



## **AGENDA**

### **KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS**

**Kern Medical  
1700 Mount Vernon Avenue  
Conference Room 1058  
Bakersfield, California 93306**

Regular Meeting  
Wednesday, September 19, 2018

11:30 A.M.

#### **BOARD TO RECONVENE**

Board Members: Berjis, Bigler, Brar, Lawson, McLaughlin, Pelz, Sistrunk  
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY 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 BOARD 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 BOARD 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 Board on any matter not on this agenda but under the jurisdiction of the Board. Board 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 Board at a later meeting. Also, the Board 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!**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board 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))

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing Andrea Del Rio, Manager, Outpatient Clinic Registration and Ancillary Services as recipient of the California Association of Healthcare Admissions Management 2018 Carl Satterfield Award – **MAKE PRESENTATION**

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on August 15, 2018 – **APPROVE**

CA

- 5) Proposed updated Conflict of Interest policy and Conflict of Interest Code for the Kern County Hospital Authority – **APPROVE; REFER CONFLICT OF INTEREST CODE TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL**

CA

- 6) Proposed retroactive Schedule No. 9 to Agreement 2016-036 with Cerner Corporation, an independent contractor, containing nonstandard terms and conditions, for purchase of registration modules for the Millennium Project, effective August 28, 2018, in an amount not to exceed \$89,476 over seven years – **APPROVE; AUTHORIZE CHAIRMAN TO SIGN**

CA

- 7) Proposed retroactive Schedule No. 10 to Agreement 2016-036 with Cerner Corporation, an independent contractor, containing nonstandard terms and conditions, for purchase of correctional medicine modules for the Millennium Project, effective August 31, 2018, for a term of 73 months, in an amount not to exceed \$3,816,000 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 16 to Agreement 180-99 with 3M Company, an independent contractor, for purchase of physician coding software, reimbursement logic and encoder for integration with the electronic health record, effective September 19, 2018, extending the term two months from July 17, 2023 through September 18, 2023, and increasing the maximum payable by \$1,405,891 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Amendment No. 2 to Agreement 06018 with Clarity Technology Partners, LLC, an independent contractor, for technology-related temporary staffing and contingent search services, increasing the maximum payable by \$370,000, from \$550,000 to \$920,000, effective September 24, 2018 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Amendment No. 1 to Agreement 14818 with Healthcare Performance Group, Inc., an independent contractor, for professional consulting services for the electronic health record for the period June 11, 2018 through June 10, 2019, increasing the maximum payable by \$217,000, from \$233,000 to \$450,000, effective September 19, 2018 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Statement of Work under the Agreement 00218 with Vector Resources, Inc. doing business as VectorUSA, an independent contractor, for the purchase of additional cabling, products and services for the Millennium Project, effective upon commencement of the project, in an amount not to exceed \$414,139 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed Statement of Work under the Agreement 00218 with Vector Resources, Inc. doing business as VectorUSA, an independent contractor, for the purchase of additional Wi-Fi products and services, effective upon commencement of the project, in an amount not to exceed \$282,701 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Amendment No. 2 to Agreement 20716 with J. Chandrasekhar, Inc., an independent contractor, for professional medical services in the Department of Medicine for the period October 15, 2016 through October 14, 2018, extending the term for one year from October 15, 2018 through October 14, 2019, and increasing the maximum payable by \$380,000, from \$760,000 to \$1,140,000, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed retroactive Agreement with Katayoun Sabetian, M.D., Inc., an independent contractor, for professional medical services in the Department of Medicine from September 1, 2018 through August 31, 2020, in an amount not to exceed \$610,000 –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 15) Proposed retroactive Amendment No. 1 to Agreement 2016-051 with Mission Linen Supply, an independent contractor, for linen supply and laundry services for the period August 1, 2016 through July 31, 2018, extending the term for two years from August 1, 2018 through July 31, 2020, and increasing the maximum payable by \$2,500,000, from \$1,880,000 to \$4,380,000, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 16) Proposed Memorandum of Understanding with Service Employees International Union, Local 521, for bargaining units 1, 2, 3, 4, 5, and 6, effective September 19, 2018 through October 31, 2020, with changes to wages, hours, and terms and conditions of employment –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, AND HUMAN RESOURCES TO IMPLEMENT CHANGES

- 17) Kern County Hospital Authority Chief Financial Officer report –  
RECEIVE AND FILE

- 18) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVE AND FILE

CA

- 19) Claims and Lawsuits Filed as of August 31, 2018 –  
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 20) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 21) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 22) CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Kern County Assessor Parcel Number: 120-181-54; Property Owners: Mushtaq Ahmed and Rehmat Ahmed; Agency Negotiators: Russell V. Judd, Chief Executive Officer and Scott Thygerson, Chief Strategy Officer; Under Negotiation: Price and Terms of Payment (Government Code Section 54956.8) –
- 23) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Maria McCoy v. Kern Medical Center, Workers' Compensation Appeals Board Case No. ADJ7197264 –
- 24) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(2).) Number of cases: Two (2) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs –
- 25) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Unrepresented Employees (Government Code Section 54957.6) –
- 26) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) –
- 27) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, OCTOBER 17, 2018, AT 11:30 A.M.

## **SUPPORTING DOCUMENTATION FOR AGENDA ITEMS**

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 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.

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

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. 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.

- 19) CLAIMS AND LAWSUITS FILED AS OF AUGUST 31, 2018 –  
RECEIVE AND FILE
- A) Summons and Petition for Relief from Claim Presentation Requirement in the matter of Kathryn A. Kodner, Laurie Kodner, and Michael Kodner
  - B) Summons and First Amended Complaint for Damages in the matter of Martin L. Goldman, M.D. v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390
  - C) Claim and Notice to Preserve Evidence in the matter of Melissa Hammond
  - D) Claim in the matter of Nuha Abousamra
  - E) Letter of Representation and Notice to Preserve Evidence in the matter of Kevin A. Milstred



## **SUMMARY OF PROCEEDINGS**

### **KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS**

**Kern Medical  
1700 Mount Vernon Avenue  
Conference Room 1058  
Bakersfield, California 93306**

**Regular Meeting  
Wednesday, August 15, 2018**

11:30 A.M.

#### **BOARD RECONVENED**

Directors Present: Berjis, Bigler, Brar, Lawson, McLaughlin, Pelz  
Directors Absent: Sistrunk

NOTE: The vote is displayed in bold below each item. For example, Lawson-McLaughlin denotes Director Lawson made the motion and Vice Chair McLaughlin seconded the motion.

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

#### **BOARD ACTION SHOWN IN CAPS**

#### **PUBLIC PRESENTATIONS**

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board 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 Board at a later meeting. Also, the Board 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!**



**AMANDA TORRES, CASE MANAGEMENT OFFICE SERVICE SPECIALIST, JENNY SANTOS, EMERGENCY CARE CENTER PATIENT CARE TECHNICIAN, CHERI ANCHETA, OUTPATIENT PHARMACY TECHNICIAN, AND ROSIE KIDWELL, SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521 REPRESENTATIVE, HEARD REGARDING ONGOING LABOR NEGOTIATIONS AND PENSION SECURITY**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board 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))

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on July 18, 2018 –  
APPROVED  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

CA

- 4) Proposed Agreement with Change Healthcare Technologies, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of InterQual® software for case management and quality review to support the Cerner Millennial project, for a term of four years, effective August 15, 2018, in an amount not to exceed \$250,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 050-2018  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

CA

- 5) Proposed Agreement with Stericycle, Inc., an independent contractor, containing nonstandard terms and conditions, for regulated pharmaceutical and hazardous waste disposal services for a term of 36 months, effective August 15, 2018, in an amount not to exceed \$266,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 051-2018  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

CA

- 6) Proposed Agreement with Stericycle, Inc., an independent contractor, containing nonstandard terms and conditions, for regulated sharps disposal management services for a term of 36 months, effective August 15, 2018, in an amount not to exceed \$282,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 052-2018  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

CA

- 7) Proposed Agreement with Presidio Networked Solutions Group, LLC, an independent contractor, containing nonstandard terms and conditions, for lease of equipment, software and services for information technology data storage to support the Cerner Millennial project, effective August 15, 2018 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 053-2018;  
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN STATEMENTS OF WORK  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

CA

- 8) Proposed Agreement with Presidio Technology Capital, LLC, an independent contractor, containing nonstandard terms and conditions, for financing of equipment, software and services for information technology data storage to support the Cerner Millennial project for a term of 39 months, effective on the first day of the month following receipt of equipment and/or software, in an amount not to exceed \$2,017,548  
APPROVED; ADOPTED RESOLUTION 2018-010; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 054-2018  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

CA

- 9) Proposed Agreement with Amin Ahmed Ramzan, M.D., a contract employee, for professional medical services in the Department of Obstetrics and Gynecology from August 17, 2019 through August 16, 2022, in an amount not to exceed \$1,815,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 055-2018  
**Pelz-Berjis: 6 Ayes; 1 Absent - Sistrunk**

CA

- 10) Proposed Change Order No. 7 to Agreement 21118 with Anderson Group International, an independent contractor, for construction management services related to the Pharmacy USP 797 Clean Room modifications, increasing the maximum payable by \$6,431, from \$699,510 to \$705,941, to cover the cost of additional services –  
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED;  
AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 056-2018  
**Lawson-Pelz: 6 Ayes; 1 Absent - Sistrunk**

- 11) Request of the Medical Staff of Kern Medical Center to create a Division of Trauma and Critical Care within the Department of Surgery –  
APPROVED  
**McLaughlin-Pelz: 6 Ayes; 1 Absent - Sistrunk**
  - 12) Proposed Agreement with Acute Care Surgery Medical Group, Inc., an independent contractor, for trauma and general surgery hospitalist services in the Department of Surgery from November 5, 2018 through October 31, 2022, in an amount not to exceed \$20,510,331 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 057-2018  
**Brar-Lawson: 6 Ayes; 1 Absent - Sistrunk**
  - 13) Kern County Hospital Authority Chief Financial Officer report –  
RECEIVED AND FILED  
**Berjis-McLaughlin: 6 Ayes; 1 Absent - Sistrunk**
  - 14) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED  
**Pelz-Brar: 6 Ayes; 1 Absent – Sistrunk**
- CA
- 15) Claims and Lawsuits Filed as of July 31, 2018 –  
RECEIVED AND FILED  
**Lawson-Pelz: 6 Ayes; 1 Absent – Sistrunk**

ADJOURNED TO CLOSED SESSION  
**McLaughlin-Berjis**

CLOSED SESSION

- 16) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 17) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521; Unrepresented Employees (Government Code Section 54957.6) – SEE RESULTS BELOW
- 18) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Eric vanSonnenberg, M.D. v. County of Kern, et al., Kern County Superior Court Case No. BCV-15-100859 – SEE RESULTS BELOW

- 19) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW
- 20) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

**Lawson-McLaughlin**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 16 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR LAWSON, SECOND BY DIRECTOR PELZ; 1 ABSENT - DIRECTOR SISTRUNK), THE BOARD APPROVED PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING; VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 17 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521; Unrepresented Employees (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 18 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Eric vanSonnenberg, M.D. v. County of Kern, et al., Kern County Superior Court Case No. BCV-15-100859 – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 19 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 20 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, SEPTEMBER 19, 2018, AT 11:30 A.M.

**Berjis**

/s/ Mona A. Allen  
Authority Board Coordinator

/s/ Russell E. Bigler  
Chairman, Board of Governors  
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**SUBJECT: Proposed Conflict of Interest Policy for Kern County Hospital Authority**

**Recommended Action: Approve; Refer to Kern County Board of Supervisors for Approval**

**Summary:**

The enabling county ordinance at section 2.170.102 requires the Hospital Authority and its officers and directors to conduct activities in a manner this is in conformity with the laws of the state of California as they pertain to conflicts of interest, including, but not limited to the Political Reform Act (Gov. Code, § 81000 et seq.), financial interests involving contracts (Gov. Code, § 1090), common law conflicts of interest,<sup>1</sup> and incompatible activities.<sup>2</sup>

The purposes of this policy are: (1) to preserve the integrity of the decision-making process of the Hospital Authority, (2) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (3) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (4) to prevent violations of state conflict of interest laws.

Government Code section 87306.5 requires the Hospital Authority to submit a biennial report identifying changes in its conflict of interest code (or a statement that the code is not in need of amendment) to the Board of Supervisors, the code reviewing body for the Hospital Authority, no later than October 1 of each even-numbered year. The attached reflects our recommended changes to the policy and conflict of interest code. The proposed changes have been reviewed and approved as to legal form by counsel.

Therefore, it is recommended that your Board approve the conflict of interest policy for the Kern County Hospital Authority and refer to the Kern County Board of Supervisors for approval.

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<sup>1</sup> Each member of the Hospital Authority Board of Governors and officers shall discharge his or her duties with integrity and fidelity and may not let private interests influence public decisions.

<sup>2</sup> In accordance with Section 101855(o) of the Health and Safety Code, a member of the Hospital Authority's administrative staff shall not be considered to hold an incompatible office or to be engaged in activities inconsistent and incompatible with his or her duties as a result of his or her employment or affiliation with the County of Kern or an agency of the County.

**ADMINISTRATIVE POLICY KERN  
COUNTY HOSPITAL AUTHORITY**

**SUBJECT:** Conflict of Interest

**POLICY STATEMENT:**

It is the policy of the Kern County Hospital Authority (“Hospital Authority”) to provide for a process for the disclosure and management of conflicts of interest which may exist for persons with positions of trust and responsibility in the governance and management of the Hospital Authority, and to assure that state law provisions<sup>1</sup> relating to such conflicts are followed. In order to safeguard independent judgment and action in business decisions, each person entrusted with a key position of responsibility in the Hospital Authority has a duty to disclose actual or potential conflicts of interest, to avoid acting out of any actual or apparent conflict of interest which may arise from personal financial interests in entities which may conflict with the Hospital Authority’s best interests. The purposes of this policy are: (i) to preserve the integrity of the decision-making process of the Hospital Authority, (ii) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (iii) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (iv) to prevent violations of state conflict of interest laws.

**DEFINITIONS:**

- A. “Covered Individual” means those individuals identified in the attached Appendix A.
- B. “Financial interest” means for purposes of this policy a Covered Individual has a “financial interest” in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the employee or an immediate family member or on:
  - (1) any business entity in which the Covered Individual has a direct or indirect investment worth \$1,000 or more;
  - (2) any real property in which the Covered Individual has a direct or indirect interest worth \$1,000 or more;
  - (3) any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$470<sup>2</sup> or more in value provided to, received by or promised to the Covered Individual within 12 months prior to the time when the decision is made;
  - (4) any business or entity in which the Covered Individual is a director, officer, partner, trustee, employee, or holds any position of management; and
  - (5) any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$470 or more in value provided to, received by or promised to the Covered Individual within 12 months prior to the time when the decision is made.

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<sup>1</sup> Government Code section 1090; Government Code section 81000 et seq.

<sup>2</sup> California Fair Political Practices Commission gift limit effective **January 1, 2017 - December 31, 2018.**

- C. "Immediate family member" means the Covered Individual's spouse; natural or adoptive parent, child or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, brother-in-law or sister-in-law; grandparent or grandchild; or spouse of a grandparent or grandchild.
- D. "Indirect investment or interest" means any investment or interest owned by the spouse or dependent child of the Covered Individual, by an agent on behalf of the Covered Individual, or by a business entity or trust in which the Covered Individual, or Covered Individual's agent, spouse, and dependent children own directly, indirectly, or beneficially a 10% interest or greater.

## **1.0 ACTS CONSTITUTING CONFLICT OF INTEREST**

- A. No Covered Individual shall engage in any employment, activity or enterprise that results in any of the following:
  - 1. Using the prestige or influence of a Hospital Authority office or employment for private gain or advantage, or the private gain or advantage of another;
  - 2. Using Hospital Authority time, facilities, equipment or supplies for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
  - 3. Using confidential information acquired by virtue of Hospital Authority office or employment for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
  - 4. Receiving or accepting money or any other consideration from anyone other than the Hospital Authority for the performance of an act which the Covered Individual would be required or expected to render in the regular course or hours of office or employment or as part of duties as a Covered Individual;
  - 5. Performance of an act in other than the Covered Individual's capacity knowing that such act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by the Covered Individual or by the Hospital Authority;
  - 6. Make, participate in making or in any way attempt to use the Covered Individual's position to influence a governmental decision (other than a decision affecting an employee's wages, hours, or working conditions) in which the Covered Individual knows or has reason to know that the Covered Individual has a financial interest; or
  - 7. Non-Hospital Authority employment or self-employment outside of regular working hours which involves such time demands or services of such a character as to impair effectiveness of Hospital Authority employment.
- B. Any violation of the provisions contained in the aforementioned section shall constitute sufficient grounds for disciplinary action up to and including termination of employment.

## **2.0 EXEMPTION FOR CERTAIN PHYSICIAN SERVICES**

Those physicians rendering professional services to Kern Medical Center or other Hospital Authority businesses under contract authorizing billing for services to non-indigent patients shall not be deemed to be in violation of the provisions of Section 1.0 of this policy in billing for such services so rendered.



**3.0 POST-EMPLOYMENT RESTRICTIONS REGARDING REPRESENTATION, APPEARANCE OR COMMUNICATION**

- A. Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to the Hospital Authority or a present member of the Board of Governors or any officer or employee of the Hospital Authority if the appearance or communication is made for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.
- B. Subsection A shall not apply to any individual who is, at the time of the appearance or communication, a board member, officer, or employee of a local government agency or an employee or representative of any other public agency and is appearing or communicating on behalf of that agency.
- C. The following definitions shall apply for purposes of Sections 3.0 and 4.0 only:
  - 1. “Administrative action” means the proposal, drafting, development, consideration, amendment, enactment, or defeat by the Hospital Authority of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.
  - 2. “Legislative action” means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the Board of Governors or by any committee or subcommittee thereof, or by a member of the Board of Governors acting in his or her official capacity.
  - 3. “Person” shall mean an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.
- D. This Section and Section 4.0 are adopted in accordance with Government Code section 87406.3(c).

**4.0 POST-EMPLOYMENT RESTRICTIONS REGARDING AID, ADVICE OR COUNSEL**

Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving that office or employment, for compensation, aid, advise, counsel, consult or assist any other person regarding an appearance or communication which the official or employee would be prohibited from making under Section 3.0.

## 5.0 CONFLICT OF INTEREST CODE

- A. The Political Reform Act requires state and local government agencies, which includes the Hospital Authority to adopt and promulgate conflict of interest codes. (Gov. Code, § 81000 et seq.) The Fair Political Practices Commission has adopted a regulation, which contains the terms of a standard conflict of interest code. (Cal. Code Regs., tit. 2, § 18730.) Incorporation by reference of the terms of the regulation along with the designation of employees and the formulation of disclosure categories set forth in the attached Appendix A constitute the adoption and promulgation of the conflict of interest code of the Hospital Authority. The requirements of this conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.
- B. Designated Covered Individuals identified in the attached Appendix A shall file statements of economic interests with the Hospital Authority, who will make the statements available for public inspection and reproduction. (Gov. Code, § 81008.) Upon receipt of the statements of the Chairman and Members of the Board of Governors of the Hospital Authority, the Hospital Authority shall make and retain a copy and forward the original of these statements to the Board of Supervisors of the County of Kern. Statements for all other designated Covered Individuals shall be retained by the Hospital Authority.
- C. Government Code Section 87306.5 requires local agencies, which includes the Hospital Authority to submit to their code reviewing body, which, in the case of the Hospital Authority is the Kern County Board of Supervisors, a biennial report identifying changes in its conflict of interest code, or a statement that their code is not in need of amendment. An amendment is required to: (1) include new positions (including consultants) that must be designated; (2) revise the titles of existing positions; (3) deleted titles of positions that have been abolished; (4) deleted positions that manage public investments from the list of designated positions; (5) revise disclosure categories; and (6) other. No amendment is required if the Hospital Authority's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property and sources of income that may foreseeably be affected materially by the decisions made by those designated positions; and the code includes all other provisions required by Government Code Section 87302. Such report shall be submitted no later than October 1 of each even-numbered year. (Gov. Code, § 87306.5(a).) When completed, the report must be mailed to the Clerk of the Board of Supervisors.

## APPENDIX A

### CONFLICT OF INTEREST CODE KERN COUNTY HOSPITAL AUTHORITY DESIGNATED COVERED INDIVIDUALS

Assistant Pharmacy Director  
Associate Hospital Administrator, Behavioral Health (contract service)  
Associate Hospital Administrator, Trauma and Surgery (contract service)  
Associate Director of Medical Education  
Authority Board Coordinator (contract service)  
Chairman and Members of the Board of Governors  
Chief Academic Officer  
Chief Executive Officer (contract service)  
Chief Financial Officer (contract service)  
Chief Information Officer  
Chief Medical Officer (contract service)  
Chief Nursing Officer  
Chief Operating Officer (contract service)  
Chief Quality Officer  
Chief Strategy Officer (contract service)  
Clinical Directors (all)  
Consultants \*  
Contract Administrator  
Contract Compliance Manager (contract service)  
Credit Card Holders (all)  
Decision Support Specialist (contract service)  
Director, Business Office (contract service)  
Director, Care Coordination (contract service)  
Director, Change Management (contract service)  
Director, Clinical Laboratory Services  
Director, Communications (contract service)  
Director, Community Wellness (contract service)  
Director, Employee and Labor Relations  
Director, Finance (contract service)  
Director, Human Resources Operations (contract service)  
Director, Outpatient Integration (contract service)  
Director, Patient Access (contract service)  
Director, Performance Improvement (contract service)  
Director, Pharmacy Services  
Director, Physician Recruitment (contract service)  
Director, Population Health (contract service)  
Director, Radiology  
Director, Whole Person Care (contract service)  
EVS Director (contract service)  
Finance Contract Compliance Manager (contract service)  
Financial Planning Director (contract service)  
Fiscal Support Supervisor (assigned to General Accounting or Accounts Payable)

Fiscal Support Technician (assigned to Materials Management)  
Front End Revenue Cycle Manager – EMR (contract service)  
Front End Revenue Cycle Manager – Inpatient and Emergency Department (contract service)  
Front End Revenue Cycle Manager – Patient Financial Counseling and Outpatient Clinics (contract service)  
Front End Revenue Cycle Manager – Pre-registration and Authorization (contract service)  
General Accounting Manager  
Health Information Services Director  
Hospital Business Office Manager  
Hospital Business Office Supervisor  
Hospital Counsel  
Health Facilities Director (contract service)  
Hospital Materials Director (contract service)  
Hospital Materials Manager  
Hospital Payroll Manager (contract service)  
Hospital Security Director (contract service)  
Managed Care Consultant (contract service)  
Manager, Decision Support (contract service)  
Manager of Reimbursement (contract service)  
Materials Management Operations Manager (contract service)  
Medical Staff Department Chairs (all)  
Medical Staff Division Chiefs (all)  
Medical Staff Officers (elected officers only)  
Patient Access Services Supervisor  
Physician Billing Manager (contract service)  
Revenue Cycle AR Administration Manager (contract service)  
Revenue Cycle Systems Support Manager (contract service)  
Revenue Integrity Manager (contract service)  
Senior Paralegal  
Special Projects Manager (contract service)  
Therapy Services Manager  
Vice President & General Counsel  
Vice President, Administrative Services (contract service)  
Vice President, Ambulatory Services (contract service)  
Vice President, Human Resources (contract service)  
Workers' Compensation and Liability Manager

\*Consultants shall be included in the list of designated Covered Individuals and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The Chief Executive Officer may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in the Kern County Hospital Authority Conflict of Interest Code. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

## DISCLOSURE CATEGORY

Designated Covered Individuals shall report all sources of income, interests in real property, and investments and business positions in business entities.

**ADMINISTRATIVE -POLICY**  
**KERN COUNTY HOSPITAL AUTHORITY**

**SUBJECT:** Conflict of Interest

**POLICY STATEMENT:**

It is the policy of the Kern County Hospital Authority (“Hospital Authority”) to provide for a process for the disclosure and management of conflicts of interest which may exist for persons with positions of trust and responsibility in the governance and management of the Hospital Authority, and to assure that state law provisions<sup>1</sup> relating to such conflicts are followed. In order to safeguard independent judgment and action in business decisions, each person entrusted with a key position of responsibility in the Hospital Authority has a duty to disclose actual or potential conflicts of interest, to avoid acting out of any actual or apparent conflict of interest which may arise from personal financial interests in entities which may conflict with the Hospital Authority’s best interests. The purposes of this policy are: (i) to preserve the integrity of the decision-making process of the Hospital Authority, (ii) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (iii) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (iv) to prevent violations of state conflict of interest laws.

**DEFINITIONS:**

- A. “Covered Individual” means those individuals identified in the attached Appendix A.
- B. “Financial interest” means for purposes of this policy a Covered Individual has a “financial interest” in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the employee or an immediate family member or on:
  - (1) any business entity in which the Covered Individual has a direct or indirect investment worth \$1,000 or more;
  - (2) any real property in which the Covered Individual has a direct or indirect interest worth \$1,000 or more;
  - (3) any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating ~~\$460~~470<sup>2</sup> or more in value provided to, received by or promised to the Covered Individual within 12 months prior to the time when the decision is made;
  - (4) any business or entity in which the Covered Individual is a director, officer, partner, trustee, employee, or holds any position of management; and
  - (5) any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating ~~\$460~~470 or more in value provided to, received by or promised to the Covered Individual within 12 months prior to the time when the decision is made.

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<sup>1</sup> Government Code section 1090; Government Code section 81000 et seq.

<sup>2</sup> California Fair Political Practices Commission gift limit effective January 1, ~~2015-2017~~ - December 31, ~~2016~~2018.

- C. "Immediate family member" means the Covered Individual's spouse; natural or adoptive parent, child or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, brother-in-law or sister-in-law; grandparent or grandchild; or spouse of a grandparent or grandchild.
- D. "Indirect investment or interest" means any investment or interest owned by the spouse or dependent child of the Covered Individual, by an agent on behalf of the Covered Individual, or by a business entity or trust in which the Covered Individual, or Covered Individual's agent, spouse, and dependent children own directly, indirectly, or beneficially a 10% interest or greater.

## **1.0 ACTS CONSTITUTING CONFLICT OF INTEREST**

- A. No Covered Individual shall engage in any employment, activity or enterprise that results in any of the following:
  - 1. Using the prestige or influence of a Hospital Authority office or employment for private gain or advantage, or the private gain or advantage of another;
  - 2. Using Hospital Authority time, facilities, equipment or supplies for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
  - 3. Using confidential information acquired by virtue of Hospital Authority office or employment for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
  - 4. Receiving or accepting money or any other consideration from anyone other than the Hospital Authority for the performance of an act which the Covered Individual would be required or expected to render in the regular course or hours of office or employment or as part of duties as a Covered Individual;
  - 5. Performance of an act in other than the Covered Individual's capacity knowing that such act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by the Covered Individual or by the Hospital Authority;
  - 6. Make, participate in making or in any way attempt to use the Covered Individual's position to influence a governmental decision (other than a decision affecting an employee's wages, hours, or working conditions) in which the Covered Individual knows or has reason to know that the Covered Individual has a financial interest; or
  - 7. Non-Hospital Authority employment or self-employment outside of regular working hours which involves such time demands or services of such a character as to impair effectiveness of Hospital Authority employment.
- B. Any violation of the provisions contained in the aforementioned section shall constitute sufficient grounds for disciplinary action up to and including termination of employment.

## **2.0 EXEMPTION FOR CERTAIN PHYSICIAN SERVICES**

Those physicians rendering professional services to Kern Medical Center or other Hospital Authority businesses under contract authorizing billing for services to non-indigent patients shall not be deemed to be in violation of the provisions of Section 1.0 of this policy in billing for such services so rendered.

**3.0 POST-EMPLOYMENT RESTRICTIONS REGARDING REPRESENTATION, APPEARANCE OR COMMUNICATION**

- A. Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to the Hospital Authority or a present member of the Board of Governors or any officer or employee of the Hospital Authority if the appearance or communication is made for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.
- B. Subsection A shall not apply to any individual who is, at the time of the appearance or communication, a board member, officer, or employee of a local government agency or an employee or representative of any other public agency and is appearing or communicating on behalf of that agency.
- C. The following definitions shall apply for purposes of Sections 3.0 and 4.0 only:
  - 1. “Administrative action” means the proposal, drafting, development, consideration, amendment, enactment, or defeat by the ~~county~~ Hospital Authority of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.
  - 2. “Legislative action” means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the ~~board of supervisors~~ Board of Governors or by any committee or subcommittee thereof, or by a member of the ~~board of supervisors~~ Board of Governors acting in his or her official capacity.
  - 3. “Person” shall mean an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.
- D. This Section ~~3.0~~ and Section 4.0 are adopted in accordance with Government Code section 87406.3(c).

**4.0 POST-EMPLOYMENT RESTRICTIONS REGARDING AID, ADVICE OR COUNSEL**

Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving that office or employment, for compensation, aid, advise, counsel, consult or assist any other person regarding an appearance or communication which the official or employee would be prohibited from making under Section 3.0.



## 5.0 CONFLICT OF INTEREST CODE

- A. The Political Reform Act requires state and local government agencies, which includes the Hospital Authority to adopt and promulgate conflict of interest codes. (Gov. Code, § 81000 et seq.) The Fair Political Practices Commission has adopted a regulation, which contains the terms of a standard conflict of interest code. (Cal. Code Regs., tit. 2, § 18730.) Incorporation by reference of the terms of the regulation along with the designation of employees and the formulation of disclosure categories set forth in the attached Appendix A constitute the adoption and promulgation of the conflict of interest code of the Hospital Authority. The requirements of this conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to ~~conflict~~conflicts of interest.
- B. Designated Covered Individuals identified in the attached Appendix A shall file statements of economic interests with the Hospital Authority, who will make the statements available for public inspection and reproduction. ~~(Gov. Code, § 81008.)~~ Upon receipt of the statements of the Chairman and Members of the Board of Governors of the Hospital Authority, the Hospital Authority shall make and retain a copy and forward the original of these statements to the Board of Supervisors of the County of Kern. Statements for all other designated Covered Individuals shall be retained by the Hospital Authority.
- C. Government Code Section 87306.5 requires local agencies, which includes the Hospital Authority to submit to their code reviewing body, which, in the case of the Hospital Authority is the Kern County Board of Supervisors, a biennial report identifying changes in its conflict of interest code, or a statement that their code is not in need of amendment. An amendment is required to: (1) include new positions (including consultants) that must be designated; (2) revise the titles of existing positions; (3) deleted titles of positions that have been abolished; (4) deleted positions that manage public investments from the list of designated positions; (5) revise disclosure categories; and (6) other. No amendment is required if the ~~hospital~~Hospital authority's Authority's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property and sources of income that may foreseeably be affected materially by the decisions made by those designated positions; and the code includes all other provisions required by Government Code Section 87302. Such report shall be submitted no later than October 1 of each even-numbered year. (Gov. Code, § 87306.5(a).) When completed, the report must be mailed to the Clerk of the Board of Supervisors.

