



## **AGENDA**

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

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

Regular Meeting  
Wednesday, November 13, 2019

11:30 A.M.

#### **BOARD TO RECONVENE**

Board Members: Alsop, Berjis, Bigler, Brar, 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. In addition, 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 Aidee Cardenas, Kern Medical Center Foundation Community Engagement Coordinator, on her receipt of the Latino Inspire Award from Congressman TJ Cox –  
**MAKE PRESENTATION**

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on October 16, 2019 –  
**APPROVE**

CA

- 5) Proposed Agreement with Igor Garcia-Pacheco, M.D., a contract employee, for professional medical and administrative services in the Department of Medicine from December 2, 2019 through December 1, 2022, in an amount not to exceed \$1,505,000 –  
**APPROVE; AUTHORIZE CHAIRMAN TO SIGN**

CA

- 6) Proposed Agreement with Aslan Ghandforoush, D.O., a contract employee, for professional medical and administrative services in the Department of Medicine, Division of Cardiology, from November 26, 2019 through November 25, 2024, in an amount not to exceed \$5,000,000 –  
**APPROVE; AUTHORIZE CHAIRMAN TO SIGN**

CA

- 7) Proposed Resolution in the matter of approving the establishment of one or more checking accounts with a local banking institution and delegation of authority to certain individuals to sign banking instruments –  
**APPROVE; ADOPT RESOLUTION**

CA

- 8) Proposed retroactive Subscriber Service Agreement with Chaffee Enterprises, Inc., doing business as Ability Answering Service, an independent contractor, containing nonstandard terms and conditions, for specialized medical office phone coverage from October 11, 2019 through January 9, 2020, in an amount not to exceed \$6,000 – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 9) Proposed Quote 20032199908673-01 to Agreement 053-2018 with Presidio Networked Solutions Group, LLC, an independent contractor, for lease of equipment, software and services for information technology data storage to support the Cerner Millennium project, effective November 13, 2019, in an amount not to exceed \$413,193 – APPROVE; DIRECT DEPARTMENT TO ISSUE A PURCHASE ORDER

CA

- 10) Proposed Supplement to Agreement 496-2016 with The Ultimate Software Group, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of employee case management software, effective November 13, 2019, in an annual amount not to exceed \$72,048 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed acceptance of donation from Unitek College, an independent contractor, for travel and related expenses to cover all costs for one Kern Medical Center employee to attend the Unitek College 2019 Annual Conference titled “Innovation in Education and Health Care: Leading and Growing the Future” in Newark, California, on November 18, 2019 – APPROVE; ADOPT RESOLUTION

- 12) Proposed Resolution in the matter of conducting an election among eligible employees to determine coverage of Kern Medical Center employees under the old age, survivors, disability and health insurance system established by the Federal Social Security Act – APPROVE; ADOPT RESOLUTION; DIRECT STAFF TO CONDUCT ELECTION

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

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

CA

- 15) Claims and Lawsuits Filed as of October 31, 2019 – RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

- 17) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 18) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS –
- 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)) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, DECEMBER 11, 2019, 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. Reasonable efforts will be made to 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.

15) CLAIMS AND LAWSUITS FILED AS OF OCTOBER 31, 2019 –  
RECEIVE AND FILE

- A) Summons and Complaint in the matter of Guadalupe Maldonado v. Kern Medical, et al., Kern County Superior Court Case No. BCV-19-101783 DRL
- B) Summons and Complaint in the matter of Adria Ottoboni, an individual v. Kern Medical Center Foundation, et al., Kern County Superior Court Case No. BCV-19-102820 SDS
- C) Claim in the matter of Frederick Daniel Butterbredt
- D) Claim in the matter of Jessica Hodges
- E) Claim in the matter of Rebecca Ifurung



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

November 7, 2019

**Subject:** Recognition of Aidee Cardenas on her receipt of the Latino Inspire Award

**Summary:**

Aidee Cardenas was a recipient of Congressman TJ Cox’s First Annual Latino Inspire Award. Aidee is works with the Kern Medical Foundation.

As a first generation high school graduate, Aidee was determined to continue with her education and graduated from Fresno State University with a degree in sociology, as well as receiving her certification in cross-cultural competency and serving at-risk youth.

Aidee developed a strong desire to help people in the community who had a similar background as hers while growing up. She began to volunteer as a mentor for at-risk youth ranging in ages 8-13. Through a combination of her education, volunteer work, and her own life challenges, she quickly realized that her absolute passion was in helping improve individuals’ quality of life – especially the underprivileged.

She has been the driving force behind Mujeres en Medicina, a health career pathway program established at Kern Medical in 2018. Mujeres en Medicina introduces students to health care careers and motivates them to pursue careers in the health care fields.

Please congratulate Aidee on her receipt of this award.



US CONGRESSMAN  
**TJ COX**  
CALIFORNIA'S 21<sup>ST</sup> DISTRICT

*Invites you to the*  
**Latino Inspire Awards**

**HONORING**

Flor Medina	Aidee Cardenas	Abigail Solis
Magdalena Gomez	Valerie Gorospe	Alicia Jacobo
Dino Perez	Reyna Olganuez	Alvaro Preciado
	Robert Isquierdo	

The U.F.W. Foundation  
The California Farmworker Foundation  
The Central Valley Scholars

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Saturday, October 19, 2019  
11:30am - 1:00pm  
Selma City Council Chambers  
1710 Tucker Street,  
Selma, CA 93662

RSVP  
(559) 460-6070  
araceli.munoz@mail.house.gov



## **SUMMARY OF PROCEEDINGS**

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

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

**Regular Meeting  
Wednesday, October 16, 2019**

11:30 A.M.

#### **BOARD RECONVENED**

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz, Sistrunk  
ROLL CALL: 4 Present; 3 Absent - Brar, Pelz, Sistrunk

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

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE 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. In addition, 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!**  
**NO ONE HEARD**



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))  
**NO ONE HEARD**

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing the Kern Medical Center 'Run Hide Fight' Committee –  
MADE PRESENTATION; JARED LEAVITT, CHIEF OPERATING OFFICER, HEARD

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on September 18, 2019 –  
APPROVED  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 5) Proposed Resolution establishing regular meeting dates of the Kern County Hospital Authority Board of Governors for calendar year 2020 –  
APPROVED; ADOPTED RESOLUTION 2019-013  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 6) Proposed retroactive Side Letter of Agreement with Committee of Interns and Residents/ Service Employees International Union, Local 1957, for the provision of three annual wellness days for residents, effective July 1, 2019 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 059-2019; DIRECTED STAFF TO IMPLEMENT  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 7) Proposed retroactive Amendment No. 3 to Agreement 001-2018 with Matthew M. Malerich, M.D., Incorporated, an independent contractor, for professional medical services in the Department of Surgery, for the period April 9, 2018 through April 8, 2021, extending the guarantee period by 23 days through October 31, 2019, adding services, and increasing the maximum payable by \$300,000, from \$1,600,000 to \$1,900,000, to cover the term, effective October 9, 2019 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 060-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 8) Proposed Agreement with Tung Thanh Trang, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery from November 13, 2019 through November 12, 2022, in an amount not to exceed \$1,978,000 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 061-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 9) Proposed retroactive Amendment No. 3 to Agreement 002-2018 with Desert Hand and Plastic Surgery PC, an independent contractor, for professional medical services in the Department of Surgery, for the period April 9, 2018 through April 8, 2021, extending the guarantee period by 23 days through October 31, 2019, adding services, and increasing the maximum payable by \$300,000, from \$1,600,000 to \$1,900,000, to cover the term, effective October 9, 2019 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 062-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 10) Proposed retroactive Amendment No. 4 to Agreement 06018 with Clarity Technology Partners, LLC, an independent contractor, containing nonstandard terms and conditions, for technology-related temporary staffing and contingent search services, adding services through January 31, 2020, and increasing the maximum payable by \$138,346, from \$920,000 to \$1,058,346, to cover the term, effective September 2, 2019 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 063-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 11) Proposed retroactive Lease Schedule to Master Lease 010-2019 with Dell Financial Services, L.L.C., an independent contractor, containing nonstandard terms and conditions, for lease of desktop computers for the Cerner Millennium Project from May 1, 2019 through May 22, 2023, in an amount not to exceed \$850,187, plus applicable taxes – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 064-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 12) Proposed retroactive Agreement with ProviderTrust, Inc., an independent contractor, containing non-standard terms and conditions, for monitoring and search services related to licensure and exclusion of individuals and entities from September 30, 2019 through September 29, 2020, in an annual amount not to exceed \$14,174 – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 065-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 13) Proposed retroactive Amendment No. 5 to Agreement 166-2012 with Press Ganey Associates, Inc., an independent contractor, for patient experience survey products, for the period April 1, 2012 through September 30, 2019, extending the term for three months through December 31, 2019, and increasing the maximum payable by \$80,000, from \$1,728,765 to \$1,808,765, to cover this extended term – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 066-2019  
**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 14) Proposed retroactive Amendment No. 1 to Agreement 14718 with Frank Rappe, an independent contractor, doing business as R & R Janitorial and Carpet, for janitorial services, for the period February 19, 2018 through February 18, 2019, extending the term from February 19, 2019 to February 19, 2021, and increasing the maximum payable by \$560,000, from \$150,000 to \$710,000, to cover the extended term –  
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 067-2019

**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

- 15) Kern County Hospital Authority Chief Financial Officer report –  
RECEIVED AND FILED

**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

- 16) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED

**McLaughlin- Berjis: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

CA

- 17) Claims and Lawsuits Filed as of September 30, 2019 –  
RECEIVED AND FILED

**Berjis-McLaughlin: 4 Ayes; 3 Absent - Brar, Pelz, Sistrunk**

ADJOURN TO CLOSED SESSION

**Berjis-Alsop**

CLOSED SESSION

- 18) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 19) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 20) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Adria Ottoboni v. Kern Medical Center Foundation, et al., Kern County Superior Court Case No. BCV-19-102820 SDS – SEE RESULTS BELOW
- 21) PUBLIC EMPLOYEE APPOINTMENT/RECRUITMENT - Title: President of Hospital and Clinic Operations (Government Code Section 54957) – SEE RESULTS BELOW
- 22) 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
- 23) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

**Alsop-McLaughlin**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 18 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 MCLAUGHLIN, SECOND BY DIRECTOR ALSOP; 3 ABSENT - DIRECTORS BRAR, PELZ AND SISTRUNK), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, REQUEST FOR ADDITIONAL PRIVILEGES, CHANGE IN STAFF STATUS, AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 19 concerning Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 20 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Adria Ottoboni v. Kern Medical Center Foundation, et al., Kern County Superior Court Case No. BCV-19-102820 SDS – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 21 concerning PUBLIC EMPLOYEE APPOINTMENT/RECRUITMENT - Title: President of Hospital and Clinic Operations (Government Code Section 54957) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR ALSOP, SECOND BY DIRECTOR MCLAUGHLIN; 3 ABSENT - DIRECTORS BRAR, PELZ AND SISTRUNK) THE BOARD APPOINTED A. SCOTT THYGERSON AS PRESIDENT OF HOSPITAL AND CLINIC OPERATIONS; NO OTHER REPORTABLE ACTION TAKEN

Item No. 22 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. 23 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, DECEMBER 13, 2019, 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**

November 13, 2019

**Subject:** Proposed Agreement with Igor Garcia-Pacheco, M.D.

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

**Summary:**

Kern Medical requests your Board approve an agreement with Igor Garcia-Pacheco, M.D., a contract employee, for professional medical and administrative services in the Department of Medicine.

The proposed Agreement is for a term of three years from December 2, 2019 through December 1, 2022, with an option to renewal for two additional two-year terms. The maximum payable will not to exceed \$1,505,000 over the three-year initial term of the Agreement.

Dr. Garcia-Pacheco is board certified by the American Board of Internal Medicine in internal medicine and critical care medicine and is licensed as a physician and surgeon by the Medical Board of California. Dr. Garcia-Pacheco attended medical school at Universidad Peruana Cayetano Heredia in Lima, Peru. He completed both his residency in Internal Medicine and fellowship in Critical Care Medicine at Henry Ford Hospital in Detroit, Michigan.

Dr. Garcia-Pacheco's annual salary of \$450,000 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided. Included in Dr. Garcia-Pacheco's annual salary, he receives a base salary for teaching and administrative duties as well as patient care and on-call coverage for Kern Medical. He is also eligible to receive a starting bonus and retention bonus and will participate in the quality/safety and patient satisfaction initiatives for the Department of Medicine. Kern Medical will bill, collect and retain all professional fees associated with the physician's services.

Therefore, it is recommended that your Board approve the Agreement with Igor Garcia-Pacheco, M.D., for professional medical services in the Department of Medicine from December 2, 2019 through December 1, 2022, in an amount not to exceed \$1,505,000 over the three-year initial term, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Igor Garcia-Pacheco, M.D.)**

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Igor Garcia-Pacheco, M.D. (“Physician”).

**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 requires the assistance of Physician to provide professional medical services in the Department of Medicine at KMC (the “Department”), as such services are unavailable from Authority resources, and Physician desires to accept employment on the terms and conditions set forth in this Agreement; and

(c) Physician has special training, knowledge and experience to provide 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 initial term of this Agreement (“Initial Term”) shall be for a period of three (3) years, commencing as of December 2, 2019 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

2. **Employment.** Authority hereby employs Physician for the practice of medicine in the care and treatment of patients at KMC, or at such other clinic sites as KMC may designate (collectively referred to as the “Practice Sites”). It is expressly understood and agreed that KMC shall have reasonable discretion to consolidate and relocate clinics operated by Authority and to re-designate Practice Sites served by Physician from time to time. Physician shall be subject to Authority’s employment policies, directives, rules and regulations as promulgated by Authority from time to time, including, but not limited to, those pertaining to employees.

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician's license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person<sup>1</sup>; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

4.1 **Services.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

4.2 **Use of Premises.** Physician shall use the Practice Sites as designated by Authority or KMC exclusively for the practice of medicine in the care and treatment of patients and shall comply with all applicable federal, state, and local laws, rules and regulations related thereto.

4.3 **Qualifications.**

4.3.1 **Licensure.** Physician shall maintain a current valid license to practice medicine in the state of California at all times during the Term of this Agreement.

4.3.2 **Board Certification.** Physician shall be board certified by the American Board of Internal Medicine in internal medicine-general and critical care medicine-subspecialty and maintain such certifications at all times during the Term of this Agreement.

4.3.3 **Medical Staff Status.** Physician shall at all times during the Term of this Agreement be a member in good standing of the KMC medical staff with "active" staff status and hold all clinical privileges on the active medical staff appropriate to the discharge of his obligations under this Agreement.

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<sup>1</sup> An "Ineligible Person" is an individual or entity who: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or non-procurement programs; or (ii) has been convicted of a criminal offense that falls within the range of activities described in 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

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

4.4 Loss or Limitation. Physician shall notify KMC in writing as soon as possible (but in any event within three (3) business days) after any of the following events occur: (i) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (ii) Physician's medical staff privileges at KMC or any other health care facility are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (iii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (iv) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (v) Physician becomes the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; or (vi) an event occurs that substantially interrupts all or a portion of Physician's professional practice or that materially adversely affects Physician's ability to perform Physician's obligations hereunder.

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards for physicians 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.

4.6 Managed Care Contracting. Physician shall 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, Physician 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.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC and its agents any information requested by KMC or its agents from time to time relating to Physician's professional qualifications or competency. Physician agrees to execute the Authorization to Release Information in the form set forth in Exhibit "B," attached hereto and



incorporated herein by this reference, and to execute all other documents required by KMC from time to time and otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. 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 Physician shall 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. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that he shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine or provide similar services to other organizations, directly or indirectly, during the Term of this Agreement or any extensions thereof.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician's activities, Physician, through the nature of his work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law, Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician's own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner, officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with KMC, including the operation of any medical practice or offering of any medical services that are similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any

employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

5. **Compensation Package.**

5.1 **Annual Compensation.** Physician shall work full time, which is a minimum of 80 hours per biweekly pay period, and will be compensated with cash and other value as described below in this paragraph 5.1 ("Annual Salary").

5.1.1 **Annual Salary.** Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$450,000 per year, to be paid as follows: Physician shall be paid \$17,307.69 biweekly not to exceed \$450,000 annually. Physician understands and agrees that (i) the annual salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a median level of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the term of this Agreement.

5.1.2 **Biweekly Payment.** Physician shall be paid biweekly on the same schedule as regular Authority employees. The exact date of said biweekly payments shall be at the sole discretion of Authority. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.1.3 **Fair Market Value Compensation.** The compensation provided under section 5.1 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement.

5.2 **Starting Bonus.**

5.2.1 **Bonus.** Physician shall receive a starting bonus in the amount of \$25,000, less all applicable federal and state taxes and withholdings, payable within 10 business days of the Commencement Date. Physician shall forfeit the starting bonus if he fails to report to work on the Commencement Date.

5.2.2 **Repayment.** In the event that Physician voluntarily terminates his employment with Authority for any reason whatsoever before the first anniversary of this Agreement, Physician will repay to Authority an amount equal to \$25,000 multiplied by the fraction, the numerator of which is 365 less the number of days during which Physician was employed by Authority, and the denominator of which is 365. Such repayment shall be made by Physician in full within 30 days of the effective date of his termination of employment with Authority.

5.2.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to Physician for any amounts in respect of the obligation to repay the starting bonus.

5.3 Retention Bonus.

5.3.1 Bonus. Physician shall be paid an annual bonus in the amount of \$20,000, less all applicable federal and state taxes and withholdings, payable to Physician within 30 days of each Employment Year ending December 1, 2020, and December 1, 2021.

5.3.2 Repayment. In the event that Physician voluntarily terminates his employment with Authority for any reason whatsoever during an Employment Year in which a retention bonus is paid, Physician will repay to Authority an amount equal to \$20,000 multiplied by the fraction, the numerator of which is 365 less the number of days during which Physician was employed by Authority, and the denominator of which is 365. Such repayment shall be made by Physician in full within 30 days of the effective date of his termination of employment with Authority.

5.3.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to him for any amounts in respect of the obligation to repay the retention bonus.

5.4 Quality Bonus. Upon satisfaction of the relevant criteria set forth below and subject to the other terms and conditions set forth in this Agreement, in addition to the Annual Salary, Physician shall be eligible to receive a quality bonus based on the following measures:

5.4.1 Quality/Safety Measure(s). Physician shall be eligible to receive a quality bonus an amount not to exceed \$10,000 each Employment Year, prorated quarterly per calendar year quarter ("Calendar Year Quarter"), if Physician achieves certain quality/safety measure(s). Measures shall be determined annually. Measures shall be calculated within 60 days of the end of each Calendar Year Quarter. The first quality bonus, if any, shall be paid for the three (3) months ending March 31, 2020. If multiple measures are used (i.e., more than one measure annually), the prorated quarterly bonus amount of \$2,500 shall be divided by the total number of measures and the prorated amount of each measure paid if the target metric is achieved.

5.4.2 Patient Satisfaction Measure(s). Physician shall be eligible to receive a quality bonus in an amount not to exceed \$10,000 each Employment Year, prorated quarterly per Calendar Year Quarter, if the hospitalist physicians as a group achieve certain patient satisfaction target metrics. Measures shall be determined annually. Measures shall be calculated within 60 days of the end of each Calendar Year Quarter. The first quality bonus, if any, shall be paid for the three (3) months ending March 31, 2020.

5.4.3 Citizenship Measure(s). Physician shall be eligible to receive a quality bonus an amount not to exceed \$10,000 each Employment Year, prorated quarterly per

Calendar Year Quarter, if Physician achieves certain citizenship measure(s). Measures shall be determined annually. Measures shall be calculated within 60 days of the end of each Calendar Year Quarter. The first quality bonus, if any, shall be paid for the three (3) months ending March 31, 2020. If multiple measures are used (i.e., more than one measure annually), the prorated quarterly bonus amount of \$2,500 shall be divided by the total number of measures and the prorated amount of each measure paid if the target metric is achieved.

5.4.4 Criteria for Payment. Physician understands and agrees that he must remain actively employed by Authority and in compliance with Authority policies and directives concerning job performance and conduct as of each payout date in order to earn and receive the quality bonus payment. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.5 Professional Fee Billing.

5.5.1 Assignment. KMC shall have the exclusive right and authority to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Physician during the Term of this Agreement. All professional fees generated by Physician during the Term of this Agreement, including without limitation, both cash collections and accounts receivable, capitated risk pool fees, professional retainer fees, honoraria, professional consulting and teaching fees, and fees for expert testimony (but excluding Physician's private investment and nonprofessional income), will be the sole and exclusive property of KMC, whether received by KMC or by Physician and whether received during the Term of this Agreement or anytime thereafter. Physician hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

5.5.2 Remittance of Professional Fee Charges. Physician shall remit all professional fee charges to KMC within 45 days of the date direct patient care services are provided by Physician. Any professional fee charges not remitted by Physician to KMC within 45 days of the date of such service, or any charges for which relevant documentation has not been provided, will not be credited to Physician as Worked RVU.

5.6 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,505,000 over the three-year Initial Term of this Agreement.

6. Benefits Package.

6.1 Retirement. Physician shall participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern

County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is 20% of the current biweekly premium. Physician is eligible for coverage the first day of the biweekly payroll period coincident with or next following the day he completes one (1) month of continuous service. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least 40 hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall be entitled to vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Kern\$Flex. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician and the Department chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan ("457 Plan") on a pre-tax basis. Physician shall make all contributions if he elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Limitation on Benefits. Except as expressly stated herein, Physician shall receive no other benefits from Authority.

7. **Assignment.** Physician shall not assign or transfer this Agreement or his obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.

8. **Assistance in Litigation.** Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.

9. **Authority to Incur Financial Obligation.** It is understood that Physician, in his 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 and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.
12. **Compliance with Law.** Physician 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.
13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that he receives in the course of his employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.
14. **Conflict of Interest.** Physician covenants that he has no interest and that he will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of his services hereunder. 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.
15. **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.
16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.
17. **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.
18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by

Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician 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 Practice Sites 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 Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

19. **Invalidity of a Portion.** Should a portion, section, paragraph, or term of this Agreement be construed as invalid by a court of competent jurisdiction, or a competent state or federal agency, the balance of the Agreement shall remain in full force and effect. Further, to the extent any term or portion of this Agreement is found invalid, void or inoperative, the parties agree that a court may construe the Agreement in such a manner as will carry into force and effect the intent appearing herein.

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

21. **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 Physician, 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. Physician shall be given 30 days' prior written notice in the event that Authority requires such an action.

22. **Nondiscrimination.** No party to this Agreement shall discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

23. **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 Physician. 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.

24. **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 Physician:

Igor Garcia-Pacheco, M.D.  
11904 Indianapolis Drive  
Bakersfield, California 93312

Notice to Authority:

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

25. **Relationship.** Authority and Physician recognize that Physician is rendering specialized, professional services. The parties recognize that each is possessed of legal knowledge and skill, and that this Agreement is fully understood by the parties, and is the result of bargaining between the parties. Each party acknowledges their opportunity to fully and independently review and consider this Agreement and affirm complete understanding of the effect and operation of its terms prior to entering into the same.

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

27. **Sole Agreement.** This Agreement 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.

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than 90 days' prior written notice to the other party.

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events ("Event of Default"): (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to

terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

29.1 **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 Physician after the effective date of the termination, and Physician shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

29.2 **Vacate Premises.** Upon expiration or earlier termination of this Agreement, Physician shall immediately vacate KMC, removing at such time any and all personal property of Physician. KMC may remove and store, at the expense of Physician, any personal property that Physician has not so removed.

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

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

30. **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.

PHYSICIAN

By: \_\_\_\_\_  
Igor Garcia-Pacheco, M.D.

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:

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

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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

Agreement.Garcia-Pacheco.100419

**EXHIBIT “A”**  
**Job Description**  
**Igor Garcia-Pacheco, M.D.**

**Position Summary:** Reports to the Chair, Department of Medicine; serves as Chief, Inpatient Hospitalist Service; serves as ICU intensivist; serves as full-time attending physician in the Department and residency program; Physician work effort will be a minimum 2,500 hours annually in teaching, administrative, and clinical activity; provides professional, comprehensive and safe clinical coverage for operations, timely completion of therapeutic and diagnostic procedures, direct patient care, scholarly research and resident education; works collaboratively with clinic and Department staff and hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

**Essential Functions:**

1. Clinical Responsibilities.

- Supervises residents and medical students while on service
- Supervises and ensures competence of mid-level activity
- Performs therapeutic and diagnostic procedures within the scope of practice for an internal medicine and critical care specialist while on service
- Coordinates faculty schedules and activities to provide service and improve efficiency for clinical activities
- Provides mutually agreed upon coverage in the intensive care and direct observation units
- Provides mutually agreed upon weekday and weekend after hours call coverage for the intensive care and direct observation units
- Conducts daily inpatient rounds as a hospitalist while on service in accordance with the hospitalist schedule, while remaining physically present in the hospital during the entire shift without leaving the hospital until relieved from duty
- Manages patients through the continuum of hospital care including seeing patients in the emergency department, following them through the inpatient units, and organizing post-acute care
- Serves as an intermediary in adjudicating venue of care decisions or coordination of care between the emergency medicine physicians and other medical staff
- Prescribes medications or treatment regimens to hospital inpatients in accordance with Hospital Formulary standards
- Orders or interprets the results of tests such as laboratory tests and imaging studies
- Provides inpatient consultations
- Provides mutually agreed upon coverage in the intensive care and direct observation units
- Coordinates mutually agreed upon weekday professional staffing of the ICU
- Provides mutually agreed upon weekday and weekend after hours call coverage
- Supervises procedures performed by residents and mid-levels while on service
- Performs therapeutic and diagnostic procedures with the scope of practice for an internal medicine and critical care specialist while on service

2. Medical Education; Academic Responsibilities.

- Provides clinical mentoring to and evaluation of residents and medical students
  - Establishes and maintains academic appointment at David Geffen School of Medicine at University of California, Los Angeles
  - Serves as a mentor to internal medicine residents who desire to conduct research or other scholarly activity
  - Demonstrates active involvement in continuing medical education
  - Demonstrates active involvement in presentations, publications, and other scholarly activity at local, regional and national scientific societies in accordance with RRC program requirements
  - Participates in development of Department curriculum
  - Attends and participates in Department didactic sessions as assigned
  - Delivers assigned lectures to residents
3. Leadership and Administrative Responsibilities.
- Leads the continuing development of the hospitalist service, including implementing an appropriate hospitalist schedule that supports clinical and academic needs with plans to provide hospitalist coverage in-house 24 hours per day, seven days per week, 365 days per year
  - Assists in clinical and administrative integration efforts across KMC as appropriate for internal medicine, critical care, and a hospitalist service assisting with proper program planning, physician recruitment, faculty development, resource allocation, analysis, communication and assessment
  - Gathers data through best practices and collaborates with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
  - Applies appropriate utilization management principles
  - Refers patients to appropriate medical specialists, social services, or other professionals
  - Participates in morning huddle and team care planning activities
  - Directs, coordinates, and supervises coordination of care activities with nursing and support staff
  - Completes timely patient discharge summaries and communicates them to primary care, specialty, and consulting physicians
  - Works closely with case management and nursing to coordinate transfers from outside facilities and assists with care transitions to the ambulatory environment upon discharge
  - Supports the Department chair to develop monitoring tools to measure financial, access, quality and satisfaction outcomes
  - Participates in the preparation, monitoring, review, and performance of clinical activity in the Department
  - Participates in the quality improvement and risk management activities, including peer review and quality control functions as assigned to services in the Department
  - complete medical records in a timely fashion and works to improve the quality, accuracy, and completeness of documentation

- Works collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
- Follows and complies with the medical staff bylaws, rules, regulations, and policies as well as Authority and KMC policies and procedures
- Attends Department staff meetings and the annual medical staff meeting
- Attends and actively participates in medical staff and hospital committees as may be assigned
- Participates in other clinical, academic, and administrative activities, as assigned by the Department chair

**Employment Standards:**

Completion of an accredited residency program in internal medicine; two (2) years post-residency fellowship training in critical care medicine

AND

Possession of a current valid Physician's and Surgeon's Certificate issued by the state of California

AND

Certification by the American Board of Internal Medicine in internal medicine-general and critical care medicine-subspecialty

**Knowledge of:** The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to critical care medicine; principles of effective supervision and program development.

[Intentionally left blank]

**EXHIBIT "B"**  
**AUTHORIZATION TO RELEASE INFORMATION**

[See attached]

**AUTHORIZATION TO RELEASE INFORMATION**

I, the undersigned physician, hereby authorize Kern Medical Center (“KMC”) and its duly authorized representatives to obtain information from time to time about my professional education, training, licensure, credentials competence, ethics and character from any source having such information. This information may include, without limitation, peer review information, DRG and RVU analyses, ancillary usage information and other utilization and quality related data.

I hereby release the Kern County Hospital Authority and KMC, its authorized representatives and any third parties from any liability for actions, recommendations, statements, reports, records or disclosures, including privileged and confidential information, involving me that are made, requested, taken or received by KMC or its authorized representatives to, from or by any third parties in good faith and relating to or arising from my professional conduct, character and capabilities.

I agree that this authorization to release information shall remain effective until termination of my employment by the Kern County Hospital Authority and KMC. A duplicate of this authorization may be relied upon to the same degree as the original by any third party providing information pursuant to this request.

\_\_\_\_\_  
Physician

\_\_\_\_\_  
Date





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

November 13, 2019

**Subject:** Proposed Agreement with Aslan Ghandforoush, D.O.

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

**Summary:**

Kern Medical requests your Board approve an agreement with Aslan Ghandforoush, D.O., a contract employee, for professional medical services in the Department of Medicine, Division of Cardiology. Dr. Ghandforoush has served full-time at Kern Medical since October 2016 in the role as Chief, Division of Cardiology in the Department of Medicine. Dr. Ghandforoush will be adding the role of Director of Cardiovascular Services as of November 26, 2019.

The proposed Agreement is for a term of five-years from November 26, 2019 through November 25, 2024. The maximum payable will not to exceed \$5,000,000 over the five-year term of the Agreement.

Dr. Ghandforoush's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided. Included in Dr. Ghandforoush's annual salary, he receives a base salary for teaching and administrative duties as well as patient care and on-call coverage for Kern Medical.

Therefore, it is recommended that your Board approve the Agreement with Aslan Ghandforoush, D.O., for professional medical services in the Department of Medicine, Division of Cardiology from November 26, 2019 through November 25, 2024, in an amount not to exceed \$5,000,000 over the five -year term, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Aslan Ghandforoush, D.O.)**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Aslan Ghandforoush, D.O. (“Physician”).

**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 requires the assistance of Physician to provide professional medical and administrative services in the Department of Medicine at KMC (the “Department”), as such services are unavailable from Authority resources, and Physician desires to accept employment on the terms and conditions set forth in this Agreement; and

(c) Physician has special training, knowledge and experience to provide such services; and

(d) Authority currently contracts with Physician as a contract employee for the provision of professional medical services in the Department and teaching services to resident physicians employed by Authority (Agt. #2016-079, dated October 1, 2016), for the period November 26, 2016 through November 25, 2019; and

(e) Each party expressly understands and agrees that Agt. #2016-079 is superseded by this Agreement as of the Commencement Date;

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 be for a period of five (5) years, commencing as of November 26, 2019 (the “Commencement Date”), and shall end November 25, 2024 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

2. **Employment.** Authority hereby employs Physician as Director, Cardiovascular Services and for the practice of medicine in the care and treatment of patients at KMC, or at such other clinic sites as KMC may designate (collectively referred to herein as the “Practice Sites”). It is expressly understood and agreed that KMC shall have reasonable discretion to consolidate and relocate clinics operated by Authority and to re-designate Practice Sites served by Physician from time to time. Physician shall be subject to Authority’s employment policies, directives, rules and regulations as promulgated by Authority from time to time, including, but not limited to, those pertaining to employees.

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician’s license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician’s medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person<sup>1</sup>; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

4.1 **Services.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit “A,” attached hereto and incorporated herein by this reference.

4.2 **Use of Premises.** Physician shall use the Practice Sites as designated by Authority or KMC exclusively for the practice of medicine in the care and treatment of patients and shall comply with all applicable federal, state, and local laws, rules and regulations related thereto.

4.3 **Qualifications.**

4.3.1 **Licensure.** Physician shall maintain a current valid license to practice medicine in the state of California at all times during the Term of this Agreement.

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<sup>1</sup> An “Ineligible Person” is an individual or entity who: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or non-procurement programs; or (ii) has been convicted of a criminal offense that falls within the range of activities described in 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

4.3.2 Board Certification. Physician shall be board certified by the American Osteopathic Board of Internal Medicine in internal medicine as of the Commencement Date, with subspecialty certification in interventional cardiology and cardiovascular disease within 12 months of the Commencement Date, and maintain such certifications at all times during the Term of this Agreement.

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

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

4.4 Loss or Limitation. Physician shall notify KMC in writing as soon as possible (but in any event within three (3) business days) after any of the following events occur: (i) Physician’s license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (ii) Physician’s medical staff privileges at KMC or any other health care facility are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (iii) Physician’s Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (iv) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (v) Physician becomes the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; or (vi) an event occurs that substantially interrupts all or a portion of Physician’s professional practice or that materially adversely affects Physician’s ability to perform Physician’s obligations hereunder.

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards for physicians 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.

4.6 Managed Care Contracting. Physician shall 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 KMC to participate in any third-party payer arrangements, Physician shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a “Managed Care Organization”) designated by 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.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC and its agents any information requested by KMC or its agents from time to time relating to Physician's professional qualifications or competency. Physician agrees to execute the Authorization to Release Information in the form set forth in Exhibit "C," attached hereto and incorporated herein by this reference, and to execute all other documents required by KMC from time to time and otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. 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 Physician shall 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. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that he shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine or provide similar services to other organizations, directly or indirectly, during the Term of this Agreement or any extensions thereof.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician's activities, Physician, through the nature of his work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law, Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate

thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician's own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner, officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with KMC, including the operation of any medical practice or offering of any medical services that are similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

## 5. Compensation Package.

5.1 Annual Compensation. Physician shall work full time, which is a minimum of 80 hours per biweekly pay period, and will be compensated with cash and other value as described below in this paragraph 5.1 ("Annual Salary").

5.1.1 Annual Salary. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$704,700 per year, to be paid as follows: Physician shall be paid \$27,103.84 biweekly not to exceed \$704,700 annually. Physician understands and agrees that (i) the annual salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a 75th percentile level of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the term of this Agreement.

5.1.2 Salary Adjustment. Physician shall be subject to an automatic salary adjustment in accordance with the salary schedule set forth in Exhibit "B," commencing November 26, 2022, and annually thereafter during the Term.

5.1.3 Biweekly Payment. Physician shall be paid biweekly on the same schedule as regular Authority employees. The exact date of said biweekly payments shall be at the sole discretion of Authority. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.1.4 Fair Market Value Compensation. The compensation provided under section 5.1 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement.

5.2 Excess Call Coverage. Authority shall pay Physician for interventional cardiology excess call coverage as follows: (i) Physician shall be paid a fixed fee in the amount of \$1,600 per 24-hour day for weekend and holiday (Saturday and Sunday; designated Authority holidays only) of call coverage assigned that exceeds one in four (1:4); and (ii) Physician shall be paid a fixed fee in the amount of \$800 for every weekday night (Monday through Friday) of call coverage assigned that exceeds one in four (1:4). All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.3 Incentive Compensation. Within 30 days following the end of each Employment Year, beginning from the Commencement Date, KMC will calculate the professional fee net collections (defined as actual cash received) for all professional services provided by Physician. Physician shall receive 25% of the professional fee net collections in excess of \$612,500, less all applicable federal and state taxes and withholdings, per Employment Year. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.4 Professional Fee Billing.

5.4.1 Assignment. KMC shall have the exclusive right and authority to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Physician during the Term of this Agreement. All professional fees generated by Physician during the Term of this Agreement, including without limitation, both cash collections and accounts receivable, capitated risk pool fees, professional retainer fees, honoraria, professional consulting and teaching fees, and fees for expert testimony (but excluding Physician's private investment and nonprofessional income), will be the sole and exclusive property of KMC, whether received by KMC or by Physician and whether received during the Term of this Agreement or anytime thereafter. Physician hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

5.4.2 Remittance of Professional Fee Charges. Physician shall remit all professional fee charges to KMC within 45 days of the date direct patient care services are provided by Physician. Any professional fee charges not remitted by Physician to KMC within 45 days of the date of such service, or any charges for which relevant documentation has not been provided, will not be credited to Physician as Worked RVU.

5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$5,000,000 over the five-year Term of this Agreement.

6. Benefits Package.

6.1 Retirement. Physician shall continue to participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (f/k/a Kern County Pension Plan for Physician Employees) (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time

amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall continue to receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is 20% of the current biweekly premium. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least 40 hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall retain his vacation leave credit balance, if any, as of the Commencement Date. Effective with the Commencement Date, Physician shall be entitled to vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall retain his sick leave credit balance, if any, as of the Commencement Date. Effective with the Commencement Date, Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Kern\$Flex. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.



6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician and the Department chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan (“457 Plan”) on a pre-tax basis. Physician shall make all contributions if he elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Limitation on Benefits. Except as expressly stated herein, Physician shall receive no other benefits from Authority.

7. **Assignment.** Physician shall not assign or transfer this Agreement or his obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.

8. **Assistance in Litigation.** Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.

9. **Authority to Incur Financial Obligation.** It is understood that Physician, in his 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 and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.
12. **Compliance with Law.** Physician 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.
13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that he receives in the course of his employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.
14. **Conflict of Interest.** Physician covenants that he has no interest and that he will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of his services hereunder. 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.
15. **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.
16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.
17. **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.
18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by

Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician 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 Practice Sites 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 Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

19. **Invalidity of a Portion.** Should a portion, section, paragraph, or term of this Agreement be construed as invalid by a court of competent jurisdiction, or a competent state or federal agency, the balance of the Agreement shall remain in full force and effect. Further, to the extent any term or portion of this Agreement is found invalid, void or inoperative, the parties agree that a court may construe the Agreement in such a manner as will carry into force and effect the intent appearing herein.

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

21. **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 Physician, 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. Physician shall be given 30 days' prior written notice in the event that Authority requires such an action.

22. **Nondiscrimination.** No party to this Agreement shall discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

23. **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 Physician. 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.

24. **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 Physician:

Aslan Ghandforoush, D.O.  
901 Mohawk Street, Apt. 13  
Bakersfield, California 93309

Notice to Authority:

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

25. **Relationship.** Authority and Physician recognize that Physician is rendering specialized, professional services. The parties recognize that each is possessed of legal knowledge and skill, and that this Agreement is fully understood by the parties, and is the result of bargaining between the parties. Each party acknowledges their opportunity to fully and independently review and consider this Agreement and affirm complete understanding of the effect and operation of its terms prior to entering into the same.

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

27. **Sole Agreement.** This Agreement 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.

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than 90 days' prior written notice to the other party.

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or

other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

29.1 **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 Physician after the effective date of the termination, and Physician shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

29.2 **Vacate Premises.** Upon expiration or earlier termination of this Agreement, Physician shall immediately vacate KMC, removing at such time any and all personal property of Physician. KMC may remove and store, at the expense of Physician, any personal property that Physician has not so removed.

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

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

30. **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.

PHYSICIAN

By: \_\_\_\_\_  
Aslan Ghandforoush, D.O.

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:

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

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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

Agreement.Ghandforoush.110119

**EXHIBIT “A”**  
**Job Description**  
**Aslan Ghandforoush, D.O.**

**Position Description:** Reports to Chair, Department of Medicine; serves as Chief, Division of Cardiology; serves as Director, Cardiovascular Services; serves as full-time attending physician faculty in the Department, residency program, and Division of Cardiology; Physician work effort will be at a minimum 2,500 hours annually in teaching, administrative, and clinical activity; provides professional, comprehensive and safe clinical coverage for day-to-day operations, timely completion of therapeutic and diagnostic procedures, direct patient care, scholarly research and resident education; works collaboratively with clinic and Department staff as well as hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

**Essential Functions:**

1. Clinical Responsibilities.

- Supervises residents and medical students while on service
- Supervises and ensures competence of mid-level activity
- Performs therapeutic and diagnostic procedures within the scope of practice for cardiology specialist while on service
- Coordinates with faculty schedules and activities to provide service and improve efficiency for clinical activities
- Conducts daily inpatient cardiology rounds
- Provides outpatient clinic coverage at designated Practice Sites
- Provides coverage for the echocardiology lab, interventional and invasive cardiology services for the cardiac catheterization lab, and services for KMC patients requiring interventional cardiology services at other local area hospitals
- Provides weekend inpatient ward coverage and call coverage as assigned

2. Medical Education; Academic Responsibilities.

- Provides clinical mentoring to and evaluation of residents and medical students
- Establishes and maintains academic appointment at David Geffen School of Medicine at University of California, Los Angeles
- Serves as a mentor to internal medicine residents who desire to conduct research or other scholarly activity
- Demonstrates active involvement in continuing medical education
- Demonstrates active involvement in presentations, publications, and other scholarly activity at local, regional and national scientific societies in accordance with RRC program requirements
- Participates in development of Department curriculum
- Attends and participates in the Department didactic sessions as assigned

- Delivers assigned lectures to the internal medicine residents
- Prepares residents for the cardiology portion of the internal medicine boards

### 3. Administrative Responsibilities.

#### **A. Core Faculty:**

- Assists in clinical and administrative integration efforts across KMC as appropriate for the department and the division, assisting with proper program planning, physician recruitment, faculty development, resource allocation, analysis, communication and assessment
- Gathers data through best practices and collaborates with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
- Supports the Department Chair to develop monitoring tools to measure financial, access, quality and satisfaction outcomes
- Participates in the preparation, monitoring, review, and performance of clinical activity in the Department
- Participates in the quality improvement and risk management activities, including peer review and quality control functions as assigned to services in the Department
- Completes medical records in a timely fashion and work to improve the quality, accuracy, and completeness of documentation
- Works collaboratively with other clinical departments to further develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
- Follows and complies with the medical staff bylaws, rules, regulations, and policies as well as Authority and KMC policies and procedures
- Attends department staff meetings and the annual medical staff meeting
- Attends and actively participate in medical staff and hospital committees, as assigned
- Participates in other clinical, academic, and administrative activities, as assigned by the Department chair

#### **B. Director, Cardiovascular Services:**

- Supervises the cardiology service, including the echocardiology lab, cardiac catheterization lab, outpatient clinics, and inpatient wards
- Manages the quality assurance work pertaining to the Division
- Ensures the cardiology service is monitored and evaluated for quality and appropriateness of care and that opportunities for continuous improvements are regularly reviewed and implemented
- Develops, monitors, reviews, and oversees performance of the Division budget



- Provides support to the residency program director for didactic teaching and resident education
- Establishes goals and expectations for resident and medical student rotations
- Prepares the call schedule for the cardiology service
- Collaborates with Department leadership, all other KMC physician leadership, and hospital administration in the development of a comprehensive cardiology clinical program

**Employment Standards:**

Completion of an accredited residency program in internal medicine; completion of a fellowship in cardiology; two (2) years of post-residency experience in interventional and invasive cardiology

**AND**

Possession of a current valid Physician's and Surgeon's Certificate issued by the state of California

**AND**

Certification by the American Osteopathic Board of Internal Medicine in internal medicine-general with subspecialty certification by the American Osteopathic Board of Internal Medicine in interventional cardiology and cardiovascular disease

**Knowledge of:** The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to the field of cardiology; principles of effective supervision and program development.

[Intentionally left blank]

**EXHIBIT “B”  
Salary Schedule  
Aslan Ghandforoush, D.O.**

<b>Annual Salary</b>	<b>Effective Date</b>
\$704,700	November 26, 2019
\$704,700	November 26, 2020
\$704,700	November 26, 2021
\$711,747	November 26, 2022
\$718,864	November 26, 2023

[Intentionally left blank]

**EXHIBIT “C”**  
**AUTHORIZATION TO RELEASE INFORMATION**

[Attached]

**AUTHORIZATION TO RELEASE INFORMATION**

I, the undersigned physician, hereby authorize Kern Medical Center (“KMC”) and its duly authorized representatives to obtain information from time to time about my professional education, training, licensure, credentials competence, ethics and character from any source having such information. This information may include, without limitation, peer review information, DRG and RVU analyses, ancillary usage information and other utilization and quality related data.

I hereby release the Kern County Hospital Authority and KMC, its authorized representatives and any third parties from any liability for actions, recommendations, statements, reports, records or disclosures, including privileged and confidential information, involving me that are made, requested, taken or received by KMC or its authorized representatives to, from or by any third parties in good faith and relating to or arising from my professional conduct, character and capabilities.

I agree that this authorization to release information shall remain effective until termination of my employment by the Kern County Hospital Authority and KMC. A duplicate of this authorization may be relied upon to the same degree as the original by any third party providing information pursuant to this request.

\_\_\_\_\_  
Physician

\_\_\_\_\_  
Date



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

November 13, 2019

**Subject:** Proposed Resolution in the matter of approving the establishment of one or more checking accounts with a local banking institution and delegation of authority to certain individuals to sign banking instruments

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

On February 20, 2019, your Board approved the establishment by the Authority of its own treasury, separate and apart from the County Treasury Pool, and authorized such treasury to be established at PNC Bank. This action was approved, as required, by the Kern County Board of Supervisors on February 26, 2019. The Authority maintains one or more accounts with PNC Bank to provide funding from time to time of the Authority's working capital and other financial needs. The Authority has determined the need to establish one or more checking accounts with a local banking institution to facilitate miscellaneous cash transactions and payment of invoices and processing check requests associated with the Authority's workers' compensation program. The Authority is recommending Mission Bank for this purpose.

Therefore, it is recommended that your Board adopt the proposed resolution approving the establishment of one or more checking accounts with a local banking institution and delegating certain individuals to sign banking instruments, as set forth in the resolution.

**BEFORE THE BOARD OF GOVERNORS  
OF THE KERN COUNTY HOSPITAL AUTHORITY**

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In the matter of:

Resolution No. 2019-\_\_\_\_

**APPROVING THE ESTABLISHMENT OF ONE  
OR MORE CHECKING ACCOUNTS WITH A  
LOCAL BANKING INSTITUTION AND  
DELEGATION OF AUTHORITY TO CERTAIN  
INDIVIDUALS TO SIGN BANKING  
INSTRUMENTS**

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I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 13th day of November, 2019, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

**MONA A. ALLEN**  
Authority Board Coordinator  
Kern County Hospital Authority

---

Mona A. Allen

---

**RESOLUTION**

Section 1. WHEREAS:

(a) The Kern County Hospital Authority (“Authority”), which owns and operates Kern Medical Center, is a local unit of government organized under the laws of the state of California (Health & Saf. Code, § 101852 et seq.), and is not an agency, division, or department of the County of Kern or any other public entity; and

(b) By resolution adopted on February 26, 2019, the Kern County Board of Supervisors authorized the Authority to establish its own treasury outside of the County Treasury Pool; and

(c) By resolution adopted on February 20, 2019, the Board of Governors approved the establishment by the Authority of its own treasury, separate and apart from the County Treasury Pool, and authorized such treasury to be established at PNC Bank, National Association (“PNC Bank”); and

(d) The Authority maintains one or more accounts with PNC Bank to provide funding from time to time of the Authority’s working capital and other financial needs; and

(e) Management of the Authority has advised the Board of Governors that it is advisable and in the best interests of the Authority for the Authority to establish one or more checking accounts with a local banking institution to facilitate miscellaneous cash transactions and payment of invoices and check requests associated with the Authority’s workers’ compensation program.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

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

2. Any individual incumbent (each an “Authorized Signer”) with the title Chief Executive Officer, President of Hospital and Clinic Operations, Chief Financial Officer, or Director of Finance is hereby authorized, acting with the Chief Executive Officer or Chief Financial Officer, to (a) establish one or more ‘Public Funds Business Checking Analysis Accounts’ (hereinafter, collectively, “Accounts,” and individually, “Account”) from time to time for the Authority with a local banking institution (“Bank”), as well as to operate and close such Accounts, (b) enter into any and all agreements and transactions contemplated by the provision of the Accounts, including but not limited to electronic funds transfer services, and (c) designate persons to operate each such Account including closing the Account, and to designate persons to act in the name and on behalf of the Authority with respect to the establishment and operation of the Accounts.

3. The Chief Executive Officer or his designee is authorized to provide any Bank doing business with the Authority with the name of each Authorized Signer, together with specimens of their signatures, and notify each such Bank in writing of any change in the status of an Authorized Signer. All such lists when filed with the Bank(s) shall be binding on the Authority until notice to the contrary is given to the manager of the branch of the Bank at which the Account of the Authority is kept, and receipt of such notice duly acknowledged in writing.

4. Two signatures shall be required on all checks with a payable amount greater than \$250,000.

5. Any Bank doing business with the Authority is hereby authorized to honor the signature of any Authorized Signer in accordance with this Resolution.

6. All actions heretofore taken by any Authorized Officer, which are in conformity with the purposes and intent of this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved in all respects.

7. The authority conferred upon each Authorized Officer by this Resolution shall remain in full force and effect until written notice of revocation by further resolutions of this Board shall have been delivered to the other parties to such agreements.

8. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

9. The provisions of this Resolution shall take effect from and after its adoption by this Board.

10. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Kern Medical Center  
Legal Services Department  
PNC Bank, National Association





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

November 13, 2019

**Subject:** Proposed retroactive Subscriber Service Agreement with Chaffee Enterprises, Inc. doing business as Ability Answering Service, for a ninety (90) day term beginning on October 11, 2019, with the maximum payable of \$6,000 to cover this term.

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

**Summary:**

Kern Medical requests that your Board approve the proposed Subscriber Service Agreement with Chaffee Enterprises, Inc. doing business as Ability Answering Service (Ability) to provide live phone coverage to our patient population. Ability is a phone center with specialized medical office training that will provide our out-patient clinics, specifically Orthopedics, 24 hour coverage for patients, pharmacies and other physicians.

Counsel is unable to approve as to form due to non-standard terms which include the assumption of all liability including Ability's negligence, our indemnification of Ability including their negligence and/or misconduct with no indemnification from Ability, and binding arbitration, where if we are to prevail, we have to ask for fees and expenses, and if they prevail, they automatically receive their fees and expenses.

Even with these issues, Kern Medical recommends that your Board approve the proposed retroactive Subscriber Service Agreement with Chaffee Enterprises, Inc. doing business as Ability Answering Services, to provide phone center services for a 90 day period with a maximum payable of up to \$6,000 for the term.

ABILITY ANSWERING SERVICE  
SUBSCRIBER SERVICE AGREEMENT

Between the undersigned (the subscriber) and Ability Answering Service.

1. This is your authorization to take calls for the undersigned from the date of this agreement under the service indicated below. Ability cannot and does not assume any responsibility, beyond the return of one month's basic service charge, for any damages, consequential or otherwise, resulting from a failure by Ability to perform any and all services under this Agreement, including, but not limited to, a failure to take or relay a message, to process a call, a failure to respond properly to an Alarm Communication, even where such failure is a result of Ability's negligence, misconduct, error in omission. Accordingly, you and your insurer should be aware that this express disclaimer of liability is an integral part of the contractual relationship between you and Ability. It must be understood and agreed that you will protect, defend, indemnify, and hold Ability harmless from any claim or liability that may be asserted by anyone else, including you and your insurer, in the event of loss, injury, or damage to property or persons including third parties or entities, and persons to entities sought to be protected by this service or an alarm system connected therewith, even if such loss, injury or damage results or is claimed to have resulted from Ability's negligence, misconduct or omission.

This service is subscribed to under the terms and conditions set forth herein.

2.  Basic service rate of **\$85.00** allows an allowance of 100 calls only per billing cycle. Ability's billing cycle is defined as a period of 28 days standard for any utility service provider. The inbound count is the aggregate total of client calls, locates, if messages, plus voice mail usage. The unit count exceeding the allowance is charged at **\$0.85**. The voicemail usage is charged at **\$0.00** per minute. The Voice Services (voicemail or auto attendant) are billed at **\$0.00 per** accessed call to our voice mail system. The outbound count is the aggregate total of out dials, patches, digital numeric and alpha pages, and outbound long distance. The per unit charge for out dials and patches is **\$0.85**. The per unit charge for numeric and alpha pages is **\$0.00**. The unit charge per outbound long distance is \$ **0.00**. The per unit charge for e-mails, text messages or faxes is **\$0.85**. There is a **\$0.00** charge assessed for holiday coverage in addition to the basic service. These holidays or the Monday they fall after are New Years, Martin Luther King, President, Memorial, Independence, Labor, Veterans, Thanksgiving, and Christmas.

3. **Ability will review your call traffic after 60 days.**

4. **All inbound calls may be recorded for training and customer service purposes with no charge to the subscriber. Retrieval of these recorded calls is charged at \$ 10.00 per request or \$25.00 for each billing period. If you do not wish your calls to be recorded please sign here. Subscriber signature :** \_\_\_\_\_

Ability may change the prices and charges for any of the subscriber services from time to time. Ability may decrease the prices and charges without providing advance notice. Increases to the prices or charges of services are effective no sooner than 21 days after we notify you directly or fifteen days after we post them to our website at abilitymessaging.com. The increase service fee and unit charge will supersede this dated agreement. There is a \$0.00 per billing cycle charge for Ability maintaining your on call schedule.

Management and maintenance support of the answering template and ancillary documentation is charged at \$0.99 per minute.

**The subscriber agrees to pay a refundable deposit in the amount \$85.00** Plus a \$0.00 installation and administrative fee in advance before service is rendered. Invoices are due and payable upon presentation. Payment of the presented invoice is acceptance and acknowledgement of contracted services performed and provided by Ability. There is a \$25.00 charge levied on all returned checks.

*\*Ability reserves the right to charge a nominal surcharge for wage/benefit changes affecting our personnel as well ask to provide competitive work environment.*

5. The subscriber agrees:

- A. That the service shall not be used for any illegal purposes, and that Ability shall treat all messages as confidential with the exception that it shall cooperate with all law enforcement agencies in disclosing whatever information they require, in the performance of their legal duties.
- B. To provide 30 days notice to Ability to terminate services. If a deposit is held it will be credited to the final 30 days but only when required notice is given. Non-payment disconnections or terminations forfeit the deposit in lieu of the required notice.**
- C. Ability may, without notice to subscriber, terminate service at any time when a balance is unpaid after 21 days from its presentation.

START DATE \_\_\_\_\_ BALANCE DUE \$ **170.00** VISA, MASTERCARD, DISCOVER, AMERICAN EXPRESS

S.S. # \_\_\_\_\_ N/A DRIVERS LICENSE # \_\_\_\_\_ N/A

BANK REFERENCE \_\_\_\_\_ N/A

BUSINESS / BILLING NAME \_\_\_\_\_ BUS TELEPHONE \_\_\_\_\_


BUSINESS / BILLING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE/ZIP \_\_\_\_\_

OWNERS / REPRESENTATIVES NAME \_\_\_\_\_ RES TELEPHONE \_\_\_\_\_

RESIDENTIAL ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE/ZIP \_\_\_\_\_

SUBSCRIBER \_\_\_\_\_

MANAGER \_\_\_\_\_

REVIEWED ONLY:  
  
KCHA Legal Services

## DISPUTE RESOLUTION BY BINDING ARBITRATION

IT IS IMPORTANT THAT YOU READ THIS ENTIRE SECTION CAREFULLY. THIS SECTION PROVIDES FOR RESOLUTION OF DISPUTES THROUGH FINAL AND BINDING ARBITRATION BEFORE A NEUTRAL ARBITRATOR INSTEAD OF IN A COURT BY A JUDGE OR JURY OR THROUGH A CLASS ACTION.

### a. Binding Arbitration

You have the right to take any dispute that qualifies to small claims court rather than arbitration. All other disputes arising out of or related to this Agreement (whether based in contract, tort, statute, fraud, misrepresentation or any other legal or equitable theory) must be resolved by final and binding arbitration. This includes any dispute based on any product, service or advertising having a connection with this Agreement and any dispute not finally resolved by a small claims court. The arbitration will be conducted by one arbitrator using the procedure described by this Section. If any portion of this dispute Resolution Sections is determined to be unenforceable, then the remainder shall be given full force and effect.

The arbitration of any dispute shall be conducted in accordance with American Arbitration Associations = (AAA) Supplementary Procedures for Consumer-Related Disputes which are in effect on the date a dispute is submitted to the AAA. You have the right to be represented by counsel in arbitration. In conducting the arbitration and making an award, the arbitrator shall be bound by and strictly enforce the terms of this Agreement and may not limit, expand, or otherwise modify its terms.

NO DISPUTE MAY BE JOINED WITH ANOTHER LAWSUIT OR IN AN ARBITRATION WITH A DISPUTE OF ANY OTHER PERSON OR RESOLVED ON A CLASS-WIDE BASIS. THE ARBITRATOR MAY NOT AWARD DAMAGES THAT BARRED BY THIS AGREEMENT AND MAY NOT AWARD PUNITIVE DAMAGES OT ATTORNEYS = FEES UNLESS SUCH DAMAGES OR FEE ARE EXPRESSLY AUTHORIZED BY A STATUTE. YOU AND ABILITY BOTH WAIVE ANY CLAIMS FOR AN AWARD OF DAMAGES THAT ARE EXCLUDED UNDER THIS AGREEMENT.

### b. Arbitrations Information and Filing Procedures

Before you take a dispute to arbitration or to small claims court, you must first contact us and give us an opportunity to resolve the dispute. Similarly, before we take a dispute to arbitration, we must first attempt to resolve it contacting you. If the dispute cannot be satisfactorily resolve within sixty days from the date you or Ability is notified by the other of a dispute, then either party may then contact the AAA in writing at AAA Service Center, Fresno, California and request arbitration of the dispute. Information about the arbitration process and the AAA's Arbitration Rules and its fees are available from the AAA on the internet at [www.adr.org](http://www.adr.org). The arbitration will be based only on the written submissions of the parties and the documents submitted to the AAA relating to the dispute, unless either party requested that the arbitration be conducted using the AAA's telephonic, online, or in-person procedures. Additional charges may apply for these procedures. Any in-person arbitration will conducted at a location that the AAA selects in California. Arbitrations under this agreement shall be confidential as permitted be federal law. By notifying Ability within twenty days after commencing an arbitration proceeding, you may elect to relieve both parties to the arbitration of confidentially obligations.

### c. Fees and Expenses of Arbitration

You must pay the applicable AAA filing fee when you submit your written request for arbitration to the AAA. The AAA's filing fee and administrative expenses for a document arbitration will be allocated according to the AAA's Rules. Unless applicable substantive law provides otherwise, each party will pay its own expenses to participate in the arbitration, including attorney fees and expenses for witnesses, document production and presentation of evidence. If you prevail before the arbitrator, however, you may seek to recover the AAA's fees and the expenses of the arbitrator from us. If we prevail before the arbitrator, and if we show that you acted in bad faith in bringing your claim, then we may seek to recover the AAA's fees and expenses of the arbitrator from you.

---

Date

---

Subscriber Name

---

Subscriber Signature

10/10/19

Sara Todd

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

November 13, 2019

**Subject:** Proposed Quote #20032199908673-01 with Presidio Networked Solutions Group, LLC governed by the terms and conditions of the Master Services Agreement (Agt.# 053-2018, dated August 15, 2018), for the purchase and lease of hardware and services pertaining to the RUBRIK Expansion.

**Recommended Action:** Approve; Authorize Issuance of a Purchase Order

**Summary:**

Kern Medical requests your Board approve Quote #20032199908673-01 with Presidio Networked Solutions Group, LLC to provide for the expansion of the RUBRIK system, which is Kern Medical’s onsite data storage and backup solution. The Radiology Picture Archive Computer System (PACS) system is not currently covered and needs to be securely retained. This Quote is the backup solution what will allow Kern Medical to be able to handle the current and future needs for image retention and recovery.

<b>Previous Agreements</b>	<b>Purpose of Amendment</b>	<b>Maximum Payable</b>
Original Agreement# 053-2018, dated August 15, 2018	CISCO UCS - Pure Storage - Rubrik Backup	\$1,862,333.15
Master Lease Agreement#054-2018, dated July 24, 2018 and schedule Agt.#31118, dated November 21, 2018	Detailed the lease schedule of equipment and per monthly fees of services	Updated previous maximum payable to \$1,875,000.00
Quote #2003219901443-01 dated March 4, 2019	Purchase of Meraki Trial Order	\$3,950
Proposed Quote #20032199908673-01	Purchase of RUBRIK System expansion	\$413,193

Therefore, it is recommended that your Board approve Quote# 20032199908673-01 with Presidio Networked Solutions, Inc., in the amount of \$413,193, effective November 13, 2019, and direct Kern Medical to issue a Purchase Order on your behalf.

**TO:** Kern Medical Center  
Craig Witmer  
1700 Mt Vernon Ave  
Bakersfield, CA 93306-4018  
  
craig.witmer@kernmedical.com  
(p) 661-645-9692

**FROM:** Presidio Networked Solutions Group, LLC  
Larry Porush  
114 Pacifica  
Suite 290  
Irvine, CA 92618  
  
lporush@presidio.com

**BILL TO:** Kern Medical Center  
Craig Witmer  
PO Box 3519  
Bakersfield, CA 93385  
  
craig.witmer@kernmedical.com  
(p) 661-645-9692

**SHIP TO:** Kern Medical Center  
Craig Witmer  
1700 Mt Vernon Ave  
Bakersfield, CA 93306  
  
craig.witmer@kernmedical.com  
(p) 661-645-9692

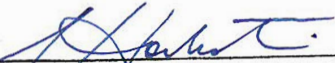
**Customer#:** KERNM001  
**Account Manager:** Larry Porush  
**Inside Sales Rep:** Peter Alpiger  
**Title:** Rubrik Expansion  
**Comments:** Pricing is contingent upon receipt of a PO by November 30th, 2019.

#	Part #	Description	Unit Price	Qty	Ext Price
1	RBK-R6410S-HW-01	r6410s Appliance, 4-node, 120TB raw HDD, 1.6TB SSD, SFP+ NIC	\$26,137.60	1	\$26,137.60
2	RBK-SVC-PREM-HW	PREMIUM SUP FOR HW P SLIC	\$10,193.67	1 for 36 mo(s)	\$10,193.67
3	RBK-GO-FNDN-R6410	One (1) month of Rubrik Go Foundation Edition for r6410, incl. RCDM, Polaris GPS, CloudOut, 20 instances/VMs of cloud native protection and Premium Support, subscription prepay	\$218,150.40	1	\$218,150.40
4	RBKF3MCBL01	4PK 3M FIBER OPTIC OM3 LC/LC CABL	\$213.33	1	\$213.33
5	RBK-SFP-TSR-01	10G/1G Dual Rate SFP+ Transceiver, pack of 4	\$1,472.00	1	\$1,472.00
6	RBK-R6404S-HW-01	R6404S APPL 4NODE 48TB PERP	\$20,011.73	1	\$20,011.73
7	RBK-GO-FNDN-R6404	One (1) month of Rubrik Go Foundation Edition for r6404, incl. RCDM, Polaris GPS, CloudOut, 20 instances/VMs of Cloud Native Protection and Premium Support, subscription prepay	\$121,524.00	1	\$121,524.00
8	RBKF3MCBL01	4PK 3M FIBER OPTIC OM3 LC/LC CABL	\$213.33	1	\$213.33
9	RBK-SFP-TSR-01	10G/1G Dual Rate SFP+ Transceiver, pack of 4	\$1,472.00	1	\$1,472.00
10	RBK-SVC-PREM-HW	PREMIUM SUP FOR HW P SLIC	\$7,804.57	1 for 36 mo(s)	\$7,804.57
11	RBK-INSTALL	RUBRIK INSTALLATION & CONFIG SVCS SVCS INCL TRAVEL & EXPENSE	\$6,000.00	1	\$6,000.00
<b>Sub Total:</b>					<b>\$413,192.63</b>
<b>Grand Total:</b>					<b>\$413,192.63</b>

This quote is governed by Master Services Agreement HA 053-2018 dated August 15, 2018.

No signed quote. PO required.

**APPROVED AS TO FORM  
Legal Services Department**

By   
Kern County Hospital Authority



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

November 13, 2019

**Subject:** Proposed UltiPro Employee Case Management Supplement Agreement to The Ultimate Software Group, Inc. Ultipro Agreement with Ultimate Software Group, Inc.

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

**Summary:**

Kern Medical requests your Board approve the proposed UltiPro Employee Case Management Supplement Agreement to The Ultimate Software Group, Inc. UltiPro Agreement with Ultimate Software Group, Inc., our current Human Resources Information System’s vendor, for the purpose of purchasing the Employee Case Management software. This software will allow Kern Medical Human Resources to deliver consumer-level service to employees, including employee issue tracking, access to Knowledgebase Library, automation of common processes (i.e. employee performance reviews) and analytics (track and report on key metrics, such as service level performance).

<b>Previous Agreements</b>	<b>Purpose</b>	<b>Maximum Payable (Approximate)</b>
Original Agreement# 496-2016, dated April 18, 2016	UltiPro software	\$227,000 activation \$114,900 per year
Amendment #1 31817, dated July 24, 2017	Additional UltiPro services	\$205,200 per year
Amendment# 50219, dated September 10, 2019	Removal of two management modules	(\$105,000) per year
Proposed Supplement	Purchase of one management module	\$10,110 activation \$72,100 per year

The Agreement contains non-standard terms and conditions and cannot be approved as to form by Counsel due to Ultimate Software’s refusal to appropriately label their documents which makes changes very vague and difficult to show which modules are active and which have been cancelled and their refusal to include a maximum payable, so all monies associated with the Agreement are only an estimate until an invoice is received.

Therefore, it is recommended that your Board approve the proposed UltiPro Employee Case Management Supplement Agreement with Ultimate Software Group, Inc., in the additional amount of \$154,206 for the term of the Supplement, effective November 13, 2019 through August 1, 2021, and authorize the Chairman to sign.

**UltiPro Employee Case Management  
Supplement to  
The Ultimate Software Group, Inc. UltiPro Agreement**

This UltiPro Employee Case Management Supplement (hereafter "Supplement") dated as of November 13, 2019 ("Effective Date"), by and between The Ultimate Software Group, Inc. (hereafter "Ultimate Software") and Kern County Hospital Authority (hereafter "Customer").

**Whereas**, Ultimate Software and Customer entered into The Ultimate Software Group, Inc. UltiPro Agreement with an effective date of April 18, 2016 (hereafter "UltiPro Agreement"), along with various addenda, supplements, amendments, etc. to same (hereinafter collectively referred to as the "Agreement");

**Whereas**, Customer desires to purchase UltiPro Employee Case Management from Ultimate Software in accordance with the terms and conditions set forth below.

**Now Therefore**, the Parties agree to supplement the Agreement as follows:

(1) **Pricing Schedule:**

Current number of Compensated Employees: 2,002

A. **Subscription Fee**

\$4.00 per Compensated Employee per month for each Compensated Employee from 1 – 1,000

And Then

\$2.00 per compensated Employee per month for each Compensated Employee exceeding 1,000

The Subscription Fee above is part of the Subscription Offering and is quoted on a Per Employee Per Month (herein referred to as "PEPM") basis. The computed monthly subscription amount (number of Compensated Employees multiplied by the Subscription Fee) may increase or decrease if the number of Compensated Employees increases or decreases but in no event, shall the monthly Subscription Fee be calculated on less than 1,500 Compensated Employees.

In addition, after the Initial Term of this Supplement, Ultimate Software may increase the fees herein pursuant to the increase provision as set forth in the Agreement.

B. **UltiPro Launch Fee**

\$10,110.00 flat fee (not including travel and expenses)

UltiPro Launch shall be provided to Customer for only the services as set forth in the Launch Overview document which is made a part hereof and incorporated by reference as Exhibit A.

In addition, Customer shall be invoiced an additional UltiPro Launch fee at the rate of \$10.00 per Compensated Employee, for each Compensated Employee in existence as of the "UltiPro Employee Case Management Live Date" (defined as the date the UltiPro Employee Case Management application has been configured and is available for Customer's use) that exceeds 110% of the current number of Compensated Employees as set forth in Section (1) above. For clarification purposes, this additional UltiPro Launch fee if applicable shall only be charged to Customer as of the UltiPro Employee Case Management Live Date and Customer shall not be charged for any additional UltiPro Launch fees subsequent to that date.

(2) **Payment Terms:**

A. **Subscription Fee**

The Subscription Fee is due quarterly and invoiced thirty (30) days in advance of the quarter. The amount due on the earlier of the UltiPro Employee Case Management Live Date or November 13, 2019 is payment for the first quarter commencing on the earlier of the UltiPro Employee Case Management Live

Date of November 13, 2019.  
\$15,000.00

B. UltiPro Launch Fee

The amount due on the Effective Date of this Supplement.

\$10,110.00

(3) **Term and Termination**

This Supplement will begin on the Effective Date as set forth above and will continue to be in effect through twenty-four (24) months from the earlier of the UltiPro Employee Case Management Live Date or November 13, 2019 ("Initial Term"). Customer may not cancel this Supplement during the Initial Term except as set forth below. This Supplement shall automatically renew for successive renewal terms of one (1) year each. The Customer may terminate this Supplement only after the Initial Term by serving written notice of its intention at least thirty (30) days prior to the date of the next such renewal period. Either Party shall have the right to terminate this Supplement upon thirty (30) days prior written notice upon any breach hereof by the other Party, provided the Party in breach shall not have cured such breach during the thirty (30) day period. Upon termination of this Supplement, all rights granted to Customer will terminate and revert to Ultimate Software.

(4) **Confidential Information:** Notwithstanding anything to the contrary, Ultimate Software reserves the right to have Customer's Confidential Information processed, managed, and/or stored with third parties in connection with providing the UltiPro Employee File Management and UltiPro Employee Case Management Services.

(5) The Warranty provisions as set forth in the Agreement shall include the addition of the following:  
**ULTIMATE SOFTWARE WARRANTS THAT THE ULTI PRO EMPLOYEE CASE MANAGEMENT SERVICES WILL SUBSTANTIALLY PERFORM IN ACCORDANCE WITH THE ULTI PRO EMPLOYEE CASE MANAGEMENT ON LINE DOCUMENTATION.**

(6) All other terms and conditions of the Agreement are reaffirmed and remain unchanged by this Supplement. In the event of a conflict between the terms of this Supplement and the Agreement, the terms of the Supplement will govern.

**IN WITNESS WHEREOF**, the Parties have hereto by their duly authorized representatives executed this Supplement.

Kern County Hospital Authority

The Ultimate Software Group, Inc.

By:

By:

Name: Russell Bigler

Name: Maria Tako

Title: Chairman, Board of Governors

Title: Director of Contracts Administration

Date:

Date: 11/5/2019 | 4:48 PM EST

**REVIEWED ONLY  
NOT APPROVED AS TO FORM**

By   
Legal Services Department



## **Exhibit A**

### **UltiPro Employee Case Management (ECM) Launch**

By design, Ultimate Software's standard launch methodology provides proven and repeatable processes that enable project teams to measure progress and results, offers a solid knowledge transfer from Ultimate Software to the customer, and is supported with standard tools and a proven training path that deliver a successful launch. Ultimate Software partners with the customer throughout the launch process, performing tasks such as a system configuration, product training, production support, and project management.

With launch, Ultimate Software uses its proven methodology to provide training and launch services to deploy the product(s) as contracted in the Supplement. Services will be delivered as listed in this document.

#### **Launch includes:**

- Configuration of the Core HR data feed between UltiPro and ECM (organization / employee / user)
- Configure case management (pre-defined categories, forms, case workflows – trigger / automation / macro).
- Configure process automation (pre-defined process templates and list of tasks in a sequenced order).
- Configure the ECM role matrix (pre-defined roles, permissions and user groups).
- Customer end-user and administrator training via any public class offering – offered throughout the life of the UltiPro solution – to allow knowledge transfer and maximize the value of the contracted SaaS offering.

#### **Roles and Responsibilities:**

Launch assumes Customer participation throughout the launch process as defined in the *Roles and Responsibilities* and *Resources Allocation* sections of this document. Ultimate Software and the Customer's roles and responsibilities are defined herein.

Please note that Ultimate Software provides training services during the launch as needed. The customer is expected to attend appropriate training during the launch process prior to Customer being live on ECM.

#### **Ultimate Software Responsibilities**

##### **Project Management**

- Manage the project tasks, Ultimate Software project resources, and deliverables.
- Provide status and notification, as appropriate.
- Provide client communications and general project-related management activities.

##### **Planning and Configuration Phase**

- Provide launch timeframe
- Configure the product(s) as contracted
- Provide access to the product(s) as contracted in the Supplement.
- Ask Customer to register for product training as part of the project plan.

##### **Production and Transition Phase**

- Provide administrator support to prepare customer for first production use of ECM.
- Transition customer to Ultimate Software's customer support team.

#### **Customer Responsibilities**

##### **Project Management**

- Confirm the project: scope, deliverables, and milestones.
- Create, manage, and deploy all roll-out activities (change management) to managers and employees.

##### **Production Phase**

- Assure that adequate end-user and administrator training has been completed before the start of production operations.
- Share project wrap-up activities, including any feedbacks on platform configuration and launch services provided.
- Use the ECM platform in production

#### **Resource Allocation:**

Resource allocation and commitment are key drivers for successful launch.

### **Ultimate Software Resources – Typical Resource Allocation to Project**

**System Consultant**– The system consultant is the primary Ultimate Software representative assigned to your launch to assist with the launch of ECM. His or her mission is to configure the contracted products and deliver a pre-configured environment to the customer.

**Lead Account Manager** – The LAM will provide for the product delivery to be successful and verify that the Customer followed the required training session before using their new platform in production. The LAM also collects Customer feedbacks on the launch services provided and configured environment. The LAMs mission is to track the Customer platform usage and activity in production.

### **Customer Resources – Average Resource Allocation for Typical Project\***

**Executive Sponsor** – The executive sponsor provides executive-level support to the project team. His or her primary responsibility is to ensure that the needs of the project team are well represented and met by the steering committee. This role has minimal involvement in the project.

**Project Manager** – The project manager channels the team’s activities toward application configuration and executing the launch project. He or she also is responsible for internal project communications.

**Human Resources Specialist** – The HR specialist is the Customer’s primary user and designated decision maker in the area of ECM.

**System Administrator** – The system administrator is the customer’s primary resource for system configuration, system knowledge, and application security.

**Other Subject Matter Experts** – Other subject matter experts become involved after the Customer is live on ECM, as needed.

\*These are best practice recommendations. Resource allocation may vary based upon project timeline and complexity

### **Launch Guidelines/Assumptions:**

- Customer will exercise services within the defined services period. The typical launch period is 1 month. All launch services expire 6 weeks after the kick-off of each feature. If additional services are required, they will be contracted separately.
- Unless otherwise specified in the agreement, functional configuration includes five (5) categories, fifteen (15) forms and associated workflows, and five (5) process templates containing ten (10) tasks each.
- Customer will be responsible for the creation of knowledge base articles in its platform.
- Customer will complete tasks as indicated in the roles and responsibilities of this document and as assigned in the final project plan by mutually agreed upon due dates.



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

November 13, 2019

**Subject:** Proposed acceptance of donation of travel and related expenses from Unitek College for attendance at the annual conference

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

The Authority's conflict of interest policy prohibits employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment.

Unitek College is a private college with several locations in the Bay area. They will soon begin educating Kern County LVN to RN students and subsequently a full RN program with their new location in Kern County. Kern Medical has signed a contract to have their students come to Kern Medical for a portion of their practicum. The annual conference is for the purpose of introducing innovative ideas related to education and health care to their teaching staff as well as education partners.

Unitek has offered to donate to the Authority reimbursement for hotel and related expenses for one Kern Medical employee to attend the annual conference to be held on November 18, 2019, in Newark, California.

Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Unitek College for travel and lodging and authorize the Chief Executive Officer to designate one employee to attend this conference.

**BEFORE THE BOARD OF GOVERNORS  
OF THE KERN COUNTY HOSPITAL AUTHORITY**

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In the matter of:

Resolution No. 2019-\_\_\_\_

**ACCEPTANCE OF DONATION OF  
TRAVEL AND RELATED EXPENSES  
FROM UNITEK COLLEGE**

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I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 13th day of November, 2019, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

**MONA A. ALLEN**  
Authority Board Coordinator  
Kern County Hospital Authority

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Mona A. Allen

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**RESOLUTION**

Section 1. WHEREAS:

(a) The conflict of interest policy for the Kern County Hospital Authority (“Authority”) prohibits Authority employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment; and

(b) Unitek College, an accredited, private institution that provides education in the areas of healthcare and nursing, has offered to donate to the Authority all travel and related expenses for one Authority employee to attend the Unitek College 2019 Annual Conference titled “Innovation in Education and Health Care: Leading and Growing the Future” in Newark, California, on November 18, 2019; and

(c) The training session is necessary in connection with official Authority business; and

(d) The Authority desires to obtain the donation of travel and related expenses to the Authority and will retain full control over the use of the donation; and

(e) Unitek College has not made any restrictions as to how the donation may be used.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

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

2. This Board hereby accepts from Unitek College the donation of travel and related expenses to cover all costs for one Authority employee to travel to Newark, California, to attend the Unitek College 2019 Annual Conference titled “Innovation in Education and Health Care: Leading and Growing the Future” on November 18, 2019.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the Unitek College 2019 Annual Conference titled “Innovation in Education and Health Care: Leading and Growing the Future” in Newark, California, on November 18, 2019.

4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Chief Financial Officer  
Legal Services Department  
Human Resources Department



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

November 13, 2019

**Subject:** Proposed Resolution to conduct an election among eligible employees to determine coverage of Kern Medical Center employees under the old age, survivors, disability and health insurance system established by the Federal Social Security Act

**Recommended Action:** Approve; Adopt Resolution; Direct staff to conduct election

**Summary:**

The Authority is working with representatives from the State Social Security Administration (SSSA) to conduct an election under Section 218 of the Social Security Act, which governs social security and Medicare coverage for state and local government employees. This election is required to continue our current practice of enabling employees to participate in the social security system. Currently, employees who work for the Authority and participate in KCERA receive the KCERA pension as well as social security benefits upon retirement or permanent disability. In order for this to continue, the SSSA is requiring that we conduct an election to document and formalize this practice.

By way of history, in 1957 the employees of the County of Kern elected through a Section 2018 election to have social security deducted from their paychecks to supplement their KCERA retirement benefits. Although this election covered Authority employees while the hospital was a department of the County, the SSSA has determined the 1957 election does not apply to the Authority and that employees must vote to maintain their eligibility in social security. This new election is the first step in the process to ensure our employees continue to receive social security benefits.

This is to request that your Board authorize an election of eligible employees be held for the purpose of meeting the requirements set forth by the Board of Administration, Public Employees' Retirement System. This election, as defined in Section 218(d)(3) of the Social Security Act, will enable the Authority to continue to include employees covered KCERA in the Federal Social Security Act.

Therefore, it is recommended that your Board adopt the proposed resolution authorizing the Authority to hold a Section 218 election to provide for continued participation of Authority employees in the social security program.

Owned and Operated by the Kern County Hospital Authority  
A Designated Public Hospital

1700 Mount Vernon Avenue | Bakersfield, CA 93306 | (661) 326-2000 | KernMedical.com



Official State Social Security Administrator  
California Public Employees' Retirement System

P.O. Box 720720  
Sacramento, CA 94229-0720

Phone: (916) 795-0810 | Fax: (916) 795-3005  
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442  
[www.calpers.ca.gov/ssa](http://www.calpers.ca.gov/ssa)

September 24, 2019

CalPERS ID No.: 3888498078

Lisa Hockersmith  
Vice President Human Resources  
Kern County Hospital Authority  
1700 Mount Vernon Ave  
Bakersfield, CA 93306

Dear Lisa Hockersmith,

Thank you for contacting the State Social Security Administrator's Office (State Administrator) regarding Social Security coverage.

Based on the information provided by the agency in the Coverage Questionnaire, the agency desires to provide a Majority vote election to cover its employees for social security benefits.

All eligible members of the retirement system will vote in an election. If a majority of the members vote in favor of Social Security coverage, all employees occupying positions covered under the retirement system would be covered under Social Security, including those who voted "no".

The first step would be for the agency to adopt a resolution to request permission to conduct an election among eligible members of the retirement system.

These documents should not be modified in any way as only the content included in the documents provided by this office will be accepted.

If you have any questions regarding the enclosed information, please contact this office at (916) 795-0810.

Sincerely,

State Social Security Administrator Program

Enclosures

RESOLUTION 2019-014

WHEREAS, Kern County Hospital Authority hereinafter designated as "Public Agency", desires to include services performed by its employees in positions covered by Kern County Employees' Retirement Association in the California State Social Security Agreement of March 9, 1951, providing for the coverage of public employees under the old age, survivors, disability and health insurance system established by the Federal Social Security Act, as amended; and

WHEREAS, State and Federal laws require, as a condition of such coverage, that an election first be authorized by the Board of Administration, Public Employees' Retirement System, and conducted among the "eligible employees" (as defined in Section 218(d)(3) of the Social Security Act) of the Public Agency; and

WHEREAS, it is necessary that the "Public Agency" now designate any classes of positions covered by said retirement system which it desires to exclude from coverage under said insurance system;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration, Public Employees' Retirement System be, and hereby is requested to authorize the foregoing election; and



BE IT FURTHER RESOLVED, that upon receipt of authorization from the Board of Administration, an election shall be conducted in accordance with the requirements of Section 218(d) of the Social Security Act, and applicable State and Federal laws and regulations; that such election shall be held on the question of whether service in positions covered by said retirement system should be excluded from or included under an agreement under the insurance system established under the Social Security Act, as hereinbefore provided, with such coverage effective as to services performed on and after July 1, 2016; and

BE IT FURTHER RESOLVED, that the following classes of positions covered by said retirement system of the "Public Agency" shall be excluded from coverage under said agreement:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and
2. Services excluded by option of the Public Agency (**Check a or b; fill in b if**

**checked**):

- a. No optional exclusions desired.
- b. Service performed: elective positions, part-time positions

BE IT FURTHER RESOLVED, that not less than ninety days' notice of such election be given to all "eligible employees" as hereinabove provided; and that Lisa Hockersmith, Vice-President Human Resources

is hereby designated and appointed to conduct such election on behalf of the "Public Agency" in accordance with law, regulations, and this resolution, including the giving of proper notice thereof to all such "eligible employees"; and

BE IT FURTHER RESOLVED, that with respect to eligible members thereof, the benefits and contributions of the said retirement system shall not be modified in any way and

BE IT FURTHER RESOLVED, that the Public Agency will pay and reimburse the State at such time and in such amounts as may be determined by the State the approximate cost of any and all work and services relating to such election.

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Presiding Officer

---

Official Name of Public Agency

---

Date

CERTIFICATION

I, Russell V. Judd, Chief Executive Officer of the Kern County Hospital Authority, State of California, do hereby certify the foregoing to be a full, true, and correct copy of Resolution No. 2019-014 adopted by the Kern County Hospital Authority Board of Governors of the Kern County Hospital Authority at the regular/special meeting held on the 13<sup>th</sup> day of November, 2019, as the same appears of record in my office.

Signature: \_\_\_\_\_

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

Date: \_\_\_\_\_



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

November 13, 2019

**Subject:** Comments Regarding Budget Variances – September 2019

**Recommended Action:** Receive and File

**Summary:**

The following items have budget variances for the month of September 2019:

**Indigent Funding:**

Indigent funding is short of goal for the month and on a year-to-date basis due to a conservative approach to recognizing indigent funding revenue. During each month of fiscal year 2020 Kern Medical will only recognize 95% of the total projected revenue for the Managed Care Rate Range Program, the Medi-Cal Quality Assurance Fee Program, the Physician SPA Program, and the AB915 Outpatient Supplemental Funding Program. Kern Medical will recognize 100% of the total projected revenue for the Medi-Cal Waiver Programs of Public Hospital Redesign and Incentives in Medi-Cal (PRIME), the Global Payment Program (GPP), and the Whole Person Care Program (WPC). Kern Medical will also recognize 100% of the projected revenue for the Enhanced Payment Program (EPP) and the Quality Incentive Program (QIP).

**Other Operating Revenue:**

Other operating revenue has an unfavorable budget variance for the month and on a year-to-date basis due to the fact that for some items within this section of the income statement Kern Medical only receives funding on a quarterly basis. Kern Medical receives KHS Grant funds, Emergency Medical Services funds, and Managed Medi-Cal Pay for Performance funds on a quarterly basis; however, the budget for these items is spread over the entire 12 months of the year. In addition, some items within this section, such as contributions, receive funding inconsistently throughout the year.

**Registry Nurses:**

Registry nurses expense has an unfavorable budget variance for the month and on a year-to-date basis. Kern Medical continues to rely on contracted nurse staffing to supplement the nursing departments while maintaining nurse recruiting efforts.

**Other Professional Fees:**

Other professional fees have a favorable variance for the month and on a year-to-date basis because of the reclassification of Information Technology (IT) contract labor staff expense. IT contract labor expense that pertains to the Cerner EHR implementation project is reclassified from expense and into the Cerner capital project each month. In addition, 25 individuals that were previously contract laborers across several different departments have been hired by Kern Medical as full-time employees. Therefore, the labor expense for these individuals is now reported under salaries and benefits expenses.

**Supplies Expense:**

Supplies expenses are over budget for the month because of higher than average purchases from Medtronic, Inc. and from Houchin Blood Bank. Although pharmaceuticals and prostheses expenses were lower than average for the month of September, these items are the primary reason for the large, unfavorable year-to-date budget variance for supplies expenses.

**Purchased Services:**

Purchased services expenses have an unfavorable budget variance for the month due to higher than average expenses for Signature Performance, Health Advocates, and ambulance fees.

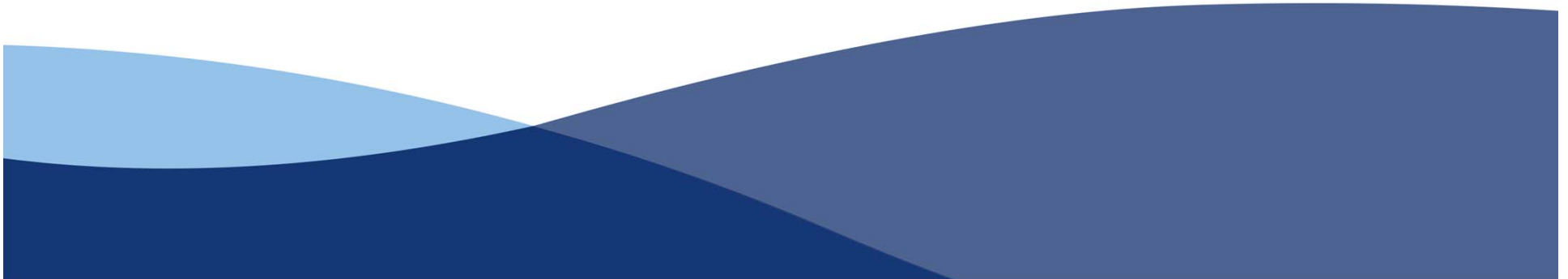
**Other Expenses:**

Other expenses have an unfavorable variance for the month primarily because of higher than average electricity bills due to warm weather. In addition, there is an increase in bank fees due to an increase in the credit line limit offered by PNC Bank.



**BOARD OF GOVERNORS' FINANCIAL REPORT  
KERN MEDICAL – SEPTEMBER 2019**

NOVEMBER 2019



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

September 30, 2019

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
<b>Gross Patient Revenue</b>	\$ 73,013,853	\$ 75,380,061	\$ 76,169,515	\$ 72,559,062	5%	\$ 69,200,464
Contractual Deductions	(53,515,221)	(55,627,891)	(57,100,326)	(54,113,856)	6%	(52,162,665)
<b>Net Revenue</b>	19,498,633	19,752,170	19,069,189	18,445,206	3%	17,037,798
Indigent Funding	12,585,749	12,225,222	11,700,725	11,854,337	(1%)	13,602,078
Correctional Medicine	2,777,068	2,277,068	2,777,068	2,777,068	0%	2,817,855
County Contribution	284,951	284,951	285,471	284,951	0.2%	285,211
Incentive Funding	333,333	333,333	333,333	333,333	0%	250,000
<b>Net Patient Revenue</b>	35,479,734	34,872,744	34,165,786	33,694,895	1%	33,992,942
Gain/(Loss) on Health-Related Entity	(131,324)	53,077	(118,684)	0	0%	0
Other Operating Revenue	990,187	1,093,613	1,314,736	1,267,452	4%	1,341,681
Other Non-Operating Revenue	832	19,735	500	4,489	(89%)	37,790
<b>Total Revenue</b>	36,339,429	36,039,170	35,362,338	34,966,836	1%	35,372,414
<b>Expenses</b>						
Salaries	13,489,329	14,189,261	13,632,163	13,684,739	(0%)	13,429,226
Employee Benefits	6,977,656	6,392,478	6,200,833	6,305,989	(2%)	5,813,406
Contract Labor	1,704,179	1,585,501	1,583,934	1,367,853	16%	1,492,747
Medical Fees	1,758,694	1,570,220	1,784,320	1,761,355	1%	2,406,056
Other Professional Fees	1,745,250	1,589,024	1,520,692	2,040,554	(25%)	1,721,910
Supplies	6,100,870	5,645,386	5,357,817	5,253,930	2%	4,661,001
Purchased Services	1,920,269	2,221,205	2,409,922	1,855,621	30%	1,806,031
Other Expenses	1,464,376	1,673,308	1,682,181	1,531,056	10%	1,420,482
Operating Expenses	35,160,622	34,866,382	34,171,863	33,801,097	1%	32,750,859
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	1,178,807	1,172,788	1,190,475	1,165,739	2%	2,621,555
EBIDA Margin	3%	3%	3%	3%	1%	7%
Interest	245,705	220,570	260,529	342,117	(24%)	170,846
Depreciation	512,155	513,738	513,081	664,621	(23%)	527,189
Amortization	76,688	76,688	76,688	57,678	33%	49,984
Total Expenses	35,995,170	35,677,378	35,022,161	34,865,512	0.4%	33,498,878
<b>Operating Gain (Loss)</b>	344,260	361,792	340,177	101,324	236%	1,873,536
<b>Operating Margin</b>	0.9%	1.0%	1.0%	0.29%	232%	5%

## Year-to-Date: Revenue & Expense

September 30, 2019

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Gross Patient Revenue</b>	\$ 224,563,429	222,181,187	1%	\$ 219,169,949	2%
Contractual Deductions	(166,243,438)	(166,931,983)	(0.4%)	(167,307,445)	(1%)
<b>Net Revenue</b>	58,319,991	55,249,204	6%	51,862,504	
Indigent Funding	36,511,696	36,953,299	(1%)	39,300,970	(7%)
Correctional Medicine	7,831,204	8,331,204	(6%)	7,656,204	2%
County Contribution	855,373	854,852	0.1%	855,633	(0.03%)
Incentive Funding	1,000,000	1,000,000	0%	750,000	0%
<b>Net Patient Revenue</b>	104,518,264	102,388,559	2%	100,425,311	4%
Gain/(Loss) on Health-Related Entity	(196,931)	0	0%	0	0%
Other Operating Revenue	3,398,536	3,868,090	(12%)	3,383,700	0%
Other Non-Operating Revenue	21,067	32,531	(35%)	58,811	(64%)
<b>Total Revenue</b>	107,740,937	106,289,181	1%	103,867,822	4%
<b>Expenses</b>					
Salaries	41,310,753	41,757,818	(1%)	39,584,101	4%
Employee Benefits	19,570,966	19,241,569	2%	17,801,564	10%
Contract Labor	4,873,613	4,186,764	16%	4,542,650	7%
Medical Fees	5,113,233	5,336,829	(4%)	6,500,011	(21%)
Other Professional Fees	4,854,966	5,922,448	(18%)	5,026,344	(3%)
Supplies	17,104,073	16,021,427	7%	15,132,419	13%
Purchased Services	6,551,396	5,690,572	15%	6,159,499	6%
Other Expenses	4,819,865	4,695,265	3%	4,633,955	4%
Operating Expenses	104,198,867	102,852,692	1%	99,380,544	5%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	3,542,070	3,436,489	3%	4,487,278	(21%)
EBIDA Margin	3%	3%	2%	4%	(24%)
Interest	726,804	1,026,350	(29%)	529,952	37%
Depreciation	1,538,974	2,005,907	(23%)	1,538,182	0%
Amortization	230,063	173,034	33%	161,746	42%
Total Expenses	106,694,708	106,057,983	1%	101,610,424	5%
<b>Operating Gain (Loss)</b>	1,046,229	231,198	353%	2,257,398	(54%)
<b>Operating Margin</b>	1%	0.2%	346%	2%	(55%)



### 3-Month Trend Analysis: Cash Indicators

September 30, 2019

		JULY	AUGUST	SEPTEMBER	GOALS SEPTEMBER	PY AUGUST
<b>Cash</b>						
	Total Cash	15,614,076	12,603,895	30,316,692	28,442,910	37,473,020
	Days Cash On Hand	13	11	27	25	34
	Days In A/R - Gross	90.69	93.78	87.75	70.00	75.21
	Patient Cash Collections	\$ 14,203,621	\$ 17,563,408	\$ 18,168,052	\$ 17,590,534	\$ 15,949,460
<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	\$ (11,223,792)
	FY 2016 Waiver Payable (Kern Medical Responsibility)	\$ (2,819,361)	\$ (2,819,361)	\$ (2,819,361)	N/A	\$ (2,819,361)
	DSH Payable (Kern Medical Responsibility)	\$ (42,388,763)	\$ (42,388,763)	\$ (42,388,763)	N/A	\$ (26,851,210)
	Total Kern Medical Responsibility	\$ (56,431,916)	\$ (56,431,916)	\$ (56,431,916)		\$ (40,894,363)
	Total Indigent Funding Liabilites Due to the State	\$ (76,224,618)	\$ (76,224,618)	\$ (76,224,618)	N/A	\$ (60,687,065)

### 3-Month Trend Analysis: Operating Metrics

September 30, 2019

		JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
<b>Operating Metrics</b>							
Total Expense per Adjusted Admission		23,464	19,211	22,825	21,983	4%	22,134
Total Expense per Adjusted Patient Day		4,739	3,612	4,253	4,446	(4%)	4,331
Supply Expense per Adjusted Admission		3,977	3,040	3,492	3,313	5%	3,080
Supply Expense per Surgery		2,048	1,475	1,638	1,870	(12%)	1,991
Supplies as % of Net Patient Revenue		17%	16%	16%	16%	1%	14%
Pharmaceutical Cost per Adjusted Admission		1,976	1,558	1,536	1,608	(4%)	1,325
Net Revenue Per Adjusted Admission		\$ 12,710	\$ 10,636	\$ 12,428	\$ 11,630	7%	\$ 11,257

## Year-to-Date: Operating Metrics

September 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Operating Metrics</b>						
	Total Expense per Adjusted Admission	21,821	21,830	(0.04%)	20,836	5%
	Total Expense per Adjusted Patient Day	4,189	4,417	(5%)	4,158	1%
	Supply Expense per Adjusted Admission	3,498	3,298	6%	3,103	13%
	Supply Expense per Surgery	1,707	1,869	(9%)	2,118	(19%)
	Supplies as % of Net Patient Revenue	16%	16%	5%	15%	9%
	Pharmaceutical Cost per Adjusted Admission	1,694	1604	6%	1,332	27%
	Net Revenue Per Adjusted Admission	\$ 11,928	11,372	5%	\$ 10,635	12%

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

FOR THE MONTH OF SEPTEMBER 30, 2019

MTD ACTUAL	MTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %
389,344	409,836	(20,492)	-5%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	1,193,989	1,256,831	(62,842)	-5%
1,997,230	2,102,348	(105,117)	-5%	MEDI-CAL RATE-RANGE REVENUE	6,219,839	6,547,199	(327,360)	-5%
89,655	94,374	(4,719)	-5%	PHYSICIAN SPA REVENUE	274,942	289,413	(14,471)	-5%
442,393	465,677	(23,284)	-5%	AB 915 OUTPATIENT SUPPLEMENTAL PROGRAM	1,356,672	1,428,076	(71,404)	-5%
0	0	0	0%	MEDI-CAL MANAGED CARE - SPD	34,473	0	34,473	0%
1,988,525	1,988,525	0	0.0%	PRIME - NEW WAIVER	6,298,142	6,298,142	0	0.0%
2,141,189	2,141,189	0	0.0%	GPP - NEW WAIVER	6,866,312	6,866,312	0	0.0%
1,229,508	1,229,508	0	0.0%	WHOLE PERSON CARE	3,770,492	3,770,492	0	0.0%
1,733,750	1,733,750	0	0%	EPP REVENUE	5,316,833	5,316,833	0	0%
1,689,131	1,689,131	0	0%	QIP REVENUE	5,180,002	5,180,002	0	0%
11,700,725	11,854,337	(153,612)	-1%	SUB-TOTAL - GOVERNMENTAL REVENUE	36,511,696	36,953,299	(441,603)	-1%
2,777,068	2,777,068	0	0.0%	CORRECTIONAL MEDICINE	7,831,204	8,331,204	(500,000)	-6.0%
285,471	284,951	520	0.2%	COUNTY CONTRIBUTION	855,373	854,852	520	0.1%
14,763,264	14,916,355	(153,091)	-1%	TOTAL INDIGENT CARE & COUNTY FUNDING	45,198,273	46,139,355	(941,083)	-2%

**OTHER REVENUE**

FOR THE MONTH SEPTEMBER 30, 2019

OTHER OPERATING REVENUE	MTD ACTUAL	MTD BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
MEDICAL POSTGRAD EDUCATION TUITION	245,965	251,623	(5,658)	738,695	771,644	(32,949)
STAFF DEVELOPMENT EDUCATION FEES	50	418	(368)	250	1,281	(1,031)
CAFETERIA REVENUE	90,097	77,496	12,600	258,220	237,656	20,564
FINANCE CHARGES-PATIENT AR	13,978	12,046	1,932	67,330	36,940	30,390
REBATES AND REFUNDS	19,747	69,188	(49,441)	67,536	212,175	(144,639)
DRUG CO. CASH BACK	4,054	3,275	779	4,054	10,044	(5,990)
PHOTOCOPY FEES	4,131	4,625	(494)	13,399	14,183	(784)
PHYSICIAN PROFESSIONAL FEES-ER LOCKBOX	0	5,540	(5,540)	6,666	16,988	(10,322)
OTHER REVENUE	20,760	122,708	(101,948)	110,251	357,541	(247,290)
LASER CENTER REVENUE	21,722	18,113	3,608	68,929	55,548	13,381
GRANTS - KHS	(92,210)	240,477	(332,687)	203,792	737,462	(533,669)
MADDY FUNDS-EMERGENCY MEDICAL SERVICES	0	22,537	(22,537)	108,942	69,114	39,828
PRIMARY CARE & OTHER INCENTIVE	54,050	9,887	44,163	73,672	30,319	43,354
VETERANS ADMINISTRATIVE REVENUE	(1,475)	3,075	(4,551)	7,449	9,431	(1,981)
JAMISON CENTER MOU	16,466	25,849	(9,383)	56,739	79,269	(22,530)
BEHAVIORAL HEALTH MOU	311,903	288,811	23,092	874,463	885,687	(11,225)
PATERNITY DECLARATION REVENUE	1,030	1,038	(8)	2,970	3,184	(214)
PEDIATRIC FORENSIC EXAMS	0	5,165	(5,165)	0	15,838	(15,838)
FOUNDATION CONTRIBUTIONS	7,364	21,312	(13,947)	7,364	65,356	(57,991)
PAY FOR PERFORMANCE	0	23,911	(23,911)	76,518	73,329	3,189
PROPOSITION 56 DIRECTED PAYMENTS	597,106	60,359	536,747	651,296	185,101	466,195
<b>TOTAL OTHER OPERATING REVENUE</b>	<b>1,314,736</b>	<b>1,267,452</b>	<b>47,284</b>	<b>3,398,536</b>	<b>3,868,090</b>	<b>(469,554)</b>
<b>OTHER NON-OPERATING REVENUE</b>						
GAIN/LOSS ON DISPOSAL OF PROPERTY	0	3,718	(3,718)	0	11,402	(11,402)
INTEREST ON FUND BALANCE	0	0	0	18,763	18,764	(0)
PARKING LOT RENT REVENUE	500	768	(268)	2,094	2,356	(262)
MISCELLANEOUS	0	3	(3)	210	9	201
<b>TOTAL OTHER NON-OPERATING REVENUE</b>	<b>500</b>	<b>4,489</b>	<b>(3,989)</b>	<b>21,067</b>	<b>32,531</b>	<b>(11,464)</b>

**KERN MEDICAL  
BALANCE SHEET**

	September 2019	September 2018
<b>CURRENT ASSETS:</b>		
CASH	\$30,316,692	\$37,473,020
CURRENT ACCOUNTS RECEIVABLE (incl. CLINIC CHARGES RECEIVABLE)	214,183,280	179,167,287
ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES - CURRENT	(165,005,029)	(137,255,442)
-NET OF CONTRACTUAL ALLOWANCES	49,178,252	41,911,845
CORRECTIONAL MEDICINE RECEIVABLE	2,581,813	9,559,289
MD SPA	1,440,772	5,636,006
HOSPITAL FEE RECEIVABLE	3,393,286	(1,395,178)
CPE - O/P DSH RECEIVABLE	4,943,076	2,515,471
BEHAVIORAL HEALTH MOU	1,416,745	883,721
MANAGED CARE IGT (RATE RANGE)	33,054,919	11,831,968
RECEIVABLE FROM LIHP	-	(6,547,536)
OTHER RECEIVABLES	7,552,207	2,451,808
PRIME RECEIVABLE	19,977,195	15,833,279
AB85/75% DEFAULT PCP RECEIVABLE	(809,696)	(9,146,436)
GPP (Global Payment Program)	19,669,425	10,916,052
WPC (Whole Person Care)	10,792,078	9,361,660
EPP (Enhanced Payment Program)	39,762,140	6,387,500
QIP (Quality Incentive Program)	23,461,975	3,740,000
INTEREST ON FUND BALANCE RECEIVABLE	10,669	111,007
MANAGED CARE IGT (SPD)	0	(1,907,399)
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)	(11,223,792)
WAIVER RECEIVABLE FY16	(2,819,361)	(2,819,361)
PREPAID EXPENSES	3,931,031	3,938,419
PREPAID MORRISON DEPOSIT	813,320	813,320
INVENTORY AT COST	5,645,716	5,440,657
<b>TOTAL CURRENT ASSETS</b>	<b>224,554,767</b>	<b>117,231,624</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT:</b>		
LAND	1,683,786	517,961
EQUIPMENT	52,963,559	85,978,337
BUILDINGS	90,614,739	51,265,047
CONSTRUCTION IN PROGRESS	36,414,340	16,871,169
LESS: ACCUMULATED DEPRECIATION	(97,049,394)	(90,819,445)
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>84,627,030</b>	<b>63,813,069</b>
<b>NET INTANGIBLE ASSETS</b>		
INTANGIBLE ASSETS	14,779,166	14,654,130
ACCUMULATED AMORTIZATION INTANGIBLES	(12,134,842)	(11,168,982)
<b>NET INTANGIBLE ASSETS</b>	<b>2,644,324</b>	<b>3,485,148</b>
<b>LONG-TERM ASSETS:</b>		
LONG-TERM PATIENT ACCOUNTS RECEIVABLE		
DEFERRED OUTFLOWS - PENSIONS	70,895,681	71,752,645
INVESTMENT IN SURGERY CENTER	3,294,839	2,043,659
CASH HELD BY COP IV TRUSTEE	931,830	922,330
<b>TOTAL LONG-TERM ASSETS</b>	<b>75,122,349</b>	<b>74,718,634</b>
<b>TOTAL ASSETS</b>	<b>\$386,948,470</b>	<b>\$259,248,475</b>

**KERN MEDICAL  
BALANCE SHEET**

	September 2019	September 2018
<b>CURRENT LIABILITIES:</b>		
ACCOUNTS PAYABLE	\$40,302,580	\$19,362,400
ACCRUED SALARIES & EMPLOYEE BENEFITS	26,085,943	27,166,671
INTEREST PAYABLE	4,500,075	4,067,147
OTHER ACCRUALS	6,036,064	2,924,459
CREDIT LINE PAYABLE - PNC BANK	15,000,000	0
CURRENT PORTION - CAPITALIZED LEASES	2,875,437	3,058,848
CURR LIAB - COP 2011 PAYABLE	1,131,693	1,085,718
CURR LIAB - P.O.B.	2,346,712	2,166,357
MEDICARE COST REPORT LIABILITY PAYABLE	0	3,094,510
MEDI-CAL COST REPORT LIABILITY	389,631	1,070,179
INDIGENT FUNDING PAYABLE	9,089,520	15,109,496
DSH PAYABLE	42,388,763	26,851,210
CREDIT BALANCES PAYABLES	3,563,923	3,415,013
DEFERRED REVENUE - COUNTY CONTRIBUTION	7,564,161	2,100,667
<b>TOTAL CURRENT LIABILITIES</b>	<b>161,274,501.98</b>	<b>111,472,675</b>
<b>LONG-TERM LIABILITIES:</b>		
LONG-TERM LIABILITY-COP 2011	0	1,131,693
NET UNAMORTIZED DISCOUNT COP	19,993	39,985
LONG-TERM LIABILITY - CAPITAL LEASES	2,405,930	6,267,636
NET OPEB (OTHER POST EMPLOYMENT BENEFITS)	4,306,044	4,201,203
NET PENSION LIABILITY	293,255,458	329,935,445
L.T. LIAB. - P.O.B. INTEREST PAYABLE 08	12,745,786	14,842,004
L.T. LIAB. - P.O.B. INTEREST PAYABLE 03	4,763,410	4,329,041
L.T. P.O.B. PAYABLE 95	7,535,194	11,590,866
L.T. P.O.B. PAYABLE 08	5,392,893	5,392,893
ACCRUED PROFESSIONAL LIABILITY	6,588,144	4,577,041
ACCRUED WORKERS' COMPENSATION PAYABLE	8,511,000	6,773,000
DEFERRED INFLOWS - PENSIONS	69,247,058	22,238,926
PENSION OBLIGATION BOND PAYABLE	1,610,473	2,643,205
ACCRUED COMPENSATED ABSENCES	3,830,085	3,830,085
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>420,211,469</b>	<b>417,793,023</b>
<b>NET POSITION</b>		
RETAINED EARNINGS - CURRENT YEAR	36,714,021	39,814,215
RETAINED EARNINGS - PRIOR YEAR	(231,251,522)	(309,831,438)
<b>TOTAL NET POSITION</b>	<b>(194,537,501)</b>	<b>(270,017,223)</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$386,948,470</b>	<b>\$259,248,475</b>



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

November 13, 2019

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

**Recommended Action:** Receive and File

**Summary:**

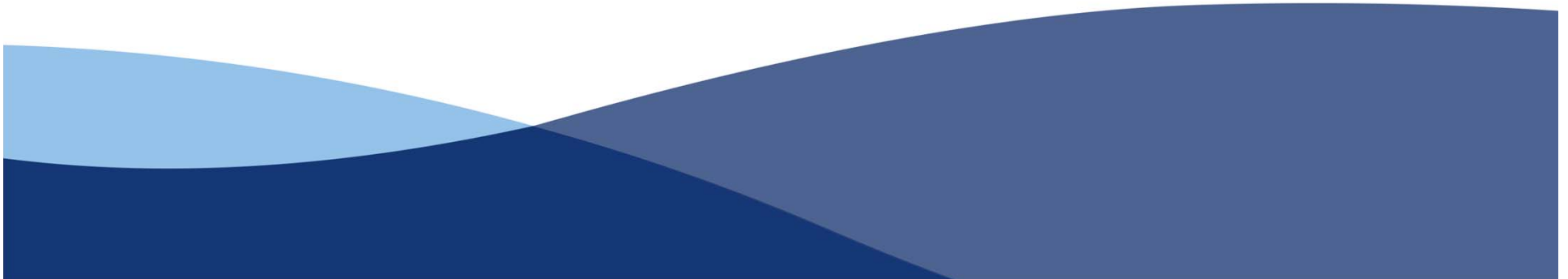
The Chief Executive Officer has provided the attached 3-month trend Analysis: Volume and Strategic Indicators for Kern Medical.





**BOARD OF GOVERNORS' VOLUMES REPORT  
KERN MEDICAL – SEPTEMBER 2019**

NOVEMBER 2019



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

September 30, 2019

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
<b>VOLUME</b>						
Adjusted Admissions (AA)	1,534	1,857	1,534	1,586	(3%)	1,513
Adjusted Patient Days	7,596	9,876	8,236	7,842	5%	7,736
Admissions	822	802	784	808	(3%)	783
Average Daily Census	131	138	140	133	5%	133
Patient Days	4,070	4,265	4,208	3,995	5%	4,002
Available Occupancy %	59.1%	62.0%	63.2%	60.0%	5%	62.3%
Average LOS	5.0	5.3	5.4	4.9	9%	5.1
Surgeries						
Inpatient Surgeries (Main Campus)	200	208	186	192	(3%)	196
Outpatient Surgeries (Main Campus)	251	317	272	250	9%	232
Total Surgeries (Main Campus)	451	525	458	442	4%	428
Outpatient Surgeries (Ambulatory Surgery Center)	93	63	50	103	(51%)	0
Births	220	217	211	214	(1%)	236
ER Visits						
Admissions	416	434	442	416	6%	406
Treated & Released	3,948	4,139	4,021	3,737	8%	3,854
Total ER Visits	4,364	4,573	4,463	4,153	7%	4,260
Trauma Activations	301	266	272	218	25%	221
Outpatient Clinic Visits						
Total Clinic Visits	13,645	14,078	13,011	12,964	0.4%	11,518
Total Unique Patient Clinic Visits	9,993	10,436	9,615	9,863	(3%)	8,763
New Unique Patient Clinic Visits	1,760	1,800	1,760	1,908	(8%)	1,695

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

September 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>VOLUME</b>						
	Adjusted Admissions (AA)	4,889	4,858	1%	4,877	0.3%
	Adjusted Patient Days	25,469	24,012	6%	24,437	4%
	Admissions	2,408	2,472	(3%)	2,479	(3%)
	Average Daily Census	136	133	3%	135	1%
	Patient Days	12,543	12,218	3%	12,422	1%
	Available Occupancy %	61.4%	62.1%	(1%)	63.1%	(3%)
	Average LOS	5.2	4.9	5%	5.0	4%
	<b>Surgeries</b>					
	Inpatient Surgeries (Main Campus)	594	587	1%	670	(11%)
	Outpatient Surgeries (Main Campus)	840	767	10%	721	17%
	<b>Total Surgeries (Main Campus)</b>	<b>1,434</b>	<b>1,354</b>	<b>6%</b>	<b>1,391</b>	<b>3%</b>
	Outpatient Surgeries (Ambulatory Surgery Center)	206	247	(17%)	0	0%
	<b>Births</b>	<b>648</b>	<b>655</b>	<b>(1%)</b>	<b>728</b>	<b>(11%)</b>
	<b>ER Visits</b>					
	Admissions	1,292	1,272	2%	1,247	4%
	Treated & Released	12,108	11,459	6%	11,500	5%
	<b>Total ER Visits</b>	<b>13,400</b>	<b>12,731</b>	<b>5%</b>	<b>12,747</b>	<b>5%</b>
	Trauma Activations	839	669	25%	708	19%
	<b>Outpatient Clinic Visits</b>					
	Total Clinic Visits	40,734	39,756	2%	37,298	9%
	Total Unique Patient Clinic Visits	30,044	29,798	1%	27,924	8%
	New Unique Patient Clinic Visits	5,320	5,871	(9%)	5,510	(3%)

### 3-Month Trend Analysis: Payor Mix

September 30, 2019

		JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
<b>PAYOR MIX - Charges</b>							
	Commercial FFS/HMO/PPO	10.1%	12.0%	9.8%	8.9%	10%	9.3%
	Medi-Cal	29.8%	25.6%	27.4%	30.1%	(9%)	29.2%
	Medi-Cal HMO - Kern Health Systems	30.6%	26.3%	28.1%	30.9%	(9%)	30.0%
	Medi-Cal HMO - Health Net	9.0%	7.7%	8.3%	9.1%	(9%)	8.8%
	Medi-Cal HMO - Other	1.1%	0.9%	1.0%	1.1%	(9%)	1.0%
	Medicare	9.0%	12.3%	11.1%	10.1%	10%	9.7%
	Medicare - HMO	2.9%	3.2%	3.1%	3.3%	(6%)	3.5%
	Self Pay	7.5%	11.9%	11.2%	6.7%	68%	8.4%
	<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

September 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>PAYOR MIX - Charges</b>						
	Commercial FFS/HMO/PPO	10.6%	8.9%	20%	9.5%	12%
	Medi-Cal	27.6%	30.1%	(8%)	29.7%	(7%)
	Medi-Cal HMO - Kern Health Systems	28.4%	30.9%	(8%)	30.5%	(7%)
	Medi-Cal HMO - Health Net	8.3%	9.1%	(8%)	9.0%	(7%)
	Medi-Cal HMO - Other	1.0%	1.1%	(8%)	1.1%	(7%)
	Medicare	10.8%	10.1%	7%	9.5%	14%
	Medicare - HMO	3.1%	3.3%	(6%)	2.7%	15%
	Self Pay	10.2%	6.6%	54%	8.1%	26%
	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	

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

September 30, 2019

		JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY AUGUST
<b>Labor Metrics</b>							
	Productive FTEs	1,478.85	1,460.71	1,487.74	1,466.98	1%	1,445.85
	Non-Productive FTEs	186.28	199.37	210.23	205.71	2%	215.26
	Contract Labor FTEs	96.53	98.93	81.49	94.88	(14%)	102.34
	Total FTEs	1,665.13	1,660.08	1,697.97	1,672.69	2%	1,661.11
	FTEs Per AOB Paid	5.89	6.12	5.92	6.16	(4%)	6.01
	FTEs Per AOB Worked	5.23	5.38	5.19	5.40	(4%)	5.23
	Labor Cost/FTE (Annualized)	143,700.33	141,308.11	134,322.44	137,922.61	(3%)	135,270.43
	Benefits Expense as a % of Benefitted Labor Expense	66%	60%	59%	61%	(3%)	61%
	Salaries & Benefits as % of Net Patient Revenue	62%	64%	63%	63%	(1%)	61%

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

September 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Labor Metrics</b>						
	Productive FTEs	1,481.81	1,468.26	1%	1,432.24	3%
	Non-Productive FTEs	194.26	203.69	(5%)	223.79	(13%)
	Contract Labor FTEs	92.31	90.90	2%	98.57	(6%)
	Total FTEs	1,676.08	1,671.95	0.2%	1,656.03	1%
	FTEs Per AOB Paid	6.24	6.18	1%	6.03	3%
	FTEs Per AOB Worked	5.52	5.43	2%	5.22	6%
	Labor Cost/FTE (Annualized)	139,957.07	140,623	(0.5%)	134,666.29	4%
	Benefits Expense as a % of Benefitted Labor Expense	62%	61%	1%	61%	1%
	Salaries & Benefits as % of Net Patient Revenue	63%	64%	(1%)	62%	2%

**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 November 13, 2019, 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  
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  X   Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –

**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 November 13, 2019, 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: Martin L. Goldman,  
M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior  
Court Case No. BCV-18-100390 SDS –

**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 November 13, 2019, 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)) –