects.

**Requested Action**

Authorize the CEO to approve contracts associated to procurement of Professional Technical Resources with various consulting companies in the amount not to exceed \$3,561,948 in operating and capital expenses associated for labor needed to complete the 2021 corporate and department projects.



2021 Project Consulting  
Professional Services  
December 4, 2020

Richard M. Pruitt  
Chief Information Officer

## Agenda

- General Overview
- Sequence of Events
- 2020/2021 Corporate Projects and Planning
- Professional Services Vendors
- Expenditures
- Benefits of Outsourcing
- Board of Directors Request

## General Overview

In 2020, KHS engaged in a variety of complex corporate projects such as Hospital Directed Payments, Enterprise Data Warehouse, Disaster Recovery, Interoperability, Member Engagement, and RX PBM Transition. The company has been very successful with the 2020 portfolio, and next year, 2021, the project expectations will continue.

Each year, the technology team augments the department staff, by outsourcing with professional technical consultants, thus avoiding full-time employee hires, to accommodate the resource requirements of the corporate projects. During the organization's 2021 annual project and resource planning, the technology department identified the need for thirteen (13) resources to adequately staff the twenty-eight (28) Corporate and Department Projects.



## Sequence of Events

- Professional Services Vendors RFP Process Performed (2020)
- Update Rate Sheets (2020) with Vendors
- Annual Corporate/Department Project Approval
- Annual Resource Planning
- Annual Budget Process
- Create recommendation for the Board of Directors.

## 2020 Corporate Projects

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1	HEDIS/MCAS-Software Update											
2	Category of Aid											
3	BizTalk Upgrade											
4	2D - Clinical Engagement											
5	Pay for Performance											
6	QNXT Upgrade with NetworX and CES KB Update											
7	Medical Mgmt. - POS											
8	RDT Reconciliation											
9	MCAS Data Submission and Auditing w/PM											
10	HHP - Member Engagement											
11	Cactus Upgrade											
12	Enterprise Logging											
13	Hospital Directed Payments (HDP)/Encounters											
14	HHP 2020 - CSV Health Homes											
15	HHP 2020 - Distributive Model											
16	Enterprise Data Warehouse											
17	Disaster Recovery and Business Continuity Test											
18	Data Improvement for DHCS Reporting											
19	Medical Management System Upgrade (and CWQI)											
20	Rx PBM Transition											
21	Auto Adjudication Enhancements											
22	MCAS Member Engagement (Incentives Pilot)											
23	Interoperability											
24	274 Telehealth Indicator Update											
25	OHC APL 20-010											

## 2021 Corporate Projects

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1	Population Health Management											
2	Update Workflow to Support Multiple Browsers											
3	Upgrade QNXT/Network/Optum											
4	MCAS Data Submission and Audit											
5	Potential Inappropriate Care Monitoring/Reporting											
6	Managed Care Accountability System RFP											
7	Expansion of KHS's Alternative Payment Model											
8	Pharmacy Benefit Manager System											
9	Provider Credentialing System											
10	Implementation of Distributive Model											
11	New Health Homes Site											
12	Enterprise Logging											
13	Enterprise Data Warehouse											
14	JIVA Upgrade											
15	JIVA Upgrade 2021											
16	Prior Authorization List											
17	Clinical Engagement Program											
18	OHC Requirements for APL 20-010											
19	Project Portfolio Management System											
20						New PMO Dashboard						
21	Interoperability System											
22	Rate Development Template (RDT) Enhancements											
23	Back to Care for Members Program											
24	Diabetic Prevention Program Expansion (Internal Program)											
25	CCAC Asthma Mitigation											
26	Social Determinants of Health - In Lieu of Service Program											
27	Community-Based Organization Referral System											
28	New Grant Program for 2021 for ILOS											

# 2021 Resource Planning

Item	Project Name	MGMT	CYBER	OPS	CONFIG	DBA	DEV	EDI	BIA	PIA	DA	HD	TOTAL
1	Population Health Management			900	900	900	450	900	900	450	900		6,300
2	Update Workflow to Support Multiple Browsers			75	75	38	1,000		75	75			1,338
3	Upgrade QNXT/NetworX/Optum			225	225	225	225	225	75	75	225		1,500
4	MCAS Data Submission and Audit			150		150			75		600		975
5	Potential Inappropriate Care Monitoring/Reporting			75	150	75			75	75	75		525
6	Managed Care Accountability System RFP									150			150
7	Expansion of KHS's Alternative Payment Model				150	38			150				338
8	Pharmacy Benefit Manager System					150		113	75	75	150		563
9	Provider Credentialing System			150	38	225	75	75	38	38	150		825
10	Implementation of HHP Distributive Model			150	450	150			38	38	75		900
11	New Health Homes Site			75	150	225			38	38	38		563
12	Enterprise Logging			38		150	450	150	38	38	75		938
13	Enterprise Data Warehouse					600			38	38	150		825
14	JIVA Upgrade									38			38
15	JIVA Upgrade			150	150	150	75	75	75	75	37		787
16	Prior Authorization List			75	150	75			75	38	75		488
17	Clinical Engagement Program			75	150	75			75	38	75		488
18	OHC Requirements for APL 20-010					450	150	150	75	38	75		938
19	Project Portfolio Management System			225		225	225		38	75	150		938
20	New PMO Dashboard					150			150	75	150		525
21	Interoperability System			38		150	450	150	38	38	75		938
22	Rate Development Template (RDT) Enhancements					225			38	38	75		376
23	Back to Care for Members Program			75	75	75			38		75		338
24	Diabetic Prevention Program Expansion (Internal Program)			75	150	75			75	38	75		488
25	CCAC Asthma Mitigation			75	150	75			75	38	75		488
26	Social Determinants of Health - In Lieu of Service Program			300	900	300	300		150	150	300		2,400
27	Community-Based Organization Referral System			188	38	300	150		75	75	150		975
28	New Grant Program for 2021 for ILOS				75				75				150
29	Technology Projects		188	1,501	-	3,864	938	1,013	2,100	1,313	3,151	75	14,141
30	Maintenance	1,900	1,614	6,035	9,753	5,194	4,887	4,198	5,125	1,032	4,304	5,400	47,542
	Demand	1,900	1,802	10,649	13,728	14,308	9,375	7,049	9,926	4,185	11,279	5,475	87,774
	Resources	-	1,900	9,500	7,600	7,600	9,500	5,700	9,500	3,800	11,400	5,700	
	Employees	0	1	5	4	4	5	3	5	2	6	3	38
	Variance	(1,900)	98	(1,149)	(6,128)	(6,708)	125	(1,349)	(426)	(385)	121	225	
	Employee Need	1	0	1	4	4	0	1	1	1	0	0	13

# Professional Services Vendors

ITEM	COMPANY	DEV	DBA	TA	DA	SYS
1	HonorVet Technologies	\$ 110	\$ 85	\$ 79	\$ 85	\$ 70
2	Cumberland	\$ 90	\$ 90	\$ 90	\$ 75	\$ 90
3	ENIN Systems	\$ 89	\$ 110	\$ 81	\$ 85	\$ 98
4	SVAM	\$ 105	\$ 100	\$ 90	\$ 90	\$ 100
5	GTR TeK	\$ 110	\$ 105	\$ 90	\$ 85	\$ 95
6	CEI	\$ 105	\$ 105	\$ 90	\$ 95	\$ 105
7	FluidEdge	\$ 115	\$ 110	\$ 110	\$ 90	\$ 110

DEV	C# Application Developer
DBA	Microsoft Database Developer
TA	Technical Analyst

DA	Microsoft Data Analyst
SYS	Systems Engineer/Administrator



## Expenditures

YEAR	PROJECTS	RESOURCES	REQUESTED	ACTUAL	VARIANCE
2018	16	18	\$3,979,641	\$3,971,647	\$7,994
2019	21	24	\$5,321,753	\$4,806,716	\$515,037
2020*	20	16	\$4,236,600	\$2,792,226	\$386,984
<b>2021</b>	<b>28</b>	<b>13</b>	<b>\$3,561,948</b>	<b>N/A</b>	<b>N/A</b>

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

## Benefits of Outsourcing

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

## Board of Directors Request

Authorize the CEO to approve contracts associated to procurement of Professional Technical Resources with various consulting companies in the amount not to exceed \$3,561,948 in operating and capital expenses associated for labor needed to complete the 2021 corporate and department projects.



## Questions

Please contact:

Richard M. Pruitt

Chief Information Officer

661-664-5078

[richard.pruitt@khs-net.com](mailto:richard.pruitt@khs-net.com)





**To: KHS Finance Committee**  
**From: Robert Landis, CFO**  
**Date: December 4, 2020**  
**Re: September 2020 Financial Results**

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The September results reflect a \$502,598 Net Increase in Net Position which is a \$1,315,959 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$.8 million favorable variance primarily due to:
  - A) \$2.6 million favorable variance primarily due to higher than expected budgeted membership.
  - B) \$2.4 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted rate increase in tobacco tax revenue funds in fiscal year 19/20 for additional CPT procedure codes along with unbudgeted new Prop 56 programs that became effective January 1, 2020 offset against amounts included in 2B below.
  - C) \$1.8 million unfavorable variance in Premium MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is offset against MCO Tax Expense included in Item 3 below.
  - D) \$2.0 million unfavorable variance in Premium-Hospital Directed Payments (Current Year) primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 2D below.
- 2) Total Medical Costs reflect a \$1.9 million unfavorable variance primarily due to:
  - A) \$4.3 million unfavorable variance in Inpatient due to higher than expected utilization.
  - B) \$7.0 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts that became effective January 1, 2020 offset against revenue included in 1B above (\$2.4 million) and Covid-19 provider relief expenses (\$5.2 million).
  - C) \$2.7 million favorable variance in Risk Corridor Expenses due to a new requirement under the Governor's budget imposing surplus and deficit limitations on health plans from COVID-19 impact on overall medical cost and/or utilization of health care services. Primarily due to an increase in Covid-19 provider relief expenses included in 2B above, we were able to reduce our current year's Bridge Risk Corridor Expense.

- D) \$2.0 million favorable variance in Hospital Directed Payments (Current Year) primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 1D above.
- E) \$.8 million favorable variance in Non-Claims Expense Adjustment primarily from favorable adjustments relating to 18/19 Ground Emergency Medical Transport (“GEMT”) accrued expenses.
- F) \$4.3 million favorable variance in IBNR, Incentive, Paid Claims Adjustment primarily from favorable adjustments relating to the 17/18 Expansion 85% Medical Loss Ratio Risk Corridor calculation.

3) \$1.2 million favorable variance in MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is partially offset against MCO Tax Premium included in Item 1C above.

The September Medical Loss Ratio is 92.8% which is favorable to the 93.4% budgeted amount. The September Administrative Expense Ratio is 5.4% which is favorable to the 6.6% budgeted amount.

The results for the 9 months ended September 30, 2020 reflect a Net Increase in Net Position of \$10,053,367. This is a \$16,317,957 favorable variance to budget and includes approximately \$13.4 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 91.5% which is favorable to the 93.2% budgeted amount. The year-to-date Administrative Expense Ratio is 6.1% which is favorable to the 6.6% budgeted amount.

**Kern Health Systems  
Financial Packet  
September 2020**

**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
Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM	Page 5
Schedule of Revenues	Page 6
Schedule of Medical Costs	Page 7
Schedule of Medical Costs - PMPM	Page 8
Schedule of Medical Costs by Month	Page 9
Schedule of Medical Costs by Month – PMPM	Page 10
Schedule of Administrative Expenses by Department	Page 11
Schedule of Administrative Expenses by Department by Month	Page 12

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

Comparative Statement of Net Position	Page 13
Statement of Revenue, Expenses, and Changes in Net Position	Page 14

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 15
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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2020</b>			
<b>ASSETS</b>	<b>SEPTEMBER 2020</b>	<b>AUGUST 2020</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 72,681,349	\$ 78,343,510	\$ (5,662,161)
Short-Term Investments	181,837,687	133,084,804	48,752,883
Premiums Receivable - Net	93,004,578	138,168,642	(45,164,064)
Premiums Receivable - Hospital Direct Payments	165,570,574	221,388,642	(55,818,068)
Interest Receivable	106,680	222,388	(115,708)
Provider Advance Payment	5,502,525	5,258,533	243,992
Other Receivables	1,249,801	1,445,895	(196,094)
Prepaid Expenses & Other Current Assets	1,779,089	1,976,799	(197,710)
<b>Total Current Assets</b>	<b>\$ 521,732,283</b>	<b>\$ 579,889,213</b>	<b>\$ (58,156,930)</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,217,018	2,262,620	(45,602)
Computer Hardware and Software - Net	15,752,890	15,991,802	(238,912)
Building and Building Improvements - Net	35,575,364	35,651,058	(75,694)
Capital Projects in Progress	10,921,119	10,333,994	587,125
<b>Total Capital Assets</b>	<b>\$ 68,557,097</b>	<b>\$ 68,330,180</b>	<b>\$ 226,917</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,503,894	1,504,221	(327)
<b>Total Long Term Assets</b>	<b>\$ 1,803,894</b>	<b>\$ 1,804,221</b>	<b>\$ (327)</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,889,179</b>	<b>\$ 2,889,179</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 594,982,453</b>	<b>\$ 652,912,793</b>	<b>\$ (57,930,340)</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 3,642,550	\$ 3,652,814	(10,264)
Accrued Other Operating Expenses	1,506,310	1,465,499	40,811
Accrued Taxes and Licenses	50,282,005	65,123,086	(14,841,081)
Claims Payable (Reported)	20,791,590	24,349,243	(3,557,653)
IBNR - Inpatient Claims	31,099,927	32,503,007	(1,403,080)
IBNR - Physician Claims	14,387,253	13,497,322	889,931
IBNR - Accrued Other Medical	24,726,835	16,836,728	7,890,107
Risk Pool and Withholds Payable	3,904,000	4,086,687	(182,687)
Statutory Allowance for Claims Processing Expense	2,066,234	2,066,234	-
Other Liabilities	44,189,160	50,453,434	(6,264,274)
Accrued Hospital Directed Payments	166,655,702	207,650,450	(40,994,748)
<b>Total Current Liabilities</b>	<b>\$ 363,251,566</b>	<b>\$ 421,684,504</b>	<b>\$ (58,432,938)</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	6,564,477	6,564,477	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 6,564,477</b>	<b>\$ 6,564,477</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 420,664</b>	<b>\$ 420,664</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	214,692,379	214,692,379	-
Increase (Decrease) in Net Position - Current Year	10,053,367	9,550,769	502,598
<b>Total Net Position</b>	<b>\$ 224,745,746</b>	<b>\$ 224,243,148</b>	<b>\$ 502,598</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 594,982,453</b>	<b>\$ 652,912,793</b>	<b>\$ (57,930,340)</b>

			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2020					
CURRENT MONTH MEMBERS						YEAR-TO-DATE MEMBER MONTHS		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
176,018	170,700	5,318	Family Members			1,540,579	1,521,900	18,679
66,052	61,090	4,962	Expansion Members			565,801	549,810	15,991
15,626	14,730	896	SPD Members			141,359	132,570	8,789
7,053	6,205	848	Other Members			62,366	55,845	6,521
10,138	8,660	1,478	Kaiser Members			85,716	77,940	7,776
274,887	261,385	13,502	<b>Total Members - MCAL</b>			2,395,821	2,338,065	57,756
<b>REVENUES</b>								
30,419,692	27,630,838	2,788,854	Title XIX - Medicaid - Family and Other			262,062,846	247,397,576	14,665,270
25,069,155	23,145,509	1,923,646	Title XIX - Medicaid - Expansion Members			215,397,132	208,309,583	7,087,549
15,191,965	14,884,621	307,344	Title XIX - Medicaid - SPD Members			136,474,458	133,961,590	2,512,868
8,332,682	10,109,000	(1,776,318)	Premium - MCO Tax			72,501,385	90,405,000	(17,903,615)
9,112,869	11,101,028	(1,988,159)	Premium - Hospital Directed Payments			78,907,359	99,755,031	(20,847,672)
(14,474)	401,589	(416,063)	Investment Earnings And Other Income			2,042,681	3,591,419	(1,548,738)
	73,290	(73,290)	Reinsurance Recoveries			-	655,436	(655,436)
2,924	-	2,924	Rate Adjustments - Hospital Directed Payments			(51,784,101)	-	(51,784,101)
70,321	-	70,321	Rate/Income Adjustments			(864,300)	-	(864,300)
88,185,134	87,345,876	839,258	<b>TOTAL REVENUES</b>			714,737,460	784,075,636	(69,338,176)
<b>EXPENSES</b>								
Medical Costs:								
14,514,021	14,440,607	(73,414)	Physician Services			120,643,312	129,357,932	8,714,620
4,841,378	4,649,803	(191,575)	Other Professional Services			36,991,687	41,652,466	4,660,779
4,926,059	5,180,721	254,662	Emergency Room			40,636,542	46,365,381	5,728,839
17,879,275	13,554,488	(4,324,787)	Inpatient			142,668,223	121,531,149	(21,137,074)
76,523	73,290	(3,233)	Reinsurance Expense			664,548	655,436	(9,112)
6,804,640	6,571,645	(232,995)	Outpatient Hospital			57,568,651	58,953,421	1,384,770
14,033,235	7,055,882	(6,977,353)	Other Medical			89,821,834	63,144,199	(26,677,635)
9,829,083	9,741,151	(87,932)	Pharmacy			82,917,600	87,414,177	4,496,577
529,498	505,450	(24,048)	Pay for Performance Quality Incentive			4,620,210	4,520,250	(99,960)
(2,700,000)	-	2,700,000	Risk Corridor Expense			-	-	-
9,112,869	11,101,028	1,988,159	Hospital Directed Payments			78,907,359	99,755,031	20,847,672
4,234	-	(4,234)	Hospital Directed Payment Adjustment			(52,020,983)	-	52,020,983
(777,546)	-	777,546	Non-Claims Expense Adjustment			(2,251,369)	-	2,251,369
(4,317,566)	-	4,317,566	IBNR, Incentive, Paid Claims Adjustment			(11,610,688)	-	11,610,688
74,755,703	72,874,065	(1,881,638)	<b>Total Medical Costs</b>			589,556,926	653,349,443	63,792,517
13,429,431	14,471,811	(1,042,380)	<b>GROSS MARGIN</b>			125,180,534	130,726,193	(5,545,659)
Administrative:								
2,636,509	2,672,788	36,279	Compensation			23,288,558	24,048,978	760,420
421,612	860,729	439,117	Purchased Services			7,193,350	7,746,232	552,882
71,111	119,194	48,083	Supplies			640,101	1,072,901	432,800
419,251	334,375	(84,876)	Depreciation			3,773,259	2,990,375	(782,884)
296,858	347,993	51,135	Other Administrative Expenses			2,606,882	3,157,469	550,587
-	-	-	Administrative Expense Adjustment			(212,229)	-	212,229
3,845,341	4,335,079	489,738	<b>Total Administrative Expenses</b>			37,289,921	39,015,954	1,726,033
78,601,044	77,209,144	(1,391,900)	<b>TOTAL EXPENSES</b>			626,846,847	692,365,397	65,518,550
9,584,090	10,136,732	(552,642)	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>			87,890,613	91,710,239	(3,819,626)
8,904,649	10,109,000	1,204,351	<b>MCO TAX</b>			74,205,628	90,405,000	16,199,372
679,441	27,732	651,709	<b>OPERATING INCOME (LOSS) NET OF TAX</b>			13,684,985	1,305,239	12,379,746
NONOPERATING REVENUE (EXPENSE)								
-	-	-	Gain on Sale of Assets			-	-	-
4,953	(333,334)	338,287	Provider Recruitment and Retention Grants			(2,251,988)	(2,999,998)	748,010
(181,796)	(507,759)	325,963	Health Home			(1,379,630)	(4,569,831)	3,190,201
(176,843)	(841,093)	664,250	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>			(3,631,618)	(7,569,829)	3,938,211
502,598	(813,361)	1,315,959	<b>NET INCREASE (DECREASE) IN NET POSITION</b>			10,053,367	(6,264,590)	16,317,957
92.8%	93.4%	0.6%	<b>MEDICAL LOSS RATIO</b>			91.5%	93.2%	1.7%
5.4%	6.6%	1.1%	<b>ADMINISTRATIVE EXPENSE RATIO</b>			6.1%	6.6%	0.5%

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2020					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE				ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
176,018	170,700	5,318	Family Members			1,540,579	1,521,900	18,679
66,052	61,090	4,962	Expansion Members			565,801	549,810	15,991
15,626	14,730	896	SPD Members			141,359	132,570	8,789
7,053	6,205	848	Other Members			62,366	55,845	6,521
10,138	8,660	1,478	Kaiser Members			85,716	77,940	7,776
274,887	261,385	13,502	<b>T o t a l M e m b e r s - M C A L</b>			2,395,821	2,338,065	57,756
<b>REVENUES</b>								
166.16	156.19	9.97	Title XIX - Medicaid - Family and Other			163.49	156.80	6.68
379.54	378.88	0.66	Title XIX - Medicaid - Expansion Members			380.69	378.88	1.82
972.22	1,010.50	(38.27)	Title XIX - Medicaid - SPD Members			965.45	1,010.50	(45.05)
31.47	40.00	(8.53)	Premium - MCO Tax			31.38	40.00	(8.62)
34.42	43.93	(9.50)	Premium - Hospital Directed Payments			34.16	44.14	(9.98)
(0.05)	1.59	(1.64)	Investment Earnings And Other Income			0.88	1.59	(0.70)
0.00	0.29	(0.29)	Reinsurance Recoveries			0.00	0.29	(0.29)
0.01	0.00	0.01	Rate Adjustments - Hospital Directed Payments			(22.42)	0.00	(22.42)
0.27	0.00	0.27	Rate/Income Adjustments			(0.37)	0.00	(0.37)
333.09	345.62	(12.53)	<b>TOTAL REVENUES</b>			309.40	346.92	(37.52)
<b>EXPENSES</b>								
Medical Costs:								
54.82	57.14	2.32	Physician Services			52.22	57.23	5.01
18.29	18.40	0.11	Other Professional Services			16.01	18.43	2.42
18.61	20.50	1.89	Emergency Room			17.59	20.51	2.92
67.53	53.63	(13.90)	I n p a t i e n t			61.76	53.77	(7.99)
0.29	0.29	0.00	Reinsurance Expense			0.29	0.29	0.00
25.70	26.00	0.30	Outpatient Hospital			24.92	26.08	1.16
53.01	27.92	(25.09)	Other Medical			38.88	27.94	(10.94)
37.13	38.54	1.42	Pharmacy			35.89	38.68	2.78
2.00	2.00	0.00	Pay for Performance Quality Incentive			2.00	2.00	0.00
(10.20)	0.00	10.20	Risk Corridor Expense			0.00	0.00	0.00
34.42	43.93	9.50	Hospital Directed Payments			34.16	44.14	9.98
0.02	0.00	(0.02)	Hospital Directed Payment Adjustment			(22.52)	0.00	22.52
(2.94)	0.00	2.94	Non-Claims Expense Adjustment			(0.97)	0.00	0.97
(16.31)	0.00	16.31	IBNR, Incentive, Paid Claims Adjustment			(5.03)	0.00	5.03
282.36	288.35	5.99	<b>Total Medical Costs</b>			255.21	289.08	33.87
50.73	57.26	(6.54)	<b>GROSS MARGIN</b>			54.19	57.84	(3.65)
Administrative:								
9.96	10.58	0.62	Compensation			10.08	10.64	0.56
1.59	3.41	1.81	Purchased Services			3.11	3.43	0.31
0.27	0.47	0.20	Supplies			0.28	0.47	0.20
1.58	1.32	(0.26)	Depreciation			1.63	1.32	(0.31)
1.12	1.38	0.26	Other Administrative Expenses			1.13	1.40	0.27
0.00	0.00	0.00	Administrative Expense Adjustment			(0.09)	0.00	0.09
14.52	17.15	2.63	<b>Total Administrative Expenses</b>			16.14	17.26	1.12
296.89	305.51	8.62	<b>TOTAL EXPENSES</b>			271.35	306.34	34.99
36.20	40.11	(3.91)	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>			38.05	40.58	(2.53)
33.63	40.00	6.37	<b>MCO TAX</b>			32.12	40.00	7.88
2.57	0.11	2.46	<b>OPERATING INCOME (LOSS) NET OF TAX</b>			5.92	0.58	5.35
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Assets			0.00	0.00	0.00
0.02	(1.32)	1.34	Reserve Fund Projects/Community Grants			(0.97)	(1.33)	0.35
(0.69)	(2.01)	1.32	Health Home			(0.60)	(2.02)	1.42
(0.67)	(3.33)	2.66	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>			(1.57)	(3.35)	1.78
1.90	(3.22)	5.12	<b>NET INCREASE (DECREASE) IN NET POSITION</b>			4.35	(2.77)	7.12
92.8%	93.4%	0.6%	<b>MEDICAL LOSS RATIO</b>			91.5%	93.2%	1.7%
5.4%	6.6%	1.1%	<b>ADMINISTRATIVE EXPENSE RATIO</b>			6.1%	6.6%	0.5%



KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2020														
	SEPTEMBER 2019	OCTOBER 2019	NOVEMBER 2019	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	13 MONTH TOTAL
<b>ENROLLMENT</b>														
Members - MCAL	251,277	251,039	250,459	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	264,749	3,312,261
<b>REVENUES</b>														
Title XIX - Medicaid - Family and Other	27,444,092	27,395,016	34,656,206	28,289,680	28,111,536	28,136,428	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	379,847,840
Title XIX - Medicaid - Expansion Members	23,117,928	22,908,874	25,545,000	24,658,622	23,135,804	23,419,130	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	311,627,556
Title XIX - Medicaid - SPD Members	15,059,382	15,759,913	16,141,207	15,294,321	15,020,731	15,113,713	15,275,980	14,884,891	14,967,019	15,603,750	15,224,387	15,192,022	15,191,965	198,729,281
Premium - MCO Tax	10,182,096	10,062,668	11,609,045	(52,290,862)	-	16,158,895	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	52,064,332
Premium - Hospital Directed Payments	-	-	-	136,163,466	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	215,076,825
Investment Earnings And Other Income	708,869	338,986	265,233	731,395	190,131	301,265	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	4,087,164
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate Adjustments - Hospital Directed Payments	62,733,334	-	-	101,394,310	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	112,343,543
Rate/Income Adjustments	103,418	318,771	(3,664)	(391,644)	819,618	809,261	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(837,419)
<b>TOTAL REVENUES</b>	<b>139,349,119</b>	<b>76,784,228</b>	<b>88,213,027</b>	<b>253,849,288</b>	<b>78,672,737</b>	<b>95,391,047</b>	<b>87,579,613</b>	<b>80,435,517</b>	<b>86,859,012</b>	<b>91,604,031</b>	<b>17,506,553</b>	<b>88,503,816</b>	<b>88,185,134</b>	<b>1,272,933,122</b>
<b>EXPENSES</b>														
Medical Costs:														
Physician Services	12,473,244	13,286,040	14,396,081	15,556,899	14,757,546	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	176,355,576
Other Professional Services	3,913,361	4,483,269	3,596,983	4,371,702	4,334,953	3,966,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	53,357,002
Emergency Room	4,697,451	5,571,836	5,227,569	4,729,725	5,226,947	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	60,863,123
Inpatient	15,564,329	14,951,334	14,657,214	14,449,035	14,911,677	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	202,290,125
Reinsurance Expense	126,290	127,228	129,075	128,012	72,320	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	1,175,153
Outpatient Hospital	6,130,800	6,128,586	6,141,173	4,767,801	6,734,395	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	80,737,011
Other Medical	7,570,084	5,832,261	16,655,345	6,649,662	5,661,784	10,021,013	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	126,529,186
Pharmacy	9,145,904	9,834,755	9,282,817	9,267,277	9,971,687	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	120,448,353
Pay for Performance Quality Incentive	502,552	502,078	500,918	498,762	497,280	500,014	503,104	509,814	508,354	519,184	523,464	524,498	529,498	529,498
Risk Corridor Expense	-	-	-	-	-	-	-	-	-	4,700,000	(2,000,000)	-	-	(2,700,000)
Hospital Directed Payments	-	-	-	136,163,466	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	215,076,825
Hospital Directed Payment Adjustment	62,605,426	-	-	101,154,229	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	111,738,672
Non-Claims Expense Adjustment	11,329	(5,919)	(18,762)	4,624	57,172	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	(2,260,097)
IBNR, Incentive, Paid Claims Adjustment	374,161	20,741	(40,346)	(259,737)	816	(8,559)	(2,649,204)	(4,444,586)	(4,444,586)	(426,819)	344,451	(120,764)	(4,317,566)	(11,515,869)
<b>Total Medical Costs</b>	<b>123,114,931</b>	<b>60,732,209</b>	<b>70,528,067</b>	<b>297,481,457</b>	<b>73,621,494</b>	<b>74,784,002</b>	<b>73,829,944</b>	<b>67,702,880</b>	<b>71,626,453</b>	<b>76,311,140</b>	<b>3,228,909</b>	<b>73,696,401</b>	<b>74,755,703</b>	<b>1,141,413,590</b>
<b>GROSS MARGIN</b>	<b>16,234,188</b>	<b>16,052,019</b>	<b>17,684,960</b>	<b>(43,632,169)</b>	<b>5,051,243</b>	<b>20,607,045</b>	<b>13,749,669</b>	<b>12,732,637</b>	<b>15,232,559</b>	<b>15,292,891</b>	<b>14,277,644</b>	<b>14,807,415</b>	<b>13,429,431</b>	<b>131,519,532</b>
Administrative:														
Compensation	2,343,633	2,510,126	2,403,604	2,589,213	2,577,348	2,407,112	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	33,135,134
Purchased Services	836,783	831,542	805,047	1,358,494	805,903	728,049	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	11,025,216
Supplies	76,514	203,279	58,830	(7,208)	35,806	149,042	99,552	60,138	59,208	29,774	71,551	63,919	71,111	971,516
Depreciation	151,656	355,208	280,129	304,894	287,390	287,536	306,318	300,318	924,253	418,036	417,768	418,289	419,251	4,865,146
Other Administrative Expenses	523,591	519,786	270,201	344,959	353,414	181,493	269,559	441,804	223,548	345,337	240,778	254,091	296,858	4,265,419
Administrative Expense Adjustment	-	-	-	1,325,136	-	-	-	-	-	(212,229)	-	-	-	1,112,907
<b>Total Administrative Expenses</b>	<b>3,932,177</b>	<b>4,419,941</b>	<b>3,817,811</b>	<b>5,915,488</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,559,340</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>55,375,338</b>
<b>TOTAL EXPENSES</b>	<b>127,047,108</b>	<b>65,152,150</b>	<b>74,345,878</b>	<b>303,396,945</b>	<b>77,681,355</b>	<b>78,537,234</b>	<b>77,814,431</b>	<b>71,828,673</b>	<b>76,112,534</b>	<b>80,870,480</b>	<b>7,550,950</b>	<b>77,850,146</b>	<b>78,601,044</b>	<b>1,196,788,928</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>12,302,011</b>	<b>11,632,078</b>	<b>13,867,149</b>	<b>(49,547,657)</b>	<b>991,382</b>	<b>16,853,813</b>	<b>9,765,182</b>	<b>8,606,844</b>	<b>10,746,478</b>	<b>10,733,551</b>	<b>9,955,603</b>	<b>10,653,670</b>	<b>9,584,090</b>	<b>76,144,194</b>
MCO TAX	10,165,243	10,057,218	12,283,003	(52,962,035)	-	16,159,021	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	53,749,057
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>2,136,768</b>	<b>1,574,860</b>	<b>1,584,146</b>	<b>(3,414,738)</b>	<b>991,382</b>	<b>694,792</b>	<b>2,178,473</b>	<b>691,601</b>	<b>2,831,481</b>	<b>2,818,307</b>	<b>1,050,955</b>	<b>1,748,553</b>	<b>679,441</b>	<b>22,395,137</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(380,606)</b>	<b>(236,574)</b>	<b>(885,928)</b>	<b>(425,785)</b>	<b>(942,282)</b>	<b>(569,882)</b>	<b>(1,076,457)</b>	<b>424,682</b>	<b>(587,120)</b>	<b>(479,019)</b>	<b>462,756</b>	<b>(687,453)</b>	<b>(176,843)</b>	<b>(4,679,952)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>1,756,162</b>	<b>1,338,286</b>	<b>698,218</b>	<b>2,988,593</b>	<b>49,100</b>	<b>124,910</b>	<b>1,102,016</b>	<b>1,116,283</b>	<b>2,244,361</b>	<b>2,339,288</b>	<b>1,513,711</b>	<b>1,061,100</b>	<b>502,598</b>	<b>17,715,185</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.1%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>87.7%</b>	<b>92.5%</b>	<b>93.4%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>89.1%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>91.2%</b>	<b>92.8%</b>	<b>91.2%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.0%</b>	<b>8.6%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>6.2%</b>

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH SEPTEMBER 30, 2020														
	SEPTEMBER 2019	OCTOBER 2019	NOVEMBER 2019	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	13 MONTH TOTAL
<b>ENROLLMENT</b>														
Members - MCAL	251,277	251,039	250,459	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	264,749	3,312,261
<b>REVENUES</b>														
Title XIX - Medicaid - Family and Other	157.10	157.23	199.08	162.50	162.42	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	165.15
Title XIX - Medicaid - Expansion Members	377.23	373.38	419.77	410.96	386.25	387.18	388.37	369.04	373.98	388.48	377.98	376.19	379.54	385.06
Title XIX - Medicaid - SPD Members	984.27	1,019.80	1,039.69	1,000.74	988.75	975.52	973.74	930.77	938.61	987.39	981.08	972.23	972.22	979.34
Premium - MCO Tax	40.52	40.08	46.35	(209.68)	0.00	64.63	30.16	31.29	30.90	30.91	31.47	31.48	31.47	15.72
Premium - Hospital Directed Payments	0.00	0.00	0.00	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	34.42	64.93
Investment Earnings And Other Income	2.82	1.35	1.06	2.93	0.76	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	1.23
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	249.66	0.00	0.00	406.58	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	33.92
Rate/Income Adjustments	0.41	1.27	(0.01)	(1.57)	3.30	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.27	(0.25)
<b>TOTAL REVENUES</b>	<b>554.56</b>	<b>305.87</b>	<b>352.21</b>	<b>1,017.92</b>	<b>316.41</b>	<b>381.55</b>	<b>348.16</b>	<b>317.99</b>	<b>339.12</b>	<b>352.88</b>	<b>66.89</b>	<b>334.29</b>	<b>333.09</b>	<b>384.31</b>
<b>EXPENSES</b>														
Medical Costs:														
Physician Services	49.64	52.92	57.48	62.38	59.35	55.49	57.05	49.10	48.53	45.48	51.04	49.61	54.82	53.24
Other Professional Services	15.57	17.86	14.36	17.53	17.43	15.87	16.00	15.45	13.62	13.04	16.89	17.45	18.29	16.11
Emergency Room	18.69	22.20	20.87	18.97	21.02	21.03	21.35	15.08	16.45	12.96	13.95	18.18	18.61	18.38
Inpatient	61.94	59.56	58.52	57.94	59.97	55.57	58.61	63.24	56.26	65.93	65.27	62.83	67.53	61.07
Reinsurance Expense	0.50	0.51	0.52	0.51	0.29	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.29	0.35
Outpatient Hospital	24.40	24.41	24.52	19.12	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	25.70	24.38
Other Medical	30.13	23.23	66.50	26.66	22.77	40.08	42.35	34.92	42.40	35.44	43.96	34.20	53.01	38.20
Pharmacy	36.40	39.18	37.06	37.16	40.10	36.98	40.99	34.27	33.64	32.03	33.55	34.68	37.13	36.36
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.02	1.98	2.00	2.00	2.00	2.00	2.00
Risk Corridor Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(10.20)	0.00
Hospital Directed Payments	0.00	0.00	0.00	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	34.42	64.93
Hospital Directed Payment Adjustment	249.15	0.00	0.00	405.62	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	33.73
Non-Claims Expense Adjustment	0.05	(0.02)	(0.07)	0.02	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.94)	(0.68)
IBNR, Incentive, Paid Claims Adjustment	1.49	0.08	(0.16)	(1.04)	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(16.31)	(3.48)
<b>Total Medical Costs</b>	<b>489.96</b>	<b>241.92</b>	<b>281.60</b>	<b>1,192.88</b>	<b>296.10</b>	<b>299.13</b>	<b>293.50</b>	<b>267.65</b>	<b>279.64</b>	<b>293.97</b>	<b>12.34</b>	<b>278.36</b>	<b>282.36</b>	<b>344.60</b>
<b>GROSS MARGIN</b>	<b>64.61</b>	<b>63.94</b>	<b>70.61</b>	<b>(174.96)</b>	<b>20.32</b>	<b>82.43</b>	<b>54.66</b>	<b>50.34</b>	<b>59.47</b>	<b>58.91</b>	<b>54.55</b>	<b>55.93</b>	<b>50.73</b>	<b>39.71</b>
Administrative:														
Compensation	9.33	10.00	9.60	10.38	10.37	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.96	10.00
Purchased Services	3.33	3.31	3.21	5.45	3.24	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.59	3.33
Supplies	0.30	0.81	0.23	(0.03)	0.14	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.27	0.29
Depreciation	0.60	1.41	1.12	1.22	1.16	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.58	1.47
Other Administrative Expenses	2.08	2.07	1.08	1.38	1.42	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.12	1.29
Administrative Expense Adjustment	0.00	0.00	0.00	5.31	0.00	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.34
<b>Total Administrative Expenses</b>	<b>15.65</b>	<b>17.61</b>	<b>15.24</b>	<b>23.72</b>	<b>16.33</b>	<b>15.01</b>	<b>15.84</b>	<b>16.31</b>	<b>17.51</b>	<b>17.56</b>	<b>16.51</b>	<b>15.69</b>	<b>14.52</b>	<b>16.72</b>
<b>TOTAL EXPENSES</b>	<b>505.61</b>	<b>259.53</b>	<b>296.84</b>	<b>1,216.60</b>	<b>312.43</b>	<b>314.14</b>	<b>309.34</b>	<b>283.96</b>	<b>297.16</b>	<b>311.53</b>	<b>28.85</b>	<b>294.05</b>	<b>296.89</b>	<b>361.32</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>48.96</b>	<b>46.34</b>	<b>55.37</b>	<b>(198.68)</b>	<b>3.99</b>	<b>67.41</b>	<b>38.82</b>	<b>34.03</b>	<b>41.96</b>	<b>41.35</b>	<b>38.04</b>	<b>40.24</b>	<b>36.20</b>	<b>22.99</b>
<b>MCO TAX</b>	<b>40.45</b>	<b>40.06</b>	<b>49.04</b>	<b>(212.37)</b>	<b>0.00</b>	<b>64.63</b>	<b>30.16</b>	<b>31.29</b>	<b>30.90</b>	<b>30.49</b>	<b>34.02</b>	<b>33.64</b>	<b>33.63</b>	<b>16.23</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>8.50</b>	<b>6.27</b>	<b>6.32</b>	<b>13.69</b>	<b>3.99</b>	<b>2.78</b>	<b>8.66</b>	<b>2.73</b>	<b>11.05</b>	<b>10.86</b>	<b>4.02</b>	<b>6.60</b>	<b>2.57</b>	<b>6.76</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(1.51)</b>	<b>(0.94)</b>	<b>(3.54)</b>	<b>(1.71)</b>	<b>(3.79)</b>	<b>(2.28)</b>	<b>(4.28)</b>	<b>1.68</b>	<b>(2.29)</b>	<b>(1.85)</b>	<b>1.77</b>	<b>(2.60)</b>	<b>(0.67)</b>	<b>(1.41)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>6.99</b>	<b>5.33</b>	<b>2.79</b>	<b>11.98</b>	<b>0.20</b>	<b>0.50</b>	<b>4.38</b>	<b>4.41</b>	<b>8.76</b>	<b>9.01</b>	<b>5.78</b>	<b>4.01</b>	<b>1.90</b>	<b>5.35</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.1%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>87.7%</b>	<b>92.5%</b>	<b>93.4%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>89.1%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>91.2%</b>	<b>92.8%</b>	<b>91.2%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.0%</b>	<b>8.6%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>6.2%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>REVENUES</b>			
			Title XIX - Medicaid - Family & Other			
23,499,679	22,292,912	1,206,767	Premium - Medi-Cal	203,521,081	199,586,736	3,934,345
2,499,053	2,375,503	123,550	Premium - Maternity Kick	20,938,696	21,379,527	(440,831)
20,922	73,645	(52,723)	Premium - Hep C Kick	557,063	656,647	(99,584)
512,652	603,348	(90,696)	Premium - BHT Kick	3,502,836	5,379,660	(1,876,824)
222,945	316,651	(93,706)	Premium - Health Home Kick	1,665,663	2,823,367	(1,157,704)
3,397,481	1,716,775	1,680,706	Premium - Provider Enhancement	29,573,089	15,306,675	14,266,414
166,185	157,837	8,348	Premium - Ground Emergency Medical Transportation	1,441,715	1,412,097	29,618
100,775	94,167	6,608	Other	862,703	846,495	16,208
30,419,692	27,630,839	2,788,853	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>262,062,846</b>	<b>247,391,205</b>	<b>14,671,641</b>
			Title XIX - Medicaid - Expansion Members			
22,669,098	21,183,611	1,485,487	Premium - Medi-Cal	194,557,330	190,652,499	3,904,831
259,228	214,189	45,039	Premium - Maternity Kick	2,285,662	1,927,701	357,961
203,994	303,377	(99,383)	Premium - Hep C Kick	2,128,870	2,730,393	(601,523)
409,122	519,998	(110,876)	Premium - Health Home Kick	3,304,679	4,679,982	(1,375,303)
1,329,281	742,244	587,038	Premium - Provider Enhancement	11,417,310	6,680,194	4,737,117
167,639	152,964	14,675	Premium - Ground Emergency Medical Transportation	1,439,678	1,376,676	63,002
30,793	29,126	1,667	Other	263,603	262,134	1,469
25,069,155	23,145,509	1,923,646	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>215,397,132</b>	<b>208,309,579</b>	<b>7,087,553</b>
			Title XIX - Medicaid - SPD Members			
13,620,016	13,148,587	471,429	Premium - Medi-Cal	122,106,203	118,337,283	3,768,920
73,229	94,152	(20,923)	Premium - Hep C Kick	999,052	847,368	151,684
506,852	818,847	(311,995)	Premium - BHT Kick	4,752,168	7,369,623	(2,617,455)
394,436	416,635	(22,199)	Premium - Health Home Kick	3,255,199	3,749,715	(494,516)
459,221	282,521	176,700	Premium - Provider Enhancement	4,122,818	2,550,689	1,572,129
138,211	123,879	14,332	Premium - Ground Emergency Medical Transportation	1,239,018	1,114,911	124,107
15,191,965	14,884,621	307,344	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>136,474,458</b>	<b>133,969,589</b>	<b>2,504,869</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED SEPTEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>PHYSICIAN SERVICES</b>						
2,809,219	2,885,823	76,604	Primary Care Physician Services	24,728,385	25,814,072	1,085,687
10,281,444	10,111,748	(169,696)	Referral Specialty Services	83,823,562	90,643,839	6,820,277
1,414,358	1,433,736	19,378	Urgent Care & After Hours Advise	12,009,165	12,826,821	817,656
9,000	9,300	300	Hospital Admitting Team	82,200	73,200	(9,000)
14,514,021	14,440,607	(73,414)	<b>TOTAL PHYSICIAN SERVICES</b>	<b>120,643,312</b>	<b>129,357,932</b>	<b>8,714,620</b>
<b>OTHER PROFESSIONAL SERVICES</b>						
278,450	271,620	(6,830)	Vision Service Capitation	2,445,142	2,435,269	(9,873)
225,505	212,779	(12,726)	221 - Business Intelligence	1,912,956	1,915,011	2,055
619,543	560,327	(59,216)	310 - Health Services - Utilization Management - UM Allocation *	5,105,415	4,990,988	(114,427)
154,808	169,504	14,696	311 - Health Services - Quality Improvement - UM Allocation *	1,316,334	1,525,532	209,198
121,409	127,991	6,582	312 - Health Services - Education - UM Allocation *	1,036,843	1,151,915	115,072
86,476	94,630	8,154	313 - Health Services - Pharmacy - UM Allocation *	761,517	851,674	90,157
105,987	139,493	33,506	314 - Health Homes - UM Allocation *	933,514	1,211,015	277,501
267,334	258,856	(8,478)	315 - Case Management - UM Allocation *	2,383,669	2,329,706	(53,963)
63,644	61,775	(1,869)	616 - Disease Management - UM Allocation *	541,205	555,973	14,768
1,146,195	1,422,196	276,001	Behavior Health Treatment	8,893,031	12,750,648	3,857,617
86,212	171,169	84,957	Mental Health Services	1,217,232	1,536,312	319,080
1,685,815	1,159,463	(526,352)	Other Professional Services	10,444,829	10,398,423	(46,406)
4,841,378	4,649,803	(191,575)	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>36,991,687</b>	<b>41,652,466</b>	<b>4,660,779</b>
4,926,059	5,180,721	254,662	EMERGENCY ROOM	40,636,542	46,365,381	5,728,839
17,879,275	13,554,488	(4,324,787)	INPATIENT HOSPITAL	142,668,223	121,531,149	(21,137,074)
76,523	73,290	(3,233)	REINSURANCE EXPENSE PREMIUM	664,548	655,436	(9,112)
6,804,640	6,571,645	(232,995)	OUTPATIENT HOSPITAL SERVICES	57,568,651	58,953,421	1,384,770
<b>OTHER MEDICAL</b>						
1,199,057	1,551,756	352,699	Ambulance and NEMT	11,161,813	13,911,151	2,749,338
655,484	390,356	(265,128)	Home Health Services & CBAS	3,982,425	3,503,493	(478,932)
276,893	511,869	234,976	Utilization and Quality Review Expenses	2,115,931	4,489,493	2,373,562
1,046,610	940,632	(105,978)	Long Term/SNF/Hospice	11,392,544	8,451,234	(2,941,310)
50,415	484,770	434,355	Health Home Capitation & Incentive	1,857,475	4,352,960	2,495,485
5,102,697	2,741,818	(2,360,879)	Provider Enhancement Expense - Prop. 56	42,633,521	24,532,184	(18,101,337)
497,005	434,680	(62,325)	Provider Enhancement Expense - GEMT	3,855,821	3,903,684	47,863
5,205,074	-	(5,205,074)	Provider COVID-19 Expenses	12,822,304	-	(12,822,304)
14,033,235	7,055,882	(6,977,353)	<b>TOTAL OTHER MEDICAL</b>	<b>89,821,834</b>	<b>63,144,199</b>	<b>(26,677,635)</b>
<b>PHARMACY SERVICES</b>						
8,318,159	8,724,551	406,392	RX - Drugs & OTC	74,955,596	78,287,806	3,332,210
228,266	471,174	242,908	RX - HEP-C	2,867,317	4,234,570	1,367,253
1,234,371	691,327	(543,044)	Rx - DME	6,070,279	6,203,933	133,654
48,287	(145,901)	(194,188)	RX - Pharmacy Rebates	(975,592)	(1,312,133)	(336,541)
9,829,083	9,741,151	(87,932)	<b>TOTAL PHARMACY SERVICES</b>	<b>82,917,600</b>	<b>87,414,177</b>	<b>4,496,577</b>
529,498	505,450	(24,048)	PAY FOR PERFORMANCE QUALITY INCENTIVE	4,620,210	4,520,250	(99,960)
(2,700,000)	-	2,700,000	RISK CORRIDOR EXPENSE	-	-	-
9,112,869	11,101,028	1,988,159	HOSPITAL DIRECTED PAYMENTS	78,907,359	99,755,031	20,847,672
4,234	-	(4,234)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(52,020,983)	-	52,020,983
(777,546)	-	777,546	NON-CLAIMS EXPENSE ADJUSTMENT	(2,251,369)	-	2,251,369
(4,317,566)	-	4,317,566	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(11,610,688)	-	11,610,688
74,755,703	72,874,065	(1,881,638)	<b>Total Medical Costs</b>	<b>589,556,926</b>	<b>653,349,443</b>	<b>63,792,517</b>

\* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED SEPTEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>PHYSICIAN SERVICES</b>						
10.61	11.42	0.81	Primary Care Physician Services	10.70	11.42	0.72
38.83	40.01	1.18	Referral Specialty Services	36.29	40.11	3.82
5.34	5.67	0.33	Urgent Care & After Hours Advise	5.20	5.68	0.48
0.03	0.04	0.00	Hospital Admitting Team	0.04	0.03	(0.00)
54.82	57.14	2.32	<b>TOTAL PHYSICIAN SERVICES</b>	52.22	57.23	5.01
<b>OTHER PROFESSIONAL SERVICES</b>						
1.05	1.07	0.02	Vision Service Capitation	1.06	1.08	0.02
0.85	0.84	(0.01)	221 - Business Intelligence	0.83	0.85	0.02
2.34	2.22	(0.12)	310 - Health Services - Utilization Management - UM Allocation *	2.21	2.21	(0.00)
0.58	0.67	0.09	311 - Health Services - Quality Improvement - UM Allocation *	0.57	0.67	0.11
0.46	0.51	0.05	312 - Health Services - Education - UM Allocation *	0.45	0.51	0.06
0.33	0.37	0.05	313 - Health Services - Pharmacy - UM Allocation *	0.33	0.38	0.05
0.40	0.55	0.15	314 - Health Homes - UM Allocation *	0.40	0.54	0.13
1.01	1.02	0.01	315 - Case Management - UM Allocation *	1.03	1.03	(0.00)
0.24	0.24	0.00	616 - Disease Management - UM Allocation *	0.23	0.25	0.01
4.33	5.63	1.30	Behavior Health Treatment	3.85	5.64	1.79
0.33	0.68	0.35	Mental Health Services	0.53	0.68	0.15
6.37	4.59	(1.78)	Other Professional Services	4.52	4.60	0.08
18.29	18.40	0.11	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	16.01	18.43	2.42
18.61	20.50	1.89	<b>EMERGENCY ROOM</b>	17.59	20.51	2.92
67.53	53.63	(13.90)	<b>INPATIENT HOSPITAL</b>	61.76	53.77	(7.99)
0.29	0.29	0.00	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
25.70	26.00	0.30	<b>OUTPATIENT HOSPITAL SERVICES</b>	24.92	26.08	1.16
<b>OTHER MEDICAL</b>						
4.53	6.14	1.61	Ambulance and NEMT	4.83	6.16	1.32
2.48	1.54	(0.93)	Home Health Services & CBAS	1.72	1.55	(0.17)
1.05	2.03	0.98	Utilization and Quality Review Expenses	0.92	1.99	1.07
3.95	3.72	(0.23)	Long Term/SNF/Hospice	4.93	3.74	(1.19)
0.19	1.92	1.73	Health Home Capitation & Incentive	0.80	1.93	1.12
19.27	10.85	(8.42)	Provider Enhancement Expense - Prop. 56	18.46	10.85	(7.60)
1.88	1.72	(0.16)	Provider Enhancement Expense - GEMT	1.67	1.73	0.06
19.66	0.00	(19.66)	Provider COVID-19 Expenses	5.55	0.00	(5.55)
53.01	27.92	(25.09)	<b>TOTAL OTHER MEDICAL</b>	38.88	27.94	(10.94)
<b>PHARMACY SERVICES</b>						
31.42	34.52	3.10	RX - Drugs & OTC	32.45	34.64	2.19
0.86	1.86	1.00	RX - HEP-C	1.24	1.87	0.63
4.66	2.74	(1.93)	Rx - DME	2.63	2.74	0.12
0.18	(0.58)	(0.76)	RX - Pharmacy Rebates	(0.42)	(0.58)	(0.16)
37.13	38.54	1.42	<b>TOTAL PHARMACY SERVICES</b>	35.89	38.68	2.78
2.00	2.00	0.00	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	2.00	2.00	0.00
(10.20)	0.00	10.20	<b>RISK CORRIDOR EXPENSE</b>	0.00	0.00	0.00
34.42	43.93	9.50	<b>HOSPITAL DIRECTED PAYMENTS</b>	34.16	44.14	9.98
0.02	0.00	(0.02)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(22.52)	0.00	22.52
(2.94)	0.00	2.94	NON-CLAIMS EXPENSE ADJUSTMENT	(0.97)	0.00	0.97
(16.31)	0.00	16.31	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(5.03)	0.00	5.03
282.36	288.35	5.99	<b>Total Medical Costs</b>	255.21	289.08	33.87

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH SEPTEMBER 30, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	YEAR TO DATE 2020
<b>PHYSICIAN SERVICES</b>										
Primary Care Physician Services	2,908,272	3,164,601	2,861,899	2,953,514	2,417,265	2,336,317	2,930,685	2,346,613	2,809,219	24,728,385
Referral Specialty Services	10,425,085	8,803,273	10,044,984	8,437,260	8,955,919	8,510,414	9,270,830	9,094,353	10,281,444	83,823,562
Urgent Care & After Hours Advise	1,414,889	1,896,664	1,435,097	1,019,114	1,047,424	950,870	1,146,821	1,683,928	1,414,358	12,009,165
Hospital Admitting Team	9,300	8,700	9,300	9,000	9,300	9,000	9,300	9,300	9,000	82,200
<b>TOTAL PHYSICIAN SERVICES</b>	<b>14,757,546</b>	<b>13,873,238</b>	<b>14,351,280</b>	<b>12,418,888</b>	<b>12,429,908</b>	<b>11,806,601</b>	<b>13,357,636</b>	<b>13,134,194</b>	<b>14,514,021</b>	<b>120,643,312</b>
<b>OTHER PROFESSIONAL SERVICES</b>										
Vision Service Capitation	299,489	261,072	261,072	263,942	267,033	265,598	272,284	276,202	278,450	2,445,142
221 - Business Intelligence	199,939	204,745	195,081	233,961	195,184	234,246	214,511	209,784	225,505	1,912,956
310 - Health Services - Utilization Management - UM Allocation *	550,905	482,617	507,782	619,537	541,633	584,598	629,823	568,977	619,543	5,105,415
311 - Health Services - Quality Improvement - UM Allocation *	130,719	131,973	135,845	172,419	144,487	144,162	159,894	142,027	154,808	1,316,334
312 - Health Services - Education - UM Allocation *	111,799	102,037	108,402	122,087	114,199	123,705	120,317	112,888	121,409	1,036,843
313 - Health Services - Pharmacy - UM Allocation *	88,153	80,696	81,505	86,248	76,014	89,969	88,996	83,460	86,476	761,517
314 - Health Homes - UM Allocation *	91,425	88,868	104,710	127,755	101,323	104,978	109,116	99,352	105,987	933,514
315 - Case Management - UM Allocation *	267,758	241,370	244,642	304,832	251,817	270,106	281,044	254,766	267,334	2,383,669
616 - Disease Management - UM Allocation *	56,335	54,217	57,384	69,526	56,199	58,667	66,395	58,838	63,644	541,205
Behavior Health Treatment	980,035	935,456	999,720	1,194,682	670,273	685,282	1,162,908	1,118,480	1,146,195	8,893,031
Mental Health Services	330,842	217,343	131,506	4,228	112,306	55,987	52,159	226,649	86,212	1,217,232
Other Professional Services	1,227,554	1,166,121	1,197,113	709,542	958,940	767,836	1,264,240	1,467,668	1,685,815	10,444,829
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>4,334,953</b>	<b>3,966,515</b>	<b>4,024,762</b>	<b>3,908,759</b>	<b>3,489,408</b>	<b>3,385,134</b>	<b>4,421,687</b>	<b>4,619,091</b>	<b>4,841,378</b>	<b>36,991,687</b>
EMERGENCY ROOM	5,226,947	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	40,636,542
INPATIENT HOSPITAL	14,911,677	13,893,706	14,743,904	15,995,368	14,410,696	17,115,732	17,082,368	16,635,497	17,879,275	142,668,223
REINSURANCE EXPENSE PREMIUM	72,320	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	664,548
OUTPATIENT HOSPITAL SERVICES	6,734,395	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	57,568,651
<b>OTHER MEDICAL</b>										
Ambulance and NEMT	1,599,375	1,498,607	1,444,299	670,262	1,090,342	366,750	1,660,648	1,632,473	1,199,057	11,161,813
Home Health Services & CRAS	392,407	393,491	349,594	300,546	492,779	171,601	327,117	899,406	655,484	3,982,425
Utilization and Quality Review Expenses	308,250	229,353	247,983	245,426	95,995	243,906	275,750	192,375	276,893	2,115,931
Long Term/SNF/Hospice	1,052,766	1,197,702	1,539,187	1,549,960	1,452,690	697,808	1,765,635	1,090,186	1,046,610	11,392,544
Health Home Capitation & Incentive	166,060	137,300	112,910	263,565	330,205	249,665	228,950	318,405	50,415	1,857,475
Provider Enhancement Expense - Prop. 56	1,820,309	5,971,496	6,564,136	4,841,254	4,373,154	5,297,431	5,004,018	3,659,026	5,102,697	42,633,521
Provider Enhancement Expense - GEMT	322,617	593,064	395,321	-	258,923	425,341	518,378	445,212	497,005	3,855,821
Provider COVID-19 Expenses	-	-	-	561,100	2,766,220	1,747,240	1,724,310	818,360	5,205,074	12,822,304
<b>TOTAL OTHER MEDICAL</b>	<b>5,661,784</b>	<b>10,021,013</b>	<b>10,653,430</b>	<b>8,832,073</b>	<b>10,860,308</b>	<b>9,199,742</b>	<b>11,504,806</b>	<b>9,055,443</b>	<b>14,033,235</b>	<b>89,821,834</b>
<b>PHARMACY SERVICES</b>										
RX - Drugs & OTC	9,137,997	8,470,785	9,200,496	7,803,679	7,771,494	7,983,954	8,100,996	8,168,036	8,318,159	74,955,596
RX - HEP-C	271,776	331,788	470,380	364,602	292,610	298,687	322,441	286,767	228,266	2,867,317
Rx - DME	696,914	578,635	675,997	634,644	687,187	109,695	591,970	860,866	1,234,371	6,070,279
RX - Pharmacy Rebates	(135,000)	(135,000)	(35,000)	(135,000)	(135,000)	(78,879)	(235,000)	(135,000)	48,287	(975,592)
<b>TOTAL PHARMACY SERVICES</b>	<b>9,971,687</b>	<b>9,246,208</b>	<b>10,311,873</b>	<b>8,667,925</b>	<b>8,616,291</b>	<b>8,313,457</b>	<b>8,780,407</b>	<b>9,180,669</b>	<b>9,829,083</b>	<b>82,917,600</b>
PAY FOR PERFORMANCE QUALITY INCENTIVE	497,280	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	4,620,210
RISK CORRIDOR EXPENSE	-	-	-	-	-	4,700,000	(2,000,000)	-	-	(2,700,000)
HOSPITAL DIRECTED PAYMENTS	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	78,907,359
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	(52,020,983)
NON-CLAIMS EXPENSE ADJUSTMENT	57,172	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	(2,251,369)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	816	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(11,610,688)
<b>Total Medical Costs</b>	<b>73,621,494</b>	<b>74,784,002</b>	<b>73,829,944</b>	<b>67,702,880</b>	<b>71,626,453</b>	<b>76,311,140</b>	<b>3,228,909</b>	<b>73,696,401</b>	<b>74,755,703</b>	<b>589,556,926</b>

KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH SEPTEMBER 30, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	YEAR TO DATE 2020
<b>PHYSICIAN SERVICES</b>										
Primary Care Physician Services	11.70	12.66	11.38	11.68	9.44	9.00	11.20	8.86	10.61	10.70
Referral Specialty Services	41.93	35.21	39.93	33.36	34.97	32.78	35.42	34.35	38.83	36.29
Urgent Care & After Hours Advise	5.69	7.59	5.70	4.03	4.09	3.66	4.38	6.36	5.34	5.20
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.03	0.04	0.04	0.03	0.04
<b>TOTAL PHYSICIAN SERVICES</b>	<b>59.35</b>	<b>55.49</b>	<b>57.05</b>	<b>49.10</b>	<b>48.53</b>	<b>45.48</b>	<b>51.04</b>	<b>49.61</b>	<b>54.82</b>	<b>52.22</b>
<b>OTHER PROFESSIONAL SERVICES</b>										
Vision Service Capitation	1.20	1.04	1.04	1.04	1.04	1.02	1.04	1.04	1.05	1.06
221 - Business Intelligence	0.80	0.82	0.78	0.92	0.76	0.90	0.82	0.79	0.85	0.83
310 - Health Services - Utilization Management - UM Allocation *	2.22	1.93	2.02	2.45	2.11	2.25	2.41	2.15	2.34	2.21
311 - Health Services - Quality Improvement - UM Allocation *	0.53	0.53	0.54	0.68	0.56	0.61	0.61	0.54	0.58	0.57
312 - Health Services - Education - UM Allocation *	0.45	0.41	0.43	0.48	0.45	0.48	0.46	0.43	0.46	0.45
313 - Health Services - Pharmacy - UM Allocation *	0.35	0.32	0.32	0.34	0.30	0.35	0.34	0.32	0.33	0.33
314 - Health Homes - UM Allocation *	0.37	0.36	0.42	0.51	0.40	0.40	0.42	0.38	0.40	0.40
315 - Case Management - UM Allocation *	1.08	0.97	0.97	1.21	0.98	1.04	1.07	0.96	1.01	1.03
616 - Disease Management - UM Allocation *	0.23	0.22	0.23	0.27	0.22	0.23	0.25	0.22	0.24	0.23
Behavior Health Treatment	3.94	3.74	3.97	4.72	2.62	2.64	4.44	4.22	4.33	3.85
Mental Health Services	1.33	0.87	0.52	0.02	0.44	0.22	0.20	0.86	0.33	0.53
Other Professional Services	4.94	4.66	4.76	2.81	3.74	2.96	4.83	5.54	6.37	4.52
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>17.43</b>	<b>15.87</b>	<b>16.00</b>	<b>15.45</b>	<b>13.62</b>	<b>13.04</b>	<b>16.89</b>	<b>17.45</b>	<b>18.29</b>	<b>16.01</b>
<b>EMERGENCY ROOM</b>	<b>21.02</b>	<b>21.03</b>	<b>21.35</b>	<b>15.08</b>	<b>16.45</b>	<b>12.96</b>	<b>13.95</b>	<b>18.18</b>	<b>18.61</b>	<b>17.59</b>
<b>INPATIENT HOSPITAL</b>	<b>59.97</b>	<b>55.57</b>	<b>58.61</b>	<b>63.24</b>	<b>56.26</b>	<b>65.93</b>	<b>65.27</b>	<b>62.83</b>	<b>67.53</b>	<b>61.76</b>
REINSURANCE EXPENSE PREMIUM	0.29	0.58	0.00	0.31	0.27	0.28	0.29	0.29	25.70	0.29
OUTPATIENT HOSPITAL SERVICES	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	0.00	24.92
<b>OTHER MEDICAL</b>										
Ambulance and NEMT	6.43	5.99	5.74	2.65	4.26	1.41	6.34	6.17	4.53	4.83
Home Health Services & CBAS	1.58	1.57	1.39	1.19	1.92	0.66	1.25	3.40	2.48	1.72
Utilization and Quality Review Expenses	1.24	0.92	0.99	0.97	0.37	0.94	1.05	0.73	1.05	0.92
Long Term/SNF/Hospice	4.23	4.79	6.12	6.13	5.67	2.69	6.75	4.12	3.95	4.93
Health Home Capitation & Incentive	0.67	0.55	0.45	1.04	1.29	0.96	0.87	1.20	0.19	0.80
Provider Enhancement Expense - Prop. 56	7.32	23.89	26.09	19.14	17.07	20.41	19.12	13.82	19.27	18.46
Provider Enhancement Expense - GEMT	1.30	2.37	1.57	1.58	1.01	1.64	1.98	1.68	1.88	1.67
Provider COVID-19 Expenses	0.00	0.00	0.00	2.22	10.80	6.73	6.59	3.09	19.66	5.55
<b>TOTAL OTHER MEDICAL</b>	<b>22.77</b>	<b>40.08</b>	<b>42.35</b>	<b>34.92</b>	<b>42.40</b>	<b>35.44</b>	<b>43.96</b>	<b>34.20</b>	<b>53.01</b>	<b>38.88</b>
<b>PHARMACY SERVICES</b>										
RX - Drugs & OTC	36.75	33.88	36.57	30.85	30.34	30.76	30.95	30.85	31.42	32.45
RX - HEP-C	1.09	1.33	1.87	1.44	1.14	1.15	1.23	1.08	0.86	1.24
Rx - DME	2.80	2.31	2.69	2.51	2.68	0.42	2.26	3.25	4.66	2.63
RX - Pharmacy Rebates	(0.54)	(0.54)	(0.14)	(0.53)	(0.53)	(0.30)	(0.90)	(0.51)	0.18	(0.42)
<b>TOTAL PHARMACY SERVICES</b>	<b>40.10</b>	<b>36.98</b>	<b>40.99</b>	<b>34.27</b>	<b>33.64</b>	<b>32.03</b>	<b>33.55</b>	<b>34.68</b>	<b>37.13</b>	<b>35.89</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.02</b>	<b>1.98</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(10.20)	0.00
HOSPITAL DIRECTED PAYMENTS	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	34.42	34.16
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	-22.52
NON-CLAIMS EXPENSE ADJUSTMENT	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.94)	(0.97)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(16.31)	(5.03)
<b>Total Medical Costs</b>	<b>296.10</b>	<b>299.13</b>	<b>293.50</b>	<b>267.65</b>	<b>279.64</b>	<b>293.97</b>	<b>12.34</b>	<b>278.36</b>	<b>282.36</b>	<b>255.21</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED SEPTEMBER 30, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
374,015	314,502	(59,513)	110 - Executive	3,089,791	2,905,567	(184,224)
174,523	198,806	24,283	210 - Accounting	1,667,487	1,787,312	119,825
(71,269)	273,113	344,382	220 - Management Information Systems	2,560,893	2,458,031	(102,862)
14,760	13,049	(1,711)	221 - Business Intelligence	115,870	117,469	1,599
270,074	281,947	11,873	222 - Enterprise Development	2,323,557	2,537,537	213,980
315,770	415,722	99,952	225 - Infrastructure	3,156,783	3,741,503	584,720
570,198	560,119	(10,079)	230 - Claims	4,776,360	5,024,763	248,403
102,541	114,151	11,610	240 - Project Management	925,598	1,027,359	101,761
114,396	100,299	(14,097)	310 - Health Services - Utilization Management	955,333	895,755	(59,578)
48,886	55,141	6,255	311 - Health Services - Quality Improvement	386,668	496,069	109,401
258	67	(191)	312 - Health Services - Education	481	900	419
154,674	140,883	(13,791)	313- Pharmacy	1,248,194	1,281,768	33,574
258	-	(258)	314 - Health Homes	1,061	-	(1,061)
17,064	16,573	(491)	315 - Case Management	152,662	149,155	(3,507)
23,538	23,131	(407)	616 - Disease Management	200,219	208,181	7,962
274,601	313,552	38,951	320 - Provider Network Management	2,509,749	2,821,968	312,219
504,521	563,885	59,364	330 - Member Services	4,683,575	5,074,925	391,350
606,212	530,116	(76,096)	340 - Corporate Services	5,333,209	4,752,044	(581,165)
81,171	67,176	(13,995)	360 - Audit & Investigative Services	656,165	604,584	(51,581)
18,396	54,315	35,919	410 - Advertising Media	427,038	488,835	61,797
45,864	68,457	22,593	420 - Sales/Marketing/Public Relations	397,657	616,113	218,456
204,890	230,076	25,186	510 - Human Resources	1,933,800	2,026,116	92,316
-	-	-	Budgeted Administrative Vacancy and Timing Factor	(212,229)	-	212,229
3,845,341	4,335,079	489,738	Total Administrative Expenses	37,289,921	39,015,954	1,726,033



KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED SEPTEMBER 30, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	YEAR TO DATE 2020
110 - Executive	339,242	293,820	365,045	399,347	259,748	354,211	358,020	346,343	374,015	3,089,791
210 - Accounting	173,904	178,919	174,836	183,136	174,058	229,239	197,424	181,448	174,523	1,667,487
220 - Management Information Systems (MIS)	381,511	295,419	338,903	162,587	375,885	409,177	283,465	385,215	(71,269)	2,560,893
221 - Business Intelligence	-	11,648	20,702	22,767	15,303	14,750	15,840	100	14,760	115,870
222 - Enterprise Development	211,299	225,855	262,079	292,897	213,893	299,686	277,998	269,776	270,074	2,323,557
225 - Infrastructure	359,015	241,507	308,323	274,546	428,168	431,419	409,337	388,698	315,770	3,156,783
230 - Claims	556,280	498,960	493,312	543,105	485,601	547,271	552,376	529,257	570,198	4,776,360
240 - Project Management	85,191	84,709	97,954	100,673	102,586	121,862	123,048	107,034	102,541	925,598
310 - Health Services - Utilization Management	98,529	107,809	95,426	112,873	93,694	127,289	99,273	106,044	114,396	955,333
311 - Health Services - Quality Improvement	10,824	41,860	43,027	54,448	45,627	46,653	50,493	44,850	48,886	386,668
312 - Health Services - Education	-	60	-	61	-	-	-	102	258	481
313- Pharmacy	156,947	147,980	148,599	141,729	123,386	126,485	118,633	129,761	154,674	1,248,194
314 - Health Homes	222	15,046	98	(14,707)	-	76	68	-	258	1,061
315 - Case Management	17,349	15,664	15,615	19,456	16,074	17,240	17,939	16,261	17,064	152,662
616 - Disease Management	20,836	20,068	21,223	25,749	20,786	21,699	24,558	21,762	23,538	200,219
320 - Provider Network Management	256,860	252,748	291,995	307,450	269,465	313,902	281,741	260,987	274,601	2,509,749
330 - Member Services	530,714	484,954	496,790	563,492	484,348	547,629	542,035	529,092	504,521	4,683,575
340 - Corporate Services	439,804	482,885	487,474	449,175	1,070,946	640,485	556,403	599,825	606,212	5,333,209
360 - Audit & Investigative Services	81,923	83,979	59,288	87,154	60,510	76,957	69,507	55,676	81,171	656,165
410 - Advertising Media	9,439	47,590	38,083	134,979	29,053	138,348	28,355	(17,205)	18,396	427,038
420 - Sales/Marketing/Public Relations	44,020	35,104	43,800	36,382	55,996	54,859	78,000	3,632	45,864	397,657
510 - Human Resources	285,952	186,648	181,915	228,494	160,954	252,332	237,528	195,087	204,890	1,933,800
<b>Total Department Expenses</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,771,569</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>37,502,150</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,229)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,229)</b>
<b>Total Administrative Expenses</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,559,340</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>37,289,921</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF SEPTEMBER 30, 2020</b>			
<b>ASSETS</b>	<b>SEPTEMBER 2020</b>	<b>AUGUST 2020</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,133,718	\$ 1,131,326	2,392
Interest Receivable	-	2,524	(2,524)
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,133,718</b>	<b>\$ 1,133,850</b>	<b>\$ (132)</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	1,128,885	1,128,885	-
Increase (Decrease) in Net Position - Current Year	4,833	4,965	(132)
<b>Total Net Position</b>	<b>\$ 1,133,718</b>	<b>\$ 1,133,850</b>	<b>\$ (132)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,133,718</b>	<b>\$ 1,133,850</b>	<b>\$ (132)</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED SEPTEMBER 30, 2020	YEAR-TO-DATE		
<b>ENROLLMENT</b>						
-	-	-	<b>Members</b>	-	-	-
<b>REVENUES</b>						
-	-	-	<b>Premium</b>	-	-	-
(132)	-	(132)	<b>Interest</b>	11,794	-	11,794
-	-	-	<b>Other Investment Income</b>	(1,961)	-	(1,961)
(132)	-	(132)	<b>TOTAL REVENUES</b>	9,833	-	9,833
<b>EXPENSES</b>						
-	-	-	<b>Medical Costs</b>	-	-	-
-	-	-	<b>IBNR and Paid Claims Adjustment</b>	-	-	-
-	-	-	<b>Total Medical Costs</b>	-	-	-
(132)	-	(132)	<b>GROSS MARGIN</b>	9,833	-	9,833
<b>Administrative</b>						
-	-	-	<b>Management Fee Expense and Other Admin Exp</b>	5,000	-	(5,000)
-	-	-	<b>Total Administrative Expenses</b>	5,000	-	(5,000)
-	-	-	<b>TOTAL EXPENSES</b>	5,000	-	(5,000)
(132)	-	(132)	<b>OPERATING INCOME (LOSS)</b>	4,833	-	4,833
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-
(132)	-	(132)	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	4,833	-	4,833
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	51%	0%	-51%

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

		<b>2020 MEMBER MONTHS</b>											
<b>MEDI-CAL</b>		<b>JAN'20</b>	<b>FEB'20</b>	<b>MAR'20</b>	<b>APR'20</b>	<b>MAY'20</b>	<b>JUN'20</b>	<b>JUL'20</b>	<b>AUG'20</b>	<b>SEP'20</b>	<b>OCT'20</b>	<b>NOV'20</b>	<b>DEC'20</b>
<b>ADULT AND FAMILY</b>													
ADULT	411,151	43,519	43,767	44,480	44,402	45,381	46,558	47,144	47,950	47,950	0	0	0
CHILD	1,125,577	122,496	123,040	123,357	123,687	124,785	126,031	126,735	127,723	127,723	0	0	0
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>1,536,728</b>	<b>166,015</b>	<b>166,807</b>	<b>167,837</b>	<b>168,089</b>	<b>170,166</b>	<b>172,589</b>	<b>173,879</b>	<b>175,673</b>	<b>175,673</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER MEMBERS</b>													
BCCTP-TOBACCO SETTLEMENT	247	26	28	26	25	27	27	28	30	30	0	0	0
<b>DUALS</b>													
PARTIAL DUALS - FAMILY	4,078	432	432	453	461	474	450	452	462	462	0	0	0
PARTIAL DUALS - CHILD	9	1	1	1	1	1	1	1	1	1	0	0	0
PARTIAL DUALS - BCCTP	16	1	1	2	2	2	2	2	2	2	0	0	0
SPD FULL DUALS	62,103	6,599	6,759	6,911	6,923	6,983	6,941	6,945	7,021	7,021	0	0	0
<b>SUB-TOTAL DUALS</b>	<b>66,206</b>	<b>7,033</b>	<b>7,193</b>	<b>7,367</b>	<b>7,387</b>	<b>7,460</b>	<b>7,394</b>	<b>7,400</b>	<b>7,486</b>	<b>7,486</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FAMILY &amp; OTHER</b>	<b>1,603,181</b>	<b>173,074</b>	<b>174,028</b>	<b>175,230</b>	<b>175,501</b>	<b>177,653</b>	<b>180,010</b>	<b>181,307</b>	<b>183,189</b>	<b>183,189</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SPD</b>													
SPD (AGED AND DISABLED)	141,123	15,667	15,493	15,688	15,992	15,946	15,803	15,518	15,508	15,508	0	0	0
<b>MEDI-CAL EXPANSION</b>													
ACA Expansion Adult-Citizen	562,378	59,583	60,197	60,360	61,164	62,179	63,373	64,432	65,545	65,545	0	0	0
ACA Expansion Duals	3,423	316	289	274	293	356	406	475	507	507	0	0	0
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>565,801</b>	<b>59,899</b>	<b>60,486</b>	<b>60,634</b>	<b>61,457</b>	<b>62,535</b>	<b>63,779</b>	<b>64,907</b>	<b>66,052</b>	<b>66,052</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL KAISER</b>	<b>85,716</b>	<b>8,992</b>	<b>9,125</b>	<b>9,169</b>	<b>9,262</b>	<b>9,475</b>	<b>9,594</b>	<b>9,823</b>	<b>10,138</b>	<b>10,138</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>2,395,821</b>	<b>257,632</b>	<b>259,132</b>	<b>260,721</b>	<b>262,212</b>	<b>265,609</b>	<b>269,186</b>	<b>271,555</b>	<b>274,887</b>	<b>274,887</b>	<b>0</b>	<b>0</b>	<b>0</b>



**To: KHS Finance Committee**

**From: Robert Landis, CFO**

**Date: December 4, 2020**

**Re: October 2020 Financial Results**

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The October results reflect a \$781,460 Net Increase in Net Position which is a \$1,610,901 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$6.7 million favorable variance primarily due to:
  - A) \$7.5 million favorable variance primarily due to higher than expected budgeted membership.
  - B) \$3.0 million favorable variance in Proposition 56 Supplemental Revenue due to an unbudgeted rate increase in tobacco tax revenue funds in fiscal year 19/20 for additional CPT procedure codes along with unbudgeted new Prop 56 programs that became effective January 1, 2020 offset against amounts included in 2C below.
  - C) \$.8 million unfavorable variance related to lower than expected BHT Revenue offset against amounts included in 2B.
  - D) \$1.0 million unfavorable variance in Premium MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is offset against MCO Tax Expense included in Item 3 below.
  - E) \$1.2 million unfavorable variance in Premium-Hospital Directed Payments primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 2E below.
  - F) \$.6 million unfavorable variance in Rate/Income Adjustment primarily relating to Health Home payments.
- 2) Total Medical Costs reflect a \$6.4 million unfavorable variance primarily due to:
  - A) \$3.6 million unfavorable variance in Inpatient due to higher than expected utilization.
  - B) \$.8 million favorable variance in Other Professional Services primarily related to lower than expected utilization of BHT services offset against amounts included in 1C.

- C) \$5.9 million unfavorable variance in Other Medical primarily due to accruing for estimated Proposition 56 expenses relating to unbudgeted additional CPT procedure codes along with increases in supplemental allowable payable amounts that became effective January 1, 2020 offset against revenue included in 1B above (\$3.6 million) and Covid-19 provider relief expenses (\$2.3 million).
- D) \$.5 million favorable variance in Pharmacy primarily due from formulary modifications that capitalized on new generics that came to market and less costly brands within the same therapeutic class. There was also a timing impact from the lengthening of the day supply per prescription of maintenance medications that occurred beginning in March.
- E) \$1.2 million favorable variance in Hospital Directed Payments primarily due to receiving revised 18/19 HDP rates. This amount is offset against amounts included in 1E above.

3) \$1.2 million favorable variance in MCO Tax due to a revised reduction in our MCO tax liability rates that occurred with an agreement between CMS and DHCS which is partially offset against MCO Tax Premium included in Item 1D above.

The October Medical Loss Ratio is 92.5% which is favorable to the 93.4% budgeted amount. The October Administrative Expense Ratio is 5.2% which is favorable to the 6.5% budgeted amount.

The results for the 10 months ended October 31, 2020 reflect a Net Increase in Net Position of \$10,834,827. This is a \$17,928,857 favorable variance to budget and includes approximately \$12.8 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 91.6% which is favorable to the 93.2% budgeted amount. The year-to-date Administrative Expense Ratio is 6.0% which is favorable to the 6.6% budgeted amount.

**Kern Health Systems  
Financial Packet  
October 2020**

**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
Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM	Page 5
Schedule of Revenues	Page 6
Schedule of Medical Costs	Page 7
Schedule of Medical Costs - PMPM	Page 8
Schedule of Medical Costs by Month	Page 9
Schedule of Medical Costs by Month – PMPM	Page 10
Schedule of Administrative Expenses by Department	Page 11
Schedule of Administrative Expenses by Department by Month	Page 12

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

Comparative Statement of Net Position	Page 13
Statement of Revenue, Expenses, and Changes in Net Position	Page 14

**KHS Administrative Analysis and Other Reporting**

Monthly Member Count	Page 15
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<b>KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF NET POSITION AS OF OCTOBER 31, 2020</b>			
<b>ASSETS</b>	<b>OCTOBER 2020</b>	<b>SEPTEMBER 2020</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 76,219,721	\$ 72,681,349	\$ 3,538,372
Short-Term Investments	172,284,415	181,837,687	(9,553,272)
Premiums Receivable - Net	93,973,059	93,004,578	968,481
Premiums Receivable - Hospital Direct Payments	175,525,685	165,570,574	9,955,111
Interest Receivable	235,752	106,680	129,072
Provider Advance Payment	5,746,518	5,502,525	243,993
Other Receivables	1,074,872	1,249,801	(174,929)
Prepaid Expenses & Other Current Assets	1,507,161	1,779,089	(271,928)
<b>Total Current Assets</b>	<b>\$ 526,567,183</b>	<b>\$ 521,732,283</b>	<b>\$ 4,834,900</b>
<b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>			
Land	4,090,706	4,090,706	-
Furniture and Equipment - Net	2,189,812	2,217,018	(27,206)
Computer Hardware and Software - Net	15,435,994	15,752,890	(316,896)
Building and Building Improvements - Net	35,499,670	35,575,364	(75,694)
Capital Projects in Progress	11,276,865	10,921,119	355,746
<b>Total Capital Assets</b>	<b>\$ 68,493,047</b>	<b>\$ 68,557,097</b>	<b>\$ (64,050)</b>
<b>LONG TERM ASSETS:</b>			
Restricted Investments	300,000	300,000	-
Officer Life Insurance Receivables	1,503,894	1,503,894	-
<b>Total Long Term Assets</b>	<b>\$ 1,803,894</b>	<b>\$ 1,803,894</b>	<b>\$ -</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,889,179</b>	<b>\$ 2,889,179</b>	<b>\$ -</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 599,753,303</b>	<b>\$ 594,982,453</b>	<b>\$ 4,770,850</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accrued Salaries and Employee Benefits	\$ 3,958,354	\$ 3,642,550	315,804
Accrued Other Operating Expenses	1,390,353	1,506,310	(115,957)
Accrued Taxes and Licenses	35,440,923	50,282,005	(14,841,082)
Claims Payable (Reported)	25,976,730	20,791,590	5,185,140
IBNR - Inpatient Claims	30,071,704	31,099,927	(1,028,223)
IBNR - Physician Claims	15,000,319	14,387,253	613,066
IBNR - Accrued Other Medical	24,520,646	24,726,835	(206,189)
Risk Pool and Withholds Payable	4,460,200	3,904,000	556,200
Statutory Allowance for Claims Processing Expense	2,066,234	2,066,234	-
Other Liabilities	47,744,680	44,189,160	3,555,520
Accrued Hospital Directed Payments	176,610,813	166,655,702	9,955,111
<b>Total Current Liabilities</b>	<b>\$ 367,240,956</b>	<b>\$ 363,251,566</b>	<b>\$ 3,989,390</b>
<b>NONCURRENT LIABILITIES:</b>			
Net Pension Liability	6,564,477	6,564,477	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 6,564,477</b>	<b>\$ 6,564,477</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 420,664</b>	<b>\$ 420,664</b>	<b>\$ -</b>
<b>NET POSITION:</b>			
Net Position - Beg. of Year	214,692,379	214,692,379	-
Increase (Decrease) in Net Position - Current Year	10,834,827	10,053,367	781,460
<b>Total Net Position</b>	<b>\$ 225,527,206</b>	<b>\$ 224,745,746</b>	<b>\$ 781,460</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 599,753,303</b>	<b>\$ 594,982,453</b>	<b>\$ 4,770,850</b>



CURRENT MONTH MEMBERS			KERN HEALTH SYSTEMS MEDI-CAL - ALL COA STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2020			YEAR-TO-DATE MEMBER MONTHS		
						ACTUAL	BUDGET	VARIANCE
<b>ENROLLMENT</b>								
184,703	171,100	13,603	Family Members	1,725,282	1,693,000	32,282		
70,068	61,090	8,978	Expansion Members	635,869	610,900	24,969		
15,298	14,730	568	SPD Members	156,657	147,300	9,357		
7,838	6,205	1,633	Other Members	70,204	62,050	8,154		
10,579	8,660	1,919	Kaiser Members	96,295	86,600	9,695		
288,486	261,785	26,701	<b>Total Members - MCAL</b>	2,684,307	2,599,850	84,457		
<b>REVENUES</b>								
33,387,274	27,666,393	5,720,881	Title XIX - Medicaid - Family and Other	295,450,120	275,063,969	20,386,151		
27,568,938	23,145,509	4,423,429	Title XIX - Medicaid - Expansion Members	242,966,070	231,455,092	11,510,978		
14,457,143	14,884,621	(427,478)	Title XIX - Medicaid - SPD Members	150,931,601	148,846,211	2,085,390		
9,166,454	10,125,000	(958,546)	Premium - MCO Tax	81,667,839	100,530,000	(18,862,161)		
9,955,034	11,105,312	(1,150,278)	Premium - Hospital Directed Payments	88,862,393	110,860,344	(21,997,951)		
151,948	402,225	(250,277)	Investment Earnings And Other Income	2,194,629	3,993,644	(1,799,015)		
	73,406	(73,406)	Reinsurance Recoveries	-	728,843	(728,843)		
77	-	77	Rate Adjustments - Hospital Directed Payments	(51,784,024)	-	(51,784,024)		
(582,499)	-	(582,499)	Rate/Income Adjustments	(1,446,799)	-	(1,446,799)		
94,104,369	87,402,467	6,701,902	<b>TOTAL REVENUES</b>	808,841,829	871,478,103	(62,636,274)		
<b>EXPENSES</b>								
<b>Medical Costs:</b>								
14,157,774	14,457,483	299,709	Physician Services	134,801,086	143,815,415	9,014,329		
3,806,785	4,652,562	845,777	Other Professional Services	40,798,472	46,305,028	5,506,556		
4,814,428	5,187,973	373,545	Emergency Room	45,450,970	51,553,354	6,102,384		
17,137,251	13,567,245	(3,570,006)	Inpatient	159,805,474	135,098,394	(24,707,080)		
77,652	73,406	(4,246)	Reinsurance Expense	742,200	728,843	(13,358)		
6,653,372	6,576,961	(76,411)	Outpatient Hospital	64,222,023	65,530,382	1,308,359		
12,916,278	7,061,837	(5,854,441)	Other Medical	102,738,112	70,206,037	(32,532,075)		
9,259,169	9,748,267	489,098	Pharmacy	92,176,769	97,162,444	4,985,675		
556,200	506,250	(49,950)	Pay for Performance Quality Incentive	5,176,410	5,026,500	(149,910)		
-	-	-	Risk Corridor Expense	-	-	-		
9,955,034	11,105,312	1,150,278	Hospital Directed Payments	88,862,393	110,860,344	21,997,951		
77	-	(77)	Hospital Directed Payment Adjustment	(52,020,906)	-	(52,020,906)		
5,124	-	(5,124)	Non-Claims Expense Adjustment	(2,246,245)	-	(2,246,245)		
(5,474)	-	5,474	IBNR, Incentive, Paid Claims Adjustment	(11,616,162)	-	(11,616,162)		
79,333,670	72,937,297	(6,396,373)	<b>Total Medical Costs</b>	668,890,596	726,286,740	57,396,144		
14,770,699	14,465,169	305,530	<b>GROSS MARGIN</b>	139,951,233	145,191,362	(5,240,129)		
<b>Administrative:</b>								
2,613,272	2,662,789	49,517	Compensation	25,901,830	26,711,766	809,936		
689,841	860,730	170,889	Purchased Services	7,883,191	8,606,962	723,771		
34,967	119,205	84,238	Supplies	675,068	1,192,106	517,038		
419,796	337,375	(82,421)	Depreciation	4,193,055	3,327,750	(865,305)		
137,960	348,418	210,458	Other Administrative Expenses	2,744,842	3,505,887	761,045		
-	-	-	Administrative Expense Adjustment	(212,229)	-	(212,229)		
3,895,836	4,328,517	432,681	<b>Total Administrative Expenses</b>	41,185,757	43,344,471	2,158,714		
83,229,506	77,265,814	(5,963,692)	<b>TOTAL EXPENSES</b>	710,076,353	769,631,211	59,554,858		
10,874,863	10,136,652	738,211	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	98,765,476	101,846,892	(3,081,416)		
8,904,648	10,125,000	1,220,352	<b>MCO TAX</b>	83,110,276	100,530,000	17,419,724		
1,970,215	11,652	1,958,563	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	15,655,200	1,316,892	14,338,308		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
-	-	-	Gain on Sale of Assets	-	-	-		
(1,017,722)	(333,334)	(684,388)	Provider Recruitment and Retention Grants	(3,269,710)	(3,333,332)	63,622		
(171,033)	(507,759)	336,726	Health Home	(1,550,663)	(5,077,590)	3,526,927		
(1,188,755)	(841,093)	(347,662)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	(4,820,373)	(8,410,922)	3,590,549		
781,460	(829,441)	1,610,901	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	10,834,827	(7,094,030)	17,928,857		
92.5%	93.4%	0.9%	<b>MEDICAL LOSS RATIO</b>	91.6%	93.2%	1.6%		
5.2%	6.5%	1.3%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	6.0%	6.6%	0.6%		

			KERN HEALTH SYSTEMS MEDI-CAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - PMPM FOR THE MONTH ENDED OCTOBER 31, 2020					
CURRENT MONTH						YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
<b>ENROLLMENT</b>								
184,703	171,100	13,603	Family Members	1,725,282	1,693,000	32,282		
70,068	61,090	8,978	Expansion Members	635,869	610,900	24,969		
15,298	14,730	568	SPD Members	156,657	147,300	9,357		
7,838	6,205	1,633	Other Members	70,204	62,050	8,154		
10,579	8,660	1,919	Kaiser Members	96,295	86,600	9,695		
288,486	261,785	26,701	<b>Total Members - MCAL</b>	2,684,307	2,599,850	84,457		
<b>REVENUES</b>								
173.40	156.04	17.37	Title XIX - Medicaid - Family and Other	164.55	156.73	7.82		
393.46	378.88	14.58	Title XIX - Medicaid - Expansion Members	382.10	378.88	3.23		
945.03	1,010.50	(65.46)	Title XIX - Medicaid - SPD Members	963.45	1,010.50	(47.04)		
32.98	40.00	(7.02)	Premium - MCO Tax	31.56	40.00	(8.44)		
35.82	43.87	(8.05)	Premium - Hospital Directed Payments	34.34	44.11	(9.77)		
0.55	1.59	(1.04)	Investment Earnings And Other Income	0.85	1.59	(0.74)		
0.00	0.29	(0.29)	Reinsurance Recoveries	0.00	0.29	(0.29)		
0.00	0.00	0.00	Rate Adjustments - Hospital Directed Payments	(20.01)	0.00	(20.01)		
(2.10)	0.00	(2.10)	Rate/Income Adjustments	(0.56)	0.00	(0.56)		
338.62	345.29	(6.68)	<b>TOTAL REVENUES</b>	312.53	346.75	(34.22)		
<b>EXPENSES</b>								
Medical Costs:								
50.94	57.12	6.17	Physician Services	52.09	57.22	5.14		
13.70	18.38	4.68	Other Professional Services	15.76	18.42	2.66		
17.32	20.50	3.17	Emergency Room	17.56	20.51	2.95		
61.67	53.60	(8.07)	Inpatient	61.75	53.75	(7.99)		
0.28	0.29	0.01	Reinsurance Expense	0.29	0.29	0.00		
23.94	25.98	2.04	Outpatient Hospital	24.82	26.07	1.26		
46.48	27.90	(18.58)	Other Medical	39.70	27.93	(11.76)		
33.32	38.51	5.19	Pharmacy	35.62	38.66	3.04		
2.00	2.00	(0.00)	Pay for Performance Quality Incentive	2.00	2.00	(0.00)		
0.00	0.00	0.00	Risk Corridor Expense	0.00	0.00	0.00		
35.82	43.87	8.05	Hospital Directed Payments	34.34	44.11	9.77		
0.00	0.00	(0.00)	Hospital Directed Payment Adjustment	(20.10)	0.00	20.10		
0.02	0.00	(0.02)	Non-Claims Expense Adjustment	(0.87)	0.00	0.87		
(0.02)	0.00	0.02	IBNR, Incentive, Paid Claims Adjustment	(4.49)	0.00	4.49		
285.47	288.15	2.68	<b>Total Medical Costs</b>	258.46	288.98	30.53		
53.15	57.15	(4.00)	<b>GROSS MARGIN</b>	54.08	57.77	(3.69)		
Administrative:								
9.40	10.52	1.12	Compensation	10.01	10.63	0.62		
2.48	3.40	0.92	Purchased Services	3.05	3.42	0.38		
0.13	0.47	0.35	Supplies	0.26	0.47	0.21		
1.51	1.33	(0.18)	Depreciation	1.62	1.32	(0.30)		
0.50	1.38	0.88	Other Administrative Expenses	1.06	1.39	0.33		
0.00	0.00	0.00	Administrative Expense Adjustment	(0.08)	0.00	0.08		
14.02	17.10	3.08	<b>Total Administrative Expenses</b>	15.91	17.25	1.33		
299.49	305.25	5.76	<b>TOTAL EXPENSES</b>	274.37	306.23	31.86		
39.13	40.05	(0.91)	<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	38.16	40.52	(2.36)		
32.04	40.00	7.96	<b>MCO TAX</b>	32.11	40.00	7.89		
7.09	0.05	7.04	<b>OPERATING INCOME (LOSS) NET OF TAX</b>	6.05	0.52	5.53		
<b>NONOPERATING REVENUE (EXPENSE)</b>								
0.00	0.00	0.00	Gain on Sale of Assets	0.00	0.00	0.00		
(3.66)	(1.32)	(2.35)	Reserve Fund Projects/Community Grants	(1.26)	(1.33)	0.06		
(0.62)	(2.01)	1.39	Health Home	(0.60)	(2.02)	1.42		
(4.28)	(3.32)	(0.95)	<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	(1.86)	(3.35)	1.48		
2.81	(3.28)	6.09	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	4.19	(2.82)	7.01		
92.5%	93.4%	0.9%	<b>MEDICAL LOSS RATIO</b>	91.6%	93.2%	1.6%		
5.2%	6.5%	1.3%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	6.0%	6.6%	0.6%		

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - ROLLING 13 MONTHS THROUGH OCTOBER 31, 2020														
	OCTOBER 2019	NOVEMBER 2019	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	13 MONTH TOTAL
<b>ENROLLMENT</b>														
Members - MCAL	251,039	250,459	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	264,749	277,907	3,338,891
<b>REVENUES</b>														
Title XIX - Medicaid - Family and Other	27,395,016	34,656,206	28,289,680	28,111,536	28,136,428	28,589,738	27,567,358	28,170,470	30,522,053	29,997,411	30,548,160	30,419,692	33,387,274	385,791,022
Title XIX - Medicaid - Expansion Members	22,908,874	25,545,000	24,658,622	23,135,804	23,419,130	23,548,401	22,679,789	23,386,527	24,776,875	24,533,357	24,848,094	25,069,155	27,568,938	316,078,566
Title XIX - Medicaid - SPD Members	15,759,913	16,141,207	15,294,321	15,020,731	15,113,713	15,275,980	14,884,891	14,967,019	15,603,750	15,234,387	15,192,022	15,191,965	14,457,143	198,127,042
Premium - MCO Tax	10,062,668	11,609,045	(52,290,862)	-	16,158,895	7,586,709	7,915,338	7,915,091	8,023,287	8,236,232	8,333,151	8,332,682	9,166,454	51,048,690
Premium - Hospital Directed Payments	-	-	136,163,466	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	225,025,859
Investment Earnings And Other Income	338,986	265,233	731,395	190,131	301,265	424,094	266,256	323,827	62,534	315,583	173,465	(14,474)	151,948	3,530,243
Reinsurance Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate Adjustments - Hospital Directed Payments	-	-	101,394,310	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	4,234	2,924	77	49,610,286
Rate/Income Adjustments	318,771	(3,664)	(391,644)	819,618	809,261	616,798	(4,529,302)	444,891	476,588	135,705	291,820	70,321	(582,499)	(1,523,336)
<b>TOTAL REVENUES</b>	<b>76,784,228</b>	<b>88,213,027</b>	<b>253,849,288</b>	<b>78,672,737</b>	<b>95,391,047</b>	<b>87,579,613</b>	<b>80,435,517</b>	<b>86,859,012</b>	<b>91,604,031</b>	<b>17,506,553</b>	<b>88,503,816</b>	<b>88,185,134</b>	<b>94,104,369</b>	<b>1,227,688,372</b>
<b>EXPENSES</b>														
Medical Costs:														
Physician Services	13,286,040	14,396,081	15,556,899	14,757,546	13,873,238	14,351,280	12,418,888	12,429,908	11,806,601	13,357,636	13,134,194	14,514,021	14,157,774	178,040,106
Other Professional Services	4,483,269	3,596,983	4,371,702	4,334,953	3,966,515	4,024,762	3,908,759	3,489,408	3,385,134	4,421,687	4,619,091	4,841,378	3,806,785	53,250,426
Emergency Room	5,571,836	5,227,569	4,729,725	5,226,947	5,258,084	5,370,795	3,813,875	4,212,272	3,363,172	3,651,975	4,813,363	4,926,059	4,814,428	60,980,100
Inpatient	14,951,334	14,657,214	14,449,035	14,911,677	13,893,706	14,743,904	15,995,368	14,410,696	17,115,322	17,082,368	16,635,497	17,879,275	17,137,251	203,863,057
Reinsurance Expense	127,228	129,075	128,012	72,320	144,425	(213)	77,341	69,310	73,356	75,202	76,284	76,523	77,652	1,126,515
Outpatient Hospital	6,128,586	6,141,173	4,767,801	6,734,395	6,204,610	6,566,090	6,270,816	5,199,240	6,447,664	6,446,825	6,894,371	6,804,640	6,653,372	81,259,583
Other Medical	5,832,261	16,655,345	6,649,662	5,661,784	10,021,013	10,653,430	8,832,073	10,860,308	9,199,742	11,504,806	9,055,443	14,033,235	12,916,278	131,875,380
Pharmacy	9,834,755	9,282,817	9,267,277	9,971,687	9,246,208	10,311,873	8,667,925	8,616,291	8,313,457	8,780,407	9,180,669	9,829,083	9,259,169	120,561,618
Pay for Performance Quality Incentive	502,078	500,918	498,762	497,280	500,014	503,104	509,814	508,354	519,184	523,464	529,498	529,498	529,498	6,678,168
Risk Corridor Expense	-	-	-	-	-	-	-	-	4,700,000	(2,000,000)	-	(2,700,000)	-	0
Hospital Directed Payments	-	-	136,163,466	11,276,584	11,391,396	11,495,457	11,614,664	11,614,663	12,149,677	(8,860,821)	9,112,870	9,112,869	9,955,034	225,025,859
Hospital Directed Payment Adjustment	-	-	101,154,229	118,333	60,959	42,436	36,523	36,524	(10,733)	(52,075,301)	(233,958)	4,234	77	49,133,323
Non-Claims Expense Adjustment	(5,919)	(18,762)	4,624	57,172	232,393	(1,583,770)	1,420	167,936	(325,027)	(23,790)	(157)	(777,546)	5,124	(2,266,302)
IBNR, Incentive, Paid Claims Adjustment	20,741	(40,346)	(259,737)	816	(8,559)	(2,649,204)	(4,444,586)	11,543	(426,819)	344,451	(120,764)	(4,317,566)	(5,474)	(11,895,504)
<b>Total Medical Costs</b>	<b>60,732,209</b>	<b>70,528,067</b>	<b>297,481,457</b>	<b>73,621,494</b>	<b>74,784,002</b>	<b>73,829,944</b>	<b>67,702,880</b>	<b>71,626,453</b>	<b>76,311,140</b>	<b>3,228,909</b>	<b>73,696,401</b>	<b>74,755,703</b>	<b>79,333,670</b>	<b>1,097,632,329</b>
<b>GROSS MARGIN</b>	<b>16,052,019</b>	<b>17,684,960</b>	<b>(43,632,169)</b>	<b>5,051,243</b>	<b>20,607,045</b>	<b>13,749,669</b>	<b>12,732,637</b>	<b>15,232,559</b>	<b>15,292,891</b>	<b>14,277,644</b>	<b>14,807,415</b>	<b>13,429,431</b>	<b>14,770,699</b>	<b>130,056,043</b>
Administrative:														
Compensation	2,510,126	2,403,604	2,589,213	2,577,348	2,407,112	2,447,667	2,678,816	2,375,693	2,835,739	2,732,099	2,597,575	2,636,509	2,613,272	33,404,773
Purchased Services	831,542	805,047	1,358,494	805,903	728,049	867,391	644,717	903,379	1,142,683	859,845	819,771	421,612	689,841	10,878,274
Supplies	203,279	58,830	(7,208)	35,806	149,042	99,552	60,138	59,208	29,774	71,551	63,919	71,111	34,967	929,969
Depreciation	355,208	280,129	304,894	287,390	287,536	306,318	300,318	924,253	418,036	417,768	418,389	419,251	419,796	5,133,286
Other Administrative Expenses	519,786	270,201	344,959	353,414	181,493	269,559	441,804	223,548	345,337	240,778	254,091	296,858	137,960	3,879,788
Administrative Expense Adjustment	-	-	1,325,136	-	-	-	-	-	(212,229)	-	-	-	-	1,112,907
<b>Total Administrative Expenses</b>	<b>4,419,941</b>	<b>3,817,811</b>	<b>5,915,488</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,559,340</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>3,895,836</b>	<b>55,338,997</b>
<b>TOTAL EXPENSES</b>	<b>65,152,150</b>	<b>74,345,878</b>	<b>303,396,945</b>	<b>77,681,355</b>	<b>78,537,234</b>	<b>77,814,431</b>	<b>71,828,673</b>	<b>76,112,534</b>	<b>80,870,480</b>	<b>7,550,950</b>	<b>77,850,146</b>	<b>78,601,044</b>	<b>83,229,506</b>	<b>1,152,971,326</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>11,632,078</b>	<b>13,867,149</b>	<b>(49,547,657)</b>	<b>991,382</b>	<b>16,853,813</b>	<b>9,765,182</b>	<b>8,606,844</b>	<b>10,746,478</b>	<b>10,733,551</b>	<b>9,955,603</b>	<b>10,653,670</b>	<b>9,584,090</b>	<b>10,874,863</b>	<b>74,717,046</b>
MCO TAX	10,057,218	12,283,003	(52,962,035)	-	16,159,021	7,586,709	7,915,243	7,914,997	7,915,244	8,904,648	8,905,117	8,904,649	8,904,648	52,488,462
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>1,574,860</b>	<b>1,584,146</b>	<b>(3,414,378)</b>	<b>991,382</b>	<b>694,792</b>	<b>2,178,473</b>	<b>691,601</b>	<b>2,831,481</b>	<b>2,818,307</b>	<b>1,050,955</b>	<b>1,748,553</b>	<b>679,441</b>	<b>1,970,215</b>	<b>22,228,584</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(236,574)</b>	<b>(885,928)</b>	<b>(425,785)</b>	<b>(942,282)</b>	<b>(569,882)</b>	<b>(1,076,457)</b>	<b>424,682</b>	<b>(587,120)</b>	<b>(479,019)</b>	<b>462,756</b>	<b>(687,453)</b>	<b>(176,843)</b>	<b>(1,188,755)</b>	<b>(6,368,660)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>1,338,286</b>	<b>698,218</b>	<b>2,988,593</b>	<b>49,100</b>	<b>124,910</b>	<b>1,102,016</b>	<b>1,116,283</b>	<b>2,244,361</b>	<b>2,339,288</b>	<b>1,513,711</b>	<b>1,061,100</b>	<b>502,598</b>	<b>781,460</b>	<b>15,859,924</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.0%</b>	<b>92.1%</b>	<b>87.7%</b>	<b>92.5%</b>	<b>93.4%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>89.1%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>91.2%</b>	<b>92.8%</b>	<b>92.5%</b>	<b>91.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.6%</b>	<b>5.0%</b>	<b>8.6%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>6.1%</b>

KERN HEALTH SYSTEMS MEDICAL STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION BY MONTH - PMPM ROLLING 13 MONTHS THROUGH OCTOBER 31, 2020														
	OCTOBER 2019	NOVEMBER 2019	DECEMBER 2019	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	13 MONTH TOTAL
<b>ENROLLMENT</b>														
Members - MCAL	251,039	250,459	249,381	248,640	250,007	251,552	252,950	256,134	259,592	261,732	264,749	264,749	277,907	3,060,984
<b>REVENUES</b>														
Title XIX - Medicaid - Family and Other	157.23	199.08	162.50	162.42	161.68	163.16	157.08	158.57	169.56	165.45	166.87	166.16	173.40	166.44
Title XIX - Medicaid - Expansion Members	373.38	419.77	410.96	386.25	387.18	388.37	369.04	373.98	388.48	377.98	376.19	379.54	393.46	386.37
Title XIX - Medicaid - SPD Members	1,019.80	1,039.69	1,000.74	958.75	975.52	973.74	930.77	938.61	987.39	981.08	972.23	972.22	945.03	976.38
Premium - MCO Tax	40.08	46.35	(209.68)	0.00	64.63	30.16	31.29	30.90	30.91	31.47	31.48	31.47	32.98	15.29
Premium - Hospital Directed Payments	0.00	0.00	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	34.42	35.82	67.40
Investment Earnings And Other Income	1.35	1.06	2.93	0.76	1.21	1.69	1.05	1.26	0.24	1.21	0.66	(0.05)	0.55	1.06
Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate Adjustments - Hospital Directed Payments	0.00	0.00	406.58	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	0.02	0.01	0.00	14.86
Rate/Income Adjustments	1.27	(0.01)	(1.57)	3.30	3.24	2.45	(17.91)	1.74	1.84	0.52	1.10	0.27	(2.10)	(0.46)
<b>TOTAL REVENUES</b>	<b>305.87</b>	<b>352.21</b>	<b>1,017.92</b>	<b>316.41</b>	<b>381.55</b>	<b>348.16</b>	<b>317.99</b>	<b>339.12</b>	<b>352.88</b>	<b>66.89</b>	<b>334.29</b>	<b>333.09</b>	<b>338.62</b>	<b>367.69</b>
<b>EXPENSES</b>														
<b>Medical Costs:</b>														
Physician Services	52.92	57.48	62.38	59.35	55.49	57.05	49.10	48.53	45.48	51.04	49.61	54.82	50.94	53.32
Other Professional Services	17.86	14.36	17.53	17.43	15.87	16.00	15.45	13.62	13.04	16.89	17.45	18.29	13.70	15.95
Emergency Room	22.20	20.87	18.97	21.02	21.03	21.35	15.08	16.45	12.96	13.95	18.18	18.61	17.32	18.26
Inpatient	59.56	58.52	57.94	59.97	55.57	58.61	63.24	56.26	65.93	65.27	62.83	67.53	61.67	61.06
Reinsurance Expense	0.51	0.52	0.51	0.29	0.58	(0.00)	0.31	0.27	0.28	0.29	0.29	0.29	0.28	0.34
Outpatient Hospital	24.41	24.52	19.12	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	25.70	23.94	24.34
Other Hospital	23.23	66.50	26.66	22.77	40.08	42.35	34.92	42.40	35.44	43.96	34.20	53.01	46.48	39.50
Pharmacy	39.18	37.06	37.16	40.10	36.98	40.99	34.27	33.64	32.03	33.55	34.68	37.13	33.32	36.11
Pay for Performance Quality Incentive	2.00	2.00	2.00	2.00	2.00	2.00	2.02	1.98	2.00	2.00	2.00	2.00	2.00	2.00
Risk Corridor Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(10.20)	0.00	0.00
Hospital Directed Payments	0.00	0.00	546.01	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	34.42	35.82	67.40
Hospital Directed Payment Adjustment	0.00	0.00	405.62	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	14.72
Non-Claims Expense Adjustment	(0.02)	(0.07)	0.02	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.94)	0.02	(0.68)
IBNR, Incentive, Paid Claims Adjustment	0.08	(0.16)	(1.04)	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(16.31)	(0.02)	(3.56)
<b>Total Medical Costs</b>	<b>241.92</b>	<b>281.60</b>	<b>1,192.88</b>	<b>296.10</b>	<b>299.13</b>	<b>293.50</b>	<b>267.65</b>	<b>279.64</b>	<b>293.97</b>	<b>12.34</b>	<b>278.36</b>	<b>282.36</b>	<b>285.47</b>	<b>328.74</b>
<b>GROSS MARGIN</b>														
Administrative:	63.94	70.61	(174.96)	20.32	82.43	54.66	50.34	59.47	58.91	54.55	55.93	50.73	53.15	38.95
Compensation	10.00	9.60	10.38	10.37	9.63	9.73	10.59	9.28	10.92	10.44	9.81	9.96	9.40	10.00
Purchased Services	3.31	3.21	5.45	3.24	2.91	3.45	2.55	3.53	4.40	3.29	3.10	1.59	2.48	3.26
Supplies	0.81	0.23	(0.03)	0.14	0.60	0.40	0.24	0.23	0.11	0.27	0.24	0.27	0.13	0.28
Depreciation	1.41	1.12	1.22	1.16	1.15	1.19	1.19	3.61	1.61	1.60	1.58	1.58	1.51	1.54
Other Administrative Expenses	2.07	1.08	1.38	1.42	0.73	1.07	1.75	0.87	1.33	0.92	0.96	1.12	0.50	1.16
Administrative Expense Adjustment	0.00	0.00	5.31	0.00	0.00	0.00	0.00	0.00	(0.82)	0.00	0.00	0.00	0.00	0.33
<b>Total Administrative Expenses</b>	<b>17.61</b>	<b>15.24</b>	<b>23.72</b>	<b>16.33</b>	<b>15.01</b>	<b>15.84</b>	<b>16.31</b>	<b>17.51</b>	<b>17.56</b>	<b>16.51</b>	<b>15.69</b>	<b>14.52</b>	<b>14.02</b>	<b>16.57</b>
<b>TOTAL EXPENSES</b>	<b>259.53</b>	<b>296.84</b>	<b>1,216.60</b>	<b>312.43</b>	<b>314.14</b>	<b>309.34</b>	<b>283.96</b>	<b>297.16</b>	<b>311.53</b>	<b>28.85</b>	<b>294.05</b>	<b>296.89</b>	<b>299.49</b>	<b>345.32</b>
<b>OPERATING INCOME (LOSS) BEFORE TAX</b>	<b>46.34</b>	<b>55.37</b>	<b>(198.68)</b>	<b>3.99</b>	<b>67.41</b>	<b>38.82</b>	<b>34.03</b>	<b>41.96</b>	<b>41.35</b>	<b>38.04</b>	<b>40.24</b>	<b>36.20</b>	<b>39.13</b>	<b>22.38</b>
<b>MCO TAX</b>	<b>40.06</b>	<b>49.04</b>	<b>(212.37)</b>	<b>0.00</b>	<b>64.63</b>	<b>30.16</b>	<b>31.29</b>	<b>30.90</b>	<b>30.49</b>	<b>34.02</b>	<b>33.64</b>	<b>33.63</b>	<b>32.04</b>	<b>15.72</b>
<b>OPERATING INCOME (LOSS) NET OF TAX</b>	<b>6.27</b>	<b>6.32</b>	<b>13.69</b>	<b>3.99</b>	<b>2.78</b>	<b>8.66</b>	<b>2.73</b>	<b>11.05</b>	<b>10.86</b>	<b>4.02</b>	<b>6.60</b>	<b>2.57</b>	<b>7.09</b>	<b>6.66</b>
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>(0.94)</b>	<b>(3.54)</b>	<b>(1.71)</b>	<b>(3.79)</b>	<b>(2.28)</b>	<b>(4.28)</b>	<b>1.68</b>	<b>(2.29)</b>	<b>(1.85)</b>	<b>1.77</b>	<b>(2.60)</b>	<b>(0.67)</b>	<b>(4.28)</b>	<b>(1.91)</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>5.33</b>	<b>2.79</b>	<b>11.98</b>	<b>0.20</b>	<b>0.50</b>	<b>4.38</b>	<b>4.41</b>	<b>8.76</b>	<b>9.01</b>	<b>5.78</b>	<b>4.01</b>	<b>1.90</b>	<b>2.81</b>	<b>4.75</b>
<b>MEDICAL LOSS RATIO</b>	<b>91.0%</b>	<b>92.1%</b>	<b>87.7%</b>	<b>92.5%</b>	<b>93.4%</b>	<b>91.0%</b>	<b>92.1%</b>	<b>89.1%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>91.2%</b>	<b>92.8%</b>	<b>92.5%</b>	<b>91.3%</b>
<b>ADMINISTRATIVE EXPENSE RATIO</b>	<b>6.6%</b>	<b>5.0%</b>	<b>8.6%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>6.1%</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF REVENUES - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2020			YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE		
			<b>REVENUES</b>					
			Title XIX - Medicaid - Family & Other					
26,196,363	22,322,056	3,874,307	Premium - Medi-Cal	229,717,444	221,908,792	7,808,652		
2,745,202	2,375,503	369,699	Premium - Maternity Kick	23,683,898	23,755,030	(71,132)		
31,384	73,812	(42,428)	Premium - Hep C Kick	588,447	730,459	(142,012)		
313,862	604,713	(290,851)	Premium - BHT Kick	3,816,698	5,984,373	(2,167,675)		
19,042	317,367	(298,325)	Premium - Health Home Kick	1,684,705	3,140,734	(1,456,029)		
3,782,928	1,720,675	2,062,253	Premium - Provider Enhancement	33,356,017	17,027,350	16,328,667		
185,518	158,065	27,453	Premium - Ground Emergency Medical Transportation	1,627,233	1,570,162	57,071		
112,975	94,203	18,772	Other	975,678	940,698	34,980		
33,387,274	27,666,393	5,720,881	<b>Total Title XIX - Medicaid - Family &amp; Other</b>	<b>295,450,120</b>	<b>275,057,597</b>	<b>20,392,523</b>		
			Title XIX - Medicaid - Expansion Members					
25,373,193	21,183,611	4,189,582	Premium - Medi-Cal	219,930,523	211,836,110	8,094,413		
207,176	214,189	(7,013)	Premium - Maternity Kick	2,492,838	2,141,890	350,948		
256,302	303,377	(47,075)	Premium - Hep C Kick	2,385,172	3,033,770	(648,598)		
23,294	519,998	(496,704)	Premium - Health Home Kick	3,327,973	5,199,980	(1,872,007)		
1,486,997	742,244	744,754	Premium - Provider Enhancement	12,904,307	7,422,438	5,481,870		
187,544	152,964	34,580	Premium - Ground Emergency Medical Transportation	1,627,222	1,529,640	97,582		
34,432	29,126	5,306	Other	298,035	291,260	6,775		
27,568,938	23,145,509	4,423,429	<b>Total Title XIX - Medicaid - Expansion Members</b>	<b>242,966,070</b>	<b>231,455,088</b>	<b>11,510,982</b>		
			Title XIX - Medicaid - SPD Members					
13,338,824	13,148,587	190,237	Premium - Medi-Cal	135,445,027	131,485,870	3,959,157		
115,074	94,152	20,922	Premium - Hep C Kick	1,114,126	941,520	172,606		
357,161	818,847	(461,686)	Premium - BHT Kick	5,109,329	8,188,470	(3,079,141)		
60,951	416,635	(355,684)	Premium - Health Home Kick	3,316,150	4,166,350	(850,200)		
449,777	282,521	167,256	Premium - Provider Enhancement	4,572,595	2,833,210	1,739,385		
135,356	123,879	11,477	Premium - Ground Emergency Medical Transportation	1,374,374	1,238,790	135,584		
14,457,143	14,884,621	(427,478)	<b>Total Title XIX - Medicaid - SPD Members</b>	<b>150,931,601</b>	<b>148,854,210</b>	<b>2,077,391</b>		

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA FOR THE MONTH ENDED OCTOBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
			<b>PHYSICIAN SERVICES</b>			
2,765,243	2,890,222	124,979	Primary Care Physician Services	27,493,628	28,704,293	1,210,665
10,322,176	10,121,800	(200,376)	Referral Specialty Services	94,145,738	100,765,640	6,619,902
1,061,055	1,436,161	375,106	Urgent Care & After Hours Advise	13,070,220	14,262,982	1,192,762
9,300	9,300	-	Hospital Admitting Team	91,500	82,500	(9,000)
14,157,774	14,457,483	299,709	<b>TOTAL PHYSICIAN SERVICES</b>	<b>134,801,086</b>	<b>143,815,415</b>	<b>9,014,329</b>
			<b>OTHER PROFESSIONAL SERVICES</b>			
281,154	271,879	(9,275)	Vision Service Capitation	2,726,296	2,707,148	(19,148)
191,532	212,779	21,247	221 - Business Intelligence	2,104,488	2,127,790	23,302
626,261	560,326	(65,935)	310 - Health Services - Utilization Management - UM Allocation *	5,731,676	5,551,314	(180,362)
159,386	169,504	10,118	311 - Health Services - Quality Improvement - UM Allocation *	1,475,720	1,695,036	219,316
114,483	127,991	13,508	312 - Health Services - Education - UM Allocation *	1,151,326	1,279,906	128,580
81,501	94,630	13,129	313 - Health Services - Pharmacy - UM Allocation *	843,018	946,304	103,286
124,379	139,492	15,113	314 - Health Homes - UM Allocation *	1,057,893	1,350,507	292,614
253,648	258,856	5,208	315 - Case Management - UM Allocation *	2,637,317	2,588,563	(48,754)
60,587	61,775	1,188	616 - Disease Management - UM Allocation *	601,792	617,748	15,956
565,425	1,423,560	858,135	Behavior Health Treatment	9,458,456	14,174,208	4,715,752
17,366	171,286	153,920	Mental Health Services	1,234,598	1,707,598	473,000
1,331,063	1,160,484	(170,579)	Other Professional Services	11,775,892	11,558,907	(216,985)
3,806,785	4,652,562	845,777	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>40,798,472</b>	<b>46,305,028</b>	<b>5,506,556</b>
4,814,428	5,187,973	373,545	EMERGENCY ROOM	45,450,970	51,553,354	6,102,384
17,137,251	13,567,245	(3,570,006)	INPATIENT HOSPITAL	159,805,474	135,098,394	(24,707,080)
77,652	73,406	(4,246)	REINSURANCE EXPENSE PREMIUM	742,200	728,843	(13,358)
6,653,372	6,576,961	(76,411)	OUTPATIENT HOSPITAL SERVICES	64,222,023	65,530,382	1,308,359
			<b>OTHER MEDICAL</b>			
1,324,882	1,553,275	228,393	Ambulance and NEMT	12,486,695	15,464,425	2,977,730
379,453	390,626	11,173	Home Health Services & CBAS	4,361,878	3,894,119	(467,759)
497,822	511,119	13,297	Utilization and Quality Review Expenses	2,613,753	5,000,612	2,386,859
1,235,346	941,034	(294,312)	Long Term/SNF/Hospice	12,627,890	9,392,268	(3,235,622)
217,080	485,047	267,967	Health Home Capitation & Incentive	2,074,555	4,838,007	2,763,452
6,361,698	2,745,830	(3,615,868)	Provider Enhancement Expense - Prop. 56	48,995,219	27,278,014	(21,717,205)
556,965	434,908	(122,057)	Provider Enhancement Expense - GEMT	4,412,786	4,338,592	(74,194)
2,343,032	-	(2,343,032)	Provider COVID-19 Expenses	15,165,336	-	(15,165,336)
12,916,278	7,061,837	(5,854,441)	<b>TOTAL OTHER MEDICAL</b>	<b>102,738,112</b>	<b>70,206,037</b>	<b>(32,532,075)</b>
			<b>PHARMACY SERVICES</b>			
8,267,808	8,731,028	463,220	RX - Drugs & OTC	83,223,404	87,018,834	3,795,430
309,152	471,340	162,188	RX - HEP-C	3,176,469	4,705,911	1,529,442
817,209	691,828	(125,381)	Rx - DME	6,887,488	6,895,761	8,273
(135,000)	(145,929)	(10,929)	RX - Pharmacy Rebates	(1,110,592)	(1,458,061)	(347,469)
9,259,169	9,748,267	489,098	<b>TOTAL PHARMACY SERVICES</b>	<b>92,176,769</b>	<b>97,162,444</b>	<b>4,985,675</b>
556,200	506,250	(49,950)	PAY FOR PERFORMANCE QUALITY INCENTIVE	5,176,410	5,026,500	(149,910)
-	-	-	RISK CORRIDOR EXPENSE	-	-	-
9,955,034	11,105,312	1,150,278	HOSPITAL DIRECTED PAYMENTS	88,862,393	110,860,344	21,997,951
77	-	(77)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(52,020,906)	-	52,020,906
5,124	-	(5,124)	NON-CLAIMS EXPENSE ADJUSTMENT	(2,246,245)	-	2,246,245
(5,474)	-	5,474	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(11,616,162)	-	11,616,162
79,333,670	72,937,297	(6,396,373)	<b>Total Medical Costs</b>	<b>668,890,596</b>	<b>726,286,740</b>	<b>57,396,144</b>

\* Medical costs per DMHC regulations

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM FOR THE MONTH ENDED OCTOBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
<b>PHYSICIAN SERVICES</b>						
9.95	11.42	1.47	Primary Care Physician Services	10.62	11.42	0.80
37.14	39.99	2.84	Referral Specialty Services	36.38	40.09	3.72
3.82	5.67	1.86	Urgent Care & After Hours Advise	5.05	5.68	0.62
0.03	0.04	0.00	Hospital Admitting Team	0.04	0.03	(0.00)
50.94	57.12	6.17	<b>TOTAL PHYSICIAN SERVICES</b>	52.09	57.22	5.14
<b>OTHER PROFESSIONAL SERVICES</b>						
1.01	1.07	0.06	Vision Service Capitation	1.05	1.08	0.02
0.69	0.84	0.15	221 - Business Intelligence	0.81	0.85	0.03
2.25	2.21	(0.04)	310 - Health Services - Utilization Management - UM Allocation *	2.21	2.21	(0.01)
0.57	0.67	0.10	311 - Health Services - Quality Improvement - UM Allocation *	0.57	0.67	0.10
0.41	0.51	0.09	312 - Health Services - Education - UM Allocation *	0.44	0.51	0.06
0.29	0.37	0.08	313 - Health Services - Pharmacy - UM Allocation *	0.33	0.38	0.05
0.45	0.55	0.10	314 - Health Homes - UM Allocation *	0.41	0.54	0.13
0.91	1.02	0.11	315 - Case Management - UM Allocation *	1.02	1.03	0.01
0.22	0.24	0.03	616 - Disease Management - UM Allocation *	0.23	0.25	0.01
2.03	5.62	3.59	Behavior Health Treatment	3.65	5.64	1.99
0.06	0.68	0.61	Mental Health Services	0.48	0.68	0.20
4.79	4.58	(0.20)	Other Professional Services	4.55	4.60	0.05
13.70	18.38	4.68	<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	15.76	18.42	2.66
17.32	20.50	3.17	<b>EMERGENCY ROOM</b>	17.56	20.51	2.95
61.67	53.60	(8.07)	<b>INPATIENT HOSPITAL</b>	61.75	53.75	(7.99)
0.28	0.29	0.01	REINSURANCE EXPENSE PREMIUM	0.29	0.29	0.00
23.94	25.98	2.04	<b>OUTPATIENT HOSPITAL SERVICES</b>	24.82	26.07	1.26
<b>OTHER MEDICAL</b>						
4.77	6.14	1.37	Ambulance and NEMT	4.82	6.15	1.33
1.37	1.54	0.18	Home Health Services & CBAS	1.69	1.55	(0.14)
1.79	2.02	0.23	Utilization and Quality Review Expenses	1.01	1.99	0.98
4.45	3.72	(0.73)	Long Term/SNF/Hospice	4.88	3.74	(1.14)
0.78	1.92	1.14	Health Home Capitation & Incentive	0.80	1.93	1.12
22.89	10.85	(12.04)	Provider Enhancement Expense - Prop. 56	18.93	10.85	(8.08)
2.00	1.72	(0.29)	Provider Enhancement Expense - GEMT	1.71	1.73	0.02
8.43	0.00	(8.43)	Provider COVID-19 Expenses	5.86	0.00	(5.86)
46.48	27.90	(18.58)	<b>TOTAL OTHER MEDICAL</b>	39.70	27.93	(11.76)
<b>PHARMACY SERVICES</b>						
29.75	34.49	4.74	RX - Drugs & OTC	32.16	34.62	2.47
1.11	1.86	0.75	RX - HEP-C	1.23	1.87	0.65
2.94	2.73	(0.21)	Rx - DME	2.66	2.74	0.08
(0.49)	(0.58)	(0.09)	RX - Pharmacy Rebates	(0.43)	(0.58)	(0.15)
33.32	38.51	5.19	<b>TOTAL PHARMACY SERVICES</b>	35.62	38.66	3.04
2.00	2.00	(0.00)	<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	2.00	2.00	0.00
0.00	0.00	0.00	<b>RISK CORRIDOR EXPENSE</b>	0.00	0.00	0.00
35.82	43.87	8.05	<b>HOSPITAL DIRECTED PAYMENTS</b>	34.34	44.11	9.77
0.00	0.00	(0.00)	HOSPITAL DIRECTED PAYMENT ADJUSTMENT	(20.10)	0.00	20.10
0.02	0.00	(0.02)	NON-CLAIMS EXPENSE ADJUSTMENT	(0.87)	0.00	0.87
(0.02)	0.00	0.02	IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	(4.49)	0.00	4.49
285.47	288.15	2.68	<b>Total Medical Costs</b>	258.46	288.98	30.53

\* Medical costs per DMHC regulations

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF MEDICAL COSTS BY MONTH THROUGH OCTOBER 31, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	YEAR TO DATE 2020
<b>PHYSICIAN SERVICES</b>											
Primary Care Physician Services	2,908,272	3,164,601	2,861,899	2,953,514	2,417,265	2,336,317	2,930,685	2,346,613	2,809,219	2,765,243	27,493,628
Referral Specialty Services	10,425,085	8,803,273	10,044,984	8,437,260	8,955,919	8,510,414	9,270,830	9,094,353	10,281,444	10,322,176	94,145,738
Urgent Care & After Hours Advise	1,414,889	1,896,664	1,435,097	1,019,114	1,047,424	950,870	1,146,821	1,683,928	1,414,358	1,061,055	13,070,220
Hospital Admitting Team	9,300	8,700	9,300	9,000	9,300	9,000	9,300	9,300	9,000	9,300	91,500
<b>TOTAL PHYSICIAN SERVICES</b>	<b>14,757,546</b>	<b>13,873,238</b>	<b>14,351,280</b>	<b>12,418,888</b>	<b>12,429,908</b>	<b>11,806,601</b>	<b>13,357,636</b>	<b>13,134,194</b>	<b>14,514,021</b>	<b>14,157,774</b>	<b>134,801,086</b>
<b>OTHER PROFESSIONAL SERVICES</b>											
Vision Service Capitation	299,489	261,072	261,072	263,942	267,033	265,598	272,284	276,202	278,450	281,154	2,726,296
221 - Business Intelligence	199,939	204,745	195,081	233,961	195,184	234,246	214,511	209,784	225,505	191,532	2,104,488
310 - Health Services - Utilization Management - UM Allocation *	550,905	482,617	507,782	619,537	541,633	584,598	629,823	568,977	619,543	626,261	5,731,676
311 - Health Services - Quality Improvement - UM Allocation *	130,719	131,973	135,845	172,419	144,487	144,162	159,894	142,027	154,808	159,386	1,475,720
312 - Health Services - Education - UM Allocation *	111,799	102,037	108,402	122,087	114,199	123,705	120,317	112,888	121,409	114,483	1,151,326
313 - Health Services - Pharmacy - UM Allocation *	88,153	80,696	81,505	86,248	76,014	89,969	88,996	83,460	86,476	81,501	843,018
314 - Health Homes - UM Allocation *	91,425	88,868	104,710	127,755	101,323	104,978	109,116	99,352	105,987	124,379	1,057,893
315 - Case Management - UM Allocation *	267,758	241,370	244,642	304,832	251,817	270,106	281,044	254,766	267,334	253,648	2,637,317
616 - Disease Management - UM Allocation *	56,335	54,217	57,384	69,526	56,199	58,667	66,395	58,838	63,644	60,587	601,792
Behavior Health Treatment	980,035	935,456	999,720	1,194,682	670,273	685,282	1,162,908	1,118,480	1,146,195	565,425	9,458,456
Mental Health Services	330,842	217,343	131,506	4,238	112,306	55,987	52,159	226,649	86,212	17,366	1,234,598
Other Professional Services	1,227,554	1,166,121	1,197,113	709,542	958,940	767,836	1,264,240	1,467,668	1,685,815	1,331,063	11,775,892
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>4,334,953</b>	<b>3,966,515</b>	<b>4,024,762</b>	<b>3,908,759</b>	<b>3,489,408</b>	<b>3,385,134</b>	<b>4,421,687</b>	<b>4,619,091</b>	<b>4,841,378</b>	<b>3,806,785</b>	<b>40,798,472</b>
<b>EMERGENCY ROOM</b>	<b>5,226,947</b>	<b>5,258,084</b>	<b>5,370,795</b>	<b>3,813,875</b>	<b>4,212,272</b>	<b>3,363,172</b>	<b>3,651,975</b>	<b>4,813,363</b>	<b>4,926,059</b>	<b>4,814,428</b>	<b>45,450,970</b>
<b>INPATIENT HOSPITAL</b>	<b>14,911,677</b>	<b>13,893,706</b>	<b>14,743,904</b>	<b>15,995,368</b>	<b>14,410,696</b>	<b>17,115,732</b>	<b>17,082,368</b>	<b>16,635,497</b>	<b>17,879,275</b>	<b>17,137,251</b>	<b>159,805,474</b>
<b>REINSURANCE EXPENSE PREMIUM</b>	<b>72,320</b>	<b>144,425</b>	<b>(213)</b>	<b>77,341</b>	<b>69,310</b>	<b>73,356</b>	<b>75,202</b>	<b>76,284</b>	<b>76,523</b>	<b>77,652</b>	<b>742,200</b>
<b>OUTPATIENT HOSPITAL SERVICES</b>	<b>6,234,395</b>	<b>6,204,610</b>	<b>6,566,090</b>	<b>6,270,816</b>	<b>5,199,240</b>	<b>6,447,664</b>	<b>6,446,825</b>	<b>6,894,371</b>	<b>6,804,640</b>	<b>6,653,372</b>	<b>64,220,023</b>
<b>OTHER MEDICAL</b>											
Ambulance and NEMT	1,599,375	1,498,607	1,444,299	670,262	1,090,342	366,750	1,660,648	1,632,473	1,199,057	1,324,882	12,486,695
Home Health Services & CBAS	392,407	393,491	349,594	300,546	492,779	171,601	327,117	899,406	655,484	379,453	4,261,878
Utilization and Quality Review Expenses	308,250	229,353	247,983	245,426	95,995	243,906	275,750	192,375	276,893	497,822	2,613,753
Long Term/SNF/Hospice	1,052,766	1,197,702	1,539,187	1,549,960	1,452,690	697,808	1,765,635	1,090,186	1,046,610	1,235,346	12,627,890
Health Home Capitation & Incentive	166,060	137,300	112,910	263,565	330,205	249,665	228,950	318,405	50,415	217,080	2,074,555
Provider Enhancement Expense - Prop. 56	1,820,309	5,971,496	6,564,136	4,841,254	4,373,154	5,297,431	5,004,018	3,659,026	5,102,697	6,361,698	48,995,219
Provider Enhancement Expense - GEMT	322,617	593,064	395,321	399,960	258,923	425,341	518,378	445,212	497,005	556,965	4,412,786
Provider COVID-19 Expenses	-	-	-	561,100	2,766,220	1,747,240	1,724,310	818,360	5,205,074	2,343,032	15,165,336
<b>TOTAL OTHER MEDICAL</b>	<b>5,661,784</b>	<b>10,021,013</b>	<b>10,653,430</b>	<b>8,832,073</b>	<b>10,860,308</b>	<b>9,199,742</b>	<b>11,504,806</b>	<b>9,055,443</b>	<b>14,033,235</b>	<b>12,916,278</b>	<b>102,738,112</b>
<b>PHARMACY SERVICES</b>											
RX - Drugs & OTC	9,137,997	8,470,785	9,200,496	7,803,679	7,771,494	7,983,954	8,100,996	8,168,036	8,318,159	8,267,808	83,223,404
RX - HEP-C	271,776	331,788	470,380	364,602	292,610	298,687	322,441	286,767	228,266	309,152	3,176,469
Rx - DME	696,914	578,635	675,997	634,644	687,187	109,695	591,970	860,866	1,234,371	817,209	6,887,488
RX - Pharmacy Rebates	(135,000)	(135,000)	(35,000)	(135,000)	(135,000)	(78,879)	(235,000)	(135,000)	(48,287)	(135,000)	(1,110,592)
<b>TOTAL PHARMACY SERVICES</b>	<b>9,971,687</b>	<b>9,246,208</b>	<b>10,311,873</b>	<b>8,667,925</b>	<b>8,616,291</b>	<b>8,313,457</b>	<b>8,780,407</b>	<b>9,180,669</b>	<b>9,829,083</b>	<b>9,259,169</b>	<b>92,176,769</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>497,280</b>	<b>500,014</b>	<b>503,104</b>	<b>509,814</b>	<b>508,354</b>	<b>519,184</b>	<b>523,464</b>	<b>529,498</b>	<b>529,498</b>	<b>556,200</b>	<b>5,176,410</b>
<b>RISK CORRIDOR EXPENSE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,700,000</b>	<b>(2,000,000)</b>	<b>-</b>	<b>(2,700,000)</b>	<b>-</b>	<b>-</b>
<b>HOSPITAL DIRECTED PAYMENTS</b>	<b>11,276,584</b>	<b>11,391,396</b>	<b>11,495,457</b>	<b>11,614,664</b>	<b>11,614,663</b>	<b>12,149,677</b>	<b>(8,860,821)</b>	<b>9,112,870</b>	<b>9,112,869</b>	<b>9,955,034</b>	<b>88,862,393</b>
<b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>	<b>118,333</b>	<b>60,959</b>	<b>42,436</b>	<b>36,523</b>	<b>36,524</b>	<b>(10,733)</b>	<b>(52,075,301)</b>	<b>(233,958)</b>	<b>4,234</b>	<b>77</b>	<b>(52,020,906)</b>
<b>NON-CLAIMS EXPENSE ADJUSTMENT</b>	<b>57,172</b>	<b>232,393</b>	<b>(1,583,770)</b>	<b>1,420</b>	<b>167,936</b>	<b>(325,027)</b>	<b>(23,790)</b>	<b>(157)</b>	<b>(777,546)</b>	<b>5,124</b>	<b>(2,246,245)</b>
<b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>	<b>816</b>	<b>(8,559)</b>	<b>(2,649,204)</b>	<b>(4,444,586)</b>	<b>11,543</b>	<b>(426,819)</b>	<b>344,451</b>	<b>(120,764)</b>	<b>(4,317,566)</b>	<b>(5,474)</b>	<b>(12,616,162)</b>
<b>Total Medical Costs</b>	<b>73,621,494</b>	<b>74,784,002</b>	<b>73,829,944</b>	<b>67,702,880</b>	<b>71,266,453</b>	<b>76,311,140</b>	<b>3,228,909</b>	<b>73,696,401</b>	<b>74,755,703</b>	<b>79,333,670</b>	<b>668,890,596</b>



KERN HEALTH SYSTEMS MEDICAL SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM THROUGH OCTOBER 31, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	YEAR TO DATE 2020
<b>PHYSICIAN SERVICES</b>											
Primary Care Physician Services	11.70	12.66	11.38	11.68	9.44	9.00	11.20	8.86	10.61	9.95	10.62
Referral Specialty Services	41.93	35.21	39.93	33.36	34.97	32.78	35.42	34.35	38.83	37.14	36.38
Urgent Care & After Hours Advise	5.69	7.59	5.70	4.03	4.09	3.66	4.38	6.36	5.34	3.82	5.05
Hospital Admitting Team	0.04	0.03	0.04	0.04	0.04	0.03	0.04	0.04	0.03	0.03	0.04
<b>TOTAL PHYSICIAN SERVICES</b>	<b>59.35</b>	<b>55.49</b>	<b>57.05</b>	<b>49.10</b>	<b>48.53</b>	<b>45.48</b>	<b>51.04</b>	<b>49.61</b>	<b>54.82</b>	<b>50.94</b>	<b>52.09</b>
<b>OTHER PROFESSIONAL SERVICES</b>											
Vision Service Capitation	1.20	1.04	1.04	1.04	1.04	1.02	1.04	1.04	1.05	1.01	1.05
221 - Business Intelligence	0.80	0.82	0.78	0.92	0.76	0.90	0.82	0.79	0.85	0.69	0.81
310 - Health Services - Utilization Management - UM Allocation *	2.22	1.93	2.02	2.45	2.11	2.25	2.41	2.15	2.34	2.25	2.21
311 - Health Services - Quality Improvement - UM Allocation *	0.53	0.53	0.54	0.68	0.56	0.56	0.61	0.54	0.58	0.57	0.57
312 - Health Services - Education - UM Allocation *	0.45	0.41	0.43	0.48	0.45	0.48	0.46	0.43	0.46	0.41	0.44
313 - Health Services - Pharmacy - UM Allocation *	0.35	0.32	0.32	0.34	0.30	0.35	0.34	0.32	0.33	0.29	0.33
314 - Health Homes - UM Allocation *	0.37	0.36	0.42	0.51	0.40	0.40	0.42	0.38	0.40	0.45	0.41
315 - Case Management - UM Allocation *	1.08	0.97	0.97	1.21	0.98	1.04	1.07	0.96	1.01	0.91	1.02
616 - Disease Management - UM Allocation *	0.23	0.22	0.23	0.27	0.22	0.23	0.25	0.22	0.24	0.22	0.23
Behavior Health Treatment	3.94	3.74	3.97	4.72	2.62	2.64	4.44	4.22	4.33	2.03	3.65
Mental Health Services	1.33	0.87	0.52	0.02	0.44	0.22	0.20	0.86	0.33	0.06	0.48
Other Professional Services	4.94	4.66	4.76	2.81	3.74	2.96	4.83	5.54	6.37	4.79	4.55
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>	<b>17.43</b>	<b>15.87</b>	<b>16.00</b>	<b>15.45</b>	<b>13.62</b>	<b>13.04</b>	<b>16.89</b>	<b>17.45</b>	<b>18.29</b>	<b>13.70</b>	<b>15.76</b>
<b>EMERGENCY ROOM</b>	<b>21.02</b>	<b>21.03</b>	<b>21.35</b>	<b>15.08</b>	<b>16.45</b>	<b>12.96</b>	<b>13.95</b>	<b>18.18</b>	<b>18.61</b>	<b>17.32</b>	<b>17.56</b>
<b>INPATIENT HOSPITAL</b>	<b>59.97</b>	<b>55.57</b>	<b>58.61</b>	<b>63.24</b>	<b>56.26</b>	<b>65.93</b>	<b>65.27</b>	<b>62.83</b>	<b>67.53</b>	<b>61.67</b>	<b>61.75</b>
REINSURANCE EXPENSE PREMIUM	0.29	0.58	0.00	0.31	0.27	0.28	0.29	0.29	25.70	0.28	0.29
OUTPATIENT HOSPITAL SERVICES	27.08	24.82	26.10	24.79	20.30	24.84	24.63	26.04	0.00	23.94	24.82
<b>OTHER MEDICAL</b>											
Ambulance and NEMT	6.43	5.99	5.74	2.65	4.26	1.41	6.34	6.17	4.53	4.77	4.82
Home Health Services & CBAS	1.58	1.57	1.39	1.19	1.92	0.66	1.25	3.40	2.48	1.37	1.69
Utilization and Quality Review Expenses	1.24	0.92	0.99	0.97	0.37	0.94	1.05	0.73	1.05	1.79	1.01
Long Term/SNF/Hospice	4.23	4.79	6.12	6.13	5.67	2.69	6.75	4.12	3.95	4.45	4.88
Health Home Capitation & Incentive	0.67	0.55	0.45	1.04	1.29	0.96	0.87	1.20	0.19	0.78	0.80
Provider Enhancement Expense - Prop. 56	7.32	23.89	26.09	19.14	17.07	20.41	19.12	13.82	19.27	22.89	18.93
Provider Enhancement Expense - GEMT	1.30	2.37	1.57	1.58	1.01	1.64	1.98	1.68	1.88	2.00	1.71
Provider COVID-19 Expenses	0.00	0.00	0.00	2.22	10.80	6.73	6.59	3.09	19.66	8.43	5.86
<b>TOTAL OTHER MEDICAL</b>	<b>22.77</b>	<b>40.08</b>	<b>42.35</b>	<b>34.92</b>	<b>42.40</b>	<b>35.44</b>	<b>43.96</b>	<b>34.20</b>	<b>53.01</b>	<b>46.48</b>	<b>39.70</b>
<b>PHARMACY SERVICES</b>											
RX - Drugs & OTC	36.75	33.88	36.57	30.85	30.34	30.76	30.95	30.85	31.42	29.75	32.16
RX - HEP-C	1.09	1.33	1.87	1.44	1.14	1.15	1.23	1.08	0.86	1.11	1.23
Rx - DME	2.80	2.31	2.69	2.51	2.68	0.42	2.26	3.25	4.66	2.94	2.66
RX - Pharmacy Rebates	(0.54)	(0.54)	(0.14)	(0.53)	(0.53)	(0.30)	(0.90)	(0.51)	0.18	(0.49)	(0.43)
<b>TOTAL PHARMACY SERVICES</b>	<b>40.10</b>	<b>36.98</b>	<b>40.99</b>	<b>34.27</b>	<b>33.64</b>	<b>32.03</b>	<b>33.55</b>	<b>34.68</b>	<b>37.13</b>	<b>33.32</b>	<b>35.62</b>
<b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.02</b>	<b>1.98</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
RISK CORRIDOR EXPENSE	0.00	0.00	0.00	0.00	0.00	18.11	(7.64)	0.00	(10.20)	0.00	0.00
HOSPITAL DIRECTED PAYMENTS	45.35	45.56	45.70	45.92	45.35	46.80	(33.85)	34.42	34.42	35.82	34.34
HOSPITAL DIRECTED PAYMENT ADJUSTMENT	0.48	0.24	0.17	0.14	0.14	(0.04)	(198.96)	(0.88)	0.02	0.00	-20.10
NON-CLAIMS EXPENSE ADJUSTMENT	0.23	0.93	(6.30)	0.01	0.66	(1.25)	(0.09)	(0.00)	(2.94)	0.02	(0.87)
IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT	0.00	(0.03)	(10.53)	(17.57)	0.05	(1.64)	1.32	(0.46)	(16.31)	(0.02)	(4.49)
<b>Total Medical Costs</b>	<b>296.10</b>	<b>299.13</b>	<b>293.50</b>	<b>267.65</b>	<b>279.64</b>	<b>293.97</b>	<b>12.34</b>	<b>278.36</b>	<b>282.36</b>	<b>285.47</b>	<b>258.46</b>

CURRENT MONTH			KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT FOR THE MONTH ENDED OCTOBER 31, 2020	YEAR-TO-DATE		
ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE
326,229	314,502	(11,727)	110 - Executive	3,416,020	3,220,069	(195,951)
158,312	198,806	40,494	210 - Accounting	1,825,799	1,986,118	160,319
340,586	273,113	(67,473)	220 - Management Information Systems	2,901,479	2,731,144	(170,335)
(14,760)	13,049	27,809	221 - Business Intelligence	101,110	130,518	29,408
228,971	281,947	52,976	222 - Enterprise Development	2,552,528	2,819,484	266,956
353,492	415,723	62,231	225 - Infrastructure	3,510,275	4,157,226	646,951
519,409	558,129	38,720	230 - Claims	5,295,769	5,582,892	287,123
91,330	114,151	22,821	240 - Project Management	1,016,928	1,141,510	124,582
82,166	101,050	18,884	310 - Health Services - Utilization Management	1,037,499	996,805	(40,694)
50,333	55,142	4,809	311 - Health Services - Quality Improvement	437,001	551,211	114,210
-	67	67	312 - Health Services - Education	481	967	486
135,163	142,558	7,395	313- Pharmacy	1,383,357	1,424,326	40,969
-	-	-	314 - Health Homes	1,061	-	(1,061)
16,190	16,573	383	315 - Case Management	168,852	165,727	(3,125)
22,408	23,131	723	616 - Disease Management	222,627	231,312	8,685
295,174	313,552	18,378	320 - Provider Network Management	2,804,923	3,135,520	330,597
526,135	563,885	37,750	330 - Member Services	5,209,710	5,638,810	429,100
405,269	533,116	127,847	340 - Corporate Services	5,738,478	5,285,160	(453,318)
63,378	67,176	3,798	360 - Audit & Investigative Services	719,543	671,760	(47,783)
41,471	54,315	12,844	410 - Advertising Media	468,509	543,150	74,641
49,297	68,457	19,160	420 - Sales/Marketing/Public Relations	446,954	684,570	237,616
205,283	220,076	14,793	510 - Human Resources	2,139,083	2,246,192	107,109
-	-	-	Budgeted Administrative Vacancy and Timing Factor	(212,229)	-	212,229
3,895,836	4,328,517	432,681	Total Administrative Expenses	41,185,757	43,344,471	2,158,714

KERN HEALTH SYSTEMS MEDI-CAL SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH FOR THE MONTH ENDED OCTOBER 31, 2020	JANUARY 2020	FEBRUARY 2020	MARCH 2020	APRIL 2020	MAY 2020	JUNE 2020	JULY 2020	AUGUST 2020	SEPTEMBER 2020	OCTOBER 2020	YEAR TO DATE 2020
110 - Executive	339,242	293,820	365,045	399,347	259,748	354,211	358,020	346,343	374,015	326,229	3,416,020
210 - Accounting	173,904	178,919	174,836	183,136	174,058	229,239	197,424	181,448	174,523	158,312	1,825,799
220 - Management Information Systems (MIS)	381,511	295,419	338,903	162,587	375,885	409,177	283,465	385,215	(71,269)	340,586	2,901,479
221 - Business Intelligence	-	11,648	20,702	22,767	15,303	14,750	15,840	100	14,760	(14,760)	101,110
222 - Enterprise Development	211,299	225,855	262,079	292,897	213,893	299,686	277,998	269,776	270,074	228,971	2,552,528
225 - Infrastructure	359,015	241,507	308,323	274,546	428,168	431,419	409,337	388,698	315,770	353,492	3,510,275
230 - Claims	556,280	498,960	493,312	543,105	485,601	547,271	552,376	529,257	570,198	519,409	5,295,769
240 - Project Management	85,191	84,709	97,954	100,673	102,586	121,862	123,048	107,034	102,541	91,330	1,016,928
310 - Health Services - Utilization Management	98,529	107,809	95,426	112,873	93,694	127,289	99,273	106,044	114,396	82,166	1,037,499
311 - Health Services - Quality Improvement	10,824	41,860	43,027	54,448	45,627	46,653	50,493	44,850	48,886	50,333	437,001
312 - Health Services - Education	-	60	-	61	-	-	-	102	258	-	481
313 - Pharmacy	156,947	147,980	148,599	141,729	123,386	126,485	118,633	129,761	154,674	135,163	1,383,357
314 - Health Homes	222	15,046	98	(14,707)	-	76	68	-	258	-	1,061
315 - Case Management	17,349	15,664	15,615	19,456	16,074	17,240	17,939	16,261	17,064	16,190	168,852
616 - Disease Management	20,836	20,068	21,223	25,749	20,786	21,699	24,558	21,762	23,538	22,408	222,627
320 - Provider Network Management	256,860	252,748	291,995	307,450	269,465	313,902	281,741	260,987	274,601	295,174	2,804,923
330 - Member Services	530,714	484,954	496,790	563,492	484,348	547,629	542,035	529,092	504,521	526,135	5,209,710
340 - Corporate Services	439,804	482,885	487,474	449,175	1,070,946	640,485	556,403	599,825	606,212	405,269	5,738,478
360 - Audit & Investigative Services	81,923	83,979	59,288	87,154	60,510	76,957	69,507	55,676	81,171	63,378	719,543
410 - Advertising Media	9,439	47,590	38,083	134,979	29,053	138,348	28,355	(17,205)	18,396	41,471	468,509
420 - Sales/Marketing/Public Relations	44,020	35,104	43,800	36,382	55,996	54,859	78,000	3,632	45,864	49,297	446,954
510 - Human Resources	285,952	186,648	181,915	228,494	160,954	252,332	237,528	195,087	204,890	205,283	2,139,083
<b>Total Department Expenses</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,771,569</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>3,895,836</b>	<b>41,397,986</b>
<b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,229)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212,229)</b>
<b>Total Administrative Expenses</b>	<b>4,059,861</b>	<b>3,753,232</b>	<b>3,984,487</b>	<b>4,125,793</b>	<b>4,486,081</b>	<b>4,559,340</b>	<b>4,322,041</b>	<b>4,153,745</b>	<b>3,845,341</b>	<b>3,895,836</b>	<b>41,185,757</b>

<b>KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM BALANCE SHEET STATEMENT AS OF OCTOBER 31, 2020</b>			
<b>ASSETS</b>	<b>OCTOBER 2020</b>	<b>SEPTEMBER 2020</b>	<b>INC(DEC)</b>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,133,718	\$ 1,133,718	-
Interest Receivable	797	-	797
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,134,515</b>	<b>\$ 1,133,718</b>	<b>\$ 797</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	1,128,885	1,128,885	-
Increase (Decrease) in Net Position - Current Year	5,630	4,833	797
<b>Total Net Position</b>	<b>\$ 1,134,515</b>	<b>\$ 1,133,718</b>	<b>\$ 797</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,134,515</b>	<b>\$ 1,133,718</b>	<b>\$ 797</b>

CURRENT MONTH			KERN HEALTH SYSTEMS GROUP HEALTH PLAN - HFAM STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 31, 2020	YEAR-TO-DATE		
<b>ENROLLMENT</b>						
-	-	-	<b>Members</b>	-	-	-
<b>REVENUES</b>						
-	-	-	<b>Premium</b>	-	-	-
797	-	797	<b>Interest</b>	12,591	-	12,591
-	-	-	<b>Other Investment Income</b>	(1,961)	-	(1,961)
797	-	797	<b>TOTAL REVENUES</b>	10,630	-	10,630
<b>EXPENSES</b>						
-	-	-	<b>Medical Costs</b>	-	-	-
-	-	-	<b>IBNR and Paid Claims Adjustment</b>	-	-	-
-	-	-	<b>Total Medical Costs</b>	-	-	-
797	-	797	<b>GROSS MARGIN</b>	10,630	-	10,630
<b>Administrative</b>						
-	-	-	<b>Management Fee Expense and Other Admin Exp</b>	5,000	-	(5,000)
-	-	-	<b>Total Administrative Expenses</b>	5,000	-	(5,000)
-	-	-	<b>TOTAL EXPENSES</b>	5,000	-	(5,000)
797	-	797	<b>OPERATING INCOME (LOSS)</b>	5,630	-	5,630
-	-	-	<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	-	-	-
797	-	797	<b>NET INCREASE (DECREASE) IN NET POSITION</b>	5,630	-	5,630
0%	0%	0%	<b>MEDICAL LOSS RATIO</b>	0%	0%	0%
0%	0%	0%	<b>ADMINISTRATIVE EXPENSE RATIO</b>	47%	0%	-47%

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

		<b>2020 MEMBER MONTHS</b>											
<b>MEDI-CAL</b>		<b>JAN'20</b>	<b>FEB'20</b>	<b>MAR'20</b>	<b>APR'20</b>	<b>MAY'20</b>	<b>JUN'20</b>	<b>JUL'20</b>	<b>AUG'20</b>	<b>SEP'20</b>	<b>OCT'20</b>	<b>NOV'20</b>	<b>DEC'20</b>
<b>ADULT AND FAMILY</b>													
ADULT	462,118	43,519	43,767	44,480	44,402	45,381	46,558	47,144	47,950	47,950	50,967	0	0
CHILD	1,259,460	122,496	123,040	123,357	123,687	124,785	126,031	126,735	127,723	127,723	133,883	0	0
<b>SUB-TOTAL ADULT &amp; FAMILY</b>	<b>1,721,578</b>	<b>166,015</b>	<b>166,807</b>	<b>167,837</b>	<b>168,089</b>	<b>170,166</b>	<b>172,589</b>	<b>173,879</b>	<b>175,673</b>	<b>175,673</b>	<b>184,850</b>	<b>0</b>	<b>0</b>
<b>OTHER MEMBERS</b>													
BCCTP-TOBACCO SETTLEMENT	276	26	28	26	25	27	27	28	30	30	29	0	0
<b>DUALS</b>													
PARTIAL DUALS - FAMILY	4,628	432	432	453	461	474	450	452	462	462	550	0	0
PARTIAL DUALS - CHILD	10	1	1	1	1	1	1	1	1	1	1	0	0
PARTIAL DUALS - BCCTP	18	1	1	2	2	2	2	2	2	2	2	0	0
SPD FULL DUALS	69,338	6,599	6,759	6,911	6,923	6,983	6,941	6,945	7,021	7,021	7,235	0	0
<b>SUB-TOTAL DUALS</b>	<b>73,994</b>	<b>7,033</b>	<b>7,193</b>	<b>7,367</b>	<b>7,387</b>	<b>7,460</b>	<b>7,394</b>	<b>7,400</b>	<b>7,486</b>	<b>7,486</b>	<b>7,788</b>	<b>0</b>	<b>0</b>
<b>TOTAL FAMILY &amp; OTHER</b>	<b>1,795,848</b>	<b>173,074</b>	<b>174,028</b>	<b>175,230</b>	<b>175,501</b>	<b>177,653</b>	<b>180,010</b>	<b>181,307</b>	<b>183,189</b>	<b>183,189</b>	<b>192,667</b>	<b>0</b>	<b>0</b>
<b>SPD</b>													
SPD (AGED AND DISABLED)	156,424	15,667	15,493	15,688	15,992	15,946	15,803	15,518	15,508	15,508	15,301	0	0
<b>MEDI-CAL EXPANSION</b>													
ACA Expansion Adult-Citizen	631,930	59,583	60,197	60,360	61,164	62,179	63,373	64,432	65,545	65,545	69,552	0	0
ACA Expansion Duals	4,003	316	289	274	293	356	406	475	507	507	580	0	0
<b>SUB-TOTAL MED-CAL EXPANSION</b>	<b>635,933</b>	<b>59,899</b>	<b>60,486</b>	<b>60,634</b>	<b>61,457</b>	<b>62,535</b>	<b>63,779</b>	<b>64,907</b>	<b>66,052</b>	<b>66,052</b>	<b>70,132</b>	<b>0</b>	<b>0</b>
<b>TOTAL KAISER</b>	<b>96,102</b>	<b>8,992</b>	<b>9,125</b>	<b>9,169</b>	<b>9,262</b>	<b>9,475</b>	<b>9,594</b>	<b>9,823</b>	<b>10,138</b>	<b>10,138</b>	<b>10,386</b>	<b>0</b>	<b>0</b>
<b>TOTAL MEDI-CAL MEMBERS</b>	<b>2,684,307</b>	<b>257,632</b>	<b>259,132</b>	<b>260,721</b>	<b>262,212</b>	<b>265,609</b>	<b>269,186</b>	<b>271,555</b>	<b>274,887</b>	<b>274,887</b>	<b>288,486</b>	<b>0</b>	<b>0</b>



September AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO****	425,929.59	4,062,003.99	SEPTEMBER 2020 HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	250,363.68	1,726,959.97	JULY & AUGUST PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECTS IN PROCESS/ MIS
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD****	209,340.36	1,299,106.91	MAY & JUNE 2020 HEALTH HOMES GRANT	COMMUNITY GRANTS
T4331	COTIVITI, INC****	148,388.00	148,388.00	2020-2021 CALIFORNIA MEDI-CAL MEDICAID MEASURES & ANNUAL LICENSE FEE	QUALITY IMPROVEMENT
T4982	NGC US, LLC****	120,000.00	721,510.99	PREFUND HEALTH HOMES INCENTIVES	HEALTH HOMES
T5258	GOOD SAMARITAN HOSPITAL, LP	109,975.41	144,285.41	JULY 2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	108,896.20	1,046,261.11	AUGUST 2020 PHARMACY CLAIMS	PHARMACY
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	75,510.85	271,412.88	SEPTEMBER 2020 PROFESSIONAL SERVICES, QNXT MAINT., HPA BILLING & EDI CLAIMS PROCESSING, CLAIMS INTEGRITY	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	66,180.00	927,805.67	AUGUST 2020 PROFESSIONAL SERVICES/ CONSULTING SERVICES	VARIOUS
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	66,109.22	583,790.47	SEPTEMBER 2020 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T1408	DELL MARKETING L.P.****	65,156.78	179,010.37	HARDWARE- (28) 23" MONITROS, (25) LATITUDE 5411 LAPTOPS & DOCKING STATIONS	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH	48,171.17	1,744,322.80	JULY 2020 HEALTH HOME GRANT (OILDALE & SHAFTER)	COMMUNITY GRANT
T4582	HEALTHX, INC.	40,376.00	363,384.00	SEPTEMBER 2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4193	STRIA LLC	32,789.69	327,481.08	AUGUST-SEPTEMBER 2020 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T2167	PG&E	31,180.99	226,079.31	8/17/20-9/15/20 USAGE/UTILITIES	CORPORATE SERVICES



September AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1861	CERIDIAN HCM, INC.	30,000.96	160,468.42	JULY - SEPTEMBER 2020 MONTHLY SUBSCRIPTION FEES & PROFESSIONAL	HUMAN RESOURCES
T4165	SHI INTERNATIONAL CO.	27,349.85	238,648.13	CISCO DUE SECURITY STANDARD MFA LICENSE & SQL SERVER ANNUAL MAINT.	MIS INFRASTRUCTURE
T4699	ZeOMEGA, INC.****	24,000.00	156,632.29	JULY 2020 PROFESSIONAL SERVICES	UM
T4657	DAPONDE SIMPSON ROWE PC	21,652.50	193,890.50	JUNE 2020 LEGAL SERVICES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC.****	20,000.00	245,000.00	AUGUST 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T5109	RAND EMPLOYMENT SOLUTIONS	18,879.18	220,163.59	AUGUST & SEPTEMBER 2020 TEMP SERVICES- 4 MS, 1 HE, 1 MIS	VARIOUS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	18,584.09	182,534.68	AUGUST - SEPTEMBER 2020 ONSITE SECURITY	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	18,566.74	190,652.84	AUGUST 2020 EDI CLAIM PROCESSING	CLAIMS
T4967	ADMINISTRATIVE SOLUTIONS, INC.	17,254.30	139,144.59	8/25/20 & 9/8/20 FSA EMPLOYEE PREMIUM & SEPT. 2020 SECTION 125 ADMINISTRATION	VARIOUS
T4733	UNITED STAFFING ASSOCIATES	16,796.44	182,721.68	AUGUST & SEPTEMBER 2020 TEMPORARY HELP- 1 BI & 2 HE	VARIOUS
T5185	HOUSING AUTHORITY COUNTY OF KERN	16,200.00	152,500.00	JUNE 2020 HOUSING AUTHORITY GRANT	COMMUNITY GRANT
T3011	OFFICE ALLY, INC.	16,140.75	144,059.75	AUGUST 2020 EDI CLAIM PROCESSING	CLAIMS
T5145	CCS ENGINEERING FRESNO INC.,	16,081.85	139,481.18	AUGUST & SEPTEMBER 2020 JANITORIAL SERVICES	CORPORATE SERVICES
T5022	SVAM INTERNATIONAL INC	15,624.00	33,480.00	AUGUST 2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	BUSINESS INTELLIGENCE
T2933	SIERRA PRINTERS, INC.****	15,524.62	35,486.88	PROMOTIONAL & PRINTING OF MEMBER EDUCATION MATERIAL	VARIOUS
T4696	ZNALYTICS, LLC	14,760.00	125,720.00	AUGUST 2020 PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT



# KERN·HEALTH SYSTEMS

**September AP Vendor Report**  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4396	KAISER FOUNDATION HEALTH-DHMO****	14,711.42	116,911.90	SEPTEMBER 2020 EMPLOYEE HEALTH BENEFITS DHMO	VARIOUS
T4460	PAYSPAN, INC	14,628.33	152,286.26	AUGUST 2020 ELECTRIC CLAIMS/PAYMENTS	FINANCE
T3448	SYNERGY HEALTHCARE, INC.****	13,400.00	28,700.00	JULY & AUGUST 2020 ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,247.95	112,660.53	AUGUST 2020 ACCIDENT & CRITICAL ILLNESS EMPLOYEE PREMIUM	VARIOUS
T4781	EDRINGTON HEALTH CONSULTING, LLC****	11,931.25	56,056.25	JULY 2020 CONSULTING SERVICES	ADMINISTRATION
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC****	10,238.58	105,472.93	JULY & AUGUST 2020 EDI CLAIM PROCESSING	CLAIMS / MIS
T1326	WALKER-LEWIS RENTS****	10,067.14	29,398.13	MAY - JULY 2020 COVID-19 TESTING SITE EQUIPMENT	MARKETING
		<b>2,197,007.69</b>			
	TOTAL VENDORS OVER \$10,000	2,197,007.69			
	TOTAL VENDORS UNDER \$10,000	231,545.72			
	TOTAL VENDOR EXPENSES - SEPTEMBER	<b>2,428,553.41</b>			

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



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	4,062,003.99	HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4391	OMNI FAMILY HEALTH	1,744,322.80	HEALTH HOMES AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4350	COMPUTER ENTERPRISE INC.	1,726,959.97	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	CAPITAL PROJECTS IN PROCESS/ MIS
T4290	S.C. ANDERSON, INC.	1,555,742.74	NEW BUILDING RETAINER	CAPITAL PROJECT - NEW BUILDING
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	1,299,106.91	HEALTH HOMES GRANT	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	1,046,261.11	PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	927,805.67	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	VARIOUS
T4982	NGC US, LLC	721,510.99	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER INCENTIVES	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	702,212.95	ANNUAL INSURANCE & ACIP CRIME PREMIUMS	ADMINISTRATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	583,790.47	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	520,824.32	2019 TRUE UP MAINTENANCE & 2020 ESD ANNUAL SUPPORT	MIS INFRASTRUCTURE
T5111	ENTISYS 360	507,298.01	DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T3130	OPTUMINSIGHT, INC.	453,564.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4483	INFUSION AND CLINICAL SERVICES, INC.	410,919.40	HEALTH HOMES GRANT	COMMUNITY GRANT
T4582	HEALTHX, INC.	363,384.00	2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4193	STRIA LLC	327,481.08	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS & HUMAN RESOURCES
T1845	DEPARTMENT OF MANAGED HEALTH CARE	274,062.65	2020-2021 MCAL ANNUAL ASSESSMENT	ADMINISTRATION
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	271,412.88	PROFESSIONAL SERVICES	VARIOUS
T2458	HEALTHCARE FINANCIAL, INC.	245,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T4165	SHI INTERNATIONAL CO.	238,648.13	STANDING WORKING STATIONS, LICENSES FEES & JUNIPER NETWORKS -QSFP TRANSCEIVER MODULE	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	235,758.22	NEW BUILDING FURNITURE (LIVE STREAM VIA IP)	CAPITAL PROJECT - NEW BUILDING
T2167	PG&E	226,079.31	USAGE/UTILITIES	CORPORATE SERVICES
T5109	RAND EMPLOYMENT SOLUTIONS	220,163.59	TEMPORARY HELP	VARIOUS
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	202,610.00	2020-2021 WORKER'S COMPENSATION INSURANCE PREMIUM	ADMINISTRATION
T4657	DAPONDE SIMPSON ROWE PC	193,890.50	LEGAL SERVICES	PROVIDER RELATIONS
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	190,652.84	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T4733	UNITED STAFFING ASSOCIATES	182,721.68	TEMPORARY HELP	VARIOUS
T4501	ALLIED UNIVERSAL SECURITY SERVICES	182,534.68	ONSITE SECURITY	CORPORATE SERVICES
T1408	DELL MARKETING L.P.	179,010.37	HARDWARE & COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T2584	UNITED STATES POSTAL SVC.-HASLER	170,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T1861	CERIDIAN HCM, INC.	160,468.42	MONTHLY SUBSCRIPTION FEES, PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES

# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5217	AMERICAN TILE & BRICK VENEER, INC.	157,500.00	FINAL PAYMENT FOR BRICK WALL	BUILDING IMPROVEMENT
T4699	ZeOMEGA, INC.	156,632.29	PROFESSIONAL SERVICES AND TRAVEL EXP.	UM
T5185	HOUSING AUTHORITY COUNTY OF KERN	152,500.00	HOUSING AUTHORITY GRANT	UM
T4460	PAYSPAN, INC	152,286.26	ELECTRONIC CLAIMS/PAYMENTS & PPD REIMBURSEMENTS	FINANCE
T5269	KERN COMMUNITY FOUNDATION	150,000.00	HEALTH HOME GRANT	COMMUNITY GRANT
T4331	COTIVITI, INC****	148,388.00	2020-2021 CALIFORNIA MEDI-CAL MEDICAID MEASURES & ANNUAL LICENSE FEE	QUALITY IMPROVEMENT
T5258	GOOD SAMARITAN HOSPITAL, LP	144,285.41	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T3011	OFFICE ALLY, INC.	144,059.75	EDI CLAIM PROCESSING	CLAIMS
T5145	CCS ENGINEERING FRESNO INC.,	139,481.18	JANITORIAL SERVICES	CORPORATE SERVICES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	139,144.59	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS
T4696	ZNALYTICS, LLC	125,720.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4396	KAISER FOUNDATION HEALTH-DHMO	116,911.90	EMPLOYEE HEALTH BENEFITS - DHMO	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	116,421.76	MEMBER NEWSLETTER/ WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	112,660.53	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	110,535.00	TEMPORARY HELP	VARIOUS
T3449	CDW GOVERNMENT	107,635.27	HARDWARE & COMPUTER SUPPLIES	VARIOUS



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2918	STINSON'S	107,458.70	2020 OFFICE SUPPLIES, CONFERENCE TABLES, OFFICE FURNITURE, CABINET FOR TRAINING & DEVELOPMENT ROOM	VARIOUS
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	105,472.93	EDI CLAIM PROCESSING	CLAIMS / MIS
T2704	MCG HEALTH LLC	104,263.86	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	100,243.50	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4634	EXECUTIVE STAFFING SOLUTIONS	99,998.00	RECRUITMENT FEES	HUMAN RESOURCES
T4785	COMMGAP	96,477.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4038	POLYCLINIC MEDICAL CENTER, INC	96,219.33	HEALTH HOME AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5026	TEL-TEC SECURITY SYSTEMS	95,092.05	ADDITIONAL SECURITY SYSTEM & LABOR	CORPORATE SERVICES
T5132	TIME WARNER CABLE LLC	88,542.13	INTERNET SERVICES	MIS INFRASTRUCTURE
T5227	RIDGECREST MEDICAL TRANSPORTATION	79,496.21	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	77,220.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	75,500.00	2020 ANNUAL DUES, 2019 SALARY SURVEY, & LEADERSHIP FEES	VARIOUS
T5015	SENTINEL ENGINEERING	74,963.34	JUNIPER NETWORKS - FIBER OPTICS	MIS INFRASTRUCTURE
T1128	HALL LETTER SHOP, INC.	74,883.39	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T4963	LINKEDIN CORPORATION	68,775.00	JUNIPER NETWORKS - FIBER OPTICS	MIS INFRASTRUCTURE
T5121	TPx COMMUNICATIONS	65,693.76	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1022	UNUM LIFE INSURANCE CO.	59,112.55	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T4781	EDRINGTON HEALTH CONSULTING, LLC	56,056.25	CONSULTING SERVICES	ADMINISTRATION
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	55,135.00	2019 AUDIT FEES	ADMINISTRATION
T2955	DELTA ELECTRIC INC.	53,887.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	52,428.83	NEW FURNITURE & OFFICE CHAIRS FOR EMPLOYEES	CORPORATE SERVICES
T2969	AMERICAN BUSINESS MACHINES INC	51,617.26	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T2446	AT&T MOBILITY	48,392.73	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T4503	VISION SERVICE PLAN	48,261.13	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3001	MERCER	47,500.00	CONSULTING SERVICES	HUMAN RESOURCES
T2961	SOLUTION BENCH, LLC	46,414.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	42,500.00	CONSTRUCTION CLOSE OUT (SERVICES COMPLETED DURING 2019) AND DEV LEED MANAGEMENT & POST CONSTRUCTION	CAPITAL PROJECT/ NEW BUILDING
T1180	LANGUAGE LINE SERVICES INC.	41,981.55	INTERPRETATION SERVICES	MEMBER SERVICES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	41,733.33	COMMUNITY SPONSORSHIP	ADMINISTRATION
T3986	JACQUELYN S. JANS	41,175.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T4731	LOGMEIN USA, INC.	40,439.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T2413	TREK IMAGING INC	37,901.46	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4389	EXACT STAFF, INC.	37,874.68	TEMPORARY HELP	VARIOUS



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5260	HD DYNAMICS	36,856.25	2020 SYSTEM CONFIGURATION, CUSTOMIZATION, & PROJECT MANAGEMENT	PROVIDER RELATIONS
T2933	SIERRA PRINTERS, INC.	35,486.88	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T2941	KERN PRINT SERVICES INC.	35,450.80	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5279	GOOD SAMARITAN HEALTH FOUNDATION	35,000.00	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T5226	SAN MICHAEL PEDIATRICS INC.	33,765.89	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4960	ZELIS CLAIMS INTEGRITY, LLC	33,695.55	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T5022	SVAM INTERNATIONAL INC	33,480.00	2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	BUSINESS INTELLIGENCE
T4792	KP LLC	32,549.67	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	32,512.00	2020 ANNUAL DUES & CONFERENCE REGISTRATION	VARIOUS
T3084	KERN COUNTY-COUNTY COUNSEL	31,917.71	LEGAL FEES	ADMINISTRATION
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC.	31,625.00	2020-2021 DEVELOPMENT DIMENSIONS INTERNATIONAL MASTER LICENSE FEE	HUMAN RESOURCES
T2441	LAURA J. BREZINSKI	31,025.00	MARKETING MATERIALS	MARKETING
T4182	THE LAMAR COMPANIES	30,400.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4563	SPH ANALYTICS	30,343.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T1326	WALKER-LEWIS RENTS	29,398.13	COVID-19 TESTING RENTAL SITE EQUIPMENT	MARKETING



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4873	L5 HEALTHCARE SOLUTIONS, INC.	29,374.47	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS INFRASTRUCTURE
T3448	SYNERGY HEALTHCARE, INC.	28,700.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T4486	SMOOTH MOVE USA	28,563.22	MOVING SERVICES	CORPORATE SERVICES
T4607	AGILITY RECOVERY SOLUTIONS INC.	26,955.00	HARDWARE RENTAL - LAPTOPS & MONITORS RENTAL FOR EMPLOYEES WORKING FROM HOME	MIS INFRASTRUCTURE
T4216	NEXSTAR BROADCASTING INC	26,766.50	ADVERTISEMENT - MEDIA	MARKETING
T2232	DLT SOLUTIONS, LLC	25,733.63	SQL LICENSES	MIS INFRASTRUCTURE
T3454	DEPARTMENT OF MANAGED HEALTH CARE	25,000.00	ENFORCEMENT MATTERS	ADMINISTRATION
T4228	THE SSI GROUP, LLC.	24,613.60	EDI CLAIM PROCESSING	CLAIMS / MIS
T4654	DELAWIE	22,825.93	1ST QTR 2020 ARCHITECTURAL SERVICES	CAPITAL PROJECT
T1183	MILLIMAN USA	22,205.00	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	21,169.97	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T5240	ACE EYECARE INC	20,000.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4239	COAST TO COAST COMPUTER PRODUCTS	19,963.44	COMPUTER PRODUCTS & SUPPLIES	CORPORATE SERVICES
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	17,490.00	CONSULTING SERVICES	ADMINISTRATION
T4962	LIBERTY DATA, INC.	17,100.00	2020 TAX NUMBER VALIDATION SERVICES	MIS INFRASTRUCTURE
T1650	UNIVISION TELEVISION GROUP	16,915.00	ADVERTISEMENT - TELEVISION	MARKETING



## KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1097	NCQA	16,420.25	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION	QUALITY IMPROVEMENT
T5159	AT&T CORP	16,108.65	INTERNET SERVICES	MIS INFRASTRUCTURE
T4016	FIRST DATABANK, INC	16,060.00	2020-2021 NATIONAL CODE DATABASE WITH THE GENERIC CODE NUMBER RENEWAL	MIS INFRASTRUCTURE
T4521	PAYSCALE, INC.	16,000.00	COMPENSATION STUDY AND SALARY ANALYTICS	HUMAN RESOURCES
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	15,935.73	EMPLOYEE PREMIUM	ADMINISTRATION
T5161	INTEGRATED HEALTHCARE ASSOCIATION	15,926.25	PROVIDER DIRECTORY DATA VERIFICATION SERVICES	PROVIDER RELATIONS
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	15,627.75	2020 BUILDING MAINTENANCE	CORPORATE SERVICE
T5236	BEST BEST & KRIEGER LLP	15,389.24	LEGAL FEES	ADMINISTRATION
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	LEGAL FEES	ADMINISTRATION
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO	14,733.08	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T5201	JAC SERVICES, INC.	14,535.00	SPRING 2020 AC MAINTENANCE & SERVICE	CORPORATE SERVICES
T2787	SAGE SOFTWARE, INC	14,381.75	2019-20 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T1347	ADVANCED DATA STORAGE	14,156.53	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5155	A-C ELECTRIC COMPANY	14,144.48	BUILDING MAINTENANCE	CORPORATE SERVICES
T2562	CACTUS SOFTWARE LLC	14,131.31	SOFTWARE LICENSE	MIS INFRASTRUCTURE



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	13,575.00	ADVERTISEMENT - TELEVISION	MARKETING
T5277	SUNBELT RENTALS, INC.	13,361.03	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T4544	BARNES WEALTH MANAGEMENT GROUP	12,250.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4052	RAHUL SHARMA	12,184.40	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T5246	ACCELEBRATE, INC.	12,120.15	ASP.NET CORE 3 DEVELOPMENT TRAINING	BUSINESS INTELLIGENCE
T5292	ALL'S WELL HEALTH CARE SERVICES	11,735.80	TEMPORARY HELP	VARIOUS
T5251	PREVALENT, INC.	11,412.25	ANNUAL SAAS SUBSCRIPTION	MIS INFRASTRUCTURE
T2300	AT&T LONG DISTANCE****	11,144.47	LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4932	SPECTRUM REACH (MEDIA)	11,107.80	ADVERTISEMENT - TELEVISION	MARKETING
T3092	LINKS FOR LIFE	11,000.00	COMMUNITY ACTIVITIES-SPONSORSHIP	MARKETING
T4683	CLAUDIA M. BACA PROJECT MANAGEMENT CONSULTING	11,000.00	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T2840	ATALASOFT, INC.	10,254.00	DOT IMAGING RENEWAL	MIS INFRASTRUCTURE
T5262	YOUTH CONNECTION, INC.	10,000.00	COMMUNITY SPONSORSHIP	COMMUNITY ACTIVITIES
T5270	ENFORCE, LLC	10,000.00	DAYFORCE OPTIMIZATION & CONSULTING SERVICES	HUMAN RESOURCES
		<b>25,781,959.36</b>		
	TOTAL VENDORS OVER \$10,000	25,781,959.36		
	TOTAL VENDORS UNDER \$10,000	782,232.43		
	TOTAL VENDOR EXPENSES- SEPTEMBER	<b>\$ 26,564,191.79</b>		

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

# KERN HEALTH SYSTEMS

October AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	430,511.63	4,492,515.62	OCTOBER 2020 HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4982	NGC US, LLC	410,300.00	1,131,810.99	PREFUND HEALTH EDUCATION INCENTIVES	HEALTH EDUCATION
T4350	COMPUTER ENTERPRISE INC.	220,104.64	1,947,064.61	AUGUST & SEPTEMBER PROFESSIONAL SERVICES / CONSULTING SERVICES	CAPITAL PROJECTS IN PROCESS/ MIS
T2726	DST PHARMACY SOLUTIONS, INC.	133,208.27	1,179,469.38	SEPTEMBER 2020 PHARMACY CLAIMS	PHARMACY
T4237	FLUIDEDGE CONSULTING, INC.	84,480.00	1,012,285.67	SEPTEMBER 2020 PROFESSIONAL SERVICES/ CONSULTING SERVICES	VARIOUS
T4483	INFUSION AND CLINICAL SERVICES, INC.****	79,787.51	490,706.91	JUNE 2020 HEALTH HOMES GRANT	COMMUNITY GRANT
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY****	73,686.20	73,686.20	JUNE - AUGUST 2020 HEALTH HOMES GRANT	COMMUNITY GRANT
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	64,001.25	647,791.72	OCTOBER 2020 VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T2918	STINSON'S****	53,770.25	161,228.95	SEPTEMBER 2020 OFFICE SUPPLIES AND ADDITIONAL CUBICLES	VARIOUS
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, IN	52,109.91	323,522.79	SEPTEMBER 2020 PROFESSIONAL SERVICES, QNXT MAINT., HPA BILLING & EDI CLAIMS PROCESSING, CLAIMS INTEGRITY	VARIOUS
T4052	RAHUL SHARMA****	45,935.60	58,120.00	APRIL-JULY PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4165	SHI INTERNATIONAL CO.	45,452.22	284,100.35	2020 CISCO UNIFIED WORKSPACE LICENSE RENEWAL	MIS INFRASTRUCTURE
T4391	OMNI FAMILY HEALTH	43,181.23	1,787,504.03	AUGUST 2020 HEALTH HOME GRANT (OILDALE & SHAFTER)	COMMUNITY GRANT
T4582	HEALTHX, INC.	40,376.00	403,760.00	OCTOBER 2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T2686	ALLIANT INSURANCE SERVICES INC.****	40,204.50	742,417.45	ANNUAL INSURANCE EARTHQUAKE PREMIUM	ADMINISTRATION



October AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to-Date	Description	Department
T4657	DAPONDE SIMPSON ROWE PC	32,093.50	225,984.00	AUGUST - SEPTEMBER 2020 LEGAL SERVICES	VARIOUS
T4193	STRIA LLC	31,580.31	359,081.39	SEPT. & OCT 2020 OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS
T2584	UNITED STATES POSTAL SVC.-HASLER	30,000.00	200,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	29,509.38	168,653.97	9/22/20 FSA EMPLOYEE PREMIUM & OCTOBER 2020 SECTION 125 ADMINISTRATION	VARIOUS
T5109	RAND EMPLOYMENT SOLUTIONS	25,860.07	246,023.66	SEPTEMBER & OCTOBER 2020 TEMP SERVICES- 3MS, 1UM, 1 HE, 1 MIS, 1 HHP, 1 ACCT	VARIOUS
T5227	RIDGECREST MEDICAL TRANSPORTATION	22,383.79	101,880.00	AUGUST & SEPTEMBER 2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2458	HEALTHCARE FINANCIAL, INC.	22,000.00	267,000.00	SEPTEMBER 2020 PROFESSIONAL SERVICES	ADMINISTRATION
T5275	CREATIVE FINANCIAL STAFFING, LLC****	19,000.00	19,000.00	RECRUITMENT FEES - ACCOUNTING SUPERVISOR	HUMAN RESOURCES
T4501	ALLIED UNIVERSAL SECURITY SERVICES	18,270.88	200,805.56	SEPTEMBER-OCTOBER 2020 ONSITE SECURITY	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	17,854.04	200,575.72	AUGUST & SEPTEMBER 2020 TEMPORARY HELP- 1 MIS, 1 HHP & 2 HE	VARIOUS
T5013	ELIZA CORPORATION****	17,020.00	17,070.00	AUGUST-OCTOBER 2020 DATA MANAGEMENT FEE	CASE MANAGEMENT
T3011	OFFICE ALLY, INC.	16,280.75	160,320.50	SEPTEMBER 2020 EDI CLAIM PROCESSING	CLAIMS
T5145	CCS ENGINEERING FRESNO INC.,	15,599.43	155,080.61	SEPTEMBER - OCTOBER 2020 JANITORIAL SERVICES	CORPORATE SERVICES
T1861	CERIDIAN HCM, INC.	15,490.95	175,959.37	AUGUST & OCTOBER 2020 MONTHLY SUBSCRIPTION FEES	HUMAN RESOURCES
T4038	POLYCLINIC MEDICAL CENTER, INC****	15,375.33	111,584.66	JULY-AUGUST 2020 PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS

# KERN HEALTH SYSTEMS

October AP Vendor Report  
Amounts over \$10,000.00

Vendor No.	Vendor Name	Current Month	Year-to- Date	Description	Department
T4696	ZNALYTICS, LLC	14,760.00	140,480.00	SEPTEMBER 2020 PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4460	PAYSPAN, INC	14,569.09	166,855.35	SEPTEMBER 2020 ELECTRIC CLAIMS/PAYMENTS	FINANCE
T1326	WALKER-LEWIS RENTS	13,342.93	42,741.06	JULY-SEPTEMBER 2020 COVID-19 TESTING SITE EQUIPMENT	MARKETING
T4563	SPH ANALYTICS	12,564.00	42,907.80	2020 PRE/POST-NATAL MEMBER SURVEY FOR MEMBER ENGAGEMENT PROGRAM (MEP)	HEALTH EDUCATION
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	12,464.96	125,125.49	SEPTEMBER 2020 ACCIDENT & CRITICAL ILLNESS EMPLOYEE PREMIUM	VARIOUS
T4544	BARNES WEALTH MANAGEMENT GROUP****	12,250.00	24,500.00	CONSULTING- 2020 2ND & 3RD QTR.RETIREMENT PLAN	ADMINISTRATION
T4781	EDRINGTON HEALTH CONSULTING, LLC	12,025.00	68,081.25	AUGUST 2020 CONSULTING SERVICES	ADMINISTRATION
T4785	COMMGAP****	11,065.00	107,542.50	AUGUST-SEPTEMBER 2020 INTERPRETATION SERVICES	HEALTH EDUCATION
T5005	CRAYON SOFTWARE EXPERTS LLC****	10,490.63	531,314.95	2020 ESD ANNUAL SUPPORT & ESD AZURE OVERAGE	MIS INFRASTRUCTURE
		<u>2,258,939.25</u>			
	TOTAL VENDORS OVER \$10,000	2,258,939.25			
	TOTAL VENDORS UNDER \$10,000	246,809.05			
	TOTAL VENDOR EXPENSES- OCTOBER	<u>2,505,748.30</u>			

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



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1045	KAISER FOUNDATION HEALTH - HMO	4,492,515.62	HMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T4350	COMPUTER ENTERPRISE INC.	1,947,064.01	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	CAPITAL PROJECTS IN PROCESS/ MIS
T4391	OMNI FAMILY HEALTH	1,787,504.03	HEALTH HOMES AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4290	S.C. ANDERSON, INC.	1,555,742.74	NEW BUILDING RETAINER	CAPITAL PROJECT - NEW BUILDING
T5229	DIGNITY HEALTH MEDICAL GROUP - BAKERSFIELD	1,299,106.91	HEALTH HOMES GRANT	COMMUNITY GRANTS
T2726	DST PHARMACY SOLUTIONS, INC.	1,179,469.36	PHARMACY CLAIMS	PHARMACY
T4982	NGC US, LLC	1,131,810.99	PREFUND HEALTH HOMES INCENTIVES & HEALTH EDUCATION MEMBER INCENTIVES	VARIOUS
T4237	FLUIDEDGE CONSULTING, INC.	1,012,285.67	PROFESSIONAL SERVICES / CONSULTING SERVICES & TRAVEL EXP.	VARIOUS
T2686	ALLIANT INSURANCE SERVICES INC.	742,417.45	ANNUAL INSURANCE & ACIP CRIME PREMIUMS	ADMINISTRATION
T2488	THE LINCOLN NATIONAL LIFE INSURANCE	647,791.72	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T5005	CRAYON SOFTWARE EXPERTS LLC	531,314.95	2019 TRUE UP MAINTENANCE, 2020 ESD ANNUAL SUPPORT & ESD AZURE OVERAGE	MIS INFRASTRUCTURE
T5111	ENTISYS 360	507,298.01	DISASTER RECOVERY CONTINUITY PROJECT	MIS INFRASTRUCTURE/CAPITAL PROJECT
T4483	INFUSION AND CLINICAL SERVICES, INC.	490,708.91	HEALTH HOMES GRANT	COMMUNITY GRANT
T3130	OPTUMINSIGHT, INC.	453,564.00	ANNUAL LICENSED SOFTWARE EASYGROUP & INCREMENTAL LICENSE	MIS INFRASTRUCTURE
T4582	HEALTHIX, INC.	403,760.00	2020 MAINTENANCE AND SUPPORT FEES - PROVIDER AND MEMBER PORTAL	MIS INFRASTRUCTURE
T4193	STRIA LLC	359,061.39	OCR SERVICES AND PROFESSIONAL SERVICES	CLAIMS & HUMAN RESOURCES

# KERN·HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4722	COGNIZANT TRIZETTO SOFTWARE GROUP, INC.	323,522.79	PROFESSIONAL SERVICES	VARIOUS
T4165	SHI INTERNATIONAL CO.	284,100.35	STANDING WORKING STATIONS, LICENSES FEES, TRUEUP & JUNIPER NETWORKS -GSFP TRANSCEIVER MODULE	VARIOUS
T1845	DEPARTMENT OF MANAGED HEALTH CARE	282,337.89	2020-2021 MCAL ANNUAL & SPECIAL CALIFORNIA HEALTH BENEFIT REVIEW PROGRAM ASSESSMENT	ADMINISTRATION
T2458	HEALTHCARE FINANCIAL, INC.	267,000.00	PROFESSIONAL SERVICES	ADMINISTRATION
T5109	RAND EMPLOYMENT SOLUTIONS	246,023.66	TEMPORARY HELP	VARIOUS
T5119	PACIFIC WEST SOUND PROFESSIONAL AUDIO & DESIGN INC.	235,758.22	NEW BUILDING FURNITURE (LIVE STREAM VIA IP)	CAPITAL PROJECT - NEW BUILDING
T2167	PG&E	226,079.31	USAGE/UTILITIES	CORPORATE SERVICES
T4657	DAPONDE SIMPSON ROWE PC	225,984.00	LEGAL SERVICES	PROVIDER RELATIONS
T4959	BERKSHIRE HATHWAY HOMESTATE COMPANIES	202,610.00	2020-2021 WORKER'S COMPENSATION INSURANCE PREMIUM	ADMINISTRATION
T4501	ALLIED UNIVERSAL SECURITY SERVICES	200,805.56	ONSITE SECURITY	CORPORATE SERVICES
T4733	UNITED STAFFING ASSOCIATES	200,575.72	TEMPORARY HELP	VARIOUS
T2584	UNITED STATES POSTAL SVC.-HASLER	200,000.00	POSTAGE (METER) FUND	CORPORATE SERVICES
T4538	CHANGE HEALTHCARE SOLUTIONS, LLC	190,652.84	EDI CLAIM PROCESSING (EMDEON)	CLAIMS
T1408	DELL MARKETING L.P.	182,090.01	HARDWARE & COMPUTER EQUIPMENT	MIS INFRASTRUCTURE
T1861	CERIDIAN HCM, INC.	175,959.37	MONTHLY SUBSCRIPTION FEES,PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT IMPLEMENTATION & AMENDMENTS	HUMAN RESOURCES
T4967	ADMINISTRATIVE SOLUTIONS, INC.	168,653.97	FSA EMPLOYEE PREMIUM & SECTION 125 ADMINISTRATION	VARIOUS



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4460	PAYSPAN, INC	166,855.35	ELECTRONIC CLAIMS/PAYMENTS & PPD REIMBURSEMENTS	FINANCE
T2918	STINSON'S	161,228.95	2020 OFFICE SUPPLIES, CONFERENCE TABLES, OFFICE FURNITURE, CABINET FOR TRAINING, DEVELOPMENT ROOM & ADDITIONAL CUBICLES	VARIOUS
T3011	OFFICE ALLY, INC.	160,320.50	EDI CLAIM PROCESSING	CLAIMS
T5217	AMERICAN TILE & BRICK VENEER, INC.	157,500.00	FINAL PAYMENT FOR BRICK WALL	BUILDING IMPROVEMENT
T4699	ZeOMEGA, INC.	156,632.29	PROFESSIONAL SERVICES AND TRAVEL EXP.	UM
T5145	CCS ENGINEERING FRESNO INC.,	155,080.61	JANITORIAL SERVICES	CORPORATE SERVICES
T5185	HOUSING AUTHORITY COUNTY OF KERN	152,500.00	HOUSING AUTHORITY GRANT	UM
T5269	KERN COMMUNITY FOUNDATION	150,000.00	HEALTH HOME GRANT	COMMUNITY GRANT
T4331	COTIVITI, INC	148,388.00	CALIFORNIA MEDI-CAL MEDICAID MEASURES & ANNUAL LICENSE FEE	QUALITY IMPROVEMENT
T5258	GOOD SAMARITAN HOSPITAL, LP	144,285.41	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4696	ZNALYTICS, LLC	140,480.00	PROFESSIONAL SERVICES	CAPITAL PROJECT-CASE MANAGEMENT/DISEASE MANAGEMENT
T4396	KAISER FOUNDATION HEALTH-DHMO	125,450.68	DHMO EMPLOYEE HEALTH BENEFITS	VARIOUS
T1005	COLONIAL LIFE & ACCIDENT ATTN PREMIUM PROCESSING	125,125.49	EMPLOYEE PREMIUM - ACCIDENT & CRITICAL ILLNESS	VARIOUS
T1272	COFFEY COMMUNICATIONS INC.	124,077.49	MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION	HEALTH EDUCATION/ MIS INFRASTRUCTURE
T1189	APPLE ONE INC, EMPLOYMENT SERVICES	117,242.48	TEMPORARY HELP	VARIOUS
T4038	POLYCLINIC MEDICAL CENTER, INC	111,594.66	HEALTH HOME AND PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS



# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T3449	CDW GOVERNMENT	111,143.62	HARDWARE & COMPUTER SUPPLIES	VARIOUS
T4785	COMMGAP	107,542.50	INTERPRETATION SERVICES	HEALTH EDUCATION
T4902	CHANGE HEALTHCARE TECHNOLOGIES, LLC	105,472.93	EDI CLAIM PROCESSING	CLAIMS / MIS
T2704	MCG HEALTH LLC	104,263.86	SOFTWARE LICENSE - HEALTH CARE MANAGEMENT	UTILIZATION MANAGEMENT
T5227	RIDGECREST MEDICAL TRANSPORTATION	101,880.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T1960	LOCAL HEALTH PLANS OF CALIFORNIA	101,221.32	VOLUNTARY LIFE, AD&D, DENTAL INSURANCE	VARIOUS
T4634	EXECUTIVE STAFFING SOLUTIONS	99,998.00	RECRUITMENT FEES	HUMAN RESOURCES
T5026	TEL-TEC SECURITY SYSTEMS	95,092.05	ADDITIONAL SECURITY SYSTEM & LABOR	CORPORATE SERVICES
T5132	TIME WARNER CABLE LLC	95,000.79	INTERNET SERVICES	MIS INFRASTRUCTURE
T1128	HALL LETTER SHOP, INC.	79,576.82	NEW MEMBER LETTER/ENVELOPES, MEMBER HANDBOOKS, CLINICAL CARE MANUAL FOR HH, NEW MEMBER PACKETS & POSTERS	VARIOUS
T5076	MERIDIAN HEALTH SYSTEMS, P.C.	77,220.00	PROFESSIONAL SERVICES	UTILIZATION MANAGEMENT
T4054	ASSOCIATION FOR COMMUNITY AFFILIATED PLANS	75,500.00	2020 ANNUAL DUES, 2019 SALARY SURVEY, & LEADERSHIP FEES	VARIOUS
T5015	SENTINEL ENGINEERING	74,963.34	JUNIPER NETWORKS - FIBER OPTICS	MIS INFRASTRUCTURE
T4813	ADVENTIST HEALTH TEHACHAPI VALLEY	73,686.20	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS

# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T5121	TPx COMMUNICATIONS	72,742.08	LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES	MIS INFRASTRUCTURE
T4963	LINKEDIN CORPORATION	68,775.00	JUNIPER NETWORKS - FIBER OPTICS	MIS INFRASTRUCTURE
T4781	EDRINGTON HEALTH CONSULTING, LLC	68,081.25	CONSULTING SERVICES	ADMINISTRATION
T1022	UNUM LIFE INSURANCE CO.	66,453.51	EMPLOYEE PREMIUM	PAYROLL DEDUCTION
T2969	AMERICAN BUSINESS MACHINES INC	59,825.39	HARDWARE AND MAINTENANCE	CORPORATE SERVICES
T4052	RAHUL SHARMA	58,120.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T2955	DELTA ELECTRIC INC.	55,999.00	BUILDING MAINTENANCE	CORPORATE SERVICES
T4415	DANIELLS PHILLIPS VAUGHAN AND BOCK	55,135.00	2019 AUDIT FEES	ADMINISTRATION
T2446	AT&T MOBILITY	52,712.64	CELLULAR PHONE / INTERNET USAGE	MIS INFRASTRUCTURE
T4265	SIERRA SCHOOL EQUIPMENT COMPANY	52,428.83	NEW FURNITURE & OFFICE CHAIRS FOR EMPLOYEES	CORPORATE SERVICES
T4652	BAKERSFIELD SYMPHONY ORCHESTRA	50,066.66	COMMUNITY SPONSORSHIP	ADMINISTRATION
T4503	VISION SERVICE PLAN	48,261.13	EMPLOYEE HEALTH BENEFITS	VARIOUS
T3001	MERCER	47,500.00	CONSULTING SERVICES	HUMAN RESOURCES
T2961	SOLUTION BENCH, LLC	46,414.59	M-FILES & SCANFINITY LICENSES SUPPORT	MIS INFRASTRUCTURE
T3986	JACQUELYN S. JANS	45,775.00	CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN	ADMINISTRATION/ MARKETING
T1180	LANGUAGE LINE SERVICES INC.	43,664.13	INTERPRETATION SERVICES	MEMBER SERVICES
T4563	SPH ANALYTICS	42,907.80	PROVIDER AND MEMBER SATISFACTION SURVEYS	VARIOUS
T1326	WALKER-LEWIS RENTS	42,741.06	COVID-19 TESTING SITE EQUIPMENT	MARKETING
T5226	SAN MICHAEL PEDIATRICS INC.	42,739.61	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS

## KERN • HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4609	GREGORY D. BYNUM AND ASSOCIATES, INC.	42,500.00	CONSTRUCTION CLOSE OUT (SERVICES COMPLETED DURING 2019) AND DEV LEED MANAGEMENT & POST CONSTRUCTION	CAPITAL PROJECT/ NEW BUILDING
T2933	SIERRA PRINTERS, INC.	42,495.13	PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS	VARIOUS
T4731	LOGMEIN USA, INC.	41,965.00	INTERNET SERVICES	MIS INFRASTRUCTURE
T4960	ZELIS CLAIMS INTEGRITY, LLC	41,161.11	POST EDITING SYSTEMS FOR CLAIMS PROCESSING	CLAIMS
T2413	TREK IMAGING INC	40,257.89	COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS	VARIOUS
T4389	EXACT STAFF, INC.	37,874.68	TEMPORARY HELP	VARIOUS
T2441	LAURA J. BREZINSKI	37,825.00	MARKETING MATERIALS	MARKETING
T5260	HD DYNAMICS	36,995.00	2020 SYSTEM CONFIGURATION, CUSTOMIZATION, & PROJECT MANAGEMENT	PROVIDER RELATIONS
T4607	AGILITY RECOVERY SOLUTIONS INC.	36,664.00	HARDWARE RENTAL- LAPTOP & MONITOR'S RENTAL FOR EMPLOYEES WORKING FROM HOME	MIS INFRASTRUCTURE
T2941	KERN PRINT SERVICES INC.	35,450.80	OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD	VARIOUS
T5279	GOOD SAMARITAN HEALTH FOUNDATION	35,000.00	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T5022	SVAM INTERNATIONAL INC	33,480.00	2020 PROFESSIONAL SERVICES / CONSULTING SERVICES	BUSINESS INTELLIGENCE
T4182	THE LAMAR COMPANIES	33,190.00	OUTDOOR ADVERTISEMENT-BILLBOARDS	ADVERTISING
T4792	KP LLC	33,149.67	PROVIDER DIRECTORIES & FORMULARY (SUPPORT/MAINT.)	PROVIDER RELATIONS/PHARMACY

8 of 10

# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T1404	CALIFORNIA ASSOCIATION OF HEALTH PLANS	32,512.00	2020 ANNUAL DUES & CONFERENCE REGISTRATION	VARIOUS
T4466	SMOOTH MOVE USA	32,069.82	MOVING SERVICES	CORPORATE SERVICES
T3084	KERN COUNTY-COUNTY COUNSEL	31,917.71	LEGAL FEES	ADMINISTRATION
T4663	DEVELOPMENT DIMENSIONS INTERNATIONAL, INC.	31,625.00	2020-2021 DEVELOPMENT DIMENSIONS INTERNATIONAL MASTER LICENSE FEE	HUMAN RESOURCES
T4873	L5 HEALTHCARE SOLUTIONS, INC.	29,374.47	LICENSE AND SUPPORT FEES - CLAIMS AUDIT TOOL	MIS INFRASTRUCTURE
T3448	SYNERGY HEALTHCARE, INC.	28,700.00	ASTHMA PROGRAM GRANT	COMMUNITY GRANTS
T4216	NEXSTAR BROADCASTING INC	26,766.50	ADVERTISEMENT - MEDIA	MARKETING
T4228	THE SSI GROUP, LLC.	26,623.60	EDI CLAIM PROCESSING	CLAIMS / MIS
T2232	DLT SOLUTIONS, LLC	25,733.63	SQL LICENSES	MIS INFRASTRUCTURE
T3454	DEPARTMENT OF MANAGED HEALTH CARE	25,000.00	ENFORCEMENT MATTERS	ADMINISTRATION
T4544	BARNES WEALTH MANAGEMENT GROUP	24,500.00	RETIREMENT PLAN CONSULTANTS	ADMINISTRATION
T4654	DELAWIE	22,825.93	1ST QTR 2020 ARCHITECTURAL SERVICES	CAPITAL PROJECT
T1183	MILLIMAN USA	22,205.00	CY2018/2019 RDT & IBNP CONSULTING - ACTUARIAL	ADMINISTRATION
T4708	HEALTH MANAGEMENT ASSOCIATES, INC.	22,166.25	CONSULTING SERVICES	ADMINISTRATION
T4546	LEVEL 3 COMMUNICATIONS, LLC	21,169.97	DISASTER RECOVERY, INTERNET, LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T5240	ACE EYECARE INC	20,000.00	PROVIDER QUALITY CARE GRANT	COMMUNITY GRANTS
T4239	COAST TO COAST COMPUTER PRODUCTS	19,963.44	COMPUTER PRODUCTS & SUPPLIES	CORPORATE SERVICES
T5275	CREATIVE FINANCIAL STAFFING, LLC****	19,000.00	RECRUITMENT FEES	HUMAN RESOURCES

# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T4261	KAISER FOUNDATION HEALTH PLAN -TX PPO	18,858.88	TX-PPO EMPLOYEE HEALTH BENEFITS	VARIOUS
T5159	AT&T CORP	17,898.50	INTERNET SERVICES	MIS INFRASTRUCTURE
T1152	MICHAEL K. BROWN LANDSCAPE & MAINTENANCE CO., INC.	17,897.75	2020 BUILDING MAINTENANCE	CORPORATE SERVICE
T5161	INTEGRATED HEALTHCARE ASSOCIATION	17,877.50	PROVIDER DIRECTORY DATA VERIFICATION SERVICES	PROVIDER RELATIONS
T4523	BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	17,773.97	EMPLOYEE PREMIUM	ADMINISTRATION
T1097	NCQA	17,290.25	HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION	QUALITY IMPROVEMENT
T4962	LIBERTY DATA, INC.	17,100.00	2020 TAX NUMBER VALIDATION SERVICES	MIS INFRASTRUCTURE
T5013	ELIZA CORPORATION****	17,070.00	2020 DATA MANAGEMENT FEE	CASE MANAGEMENT
T1650	UNIVISION TELEVISION GROUP	16,915.00	ADVERTISEMENT - TELEVISION	MARKETING
T4016	FIRST DATABANK, INC	16,060.00	2020-2021 NATIONAL CODE DATABASE WITH THE GENERIC CODE NUMBER RENEWAL	MIS INFRASTRUCTURE
T4521	PAYSCALE, INC.	16,000.00	COMPENSATION STUDY AND SALARY ANALYTICS	HUMAN RESOURCES
T1347	ADVANCED DATA STORAGE	15,517.22	STORAGE AND SHREDDING SERVICES	CORPORATE SERVICES
T5236	BEST BEST & KRIEGER LLP	15,389.24	LEGAL FEES	ADMINISTRATION
T5030	KHOA NGUYEN DBA KN CONSULTING LLC	15,000.00	LEGAL FEES	ADMINISTRATION
T5277	SUNBELT RENTALS, INC.	14,763.43	COVID-19 TESTING SITE SUPPORT-SPONSORSHIP	COMMUNITY ACTIVITIES
T5155	A-C ELECTRIC COMPANY	14,549.48	BUILDING MAINTENANCE	CORPORATE SERVICES
T5201	JAC SERVICES, INC.	14,535.00	SPRING 2020 AC MAINTENANCE & SERVICE	CORPORATE SERVICES



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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2787	SAGE SOFTWARE, INC	14,381.75	2019-20 SAGE300 ERP SILVER BUSINESS ANNUAL LICENSE	FINANCE
T2562	CACTUS SOFTWARE LLC	14,131.31	SOFTWARE LICENSE	MIS INFRASTRUCTURE
T4195	SCRIPPS MEDIA, INC. DBA KERO-TV	13,575.00	ADVERTISEMENT - TELEVISION	MARKETING
T5156	LIGHTS CAMERA ACTION CINEMA****	13,575.00	ADVERTISEMENT - FILMING SERVICES	MARKETING
T3092	LINKS FOR LIFE	13,524.00	COMMUNITY ACTIVITIES-SPONSORSHIP	MARKETING
T2407	KAISER FOUNDATION HEALTH -COBRA****	13,288.29	COBRA EMPLOYEE HEALTH BENEFITS	VARIOUS
T2938	SAP AMERICA, INC	12,308.32	SAP BUSINESS OBJECTS SOFTWARE ANNUAL MAINTENANCE FEE	BUSINESS INTELLIGENCE
T5246	ACCELEBRATE, INC.	12,120.15	ASP.NET CORE 3 DEVELOPMENT TRAINING	BUSINESS INTELLIGENCE
T5292	ALL'S WELL HEALTH CARE SERVICES	11,735.80	TEMPORARY HELP	VARIOUS
T5251	PREVALENT, INC.	11,412.25	ANNUAL SAAS SUBSCRIPTION	MIS INFRASTRUCTURE
T2300	AT&T LONG DISTANCE	11,144.47	LONG DISTANCE CALLS	MIS INFRASTRUCTURE
T4932	SPECTRUM REACH (MEDIA)	11,107.80	ADVERTISEMENT - TELEVISION	MARKETING
T4683	CLAUDIA M. BACA PROJECT MANAGEMENT CONSULTIN	11,000.00	PROJECT MANAGEMENT CONSULTING SERVICES	PROJECT MANAGEMENT
T4934	APPLE INC.****	10,655.14	HARDWARE, COMPUTER SUPPLIES & 2020 SERVICE AWARDS	VARIOUS
T2840	ATALASOFT, INC.	10,254.00	DOT IMAGING RENEWAL	MIS INFRASTRUCTURE

# KERN HEALTH SYSTEMS

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

Vendor No.	Vendor Name	Year-to-Date	Description	Department
T2292	CITY OF BAKERSFIELD****	10,253.58	UTILITES-GARBAGE/SEWER FEES	CORPORATE SERVICES
T4993	LEGALSHIELD****	10,120.00	EMPLOYEE PAID VOLUNTARY COVERAGE	PAYROLL DEDUCTION
T5262	YOUTH CONNECTION, INC.	10,000.00	COMMUNITY SPONSORSHIP	COMMUNITY ACTIVITIES
T5270	ENFORCE, LLC	10,000.00	DAYFORCE OPTIMIZATION & CONSULTING SERVICES	HUMAN RESOURCES
		<u>28,268,478.77</u>		
	TOTAL VENDORS OVER \$10,000	28,268,478.77		
	TOTAL VENDORS UNDER \$10,000	801,461.32		
	TOTAL VENDOR EXPENSES- October	<u>\$ 29,069,940.09</u>		

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

Vendor Name	Contract Amount	Budgeted	Department	Department Head	Services that this vendor will provide to KHS	Effective Date	Termination Date
<b>January</b>							
LinkedIn	\$52,000.00	Yes	HR	Anita Martin	Online training for managed learners	1/1/2020	12/31/2020
Poppyrock Designs	\$40,800.00	Yes	MRK	Louie Iurriria	Graphic Design Consultant of KHS/KFHC marketing materials	1/1/2020	12/31/2020
Jacquelyn S. Jans	\$55,200.00	Yes	MRK	Louie Iurriria	Marketing and corporate image consultant	1/1/2020	12/31/2020
<b>February</b>							
Lifesigns	\$45,000.00	Yes	HE	Isabel Silva	ASL Interpreting services for members	2/23/2020	2/22/2021
<b>March</b>							
Siria	\$68,118.00	Yes	HR	Anita Martin	Document Management & Workflow services for HR	3/1/2020	2/28/2021
Entisys	\$99,945.63	Yes	IT	Richard Pruitt	Nutanix Xi Leap Cloud Service	3/23/2020	3/22/2021
Bynum Inc	\$42,500.00	Yes	PR	Emily Duran	Post construction consulting services	3/23/2020	3/22/2021
<b>April</b>							
CDW-G	\$44,942.40	Yes	IT	Richard Pruitt	Ninety (90) new IVR Cisco Unified licenses with support	4/6/2020	4/5/2021
Hall Letter Shop	\$47,921.92	Yes	MS	Nate Scott	Print and mail COVID19 letters to KHS households	4/6/2020	4/30/2020
Agility Recovery	\$30,000.00	Yes	IT	Richard Pruitt	Rental of Laptops	4/30/2020	8/1/2020
SHI	\$64,913.60	Yes	IT	Richard Pruitt	Cisco Smartnet co-term and 70 new licenses	4/23/2020	4/22/2021
<b>May</b>							
Dell	\$40,258.32	Yes	IT	Richard Pruitt	Six (6) new VMware licenses with maintenance and support	5/1/2020	4/30/2025
<b>June</b>							
Milliman	\$50,000.00	Yes	ACCT	Robin Plumb	Actuarial Services (IBNP, ACA OE MLR, CMS ACA OE Audit)	6/1/2020	5/31/2021
MCG	\$51,277.31	Yes	UM	Deborah Murr	Medical Care Clinical Guidelines (one month extension)	6/4/2020	7/4/2020
Edrington Health Consulting	\$95,000.00	Yes	ACCT	Robin Plumb	Actuarial Services (RDT, SDRs & Rate Analysis)	6/1/2020	5/31/2021
Entisys360	\$57,162.37	Yes	IT	Richard Pruitt	Nutanix AOS Single Node	6/24/2020	6/23/2023
<b>July</b>							
Entisys360	\$89,706.06	Yes	IT	Richard Pruitt	Nutanix AOS 2 Nodes	7/9/2020	7/8/2023
FluidEdge	\$72,800.00	Yes	PM	Angela Ahsan	Three month extension for Corry K.	6/31/20	9/30/2020
<b>August</b>							
Coffey Communications	\$69,677.50	Yes	HE	Isabel Silva	Member Newsletter two times a year	8/15/2020	8/14/2021
Solution Bench	\$33,814.59	Yes	IT	Richard Pruitt	Mfiles subscription based license fee	8/1/2020	7/31/2021
<b>September</b>							
SHI	\$45,452.22	Yes	IT	Richard Pruitt	317 Cisco phone & voicemail licenses due to Covid-19	8/25/2020	4/22/2021
Otis	\$36,864.00	Yes	CS	Alonso Hurtado	Support & maintenance of building elevators	9/1/2020	8/31/2023
Dell	\$59,003.00	Yes	IT	Richard Pruitt	25 Dell latitude 5411 & 25 docking stations	9/3/2020	9/2/2024
<b>October</b>							
Agility Recovery	\$45,444.00	Yes	EXEC	Alan Avery	Disaster Recovery and business continuity	10/3/2020	10/2/2021
Dell	\$52,099.84	Yes	IT	Richard Pruitt	Dell (25) 5411 laptops & (25) docking stations	10/26/2020	10/25/2024
Entisys360	\$97,655.37	Yes	IT	Richard Pruitt	Three (3) Nutanix new node hardware platform	10/26/2020	10/25/2021



2020 TECHNOLOGY CONSULTING RESOURCES																		
ITEM	PROJECT	CAP/EXP	BUDGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD	TOTAL	REMAINING BALANCE
1	Enterprise Logging	EXP	\$18,480	\$0	\$550	\$0	\$0	\$0	\$0	\$8,690	\$9,207	\$0				\$18,447	\$33	
2	BitTalk Upgrade	EXP	\$14,705	\$5,100	\$4,590	\$4,845											\$14,535	\$170
3	2D - Clinical Engagement	CAP	\$12,500	\$0	\$4,118	\$5,400	\$2,633										\$12,150	\$350
4	QINXT Upgrade with Network and CES RB Update	EXP	\$500	\$0	\$0	\$468	\$0										\$468	\$32
5	Hospital Directed Payments (HDP)/Encounters	EXP	\$14,705	\$0	\$0	\$0	\$0	\$0	\$0	\$206	\$1,687	\$6,035					\$7,928	\$6,777
6	HHP 2020 - CSV Health Homes	CAP	\$136,090	\$28,448	\$29,143	\$12,273	\$6,695	\$2,833	\$15,680	\$12,530	\$3,354	\$773					\$111,929	\$24,162
7	HHP - Member Engagement	CAP	\$18,000	\$0	\$1,442	\$7,501	\$824	\$4,928	\$2,700								\$17,395	\$606
8	Enterprise Data Warehouse	CAP	\$757,000	\$58,640	\$53,835	\$62,480	\$62,355	\$56,800	\$61,730	\$62,668	\$72,400	\$74,400					\$565,308	\$191,693
9	HHP 2020 - Distributive Model	CAP	\$183,810	\$0	\$412	\$6,956	\$14,983	\$15,726	\$15,371	\$23,894	\$45,612	\$30,529					\$153,482	\$30,328
10	Disaster Recovery and Business Continuity Test	CAP	\$446,200	\$56,200	\$51,475	\$54,950	\$50,960	\$31,920	\$46,900	\$26,880	\$25,200	\$23,240					\$367,725	\$78,475
11	Rx PBM Transition	EXP	\$70,860					\$0	\$0	\$6,417	\$15,624						\$22,041	\$48,819
12	Auto Adjudication Enhancements	CAP	\$688,240	\$40,480	\$19,440	\$21,120	\$35,110	\$59,532	\$61,379	\$51,196	\$54,030	\$58,359					\$400,646	\$287,594
13	MCAS Member Engagement	CAP	\$166,160				\$5,880	\$18,970	\$2,520	\$30,983	\$30,890	\$25,860					\$115,103	\$51,057
14	Specialty Med Mgmt.	CAP	\$10,395			\$945	\$9,450	\$0									\$10,395	\$0
15	Interoperability	CAP	\$244,660					\$0	\$2,781	\$4,120	\$28,068	\$52,541					\$87,510	\$157,150
17	Staff Augmentation	EXP	\$1,182,965	\$97,401	\$88,136	\$112,134	\$112,859	\$114,134	\$107,929	\$103,320	\$74,506	\$76,748					\$887,166	\$295,799
<b>Totals:</b>			<b>\$3,965,270</b>	<b>\$286,269</b>	<b>\$253,141</b>	<b>\$289,072</b>	<b>\$301,748</b>	<b>\$304,841</b>	<b>\$316,990</b>	<b>\$324,487</b>	<b>\$351,571</b>	<b>\$364,108</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,792,226</b>	<b>\$1,173,044</b>	

\*Note: State's projects being re-organized due to mid-year changes.

Updated 11/2/20