## APPENDIX A

### CONFLICT OF INTEREST CODE KERN COUNTY HOSPITAL AUTHORITY DESIGNATED COVERED INDIVIDUALS

~~Administrative Assistant (all) (contract service)~~  
Assistant Pharmacy Director  
~~Associate Hospital Administrator for Operations~~  
Associate Hospital Administrator, Behavioral Health (contract service)  
Associate Hospital Administrator, Trauma and Surgery (contract service)  
Associate Director of Medical Education  
Authority Board Coordinator (contract service)  
~~Cardiopulmonary Services Clinical Coordinator~~  
Chairman and Members of the Board of Governors  
Chief Academic Officer ~~(contract service)~~  
~~Chief Deputy County Counsel (contract service)~~  
Chief Executive Officer (contract service)  
Chief Financial Officer (contract service)  
Chief Information Officer ~~Kern Medical Center~~  
Chief Medical Officer (contract service)  
Chief Nursing Officer  
Chief Operating Officer (contract service)  
Chief Quality Officer  
Chief Strategy Officer (contract service)  
~~Clinic Practice Manager (contract service)~~  
Clinical Directors (all)  
~~Clinical Supervisors~~  
Consultants \*  
Contract Administrator  
Contract Compliance Manager (contract service)  
Credit Card Holders (all)  
~~Deputy County Counsel (contract service)~~  
Decision Support Specialist (contract service)  
~~Director of Business Office~~Director, Business Office (contract service)  
Director, Care Coordination (contract service)  
Director, Change Management (contract service)  
Director, Clinical Laboratory Services  
Director, Communications (contract service)  
Director, Community Wellness (contract service)  
Director, Employee and Labor Relations  
~~Director of Finance~~Director, Finance (contract service)  
~~Director of Human Resources Operations~~Director, Human Resources Operations (contract service)  
Director, Outpatient Integration (contract service)  
~~Director of Patient Access~~Director, Patient Access (contract service)  
Director, Performance Improvement (contract service)  
~~Director of Pharmacy Services~~Director, Pharmacy Services  
Director, Physician Recruitment (contract service)  
Director, Population Health (contract service)

Director, Radiology  
Director, Whole Person Care (contract service)  
EVS Director (contract service)  
Finance Contract Compliance Manager (contract service)  
~~Financial Planning Manager~~Financial Planning Director (contract service)  
 Fiscal Support Supervisor (assigned to General Accounting or Accounts Payable)  
 Fiscal Support Technician (assigned to Materials Management)  
Front End Revenue Cycle Manager – EMR (contract service)  
 Front End Revenue Cycle Manager – Inpatient and Emergency Department (contract service)  
 Front End Revenue Cycle Manager – Patient Financial Counseling and Outpatient Clinics (contract service)  
 Front End Revenue Cycle Manager – Pre-registration and Authorization (contract service)  
General Accounting Manager  
 Health Information Services Director  
~~Health Information Services Supervisor~~  
 Hospital Business Office Manager  
 Hospital Business Office Supervisor  
~~Hospital Chief Financial Officer~~  
~~Hospital Controller~~  
Hospital Counsel  
Health Facilities Director (contract service)  
~~Hospital Facilities Manager~~  
~~Hospital Information Systems Manager~~  
Hospital Materials Director (contract service)  
 Hospital Materials Manager  
~~Hospital Shift Manager~~  
 Hospital Payroll Manager (contract service)  
~~Hospital Risk Manager~~  
 Hospital Security Director (contract service)  
 Managed Care Consultant (contract service)  
~~Manager, Cardiopulmonary Services~~  
~~Manager, Clinical Laboratory Services~~  
~~Manager of Benefits and Compensation (contract service)~~  
~~Manager of Decision Support~~Manager, Decision Support (contract service)  
~~Manager, Organizational Development~~  
 Manager of Reimbursement (contract ~~services~~ service)  
Materials Management Operations Manager (contract service)  
 Medical Staff Department ~~Chair~~Chairs (all)  
 Medical Staff Division ~~Chief~~Chiefs (all)  
 Medical Staff Officers (elected officers only)  
~~Nursing Quality Assessment & Standards Coordinator~~  
~~Patient Access Services Manager~~  
 Patient Access Services Supervisor  
Physician Billing Manager (contract service)  
~~Radiology Manager~~  
Revenue Cycle AR Administration Manager (contract service)  
 Revenue Cycle Systems Support Manager (contract ~~services~~service)  
 Revenue Integrity Manager (contract service)  
 Senior Paralegal  
~~Senior Pharmacist~~

Special Projects Manager (contract service)

~~Supervisor of Hospital Materials Management~~

~~Therapy Services Supervisor~~ Therapy Services Manager

Vice President & General Counsel

Vice President, Administrative Services (contract service)

Vice President, Ambulatory Services (contract service)

Vice President, Human Resources (~~f/k/a Senior Director, Human Resources~~) (contract ~~service~~ service)

Workers' Compensation and Liability Manager

\*Consultants shall be included in the list of designated Covered Individuals and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in the Kern County Hospital Authority Conflict of Interest Code. -Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

#### DISCLOSURE CATEGORY

Designated Covered Individuals shall report all sources of income, interests in real property, and investments and business positions in business entities.



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed retroactive Schedule No. 9 to Agreement HA2016-036 with Cerner Corporation, an independent contractor, containing nonstandard terms and conditions, for purchase of additional modules for the Millennium Project

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed agreement with Cerner Corporation for purchase of on-line Insurance Verification/Eligibility document imaging interface, Patient Estimate interface and Address Verification applications. Cerner is the contracted vendor for the EHR for the Kern County Hospital Authority. This is an amendment within scope of the EHR project and is in accord with previous Cerner amendments. Board approval is recommended to approve 1 time Cerner fees of \$20,542.00 and monthly fees post implementation of \$2,874 or \$34,448 per year x 2 years NTE \$89,476 (includes the \$20,542.00 onetime Cerner fees).

Non approval of the transition services from Experian to Cerner amendment will cause disruption of automated insurance eligibility & verification and automated data posting back into the revenue cycle system (CPA) circumventing access to hospital benefit information required to estimate patient co-pays, deductibles and out of pocket expenses using the Patient Payment Estimator application, thus creating risk of decreased POS collections, billing claim errors related to revenue reclassification, discharge planning delays, reliance on manual & time consuming eligibility & verification processes requiring access to various payer websites (requiring PIN#s and system administrators), loss ability to archive and retrieve scanned data, increased returned mail & potential increase of bad debt expenses, and lead to decreased patient satisfaction.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to possible increases in fees throughout the duration of the agreement, assignment of payments with no approval from KCHA, third-party terms that apply to provided hardware and software without approval of Counsel, and auto-renewal of term.



## CERNER SYSTEM SCHEDULE NO. 9

This Cerner System Schedule is made on August 28, 2018 ("Effective Date"), between

**Kern County Hospital Authority ("Client")**

and

**Cerner Corporation ("Cerner")**

a local unit of government with its principal place of business at:

a Delaware corporation with its principal place of business at:

1700 Mount Vernon Ave  
Bakersfield, CA 93306-4018, USA  
Telephone: (661) 326-2000

2800 Rockcreek Parkway  
Kansas City, MO 64117, U.S.A.  
Telephone: (816) 221-1024

This Cerner System Schedule includes the sections noted below. Client agrees to purchase the products and services set forth herein, and Cerner agrees to furnish such products and services, upon the terms and conditions of this Cerner System Schedule and the Cerner Business Agreement, dated July 01, 2016, between Client and Cerner (the "Agreement").

- Facilities
- Scope of Use
- Payment Terms
- Term and Termination
- Solution Descriptions
- Pass-Through Provisions
- Assignment of Payments
- Financial Overview
- Solutions and Services
- Additional Terms and Provisions
- Scope of Services
- Execution Invoice

### KERN COUNTY HOSPITAL AUTHORITY

By: \_\_\_\_\_  
(signature)

Russell Bigler

(type or print)

Title: Chairman, Board of Governors

Purchase Order #: \_\_\_\_\_  
(if applicable)

Project Kick-off requested the week of: \_\_\_\_\_

### CERNER CORPORATION

By: \_\_\_\_\_

Teresa Waller

Title: Senior Director, Contract Management

### Client will complete the following upon execution of this Cerner System Schedule:

Client Invoice Contact: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Contact E-mail Address: \_\_\_\_\_

Client's account can be managed online at [cerner.com](http://cerner.com) by registering for Cerner eBill. To gain access to eBill, contact the Cerner Client Care Contact Center at 866-221-8877 or e-mail [ClientCareCenter@cerner.com](mailto:ClientCareCenter@cerner.com).

**REVIEWED ONLY  
NOT APPROVED AS TO FORM**

By:   
Legal Services Department



**PERMITTED FACILITIES**

For use and access by these facilities:

Name	Address	City	State/Province	Zip/Postal Code	Country
Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306-4018	USA

The parties may add or substitute Permitted Facilities by amending this section, provided Client pays any relevant scope of use expansion fees in the section below.

**SCOPE OF USE**

**Scope of Use Limits.** Client will use the following solutions in accordance with the Solution Descriptions and subject to the scope of use limits set forth below.

Solution Description	Scope of Use Metric	Scope of Use Limit	Scope of Use Metric Description
Passport eCare NEXT - Document Imaging Interface, Patient Estimates - Document Imaging Interface	Each	1	Every one considered separately.
Cerner Address Verification	Address Verifications	500	Monthly count of all address verification response transactions

**Scope of Use Expansion.** If a scope of use limit is exceeded, Client agrees to pay the additional fees below, which are valid for two (2) years after the Effective Date, and thereafter increase at a rate of five percent (5%) per year.

Solution Description	Scope of Use Metric	Extending Scope of Use Limit by	Additional Licensing Fees	Additional Monthly Support Fees	Additional Monthly Fees
Passport eCare NEXT - Document Imaging Interface	Each	1	-	-	262
Patient Estimates - Document Imaging Interface	Each	1	-	-	262

Scope of use will be measured periodically by Cerner's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g. FTEs or locations), Client will provide the relevant information (including records to verify the information) to Cerner at least one (1) time(s) per year. Client agrees that if an event occurs that will affect Client's scope of use (such as acquisition of a new hospital or other new facility), Client will promptly notify Cerner in writing of such event no later than thirty (30) days following the effective date of such event so that Client's scope of use can be reviewed. Any additional fees due under this Section will be payable within sixty (60) days following Client's receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded, and paid annually (pro-rated for any partial month).

**PAYMENT TERMS**
**SUBSCRIPTIONS**

**Monthly Fees.** The monthly subscription fees are payable annually beginning on the Effective Date.

**TRANSACTION SERVICES**

**Monthly Fees.** The monthly transaction services fees are based on the expected monthly transaction volumes set forth in the "Solutions and Services" section. The monthly fees will be invoiced each month in advance, beginning 90 days following the Effective Date.

**Monthly Overage Fees.** If Client's transaction volume in any given month exceeds the scope of use limit(s) for the transaction services as set forth in the "Scope Of Use Limits" section, the additional overage fee(s) set forth in the "Solutions and Services" section will apply. Monthly overage fees are invoiced in arrears, as incurred.

### **MANAGED SERVICES**

**One-Time Fees.** The one-time managed services fees will be paid on the Effective Date.

**Monthly Fees.** The monthly managed services fees are payable quarterly beginning on the Effective Date.

### **PROFESSIONAL SERVICES**

**Fixed Fee.** Fifty percent (50%) of the total professional services fees will be paid on the Effective Date. The remaining 50% is payable 90 days following the Effective Date.

**Fee for Service.** Professional services provided on a "time and materials" basis will be billed monthly at the rates set forth in the "Solutions and Services" section.

### **FEE INCREASES**

Cerner may increase the monthly fee for Support services and each recurring service (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) any time following the initial twelve (12) month period after such recurring service fees begin (but not more frequently than once in any twelve (12) month period) by giving Client sixty (60) days prior written notice of the price increase. The amount of any increase in the fees shall not exceed the previous calendar year's percentage increase in CPI, plus 1% per annum. Cerner may also increase the fees at any time during the term if a Cerner third party increases the fees to be paid by Cerner, with such increase being limited to the amount of increase in Cerner's fee to the third party.

### **TERM AND TERMINATION**

**Other Services.** All recurring services (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) begin on the Effective Date, and continue for the term set forth in the "Solutions and Services" section. At the end of the applicable term, each service will automatically renew for additional 12 month periods at the rate charged in the final period of the then-current term, unless either party provides the other party with written notification of its intent to terminate the relevant service no less than 60 days prior to the expiration of the applicable then-current term.

### **SOLUTION DESCRIPTIONS**

Each solution with a Solution Description has a code noted in the "Solutions and Services" section of this Cerner System Schedule, and that code can be entered at <https://solutiondescriptions.cerner.com> to view the Solution Description. These Solution Descriptions are incorporated into this Cerner System Schedule by reference. In the event a Solution Description is not published on Cerner's website, it may be attached to this Cerner System Schedule.

### **PASS-THROUGH PROVISIONS**

Where pass-through provisions are applicable to third party products and services, these provisions are referenced by a pass-through code in the "Solutions and Services" section of this Cerner System Schedule, and that code can be entered at <https://passthroughprovisions.cerner.com/> to view the pass-through provisions. These pass-through provisions are incorporated into this Cerner System Schedule by reference.





# CERNER SYSTEM SCHEDULE NO. 9

## ASSIGNMENT OF PAYMENTS

Client agrees that Cerner may assign its interest in or otherwise grant a security interest in payments due pursuant to this Cerner System Schedule in whole or in part to an assignee. Client will promptly acknowledge each assignment or granting of a security interest. Cerner will continue to perform its obligations under the Agreement following such assignment or granting of a security interest.

## FINANCIAL OVERVIEW

Description	One-Time Fees	Monthly Fees	Annual Fees
Subscriptions	-	524.00	-
Transaction Services	-	150.00	-
Managed Services	-	2,200.00	-
Professional Services			
Fixed Fee	12,942.00	-	-
Fee For Service	7,600.00	-	-
<b>TOTALS:</b>	<b>20,542.00</b>	<b>2,874.00</b>	<b>-</b>

All prices in this Cerner System Schedule are shown in US Dollar (USD).

## SOLUTIONS AND SERVICES

### SUBSCRIPTIONS

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
<b>Quote: Solutions - Experian (1-13879070003-R-4)</b>								
07642577	Passport eCare NEXT - Document Imaging Interface	1	Each	60		262		
07642684	Patient Estimates - Document Imaging Interface	1	Each	60		262		59810_EXP

### TRANSACTION SERVICES

#### One-Time and Monthly Fees

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
<b>Quote: Solutions - Experian (1-13879070003-R-4)</b>								
RC-20300-MIN	Cerner Address Verification	500	Address Verifications	60		150	SD100289_01	

#### Transaction and Overage Fees

Solution Code	Description	Qty	Scope	Transaction Usage Fees	Monthly Overage Fees	Annual Overage Fees	Solution Description Code	Pass-Through Code
<b>Quote: Solutions - Experian (1-13879070003-R-4)</b>								
RC-20300-BILL	Cerner Address Verification Overage	1	Address Verifications		0.30		SD100289_01	59800_EXP
RC-20300-TRANS	Cerner Address Verification Transaction	1	Address Verifications				SD100289_01	59800_EXP

## MANAGED SERVICES

Solution Code	Description	Qty	Scope	Monthly Range	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology- RHO (Experian) (1-13879222630-R-1)</b>									
CW-RHO-NC-1TIME	RHO One Time Fee-Non Cerner Solutions	1	Each						10400_MSR
CW-RHO-NC-RECUR	RHO Recurring Fee-Non Cerner Solutions	1	Each	1 to 78	78		2,200		10400_MSR

## PROFESSIONAL SERVICES

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
<b>Quote: Solutions - Experian (1-13879070003-R-4)</b>								
1	HDX Consulting	FFS	HDX Consulting					
			HDX Implementation Consultant	200	Hour	38	7,600	
1	TP ExperianRevWx AMT	FF	Patient Estimates - Document Imaging Interface				6,471	
1	TP SearchAmerica	FF	Passport eCare NEXT - Document Imaging Interface				6,471	

\*\*FF = Fixed Fee / FFS = Fee For Service

Professional services pricing is valid until November 28, 2018. If a Cerner System Schedule is not executed on or before such date, this pricing is considered null and void and will be subject to revision. Cerner will not schedule resources for implementation services until this Cerner System Schedule has been executed by both parties and processed by Cerner.

## ADDITIONAL TERMS AND PROVISIONS

### TRANSACTION SERVICES TERMS

These terms apply to the transaction services set forth in the "Solutions and Services" section of this Ordering Document (the "Transaction Services"). If there is a conflict between these terms and conditions and those in the Agreement, these "Transaction Services Terms" will control with respect to the Transaction Services.

#### Client Obligations

Client agrees to execute all documents and comply with all applicable procedures, rules and regulations which Cerner, the applicable Payer, clearinghouses, insurance carriers, or other third parties, or applicable law, rule or regulation may reasonably require in relation to the Transaction Services including, without limitation, rules governing record retention, non-discrimination, error resolution, obtaining patient's consent and/or authorization for the transmission of patient data. Client agrees to provide all supporting documents requested by Cerner necessary to comply with the foregoing. Client agrees to indemnify, and hold Cerner harmless from any and all claims, demands, damages, action, causes of action, liens, claims of liens, costs, losses, and expenses including attorneys' fees, of any nature arising out of or relating in any way to the failure of Client to comply with the requirements of the Transaction Services Terms.

Client grants Cerner the right to submit electronic Transactions and/or sign hard copy (paper) Transactions on Client's behalf to third-party payers or processors, including but not limited to commercial insurers, Medicare, Medicaid, and government agencies, and, where appropriate, agencies or carriers covering work-related accident or illness benefits where Client's signature is required for Transaction processing. Client acknowledges that Cerner is not responsible for the content or adjudication of any Medicare, Medicaid, work related accident or illness claim or other insurance claim and Client retains all liability on such claims and agrees to indemnify and hold Cerner harmless on account of all such claims, including the reconciliation or adjustment of any claim.

Client guarantees that all transactions submitted to the Transaction Services by Client will be on behalf of physicians or suppliers that have executed appropriate written authorizations for such submission and a true copy of such authorization will be furnished to Cerner upon request.

**Eligibility Transactions.** Cerner is required to pass on and/or obtain the following covenants from Client to the extent applicable: (a) access to eligibility information shall be restricted to the sole purpose of verification of eligibility where the recipient has requested medical services; (b) verification of eligibility under the system is not a guarantee of payment and the

## TRANSACTION SERVICES TERMS

records as to the recipient's eligibility status shall be the final authority; (c) as to eligibility information, Client agrees to indemnify and holds harmless the applicable State, its agents and employees, from any and all claims to the extent required by Cerner's suppliers' contracts with State agencies, or any Medicaid recipient who is aggrieved by the actions of Client hereunder; and (d) Client agrees to abide by the Federal and State law, rules and regulations regarding confidentiality of information.

### Limitation of Liability

In no event will any third party provider be liable for any special, indirect, incidental, speculative, punitive or consequential damages or loss of goodwill in any way relating to the Transaction Services or resulting from the use of or inability to use the Transaction Services or the performance or non-performance of any services, including, without limitation damages for loss of profits, data or use incurred by Client or any third party, even if that third party provider has been notified of the possibility of such damages. **IN NO EVENT WILL ANY THIRD PARTY SOFTWARE PROVIDER'S LIABILITY FOR ANY COSTS, EXPENSES, OR DAMAGES TO CLIENT OR ANY THIRD PARTY, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHERWISE, EVER EXCEED THE AMOUNT RECEIVED BY CERNER FROM CLIENT FOR THE APPLICABLE TRANSACTION SERVICES DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE ACTION.**

### Miscellaneous

Each party will obtain any license, permit or authorization required by law in connection with those aspects of the transmission process for which it is responsible for the Transaction Services. Cerner may contract with third parties to perform any or all of the Transaction Services.

## SCOPE OF SERVICES

This section defines the service deliverables ("**Scope**") for the services set forth in this Cerner System Schedule.

### MANAGED SERVICES

#### REMOTE HOSTING OPTION (RHO) SERVICES

##### SCOPE OF USE LIMITS

**Non-Cerner Applications.** The managed services fees set forth in the "Solutions and Services" section of this Ordering Document are based on the following scope of use limits, and apply only to RHO services for the non-Cerner application(s) set forth below:

Scope of Use Metric	Scope of Use Limit
Non-Cerner Applications to be Hosted	Experian

##### OTHER SCOPE LIMITS

Experian

- (1) Production domain servers, (1) Non-Production domain server
- Cerner will install the Experian Nextbar application agent on the RHO Production Domain Millennium Citrix servers and Non-Production Domain Citrix servers (as needed)
- If applicable, existing Image Aware Virtual Archive/CAMM will be leveraged; images to be stored will count toward Virtual Archive/CAMM defined scope of use limits

General Assumptions

## REMOTE HOSTING OPTION (RHO) SERVICES

- In addition to the items set forth below, the basic roles and responsibilities of Cerner and Client for the hosting of non-Cerner applications will be the same as set forth in the Ordering Document originally executed between the parties for RHO services.
- Cerner provides the Layered Software needed to deliver core RHO services (e.g., OS, middleware etc.).
- Managed services fees do not include Licensed Software, Sublicensed Software, Licensed Software Support, or Maintenance related to the non-Cerner applications.
- Client will perform application maintenance duties as recommended by non-Cerner application provider (e.g. application access, create/maintain batch queues, data/file purging, custom forms/menus, custom tables/objects, refresh/replication items, etc.), if applicable. Cerner will assist with system level items if required.
- Client is responsible for purchasing or providing application related services for implementation, system/data migrations, release upgrades or updates, consulting services or support. Cerner will provide basic assistance with initial installation or migration of the application to Cerner (e.g., load media, etc.).
- RHO services fees include installation and technical support for up to 1 major application release upgrade every 3 years during the Term of the agreement, unless otherwise noted.
- Future modifications to the technical requirements from the non-Cerner application provider (e.g., hardware platform, storage, network, database, tools, etc.), may result in additional hosting fees.
- Client will manage and monitor interfaces between application and other systems; including cycling systems (as needed), modifications of interfaces and connectivity to and from non-Cerner hosted applications (as needed). Interfaces shall connect between Client network (LAN/WAN) into the Cerner provisioned WAN circuit(s) or via a secured internet connection.
- Client will transfer non-Cerner application provider technical support entitlements to Cerner, if possible. Client will also engage application provider to assist with application/database management activities and issue resolution if support entitlements cannot be transferred and application provider does not permit Cerner to perform such activities.
- Client will allow Cerner to perform a security risk audit on non-Cerner applications hosted in the CTC. Client will also work with application provider to address and resolve any security vulnerabilities pertaining to non-Cerner applications hosted in the CTC. In the event Cerner identifies that a non-Cerner application poses a security risk to Cerner's data center, Cerner may suspend or limit use of such application. If security vulnerability is unable to be mitigated within a reasonable timeframe, Cerner will work with Client to identify an alternative hosting arrangement and RHO fees will be adjusted if applicable.
- Client will obtain necessary consent from third party suppliers for Cerner to provide hosting services for non-Cerner applications.
- System Availability commitments for the non-Cerner applications specified in this Ordering Document shall be the same as those set forth in the Ordering Document originally executed between the parties for Millennium RHO services. Issues caused by the non-Cerner application or application provider delays are excluded from System Availability commitments and credits (e.g. application provider delays or declines to engage directly with Cerner, application provider's support hours are not 24x7, etc.). Such credits shall be calculated against RHO hosting fees for the non-Cerner applications defined in this Ordering Document.

## SCOPE OF USE EXPANSION

In the event a scope of use limit set forth in the "Scope of Use Limits" section of this Scope is exceeded, Client agrees to expand the scope of use and pay the additional managed services fees set forth below for the applicable scope limit that has been exceeded.

Non-Cerner Applications			
Scope of Use Metric	Extending Scope of Use Limit By	Additional One-Time Fees	Additional Monthly Fees
Experian Servers	(1) Server	0	500

All Prices are in US Dollar (USD)

Client's scope of use will be measured periodically by Cerner's system tools. Client agrees that if an event occurs that will materially affect Client's scope of use (such as acquisition of a new facility, change in number of Users, change in number of

## REMOTE HOSTING OPTION (RHO) SERVICES

thick Client workstations, etc.), Client will promptly notify Cerner in writing no more than 60 days following the effective date of such event so that Client's scope of use can be reviewed.

## PROFESSIONAL SERVICES

**Third Party Services.** Capitalized terms used in third party statements of work shall have the meanings ascribed to them herein, or as set forth in the applicable third party's pass-through provisions. Where there is a conflict between the definitions in third party statements of work and the Agreement, the definitions in this Scope of Services section shall control, but only with regards to the subject matter set forth herein.

### EXPERIAN HEALTH SCOPE OF WORK

(07642791)

<b>Supplier Responsibilities</b>	<ul style="list-style-type: none"> <li>Setting up and testing of interface to support delivery of PPE standard documents</li> <li>Configuration for document naming conventions</li> <li>User training</li> </ul>
<b>Client Responsibilities</b>	<ul style="list-style-type: none"> <li>Assign a project manager who will organize Client resources as necessary to achieve the testing and implementation of this service</li> <li>Supply any and all data connectivity necessary for Experian Health to deliver these services</li> </ul>
<b>Project Assumptions</b>	<ul style="list-style-type: none"> <li>Client has met its Client responsibilities</li> <li>PPE - Patient Estimates has been or is being implemented at the same time as this service</li> <li>Either Passport eCare NEXT - In-Process Scripting + Touchless Processing or Passport eCare NEXT - HL7 + Touchless Processing or Passport eCare NEXT Eligibility Set-up for Patient Estimates Only have already been implemented or are being implemented at the same time as this service</li> <li>Work is performed remotely unless otherwise noted or agreed upon</li> </ul>

### EXPERIAN HEALTH SCOPE OF WORK

Passport eCare NEXT – Document Imaging Interface

(07642411)

<b>Tasks/Activities</b>	<ul style="list-style-type: none"> <li>All tasks relate to both Passport eCare NEXT - In-Process Scripting + Touchless Processing and Passport eCare NEXT - HL7 + Touchless processing unless otherwise stated</li> </ul>
<b>Supplier Tasks/Activities</b>	<ul style="list-style-type: none"> <li>Milestone 1:             <ul style="list-style-type: none"> <li>Enrollment and administrative set-up</li> <li>Project introduction – kickoff</li> </ul> </li> <li>Milestone 2:             <ul style="list-style-type: none"> <li>Implementation initiation and project plan scope</li> <li>Virtual private network (VPN)/firewall connectivity set up and testing</li> <li>Interface connectivity set up and testing</li> <li>In Process Scripting (IPS) development workstation connectivity</li> <li>System configuration:                 <ul style="list-style-type: none"> <li>Complete build of payer and relationship lists</li> <li>Complete eligibility verification rules</li> <li>Complete standard alert build list</li> <li>Perform alerts review with Client</li> <li>Build and test custom alerts per alerts review</li> </ul> </li> </ul> </li> </ul>

**EXPERIAN HEALTH SCOPE OF WORK**

 Passport eCare NEXT – Document Imaging Interface  
 (07642411)

	<ul style="list-style-type: none"> <li>▪ Incorporate alerts from other products installed</li> <li>▪ Complete and validate work queue configuration</li> <li>○ In process scripting development</li> <li>○ User acceptance testing</li> <li>• Milestone 3:                             <ul style="list-style-type: none"> <li>○ User training</li> <li>○ Optimizations                                     <ul style="list-style-type: none"> <li>▪ Continue weekly status calls and action item review</li> <li>▪ Perform 30 day post go live optimization</li> </ul> </li> </ul> </li> </ul>
<b>Client Tasks/Activities</b>	<ul style="list-style-type: none"> <li>• Assign a project manager who will organize Client resources as necessary to achieve the testing and implementation of this service. Supply any and all data, connectivity necessary for Experian Health to deliver these services.</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>• Configured Passport eCare NEXT bar</li> </ul>
<b>Project Assumptions</b>	<ul style="list-style-type: none"> <li>• Client has met its Client responsibilities</li> <li>• Work is performed remotely unless otherwise noted or agreed upon</li> </ul>



**Client:** Kern County Hospital Authority  
 1700 Mount Vernon Ave  
 Bakersfield, CA 93306-4018

**Invoice No:** EXEC CSS No. 9  
**Invoice Date:** Effective Date  
**Due Date:** Effective Date

**Remit:** **Via FedEx:**  
**Cerner Corporation**  
 Attn: Accounts Receivable, 5th Floor  
 2800 Rockcreek Parkway  
 Kansas City, MO 64117

**OR** **Via Wire Transfer:**  
 ABA Routing Number: 101000187  
 Bank: US Bank  
 For Further Deposit to Bank Account: 5290000743

**TOTAL AMOUNT DUE: \$19,359**

Sales tax, if applicable, will be invoiced separately.

Description	Total Solution Amount	Percent Payable	Net Amount
SUBSCRIPTION MONTHLY FEES - Year 1	\$6,288	100%	\$6,288
MANAGED SERVICES MONTHLY FEES - 1st Quarter	\$6,600	100%	\$6,600
PROFESSIONAL SERVICES FEES - Fixed Fee	\$12,942	50%	\$6,471
<b>Grand Total:</b>			<b>\$19,359</b>



## BOARD OF GOVERNORS KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 19, 2018

**Subject:** Proposed retroaction Schedule 10 to Agreement HA2016-036 with Cerner Corporation, an independent contractor, containing nonstandard terms and conditions, for the purchase of implementation and customization services, hardware, and licensing to be used at County of Kern Correctional Medicine facilities.

**Requested Action:** Approve; Authorize Chairman to sign

### Summary:

Kern Medical requests your Board approve the proposed agreement with Cerner Corporation for the purchase of implementation and customization services, hardware, and licensing to be used at County of Kern Correctional Medicine facilities. Kern Medical currently provides healthcare services within the County of Kern's Correctional facilities; including Lerdo Max-Med, Lerdo Pretrial, Central Receiving Facility, Justice Facility, Juvenile Hall, Camp Erwin Owen and Crossroads. Currently, medical records for services provided at the correctional facilities are kept in paper form and not available electronically which delays treatment when additional care is required outside of the correctional facility. This lack of portability hinders the continuum of care while incarcerated and leads to redundancies, inefficiencies, and a cumbersome transition to the post-incarceration healthcare setting.

Kern Medical is requesting your Board's authorization of this agreement to implement and customize, purchase hardware and secure licensing for the use of Cerner's Electronic Health Record (EHR) at the correctional facilities. As the provider of services at the correctional facilities, Kern Medical develops a budget working collaboratively with the Kern County Sheriff Office (KCSO) and the Kern County Administrative Office (CAO). Kern Medical is currently working with the CAO to provide for the reimbursement of these costs through the correctional medicine agreement.

The \$3,816,000 is comprised of a one-time up-front payment of \$2,688,001, monthly fees of \$8,750 and annual fees of \$34,811, \$32,950, \$32,950, \$32,950, \$32,486, \$32,486, and \$2,708 in years 1, 2, 3, 4, 5, 6 and 7, respectively.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to possible increases in fees throughout the duration of the agreement, assignment of payments with no approval from KCHA, third-party terms that apply to provided hardware and software without approval of Counsel, and auto-renewal of term.





CERNER SYSTEM SCHEDULE NO. 10

This Cerner System Schedule is made on September 14, 2018 ("Effective Date"), between

Kern County Hospital Authority ("Client") and

Cerner Corporation ("Cerner")

a local unit of government with its principal place of business at:

a Delaware corporation with its principal place of business at:

1700 Mount Vernon Ave
Bakersfield, CA 93306-4018, USA
Telephone: (661) 326-2000

2800 Rockcreek Parkway
Kansas City, MO 64117, U.S.A.
Telephone: (816) 221-1024

This Cerner System Schedule includes the sections noted below. Client agrees to purchase the products and services set forth herein, and Cerner agrees to furnish such products and services, upon the terms and conditions of this Cerner System Schedule and the Cerner Business Agreement, dated July 01, 2016, between Client and Cerner (the "Agreement").

- Facilities
Scope of Use
Payment Terms
Term and Termination
Solution Descriptions
Pass-Through Provisions
Assignment of Payments
Financial Overview
Solutions and Services
Additional Terms and Provisions
Scope of Services
Equipment Delivery
Event Activity Report
Execution Invoice

KERN COUNTY HOSPITAL AUTHORITY

CERNER CORPORATION

By: (signature)

By: (signature)

Russell Bigler
(type or print)

Teresa Waller

Title: Chairman, Board of Governors

Title: Senior Director, Contract Management

Purchase Order #: (if applicable)

Project Kick-off requested the week of:

Client will complete the following upon execution of this Cerner System Schedule:

Client Invoice Contact:

Contact Phone #:

Contact E-mail Address:

Client's account can be managed online at cerner.com by registering for Cerner eBill. To gain access to eBill, contact the Cerner Client Care Contact Center at 866-221-8877 or e-mail ClientCareCenter@cerner.com.

REVIEWED ONLY
NOT APPROVED AS TO FORM



By: (signature)
Legal Services Department

## PERMITTED FACILITIES

For use and access by these facilities:

Name	Address	City	State/Province	Zip/Postal Code	Country
Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306-4018	USA

The parties may add or substitute Permitted Facilities by amending this section, provided Client pays any relevant scope of use expansion fees in the section below.

## SCOPE OF USE

**Scope of Use Limits.** Client will use the following solutions in accordance with the Solution Descriptions and subject to the scope of use limits set forth below.

Solution Description	Scope of Use Metric	Scope of Use Limit	Scope of Use Metric Description
Content360 Document Imaging	Department	7	A functional or territorial division of a facility or organization
Cerner Workflow Authentication	Users	2	Total number of individuals authorized by Client to use the Licensed Software under the Agreement, regardless of whether the user is actively using the Licensed Software at any given time. The user is registered in the System and has a unique sign-on.
Cerner ePrescribe Package	Providers	2	A health professional legally able to write prescriptions - physicians (M.D., D.O.), physicians' assistants, or other advanced practitioners.

**Scope of Use Expansion.** If a scope of use limit is exceeded, Client agrees to pay the additional fees below, which are valid for two (2) years after the Effective Date, and thereafter increase at a rate of five percent (5%) per year.

Solution Description	Scope of Use Metric	Extending Scope of Use Limit by	Additional Licensing Fees	Additional Monthly Support Fees	Additional Monthly Fees
Content360 Document Imaging	Department	1	80,000	1,333	-
Cerner Workflow Authentication	Users	1	-	-	15

Scope of use will be measured periodically by Cerner's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g. FTEs or locations), Client will provide the relevant information (including records to verify the information) to Cerner at least one (1) time(s) per year. Client agrees that if an event occurs that will affect Client's scope of use (such as acquisition of a new hospital or other new facility), Client will promptly notify Cerner in writing of such event no later than thirty (30) days following the effective date of such event so that Client's scope of use can be reviewed. Any additional fees due under this Section will be payable within sixty (60) days following Client's receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded, and paid annually (pro-rated for any partial month).

**Scope of Use Expansion: Shared Computing Services.** The quantities in the "Solutions and Services" section represent the scope of use limits for each service. If a scope of use limit is exceeded, Client agrees to expand the scope of use at Cerner's then-current fees. Scope of use will be measured periodically by Cerner's system tools. Any additional fees will begin on the date the limit was exceeded, and paid within 30 days following Client's receipt of an invoice for such fees.

## PAYMENT TERMS

### LICENSED SOFTWARE

**One-Time Fees.** Fifty percent (50%) of the total one-time Licensed Software fees will be paid on the Effective Date. The remaining 50% will be paid 90 days following the Effective Date.

**SOFTWARE SUPPORT**

Monthly Fees. The monthly Support fees are payable annually beginning on the Effective Date.

**SUBSCRIPTIONS**

Monthly Fees. The monthly subscription fees are payable annually beginning on the Effective Date.

**SHARED COMPUTING SERVICES**

Monthly Fees. The monthly Shared Computing Services fees are payable annually beginning on the Effective Date.

**MANAGED SERVICES**

One-Time Fees. The one-time managed services fees will be paid on the Effective Date.

Monthly Fees. The monthly managed services fees are payable quarterly beginning on the Effective Date.

**PROFESSIONAL SERVICES**

Fixed Fee. Fifty percent (50%) of the total professional services fees will be paid on the Effective Date. The remaining 50% is payable 90 days following the Effective Date.

**EQUIPMENT AND SUBLICENSSED SOFTWARE**

One-Time Fees. The one-time Equipment/Sublicensed Software fees are payable upon shipment of the Equipment/Sublicensed Software.

Shipping. Client will pay standard shipping and handling fees, not to exceed \$1,883 USD. Additional fees may apply if Client requests expedited shipping. Notwithstanding any other agreement between the parties regarding shipping terms, the items set forth in this Cerner System Schedule shall be shipped FOB the manufacturer's plant.

**EQUIPMENT AND SUBLICENSSED SOFTWARE MAINTENANCE**

Initial Fees. The total amount of the extended initial Maintenance fees will be paid upon shipment of the applicable Equipment/Sublicensed Software.

Ongoing Fees. The total amount of the extended ongoing Maintenance fees are payable annually, beginning upon shipment of the applicable Equipment/Sublicensed Software, or directly following the completion of the initial term.

**FEE INCREASES**

Cerner may increase the monthly fee for Support services and each recurring service (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) any time following the initial twelve (12) month period after such recurring service fees begin (but not more frequently than once in any twelve (12) month period) by giving Client sixty (60) days prior written notice of the price increase. The amount of any increase in the fees shall not exceed the previous calendar year's percentage increase in CPI, plus 1% per annum. Cerner may also increase the fees at any time during the term if a Cerner third party increases the fees to be paid by Cerner, with such increase being limited to the amount of increase in Cerner's fee to the third party.

**TERM AND TERMINATION**

**Software Support.** Support services begin on the Effective Date, and continue until terminated pursuant to the Agreement.

**Equipment and Sublicensed Software Maintenance.** Maintenance warranties, if any, begin on the earlier of installation, or 30 days after shipment of the equipment and/or sublicensed software. Maintenance services will continue for an initial term of twelve (12) months, or such longer period as set forth in the "Solutions and Services" section of this Cerner System Schedule. Maintenance may renew for additional periods of the same duration, by written agreement given by the parties no less than 90 days prior to the expiration of the applicable then-current term. Cerner may terminate maintenance services if Client fails to pay

invoices for maintenance. All unpaid charges for maintenance will be immediately due and payable upon such termination. Client will pay all applicable penalties or fees if maintenance services are terminated, then later reinstated.

**Other Services.** All recurring services (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) begin on the Effective Date, and continue for the term set forth in the "Solutions and Services" section. At the end of the applicable term, each service may renew for additional 12 month periods at the rate charged in the final period of the then-current term by written agreement of the parties no less than 90 days prior to the expiration of the applicable then-current term.

## SOLUTION DESCRIPTIONS

Each solution with a Solution Description has a code noted in the "Solutions and Services" section of this Cerner System Schedule, and that code can be entered at <https://solutiondescriptions.cerner.com> to view the Solution Description. These Solution Descriptions are incorporated into this Cerner System Schedule by reference. In the event a Solution Description is not published on Cerner's website, it may be attached to this Cerner System Schedule.

## PASS-THROUGH PROVISIONS

Where pass-through provisions are applicable to third party products and services, these provisions are referenced by a pass-through code in the "Solutions and Services" section of this Cerner System Schedule, and that code can be entered at <https://passthroughprovisions.cerner.com/> to view the pass-through provisions. These pass-through provisions are incorporated into this Cerner System Schedule by reference.

## ASSIGNMENT OF PAYMENTS

Client agrees that Cerner may assign its interest in or otherwise grant a security interest in payments due pursuant to this Cerner System Schedule in whole or in part to an assignee. Client will promptly acknowledge each assignment or granting of a security interest. Cerner will continue to perform its obligations under the Agreement following such assignment or granting of a security interest.

## FINANCIAL OVERVIEW

Description	One-Time Fees	Monthly Fees	Annual Fees
Licensed Software	17,500.00	-	-
Software Support	-	262.00	-
Subscriptions	-	30.00	-
Shared Computing Services	-	125.00	-
Managed Services	16,667.00	8,333.00	-
Professional Services			
Fixed Fee	2,374,043.00	-	-
Equipment	78,279.00	-	-
Sublicensed Software	201,512.00	-	-
Equipment and Sublicensed Software Maintenance			
Year 1	-	-	34,810.28
Year 2	-	-	32,949.98
Year 3	-	-	32,949.98
Year 4	-	-	32,949.98
Year 5	-	-	32,485.64
Year 6	-	-	32,485.64
Year 7	-	-	2,707.14
<b>TOTALS:</b>	<b>2,688,001.00</b>	<b>8,750.00</b>	<b>201,338.64</b>



# CERNER SYSTEM SCHEDULE NO. 10

All prices in this Cerner System Schedule are shown in US Dollar (USD).

## SOLUTIONS AND SERVICES

### LICENSED SOFTWARE

Solution Code	Description	Qty	Scope	One-Time Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - Content360 Extension (1-14019892561-R-4)</b>							
CTP-CTRQ-DEPT	Work Queue Management Department License	7	Department	17,500	263	SD100664_02	

### SUBSCRIPTIONS

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - EPCS Add On License (1-14073977581-R-1)</b>								
CTP-CERN-WORKFLOWC	Cerner Workflow Authentication	2	Users	73		30	CTP-CERN-WORKFLOWC_01	

### SHARED COMPUTING SERVICES

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
<b>Quote: Solutions (1-14075726869-R-1)</b>								
PS-20080C-I	Cerner ePrescribe Package	2	Providers	60		125	SD100258_01	8301_SUR

### MANAGED SERVICES

Solution Code	Description	Qty	Scope	Monthly Range	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - RHO (Add Users) (1-14069923161-R-1)</b>									
CFG_CMS	CernerWorks	1	Each						
CTS-RHO1TIME	Remote Hosting (One-time Setup Fees)	1	Each			16,667			10400_MSR
CTS-RHORECUR	Remote Hosting (Recurring Fees)	1	Each	1 to 73	73		8,333		10400_MSR

### PROFESSIONAL SERVICES

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
<b>Quote: Learning Services (1-14018108021-R-3)</b>								
1	Conversion Support	FF	End-User Conversion Support					
			Conversion Support	760	Shifts	210	159,600	
1	EUT, TTT, LearnLab	FF	Training (EUT, TTT, Learning Lab)				29,120	
1	Learning Consulting	FF	Learning Consulting				179,200	

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
<b>Quote: Professional Services (1-14018108451-R-3)</b>								
1	Clinical Adop- Ph 1	FF	Clinical Adoption				36,000	
1	Consulting- Phase 1	FF	Access Management				24,000	
1	Consulting- Phase 1	FF	Engagement Management				120,000	
1	Consulting- Phase 1	FF	Foundations				30,000	
1	Consulting- Phase 1	FF	PathNet				24,000	
1	Consulting- Phase 1	FF	PowerChart Ambulatory				148,800	
1	Consulting- Phase 1	FF	PowerChart Maternity (Womens Health)				42,000	



Kern County Hospital Authority  
1-6C9GT9E  
August 12, 2018



# CERNER SYSTEM SCHEDULE NO. 10

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
<b>Quote: Professional Services (1-14018108451-R-3)</b>								
1	Consulting- Phase 1	FF	RadNet				42,000	
1	PowerInsight- Ph 1	FF	PowerInsight				24,000	
1	RevWorks Phase 1	FF	Access Management				120,000	
1	RevWorks Phase 1	FF	Foundations				48,000	
1	RevWorks Phase 1	FF	Health Information Management				90,000	
1	RevWorks Phase 1	FF	Implementation Services				21,480	
1	RevWorks Phase 1	FF	Patient Accounting				60,000	
1	RevWorks Phase 1	FF	PowerChart Ambulatory				85,680	
1	Supply Chain Ph 1	FF	Supply Chain				24,000	
2	Clinical Adop- Ph 2	FF	Clinical Adoption				36,000	
2	CCL- Phase 2	FF	CCL				60,000	
2	Consulting- Phase 2	FF	CareNet				90,000	
2	Consulting- Phase 2	FF	Engagement Management				240,000	
2	Consulting- Phase 2	FF	Foundations				55,320	
2	Consulting- Phase 2	FF	PharmNet				225,000	
2	Consulting- Phase 2	FF	Point of Care				24,000	
2	Consulting- Phase 2	FF	PowerChart				90,000	
2	RevWorks Phase 2	FF	Access Management				60,000	
2	RevWorks Phase 2	FF	Foundations				12,000	

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
<b>Quote: Technology - Content360 Extension (1-14019892561-R-4)</b>								
1	ATG Doc Imaging FF	FF	Content360 - Single Document Capture Extension				42,705	
1	ATG Doc Imaging FF	FF	Work Queue Management for Ambulatory Extension				2,925	
1	ATG Doc Imaging FF	FF	Work Queue Management for Scheduling Extension				85,313	
1	ATG ESIGFF	FF	Content360 - Patient eSignature Extension				42,900	

\*\*FF = Fixed Fee / FFS = Fee For Service

Professional services pricing is valid until November 12, 2018. If a Cerner System Schedule is not executed on or before such date, this pricing is considered null and void and will be subject to revision. Cerner will not schedule resources for implementation services until this Cerner System Schedule has been executed by both parties and processed by Cerner.

## EQUIPMENT

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - Content360 Extension (1-14019892561-R-4)</b>									
11	CFG_ESIGNATURE	Cerner Patient eSignature Solution - Patient Access	1	Each					

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - EQ for Corrections DSA (1-14108946271-R-2)</b>									
1	3000025848373	OptiPlex 3050 SFF	8	Each	748.00	5,984.00			
2	3000025847792	Dell 24 Monitor - P2417H	8	Each	208.00	1,664.00			
3	3000025847792	Dell 24 Monitor - P2417H	20	Each	208.00	4,160.00			
4	TAN-M12-4GB	Tangent Medix M12 Tablet	2	Each	1,820.00	3,640.00			
5	3000025849113	Dell Precision 7530	18	Each	1,379.00	24,822.00			
6	3000025881814	Dell Precision Dual USB-C Thunderbolt Dock - TB18DC	1	Each	186.00	186.00			
7	DS8178-HCBU210MS5W	DS8178-HC FIPS Desk/Wall Cradle USB KIT: DS8178-HCMF00BVMWW	24	Each	514.00	12,336.00			
8	DS8108-	DS8108-HC USB KIT: Scanner and	12	Each	202.00	2,424.00			

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - EQ for Corrections DSA (1-14108946271-R-2)</b>									
	HCBU2104ZVW	Shielded USB Cable							
9	20-71043-0BR	Gooseneck Intellistand – DS8108 DS4308 (HC White)	8	Each	32.00	256.00			
10	HC100-3001-1100	HC100 wristband printer w/ Serial/USB/Ethernet, Enhanc	7	Each	414.00	2,898.00			
11	ZD41H22-D01E00EZ	DT Printer ZD410 Healthcare, 2", 203 dpi, US cord, USB, USB	17	Each	280.00	4,760.00			
12	ZT41042-T010000Z	ZT410 Thermal Printer,203dpi,DT/TT,ZPL,USB,Eth	1	Each	795.00	795.00			
13	35S5700	LEXMARK : Lexmark MX310dn	3	Each	423.00	1,269.00			4800_LEX

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - iAccess/Imprivata licenses and reader (1-14071783021-R-1)</b>									
3	HDW-IMP-60	Imprivata Proximity USB Reader - HID (Qty 25-99)	67	Each	80.00	5,360.00			100004

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - PDI Equipments (1-14108773010-R-1)</b>									
1	WACOM DTU-1031X	Wacom DTU-1031X Pen Display, 10.1" color LCD w/ 1024x600 res	4	Each	400.00	1,600.00			
2	PA03670-B085	Fujitsu fi-7160 Document Scanner	7	Each	875.00	6,125.00			

At the time of the actual order, Cerner may substitute individual equipment items listed above based on availability and technological advancements. Cerner and Client may also agree to replace certain equipment items with other Cerner offerings. If the substitution items result in an increase in fees, Cerner and Client will discuss the fee increase prior to ordering such items.

### SUBLICENSED SOFTWARE

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - Content360 Extension (1-14019892561-R-4)</b>										
1	CFG_CPDI_SW	CPDI - Imaging Software	1	Each						
2	EE#T024-001U-CER	1 concurrent station(enterprise)	5	Each	2,800.00	14,000.00				
3	EE#Y024-600K-CER	Image vol 600K/yr-Ent	1	Each	8,531.32	8,531.32				
9	1000005214	APPLICATIONXTENDER PACKAGE - 5 CC USER PACK	3	Each	19,000.00	57,000.00				3100_EAX
10	1000005306	APPLICATIONXTENDER PACKAGE - 25 CC USER PACK	1	Each	95,000.00	95,000.00				3100_EAX
13										
13	CT-ESIG-CLIN	Patient eSignature - Clinic License - Patient Access	5	Each	4,500.00	22,500.00				

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - EPCS Add On License (1-14073977581-R-1)</b>										
1	CID-EPCS-CW-25	CID-EPCS-Cwkflow (25-199)	2	Each	150.00	300.00				100004

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - iAccess/Imprivata licenses and reader (1-14071783021-R-1)</b>										



# CERNER SYSTEM SCHEDULE NO. 10

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
<b>Quote: Technology - iAccess/Imprivata licenses and reader (1-14071783021-R-1)</b>										
1	SSO/AM-1500	License: OneSign SSO/AM 1,500-1,999 Users	90	Each	39.00	3,510.00				100004
2	SSPW-1500	License: OneSign SSPW Management 1,500-2,499 Users	90	Each	7.45	670.68				100004

## EQUIPMENT AND SUBLICENSED SOFTWARE MAINTENANCE

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
<b>Quote: Technology - Content360 Extension (1-14019892561-R-4)</b>								
2	EE#T024-001U-CER	1 concurrent station(enterprise)	24x7 M-Su Phone Support	5	0	0.00	73	15,695.00
3	EE#Y024-600K-CER	Image vol 600K/yr-Ent	24x7 M-Su Phone Support	1	0	0.00	73	9,341.81
13	CT-ESIG-CLIN	Patient eSignature - Clinic License - Patient Access	24x7 M-Su Phone Support	5	0	0.00	73	24,637.50
9	1000005214	APPLICATIONXTENDER PACKAGE - 5 CC USER PACK	24x7 M-Su Phone Support	3	0	0.00	73	55,480.00
10	1000005306	APPLICATIONXTENDER PACKAGE - 25 CC USER PACK	24x7 M-Su Phone Support	1	0	0.00	73	92,466.67

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
<b>Quote: Technology - EPCS Add On License (1-14073977581-R-1)</b>								
1	CID-EPCS-CW-25	CID-EPCS-Cwflow (25-199)	IMP Prem Virtual 24x7 M-Su Phone Support	2	0	0.00	12	80.00

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
<b>Quote: Technology - iAccess/Imprivata licenses and reader (1-14071783021-R-1)</b>								
1	SSO/AM-1500	License: OneSign SSO/AM 1,500-1,999 Users	IMP Prem Virtual 24x7 M-Su Phone Support	90	0	0.00	12	1,260.04
2	SSPW-1500	License: OneSign SSPW Management 1,500-2,499 Users	IMP Premium 24x7 M-Su Phone Support	90	0	0.00	12	291.60

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
<b>Quote: Technology - PDI Equipments (1-14108773010-R-1)</b>								
2	S7160-AEPWNBD-1	fi-7160 1 Year Advance Exchange	9x5 M-F Advanced Exchange	7	12	693.00	0	0.00
2	PA03670-B085	Fujitsu fi-7160 Document Scanner	9x5 M-F Advanced Exchange	7	12	0.00	36	1,393.02

At the time of the actual order, Cerner may substitute individual technology solutions based on availability and/or technological advancements. In the event of a substitution, the corresponding Maintenance services and fees are subject to change for the substituted items. If the substitution Maintenance services result in an increase in fees, Cerner and Client will discuss the fee increase prior to ordering such Maintenance services.



## ADDITIONAL TERMS AND PROVISIONS

## EQUIPMENT AND SUBLICENSSED SOFTWARE MAINTENANCE TERMS

**Maintenance Services for Equipment.** Maintenance services for Equipment are: (a) initial determination of the source of the problem, problem management, critical situation escalation and recovery services; (b) dispatching and coordinating the activities of the third party maintenance supplier; (c) communicating with the third party maintenance supplier throughout the resolution of the issue; (d) field change orders; and (e) inclusion of Equipment issues in a tracking database. Maintenance services for Equipment do not include consumables.

**Maintenance Services for Sublicensed Software.** Maintenance services for Sublicensed Software are: (a) initial determination of the source of the problem, problem management, critical situation escalation and recovery services; (b) providing all new versions, modifications, and patches of Sublicensed Software that Cerner is authorized to distribute; (c) communicating with third party maintenance providers throughout the resolution of the issue, (d) inclusion of Sublicensed Software issues in a tracking database.

**Maintenance Renewals.** The initial term for maintenance is set forth in the "Solutions and Services" section of this Cerner System Schedule, and may renew for additional periods of the same duration, by written agreement given by the parties no less than 90 days prior to the expiration of the applicable then-current term. Client will also notify Cerner of any Equipment items that are no longer being used by Client, and therefore no longer require maintenance. Cerner may terminate maintenance services if Client fails to pay invoices for maintenance.

**Equipment Coverage Levels.**

**24x7 M-Su 4 HR.** Monday through Sunday, 24 hours per day, 365 days per year, on-site coverage. Service effort is continuous until problem is resolved. 24x7 4 HR service does not guarantee that service will be completed same day due to part availability.

**9x5 M-F 4 HR.** Monday through Friday, 8 AM to 5 PM CST, on-site coverage. Service effort is continuous until problem is resolved, excluding country holidays. On-site coverage does not guarantee that service will be completed same day due to part availability.

**9x5 M-F Next Business Day.** Monday through Friday, 8 AM to 5 PM CST with the objective of completion the next business day.

**9x5 M-F Depot.** Monday through Friday, 8 AM to 5 PM CST for service calls. Equipment is shipped to the manufacturer where it is repaired and returned to Client's facility.

**9x5 M-F Advanced Exchange.** Monday through Friday, 8 AM to 5 PM CST for service calls. A replacement will be shipped the next business day and requires return of the replaced equipment within 15 days of receiving the replaced device. Service requests placed after 1 PM CST cannot be guaranteed next business day delivery. If more than one device is being requested for replacement, one will be Advance Exchange and the remaining will be returned on a best effort basis depending upon availability of replacements.

**Sublicensed Software Coverage Levels.** Service effort is continuous until the problem is resolved.

**24x7 M-Su Phone Support.** Monday through Sunday, 24 hours per day, 365 days per year.

**Changes to Maintenance Services.** Changes to maintenance services must be requested in writing by Client, and will take effect within 60 days after receipt of a signed change order.

Technology components can be added to maintenance coverage if they are in good working order. If a component is not in good working order, Cerner can arrange for it to be repaired on a time and materials basis prior to being placed on maintenance. Serial numbers must be provided.

**Inventory.** Client will review all Maintenance renewal letters to ensure accuracy, and to avoid charges for uncovered items. Client will provide Cerner with any missing or incorrect serial numbers as soon as possible to keep records current. Client will notify Cerner when technology components are replaced.

## EQUIPMENT AND SUBLICENSED SOFTWARE MAINTENANCE TERMS

**Upgrades.** Maintenance services do not include hardware/technology updates. Maintenance services include software updates once they become available and have been certified for use by Cerner.

**Pricing and Allowances.** Equipment and/or Sublicensed Software maintenance pricing and allowances granted by Cerner are confidential and are not to be discussed outside the context of this arrangement. Allowances are available for multi-year maintenance and prepaid terms of one year or greater. Prices do not include any applicable taxes.

**Multi-Year Commitments.** Fees associated with the initial term are deemed prepaid and are non-refundable.

## SHARED COMPUTING SERVICES

**Client Responsibilities.** Client agrees to comply with all applicable laws, rules, and regulations as they relate to its use of the Services and its provision of the Services to Users. Client or its Users must obtain all appropriate and necessary authorizations and consents to use or disclose any personally identifiable information in compliance with all federal and state privacy laws, rules, and regulations. Client must have security and privacy policies and procedures in place that govern its Users' ability to access information on or through the Services and to prevent unauthorized access, use, and disclosure of personally identifiable information including, but not limited to, protected health information.

**Medical Record.** The Services do not constitute a medical record. Client and its Users are responsible for ensuring that the information sent through the Services is incorporated into the applicable patient's medical record as necessary. Client acknowledges that the health information exchanged by Users may not include the individual's full and complete medical record or history.

**Access to Data.** Cerner may use and disclose the Data as necessary to perform, analyze and improve the Services, to the extent permitted by law. Cerner may use and disclose performance and usage data for any purpose permitted by law so long as the data does not contain protected health information as defined under HIPAA or Client-specific identifiable information. Data means data that is collected, stored, processed or generated through Client's use of the Services.

**Right to Aggregate.** Cerner may use or disclose protected health information, as defined by 45 C.F.R. 160.103, to provide data aggregation services as permitted by 45 C.F.R. 164.504(e)(2)(i)(B), including use for statistical compilations, reports and all other purposes allowed under applicable law.

**De-identify and Use Rights.** Cerner may de-identify protected health information in accordance with the standards set forth in 45 C.F.R. 164.514(b) and may use or disclose such data unless prohibited by applicable law.

**Information Management Tools.** Client acknowledges and agrees that the Services are information management tools, many of which contemplate and require the involvement of professional medical personnel, and because medical information changes rapidly, some of the medical information and formulas may be out of date. Information provided is not intended to be a substitute for the advice and professional judgment of a physician or other professional medical personnel. Client acknowledges and agrees that physicians and other medical personnel should never delay treatment or make a treatment decision based solely upon information provided through the Services. Client further acknowledges and agrees that the Services are not intended to diagnose disease, prescribe treatment, or perform any other tasks that constitute or may constitute the practice of medicine or of other professional or academic disciplines.

**Third Party Services.** Certain Services have been developed by Cerner's third party suppliers (the "Third Party Services"). The Third Party Services may be provided under the required terms of the applicable supplier, which will be available on Cerner's website. Cerner is not liable under this Cerner Sales Order for any damages of any kind or nature related to or arising out of Third Party Services. Cerner does not warrant or provide any indemnities on Third Party Services. To the extent that any third party pass-through provisions contain liability limitations with respect to the Third Party Services, such limitations state the total maximum liability of Cerner (and then only to the extent that Cerner can collect from the supplier for Client's benefit) and each supplier with respect to the Third Party Services.

## SHARED COMPUTING SERVICES

### SCOPE OF SERVICES

This section defines the service deliverables ("**Scope**") for the services set forth in this Cerner System Schedule.

#### MANAGED SERVICES

#### REMOTE HOSTING OPTION (RHO) SERVICES

##### SCOPE OF USE LIMITS

**Cerner Solutions.** The managed services fees set forth in the "Solutions and Services" section of this Ordering Document are based on the following scope of use limits, and apply only to RHO services for the Cerner solution(s) set forth below.

Scope of Use Metric	Scope of Use Limit
Unique Users  (as defined in Cerner System Schedule No. 3.)	(100) Additional Unique Users  This would make the overall Remote Hosting Unique User scope limit a total of 1,900 (1,800+100) (Beginning February 2019 due to ramping in Cerner System Schedule No.3) for the combination of Cerner System Schedule No. 3 and this agreement.

#### General Assumptions

- The basic roles and responsibilities of Cerner and Client for the Cerner solution hosting will be the same as set forth in the Cerner System Schedule originally executed between the parties for RHO services.

#### PROFESSIONAL SERVICES

#### LEARNING SERVICES SCOPE

##### LEARNING LABS (PHASE 1 ONLY)

#### Cerner Responsibilities.

- Deliver end-user training in a learning lab environment for the relevant roles
  - Provide 1 certified *Millennium* trainer to conduct training in a formal classroom environment for the relevant roles
    - Instructor-led end-user training will include *Cerner Millennium* solution and role-specific workflow content
    - Participants are assessed on the content through a formal performance assessment
  - Provide the *Millennium* trainers for 6 weeks to train Client end-users for the following roles/solutions:
    - Correctional Workflow – Provider and Nursing
- Work with Client to provide the training service on an agreed upon schedule

#### Client Responsibilities.

- Develop a core group of nursing and physician superusers to obtain sustainability post conversion
- Provide a Learning Management System to track participant attendance and performance

#### Project Assumptions.

- Total hours for end-user training are calculated at an average of 40 hours per week
  - Trainers will work no more than 9 hours per day
  - Trainers will have 40 hours each for project management and localization to content

**MATERIALS DEVELOPMENT (PHASE 1 + 2)****Cerner Responsibilities.**

- Phase 1: Cerner will localize standard learning materials for four (4) roles as agreed upon by Client and Cerner Learning leader
  - Localized learning materials will include instructor agendas, practice activities, job aids, and assessments
  - A learning task analysis (LTA) session will be conducted for each role with Client subject matter experts
    - LTA results in a course map detailing the roles, content, and learning medium
- Phase 2: Cerner will localize standard learning materials for three (3) roles as agreed upon by Client and Cerner Learning leader
  - Localized learning materials will include job aids

**CONVERSION COACHING (PHASE 1 + 2)****Cerner Responsibilities.**

- Conversion Coaching:
  - Phase 1: Provide **259** conversion coach support shifts to deliver conversion support during conversion at an agreed upon schedule
    - Total conversion hours are calculated at a maximum of 12 hours per day per coach; multiple teams will be used to meet the support schedule.
    - Proposed schedule is:
      - 16 Coaches (2 per facility) on Days for 14 days.
      - 5 Coaches (1 per facility x 5 facilities) on Nights for 7 days.
  - Phase 2: Provide **63** conversion coach support shifts to deliver conversion support during conversion at an agreed upon schedule
    - Total conversion hours are calculated at a maximum of 12 hours per day per coach; multiple teams will be used to meet the support schedule.
    - Proposed schedule is:
      - 8 Coaches (1 per facility) for 7 days.
      - 1 Coach (for Hospital Pharmacy) for 7 days.
  - Provide qualified support specialists at physical locations as determined by Client
  - Provide guidance and one-on-one coaching to nurses and ancillary staff on the use of Cerner software solutions mutually agreed upon by Cerner and Client
  - Serve as liaison between users and Cerner or Client technical resources to help resolve any technical issues that may surface
  - Coordinate with Client resources to ensure that effective communication is maintained throughout the conversion process
  - Provide a team lead to serve as primary point of contact between coaching team, Client, and Cerner project team
  - Specific team lead responsibilities include:
    - Leading and managing coaching team
    - Assisting with organization, and if possible or prudent, the facilitation of the on-site orientation and training session prior to conversion
    - Providing direct user conversion support
  - Multiple teams for extended engagements
    - Providing user conversion support for the duration of the project, overlapping teams will be utilized

**Client Responsibilities.**

- Provide user solution training materials prior to team arrival for:
  - Correctional Workflow – Provider and Nursing
  - Training materials should include, but are not limited to, training manuals and job aids. These training materials may be delivered to the coaching team in either hard or soft (electronic) format
- Provide access to all documented workflows to the coaching team
- Provide on-site orientation and other support needs for the incoming team(s) to become familiar with Client's workflows and procedures. It is required that this orientation session be held in a training room utilizing a TRAIN domain and that each participant has access to:
  - Review of Client go-live schedule including allocation of resources
  - Review of Client communication (issue escalation) policies regarding the team
  - Review of most common user processes, workflows, and common questions
  - Hands-on practice of Client-specific scenarios using the TRAIN domain
  - Tour of assigned work areas

**CUSTOM ELEARNING (PHASE 2 ONLY)****Cerner Responsibilities.**

- Localize eLearning materials for the relevant solutions and perform the below activities:
  - Conduct Client technical analysis
  - Develop and localize eLearning course(s)
  - Assist in the design patient data sets to support the content modules provided
  - Knowledge transfer of eLearning process and development tools
- Deliver three (3) eLearning courses – one full course and two mini-courses
- Develop and localize learning material for the following roles in each web-based training module:
  - Full course: Pharmacy Workflow (up to 30 Tasks)
  - Mini-course: Nursing Workflow (up to 15 Tasks)
  - Mini-course: Provider Workflow (up to 15 Tasks)

**GENERAL SCOPE ASSUMPTIONS**

- Cerner will work with Client to provide the following services per an agreed upon schedule
- Cerner will provide training services at Client's facility for a maximum of 9 hours per day, with each individual resource being on-site for 4 consecutive days, with 3 consecutive days off free of travel
- Cerner reserves the right to reassign resources upon notice to Client if hours fall below an average of 28 hours per week
- This Scope assumes a previously specified number of end-users will be trained
  - If the number of users changes significantly from this assumption, Cerner will review available training hours with Client and determine if more hours are needed
- Change Process
  - If the deliverable has been created per the accepted design document and Client desires to make changes, Cerner will provide a change document defining the issue, scope, work effort to complete, effect on delivery timeline, and cost to Client
- Participation and Feedback
  - Client will identify a primary point of contact (POC) for this engagement

- o Client POC will facilitate the identification of Client resources, response to questions, review and acceptance of deliverables, and other requirements agreed to in support of this engagement
- o Client POC will review and sign acceptance or comment on milestone deliverables within 3 working days of receipt
- o Client will provide timely visibility to project detail affecting the learning engagement so that Cerner may provide input and feedback to support the project's successful execution
- **Work Environment**
  - o Client will provide workspace, telephone access, and connectivity to Cerner when on-site in support of this engagement
  - o Client will provide appropriate meeting space, projection equipment, and support for events conducted in support of this engagement
- **Materials**
  - o Client is responsible for all production costs associated with materials development including, but not limited to, costs related to copying, printing, laminating, binding, and distribution
    - Upon request, and with adequate notice, Cerner will coordinate production costs.
  - o Client is responsible for any work necessary to copy or distribute the implementation support materials
- **Completion Criteria**
  - o This engagement will be considered complete when the scope of work is completed pursuant to this Scope, or when the Agreement is terminated pursuant to the terms set forth therein
  - o Termination, reduction in scheduled resources, and/or reduction in duration of this project requires written notification and may be subject to cancellation fees and nonrefundable airfare as follows:
    - 14 or more days prior to commencement, no cancellation fee
    - 13-7 days prior to commencement, 20% of fees
    - 7-0 days prior to commencement, 30% of fees
    - Reduction of resources and/or project duration post-commencement, 50% of pro-rated fees
  - o Client shall pay all outstanding fees and/or expenses owed to Cerner as set forth in the Agreement
  - o Certain reimbursable travel and temporary living expenses, as set forth in the Agreement, will be billed to Client as incurred
  - o Requests for additional end-user conversion support days must be submitted to Cerner in writing
- **Process/Issue Decision**
  - o This engagement includes only the items set forth in this Scope; a new Cerner Sales Order must be executed by the parties if Client requests additional tasks beyond those set forth herein
    - In the event Client requests additional work effort or otherwise modifies the scope set forth herein, Client and Cerner will assess the financial and delivery timeline implications of such changes and will work together to reach a mutually agreeable solution. Jointly, Client and Cerner will discuss, document, and request approval regarding fees and delivery implications of additional work effort(s) prior to any scope expansion.
  - o Open process issues affecting training will be assessed by Cerner following the change process documented above
    - Client will decide whether to include the identified changes in the learning process and accept associated changes in the completion of learning deliverables, or to include the content in an internal post go-live revision process
- **Training Hours**
  - o In the event content development or training estimated time is less than what is stated in this contract, Cerner reserves the right to revise the total numbers and/or allocate those hours to assist with other overall training efforts for the Cerner implementation as agreed by both parties
- **Suspension/ Rescheduling**
  - o In the event Client requests this project be rescheduled or suspended, Client will pay costs for hours worked and travel expenses incurred, up to and including the date of shut down
    - Additional fees may be incurred when the project resumes, including, but not limited to, increased professional service rates, planning, defining scope, reviewing and documenting completed work, and educating new project team members (Client will not incur additional fees if the delay is mutually acceptable between Client and Cerner)
  - o Client acknowledges that Cerner is not obligated to provide the same project team members that were assigned to the project prior to the suspension
- **Travel**

- o Resource assignments and travel arrangements, including but not limited to Client site visits, require a minimum of 10 calendar days of preparation time from the date this Scope is executed
- o The professional services fees do not include travel, lodging, per diem, or other out-of-pocket expenses incurred by Cerner personnel; such expenses will be billed to Client based upon actual expenses incurred

**IMPLEMENTATION SERVICES SCOPE**

**1. OVERVIEW**

- 1.1 Scope Considerations.** Cerner commits to delivering, in conjunction with Client, a full design, build, test, and rollout of all Licensed Software, subscriptions, application services, and shared computing services set forth in this Ordering Document, as well as all Services described in this Scope.

This Scope assumes the latest generally available *Cerner Millennium* software release and use of Consulting Framework, Bedrock, STANDARD Content and recommendations. It is also assumed that Client will provide data required to configure the system in a Cerner-defined format.

Teams will accommodate design and build in all circumstances possible assuming work can be completed within project timelines. Customization of reports, views, MPages, and rules may not be included unless specifically noted. The project leadership team will work with Client in evaluating all non-STANDARD design requests to ensure the project timeline is not impacted.

- 1.2 Control of Scope of Work.** Both parties must adhere to the Scope definitions set forth herein to meet the goals of an 'on-time' and 'on budget' project, and to ensure success overall. All modifications to this Scope must be mutually agreed to by the parties, and may result in delays to the project, additional professional services fees, and additional impact to the overall resources assigned to the project.
- 1.3 Project Start Date.** The estimated project start date is September 1, 2018. This date is subject to change based on the Effective Date. After this date, Cerner and Client will start pre-project activities such as planning, staffing, and technology activities. Cerner requires a minimum of 90 days following the Effective Date to accommodate project staffing requests. The overall duration of this project is expected to be 11 months (Kick-off through Go Live).
- 1.4 Facilities, Locations, and Practices.** The Scope and associated professional services fees assume the concurrent/standardized design, build, and Go Live of 7 locations. The system will be built in a single production *Cerner Millennium* domain using a common centralized database environment. There will be a single Go Live event approach converting all solutions in that phase concurrently.

**Go Live will occur at the following corrections locations:**

Name	Address	City	State/ Province	Zip/Postal Code	Country
Lerdo - Max-Med Facility	17645 Industrial Farm Rd	Bakersfield	CA	93308-9520	USA
Lerdo - Minimum Facility	17635 Industrial Farm Rd	Bakersfield	CA	93308-9520	USA
Lerdo - Pretrial Facility	17695 Industrial Farm Rd	Bakersfield	CA	93308-9520	USA
Correctional Medicine - Central Receiving Facility	1415 Truxtun Ave	Bakersfield	CA	93301-5215	USA
Justice Facility	17801 Industrial Farm Rd.	Bakersfield	CA	93305-1938	USA
Juvenile Hall Services	1831 Ridge Rd	Bakersfield	CA	93305-4119	USA
Camp Erwin Owen	14401 Sierra Way	Kernville	CA	93238	USA
Crossroads	17824 Quality Rd	Bakersfield	CA	93308	USA

- 1.5 Technology Approach.** The hosting platform for this Scope will be Cerner's remote hosted provided by CernerWorks. More information on the scope of services and technology supporting this can be found in the "Managed Services"

section of this Ordering Document.

CernerWorks ("CWx") is Cerner's managed services division which provides remote hosting services, and addresses challenges associated with maintaining technology for clinical systems, security, system availability, and the resources needed for day-to-day system management.

- 1.6 **Application Modules for Project Scope.** This Scope assumes the software being implemented is based on the latest generally available *Cerner Millennium* software release, project timeline. The phase and duration for the Cerner solutions and services in this Ordering Document are set forth below.

Solutions	Duration (weeks)
<b>Access Management:</b> Registration Management, Scheduling Management <b>CareNet:</b> Advanced Care Documentation with Nursing Documentation Customization <b>Foundations:</b> Charge Services Clinical Reporting, Core and Quality Center Unit Testing <b>Health Information Management:</b> Chart Deficiency & Management, Chart Location & Patient Care Chart Requests, Coding & Abstracting (includes PC Encoder interface and Coding MPage), Task Queue Management, Release of Information <b>Knowledge Solutions:</b> Ambulatory Content Package, Intelligent Medical Objects (IMO) - Acute and Ambulatory, Krames - Health sheets - Physician Office <b>Patient Accounting:</b> Cerner Patient Accounting <b>PharmNet</b> <b>PowerChart Ambulatory:</b> PC Ambulatory, Practice Management (Registration, Scheduling) <b>RadNet:</b> Radiology Management, Modality Worklist <b>Shared Computing Services (Cerner Network):</b> Cerner ePrescribe Orders and Renewal with External Rx History, EPCS <b>Women's Health:</b> PowerChart Maternity (up to two locations)	40

## PHASE 1

For implementation of Correctional Services at this client site, Cerner will provide custom content to meet the needs of the facility. This work effort will align with the timeline as defined in Schedule 3 Opportunity ID 1-3H7XXBV. The overall workflow will align to the STANDARD model workflow of the primary care provider ambulatory workflow, which includes the following functionality below.

### Ambulatory Services for Correctional Facilities

- Charge Services
  - The Charge Services Consultant will engage in conversations with the client to gain an understanding of billing needs for the Correctional Facility
  - The Charge Services Consultant will present and validate design that meets future state Correctional Facility billing requirements
  - The Charge Services Consultant will assist the client in collecting charge data to support charge generation from a Millennium PowerForm and/or other clinically-driven methodology (order, task, etc.)
  - The Charge Services Consultant will assess whether modifications to tiering logic would be needed to support billing requirements of the Correctional Facility
  - The Charge Services Consultant will coordinate build efforts with Cerner's Configuration Center
  - The Charge Services Consultant will provide training to support future charge maintenance related to the Correctional Facility charge build
  - The client will be responsible for validating charge data submitted to Cerner and for creating and executing test scripts to validate charge design and build
  
- Core - Core services are an integrated component to *Cerner Millennium* that must be in place so other solutions can use it. Key items include physical location layout, security, results viewing, and interface translations
  - Security Role Profiles



- Security role profiles from within STANDARD will be utilized as a starting point. These profiles are built with pre-defined workflows and security access. Examples include Physician and RN
  - All personnel will be added as users for the areas being automated
  - Up to 10 MODEL roles will be localized for Correctional medicine needs
  - No specific Organizational security is needed to differentiate this patient population and their data
- PharmNet
    - Scope includes updates to synonyms, order sentences and quick folders.
  - PowerChart Ambulatory: PC Ambulatory
    - Ambulatory Organizer - The Ambulatory Organizer mPages view is focused on providing a simple, comprehensive view for ambulatory physicians to efficiently access and manage their patient schedule, documentation, and charges. It provides a snapshot of the current day's appointments, as well as a long-term calendar of appointments and outstanding tasks for charges and documentation.
    - Clinical Documentation
      - Cerner will work with Client to automate the intake process through use of STANDARD Ambulatory Forms
      - Localization of intake forms will consider needs for Correctional Facility population
      - Problems list and clinical diagnosis
        - Patient Histories
        - Social
        - Family
        - Past Medical History
        - Procedure History
      - CareNet: Advanced Care Documentation with Nursing Documentation Customization
        - Customization to the clinical workflows will deviate from the following standard workflow requirements:
          - Wound Care content. This will align to the content delivered at the wound care clinic at the Client's Hospital Clinic
          - IV Care and PICC Line documentation
          - ECG task lists for technicians
          - Current state the ECG itself will stay in its system and will follow the same workflow as that of the hospitals techs.
        - Localization of clinical documentation would be limited to 50 hours.
      - Discharge Process with patient education (Krames)
      - Message Center
        - Cerner will work with Client to automate communication processes using Message Center.
        - The Message Center enables you to review or sign results, documents, and prescription requests, as well as work with phone and other messages. The Message Center offers the following benefits:
          - All messages and notifications that require Client attention, review or signature are routed to Client Inbox and are organized in folders
          - Client Inbox can be accessed from any computer on Client's network that has Cerner Millennium installed on it
          - Client can customize the items wanted to display in the Message Center by filtering by dates, types of results, and so forth. That information can be shared with a group of other users in a Pool. Pools allow multiple users to see the same result, document or message and take action
            - 2 pools per clinic location will be created as part of the implementation
      - Order Management
        - Cerner will automate charge capture through orders
        - Cerner will automate clinic process with the use of PowerPlans. The scope of the PowerPlan will include 5 diagnosis/symptom/Super-bill based single phase PowerPlans
        - Prescription Writer - Cerner will work with Client to automate the prescription process. This effort includes the setting of appropriate preferences, privileges and views as well as enabling of certain functions to support the clinical workflow
        - Prescription Requisition - includes prescription requisition format from STANDARD
        - Printing – prescriptions can be printed to a network printer on watermarked paper
        - Cerner will assist with the medication reconciliation process when that functionality is in use within Client organization

- Order Requisition
  - Includes requisition formats from STANDARD and routing if needed
- Provider Documentation
  - Up to two custom note templates
- Specialty Flowsheet - Displays specialty-specific clinical information in a spreadsheet format so that users can add, graph, and trend discrete results that are specific to their specialty needs over time.
  - If customization is needed, this will require an additional arrangement letter for review
- Task Lists - The single-patient task list is accessible from the patient's chart. Use Task List to identify the tasks clinicians need to perform, to facilitate access to information needed to perform those tasks, and to help caregivers document those tasks. The following Task List Views include:
  - Point of Care Testing tasks
  - Medication Administration and Immunization tasks
  - Specimen Collection tasks (with the appropriate lab order requirements)
  - Schedule/appointment requests, follow-up appointments, and referrals are included if these orders are designed to create tasks
- Workflow mPage - Provides clinicians with a one-page summary view of the chart for the selected patient. Patient information is found in one view, facilitating the ability to see various data points in the context of key clinical information. The ability to order from this page makes this a "one-stop shop" for preparing and managing the visit.
- Laboratory
  - The Laboratory workflow will follow the STANDARD workflow as other areas of Ambulatory care; if the clinic has a draw station, then the order would be placed as a nurse collect and future order. The MA/RN would navigate to the Task List and go through the PowerChart Specimen Collection window to collect specimen and label. At this point, some type of manual communication process will occur and a courier will take the specimen to the central lab at the client's main hospital lab. No special workflows needed.
- RadNet
  - Radiology Services
    - Work Assignment – Cerner will work with Client to automate Radiology order management process for X-Ray Services provided in the Correctional Facilities up to 2 locations.
  - Modality Worklist - Modality worklists are dynamic lists of pending procedures that exist after orders are entered into Cerner Millennium. These worklists are displayed to the technologists at the modality console.
- Women's Health
  - Implementation includes the automation of the following Women's Health processes:
    - Clinic prenatal care
    - Clinic postpartum care
  - These processes are automated using the standard PowerChart Maternity content:
    - PowerForms
    - Physician Documentation
    - Prenatal summary
    - Pregnancy summary
  - Additional localization for prison population will be maximum of 10 custom hours for women's health content

#### Revenue Cycle Services for Correctional Facilities

- Clinical Reporting is Cerner's solution for initiating and processing clinical reports. A clinical report (chart) is a document containing patient demographic and clinical result information. Clinical Reporting draws information entered throughout Cerner Millennium to print on reports generated by manual and automated processes.
- Patient Accounting
  - All patient accounting needs will be fulfilled with Client Billing.
    - Client billing within Patient Accounting supports invoices for charges resulting from multiple patients. Clients are defined as organizations. During the registration process, patients' encounters are created with an association to the client. Any charges posted to the encounter are marked with the client identifier so the charges can be grouped and billed together for each patient during the billing period.

- Invoices are generated automatically based on flexible billing periods. Clients can be grouped together for billing periods based on a billing frequency.
- Per the client, no changes will be made to the pricing schedule for Correctional Medicine.
- PC Ambulatory, Practice Management - Registration - Cerner will work with Client to automate the registration process using a variety of flexible conversations; add/modify patient, add/modify visit, Client billing, etc.
  - A standard face sheet is included in the scope of this project
  - Rules can be added to registration conversations to provide additional functionality, such as flexing fields within the conversation, code value grouping and notifications
  - Scope includes all available STANDARD Practice Management Registration reports
- PC Ambulatory, Practice Management - Scheduling – Scheduling will include a design of various appointment types, default schedules, location groups and resource groups.
  - Future Appointment Load - Client is responsible for scheduling all future appointments into Scheduling prior to go-live. Cerner will provide offsite support of this activity during normal business hours
  - Reporting/ Inquires
    - Scope includes all available STANDARD Practice Management Scheduling reports
- Health Information Management
  - Reporting
    - General report categories in STANDARD (Discern Explorer):
      - Productivity
      - Task
      - Personalized Reports (Discern Analytics) – Cerner will educate Client on use of tools to create appropriate reports
  - Task Queue Management
    - Includes 50 rules total to automate the population of the task queues
    - Supplementary rules will require additional professional services and fees
  - Chart Completion and Deficiency Management
    - Report categories included in STANDARD (Discern Explorer):
      - Deficiency Management
  - Release of Information
    - Includes up to 150 predefined requestors
    - Report categories included in STANDARD (Discern Explorer):
      - Release of Information
  - Third Party Encoding Management
    - Excludes Cerner Encoder/Grouper
    - Allows for API Encoder (real-time) integration
    - Assumes an outbound billing interface is included in Open Port scope or that Cerner Patient Accounting is being implemented before or with Health Information Management
    - Client Hosted - Thin configuration involves an existing Citrix environment which should be evaluated for encoding management prior to project initiation. Services for potential Citrix environment upgrades are not included in this Scope
    - Remote Hosted - Thin configuration is not required when encoding management is implemented in a remote hosted option (RHO)
  - Abstracting
    - Up to 2 Abstract forms per facility are included in scope
    - Includes up to 25 Client defined fields
    - Report categories included in STANDARD (Discern Explorer):
      - Coding and Abstracting
  - Third Party Content Nomenclature – State/Version
    - Some Clients require state specific nomenclature content containing weights specific to their states (for example, AP-DRG and APR-DRG). In addition, some states may require different versions of specific content, different content based on payer, etc. This specific content is necessary for reimbursement and case mix reporting. Additional professional services and fees will apply for the preparation and packaging of content. Refer to the Requests for Third Party Content Terminology reference page for information
    - Additional professional services and fees will be required for Cerner to prepare content of Client's file to be used within *Cerner Millennium*
  - Coding MPages

- The Coding *MPages* provides views available in *PowerChart*, Coding with the Cerner Encoder/Grouper, and Coding with an Interfaced Encoder that aggregates data from across the electronic medical record for streamlined information reviewing
- Cerner will assist Client in the implementation of the latest version of the Coding *MPages*. That assistance will include:
  - Configuration in the *Bedrock Wizard*
  - Setting preferences/system settings for viewing in *PowerChart* and/or Coding with the Cerner Encoder/Grouper or Coding with an Interfaced Encoder
  - Standard scope does not include the creation of custom scripting

### **Outpatient Rehab Services Juvenile Patients provided at Kern Medical**

To meet the needs for outpatient rehab services provided for correctional medicine, the following services will be provided:

- Access Management: Registration Management - Cerner will work with Client to automate the registration process using a variety of flexible conversations; add/modify patient, add/modify visit, Client billing, etc.
  - A standard face sheet is included in the scope of this project
  - Scope includes all available STANDARD Registration reports
- Access Management: Scheduling Management – Scheduling will include a design of various appointment types, default schedules, location groups and resource groups.
  - Future Appointment Load - Client is responsible for scheduling all future appointments into Scheduling prior to go-live. Cerner will provide offsite support of this activity during normal business hours
  - Reporting/ Inquires
    - Scope includes all available STANDARD Scheduling reports
- Custom Clinical Note
  - A custom form will be created for documentation needs for clinical care. The customization of this is limited up to 10 hours of customization.
- Custom PowerForm
  - A custom PowerForm will be created for charging workflows. The customization of this is limited to charging needs only and up to 60 hours of customization.
- Patient Accounting
  - All patient accounting needs will be fulfilled with Client Billing.
  - Per the client, no changes will be made to the pricing the schedule for Correctional Medicine.

The above scope does not meet the needs of certification letters needed for insurance companies. For the automation of this service, Outpatient Rehab Content would need to be contracted with an additional sales order.

### **PHASE 2**

- Inpatient Pharmacy Workflow
- Inpatient Locations (Infirmary)
- Medication Administration w/ Point of Care Scanning
- Custom *mPages*, Banner Bar, Reports, and Rules
  - 500 hours included to address custom needs in phase 2

### **OUT OF SCOPE**

- RLN
- Regulatory Services
- Historical Data Migration
- Interfaces

- 1.7 **Fixed Fee Implementation.** Cerner will provide the implementation services on a fixed fee basis. The scope of the implementation is based upon the specific assumptions set forth in this Scope. Each party (or its designee) will fulfill

project responsibilities assigned to such party in this Scope. This Scope describes the solutions to be implemented, duration of the implementation and the Services to be performed. Either party may identify a change in assumptions, tasks, duration, Services or resources required from Cerner or Client. Such change may result in additional fees and will only become effective without the written approval by both parties.

- 1.8 **Travel, Lodging, Out-of-Pocket Expenses and Per Diem Rates.** The professional services fees set forth in this Scope do not include travel, lodging, per diem, or other out-of-pocket expenses incurred by Cerner personnel.
- 1.9 **Special Project Assumptions.** Modifications to the design and build of the proposed solutions to meet specifications for individual facilities will result in additional professional services and fees. Certain reimbursable travel and temporary living expenses, as set forth in the Agreement, will be billed to Client as incurred

## 2. **IMPLEMENTATION METHODOLOGY APPROACH**

- 2.1 **Implementation Methodology.** Both parties agree that the overall project timeline will align with the larger Schedule 3 timeline on 3/4/2019. Cerner's implementation methodologies and best practices STANDARD Content will be used for the installation and configuration of the system, unless otherwise specified in this agreement.

To meet the timeline of this project, Cerner will offer an agile methodology. This methodology will use incremental, iterative work sequences (commonly known as sprints), to address work needs week to week.

- 2.2 **Cerner's STANDARD Content.** In order to deliver a highly-prescriptive and quality-driven approach, Client and Cerner agree to utilize Cerner's STANDARD Content package, except where noted above. STANDARD is a predefined model system that is fully developed to support your clinical and financial needs. The STANDARD Content package was developed by Cerner clinicians and industry experts and is continuously updated based on the latest evidenced-based industry standards, regulatory requirements, Client input, and implementation experience.

- 2.3 **Key Events.** The Cerner methodology is an event-based approach with specific milestones and assessments throughout the project. There are 4 stages to the methodology:

**Align.** The align stage is about discovery and coordination. During this stage, Cerner collaborates with Client leaders to understand goals in both project terms and value terms. Cerner then carefully studies Client's people, processes, and technology in their current state.

**Engage.** The next stage, engage, is where the bulk of the work effort is invested in determining Client workflows, and the technology and learning plans to support them. By studying the goals and current conditions discovered in the previous stage, Cerner leverages its knowledge of best practices, and the solutions being implemented to craft new workflows.

**Activate.** Once the engage stage is complete, Client's project enters the activate stage. This stage encompasses the conversion to Client's new workflows and solutions, as well as the monitoring, support, and adjustments that directly follow it.

**Measure.** With activation complete, Client's project segues to the measure stage. Client and Cerner teams measure the value achieved from the implementation project during this stage. The measurement occurs on 3 levels: 1) Cerner keeps a close eye on system performance, such as responsiveness, up-time and time to complete activities; 2) the team assesses adoption and usage by department, venue, role, and individual; and 3) the final area of measurement is the specific value goals for the overall project.

The following dates are an estimate and subject to adjustment based on the Effective Date. Cerner requires a minimum of 90 days following the Effective Date to accommodate pre-project activities such as planning, staffing, and technology activities. Below is a list of the major milestone events and the estimated date of completion for each.

Key Event	Estimated Date
Contract Execution	10/1/18
Project Kickoff	10/1/18
Technical Readiness	1/28/19
Integration Testing 1	3/4/19
Integration Testing 2	4/15/19
End User Training	5/1/19
Go Live	7/1/19
Health Check	8/12/19

**2.4 Project Gateways.** Project gateways provide a mechanism for monitoring critical items throughout the project lifecycle to proactively identify and manage key risk factors. The project gateway framework provides for designated checkpoints at critical times in the project for Client and Cerner project leadership to evaluate the status of these critical items. Client and Cerner project leaders shall review and sign the Gateway Status Reports at the various implementation checkpoints of the project. Cerner will conduct the assessments and Client will participate in the collection of data for the assessments for each Gateway Status Report. Items that are not successfully completed at the gateway checkpoint will require documentation by Client of a risk response plan, owner, and due date to ensure the risk is effectively mitigated in time to limit any negative impact on the project. If critical items are not complete or mitigated, projects may be delayed in progressing to the next phase of the implementation, and as a result may be subject to additional professional service fees.

**2.5 Key Client FTE Requirements.** The table below represents the minimal resources required for the project. Client has 90 days from the Effective Date to identify and make the resources available to the project. If the roles defined below are not identified and available within this timeframe, such delay may be considered a change in scope and may require the execution of a new Ordering Document setting forth additional work effort and changes in key dates, and possibly additional Cerner professional service and fees.

Role	Phase 1 Implementation	Phase 2 Implementation	Ongoing Support/Maintenance
	FTE	FTE	FTE
<b>Executive Leadership</b>			
Chief Financial Officer (CFO)	0.05	0	0
Chief Information Officer (CIO)	0.05	0.05	0.05
Chief Medical Information Officer (CMIO)	0.1	0	0.1
Chief Quality Officer	0.05	0	0
Executive Sponsor	0.1	0.1	0
<b>Operations Leadership</b>			
Health Information Management	0.05	0	0.05
Finance Director	0.1	0	0.02
Patient Access	0.05	0.05	0.01
Patient Accounting Director	0.1	0	0.05
Revenue Cycle Director	0.1	0	0.02

<b>Project Leadership</b>			
Project Manager	0.5	0.5	0.1
Integration Architect	0.25	0.25	0.1
Technical Manager	0.25	0.25	0.1
Testing Coordinator	0.2	0.1	0
Clinical Leader - Clinic Management	0.3	0.1	0.05
Physician - Physician Champion	0.3	0.1	0.1
<b>Change Management</b>			
Education Coordinator	0.25	0.25	0.25
<b>Subject Matter Experts (SME's)</b>			
SME - Ambulatory Nursing	0.3	0.05	0.05
SME - Billing	0.1	0.05	0.05
SME - Charge Master	0.05	0.05	0.05
SME - Clinic Back Office Manager	0.3	0.05	0.05
SME - Clinic Front Office	0.3	0.05	0.05
SME - Coding	0.25	0.05	0.05
SME - Finance Controller	0.1	0.05	0.05
SME - HIM	0.05	0.05	0.05
SME - Pharmacy	0.25	0.25	0.05
SME - Social Work	0.05	0.02	0.02
<b>IT Analysts/Technical Team</b>			
Analyst - Ambulatory	0.5	0.5	0.5
Analyst - Charges	0.05	0.1	0.1
Analyst - Clinical Informatics	0.25	0.25	0.25
Analyst - Clinical Reporting	0.1	0.1	0.1
Analyst - Core/Security	0.2	0.1	0.1
Analyst - Document Imaging	0.25	0.05	0.05
Analyst - Inpatient Pharmacy and Medication Process	0.25	0.25	0.05
Analyst - Medical Records/Transcription	0.1	0.05	0.05
Analyst - Patient Accounting	0.1	0.5	0.5
Analyst - Practice Mangement	0.25	0.5	0.5
Analyst - Registration	0.2	0.5	0.5
Analyst - Reporting/Rules	0.2	0.2	0.1
Analyst - Scheduling	0.2	0.5	0.5
Analyst - Women's Health	0.2	0.25	0.25
Desktop Support Technician	0.25	0.1	0.1
Help Desk Manager	0	0	0.25
Network Support Technician	0.1	0.1	0.1
<b>SUMMARY</b>			
Executive Leadership	0.35	0.15	0.15

Operations Leadership	0.4	0.05	0.15
Project Leadership	1.8	1.3	0.45
IT	3.2	4.05	4
Change Management	0.25	0.25	1.25
Subject Matter Experts	1.75	0.67	0.47
<b>Grand Totals</b>	<b>7.75</b>	<b>6.47</b>	<b>5.47</b>

**CPDI – SINGLE DOCUMENT CAPTURE EXTENSION**  
(CTS-CPDI-SDC-EXT)

**Content360** Single Document Capture solution allows the end user to scan items directly into a patient's record, storing them and making them available to authorized Users across the organization. Indexing and quality checks are performed on-the-spot, resulting in concurrent, real-time access to the patient chart. **Content360** Single Document Capture method is commonly used in low-volume areas to capture loose sheets or pertinent documents.

<b>Design Review</b>	<ul style="list-style-type: none"> <li>Includes consulting services for reviewing the design of the as-built Content360 Single Document Capture system.</li> </ul>
<b>Install/Build</b>	<ul style="list-style-type: none"> <li>Cerner will work with Client to expand the as-built and implemented Content360 Single Document Capture system to 1 department at 1 facility.</li> <li>Cerner will work with Client to implement up to 10 document types.</li> <li>Client is entitled to build beyond 10 document types.</li> <li>Client is responsible for user setup and security.</li> </ul>
<b>Data Capture</b>	<ul style="list-style-type: none"> <li>Includes services, setup, and configuration for up to 2 Content360 Single Document Capture stations.</li> <li>Cerner will train Client on desktop installation and setup for Citrix implementations.</li> </ul>
<b>Testing</b>	<ul style="list-style-type: none"> <li>Cerner will assist in testing the net new build.</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Includes the following standard Cerner imaging reports:               <ul style="list-style-type: none"> <li>Document history</li> </ul> </li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>Includes services for super user training.</li> <li>Client is responsible for end user training and documentation creation.</li> <li>Includes training for adding document types.</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>Content360 Single Document Capture extension installed and configured as outlined in this Scope.</li> <li>Knowledge transfer of installation, configuration, and operational procedures for maintenance purposes</li> <li>Super user training for the as-built system</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Content360 Single Document Capture is licensed and Client is current on Maintenance payments.</li> <li>Content360 Single Document Capture is currently installed and working in Client's production environment.</li> </ul>
<b>Estimated Project Duration</b>	<ul style="list-style-type: none"> <li>Application and project management duration will be the length of the project, estimated to be approximately 2 months.               <ul style="list-style-type: none"> <li>Project management support will not exceed 10 weeks in total duration.</li> </ul> </li> </ul>



**WORK QUEUE MANAGEMENT FOR AMBULATORY**

(CTS-CPDI-WQM-AMB-EXT)

Work Queue Management (WQM) is an integrated imaging solution that supports paperless access areas within a hospital. By leveraging existing input devices (scanners, fax machines, multi-function devices) outside the hospital, paper-based media can be digitized and electronically transmitted to the WQM solution. Work Queue Management for Ambulatory streamlines the capture and indexing of outside documentation such as lab results, referrals, outside records, etc.

<b>Design</b>	<ul style="list-style-type: none"> <li>• Design topics include:                             <ul style="list-style-type: none"> <li>○ Project planning</li> <li>○ Imaging process/workflow</li> <li>○ Work queue processing</li> </ul> </li> </ul>
<b>Build</b>	<ul style="list-style-type: none"> <li>• Includes services for extending the as built configuration to additional ambulatory practices</li> <li>• Includes services for integration with existing fax infrastructure or network based scanners (based off of licensure included/owned)</li> </ul>
<b>Facilities</b>	<ul style="list-style-type: none"> <li>• Standard scope assumes up to [X] clinics</li> </ul>
<b>Testing</b>	<ul style="list-style-type: none"> <li>• Includes up to 2 rounds of integration testing                             <ul style="list-style-type: none"> <li>○ Cerner will lead on the first round</li> <li>○ Cerner will use integration testing to train Client super users for the second round</li> </ul> </li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Includes the Document History report</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>• Includes services for super user training</li> <li>• Client is responsible for end user training and documentation creation</li> <li>• Includes administrative training for architecture and maintenance/addition of queues</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>• Content360 WQM installed and configured as outlined in this Scope</li> <li>• Knowledge transfer of installation, configuration, and operational procedures for maintenance purposes</li> <li>• Super user training for the as-built system</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Cerner Work Queue Management is currently installed and working or being implemented in Client's production environment</li> </ul>
<b>Estimated Project Duration</b>	<ul style="list-style-type: none"> <li>• Application and project management duration will be the length of the project, estimated to be approximately 2-3 months if being implemented independently. If being implemented in conjunction with other projects, duration will adjust to overall project timeline.</li> </ul>

**WORK QUEUE MANAGEMENT FOR SCHEDULING EXTENSION**

(CTS-CPDI-WQM-SCHED-EXT)

<b>Overview</b>	<ul style="list-style-type: none"> <li>• Work Queue Management for Scheduling extension includes Services to extend the existing Work Queue Management build to additional scheduling locations.</li> </ul>
<b>Client Assumptions</b>	<ul style="list-style-type: none"> <li>• Number of facilities: up to X facilities</li> </ul>
<b>Tasks/Activities</b>	<ul style="list-style-type: none"> <li>• Design topics include:                             <ul style="list-style-type: none"> <li>○ Project planning</li> <li>○ Imaging process and workflow</li> <li>○ Work queue processing</li> </ul> </li> <li>• Includes Services for extending the as built configuration to additional facilities</li> <li>• Includes Services for integration with existing fax infrastructure or network based scanners</li> </ul>

## WORK QUEUE MANAGEMENT FOR SCHEDULING EXTENSION

(CTS-CPDI-WQM-SCHED-EXT)

	<p>(based off of licensure included/owned)</p> <ul style="list-style-type: none"> <li>Includes up to 2 rounds of integration testing               <ul style="list-style-type: none"> <li>Cerner will lead on the first round</li> <li>Cerner will use integration testing to train Client super users for the second round</li> </ul> </li> <li>Includes Services for super user training               <ul style="list-style-type: none"> <li>Client is responsible for end user training and documentation creation</li> </ul> </li> <li>Includes administrative training for adding document types, positions, architecture, and maintenance and addition of queues</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>Content360 Work Queue Management installed and configured as outlined in this Scope</li> <li>Knowledge transfer of installation, configuration, and operational <b>procedures for maintenance purposes</b></li> </ul>
<b>Project Assumptions</b>	<ul style="list-style-type: none"> <li>Cerner Work Queue Management is currently installed and working or being implemented in Client's production <b>environment</b>.</li> </ul>
Estimated Work Effort and Duration	<ul style="list-style-type: none"> <li>Application and project management duration will be the length of the project, estimated to be approximately 2-3 months, if implemented independently. If implemented in conjunction with other projects, duration will adjust to overall project timeline.</li> </ul>

## CONTENT360 PATIENT ESIGNATURE EXTENSION

(CTS-ESIG-CAPT-EXT)

<p>The Patient eSignature Capture solution can be initiated from any Cerner Millennium solution that uses Cerner Provision Document Imaging (CPDI) to view documents. Electronic forms are presented to the patient for review via a tablet personal computer (PC) or a touchscreen monitor attached to the registration workstation. The documents can be easily navigated to cover the document content with the patient. After consenting to the document, the patient signs directly on a tablet PC or on a tethered signature pad.</p>	
<b>Design</b>	<ul style="list-style-type: none"> <li>Includes consulting services to enable capturing electronic patient signature on an additional set of forms</li> <li>Design topics include:               <ul style="list-style-type: none"> <li>Project planning</li> <li>Forms design</li> <li>Event hierarchy/document types</li> </ul> </li> </ul>
<b>Build</b>	<ul style="list-style-type: none"> <li>Cerner will assist in adding up to 30 electronic forms to an existing Patient eSignature environment and will educate Client resource on the process (forms in additional languages are counted as separate forms).</li> <li>Client is responsible for adding/testing beyond 30 electronic forms.</li> <li>Assistance with Cerner Millennium changes required/desired for Patient eSignature.</li> <li>Includes services for updating 1 non-production domain and 1 production domain.</li> <li>Does not include build for Cerner Health Information Management (HIM), Clinical Reporting, or Message Center.</li> </ul>
<b>Facilities</b>	<ul style="list-style-type: none"> <li>Scope assumes 1 facility.</li> </ul>
<b>Data Capture</b>	<ul style="list-style-type: none"> <li>Includes services for up to 5 capture stations and knowledge transfer to Client resource on setting up additional stations.</li> </ul>
<b>Testing</b>	<ul style="list-style-type: none"> <li>Includes services to remotely support up to 2 rounds of Client-led integration testing.</li> </ul>

<b>CONTENT360 PATIENT ESIGNATURE EXTENSION</b> (CTS-ESIG-CAPT-EXT)	
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Includes the standard CPDI document history report.</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>Includes services for super user training.</li> <li>Client is responsible for end user training and documentation creation.</li> <li>Includes administrative training for adding electronic forms, logging files, and for as-built documentation.               <ul style="list-style-type: none"> <li>Includes service overview</li> </ul> </li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>Patient eSignature system is updated as outlined in this Scope.</li> <li>Knowledge transfer of installation, configuration, and operational procedures for maintenance purposes</li> <li>Up to 30 additional electronic forms</li> <li>Super user training for the as-built System</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Appropriate hardware and licensing is in place and Client is current on Maintenance payments</li> <li>Content360 Patient eSignature solution is currently installed and working in Client's non-production and production domains.</li> <li>Client will provide production-ready forms in PDF format.</li> <li>Cerner is not responsible for Content changes to forms including, but not limited to, logos, verbiage, headers, or footers.</li> </ul>
<b>Estimated Project Duration</b>	<ul style="list-style-type: none"> <li>Three months               <ul style="list-style-type: none"> <li>Project management support will not exceed 14 weeks in total duration.</li> </ul> </li> </ul>

**EQUIPMENT/SUBLICENSSED SOFTWARE DELIVERY**

**Delivery Information.** The following delivery information is required to process the equipment/sublicensed software in this Cerner System Schedule.

Delivery Address	Delivery Contact Information
_____ <i>(Name of Facility)</i>	_____ <i>(Name – Printed)</i>
_____ <i>(Address Line 1)</i>	_____ <i>(E-mail Address)</i>
_____ <i>(Address Line 2)</i>	_____ <i>(Phone Number)</i>
_____ <i>(City, State/Province, Zip/Postal Code, Country)</i>	_____ <i>(Fax Number)</i>

**Delivery Requirements.** Please check the applicable box for each question below to help ensure a successful delivery.

Does the facility accommodate a 48 foot trailer?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Does the facility have a loading dock?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
What are the receiving days and hours of operation? <i>(Please enter days and times available)</i>	Days: _____	Time (From): _____	Time (To): _____
Will a lift gate and/or ramp be required?	No <input type="checkbox"/>	Lift Gate <input type="checkbox"/>	Ramp <input type="checkbox"/>
To what floor will the equipment be delivered?	Basement <input type="checkbox"/>	Ground <input type="checkbox"/>	Floor: _____
Does the facility have an elevator, or will a stair crawler be required?	Elevator <input type="checkbox"/>	Stair Crawler <input type="checkbox"/>	N/A <input type="checkbox"/>
Does the facility require floor covering?		Yes <input type="checkbox"/>	No <input type="checkbox"/>


**Cerner™ EVENT ACTIVITY REPORT**

**Client:** Kern County Hospital Authority  
 1700 Mount Vernon Ave  
 Bakersfield, CA 93306-4018 USA

**Subject:** Solution Delivery

**Document ID:** 1-6C9GT9E

This Event Activity Report ("EAR") serves as confirmation that delivery has occurred of the solutions set forth below. This delivery event does not include customization or implementation of such solutions.

Solution Family	Solution Code	Solution Description
Content360 Document Imaging	CTP-CTRQ-DEPT	Work Queue Management Department License
PDI Software	1000005214	APPLICATIONXTENDER PACKAGE - 5 CC USER PACK
PDI Software	1000005306	APPLICATIONXTENDER PACKAGE - 25 CC USER PACK
PDI Software	CT-ESIG-CLIN	Patient eSignature - Clinic License - Patient Access
PDI Software	EE#T024-001U-CER	1 concurrent station(enterprise)
PDI Software	EE#Y024-600K-CER	Image vol 600K/yr-Ent
Remote Hosting	Remote Hosting One Time Fee	WTS Location Toolkit
Remote Hosting	Remote Hosting One Time Fee	Olympus Threshold and Alerting
Remote Hosting	Remote Hosting One Time Fee	High Availability (HA) Toolkit
Workflow Authentication	CTP-CERN-WORKFLOWC	Cerner Workflow Authentication

I acknowledge that delivery of these solutions occurred on \_\_\_\_\_ (Date).

The following signature represents completion of this delivery event.

**ACCEPTED FOR KERN COUNTY HOSPITAL AUTHORITY**

By: \_\_\_\_\_

\_\_\_\_\_  
 (type or print)

Title: \_\_\_\_\_



**Client:** Kern County Hospital Authority  
 1700 Mount Vernon Ave  
 Bakersfield, CA 93306-4018

**Invoice No:** EXEC CSS No. 10  
**Invoice Date:** Effective Date  
**Due Date:** Effective Date

**Remit:** **Via FedEx:**  
**Cerner Corporation**  
 Attn: Accounts Receivable, 5th Floor  
 2800 Rockcreek Parkway  
 Kansas City, MO 64117

OR

**Via Wire Transfer:**  
 ABA Routing Number: 101000187  
 Bank: US Bank  
 For Further Deposit to Bank Account: 5290000743

**TOTAL AMOUNT DUE: \$1,242,442**

Sales tax, if applicable, will be invoiced separately.

Description	Total Solution Amount	Percent Payable	Net Amount
LICENSED SOFTWARE ONE-TIME FEES	\$17,500	50%	\$8,750
SOFTWARE SUPPORT MONTHLY FEES - Year 1	\$3,144	100%	\$3,144
SUBSCRIPTION MONTHLY FEES - Year 1	\$360	100%	\$360
SHARED COMPUTING SERVICES MONTHLY FEES - Year 1	\$1,500	100%	\$1,500
MANAGED SERVICES ONE-TIME FEES	\$16,667	100%	\$16,667
MANAGED SERVICES MONTHLY FEES - 1st Quarter	\$24,999	100%	\$24,999
PROFESSIONAL SERVICES FEES - Fixed Fee	\$2,374,043	50%	\$1,187,022
<b>Grand Total:</b>			<b>\$1,242,442</b>



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Amendment No. 16 to Agreement 180-99 with 3M Company, an independent contractor, for purchase of physician coding software, reimbursement logic and encoder for integration with the electronic health record

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 16 with 3M to provide specialty coding and reimbursement software for five years, increasing the maximum payable by \$1,405,891.

Encoders are software programs that help guide the coder through the various coding conventions and rules to arrive at a correct diagnosis, procedural, or service code. The encoder and APR/DRG grouping software is a vital piece of the revenue cycle. It aids in accuracy, compliance, coding productivity, and reimbursement functions. 3M also offers webinars designed to assist with continuing education for coders. Coding is required for claims to be submitted for payment.

This amendment includes, the addition of software that will include logic for physician coding and reimbursement that will be interfaced with the Cerner EHR. Currently and retrospectively, the physician coding has been dependent on a stand-alone system which was not connected to the electronic health record or billing system. The addition of an integrated software for physician coding and reimbursement will provide a method to capture any edits, before they cause a claim that fails the clean claim process prior to being billed out.

Cerner does not offer an integrated or embedded functionality for physician coding and reimbursement. They have software to capture failed accounts after they have been coded. This software will elevate the current process for this part of the revenue cycle and provide it the same functionality as the facility coding and reimbursement has.



# AMENDMENT 16 TO THE SOFTWARE LICENSE AGREEMENT

THIS AMENDMENT to the Software License Agreement, dated **March 30, 1999** (the "Agreement") between **3M Company and its subsidiaries**, (hereinafter referred to as "3M") having an office at 575 West Murray Boulevard, Murray, Utah 84123-4611 and **Kern County Hospital Authority** (hereinafter referred to as "Client") with offices at **1700 Mt. Vernon Ave., Bakersfield, CA 93306** is effective on the date last signed ("Effective Date").

Client and 3M agree that the above referenced Agreement is amended as follows:

- 1. Except as provided in this Amendment, all terms and conditions of the above referenced Agreement will remain in full force and effect.**
- 2. Assignment to 3M Health Information Systems, Inc.** Under this Agreement, 3M Health Information Systems, Inc. has always been the sole entity performing all obligations hereunder. As such, this Agreement, and all rights and obligations, past and present, are assigned to 3M Health Information Systems, Inc., with offices located at 575 West Murray Blvd, Murray, UT 84123. Client shall look exclusively to 3M Health Information Systems, Inc. for performance under this Agreement. All references in the Agreement to "3M" shall mean and refer to 3M Health Information Systems, Inc.
- 3. AMEND the Software Schedule with the actions contained on the Schedule attached below.**

Client has read this Amendment, and when applicable, each Exhibit, and Attachment hereto. To indicate the parties' acceptance and agreement to be bound by the terms and conditions of this Amendment, 3M and Client have executed this Amendment on the date(s) indicated below, to be effective as of the date first indicated above.

**KERN COUNTY HOSPITAL AUTHORITY**

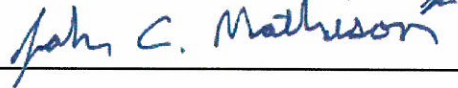
**3M HEALTH INFORMATION SYSTEMS, INC.**

BY \_\_\_\_\_

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

BY 

NAME John C. Mathison

TITLE VP of HIS Operations

DATE August 30, 2018

PLEASE FAX YOUR PURCHASE ORDER IN THE AMOUNT OF **\$322,679.05** AND THE SIGNED AMENDMENT TO: **(651) 732-8469**

FOR 3M INTERNAL USE ONLY				
ISSUE DATE:	GPO:	BATCH NUMBER:	CLIENT SITE ID:	AGREEMENT NUMBER:
8/20/2018 TA	*****	JS0490	2930294	98-0670 SLA
REVISION DATE:	SLA TYPE :			
8/21/2018 TA	SLA P 7/98	2875396r2		

APPROVED AS TO FORM  
Legal Services Department

By   
Kern County Hospital Authority



## SOFTWARE SCHEDULE

S/O ITEM	CPU ACTION	SKU	AUTHORIZED SITE(S) PRODUCT DESCRIPTION	SITE TYPE LIST FEE	TOTAL 1 <sup>ST</sup> YR ANNUAL & ONE TIME FEE	2 <sup>ND</sup> YR ANNUAL FEE	3 <sup>RD</sup> YR ANNUAL FEE	4 <sup>TH</sup> YR ANNUAL FEE	5 <sup>TH</sup> YR ANNUAL FEE
248441	WEB	--	CERNER CORP-- 2800 ROCKCREEK PKWY STE 601, KANSAS CITY, MO, HI2630003	Host Site					
1.	Add	360E PROFEE	360 Encompass System - Professional Facility						
2.	Add	360E PROFEE CLINIC	360 Encompass Professional Clinic						
3.	Add	MNAPC CA A&B	Medical Necessity for APCfinder CA A&B						
<b>SITE SUBTOTAL:</b>									
246477	-----	--	KERN MEDICAL CENTER--1700 MT. VERNON AVE, BAKERSFIELD, CA , HI6007598	Install/Access Site					
246478									
246479									
4.	Add	360E PRO SPATH I&T	360 Encompass Professional with Single Path I&T*						
5.	Add	360E PROFEE	360 Encompass Professional <sup>1</sup>						
6.	Add	360E PROFEE BPR	360 Encompass Professional Business Process Redesign (BPR)**						
7.	Add	MNAPC CA A&B	Medical Necessity for APCfinder CA A&B <sup>1</sup>						
8.	Add	360E PROFEE CLI I&T	360 Encompass Professional Clinic I&T*						
9.	Add	360E PROFEE CLINIC	360 Encompass Professional Clinic (414 Providers) <sup>1</sup>						
<b>SITE SUBTOTAL:</b>					<b>\$322,679.05</b>	<b>\$213,517.81</b>	<b>\$256,577.24</b>	<b>\$302,028.06</b>	<b>\$311,088.91</b>

**FEE SUMMARY:**

<b>FIRST YEAR ANNUAL SOFTWARE LICENSE &amp; SUPPORT FEES:</b>	<b>\$172,749.05</b>
<b>*TOTAL ONE TIME, IMPLEMENTATION &amp; TRAINING FEES:</b>	<b>\$111,450.00</b>
<b>**TOTAL CONSULTING SERVICES FEES:</b>	<b>\$38,480.00</b>
<b>TOTAL THIS AMENDMENT:</b>	<b>\$322,679.05</b>

**THE FEES LISTED ABOVE ARE GUARANTEED FOR A PERIOD OF NINETY (90) DAYS FROM THE ISSUE DATE OF THIS AMENDMENT OR OCTOBER 31, 2018, WHICHEVER OCCURS FIRST, UNLESS THIS AMENDMENT IS FULLY EXECUTED PRIOR TO.**

In the event Client delays implementation of any module of Software or scheduling of Services, at no fault of 3M, for more than one hundred fifty (150) days from the execution date of this Amendment, 3M may, at its option, increase the price of such Software or Service to the then-current list price or 3M may terminate any such module of the Software or Service from this Agreement.

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**Deletion = ♦ Underscored Text = Addition I&T = Implementation and Training PI = Phone Installed CI = Client Installed**

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<sup>1</sup> All 360 Encompass modules that are noted with this footnote above, are receiving additional discounts through participation in this program. These products will be prorated in the first year of license fees. Customer may add additional 360 Encompass modules at any time but the additional discounts under this program are only available to the modules contracted for by October 31, 2018 ("Discount Program Enrollment Date").

1. **The Software and Services** for the above Software Schedule are to be provided to Client by 3M in accordance with the terms and conditions of the Agreement, the attached Statement of Work, and the additional terms and conditions set forth below:

**A. Payment Schedule.**

1. **Implementation and Training, and Services.** The first year's Implementation and Training, and Services fees shall be invoiced as follows:

<b>Milestone</b>	<b>Invoice Code</b>	<b>Description</b>
50% upon Effective Date of Agreement/Amendment	EFFECTDATE	Bill upon Effective Date
50% upon Go-Live	GOLIVE	Bill upon Go-Live/Installation/Implementation/Delivery

2. **Software.** The first year's software fees shall be invoiced as follows:

<b>Milestone</b>	<b>Invoice Code</b>	<b>Description</b>
100% upon Go-Live	GOLIVE	Bill upon Go-Live/Installation/Implementation/Delivery



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Amendment No. 2 to the Master Services Agreement and Supplements with Clarity Technology Partners dated March 26, 2018

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

The proposed extension of professional services with Clarity Technology Partners is required to support the ongoing needs of the Cerner Millennium project.

Through this amendment, Clarity will provide an Electronic Healthcare Record Consultant at \$125/hr relating to the Cerner Millennium project requirements in Revenue Cycle, Patient Access, and Billing.

The proposed Amendment is effective September 24, 2018 with a updated not to exceed of \$920,000.



innovation.  
creativity.  
results.

**Amendment No. 2 to the  
Clarity Technology Partners, LLC's Master Services Agreement**

This AMENDMENT NO. 2 made on this \_\_\_ day of \_\_\_\_\_, 2018, as part of the SERVICES AGREEMENT ("Agreement") made by and between, Clarity Technology Partners and Kern County Hospital Authority ("Client").

The Parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

The Agreement is amended effective September 24, 2018:

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follow:

1. Section **Contract Staffing** subsection (E) be deleted in its entirety and superseded by the following:

"E. The maximum payable under this Agreement will not exceed \$920,000 per year of the Agreement."

2. Exhibit A-1

Exhibit A-1, Rate and Confirmation Letter, to Amendment No. 2 is added to the Agreement and incorporated herein by this reference.

3. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 2 have the meaning set forth in the Agreement.
4. This Amendment No. 2 shall be governed by and construed in accordance with the laws of the state of California.
5. This Amendment No. 2 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
6. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed this Agreement, under seal, the day of the first year above written.

Clarity Technology Partners, LLC | 23456 Madero, Suite 165 | Mission Viejo, CA | 92691

*Clarity Technology Partners is a Woman Owned Business. Clarity is certified by The Women President's Educational Organization and The Women's Business Enterprise National Council as a Woman Business Enterprise.*

Kern County Hospital Authority

Clarity Technology Partners

Signature \_\_\_\_\_

Signature Greg Mikulin

Printed Name Russell Bigler

Printed Name Greg Mikulin

Title Chairman, Board of Governors

Title Partner

Date \_\_\_\_\_

Date 8/29/18

APPROVED AS TO FORM  
Legal Services Department

By [Signature]  
Kern County Hospital Authority

Clarity Technology Partners, LLC | 23456 Madero, Suite 165 | Mission Viejo, CA | 92691

*Clarity Technology Partners is a Woman Owned Business. Clarity is certified by The Women President's Educational Organization and The Women's Business Enterprise National Council as a Woman Business Enterprise.*

**Exhibit A-1  
Rate and Confirmation Letter**

Pursuant to the Master Services Agreement between Clarity Technology Partners and Kern County Hospital Authority, dated March 26, 2018.

**Candidate Information**

**Name:** TBD  
**Title:** Interface Support Analyst

**Responsibilities:** Overseeing all aspects of existing interfaces. This includes implementation, configuration, coordination, maintenance, troubleshooting, security, monitoring and support documentation of interfaces between various hospital applications.

**Start Date:** September 24<sup>th</sup>, 2018  
**Standard Billing Rate:** \$87.00/hour **Overtime Billing Rate:** \$87.00/hour

**Name:** Alex Morales  
**Title:** Sr. Revenue Cycle Analyst

**Responsibilities:** Work closely with other analysts, business contacts, vendors, and stakeholders to coordinate changes in system configuration, workflow design and improve data quality. Perform build, design, analysis, troubleshooting, testing for Cerner Charge Services, Registration & Scheduling. SME Cerner Revenue Cycle, Patient Accounting.

**Start Date:** September 24<sup>th</sup>, 2018  
**Standard Billing Rate:** \$125.00/hour **Overtime Billing Rate:** \$125.00/hour

**Name:** Khaled Eldemerdash  
**Title:** Sr. Clinical Analyst

**Responsibilities:** Liaison among the customer stakeholders, understanding the business requirements that drive the analysis and design of quality technical solutions. Analyze, design, communicate and validate requirements for changes to business processes, policies, and information systems. Map current to future state including development of Gap analysis and remediation plan while insuring the Cerner applications are implemented and maintained in line with the agreed strategy to ensure sound healthcare pharmacy, clinical and financial practices.

**Start Date:** March 27<sup>th</sup>, 2018  
**Standard Billing Rate:** \$130.00/hour **Overtime Billing Rate:** \$130.00/hour

Clarity Technology Partners, LLC | 23456 Madero, Suite 165 | Mission Viejo, CA | 92691

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**Name: Vic Moosissian**

**Title: Sr. Project Manager**

**Responsibilities:** Manage day-to-day operational aspects of projects and scope. Reviews project deliverables, prepared by team leaders. Effectively applies our methodology and enforces project standards. Prepares for and provides regular project reviews and status updates. Is available as required and agreed for the term of the project

**Start Date: May 2<sup>nd</sup>, 2018**

**Standard Billing Rate: \$120.00/hour Overtime Billing Rate: \$120.00/hour**

Clarity will bill Kern Medical Center on a weekly basis for all hours worked and approved via electronic timesheets per the MSA.

Agreed to by:

Russell Bigler

Name/Signature

Chairman, Board of Governors

Title

\_\_\_\_\_  
Date

APPROVED AS TO FORM  
Legal Services Department

By   
Kern County Hospital Authority

Clarity Technology Partners, LLC | 23456 Madero, Suite 165 | Mission Viejo, CA | 92691

*Clarity Technology Partners is a Woman Owned Business. Clarity is certified by The Women President's Educational Organization and The Women's Business Enterprise National Council as a Woman Business Enterprise.*



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Amendment No. 1 to Agreement 14818 with Healthcare Performance Group, Inc., to provide professional consulting services for the electronic health record

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

The proposed Amendment No. 1 with Healthcare Performance Group (HPG) is required to support the ongoing needs of the Cerner Millennium project.

Through this amendment, HPG will provide an Electronic Healthcare Record Consultant at \$138/hr relating to the Cerner Millennium project requirements in Health Information Management (HIM) including the 3M implementation, and other local support.

The proposed Amendment is effective September 19, 2018 with a not to exceed of \$217,000 for the additional professional fees and travel expenses.



**Amendment No. 1 To**  
**Agreement for Professional Consulting Services**  
**(Healthcare Performance Group, Inc. - Kern County Hospital Authority)**

This Amendment No. 1 to the Agreement for Professional Consulting Services is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2018, by and between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (CUSTOMER) and Healthcare Performance Group, (HPG).

RECITALS

- A. Customer and HPG have heretofore entered into an Agreement for Professional Consulting Services (Customer Agt.#14818, dated May 11, 2018) for the period of June 11, 2018 through June 10, 2019, to provide professional consulting services; and
- B. Customer requires additional services of HPG and HPG has agreed to provide these services; and
- C. The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and
- D. The Agreement is amended effective September 19, 2018.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follow:

1. Schedule A-2

Schedule A-2, to Amendment No. 1 is added to the Agreement and incorporated herein by this reference.

2. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 1 have the meaning set forth in the Agreement.

3. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the state of California.

4. This Amendment No. 1 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

5. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. 1 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

HEALTHCARE PERFORMANCE GROUP, INC.

By \_\_\_\_\_  
Russell Bigler  
Chairman, Board of Governors

By \_\_\_\_\_  
Printed Name: Chad Terstriep  
Title/Position: President

APPROVED AS TO CONTENT:  
Kern Medical Center

By \_\_\_\_\_  
Reynaldo Lopez  
Chief Information Officer

APPROVED AS TO FORM:  
Legal Services Department

By \_\_\_\_\_  
Hospital Counsel  
Kern County Hospital Authority

## **Schedule “A-2”**

### **Project Background**

CUSTOMER has licensed the Millennium clinical applications from Cerner Corporation and is in the process of implementing and supporting these applications. CUSTOMER requires additional support in the capacity of a Senior Millennium Consultant, Kayla Smith. Key responsibilities of this project engagement are as follows:

#### **PROJECT ROLE AND DETAILS TO BE APPROVED BY CUSTOMER:**

- Provide best practice, workflows, education and knowledge transfer to the team members for HIM
- Complete the build and design as delegated by the CUSTOMER
- Support and provide documentation on the maintenance for the build completed
- Kayla will work with CUSTOMER to facilitate meetings, tasks and project deliverables for this project
- Kayla will provide additional expertise to other Millennium applications as requested by Customer
- Kayla will also follow the Cerner EHR Consultant Job Description that will be attached to the Master Service Agreement.

### **Engagement Scope and Approach**

HPG will provide the services of Kayla Smith. Kayla will assist the CUSTOMER in the project as described above and will report to Mr. Reynaldo Lopez. Kayla will begin this engagement immediately following the September 19<sup>th</sup> Board of Governors approval, starting Monday, October 1, 2018 and provide services on a continuous, ongoing and full-time basis. CUSTOMER agrees to provide HPG with a 45 day notice of termination for these services of termination for these services.

### **Fees, Timing & Payment**

The professional service fee for these services is \$138 per hour. CUSTOMER commits to a total of 1360 hours for this project. Additional hours will require an addendum for extension. This Schedule A-2 has a not-to-exceed amount is \$217,000 including professional fees and estimated travel expenses, with 75% travel onsite.

Professional services fees and reasonable travel and out of pocket expenses in accordance with Schedule I, will be invoiced biweekly. Should this engagement extend beyond 12 consecutive months, HPG may adjust the rate based upon agreement by both parties, but no more than 5%. The Invoice will be sent to the attention of Brenda Reed, at [Brenda.Reed@KernMedical.com](mailto:Brenda.Reed@KernMedical.com).

Payment is expected by either ( ) electronic payment\* or by (X) check and is due within 30 days of the Invoice Date. Any unpaid balances still due 30 days from the Invoice Date will accrue a late charge at a rate of 1.0% per month. HPG does not accept credit card payments.

This Schedule A-2 is an addition to the Master Service Agreement and Schedule A-1 (Jacqui Pada).

All other terms and conditions of the original Agreement remain unchanged.

**ACCEPTED by:**

**CUSTOMER:**

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**HPG:**

SIGNATURE: \_\_\_\_\_ DATE: 9/11/18

**\*ABA routing number: 101100045; \*Account number: 005048626030; Address: Healthcare Performance Group, Inc., P.O. Box 588, Spring Hill, KS 66083**



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Statement of Work under the Master Services Agreement Agt. #00218, dated January 1, 2018, with Vector Resources, Inc. dba VectorUSA

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

The proposed statement of work with VectorUSA is required to meet the Cerner Millennium project's requirements through the improvement of infrastructure technology components. The proposed services include the cabling for the new IDF network closets that were included in the 2016 infrastructure plan. The statement of work provides a new high-speed network cable to the new and remodeled Kern Medical data and telecom closets. The additional cabling is required to integrate the new closets into the current Kern Medical network.

The proposed Statement of Work shall be effective upon commencement of the project, scheduled to begin September 2018, and is scheduled to be completed November 2021, in an amount not to exceed \$414,139 which includes cabling, cable accessories, CAD documentation, a site survey, labor and travel costs.



Vector Resources, Inc.  
dba VectorUSA  
3530 Voyager St.  
Torrance, CA 90503  
P: (310) 436-1000

VRN-087774-004  
August 17, 2018

**Kern Medical**

1700 Mount Vernon Ave  
Bakersfield, CA 93306

**Project**

Network Cabling Proposal  
Proposal 1, Version 4

**Prepared For**  
Kern Medical

**Prepared By**  
Timothy Sims

## TABLE OF CONTENTS

- 1.0 Scope of Work
  - 1.1 Horizontal Cable
- 2.0 Project Parameters
  - Detailed Pricing
  - Terms and Conditions of Contract  
(Signature Required)

## 1.0 Scope of Work

### 1.1 Horizontal Cable

VectorUSA will provide and install two (2) category 6A plenum cables to a maximum of 504 workstation locations at the Kern Medical Center. The following chart displays the quantity of workstations and their respective number of cables.

FLOOR	OFFICES	WORKSTATIONS	TOTAL CABLES
1st Floor	000	000	000
2nd Floor	086	172	344
3rd Floor	079	158	316
4th Floor	087	174	348
	-----	-----	-----
Total:	252	504	1,008

At each workstation VectorUSA will provide and install one (1) RJ45 category 6A modular insert to terminate each cable. We will also provide and install one (1) multi-port faceplate to house the inserts.

Within the floor IDF, VectorUSA will provide and install RJ45 category 6A modular inserts to terminate each cable. The inserts will be housed within rack-mounted unloaded panels.

VectorUSA will conduct category 6A testing on each cable installed. The results of the testing will be documented and a copy of the report will be provided to Kern personnel at the end of the project.

## 2.0 Project Parameters

### 2.1 Change Order

Any work that is added to or deleted from the original scope of this proposal, and which alters the original costs or completion date, must be agreed upon by both parties in the form of a written change order.

### 2.2 Delays

The client must provide five working days advance notice of any factor that will delay this project or VectorUSA will issue a work stoppage change order. Additionally, idle time incurred due to the absence of required escorts, clearance, permits, inability to enter the work place, delays by other trades or other factors beyond VectorUSA's control will be addressed with a written change order.

### 2.3 Work Days/Overtime

The project work will be performed during VectorUSA's standard business hours of 7am-5pm, PST, Monday through Friday (except holidays). Work outside of standard business hours is available, but requires a written change order.



#### 2.4 Access

VectorUSA has access to all areas required to perform the proposed scope of work in a timely manner.

#### 2.5 Schedule

VectorUSA plans to implement this project in a continuous fashion or as outlined in the RFP. If any additional mobilization is required, as a result of a change (not caused by VectorUSA) in the project schedule, it will be addressed with a written change order.

#### 2.6 Asbestos/Hazardous

VectorUSA assumes that the installation teams will be working in areas that do not contain asbestos or any other hazardous material that would require additional time or alternative installation procedures.

It is the responsibility of the client to give written notification to VectorUSA, prior to the start of a project, of any asbestos contained material (ACMs) in or around the area of the project. In the event that ACMs are present prior to job commencement or if ACMs are encountered during the project, additional cost, damages and/or delays attributed to necessary procedures for working in this environment will be the client's responsibility.

#### 2.7 Adequate Room

The client must provide adequate room for the installation of the proposed termination hardware at the station and in the communications closets.

#### 2.8 Storage Area

The client will provide a secured storage area inside the building for VectorUSA's materials and tools.

#### 2.9 Office Furniture

VectorUSA is not responsible for disassembling or moving desks or other office furniture needed to gain proper access to perform work.

#### 2.10 Ceiling Tile

VectorUSA exercises care in the removal, storage and reinstallation of existing (used) ceiling tiles; however, Vector accepts no liability for any incidental damages that may result from the handling of ceiling tiles.

#### 2.11 Cross-Connections

VectorUSA is not responsible for providing and installing the cross-connects to the phone system.

#### 2.12 Patch Cords

VectorUSA is not responsible for providing and installing voice and data patch cables.

#### 2.13 Existing Cable

VectorUSA has not confirmed that the existing cable infrastructure is usable (e.g., labeled, correct pin configurations, etc.). The client is responsible for providing technician(s) (e.g., cable vendor) to troubleshoot any wiring issues that may arise during installation.

VectorUSA will troubleshoot or resolve in-house wire issues, if requested by the client, in the form of a written change order.

#### 2.14 Existing Conduit

The client is responsible for ensuring that existing conduits/pathways that may be used for this project are installed and utilized in accordance with NEC requirements, have adequate space available for addition of new cables and will not exceed 60% fill ratio after new cables have been added, and are free of obstructions, blockages, and/or defects. If existing conduits/pathways to be used for this project need to be brought into compliance with current code and standards, VectorUSA can assist the client with this work if the client requests such assistance in the form of a written change order.

#### 2.15 Coring

If any coring, x-ray or sonar inspections are necessary, it will be addressed with a written change order. No costs for coring, sonar or x-ray inspection have been included in this proposal.

#### 2.16 Add & Delete

Any additional work requested outside of the SOW will be considered as separate work and addressed with a written change order. This proposal is not to be used as an "add & delete" schedule; it only applies to the work specified in the original RFP.

#### 2.17 Defective Materials

If, due to problems with the existing hardware and/or materials provided by the client or other third parties, there is a delay and/or VectorUSA is unable to perform the work outlined in the SOW, it will be addressed with a written change order.

#### 2.18 Taxes

Taxes are calculated and billed based on tax rates effective at the date of invoice.

2.19 Non-Prevailing Wage

VectorUSA has based this proposal on using non-prevailing wage labor rates. If we are informed or it is determined, at a later date, that the project is subject to prevailing wage rates for the performance of the public work portion of the contract, VectorUSA will submit those changes/additional costs that the project may incur with a written change order.

2.20 Proprietary Information

The information contained in this document is proprietary to VectorUSA and intended to be used as evaluative and/or bidding information only. No part of this document may be disclosed, reproduced and/or distributed to anyone except the listed recipients within this package without written permission from VectorUSA.

VectorUSA is aware that Client is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §6250 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

**DETAILED PRICING****HORIZONTAL INSTALLATION**

CABLE	Quantity	Unit Cost	Material	Labor	Total
Cat6A Plenum Unshielded Blue Cable	242,000	0.66	159,720.00	104,866.67	264,586.67
Cable Supports	1,200	5.60	6,720.00	7,800.00	14,520.00
<b>TELECOMMUNICATIONS OUTLET</b>					
CAT6A Z-MAX Insert Black	1,008	8.54	8,608.32	8,736.00	17,344.32
4 Port Max Faceplate White	504	2.17	1,093.68	2,730.00	3,823.68
Blank Insert White - 10 Pack	101	3.85	388.85	0.00	388.85
<b>TELECOMMUNICATIONS ROOM</b>					
48 Port Unloaded Patch Panel	24	57.61	1,382.64	312.00	1,694.64
CAT6A Z-MAX Panel Outlet	1,008	8.54	8,608.32	8,736.00	17,344.32
<b>TESTING</b>					
Testing Category 6A Cables	1,008	1.05	1,058.40	7,644.00	8,702.40
<b>CAD SERVICES</b>					
CAD Documentation	504	0.28	141.12	1,638.00	1,779.12
<b>MISCELLANEOUS</b>					
Containment Unit- Montly Service	3	840.00	2,520.00	0.00	2,520.00
Miscellaneous Materials and Labor	1	3,500.00	3,500.00	884.00	4,384.00
<b>Sub-Total</b>			<b>193,741.33</b>	<b>143,346.67</b>	<b>337,088.00</b>

**VECTOR SERVICES**

	Quantity	Unit Cost	Material	Labor	Total
Site Survey	1	98.00	98.00	1,200.00	1,298.00
Material Mobilization	3	210.00	630.00	1,560.00	2,190.00
Project Management	1	2,800.00	2,800.00	12,000.00	14,800.00
<b>Sub-Total</b>			<b>3,528.00</b>	<b>14,760.00</b>	<b>18,288.00</b>

**DIRECT COST**

TRAVEL	Quantity	Unit Cost	Material	Labor	Total
Travel Time	13	0.00	0.00	7,605.00	7,605.00
Travel Housing	65	420.00	27,300.00	0.00	27,300.00
Travel Per Diem	65	147.00	9,555.00	0.00	9,555.00
<b>Sub-Total</b>			<b>36,855.00</b>	<b>7,605.00</b>	<b>44,460.00</b>
<b>Project Sub-Total</b>			<b>234,124.33</b>	<b>165,711.67</b>	<b>399,836.00</b>
<b>Sales Tax</b>					<b>14,302.03</b>
<b>Project Total</b>					<b>414,138.02</b>

## TERMS AND CONDITIONS OF CONTRACT

### TERMS AND CONDITIONS

All work is to be completed in a workmanlike manner according to standard practices. All material is to be as specified. Any alterations or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over the estimate. All agreements contingent upon strikes, accidents or delays beyond our control will be settled in a formal agreement. Owner is responsible to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Notwithstanding anything to the contrary, the terms and conditions of the Services hereunder shall be governed by the Professional Services Agreement (KCHA Agt.#00218) between Vector Resources, Inc., dba VectorUSA, and Kern County Hospital Authority, dated January 1, 2018.

### PAYMENT REQUIREMENTS

This proposal pricing is only valid for 30 days. Upon acceptance a purchase order and 50% deposit is required and due prior to commencement of work. Monthly progress invoices will be generated based on percentage of completion and due Net 30. Balance will be invoiced upon substantial completion and due Net 30.

### Kern County Hospital Authority

**Kern Medical Center**  
1700 Mount Vernon Ave  
Bakersfield, CA 93306

Job Total                    \$414,138.02

\_\_\_\_\_  
Vector Resources, Inc. dba VectorUSA Authorized Signature

\_\_\_\_\_  
Date

### ACCEPTANCE OF PROPOSAL

The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**TERMS AND CONDITIONS OF CONTRACT**

**TERMS AND CONDITIONS**

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**Kern County Hospital Authority**

**Kern Medical Center**  
1700 Mount Vernon Ave  
Bakersfield, CA 93306

Job Total                      \$414,138.02

  
\_\_\_\_\_  
Vector Resources, Inc. dba VectorUSA Authorized Signature

9-5-18  
\_\_\_\_\_  
Date

**ACCEPTANCE OF PROPOSAL**

The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Russell Bigler, Chairman Board of Governors  
\_\_\_\_\_  
Print Name

APPROVED AS TO FORM  
Legal Services Department

By   
\_\_\_\_\_  
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Statement of Work under the Master Services Agreement Agt. #00218, dated January 1, 2018, with Vector Resources, Inc. dba VectorUSA

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

The proposed statement of work with VectorUSA is required to meet the Cerner Millennium project's requirements through the improvement of infrastructure technology components

The proposed services include the Wi-Fi cabling, additional professional services, installation of up to 60 new wireless access points, relocation of up to 80 wireless access points, Wi-Fi design, and post install survey, validation, travel costs and labor.

The proposed Statement of Work shall be effective upon commencement of the project, scheduled to begin September 2018, and is scheduled to be completed November 2021, in an amount not to exceed \$282,701 which includes design, survey, engineering, installation and cabling.



Vector Resources, Inc.  
dba VectorUSA  
3530 Voyager St.  
Torrance, CA 90503  
P: (310) 436-1000

VRN-088983-003  
August 22, 2018

**Kern Medical**

1700 Mount Vernon Ave  
Bakersfield, CA 93306

**Project**

Cisco Wireless Upgrade  
Proposal 1, Version 2

**Prepared For**  
Kern Medical

**Prepared By**  
Timothy Sims





## TABLE OF CONTENTS

1.0 SOW

2.0 Caveats

Detailed Pricing

Terms and Conditions of Contract  
(Signature Required)

## 1.0 SOW

### 1.1 Budget Summary

VectorUSA has provided budgetary pricing for the Wireless LAN refresh at Ken Medical, located in Bakersfield, CA.

#### Wireless:

Two types of Cisco access points have been provided, Aironet 3802i and the Aironet 4800. (30) of each access point has been included for a total of (60) new access points.

Access points will be mounted to the existing ceiling t-grid.

Cisco One Foundation perpetual licenses have been included for the (30) Aironet 3802i access points. This includes an AP license for the existing 5520 WLC, an ISE license and Cisco Prime Infrastructure licenses.

Cisco One Advantage term licenses have been included for the (30) Aironet 4800 access points. These licenses are subscription based for a 3 year term. This includes an AP license for the existing 5520 WLC, an ISE license and Cisco Prime Infrastructure licenses and Cisco DNA licenses.

**3 year software and hardware support have been included for both access point types.**

#### Communication Cabling:

VectorUSA has included the installation, termination and testing of (60) new Cat6A outlets for the new access points. An outlet will consist of (1) Cat6A cable. All cables will be terminated with Cat6A jacks, tested and labeled.

#### Professional Services:

VectorUSA has included the following Professional Services.

1. Relocation of (80) existing access points. This includes the addition of cable supports, relocating the cable, termination, testing, labeling, installation of existing AP at the new location and connection to the network.
2. Installation of (60) new access points.
3. Wireless design, survey and validation. Design includes recommended existing APs to be relocated and recommended locations for the new APs.
4. Wireless configuration of the new (60) access points on the existing WLCs.

#### Travel Costs:

VectorUSA has included travel costs for technician/engineer travel time, housing and per diem. Housing and per diem are at estimated costs to VectorUSA.

Travel time is based on 3 hours one way per technician / engineer.

Wireless Engineer = 2 round trips (Survey + Validation)

Comm Technician = 2 techs for 3 round trips over a 6 week period (AP relocation)

Comm Technician = 2 techs for 2 round trips over a 4 week period (Cabling)  
+ 1 tech 1 round trip over a 2 week period (AP install)

## 2.0 Caveats

### 2.1

1. Access point mounting assumes ceiling grid mounts. If any specialty mounts are required, this has not been included in the budget.
2. (44) penetrations have been budgeted for AP relocations. Any additional required surveys, documentation and materials / labor for the installation of penetrations greater than the budgeted number, have not been included.
3. Installation travel costs have been budgeted for six, two week stays. If any delays, outside of Vector's control, extends the required stay a change order will be required for additional expenses.
4. Wireless survey travel costs have been budgeted for one, 4 night trip and one, 3 night trip. If any delays, outside of Vector's control, extends the required stay a change order will be required for additional expenses.

VectorUSA is aware that Client is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §6250 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

**DETAILED PRICING****WIRELESS**

	Quantity	Unit Cost	Material	Labor	Total
<b>AP TYPE 1</b>					
3802i Wave2 AC Access Point, 4x4:3 int ant, B Domain	30	1,190.09	35,702.70	0.00	35,702.70
SOLN SUPP 8X5XNBD, 802.11ac W2 AP w/CA 4x4 3 Mod Int	30	165.63	4,968.90	0.00	4,968.90
Cisco ONE Foundation Perpetual - Wireless	30	232.05	6,961.50	0.00	6,961.50
SWSS UPGRADES C1 Foundation Perpetual - Wireless - 36	30	135.00	4,050.00	0.00	4,050.00
<b>AP TYPE 2</b>					
4800 .11ac W2 Analytics AP w/CA; 4x4:3; Location; mGig -B	30	1,322.69	39,680.70	0.00	39,680.70
SOLN SUPP 8X5XNBD .11ac W2 Analytics AP w/CA; 4x4:3;	30	402.43	12,072.90	0.00	12,072.90
Cisco ONE Advantage Term Wireless 3Y	30	447.53	13,425.90	0.00	13,425.90
<b>MISCELLANEOUS</b>					
Containment Unit- Montly Service	6	720.00	4,320.00	0.00	4,320.00
		<b>Sub-Total</b>	<b>121,182.60</b>	<b>0.00</b>	<b>121,182.60</b>

**COMMUNICATION CABLING**

	Quantity	Unit Cost	Material	Labor	Total
Cat 6A Cabling Kit	60	225.67	13,540.20	21,000.00	34,540.20
2 In Firestop Speed Sleeve CP 653	44	157.13	6,913.72	6,160.00	13,073.72
		<b>Sub-Total</b>	<b>20,453.92</b>	<b>27,160.00</b>	<b>47,613.92</b>

**PROFESSIONAL SERVICES**

	Quantity	Unit Cost	Material	Labor	Total
Pro Services - AP Relocation	80	56.25	4,500.00	22,400.00	26,900.00
Pro Services - New AP Installation	60	0.00	0.00	4,200.00	4,200.00
Pro Services - Wireless Survey / Design / Validation	1	0.00	0.00	13,364.80	13,364.80
Pro Services - Wireless Configuration	1	0.00	0.00	14,000.00	14,000.00
Pro Services - Project Management	1	0.00	0.00	10,000.00	10,000.00
		<b>Sub-Total</b>	<b>4,500.00</b>	<b>63,964.80</b>	<b>68,464.80</b>

**MISCELLANEOUS COSTS**

	Quantity	Unit Cost	Material	Labor	Total
Mobilization / Delivery	2	0.00	0.00	1,000.00	1,000.00
		<b>Sub-Total</b>	<b>0.00</b>	<b>1,000.00</b>	<b>1,000.00</b>

**DIRECT COST**

<b>TRAVEL</b>					
	Quantity	Unit Cost	Material	Labor	Total
Travel Time	11	0.00	0.00	5,148.00	5,148.00
Travel Time - Survey/Validation	2	0.00	0.00	1,440.00	1,440.00
Travel Housing	147	145.00	21,315.00	0.00	21,315.00

Travel Per Diem						
		166	45.00	7,470.00	0.00	7,470.00
	Sub-Total			28,785.00	6,588.00	35,373.00
	Project Sub-Total			174,921.52	98,712.80	273,634.32
	Sales Tax					9,065.74
	Project Total					282,700.06

### TERMS AND CONDITIONS OF CONTRACT

#### TERMS AND CONDITIONS

All work is to be completed in a workmanlike manner according to standard practices. All material is to be as specified. Any alterations or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over the estimate. All agreements contingent upon strikes, accidents or delays beyond our control will be settled in a formal agreement. Owner is responsible to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Notwithstanding anything to the contrary, the terms and conditions of the Services hereunder shall be governed by the Professional Services Agreement (KCHA Agt.#00218) between Vector Resources, Inc., dba VectorUSA, and Kern County Hospital Authority, dated January 1, 2018.

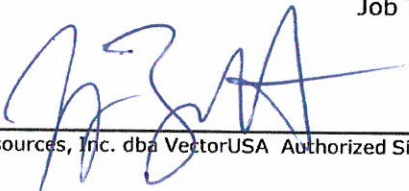
#### PAYMENT REQUIREMENTS

This proposal pricing is only valid for 30 days. Upon acceptance a purchase order and 50% deposit is required and due prior to commencement of work. Monthly progress invoices will be generated based on percentage of completion and due Net 30. Balance will be invoiced upon substantial completion and due Net 30.

#### Kern County Hospital Authority

**Kern Medical Center**  
1700 Mount Vernon Ave  
Bakersfield, CA 93306

Job Total                      \$282,700.06



\_\_\_\_\_  
Vector Resources, Inc. dba VectorUSA Authorized Signature

9-5-18

\_\_\_\_\_  
Date

#### ACCEPTANCE OF PROPOSAL


The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Russell Bigler, Chairman Board of Governors  
Print Name

APPROVED AS TO FORM  
Legal Services Department

By   
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Amendment No. 2 to Agreement 20716 with J. Chandrasekhar, Inc.

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 2 with J. Chandrasekhar, Inc. to provide professional medical services to patients needing pulmonary and critical care services as well as teaching services to resident physicians. Dr. Chandrasekhar has provided the contracted services indicated above at Kern Medical since 2010.

The proposed amendment extends this agreement by one year and expires October 14, 2019. The maximum payable under this Agreement shall not exceed \$1,140,000 over the three years of the agreement that commenced October 15, 2016.



**AMENDMENT NO. 2  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – J. Chandrasekhar, Inc.)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and J. Chandrasekhar, Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 12713 Crown Crest Drive, Bakersfield, California 93311.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #20716, dated October 15, 2016) and Amendment No. 1 (Agt. #067-2017, dated October 18, 2018) (the “Agreement”), for the period October 15, 2016 through October 14, 2018, to provide professional medical services to patients of KMC and teaching services to resident physicians; and

(b) The Agreement expires October 14, 2018; and

(c) Authority continues to require the services of Contractor; and

(d) It is the intent of the parties to have the terms of the Agreement provide for the payment of all reasonably projected costs and expenses related to the services provided by Contractor; and

(e) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(f) The Agreement is amended effective October 15, 2018;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. Term. The term of this Agreement shall commence October 15, 2016 (the “Effective Date”), and shall end October 14, 2019, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 4, Payment for Services, paragraph 4.4, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.4 Maximum Payable. The maximum payable under this Agreement shall not exceed \$1,140,000 over the three-year term of this Agreement.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
6. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Agreement as of the day and year first written above.

J. CHANDRASEKHAR, INC.

By \_\_\_\_\_  
Jayaraman Chandrasekhar, M.D.  
Its President

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

By \_\_\_\_\_  
Russell V. Judd  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
VP & General Counsel  
Kern County Hospital Authority

Amend2.Chandrasekhar.082418



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Agreement for Professional Services with Katayoun Sabetian, M.D., Inc.

**Recommended Action:** Approve, Authorize Chief Executive Officer to sign

**Summary:**

Kern Medical requests your Board approve an Agreement for Professional Services with Katayoun Sabetian, M.D., Inc., for professional medical services in the Department of Medicine. Such services include medical care to neurology patients and teaching services to resident physicians as well as providing medical director services of the stroke program.

Dr. Sabetian also assists in the training programs related to this medical specialty to resident physicians employed by Kern Medical.

Payment for Services are as follows:

- Medical Director Services - Contractor shall be paid an hourly rate of \$150 per hour not to exceed 40 hours per month for services as Medical Director of the stroke program.
- Neurology Coverage - Contractor shall be compensated as follows: (i) Contractor shall be paid a fixed fee of \$500 for each neurology clinic attended; (ii) Contractor shall be paid a per diem rate of \$350 per day for neurology rounds and consultations; (iii) Contractor shall be paid a per diem rate of \$75 for weekday night call coverage (Monday through Thursday, 5:00 p.m. to 8:00 a.m.); (iv) Contractor shall be paid a fixed fee of \$300 for weekend call coverage (Friday, 5:00 p.m. to Monday, 8:00 a.m.); and (v) Contractor shall be paid prevailing Medi-Cal rates for each adult EEG, nerve conduction study and EMG interpreted by Contractor.
- Didactic Lectures - Contractor shall be paid a fixed fee of \$300 per lecture, which includes preparation time and lecture presentation

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Katayoun Sabetian, M.D., Inc., for professional medical services in the Department of Medicine, from September 1, 2018 through August 31, 2020, in an amount not to exceed \$610,000, and authorize the Chief Executive Officer to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Hospital Authority – Katayoun Sabetian, M.D., Inc.)**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Katayoun Sabetian, M.D., Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 2323 16th Street, Suite 206, Bakersfield, California 93301.

**I.  
RECITALS**

(a) Authority is authorized, pursuant to section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and

(b) Authority owns and operates KMC, a general acute care hospital located at 1700 Mount Vernon Avenue, Bakersfield, California, and affiliated clinics (collectively, the “Premises”), in which is located the Department of Medicine (the “Department”); and

(c) Contractor is a California professional medical corporation with medical doctors (collectively, “Group Physicians” or individually, “Group Physician”) who provide services on behalf of Contractor; and

(d) KMC has developed a stroke program that meets the accreditation standards of The Joint Commission for certification as a Primary Stroke Center; and

(e) Authority requires the assistance of Contractor to provide professional medical and administrative services at KMC and teaching services to resident physicians employed by Authority, as such services are unavailable from Authority resources, and Contractor agrees to provide such services on the terms and conditions set forth in this Agreement; and

(f) Contractor has special knowledge, training and experience, and is qualified to render such services;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree as follows:

**II.  
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall commence September 1, 2018 (the “Effective Date”), and shall end August 31, 2020, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.

## 2. **Obligations of Contractor.**

2.1 **Specified Services.** Contractor shall render those services set forth in Exhibit “A,” attached hereto and incorporated herein by this reference. Such services may be changed from time to time by agreement of the parties in accordance with the provisions of this Agreement.

2.2 **Representations.** Contractor makes the following representations which are agreed to be material to and form a part of the inducement for this Agreement: (i) Contractor has the expertise and support staff necessary to provide the services described in this Agreement; and (ii) Contractor does not have any actual or potential interests adverse to Authority nor does Contractor represent a person or firm with an interest adverse to Authority with reference to the subject of this Agreement; and (iii) Contractor shall diligently provide all required services in a timely and professional manner in accordance with the terms and conditions set forth in this Agreement.

2.3 **Standard of Care.** Authority has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all of its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor’s work by Authority shall not operate as a waiver or release.

2.4 **Performance Standard.** Contractor shall perform all services hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor’s profession. If Authority determines that any of Contractor’s work is not in accordance with such level of competency and standard of care, Authority, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with Authority to review the quality of the work and resolve matters of concern; (b) terminate this Agreement pursuant to the provisions of section 36; or (c) pursue any and all other remedies at law or in equity.

2.5 **Assigned Personnel.** Contractor shall assign only competent personnel to perform the Services hereunder. In the event that at any time Authority, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform the services hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from Authority. Group Physicians providing services under this Agreement include, without limitation, Katayoun Sabetian, M.D.

### 2.6 **Qualifications of Group Physicians.**

2.6.1 **Licensure/Board Certification.** Group Physicians shall at all times during the term of this Agreement be duly licensed physicians and surgeons in the state of California, practicing in the medical specialty of neurology, and certified by or eligible for certification by the American Board of Psychiatry and Neurology in neurology-general and sleep medicine-subspecialty.

2.6.2 Medical Staff Status. Each Group Physician shall at all times during the term of this Agreement be a member in good standing of the KMC medical staff with “active” or “courtesy” staff status and hold all clinical privileges on the active or courtesy medical staff appropriate to the discharge of his or her obligations under this Agreement.

2.6.3 TJC and ACGME Compliance. Each Group Physician shall observe and comply with all applicable standards and recommendations of The Joint Commission and Accreditation Council for Graduate Medical Education.

2.6.4 Training/Experience. Each Group Physician shall have (i) recent experience as an internal medicine practitioner, (ii) an academic background to include teaching and working in an academic medical center, experience working with other clinical departments, teaching residents and medical students, participating in hospital committees, and working on pathways and evidence-based guidelines, and (iii) ongoing acute care hospital experience.

2.7 Rights and Duties. Katayoun Sabetian, M.D., shall act as the authorized agent for Contractor in all matters relating to the performance of Group Physicians under this Agreement. Contractor shall require Group Physicians to participate in the educational and committee activities of the KMC medical staff. Contractor shall, by contract, obligate Group Physicians to comply fully with all duties, obligations and restrictions imposed upon Contractor under this Agreement.

2.8 Loss or Limitation. Contractor shall notify KMC promptly of any loss, sanction, suspension or material limitations of any Group Physician’s license to practice in the state of California, Controlled Substance Registration Certificate issued by the Drug Enforcement Administration, right to participate in the Medicare or Medicaid programs, or specialty qualifications for medical staff membership or clinical privileges.

2.9 Standards of Medical Practice. The standards of medical practice and professional duties of all Group Physicians providing services under this Agreement shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards for practice established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

2.10 Medical Record Documentation. Contractor shall cause a complete medical record to be timely prepared and maintained for each patient seen by a Group Physician providing services under this Agreement. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC medical staff bylaws, rules, regulations, and policies. Documentation by Group Physicians will conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive.

2.11 Quality Improvement and Risk Management. Contractor agrees that all Group Physicians shall participate in (i) the quality improvement and risk management programs of KMC and serve on such committees as may be required; (ii) ongoing quality improvement

activities, such as audits, which will be conducted annually in the Department in order to evaluate and enhance the quality of patient care; and (iii) risk management activities designed to identify, evaluate and reduce the risk of patient injury associated with care. At a minimum, Contractor shall ensure that the quality improvement program consists of the following integrated components: (i) professional development that provides continuous performance feedback that is benchmarked, evaluated, and rated individually and collectively; (ii) clinical standards that are evidence-based and grounded in industry best practices; (iii) performance improvement that is outcomes-focused and based on quality indicators/metrics with quarterly reporting of same; and (iv) customer satisfaction that is feedback/survey-driven and objectively and comparatively measured, tracked/trended, and analyzed. The appropriate review mechanism will be applied in accordance with the provisions of the KMC medical staff bylaws, The Joint Commission, and applicable law.

2.12 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Contractor agrees to indemnify and hold Authority harmless from any liability which it may incur to the United States or to the state of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case Authority is audited for compliance regarding any withholding or other applicable taxes, Contractor agrees to furnish Authority with proof of payment of taxes on these earnings.

2.13 Nonexclusive Services. Contractor understands and agrees that Authority will utilize the services of Contractor pursuant to the terms of this Agreement on a non-exclusive basis. Contractor further agrees that Authority shall retain the option to enter into agreements with other organizations for purposes of securing the services, in its sole discretion.

### 3. Obligations of Authority.

3.1 Authority Designee. Authority shall designate a primary contact, who will arrange for KMC staff assistance as may be required.

3.2 Space. KMC shall furnish for the use of Contractor such space and facilities as may be deemed necessary by KMC for the proper operation and conduct of the Department. KMC shall, in its sole discretion, determine the amount and type of space and facilities to be provided herein. Contractor shall use the space and equipment solely for the performance of the services required under this Agreement. Neither Contractor nor Group Physicians shall use such space or equipment for other business or personal use.

3.3 Use Limitations on Space. The use of any part of the space occupied by the Department for the general or private practice of medicine is prohibited. Contractor shall use the items furnished under this Agreement only for the performance of services required by this Agreement. This Agreement shall not be construed to be a lease to Contractor or any Group Physician of any portion of the Premises, and insofar as Contractor or Group Physicians may use a portion of said Premises, Contractor and Group Physicians do so as licensees only, and Authority and KMC shall, at all times, have full and free access to the same.



3.4 Equipment. KMC shall furnish for the use of the Department such equipment as is deemed necessary by KMC for the proper operation and conduct of the Department consistent with community standards. KMC shall keep and maintain this equipment in good order and repair and replace such equipment, as is reasonably necessary and subject to the usual purchasing practices of Authority and KMC and budget constraints.

3.5 Services and Supplies. KMC shall provide or arrange for the provision of janitorial services, housekeeping services, laundry and utilities, together with such other hospital services, including medical records, administrative and engineering services, and expendable supplies as KMC deems necessary for the proper operation and conduct of the Department.

3.6 Control Retained in KMC. In compliance with title 22, California Code of Regulations, section 70713 KMC will retain professional and administrative responsibility for services rendered under this Agreement. Contractor shall apprise KMC of recommendations, plans for implementation and continuing assessment through dated and signed reports which shall be retained by KMC for follow-up action and evaluation of performance.

#### 4. Payment for Services.

4.1 Compensation. As consideration for the services provided by Contractor hereunder, Authority shall pay Contractor according to the fee schedule set forth in this paragraph 4.1. All services are payable in arrears.

4.1.1 Medical Director Services. Contractor shall be paid an hourly rate of \$150 per hour not to exceed 40 hours per month for services as Medical Director of the stroke program.

4.1.2 Neurology Coverage. Contractor shall be compensated as follows: (i) Contractor shall be paid a fixed fee of \$500 for each neurology clinic attended; (ii) Contractor shall be paid a per diem rate of \$350 per day for neurology rounds and consultations; (iii) Contractor shall be paid a per diem rate of \$75 for weekday night call coverage (Monday through Thursday, 5:00 p.m. to 8:00 a.m.); (iv) Contractor shall be paid a fixed fee of \$300 for weekend call coverage (Friday, 5:00 p.m. to Monday, 8:00 a.m.); and (v) Contractor shall be paid prevailing Medi-Cal rates for each adult EEG, nerve conduction study and EMG interpreted by Contractor.

4.1.3 Didactic Lectures. Contractor shall be paid a fixed fee of \$300 per lecture, which includes preparation time and lecture presentation.

4.2 Limitations on Compensation. Except as expressly stated herein, neither Contractor nor Group Physicians shall receive any benefits from Authority, including without limitation, health benefits, sick leave, vacation, holidays, deferred compensation or retirement.

4.3 Invoices. Invoices for payment shall be submitted in a form approved by KMC and list each service performed. Invoices and receipts shall be sent to KMC for review and

processing within 60 days of the date of service or payment will not be made. Payment shall be made to Contractor within 30 days of receipt and approval of each invoice by KMC.

4.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$610,000 over the two-year term of this Agreement.

4.6 Taxpayer Identification. To ensure compensation is reported as paid to the proper party, Contractor will complete and execute IRS Form W-9 (Exhibit "B," attached hereto and incorporated herein by this reference), which identifies the taxpayer identification number for Contractor.

4.7 Professional Fee Billing. Contractor shall have the exclusive right to bill, collect and retain all professional fees for all direct patient care services provided by Contractor under this Agreement, with the exception of "County Responsible" patients. "County Responsible" patients are defined as medically indigent adults pursuant to Welfare and Institutions Code sections 17000 et seq., and adult inmates and juvenile detainees in custody in detention facilities owned and operated by the County of Kern.

4.7 Managed Care Contracting. Contractor shall cooperate, and shall ensure that Group Physicians cooperate, in all reasonable respects necessary to facilitate KMC's entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable Authority or KMC to participate in any third-party payer arrangements, Contractor and/or Group Physicians shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from Authority and KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a "Managed Care Organization") designated by Authority or KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

5. Access to Books and Records. Contractor shall make available, upon written request from Authority or KMC, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, this Agreement, and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of seven (7) years after the termination or expiration of this Agreement. If Contractor is requested to disclose books, documents or records pursuant to this section for any purpose, Contractor shall notify KMC of the nature and scope of the request, and Contractor shall make available, upon written request of KMC, all such books, documents or records.

6. **Anti-referral Laws.** Contractor acknowledges that it is subject to certain federal and state laws governing the referral of patients, which are in effect during the term of this Agreement. These laws include (i) prohibitions on payments for referral or to induce the referral of patients, and (ii) the referral of patients by a physician for certain designated health care services to an entity with which the physician (or his or her immediate family) has a financial relationship (Cal. Business and Professions Code sections 650 et seq.; Cal. Labor Code sections 139.3 and 139.31; section 1128B (b) of the Social Security Act; and section 1877 of the Social Security Act). The parties expressly agree that nothing contained in this Agreement shall require either the referral of any patients to, or order of any goods or services from Contractor or KMC. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party shall knowingly or intentionally conduct itself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs (42 U.S.C. section 1320a-7b).

7. **Assignment.** Contractor shall not assign, delegate, sublet, or transfer any interest in or duty under this Agreement. Contractor shall not assign any money due or which becomes due to Contractor under this Agreement without the prior written approval of Authority.

8. **Audits, Inspection and Retention of Records.** Contractor agrees to maintain and make available to Authority accurate books and records relative to all its activities under this Agreement. Contractor shall permit Authority to audit, examine and make excerpts and transcripts from such records, and to conduct audits or reviews of all invoices, materials, records or personnel or other data related to all other matters covered by this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than four (4) years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last. The state of California or any federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon Authority herein.

9. **Authority to Incur Financial Obligation.** It is understood that neither Contractor nor Group Physicians, in the performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. **Captions.** The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

11. **Change in Law.** In the event that a change in state or federal law or regulatory requirement (or the application thereof), any of which renders this Agreement illegal, impossible to perform, or commercially impracticable, the parties agree to negotiate immediately, in good faith, any necessary or appropriate amendment(s) to the terms of this Agreement. If the parties fail to reach a mutually agreeable amendment within 30 days of such negotiation period, this Agreement shall automatically terminate at the end of such 30-day period.

12. **Choice of Law/Venue.** The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the state of California. It is expressly acknowledged that this Agreement has been entered into and will be performed within the County of Kern.

Should any suit or action be commenced to enforce or interpret the terms of this Agreement or any claim arising under it, it is expressly agreed that proper venue shall be in County of Kern, state of California.

13. **Compliance with Law.** Contractor shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

14. **Compliance Program.** Contractor acknowledges that KMC has implemented a compliance program for the purpose of ensuring adherence to applicable federal and state laws, regulations and other standards. Contractor agrees that in the course of performance of its duties described herein that it shall act, and cause its employees to act, in conformance with the policies set forth therein. KMC shall make available such information relating to its compliance program as is appropriate to assist Contractor in adhering to the policies set forth in the compliance program. Contractor and its employees shall participate in compliance training and education as reasonably requested by KMC.

15. **Confidentiality.**

15.1 **Use and Disclosure Restrictions.** Neither party shall, without the written consent of the other, communicate confidential information of the other, designated in writing or identified in this Agreement as such, to any third party and shall protect such information from inadvertent disclosure to any third party in the same manner that the receiving party would protect its own confidential information. The foregoing obligations will not restrict either party from disclosing confidential information of the other party: (i) pursuant to applicable law; (ii) pursuant to the order or requirement of a court, administrative agency, or other governmental body, on condition that the party required to make such a disclosure gives reasonable written notice to the other party to contest such order or requirement; and (iii) on a confidential basis to its legal or financial advisors.

15.2 **Trade Secrets.** The parties acknowledges that each party, in connection with its business, has developed certain operating manuals, symbols, trademarks, trade names, service marks, designs, patient lists, procedures, processes, and other copyrighted, patented, trademarked, or legally protectable information which is confidential and proprietary to the party that constitute its trade secrets. The parties shall not use any name, symbol, mark, or other proprietary information of the other party except as expressly permitted.

15.3 **Medical Records.** The parties agree to maintain the confidentiality of all medical records pertaining to the provision of services under this Agreement in accordance with applicable federal and state laws and regulations including, but not limited to, the California Confidentiality of Medical Records Information Act, codified at section 56.1 of the California Civil Code, California Evidence Code sections 1156 and 1157, and the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations.

15.4 Medical Staff and Committee Records. All records, files, proceedings and related information of Group Physicians, KMC and the medical staff and its committees pertaining to the evaluation and improvements of the quality of patient care at KMC shall be kept strictly confidential by Contractor and Group Physicians. Neither Contractor nor Group Physicians shall voluntarily disclose such confidential information, either orally or in writing, except as expressly required by law or pursuant to written authorization by KMC, which may be given or withheld in the sole discretion of KMC.

15.5 Ownership of Records. All documents, papers, notes, memoranda, computer files and other written or electronic records of any kind (“Documents”), in whatever form or format, assembled, prepared or utilized by Contractor or Group Physicians during and in connection with this Agreement shall remain the property of Authority at all times. Upon the expiration or termination of this Agreement, Contractor shall promptly deliver to Authority all such Documents, which have not already been provided to Authority in such form or format as Authority deems appropriate. Such Documents shall be and will remain the property of Authority without restriction or limitation. Contractor may retain copies of the above described Documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of Authority.

15.6 Non-disparagement. Each party agrees that it shall not make or cause to be made, any written (including, but not limited to, any emails, internet postings, remarks or statements) or verbal assertions, statements or other communications regarding the other party’s business or each other which may be in any manner whatsoever defamatory, detrimental or unfavorable to such other party. Each party agrees that these non-disparagement covenants shall survive the termination of this Agreement.

16. Conflict of Interest. Contractor covenants that it has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of this Agreement no person having any such interests shall be employed. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.

17. Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

18. Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and Authority acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against

one party in favor of the other. Contractor and Authority acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

19. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

20. **Disqualified Persons.** The parties mutually represent and warrant to one another that they and their respective representatives are not: (i) currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 U.S.C. section 1320a-7b-(f) (the “Federal health care programs”) and/or present on the exclusion database of the Office of the Inspector General (“OIG”) or the Government Services Administration (“GSA”); (ii) convicted of a criminal offense related to the provision of health care items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs; or (iii) debarred, suspended, excluded or disqualified by any federal governmental agency or department or otherwise declared ineligible from receiving federal contracts or federally approved subcontracts or from receiving federal financial and nonfinancial assistance and benefits. This shall be an ongoing representation and warranty during the term of this Agreement and a party shall immediately notify the other party of any change in the status of any of the representations and/or warranties set forth in this section. Any breach of this section shall give the non-breaching party the right to terminate this Agreement immediately upon written notice.

21. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

22. **Immigration Compliance.** Contractor shall comply with all provisions of immigration law with respect to hiring, recruiting or referring for employment persons whose authorization for employment in the United States has been verified, and shall provide KMC with a copy of such verification required in 8 USCA section 1324a. Contractor agrees to indemnify, defend, and hold harmless Authority, its agents, officers, and employees, from any liability, damages, or causes of action arising out of Contractor’s failure to comply with this section 22.

23. **Indemnification and Hold Harmless.** Authority shall assume liability for and indemnify and hold Contractor and Group Physicians harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys’ fees and judgments incurred by Contractor or Group Physicians or for which Contractor or Group Physicians becomes liable, arising out of or related to professional services rendered or which a third party alleges should have been rendered by Contractor or Group Physicians pursuant to this Agreement. Authority’s obligation under this paragraph shall extend from the Effective Date and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of professional services Contractor or Group Physicians rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than KMC without

approval by the Kern County Hospital Authority Board of Governors and, provided further, that Authority shall have no duty or obligation to defend, indemnify or hold Contractor or Group Physicians harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

24. **Independent Contractor.** In the performance of the services under this Agreement, Contractor shall be, and acknowledges that Contractor is in fact and law, an independent contractor and not an agent or employee of Authority. Contractor has and retains the right to exercise full supervision and control over the manner and methods of providing services to Authority under this Agreement. Contractor retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Contractor in the provision of services under this Agreement. With respect to Contractor's employees, if any, Contractor shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any and all other laws regulating employment.

25. **Informal Dispute Resolution.** Controversies between the parties with respect to this Agreement, or the rights of either party, or with respect to any transaction contemplated by this Agreement, shall be resolved, to the extent possible, by informal meetings and discussions among appropriate representatives of the parties.

26. **Insurance.** With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit "C," attached hereto and incorporated herein by this reference.

27. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

28. **No Third Party Beneficiaries.** It is expressly understood and agreed that the enforcement of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to Authority and Contractor. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of Authority and Contractor that any such person or entity, other than Authority or Contractor, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

29. **Non-appropriation.** Authority reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, Authority will be released from any further financial obligation to Contractor, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Contractor will be given 30 days' prior written notice in the event that Authority requires such an action.

30. **Non-collusion Covenant.** Contractor represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this

Agreement with Authority. Contractor has received from Authority no incentive or special payments, nor considerations, not related to the provision of services under this Agreement.

31. **Nondiscrimination.** Neither Contractor, nor any officer, agent, employee, servant or subcontractor of Contractor shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, ancestry, national origin, religion, sex, actual or perceived sexual orientation, marital status, age, pregnancy, medical condition, handicap or other prohibited basis, either directly, indirectly or through contractual or other arrangements.

32. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of Authority. Forbearance or indulgence by Authority in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Contractor. Authority shall be entitled to invoke any remedy available to Authority under this Agreement or by law or in equity despite said forbearance or indulgence.

33. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

Notice to Contractor:

Katayoun Sabetian, M.D., Inc.  
2323 16th Street, Suite 206  
Bakersfield, California 93301  
Attn.: Its President

Notice to Authority:

Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306  
Attn.: Chief Executive Officer

34. **Signature Authority.** Each party represents that they have full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

35. **Sole Agreement.** This Agreement, including all attachments hereto, contains the entire agreement between the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

36. **Termination.**

36.1 **Termination with Cause.** Either party may terminate this Agreement in the event of a material breach by the other; provided, however, the termination for the breach of this Agreement will not become effective unless and until the party not in default, has given the other party written notice of breach, which notice shall state the general nature of the breach, and the



party allegedly in default will thereafter have a period of 30 days following the giving of said notice in which to remedy the default to the reasonable satisfaction of the other party. If the alleged default is of the kind that cannot be cured within 30 days, then the party allegedly in default will have an additional 30 days in which to remedy the breach as long as such party is acting in good faith and using diligent efforts to remedy such breach throughout the cure period.

36.2 Termination without Cause. Either party may terminate this Agreement, without cause, upon 90 days' prior written notice to the other party.

36.3 Immediate Termination. Notwithstanding the foregoing, Authority shall have the right to terminate this Agreement effective immediately after giving written notice to Contractor, for any of the following reasons: (i) Authority determines that Contractor does not have the proper credentials, experience or skill to perform the required services under this Agreement; (ii) continuation by Contractor in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) the violation of any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or KMC is subject; (iv) an unauthorized use or disclosure of confidential or proprietary information by Contractor which causes material harm to Authority or KMC; (v) commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty by Contractor against Authority or KMC; (vi) the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal, due to the actions of Contractor; or (vii) the failure of Contractor to cure a default within the time allowed in paragraph 36.1.

37. **Effect of Termination.**

37.1 Payment Obligations. In the event of termination of this Agreement for any reason, Authority shall have no further obligation to pay for any services rendered or expenses incurred by Contractor after the effective date of the termination, and Contractor shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

37.2 Vacate Premises. Upon expiration or earlier termination of this Agreement, Contractor shall immediately vacate KMC, removing at such time any and all personal property of Contractor. Authority may remove and store, at Contractor's expense, any personal property that Contractor has not so removed.

37.3 No Interference. Following the expiration or earlier termination of this Agreement, Contractor shall not do anything or cause any person to do anything that might interfere with any efforts by Authority to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between Authority and any provider that may replace Contractor.

37.4 No Hearing Rights. Termination of this Agreement by Authority or KMC for any reason shall not provide Contractor or Group Physicians the right to a fair hearing or the other rights more particularly set forth in the KMC medical staff bylaws.

38. **Time of Essence.** Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

39. **Liability of Authority.** The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Agreement as of the day and year first written above.

KATAYOUN SABETIAN, M.D., INC.

By \_\_\_\_\_  
Katayoun Sabetian, M.D.  
Its President

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Russell V. Judd  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
VP & General Counsel  
Kern County Hospital Authority

Agreement.Sabetian.081618

**EXHIBIT “A”**  
**Description of Services**  
**Katayoun Sabetian, M.D., Inc.**

**Position Summary:**

1. Reports to Department chair.
2. Serves as Medical Director of the stroke program.
3. Serves as a provider of neurology services.

**Clinical Responsibilities:**

1. Provide neurology clinic coverage, rounds and consultations (excluding two Thursdays per month when Contractor is available for phone consultations only).
2. Provide interpretation of adult electroencephalograms, nerve conduction studies and electromyograms.
3. Provide supervision of residents, medical students and mid-level practitioners.
4. Provide electronic or telephonic consultation on an as-needed basis for problem cases.

**Teaching Responsibilities:**

1. Provide bedside teaching of residents and medical students.
2. Provide didactic lectures three times per year, one hour each lecture, on clinic day.

**Medical Director Responsibilities:**

1. Work collaboratively with the stroke program Coordinator and other medical and clinical staff to develop, obtain, and maintain disease-specific accreditation as a primary stroke center through The Joint Commission.
2. Provide leadership and clinical oversight of the stroke program.
3. Provide leadership and support for the education and training of the medical and clinical staff involved in stroke care.
4. Provide leadership and support in the development of written care protocols and obtain approval of such protocols through appropriate KMC medical staff committees.
5. Provide oversight to coordinate performance improvement activities.
6. Lead and participate in multidisciplinary stroke committee meetings.
7. Participate in and support KMC academic programs that relate to stroke program teaching and research.
8. Participate in a leadership role at KMC and in the community.
9. Work to ensure excellent care through chart review, direct observation, and data analysis.

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**EXHIBIT "B"**  
**IRS FORM W-9**

## **EXHIBIT “C” INSURANCE**

With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived in writing by Authority. Any requirement for insurance to be maintained after completion of the work shall survive the termination or expiration of this Agreement.

Authority reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

### 1. Workers’ Compensation and Employers Liability Insurance:

- (a) Required if Contractor has employees. If Contractor currently has no employees, Contractor’s written confirmation of such will be required before execution of this Agreement. If Contractor engages any employees during the term of this Agreement or any extensions thereof, Contractor agrees to obtain the specified Workers’ Compensation and Employers Liability insurance.
- (b) Workers’ Compensation insurance with statutory limits as required by the California Labor Code.
- (c) Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- (d) Waiver of Subrogation: The Workers’ Compensation policy shall be endorsed with a waiver of subrogation in favor of Authority for all work performed by Contractor, its employees, agents and subcontractors.
- (e) Required Evidence of Insurance: Certificate of Insurance.

### 2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Contractor maintains higher limits than the specified minimum limits, Authority requires and shall be entitled to coverage for the higher limits maintained by Contractor.
- (c) If Contractor has no Owned automobiles, the General Liability policy shall include Non-Owned and Hired Automobile Liability in the amount of \$1,000,000 combined single limit per accident.

- (d) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by Authority. Contractor is responsible for any deductible or self-insured retention and shall fund it upon Authority's written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving Authority.
- (e) Authority shall be named as an additional insured for liability arising out of operations by or on behalf of Contractor in the performance of this Agreement. See section 5 below for full Additional Insured wording.
- (f) The insurance provided to Authority as an additional insured shall be primary to and non-contributory with any insurance or self-insurance program maintained by Authority.
- (g) The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- (h) The policy shall cover inter-insured suits between Authority and Contractor and include a "separation of insureds" or "severability" clause which treats each insured separately.
- (i) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (b) Insurance shall apply to all Owned autos. If Contractor currently owns no autos, Contractor agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions thereof.
- (c) Insurance shall include coverage for Non-Owned and Hired autos. (See requirements in section 1(c) above if there is no separate Automobile Liability coverage.)
- (d) Authority shall be named as an additional insured for liability arising out of operations by or on behalf of Contractor in the performance of this Agreement. See section 5 for full Additional Insured wording.
- (e) Required Evidence of Insurance: Certificate of Insurance.

4. Standards for Insurance Companies: Insurers shall have an A.M. Best's rating of at least A;VII.

5. Additional Insured Wording: "**Kern County Hospital Authority, its officers, officials, employees and volunteers**" are to be named as Additional Insureds as per each section where noted above.

6. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:

- (a) The Retroactive Date must be shown and must be before the Effective Date of the Agreement or the beginning of contract work.
- (b) Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract work.*
- (c) If coverage is canceled or non-renewed, and *not replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, Contractor must purchase “extended reporting” coverage for a minimum of *five (5) years* after completion of the contract work.

7. Documentation:

- (a) The Certificate of Insurance must include the following reference: “**Agreement for Professional Services.**”
- (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Evidence of Insurance on file with Authority for the entire term of this Agreement and any additional periods if specified in sections 1, 2 or 3 above.
- (c) The name and address for the Certificates of Insurance and Additional Insured endorsements is: Kern County Hospital Authority, c/o Kern Medical Center, 1700 Mount Vernon Avenue, Bakersfield, California 93306.
- (d) Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.
- (e) Contractor shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
- (f) Upon written request, certified copies of required insurance policies must be provided to Authority within 30 days.

8. Policy Obligations: Contractor’s indemnity and other obligations shall not be limited by the foregoing insurance requirements.

9. Material Breach: If Contractor fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement. Authority, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, Authority may purchase the required insurance, and without further notice to Contractor, Authority may deduct from sums due to Contractor any premium costs advanced by Authority for such insurance. These remedies shall be in addition to any other remedies available to Authority.

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**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed retroactive Amendment No. 1 to Agreement 2016-051 with Mission Linen Supply, an independent contractor, for linen supply items

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests the Board approve amendment #1 with Mission Linen Supply for the provision of patient linen, scrubs, uniforms, lab coats, and mats, for Kern Medical and outlying clinics. Amendment 1 extends the term 2 years and increases the not-to-exceed total by \$2,500,000. The total not-to-exceed amount for the 4-year agreement is \$4,380,000.

**AMENDMENT NO. 1 TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Mission Linen Supply)**

This Amendment No. to the Rental Agreement (“Amendment No. 1”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between Mission Supply (“Supplier”), with its place of business at 720 20<sup>th</sup> St., Bakersfield, CA 93301, and the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (“Customer”).

**RECITALS**

- A. Supplier and Customer have heretofore entered into a Rental Agreement (Customer Agt. #HA2016-051, dated July 20, 2016) for the period of August 1, 2016 through July 31, 2018, to provide linen supply and laundry services, (“Agreement”).
- B. The Agreement expired July 31, 2018; and
- C. Customer continues to require the services of Supplier and Supplier has agreed to continue to provide such services; and
- D. The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and
- F. The Agreement is amended effective August 1, 2018;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follow:

- 1. Section 5, Agreement Term shall be deleted in its entirety and superseded by the following:

“**AGREEMENT TERM**

5. This AGREEMENT is effective as of August 1, 2016 and shall remain in effect until July 31, 2020 unless sooner terminated pursuant to this Agreement. This agreement may be renewed by written agreement between the parties not less than thirty (30) days and not more than sixty (60) days in advance of the expiration date of the then current term. This agreement shall not be binding upon SUPPLIER until it has been accepted by its District Manager or General Manager.”

2. Section 25, Payment, shall be deleted in its entirety and superseded by the following:

“25. The maximum payable under this Agreement will not exceed \$1,880,000 for the period of August 1, 2016 to July 31, 2018 and \$2,500,000 for the period of August 1, 2018 to July 31, 2020 for a total Not to Exceed Amount of \$4,380,000 over the four (4) year term of this Agreement.”

3. Exhibit A – 1

Exhibit A - 1, SCHEDULE OF CHARGES RENTAL LINEN PROCESSING Pricing/Fee Schedule, to Amendment No. 1 is added to the Agreement and incorporated herein by this reference.

4. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 1 have the meaning set forth in the Agreement.

5. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the state of California.

6. This Amendment No. 1 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

7. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.


**[Signatures follow on next page]**

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. 1 as of the day and year first written above.

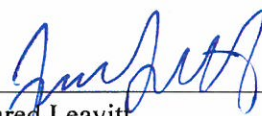
KERN COUNTY HOSPITAL AUTHORITY

MISSION LINEN SUPPLY


By \_\_\_\_\_  
Russell Bigler  
Chairman, Board of Governors

By   
Printed Name: BEAU L. ROMINE  
Title/Position: General Manager

APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

By   
Jared Leavitt  
Chief Operating Officer

APPROVED AS TO FORM:  
Legal Services Department

By   
Hospital Counsel  
Kern County Hospital Authority



**ATTACHMENT "A-1"  
SCHEDULE OF CHARGES  
RENTAL LINEN PROCESSING**

PRICING/ FEE SCHEDULE

**PATIENT & NON-SPECIALTY ITEMS**

Mission Linen Supply will place into service, pick-up soiled, process, and deliver all linen requirements for Kern Medical. The items quoted here are agreed upon standard items or items that have been reviewed, approved and may be special for Kern Medical. Any items required outside this agreement will be priced according to mutual agreement between the two parties.

**Poundage Pricing**

Finished goods will be bundled and stacked in clean delivery carts only. They will then be weighed as "Clean dry weight" by scale, and not by product count and pre-calibrated weight.

The weight of the cart is subtracted from the gross weight, and the net weight is then billed per this schedule. Quarterly calibration and certification of our scale will be done to insure accuracy. All clean transportation carts will be of uniform size, and reflect their actual empty net weight on the side.

**Standard Patient Linen**

The following list of items will be charged at a price of \$.47 per clean delivered pound.

Sheet, hospital Std	Blanket, baby rec	Gown, patient blue
Sheet, OR	Blanket, thermal	Cape, mammography
Sheet, birthing	Towel, bath	Gown, pedi
Sheet, contour fitted	Towel, OR	T-shirt, baby
Pillow slip	Washcloth	
Blanket, spread	Pad, bed under quilted	
Blanket, bath	Gown, patient (IV)	

A five percent (5%) Linen Maintenance will be applied to all invoices to help defray the cost of linen Replacement for the items listed above.

**Staff Apparel, Specialty Items & Floor Care**

The following list of items will be charged at the unit prices reflected here.

DESCRIPTION	UNIT PRICES
-------------	-------------

White 52X114 Table Cloth	\$5.25
White Mens Workshirt	\$0.29
Black Work Pant	\$0.29
Black Work Shirt	\$0.29
Black Chef Pant with String	\$0.29
Black Chef Coat	\$0.47
Khaki WorkShirt	\$0.29
FR Khaki Shirt	\$0.99
FR Navy Workpant	\$0.99
Lt Blue Work Shirt	\$0.29
Lab Coat White	\$0.45
Cargo scrub bottom	\$0.61
Scrub top	\$0.61
3X4 Mat Graphic	\$1.29
4X6 Mat Graphic	\$2.26
3X10 Mat Graphic	\$2.99
3X5 Scraper mat	\$1.46
4X6 Scraper Mat	\$1.96
Terry Towel	\$0.11
Bib Apron	\$0.19
Grill Pad	\$0.12
*Wet Mop 24 oz	\$0.79
*Wet Mop 16 oz	\$0.73
*Dust Mop 18 oz	\$0.79
*Microfiber Towel	\$0.16
*Microfiber Mop 18 Wet	\$0.35
*Microfiber Mop 18 Dry	\$0.35
Table Cloth	\$16.95

All Garment charges are based on a predetermined percentage rate based on the stated weekly inventory required.

Non patient linen items, identified above with an \*, will be replaced out at 10% monthly rate based on usage.

**Outlying Clinics and other Non-Specified Business Units**

The following list of items will be charged at the unit prices reflected here.

DESCRIPTION	UNIT PRICES
Pillow Slip 42X36	\$0.26
Sheet Single	\$0.46
Towel Bath DLX	\$0.31

Wash Cloth 12X12	\$0.16
Blanket --Flannel	\$0.76
Gown Patient Print	\$0.76

**REPLACEMENT PROGRAM**

The following replacement program is designed to provide for mutual involvement in the maintenance and Continuation of a quality linen supply program. Normal replacement of standard patient linen is a continuous process. A large part of this replacement is generated by premature retirement of product through abuse or loss. In order to facilitate a genuine partnership in this program, Mission Linen Supply will apply a five (5) percent linen maintenance charge on all standard patient linen. This is calculated on the amount of the poundage invoice total.

The following items represent the amount by which actual replacements exceed standard replacement by pieces used and are factored by the following rates.

Item:	Maintenance Charge:	Replacement Charge:
Sheet, fitted	2.50%	\$16.64
Pillowslip	2.50%	\$2.49
Sheet, hospital Stnd	2.50%	\$8.93
Blanket, Baby	2.77%	\$3.47
Gown, patient blue	1.21%	\$8.76
Blanket, flannel	2.50%	\$17.85
Gown, pedi	2.62%	\$6.65
Pad, Bed under-quilt	2.46%	\$9.51
Towel, bath	2.50%	\$3.93
Washcloth	7.00%	\$.51
Towel, blue	3.00%	\$2.74
T-shirt, baby	1.90%	\$2.47
Scrub Top	0%	\$11.50
Scrub Bottom	0%	\$12.50

Replacement charges are not to exceed 3%

Both SUPPLIER and CUSTOMER realize that linen loss and abuse is a major contributor to cost. SUPPLIER has provided a cost program to address and account for the common conditions of loss And early mortality of the textile products provided for and supplied to CUSTOMER. An area of Loss not accounted for within this program is the loss of linen which is allowed to go out of the Hospital via transfer patients to other facilities (i.e. Skilled Nursing, Long Term Care, Rehabilitation, Other hospitals...) and linen taken by Emergency Response Units through the ER.

SUPPLIER shall incorporate a program of tracking and monitoring of a soil to clean variance. This Program will track the amount of soil linen returned to the amount of clean linen delivered. The base Line for soil to clean shall be ten percent (10%) per month. Amounts less than this can indicate a Significant amount of linen may be leaving CUSTOMER's facility.

CUSTOMER agrees that should the variance drop below a nine percent (9%) threshold of soil to clean variance, it will immediately enact procedures to resolve. SUPPLIER and CUSTOMER shall work together to correct and eliminate the loss conditions through the development of a written action plan.

**COG (Customer Owned Goods) ITEMS**

The following Customer Owned Goods shall be laundered at the following unit price.

Cubicle Curtain	\$7.50
Pillows	\$3.98

Any new or additional items will be priced according to mutual agreement between the two parties.





**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Proposed Memorandum of Understanding with Service Employees International Union, Local 521, for bargaining units 1, 2, 3, 4, 5, and 6, effective September 19, 2018 through October 31, 2020, with changes to wages, hours, and terms and conditions of employment

**Recommended Action:** Approve; Authorize Chairman to sign; Authorize Chief Executive Officer, Chief Financial Officer and Human Resources to implement changes

**Summary:**

The Authority requests your Board approve the Memorandum of Understanding (MOU) between the Kern County Hospital Authority and Service Employees International Union, Local 521 (SEIU), representing employees in bargaining units 1-6. The parties began meeting in April 2018 and met regularly until the parties reached agreement in September 2018.

The proposed MOU contains changes to wages, time off accruals, overtime rules, and flexing of staff. These changes and others have been negotiated in good faith between the Authority and SEIU with the parties tentatively agreeing to the proposed language changes.

The following is a brief overview of the major economic/operational changes:

- 1) Wage increases in the amount of 2.25% or higher will be provided to all represented employees. These increases will be effective as of 12/22/18. In addition, employees will receive a one-time MOU signing bonus in the amount of their base hourly rate times 2.0% times 480 hours, which represents the 90-day implementation period assuming your Board's approval of the MOU.
- 2) Vacation and sick leave accrual banks will be converted to Paid Time Off (PTO) and Extended Illness Bank (EIB), respectively. The maximum accruals for these banks will be lowered and annual employee accruals will increase by 24 hours.
- 3) Three of the currently observed holidays will no longer be eligible for premium pay for time worked on those days. These holidays will be converted to additional PTO accruals for employees. The holidays proposed for conversion to PTO are Presidents' Day, Labor Day and New Year's Eve.
- 4) Overtime will no longer be calculated based on hours paid (which can include sick time, vacation, and other paid leave time), but rather hours worked only for represented employees. In addition, with the exception of employees who work eight-hour days, five days a week, employees will only be eligible for overtime if they exceed 40 hours in a work week, as opposed to the current practice of paying daily overtime.

5) All employees will be eligible for “flexing” off, which can occur at times during drops in patient census or due to fiscal constraints, or other occasions when staffing must be temporarily adjusted. Between September 13 and September 17, 2018, SEIU communicated the terms and conditions of the proposed MOU to represented employees, who voted to ratify the agreement. The results of this vote were presented to the Authority on September 18, 2018.

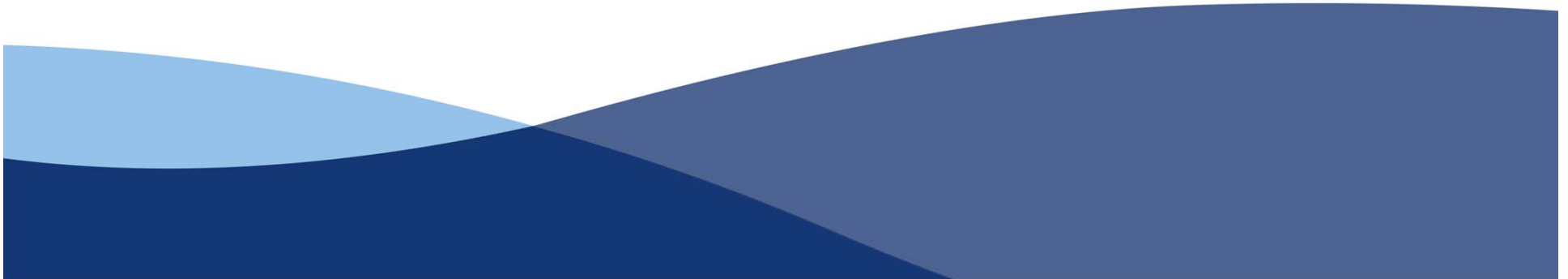
Therefore, it is recommended that your Board approve the Memorandum of Understanding with Service Employees International Union, Local 521, for bargaining units 1, 2, 3, 4, 5, and 6, effective September 19, 2018 through October 31, 2020, with changes to wages, hours, and terms and conditions of employment, authorize the Chairman to sign, and authorize the Chief Executive Officer, Chief Financial Officer and Human Resources to implement the proposed changes.



## **SEIU MOU – OVERVIEW OF SIGNIFICANT CHANGES**

Lisa Hockersmith

September 2018



# Review of Negotiations Priorities

- Initial **package proposal** included:
  - Wage increases
  - Changes to retirement (for new employees)
  - Conversion to PTO/EIB
  - Changes to overtime calculations
    - Daily to weekly overtime
    - Time worked vs. time paid
  - Flexing of all staff

## Retirement - Not Able to Achieve

- Initial offer was for new employees (hired after June 30, 2018) to enroll in a deferred compensation (DC) plan instead of current KCERA plan
- SEIU indicated they were not interested in negotiating the retirement plan
  - Passed legislation changing statute without involving the hospital, even while negotiations were on-going
- Kern Medical fought hard to convince SEIU that offering a DC plan did not in any way lessen the benefits available to employees
- End result was agreement to form a committee to meet and discuss alternatives for retirement benefits going forward

## Able to Achieve – Wage Increases

- Moved from 5 step to 8 step salary ranges
- Initial 2.25% minimum increase; 3% per year thereafter until maxed out at Step 8
- 2% signing bonus (Hourly rate x 2% x 480 hours), which compensates for the 90-day wait while we update our HR system with all changes
- Increases to several special/incentive pays

## Able to Achieve – PTO and EIB

- Conversion of vacation and sick banks to PTO and EIB
- Additional 24 hours of annual accruals, but lower maximum accrual
- Conversion of 3 holidays (Presidents' Day, Labor Day and New Year's Eve) to PTO
- Annual option for employees to sell back PTO
- Anticipated reductions in 1-2 day sick calls – employees must use PTO for first 3 days of absence in most cases

## Able to Achieve - Overtime

- Change from overtime calculated based on hours paid to calculations based on hours worked
- Change from daily overtime to weekly overtime
- Greatest savings is from these changes



## Able to Achieve - Flexing

- Currently only nurses and a few other direct patient care positions can be flexed
- New language allows all employees to be flexed “during periods of low census or on other occasions when staffing needs to be adjusted on a temporary basis.”

## Next Steps - Communication Strategy

- Letter out to all impacted ee's by September 27<sup>th</sup>
  - Will show new salary, bonus amount, new step
- Heavy use of LATELY over next 4-6 weeks
  - Overview of all changes in bite size pieces
- Training Sessions
  - Mandatory training for all supervisors
  - HR/SEIU review session; same page; review and modify impacted P&Ps
  - Employee Q&A sessions or forums

## Terms of MOU and Costing of Changes

- MOU term to be September 2018 to October 2020
- Agreement from SEIU to meet and confer over retirement during term of MOU
- Cost of initial equity increases and lump sums = \$5MM (*does not include 3% increases in years 2019 and 2020*)
- Estimated savings from changes over life of contract = \$5.7MM (*before salary increases*)

# Summary of Major Economic & Operational Changes

Subject	Changes	Timing
Wage increases	Min 2.25% Jan 2019 as increase to base and/or lump sum; no chg to next increment date; move to 8-step ranges (5% to 3% bumps)	Effective 12/22/18
Special Pay Increases	Increases to Charge Pay (RN rate only to \$3/hr); Security clearance pay (\$2.00); Preceptor pay (\$1.50); Chemo nurse pay (\$2.50/hr)	Effective 12/22/18
MOU Signing Bonus	2% of hrly rate x 480 hrs (represents 90 day wait for implementation)	Paid out 1/15/19
PTO/EIB Conversion	Lower max accruals; 1-time PTO payout to all over new max; accruals increased by 6 days (3 for holidays, 3 for EIB)	Effective 12/22/18
Holidays	From 11 to 8 recognized holidays; President's Day, Labor Day and New Years' Eve no longer eligible for premium pay if worked	Effective 12/22/18
Overtime Compensation	1) Overtime calculated based on time worked not time paid 2) Daily overtime for ee's who work 8 hrs/day x 5 days/wk; all others, OT after 40 in week	Effective 12/22/18
Flexing	All staff eligible for flexing	Effective immediately
Shift Differential	1 shift differential schedule – 7pm – 7:30am; 10% for nurses & night pharmacists, night CLSs; 7.5% all others; must work min. of 2 hrs; only paid for hrs worked w/in designated time	Effective 12/22/18
Meal Periods	Creation of waiver form that must be approved each pay period for EEs who skip meal breaks, whether voluntarily or involuntarily	Within next 90 days
Sign-on & Referral Bonuses	Extended list of eligible; increased amounts for some classifications	ASAP implementation (30 days or less)

# Questions?



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Comments Regarding Budget Variances for Operating Expenses – July 2018

**Recommended Action:** Receive and File

**Summary:**

The following items have budget variances for the month of July 2018:

**Gross Patient Revenue:**

Gross patient revenue has an unfavorable budget variance for the month of July mainly due to late charges for the surgery department that were not entered into the system before month-end. These late charges will be accounted for in August.

**Indigent Funding:**

Indigent funding revenue has a favorable budget variance for the month due to a decision to reserve less revenue from the indigent programs in FY 2019 than was planned when the budget was prepared. Additional information received about these programs after the budget was prepared supports a high likelihood that these funds will be received. This decision was also made in an effort to properly match revenue with the period that it is earned.

**Other Revenue:**

Other revenue has an unfavorable budget variance for July due to the timing of the receipt of KHS physician recruitment grant funding. Grant funds will be received in a subsequent month during FY 2019.

**Benefits Expense:**

Benefits expense has an unfavorable budget variance for the month of July due to front-loaded benefits for residents. Benefits expense should realize a favorable budget variance in August 2018 to adjust on a year-to-date basis.

**Registry Nurses:**

Registry nurses expense has an unfavorable budget variance for the month of July. Kern Medical continues to rely on contracted nurse staffing to supplement the nursing departments while aggressively trying to recruit full time employed nurses.

**Medical Fees:**

Medical fees have an unfavorable budget variance for the month of June primarily because of increased Locum Tenens fees for trauma coverage. Weatherby Locums fees were also higher than average for the month.

Mercer human resources consulting. Both of these vendors were included in the FY 2018 budget.

**Supplies Expense:**

Supplies expense has an unfavorable budget variance for the month of July due to increased pharmaceutical expenses for the hospital and all of the clinics. Unusual drugs not typically dispensed accounted for some of the variance. Prostheses and other surgical supplies expenses were also higher than average for the month.

**Purchased Services:**

Purchased services has an unfavorable budget variance for the month due in part to an under accrual for Hall Ambulance fees in the prior month. HFRI revenue cycle management fees were also higher than average for the month.

**Other Expenses:**

Other expenses are over budget for the month of July due in part to a down payment made to Alliance Insurance for FY 2019 professional liability insurance. Utilities expenses were also much higher than average as is typical during the summer season.

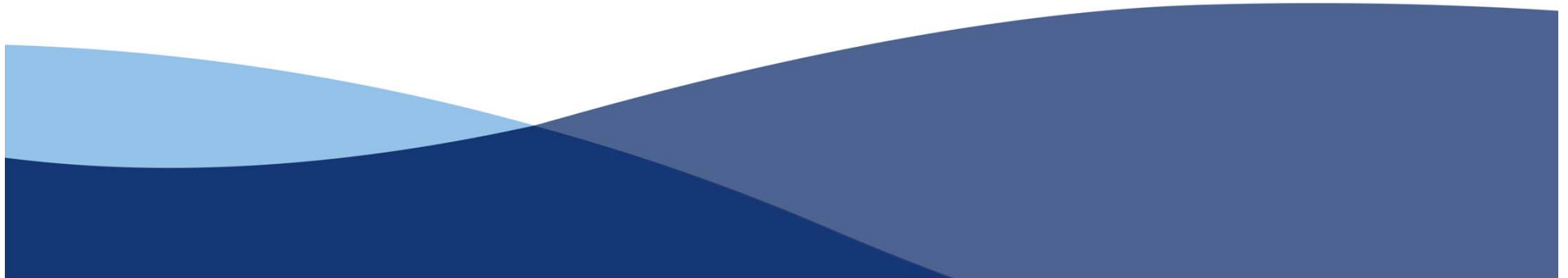
**Interest Expense:**

Interest expense was budgeted low for FY 2019 based on amortization schedules for the pension obligation bonds that do not accurately report the expense actually charged to Kern Medical. A decision was made to accrue additional interest expense each month of FY 2019. This will more properly match interest expense to the period actually incurred and avoid the need for a large true-up adjustment for interest expense at year-end.



**BOARD OF GOVERNORS' FINANCIAL REPORT  
KERN MEDICAL – JULY 2018**

SEPTEMBER 2018





### 3-Month Trend Analysis: Revenue & Expense

July 31, 2018

	FY 2018 MAY	FY 2018 JUNE	FY 2019 JULY	BUDGET JULY	VARIANCE POS (NEG)	PY JULY
<b>Gross Patient Revenue</b>	\$ 76,324,544	\$ 74,141,642	\$ 72,729,545	\$ 73,675,913	(1%)	\$ 73,121,331
Contractual Deductions	(58,515,057)	(56,803,914)	(54,840,833)	(55,418,221)	(1.0%)	(53,850,296)
<b>Net Revenue</b>	17,809,486	17,337,727	17,888,712	18,257,693	(2%)	19,271,035
Indigent Funding	10,256,412	12,879,197	12,352,738	9,577,936	29%	8,967,443
Correctional Medicine	2,157,165	2,157,165	2,419,175	2,419,175	0%	1,976,127
County Contribution	285,211	285,211	285,211	285,602	(0%)	285,211
Incentive Funding	0	0	250,000	250,000	0%	0
<b>Net Patient Revenue</b>	30,508,274	32,659,300	33,195,835	30,790,406	8%	30,499,816
Other Operating Revenue	672,124	2,042,686	788,732	1,113,512	(29%)	1,091,142
Other Non-Operating Revenue	23,846	239,995	(63,904)	44,503	(244%)	46,776
<b>Total Operating Revenue</b>	31,204,244	34,941,982	33,920,662	31,948,421	6%	31,637,734
<b>Expenses</b>						
Salaries	12,487,250	12,862,779	13,443,390	13,548,686	(1%)	12,653,715
Employee Benefits	5,545,510	7,665,746	6,351,230	5,641,100	13%	6,727,598
Contract Labor	1,179,159	1,430,534	1,366,193	1,103,795	24%	1,152,349
Medical Fees	1,881,421	1,968,988	1,850,994	1,568,632	18%	1,455,698
Other Professional Fees	1,419,233	1,695,930	1,601,271	1,627,960	(2%)	1,759,127
Supplies	4,795,533	4,052,141	4,832,743	4,526,561	6.8%	3,922,020
Purchased Services	1,384,848	2,662,683	1,985,308	1,924,555	3%	1,867,291
Other Expenses	1,392,454	1,411,990	1,584,097	1,394,392	14%	1,414,761
Operating Expenses	30,085,408	33,750,792	33,015,226	31,335,680	5%	30,952,560
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	1,118,836	1,191,190	905,437	612,740	48%	685,174
EBIDA Margin	4%	3%	3%	2%	39%	2%
Interest	79,754	2,731,430	159,456	50,504	216%	22,240
Depreciation	700,296	507,587	514,982	513,275	0%	513,275
Amortization	50,511	50,511	50,511	41,352	22%	23,488
Total Expenses	30,915,968	37,040,319	33,740,175	31,940,811	6%	31,511,563
<b>Operating Gain (Loss)</b>	288,276	(2,098,337)	180,487	7,610	2,272%	126,171
<b>Operating Margin</b>	0.9%	-6.0%	0.5%	0.02%	2,134%	0.4%

## Year-to-Date: Revenue & Expense

July 31, 2018

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
<b>Gross Patient Revenue</b>	\$ 72,729,545	73,675,913	-1%	\$ 73,121,331	(1%)
Contractual Deductions	(54,840,833)	(55,418,221)	-1.0%	(53,850,296)	2%
<b>Net Revenue</b>	17,888,712	18,257,693	-2%	19,271,035	
Indigent Funding	12,352,738	9,577,936	29%	8,967,443	38%
Correctional Medicine	2,419,175	2,419,175	0%	1,976,127	22%
County Contribution	285,211	285,602	-0.1%	285,211	0%
Incentive Funding	250,000	250,000	0%	0	0%
<b>Net Patient Revenue</b>	33,195,835	30,790,406	8%	30,499,816	9%
Other Operating Revenue	788,732	1,113,512	-29%	1,091,142	(28%)
Other Non-Operating Revenue	(63,904)	44,503	-244%	46,776	(237%)
<b>Total Operating Revenue</b>	33,920,662	31,948,421	6%	31,637,734	7%
<b>Expenses</b>					
Salaries	13,443,390	13,548,686	-1%	12,653,715	6%
Employee Benefits	6,351,230	5,641,100	13%	6,727,598	(6%)
Contract Labor	1,366,193	1,103,795	24%	1,152,349	19%
Medical Fees	1,850,994	1,568,632	18%	1,455,698	27%
Other Professional Fees	1,601,271	1,627,960	-2%	1,759,127	(9%)
Supplies	4,832,743	4,526,561	7%	3,922,020	23%
Purchased Services	1,985,308	1,924,555	3%	1,867,291	6%
Other Expenses	1,584,097	1,394,392	14%	1,414,761	12%
Operating Expenses	33,015,226	31,335,680	5%	30,952,560	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	905,437	612,740	48%	685,174	32%
EBIDA Margin	3%	2%	39%	2%	23%
Interest	159,456	50,504	216%	22,240	617%
Depreciation	514,982	513,275	0.3%	513,275	0%
Amortization	50,511	41,352	22%	23,488	115%
Total Expenses	33,740,175	31,940,811	6%	31,511,563	7%
<b>Operating Gain (Loss)</b>	180,487	7,610	2272%	126,171	43%
<b>Operating Margin</b>	1%	0.02%	2134%	0%	33%

### 3-Month Trend Analysis: Cash Indicators

July 31, 2018

		FY 2018	FY 2018	FY 2019	GOALS	PY
		MAY	JUNE	JULY	JULY	JULY
<b>Cash</b>						
	Total Cash	16,404,780	74,824,823	51,598,601	55,996,950	49,391,658
	Days Cash On Hand	17	67	47	55	49
	Days In A/R - Gross	74.06	71.54	69.68	70.00	89.35
	Patient Cash Collections	\$ 20,686,021	\$ 15,961,517	\$ 18,965,404	\$ 17,759,254	\$ 14,305,965
<b>Indigent Funding Liabilites Due to the State</b>						
	FY 2007 Waiver Payable (County Responsibility)	\$ (745,824)	\$ (745,824)	\$ (745,824)	N/A	\$ (745,824)
	FY 2008 Waiver Payable (County Responsibility)	\$ (6,169,000)	\$ (6,169,000)	\$ (6,169,000)	N/A	\$ (6,169,000)
	FY 2009 Waiver Payable (County Responsibility)	\$ (2,384,000)	\$ (2,384,000)	\$ (2,384,000)	N/A	\$ (2,384,000)
	FY 2011 Waiver Payable (County Responsibility)	\$ (10,493,878)	\$ (10,493,878)	\$ (10,493,878)	N/A	\$ (10,493,878)
	Total County Responsibility	\$ (19,792,702)	\$ (19,792,702)	\$ (19,792,702)		\$ (19,792,702)
	FY 2015 Waiver Payable (Kern Medical Responsibility)	\$ (11,223,792)	\$ (11,223,792)	\$ (11,223,792)	N/A	\$ (23,770,144)
	FY 2016 Waiver Payable (Kern Medical Responsibility)	\$ (2,819,361)	\$ (2,819,361)	\$ (2,819,361)	N/A	\$ (2,819,361)
	Managed Care SPD IGT (Kern Medical Responsibility)	\$ (407,593)	\$ (1,907,399)	\$ (1,907,399)	N/A	\$ -
	FY 2014 DSH Payable (Kern Medical Responsibility)	\$ (24,746,355)	\$ (26,851,210)	\$ (26,851,210)	N/A	\$ (24,746,355)
	Total Kern Medical Responsibility	\$ (39,197,101)	\$ (42,801,762)	\$ (42,801,762)		\$ (51,335,860)
	Total Indigent Funding Liabilites Due to the State	\$ (58,989,803)	\$ (62,594,464)	\$ (62,594,464)	N/A	\$ (71,128,562)

### 3-Month Trend Analysis: Operating Metrics

July 31, 2018

	FY 2018	FY 2018	FY 2019	BUDGET	VARIANCE	PY
	MAY	JUNE	JULY	JULY	POS (NEG)	JULY
<b>Operating Metrics</b>						
Total Expense per Adjusted Admission	\$ 19,750	\$ 23,758	\$ 20,933	\$ 19,927	5%	\$ 21,362
Total Expense per Adjusted Patient Day	\$ 3,896	\$ 4,722	\$ 4,104	\$ 3,965	4%	\$ 3,990
Supply Expense per Adjusted Admission	\$ 3,064	\$ 2,599	\$ 2,998	\$ 2,824	6%	\$ 2,659
Supply Expense per Surgery	\$ 1,777	\$ 2,565	\$ 1,876	\$ 1,432	31%	\$ 1,526
Supplies as % of Net Patient Revenue	16%	12%	15%	15%	(1%)	13%
Pharmaceutical Cost per Adjusted Admission	\$ 1,205	\$ 1,307	\$ 1,352	\$ 1,266	7%	\$ 1,220
Net Revenue Per Adjusted Admission	\$ 11,377	\$ 11,121	\$ 11,099	\$ 11,391	-3%	\$ 13,064

## Year-to-Date: Operating Metrics

July 31, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Operating Metrics</b>						
	Total Expense per Adjusted Admission	\$ 20,933	\$ 19,927	5%	21,362	(2%)
	Total Expense per Adjusted Patient Day	\$ 4,104	\$ 3,965	4%	3,990	3%
	Supply Expense per Adjusted Admission	\$ 2,998	\$ 2,824	6%	2,659	13%
	Supply Expense per Surgery	\$ 1,876	\$ 1,432	31%	1,526	23%
	Supplies as % of Net Patient Revenue	15%	15%	-1%	13%	13.2%
	Pharmaceutical Cost per Adjusted Admission	\$ 1,352	\$ 1,266	7%	\$ 1,220	11%
	Net Revenue Per Adjusted Admission	\$ 11,099	11,391	-3%	\$ 13,064	(15%)

## INDIGENT PATIENT CARE FUNDING - MTD &amp; YTD

FOR THE MONTH JULY 31, 2018

MTD ACTUAL	MTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %
300,833	316,667	(15,833)	-5%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	300,833	316,667	(15,833)	-5%
2,375,592	1,250,311	1,125,280	90%	MEDI-CAL RATE-RANGE REVENUE	2,375,592	1,250,311	1,125,280	90%
150,417	158,333	(7,917)	-5%	PHYSICIAN SPA REVENUE	150,417	158,333	(7,917)	-5%
278,271	292,917	(14,646)	-5%	AB 915 OUTPATIENT SUPPLEMENTAL PROGRAM	278,271	292,917	(14,646)	-5%
2,259,417	2,259,417	0	0.0%	PRIME - NEW WAIVER	2,259,417	2,259,417	0	0.0%
2,369,458	2,369,458	0	0.0%	GPP - NEW WAIVER	2,369,458	2,369,458	0	0.0%
1,242,917	1,242,917	0	0.0%	WHOLE PERSON CARE	1,242,917	1,242,917	0	0.0%
2,129,167	1,064,583	1,064,583	100%	EPP REVENUE	2,129,167	1,064,583	1,064,583	100%
1,246,667	623,333	623,333	100%	QIP REVENUE	1,246,667	623,333	623,333	100%
12,352,738	9,577,936	2,774,801	29%	SUB-TOTAL - GOVERNMENTAL REVENUE	12,352,738	9,577,936	2,774,801	29%
2,419,175	2,419,175	0	0.0%	CORRECTIONAL MEDICINE	2,419,175	2,419,175	0	0.0%
285,211	285,602	(391)	-0.1%	COUNTY CONTRIBUTION	285,211	285,602	(391)	-0.1%
15,057,123	12,282,713	2,774,410	23%	TOTAL INDIGENT CARE & COUNTY FUNDING	15,057,123	12,282,713	2,774,410	23%

**OTHER REVENUE**

FOR THE MONTH JULY 31, 2018

## OTHER OPERATING REVENUE

	MTD ACTUAL	MTD BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
MEDICAL POSTGRAD EDUC TUITION	273,107	282,810	(9,703)	273,107	282,810	(9,703)
STAFF DEVELOPMENT EDUCUATION FEES	0	1,191	(1,191)	0	1,191	(1,191)
TRAUMA EDUCATION REG FEES	0	45	(45)	0	45	(45)
CAFETERIA REVENUE	79,734	81,321	(1,587)	79,734	81,321	(1,587)
FINANCE CHARGES-PATIENT AR	23,615	19,905	3,710	23,615	19,905	3,710
REBATES AND REFUNDS	4,569	83,856	(79,286)	4,569	83,856	(79,286)
DRUG CO. CASH BACK	0	1,388	(1,388)	0	1,388	(1,388)
PHOTOCOPY FEES	1,860	1,944	(84)	1,860	1,944	(84)
JURY WITNESS FEES	0	58	(58)	0	58	(58)
MEDICAL RECORDS FEES	2,370	4,543	(2,173)	2,370	4,543	(2,173)
PHYSICIAN PRO FEE-ER LOCKBOX	6,209	2,658	3,551	6,209	2,658	3,551
OTHER REVENUE	2,012	38,316	(36,304)	2,012	38,316	(36,304)
LASER CENTER REVENUE	23,235	50,959	(27,724)	23,235	50,959	(27,724)
CANCELLED OUTLAWED WARRANTS	(15,112)	5,508	(20,620)	(15,112)	5,508	(20,620)
GRANTS - KHS	54,114	219,493	(165,378)	54,114	219,493	(165,378)
MADDY FUNDS-EMERG MEDICAL SVCS	0	34,472	(34,472)	0	34,472	(34,472)
PRIMARY CARE & OTHER INCENTIVE	22,565	2,055	20,510	22,565	2,055	20,510
VETERANS ADMIN REVENUE	2,680	3,061	(382)	2,680	3,061	(382)
MENTAL HEALTH MOU	278,471	223,904	54,567	278,471	223,904	54,567
PATERNITY DECLARATION REV	2,830	1,082	1,748	2,830	1,082	1,748
PEDIATRIC FORENSIC EXAMS	0	8,281	(8,281)	0	8,281	(8,281)
FOUNDATION CONTRIBUTIONS	6,655	3,535	3,120	6,655	3,535	3,120
DONATED EQUIPMENT	0	9,095	(9,095)	0	9,095	(9,095)
PAY FOR PERFORMANCE	125	10,859	(10,734)	125	10,859	(10,734)
WORKERS COMPENSATION REFUNDS	0	14	(14)	0	14	(14)
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>788,732</b>	<b>1,113,512</b>	<b>(324,781)</b>	<b>788,732</b>	<b>1,113,512</b>	<b>(375,936)</b>
OTHER NON-OPERATING REVENUE						
OTHER MISCELLANEOUS REVENUE	788	228	560	788	228	560
INTEREST ON FUND BALANCE	(64,692)	44,275	(108,968)	(64,692)	44,275	(108,968)
<b>TOTAL OTHER NON-OPER REVENUE</b>	<b>(63,904)</b>	<b>44,503</b>	<b>(108,408)</b>	<b>(63,904)</b>	<b>44,503</b>	<b>(108,408)</b>

**KERN MEDICAL  
BALANCE SHEET**

	July 2018	July 2017
<b>CURRENT ASSETS:</b>		
CASH	\$51,598,601	\$49,391,658
CURRENT ACCOUNTS RECEIVABLE (incl. CLINIC CHARGES RECEIVABLE)	169,040,588	212,936,707
ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES - CURRENT	(126,899,137)	(168,620,823)
-NET OF CONT ALLOWANCES	42,141,451	44,315,884
CORRECTIONAL MEDICINE RECEIVABLE	4,322,259	2,956,694
MD SPA	5,319,339	3,175,496
HOSPITAL FEE RECEIVABLE	(2,028,511)	3,482,605
CPE - O/P DSH RECEIVABLE	4,937,530	4,745,598
BEHAVIORAL HEALTH MOU	278,471	546,119
MANAGED CARE IGT (RATE RANGE)	6,830,722	15,867,709
RECEIVABLE FROM LIHP	(6,547,536)	(6,547,536)
OTHER RECEIVABLES	1,656,074	658,587
PRIME RECEIVABLE	11,314,445	16,931,045
AB85/75% DEFAULT PCP RECEIVABLE	(9,146,436)	1,979,518
GPP (Global Payment Program)	12,760,067	8,299,328
WPC (Whole Person Care)	6,935,827	1,336,374
EPP (Enhanced Payment Program)	2,129,167	0
QIP (Quality Incentive Program)	1,246,667	0
INTEREST ON FUND BALANCE RECEIVABLE	37,002	53,548
MANAGED CARE IGT (SPD)	(1,907,399)	68,546
OTHER NON PATIENT RECEIVABLE	0	1,524,840
WAIVER RECEIVABLE FY07	(745,824)	(745,824)
WAIVER RECEIVABLE FY08	(6,169,000)	(6,169,000)
WAIVER RECEIVABLE FY09	(2,384,000)	(2,384,000)
WAIVER RECEIVABLE FY10	579,696	579,696
WAIVER RECEIVABLE FY11	(10,493,878)	(10,493,878)
WAIVER RECEIVABLE FY12	679,308	679,308
WAIVER RECEIVABLE FY15	(11,223,792)	(23,770,144)
WAIVER RECEIVABLE FY16	(2,819,361)	(2,819,361)
PREPAID EXPENSES	4,331,136	3,625,269
PREPAID MORRISON DEPOSIT	813,320	799,706
INVENTORY AT COST	5,380,820	4,504,172
<b>TOTAL CURRENT ASSETS</b>	<b>109,826,168</b>	<b>112,591,955</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT:</b>		
LAND	180,401	170,395
EQUIPMENT	50,607,777	47,231,613
BUILDINGS	84,915,514	82,462,622
CONSTRUCTION IN PROGRESS	17,215,641	5,891,297
LESS: ACCUMULATED DEPRECIATION	(89,796,246)	(84,125,214)
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>63,123,087</b>	<b>51,630,713</b>
<b>NET INTANGIBLE ASSETS</b>		
INTANGIBLE ASSETS	15,003,845	12,302,618
ACCUMULATED AMORTIZATION INTANGIBLES	(11,057,747)	(10,573,857)
<b>NET INTANGIBLE ASSETS</b>	<b>3,946,098</b>	<b>1,728,761</b>
<b>LONG-TERM ASSETS:</b>		
LONG-TERM PATIENT ACCOUNTS RECEIVABLE		
DEFERRED OUTFLOWS - PENSIONS	71,752,645	49,355,076
INVESTMENT IN SURGERY CENTER	1,053,820	0
CASH HELD BY COP IV TRUSTEE	922,330	912,973
<b>TOTAL LONG-TERM ASSETS</b>	<b>73,728,795</b>	<b>50,268,049</b>
<b>TOTAL ASSETS</b>	<b>\$250,624,148</b>	<b>\$216,219,478</b>



**KERN MEDICAL  
BALANCE SHEET**

	July 2018	July 2017
<b>CURRENT LIABILITIES:</b>		
ACCOUNTS PAYABLE	\$18,919,593	\$17,888,081
ACCRUED SALARIES & EMPLOYEE BENEFITS	20,804,575	11,008,048
INTEREST PAYABLE	4,600,637	456,342
OTHER ACCRUALS	2,340,315	5,316,103
ACCRUED CWCAP LIABILITY	0	26,400
CURRENT PORTION - CAPITALIZED LEASES	3,517,342	337,560
CURR LIAB - COP 2011 PAYABLE	1,085,718	1,032,670
CURR LIAB - P.O.B.	2,647,058	2,451,929
MEDICARE COST REPORT LIAB PAYABLE	3,094,510	3,794,129
MEDI-CAL COST REPORT LIABILITY	1,070,179	1,430,435
INDIGENT FUNDING PAYABLE	13,532,642	15,089,283
DSH PAYABLE FY14	26,851,210	24,746,355
CREDIT BALANCES PAYABLES	3,482,579	2,981,334
DEFERRED REVENUE - COUNTY CONTRIBUTION	2,090,345	2,090,345
<b>TOTAL CURRENT LIABILITIES</b>	<b>104,036,703</b>	<b>88,649,014</b>
<b>LONG-TERM LIABILITIES:</b>		
LONG-TERM LIABILITY-COP 2011	1,131,693	2,217,410
NET UNAMORTIZED DISCOUNT COP	39,985	59,978
LONG-TERM LIABILITY - CAPITAL LEASES	6,267,636	1,387,154
NET OPEB (OTHER POST EMPLOYMENT BENEFITS)	4,201,203	5,354,890
NET PENSION LIABILITY	329,935,445	345,262,534
L.T. LIAB. - P.O.B. INTEREST PAYABLE 08	14,842,004	14,722,232
L.T. LIAB. - P.O.B. INTEREST PAYABLE 03	4,329,041	3,917,722
L.T. P.O.B. PAYABLE 95	11,590,866	16,695,541
L.T. P.O.B. PAYABLE 08	5,392,893	5,392,893
ACCRUED PROFESSIONAL LIABILITY	5,465,597	3,119,059
ACCRUED WORKERS' COMPENSATION PAYABLE	6,773,000	0
DEFERRED INFLOWS - PENSIONS	22,238,926	15,299,688
PENSION OBLIGATION BOND PAYABLE	2,643,205	3,678,145
ACCRUED COMPENSATED ABSENCES	3,830,085	16,478,066
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>418,681,579</b>	<b>433,585,312</b>
<b>NET POSITION</b>		
RETAINED EARNINGS - CURRENT YEAR	39,814,215	126,171
RETAINED EARNINGS - PRIOR YEAR	(311,908,349)	(306,141,019)
<b>TOTAL NET POSITION</b>	<b>(272,094,134)</b>	<b>(306,014,848)</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$250,624,148</b>	<b>\$216,219,478</b>



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 19, 2018

**Subject:** Kern County Hospital Authority, Chief Executive Officer Report

**Recommended Action:** Receive and File

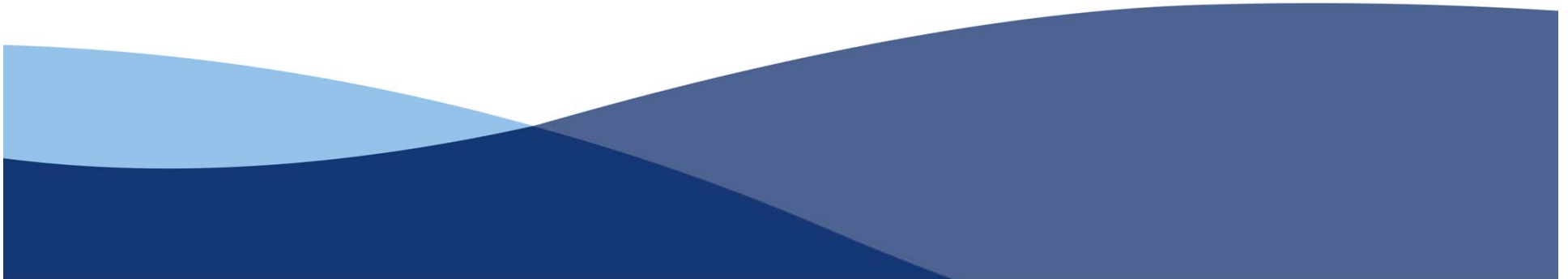
**Summary:**

The Chief Executive Officer has provided the attached 3-month trend Analysis: Volume and Strategic Indicators for Kern Medical



**BOARD OF GOVERNORS' VOLUMES REPORT  
KERN MEDICAL – JULY 2018**

SEPTEMBER 2018



### 3-Month Trend Analysis: Volume and Strategic Indicators

July 31, 2018

	FY 2018 MAY	FY 2018 JUNE	FY 2019 JULY	BUDGET JULY	VARIANCE POS (NEG)	PY JULY
<b>VOLUME</b>						
Adjusted Admissions (AA)	1,565	1,559	1,612	1,603	1%	1,475
Adjusted Patient Days	7,936	7,844	8,221	8,056	2%	7,898
Admissions	775	767	798	898	(11%)	827
Average Daily Census	127	129	131	146	(10%)	143
Patient Days	3,929	3,859	4,070	4,513	(10%)	4,428
Available Occupancy %	59.2%	60.1%	61.4%	68.0%	(10%)	66.7%
Average LOS	5.1	5.0	5.1	5.0	1%	5.4
Surgeries						
Inpatient Surgeries (Main Campus)	241	219	236	255	(8%)	248
Outpatient Surgeries (Main Campus)	263	246	238	240	(1%)	233
Total Surgeries	504	465	474	495	(4%)	481
Births	189	189	232	231	0.3%	228
ER Visits						
Admissions	435	396	395	390	1%	445
Treated & Released	3,724	3,672	3,748	3,719	1%	3,707
Total ER Visits	4,159	4,068	4,143	4,110	1%	4,152
Trauma Activations	269	215	258	\$ 216	19%	265
Outpatient Clinic Visits						
Total Clinic Visits	13,624	12,294	12,007	11,405	5%	10,172
Total Unique Patient Clinic Visits	9,869	9,083	9,081	\$ 8,946	2%	7,979
New Unique Patient Clinic Visits	2,052	1,774	1,764	\$ 1,884	(6%)	1,680

## Year-to-Date: Volume and Strategic Indicators

July 31, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>VOLUME</b>						
	Adjusted Admissions (AA)	1,612	1,603	1%	1,475	9%
	Adjusted Patient Days	8,221	8,056	2%	7,898	4%
	Admissions	798	898	(11%)	827	(4%)
	Average Daily Census	131	146	(10%)	143	(8%)
	Patient Days	4,070	4,513	(10%)	4,428	(8%)
	Available Occupancy %	61.4%	68%	(10%)	66.7%	(8%)
	Average LOS	5.1	5.0	1%	5.4	(5%)
	<b>Surgeries</b>					
	Inpatient Surgeries (Main Campus)	236	255	(8%)	248	(5%)
	Outpatient Surgeries (Main Campus)	238	240	(1%)	233	2%
	<b>Total Surgeries</b>	<b>474</b>	<b>495</b>	<b>(4%)</b>	<b>481</b>	<b>(1%)</b>
	Births	232	231	0%	228	2%
	<b>ER Visits</b>					
	Admissions	395	390	1%	445	(11%)
	Treated & Released	3,748	3,719	1%	3,707	1%
	<b>Total ER Visits</b>	<b>4,143</b>	<b>4,110</b>	<b>1%</b>	<b>4,152</b>	<b>(0%)</b>
	Trauma Activations	258	216	19%	265	(3%)
	<b>Outpatient Clinic Visits</b>					
	Total Clinic Visits	12,007	11,405	5%	10,172	18%
	Total Unique Patient Clinic Visits	9,081	8,946	2%	7,979	14%
	New Unique Patient Clinic Visits	1,764	1,884	(6%)	1,680	5%

### 3-Month Trend Analysis: Payor Mix

July 31, 2018

		FY 2018	FY 2018	FY 2019	BUDGET	VARIANCE	PY
		MAY	JUNE	JULY	JULY	POS (NEG)	JULY
<b>PAYOR MIX - Charges</b>							
	Commercial FFS	1.0%	2.3%	2.5%	4.7%	(47%)	4.4%
	Commercial HMO/PPO	10.9%	6.6%	6.3%	5.7%	12%	5.5%
	Medi-Cal	29.3%	31.5%	29.6%	29.8%	(1%)	28.3%
	Medi-Cal HMO - Kern Health Systems	30.1%	32.4%	30.4%	30.6%	(1%)	30.6%
	Medi-Cal HMO - Health Net	8.8%	9.5%	8.9%	9.0%	(1%)	9.0%
	Medi-Cal HMO - Other	1.0%	1.1%	1.0%	0.4%	156%	1.1%
	Medicare	9.4%	8.6%	9.7%	10.5%	(8%)	11.1%
	Medicare - HMO	2.6%	2.5%	2.2%	2.1%	9%	1.3%
	County Programs	0.3%	0.3%	0.3%	0.3%	23%	0.5%
	Workers' Compensation	0.98%	0.94%	0.4%	0.5%	(16%)	1.6%
	Self Pay	5.7%	4.2%	8.6%	6.6%	31%	6.6%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>

## Year-to-Date: Payor Mix

July 31, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>PAYOR MIX - Charges</b>						
	Commercial FFS	2.5%	4.7%	-47%	4.4%	(43.1%)
	Commercial HMO/PPO	6.3%	5.7%	12%	5.5%	15%
	Medi-Cal	29.6%	29.8%	-1%	28.3%	5%
	Medi-Cal HMO - Kern Health Systems	30.4%	30.6%	-1%	30.6%	(1%)
	Medi-Cal HMO - Health Net	8.9%	9.0%	-1%	9.0%	(1%)
	Medi-Cal HMO - Other	1.0%	0.4%	156%	1.1%	(2%)
	Medicare	9.7%	10.5%	-8%	11.1%	(13%)
	Medicare - HMO	2.2%	2.1%	9%	1.3%	75%
	County Programs	0.3%	0.3%	23%	0.5%	(40%)
	Workers' Compensation	0.4%	0.5%	-16%	1.6%	(75%)
	Self Pay	8.6%	6.6%	31%	6.6%	29%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	

### 3-Month Trend Analysis: Labor and Productivity Metrics

July 31, 2018

	FY 2018	FY 2018	FY 2019	BUDGET	VARIANCE	PY
	MAY	JUNE	JULY	JULY	POS (NEG)	JULY
<b>Labor Metrics</b>						
Productive FTEs	1,392.32	1,387.88	1,421.88	1,451.31	(2%)	1,340.68
Non-Productive FTEs	204.68	237.97	233.94	210.54	11%	220.14
Contract Labor FTEs	83.93	85.05	96.34	76.82	25%	85.89
Total FTEs	1,597.00	1,625.85	1,655.82	1,661.85	(0.4%)	1,560.82
FTE's Per AOB Paid	7.24	6.22	6.24	6.40	(2%)	6.13
FTE's Per AOB Worked	6.31	5.31	5.36	5.59	(4%)	5.26
Labor Cost/FTE (Annualized)	\$ 129,545	\$ 145,726	\$ 140,428	\$ 135,373	4%	\$ 142,602
Benefits Expense as a % of Benefitted Labor Expense	58%	81%	64%	55%	15%	71%
Salaries & Benefits as % of Net Patient Revenue	63%	67%	64%	66%	(3%)	67%



## Year-to-Date: Labor and Productivity Metrics

July 31, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Labor Metrics</b>						
	Productive FTEs	1,421.88	1,451.31	-2%	1,340.68	6%
	Non-Productive FTEs	233.94	210.54	11%	220.14	6%
	Contract Labor FTEs	96.34	76.82	25%	85.89	12%
	Total FTEs	1,655.82	1,661.85	-0.4%	1,560.82	6%
	FTE's Per AOB Paid	6.24	6.40	-2%	6.13	2%
	FTE's Per AOB Worked	5.36	5.59	-4%	5.26	2%
	Labor Cost/FTE (Annualized)	\$ 140,428	\$ 135,373	4%	\$ 142,602	(4.1%)
	Benefits Expense as a % of Benefitted Labor Expense	64%	55%	15%	71%	(10%)
	Salaries & Benefits as % of Net Patient Revenue	64%	66%	-3%	67%	(5%)

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 19, 2018, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

  X   Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 19, 2018, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

  X   Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 19, 2018, to consider:

- X   CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Kern County Property Assessor Parcel Number: 120-181-54; Property Owners: Mushtaq Ahmed and Rehmat Ahmed; Agency Negotiators: Russell V. Judd, Chief Executive Officer and Scott Thygerson, Chief Strategy Officer; Under Negotiation: Price and Terms of Payment (Government Code Section 54956.8)

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on September 19, 2018, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

  X   CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Maria McCoy v. Kern  
Medical Center, Workers' Compensation Appeals Board Case No. ADJ7197264 –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on September 19, 2018, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X   CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
(Government Code Section 54956.9(d)(2), (e)(2).) Number of cases: Two (2)  
Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 19, 2018, to consider:

- X   CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives:  
Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations:  
Unrepresented Employees (Government Code Section 54957.6)

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 19, 2018, to consider:

- X   CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6)



**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 19, 2018, to consider:

  X   PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –