



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, November 16, 2016

11:30 A.M.

BOARD TO RECONVENE

Board Members: Berjis, Bigler, McGauley, McLaughlin, Nilon, Pelz, Sistrunk
Roll Call:

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

RECOGNITION

- 3) Presentation by Kern County Hospital Authority Chief Executive Officer Russell V. Judd recognizing Kern Medical SHOUT OUT! employees for the period July 1, 2016, 2016 through October 31, 2016 –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on October 19, 2016 –
APPROVE

CA

- 5) Proposed Amendment No. 9 to Agreement 1038-2009 with Medsphere Systems Corporation, an independent contractor, for implementation and maintenance of the OpenVista® electronic medical record and related applications, extending the term for three years from November 16, 2016 through November 15, 2019, and increasing the maximum payable by \$2,399,232, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed retroactive Amendment No. 1 to Agreement 358-2015 with Mercer (US) Inc., an independent contractor, for human resources consulting services, extending the term for one year from June 9, 2017 through June 8, 2018, adding statement of work for benchmarking of management positions and rewards programs for the development of compensation strategies, and increasing the maximum payable by \$320,000, from \$200,000 to \$520,000, to cover the additional services – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN STATEMENT OF WORK; AUTHORIZE CHAIRMAN TO SIGN AMENDMENT

CA

- 7) Proposed retroactive Amendment No. 1 to Agreement 662-2016 with the County of Kern, as represented by the Kern County Public Health Services Department-Emergency Medical Services Division, for designation of Kern Medical Center as a Level II trauma center from July 1, 2016 through June 30, 2019, in an amount not to exceed \$420,339 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 1 to Agreement 03116 with the County of Kern for lease of a portion of the Public Services Building at 2700 “M” Street, Bakersfield, California 93301, clarifying the terms of the monthly operations fee – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Amendment No. 8 to Agreement 042-2015 with Cantu Management Group, Inc., an independent contractor, for Chief Financial Officer and healthcare financial management services, adding certain terms to provide for the hiring of additional staff at cost plus benefits, and increasing the maximum payable by \$4,236,774, from \$12,643,914 to \$16,880,688, to cover the additional expenses – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Amendment No. 1 to Agreement 07616 with KSA Group Architects, an independent contractor, for engineering and architectural services, increasing the maximum payable by \$200,000, to cover the term – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Amendment No. 1 to Agreement 487-2012 with Martin L. Goldman, M.D., a contract employee, for professional medical and administrative services in the Department of Radiology, increasing the annual salary by \$25,000, from \$425,000 to \$450,000, adding payment for excess call coverage, and increasing the maximum payable by \$250,000, to cover the term – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed Amendment No. 3 to Agreement 1048-2010 with Total Renal Care, Inc., an independent contractor, for dialysis services, extending the term for three years from December 1, 2016 through November 30, 2019, and increasing the maximum payable by \$1,200,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Amendment No. 7 to Agreement 1324502 with Vantage Technology Consulting Group, an independent contractor, for construction management services related to completion of the B wing emergency power project and IDF closet upgrades, increasing the maximum payable by \$48,250, to cover the additional services –
MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed retroactive Agreement with Black Hall Construction, Inc., an independent contractor, for construction services related to the D wing decommission project, effective October 27, 2016, in an amount not to exceed \$311,039 –
MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 15) Report on quarterly expenditures authorized by Kern County Hospital Authority Chief Executive Officer –
RECEIVE AND FILE

CA

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

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

CA

- 18) Claims and Lawsuits Filed as of October 31, 2016 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 19) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 20) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 21) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Deputy County Counsel Karen S. Barnes and designated staff - Unrepresented Employee: Kern County Hospital Authority Chief Executive Officer (Government Code Section 54957.6) –
- 22) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –
- 23) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 24) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(3).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, DECEMBER 14, 2016, AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

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

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

18) CLAIMS AND LAWSUITS FILED AS OF OCTOBER 31, 2016 –
RECEIVE AND FILE

- A) Claim in the matter of Wesley Watson v. Kern County Hospital Authority
- B) Claim in the matter of Obie L. Crisp III v. County of Kern
- C) Claim in the matter of Resource Anesthesiology Associates of California, A Medical Corporation v. Kern County Hospital Authority
- D) Claim in the matter of Resource Anesthesiology Associates of California, A Medical Corporation v. County of Kern



GIVE SOMEONE AT KERN MEDICAL A SHOUT OUT!



DOU

Andrew Hammack

OB/Gyn Clinic

Jackie Hernandez

ER

Lucinda Sager
Valorie Farquharson
George Bratton
Jesika Henry

Patient Accounting

Sharon Gumataotao

Pediatrics

Elsie Link

General Accounting

Christine Teutimez

Pharmacy

Joshua Plunkett

Housekeeping

Vanessa Velasquez

Physical Therapy

Yvonne Martinez

ICU/DOU

Trisha Hurriria

Pre-Service Registration

Ida Gandara

Inpatient Pharmacy

Marisa Rivera

Psychiatric Services

Fawn Klinge

Materials Management

Mark Heimburger

Telemetry

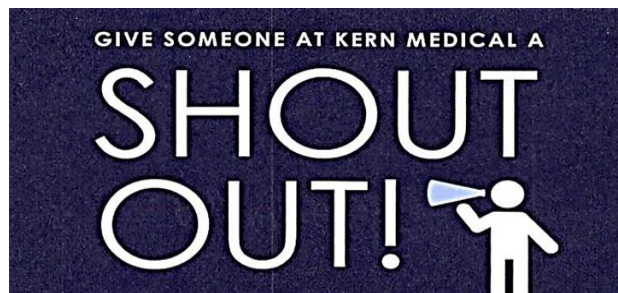
Jessica Reyes

Med Education

Iris Hernandez

Elham Beladi

Rita Broussard



Recognize a physician, employee or volunteer.
Tell us about your quality customer service
and exceptional care.

Español en el reverso





GIVE SOMEONE AT KERN MEDICAL A

SHOUT OUT!



Emergency

Dr. Tammy Moore

Internal Medicine

Dr. Shelly Gupta

Obstetrics

Dr. Melissa Fujan

Psychiatry

Dr. Bruce Fox

Surgery

Dr. Domenech Asbun



Recognize a physician, employee or volunteer.
Tell us about your quality customer service
and exceptional care.

Español en el reverso





SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, October 19, 2016

11:30 A.M.

BOARD RECONVENED

Directors present: Berjis, Bigler, McGauley, McLaughlin, Nilon, Pelz, Sistrunk
Directors absent: None

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

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

BOARD ACTION SHOWN IN CAPS

NOTE: DIRECTOR NILON ARRIVED AT 11:35 A.M., AFTER THE VOTE ON THE CONSENT AGENDA

PUBLIC PRESENTATIONS

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

DIRECTOR BERJIS RECOGNIZED DRS. JOHNSON AND HEIDARI FOR THEIR LEADERSHIP ROLE IN THE VALLEY FEVER RESEARCH PROJECT

DIRECTOR MCGAULEY REPORTED ON MR. JUDD'S PRESENTATION TO BAKERSFIELD ROTARY REGARDING HIS FAMILY'S PERSONAL EXPERIENCE AT KERN MEDICAL; HER ATTENDANCE AT THE SEPTEMBER MEETING OF THE MEDICAL EXECUTIVE COMMITTEE; AND HER ATTENDANCE AT THE KICKOFF EVENT FOR THE VALLEY FEVER RESEARCH PROJECT

CHAIRMAN BIGLER REPORTED ON HIS ATTENDANCE AT THE KICKOFF EVENT FOR THE VALLEY FEVER RESEARCH PROJECT

ITEMS FOR CONSIDERATION

- 3) Presentation by Hospital Council of Northern and Central California of 2016 Innovation Challenge Award to Kern Medical in recognition of developing innovative approaches to improving the delivery of healthcare through the Patient Centered Medical Home for Medically Fragile Patients (REACH Clinic) – MADE PRESENTATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on September 21, 2016 – APPROVED
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 5) Proposed Resolution establishing meeting dates of the Kern County Hospital Authority Board of Governors for calendar year 2017 – APPROVED; ADOPTED RESOLUTION 2016-019
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 6) Proposed Amendment No. 1 to Agreement 2016-066 with Regional Anesthesia Associates, Inc., an independent contractor, for professional medical services in the Department of Anesthesiology, revising the description of services, and increasing the annual maximum payable by \$383,292 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-070
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 7) Proposed Agreement for the lease of Suite 202 in a two story office building at 820 34th Street, Bakersfield, California 93301 for a term of 10 years to commence upon completion of tenant improvements, in an amount not to exceed \$1,591,295 –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED;
AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-071
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 8) Proposed Agreement with Arman G. Froush, D.O., a contract employee, for professional medical services in the Department of Radiology from January 21, 2017 through January 20, 2020, in an amount not to exceed \$1,880,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-072
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 9) 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, 2016 through November 12, 2019, in an amount not to exceed \$1,622,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-073
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 10) Proposed retroactive amended and restated Kern County Hospital Authority Defined Contribution Plan for Physician Employees, effective July 1, 2016 –
APPROVED; ADOPTED RESOLUTION 2016-020; AUTHORIZED CHAIRMAN TO SIGN PLAN DOCUMENT
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

- 11) Proposed Agreement with Anderson Group International, an independent contractor, for construction services related to the Pharmacy clean room remodel project, effective October 19, 2016, in an amount not to exceed \$588,019 –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED;
AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-074
McLaughlin-Nilon: All Ayes

- 12) Proposed Agreement with Black Hall Construction, Inc., an independent contractor, for construction services related to IT closets to support the nurse call system, effective October 19, 2016, in an amount not to exceed \$252,313 –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED;
AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-075
McGauley-Pelz: All Ayes

NOTE: DIRECTOR NILON ANNOUNCED THAT, DUE TO HIS EMPLOYMENT WITH THE COUNTY OF KERN, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 13 AND LEFT THE DAIS AT 11:58 A.M.

NOTE: DIRECTOR PELZ ANNOUNCED THAT, DUE TO HIS EMPLOYMENT WITH THE KERN COUNTY HOUSING AUTHORITY, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM 13 AND LEFT THE DAIS AT 11:58 A.M.

- 13) Presentation on California Medi-Cal 2020 Demonstration and proposed Whole Person Care Pilot Application and Agreement with the California Department of Health Care Services for participation of Kern Medical Center as Lead Entity in Kern County –
HEARD PRESENTATION; APPROVED; ADOPTED RESOLUTION 2016-021; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN APPLICATION AND AGREEMENT 2016-076 SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
McGauley-Sistrunk: 5 Ayes; 2 Abstentions - Nilon, Pelz

NOTE: DIRECTOR NILON RETURNED TO THE DAIS AT 11:18 A.M., AFTER THE DISCUSSION AND VOTE ON ITEM 13

NOTE: DIRECTOR PELZ RETURNED TO THE DAIS AT 11:18 A.M., AFTER THE DISCUSSION AND VOTE ON ITEM 13

- 14) Kern County Hospital Authority Chief Executive Officer report -
RECEIVED AND FILED
Nilon-Pelz: All Ayes

- 15) Kern County Hospital Authority Chief Financial Officer report -
RECEIVED AND FILED
Berjis-McLaughlin: All Ayes

CA

- 16) Claims and Lawsuits Filed as of September 30, 2016 –
RECEIVED AND FILED
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

CA

- 17) Proposed corrections to minutes for Kern County Hospital Authority Board of Governors regular meetings –
APPROVED
McGauley-Pelz: 6 Ayes; 1 Absent - Nilon

ADJOURNED TO CLOSED SESSION

Sistrunk-McGauley

CLOSED SESSION

- 18) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 19) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 20) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Deputy County Counsel Karen S. Barnes and designated staff - Unrepresented Employee: Kern County Hospital Authority Chief Executive Officer (Government Code Section 54957.6) – SEE RESULTS BELOW
- 21) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW
- 22) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd and designated staff - Employee organization: Service Employees International Union, Local 521 (Government Code Section 54957.6) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Pelz-Berjjs

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 18 regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – NOT HEARD

Item No. 19 concerning a Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE FROM PROCTORING, ADVANCE IN STAFF STATUS, AND AUTOMATIC RESIGNATION OF PRIVILEGES; THERE WERE NO ABSTENTIONS; NO OTHER REPORTABLE ACTION TAKEN

Item No. 20 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Deputy County Counsel Karen S. Barnes and designated staff - Unrepresented Employee: Kern County Hospital Authority Chief Executive Officer (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 21 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 22 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd and designated staff - Employee organization: Service Employees International Union, Local 521 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, NOVEMBER 16, 2016 AT 11:30 A.M.

Sistrunk

/s/ Raquel D. Fore
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 16, 2016

Subject: Proposed Amendment No.9 with Medsphere Systems Corporation

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 9 to Agreement 1038-2009 with Medsphere Systems Corporation, an independent contractor, for implementation and maintenance of the OpenVista® electronic medical record and related applications, extending the term for three years from November 16, 2016 through November 15, 2019, and increasing the maximum payable by \$2,399,232, to cover the extended term.

**AMENDMENT NO. 9
TO
MASTER LICENSE AND SUBSCRIPTION AGREEMENT
(Kern County Hospital Authority – Medsphere Systems Corporation)**

This Amendment No. 9 to the Master License and Subscription Agreement is made and entered into this ____ day of _____, 2016, by and between the Kern County Hospital Authority, a county hospital authority (“Authority”), which owns and operates Kern Medical Center (“Customer”), and Medsphere Systems Corporation, a Delaware corporation (“Medsphere”), with its principal place of business located at 1903 Wright Place, Suite 120, Carlsbad, California 92008.

RECITALS

(a) Authority and Medsphere have heretofore entered into a Master License and Subscription Agreement (Kern County Agt. #1038-2009, dated November 10, 2009, as amended and assigned), for the period November 16, 2009 through November 15, 2016, whereby Medsphere provides the services necessary for Customer to implement an open source electronic medical record (“OpenVista®”); and

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

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

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

1. Section 9, Term and Termination, paragraph 9.1, Term, shall be deleted in its entirety and replaced with the following:

“9.1 Term. This Agreement shall commence on November 16, 2009, and shall remain in effect for an initial period of five (5) years through November 15, 2014 (“Initial Term”), unless earlier terminated in accordance with Section 9.2 herein. Thereafter, this Agreement will renew for a successive term of two (2) years from November 16, 2014 through November 15, 2016, followed by a successive term of three (3) years from November 16, 2016 through November 15, 2019 (each, a “Renewal Term”). The Initial Term, together with each Renewal Term, is the “Term.””

