



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, May 17, 2017

11:30 A.M.

BOARD TO RECONVENE

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

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

RECOGNITION

- 3) Presentation recognizing the results of the Kern Medical Research Forum –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on April 19, 2017 –
APPROVE

CA

- 5) Proposed Agreement with Ruby A. Skinner, M.D., a contract employee, for professional medical services in the Department of Surgery from July 1, 2017 through June 30, 2020, in an amount not to exceed \$1,950,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed Agreement with ATA Properties, LLC, an independent contractor, for lease of medical office space at 2920 F Street, Suites B-1 and B-2 for a term of 10 years commencing upon completion of Tenant Improvements, in an amount not to exceed \$914,204 –

MAKE FINDING THAT PROJECT IS EXEMPT FROM CEQA REVIEW PER SECTIONS 15301 AND 15061 (b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 7) Report on Graduate Medical Education Annual Institutional Review for 2016-2017 – RECEIVE AND FILE
 - 8) Kern County Hospital Authority Chief Financial Officer report – RECEIVE AND FILE
 - 9) Proposed Kern County Hospital Authority operating and capital budget for Fiscal Year 2017-2018 – APPROVE; REFER TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL
 - 10) Kern County Hospital Authority Chief Executive Officer report – RECEIVE AND FILE
- CA
- 11) Claims and Lawsuits Filed as of April 30, 2017 – RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 12) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 13) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –
- 14) 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 –
- 15) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Elizabeth Tidwell, et al. v. County of Kern, et al., United States District Court, Case No. 1:16-CV-01697-JLT –

- 16) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Maria G. Villanueva v.
County of Kern, et al., Kern County Superior Court, Case No. BCV-15-101614-SPC –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, JUNE 21, 2017, 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.

CA

11) CLAIMS AND LAWSUITS FILED AS OF APRIL 30, 2017 –
RECEIVE AND FILE

- A) Claim in the matter of Kely Garcia v. County of Kern
- B) Notice of Case Closure and Right to Sue in the matter of Cynthia Isarraras v. Kern Medical Center
- C) Claim in the matter of Martin L. Goldman v. County of Kern, Kern County Hospital Authority, Kern Medical Center Foundation, and Kern Medical Center



17th Annual Resident Research Forum Excellence in Research

May 4, 2017

1st Place – *Nadia Moghim, PharmD* Department of Pharmacy Services

“The Impact of a Meds-to-Bed program on the 30-day readmission rates”

Nadia Mogin, PharmD

David Lash, PharmD

Jeffrey Jolliff, PharmD

Jeremiah Josen, PharmD



2nd Place – *Tigran Karamanukyan, MD* Department of Surgery

“Application of a geriatric injury protocol demonstrates high survival rates in elderly trauma patients with high injury acuity”

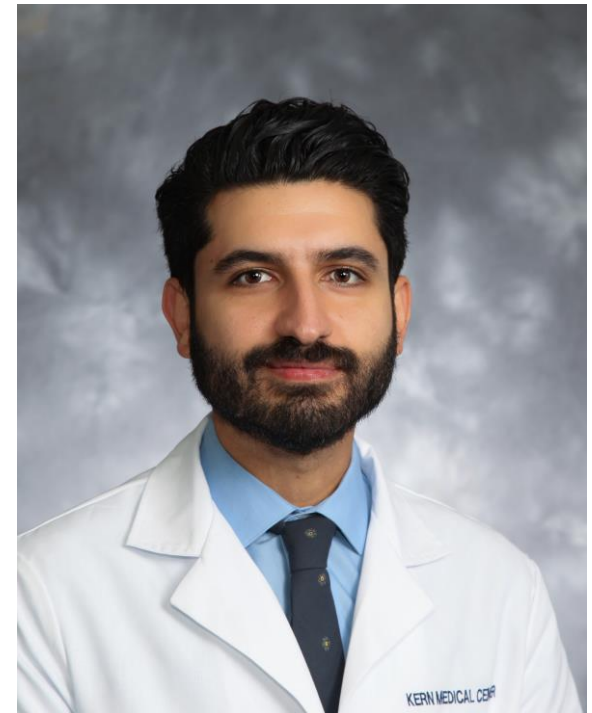
Tigran Karamanukyan, MD

Andrea Pakula, MD, MPH, FACS

Aswitha Francis, MSIII

Maureen Martin, MD, FACS

Ruby Skinner, MD, FACS, FCCP, FCCM



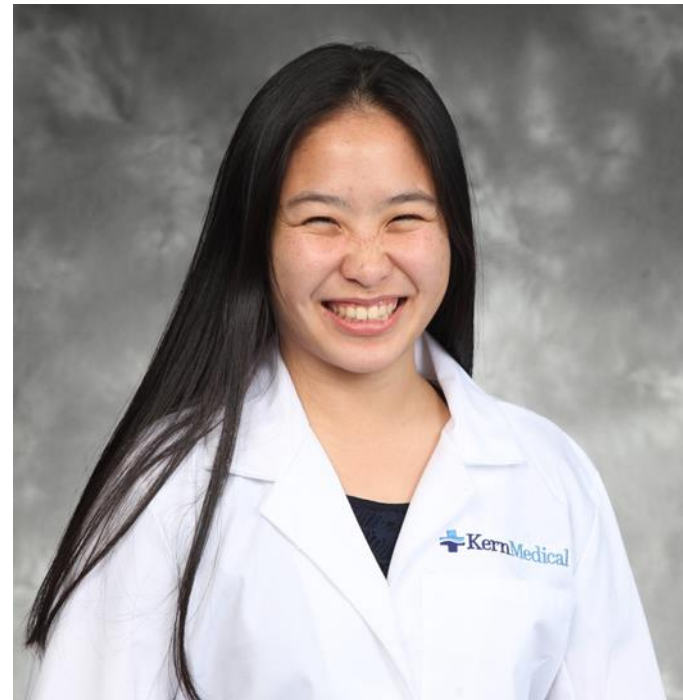
3rd Place – *Alice Peng, PharmD* Department of Pharmacy Services

“Impact of education on insulin infusion
protocol compliance”

Alice Peng, Pharm D

Jeffrey Jolliff, PharmD

David Lash, PharmD



4th Place – *Elliott Asarch, PharmD* Department of Pharmacy Services

“Quality outcomes of a pharmacist-led
safety-net diabetes clinic”

Elliott Asarch, PharmD

Jeff Jolliff, PharmD





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, April 19, 2017

11:30 A.M.

BOARD RECONVENED

Directors present: Berjis, Bigler, Lawson, McGauley, McLaughlin, Pelz, Sistrunk

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

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

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

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 INVITED THE BOARD TO ATTEND THE ROSS UNIVERSITY SCHOOL OF MEDICINE STUDENT UNION RIBBON CUTTING CEREMONY ON APRIL 26, 2017, AT 11:00 A.M.

DIRECTOR MCGAULEY THANKED CHIEF NURSING OFFICER TONI SMITH AND HER STAFF FOR THEIR MEDICAL ASSISTANCE DURING THE CASA SUPER HERO WALK ON APRIL 1, 2017

RECOGNITION

- 3) Presentation recognizing the Kern Medical Human Resources Department –
MADE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on March 15, 2017 –
APPROVED
Pelz-Lawson: All Ayes

CA

- 5) Proposed retroactive request to employ retired Kern County Hospital Authority employees Florencia Alacar, as Per Diem Nurse II; Novella Gamboa, as Per Diem Nurse II; Linda Markham, as Per Diem Medical Social Worker; Anna Rippy, as Per Diem Nurse II; John Caldwell, as Per Diem Pharmacist; Cheri Mudryk, as Per Diem Nurse II; Sheryl Soule, as Patient Account Services Representative II; Louanne Bentgen, as Per Diem Nurse II; Denise Blake-Lobb, as Per Diem Nurse II; Janet Sporer, as Per Diem Nurse II; Lisa Neri, as Per Diem Nurse II; Susan Price, as Per Diem Nurse II; Jeffrey Hill, as Per Diem Nurse II; and Anabel Moreno, as Office Services Specialist, for the period ending June 30, 2017, or 960 hours, whichever occurs first, effective July 1, 2016 –
APPROVED
Pelz-Lawson: All Ayes

CA

- 6) Proposed retroactive Amendment No. 2 to Agreement 485-2015 with Mohammed A.S. Molla, M.D., a contract employee, for professional medical services in the Department of Psychiatry, increasing the payment for weekend call coverage from \$1,800 to \$2,550, effective March 18, 2017, and increasing the maximum payable by \$10,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-027
Pelz-Lawson: All Ayes

CA

- 7) Proposed Agreements with ScriptPro USA Inc., an independent contractor, for purchase of robotic prescription dispensing systems for the Campus and Sagebrush pharmacies, in an amount not to exceed \$319,784, with annual maintenance fee of \$16,896 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENTS 2017-028, 2017-029, 2017-030, AND 2017-031 SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Pelz-Lawson: All Ayes

CA

- 8) Proposed retroactive Amendment No. 9 to Agreement 185-2011 with Weatherby Locums, Inc., an independent contractor, for temporary physician staffing services, extending the term for two years from March 28, 2017 through March 27, 2019, and increasing the maximum payable by \$900,000, from \$3,700,000 to \$4,600,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-032 SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Pelz-Lawson: All Ayes

CA

- 9) Proposed Change Order No. 1 to Agreement 2016-075 with Black/Hall Construction, Inc., an independent contractor, for construction management services related to the installation of IT data closets, increasing of the maximum payable by \$197,276, from \$252,313 to \$449,589, to cover the cost of additional services –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-033; AUTHORIZED CHIEF EXECUTIVE OFFICER TO APPROVE ANY FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED \$100,000, FOR A TOTAL CONTRACT PRICE NOT TO EXCEED \$549,589
Pelz-Lawson: All Ayes

CA

- 10) Proposed retroactive Amendment No. 6 to Agreement 947-2008 with Toyon Associates, Inc., an independent contractor, for third-party reimbursement services, extending the term for one year from October 14, 2016 through October 13, 2017, including additional routine and specialized services, incorporating changes to hourly rates, and increasing the maximum payable by \$400,000, from \$1,690,000, to \$2,090,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-034
Pelz-Lawson: All Ayes

CA

- 11) Proposed Amendment No. 5 to Agreement 1049-2008 with RightSourcing, Inc., an independent contractor, for temporary staffing services, extending the term for two years from July 1, 2017 through June 30, 2019, and incorporating new pricing, with no increase in the maximum payable –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-035
Pelz-Lawson: All Ayes

- 12) Presentation on the open-source course management system “Moodle” used by Kern Medical for online learning –
RECEIVED AND FILED
McGauley-Sistrunk: All Ayes

- 13) Kern County Hospital Authority Chief Financial Officer report –
RECEIVED AND FILED
McLaughlin-Pelz: All Ayes

- 14) Kern County Hospital Authority Chief Executive Officer report –
RECEIVED AND FILED
Sistrunk-McLaughlin: All Ayes

CA

- 15) Claims and Lawsuits Filed as of March 31, 2016 –
RECEIVED AND FILED
Pelz-Lawson: All Ayes

ADJOURNED TO CLOSED SESSION
Berjis-Pelz

CLOSED SESSION

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

- 18) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff – Employee organizations: Service Employees International Union, Local 521; Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6) – SEE RESULTS BELOW
- 19) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(1)) 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: Facts and circumstances that might result in litigation against the authority but which the authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed – SEE RESULTS BELOW
- 20) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Hadie Vanessa Alvarez v. County of Kern, et al., Kern County Superior Court Case No. BCV-15-101754 TSC – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Berjis-Sistrunk

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 16 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 OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR MCGAULEY, SECONDED BY DIRECTOR LAWSON; 1 ABSENT - PELZ), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING, ADVANCE IN STAFF STATUS, RELEASE OF FOCUSED PROFESSIONAL PRACTICE EVALUATION, AND VOLUNTARY TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 17 concerning a Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 18 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff – Employee organizations: Service Employees International Union, Local 521; Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 19 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(1).) 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: Facts and circumstances that might result in litigation against the authority but which the authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 20 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Hadie Vanessa Alvarez v. County of Kern, et al., Kern County Superior Court Case No. BCV -15-101754 TSC – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, MAY 17, 2017 AT 11:30 A.M.

McGauley

/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

May 17, 2017

Subject: Proposed Agreement with Ruby A. Skinner, M.D., APC

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Proposed Agreement with Ruby A. Skinner, M.D., APC, a contract employee, for professional medical services in the Department of Surgery, from July 1, 2017 through June 30, 2020, in an amount not to exceed \$1,950,000.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Ruby A. Skinner, M.D.)**

This Agreement is made and entered into this ____ day of _____, 2017, between the Kern County Hospital Authority, a county hospital authority (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Ruby A. Skinner, M.D. (“Physician”).

**I.
RECITALS**

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

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

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

(d) Authority currently contracts with Physician as an independent contractor for the provision of professional medical services in the Department and teaching services to resident physicians employed by Authority (Kern County Agt. #336-2012, dated June 5, 2012, as amended and assigned), for the period June 18, 2012 through June 30, 2017; and

(e) Each party expressly understands and agrees that Kern County Agt. #336-2012 and any and all amendments thereto is superseded by this Agreement as of the Commencement Date;

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

**II.
TERMS AND CONDITIONS**

1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of three (3) years, commencing as of July 1, 2017 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

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

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician’s license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician’s medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person¹; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the Term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

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

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

4.3 **Qualifications.**

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

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

4.3.2 Board Certification. Physician shall be board certified by the American Board of Surgery in surgery-general with subspecialty certification by the American Board of Surgery in surgical critical care and maintain such certifications at all times during the Term of this Agreement.

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

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

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

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

4.6 Managed Care Organizations. For and on behalf of Physician, Authority shall have the sole and exclusive right and authority to enter into contractual relationships with HMOs, IPAs, PPOs, PHOs, employer groups, provider networks and other managed care organizations (collectively “Managed Care Organizations”). Physician shall provide the same quality of care to patients from Managed Care Organizations as is provided to other KMC patients. Upon request from Authority or KMC, Physician shall execute Managed Care Organization documents as “provider” if deemed necessary or advisable by Authority. Physician shall not contract with any Managed Care Organization without Authority’s prior written consent in each instance.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC

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

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC medical staff bylaws, rules, regulations, and policies. Documentation by Physician shall conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that she shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine during the Term of this Agreement or any extensions thereof.

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

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician's own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner, officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with

KMC, including the operation of any medical practice that is similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

5. **Compensation Package.**

5.1 **Annual Compensation.** Physician shall work full time, which is a minimum of 40 hours per week, and will be compensated with cash and other value as described below in this paragraph 5.1 ("Annual Salary").

5.1.1 **Annual Salary.** Authority shall pay Physician an Annual Salary of \$15,899.96 biweekly not to exceed \$413,399 annually. The Annual Salary shall be comprised of (i) a base salary for teaching and administrative services and (ii) payment for care of KMC patients. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a 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.

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

5.2 **Restricted Call Coverage.** Authority shall pay Physician for "restricted call"² coverage as follows: (i) Physician shall be paid a fixed fee in the amount of \$2,400 per 24-hour day for every weekend and holiday of restricted call coverage assigned (Saturday and Sunday; designated Authority holidays only); (ii) Physician shall be paid a fixed fee in the amount of \$1,200 for every weekday night of restricted call coverage assigned (Monday through Friday); and (iii) Physician shall be paid a per diem rate of \$500 per 24-hour day for backup call coverage.

5.3 **Incentive Compensation.** Within 30 days following the end of each Employment Year, beginning from the Commencement Date, KMC will calculate the professional fee net collections (defined as actual cash received) for all professional services provided by Physician. Physician shall receive 25% of the professional fee net collections in excess of \$338,399, less all applicable federal and state taxes and withholdings, per Employment Year.

² "Restricted call" means Physician must be physically present in the hospital during the entire call period and may not leave the hospital until Physician has been relieved from call duty.

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

5.4.1 Quality/Safety Measure(s). Physician shall be eligible to receive a quality bonus an amount not to \$12,500 each Employment Year if Physician achieves certain quality/safety measure(s). Measures shall be determined annually. Measures shall be calculated within 60 days of the end of each fiscal year ending June 30. The first quality bonus, if any, shall be paid for the 12 months ending June 30, 2018. If multiple measures are used (i.e., more than one measure annually), the annual bonus amount of \$12,500 shall be divided by the total number of measures and the prorated amount paid if the target metric is achieved.

5.4.2 Patient Satisfaction Measure. Physician shall be eligible to receive a quality bonus in an amount not to exceed \$12,500 each Employment Year if the trauma and general surgery physicians as a group achieve certain patient satisfaction target metrics. Measures shall be determined annually. Measures shall be calculated within 60 days of the end of each fiscal year ending June 30. The first quality bonus, if any, shall be paid for the 12 months ending June 30, 2018.

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

5.5 Professional Fee Billing.

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

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

5.6 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,950,000 over the three-year Initial Term of this Agreement.

6. **Benefits Package.**

6.1 Retirement. Physician shall participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

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

6.3 Holidays. Physician shall be entitled to all paid holidays authorized as official holidays for Authority employees. A holiday occurring on a Sunday shall be observed on the following Monday and a holiday occurring on a Saturday shall be observed on the preceding Friday. In the event Physician is scheduled for and works on a holiday, she shall be entitled to an equivalent period of time off at a later date. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall be credited with vacation leave of 6.15 hours for each pay period of service, for a maximum accrual of 160 hours per year. Vacation leave will accrue from the Commencement Date and may be taken at any time thereafter. Total unused vacation leave accumulated will not exceed a maximum of 320 hours. No further vacation leave will accrue as long as Physician has the maximum number of hours credited. The Department chair must approve all vacation leave in advance. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

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

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave

upon termination of employment. The Department chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

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

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

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

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

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

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

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

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

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

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

8. **Assistance in Litigation.** Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.
9. **Authority to Bind Authority.** It is understood that Physician, in her performance of any and all duties under this Agreement, has no authority to bind Authority to any agreements or undertakings.
10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.
11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.
12. **Compliance with Law.** Physician shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.
13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that she receives in the course of her employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.
14. **Conflict of Interest.** Physician covenants that she has no interest and that she will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of her services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.
15. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary

judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.

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

18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than Practice Sites without approval by the Kern County Hospital Authority Board of Governors and, provided further, that Authority shall have no duty or obligation to defend, indemnify, or hold Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

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

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

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

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

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

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

Notice to Physician:

Ruby A. Skinner, M.D.
5501 Via Sorrento
Bakersfield, California 93306

Notice to Authority:

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

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

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

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

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than 120 days' prior written notice to the other party.

28.2 **Immediate Termination.** Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

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

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

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

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

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

[Signatures follow on next page]

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

PHYSICIAN

By _____
Ruby A. Skinner, 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

Agreement.Skinner.040717

EXHIBIT “A”
Job Description
Ruby A. Skinner, M.D.

Position Description: Reports to Chair, Department of Surgery; serves as a full-time core general surgery/trauma/critical care surgery faculty member in the Department; serves as Director of trauma and critical care; Physician work effort will be a minimum 2,500 hours annually in teaching, administrative, and clinical activity; day-to-day activities and clinical workload will include call coverage for emergency general surgery, critical care and trauma; provides comprehensive and safe clinical coverage for day-to-day operations, timely completion of surgery, direct patient care, scholarly research and resident education; works collaboratively with clinic and surgery staff as well as hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

Essential Functions:

1. **Clinical Responsibilities and Assignments:**
 - Coordinate with current general surgery faculty schedules and activities to provide service and improve efficiency for general surgery clinical activities
 - Conduct daily inpatient rounds
 - Provide service and improve efficiency for general surgical, trauma, and critical care cases
 - Provide faculty service for trauma, general surgical and critical care call coverage
 - Supervise surgery Physician Assistant activity and competence
 - Operating Room –minimum of two (2) half days per week
 - KMC, Stockdale Highway, Truxtun Avenue, or other designated clinic sites – minimum of three (3) half-day clinics per week
 - Call coverage – weekday coverage, Monday through Thursday, one (1) in four (4) weekdays up to a maximum of 52 weekday call shifts per year; weekend coverage, one (1) in four (4) weekends up to a maximum of 13 weekends per year

2. **Administrative Responsibilities:**
 - A. **Core Faculty Member:**
 - Assist in clinical and administrative integration efforts across KMC as appropriate for general surgery, trauma, and critical care assisting with proper program planning, surgeon recruitment and faculty development, resource allocation, analysis, communication and assessment
 - Serve as Chair, Institutional Review Board, as mutually agreed upon
 - Assist with program oversight and strategic planning for the surgery residency program
 - Gather data through best practices and collaborate with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
 - Support the Department chair to develop monitoring tools to measure financial, access, quality and satisfaction outcomes for minimally invasive, trauma, and general surgery services

- Attend and actively participate in assigned Medical Staff and hospital committees
- Participate in clinical and administrative integration efforts across the hospital as appropriate for the Department ensuring proper program planning, resource allocation, analysis, communication, and assessment
- Participate in the preparation, monitoring, review, and performance of clinical activity in the Department
- Participate in the quality improvement and risk management activities, including peer review and quality control functions as assigned to services in the Department
- Provide didactic teaching and resident physician and medical student education as assigned and participate in setting goals and expectations for the surgery resident and medical student rotations
- Complete medical records in a timely fashion and work to improve the quality, accuracy, and completeness of documentation
- Work collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
- Follow and comply with the Medical Staff bylaws, rules, regulations, and policies and Authority and KMC policies and procedures

B. Director of Trauma and Critical Care:

- Direct trauma verification, designation, and other accreditations by the American College of Surgeons
- Direct trauma program development, including interactions with Kern County Emergency Medical Services
- Direct staff education and development for trauma and critical care services.
- Oversee the Trauma Registry and ensure data integrity and submission to appropriate accreditation and governmental agencies

3. Teaching Responsibilities:

- Assist the Program Director with individual resident mentoring, counseling, and evaluation as appropriate for general surgery and critical care rotations
- Lead initiatives to develop KMC resident trauma surgery experience
- Assist with didactic curriculum and teaching conference activity including noon, preoperative, oncology, and journal club
- Assist in resident research and scholarly activity

Employment Standards:

One (1) year of post-residency experience in general and trauma surgery

AND

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

AND

Certification by the American Board of Surgery in surgery-general

Knowledge of: The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to general and trauma surgery; principles of effective supervision and program development.

[Intentionally left blank]

EXHIBIT “B”
AUTHORIZATION TO RELEASE INFORMATION

[See attached]

AUTHORIZATION TO RELEASE INFORMATION

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

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

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

Physician

Date

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

May 17, 2017

Subject: Proposed Agreement with ATA Properties, LLC.

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

Summary:

Proposed Agreement with ATA Properties, LLC, an independent contractor, for lease of medical office space at 2920 F Street, Suites B-1 and B-2 for a term of 10 years commencing upon completion of Tenant Improvements, in an amount no to exceed \$914,204.

**AGREEMENT FOR THE LEASE
OF SUITES B-1 AND B-2 IN AN OFFICE BUILDING AT
2920 F STREET, BAKERSFIELD, CA 93301**

(Kern County Hospital Authority – ATA Properties, LLC)

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**AGREEMENT FOR THE LEASE
OF SUITES B-1 AND B-2 IN AN OFFICE BUILDING AT
2920 F STREET, BAKERSFIELD, CA 93301**

(Kern County Hospital Authority – ATA Properties, LLC)

THIS AGREEMENT (“Agreement”) is executed in Bakersfield, California, on _____, 2017 (“**Execution Date**”), by and between the **KERN COUNTY HOSPITAL AUTHORITY**, a local unit of government (“**KCHA**”), which owns and operates Kern Medical Center (“**KMC**”), and **ATA PROPERTIES, LLC** (“**Lessor**”). KCHA and Lessor are referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS:

- A.** Lessor owns real property located at 2920 F Street, Bakersfield, County of Kern, State of California; and
- B.** Pursuant to Section 101855(a)(5) of the Health and Safety Code, KCHA may lease property of any kind necessary or convenient to perform its functions; and
- C.** KCHA desires to use Suites B-1 and B-2 of a one story office building consisting of approximately 4,000 usable/rentable square feet for the provision of medical services; and
- D.** It is the desire of Lessor to lease Suites B-1 and B-2 of a one story office building located at 2920 F Street, Bakersfield, California to KCHA under the terms outlined in the following agreement.

AGREEMENT:

- 1. Premises:** For and in consideration of the terms, covenants, and conditions contained in this Agreement, Lessor leases to KCHA, exclusive use of real property situated in the County of Kern, State of California, at 2920 F Street and non-exclusive use of all of the attached parking lot based on the current City of Bakersfield parking requirements of one (1) space for every 200 rentable square feet. (“**Premises**”).
- 2. Term:** The term of this Agreement shall commence upon the completion of Tenant Improvements (“**Commencement Date**”) and terminate ten (10) years thereafter, unless sooner terminated as provided herein.
- 3. Options to Extend Term:** Provided KCHA is not in default of any of the terms, covenants, or conditions of this Agreement, KCHA shall have one option to extend the term of this Agreement, for a five (5) year period. KCHA may exercise the options by giving Lessor, written notice of KCHA’s desire to extend, not less than 180 calendar days prior to expiration of the then current term of this Agreement.
- 4. KCHA Right to Terminate:** KCHA shall have the one-time right to terminate this Agreement at the end of the fifth lease year, provided i) KMC’s budget warrants a reduction in service areas due to a decrease in operational funding for the eighteen (18) months prior to the election to terminate, and KCHA provides Lessor reasonable evidence thereof in writing; and ii) KCHA provides

Lessor a six (6) month prior written notice (i.e., such notice must be given by the end of the fifty-fourth (54th) month of the lease term). Should KCHA exercise this termination right, KCHA shall pay to Lessor \$104,559 (the “**Termination Payment**”). One-half (50%) of the Termination Payment shall be paid to Lessor with the delivery of the termination notice, and the remaining half shall be paid to Lessor sixty (60) days prior to the termination date.

5. **Hold Over:** If KCHA holds over after the initial term or the extension term, with the express or implied consent of Lessor, such holding over shall be a tenancy only from month to month and shall be governed by the terms, covenants, and conditions contained in this Agreement.

6. **Rental Consideration:** As consideration for lease of the Premises during the initial term, KCHA shall pay to Lessor in lawful money of the United States without deduction or offset, to ATA Properties, LLC, 2108 24th Street, Suite 5, Bakersfield, CA 93301, or to such persons and at such places as may be designated from time to time by Lessor in writing to KCHA, the following sums:

a. **First Term** – Beginning on the Commencement Date and continuing through the initial term, rental consideration shall be \$1.70 per rental square foot per month so \$6,800.00 per month for the first year of the initial term (“**Base Rent**”). The Base Rent is on a modified gross basis including all building operating expenses, real estate taxes, property insurance, utilities (excluding electricity and gas) and maintenance. Each month's rental payment shall only be in consideration for the right to possess, occupy and use the Premises for the subsequent month.

b. **No Aggregate Indebtedness** – In accordance with Article XVI, section 18 of the California Constitution, this Agreement creates no immediate indebtedness for the aggregate monthly rental payments, but rather confines the liability of KCHA to each month's rental payment as it falls due. Further, each month's rental payment shall only be in consideration for the right to possess, occupy and use the Premises for the subsequent month.

c. **Increased Rental Rate** – Each year on the anniversary of the execution date of the lease, the Base Rent shall increase by 2.5% over and above the previous period Total Monthly Rent.

d. **Broker Commission** – KCHA will not pay any broker commissions. Lessor will be responsible for paying all broker commissions.

7. **Purpose:**

a. **In General** - This Agreement is made for the purpose of allowing KCHA to utilize the Premises for the purpose of conducting the business of Kern Medical Center Ophthalmology operations for Kern Medical Center and all related services.

b. **No Nuisance** - KCHA shall not do or permit any act or thing to be done upon the Premises that will obstruct or interfere with the rights of Lessor or any others. KCHA shall not cause, maintain, or permit any nuisance or waste on or about the Premises, or allow the Premises to be used for any unlawful purpose.

8. **Alterations:** Lessor, at Lessor's sole cost and expense, will provide all tenant improvements on a turnkey basis based on the attached plans and specifically including all hard construction costs, architectural and engineering fees, and permitting fees to build and complete the Premises ("**Tenant Improvements**"). The Tenant Improvement Allowance Lessor provides pursuant to this Agreement excludes KCHA's furniture, fixtures and equipment ("FF&E"), cabling, telephone, computer wiring, etc. used by KCHA during occupancy of the Premises. Any changes to the existing plans that increase the costs of construction, architectural, engineering, and/or permits ("Additional Tenant Improvement Allowance") will be provided by Lessor and amortized at 6.5% interest over the lease term and will be paid monthly as additional rent by KCHA or paid in full within thirty (30) days after lease commencement. Lessor shall contract for all tenant improvements including architectural and engineering. All Tenant Improvements will be completed by within ninety (90) days of this Agreement being fully executed. Throughout the Term, KCHA shall have the right to make certain changes to the existing improvements on the Premises for the accommodation of KCHA's use and changing needs at its sole cost. KCHA will seek prior approval from Lessor if interior alterations exceed \$50,000 per fiscal year and/or require any permitting.

9. **Repair and Maintenance:**

a. **Responsibilities of KCHA** - During the term of this Agreement, and any extension thereof, KCHA shall, at its sole cost, repair and maintain the interior of the Building and any specialized improvements on the Premises in a sanitary and safe condition and in compliance with the terms, covenants and conditions of this Agreement and all applicable federal, state and local laws, rules and regulations ("**Applicable Laws**"). KCHA will not be responsible for any capital replacements (i.e. replacement of an air conditioning unit) unless such replacement is required due to negligent acts of KCHA which surpass normal wear and tear.

b. **Responsibilities of Lessor** – During the term of this Agreement, and any extension thereof, Lessor shall, at its sole cost, repair and maintain the exterior of the premises, including, but not limited to, the roof, walls, all structural portions, landscaping and parking lots, HVAC, plumbing and electrical systems in a clean, sanitary and safe condition to the satisfaction of KCHA and in compliance with the terms, covenants and conditions of this Agreement and all applicable laws for a Class B medical office building. Repairs or replacements caused by negligent acts of KCHA or their invitees shall be the responsibility of KCHA.

10. **Utilities and Services:** KCHA shall pay, during the term of this Agreement or any holding over of the term, for all utilities used by KCHA in connection with its operations on the Premises. The term "utilities" for the purposes of this Agreement shall include, without limitation, gas, electricity, and HVAC. Other utilities (water, sewer, trash removal, and refuse disposal services) shall be the responsibility of the Lessor. KCHA shall be solely responsible for any medical and/or hazardous waste removal and disposal.

11. **Janitorial** – KCHA shall, at its sole cost, contract for janitorial services to the Premises.

12. **Taxes and Assessments:** Lessor will be responsible for all building operating expense (including, but not limited to, property taxes and operating expenses). If, during the Lease Term, KCHA's proportionate share of operating expenses and property taxes for the Building exceeds the

amount of operating expenses and property taxes for the 2018 calendar base year (“Base Year”), KCHA shall be responsible for the increase.

13. Signs: KCHA, at its sole cost, shall have the right to affix and install building signage on both sides of the building (F Street and Westchester Parking), directory signage, and suite entry signage to identify the Premises, and such sign shall be approved by Lessor and comply with all applicable laws, ordinances, and regulations, including those of KCHA. Any damage to the Premises caused by the installation and maintenance of any such sign and the cost of removal or obliteration thereof, and any repairs necessitated upon the expiration or termination of this Agreement, shall be paid by KCHA.

14. Damage and Destruction: If the Premises shall be damaged or destroyed by fire or casualty, not the fault of KCHA or any person in or about the Premises with the express or implied consent of the KCHA, this Agreement shall be immediately terminated.

15. Condemnation: If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain, this Agreement shall terminate as to the part so taken as of the date of taking, and, in the case of a partial taking, either Party shall have the right to terminate this Agreement as to the balance of the Premises by notice to the other Party within 30 days after such date.

16. Right of Inspection: Lessor shall have the right to enter upon the Premises with reasonable notice to KCHA, to inspect the Premises.

17. Hazardous Materials:

a. Receipt of Notice of Violation - If either party becomes aware of or receives notice or other communications concerning any actual, alleged, suspected, or threatened violation of any Environmental Requirements, or liability of either party in connection with the Premises or past or present activities of any person thereon, then the noticed party shall deliver to the other party within 10 days of receipt of such notice or communication, a written description of said violation, liability, correcting information, or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not create any obligation on the part of the noticed party to defend or otherwise respond to any such notification. Environmental Requirements, as used in this Agreement, shall be defined as stated in **Exhibit “A.”**

18. Indemnification:

a. In General – Each Party agrees to defend, hold harmless, and indemnify the other Party (and the other Party’s officers, employees, trustees, agents, successors, assigns, and invitees, collectively referred to as the “**Indemnified Parties**”) against all claims, suits, expenses (including staff time, reasonable attorney’s fees, and fees of County Counsel), losses, penalties, fines, costs, and liability whether in contract, tort, or strict liability (including but not limited to personal injury, death at any time, and property damage) arising out of or made necessary by **i)** the indemnifying Party’s breach of the terms of this Agreement; **ii)** the negligent or willful acts or omissions of the indemnifying Party and its Indemnified Parties in connection with performance of this Agreement; and **iii)** the presence of the indemnifying Party and its Indemnified Parties on the other Party’s premises. In the event that any action or proceeding is

brought against a Party by reason of any claim or demand discussed in this **Section 18**, upon reasonable notice from the other Party, the indemnifying Party shall defend the action or proceeding at the other Party's expense through counsel reasonably satisfactory to the other Party. The obligations to indemnify set forth in this **Section 18** shall include reasonable attorney's fees, investigation costs, and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand is to be made. The indemnifying Party's obligations under this **Section 18** shall apply regardless of whether the other Party or its Indemnified Parties are actively or passively negligent, but shall not apply to any loss, liability, fine, penalty, forfeiture, cost, or damage determined by an arbitrator or court of competent jurisdiction to be caused solely by the negligence or willful misconduct of the other Party and its Indemnified Parties.

b. Environmental - In addition, Lessor shall indemnify, hold harmless, and defend KCHA and the Indemnified Parties against any and all Claims arising out of or in any way connected with any deposit, spill, discharge, or other release of any Hazardous Materials at any time during KCHA's occupancy of the Premises which arises at any time as a result of any uses at, on, or from the Premises (not due to the occupancy of the Premises by KCHA), or as a result of Lessor's failure to provide any or all information, make any or all of its submissions, and take any or all steps required by any governmental authority or court which has jurisdiction or by any Environmental Requirements.

c. Survival of Indemnification Obligations - The obligations under this **Section 18** shall survive the expiration or termination of this Agreement.

19. Release and Waiver; Waiver of Civil Code Section 1542:

a. Release and Waiver – Lessor releases KCHA and the Indemnified Parties from all Claims, and waives all Claims against KCHA and the Indemnified Parties, that it may have as of the Execution Date, or may have in the future, relating to this Agreement and any acts or omissions of KCHA or the Indemnified Parties, unless the Claim is due to the sole default, act or failure to act, negligence, or willful misconduct of KCHA or the Indemnified Parties.

b. Waiver of Civil Code Section 1542 - Lessor waives all rights under California Civil Code 1542, and all rights arising under any similar laws, whether local, state, or federal. Section 1542 provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement.”

20. Lessor Maintenance of Insurance: In order to protect KCHA and the Indemnified Parties against Claims as a result of Lessor Acts, Lessor shall secure and maintain insurance as described below. Lessor shall obtain all insurance required under this **Section 20** and shall file the required certificates of insurance, and required endorsements with KCHA. Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of these insurance requirements. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request by KCHA, Lessor shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named company to the coverage, limits, and provisions shown thereon. Lessor shall promptly deliver a

certificate of insurance, and blanket additional insured endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the Term or as otherwise specified herein. Such certificates and endorsements shall be delivered to KCHA within 30 days of the expiration of any policy and bear a notation evidencing payment of the premium thereof if so requested. Lessor shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Lessor or KCHA as an additional insured.

a. Workers' Compensation and Employer's Liability Insurance Requirements –

1) Workers' Compensation Insurance - Lessor Employees. If Lessor has employees who may perform any services pursuant to this Agreement, Lessor shall submit written proof that Lessor is insured against liability for workers' compensation in accordance with the provisions of California Labor Code section 3700.

2) Workers' Compensation Insurance - Lessor Subcontractors. Lessor shall require any subcontractors to provide workers' compensation for all of the subcontractors' employees, if the subcontractor has employees, unless the subcontractors' employees are covered by the insurance afforded by Lessor. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Lessor shall provide and/or require each subcontractor to provide adequate insurance for the coverage of employees not otherwise covered.

3) Employer's Liability Insurance. Lessor shall also maintain employer's liability insurance with limits of \$1,000,000 each accident/disease/policy limit.

b. Liability Insurance Requirements –

1) In General – Lessor shall maintain in full force and effect, at all times during the Term, the following insurance:

(a) Commercial General Liability Insurance, including without limitation, Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement with KCHA), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Lessor's performance of work under this Agreement. The Commercial General Liability insurance shall contain no exclusions or limitation for independent contractors working on the behalf of the named insured. Lessor shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of this Agreement. The amount of said insurance coverage required by this Agreement shall be at least \$1,000,000 each occurrence for bodily injury and property damage and \$2,000,000 general aggregate.

(b) 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 this Agreement with coverage equal to the policy limits, which shall be at least \$1,000,000 each occurrence.

2) Additional Insureds – The Commercial General Liability and Automobile Liability Insurance required in this **Subparagraph b** shall include

an endorsement naming KCHA and the Indemnified Parties as an additional insured for liability arising out of this Agreement and any operations related thereto. Said endorsement shall be provided using ISO forms or its substantial equivalent providing equal or broader coverage.

3) **Self-Insurance** – Any self-insured retentions in excess of \$100,000 must be declared on the Certificate of Insurance or other documentation provided to KCHA and must be approved by KCHA’s Risk Manager, which may be granted or withheld at KCHA’s Risk Manager’s sole discretion.

4) **Claims-Made** – If any of the insurance coverages required under this Agreement is written on a claims-made basis, Lessor, at Lessor’s option, shall either (i) maintain said coverage for at least three years following the termination of this Agreement with coverage extending back to the Execution Date; (ii) purchase an extended reporting period of not less than three years following the termination of this Agreement; or (iii) acquire a full prior acts provision on any renewal or replacement policy.

c. **Fire and Casualty Insurance** – Lessor shall, at its sole cost, maintain on the Premises a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of at least 100% of full replacement value. The insurance policy shall be issued in the names of KCHA, Lessor, and any lender, as their interests appear. The insurance policy shall provide that any proceeds shall be made payable to Lessor, and Lessor shall apply and use such proceeds as required by **Section 14** subject to the priority rights of any lender. Such insurance shall satisfy the requirements of **Section 20.c**, and shall be issued by a company or companies satisfying the requirements of **Section 20.e**. On or before the Effective Date, Lessor shall deliver to KCHA certificates of insurance indicating that Lessor has complied with the provisions of this **Section 20.c**.

d. **Cancellation of Insurance** – The above-stated insurance coverages required to be maintained by Lessor shall be maintained until the completion of all of Lessor’s obligations under this Agreement. Each insurance policy supplied by Lessor must be endorsed to provide that the coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after ten (10) days written notice in the case of non-payment of premiums, or thirty (30) days written notice in all other cases. Such notice shall be by certified mail, return receipt requested. This notice requirement does not waive the insurance requirements stated herein. Lessor 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.

e. **Insurance Company Rating** – 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 approved in writing by KCHA’s Risk Manager, which may be granted or withheld at the KCHA’s Risk Manager’s sole discretion.

f. **Lessor Self-Insured** – If Lessor is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Lessor shall provide coverage equivalent to the insurance coverages and endorsements required above. KCHA will not accept such coverage unless KCHA’s Risk Manager determines by written acceptance, that the coverage proposed to be provided by Lessor is equivalent to the above-required coverages.

g. **Primary Insurance** – All insurance afforded by Lessor pursuant to this Agreement shall be primary to and not contributing to all insurance or self-insurance maintained by KCHA.

An endorsement shall be provided on all policies, except professional liability/errors and omissions, which shall waive any right of recovery (waiver of subrogation) against KCHA.

h. No Limitations by Policy Limits – Insurance coverages in the minimum amounts set forth herein shall not be construed to relieve Lessor 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, or to preclude KCHA from taking such other actions as are available to it under any other provision of this Agreement or otherwise under Applicable Laws.

i. Failure to Maintain Insurance – Failure by Lessor to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Lessor. KCHA, at its sole option, may terminate this Agreement and obtain damages from Lessor resulting from said breach.

21. KCHA Self-Insurance – KCHA self-insures as a matter of normal business practice, and will continue to self-insure for the term of this Agreement in at least the minimum amounts necessary to meet reasonable risks. KCHA, upon request of Lessor, shall forward documentation to Lessor that demonstrates to Lessor's satisfaction that KCHA self-insures as a matter of normal business practice. Lessor will accept reasonable proof of self-insurance comparable to the above requirements prior to KCHA's entry to the Premises.

22. Liens and Encumbrances: KCHA shall keep the Premises free from any liens and encumbrances arising out of any work performed, material furnished, or obligations incurred by KCHA, or from any other cause.

23. Breach by Parties: In the event of a breach by either party of any term, covenant, or condition, the breaching party shall have 30 days to cure said breach after receiving written notice from the non-breaching party. If the breaching party fails to cure within the stated time periods, the non-breaching party may exercise its remedies under **Section 24**.

24. Remedies:

a. Breach by KCHA - In the event of a breach by KCHA, Lessor shall have the right to either terminate KCHA's right to possession of the Premises, by giving written notice of termination to KCHA, and thereby terminating this Agreement or to have this Agreement continue in full force and effect with KCHA at all times having the right to possession of the Premises.

b. Breach by Lessor - In the event of a breach by Lessor, KCHA shall have the right to terminate the Agreement by giving written notice of termination to Lessor or elects to have this Agreement continue in full force and effect in which Lessor shall remain liable to perform all of its obligations under this Agreement and KCHA may enforce all of KCHA's rights and remedies. If Lessor fails to maintain and protect the same as herein provided, KCHA shall have the right **(i)** to do all things necessary or appropriate to maintain, preserve and protect the Premises, and **(ii)** to withhold rents to reimburse KCHA for all amounts reasonably expended by KCHA in connection with the maintenance, preservation, and protection of the Premises by the Lessor as outlined in this Agreement.

c. Remedies Not Exclusive - No right or remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other right or remedy herein or by law, provided that each shall be cumulative and in addition to every other right or remedy given herein or now, or hereafter existing at law or in equity or by statute.

25. **No Waiver of Breach:** The waiver by the Parties of any term, covenant, or condition contained in this Agreement must be in writing and shall not be deemed to be a waiver of any subsequent breach of the term, covenant or condition contained in this Agreement, and no custom or practice that may arise between the Parties during the course of this Agreement shall be construed to waive or lessen the right of a Party to the performance by the other Party in strict accordance with the terms of this Agreement.

26. **Force Majeure:**

a. **Definition** - Neither Party shall be held responsible or be deemed to be in default under this Agreement for any delay in performance or failure to perform any of its obligations, if such delay or failure is the result of causes beyond the control and without negligence of the Party. Such causes include, without limitation, acts of nature, strikes, lockouts, riots, insurrections, civil disturbances or uprisings, sabotage, embargoes, blockages, acts of war or terrorism, acts or failure to act by any governmental or regulatory body (whether civil or military, domestic or foreign), governmental regulations superimposed after the fact, communication line failures, power failures, fires, explosions, floods, accidents, epidemics, earthquakes, tsunamis, or other natural or man-made disasters (“**Force Majeure**”). Lack of funds shall not be a Force Majeure event.

b. **Consequences** - The Party affected by a Force Majeure event, upon giving prompt notice to the other Party, shall be excused from performance to the extent of such prevention, restriction, or interference, on a day-to-day basis until the Force Majeure event is removed, and the other Party shall likewise be excused from performance of its obligation which relate to the performance so prevented, restricted, or interfered with. The affected Party shall use its best efforts to avoid or remove the causes of nonperformance and to minimize the consequences thereof, and both Parties shall resume performance when the Force Majeure event is removed.

27. **Quiet Possession:** KCHA, in keeping and performing the terms, covenants and conditions herein contained on the part of KCHA to be kept and performed, shall at all times during the term of this Agreement peaceably and quietly have, hold, and enjoy the Premises.

28. **Assignment and Subletting:**

a. **No Assignment or Subletting** - KCHA shall not assign, transfer, mortgage, or otherwise convey this Agreement, or any of its rights and interests hereunder, including its leasehold rights and interests granted by this Agreement, without the prior written consent of the Lessor.

b. **Change in Ownership** – If Lessor sales, transfers, or in any way changes the ownership of the Premises, Lessor will provide KCHA adequate written notice of the change in ownership and allow KCHA an opportunity to form an agreement with the new ownership and/or terminate this Agreement.

29. **Surrender of Premises:** On the last day of the term, or extension thereof, or sooner termination of this Agreement, KCHA shall peaceably and quietly leave, surrender, and yield up to

Lessor the Premises, in as good a condition and state of repair as it existed on the Execution Date subject to damage by Force Majeure.

30. Notices: All notices herein provided to be given, or which may be given, by either Party to the other shall be deemed to have been fully given when made in writing and deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

To Lessor: ATA Properties, LLC
2108 24th Street, Suite 5
Bakersfield, CA 93301
Attn: Rick Cottrell

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

The address to which the notices shall be mailed to either Party may be changed by written notice given by such Party to the other, but nothing shall preclude the giving of any such notice by personal service.

31. Miscellaneous Provisions:

a. Negation of Partnership - KCHA shall not become or be deemed a partner or joint venturer with Lessor or associate in any relationship with Lessor other than that of landlord and tenant by reason of the provisions of this Agreement. Lessor shall not for any purpose be considered an agent, officer, or employee of KCHA.

b. Conflict of Interest - The Parties have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. All Parties agree that they are unaware of any financial or economic interest of any public officer or employee of KCHA relating to this Agreement. It is further understood and agreed that if such a financial interest does exist as of the Execution Date, KCHA may immediately terminate this Agreement by giving written notice to Lessor. KCHA shall comply with the requirements of Government Code Section 87100 et seq. during the term of this Agreement.

c. Nondiscrimination - KCHA, in the use of the Premises and in the operations to be conducted under this Agreement, shall not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, religion, ancestry, sex, or national origin in any manner prohibited by federal, state, or local laws or policies.

d. Incorporation of Prior Agreements - This Agreement contains all agreements of the Parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.

e. Remedies not Exclusive - The use by either Party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive such Party of, or limit the application of, any other remedy provided by law, at equity, or otherwise.

f. Severability - If any part, term, portion, or provision of this Agreement is decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such

remaining portions or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into in the first instance.

g. Governing Law; Venue - The Parties agree that the provisions of this Agreement shall be construed pursuant to the laws of the State of California. If either Lessor or KCHA initiates an action to enforce the terms of this Agreement or declare rights hereunder, including actions on any bonds and/or surety agreements, the venue thereof shall be the County of Kern, State of California, it being understood that this Agreement is entered into, and will be performed, within the County of Kern.

h. Compliance with Laws - Lessor shall, at its sole cost, promptly comply with all Applicable Laws, including Environmental Requirements, which may in any way apply to the use, operation, repair, maintenance, occupation of, or operations or construction on, the Premises.

i. Successors - Subject to **Section 28**, all terms, covenants, and conditions of this Agreement shall extend to, be binding upon, and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective Parties.

j. No Third Party Beneficiaries - This Agreement is made for the sole benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns, and no other persons shall have any right of action hereon.

k. Covenants and Conditions - Each provision of this Agreement performable by Lessor and KCHA shall be deemed both a covenant and a condition.

l. Modification - This Agreement may be modified or amended only by a written document signed by both Parties.

m. Authorization - Each individual executing this Agreement on behalf of either Party represents and warrants that he/she is duly authorized to execute and deliver this Agreement on behalf of that Party, and that this Agreement is binding upon both Parties in accordance with its terms.

n. Construction - The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

o. Recitals - Each of the recitals is incorporated in this Agreement by reference as if fully set forth in this Agreement at length, is deemed to be the agreement and a reflection of the intent of the Parties, and is relied upon by the Parties in agreeing to the provisions of this Agreement and in interpreting its provisions.

p. Captions - Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement.

q. Exhibits - All exhibits attached to this Agreement are incorporated into this Agreement by reference.

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

The Parties have executed this Agreement on the Execution Date.

KERN COUNTY HOSPITAL AUTHORITY

ATA PROPERTIES, LLC

By _____
Russell V. Judd
Chief Executive Officer
"KCHA"

By _____
Name
Title
"Lessor"

APPROVED AS TO CONTENT:
Kern Medical Center

By _____
Scott Thygerson
Chief Strategy Officer

APPROVED AS TO FORM:
Office of County Counsel

By _____
Deputy

DEFINITION OF ENVIRONMENTAL TERMS

For the purpose of this Agreement, the following terms and words shall have the meaning given below:

1. **Environmental Requirements.** All applicable present and future statutes, regulations, rules, ordinances, codes, leases, permits, orders, approvals, plans, authorizations, and similar items of any governmental agency, department, commission, board, bureau, or instrumentality of the United States of America, California, or its political or municipal subdivisions, and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human life or the environment.
2. **Hazardous Materials.** All flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminates, hazardous waste, toxic substances or related materials, petroleum products, and any substances declared to be hazardous or toxic under any present or future Environmental Requirements or which requires investigation or remediation under any present or future federal, state, or local law, statute, regulation, environmental requirement, order, or rule.



SKARPHOL ASSOCIATES
 PAUL SKARPHOL, ARCHITECT
 1801 OAK STREET - SUITE 111
 OAKLAND, CA 94612
 (415) 764-7241
 paul@skarphol.com
 skarpholassociates.com

This drawing, when combined with other drawings, shall constitute the entire contract for the work shown hereon. No part of this drawing shall be used for any other purpose without the written consent of the architect. The architect shall not be responsible for construction methods or details not shown hereon.

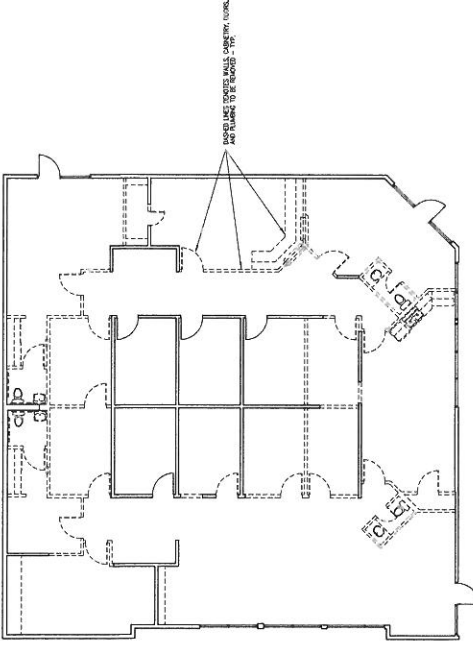


- DEMOLITION NOTES**
- REMOVE ALL WALLS AND PARTITIONS AND FINISH AS SHOWN ON THIS PLAN.
 - ALL EXISTING CEILING MATERIALS TO BE REMOVED AND DISPOSED OF AS SHOWN ON THIS PLAN. ALL EXISTING PARTITIONS TO BE DEMOLISHED AND DISPOSED OF AS SHOWN ON THIS PLAN.
 - ALL EXISTING FLOOR FINISHES TO BE REMOVED AND DISPOSED OF AS SHOWN ON THIS PLAN.
 - CONTRACTOR SHALL OBTAIN ALL PERMITS AND PAY ALL FEES ASSOCIATED WITH THIS PROJECT.
 - CONTRACTOR SHALL TAKE APPROPRIATE MEASURES TO MAINTAIN THE INTEGRITY OF THE EXISTING STRUCTURE AND UTILITIES.
 - REFER TO SUPPLEMENTAL DRAWINGS FOR THE LOCATION OF ALL UTILITIES.
 - PROTECT ALL EXISTING UTILITIES AND STRUCTURE NOT TO BE DEMOLISHED.

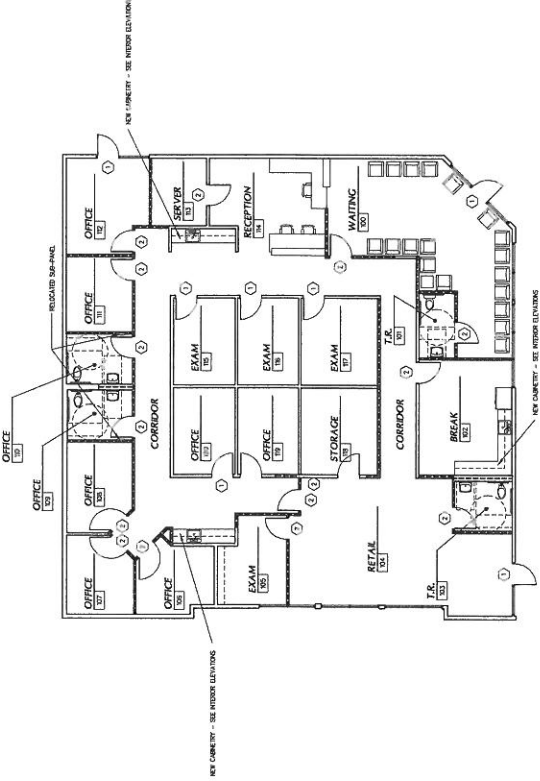
- WALL LEGEND**
- EXISTING PARTITION WALL CONSTRUCTION
 - EXISTING STRUCTURAL FRAME SYSTEM
 - 3" x 6" CMU WALL, EDGE 8" x 8" x 6" OF
 - NEW 2"-4" WICK DOOR

- DOOR SCHEDULE / NOTES**
- EXISTING 2'-0" WICK DOORS TO REMAIN
 - NEW 2'-4" WICK DOOR

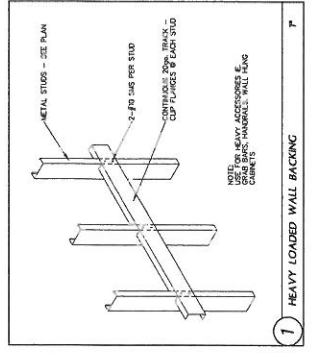
- FLOOR PLAN NOTES**
- REMOVE EXISTING WALLS AND PARTITIONS AS SHOWN ON THIS PLAN. ALL EXISTING CEILING MATERIALS TO BE REMOVED AND DISPOSED OF AS SHOWN ON THIS PLAN.
 - ALL EXISTING FLOOR FINISHES TO BE REMOVED AND DISPOSED OF AS SHOWN ON THIS PLAN.
 - CONTRACTOR SHALL OBTAIN ALL PERMITS AND PAY ALL FEES ASSOCIATED WITH THIS PROJECT.
 - CONTRACTOR SHALL TAKE APPROPRIATE MEASURES TO MAINTAIN THE INTEGRITY OF THE EXISTING STRUCTURE AND UTILITIES.
 - REFER TO SUPPLEMENTAL DRAWINGS FOR THE LOCATION OF ALL UTILITIES.
 - PROTECT ALL EXISTING UTILITIES AND STRUCTURE NOT TO BE DEMOLISHED.



DEMOLITION PLAN
 1/8"



FLOOR PLAN
 1/8"



**KERN MEDICAL
 TENANT IMPROVEMENT**

2300 F STREET
 BAYESFIELD, CALIFORNIA

NO.	REVISION
1	ISSUE FOR PERMIT

NO.	DESCRIPTION

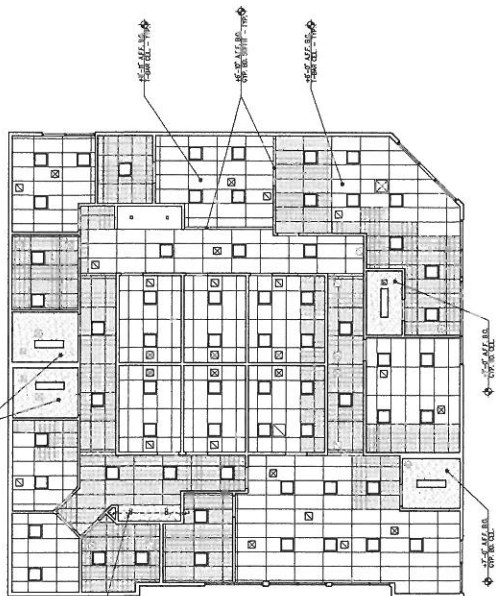
DATE	BY	APP'D

NOT FOR CONSTRUCTION
 PROGRESS SET - 2/21/17



- CEILING PLAN LEGEND**
- EXISTING EXPOSED BRASS SYRINX AND CEILING
 - EXISTING 1" x 4" BRASS CEILING 1/4" ALUMINUM LATH
 - EXISTING 1" x 4" BRASS CEILING TO MATCH EXISTING
 - EXISTING 2' x 4' SUPPLY
 - EXISTING 2' x 4' RETURN
 - EXISTING RETURN
 - EXISTING RECESSED CAN LIGHTS
 - EXISTING EXHAUST FAN
 - NEW EXPOSED BRASS SYRINX AND CEILING
 - NEW 1" x 4" BRASS CEILING OVER 1/4" ALUMINUM LATH CEILING
 - TILES TO MATCH EXISTING
 - NEW 1" x 4" BRASS CEILING OVER 1/4" ALUMINUM LATH CEILING
 - NEW EXHAUST FAN

- CEILING PLAN NOTES**
1. ALL CHANGES ARE EXISTING UNLESS NOTED OTHERWISE.
 2. REPLACE ALL EXISTING BRASS SYRINX AND CEILING.
 3. CLEARANCE TO REPLACE ALL EXISTING BRASS SYRINX AND CEILING.
 4. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.
 5. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.
 6. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.
 7. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.

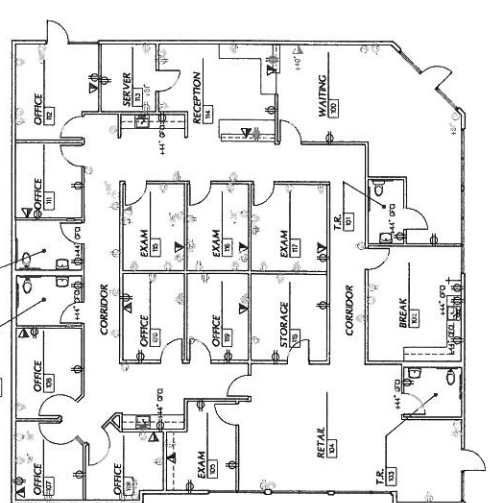
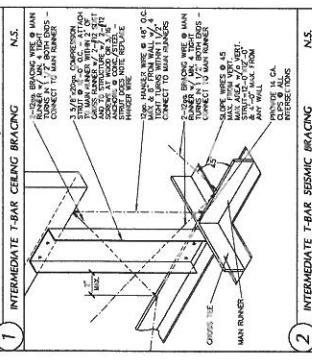
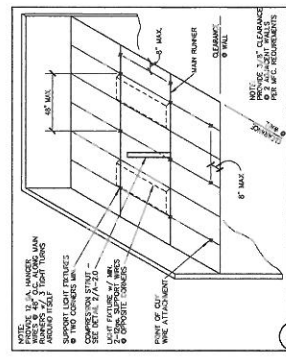


CEILING PLAN
1/8"

1/8"

- POWER & SIGNAL NOTES**
1. POWER AND SIGNAL LOCATIONS ON THIS PLAN ARE ONLY APPROXIMATE. THE CONTRACTOR SHALL VERIFY THE EXISTING CONDITIONS AND MAKE NECESSARY ADJUSTMENTS TO THE PLAN AND SIGNAL LOCATION.
 2. CONTRACTOR IS RESPONSIBLE FOR ANY DESIGN AND/OR MATERIALS CHANGES TO THE PLAN AND SIGNAL LOCATION.
 3. CONTRACTOR SHALL VERIFY THE EXISTING CONDITIONS AND MAKE NECESSARY ADJUSTMENTS TO THE PLAN AND SIGNAL LOCATION.
 4. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.
 5. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.
 6. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.
 7. PROVIDE ALL NECESSARY MATERIALS FOR A COMPLETE INSTALLATION.

- POWER & SIGNAL LEGEND**
- EXISTING**
- EXISTING SIGNAL
 - EXISTING POWER
 - EXISTING RECEPTACLE
 - EXISTING RECEPTACLE
 - EXISTING JUNCTION BOX
- NEW**
- NEW SIGNAL
 - NEW POWER
 - NEW RECEPTACLE
 - NEW JUNCTION BOX



CEILING PLAN
1/8"

1/8"

NOT FOR CONSTRUCTION
 PROGRESS SET - 2.21.14

2020 F STREET
 BAKERSFIELD, CALIFORNIA

DATE	REVISION

A-2.0



SKARPHOL ASSOCIATES
 PAUL HARRISON, ARCHITECT
 1801 OAK STREET SUITE 111
 SAN FRANCISCO, CA 94115
 (415) 774-2741
 paul.harrison@skarphol.com
 skarphol.com

This drawing, when submitted, was prepared by the architect and is not to be used for any other project without the written consent of the architect. The architect is not responsible for any errors or omissions in this drawing. The architect is not responsible for any construction methods or materials not shown in this drawing. The architect is not responsible for any construction methods or materials not shown in this drawing.



FINISH NOTES

1. ALL FINISHES TO BE INSTALLED FROM TOP TO BOTTOM AND FROM LEFT TO RIGHT.
2. PAINT ALL DOORS WITH PRIMER AND FINISH COLOR - BLACK.
3. ALL WALLS TO BE PAINTED WITH PRIMER AND FINISH COLOR - BLACK.
4. THE CONTRACTOR IS RESPONSIBLE FOR PROVIDING PROPER PROTECTION FOR ALL EXISTING WORK AND FOR REPAIRING AND REFINISHING ALL DAMAGED WORK.
5. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
6. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
7. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
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11. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
12. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.

FLOOR FINISH

1. MODULAR CARPET BY ALISON CONTRACT.
2. CARPET TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
3. CARPET TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
4. CARPET TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
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11. CARPET TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
12. CARPET TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.

WALL BASE

1. 4" MASONRY WALL BASE TO BE SELECTED.
2. WALL BASE TO BE SELECTED.
3. WALL BASE TO BE SELECTED.
4. WALL BASE TO BE SELECTED.
5. WALL BASE TO BE SELECTED.
6. WALL BASE TO BE SELECTED.
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9. WALL BASE TO BE SELECTED.
10. WALL BASE TO BE SELECTED.
11. WALL BASE TO BE SELECTED.
12. WALL BASE TO BE SELECTED.

WALLS / TILE / WAANSKOT

1. WALLS TO BE SELECTED.
2. WALLS TO BE SELECTED.
3. WALLS TO BE SELECTED.
4. WALLS TO BE SELECTED.
5. WALLS TO BE SELECTED.
6. WALLS TO BE SELECTED.
7. WALLS TO BE SELECTED.
8. WALLS TO BE SELECTED.
9. WALLS TO BE SELECTED.
10. WALLS TO BE SELECTED.
11. WALLS TO BE SELECTED.
12. WALLS TO BE SELECTED.

PAINT

1. PRIMER TO BE SELECTED.
2. PRIMER TO BE SELECTED.
3. PRIMER TO BE SELECTED.
4. PRIMER TO BE SELECTED.
5. PRIMER TO BE SELECTED.
6. PRIMER TO BE SELECTED.
7. PRIMER TO BE SELECTED.
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9. PRIMER TO BE SELECTED.
10. PRIMER TO BE SELECTED.
11. PRIMER TO BE SELECTED.
12. PRIMER TO BE SELECTED.

MELTWORK / LAMINATE SCHEDULE

1. MELTWORK TO BE SELECTED.
2. MELTWORK TO BE SELECTED.
3. MELTWORK TO BE SELECTED.
4. MELTWORK TO BE SELECTED.
5. MELTWORK TO BE SELECTED.
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9. MELTWORK TO BE SELECTED.
10. MELTWORK TO BE SELECTED.
11. MELTWORK TO BE SELECTED.
12. MELTWORK TO BE SELECTED.

INTERIOR ELEVATION NOTES

1. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
2. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
3. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
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11. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
12. ALL FINISHES TO BE INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.

KEY NOTES

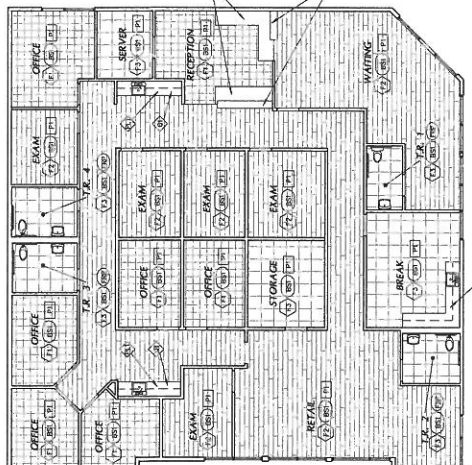
1. FACE OF TILED SURFACE FINISH - SEE FINISH PLAN.
2. PLASTIC LAMINATE FINISH TLY - SEE FINISH PLAN.
3. MASONRY WALL BASE - SEE FINISH PLAN.
4. BANK OF MASONRY - PLASTIC LAMINATE FINISH TLY - SEE FINISH PLAN.
5. TIE ROD.
6. FINISH TO BE MATCHED BY - SEE FINISH PLAN.
7. FINISH TO BE MATCHED BY - SEE FINISH PLAN.
8. FINISH TO BE MATCHED BY - SEE FINISH PLAN.
9. FINISH TO BE MATCHED BY - SEE FINISH PLAN.
10. FINISH TO BE MATCHED BY - SEE FINISH PLAN.
11. FINISH TO BE MATCHED BY - SEE FINISH PLAN.
12. FINISH TO BE MATCHED BY - SEE FINISH PLAN.

KERN MEDICAL TENANT IMPROVEMENT

2020 F STREET
 PAKENSBELD, CALIFORNIA

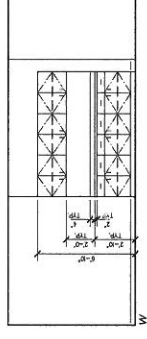
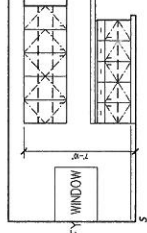
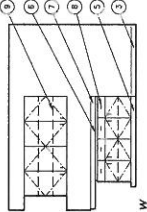
DATE	ISSUED FOR	DESCRIPTION

APP. SHEET	A-30
DATE	
BY	
CHECKED BY	



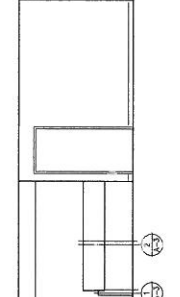
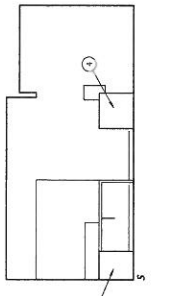
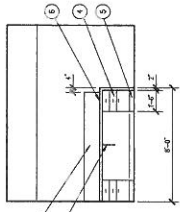
1/8"

FINISH PLAN



BREAK ROOM

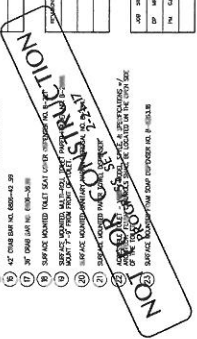
NURSES STATION 2



NURSES STATION 1 / MA STATION

INTERIOR ELEVATIONS

1/4"



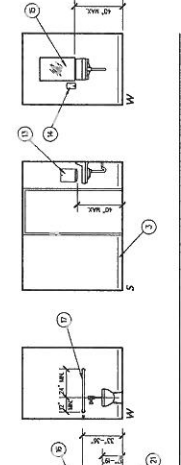
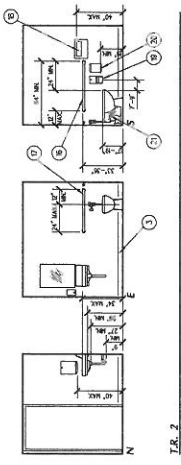
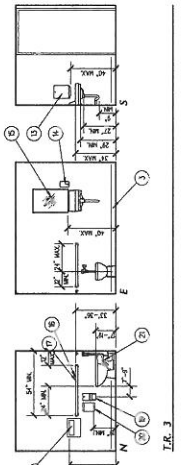
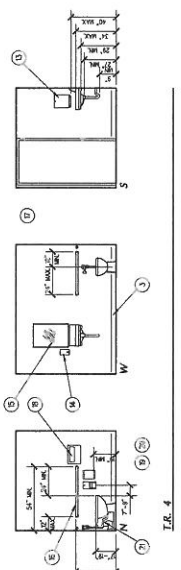
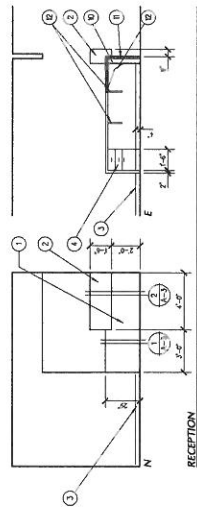


SKARPHOL ASSOCIATES
 PAUL HANERD, ARCHITECT
 1800 GAY STREET SUITE 100
 SAN FRANCISCO, CALIFORNIA
 (415) 354-5741
 skaphol@earthlink.net

The drawings, specifications, notes, and schedules are prepared by the architect and are to be used in accordance with the contract documents. The contractor is responsible for obtaining all necessary permits and for complying with all applicable laws, codes, and regulations. The architect is not responsible for the contractor's interpretation of the drawings or for the contractor's failure to comply with the contract documents.



- KEY NOTES**
- 1 FACE OF SOLID SURFACE FINISH UP - SEE FINISH PLAN
 - 2 PLASTIC LAMINATE FINISH TYP - SEE FINISH PLAN
 - 3 RIBBED WALL BRACE - SEE FINISH PLAN
 - 4 BANK OF BRANDES OF PLASTIC LAMINATE FINISH TYP - SEE FINISH PLAN
 - 5 TOP COAT
 - 6 COATED TOP TO MATCH TYP - SEE FINISH PLAN
 - 7 BACKPLANK
 - 8 DIMENSION BY FACE WALL
 - 9 ADJUSTABLE SHELF
 - 10 COUNTER STRUCTURE BY OTHERS
 - 11 HITCHES AREA COORDINATE LOCATION OF SOLID SURFACE TOP
 - 12 BRACE COORDINATE TOP AS NOTED
 - 13 SURFACE MOUNTED WARE TROUGH, DIMENSION AS SHOWN
 - 14 SURFACE MOUNTED SINK, DIMENSION AS SHOWN
 - 15 STAINLESS STEEL CHINA/PLATE WARE, MODEL NO. 100-100-100
 - 16 4" CHINA (SEE NO. 100-100-100)
 - 17 SURFACE MOUNTED TRAY, 12" X 12" (SEE DIMENSION NO. 100-100-100)
 - 18 SURFACE MOUNTED SINK, 12" X 12" (SEE DIMENSION NO. 100-100-100)
 - 19 SURFACE MOUNTED SINK, 12" X 12" (SEE DIMENSION NO. 100-100-100)
 - 20 SURFACE MOUNTED SINK, 12" X 12" (SEE DIMENSION NO. 100-100-100)
 - 21 SURFACE MOUNTED SINK, 12" X 12" (SEE DIMENSION NO. 100-100-100)
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1/4"

INTERIOR ELEVATIONS

KERN MEDICAL
 TENANT IMPROVEMENT

250 F STREET
 BAKERSFIELD, CALIFORNIA

DATE	PROJECT NO.
2-10-10	1000000000
	DESIGN PLAN
	SECTION

EXISTING	

DATE	PROJECT NO.
2-10-10	1000000000
	DESIGN PLAN
	SECTION

NOT FOR CONSTRUCTION
 PROGRESS SET - 2/10/10

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

May 17, 2017

Subject: Report on Graduate Medical Education Annual Institutional Review for 2016-2017

Recommended Action: Receive and File

Summary:

Kern Medical represents the Sponsoring Institution (SI) for five ACGME-accredited residency programs and two ACGME-accredited fellowships. In preparation for this annual report, the DIO in conjunction with the Graduate Medical Education Committee (GMEC) performed a standardized review of these programs and identified performance indicators that included notification of each of the programs' accreditation statuses and self-study visits, review of recent ACGME survey of residents/fellows and core faculty members, and internal reviews of programs utilizing both the Annual Program Evaluations and specific program workbooks.

In review of the indicators above, we are pleased to announce that all our programs and fellowships have continued accreditation through the ACGME with the exception of the Surgery Residency Program which remains on probation. Indeed, our GME programs continue to grow and evolve, with recruitment of new core faculty across all specialties interested in both clinical and academic medicine. In addition, residency programs in Emergency Medicine and Internal Medicine have recently added new training slots, with similar expansion planned for Psychiatry and Obstetrics and Gynecology in the upcoming year.

The SI and GMEC have also sponsored ACGME lectures on a wide variety of topics during the last academic year, improving both resident and faculty development.

The SI also underwent its second cycle visit for the Clinical Learning Environment Review in April of 2016. The CLER visit provided us the necessary guidance to improve the GME experience at Kern Medical. Based on that visit, the DIO and GMEC have begun formulating plans to include all residents and faculty into meaningful quality improvement projects; improving faculty supervision and resident workloads across all programs; and promoting faculty and resident development focused on physician well-being and satisfaction.

Several notable accomplishments were identified during the annual review:

- Kern Medical has prioritized faculty recruitment to fill in gaps in both primary and specialty services which in turn further support our GME residencies. Of note, the institution has been able to recruit faculty in all five residencies, including a new Chair of Medicine and has further enhanced the services provided by Radiology and Anesthesiology.
- As Kern Medical continues to evolve and grow, its importance to this community as a tertiary referral center, Level II trauma center, and public safety net hospital has become more evident. The institution has been able to recruit ancillary support staff across the allied health professions to support the residents and faculty in their endeavors.
- A patient care committee has been formed where resident representatives discuss and review the needs of the residents in regard to improving patient care. This has directly resulted in the purchase of two ultrasound machines for the ED and further improvements as needed.
- Expansion of Kern Medical's Robotic Surgery Program has resulted in procedures being performed by general surgeons, bariatric surgeons, and gynecologists, in addition to the urologists. This has expanded the case volume for our surgical-based residencies.
- A robust IRB continues to support resident and faculty scholarly activity which is showcased in an annual Research Forum.
- NIH-funded research project regarding early treatment of Pulmonary Coccidioidomycosis was started this past academic year and represents the first randomized approach in identifying and treating patients early in the course of their infection.
- ACGME lecture series regarding patient safety was initiated during this academic year; topics include an overview of patient safety, hand-off communication, urinary tract infections, medication errors, sepsis, patient ID and falls, and infection control.
- New dedicated resident workrooms will open at the conclusion of this calendar year and will improve the resources the SI provides for its GME programs.
- A new dedicated Student Union building will open this April which will help support the UME programs.
-

Several opportunities for improvement were also identified through our annual review:

- Maintaining and promoting continued full accreditation status for all our sponsored programs.
- Ongoing need for faculty recruitment in primary and specialty areas, with an emphasis on faculty who are dedicated to GME.
- Creation of a structured faculty development lecture series and projects as directed by the GMEC.
- Improving the resources the SI provides, including improved EMR and ancillary services, to promote and enhance physician workloads for both faculty and residents.
- Creating pathways of successorships for Program Directors and Coordinators.
- Promoting a more robust and integrated affiliation of our residency programs with those of UCLA and its School of Medicine.

Finally, all our GME programs have begun the process to align our priorities with the strategic initiatives of Kern Medical. The residency programs will be a vital part of the integrated delivery system while improving the overall patient experience. The accomplishments listed previously have improved our pathway towards academic excellence. As the SI moves towards a new EMR and data technology system, the GME programs will be a crucial partner in creating a high quality and high reliability data driven organization. Employee engagement and the financial strength and stability of Kern Medical will only further bolster the graduate medical experience.

Overall, since the last institutional report to your Board of Governors, Kern Medical and its GME programs have further aligned our focus, initiatives and goals with that of the ACGME and the CLER pathways and look forward to continuing our maturation process.

Respectfully submitted to the Board of Governors of the Kern County Hospital Authority on May 17, 2017.

Amir Berjis, MD, FACS, FCCP
Designated Institutional Official
Kern Medical



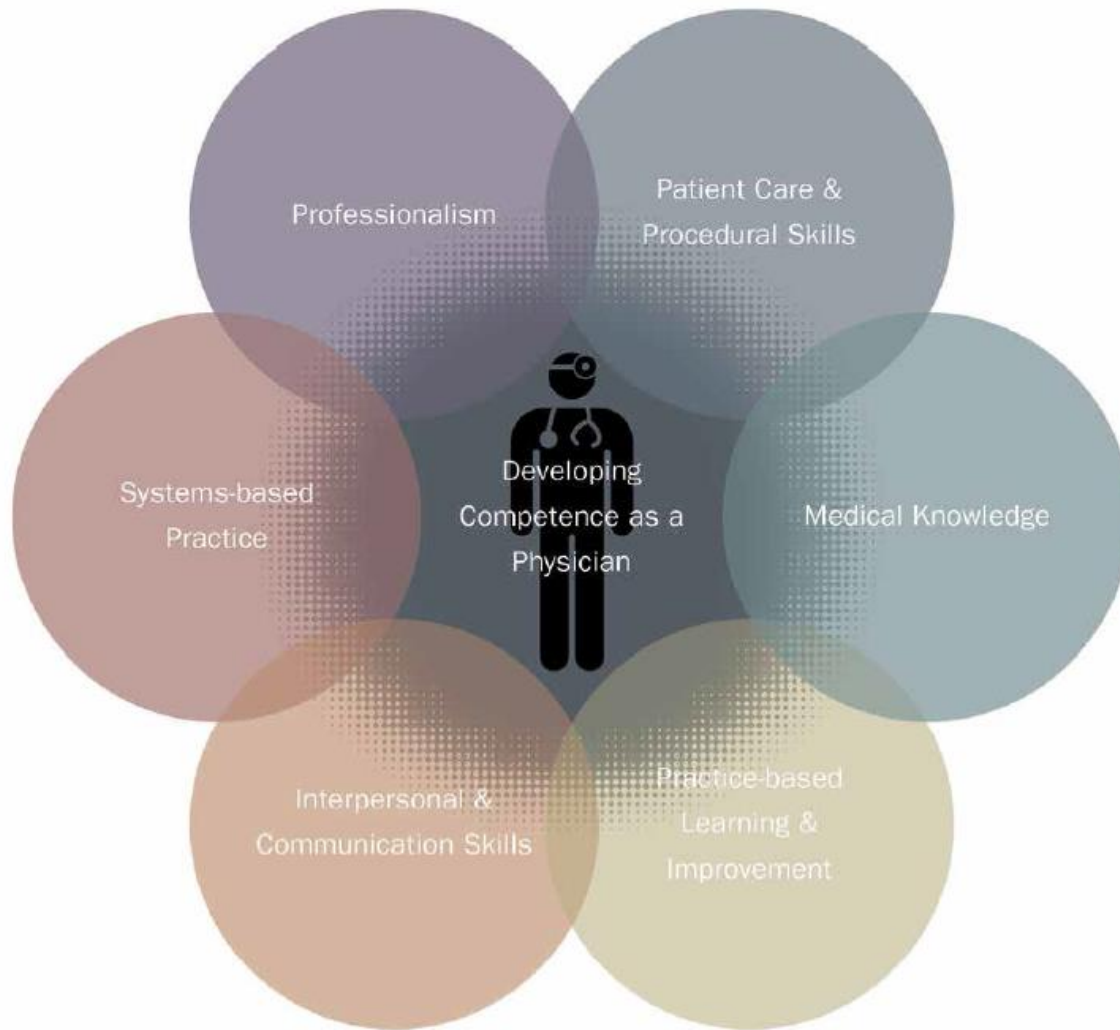
Annual Institutional Report 2016-2017 Executive Summary

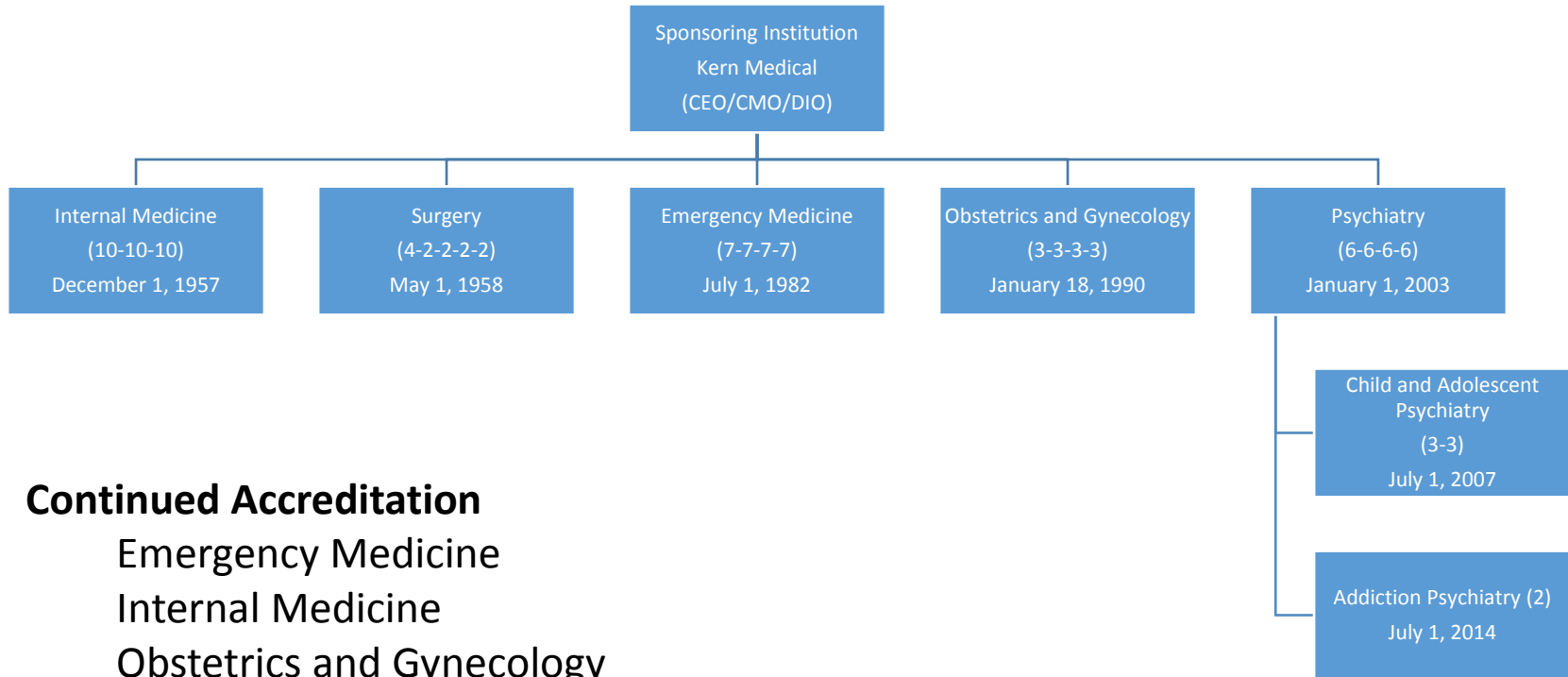
Amir Berjjs, MD, FACS, FCCP
Designated Institutional Official



Accreditation Council for
Graduate Medical Education

- The ACGME is a private, not-for-profit organization that sets standards for US graduate medical education and the institutions that sponsor them
- **Accredits** Sponsoring Institutions and residency and fellowship programs
- Confers **recognition** on additional program components
- Dedicates resources to **initiatives** addressing areas of import in graduate medical education





Continued Accreditation

Emergency Medicine

Internal Medicine

Obstetrics and Gynecology

Psychiatry (Residency and Fellowship Programs)

Probationary Accreditation

Surgery

Participating Program

Rio Bravo Family Medicine Residency Program

Clinical Learning Environment Review

Site Visit: April 26-27, 2016

The CLER Program is designed to provide ACGME-accredited institutions with periodic feedback that addresses the following six focus areas:

- Patient safety
- Health care quality
- Care transitions
- Supervision
- Clinical experience and education (formerly duty hours) and fatigue management and mitigation
- Professionalism

Feedback provided by the CLER program is designed to improve how clinical sites engage resident and fellow physicians in learning to provide safe, high quality patient care.

AIR Highlights

Faculty recruitment

- Chair of Medicine
- New faculty in all specialties, notably Cardiology, Rheumatology, Endocrinology and Interventional Radiology
- Hospitalist Program

Establishment of a new Department of Family Medicine

Expansion of Robotic Surgery Program

- Urology
- General Surgery
- Gynecology

Robust IRB and Research Program

New dedicated resident workrooms

New medical student union

AIR Highlights: Areas for Improvement

Alignment of our GME programs with Kern Medical's Strategic Initiatives

Integrated health delivery system utilizing our resident physicians and faculty

Further faculty recruitment, with emphasis on physicians dedicated to GME

Robust and integrated electronic medical records

Faculty development lectures and programs

Promotion of integrated affiliation with UCLA and its School of Medicine

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

May 17, 2017

Subject: Kern County Hospital Authority, Chief Financial Officer Report

Recommended Action: Receive and File

Summary: Comments regarding Budget Variances for Operating Expenses – March 2017

Other Professional Fees:

Other Professional Fees have an unfavorable budget variance for the month of March 2017 due to fees paid to the law firms of Hall, Hieatt, & Connely, Liebert, Cassidy, & Whitmore, Hammel, Green, & Abrahamson, Foley & Lardner. The following consulting firms were also paid higher than average fees for March 2017: Mercer, Cerner, Kapsis, and Paytech Consulting.

Supplies:

Supplies have an unfavorable budget variance for the month of March 2017 due in part to an invoicing issue with Synthes Prostheses and Medical Devices that is currently being resolved. There were also increased expenses paid to Zones and Dell for information systems infrastructure and to Siemens Healthcare, Medline, Medtronic, and Achilles Prosthetics. Houchin blood expenses were higher than average as were pharmaceuticals. Also, a process change within the Materials Management inventory system has caused a temporary timing issue regarding supply orders that has resulted in some duplication of orders.

Purchased Services:

Purchased Services have an unfavorable budget variance for the month of March 2017 due in part to a true-up for the Medi-Cal Inpatient Program (MCIP) claims. Kern Medical has been holding several claims for inmate services that were contracted out to local area providers for services that are not provided by Kern Medical, pending direction from the state regarding how to process the claims. The pending claims have been entered into the system during the past three months. There were also higher than average expenses for the month paid to Hall Ambulance, CSS Consulting, Health Advocates, and Signature Performance.



**BOARD OF GOVERNORS' FINANCIAL REPORT
KERN MEDICAL – MARCH 2017**

MAY 2017

3-Month Trend Analysis: Revenue & Expense

March 31, 2017

	JANUARY	FEBRUARY	MARCH	BUDGET MARCH	VARIANCE POS (NEG)	PY MARCH
Gross Patient Revenue	\$ 69,400,017	\$ 62,969,164	\$ 72,264,078	\$ 70,525,315	2.5%	\$ 69,160,846
Contractual Deductions	(65,940,667)	(45,371,614)	(49,985,313)	(53,984,666)	(7%)	\$ (51,425,435)
Net Revenue	3,459,350	17,597,550	22,278,765	16,540,649	35%	17,735,411
Indigent Funding	28,757,643	7,687,781	7,752,166	6,876,297	13%	8,079,481
Correctional Medicine	1,976,045	1,976,045	1,976,045	1,942,468	2%	1,085,512
County Contribution	285,911	284,511	285,211	297,260	(4%)	631,414
Incentive Funding	0	0	0	833,334	(100%)	1,500,000
Net Patient Revenue	34,478,949	27,545,887	32,292,187	26,490,008	22%	29,031,818
Other Operating Revenue	959,344	1,038,849	809,739	1,301,414	(38%)	1,086,210
Other Non-Operating Revenue	214,826	86,155	214,841	22,187	868%	24,870
Total Operating Revenue	35,653,119	28,670,891	33,316,767	27,813,609	20%	30,142,898
Expenses						
Salaries	11,698,128	10,299,399	11,670,945	11,293,928	3%	11,057,262
Employee Benefits	6,200,345	5,021,834	6,098,607	5,627,048	8%	5,263,878
Contract Labor	814,787	798,458	893,481	679,439	32%	653,502
Medical Fees	1,373,065	1,453,623	1,466,418	1,391,776	5%	1,196,625
Other Professional Fees	1,409,998	1,901,957	2,068,825	1,546,283	34%	1,354,100
Supplies	3,994,162	4,158,635	4,911,973	3,878,539	27%	5,385,226
Purchased Services	1,486,495	1,675,851	2,075,646	1,214,873	71%	1,206,970
Other Expenses	1,476,020	1,304,296	1,306,633	1,543,038	(15%)	1,765,480
Operating Expenses	28,453,000	26,614,052	30,492,528	27,174,924	12%	27,883,043
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	7,200,119	2,056,838	2,824,239	638,685	342%	2,259,855
EBIDA Margin	20%	7%	8%	2%	269%	7%
Interest	19,168	17,313	19,168	49,973	(62%)	27,572
Depreciation	477,976	467,888	501,432	399,668	25%	420,503
Amortization	20,313	28,424	5,188	49,797	(90%)	43,227
Total Expenses	28,970,457	27,127,677	31,018,316	27,674,362	12%	28,374,345
Operating Gain (Loss)	6,682,662	1,543,213	2,298,451	139,247	1,551%	1,768,553
Operating Margin	19%	5%	7%	0.5%	1,278%	6%

Year-to-Date: Revenue & Expense

March 31, 2017

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Gross Patient Revenue	\$ 599,447,184	\$ 595,631,640	0.6%	\$ 542,025,005	11%
Contractual Deductions	(451,685,331)	(453,730,673)	(0%)	\$ (403,731,937)	12%
Net Revenue	147,761,853	141,900,967	4%	138,293,068	
Indigent Funding	88,480,986	60,777,591	46%	64,236,083	38%
Correctional Medicine	17,773,465	17,168,917	4%	10,263,430	73%
County Contribution	2,577,838	2,627,397	(2%)	5,601,255	(54%)
Incentive Funding	1,698,630	7,500,002	(77%)	9,500,000	(82%)
Net Patient Revenue	258,292,772	229,974,874	12%	227,893,836	13%
Other Operating Revenue	8,503,409	11,502,818	(26%)	9,691,942	(12%)
Other Non-Operating Revenue	898,849	196,111	358%	664,030	35%
Total Operating Revenue	267,695,030	241,673,803	11%	238,249,808	12%
Expenses					
Salaries	100,181,466	97,625,096	3%	92,833,942	8%
Employee Benefits	49,412,153	48,399,415	2%	47,221,304	5%
Contract Labor	7,823,455	5,738,967	36%	4,747,413	65%
Medical Fees	12,600,268	12,301,498	2%	11,368,379	11%
Other Professional Fees	15,256,250	13,667,106	12%	13,095,674	16%
Supplies	37,169,649	32,756,820	13%	36,292,532	2%
Purchased Services	13,293,279	10,734,922	24%	9,755,420	36%
Other Expenses	11,510,523	13,887,637	(17%)	11,663,311	(1%)
Operating Expenses	247,247,042	235,111,461	5%	226,977,975	9%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	20,447,987	6,562,342	212%	11,271,833	81%
EBIDA Margin	8%	3%	181%	5%	61%
Interest	174,463	441,692	(61%)	261,073	(33%)
Depreciation	4,252,950	3,532,544	20%	3,554,460	20%
Amortization	202,023	440,144	(54%)	434,333	(53%)
Total Expenses	251,876,478	239,525,841	5%	231,227,841	9%
Operating Gain (Loss)	15,818,551	2,147,962	636%	7,021,967	125%
Operating Margin	6%	1%	565%	3%	100%

3-Month Trend Analysis: Cash Indicators

March 31, 2017

					BUDGET	VARIANCE	PY
		JANUARY	FEBRUARY	MARCH	MARCH	POS (NEG)	MARCH
CASH							
	Total Cash	68,479,100	66,947,825	53,266,517	32,963,501	62%	1,548,994
	Days Cash On Hand	75	70	54	38	44%	2
	Days In A/R - Gross	96.0	96.2	88.2	76.0	16%	88.3
	Patient Cash Collections	\$ 18,055,114	\$ 18,569,997	\$ 22,656,142	N/A	N/A	\$ 17,697,722
	Patient Cash Goal	\$ 17,573,818	\$ 18,569,997	\$ 17,654,037	N/A	N/A	\$ 16,093,775
	Projected Year End Cash Balance	44,855,082	44,855,082	44,855,082	N/A	N/A	N/A

3-Month Trend Analysis: Operating Metrics

March 31, 2017

					BUDGET	VARIANCE	PY
	JANUARY	FEBRUARY	MARCH		MARCH	POS (NEG)	MARCH
Operating Metrics							
Total Expense per Adjusted Admission	20,218	19,448	19,599		17,955	9%	18,334
Total Expense per Adjusted Patient Day	3,869	3,849	3,957		3,451	15%	3,569
Supply Expense per Adjusted Admission	2,787	2,981	3,104		2,516	23%	3,480
Supply Expense per Surgery	1,472	1,891	1,269		1,673	(24%)	1,941
Supplies as % of Net Patient Revenue	14%	15%	18%		15%	21.3%	19%
Pharmaceutical Cost per Adjusted Admission	1,361	982	1,233		1,110	11%	1,892
Net Revenue Per Adjusted Admission	\$ 14,206	\$ 12,616	\$ 11,148		\$ 10,732	\$ 0.04	\$ 11,460

Year-to-Date: Operating Metrics

March 31, 2017

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Operating Metrics					
Total Expense per Adjusted Admission	18,710	20,868	(10%)	20,323	(8%)
Total Expense per Adjusted Patient Day	3,696	3,455	7%	3,492	6%
Supply Expense per Adjusted Admission	2,761	2,854	(3%)	3,190	(13%)
Supply Expense per Surgery	1,802	1,672	8%	1,776	1%
Supplies as % of Net Patient Revenue	15%	14%	2.9%	16%	(8%)
Pharmaceutical Cost per Adjusted Admission	1,083	1,258	(14%)	1,505	(28%)
Net Revenue Per Adjusted Admission	\$ 10,632	\$ 12,363	(14.0%)	\$ 12,155	(13%)

INDIGENT PATIENT CARE FUNDING - MTD & YTD

FOR THE MONTH MARCH 31 , 2017

MTD ACTUAL	MTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %
311,379	345,977	(34,598)	-10.0%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	2,752,190	3,057,991	(305,801)	-10.0%
1,371,562	950,974	420,588	44.2%	MEDI-CAL EXPANSION REVENUE FROM HMO	21,196,931	8,405,381	12,791,550	152.2%
69,598	196,257	(126,659)	-64.5%	COUNTY REALIGNMENT FUNDS	1,748,687	1,734,659	14,028	0.8%
1,016,900	960,366	56,534	5.9%	MEDI-CAL SUPPLEMENTAL FUNDING	17,483,057	8,488,393	8,994,664	106.0%
2,181,474	2,423,860	(242,386)	-10.0%	PRIME - NEW WAIVER	19,281,417	21,423,797	(2,142,380)	-10.0%
1,798,977	1,998,863	(199,886)	-10.0%	GPP - NEW WAIVER	20,279,959	17,667,370	2,612,589	14.8%
1,002,276	0	1,002,276	0.0%	WHOLE PERSON CARE	5,641,800	0	5,641,800	0.0%
0	0	0	0.0%	EMR	96,879	0	96,879	0.0%
7,752,166	6,876,297	875,869	12.7%	SUB-TOTAL - GOVERNMENTAL REVENUE	88,480,920	60,777,591	27,703,329	45.6%
1,976,045	1,942,468	33,577	1.7%	CORRECTIONAL MEDICINE	17,773,465	17,168,917	604,548	3.5%
285,211	297,260	(12,049)	-4.1%	COUNTY CONTRIBUTION	2,577,838	2,627,397	(49,559)	-1.9%
10,013,422	9,116,025	897,397	9.8%	TOTAL INDIGENT CARE & COUNTY FUNDING	108,832,223	80,573,905	28,258,318	35.1%

OTHER REVENUE

FOR THE MONTH MARCH 31, 2017

OTHER OPERATING REVENUE

	<u>MTD ACTUAL</u>	<u>MTD BUDGET</u>	<u>VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>VARIANCE</u>
PARKING LOT REVENUE	500	509	(9)	6,244	4,504	1,740
OTHER CO. DEPT. REIMBURSEMENT	17,513	14,234	3,279	280,314	125,816	154,498
EMS REVENUE (SB-612)	96,566	71,264	25,302	391,860	629,882	(238,022)
FEDERAL INMATE REVENUE	0	54,598	(54,598)	(47,071)	482,577	(529,648)
MEDICAL RECORDS FEES	1,154	2,000	(846)	20,291	17,671	2,620
X-RAY COPY FEES	8	0	8	40	0	40
MEDICAL SCHOOL STUDENT FEES	334,387	383,616	(49,229)	3,004,580	3,390,667	(386,087)
JURY/WITNESS FEES	124	0	124	2,214	0	2,214
CANCELLED OUTLAWED WARRANTS	2,058	2,754	(696)	1,659	24,341	(22,682)
WORKER'S COMP REFUNDS	0	0	0	87,522	0	87,522
PROFESSIONAL FEES	136,527	505,715	(369,188)	2,211,159	4,469,869	(2,258,710)
FOUNDATION CONTRIBUTIONS	1,638	0	1,638	1,638	0	1,638
PRIMARY CARE INCENTIVE PAYMENTS	410	0	410	410	0	410
CAFETERIA SALES	79,823	68,117	11,706	646,676	602,063	44,613
FEDERAL-OTHER AID	(1,585)	0	(1,585)	49,082	0	49,082
GRANTS	0	0	0	527	0	527
DRUG COMPANY CASH BACK	475	0	475	475	0	475
MENTAL HEALTH MOU	139,791	191,985	(52,194)	1,589,247	1,696,902	(107,655)
REBATES & REFUNDS	349	6,622	(6,273)	256,543	58,526	198,017
TOTAL OTHER OPERATING REVENUE	809,739	1,301,414	(491,675)	8,503,409	11,502,818	(2,999,409)
OTHER NON-OPERATING REVENUE						
INTEREST ON COLLECTIONS	30,165	12,881	17,284	182,330	113,853	68,477
OTHER MISCELLANEOUS REVENUE	71,430	4,153	67,277	345,029	36,712	308,317
INTEREST ON FUND BALANCE	113,246	5,153	108,093	371,491	45,546	325,945
TOTAL OTHER NON-OPER REVENUE	214,841	22,187	192,654	898,849	196,111	702,738

**KERN MEDICAL
BALANCE SHEET
MARCH 2017**

	March 2017	March 2016
CURRENT ASSETS:		
CASH	\$54,966,890	\$41,739,987
CURRENT ACCOUNTS RECEIVABLE (incl. CLINIC CHARGES RECEIVABLE)	200,639,575	193,348,735
ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES - CURRENT	(161,145,415)	(158,761,114)
- NET OF CONT ALLOWANCES	39,494,160	34,587,621
MD SPA	3,552,662	988,850
HOSPITAL FEE RECEIVABLE	3,592,602	787,818
CPE - O/P DSH RECEIVABLE	7,461,141	3,909,057
RECEIVABLE FROM SB-855/IGT (Medi-Cal Redesign)	-	14,823,322
MENTAL HEALTH MOU	182,708	0
DSRIP	-	3,709,083
MANAGED CARE IGT (RATE RANGE)	13,395,046	6,006,550
RECEIVABLE FROM LIHP	(5,722,111)	(6,580,936)
OTHER RECEIVABLES	1,145,060	1,751,820
PRIME RECEIVABLE	21,426,747	7,927,500
AB85	1,381,485	(2,090,293)
GPP (Global Payment Program)	10,277,110	4,089,801
INTEREST ON FUND BALANCE RECEIVABLE	169,551	4,015
MANAGED CARE IGT (SPD)	68,546	0
OTHER NON PATIENT RECEIVABLE	2,168,251	287,232
WAIVER RECEIVABLE FY07	(745,824)	(745,824)
WAIVER RECEIVABLE FY08	(6,169,000)	(6,169,000)
WAIVER RECEIVABLE FY09	(2,384,000)	(2,384,000)
WAIVER RECEIVABLE FY10	579,696	579,696
WAIVER RECEIVABLE FY11	(10,493,878)	(10,493,878)
WAIVER RECEIVABLE FY12	679,308	679,308
WAIVER RECEIVABLE FY13	(24,746,355)	0
WAIVER RECEIVABLE FY14	0	(22,576,506)
WAIVER RECEIVABLE FY15	(23,770,144)	(4,041,174)
WAIVER RECEIVABLE FY16	(2,819,361)	0
WHOLE PERSON CARE	(10,899,192)	0
PREPAID EXPENSES	3,058,891	2,892,127
PREPAID MORRISON DEPOSIT	794,256	297,090
INVENTORY AT COST	3,474,772	2,921,552
TOTAL CURRENT ASSETS	80,119,017	72,900,818
PROPERTY, PLANT & EQUIPMENT:		
LAND	170,615	168,115
EQUIPMENT	45,138,061	41,197,282
BUILDINGS	82,462,622	82,049,914
CONSTRUCTION IN PROGRESS	3,282,181	1,406,418
LESS: ACCUMULATED DEPRECIATION	(82,297,892)	(78,457,877)
NET PROPERTY, PLANT & EQUIPMENT	48,755,587	46,363,852
NET INTANGIBLE ASSETS		
INTANGIBLE ASSETS	11,430,323	10,347,201
ACCUMULATED AMORTIZATION INTANGIBLES	(10,430,779)	(9,941,302)
NET INTANGIBLE ASSETS	999,544	405,899
LONG-TERM ASSETS:		
LONG-TERM PATIENT ACCOUNTS RECEIVABLE		
PENSION INVESTMENTS	49,355,076	54,532,940
CASH HELD BY COP IV TRUSTEE	906,469	895,663
TOTAL LONG-TERM ASSETS	50,261,545	55,428,603
TOTAL ASSETS	\$180,135,692	\$175,099,172

**KERN MEDICAL
BALANCE SHEET
MARCH 2017**

CURRENT LIABILITIES:	March 2017	March 2016
ACCOUNTS PAYABLE	\$17,108,373	\$11,877,753
ACCRUED SALARIES & EMPLOYEE BENEFITS	7,657,300	7,463,275
OTHER ACCRUALS	5,253,400	3,986,935
ACCRUED CWCAP LIABILITY	302,524	0
CURRENT PORTION - CAPITALIZED LEASES	67,093	66,009
CURR LIAB - COP 2011 PAYABLE	1,032,670	986,694
CURR LIAB - P.O.B.	620,442	577,445
CURR LIAB - COUNTY ADVANCES PAYABLE	0	18,152,000
MEDICARE COST REPORT LIAB PAYABLE	3,269,715	0
ACCRUED PROFESSIONAL LIABILITY	4,149,059	5,382,551
HOSPITAL FEE-IGT PAYABLE	1,143,153	1,143,153
MEDI-CAL COST REPORT LIABILITY	738,571	300,224
INDIGENT FUNDING PAYABLE	4,100,801	21,787,947
CREDIT BALANCES PAYABLES	4,607,837	3,631,125
DEFERRED REVENUE - COUNTY CONTRIBUTION	2,090,345	7,872,971
TOTAL CURRENT LIABILITIES	52,141,283	83,228,082
LONG-TERM LIABILITIES:		
LONG-TERM LIABILITY-COP 2011	2,217,410	3,250,080
NET UNAMORTIZED DISCOUNT COP	79,971	99,964
LONG-TERM LIABILITY - CAPITAL LEASES	1,924,541	618,908
NET OPEB (OTHER POST EMPLOYMENT BENEFITS)	5,354,890	6,070,276
NET PENSION LIABILITY	345,262,534	330,492,938
L.T. LIAB. - P.O.B. INTEREST PAYABLE 08	17,201,707	19,106,826
L.T. LIAB. - P.O.B. INTEREST PAYABLE 03	3,528,303	3,159,534
L.T. P.O.B. PAYABLE 03	18,326,891	19,754,383
L.T. P.O.B. PAYABLE 08	5,392,893	5,392,893
DEFERRED INFLOW - PENSIONS	15,299,688	33,503,503
PENSION OBLIGATION BOND PAYABLE	4,721,626	5,775,894
ACCRUED COMPENSATED ABSENCES	8,984,335	9,700,837
TOTAL LONG-TERM LIABILITIES	428,294,789	436,926,036
FUND BALANCE		
GENERAL OPERATING FUND - ENTERPRISE	\$39,814,214	\$39,814,216
RETAINED EARNINGS - CURRENT YEAR	15,818,553	7,021,960
RETAINED EARNINGS - PRIOR YEAR	(355,933,146)	(391,891,122)
TOTAL FUND BALANCE	(300,300,379)	(345,054,946)
TOTAL LIABILITIES & FUND BALANCES	\$180,135,692	\$175,099,172

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

May 17, 2017

Subject: Proposed Kern County Hospital Authority operating and capital budget for Fiscal Year 2017-2018

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

Summary:

Major Expenses and Revenue in FY 2016-17 Recommended Budget

Staffing costs of \$224.8 million are Kern Medical's largest expense in FY 2017-18. Operating expenses of \$137.1 million are comprised primarily of medical supplies, contracted physician fees, purchased medical services, external provider care services, insurance, utilities, and equipment rental and maintenance. Other charges include recruiting, advertising, settlement and attorney fees. Kern Medical receives reimbursement from the County for the cost of providing inpatient and outpatient services to adult inmates and juvenile detainees; \$7.0 million is included in the recommended budget as expense reimbursement for this activity, in addition to the reimbursement for staffing the County's adult and juvenile facilities for a total reimbursement of \$29.6 million.

Total operating revenue of \$364.8 million includes \$113.4 million in net State and federal funding and \$3.5 million in county funding to reimburse Kern Medical for providing services to uninsured and underinsured patients, \$204 million from patient revenue net of contractual adjustments and bad debt from services to Medi-Cal, Medicare, private pay patients and insurance. Other Operating revenue includes, cafeteria sales, reimbursement from medical education and services provided to other County departments.

Budget Changes and Operational Impacts

In FY 17, Kern Medical began participating in the state's Whole Person Care waiver program (WPC). WPC is a 5 year program with \$300M of federal funds available to its participants on an annual basis. Kern Medical is expected to receive \$15.7M of these funds on an annual basis. The purpose of this program is to coordinate health, behavioral health, and social services in a patient-centered manner in order to leverage resources more effectively and efficiently in improving

beneficiary health and wellbeing. Kern Medical has taken the lead role in coordinating this program in our county and has partnered with Mental Health as well as many other private and public organizations in order to achieve this program goal

Kern Medical will also continue participating in the GPP and PRIME waiver programs. Gross revenue for PRIME in FY 2017-18 is estimated at \$63.4 million and will require intergovernmental transfers (IGTs) of \$31.7 million to draw down the federal funding portion. The net revenue is included in State Indigent Funding. Similarly, gross GPP allocations for FY 2017-18 are budgeted at \$26.3 million and will require IGTs of approximately \$13.2 million to draw down funds. All funding sources associated with the 1115 Waiver are best estimates pending revisions from the state. Due to potential changes in healthcare funding at the federal level, funding could potentially be shifted away from the Section 1115 Medicaid Waiver programs. Kern Medical is continuing to explore strategies and opportunities to that maximize patient revenue and minimize any potential changes to government subsidies.

In total, the FY 2017-18 budget includes approximately \$64 million in IGTs to the State that will be used to draw down federal funding. The IGT amounts represent the non-federal share of programs. Matching contributions to the State, as well as the return of the initial IGT investment are reported in the budget under other charges and intergovernmental revenue, respectively.

Kern Medical is also funded by an allocation of Health Program Realignment revenue from the State to help cover the costs of services provided to adult indigent patients. The State implemented optional Medi-Cal expansion to those individuals with incomes up to 138% of the Federal Poverty Level via the ACA beginning January 2014. Some individuals previously covered by the County as indigent residents have since gained health care coverage under Medi-Cal expansion, resulting in some savings for the County. Since January 2014, California has begun to reduce its Realignment allocations to counties. The Brown Administration assumes counties will eventually achieve enough savings from expanded Medi-Cal eligibility to offset the State's reductions in Realignment funding. Due to the hospital's improved reimbursement from Medi-Cal, the hospital is not expecting any realignment funds in FY17-18.

Net patient revenue in FY 2017-18 is budgeted at \$204 million and is directly correlated to continued, substantial improvements in the hospital's revenue cycle management.

For FY 2017-18, the Hospital is budgeting approximately \$24.8 million in capital expenditures. Capital expenditures will come from operations. Of the \$24.8 million, \$2.5 million is for the replacement or upgrade of existing operating equipment. The hospital is in need of significant capital investment to address severe deficiencies to the building and patient care areas of the Hospital. Capital expenditures totaling \$4 million are budgeted to be used on capital building and construction projects to address areas of immediate concern. Approximately \$1.5 million has been budgeted for IT capital projects. The remaining capital expenditures will be used to upgrade the hospital's EHR system.

On September 26, 2014, Governor Brown approved Assembly Bill 2546-Salas (AB 2546) which gave the Board of Supervisors the authority to establish, by ordinance, the Kern County Hospital Authority to manage, administer, and control Kern Medical. Effective July 1, 2016 this transition was completed.

Changes in the health care landscape due to the ACA, the new waiver, and changes in state health care policy are creating a much more challenging environment in which Kern Medical must operate. Kern Medical's transition to a Hospital Authority was considered a crucial first step in reforming the hospital to meet the demands of the post-ACA health care environment and become a provider of choice for local patients. It is equally important for Kern Medical to make use of its relative strengths such as capitalizing on its position in the local market as the only trauma center, while continuing to expand and strengthen relationships with local plans and community partners, in order to demonstrate its value, experience, and outcomes to the community.

Staffing Changes and Operational Impacts

The recommended budget provides funding for all authorized positions. Although all recommended positions are funded in FY 2017-18 it is important to note that Kern Medical budgets for staffing based on patient census and full time equivalents (FTEs), not authorized positions. Mandated staff-to-patient ratios and the correct allocation of FTEs drive the hospital's staffing costs, as is customary in all hospital settings.

Summary of Authorized Positions

The Hospital has 1,894 authorized positions for FY18. As of the creation of our budget 1,662 of these positions have been filled with 232 being vacant. We anticipate a 10% vacancy rate due to staff turnover and recruiting issues.

Summary of New Services Offered

Kern Medical has continued to expand its services and access to care this past year, particularly in the area of outpatient services, with outpatient volumes dramatically increasing from 8,482 clinic visits in January 2016 to 10,252 in January 2017, 20.9 percent increase . This expansion is due to both improvements in operational efficiencies, as well as the recruitment of new physicians.

Physician services have expanded in the areas of:

- New colorectal surgeon, a first for Kern Medical
- Full-time hematology-oncology specialist through the recruitment of the new Chair of Medicine
- Expanded OB/GYN services with the addition of a full-time uro-gynecologist, which is the first and only such specialist in the community, two new OB/GYN physicians, and the commencement of operating the area's only GYN oncology physician office.
- Interventional and non-interventional cardiology
- Primary care expansion with the recruitment of a new chair of the department of Family Medicine plus two part-time family medicine physicians, a full-time pediatrician, and an additional internal medicine specialist that will serve exclusively in our outpatient clinics.
- Orthopedic sports medicine specialist, which is a new service at Kern Medical
- A full-time nephrologist

- Additional psychiatry specialists have been recruited to support outpatient clinics at the department of Behavioral Health and Recovery Services, formerly known as Kern County Mental Health
- A new interventional radiologist has joined the faculty, who in addition to supporting the radiology department, will also see patients in an outpatient clinic setting, also a first at Kern Medical

In addition to these expanded physician services in these specialties, Kern Medical opened another patient centered medical home. The GROW Clinic, which focuses on patients with a behavioral health component need.

And with Kern Medical moving forward in the hospital authority to better fulfill its mission, the organization is also now conducting outreach and community education, particularly in the areas of secondary education for concussion prevention and treatment and physicals. As part of a new state program for our patients, a new program called Whole Person Care has also launched, and a new community health educator actively serves in providing training and education.

The Hospital and clinics are also currently undergoing renovation and expansion in selected areas that will be completed this summer, including the remodel of the Labor and Delivery Department, the relocation of the chemotherapy clinic, and the opening of a new family medicine clinic.



**KERN COUNTY HOSPITAL AUTHORITY
OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2017-2018**

KERN MEDICAL

Hospital Operations Indicator Report - Including Purchase of Cerner

Revenue

Volume	Actual 2015	Actual 2016	Project 2017	Budget 2018	Financial Overview	Actual 2015	Actual 2016	Project 2017	Budget 2018
Admits - Acute	8,823	9,172	9,655	9,763	EBIDA NOI Operating Margin % EBIDA Margin % Gross Revenue per APD Outpatient Revenue %	23,790 24,891 3.6% 3.4% 8,340 42.5%	39,854 38,051 5.1% 5.3% 8,312 45.9%	24,147 17,991 2.3% 3.1% 8,679 46.7%	9,917 3,467 0.4% 1.2% 9,055 48.0%
Patient Days - Acute	48,098	48,529	48,565	48,815					
LOS - Acute	5.5	5.3	5.0	5.0					
Adjusted Admissions	15,354	16,963	18,114	18,775					
		<i>Change in Adj. Admissions:</i>		3.6%					
Births	2,521	2,556	2,594	2,633					
Surgeries - Inpatient	2,654	2,628	2,934	2,964					
Surgeries - Outpatient	3,022	3,168	3,164	3,196					
ER Visits	41,463	43,741	44,550	44,996					
Outpatient Visits	105,690	120,178	135,127	147,288					
Reimbursement	Actual 2015	Actual 2016	Project 2017	Budget 2018	Payor Mix	Actual 2015	Actual 2016	Project 2017	Budget 2018
Net Patient Rev	157,804	181,857	188,225	204,000	3RD PARTY 3RD PARTY MANAGED CARE MEDI-CAL MEDI-CAL MANAGED CARE MEDICARE MEDICARE MANAGED CARE COUNTY RESPONSIBILITY COUNTY RESP/CORRECTIONAL MED SELF-PAY/INDIGENT	6.4% 5.3% 37.1% 30.7% 7.8% 1.7% 3.0% 1.7% 6.4%	5.5% 7.601 23,244 12,895 295,628 24.4% 10,721	4.4% 6.2% 28.3% 40.2% 9.4% 2.1% 0.6% 1.7% 7.1%	4.4% 6.2% 28.3% 40.2% 9.4% 2.1% 0.6% 1.7% 7.1%
Indigent Funding	89,113	70,031	119,383	113,452					
County Contribution	9,115	7,601	3,500	3,500					
Correctional Medicine	20,866	23,244	23,713	29,573					
Other Operating Revenue	14,325	12,895	15,933	14,305					
Net Rev	291,223	295,628	350,754	364,830					
Net Patient Rev Yield	22.6%	24.4%	23.8%	24.0%					
Net Patient Rev Per AA	10,278	10,721	10,391	10,866					
		<i>Change In Net Revenue per AA:</i>		4.6%					

KERN MEDICAL

Hospital Operations Indicator Report - Including Purchase of Cerner

Expenses

Labor*	Actual 2015	Actual 2016	Project 2017	Budget 2018	Supplies	Actual 2015	Actual 2016	Project 2017	Budget 2018
Labor Costs including Benefits	167,131	182,218	198,236	224,810	Supply Costs	40,680	49,930	48,387	48,886
Productive FTE's (Excl. Contract Labor)	1,233.9	1,280.4	1,329.4	1,456.6	Supplies as a % of Net Pt Rev	14.0%	16.9%	13.8%	13.4%
Non-Productive FTE's	218.2	211.0	240.6	257.0	Supplies per AA	2,650	2,944	2,671	2,604
Contract Labor % of Total Prod	2.5%	2.7%	3.9%	4.0%	<i>Change in Supply Cost per AA: -2.5%</i>				
Overtime % of Prod HRs (Excl CL)	6.1%	6.1%	5.5%	5.0%	Pharmaceutical Cost per AA	1,217	1,379	1,046	1,172
Total FTE's per AOB	6.33	6.08	6.31	6.68					
Labor Cost per FTE (Inc Benefits)	115,096	122,176	126,262	131,192					
Lbr Cost (Inc Ben) % of Total Exp	62.0%	60.1%	60.6%	66.1%					
Benefits % of Labor Costs, Excl Contrac	29.9%	32.7%	32.8%	31.4%					
<i>*note: All labor metrics include medical staff</i>									
Pur Ser & Other Expenses	Actual 2015	Actual 2016	Project 2017	Budget 2018	Other Key Statistics	Actual 2015	Actual 2016	Project 2017	Budget 2018
Medical Fees	15,971	15,350	16,701	16,868	Adjusted patient Days	83,699	89,749	91,116	93,875
Purchased Services	12,347	14,774	17,826	17,935	Adjusted Occupied Beds	229.3	245.2	248.9	256
Other Expenses	16,905	15,765	15,306	15,765	Gross Days in AR, Excl Cap	68	72	76	65
Depreciation and Interest	4,994	5,754	5,923	5,982					
Capital Expenses	Actual 2015	Actual 2016	Project 2017	Budget 2018	Capital Expenditures For Fiscal Year 2017				
Funded through operations					Equipment	IT Projects	Building and Construction	Cerner	Total
Equipment	754	1,936	2,537	2,500	\$2,500,000	\$1,500,000	\$4,000,000	\$16,808,990	\$24,808,990
IS Equipment	0	126	3,339	1,500					
Facility Construction	3,026	2,323	7,435	4,000					
One Time Cerner Costs	-	-	-	1,917					
Funded through cash reserves									
One Time Cerner Costs	-	-	-	4,891					
Funded through debt									
One Time Cerner Costs	-	-	-	10,000					

Fiscal Year 2018 Operating Budget

	ACTUAL FY17 JUL - FEB	PROJECTED FY17	BUDGET FY18
Total Gross Charges	\$ 527,183,106	790,774,678	\$ 850,000,000
Total Patient Revenue Deductions	(401,700,018)	(602,550,034)	(646,000,000)
Net Patient Revenue	125,483,088	188,224,644	204,000,000
Indigent Funding			
Correctional Medicine	15,797,420	23,712,537	29,572,537
County Indigent Funding	2,292,627	3,500,000	3,500,000
State and Federal Indigent Funding	80,728,820	119,383,147	113,452,257
Total Indigent Funding	98,818,867	146,595,684	146,524,794
Capitation Premium Revenue	1,698,630	1,698,630	-
Other Operating Revenue	7,693,670	14,233,773	14,304,942
Total Operating Revenue	233,694,255	350,752,731	364,829,736
Expenses			
Salaries	88,510,521	133,265,782	153,096,413
Benefits	43,313,546	64,970,319	71,713,089
Registry Nurses	6,929,973	10,394,960	10,706,808
Medical Fees	11,133,850	16,700,775	16,867,783
Purchased Services	11,217,633	17,826,450	17,935,127
Supplies	32,257,679	48,386,519	48,886,519
Other Professional Fees	13,187,425	20,781,138	20,988,949
Other Expenses	10,203,891	15,305,837	15,765,012
Depreciation and Amortization	3,948,353	5,922,530	5,981,755
Operating Expenses	220,702,871	333,554,307	361,941,454
Gain/(Loss) From Operations	12,991,384	17,198,425	2,888,282
Interest Expense	(155,295)	(232,940)	(467,948)
Non-Operating Revenue	684,008	1,026,009	1,046,529
Total Non-Operating Revenue/(Expense)	528,713	793,069	578,581
Earnings Before Interest Depreciation & Amortization	\$ 17,623,745	24,146,963	\$ 9,916,566
Net Income/(Loss)	\$ 13,520,097	17,991,494	\$ 3,466,863

Job Title	Total Position Count (Filled+Vacancies)	Total FTEs per Position (Filled+Vacancies)	Filled Position Count	Filled Position FTE Count	Vacancy Count per Position	Vacancy FTEs per position
Accountant I	3	3	2	2	1	1
Accountant III	4	4	4	4	-	-
Admin Coordinator	1	1	1	1	-	-
Air Cond Mech	1	1	1	1	-	-
Anesthesia Tech I	1	1	1	1	-	-
Anesthesia Tech II	1	1	1	1	-	-
Assoc Dir of Med Educ	1	1	1	1	-	-
Asst Dir of Pharm	1	1	1	1	-	-
Behav Hlth Integ Prog Aid	1	1	1	1	-	-
Behav Hlth Integ Soc Wkr	1	1	1	1	-	-
Bio Med Elect Tech I	1	1	1	1	-	-
Bio Med Elect Tech II	3	3	3	3	-	-
Bldg Serv Worker I	42	42	38	38	4	4
Bldg Serv Worker II	12	12	12	12	-	-
Bldg Serv Worker III	8	8	7	7	1	1
Cardio Interv Tech	3	3	3	3	-	-
Cardio Interv Tech-PD	2	1	2	1	-	-
Cardio Svcs Clin Coord	1	1	1	1	-	-
Central Sup Asst I	1	1	1	1	-	-
Chief Nursing Officer	1	1	1	1	-	-
Chrg Desc Mstr Sys Coord	2	2	1	1	1	1
Clin Dir-Correctional Med	1	1	1	1	-	-
Clin Hlth Interpreter	2	2	2	2	-	-
Clin Lab Asst I	3	3	3	3	-	-
Clin Lab Asst II	13	13	13	13	-	-
Clin Lab Asst-PD	4	2	3	2	1	1
Clin Lab Scientist I	4	4	2	2	2	2
Clin Lab Scientist II	9	9	9	9	-	-
Clin Lab Scientst-Pre Lic	3	3	3	3	-	-
Clin Lab Tech-PD	5	3	5	3	-	-
Clinical Dir Trauma Med	1	1	1	1	-	-
Clinical Director	7	7	7	7	-	-
Clinical Docu Improv Spec	1	1	1	1	-	-
Clinical Nurse Leader	6	6	-	-	6	6
Clinical Nurse Specialist	1	1	1	1	-	-
Clinical Pharmacist	7	7	7	7	-	-
Clinical Risk Manager	1	1	-	-	1	1
Clnical Pharmacist	4	4	-	-	4	4
Comp Tomogr Tech I	1	1	1	1	-	-
Comp Tomogr Tech II	6	6	6	6	-	-
Comp Tomogr Tech-PD	2	2	2	2	-	-
Consultant	52	46	51	45	1	1
Contract Administrator	1	1	1	1	-	-
Cook I	2	2	2	2	-	-
Cook II	3	3	3	3	-	-
Dir of Empl Hlth/Emp Srvc	1	1	1	1	-	-



Job Title	Total Position Count (Filled+Vacancies)	Total FTEs per Position (Filled+Vacancies)	Filled Position Count	Filled Position FTE Count	Vacancy Count per Position	Vacancy FTEs per position
Dir of Outpatient Qual	1	1	1	1	-	-
Dir of Social Svcs	1	1	1	1	-	-
Dir Sr Clin Pharm Residen	1	1	1	1	-	-
Director of Facilities	1	1	-	-	1	1
Director of Inpatient Svcs	1	1	-	-	1	1
Director of Pharmacy	1	1	1	1	-	-
Discharge Facilitator	7	7	5	5	2	2
Elder Life Act Coord	1	1	1	1	-	-
Electroencephalography-PD	1	1	-	-	1	1
Fiscal Support Asst	1	1	1	1	-	-
Fiscal Support Spec	4	4	3	3	1	1
Fiscal Support Tech	6	6	5	5	1	1
Food Service Worker I	23	23	22	22	1	1
Food Service Worker II	13	13	13	13	-	-
Groundskeeper II	2	2	2	2	-	-
Health Educator	1	1	1	1	-	-
Health Info Svcs Coder-PD	1	1	1	1	-	-
Health Info Svcs Director	1	1	1	1	-	-
Health Info Svcs Spec I	10	10	9	9	1	1
Health Info Svcs Spec II	5	5	5	5	-	-
Health Info Svcs Spec III	5	5	5	5	-	-
Healthcare App Analyst I	-	-	-	-	-	-
Healthcare App Analyst II	24	24	4	4	20	20
Help Desk Tech I	1	1	1	1	-	-
Help Desk Tech II	2	2	2	2	-	-
Help Desk Tech III	1	1	1	1	-	-
Histologic Tech	3	3	3	3	-	-
Hlth Info Svcs Coder I	8	8	7	7	1	1
Hlth Info Svcs Coder II	6	6	6	6	-	-
Hlth Info Svcs Coder III	2	2	2	2	-	-
Hosp Bus Spec I	8	8	6	6	2	2
Hosp Bus Spec II	18	18	18	18	-	-
Hosp Bus Spec III	6	6	6	6	-	-
Hosp Charging Tech	4	4	3	3	1	1
Hosp Residency Coord	1	1	1	1	-	-
Hosp Staff Nurse I	212	207	122	117	90	89
Hosp Staff Nurse II	226	217	222	213	4	4
Hosp Staff Nurse II C2	12	12	12	12	-	-
Hosp Staff Nurse II CI	2	2	2	2	-	-
Hosp Staff Nurse-Pre Lic	4	4	4	4	-	-
Hospital Staff Nurse I	3	3	-	-	3	3
Hospital Svcs Aide	8	8	8	8	-	-
HR Admin Asst	1	1	-	-	1	1
HR Generalist	1	1	1	1	-	-
HR Specialist I	8	8	5	5	3	3
Infection Control Coord	1	1	1	1	-	-

Job Title	Total Position Count (Filled+Vacancies)	Total FTEs per Position (Filled+Vacancies)	Filled Position Count	Filled Position FTE Count	Vacancy Count per Position	Vacancy FTEs per position
IS Spec I-Desk Tech	1	1	1	1	-	-
IS Spec II-Desk Tech	2	2	2	2	-	-
Legal Secretary	1	1	1	1	-	-
Linen Svcs Assoc I	3	3	3	3	-	-
Linen Svcs Assoc II	2	2	2	2	-	-
Mail Clerk II	1	1	1	1	-	-
Maint Carpenter	1	1	1	1	-	-
Maint Electrician	1	1	1	1	-	-
Maint Painter	2	2	2	2	-	-
Maint Plumber	1	1	1	1	-	-
Maint Worker II	1	1	1	1	-	-
Maint Worker III	1	1	1	1	-	-
Management Physicians	14	14	14	14	-	-
Mech Service Worker	2	2	2	2	-	-
Med Asst I	52	52	44	44	8	8
Med Asst II	3	3	3	3	-	-
Med Social Worker-PD	5	3	5	3	-	-
Med Transcriptionist-PD	1	1	1	1	-	-
Medical Assistant I	2	2	-	-	2	2
Medical Assistant II	1	1	-	-	1	1
Medical Social Worker I	1	1	1	1	-	-
Medical Social Worker II	6	6	6	6	-	-
Medical Staff Svcs Coord	2	2	2	2	-	-
Medical Support Spec	1	1	1	1	-	-
Medical Support Tech	31	31	31	31	-	-
Medical Transcriptionist	3	3	3	3	-	-
Mental Hlth Therapist I	3	3	1	1	2	2
Messenger	2	2	2	2	-	-
Mgr Behavioral Hlth Integ	1	1	1	1	-	-
Mgr Cardio Svcs	1	1	1	1	-	-
Mgr Clin Lab Svcs	1	1	1	1	-	-
Mgr Hosp Bus	1	1	1	1	-	-
Mgr Labor & Relations	1	1	1	1	-	-
Mgr Materials	1	1	1	1	-	-
Mgr Med Ctr Fac	1	1	1	1	-	-
Mgr Nursing Shift	4	4	2	2	2	2
Mgr Pat Access Svcs	1	1	1	1	-	-
Mgr Physical Therapy	1	1	1	1	-	-
Mgr Radiology	1	1	1	1	-	-
Mgr Risk	1	1	1	1	-	-
Mgr Special Proj	2	2	2	2	-	-
Mgr Workers Comp & Liab	1	1	1	1	-	-
MRI Tech	2	2	2	2	-	-
MRI Tech-PD	3	3	-	-	3	3
Network Sys Admin	2	2	2	2	-	-
Nuclear Medicine Tech II	1	1	1	1	-	-



Job Title	Total Position Count (Filled+Vacancies)	Total FTEs per Position (Filled+Vacancies)	Filled Position Count	Filled Position FTE Count	Vacancy Count per Position	Vacancy FTEs per position
Nuclear Medicine Tech-PD	1	1	1	1	-	-
Nurse II-PD	75	43	74	42	1	1
Nurse I-PD	43	25	17	11	26	14
Nurse Practitioner	19	18	15	15	4	4
Nurse Practitioner-PD	2	1	2	1	-	-
Nursing Attendant	35	35	35	35	-	-
Nursing Impl Stnd Coord	1	1	1	1	-	-
OB Tech II	6	6	6	6	-	-
Office Services Spec	3	3	-	-	3	3
Office Svcs Asst	8	8	8	8	-	-
Office Svcs Spec	20	20	20	20	-	-
Office Svcs Tech	16	16	14	14	2	2
Ortho Tech I	2	2	1	1	1	1
Ortho Tech III	2	2	2	2	-	-
Outpatient Consult Repres	14	14	14	14	-	-
Outpatient Scheduler	18	18	14	14	4	4
PACS Administrator	1	1	1	1	-	-
Pat Access Svcs Rep I	26	26	24	24	2	2
Pat Access Svcs Rep II	32	32	32	32	-	-
Pat Access Svcs Rep III	8	8	8	8	-	-
Pat Access Svcs Rep II-PD	1	1	1	1	-	-
Pat Access Svcs Rep I-PD	9	5	8	4	1	1
Pat Access Svcs Rep Supv	1	1	-	-	1	1
Pat Svcs Assoc I	5	5	5	5	-	-
Pat Svcs Assoc II	5	5	5	5	-	-
Patient Care Tech	79	79	76	76	3	3
Perinatal Health Worker	2	2	2	2	-	-
Pharmacist	18	18	15	15	3	3
Pharmacist in Trng	1	1	1	1	-	-
Pharmacist-PD	13	7	12	6	1	1
Pharmacy Coord	2	2	1	1	1	1
Pharmacy Tech I	4	4	3	3	1	1
Pharmacy Tech II	24	24	23	23	1	1
Pharmacy Tech III	9	9	9	9	-	-
Pharmacy Tech-PD	9	6	9	6	-	-
Physical Therapist	2	2	2	2	-	-
Physicians	65	63	65	63	-	-
Physician's Asst	15	15	12	12	3	3
Program Spec I	5	5	5	5	-	-
Program Spec II	6	6	6	6	-	-
Programmer I	1	1	1	1	-	-
Pulmonary Function Tech	1	1	1	1	-	-
Radiology Recept-PD	10	6	10	6	-	-
Radiology Tech I	2	2	2	2	-	-
Radiology Tech II	2	2	2	2	-	-
Radiology Tech III	12	12	12	12	-	-

Job Title	Total Position Count (Filled+Vacancies)	Total FTEs per Position (Filled+Vacancies)	Filled Position Count	Filled Position FTE Count	Vacancy Count per Position	Vacancy FTEs per position
Radiology Tech I-PD	3	2	-	-	3	2
ResidentPhys PostGrd-Yr 1	28	28	28	28	-	-
ResidentPhys PostGrd-Yr 2	24	24	24	24	-	-
ResidentPhys PostGrd-Yr 3	23	23	23	23	-	-
ResidentPhys PostGrd-Yr 4	18	18	18	18	-	-
ResidentPhys PostGrd-Yr 5	3	3	3	3	-	-
Respiratory Therapist III	1	1	1	1	-	-
Respiratory Therapist IV	20	20	17	17	3	3
Respiratory Therapist-PD	8	5	7	5	1	1
Social Svcs Coord	3	3	3	3	-	-
Social Svcs Coord-PD	1	1	1	1	-	-
Spv Bio-Med Electrnc Tech	1	1	1	1	-	-
Spvr Clin Lab Scientist	5	5	5	5	-	-
Spvr Clin Micro Biologist	1	1	1	1	-	-
Spvr Clinical	15	15	14	14	1	1
Spvr Clinical Lab Asst	1	1	1	1	-	-
Spvr Core Lab Client Svcs	1	1	1	1	-	-
Spvr Dept Analyst	1	1	1	1	-	-
Spvr Fiscal Support	1	1	1	1	-	-
Spvr Health Inform Svcs	1	1	1	1	-	-
Spvr Hosp Bus Office	2	2	2	2	-	-
Spvr Medical Support	1	1	1	1	-	-
Spvr Patient Access Svcs	2	2	2	2	-	-
Spvr Physical Therapy	1	1	1	1	-	-
Spvr Radiologic Tech	2	2	2	2	-	-
Spvr Shared Svcs Center	1	1	1	1	-	-
Sr Info Systems Spec	1	1	1	1	-	-
Sr Office Svcs Spec	2	2	2	2	-	-
Sr Paralegal-C	1	1	1	1	-	-
Sr Pharmacist	2	2	2	2	-	-
Sr Systems Analyst	1	1	1	1	-	-
Staff Develop Ed Coord	1	1	1	1	-	-
Staff Recruiter	2	2	2	2	-	-
Stationary Engineer	5	5	5	5	-	-
Sterile Processing I	4	4	3	3	1	1
Sterile Processing II	1	1	1	1	-	-
Sterile Processing Supv	1	1	-	-	1	1
Stock Clerk	1	1	1	1	-	-
Storekeeper I	4	4	4	4	-	-
Storekeeper II	1	1	1	1	-	-
Support Svcs Assoc	10	10	10	10	-	-
Surg Technologist I-PD	2	1	1	1	1	1
Surgical Robotics Tech	1	1	1	1	-	-
Surgical Tech II	1	1	1	1	-	-
Surgical Technologist I	6	6	6	6	-	-
Surgical Technologist II	10	10	9	9	1	1

Job Title	Total Position Count (Filled+Vacancies)	Total FTEs per Position (Filled+Vacancies)	Filled Position Count	Filled Position FTE Count	Vacancy Count per Position	Vacancy FTEs per position
Systems Analyst II	1	1	1	1	-	-
Tele PBX Supp Tech II	1	1	1	1	-	-
Therapy Aide	2	2	2	2	-	-
Transport Svcs Assoc	8	7	7	6	1	1
Trauma Nurse Coord	1	1	1	1	-	-
Trauma Registrar I	4	4	3	3	1	1
Ultrasound Tech I	1	1	1	1	-	-
Ultrasound Tech II	5	5	4	4	1	1
Ultrasound Technician-PD	5	3	4	2	1	1
Utilization Rev Nurse I	1	1	1	1	-	-
Utilization Rev Nurse II	12	12	10	10	2	2
Vocational Nurse I	9	9	9	9	-	-
Vocational Nurse II	42	42	41	41	1	1
Vocational Nurse-PD	10	6	10	6	-	-
TOTALS	2,014	1,894	1,763	1,662	251	232

Division	Authorized	Filled	Vacant	Total
Kern Medical	1,894	1,662	232	1,894
Total	1,894	1,662	232	1,894

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

May 17, 2017

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 March 31, 2017.



**BOARD OF GOVERNORS' VOLUMES REPORT
KERN MEDICAL – MARCH 2017**

MAY 2017

3-Month Trend Analysis: Volume and Strategic Indicators

March 31, 2017

		JANUARY	FEBRUARY	MARCH	BUDGET MARCH	VARIANCE POS (NEG)	PY MARCH
VOLUME							
	Adjusted Admissions (AA)	1,433	1,395	1,583	1,541	3%	1,548
	Adjusted Patient Days	7,487	7,049	7,839	8,018	(2%)	7,950
	Admissions	791	770	830	825	1%	825
	Average Daily Census	133	139	133	138	(4.2%)	137
	Patient Days	4,133	3,891	4,111	4,292	(4.2%)	4,238
	Available Occupancy %	62.3%	64.9%	62.0%	64.7%	(4.2%)	63.9%
	Average LOS	5.2	5.1	5.0	5.2	(5%)	5.1
	Surgeries						
	Inpatient Surgeries (Main Campus)	222	256	263	258	2%	281
	Outpatient Surgeries (Main Campus)	251	230	294	255	15%	293
	Total Surgeries	473	486	557	513	9%	574
	Births	214	187	209	266		207
	ER Visits						
	Admissions	417	402	457	376	22%	451
	Treated & Released	3,542	2,807	3,138	3,446	(9%)	3,598
	Total ER Visits	3,959	3,209	3,595	3,822	(6%)	4,049
	Outpatient Clinic Visits						
	Total Clinic Visits	10,252	10,230	12,495	9,067	38%	10,905

Year-to-Date: Volume and Strategic Indicators

March 31, 2017

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
VOLUME						
	Adjusted Admissions (AA)	13,462	11,478	17%	11,378	18%
	Adjusted Patient Days	68,143	69,332	(2%)	66,214	3%
	Admissions	7,204	6,118	18%	6,107	18%
	Average Daily Census	132	138	(4%)	137	(3%)
	Patient Days	36,262	37,111	(2%)	36,264	(0.0%)
	Available Occupancy %	61.8%	63.3%	(2%)	61.8%	(0.0%)
	Average LOS	5.0	6.1	(17%)	5.9	(15%)
	Surgeries					
	Inpatient Surgeries (Main Campus)	2,149	2,079	3%	1,913	12%
	Outpatient Surgeries (Main Campus)	2,332	2,256	3%	2,392	(3%)
	Total Surgeries	4,481	4,335	3%	4,305	4%
	Births	1,979	2,234	(11%)	1,737	14%
	ER Visits					
	Admissions	3,673	3,034	21%	3,384	9%
	Treated & Released	29,770	27,800	7%	28,757	4%
	Total ER Visits	33,443	30,834	8%	32,141	4%
	Outpatient Clinic Visits					
	Total Clinic Visits	97,451	76,158	28%	90,095	8%

3-Month Trend Analysis: Payor Mix

March 31, 2017

					BUDGET	VARIANCE	PY
		JANUARY	FEBRUARY	MARCH	MARCH	POS (NEG)	MARCH
PAYOR MIX - Charges							
	Commercial FFS	4.1%	6.1%	4.3%	4.6%	(6%)	4.3%
	Commercial HMO/PPO	4.2%	4.7%	6.1%	6.5%	(6%)	6.2%
	Medi-Cal	29.3%	24.9%	24.1%	30.7%	(22%)	30.7%
	Medi-Cal HMO - Kern Health Systems	30.4%	31.7%	31.8%	18.5%	72%	18.5%
	Medi-Cal HMO - Health Net	9.3%	9.6%	9.7%	4.9%	100%	4.9%
	Medi-Cal HMO - Other	1.3%	1.3%	1.3%	11.8%	(89%)	11.8%
	Medicare	10.3%	7.9%	9.5%	11.0%	(14%)	11.0%
	Medicare - HMO	2.0%	1.9%	2.3%	1.9%	24%	1.8%
	County Programs	2.3%	2.7%	2.0%	1.1%	82%	3.2%
	Workers' Compensation	0.6%	0.7%	0.7%	2.1%	(66%)	0.6%
	Self Pay	6.2%	8.5%	8.2%	7.2%	15%	7.1%
	Total	100.0%	100.0%	100.0%	100.0%		100.0%

Year-to-Date: Payor Mix

March 31, 2017

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
PAYOR MIX - Charges		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
	Commercial FFS	4.4%	4.3%	2%	5.4%	(19%)
	Commercial HMO/PPO	6.2%	4.5%	39%	4.9%	26%
	Medi-Cal	27.8%	28.7%	(3%)	29.4%	(5%)
	Medi-Cal HMO - Kern Health Systems	29.4%	23.2%	27%	20.7%	43%
	Medi-Cal HMO - Health Net	9.6%	7.8%	24%	5.6%	71%
	Medi-Cal HMO - Other	1.1%	10.1%	(89%)	13.6%	(92%)
	Medicare	9.6%	8.8%	9%	9.5%	1%
	Medicare - HMO	2.1%	2.5%	(15%)	1.5%	39%
	County Programs	2.2%	1.7%	29%	0.7%	224%
	Workers' Compensation	0.6%	1.3%	(54%)	1.4%	(56%)
	Self Pay	6.9%	7.2%	(4%)	7.4%	(7%)
	Total	100.0%	100.0%		100.0%	

3-Month Trend Analysis: Labor and Productivity Metrics

March 31, 2017

					BUDGET	VARIANCE	PY
		JANUARY	FEBRUARY	MARCH	MARCH	POS (NEG)	MARCH
Labor Metrics							
Productive FTEs		1,221.27	1,282.14	1,289.12	1,277.44	1%	1,207.81
Non-Productive FTEs		288.98	211.33	168.27	225.43	(25%)	144.18
Contract Labor FTEs		57.86	64.86	68.49	52.08	32%	58.32
Total FTEs		1,510.25	1,493.47	1,457.39	1,502.87	(3%)	1,351.99
FTE's Per AOB Paid		5.89	5.93	5.76	5.65	2%	5.25
FTE's Per AOB Worked		4.77	5.09	5.10	4.80	6%	4.69
Labor Cost/FTE (Annualized)		132,544.25	115,790.59	137,490.19	125,043.65	10%	133,559.57
Benefits Expense as a % of Benefitted Labor Expense		74%	72%	77%	73%	6%	70%
Salaries & Benefits as % of Net Patient Revenue		65%	59%	67%	66%	2%	58%

Year-to-Date: Labor and Productivity Metrics

March 31, 2017

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Labor Metrics						
	Productive FTEs	1,238.07	1,275.25	(3%)	1,156.81	7%
	Non-Productive FTEs	221.06	225.04	(2%)	205.78	7%
	Contract Labor FTEs	64.87	47.61	36%	41.67	56%
	Total FTEs	1,459.13	1,500.29	(3%)	1,362.59	7%
	FTE's Per AOB Paid	5.87	5.93	(1%)	5.65	4%
	FTE's Per AOB Worked	4.98	5.04	(1%)	4.80	4%
	Labor Cost/FTE (Annualized)	128,213.78	120,089.08	7%	125,718.85	2%
	Benefits Expense as a % of Benefitted Labor Expense	73%	73%	(0.3%)	72%	0.8%
	Salaries & Benefits as % of Net Patient Revenue	62%	66%	(6%)	64%	(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 May 17, 2017, 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 May 17, 2017, 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**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on May 17, 2017, 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 –

**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 May 17, 2017, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Elizabeth Tidwell, et al. v. County of Kern, et al., United States District Court, Case No. 1:16-CV-01697-JLT –

**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 May 17, 2017, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Maria G. Villanueva v. County of Kern, et al., Kern County Superior Court, Case No. BCV-15-101614-SPC –