2. Exhibit “A,” section 2, Fees and Payment Terms, paragraph 2.1, Subscription Service Fee and Payment Terms, subparagraph 2.1.6, shall be made part of the Agreement as follows:

“2.1.6 The Subscription Service Fee for the Renewal Term (November 1, 2016 through and including October 31, 2019), is due and payable in advance within 30 days from the invoice date. The Subscription Service Fee for the Renewal Term is as follows: (a) \$60,312 per month not to exceed \$2,171,232 over the three-year Renewal Term for the following solution/service: (i) ongoing core version releases/support of OpenVista® EHR (includes 100 hours per year of service hours to be used for any interface, configuration, enhancement, or training needed; (ii) advanced medication reconciliation module; (iii) clinical task list, wellness, review of symptoms, nursing board; (iv) secure communication service (this requires an annual fee of \$6,000 for usage up to 100 providers, with payment for usage by additional providers of \$5 per provider per month); (v) Mobile OpenVista® and Note Assist; and (vi) CliniDoc; and (b) \$19,000 per quarter not to exceed \$228,000 over the three-year Renewal Term for the following solution/service: electronic prescription application (e-prescribing via Surescripts) as hosted by NewCrop, LLC (this requires an annual fee of \$76,000 for usage up to 100 prescribers, with payment for usage by additional prescribers of \$63 per prescriber per month). The maximum payable under this Agreement shall not exceed \$2,399,232 over the three-year Renewal Term of this Agreement.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have entered into this Amendment No. 9 to the Agreement as of the day and year first written above.

MEDSPHERE SYSTEMS CORPORATION

By _____
Richard Sullivan
Chief Revenue Officer

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Chief Deputy

Amend9.Medsphere.110316



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

November 16, 2016

Subject: Proposed retroactive Amendment No.1 to Agreement 358-2015 with Mercer (US) Inc.

Recommended Action: Approve; Authorize Chief Executive Officer to sign Statement of Work; Authorize Chairman to sign Amendment

Summary:

Kern Medical requests your Board approve retroactive Amendment No. 1 to Agreement 358-2015 with Mercer (US) Inc., an independent contractor, for human resources consulting services, extending the term for one year from June 9, 2017 through June 8, 2018, adding statement of work for benchmarking of management positions and rewards programs for the development of compensation strategies, and increasing the maximum payable by \$320,000, from \$200,000 to \$520,000, to cover the additional services.

**AMENDMENT NO. 1 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Mercer (US) Inc.)**

This Amendment No. 1 to the Services Agreement (“Amendment No.1”) is entered into this _____ day of _____, 2016, by and between the Kern County Hospital Authority, a local unit of government (“KCHA”), which owns and operates Kern Medical Center (“KMC”) and Mercer (US) Inc. (“Contractor”), a Delaware corporation, with offices located at 777 South Figueroa Street, Suite 2400, Los Angeles, California 90017.

RECITALS

A. Contractor and KCHA have heretofore entered into a Services Agreement (Kern County Agt. #358-2015, dated June 8, 2015), and Assignment of Agreement (Kern County Agt. #291-2016, dated March 1, 2016) (“Agreement”), for the period of June 9, 2015 through June 8, 2017, to provide special services to KMC as such services are unavailable from KCHA resources; and

B. Additional services are required by KMC; and

C. Contractor has agreed to provide the additional services; and

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

F. The Agreement is amended effective November 16, 2016;

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

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

“1. **Term.** The term of this Agreement shall commence June 9, 2015 (the “Effective Date”), and shall end June 8, 2018, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 2.1.1 shall be made part of the agreement as follows:

“2.1.1 **Statement of Work (“SOW”) – Total Rewards Benchmarking and Optimization.** With respect to human resources services, the terms set for the in Exhibit “A-2”, attached hereto and incorporated herein by this reference shall apply.”

3. Section 4.1. Fee and Charges shall be deleted in its entirety and superseded by the following:

“4.1 **Fees and Charges.** As consideration for the services provided by Contractor hereunder, KCHA will pay Contractor in accordance with the fee schedule set forth in Exhibit “B” and “B-1” attached hereto and incorporated herein by this reference. All services are payable in arrears.”

4. Section 4.2 Travel Reimbursement shall be deleted in its entirety and superseded by the following:

“4.2 **Travel Reimbursement.** Contractor will be reimbursed for all approved travel expenses, which approval will not be unreasonably withheld, incurred by Contractor on behalf of KCHA in an amount not to exceed \$60,000 over the three (3) year term of this Agreement. Reimbursement of travel expenses will include actual cost for lowest refundable coach round-trip airfare, local transportation (rental cars are reimbursable at actual cost for compact or midsize vehicles only; per mileage reimbursement for personal vehicle use at the current privately owned [POV] mileage reimbursement rate established by the U.S. General Services Administration), meals, incidental expenses and reasonable hotel accommodations at the current domestic per diem rates established by the U.S. General Services Administration. Travel related expenses will be billed monthly, as incurred, and are payable in arrears within 30 days of receipt and approval of each invoice by KCHA.”

5. Section 4.4 Maximum Payable shall be deleted in its entirety and superseded by the following:

“4.4 **Maximum Payable.** The maximum payable under this Agreement will not exceed \$460,000 over the three-year term of this Agreement, unless otherwise mutually agreed to in writing.

6. Exhibit A-2

Exhibit A, Statement of Work (“SOW”) – Total Rewards Benchmarking and Optimization, to Amendment No. 1 is added to the Agreement and incorporated herein by this reference.

7. Exhibit B-1

Exhibit B-1, Fee Schedule for Statement of Work (“SOW”) – Total Rewards Benchmarking and Optimization, to Amendment No. 1 is added to the Agreement and incorporated herein by this reference.

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

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

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

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

[Signatures follow on next page]

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

KERN COUNTY HOSPITAL AUTHORITY

MERCER (US) INC.

By _____
Chairman
Board of Governors

By _____
Printed Name: _____
Title/Position: _____

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Lisa Hockersmith, CCP PHR
Vice President of Human Resources

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Deputy

EXHIBIT B-1

Consultant's compensation for the services stated in Exhibit A-2 will be professional fees in the range of \$185,000 - \$230,000. Consultants' travel budget for these services in Exhibit A-2 is estimated to be no more than \$30,000. All fees will be paid in accordance with the Agreement.



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

November 16, 2016

Subject: Proposed retroactive Amendment No. 1 to Agreement 662-2016 with the County of Kern, as represented by the Kern County Public Health Services Department Medical Services Division

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern County Hospital Authority and the County of Kern entered into an Agreement for Professional Services (Kern County Agt. #662-2016) for the period of July 1, 2016 – June 30, 2019. The Agreement is being amended to re-designate Kern Medical Center as a Level II Trauma Center. Kern County Hospital Authority shall pay the County of Kern the annual Trauma Center designation fee of \$140,113 per year in an amount not to exceed \$420,399.

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

This Amendment No. 1 to the Agreement for Professional Services Independent Contractor (“Amendment No.1”) is entered into this _____ day of _____, 2016, by and between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”) and the County of Kern, a political subdivision of the state of California (“County”), which contains the constituent departments of the Kern County Public Health Services Department (“Public Health”) and Kern County Emergency Medical Services Division (“Division”) (each a “Party” and collectively, the “Parties”).

RECITALS

A. County and KCHA have heretofore entered into an Agreement for Professional Services (Kern County Agt. #662-2016, dated June 7, 2016) (“Agreement”), for the period of July 1, 2016 through June 30, 2019, to provide services that are unavailable within the Parties’ resources; and

B. The Parties have agreed to amend the Agreement to allow Division to designate KMC as a Level II Trauma Center as hereinafter set forth; and

F. The Agreement is amended effective July 1, 2016;

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

1. Section 1.1 Trauma Designation shall be added to the Agreement and incorporated by this reference:

“1.1. Trauma Designation. KMC will be re-designated as a Level II Trauma Center at two (2) year intervals. If KMC fails to meet the Level II Trauma Center designation criteria as specified in the Trauma Policies and Procedures, County may terminate the specified services set forth in Exhibit A-1.”

2. Section 2.1. Specified Services shall be deleted in its entirety and superseded by the following:

“2.1. Specified Services. Authority shall perform the services set for in Exhibits “A” and “A-1,” attached hereto and incorporated herein by this reference. Such services

may be changed from time to time by agreement of the Parties in accordance with the provisions of this Agreement.”

3. Section 2.4 Maximum Payable shall be added to the Agreement and incorporated herein by this reference:

“2.4. Maximum Payable. Authority shall pay the County the annual Trauma Center designation fee, in an aggregate sum not to exceed One Hundred Forty Thousand One Hundred and Thirteen Dollars (\$140,113) per year.”

4. Exhibit A-1

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

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

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

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

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

[Signatures follow on next page]

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

KERN COUNTY HOSPITAL AUTHORITY

COUNTY OF KERN

By _____
Chairman
Board of Supervisors

By _____
Chairman
Board of Supervisors

APPROVED AS TO CONTENT:
Kern Medical Center

APPROVED AS TO CONTENT:
Public Health Services Department

By _____
Russell V. Judd
Chief Executive Officer

By _____
Matt Constantine
Director

APPROVED AS TO FORM:
Office of County Counsel

APPROVED AS TO FORM:
Office of County Counsel

By _____
Shannon Hochstein
Deputy County Counsel

By _____
Gurujodha S. Khalsa
Chief Deputy County Counsel

EXHIBIT "A-1"

SCOPE OF ADDITIONAL SERVICES:

(a) The Kern County Board of Supervisors has directed the Emergency Medical Services Division ("Division"), located at 1800 Mount Vernon Avenue, Bakersfield, California 93306, to be the local EMS Agency; and

(b) Division administers an advanced life support system and designates selected hospitals to function as Level II Trauma Centers approved by the EMS Medical Director in accordance with the *Trauma Policies and Procedures*; and

(c) The EMS Medical Director is responsible for maintaining medical control in accordance with the authority and responsibility specified in Section 100170 of Title 22 of the California Code of Regulations, and Section 1798 of the Health and Safety Code; and

(d) County wishes to assure the highest quality of care by directing trauma patients to facilities committed to receiving and appropriately treating said patients; and

(e) Division has found that Authority, which owns and operates Kern Medical Center ("KMC") meets the criteria for designation as a Level II Trauma Center for receiving and treating trauma patients as defined by the *Trauma Policies and Procedures*; and

(f) KMC is willing to accept designation as a Level II Trauma Center, as defined in the *Trauma Policies and Procedures*; and

(g) KMC agrees to comply with all applicable Federal, State, and County laws, regulations, and requirements now in effect or which may become effective during the term of this Agreement; and

(h) KMC is willing and able to provide Level II Trauma Center services to the public as set forth below.

1. **Obligations of KMC.**

A. KMC shall fully comply with all requirements of the latest version of the Kern County *Trauma Policies and Procedures*.

B. KMC shall pay County the annual Trauma Center designation fee, to support system-wide oversight and coordination of County Trauma System, established in the County ordinance.

C. KMC shall strive to optimize the overall effectiveness of County Trauma System through participation in the ongoing system-wide quality improvement effort and collaboration with all stakeholders.

D. KMC agrees to participate in Division data collection by providing data elements deemed mandatory by Division in accordance with the latest version of the Kern County *Trauma Policies and Procedures*.

E. KMC shall assign clinical staff to participate in Trauma Evaluation Committee and participate in disaster planning and response efforts in collaboration with the Disaster Medical Planning Group (DMPG).

2. Obligations of Division.

A. The Division shall provide the forum for and staff support to the Trauma Evaluation Committee ("TEC") Committee, in accordance with the *Trauma Policies and Procedures*.

B. The Division shall strive to optimize the overall effectiveness of Trauma Program and its individual components through the development of performance measures for each component and for the system function as a whole (both process and outcomes measures) and by employing continuous quality improvement strategies and collaboration with stakeholders.

C. The Division shall modify the *Ambulance Destination Decision Policies and Procedures* and/or *Paramedic Protocols* in a timely manner to reflect that KMC is an approved case-specific ambulance destination for patients meeting Trauma Triage Criteria.

3. Notices.

Any notice given by either party to the other under this Agreement shall be in writing, served by prepaid certified mail or personally upon the other party, addressed as follows:

TO COUNTY:

EMS Director
Kern County EMS Division
1800 Mt. Vernon Avenue
Bakersfield, CA 93306-3302

TO KMC:

President/CEO
Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306



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

November 16, 2016

Subject: Proposed Amendment No. 1 to Agreement 03116 with the County of Kern for lease of a portion of the Public Services Building at 2700 "M" Street

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern County Hospital Authority and the County of Kern entered into a lease Agreement (Kern County Agt. #03116) for Lessee's use of office space in a portion of the Building located at 2700 "M" Street in Bakersfield, County of Kern, state of California effective July 1, 2016.

The Agreement is being amended, clarifying the terms of the monthly operations fees. These charges may be billed by County at the conclusion of each month or quarterly.

**FIRST AMENDMENT TO AGREEMENT FOR LEASE
OF A PORTION OF THE PUBLIC SERVICES BUILDING
AT 2700 “M” STREET, BAKERSFIELD**

(County of Kern – Kern County Hospital Authority)

THIS FIRST AMENDMENT TO AGREEMENT FOR LEASE (“First Amendment”) is made and entered on _____, 2016 (“**Execution Date**”) by and between the **COUNTY OF KERN**, a political subdivision of the State of California (“**County**”), and the **KERN COUNTY HOSPITAL AUTHORITY**, a county hospital authority, which owns and operates Kern Medical Center (“**Lessee**”). County and Lessee are referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS:

- A.** County owns real property commonly known as the Public Services Building (“**Building**”) located at 2700 “M” Street in Bakersfield, County of Kern, state of California.
- B.** On April 20, 2016, the Parties entered into a lease agreement for Lessee’s use of office space in a portion of the Building, which took effect July 1, 2016.
- C.** The Parties now desire to amend the Agreement for the first time to revise the language regarding the Operations Fee.

AGREEMENT:

1. Section 6.d “Rent – Operations Fee” of the Agreement is hereby deleted and replaced with the following:

d. Operations Fee – Authority shall be responsible for its prorata share of the monthly utility and operational charges for the Building (including but not limited to gas, water, electricity, sewer, trash and refuse, etc.). These charges may be billed by County at the conclusion of each month or quarterly.

2. Ratification of Agreement: Except as modified by this First Amendment, all terms and conditions of the Agreement as amended, shall be in full force and effect. All rights provided to County in this First Amendment are in addition to those provided in the Agreement and those provided by law.



3. **Authority to Execute:** Each of the individuals executing this First Amendment on behalf of Lessee and County represent and warrant that he or she is duly authorized to execute and deliver this First Amendment on behalf of Lessee or County, respectively, and that this First Amendment is binding upon Lessee and County, respectively, in accordance with its terms.


Remainder of page intentionally left blank.



The Parties have executed this First Amendment on the Execution Date.

COUNTY OF KERN

KERN COUNTY HOSPITAL AUTHORITY

By 
Assistant County Administrative
Officer for General Services
"County"

By _____
Chairman, Board of Governors
"Lessee"

APPROVED AS TO CONTENT:
County Administrative Office

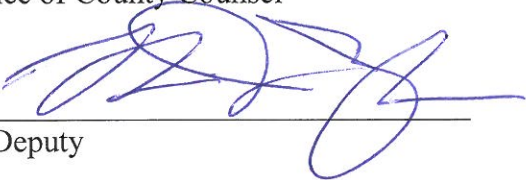
APPROVED AS TO CONTENT:
Kern County Hospital Authority

By 
General Services - Division Director

By _____
Chief Operating Officer

APPROVED AS TO FORM:
Office of County Counsel

APPROVED AS TO FORM:
Office of County Counsel

By 
Deputy

By 
Deputy





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

November 16, 2016

Subject: Proposed Amendment No. 8 to Agreement 042-2015 with Cantu Management Group, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests proposed Amendment No. 8 to Agreement 042-2015 with Cantu Management Group, Inc., an independent contractor, for Chief Financial Officer and healthcare financial management services, adding certain terms to provide for the hiring of additional staff at cost plus benefits, and increasing the maximum payable by \$4,236,774, from \$12,643,914 to \$16,880,688, to cover the additional expenses.

AMENDMENT NO. 8
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Cantu Management Group, Inc.)

This Amendment No. 8 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2016, between the Kern County Hospital Authority, a county hospital authority (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Cantu Management Group, Inc., a California corporation (“Contractor”), with its principal place of business located at 11907 Privet Place, Bakersfield, California 93311.

RECITALS

(a) The parties have heretofore entered into an Agreement for Professional Services (Kern County Agt. #042-2015, dated January 27, 2015), Amendment No. 1 (Kern County Agt. #106-2015, date February 24, 2015), Amendment No. 2 (Kern County Agt. #241-2015, dated May 5, 2015), Amendment No. 3 (Kern County Agt. #778-2015, dated October 13, 2015), Amendment No. 4 (Kern County Agt. #855-2015, dated November 17, 2015), Amendment No. 5 (Kern County Agt. #097-2016, dated March 1, 2016), Amendment No. 6 (Kern County Agt. #608-2016, dated May 24, 2016), Assignment of Agreement (Kern County Agt. #362-2016, dated April 26, 2016, effective July 1, 2016), and Amendment No. 7 (Agt. #2016-055) (collectively, the “Agreement”), for the period February 9, 2015 through February 8, 2019, whereby Contractor provides supervision and management of the day-to-day financial operations of KMC; and

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

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

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

1. Section 1, Term, shall be amended to read as follows:

“1. Term. The initial term (the “Initial Term”) of this Agreement shall commence February 9, 2015 (the “Commencement Date”), and shall end February 8, 2019, unless earlier terminated pursuant to other provisions of this Agreement as herein stated. Authority reserves the right to extend the term of this Agreement for three (3) additional two (2) year terms, provided that Authority notifies Contractor in writing of its intention to renew at least 18 months prior to the expiration of the then current term. Any renewal shall be in writing and signed by both parties through a formal amendment to this Agreement.”

2. Effective November 16, 2016, section 3, Obligations of Contractor, paragraph 3.12, Additional Staff, shall be made part of the Agreement as follows:

“3.12 Additional Staff. Notwithstanding paragraph 3.5, Contractor shall engage or employ such additional qualified personnel as may be requested by Authority for the proper and efficient management of KMC. All personnel provided by Contractor shall be compensated by Contractor and shall be employees or independent contractors of Contractor. Contractor shall be responsible for compensating all such engaged or employed persons, including, as applicable, payroll taxes, benefits, and workers’ compensation insurance. Contractor shall be responsible for supervision of activities performed by all employees and independent contractors.”

3. Effective November 16, 2016, section 5, Payment for Services, paragraph 5.8, Staffing Fee, shall be made part of the Agreement as follows:

“5.8 Staffing Fee. Authority shall pay Contractor a monthly staffing fee (the “Staffing Fee”) for additional staff engaged or employed by Contractor pursuant to paragraph 3.12, based on the hourly rates set forth in Authority’s Standardized Salary Schedule plus 49%. Authority shall have no obligation to pay the Staffing Fee set forth in this paragraph until Contractor has incurred such expenses. The Staffing Fee shall be calculated on a prorated basis as positions are filled.”

4. Effective November 16, 2016, section 5, Payment for Services, paragraph 5.7, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.7 Maximum Payable. The maximum payable under this Agreement shall not exceed \$1,357,106 for year one and \$15,523,582 for years two through four, with total payment not to exceed \$16,880,688 over the four-year Initial Term of this Agreement.”

5. Except as otherwise defined herein, all capitalized terms used in this Amendment have the meaning set forth in the Agreement.

6. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 8 to the Agreement as of the day and year first written above.

CANTU MANAGEMENT GROUP, INC.

By _____
Andrew Cantu
Its President

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Chief Deputy

Amend8.Cantu Management.110316



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

November 16, 2016

Subject: Proposed Amendment No. 1 to Agreement 07616 with KSA Group Architects

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests proposed Amendment No. 1 to Agreement 07616 with KSA Group Architects, an independent contractor, for engineering and architectural services, increasing the maximum payable by \$200,000, to cover the term of the Agreement.

**AMENDMENT NO. 1
TO
ENGINEERING/ARCHITECTURAL SERVICES AGREEMENT
(Kern County Hospital Authority – KSA Group Architects)**

This Amendment No. 1 to the Agreement for Engineering Services is entered into this 16th day of November, 2016 (“Effective Date”), by and between, the KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and operates Kern Medical Center, ("KCHA") with its principal location at 1700 Mount Vernon Avenue, Bakersfield, CA 93306, and KSA Group Architects ("Consultant"), with its principal place of business located at 4660 American Avenue, Suite 200, Bakersfield, CA 93309.

RECITALS

- A. KCHA and Consultant have entered into an Agreement for Engineering/Architectural Services (KCHA Agt.# 07616PA, dated July 1, 2016) (“Agreement”), to provide engineering and architectural services for various projects; and
- B. The Agreement is set to expire on June 30, 2019; and
- C. The Parties agree to increase the not-to-exceed amount from \$250,000 to \$450,000; and
- D. The Parties agree to amend certain terms and conditions of the Agreement; and
- F. The Agreement is amended effective November 16, 2016.

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

- Term.** The Agreement shall be extended from _____ until _____, unless sooner terminated as provided for in the Agreement.
- Fees** payable by KCHA under the Agreement shall increase from \$250,000 to \$450,000
- Travel Expenses** payable by KCHA under the Agreement shall increase from \$_____ to \$_____.
- Services.** See Exhibit A-1, which is attached hereto and incorporated herein, for additional Services.
- Other.** _____.

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

Except as expressly amended herein, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 1 to the Agreement has been executed as of the Effective Date indicated above.

KERN COUNTY HOSPITAL AUTHORITY

KSA GROUP ARCHITECTS

By _____
Chairman, Board of Governors
"KCHA"
Date: _____

By _____
Name: _____
Title/Position: _____
Date: _____

APPROVED AS TO CONTENT:
Kern Medical Center

By _____
Russell Judd
Chief Executive Officer
Date: _____

By _____
Jared Leavitt
Chief Operating Officer
Date: _____

APPROVED AS TO FORM:
Office of County Counsel

By _____
Deputy
Date: _____



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

November 16, 2016

Subject: Proposed Amendment No. 1 to Agreement 487-2012 with Martin L. Goldman, M.D.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests proposed Amendment No. 1 to Agreement 487-2012 with Martin L. Goldman, M.D., a contract employee, for professional medical and administrative services in the Department of Radiology, increasing the annual salary by \$25,000, from \$425,000 to \$450,000, adding payment for excess call coverage, and increasing the maximum payable by \$250,000, to cover the term of the Agreement.

**AMENDMENT NO. 1
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Martin L. Goldman, M.D.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2016, between the Kern County Hospital Authority, a county hospital authority (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Martin L. Goldman, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Kern County Agt. #487-2012, dated June 26, 2012, as assigned by Kern County Agt. #286-2016, dated March 1, 2016) (collectively, the “Agreement”), for the period September 4, 2012 through September 3, 2018, for professional medical and administrative services in the Department of Radiology at KMC; and

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

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

(d) The Agreement is amended effective November 16, 2016;

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

1. Section 3, Compensation Package, paragraph 3.1, Annual Compensation, shall be deleted in its entirety and replaced with the following:

“3.1 Annual Compensation. Authority shall pay Physician an annual salary comprised of (i) a base salary for services as Chairman, Department of Radiology 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 \$17,248.64 biweekly not to exceed \$450,000 annually. Physician understands and agrees that (i) the annual salary set forth in this paragraph 3.1 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 50th 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.”

2. Section 3, Compensation Package, paragraph 3.3, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“3.4 Maximum Payable. The maximum payable under this Agreement shall not exceed \$2,800,000 over the Term of this Agreement.”

3. Section 3, Compensation Package, paragraph 3.5, Excess Call Coverage, shall be made part of the Agreement as follows:

“3.5 Excess Call Coverage. Authority shall pay Physician for excess call coverage (vascular/interventional radiology call only) as follows: (i) Physician shall be paid a fixed fee in the amount of \$800 for every weekday night (Monday through Friday) of call coverage assigned in excess of one (1) week per month; and (ii) Physician shall be paid a fixed fee in the amount of \$1,600 per 24-hour day for every weekend (Saturday and Sunday) of call coverage assigned in excess of one (1) weekend per month.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

[Signatures follow on next page]

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

PHYSICIAN

By _____
Martin L. Goldman, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Chief Deputy

Amend1.Goldman.110116



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

November 16, 2016

Subject: Proposed Amendment No. 3 to Agreement 1048-2010 with Total Renal Care, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Proposed Amendment No. 3 to Agreement 1048-2010 with Total Renal Care, Inc., an independent contractor, for dialysis services, extending the term for three years from December 1, 2016 through November 30, 2019, and increasing the maximum payable by \$1,200,000, to cover the extended term.

**AMENDMENT NO. 3 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR**

THIS AMENDMENT NO. 3 TO THE AGREEMENT FOR PROFESSIONAL SERVICES INDEPENDENT CONTRACTOR (“**Amendment No. 3**”) is entered into and effective as of December 1, 2016 (“**Amendment No. 3 Effective Date**”), by and between **Total Renal Care, Inc.**, (“**CONTRACTOR**”), a subsidiary of DaVita Inc. (formerly known as DaVita HealthCare Partners Inc., “**DaVita**”), and the **Kern County Hospital Authority** (“**KCHA**”), a local unit of government, which owns and operates Kern Medical Center (“**KMC**”).

WITNESSETH:

WHEREAS, on November 30, 2010, the parties hereto entered into that certain Agreement for Professional Services (“**Agreement**”), Kern County Agreement #1048-2010, pursuant to which KMC agreed to engage the services of Contractor to provide acute dialysis services at KMC; and

WHEREAS, on March 25, 2014, the parties hereto executed that certain Amendment No. 1 to the Agreement (“**Amendment No. 1**”) to revise several sections, including the renewal of the Agreement by for a period of three (3) years from December 1, 2013 through November 30, 2016, and replacing several sections with updated language; and

WHEREAS, on July 1, 2016, the Assignment of Agreements became effective transferring the Agreement and First Amendment from the County of Kern to KCHA; and

WHEREAS, on August 23, 2016, the parties hereto executed Amendment No. 2 to the Agreement, KCHA# 14616PA, (“**Amendment No. 2**”) to revise the Fee Schedule and update the Maximum Payable; and

WHEREAS, in accordance with Section 24 of the Agreement, the parties wish to further amend the Agreement to extend the term of the agreement, and to make other necessary modifications to the Agreement.

NOW, THEREFORE, for and in consideration of the premises contained in this Second Amendment, the parties do hereby agree as follows:

1. Section 1.2 shall be deleted in its entirety and replaced with the following:

“1.2 THIS AGREEMENT. Performance by Contractor and KCHA shall commence on December 1, 2010 (the “**Effective Date**”), and shall end November 30, 2019 (the “**Term**”), unless earlier terminated pursuant to other provisions of this Agreement.”

2. Section 2.19, Discharge Services, of the Agreement is hereby deleted in its entirety.

3. Section 2.21, Quality Management, of the Agreement is hereby deleted in its entirety and replaced with:

"2.21 Quality Management.

2.21.1 Quality Improvement (“QI”). Contractor agrees, at KMC’s request, to participate in KMC’s QI Program, in order to comply with applicable standards of The Joint Commission, and any federally funded health care program, including, but not limited to, Medicare and Medicaid. Contractor shall monitor mutually agreed upon quality aspects of patient care and safety to include, but not be limited to, the following:

- 1) 100% compliance in provision of Monthly Water reports and quarterly participation in Infection Control Committee meetings.
- 2) All direct and indirect contract staff will meet mandatory annual health screening requirements including TB testing, Flu Vaccination/Declination, Mask Fit Testing.
- 3) Contract Agency will provide primary source verification of RN Licensure and proof of BLS.
- 4) All contract staff will meet mandatory education requirements annually and within the requested time period.
- 5) Contracted Dialysis Nurses will demonstrate compliance with Kern Medical policies specific to physician orders, blood transfusion, medication administration, infection control, HIPAA privacy, and SBAR communication.

2.21.2 Contractor will provide regular reports related to these as well as any other quality metrics agreed upon to a designated person or department as directed, in compliance with federal, state, and other regulatory agencies. Contractor may provide survey forms to patients regarding the Services.

2.21.3 Performance Indicators (“PI”). To insure that the Services are provided in a safe, timely, effective, efficient, and patient centered manner, KMC and Contractor may choose to agree to establish additional mutually agreed upon PI on an annual basis. Contractor agrees to collect and report to KMC data of importance to the quality of care and utilization of dialysis and renal replacement therapies. Contractor will also utilize this data for its own operational and clinical purposes.”

4. Exhibit B, Discharge Services, is hereby deleted in its entirety from the Agreement.
5. Section 3.1, Fee Schedule, of the Agreement is hereby deleted in its entirety and replaced with the following:

“3.1 Fee Schedule. KMC shall pay and Contractor shall accept as full and sufficient compensation for the Services rendered hereunder the fees as set forth in Exhibit G-3, attached hereto and incorporated herein by this reference. The Fee Schedule shall be increased on each anniversary of the Third Amendment Effect Date during the Term, by three percent (3%). Notwithstanding the above, under no circumstances shall the compensation paid by KMC decrease during the life of this Agreement. Regardless of the timing of KMC’s receipt of such updated fee schedule, KMC will be responsible for paying the new fees as soon as they take effect. Except as otherwise provided in this Section 3.1, the Fee Schedule may only be modified upon the written agreement of the parties. In all instances, the fees agreed upon by the parties must reflect fair market value and be deemed commercially reasonable.”

6. Exhibit G-3, Fee Schedule, is hereby amended to update or add the following rates:

“1. Hemodialysis

- (a) Hemodialysis – 2:1 patient to staff ratio (up to 4 hours) \$480.00 per treatment
- (b) Hemodialysis – 1:1 patient to staff Ratio (up to 4 hours) \$680.00 per treatment

2. Peritoneal Dialysis

- (a) Continuous Cycling Peritoneal Dialysis \$370.00 per treatment visit
- (b) Continuous Ambulatory Peritoneal Dialysis \$370.00 per treatment visit

3. Apheresis

- (a) Plasma Exchange (TPE) \$1,200.00 per treatment

4. Nursing Services

- (b) RN Consultation \$50.00 per ½ hour
- (c) Wait Time (after the first 15 minutes) \$50.00 per ½ hour

5. Miscellaneous

- (a) Maintenance Fee
 - < 25 treatments per month \$4,000.00 per month
- (b) Hemodialysis Surcharge \$200.00 per treatment
 - After 12 months, if the total hemodialysis treatment volume is less than 25% 2:1 treatments, then a hemodialysis surcharge of \$200.00 per treatment will be assessed for all hemodialysis treatments.”

7. Section 3.2, Maximum Payable, of the Agreement is hereby deleted in its entirety and replaced with the following:

“3.2 Maximum Payable. The maximum payable under this Agreement will not exceed two hundred seventy-five thousand dollars (\$275,000) per year or eight hundred twenty five thousand dollars (\$825,000) for the three year period of December 1, 2010 to November 30, 2013; will not exceed \$300,000 per year or nine hundred thousand dollars (\$900,000) for the three year period of December 1, 2013 to November 30, 2016; and will not exceed \$400,000 per year or one million two hundred thousand dollars (\$1,200,000) for the three year period of December 1, 2016 to November 30, 2019. The total maximum payable for the nine (9) year term of this agreement will not exceed two million nine hundred twenty five thousand dollars (\$2,925,000).”

8. Section 3.5, Invoices, of the Agreement is hereby deleted in its entirety and replaced with the following:

“3.5 Invoices. Invoices for payment shall be submitted in a form approved by KCHA and list each Service performed by Contractor. Payment shall be made to Contractor within thirty (30) days of receipt and approval of each invoice by KMC. In the event KMC disputes a Service billed by Contractor, KMC will notify Contractor of such dispute on or before the thirtieth (30th) day of the month following the month in which such Service was provided. The notice shall be in writing and shall identify the Service and the reason for the dispute. KMC shall have no obligation to pay Contractor for such disputed Service until the thirtieth (30th) day of the month following the month in which the dispute is resolved, at which time Contractor shall accept such payment as its sole and entire compensation for such Services. Upon reasonable demonstration by Contractor of any such untimely and/or undocumented adjustments, offsets, retractions, recoupments or other improper claims asserted by KMC against Contractor’s fees for Services as set forth in Exhibit “G,” KMC shall immediately make the appropriate payment to Contractor. Contractor will not accept credit card payments from KMC. Any outstanding balance that is not received by Company within sixty (60) days of the month in which the Services were provided may trigger the termination provision set forth in Section 34.1 below. KMC agrees to pay all costs and expenses (including reasonable attorneys’ fees) incurred by Contractor in connection with the collection of fees owed by KMC.”

9. The following new Section 13.1, Corporate Integrity Agreement Requirements, is hereby added to and incorporated in the Agreement by this reference:

“13.1 Corporate Integrity Agreement Requirements.

(a) Code of Conduct. Contractor shall provide to KMC access to a copy of DaVita’s Code of Conduct and relevant policies and procedures in either hard copy or electronic form, which are designed to ensure compliance with relevant Federal health care program requirements.

(b) Anti-Kickback Statute Compliance. The parties certify that: (1) neither party shall violate the Anti-Kickback Statute with respect to the performance of this Agreement; (2) the compensation provided under this Agreement has been determined in arm's-length bargaining and reflects fair market value in arm's-length transactions; (3) the compensation is not and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated for or with respect to or between the parties for which payment may be made in whole or in part under Medicare, Medicaid, or any Federal or State health care program or under any other third party payor program.

(c) Screening Requirements. KMC represents and warrants to Contractor that neither it nor any of its employees, contractors, subcontractors related to this Agreement: (1) are currently excluded from participation in a federal health care program, as defined under 42 U.S.C. § 1320a – 7(b); (2) are currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal procurement or nonprocurement programs; or (3) have been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a – 7(a), but have not yet been excluded, debarred, suspended, or otherwise declared ineligible. KMC agrees to notify Contractor within two (2) business days of learning of any such exclusion described above.

(d) Removal Requirement. In the event of learning of such exclusion, as described in Section 13.1(c) above, Contractor shall have the right to terminate this Agreement without further liability.

(e) Section 18. Sections 13.1(c) and (d) do not replace Section 18 of the Agreement but will be read and interpreted in conjunction with section 18.”

10. The following new Section 14.4, HIPAA, is hereby added to and incorporated in the Agreement by this reference:

“14.4 HIPAA. Contractor and KCHA acknowledge and agree that Contractor providing the Services to KMCA may constitute a Business Associate relationship as defined by the Health Insurance Portability and Accountability Act of 1996 and 45 CFR Parts 160 and 164, as amended by the Health Information Technology for Economic and Clinical Health Act (“**HITECH Act**”) (collectively, as amended, “**HIPAA**”). Terms of such relationship are contained in Exhibit J. Notwithstanding the terms of the Business Associate Agreement, Parties agree that Contractor and its Affiliates and related entities may utilize such information for on-going treatment purposes of KMCA patients, including when patients are being seen by/at other providers, if such use is otherwise consistent with law (e.g., limited to the minimum amount necessary to achieve its purpose).”

11. The attached new Exhibit J, Business Associate Agreement, is hereby added to and incorporated into the Agreement by this reference.

12. Section 29 is hereby amended as follows to update the CONTRACTOR’s address for notices:

“NOTICE TO CONTRACTOR:

Attention: Hospital Services Group Paralegal
DaVita Inc.
5200 Virginia Way
Brentwood, TN 37027”

13. Section 34.2, Termination Without Cause, of the Agreement is hereby deleted in its entirety and replaced with the following:

“34.2 Termination without Cause. Either party may terminate this Agreement, without cause, upon ninety (90) days’ prior written notice to the other party.”

14. All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement, Amendment No. 1, and Amendment No. 2.

15. In all other respects, the parties do hereby reaffirm the provisions of the Agreement, Amendment No. 1, and Amendment No. 2, which shall continue in full force and effect, except as amended hereby.

16. This Amendment No. 3 may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Copies of signatures sent by facsimile transmission, scanned and sent via electronic mail, or electronic signatures shall be deemed to be originals.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 by their duly authorized representatives:

**KCHA:
Kern County Hospital Authority**

**CONTRACTOR:
Total Renal Care, Inc.**

By: _____

By: _____

Name: Russell Bigler

Name: Nasser Khan, MD

Title: Chairman, Board of Governors

Title: Division Vice President

Date: _____

Date: _____

**APPROVED AS TO CONTENT:
Kern Medical Center**

**APPROVED AS TO FORM ONLY:
DaVita Inc.**

By: _____

By: _____

Name: Toni Smith, RN

Name: Doyna V. Ballew

Title: Chief Nursing Officer

Title: Senior Corporate Counsel Operations

Date: _____

**APPROVED AS TO FORM ONLY:
Office of County Counsel**

By: _____

Name: Shannon Hochstein

Title: Deputy County Counsel

EXHIBIT J

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**BAA**”) is entered into by and between the Kern County Hospital Authority on behalf of Kern Medical Center (“**Covered Entity**”) and DaVita Inc., by and on behalf of its covered entity subsidiaries, affiliates, and related organizations (collectively, the “**Business Associate**”) (each a “**Party**” and collectively the “**Parties**”), effective as of December 1, 2016 (the “**Effective Date**”).

RECITALS

WHEREAS, Covered Entity is a “Covered Entity” as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91), as amended, (“**HIPAA**”), and the regulations promulgated thereunder by the Secretary of the U.S. Department of Health and Human Services (“**Secretary**”), including, without limitation, the regulations codified at 45 C.F.R. Parts 160, 162, and 164 (“**HIPAA Rules**”);

WHEREAS, Business Associate performs Services for or on behalf of Covered Entity, and in performing said Services, Business Associate creates, receives, maintains, or transmits Protected Health Information (“**PHI**”);

WHEREAS, the Parties intend to protect the privacy and provide for the security of PHI Disclosed by Covered Entity to Business Associate, or received or created by Business Associate, when providing Services in compliance with HIPAA, the Health Information Technology for Economic and Clinical Health Act (Public Law 111-005) (the “**HITECH Act**”) and its implementing regulations and guidance issued by the Secretary; and

WHEREAS, the Privacy and Security Rules (defined below) require Covered Entity and Business Associate to enter into a BAA that meets certain requirements with respect to the Use and Disclosure of PHI, which are met by this BAA.

AGREEMENT

NOW THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 “**Breach**” shall have the meaning given under [45 C.F.R. § 164.402](#).

1.2 “**Breach Notification Rule**” shall mean the Breach Notification for Unsecured Protected Health Information interim final rule at 45 C.F.R. Parts 160 and 164, Subpart D, as may be amended from time to time.

1.3 “**Designated Record Set**” shall have the meaning given such term under [45 C.F.R. § 164.501](#).

1.4 **“Disclose”** and **“Disclosure”** mean, with respect to PHI, the release, transfer, provision of access to, or divulging in any other manner of PHI outside of Business Associate or to other than members of its Workforce, as set forth in [45 C.F.R. § 160.103](#).

1.5 **“Electronic PHI”** or **“e-PHI”** means PHI that is transmitted or maintained in electronic media, as set forth in [45 C.F.R. § 160.103](#).

1.6 **“Protected Health Information”** and **“PHI”** mean any information created, received or maintained by Business Associate on behalf of Covered Entity, whether oral or recorded in any form or medium, that: (a) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) shall have the meaning given to such term under the Privacy Rule at [45 C.F.R. § 160.103](#). Protected Health Information includes e-PHI.

1.7 **“Privacy Rule”** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended from time to time.

1.8 **“Security Rule”** shall mean the Security Standards at 45 C.F.R. Parts 160 and 164, Subparts A and C, as may be amended from time to time.

1.9 **“Services”** shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to any service agreement(s) between Covered Entity and Business Associate which may be in effect now or from time to time (the **“Underlying Agreement”**), or, if no such agreements are in effect, then the services or functions performed by Business Associate that constitute a Business Associate relationship, as set forth in [45 C.F.R. § 160.103](#).

1.10 **“Subcontractor”** shall have the meaning given to such term under [45 C.F.R. § 160.103](#).

1.11 **“Unsecured PHI”** shall have the meaning given to such term under [42 U.S.C. § 17932\(h\)](#), [45 C.F.R. § 164.402](#), and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009) by the Secretary.

1.12 **“Use”** or **“Uses”** mean, with respect to PHI, the sharing, employment, application, utilization, examination or analysis of such PHI within Business Associate’s internal operations, as set forth in [45 C.F.R. § 160.103](#).

1.13 **“Workforce”** shall have the meaning given to such term under [45 C.F.R. § 160.103](#)

Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in HIPAA or the HITECH Act, as applicable.

ARTICLE II OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Business Associate agrees to:

- (a) Not use or disclose protected health information other than as permitted or required by the Underlying Agreement, this BAA, or as required by law;
- (b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 and applicable state laws and regulations, to prevent use or disclosure of the Protected Health Information, other than as provided for by this BAA;
- (c) Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this BAA;
- (d) Immediately report to Covered Entity within five (5) business days, from the Business Associate's time of discovery of any potential breach, any use or disclosure of the Protected Health Information not provided for by this Agreement or any attempted or successful security incident of which it becomes aware;
- (e) In the event of an impermissible use or disclosure that constitutes a breach of unsecured Protected Health Information, Business Associate shall investigate each attempted or successful Security Incident or non-permitted Use or Disclosure of PHI and shall provide a summary of its investigation and any risk assessment, if applicable, Covered Entity without unreasonable delay and in no case later than 30 days after discovery, such reports shall include at least the following information, to the extent such information is available:
 - (1) The identity of each individual whose information was accessed, acquired or disclosed during the breach;
 - (2) A brief description of what happened;
 - (3) The date of discovery of the breach;
 - (4) The nature of the Unsecured Protected Health Information that was involved (e.g., social security numbers, date of birth, etc.);
 - (5) Any steps individuals should take to protect themselves from potential harm resulting from the breach; and
 - (6) A brief description of what the Business Associate is doing to investigate the breach, the level of risk that the patient's Protected Health Information was compromised, and what is being done to protect against any further breaches;
- (f) Ensure that any agent, including a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of the Business Associate for the Covered Entity agrees to the same restrictions and conditions that apply through this BAA to Business Associate with respect to such information, including compliance with applicable requirements of the Security Rule and other applicable state and federal laws and regulations, and Business Associate shall conduct reasonable due diligence of the information security of such agents or subcontractors and determine such information security to be reasonable prior to allowing such agents or subcontractors to create, receive, maintain, or transmit Protected Health Information on Business Associate's behalf;

(g) Upon receipt of written request, provide access to Protected Health Information in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. §164.524 and applicable state laws and forward to Covered Entity, within five (5) business days, any requests for access that Business Associate receives directly from Individuals;

(h) Upon receipt of written request, make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. §164.526 or applicable state law, at the request of Covered Entity or an Individual within 15 business days of Covered Entity's request, and forward to Affiliated Covered Entity, within five (5) business days, any requests for amendment that Business Associate receives directly from Individuals;

(i) Make its internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary for purposes of the Secretary determining Covered Entity's compliance with the Privacy Regulations, except that nothing in this Section shall serve as a waiver of any applicable legal privilege;

(j) Document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity or Business Associate to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. §164.528 and 42 U.S.C §17935(c);

(k) Upon receipt of a written request, provide to Covered Entity or an Individual information collected in accordance with Section 2(i) of this Agreement, to satisfy the requirements for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. §164.528 or Section 13405(c)(3) of the HITECH Act, and forward to Covered Entity, within five (5) business days, any requests for an accounting of disclosures that Business Associate receives directly from Individuals;

(l) Comply with the applicable provisions of the Security Rule, including implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity; and

(m) To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under the Privacy Regulations, comply with the requirements of the Privacy Regulations that apply to Covered Entity in the performance of such obligation(s).

ARTICLE III PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

3.1 Statutory Duties

- (a) Business Associate acknowledges that it has a legal duty under the HIPAA Rules to, among other duties:
 - (1) Use and disclose Protected Health Information only in compliance with 45 C.F.R. § 164.504(e) (the provisions of which have been incorporated into this Agreement); and
 - (2) Comply with the applicable provisions of the Security Rule. In complying with 45 C.F.R. § 164.312 ("Technical Safeguards"), Business Associate shall consider guidance issued by the Secretary pursuant to Section 13401(c) of the HITECH Act and, if a decision is made to not follow such guidance, document the rationale for that decision.
- (b) Business Associate acknowledges that its failure to comply with these or any other statutory duties could result in civil and/or criminal penalties under 42 U.S.C. §§1320d-5 and 1320d-6.

3.2 General Use and Disclosure Provisions

Except as otherwise limited in this BAA, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity pursuant to the underlying service agreement between the parties, provided that such use or disclosure would not violate the Privacy Regulations if done by Covered Entity or the Privacy Regulations' minimum necessary requirements at 45 C.F.R. § 164.502(b) and 164.514(d).

3.3 Specific Use and Disclosure Provisions

- (a) Except as otherwise limited in this BAA, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- (b) Except as otherwise limited in this BAA, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are required by law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached. Unless the disclosure is required by law, Business Associate shall conduct reasonable due diligence of a third party's information security and determine such information security to be reasonable prior to disclosing Protected Health Information to the third party under this Section.
- (c) Except as otherwise limited in this BAA, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. §164.504(e)(2)(i)(B).
- (d) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §164.502(j)(1).

- (e) Business Associate may not receive direct or indirect remuneration in exchange for Protected Health Information unless permitted by the HIPAA Rules.

3.4 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Sections 2.3.1 and 2.3.2, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) reasonably comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to notify individuals impacted or potentially impacted by a State Breach.

3.5 Availability of Internal Practices, Books, and Records to Government. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity promptly available for inspection and copying to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the HIPAA Rules. In addition, Business Associate agrees that Covered Entity shall have the right to audit and monitor activities and records of Business Associate that Business Associate maintains as part of its compliance program to determine Business Associate's compliance with the HIPAA Rules and Business Associate shall promptly make available to Covered Entity such books, records, or other information relating to the Use and Disclosure of PHI provided, created, received, maintained or transmitted by Business Associate on behalf of Covered Entity for such purpose. If such audit or review is required by Covered Entity, Covered Entity will give Business Associate written notice of the request and will make a concerted effort that such request is not unduly burdensome to the Business Associate but is tailored to the specific needs of the Covered Entity.

3.6 Acknowledgement. Business Associate acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA, the HITECH Act, and the HIPAA Rules. Business Associate shall comply with all applicable state privacy and security laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

ARTICLE IV OBLIGATIONS OF COVERED ENTITY

4.1 Covered Entity's Obligations.

Covered Entity shall:

- (a) Notify Business Associate in writing of any limitation(s) in its Notice of Privacy Practices in accordance with 45 C.F.R. §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information;

(b) Notify Business Associate in writing of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information;

(c) Notify Business Associate in writing of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

4.2 Permissible Requests by Covered Entity – Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Regulations if done by Covered Entity.

ARTICLE V TERM AND TERMINATION

5.1 Term. The Term of this Agreement shall be effective as of the date indicated above and shall terminate upon the termination of the underlying service agreement between the parties.

5.2 Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this BAA and any underlying agreement if Business Associate does not cure the breach or end the violation within the time period (not less than 30 days) specified by Covered Entity; or

(b) Immediately terminate this BAA and any underlying agreement if Business Associate has breached a material term of this BAA and cure is not possible.

5.3 Covered Entity may terminate the Underlying Agreement, effective immediately, if: (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws or (ii) a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

5.4 Effect of Termination. Upon termination of this BAA for any reason, Business Associate, with respect to Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

(a) Retain only that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

(b) Return to Covered Entity or otherwise destroy the remaining Protected Health Information that the Business Associate still maintains in any form.

(c) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Section, for as long as Business Associate retains the Protected Health Information.

(d) Not use or disclose the Protected Health Information retained by Business Associate other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out at Section 3, which applied prior to termination; and;

(e) Return to Covered Entity or otherwise destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

ARTICLE VI MISCELLANEOUS

6.1 Regulatory References. A reference in this BAA to a section in the Privacy Regulations, Security Regulations, and/or other State/Federal regulations means the section in effect at such time, or as amended.

6.2 Amendment. The parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Regulations, the Security Regulations, the HIPAA Rules, the HITECH Act and its implementing regulations, and any related state regulations.

6.3 Survival. The respective rights and obligations of Business Associate under Section 6(c) of this BAA shall survive the termination of this BAA and the underlying agreement.

6.4 Interpretation. Any ambiguity in this BAA shall be resolved to permit Covered Entity to comply with the Privacy Regulations, the Security Regulations, the HIPAA Rules, the HITECH Act, and any related state regulations.

6.5 Indemnification. Business Associate agrees to indemnify, defend, and hold harmless Covered Entity, its employees, officers, trustees, agents, and contractors from any and all liability, including reasonable attorneys' fees, costs of defense, and costs of mitigation and/or notification, that may arise from Business Associate's breach of this BAA.

6.6 No limitations on liability. No limitations of liability, limitations of remedy, or disclaimers by Business Associate contained in the Underlying Agreement shall apply to the obligations and subject matter of this BAA or to remedies sought by Covered Entity with respect to a breach of this BAA by Business Associate or any of Business Associate's workforce, agents, or subcontractors in regards to any fines, penalties, credit monitoring or other required remediation efforts imposed or levied by the Office of Civil Rights or a comparable State/Federal Agency to the extent the Breach is attributed to the acts or omissions of Business Associate.

6.7 Insurance. Business Associate shall maintain appropriate and adequate insurance coverage to cover Business Associate's obligations pursuant to this BAA.

6.8 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any Subcontractors or members of its Workforce assisting Business Associate in the performance of its obligations under this BAA reasonably available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of the HIPAA or other applicable laws relating to privacy or security.

6.9 Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

6.10 Notice of Request or Subpoena for Data. Business Associate agrees to notify Covered Entity promptly, but no later than five (5) business days after Business Associate's receipt of any request or subpoena for PHI or an accounting thereof. Business Associate shall promptly comply with Covered Entity's instructions for responding to any such request or subpoena, unless such Covered Entity instructions would prejudice Business Associate. To the extent that Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with Covered Entity in such challenge. The provisions of this Section shall survive the termination of this BAA.

6.11 Requests from Secretary. Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any inquiry by the Secretary concerning any actual or alleged violation of the Privacy Rule or the Security Rule, except to the extent prohibited by law.

6.12 Notices. Any notices required or permitted to be given hereunder by either Party to the other shall be given in writing: (1) by personal delivery; (2) by electronic mail or facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery service; or (4) by United States first class registered or certified mail, postage prepaid, return receipt, in each case, addressed to a Party on the signature page(s) to this BAA, or to such other addresses as the Parties may request in writing by notice given pursuant to this Section 5.12. Notices shall be deemed received on the earliest of personal delivery; upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed; twenty-four (24) hours following deposit with a bonded courier or overnight delivery service; or seventy-two (72) hours following deposit in the U.S. mail as required herein.

Covered Entity's Notice Address:

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

Business Associate's Notice Address:

DaVita Inc.
2000 16th St. 12th Floor
Denver, CO 80202
Attn.: Privacy Officer

6.13

Relati

onship of
Parties.
Notwithstandi
ng anything
to the
contrary in
any

Underlying Agreement, Business Associate is an independent Licensee and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all Business Associate obligations under this BAA.

6.14 Survival. To the extent that Business Associate retains PHI, the respective rights and obligations of the Parties set forth in Sections 2.3, 4.4, 5.8, and 5.10 of this BAA shall survive the termination, expiration, cancellation, or other conclusion of the BAA or any Underlying Agreement.

6.15 Interpretation. Any ambiguity in this BAA shall be interpreted to permit the Parties to comply with HIPAA, the HITECH Act, and the HIPAA Rules.

6.16 Governing Law; Applicable Law. This BAA shall be construed in accordance with the laws of the State of California.

6.17 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the Parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other term or condition hereof.

6.18 Assignment and Delegation. Neither this BAA nor any of the rights or duties under this BAA may be assigned or delegated by either Party hereto.

6.19 Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party's own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding of PHI.

6.20 Certification. To the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligations pursuant to HIPAA relating to certification of its security practices, Covered Entity or its authorized agents or Licensees may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures, and records, as may be necessary for such agents or Licensees to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HIPAA Rules, the HITECH Act, or this BAA.

6.21 Counterparts. This BAA may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on both Parties hereto.

The Parties hereto have executed this BAA as of the Effective Date.

COVERED ENTITY:

The Kern County Hospital Authority on
behalf of Kern Medical Center

BUSINESS ASSOCIATE:

DaVita Inc.

Russell V. Judd, Chief Executive Officer
Date: _____

Nasser Khan, MD, Division Vice President
Date: _____



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

November 16, 2016

Subject: Proposed Amendment No. 7 to Agreement 1324502 with Vantage Technology Consulting Group

Recommended Action: Make finding project is exempt from further CEQA review per sections 15301 and 15061(b)(3) of state CEQA guidelines; Approve; Authorize Chairman to sign

Summary:

Kern Medical requests proposed Amendment No. 7 to Agreement 1324502 with Vantage Technology Consulting Group, an independent contractor, for construction management services related to completion of the B wing emergency power project and IDF closet upgrades, increasing the maximum payable by \$48,250, to cover the additional services.

**AMENDMENT NO. 7
TO
AGREEMENT FOR ENGINEERING SERVICES
(Kern County Hospital Authority – Vantage Technology Consulting Group)**

This Amendment No. 7 to the Agreement for Engineering Services is entered into this 16th day of November, 2016 (“Effective Date”), by and between, the KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and operates Kern Medical Center, ("KCHA") with its principal location at 1700 Mount Vernon Avenue, Bakersfield, CA 93306, and Vantage Technology Consulting Group ("Consultant"), with its principal place of business located at 201 Continental Blvd., Suite 120, El Segundo, CA 90245.

RECITALS

- A. KCHA and Consultant have entered into an Agreement for Engineering Services (Kern County Agt.# 1324502, dated December 19, 2012), subsequent amendments, and the Assignment of Agreement (Kern County Agt.#757-2016, dated June 21, 2016) (“Agreement”), to provide engineering services; and
- B. The Agreement is set to expire upon project completion; and
- C. KCHA requires additional services from the Consultant and Consultant has agreed to provide such additional services; and
- D. The Parties agree to amend certain terms and conditions of the Agreement; and
- F. The Agreement is amended effective November 16, 2016.

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

- Term.** The Agreement shall be extended from _____ until _____, unless sooner terminated as provided for in the Agreement.
- Fees** payable by KCHA under the Agreement shall increase from \$321,336.19 to \$369,586.19
- Travel Expenses** payable by KCHA under the Agreement shall increase from \$_____ to \$_____.
- Services.** See Exhibit A-7, which is attached hereto and incorporated herein, for additional Services.
- Other.** _____.

Except as otherwise defined herein, all capitalized terms used in this Amendment No. 7 have the meaning set forth in the Agreement.


Except as expressly amended herein, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 7 to the Agreement has been executed as of the Effective Date indicated above.


KERN COUNTY HOSPITAL AUTHORITY


VANTAGE TECHNOLOGY CONSULTING GROUP

By _____
Chairman, Board of Governors
"KCHA"
Date: _____


By 
Name: PHIL CROMPTON
Title/Position: PRINCIPAL
Date: OCT 13, 2016

APPROVED AS TO CONTENT:
Kern Medical Center

By 
Russell Judd
Chief Executive Officer
Date: 10/19/16

By 
Jared Leavitt
Chief Operating Officer
Date: 10/17/16

APPROVED AS TO FORM:
Office of County Counsel

By 
Deputy
Date: 10/18/16

**EXHIBIT A - 7 TO AMENDMENT NO. 7
SERVICES**

Consultant shall provide services to complete the Construction Administration for the Emergency Power at B Wing and the IDF Room Upgrades.

Payment Schedule – Amendment No. 7

Consultant shall invoice monthly, in an amount not to exceed \$14,900, of fixed fee amount for Construction Administration during the B Wing Emergency Power project.

Consultant shall invoice monthly, for time and materials, in an amount not to exceed \$33,350, of fixed fee amount for the Construction Administration during the IDF Room Upgrades project.



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

November 16, 2016

Subject: Proposed Agreement with Black Hall Construction, Inc.

Recommended Action: Make Finding Project Is Exempt from further CEQA Review per Sections 15301 and 15061(b)(3) of State CEQA Guidelines; Approve; Authorize Chairman to sign

Summary:

Proposed retroactive Agreement with Black Hall Construction, Inc., an independent contractor, for construction services related to the D wing decommission project, effective October 27, 2016, in an amount not to exceed \$311,039.

DOCUMENT 00500

AGREEMENT

THIS AGREEMENT, dated this **16th** day of **November, 2016**, is by and between **Black Hall Construction, Inc.**, whose place of business is located at **P.O. Box 445, Taft, CA 93628** ("Contractor"), and the KERN COUNTY HOSPITAL AUTHORITY, a political subdivision of the State of California (hereinafter "Owner and/or Authority"), acting under and by virtue of the authority vested in Owner by the laws of the State of California

WHEREAS, in consideration for the promises and payment to be made and performed by Authority, and under the conditions expressed in the incorporated Bid Proposal (Bid), bonds and related papers, Contractor agrees to do all the work and furnish all the materials at the expense of Contractor (except such as the Specifications state will be furnished by Authority) necessary to construct and complete in a good and workmanlike manner to the satisfaction of the Chief Executive Officer for the Kern County Hospital Authority all the work shown and described in the plans and specifications for the project known as:

G Wing Decommission (1250.10947)

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and Owner agree as follows:

ARTICLE 1 - SCOPE OF WORK OF THE CONTRACT

1.01 Work of the Contract

- A. Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (**Work**).

1.02 Price for Completion of the Work

- A. Owner shall pay Contractor the following Contract Sum three hundred eleven thousand, thirty-eight dollars 91 cents (\$311,038.91) for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

ARTICLE 2 - COMMENCEMENT AND COMPLETION OF WORK

2.01 Commencement of Work

- A. Contractor shall commence Work on the date established in the Notice to Proceed (**Commencement Date**).
- B. Owner reserves the right to modify or alter the Commencement Date.

2.02 Completion of Work

- A. Contractor shall achieve Final Completion of the entire Work **130 Working Days**, as defined in Document 01422, from the Commencement Date.

ARTICLE 3 - LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF WORK

3.01 Liquidated Damage Amounts

- A. As liquidated damages for delay Contractor shall pay Owner one thousand dollars (\$1,000.00) for each Calendar Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

3.02 Scope of Liquidated Damages

- A. Measures of liquidated damages shall apply cumulatively.
- B. Limitations and stipulations regarding liquidated damages are set forth in Document 00700 (General Conditions).

ARTICLE 4 - CONTRACT DOCUMENTS

4.01 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

Document 00431	Subcontractors List
Document 00500	Agreement
Document 00601	Construction Performance Bond
Document 00602	Construction Labor and Material Payment Bond
Document 00603	Guaranty
Document 00590	Release of Claims
Document 00700	General Conditions
Document 00738	Apprenticeship Programs
Document 00800	Supplementary Conditions – Insurance
Master Specifications	Divisions 1
IB14R2	
IB 15	
IB 16	
IB 17	

4.02 There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

ARTICLE 5 – LIABILITY OF AUTHORITY

5.01 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.

ARTICLE 6 – MISCELLANEOUS

6.01 Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01422 (Definitions) and will have the meaning indicated therein.

6.02 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

6.02 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Owner tenders final payment to Contractor, without further acknowledgment by the parties.

6.03 This project is subject to prevailing wage laws. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Owner's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §§ 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every contractor will be required to secure the payment of compensation to his employees. Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.

6.04 This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Kern, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Kern.

IN WITNESS WHEREOF the parties have executed seven original Agreements on the day and year first above written.

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

KERN COUNTY HOSPITAL AUTHORITY

By _____
Shannon Hochstein, Deputy County Counsel

By _____
Russell Judd, Chief Executive Officer

"AUTHORITY"

APPROVED AS TO CONTENT:
KERN MEDICAL HOSPITAL

Contractor's Name

By _____
Jared Leavitt, Chief Operating Officer

Type of Entity
(corporation, partnership, sole proprietorship)

By _____
Signature

Typed Name

Title of Individual Executing
Document on behalf of Firm

"CONTRACTOR"

NOTICE: CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND ARE REGULATED BY CONTRACTORS' STATE LICENSE BOARD. QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR OF THAT BOARD, WHOSE ADDRESS IS: CONTRACTORS' STATE LICENSE BOARD, 1020 "N" STREET, SACRAMENTO, CALIFORNIA 95814.

END OF DOCUMENT

DOCUMENT 00431

SUBCONTRACTORS LIST

Contractors Name: Black Hall Construction, Inc.

Project Name/Number: G Wing Decommission (1250.10947)

Bidder submits the following information as to the subcontractors Bidder intends to employ if awarded the Contract. Only list subcontractors whose contract with Contractor is in an amount greater than one-half of 1 percent of Contractor's total bid.

Full Name of Subcontractor and Address of Mill or Shop	Description of Work: Reference To Bid Items	Subcontractor's License No.	DIR Registration No.

(Bidder to attach additional sheets if necessary)

Bidder must provide Subcontractor DIR Registration Number within twenty-four hours of bid opening.

END OF DOCUMENT

DOCUMENT 00601

CONSTRUCTION PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

1.01 THAT WHEREAS, the KERN COUNTY HOSPITAL AUTHORITY (hereinafter "**Owner**"), a county hospital authority, which owns and operates Kern Medical Hospital, has awarded to **Black Hall Construction, Inc.**, as Principal, a contract dated the 27th day of October, 2016 (the "**Contract**"), in the amount of \$311,038.91. The Contract is by this reference made a part hereof, for the work of the following project:

G Wing Decommission (1250.10947)

1.02 AND WHEREAS, Principal is required to furnish a bond in connection with the Contract, guaranteeing the faithful performance thereof;

1.03 NOW, THEREFORE, we, the undersigned Principal and _____, an admitted California surety, as Surety are held and firmly bound unto Owner in the sum of 100% OF THE CONTRACT PRICE to be paid to Owner or its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

1.04 THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its heirs, executors, administrators, successors, or assigns approved by Owner, shall promptly and faithfully perform the covenants, conditions, and agreements of the Contract during the original term and any extensions thereof as may be granted by Owner, with or without notice to Surety, and during the period of any guarantees or warranties required under the Contract, and shall also promptly and faithfully perform all the covenants, conditions, and agreements of any alteration of the Contract made as therein provided, notice of which alterations to Surety being hereby waived, on Principal's part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify, defend, protect, and hold harmless Owner as stipulated in the Contract, then this obligation shall become and be null and void; otherwise it shall be and remain in full force and effect.

1.05 No extension of time, change, alteration, modification, or addition to the Contract, or of the work required thereunder, or work or actions by Owner to mitigate the damages resulting from any breach in performance by Contractor, shall release or exonerate Surety on this bond or in any way affect the obligation of this bond; and Surety does hereby waive notice of any such extension of time, change, alteration, modification, or addition.

1.06 Whenever Principal shall be and declared by Owner in default under the Contract, Surety shall promptly remedy the default, or shall promptly, and in no event later than thirty (30) days from notice:

- A. Undertake through its agents or independent contractors (but having qualifications and experience reasonably acceptable to Owner), to complete the Contract in accordance with its terms and conditions and to pay and perform all obligations of Principal under the Contract, including without limitation, all obligations with respect to warranties, guarantees, indemnities, and the payment of liquidated damages; or
- B. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and, upon determination by Owner of the lowest responsible bidder, arrange for a contract between

such bidder and Owner and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the Contract Sum, and to pay and perform all obligations of Principal under the Contract, including, without limitation, all obligations with respect to warranties, guarantees, and the payment of liquidated damages; but, in any event, Surety's total obligations hereunder shall not exceed the amount set forth in the third paragraph hereof. The term "balance of the Contract Sum," as used in this paragraph, shall mean the total amount payable by Owner to the Principal under the Contract and any amendments thereto, less the amount paid by Owner to Principal.

- 1.07 Surety's obligations hereunder are independent of the obligations of any other surety for the performance of the Contract, and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing Owner's rights against the others. If suit is brought upon this bond the Surety shall pay reasonable costs and attorney's fees to be fixed by the court.
- 1.08 Surety may not use Contractor to complete the Contract absent Owner's Consent. Owner shall have the right in its sole discretion to continue the work of the Contract, as necessary following a default and/or termination, as necessary to prevent risks of personal injury, property damage or delay to the Project.
- 1.09 No right of action shall accrue on this bond to or for the use of any person or corporation other than Owner or its successors or assigns.
- 1.10 Surety shall join in any proceedings brought under the Contract upon Owner's demand, and shall be bound by any judgment.
- 1.11 Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 20____.

CONTRACTOR AS PRINCIPAL
(Corp. Seal)

SURETY
(Corp. Seal)

Company

Signature

Name & Title

Address

City, State, Zip Code

Company

Signature

Name & Title

Address

City, State, Zip Code

Phone:

END OF DOCUMENT

DOCUMENT 00602

CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS:

1.01 THAT WHEREAS, the KERN COUNTY HOSPITAL AUTHORITY (hereinafter "**Owner**"), a public agency of the State of California, has awarded to **Black Hall Construction, Inc.**, as Principal, a contract dated the 27th day of October 2016 (the "**Contract**"), in the amount of \$311,038.91. The Contract is by this reference made a part hereof, for the work of the following project:

G Wing Decommission (1250.10947)

- A. AND WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;
- B. NOW, THEREFORE, we, the undersigned Principal and _____, an admitted California surety, as Surety, are held and firmly bound unto Owner in the sum of 100% OF THE CONTRACT PRICE (\$311,038.91), for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
- C. THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its executors, administrators, successors, or assigns approved by Owner, or its subcontractors shall fail to pay any of the persons named in California Civil Code §9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond, plus reasonable attorneys' fees, otherwise the above obligation shall become and be null and void.
- D. This bond shall inure to the benefit of any of the persons named in California Civil Code §9100, as to give a right of action to such persons or their assigns in any suit brought upon this bond. The intent of this bond is to comply with the California Mechanic's Lien Law.
- E. Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder.
- F. Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing Owner's rights against the other. If suit is brought upon this bond the Surety shall pay reasonable costs and attorney's fees to be fixed by the court.

G. Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this _ day of _____, 20__.

CONTRACTOR AS PRINCIPAL
(Corp. Seal)

SURETY
(Corp. Seal)

Company

Company

Signature

Signature

Name & Title

Name & Title

Address

Address

City, State, Zip Code

City, State, Zip Code

Phone:

END OF DOCUMENT

DOCUMENT 00603

GUARANTY

TO: THE KERN COUNTY HOSPITAL AUTHORITY (hereinafter "Owner"), for construction of **G Wing Decommission (1250.10947), located at 1700 Mt. Vernon Avenue, Bakersfield, CA.**

The undersigned guarantees all construction performed on this Project and also guarantees all material and equipment incorporated therein.

Contractor hereby grants to Owner for a period of one year following the date of Final Acceptance of the Work completed, or such longer period specified in the Contract Documents, its unconditional warranty of the quality and adequacy of all of the Work including, without limitation, all labor, materials and equipment provided by Contractor and its Subcontractors of all tiers in connection with the Work.

Neither final payment nor use nor occupancy of the Work performed by the Contractor shall constitute an acceptance of Work not done in accordance with this Guaranty or relieve Contractor of liability in respect to any express warranties or responsibilities for faulty materials or workmanship. Contractor shall remedy any defects in the Work and pay for any damage resulting therefrom, which shall appear within one year, or longer if specified, from the date of Final Acceptance of the Work completed.

If within one year after the date of Final Acceptance of the Work completed, or such longer period of time as may be prescribed by laws or regulations, or by the terms of Contract Documents, any Work is found to be Defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions, correct such Defective Work. Contractor shall remove any Defective Work rejected by Owner and replace it with Work that is not Defective, and satisfactorily correct or remove and replace any damage to other Work or the work of others resulting therefrom. If Contractor fails to promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the Defective Work corrected or the rejected Work removed and replaced. Contractor shall pay for all claims, costs, losses and damages caused by or resulting from such removal and replacement. Where Contractor fails to correct Defective Work, or defects are discovered outside the correction period, Owner shall have all rights and remedies granted by law.

Inspection of the Work shall not relieve Contractor of any of its obligations under the Contract Documents. Even though equipment, materials, or Work required to be provided under the Contract Documents have been inspected, accepted, and estimated for payment, Contractor shall, at its own expense, replace or repair any such equipment, material, or Work found to be Defective or otherwise not to comply with the requirements of the Contract Documents up to the end of the guaranty period.

All abbreviations and definitions of terms used in this Agreement shall have the meanings set forth in the Contract Documents.

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The foregoing Guaranty is in addition to any other warranties of Contractor contained in the Contract Documents, and not in lieu of, any and all other liability imposed on Contractor under the Contract Documents and at law with respect to Contractor's duties, obligations, and performance under the Contract Documents. In the event of any conflict or inconsistency between the terms of this Guaranty and any warranty or obligation of the Contractor under the Contract Documents or at law, such inconsistency or conflict shall be resolved in favor of the higher level of obligation of the Contractor.

Date

Name/Title

Contractor

Signature

For maintenance, repair or replacement service contact:

Name

Telephone

Address

Alt. Telephone

City, State, and Zip

END OF DOCUMENT

DOCUMENT 00738

APPRENTICESHIP PROGRAM

ARTICLE 1 - COMPLIANCE REQUIRED

- 1.01** Contractor and Subcontractors shall comply with the requirements of California Labor Code §§1776, 1777.5, and 1777.6 concerning the employment of apprentices by Contractor or Subcontractors. Willful failure to comply may result in penalties, including loss of the right to Bid on or receive public works contracts.

ARTICLE 2 - CERTIFICATION OF APPROVAL

- 2.01** California Labor Code §1777.5, as amended, requires a Contractor or Subcontractor employing tradespersons in any apprenticeable occupation to apply to the joint apprenticeship committee nearest the site of a public works project and which administers the apprenticeship program in that trade for a certification of approval. The certificate shall also fix the ratio of apprentices to journeypersons that will be used in performance of the Contract. The ratio of work performed by apprentices to journeypersons in such cases shall not be less than one *hour* of apprentices work for every five *hours* of labor performed by journeypersons (the minimum ratio for the land surveyor classification shall not be less than one apprentice for each five journeypersons), except:
- A. When unemployment for the previous three month period in the area exceeds an average of 15 percent;
 - B. When the number of apprentices in training in the area exceeds a ratio of one to five;
 - C. When a trade can show that it is replacing at least 1/30 of its membership through apprenticeship training on an annual basis state-wide or locally; or
 - D. Assignment of an apprentice to any work performed under a public works contract would create a condition which would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyperson.

ARTICLE 3 - FUND CONTRIBUTIONS

- 3.01** Contractor is required to make contributions to funds established for administration of apprenticeship programs if Contractor employs registered apprentices or journeypersons in any apprenticeable trade on such contracts and if other contractors on the public works site are making such contributions.

ARTICLE 4 - APPRENTICESHIP STANDARDS

- 4.01** Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of the California Department of Industrial Relations, or from the Division of Apprenticeship Standards and its branch offices.

END OF DOCUMENT

DOCUMENT 00800

SUPPLEMENTARY CONDITIONS – INSURANCE AND INDEMNIFICATION

ARTICLE 1 - INSURANCE

1.01 At or before the date specified in Document 00200 (Instructions to Bidders), Contractor, in order to protect the Kern County Hospital Authority ("Owner") and its board members, officials, agents, officers, and employees against all claims and liability for death, injury, loss and damage as a result of Contractor's actions in connection with the performance of Contractor's obligations, as required in the Contract Documents, shall secure and maintain insurance as described below. Contractor shall not perform any work under the Contract Documents until Contractor has obtained all insurance required under this section and the required certificates of insurance and all required endorsements have been filed with Owner's authorized insurance representative, Insurance Tracking Services Inc. (ITS). Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of the insurance requirements set forth herein. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request, Contractor shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named underwriter(s) and their company to the coverage, limits and termination provisions shown thereon. Contractor shall promptly deliver to ITS a certificate of insurance, and all required endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the term specified herein. Such certificates and endorsements shall be delivered to ITS prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof if so requested. Contractor shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Contractor or Owner as an additional insured.

- A. Workers' Compensation and Employers Liability Insurance Requirement -- In the event Contractor has employees who may perform any services pursuant to the Contract Documents, Contractor shall submit written proof that Contractor is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.

I signing the Agreement, Contractor makes the following certification, required by section 1861 of the Labor Code:

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work pursuant to the Contract Documents.

Contractor shall require any sub-contractors to provide workers' compensation for all of the subcontractors' employees, unless the sub-contractors' employees are covered by the insurance afforded by Contractor. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Contractor shall provide and/or require each sub-contractor to provide adequate insurance for the coverage of employees not otherwise covered.

Contractor shall also maintain employer's liability insurance with limits of one million dollars (\$1,000,000) for bodily injury or disease.

- B. General Liability Insurance Requirements – Contractor shall maintain in full force and effect, at all times during the term of the Agreement Commercial General Liability Insurance including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of the

Contract Documents), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Contractor's performance of work under the Agreement. Contractor shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of the Agreement. The amount of said insurance coverage required by the Contract Documents shall be the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.

- C. Automobile Liability Insurance Requirements – Contractor shall maintain Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering any vehicle and/or all owned, leased, hired and non-owned vehicles used in the performance of services pursuant to the Contract Documents with coverage equal to the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence.
- 1.02 The Commercial General Liability and Automobile liability Insurance required in sub-paragraphs B. and C. above shall include an endorsement naming the Kern County Hospital Authority, and Authority Indemnified Parties as additional insureds for liability arising out of the Agreement and any operations related thereto. Said endorsement shall be provided using one of the following three options: (i) on ISO form CG 20 10 11 85; or (ii) on ISO form CG 20 37 10 01 plus either ISO form CG 20 10 10 01 or CG 20 33 10 01; or (iii) on such other forms which provide coverage at least equal to or better than form CG 20 10 11 85.
- 1.03 Any self-insured retentions in excess of \$100,000 must be declared on the Certificate of Insurance or other documentation provided to Owner and must be approved by the Risk Manager.
- 1.04 If any of the insurance coverages required under the Contract Documents is written on a claims-made basis, Contractor, at Contractor's option, shall either (i) maintain said coverage for at least three (3) years following the termination of this Agreement with coverage extending back to the effective date of this Agreement; or (ii) purchase an extended reporting period of not less than three (3) years following the termination of the Agreement.
- 1.05 Cancellation of Insurance -- The above stated insurance coverages required to be maintained by Contractor shall be maintained until the completion of all of Contractor's obligations under the Contract Documents except as otherwise indicated herein. Each insurance policy supplied by Contractor shall not be suspended, voided, modified, canceled, or reduced in coverage or in limits except after ten (10) days notice by Contractor in the case of non-payment of premiums, or on thirty (30) days prior written notice in all other cases. This notice requirement does not waive the insurance requirements stated herein. Contractor shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
- 1.06 All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-; VII. Any exception to these requirements must be pre-approved by the Risk Manager.
- 1.07 If Contractor is, or becomes during the term of the Agreement, self-insured or a member of a self-insurance pool, Contractor shall provide coverage equivalent to the insurance coverages and endorsements required above. Owner will not accept such coverage unless Owner determines, in its sole discretion and by written acceptance, that the coverage proposed to be provided by Contractor is equivalent to the above-required coverages.
- 1.08 All insurance afforded by Contractor pursuant to the Contract Documents shall be primary to and not contributing to any other insurance or self-insurance maintained by Owner. An endorsement shall be provided on all policies which shall waive any right of recovery (waiver of subrogation) against Owner. A waiver of right of recovery (waiver of subrogation) is only required when

Contractor's personnel deliver services or perform service for the Authority while on Authority property.

- 1.09** Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Contractor for any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude Owner from taking such other actions as are available to it under any other provision of the Contract Documents or otherwise in law.
- 1.10** Failure by Contractor to maintain all such insurance in effect at all times required by the Contract Documents shall be a material breach of the Contract by Contractor. Owner, at its sole option, may terminate the Contract and obtain damages from Contractor resulting from said breach. Alternatively, Owner may purchase such required insurance coverage, and without further notice to Contractor, Owner shall deduct from sums due to Contractor any premiums and associated costs advanced or paid by Owner for such insurance. If the balance of monies obligated to Contractor pursuant to the Contract are insufficient to reimburse Owner for the premiums and any associated costs, Contractor agrees to reimburse Owner for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by Owner to take this alternative action shall not relieve Contractor of its obligation to obtain and maintain the insurance coverages required by the Contract Documents.
- 1.11** If injury occurs to any employee of Contractor, Subcontractor or sub-subcontractor for which the employee, or the employee's dependents in the event of employee's death, is entitled to compensation from Owner under provisions of the Workers' Compensation Insurance and Safety Act, as amended, or for which compensation is claimed from Owner, Owner may retain out of sums due Contractor under the Contract Documents, an amount sufficient to cover such compensation, as fixed by the Workers' Compensation Insurance and Safety Act, as amended, until such compensation is paid, or until it is determined that no compensation is due. If Owner is compelled to pay compensation, Owner may, in its discretion, either deduct and retain from the Contract Sum the amount so paid, or require Contractor to reimburse Owner.
- 1.12** Nothing herein shall be construed as limiting in any way the extent to which Contractor or any Subcontractor may be held responsible for payment of damages resulting from their operations.
- 1.13** All Subcontractors shall maintain the same insurance required to be maintained by Contractor with respect to their portions of the Work unless otherwise indicated in the Contract Documents, and Contractor shall cause the Subcontractors to furnish proof thereof to Owner within ten Days of Owner's request.

ARTICLE 2 - RESPONSIBILITY OF CONTRACTOR AND INDEMNIFICATION

- 2.01** Owner and each of its officers, employees, consultants and agents including, but not limited to, the Board, Project Manager and each Owner's Representative, shall not be liable or accountable in any manner for loss or damage that may happen to any part of the Work; loss or damage to materials or other things used or employed in performing the Work; injury, sickness, disease, or death of any person; or damage to property resulting from any cause whatsoever except their sole negligence, willful misconduct or active negligence, attributable to performance or character of the Work, and Contractor releases all of the foregoing persons and entities from any and all such claims.
- 2.02** To the furthest extent permitted by law (including without limitation California Civil Code §2782), Contractor shall assume defense of, and indemnify and hold harmless, Owner and each of its officers, employees, consultants and agents, including but not limited to the Board, Project Manager and each Owner's Representative, from claims, suits, actions, losses and liability of every kind, nature and description, including but not limited to claims and fines of regulatory

agencies and attorney's fees of County Counsel and counsel retained by Owner, expert fees, costs of staff time, and investigation costs, directly or indirectly arising out of, connected with or resulting from performance of the Work, failure to perform the Work, or condition of the Work which is caused in whole or part by any act or omission of Contractor, Subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, resulting from any cause whatsoever.

- 2.03** With respect to third-party claims against Contractor, Contractor waives any and all rights to any type of express or implied indemnity against Owner and each of its officers, employees, consultants and agents including, but not limited to Owner, the Board, Project Manager and each Owner's Representative. Owner shall provide timely notice to Contractor of any third-party claim relating to the Contract Documents, in accordance with Section 9201 of the California Public Contract Code.
- 2.04** Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Contractor, its Subcontractors of any tier, or the officers or agents of any of them.
- 2.05** To the furthest extent permitted by law (including, without limitation, Civil Code §2782), the indemnities, releases of liability and limitations of liability, claims procedures, and limitations of remedy expressed throughout the Contract Documents shall apply even in the event of breach of Contract, negligence (active or passive), fault or strict liability of the party(ies) indemnified, released, or limited in liability, and shall survive the termination, rescission, breach, abandonment, or completion of the Work or the terms of the Contract Documents. If Contractor fails to perform any of these defense or indemnity obligations, Owner may in its discretion back charge Contractor for Owner's costs and damages resulting therefrom and withhold such sums from progress payments or other Contract moneys which may become due.
- 2.06** The indemnities in the Contract Documents shall not apply to any indemnified party to the extent of its sole negligence or willful misconduct; nor shall they apply to Owner or other indemnified party to the extent of its active negligence.

END OF DOCUMENT

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

November 16, 2016

Subject: Report on quarterly expenditures authorized by Kern County Hospital Authority Chief Executive Officer

Recommended Action: Receive and File

Summary:

The Chief Executive Officer shall provide the Board of Governors a written report quarterly on expenditures paid pursuant to:

- Enter into professional and specialized medical services that may exceed the specified amount set forth above, including without limitation, the following:
 - A. Medical services that are beyond the capability of employed staff to provide.
 - B. Medical services of a very specialized nature which are not available at Kern Medical.
 - C. Medical services that require special equipment or facilities that are not available at Kern Medical.
 - D. Medical services that are infrequent in occurrence, are unpredictable in volume and costs, and therefore may not be identified specifically in the Hospital Authority budget.
 - E. Medical services that are necessary to provide patient care or services to patients in an emergent situation.
 - F. Patient-specific letters of agreement.
 - G. Letters of agreement for medical services not provided at Kern Medical.
- Process and pay for administrative penalties (any administrative penalty that does not exceed \$50,000; County Counsel shall review any notice of administrative penalty to determine whether a hearing to dispute the penalty is warranted and approve all settlement agreements, if any, negotiated between the Hospital Authority and the relevant agency, prior to payment of the penalty).



3. Professional and specialized medical services

Vendor	Amount Paid
ALLIED MEDICAL TRANSPORT	\$816.00
AROUND THE CLOCK HOME CARE	\$4,102.99
ASHLI HEALTHCARE - DURABLE MEDICAL EQUIPMENT	\$264.49
BAKERSFIELD MEMORIAL HOSPITAL	\$1,699.64
COMPREHENSIVE BLOOD & CANCER	\$15,894.39
GLOBAL HEALTH MEDICAL TRANSPORTATION	\$100.00
HALL AMBULANCE SERVICE INC	\$37,230.89
HOFFMAN HOME CARE	\$4,708.80
JACOBO PHYSICAL THERAPY	\$5,120.00
JUAN J BERMEJO	\$130.00
SAFELINE MEDICAL TRANSPORT SERVICES	\$2,642.20
SAN JOAQUIN COMMUNITY HOSPITAL	\$27,337.64
TRINITY MEDICAL TRANSPORT	\$1,290.00
VALLEY MEDICAL TRANSPORT	\$703.00

4. Administrative penalties

	Amount Paid
	None



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

November 16, 2016

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 ending September 30, 2016.



3-Month Trend Analysis: Volume and Strategic Indicators

September 30, 2016

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
VOLUME						
Adjusted Admissions (AA)	1,500	1,682	1,535	1,554	(1%)	1,498
Adjusted Patient Days	7,945	7,512	7,450	7,678	(3%)	7,058
Admissions	787	852	810	832	(3%)	832
Average Daily Census	134	123	131	137	(4%)	131
Patient Days	4,168	3,805	3,930	4,110	(4%)	3,919
Available Occupancy %	62.8%	57.4%	61.2%	64.0%	(4%)	61.0%
Average LOS	5.3	4.5	4.9	4.9	(2%)	4.7
Surgeries						
Inpatient Surgeries (Main Campus)	214	215	242	265	(9%)	222
Outpatient Surgeries (Main Campus)	249	273	240	263	(9%)	281
Total Surgeries	463	488	482	528	(9%)	503
Births	216	231	256	273	(9%)	247
ER Visits						
Admissions	390	409	381	331	15%	381
Treated & Released	3,574	3,536	3,414	3,033	13%	3,442
Total ER Visits	3,964	3,945	3,795	3,364		3,823
Outpatient Clinic Visits						
Total Clinic Visits	9,056	11,576	10,255	9,317	10%	9,366

September 30, 2016

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
VOLUME					
Adjusted Admissions (AA)	4,718	4,504	5%	4,467	6%
Adjusted Patient Days	22,918	25,178	(9%)	22,223	3%
Admissions	2,449	2,395	2%	2,395	2%
Average Daily Census	129	137	(6%)	131	(1%)
Patient Days	11,903	13,477	(12%)	11,942	(0.3%)
Available Occupancy %	60.5%	68.5%	(12%)	60.7%	(0.3%)
Average LOS	4.9	5.6	(14%)	5.0	(3%)
Surgeries					
Inpatient Surgeries (Main Campus)	671	733	(8%)	630	7%
Outpatient Surgeries (Main Campus)	762	833	(8%)	842	(10%)
Total Surgeries	1,433	1,566	(8%)	1,472	
Births	703	811	(13%)	659	7%
ER Visits					
Admissions	1,180	972	21%	1,166	1%
Treated & Released	10,524	8,910	18%	10,071	4%
Total ER Visits	11,704	9,882	18%	11,237	
Outpatient Clinic Visits					
Total Clinic Visits	30,887	27,659	12%	29,261	6%

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
PAYOR MIX - CHARGES						
Commercial FFS	3.6%	5.1%	3.5%	4.6%	11%	4.8%
Commercial HMO/PPO	6.4%	5.3%	6.9%	5.8%	(9%)	5.6%
Medi-Cal	24.2%	29.9%	27.8%	30.1%	(1%)	31.5%
Medi-Cal HMO - Kern Health Systems	27.8%	28.6%	27.1%	19.2%	49%	22.4%
Medi-Cal HMO - Health Net	11.3%	11.6%	11.3%	5.1%	130%	11.4%
Medi-Cal HMO - Other	0.7%	0.7%	0.6%	12.2%	(94%)	1.7%
Medicare	10.9%	5.9%	9.8%	9.7%	(39%)	8.8%
Medicare - HMO	3.0%	1.3%	1.2%	2.6%	(50%)	2.5%
County Programs	3.2%	2.4%	2.7%	1.3%	85%	3.8%
Workers' Compensation	0.4%	0.3%	1.1%	1.8%	(83%)	0.4%
Self Pay	8.5%	8.9%	8.0%	7.6%	17%	7.1%
Total	100.0%	100.0%	100.0%	100.0%		100.0%



3-Month Trend Analysis: Volume and Strategic Indicators

September 30, 2016

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
PAYOR MIX - CHARGES					
Commercial FFS	4.1%	7%	(42%)	5.3%	(23%)
Commercial HMO/PPO	6.2%	5.2%	20%	5.4%	16%
Medi-Cal	27.3%	28.6%	(5%)	31.9%	(14%)
Medi-Cal HMO - Kern Health Systems	27.8%	21.3%	30%	22.2%	25%
Medi-Cal HMO - Health Net	11.4%	6.7%	69%	11.5%	(1%)
Medi-Cal HMO - Other	0.7%	10.5%	(94%)	1.7%	(61%)
Medicare	8.9%	7.9%	13%	8.2%	8%
Medicare - HMO	1.8%	1.9%	(5%)	2.0%	(9%)
County Programs	2.8%	1.1%	147%	3.9%	(29%)
Workers' Compensation	0.6%	1.6%	(61%)	0.4%	52%
Self Pay	8.5%	8.1%	4%	7.5%	13%
Total	100.0%	100.0%		100.0%	

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
Labor Metrics						
Productive FTEs	1,353.63	1,373.75	1,405.81	1,430.80	(1.7%)	1,299.74
Non-Productive FTEs	208.13	191.59	218.31	252.49	(14%)	221.28
Contract Labor FTEs	61.66	64.25	65.03	51.83	25%	33.05
Total FTEs	1,561.75	1,565.34	1,624.12	1,683.29	(4%)	1,521.02
FTE's Per AOB Paid	6.09	6.47	6.54	6.15	6%	6.47
FTE's Per AOB Worked	5.28	5.68	5.66	5.23	8%	5.52
Labor Cost/FTE (Annualized)	134,604.94	129,136.58	127,513.59	125,556.84	2%	122,935.83
Benefits Expense as a % of Benefitted Labor Expense	67%	68%	69%	67%	3%	75%
Salaries & Benefits as % of Net Patient Revenue	66%	61%	61%	66%	(6%)	65.0%

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Labor Metrics					
Productive FTEs	1,377.73	1,413.28	(3%)	1,299.89	6%
Non-Productive FTEs	206.01	249.40	(17%)	219.80	(6%)
Contract Labor FTEs	63.65	52.63	21%	31.66	101%
Total FTEs	1,583.74	1,662.68	(5%)	1,519.68	4%
FTE's Per AOB Paid	6.37	6.08	5%	6.29	1%
FTE's Per AOB Worked	5.54	5.16	7%	5.38	3%
Labor Cost/FTE (Annualized)	130,418.37	127,589.54	2%	125,692.55	4%
Benefits Expense as a % of Benefitted Labor Expense	68%	73%	(7%)	77%	(12%)
Salaries & Benefits as % of Net Patient Revenue	63%	65.9%	(4%)	65.0%	(3%)



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

November 16, 2016

Subject: Kern County Hospital Authority, Chief Financial Officer Report

Recommended Action: Receive and File.

Summary:

Kern County's Hospital Authority Chief Financial Officer will provide a report on Finances ending September 30, 2016.

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
Gross Patient Revenue	\$ 65,986,271	\$ 67,350,655	\$ 64,820,836	\$ 72,477,713	(11%)	\$ 57,073,167
Contractual Deductions	(48,963,457)	(49,608,498)	(47,451,197)	(55,332,494)	(14%)	\$ (39,160,564)
Net Revenue	17,022,814	17,742,157	17,369,639	17,145,219	1%	17,912,603
Indigent Funding	6,360,863	6,539,937	8,523,757	6,654,481	28%	6,061,513
Correctional Medicine	1,942,469	2,085,414	1,889,312	1,879,809	1%	612,864
County Contribution	297,260	284,101	285,211	287,671	(1%)	631,414
Incentive Funding	849,315	849,315	0	833,334	(100%)	1,000,000
Net Patient Revenue	26,472,721	27,500,924	28,067,919	26,800,514	5%	26,218,394
Other Operating Revenue	1,115,814	818,462	959,735	1,259,436	(24%)	629,546
Other Non-Operating Revenue	62,803	90,438	14,149	21,473	(34%)	49,729
Total Operating Revenue	27,651,338	28,409,824	29,041,803	28,081,423	3%	26,897,669
Expenses						
Salaries	11,687,472	11,050,401	10,799,781	11,264,885	(4%)	9,736,800
Employee Benefits	5,048,433	4,946,937	5,582,392	5,649,357	(1%)	5,351,341
Contract Labor	782,414	847,847	875,941	698,141	25%	494,148
Medical Fees	1,198,506	1,492,090	1,399,356	1,346,882	4%	1,307,791
Other Professional Fees	1,589,837	1,779,175	1,865,194	1,496,395	25%	1,249,482
Supplies	3,448,646	4,477,435	3,532,280	3,985,884	(11%)	5,005,300
Purchased Services	1,110,954	1,125,044	1,828,897	1,176,143	55%	1,166,062
Other Expenses	1,677,645	1,361,033	1,742,171	1,581,420	10%	1,256,677
Operating Expenses	26,543,907	27,079,962	27,626,012	27,199,107	2%	25,567,601
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	1,107,432	1,329,862	1,415,791	882,316	60%	1,330,069
EBIDA Margin	4%	5%	5%	3%	55%	5%
Interest	18,808	19,529	18,550	48,360	(62%)	48,025
Depreciation	450,376	464,060	411,441	386,776	6%	383,071
Amortization	21,125	18,418	62,543	48,191	30%	48,260
Total Expenses	27,034,216	27,581,969	28,118,546	27,682,434	2%	26,046,957
Operating Gain (Loss)	617,123	827,855	923,257	398,989	131%	850,713
Operating Margin	2%	3%	3%	1%	124%	3%

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 198,157,763	\$ 215,147,395	(8%)	\$ 173,929,250	14%
Contractual Deductions	(146,023,152)	(164,166,468)	(11%)	\$ (129,050,286)	13%
Net Revenue	52,134,611	50,980,927	2%	44,878,964	
Indigent Funding	21,424,557	20,407,076	5%	20,785,449	3%
Correctional Medicine	5,917,195	5,764,746	3%	2,956,031	100%
County Contribution	866,572	882,192	(2%)	1,894,242	(54%)
Incentive Funding	1,698,630	2,500,001	(32%)	3,000,000	(43%)
Net Patient Revenue	82,041,565	80,534,942	2%	73,514,686	12%
Other Operating Revenue	2,894,011	3,862,264	(25%)	3,546,703	(18%)
Other Non-Operating Revenue	167,390	65,848	154%	32,813	410%
Total Operating Revenue	85,102,966	84,463,054	1%	77,094,202	10%
Expenses					
Salaries	33,537,654	33,981,146	(1%)	30,929,017	8%
Employee Benefits	15,577,762	16,981,500	(8%)	15,681,068	(1%)
Contract Labor	2,506,202	2,072,573	21%	1,143,133	119%
Medical Fees	4,089,952	4,130,431	(1%)	3,883,858	5%
Other Professional Fees	5,234,205	4,588,955	14%	4,368,060	20%
Supplies	11,458,363	11,832,028	(3%)	11,272,952	2%
Purchased Services	4,064,896	3,606,059	13%	3,610,330	13%
Other Expenses	4,780,848	4,861,832	(2%)	3,587,856	33%
Operating Expenses	81,249,882	82,054,524	(1%)	74,476,274	9%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	3,853,084	2,408,530	60%	2,617,928	47%
EBIDA Margin	5%	3%	59%	3%	33%
Interest	56,887	148,305	(62%)	104,672	(46%)
Depreciation	1,325,877	1,186,110	12%	1,150,758	15%
Amortization	102,087	147,786	(31%)	144,778	(29%)
Total Expenses	82,734,733	83,536,725	(1%)	75,876,482	9%
Operating Gain (Loss)	2,368,233	926,329	156%	1,217,720	94%
Operating Margin	3%	1%	154%	2%	76%

3-Month Trend Analysis: Cash Indicators

September 30, 2016

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
CASH						
Total Cash	34,170,088	15,095,805	44,763,636	24,904,378	80%	21,308,200
Days Cash On Hand	40	17	49	27	77%	25
Days In A/R - Gross	87.7	87.7	94.0	76.0	24%	83.7
Patient Cash Collections	\$ 15,634,286	\$ 15,456,457	\$ 13,764,745	N/A	N/A	\$ 14,819,117
Patient Cash Goal	\$ 16,125,658	\$ 16,317,872	\$ 17,211,307	N/A	N/A	\$ 13,141,441
Projected Year End Cash Balance	33,108,369	26,830,244	52,404,692	N/A	N/A	N/A



3-Month Trend Analysis: Cash Indicators

September 30, 2016

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
CASH					
Total Cash	44,763,636	24,904,378	80%	21,308,200	110%
Days Cash On Hand	51	28	82%	26	93%
Days In A/R - Gross	94.0	76.0	24%	83.7	12%
Patient Cash Collections	\$ 44,855,488	N/A	N/A	\$ 44,206,459	1%
Patient Cash Goal	\$ 49,654,838	N/A	N/A	\$ 44,878,964	11%
Projected Year End Cash Balance	52,404,692	N/A	N/A	N/A	N/A

3-Month Trend Analysis: Operating Metrics

September 30, 2016

	JULY	AUGUST	SEPTEMBER	BUDGET SEPTEMBER	VARIANCE POS (NEG)	PY SEPTEMBER
Operating Metrics						
Total Expense per Adjusted Admission	18,020	16,398	18,313	17,809	3%	17,384
Total Expense per Adjusted Patient Day	3,403	3,672	3,774	3,605	5%	3,691
Supply Expense per Adjusted Admission	2,299	2,662	2,300	2,564	(10%)	3,341
Supply Expense per Surgery	1,518	2,879	1,448	1,614	(10%)	1,920
Supplies as % of Net Patient Revenue	13%	16%	13%	15%	(15%)	19%
Pharmaceutical Cost per Adjusted Admission	950	884	1,013	1,131	(10%)	1,696
Net Revenue Per Adjusted Admission	\$ 11,347	\$ 10,548	\$ 11,312	\$ 11,030	3%	\$ 11,955



3-Month Trend Analysis: Operating Metrics

September 30, 2016

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Operating Metrics					
Total Expense per Adjusted Admission	17,537	18,546	(5%)	16,985	3%
Total Expense per Adjusted Patient Day	3,610	3,318	9%	3,414	6%
Supply Expense per Adjusted Admission	2,429	2,627	(8%)	2,523	(4%)
Supply Expense per Surgery	1,943	1,615	20%	1,561	24%
Supplies as % of Net Patient Revenue	14%	15%	(5%)	15%	(9%)
Pharmaceutical Cost per Adjusted Admission	947	1,158	(18%)	1,145	(17%)
Net Revenue Per Adjusted Admission	\$ 11,051	\$ 11,318	(2%)	\$ 10,046	10%



INDIGENT PATIENT CARE FUNDING - MTD & YTD

FOR THE MONTH SEPTEMBER 30, 2016

MTD ACT	MTD BUD	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACT	YTD BUD	VAR \$ FAV/(UNFAV)	VAR %
301,335	334,817	(33,482)	-10.0%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	924,093	1,026,771	(102,678)	-10.0%
2,519,862	920,297	1,599,565	173.8%	MEDI-CAL EXPANSION REVENUE FROM HMO	4,243,808	2,822,245	1,421,563	50.4%
769,534	189,926	579,608	305.2%	COUNTY REALIGNMENT FUNDS	1,328,928	582,440	746,488	128.2%
984,098	929,386	54,712	5.9%	MEDI-CAL SUPPLEMENTAL FUNDING	3,017,898	2,850,118	167,780	5.9%
2,207,983	2,345,671	(137,688)	-5.9%	PRIME - NEW WAIVER	6,570,931	7,193,392	(622,461)	-8.7%
1,740,945	1,934,384	(193,439)	-10.0%	GPP - NEW WAIVER	5,338,899	5,932,110	(593,211)	-10.0%
8,523,757	6,654,481	1,869,276	28.1%	SUB-TOTAL - GOVERNMENTAL REVENUE	21,424,557	20,407,076	1,017,481	5.0%
1,889,312	1,879,809	9,503	0.5%	CORRECTIONAL MEDICINE	5,917,195	5,764,746	152,449	2.6%
285,211	287,671	(2,460)	-0.9%	COUNTY CONTRIBUTION	866,572	882,192	(15,620)	-1.8%
10,698,280	8,821,961	1,876,319	21.3%	TOTAL INDIGENT CARE & COUNTY FUNDING	28,208,324	27,054,014	1,154,310	4.3%



OTHER REVENUE

FOR THE MONTH SEPTEMBER 30, 2016

OTHER OPERATING REVENUE

	MTD ACTUAL	MTD BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
PARKING LOT REVENUE	718	493	225	2,372	1,512	860
OTHER CO. DEPT. REIMBURSEMENT	20,715	13,776	6,939	58,875	42,245	16,630
EMS REVENUE (SB-612)	0	68,966	(68,966)	87,883	211,494	(123,611)
FEDERAL INMATE REVENUE	0	52,837	(52,837)	(47,071)	162,033	(209,104)
MEDICAL RECORDS FEES	1,800	1,936	(136)	7,214	5,934	1,280
MEDICAL SCHOOL STUDENT FEES	333,887	375,796	(37,354)	1,001,060	1,152,440	(137,412)
JURY/WITNESS FEES	750	0	750	750	0	750
CANCELLED OUTLAWED WARRANTS	(150)	2,665	(2,815)	25,881	8,173	17,708
PROFESSIONAL FEES	323,840	484,847	(161,007)	1,030,010	1,486,866	(456,856)
CAFETERIA SALES	71,846	65,920	5,926	215,988	202,153	13,835
FEDERAL-OTHER AID	11,052	0	11,052	11,052	0	11,052
GRANTS	0	0	0	527	0	527
MENTAL HEALTH MOU	189,278	185,792	3,486	492,320	569,763	(77,443)
REBATES & REFUNDS	5,999	6,408	(409)	6,592	19,651	(13,059)
TOTAL OTHER OPERATING REVENUE	959,735	1,259,436	(295,146)	2,893,450	3,862,264	(954,845)

OTHER NON-OPERATING REVENUE

INTEREST ON COLLECTIONS	27,929	12,466	15,463	60,266	38,228	22,038
OTHER MISCELLANEOUS REVENUE	3,840	4,020	(4,735)	115,645	12,327	89,350
INTEREST ON FUND BALANCE	(17,620)	4,987	(22,607)	34,266	15,293	18,973
TOTAL OTHER NON-OPER REVENUE	14,149	21,473	(11,879)	210,177	65,848	130,362

CORRECTIONAL MEDICINE P&L - MTD & YTD

FOR THE MONTH SEPTEMBER 30, 2016

<u>MTD ACT</u>	<u>MTD BUD</u>	<u>VAR \$</u> <u>FAV/(UNFAV)</u>	<u>VAR %</u>	<u>DESCRIPTION</u>	<u>YTD ACT</u>	<u>YTD BUD</u>	<u>VAR \$</u> <u>FAV/(UNFAV)</u>	<u>VAR %</u>
1,889,312	1,879,809	9,503	0.5%	COUNTY INMATE REVENUE	5,917,195	5,764,746	152,449	2.6%
0	0	0	100.0%	FEDERAL INMATE REVENUE	0	0	0	100.0%
1,889,312	1,879,809	9,503	0.5%	TOTAL REVENUE	5,917,195	5,764,746	152,449	2.6%
				DIRECT INMATE EXPENSES				
966,014	1,102,717	(136,703)	-12.4%	SALARIES & BENEFITS	3,093,576	3,381,664	(26,702)	-0.4%
347,961	40,792	307,169	753.0%	SUPPLIES & OTHER EXP	734,898	125,096	343,281	201.5%
1,313,975	1,143,509	170,466	14.9%	TOTAL DIRECT INMATE EXPENSES	3,828,473	3,506,760	321,713	9.2%
				ALLOCATED INMATE EXPENSES				
138,426	160,752	(22,326)	-13.9%	INPATIENT	457,503	492,974	(35,471)	-7.2%
500,691	284,297	216,394	76.1%	OUTPATIENT	1,209,443	871,842	337,601	38.7%
639,117	445,049	194,068	43.6%	TOTAL ALLOCATED INMATE EXPENSES	1,666,946	1,364,816	302,130	22.1%
275,797	129,956	145,841	112.2%	AMBULANCE/OTHER HC PROVIDER EXPENSES	497,557	399,625	97,931	24.5%
2,228,889	1,718,514	510,375	29.7%	TOTAL EXPENSES	5,992,976	5,271,201	721,775	13.7%
(339,577)	161,295	(500,872)	-310.5%	NET INCOME	(75,781)	493,545	(569,326)	-115.4%



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

November 16, 2016

Subject: Comments Regarding Budget Variances for Operating Expenses – September 2016

Summary:

Other Professional Fees:

- Other Professional Fees have an unfavorable budget variance for the month of September 2016 due to additional expenses for AMF Media Group, Kapsis IT Solutions, and miscellaneous legal expenses.

Purchased Services:

- Purchased Services have an unfavorable budget variance for the month of September 2016 due to additional expenses for Hall Ambulance fees, Signature Performance Healthcare, and CSS Consulting.

Other Expenses:

- Other Expenses have an unfavorable budget variance for the month of September 2016 mainly due to a PG&E invoice that was not properly accrued for in the prior month.

**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 16, 2016, 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 facilities (Health and Safety Code Section 101855(j)(2)) –

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

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on November 16, 2016, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on November 16, 2016, to consider:

- X CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Deputy County Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Kern County Hospital Authority Chief Executive Officer (Government Code Section 54957.6)

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on November 16, 2016, to consider:

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Chief Executive Officer (Government Code Section 54957)

**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 16, 2016, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

 X Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on November 16, 2016, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(3).) Number of cases: One (1)
Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection –