AGENDA

KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, August 16, 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 by the Chief Medical Officer recognizing the Antimicrobial Stewardship program at Kern Medical –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

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

5) Public hearing regarding the meet and confer impasse between representatives of the Kern County Hospital Authority and Service Employees International Union, Local 521, and Resolution implementing the Kern Medical Center Disciplinary Policy –
OPEN HEARING; CLOSE HEARING; APPROVE; ADOPT RESOLUTION; DIRECT STAFF TO IMPLEMENT

CA
6) Proposed retroactive Amendment No. 6 to Agreement 194-2012 with Ravi Patel, M.D. Inc., doing business as Comprehensive Blood and Cancer Center, an independent contractor, for medical practice management services at Kern Medical leased clinics, extending the term for one year from August 1, 2017 through July 31, 2017, and increasing the maximum payable by $1,200,000, from $2,146,000 to $3,346,000, to cover the extended term –
APPROVE; AUTHORIZE THE CHAIRMAN TO SIGN

CA
7) Proposed retroactive Amendment No. 3 to Agreement 453-2015 with Comprehensive Cardiovascular Medical Group, Inc., an independent contractor, for professional medical services in the Department of Medicine, extending the term for one year from August 1, 2017 through July 31, 2018, and increasing the maximum payable by $430,000, from $1,055,000 to $1,485,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA
8) Proposed Change Order No. 2 to Agreement 2016-052 Best Electric, an independent contractor, for construction management services related to the emergency power distribution upgrades, increasing the maximum payable by $34,736 to $698,957, to cover the cost of additional services –
MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO APPROVE ANY FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE

CA
9) Proposed Change Order No. 5 to Agreement 2016-074 with Anderson Group International, an independent contractor, for construction management services related to the infusion clinic project, increasing the maximum payable by $50,322 to $510,649, to cover the cost of additional services –
MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO APPROVE ANY FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 5% OF THE TOTAL CONTRACT PRICE

CA
10) Proposed retroactive Amendment No. 1 to Agreement 16016 with Experian Health, Inc., an independent contractor, for patient demographic verification products and services, effective July 1, 2017, in an amount not to exceed $300,000 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA
11) Request to employ retired Kern County Hospital Authority employee Linda Markham, as Per Diem Medical Social Worker, for the period ending June 30, 2018, or 960 hours, whichever occurs first, effective August 17, 2017 –
APPROVE

CA
12) Request approval of Medical Staff policies concerning Telemedicine, Guidelines for Addressing Impaired Medical Staff Members, and the Late Career Practitioner –
APPROVE POLICIES

13) Request to employ retired Kern County Hospital Authority employee Wedad M. Rizkalla, M.D., as Associate-Pediatrics, for the period ending June 30, 2018, or 960 hours, whichever occurs first, effective September 4, 2017 –
APPROVE

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

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

CA
16) Claims and Lawsuits Filed as of July 31, 2017 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

18) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(3)) Number of cases: Two (2) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: 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 –

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

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, SEPTEMBER 20, 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

16) CLAIMS AND LAWSUITS FILED AS OF JULY 31, 2017 – RECEIVE AND FILE

A) Claim in the matter of Genoveva Robles v. County of Kern
B) Claim in the matter of Melvin Robles v. County of Kern
C) Claim in the matter of Dr. Martin L. Goldman v. County of Kern
D) Claim in the matter of Dr. Martin L. Goldman v. Kern County Hospital Authority

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Presentation by the Chief Medical Officer recognizing the Antimicrobial Stewardship program at Kern Medical

Recommended Action: Make presentation

Summary:

Presentation by the Chief Medical Officer recognizing the Antimicrobial Stewardship program at Kern Medical.

Antimicrobial Stewardship Program

Board of Governor's Meeting
August 16, 2017

KernMedical | 150 YEARS Health for Life.

Recognition

Brittany Andruszko, PharmD (Clinical Pharmacist)
Jeff Jolliff, PharmD (Lead Clinical Pharmacist)
Royce Johnson, MD (Physician Champion)
Kristi Wood, RN (Infection Control Nurse)
Dana Mejia (Microbiologist)

Did you know…

50%	Hospitalized patients **receive an antibiotic**
50%	Antibiotics prescribed in hospitals are **unnecessary or inappropriate**
33%	Antibiotics prescribed in hospital have **errors (dose, duration, drug)**
20%	Hospitalized patients who receive antibiotics have **1+ side effects**
1:7	Chance acquiring superbug in short-term hospital
2 million +	**Illnesses** due to antibiotic **resistance** in US each year
23,000 +	**Deaths** due to antibiotic **resistance** in US each year

Kaiser Foundation Community Benefit Grant Program (2011)

Grant: $300,000 over 2 Years

ASP (Antimicrobial Stewardship Program)

- Ensure antibiotics will be used **safely, effectively and judiciously**

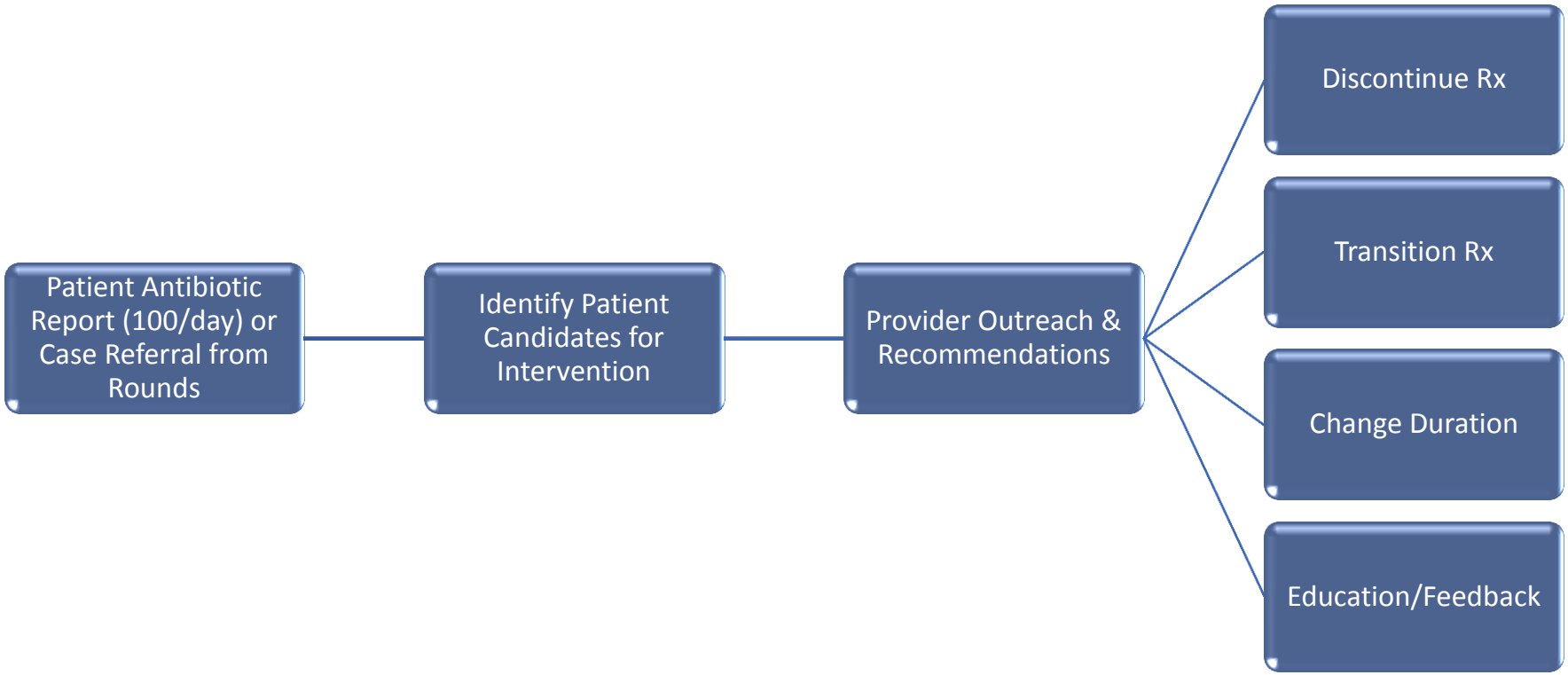
ASP Team

- Infectious Disease Physicians, Pharmacist, Microbiology, Infection Control

ASP Team Areas of Focus:

- **The 4 D's: right DRUG, DOSE, DE-ESCALATION, DURATION**
- 48 hour "time out" (de-escalation, discontinuation, etc.)
- Patient response
- Dose optimization
- Change Route(Intravenous to Oral, prior authorization, etc.)
- Prospective audit and feedback to prescribers

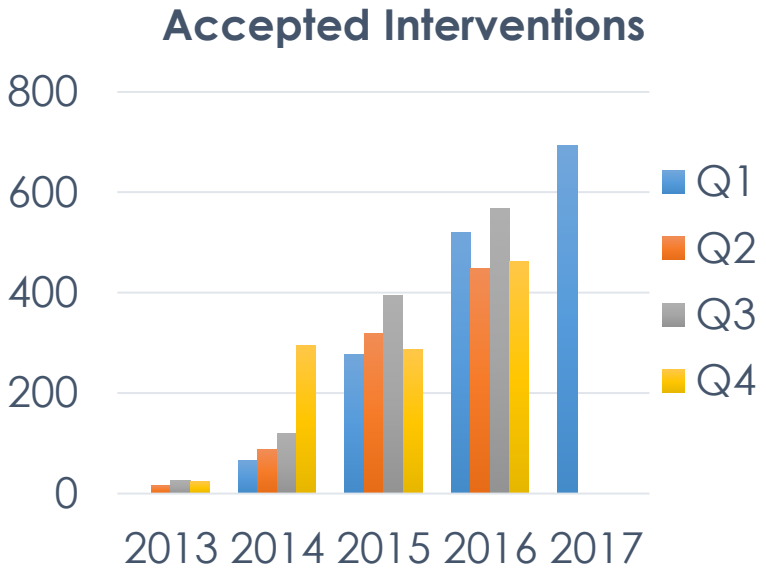
Process


Patient Antibiotic Report (100/day) or Case Referral from Rounds
Identify Patient Candidates for Intervention
Provider Outreach & Recommendations
Discontinue Rx
Transition Rx
Change Duration
Education/Feedback

Program Outcomes

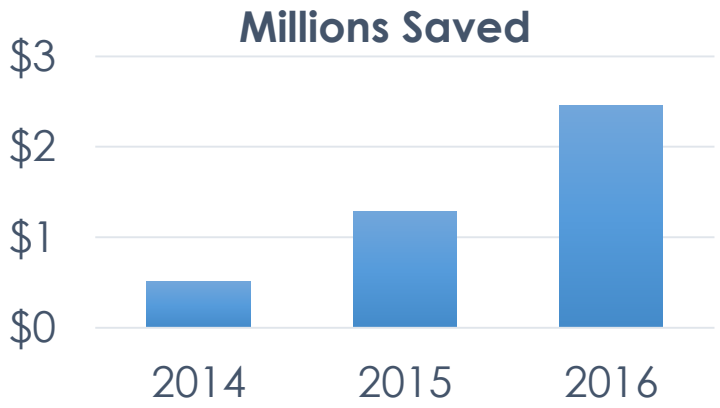
Interventions

- **>95%** of all Program recommendations are **accepted**
- Majority of recommendations involved **de-escalation** or **dose optimization** of Antibiotic therapy



Cost Savings

- **Nearly doubled each year!**
- 2014 = $511,012
- 2015 = $1,287,534
- **2016 = $2,458,334**



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Summary

- **> 95%** Program recommendations are accepted
- **Cost avoidance of $5,109,542 since 2014!**
  - Program continues to be cost effective
  - Increasing pharmacy staff involvement
- Kaiser Permanente Community Benefit Grant Return on Investment = **1703%**

Recognition

Brittany Andruszko, PharmD (Clinical Pharmacist)
Jeff Jolliff, PharmD (Lead Clinical Pharmacist)
Royce Johnson, MD (Physician Champion)
Kristi Wood, RN (Infection Control Nurse)
Dana Mejia (Microbiologist)

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, July 19, 2017

11:30 A.M.

BOARD RECONVENED

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

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!

   ELIZABETH JACKSON, NP, PEDIATIRCS, HEARD REGARDING STATUS OF THE KERN MEDICAL DISCIPLINE POLICY

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 REPORTED ON THE RECENT KERN MEDICAL RESIDENT AND FELLOW GRADUATION AND THANKED ALL WHO ATTENDED

DIRECTOR MCGAULEY THANKED STAFF FOR THE CARE ONE OF HER COLLEAGUES RECEIVED AT KERN MEDICAL FOLLOWING AN ACCIDENT

RECOGNITION

3) Presentation by the Chief Executive Officer recognizing the Kern Medical Engineering staff on the recent Labor & Delivery unit remodeling project –
MADE PRESENTATION

ITEMS FOR CONSIDERATION

CA
4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on June 21, 2017 –
APPROVED
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

CA
5) Proposed Amendment No. 1 with United Neuroscience, Inc., an independent contractor, for professional medical services in the Department of Medicine, extending the term for two years from October 1, 2017 through September 30, 2019, adding seizure and epilepsy monitoring coverage, and increasing the maximum payable by $1,498,000, from $1,260,000 to $2,758,000, to cover the term –
APPROVED; AUTHORIZED THE CHAIRMAN TO SIGN AGREEMENT 2017-047
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

CA
6) Proposed Amendment No. 1 with Valley Neurosurgery and Neurorestoration Center, a Medical Corporation, an independent contractor, for professional medical services in the Department of Surgery, adding neurophysiological monitoring services and mid-level practitioner support, and increasing the maximum payable by $1,547,607, from $9,120,425 to $10,668,425, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-048
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

CA
7) Proposed Agreement with M. Brandon Freeman, M.D., a contract employee, for professional medical services in the Department of Surgery from July 17, 2017 through July 16, 2019, in an amount not to exceed $1,100,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-049
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

CA
8) Proposed retroactive Amendment No. 4 to Agreement 319-2012 with Mansoor Gilani, D.D.S, an independent contractor, for the provision of dental services to adult inmates in detention facilities owned and operated by the County of Kern, extending the term for two years from June 1, 2017 through May 31, 2019, and increasing the maximum payable by $240,000, from $600,000 to $840,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-050
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

CA
9) Request to employ retired Kern County Hospital Authority employees Jeffrey Hill, as Per Diem Nurse II, John Caldwell, as Per Diem Pharmacist, and Florence Alacar, as Per Diem Nurse II, for the period ending June 30, 2018, or 960 hours, whichever occurs first, effective July 20, 2017; and request to employ retired Kern County employee Debra Pershadsingh, as Administrative Coordinator, for the period ending October 31, 2018, or 960 hours, whichever occurs first, effective July 20, 2017 –
APPROVED
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

10) Proposed election of officers to the Kern County Hospital Authority Board of Governors to include Russell Bigler, Chair, Philip McLaughlin, Vice-Chair, and Nancy Lawson, Secretary/Treasurer, terms to expire June 30, 2019 –
ELECTED OFFICERS
Berjis-Sistrunk: 6 Ayes; 1 Absent - Pelz

11) Kern County Hospital Authority Chief Financial Officer report –
RECEIVED AND FILED
Berjis-McLaughlin: 6 Ayes; 1 Absent - Pelz

12) Kern County Hospital Authority Chief Executive Officer report –
RECEIVED AND FILED
Lawson-Berjis: 6 Ayes; 1 Absent - Pelz

CA
13) Claims and Lawsuits Filed as of June 30, 2017 –
RECEIVED AND FILED
Lawson-McGauley: 6 Ayes; 1 Absent - Pelz

ADJOURNED TO CLOSED SESSION
Sistrunk-McGauley

CLOSED SESSION

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

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

16) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organization: Service Employees International Union, Local 521 (Government Code Section 54957.6) – SEE RESULTS BELOW

17) 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 – SEE RESULTS BELOW

18) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Resource Anesthesiology Associates of California, A Medical Corporation, a California Corporation v. County of Kern, et al., Kern County Superior Court Case No. BCV-17-101504 SDS – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION
Lawson-McGauley

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 14 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 REAPPOINTMENT, RELEASE OF PROCTORING, AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 15 concerning REQUES FOR CLOSED SESSION regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 16 concerning CONFERENCE WITH LABOR NEGOTIATORS – Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organization: Service Employees International Union, Local 521 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 17 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(3)) Number of cases: Two (2) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: 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 – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 18 concerning CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Resource Anesthesiology Associates of California, A Medical Corporation, a California Corporation v. County of Kern, et al., Kern County Superior Court Case No. BCV-17-101504 SDS – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, AUGUST 16, 2017 AT 11:30 A.M.
Berjis

/s/ Raquel D. Fore
Authority Board Coordinator

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

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Public hearing regarding the meet and confer impasse between representatives of the Kern County Hospital Authority and Service Employees International Union, Local 521, and Resolution implementing the Kern Medical Center Disciplinary Policy

Recommended Action: Open Hearing; Close Hearing; Approve; Adopt Resolution; Direct Staff to Implement

Summary:

Kern Medical, in preparation for the transition to the Kern County Hospital Authority, opened negotiations with SEIU in November 2015 on policies intended to replace rules and practices previously governed by the county's civil service rules. The enabling statute provides that "the authority shall not be governed by or subject to the civil service requirements of the county." The proposed Discipline Policy replaces the civil service rules related to discipline and details the process for disciplinary actions under the Authority.

The Authority uses a progressive discipline process, providing employees with multiple opportunities to modify and improve performance. Verbal counseling(s) and written warning(s) generally precede a disciplinary action that results in demotion, reduction in pay, suspension or termination. The proposed policy outlines a process in which employees may appeal these proposed disciplinary actions. This process includes two available appeals by the employee before the final action is rendered. The Authority and SEIU, Local 521 agree on the policy language with the exception of the final appeal process.

Having met and conferred with SEIU, Local 521 numerous times on this policy, the Authority issued a last, best and final offer in September 2016, and in November 2016, your Board approved a formal declaration of impasse. Formal mediation did not produce a tentative agreement, and a fact-finding panel met in May 2017.

The Authority has carefully considered and does not agree with the recommendation of the fact-finding panel chair. The Authority's recommended appeal process provides represented employees with multiple levels of appeal and considers the recommendation of a third-party hearing officer but does not bind the Authority to the hearing officer's decision.

The Authority has legitimate concerns in transferring binding disciplinary decisions to an outside party who may or may not fully understand the hospital's operations and who does not have a vested interest in making the right decision for both the employee and the hospital.

The Authority has judiciously considered the steps in the appeal process and has reviewed historical data to ensure that the recommendations made would guarantee a fair and impartial process for employees.

A summary of the disciplinary actions from 2011 to 2017 (YTD) below shows the number of proposed disciplinary actions that would result in suspension, demotion, reduction in pay and termination. Of note is the fact that between 2011 and 2017, there have been three hospital CEO's who have "heard" discipline cases. In 16 cases, the CEO opted to modify the proposed order after reviewing the facts and evidence presented. In the proposed Disciplinary Policy, the CEO simply retains that same right to uphold or modify the recommended action – just at a later stage in the appeal process. In addition, only three of the proposed actions were appealed and heard by the Civil Service Commission, and in all three cases, the Commission upheld the decision of the CEO.

Summary of Suspensions, Demotions, Reductions in Pay and Terminations 2011 – 2017 YTD

TYPE OF ACTION	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2016 H.A.***	**2017**	**TOTALS**
# of Disciplinary Actions Proposed	30	21	42	66	28	16	13	28	**244**
# of Appeals Modified (Reduced) by CEO Decision	3	0	3	2	2	1	0	2	**13**
# of Appeals Heard by Civil Service Commission	2	0	1	0	0	0	n/a	n/a	**3**
# of Appeals Upheld by Civil Service Commission	2	0	1	0	0	0	n/a	n/a	**3**
# of Appeals Heard by 2nd Step Appeal Process	n/a	n/a	n/a	n/a	n/a	n/a	0	1 **pending**	**1** **pending**

*Post Hospital Authority

Based on our concerns regarding outside party decisions and based on the data showing the Authority has administered the discipline process in a fair and consistent manner, it is recommended that your Board adopt the proposed resolution and direct staff to implement the Disciplinary Policy effective August 16, 2017.

Kern County Hospital Authority

Proposed Disciplinary Process
August 16, 2017

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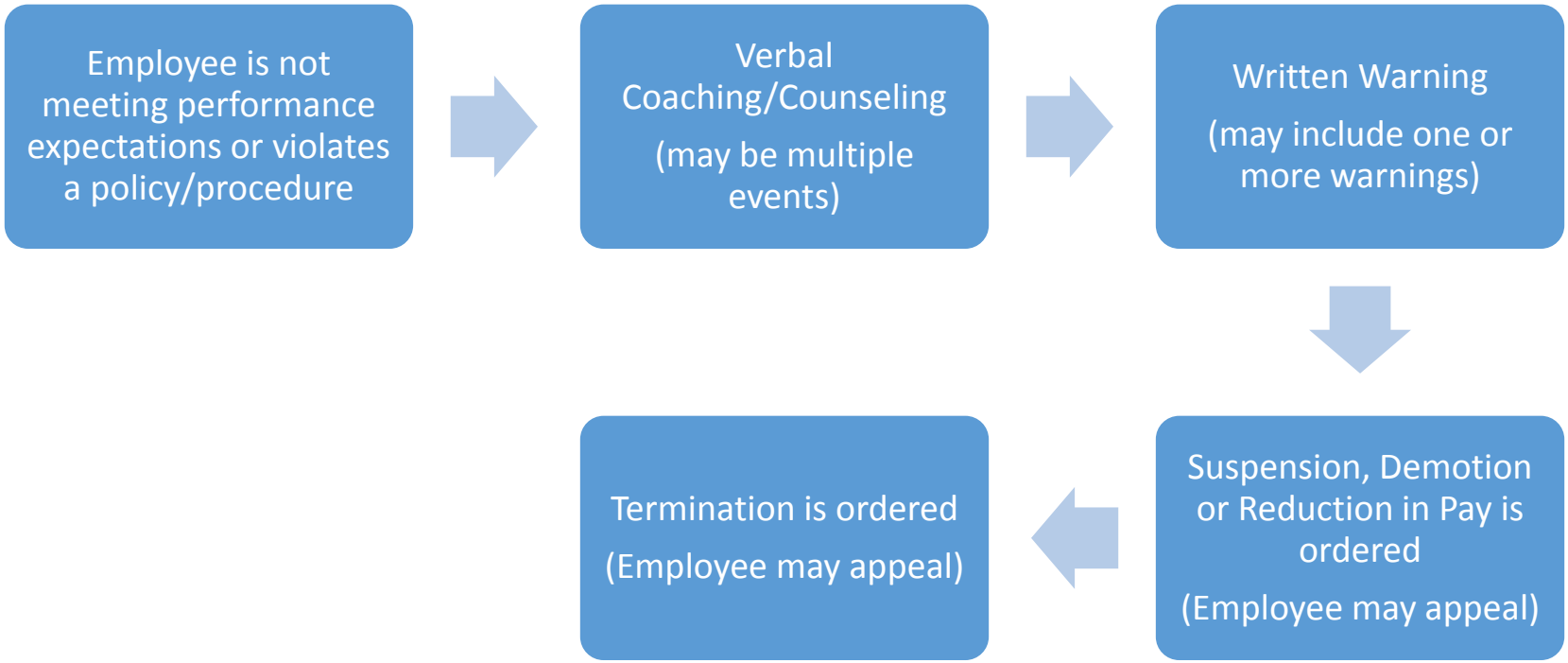
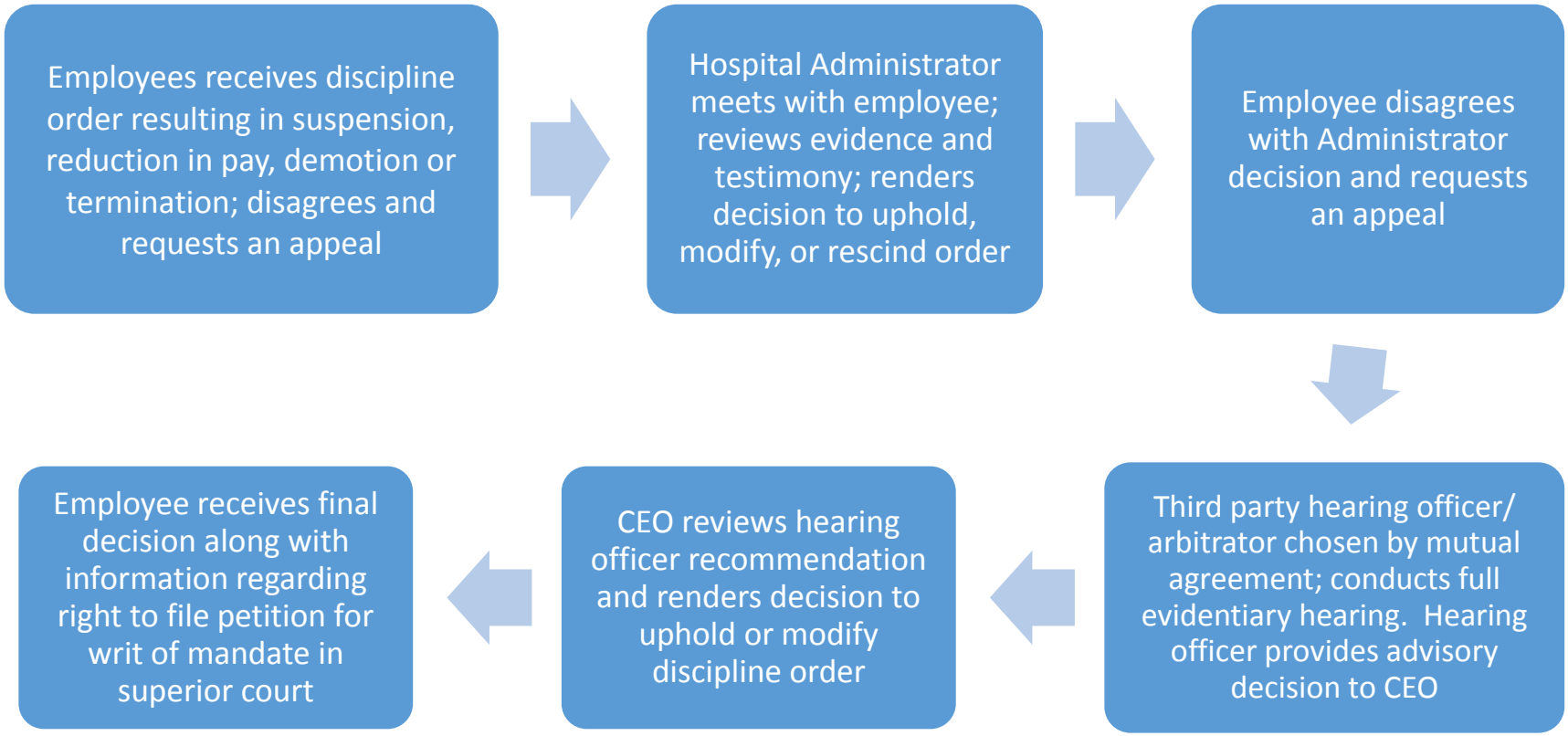
Discipline Process Negotiations Timeline

- **September 2015** –Kern Medical provides SEIU with copies of several policies to be negotiated to replace County's Civil Service procedures
  - Numerous meetings over 12 months
  - Successfully negotiated all but discipline policy
- **September 2016** -, Kern Medical presents Last Best and Final proposal on Discipline Policy after numerous meetings with SEIU
  - Two more meetings held to try and reach resolution on binding vs. non-binding arbitration issue
- **February 2017** – Both parties meet with state mediator try and reach agreement
- **May 2017** – Fact-finding panel w/neutral chairman meets with both parties
- **June 2017** – Neutral fact-finding chairman presents recommendations; union concurs with recommendation, Authority dissents (disagrees)

Discipline Process Start to Finish
(Steps may vary depending on the offense)



Discipline Process
Overview of an Appeal



KernMedical | *Health for Life.*

Discipline Process
Authority's Position on Appeal Process

- Former appeal system under Civil Service viewed as effective and fair
- Desire to establish process closely aligned with the appeal levels of Civil Service process
- Historically low number of appeals indicate due consideration is given to disciplinary decisions by CEO
- Outside party with limited knowledge of hospital operations and regulatory requirements should not be ultimate decision maker

Discipline Process
Comparison of Appeal Processes

Appeal Level/Review	County (Former)	Authority Position	SEIU Position
Level 1 Appeal Employee appeals notice of discipline	Appeal is heard by Civil Service Commission - full evidentiary hearing	3rd party hearing officer/arbitrator selected by mutual agreement • officer conducts full evidentiary hearing and issues advisory decision to CEO • CEO reviews hearing officer/ arbitrator recommendation & renders final decision	3rd party hearing officer/ arbitrator selected by mutual agreement • arbitrator conducts full evidentiary hearing and issues final and binding decision
Level 2 Appeal Employee disagrees with decision	Employee may appeal via petition for writ of mandate to superior court	Employee may appeal via petition for writ of mandate to superior court	Limited judicial review – extremely limited circumstances in which decision can be overturned
Standard of Review for appeals at Level 2	Decision can be reviewed for fact, evidence and law supporting decision	Reviewable for fact, evidence and law supporting decision	Error in law, fact or evidence is not basis to overturn decision; Must have evidence of collusion, corruption or fraud on part of hearing officer/ arbitrator to overturn decision

Summary of Suspensions, Demotions, Pay Reductions and Terminations 2011 – to Present

TYPE OF ACTION	2011	2012	2013	2014	2015	2016	2016 H.A.*	2017	TOTALS
# of Disciplinary Actions Proposed	30	21	42	66	28	16	13	28	244
# of Appeals Modified (Reduced) by CEO Decision	3	0	3	2	2	1	0	2	13
# of Appeals Heard by Civil Service Commission	2	0	1	0	0	0	n/a	n/a	3
# of Appeals Upheld by Civil Service Commission	2	0	1	0	0	0	n/a	n/a	3
# of Appeals Heard by 2nd Step Appeal Process	n/a	n/a	n/a	n/a	n/a	n/a	0	1 pending	1 pending

*Post Hospital Authority Transition

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Discipline Process
Additional Information

- Three different CEOs have heard disciplinary cases over the past five years
- 13 disciplinary actions were modified by those CEOs (reduced or held in abeyance) after considering evidence and employee testimony
- In Authority's proposed policy, the CEO continues to review disciplinary cases – just at a later stage in the process

Discipline Process
Summary and Recommendations

- Authority and SEIU have spent many hours negotiating this policy
- Authority has carefully and thoughtfully considered all aspects of binding vs. non-binding arbitration
- Authority feels strongly that discipline decisions should ultimately be made by management, but will fully consider hearing officer/arbitrator recommendations
- Authority recommends the Board of Governors adopt resolution to implement Disciplinary Policy

BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY

In the matter of: Resolution No. _____

RESOLVING AN IMPASSE IN NEGOTIATIONS BETWEEN REPRESENTATIVES OF THE KERN COUNTY HOSPITAL AUTHORITY AND SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521, AND IMPLEMENTATION OF THE KERN MEDICAL CENTER DISCIPLINE POLICY SET FORTH IN THE KERN COUNTY HOSPITAL AUTHORITY'S LAST, BEST AND FINAL OFFER

I, RAQUEL D. FORE, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 16th day of August, 2017, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

RAQUEL D. FORE
Authority Board Coordinator
Kern County Hospital Authority

_____
Raquel D. Fore

RESOLUTION

Section 1. WHEREAS:

(a) The majority of Kern Medical Center ("KMC") employees are represented by Service Employees International Union, Local 521 ("SEIU").

(b) Health and Safety Code section 101853.1, subdivision (d) requires that the Memorandum of Understanding ("MOU") between the County of Kern and SEIU remain in effect for 24 months following the date of transfer of ownership of KMC to the Kern County Hospital Authority ("Authority") unless modified by mutual agreement; and

(c) The MOU does not cover appeals of major discipline and terminations because that process is set forth in the rules of the county's Civil Service Commission. The Civil Service Commission was divested of such jurisdiction upon the transfer of ownership of KMC to the Authority (Health & Saf. Code, § 101855, subd. (b)(1)(A)); and

(d) Commencing on April 6, 2016, representatives of the Authority and SEIU engaged in multiple meet and confer sessions and did so in good faith and in compliance with Government Code section 3500 et seq. in an effort to adopt procedures to replace the civil service rules. Tentative agreement was reached in all areas except the final administrative step for disciplinary appeals; and

(e) On September 15, 2016, the Authority presented SEIU with a last, best, and final offer ("LBFO"). The parties met on November 17, 2016, to review and discuss provisions of the LBFO without resolution; and

(f) On November 21, 2016, the Board the Governors approved a formal declaration of impasse, which was presented to SEIU.

(g) Following mediation with a state mediator in a further effort to reach agreement, SEIU timely notified the state Public Employment Relations Board of its desire to move the dispute to fact-finding pursuant to Government Code section 3505.4; and

(h) The Authority and SEIU engaged in the factfinding process on May 3, 2017, before a three-member factfinding panel comprised of a mutually-selected neutral, an SEIU representative, and an Authority representative. That process has concluded with advisory findings of fact and recommended terms of settlement issued by the factfinding neutral, with a concurrence by SEIU, and a dissent by the Authority, with the advisory findings of facts and recommended terms of settlement received by the Authority on June 30, 2017; and

(i) The Authority published and made the advisory finding of facts and recommended terms of settlement publicly available within 10 days of receipt, on July 10, 2017, and that report has remained publicly available since that date; and

(j) The Board of Governors received and considered the factfinding report; and

(k) Government Code section 3505.7 states that a public agency may, after any applicable mediation and factfinding procedures have been exhausted, and after holding a public hearing regarding the impasse, implement its last, best, and final offer; and

(l) On August 16, 2017, during a regular meeting, the Board of Governors held a public hearing regarding the impasse between the Authority and the SEIU, prior to resolving the impasse.

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

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

2. Unless otherwise indicated in this Resolution, the following changes in terms and conditions of employment for those employees in the unit represented by SEIU shall be implemented concurrent with the Board of Governors passage, approval, and adoption of this Resolution. This resolution shall take precedence over any conflicting rules, regulations, policies, Memoranda of Understanding or other documentary provisions.

3. This Board hereby approves and adopts the August 16, 2017, Kern Medical Center Discipline Policy document applicable to SEIU, accompanying this Resolution as Exhibit "A."

4. The Authority Board Coordinator shall certify to the passage and adoption of this Resolution and its approval by the Board of Governors and shall deliver copies of this Resolution to the following:

Kern County Hospital Authority
Kern Medical Center
Human Resources Department
Service Employees International Union, Local 521

EXHIBIT “A”

KERN COUNTY HOSPITAL AUTHORITY

DISCIPLINARY POLICY
LAST, BEST & FINAL OFFER
SEPTEMBER 15, 2016

An employee may only be disciplined for job-related performance and/or job-related conduct, including off-duty conduct which has a nexus to the employee's ability to perform his or her job at Kern Medical or the Hospital Authority.

With the exception of layoffs for organization necessity, discipline, up to and including termination, shall be for just cause. For purposes of this policy, "for just cause" shall have the same meaning as commonly used among labor arbitrators and developed throughout labor arbitration.

This policy applies only to represented employees. Confidential, management, mid-management and non-represented employees are excluded from this policy.

PROGRESSIVE DISCIPLINE

In an effort to modify substandard performance, a constructive and progressive discipline process will generally be used unless the performance or conduct is of such a nature to warrant serious disciplinary action without first going through progressive disciplinary steps.

Progressive disciplinary actions may affect an employee's future advancement or employment.

Progressive discipline process means the following steps are taken in a timely manner (Note: Some or all of steps may be skipped or the order changed, depending on the severity of the conduct and overall circumstances):

a. Performance coaching
b. Written reprimand
c. Suspension without pay
d. Reduction in pay
e. Demotion
f. Termination of employment

Each situation is evaluated on the basis of its own factual circumstances to ensure the proposed disciplinary action is reasonable under the circumstances. Factors considered include but are not limited to:

a. The employee's past work and disciplinary history, including the nature of other offenses;
b. The character of the position to which the employee is assigned (the more responsible the position, the more exacting is the standard of performance or conduct on and off the job); and
c. The nature and consequences of the offense.

A partial list of reasons for discipline can be found in Exhibit A, attached.

PERFORMANCE COACHING

Performance coaching is an attempt to handle problems before they seriously hamper an employee's effectiveness. A verbal counseling is generally the first step taken in situations of a minor nature involving the violation(s) of a

rule, regulation, standard of conduct, safety practice, or authorized instruction. The employee is interviewed and informed of the specific infraction or breach of conduct and is permitted to explain his or her conduct or action of commission or omission.

Verbal counselings are generally made at or shortly after the time of the offense or immediately upon the supervisor's knowledge that the offense has occurred.

LEVEL 1 DISCIPLINARY ACTIONS – WRITTEN REPRIMANDS

Employees receiving a Level 1 written reprimand will be provided with the following information:

a. The reason for the reprimand, the date it will be effective, and the specific grounds and particular facts upon which the disciplinary action is being taken;
b. The non-confidential materials upon which the action is based (which may include confidential material with redacted information); and
c. A statement informing the employee of his or her right to appeal in the manner set forth in this policy.

LEVEL 2 DISCIPLINARY ACTIONS – UNPAID SUSPENSIONS, REDUCTIONS IN PAY, DEMOTIONS AND TERMINATIONS

See Exhibit B, outlining the process for Level 2 disciplinary actions.

APPEAL PROCESS

Neither probationary nor temporary employees shall have the right to appeal any disciplinary action.

Level 1 Disciplinary Actions – Appeal Process

Employees receiving a Level 1 written reprimand may provide a written rebuttal within 30 days from the date of the reprimand. This rebuttal will be placed in the employee's personnel file along with the written reprimand.

Level 2 Disciplinary Actions Appeal Process

See Exhibit B, outlining the process for Level 2 disciplinary actions.

Employees who do not appeal a Level 2 disciplinary action within the prescribed timelines outlined herein waive all rights to an appeal. The proposed action(s) will be upheld and the employee will be notified through an Order Letter outlining the following:

- The ordered action and date to be imposed
- The specific rule violations and the acts or omissions that warrant the ordered action
- Notification of waiver of appeal rights

SHARED COST OF ARBITRATION

All costs associated with arbitration will be shared equally between the Hospital Authority and the employee organization.

TIMING OF TERMINATIONS

Employees for whom termination has been proposed may be terminated upon Step 1 affirmation of the termination decision. If the employee appeals the Step 1 decision and the hearing officer disagrees with the decision and the CEO confirms a reversal of the decision, the employee will be reinstated with back pay from the date of termination.

ADMINISTRATIVE LEAVE WITH PAY IN CONJUNCTION WITH DISCIPLINE

The Human Resources department may place an employee on administrative leave with pay if it is determined that the employee is engaged in conduct posing a danger to Hospital Authority property, the public or other employees, or if the continued presence of the employee at the work site will hinder an investigation of the employee's alleged misconduct or will severely disrupt the business of the Hospital Authority or employee's assigned department.

During the paid administrative leave, the employee shall be ordered to remain at home and available by telephone during the normally assigned work day. The Employee Relations Representative (ERR) may, if necessary, adjust the employee's work schedule to provide availability during normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. No overtime or other specialty pay (excluding longevity pay) will be paid to an employee while on Paid Administrative Leave.

Employees who violate the provisions of paid administrative leave or who do not adhere to prescribed directives during the disciplinary process forfeit their eligibility to remain on paid status.

Exhibit A

Reasons for Discipline. Each of the following may constitute a reason for disciplinary action; but such action shall not be restricted to the particular reasons listed below, the disciplinary action may be based on other reasons.~~:~~

1. Fraud, dishonesty or omission in securing the appointment, including misrepresentation in an employment application or other documents submitted before employment, or oral misrepresentations.
2. Incompetence or general unfitness for the assigned position.
3. Inefficiency.
4. Neglect of duty.
5. Unsatisfactory job performance.
6. Reporting to work or working while impaired by alcohol, medically prescribed medications which could foresee ably interfere with the safe and effective performance of duties or the operation of the hospital, or illegal drugs.
7. Willful disobedience.
8. Insubordination.
9. Inexcusable absence without leave.
10. Discourteous treatment of the general public or fellow employees.
11. Willful misuse, damage or waste of public property, supplies or equipment.
12. Disorderly conduct.
13. Dishonesty.
14. Conviction of a felony or any offense involving moral turpitude.
15. Failure to maintain confidentiality in hospital or patient records.
16. Any failure of good behavior or acts either during or outside of assigned working hours which are incompatible with or obstructive, harmful, detrimental, or destructive to the public service.
17. Engaging in business or accepting outside employment while an employee of the Authority which is incompatible with Authority employment or gives rise to a conflict of interest.
18. Failure to maintain the standards, licenses, qualifications, or training required for a specific position.
19. Violation of Authority policies and procedures.
20. In possession, in use, under the influence of, or trafficking in a controlled substance or narcotics, except when prescribed for the employee by his/her doctor, during the employee's working hours or at his/her work site.
21. Falsifying or making a material omission on Authority document (e.g., time card, Authority/hospital record).
22. Possessing or bringing firearms, weapons, or hazardous or dangerous devices onto Authority property.
23. Theft of Authority property or unauthorized possession of property that belongs to the Authority or another employee, patient, or visitor to the hospital.
24. Misconduct.
25. Violations of regulatory or compliance provisions that the Hospital Authority is required to meet.

It is impossible to provide an exhaustive list that identifies every type of conduct that may result in disciplinary action. However in order to offer employees some guidance, the aforementioned list provides examples of conduct that may result in disciplinary action up to and including termination.

Exhibit B
Level 2 Disciplinary Action
Notice and Appeal Process

In the event the Authority proposes to impose a Level 2 disciplinary action as described in this policy, the process set forth below will be followed.

Employees receiving a Level 2 disciplinary notice will be provided with the following information:

a. The type and reason for the proposed disciplinary action, the date it will be effective, and the specific grounds and particular facts upon which the disciplinary action is proposed to be taken;
b. The non-confidential materials upon which the proposed action is based; and
c. A statement informing the employee of his or her right to appeal in the manner set forth in this policy.

STEP 1 APPEAL PROCESS: (UNPAID SUSPENSIONS, REDUCTIONS IN PAY, DEMOTIONS AND TERMINATIONS)

1) Employees shall have 10 calendar days from the notification delivery date to inform the Employee Relations Representative (ERR) in writing of their desire to respond to the allegations resulting in the proposed disciplinary action. If an employee does not request a meeting within the required timelines, the right to meet shall be considered waived unless an extension of time is mutually agreed upon by the employee and the Hospital Authority due to extenuating circumstances. The proposed disciplinary action will be considered conclusive and shall take effect as described in the disciplinary notice.

2) Upon timely receipt of an employee's request, a meeting will be scheduled no more than 30 calendar days from the date the request is received. The employee shall be heard by a hospital administrator, starting with the first name from the hospital administrator list, and continuing down the list in order until the list is exhausted, at which time the list will resume using the first name. The list and its use shall be maintained by the Human Resources department. The list, which includes the following positions, shall be in alphabetical order and shall exclude the Vice President of Human Resources:

    1. Associate Administrator for Operations
    2. Chief Financial Officer
    3. Chief Information Officer
    4. Chief Medical Officer
    5. Chief Nursing Officer
    6. Chief Operations Officer
    7. Chief Strategy Officer
    8. Vice President of Administrative Services
    9. Vice President of Ambulatory Care

    All administrators appearing on the list shall receive annual training provided by the Hospital Authority on the principles of just cause and progressive discipline.

    If the employee's assigned administrator is the administrator whose position is next in the rotation to hear the appeal, the next administrator in the rotation shall be chosen. Further, if the chosen administrator is unable to meet the time-frame as provided by this policy, the next administrator in the rotation shall be chosen.

3) The ERR will coordinate a meeting with the Administrator, the employee, and if applicable, his or her representative. The purpose of this meeting is to allow the employee to respond to the proposed disciplinary action. Within ten (10) days after that meeting, or such longer period as the chosen administrator may determine is required to review the matter, the chosen administrator shall provide the employee with a written decision.

4) If the proposed disciplinary action is confirmed, the action will take effect immediately or as soon as possible, as determined by the Hospital Authority. Employees for whom termination has been proposed may be terminated upon Step 1 affirmation of the termination decision. If the employee chooses to appeal the Step 1 decision and that decision is overturned by an arbitrator or other qualified person and confirmed by the CEO (Step 2), the employee will be reinstated with back pay from the date of termination.

STEP 2 APPEAL PROCESS:

5) If the proposed disciplinary action is a Level 2 discipline and the employee is not satisfied with the Step 1 decision, the employee may appeal within ten (10) calendar days of the Step 1 decision. The appeal shall consist of a statement indicating that the employee is appealing and an explanation of why they disagree with the decision.

6) Within ten (10) calendar days of the date that the Hospital Authority receives the notice of appeal, the Hospital Authority and the employee, or if the employee is represented, the employee's representative, shall attempt to mutually agree to an experienced labor arbitrator or other qualified person to serve as the impartial hearing officer for a non-binding arbitration hearing. The parties may extend this date by mutual consent.

7) If the parties are unable to mutually agree upon and select a hearing officer, the ERR shall request a list of five experienced labor arbitrators from the State Mediation and Conciliation Service (SMCS). Selection of the hearing officer shall be determined through an alternate strike method, with the employee or the employee's representative making the first strike. The strike method shall be concluded within 5 days of receipt of the list by the recognized employee organization. The date(s) of the hearing shall be chosen within 10 days after the selection of the arbitrator. The hearing officer's report shall be limited to the issue of whether "just cause" existed for the proposed disciplinary action. The hearing officer shall have no authority to add to, detract from, alter, amend, or modify any of the Hospital Authority's rules, policies, or procedures.

8) The hearing officer's proposed decision will include findings of facts and conclusions regarding the charges and shall be advisory to the CEO, who shall issue the final decision. The CEO can accept, reject or modify the hearing officer's proposed decision, and issue his/her own findings of fact and conclusions. The CEO's written decision must be served on the employee and include information regarding the right to file a petition for writ of mandate in superior court.

In the Matter of the Impasse Between	)	
	)	
KERN COUNTY HOSPITAL AUTHORITY,	)	
	)	*FACTFINDING REPORT AND*
Public Employer,	)	*RECOMMENDED TERMS OF*
	)	*SETTLEMENT*
- and -	)	
	)	*PERB Case No. LA-IM-237-M*
SERVICE EMPLOYEES INTERNATIONAL	)	
UNION LOCAL 521,	)	*June 24, 2017*
	)	
Exclusive Representative.	)	
	)	

COMPOSITION OF THE FACTFINDING PANEL:

Impartial Chairman:	Robert Bergeson, Arbitrator/Factfinder 13351-D Riverside Drive #142 Sherman Oaks, CA 91423
Employer Member:	Lisa Hockersmith, V.P., Human Resources 1700 Mount Vernon Avenue Bakersfield, CA 93306
Union Member:	Ernest Harris, Region 5 Director 1001 17th Street Bakersfield, CA 93301

FACTFINDING HEARING ATTENDEES:

On Behalf of the Employer:	Adrianna Guzman, Esq., Liebert Cassidy Whitmore Karen Barnes, Esq., General Counsel Brook Wendell, Employee/Labor Relations Manager
On Behalf of the Union:	Matt Gauger, Esq., Weinberg, Roger & Rosenfeld Michael Carter, Organizer Carmen Morales, Chief Steward Cesar Serrano, Researcher

BACKGROUND AND PROCEDURAL HISTORY

This matter concerns the medical facility in Kern County known as Kern Medical Center which contains, contains a 222 bed hospital and the only trauma center for a radius of 75 miles of

Bakersfield. The majority of employees who staff that facility are represented by Service Employees International Union Local 521 (Union). Prior to November 6, 2015, the facility was owned and operated by the County of Kern (County). However, pursuant to an ordinance adopted by the County Board of Supervisors a month prior to that date, ownership and operation of Kern Medical Center were transferred to a new public entity, Kern County Hospital Authority (Authority).

When the medical center was under the jurisdiction of the County, the latter entity had memoranda of understanding (MOU) with the Union which covered most aspects of the wages, hours and other terms and conditions of employment of the members of the 13 Union bargaining units. Following creation of the Authority it was agreed that those MOUs, the effective dates of which are March 28, 2015 through August 27, 2017, would remain in effect for 24 months following the date of transition to the Authority unless modified by mutual agreement.

When the County employed the instant workers, the MOUs did not cover appeals of major discipline and terminations because that process was set forth in the rules of the County's Civil Service Commission. With the advent of the Authority, that commission was divested of such jurisdiction. Accordingly, commencing on April 6, 2016, these parties met several times in an effort to adopt procedures to replace such civil service rules.

Conceptual agreement was reached in all areas save the final administrative step for disciplinary appeals. In that regard the Union proposed from the outset and still advocates that the prior civil service appeal protocol be replaced with binding arbitration. The Authority was and continues to be opposed to that process and on September 15, 2016, it presented the Union with a last, best and final offer (LBFO).

In relevant part the LBFO provided for a two-step disciplinary process. The first step provided for selection of a "hearing officer" whose "proposed decision [would] include findings of facts and conclusions regarding the charges and [would] be advisory to the [Authority's] CEO." The latter individual was to be authorized to "accept, reject or modify the hearing officer's proposed decision, and issue his/her own findings of fact and conclusions." The parties met on November 17 to review and discuss provisions of that LBFO but it proved to be an inadequate basis for settlement so on November 21, the Authority's Board of Governors approved a formal declaration of impasse which was presented to the Union.

On February 13, 2017, the parties met with state mediator Thomas Ruiz in a further effort to reach agreement. Assistance from that third party neutral similarly failed to result in settlement and on February 28, the Union notified the state Public Employment Relations Board (PERB) of its desire to move the dispute to factfinding pursuant to Government Code § 3505.4 (Meyers-Milias-Brown Act or MMBA). From a list of qualified neutrals obtained from PERB, on March 14, 2017 the parties chose Arbitrator/Factfinder Robert Bergeson to serve as chairman of the factfinding panel (Panel). On that same date Lisa Hockersmith was chosen by the Authority to be its member of the Panel with Ernest Harris chosen by the Union to serve as its Panel member.

DISCUSSION

Factfinding is not a quasi-judicial proceeding but rather a quasi-legislative one. As such, there is no burden of proof here as would be the case in arbitration. It has nevertheless been said "the party that is proposing to change the status quo on a mandatory subject of bargaining generally has the burden of persuasion on that topic. If a party proposing a change cannot justify the need for a change, a factfinder will likely recommend that the status quo remain." "Pocket Guide to Factfinding," Stevens, Novotny & Sommer, eds., California Public Employee Relations Journal (Regents of the UC, November 2013) at p. 16. To the extent the Union advocates retention of a system whereby a neutral third party would have final administrative authority over disciplinary appeals whereas the Authority proposes that the neutral's authority would be merely advisory, the Authority carries the burden of persuasion.

Authority's Position

The following is quoted from the Authority's binder.

1. The Authority's last position for maintaining non-binding arbitration is consistent with the County of Kern's disciplinary appeal process that governed employee discipline prior to July 1, 2016. [Citation to the Civil Service Rules omitted.]

2. An arbitrator may issue irrational, unfair and unreasonable decisions and act in excess of authority.

3. There is no right to appeal binding arbitration decisions.

4. Some arbitrators may base decisions on a desire for future employment (selection) rather than the merits of the case.

5. Neighboring agencies (Kern County, Fresno County, Ventura County and Los Angeles County) vest the final decision with their own civil service commission, governing body, or chief executive officer, and provide judicial review pursuant to Code of Civil Procedure section 1094.5.

6. San Bernardino County also vests the final decision with its civil service commission, but does not explicitly state that judicial review is available.

Union's Position

The Union argues that the Civil Service Commission appeals process served the County and the Union well for decades but now the Authority has rejected binding arbitration, a purportedly comparable procedure. The Union's reasoning is that as with a civil service commission, the use of arbitration as the final step for appeals of discharge and discipline allows for review of that decision not via a higher level of management but by an unbiased third party.

During the factfinding hearing the Union presented a list of 83 private hospitals within California which have agreed to binding arbitration. Consistent with the Authority's presentation, the Union has listed a number of public hospitals where disciplinary appeals are made to a civil service commission. According to the Union, in addition to those, binding arbitration is the final appeal process at the following public hospitals: City and County of San Francisco; Alameda County; and San Mateo County.

Recommended Terms of Settlement and Rationale Therefor

The Authority's position as set forth in its hearing binder is a bit puzzling. Perhaps "maintaining" as used in its first paragraph is a misnomer and what was meant was *advocating* "non-binding" or advisory arbitration since one cannot maintain something which did not previously exist. It should also be pointed out that, as will be apparent, the Authority's assertion binding arbitration is entirely unappealable to the courts not does comport with relevant case law.

It is presumed that by use of such terminology the Authority means that when an appeal of disciplinary action is lodged, these parties would agree upon a third party neutral whose title would

be "arbitrator" but whose authority would be limited to recommending findings of fact and conclusions of law to its chief executive officer. Consistent with that presumption, according to the Panel Chairman's notes, among the arguments made by the Authority during the instant hearing in defense of that position was that although the CEO is a management official, his or her decision would still need to be based on evidence presented to the advisory arbitrator. Whatever the case may be, it is the opinion of the Chairman that a process exists which can accommodate not only the Authority's valid concerns but also the Union's trepidation about review of disciplinary decisions by what would at least ostensibly be a less than impartial individual.

It is understandable the Authority is somewhat reticent about the dispute resolution process advocated by the Union since although arbitration of disciplinary appeals may be common to local unions of SEIU, it is foreign to these parties' relationship and the Authority makes a valid point that it should be able to retain some control over the identity of those who review the propriety of disciplinary actions it takes. However, the mere fact some arbitration awards may be grist for criticism is not a reason to paint all arbitrators with the broad brush of incompetence nor to conclude that such awards may have been motivated by a desire for future selection.

The history of labor arbitration is decades long and in the norm highly respected. To quote from the leading treatise on the matter "Arbitration, to use the words of one writer, is a 'simple proceeding voluntarily chosen by the parties who want a dispute determined by an impartial judge of their own selection, whose decision, based on the merits of the case, they agree in advance to accept as final and binding'." Elkouri and Elkouri, HOW ARBITRATION WORKS (BNA, 2016), 8th ed., at p. 1-3 (*Elkouri*) quoting from Chappel, *Arbitrate . . . and Avoid Stomach Ulcers*, 2 ARB. MAG., Nos. 11-12, at pp. 6-7 (1944).

To quote from p. 15 of the sixth edition of *Elkouri* (BNA, 2003),

> Since 1960, the tremendous growth of . . . collective bargaining in the public sector has been accomplished by the rapidly expanding use of arbitration of public-employee disputes. This development has been particularly important because federal and state employees generally continue to be restricted by the traditional prohibition against strikes by public employees. [Footnote.] Neutral dispute settlement machinery is essential in the public sector if organizational and bargaining rights are

to have any real substance. [Footnote.][1]

The MMBA provides no guidance as to what factual criteria should be relevant to the present process. However, among factors included at Government Code § 3548.2(b) in the bargaining stature for public school districts is "Comparison of the wages, hours, and conditions of employment with those provided to other employees performing similar services . . ." That criterion has been implicitly stipulated as useful here since each party has provided evidence of the disciplinary appeal process in various agencies they assert to be comparable.

That comparability evidence fails to support the Authority's position that the administrative appeal process between these parties should be a neutral third party's recommendation to its CEO. Indeed, the record is devoid of evidence that even one California medical facility has such a process. Rather, insofar as it is relevant, the evidence shows that in the private sector all union-represented facilities have binding arbitration and in unarguably comparable facilities run by other governmental agencies disciplinary appeals are made either to a civil service commission or to an arbitrator with final and binding authority. Such evidence therefore weighs in favor of adopting the Union's position. However, so stating is not to be construed as a determination that the Authority's concern about binding arbitration awards is entirely without merit as during the Panel Chairman's long career he has unfortunately been provided - for their supposedly persuasive value - a number of awards which do not speak well of the profession.

Based on the above, the parties should attempt to agree upon a disciplinary appeal procedure which would not end with a decision of a management official on the one hand but which would allow for greater judicial review than is true of most "final and binding arbitration" awards on the other. Use of the approach set forth in the memorandum of understanding between Metropolitan Water District of Southern California (MWD) and American Federation of State, County and

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[1] Insofar as it may be relevant, although the instant employees are not absolutely prohibited from striking, as a practical matter the ability of many to do so is subject to injunction which renders that tool of limited value in relation to their private sector counterparts.

It should further be noted that arbitration has now become so firmly entrenched in the public sector that *Elkouri* appears to no longer even bother with that explanation.

Municipal Employees Local 1902 (AFSCME) would accomplish both such goals.

As discussed in *AFSCME v. MWD* (2005) 126 Cal.App. 4th 247, section 6.7.4 of that MOU provides for appeal to a neutral "hearing officer" whose decision "shall be final and binding on the parties." As the Court of Appeal stated therein, generically speaking, whether a third party neutral chosen to hear disciplinary appeals is referred to as an arbitrator or a hearing officer or by some other term is not dispositive of his or her authority. Rather, it is "the nature and intended effect of the proceeding" which is important. As such, said the court, the AFSCME-MWD process does not amount to binding arbitration as that procedure has been defined in case law.

Where, as under the AFSCME-MWD contract, a neutral third party's decision "is reviewable by a trial court under Code of Civil Procedure [CCP] section 1094.5," it is not final and binding in the usual arbitral sense. That is so, said the Court of Appeal, because under that code section, courts are authorized to decide "whether the decision maker proceeded in excess of jurisdiction; whether there was a fair trial; and whether there was any prejudicial abuse of discretion because of a failure to proceed as required by law, the order or decision was not supported by the findings, or the findings were not supported by the evidence." Therefore, rather than being constrained to decide merely whether substantial evidence supported the factual findings made as would be true under CCP § 1280 et seq. involving binding arbitration, a trial court is "authorized to consider the weight of the evidence" produced.

Although the AFSCME-MWD MOU accordingly contains "a mechanism to assure a minimum level of impartiality with respect to the rendering" of a decision on appeal of discipline taken, under that contract the hearing officer's decision is final and binding only in an administrative sense. Therefore, from a legal standpoint, these parties' adoption of the AFSCME-MWD approach would essentially result in simply the substitution of a mutually determined neutral "hearing officer" for what has been the Kern County Civil Service Commission. Accordingly, even assuming the Authority is correct that binding arbitration awards cannot even be reviewed by a trial court (and that broad assertion does not comport with the holding in *AFSCME v. MWD*) since appeals of a "final and binding hearing officer's decision" as recommended here would be pursuant to CCP § 1094.5, that is irrelevant.

Adopting such an approach is not the only means of mitigating the chances of a poorly

decided internal appeal.

It appeared to the Panel Chairman during the hearing in this matter that there may be some misunderstanding that if these parties employ such a third party neutral, they would somehow be constrained to use any seven-name list of arbitrators provided to them by the California State Mediation/Conciliation Service (CSMCS). That is definitely not so. As examples, the Authority and the Union can develop their own rotational panel of arbitrators if they choose or, if they wish to use the CSMCS panel, when such a need arises they can ask CSMCS to send them only names of labor relations neutrals who have achieved membership in the preeminent organization for the profession, the National Academy of Arbitrators, a status which would be expected to appear on such individuals' resume.[2]

In the interests of brevity and because these parties are represented by competent counsel, rather than replicating the AFSCME-MWD language it has been merely summarized herein. The AFSCME-MWD MOU is nevertheless available here should the parties wish to review it: http://www.mwdh2o.com/MWD_PDF/Careers/5.1_Labor_AFSCME_MOU.pdf#search=mou

The Chairman having so opined, that concludes his comments. The Union's concurrence and the Authority's dissenting opinion follow.

DATED: June 24, 2017

Robert Bergeson
Chairman

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2 For membership requirements see http://naarb.org/member_guidelines.asp

STEWART WEINBERG
DAVID A. ROSENFELD
WILLIAM A. SOKOL
BLYTHE MICKELSON
BARRY E. HINKLE
JAMES J. WESSER
ANTONIO RUIZ
MATTHEW J. GAUGER
ASHLEY K. IKEDA •
LINDA BALDWIN JONES
PATRICIA A. DAVIS
ALAN G. CROWLEY
KRISTINA L. HILLMAN ••
EMILY P. RICH
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CONCEPCIÓN E. LOZANO-BATISTA
CAREN P. SENCER
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JANNAH V. MANANSALA
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ROBERT E. SZYKOWNY, Of Counsel

• Admitted in Hawaii
•• Also admitted in Nevada
••• Also admitted in Illinois
•••• Also admitted in New York and Alaska
••••• Also admitted in New York and Michigan

June 15, 2017

VIA EMAIL AND U.S. MAIL

Arbitrator Robert Bergeson
13351-D Riverside Drive, #142
Sherman Oaks, CA 91423

Re: Kern County Hospital Authority and SEIU Local 521 Factfinding
PERB Case No. SA-IM-237-M

Dear Arbitrator Bergeson:

I am writing on behalf of the Union to indicate that the Union has no changes or rebuttal to your draft report. The Union requests that you issue the report in final within the next few days.

Please contact me if you have any questions or concerns.

Sincerely,

Matthew J. Gauger

MJG:tg
opeiu 29 afl-cio(1)
cc: Adrianna Guzman
Clients

140825\919245

ALAMEDA OFFICE
1001 Marina Village Parkway, Suite 200
Alameda, CA 94501-1091
TEL 510.337.1001 FAX 510.337.1023

LOS ANGELES OFFICE
800 Wilshire Boulevard, Suite 1320
Los Angeles, CA 90017-2607
TEL 213.380.2344 FAX 213.443-5098

HONOLULU OFFICE
Union Plaza
1136 Union Mall, Suite 402
Honolulu, HI 96813-4500
TEL 808.528.8880 FAX 808.528.8881

Fact-Finding with
Kern County Hospital Authority and
Service Employees International Union, Local 521
PERB Case No. LA-IM-237-M

Kern County Hospital Authority Representative to the Fact-Finding Panel
Lisa Hockersmith, V.P., Human Resources

Dissent to the Fact-Finding Report and Recommended Terms of Settlement:

As the representative for the Kern County Hospital Authority ("Authority") to the Fact-Finding Panel, I respectfully disagree with the advisory recommendations contained in the Fact-Finder's Report & Recommended Terms of Settlement ("Report"), and for that reason, I am providing this dissenting opinion.

The Impartial Chairman's recommendation, in summary, is that "the parties should attempt to agree upon a disciplinary appeal procedure which would not end with a decision of a management official on the one hand but which would allow for greater judicial review than is true of most 'final and binding arbitration' awards on the other." The Impartial Chairman then references the memorandum of understanding between the Metropolitan Water District of Southern California ("MWD") and American Federation of State, County and Municipal Employees Local 1902 ("AFSCME") as a model for structuring a mutual disciplinary appeal procedure, which provides for judicial review of a hearing officer's decision pursuant to Code of Civil Procedure ("CCP") section 1094.5.

The Authority recognizes and appreciates the Impartial Chairman's efforts in proposing these recommended terms of settlement. The Impartial Chairman's recommendation, however, still does not address the Authority's legitimate concerns in handing final and binding decision-making to an outside party regarding the discipline of its own employees.

The Impartial Chairman opined that allowing an arbitrator's decision to be final and binding only in an administrative sense (yet still subject to judicial review) would "essentially result in simply the substitution of a mutually determined neutral 'hearing officer' for what has been the Kern County Civil Service Commission." There are, however, fundamental differences between an outside arbitrator and the Kern County Civil Service Commission ("CSC"). Unlike a third party arbitrator, the CSC is specifically appointed by the County of Kern Board of Supervisors ("BOS"). Civil Service Commissioners routinely deal with County personnel matters and administer the County's Civil Service System. The BOS maintains control over the CSC. The BOS may remove any member of the CSC during that member's term of office by a four-fifths vote, if the circumstances require. The CSC is essentially an extension of the County. Both are public agencies and bodies subject to internal and external controls for ensuring accountability to the public at large and the local constituency.

As discussed during the Fact-Finding hearing, arbitrators are not accountable to the public in the same manner. The Authority would potentially be subject to irrational, unfair and

unreasonable decisions by handing off final decision-making authority to an arbitrator without any administrative level of review. Some arbitrators may also act in excess of authority and base decisions on a desire for future employment and selection rather than the merits of each case. These are legitimate concerns by the Authority.

The Impartial Chairman suggested in the Report that the quality of the arbitrator could be addressed by (1) the parties developing their own rotational panel of arbitrators or (2) filtering the list of eligible arbitrators sent by the California State Mediation and Conciliation Service to members of a particular organization, such as the National Academy of Arbitrators. The Authority acknowledges that these proposed options may result in increased quality in the level of services and selection criteria of available arbitrators. Ultimately, however, these proposed options still result in the Authority handing off final and binding decision-making to a private third party unaccountable to the public. The Authority's concerns are not fully addressed by these proposed options. The Authority must be able to exercise reasonable discretion in administering discipline to its own employees.

The Authority also does not agree that subjecting an arbitrator's binding decision to judicial review pursuant to CCP section 1094.5 serves as a valid resolution[1]. The Chief Executive Officer's final decision would also be subject to judicial review through the same method. The Authority's concerns for ensuring adequate administrative review of disciplinary matters are not addressed via this method of judicial review.

Accordingly, I respectfully dissent from the Impartial Chairman's recommendation and the Report's suggested terms of settlement.

Lisa Hockersmith
June 22, 2017

[1] As the Impartial Chairman notes in the Report, courts reviewing matters via CCP section 1094.5 decide whether "... the order or decision was not supported by the findings, or the findings were not supported by the evidence." Even in a situation where an arbitrator's decision is in favor of the Authority, the decision may be unsupported by the findings and/or evidence. In this situation, the Authority may reject the decision or take other action to ensure the final decision is defensible if reviewed. It is doubtful the Authority could exercise this level of administrative review if it adopts a binding arbitration procedure. The "final decision" that is appealed to the courts should remain with the Authority as the governing agency.

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Proposed retroactive Amendment No. 6 with Ravi Patel, M.D. Inc. doing business as Comprehensive Blood and Cancer Center

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Proposed retroactive Amendment No. 6 to Agreement 194-2012 with Ravi Patel, M.D. Inc., doing business as Comprehensive Blood and Cancer Center, an independent contractor, for medical practice management services at Kern Medical leased clinics, extending the term for one year from August 1, 2017 through July 31, 2018, and increasing the maximum payable by $1,200,000, from $2,146,000 to $3,346,000, to cover the extended term.

AMENDMENT NO. 6
TO
MEDICAL PRACTICE MANAGEMENT AGREEMENT
(Kern County Hospital Authority – Ravi Patel, M.D., Inc.)

This Amendment No. 6 to the Medical Practice Management Agreement is made and entered into this _____ day of _____, 2017, between the Kern County Hospital Authority, a local unit of government ("Authority"), which owns and operates Kern Medical Center ("KMC"), and Ravi Patel, M.D., Inc., a California professional medical corporation, doing business as Comprehensive Blood and Cancer Center ("Manager"), individually referred to at times as a "Party" or collectively as the "Parties."

RECITALS

(a) The Parties have heretofore entered into a Medical Practice Management Agreement (Kern County Agt. #194-2012, dated April 17, 2012), Amendment No. 1 (Kern County Agt. #261-2013, dated May 13, 2013), Amendment No. 2 (Kern County Agt. #134-2014, dated March 18, 2014), Amendment No. 3 (Kern County Agt. #157-2015, dated April 13, 2015), Amendment No. 4 (Kern County Agt. #587-2015, dated August 11, 2015), Assignment of Agreement (Kern County Agt. #376-2016, dated April 26, 2016, effective July 1, 2016), and Amendment No. 5 (Agt. #2016-049, dated July 20, 2016) (collectively, the "Agreement"), for the period April 17, 2012 through July 31, 2017, whereby Manager provides management and administrative services to operate the Clinic in leased office space owned by Manager; and

(b) The Agreement expires July 31, 2017; and

(c) Authority has an ongoing need for the management and administrative services provided by Manager, as such services are unavailable from Authority resources, and Manager has agreed to provide such services; and

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

(e) The Parties agree to amend the Agreement to (i) extend the term for an additional period of one year from August 1, 2017 through July 31, 2018, and (ii) increase the maximum payable by $1,200,000, from $2,146,000 to $3,346,000, to cover the extended term; and

(f) The Agreement is amended effective August 1, 2017;

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

1. Section 9.0, Term and Termination, paragraph 9.1, Term, shall be deleted in its entirety and replaced with the following:

"9.1 Term. The term of this Agreement shall commence on April 17, 2012, and shall end on July 31, 2018, unless earlier terminated pursuant to other provisions of this Agreement."

2. Section 5.0, Compensation, paragraph 5.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

"5.5 Maximum Payable. The maximum payable under this Agreement shall not exceed $3,346,000 over the term of this Agreement."

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

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

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

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

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 6 to the Agreement as of the day and year first written above.

RAVI PATEL, M.D., INC.

By_____
Ravi Patel, M.D.
Its President

KERN COUNTY HOSPITAL AUTHORITY

By_____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By_____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By_____
VP & General Counsel
Kern County Hospital Authority

Amend6.CBCC.MSO.073117

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Proposed retroactive Amendment No. 3 with Comprehensive Cardiovascular Medical Group, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Proposed retroactive Amendment No. 3 to Agreement 453-2015 with Comprehensive Cardiovascular Medical Group, Inc., an independent contractor, for professional physician services at Kern Medical. The amendment extends the term for one year from August 1, 2017 through July 31, 2018, and increases the maximum payable by $430,000, to $1,485,000 over the three-year term of the agreement.

AMENDMENT NO. 3
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Comprehensive Cardiovascular Medical Group, Inc.)

This Amendment No. 3 to the Agreement for Professional Services is made and entered into this _____ day of _____, 2017, by and between the Kern County Hospital Authority, a local unit of government ("Authority"), which owns and operates Kern Medical Center ("KMC"), and Comprehensive Cardiovascular Medical Group, Inc., a California professional medical corporation ("Contractor"), with its principal place of business located at 5945 Truxtun Avenue, Bakersfield, California 93309.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Kern County Agt. #453-2015, dated June 23, 2015), Amendment No. 1 (Kern County Agt. #624-2016, dated June 7, 2016), and Amendment No. 2 (Agt. #22816, dated October 1, 2016) ("Agreement"), for the period August 1, 2015 through July 31, 2017, to provide professional medical services to patients of KMC and teaching services to resident physicians employed by Authority; and

(b) The Agreement expires July 31, 2017; and

(c) KMC continues to requires the services of Contractor to fill voids in staffing; and

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

(e) Authority and Contractor agree to amend the Agreement to (i) extend the term for one year from August 1, 2017 through July 31, 2018, (ii) revise the compensation methodology, (iii) increase the maximum payable under the Agreement by $430,000, from $1,055,000 to $1,485,000, to cover the extended term, and (iv) revise the description of services; and

(f) The Agreement is amended effective August 1, 2017;

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

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

> "1. Term. Performance by Contractor and Authority shall commence August 1, 2015 and shall end July 31, 2018, unless earlier terminated pursuant to other provisions of this Agreement as herein stated."

2. Section 4, Payment for Services, paragraph 4.1, Compensation, shall be deleted in its entirety and replaced with the following:

> "4.1 Compensation. As consideration for the services provided by Contractor hereunder, Authority shall pay Contractor a fixed fee in the amount of $430,000 per year at the rate of $35,833 per month ("Monthly Fee"). Notwithstanding the forgoing, Authority shall have the right to (i) withhold 5% of the Monthly Fee or $1,792, which shall be paid within 30 days after the end of the month if Contractor responds to call coverage through Contractor's telephone exchange 90% of the time; and (ii) withhold 5% of the Monthly Fee or $1,792, which shall be paid within 30 days after the end of the month if Contractor is not more than 15 minutes late to scheduled clinic start times of 8:00 a.m. 90% of the time AND the clinic has patients in the clinic exam rooms. All services are payable in arears."

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

> "4.4 Maximum Payable. The maximum payable under this Agreement shall not exceed $1,485,000 over the three-year term of this Agreement."

4. Amendment No. 2 to Exhibit "A," Description of Services, shall be deleted in its entirety and replaced with Amendment No. 3 to Exhibit "A," Description of Services, attached hereto and incorporated herein by this reference.

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

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

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

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to the Agreement as of the day and year first written above.

COMPREHENSIVE CARDIOVASCULAR
MEDICAL GROUP, INC.

By_____
Viral Y. Mehta, M.D.
Its President

KERN COUNTY HOSPITAL AUTHORITY

By_____
Chairman
Board of Governors

APPROVED AS TO FORM:
KERN MEDICAL CENTER

By_____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By_____
VP & General Counsel
Kern County Hospital Authority

Amend3.Comprehensive Cardiovascular.073117

AMENDMENT NO. 3
TO
EXHIBIT "A"
DESCRIPTION OF SERVICES
Comprehensive Cardiovascular Medical Group, Inc.
(Effective August 1, 2017)

Contractor and Group Physicians shall provide services, as assigned by the Department chair, or designee, as follows:

1. Clinical Responsibilities.
    a) Call Coverage: Contractor shall provide call coverage 24 hours per day, seven days per week on an as needed basis. Contractor shall be available by telephone to answer questions and for on-site consultations when requested by the attending physician. Contractor shall provide a monthly schedule of covering Group Physicians by the 20th day of each month. Authority recognizes that covering Group Physicians may change from time to time during the monthly schedule. Contractor shall develop and use a phone log to track calls. Contractor shall respond to 90% of all calls through the exchange and 100% of on-site consultations when requested by an attending physician.
    b) Staff Coverage: Contractor will provide coverage in the absence of the staff cardiologist on an as needed basis (not more than eight weeks per year) including, without limitation, inpatient consultative rounds on medical/surgical and ICU patients, with on-service resident physicians and medical students when present, interpretation of diagnostic examinations (echocardiogram, stress test, Holter monitor, etc.). Coverage shall include patient care and a minimum of six hours of teaching rounds per week.
    c) Cardiology Clinic: Contractor shall provide clinic coverage one day each week from 8:00 a.m. to 12:00 p.m. (except holidays). Contractor shall evaluate each patient in the presence of a resident or medical student. Contractor shall provide a monthly schedule of covering Group Physicians by the 20th day of each month. One Cardiology Clinic each month shall be a designated Electrophysiological (EP) Clinic. Authority recognizes that covering Group Physicians may change from time to time during the monthly schedule. Each covering Group Physician shall sign-in with date and time of arrival. Contractor shall be considered on-time if Contractor's Group Physician signs in within 15 minutes of the clinic start time 90% of the time and there are patients in the cardiology exam rooms. Clinic staff shall document if patients are present in the cardiology clinic exam rooms at 8:00 a.m.
    d) Group Physicians shall serve as attending physicians in the Division of Cardiology.
    e) Group Physicians shall supervise residents and medical students assigned to the cardiology service.
    f) Group Physicians shall perform non-invasive and invasive cardiology procedures.
    g) Group Physicians shall participate in the strategic planning and development of the cardiology program.

2. Medical Education, Teaching and Academic Responsibilities. Contractor and Group Physicians shall:
    a) Provide clinical mentoring to and evaluation of residents and medical students.
    b) Obtain academic appointment at David Geffen School of Medicine at University of California, Los Angeles, or one or more California-based medical schools, and maintain such appointment throughout the term of this Agreement.
    c) Provide 20 didactic and Department lectures as assigned by the Department program director and based upon standard curriculum.
    d) Medical education of medical students and resident during rounds.
    e) Medical education in the clinic setting.
    f) Medical education at outside cardiology sites, as appropriate, based on identified needs.
    g) Provide a minimum of six board review sessions per year, as assigned by the Department program director.
    h) Participate in EKG conferences as assigned by the Department chair.
    i) Prepare residents for oral boards and review case logs.
    j) Attend monthly morbidity and mortality conference and journal club, as assigned by the Department chair, or designee, when cardiology cases are discussed.

3. Service Expectations. Contractor and Group Physicians shall perform all noninvasive cardiology procedures at KMC. Contractor and Group Physicians shall perform all invasive procedures at KMC, as appropriate. Invasive procedures performed at non-KMC locations must be pre-approved by KMC in advance of the procedure. Contractor and Group Physicians shall report on time for all scheduled cardiology procedures.

4. Administrative Responsibilities. Contractor and Group Physicians shall:
    a) Attend Departmental staff meetings and the annual medical staff meeting.
    b) Participate in medical staff committees as assigned by the president of the medical staff.

5. Medical Records. Contractor shall hold Group Physicians accountable for timely completion of medical records and work to improve the quality, accuracy, and completeness of their documentation.

6. Other Duties. Contractor shall provide other duties that may be reasonably assigned by the Department chair.

[Intentionally left blank]

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Proposed Change Order #2 with Best Electric

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The proposed Change Order No. 2 with Best Electric involves upgrading the emergency power distribution to B and C wings, due to necessary IT and infrastructure modifications that require emergency power loads beyond current capacity in those wings.

This change order will compensate the contractor for work involving patch back drywall materials, paint and installing trim pieces needed at the new electrical panels in various locations; paint at the exposed electrical conduit at B Wing; and provide for a credit to repair IT damage during construction. The additional work calls for an increase of $34,736, for a new contract amount of $698,957.

To mitigate potential delays with future contract changes, we are requesting your Board's approval for the Chief Executive Officer to approve all future change orders in an amount not to exceed an additional 10% of the total contract amount, for a total potential contract amount of $768,852.

CHANGE ORDER

PROJECT:
Emergency Power Distribution Upgrades
1700 Mt. Vernon Avenue
Bakersfield, CA 93306

PROJECT NO.: 1250.10922
CONTRACT NO.: HA2016-052

CONTRACTOR:
BEST Electric
15305 S. Normandie Avenue
Gardena, CA 90247

CHANGE ORDER NO.: Two (2)

DATE:

DESCRIPTION OF CHANGE	ADD	DEDUCT
1. Provide a credit for repairs made to damaged IT line at Room 3401B.		-($2,062.51)
2. Provide all labor, material and equipment to patch walls and install trim pieces at all new Electrical Panels. CP 3	$27,486.40	
3. Provide all labor, material and equipment to paint exposed electrical conduit installed along the back side of B Wing to the Electrical Yard.	$9,311.50	
CHANGE ORDER NO. 2 TOTAL (ADD)	$34,735.39	
CHANGE ORDER NO. 1 TOTAL (ADD)	($5,578.83)	
ORIGINAL CONTRACT PRICE	$669,800.00	
NEW CONTRACT AMOUNT	$698,956.56	

REASON FOR CHANGE

1. While installing conduits in Room 3401 a data line was damaged and needed to be repaired by outside contractor.
2. The original construction documents required the Hospital Engineering department to complete all patch back and paint at new electrical panels and conduit locations. It has been determined that this work will be completed by the Contractor.
3. The new exposed electrical conduit that runs along the exterior of B Wing needs to be painted.

Funds are available in the contract budget to cover this increase in cost.

CONFORMANCE WITH SPECIFICATIONS:

All work shall be done in conformance with the specifications as applied to work of a similar nature.

If the contractor refuses to sign this document, the work listed herein shall be performed on a force account basis.

SUBMITTED BY:
BEST Electric

BY: _____
Yoon Hee Ro, President

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

BY: _____
Shannon Hochstein
Hospital Counsel

KERN COUNTY HOSPITAL AUTHORITY

BY: _____
Chairman
"KCHA"

APPROVED AS TO CONTENT:

BY: _____
Russell Judd
Chief Executive Officer

BY: _____
Jared Leavitt, Chief Operating Officer

BY: _____
Thad Bulkeley, Facility Director

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Proposed Change Order #5 with Anderson Group International

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The proposed Change Order No. 5 with Anderson Group International

The additional work calls for an increase of $52,702.16, for a new contract amount of $510,648.52.

To mitigate potential delays with future contract changes, we are requesting your Board's approval for the Chief Executive Officer to approve all future change orders in an amount not to exceed an additional 10% of the total contract amount.

CHANGE ORDER

PROJECT:
Sagebrush Chemo Clinic Remodel (Infusion)
1111 Columbus
Bakersfield, CA 93306

PROJECT NO.: 1250.10918
CONTRACT NO.: HA2017-0913

CONTRACTOR:
Anderson Group International
P.O. Box 80306
Bakersfield, CA 93380

CHANGE ORDER NO.: Five (5)

DATE: August 16, 2017

DESCRIPTION OF CHANGE		ADD	DEDUCT
1.	Provide all labor, material and equipment to modify structural steel and concrete foundation as outlined in IB-2. CP 5	$50,321.26	
2.	Contract Completion Date extended From June 29, 2017 to July 21, 2017. Add 15 Working Days to Contract.	$0.00	
3.	Provide all labor, material and equipment to relocate existing plumbing above the ceiling.	$2,380.90	
	CHANGE ORDER NO. 5 TOTAL (ADD)	$52,702.16	
	CHANGE ORDER NO. 4 TOTAL (ADD)	$4,441.44	
	CHANGE ORDER NO. 3 TOTAL (ADD)	$16,077.35	
	CHANGE ORDER NO. 2 TOTAL (ADD)	$26,948.27	
	CHANGE ORDER NO. 1 TOTAL (ADD)	$12,000.00	
	ORIGINAL CONTRACT PRICE	$398,479.30	
	NEW CONTRACT AMOUNT	$510,648.52	

REASON FOR CHANGE

1. The original construction of the Sagebrush facility was a pre-fabricated type construction, and does not meet the structural load requirements to handle the new HVAC units. Additional structural steel, and concrete footings is require to reinforce the new construction.
2. The Contract Working Days have been extended by 15 Calendar Days at no additional cost to the Hospital, to complete the Scope of Work outlined in Item No. 1 of this Change Order.
3. The existing plumbing above the ceiling needs to be relocated to accomidate the Structural Steel outlined in Item One of this Change Order.

Funds are available in the contract budget to cover this increase in cost.

CONFORMANCE WITH SPECIFICATIONS:

All work shall be done in conformance with the specifications as applied to work of a similar nature.

If the contractor refuses to sign this document, the work listed herein shall be performed on a force account basis.

SUBMITTED BY:

Anderson Group International

BY: _____

Leigh Ann Anderson, Chief Executive Officer

APPROVED AS TO FORM:
Legal Services Department

BY: _____

Shannon Hochstein
Hospital Counsel

APPROVED AS TO CONTENT:

BY: _____

Russell Judd, Chief Executive Officer

BY: _____

Thad Bluckeley, Facility Director

BY: _____

Jared Leavitt, Chief Operating Officer

KERN COUNTY HOSPITAL AUTHORITY

BY: _____

Board of Governors, Chairman
"KCHA"

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Proposed retroactive Agreement with Experian Health, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Proposed retroactive Amendment No. 1 to Agreement 16016 with Experian Health, Inc., an independent contractor, for patient demographic verification products and services, effective July 1, 2017, in an amount not to exceed $300,000.

Supplier	Customer	
EXPERIAN HEALTH, INC. 720 Cool Springs Blvd., Suite 200 Franklin, TN 37067 (615) 661-5657 or (888) 661-5657	Kern County Hospital Authority 1830 Flower St. Bakersfield, CA 93305-4186	experian. health

Add Product Amendment

This Add Product Amendment ("Amendment") shall be made a part of the Master Customer Agreement dated September 14, 2016, including any schedules, addenda and amendments thereto ("Agreement"), between Experian Health, Inc. ("Experian Health") and Kern County Hospital Authority, a county hospital authority which owns and operates Kern Medical Center ("Customer," and together with Experian Health, the "Parties"). This Amendment is subject to the Agreement and the Terms & Conditions, which are hereby incorporated by reference. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement. This Amendment shall be effective as of the date of signature by Experian Health ("Amendment Effective Date").

PRODUCT OFFERINGS AND FEES

PRODUCT OFFERINGS AND FEES. Product offerings and fees specified herein apply to a single facility installation. Experian Health agrees to provide the additional products and services selected below for the facility listed on Exhibit A hereto. Customer agrees to provide further details specified in the facility list and administration section in Exhibit A. HIS/PMS system(s) applicable to this Amendment include: McKesson STAR 2000.

		Fees (Unit Price)		
Offering Description	Qty	Implementation	Subscription	Transaction
Address & Identity Verification uses expansive, regulated data sources to provide standardized and verified current contact information for patients. This tool validates and corrects a patient's name, address, Social Security Number (SSN), date of birth (DOB), phone number, and county.	1	$1,600	$1,200	The Address and Identity Verification Transaction Fee shall be billed as provided below.
Patient Estimates (Facilities) uses information from a provider's chargemaster and payer contracted rates by procedure and applies eligibility and benefits information from the patient's health insurance plan. Fees are per installation, per connection to a single patient database and a single chargemaster with up to 10 payer contracts. Additional contracts can be purchased at an additional charge.	1	$15,000	$34,420	Estimates may run an Eligibility Verification Transaction to incorporate benefit data when there is not an existing eligibility transaction available for use. These transactions will be billed as set forth in the Eligibility Verification Transaction Fee section of the Agreement.
The Patient Estimates Document Imaging Interface creates an image file of a printed estimate from Patient Estimates for use in a document imaging system.	1	$4,300	$1,980	
The Patient Estimates Out of Process Remote Posting Interface takes estimate information and loads it into the client's registration system.	1	$6,000	$2,970	

Fees referenced above are stated at unit cost value. Totals presented below contain extended costs.

Total 1st Year Fees (excluding transaction fees)	**$26,900**	**$40,570**
Future Recurring Fees (excluding transaction fees)	**N/A**	**$40,570**

PASS-THROUGH FEES. Fees exclude pass-through fees ("Pass-Through Fees") from state and federal governmental entities ("Governmental Entities"), Medicaid and Medicare Managed Care Organizations ("MCOs"), third-party payers, communication tariffs, and/or other similar fees. Without prior notice, Pass-Through Fees will be billed monthly in addition to all other Fees at the cost that Experian Health pays to obtain transaction data. Notwithstanding any other provision of the Agreement to the contrary, Experian Health shall have the right to increase the Pass-Through Fees to offset any increases in rates, changes, or other costs from Governmental Entities, MCOs and other third parties, including without limitation Medicaid and Medicare administrators, or any increase in the cost of providing services hereunder resulting from rules, regulations and operating procedures of any federal, state or local agency or regulatory authority. The Pass-Through Fees are not subject to approval by Experian Health.

IMPLEMENTATION FEES. Implementation fees relate to the initial implementation and delivery of the product offering(s). These fees represent a one-time cost with payment based on the following timing: 50% at contract execution and 50% upon the earlier of (i) Customer's first productive use or (ii) the third full calendar month following the Amendment Effective Date.

SUBSCRIPTION FEES. Subscription fees relate to the ongoing availability of the product offering(s) to Customer. These fees are presented on an annual basis but billed on a monthly basis for the duration of this Amendment. Billing begins the earlier of: (i) Customer's first productive use or (ii) the second full calendar month following the Amendment Effective Date.

TRAINING FEES. Experian Health shall provide on-site training for all of the products selected above at the rate of $2,000 per trainer per eight-hour day. Online training, to the extent available for a given Product, shall be provided at no cost to Customer. The training shall be scheduled at such dates and times that are acceptable to Experian Health and Customer.

TRANSACTION FEES. Transaction Fees are billed per each successful transaction processed. A "successful" transaction shall be defined as an electronic transaction that returns a valid payer, data source, or business associate response to Customer from Experian Health as an inquiry sent to Experian Health

from Customer's HIS/PMS system(s). Transactions become billable to Customer once Customer is eligible for training and will be billed on a monthly basis for the duration of this Amendment.

ADDRESS & IDENTITY VERIFICATION TRANSACTION FEES. The Address & Identity Verification transaction fee ("AIV Transaction Fee") includes Address & Identity Verification transactions across all product platforms. The AIV Transaction Fee shall be equal to the sum of the Monthly Base Rate plus the Excess Usage Fee, if any, and shall be billed as provided below. These fees are billed on a monthly basis beginning the earlier of: (i) Customer's first productive use of Address & Identity Verification or (ii) five (5) months following the Amendment Effective Date ("AIV Billing Date"). For any partial calendar months, the AIV Transaction Fee shall be prorated. In no event will the AIV Transaction Fee be less than the Monthly Base Rate. Prior to the AIV Billing Date, Customer shall be billed at the Excess Usage Rate.

Address & Identity Verification Transaction Pricing		
Monthly Base Rate	Monthly Max Transactions	Excess Usage Fee
$147.50 per month	500 transactions per month	$0.30 per transaction in excess of 500 transactions per month

PRODUCT SPECIFIC TERMS

ADDITIONAL TERMS APPLICABLE TO PATIENT DEMOGRAPHIC VERIFICATION PRODUCTS & SERVICES

PATIENT DEMOGRAPHIC VERIFICATION SERVICES. Customer shall use reasonable measures to identify consumers and will accurately provide Experian Health with complete identifying information about the consumer inquired upon in the form specified by Experian Health. Customer acknowledges and agrees as follows: the facility must respond to audit requests within 72 hours of notification by Experian Health requiring identification of a specific end user(s); the use of the data is for reference and verification in connection with Customer's business processes, and shall be limited to required institutional risk control, insurance purposes, or the detection and prevention of fraud. Appropriate steps shall be taken to prevent the misuse of the data. All right, title and interest in and to the data under contractual, copyright, and related laws is retained by Experian Health and any applicable third-party vendors. The data shall not be reproduced, retransmitted, republished, or otherwise transferred for any commercial purpose. The data or results of the data shall not be distributed to the patient or any party acting on behalf of the patient. The data shall be used in accordance with the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C.A, Sec. 6801 et seq.) ("GLB Act"); the federal Drivers Privacy Protection Act (18 U.S.C. Sec. 2721 et seq.); and such state and local requirements or any legislation, rules, or regulations as may be enacted or adopted after the date of this Agreement by any federal, state, or local government body. The data is being provided "AS IS," is collected from various sources, including third parties and may or may not be completely thorough and accurate.

GRAMM-LEACH BLILEY ACT

ADDRESS & IDENTITY VERIFICATION - ACCEPTABLE USE CERTIFICATION. Customer certifies to Experian Health that Customer has determined that its use of Address & Identity Verification is pursuant to the exception under the GLB Act, ***to protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability.***

MEMBERSHIP PROCESS. Customer understands that, in accordance with applicable law, Experian Health must evaluate and approve Customer's right to receive data regulated by the GLB Act ("Regulated Data") prior to permitting Customer's access to such Regulated Data. As such, Customer agrees to complete Exhibit A, as incorporated into this Amendment, in a timely manner. Customer acknowledges and agrees that Customer's access to any service containing Regulated Data shall be contingent upon approval of Experian Health.

MISCELLANEOUS

AUDIT. Experian Health will have the right to audit Customer's and its approved agents' use of the Services to assure compliance with the terms of the Agreement upon 30 days' prior written notice to Customer. Customer will be responsible for assuring full cooperation with Experian Health in connection with such audits and will provide to Experian Health, or obtain for Experian Health, access to such properties, records and personnel as Experian Health may reasonably require for such purpose. Notwithstanding the foregoing, if Experian Health reasonably believes that Customer has violated Experian Health's data security requirements, Experian Health may, with reasonable advance written notice to Customer and at Experian Health's sole expense, conduct, or have a third party conduct on its behalf, an audit of Customer's network security systems, facilities, practices and procedures to the extent Experian Health reasonably deems necessary in order to evaluate Customer's compliance with such data security requirements.

BILLING TERMS. Customer agrees to the following billing terms: Due upon receipt.

NATIONAL SHOWCASE SITE: In consideration of the new Experian Health products received hereunder, Customer agrees to cooperate with Experian Health as a National Showcase Site. As a National Showcase Site, Customer shall:

a. Provide a representative to participate in weekly meetings for the first month of usage of the new Experian Health products;
b. Provide functionality and technical feedback to Experian Health and its workgroups during the weekly meetings.

TERM OF AMENDMENT. Experian Health reserves the right to rescind the fee structure and terms if this Amendment is not executed within 45 days of the date of submission to Customer. This Amendment shall be coterminous and run with the Agreement. Accordingly, this Amendment shall remain in full force and effect for the remainder of the Initial Term, or any applicable Renewal Term, of the Agreement and may only be terminated as set forth in the Agreement. For the avoidance of doubt, the Initial Term of the Agreement currently runs through September 13, 2021.

Whenever the terms or conditions of the Agreement and this Amendment are in conflict, the terms of this Amendment control. Except as specifically modified by the terms of this Amendment, all of the Agreement remains in full force and effect. This Amendment may be executed by digital signature and in any number of counterparts, each of which is an original, but all counterparts of which constitute the same instrument.

IN WITNESS WHEREOF, an authorized representative of each of the Parties has executed this Amendment as of the dates written below.

EXPERIAN HEALTH, INC.		**KERN COUNTY HOSPITAL AUTHORITY**	
Signed By:		**Signed By:**	
Print Name:		**Print Name:**	Russell V. Judd
Title:		**Title:**	Chief Executive Officer
Date:		**Date:**	June 30, 2017

APPROVED AS TO FORM
Legal Services Department

By _____
Kern County Hospital Authority

EXHIBIT A

FACILITY LIST AND ADMINISTRATION

PRIMARY FACILITY INFORMATION

Name: Kern Medical Center-Bakersfield
Address: 1830 Flower St., Bakersfield, CA 93305-4186
NPI #: 1376623538
Tax ID#: 47-5618278
Tax Exempt: No
(If yes, please attach a copy of your certificate of exemption.)
Company Website: www.kernmedicalcenter.com
Type of Ownership: Partnership __ Sole Owner __ Nonprofit __ Corporation __ LLC __
Years in Business:

CONTACT INFORMATION

Product Admin./Superuser
Contact: Edward Din
Phone: 661-862-4901
Email: Edward.Din@kernmedical.com

Enrollment/Implementation
Contact: Edward Din
Phone: 661-862-4901
Email: Edward.Din@kernmedical.com

Billing
Contact: Edward Din
Phone: 661-862-4901
Email: Edward.Din@kernmedical.com

Training
Contact: Edward Din
Phone: 661-862-4901
Email: Edward.Din@kernmedical.com

KernMedical | 150 YEARS Health for Life.

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Request to employ retired Kern County Hospital Authority employee Linda Markham

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employee Linda Markham, as Per Diem Medical Social Worker, for the period ending June 30, 2018, or 960 hours, whichever occurs first, effective August 17, 2017. Ms. Markham has the requisite experience and skill set needed to perform the work for which she is being reemployed. Ms. Markham will be reemployed for a limited duration to fill voids in staffing.

The Public Employee Pension Reform Act (PEPRA) sets forth post-retirement employment requirements for all KCERA retirees returning to work for a KCERA employer. The authority is a designated KCERA employer. Under PEPRA, a retiree may be reemployed up to a maximum of 960 hours per fiscal year, subject to approval by your Board.

Therefore, it is recommended that your Board approve the reemployment of Linda Markham, as Per Diem Medical Social Worker, effective August 17, 2017.

KernMedical | 150 YEARS Health for Life.

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Request approval of Medical Staff policies concerning Telemedicine, Guidelines for Addressing Impaired Medical Staff Members, and the Late Career Practitioner

Recommended Action: Approve policies

Summary:

The following policies are submitted for your approval as required by the Medical Staff Bylaws:

1. Late Career Practitioner Policy – This new policy was drafted to implement more specifically Section 4.5 of the Bylaws regarding basic responsibilities of medical staff membership. The policy allows for mandatory annual health and/or cognitive screening beginning at age 70. The results are reported to the medical executive committee as part of the credentialing/re-credentialing process.
2. Telemedicine Policy – This policy was revised by deleting the term "Joint Conference Committee", and adding "Board of Governors" and a Review Date.
3. Guidelines for Addressing Impaired Medical Staff Members Policy – This policy was revised to update the definitions section and to consolidate components of the Physician Well Being Committee within. The "Approvals" section was also revised by deleting "Joint Conference Committee", and adding "Board of Governors and a Review Date.

All the above were unanimously approved at the Medical Executive Committee and exceeded a 50% affirmation vote by the Medical Staff.

KERN MEDICAL CENTER
MEDICAL STAFF
Policy and Procedure
Telemedicine

Approvals:

Medical Executive Committee:	February 7, 2012; _____, 2017
Joint Conference Committee:	February 13, 2012
Board of Governors:	_____, 2017
Review Date:	_____, 2020

I. PURPOSE: TELEMEDICINE

II. POLICY: The Medical Staff of Kern Medical Center ("KMC") recognizes the advantage and benefits that telemedicine provides for patients and is interested in reducing the burden and the duplicative efforts of the traditional credentialing and privileging process for Medicare participating hospitals, both those which provide telemedicine services and those which use such services. This policy allows for a credentialing and privileging process for physicians providing telemedicine services. This policy permits a less redundant and more streamlined credentialing and privileging process. This policy, by agreement, grants privileges to telemedicine providers by relying on information provided by the distant-site hospital (i.e., the provider site) under certain circumstances. Specifically, the Governing Body of the hospital whose patients are receiving the telemedicine services may grant privileges to a physician based on its medical staff recommendations, which would rely on information provided by the distant-site hospital.

III. DEFINITIONS:

a) "Distant Site" is the location at which the telemedicine equipment is located and from which the Telemedicine Provider delivers his/her patient care services.

b) "Originating Site" is the location at which the patient is located.

c) "Telemedicine" is the use of health care information exchanged from one site to another via electronic communications for health and education of the patient or health care provider, and for the purpose of improving patient care, treatment or services. Closely associated with telemedicine is the term "telehealth," which is often used to encompass a broader definition of remote healthcare that does not always involve clinical services. Videoconferencing, transmission of still images, e-health including patient portals, remote monitoring of vital signs, continuing medical

education and nursing call centers are all considered part of telemedicine and telehealth.

d) "Telemedicine Provider" is the individual provider who uses the telemedicine equipment at the Distant Site to render services to patients who are located at the Originating Site. The Telemedicine Provider is generally a physician, but other health professionals may also be involved as Telemedicine Providers. Telemedicine Providers are collectively referred to as "Telemedicine Staff."

IV. PREROGATIVES AND RESPONSIBILITIES OF THE TELEMEDICINE STAFF:

The Telemedicine Staff shall consist of Telemedicine Providers who provide diagnostic or treatment services, from the Distant Site to hospital or clinic patients at the Originating Site via telemedicine devices. Telemedicine devices include interactive (involving a real time [synchronous] or near real time [asynchronous] two-way transfer of medical data and information) audio, video, or data communications (but do not include telephone or electronic mail communications) between physician and patient.

V. ADDITIONAL PROVISIONS APPLICABLE TO TELEMEDICINE STAFF:

a) Responsibility to Communicate Concerns/Problems:

1) There is a need for clear delineation of reporting responsibilities respecting the performance of Telemedicine Providers. At the very least, the KMC Medical Staff officers must be informed of any practitioner-specific problems that arise in the delivery of services to KMC patients.

2) Additionally, KMC should communicate to the Medical Staff officials at the Distant Site, through peer review channels, any problems that may arise in the delivery of care by the Telemedicine Provider to patients at KMC.

3) The President of Staff or designee may enter into appropriate information sharing agreements and/or develop and implement appropriate protocols to effectuate these provisions.

b) Responsibility to Review Practitioner-Specific Performance:

1) Special proctoring arrangements may be made for qualified practitioners at the Distant Site to proctor cases performed by new members of the Telemedicine Staff.

2) Primary responsibility to assess what, if any, practitioner-specific performance improvement and/or corrective action may be warranted rests with the Originating Site. If such action gives rise to procedural rights at the hospital, the provisions of Article ~~13~~12 of the Bylaws will apply.

VI. PROCEDURE:

The initial appointment of Telemedicine privileges for the Telemedicine Provider who will be providing services to KMC patients from a Distant Site shall be based upon:

a) The Telemedicine Provider meeting the general qualifications for membership set forth in Section 4.2 of the Bylaws;

b) The Telemedicine Provider's full compliance with KMC's privileging standards;

c) By using KMC's privileging standards but relying on information provided by the hospital(s) at which the Telemedicine Provider routinely practices.

1) If the hospital where the Telemedicine Provider normally practices is a Medicare participating hospital, the Medical Staff may use a copy of that hospital's credentialing packet for privileging purposes. This pack must include a list of all privileges granted by that hospital and an attestation signed by an authorized representative at that hospital indicating that the packet is complete, accurate, and up-to-date.

2) If the hospital where the Telemedicine Provider routinely practices is accredited by The Joint Commission and agrees to provide a comprehensive report of the Telemedicine Provider's qualifications, the Medical Staff may rely entirely on the credentialing and privileging of that other hospital. This comprehensive report must include at least the following: (i) confirmation that the Telemedicine Provider is privileged at that hospital for those services to be provide at KMC; (ii) evidence of that hospital's internal review of the Telemedicine Provider's performance of the requested privilege, and information useful to assess the Telemedicine Provider's quality of care, treatment, and services for use in KMC's privileging and performance improvement purposes. This must include, at a minimum: all adverse outcomes related to sentinel events that result from the Telemedicine services provided, and any complaints received at that hospital relating to Telemedicine services provided by the Telemedicine Provider at that hospital.

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KERN MEDICAL CENTER
MEDICAL STAFF
Policy and Procedure
Guidelines for Addressing Impaired Medical Staff Members

Approvals:

Medical Executive Committee:	August 7, 2012; 2017
Joint Conference Committee:	August 13, 2012
Board of Governors:	, 2017
Review Date:	August 2015; 2020
~~Sunset Date:~~	~~August 2016~~

I. PURPOSE:

1. To ensure patient safety by providing guidance on how to identify, report and treat impaired Medical Staff members.
2. To provide assistance and rehabilitation to aid impaired Medical Staff members.
3. To provide Medical Staff members with information and education regarding actual and potential impairments.

II. POLICY:

The quality of patient care at Kern Medical Center ("KMC") is the responsibility of the medical staff. The medical staff has adopted a "zero tolerance" policy with regard to practitioners who manifest behaviors which may lead to a compromise of quality of patient care, either directly or because it disrupts the ability of other professionals to provide quality care.

The medical staff recognizes its responsibility to maintain a high degree of confidentiality when dealing with matters of clinical competence and/or professional conduct. To meet this responsibility, it is necessary that a mechanism be established to identify, review and resolve issues involving medical staff members who compromise or might compromise the quality of patient care. It shall be the policy of the medical staff to provide mechanisms for the identification, intervention and, when necessary, the referral for treatment, members of the medical staff who may be identified as "impaired," as defined in Section III below.

To effectuate this policy, the medical staff ~~hereby~~may appoint~~s~~ ~~the~~a Well Being Committee (WBC), to address concerns that a medical staff member's health, behavior or limitations may affect patient care and to work with any medical staff member whose abilities are diminished due to age or illness, to structure his/her or clinical privileges appropriately. The WBC will be designated as a peer review committee and all minutes and documentation will be considered confidential.

III. DEFINITIONS:

A. Impairment

Refers to any condition, regardless of cause, which interferes with the member's ability to function as normally expected. Impairment may exist in one or in multiple domains, including, but not limited to, psychomotor activity and skills, conceptual or factual recall, integrating or synthetic thought processes, judgment, attentiveness, demeanor, and attitudes as manifested in speech or actions.

B. Impaired Provider

One who is unable to practice his/her profession with reasonable skill and safety because of a physical or mental illness, including without limitation, deterioration through the aging process, loss of motor skill, excessive use or abuse of drugs including alcohol, and displaying disruptive behavior.

C. Well Being Committee

The medical staff committee formed to support and assist Medical Staff members with matters pertaining to health, well-being or impairment.

1. COMPOSITION:

The WBC shall be comprised of three practitioners with sensitivity and expertise in areas that are likely to come before it. The Medical Executive Committee, (MEC) will designate the chairman and members of the WBC. The chairman of the WBC may also ask an individual with particular expertise to serve on the WBC while it is addressing concerns in that individual's area of expertise. For instance, if the concern about a physician's health or ability is age-related, a gerontologist might be asked to serve; if the issue is infectious disease, a specialist in that area might serve.

IV. PROCEDURES:

Report and investigation process for "impaired" medical staff. It shall be the duty of all members of the Medical Staff to report concerns about substance abuse, whether they experience it personally or recognize it in other members of the Medical Staff. Reports should be made to the Department Chair, President of Staff, or the WBC. The identity of the reporter shall be confidential and information regarding the nature of the allegation(s) will be restricted to the extent possible. Any individual, medical staff member, board member or hospital management who has a concern that a medical staff member's health or condition may be affecting or could affect his or her ability to safely and competently practice in the hospital may refer the matter as follows:

a. The referral shall outline the nature of concern and the specific incident, which gave rise to them. The referral is to be given to the Department Chair, President of the Medical Staff, CEO or CMO (or designee). If the Department Chair is not the recipient of the original report, he should be informed as soon as possible. An initial investigation will be conducted by the CMO. If warranted, the CMO will discuss the incident with the practitioner and make recommendation regarding whether further action should be taken or whether the incident documentation should just be filed and trended.

b. If the initial investigation confirms that sufficient evidence exists that the medical staff member may be impaired, the matter will be referred to the WBC. If insufficient evidence is found to support further action, the matter will be closed and documents placed in the medical staff members confidential peer review file for one year in order to allow for monitoring of possible trends. If documentation is placed in the medical staff member's file, the member will be informed.

c. If sufficient evidence exists that a medical staff member may be impaired, the WBC will meet with the medical staff member to review the issue and evidence. If the consensus of the task force is that a possible problem does exist, the affected medical staff member may be requested to have an examination or be referred for consultation, the purpose of which is to establish whether or not a problem of impairment exists and if so, to prepare a plan of treatment. The medical staff member will pay for the cost of the examination or consultation. The consultation process may utilize a medical staff member or appropriate health care professional as deemed acceptable by the Chairman of the WBC, President of the Medical Staff and the CEO.

i. The WBC promotes and supports the well-being of the medical staff, to protect patient welfare, improve patient care, and enhance Medical Staff functioning. The WBC works to achieve this purpose through facilitation of treatment for, prevention of, and intervention in alcohol-related, drug-related, or behavioral problems of Medical Staff members. The WBC aims to foster a culture of mutual concern, safety and professionalism. In addition, the WBC develops programs to assist providers in recognizing and reducing stress, and provides counseling resources for providers and their families.

ii. The WBC will review the behavior, interactions, adverse incidents, and clinical course of patients pertinent to referral of any Medical Staff member. Referrals can come from various sources: self-referral; co-worker referral; supervisor/Medical Board referral; any concerned provider; credentials committee referral based on

background check information (e.g., DUI). The WBC has set a threshold to review and evaluate any incidents within ten (10) days of referral.

iii. The WBC will base a decision to recommend intervention on results of that review. It is the intent of the WBC to recommend interventions, which can correct the difficulty before disciplinary action is necessary. The WBC will identify the condition, supportively confront the provider, help obtain indicated treatment, and monitor the recovering provider during rehabilitation.

iv. The WBC does not hold disciplinary power. The WBC will function in a non-punitive and confidential manner. All findings and records shall be considered confidential and not a part of disciplinary records. If egregious behavior continues, and there is actual or potential risk of harms to patients, all activities will be reported promptly to the President of Staff and the Medical Executive Committee for further action pursuant to the Medical Staff Bylaws.

d. Upon conclusion of the WBC's review, a report of their findings and recommendations will be provided to the ~~Joint Conference Committee~~ Board of Governors, CEO, Department Chair and the Medical Executive Committee Officers. If no resulting action is recommended, the reporting process will end at that point. If the WBC recommends a reduction or restriction of privileges, the matter will be referred to the MEC for initiation of the corrective action plan as outlined in Article XI of the medical staff bylaws.

e. Following receipt of the recommendation from the WBC and, if applicable, receipt of consultant report confirming that the medical staff member in question does, in fact, have an impairment and recommends a treatment program, KMC has the following options:

1. Impose appropriate restrictions and/or monitoring on his/her hospital practice.
2. Request the medical staff member to take a leave of absence.
3. Require the medical staff member to enter a rehabilitation program approved by the leadership of the medical staff.
4. Immediately suspend the medical staff member's privileges at KMC pursuant to the medical staff bylaws.

f. If the investigation reveals there may be some merit to the report but not enough to warrant immediate action, the medical staff member's activities shall be monitored for a period sufficient to determine whether or not impairment exists.

g. If a medical staff member voluntarily reports he/she is impaired, suspects that he/she may be impaired, or is currently in a recovery process, the Department Chair, President of the Medical Staff, CEO (or designee), and the Chairman of the WBC will be notified and a meeting will be held with the affected medical staff member to determine a course of action as previously defined in this policy and may require random drug/alcohol and/or occupational health screening.

i. If the provider agrees to participate in the rehabilitation program, the WBC, President of Staff and Department Chair will draw up a formal contract specifying the treatment program. The agreement will be in writing and will be signed by the provider. Providers who have self-enrolled in a treatment program, such as individual psychotherapy or 12-Step recovery group, must inform the WBC of this commitment. The provider will agree to formal leave of absence if the WBC deems the leave necessary.

h. If a medical staff member takes a leave of absence or privileges are suspended, he/she will be considered for reinstatement only upon written request to the President of the Medical Staff as defined in the Reinstatement of Impaired Medical Staff Member portion of the policy.

Reinstatement of Impaired Medical Staff Member. If a medical staff member was suspended or restrictions imposed on privileges due to entrance into a rehabilitation program or other requirements, a written request for reinstatement of privileges must be submitted to the President of the Medical Staff. If applicable, a written report

must be received from the rehabilitation program treating the physician, defining the medical staff member's current status and identifying any recommendations regarding the medical staff member's "fitness" to resume or continue the practice of medicine. The ~~Joint Conference~~ Board of Governors may request an additional and independent "fitness" evaluation as appropriate.

The written request and application reports will be forwarded for the approval through the normal channels to the Department Chair, Chairman of the WBC, Credentials Committee, Medical Executive Committee, with final recommendation by the ~~Joint Conference Committee~~Board of Governors.

Medical Staff Member Cooperation If at any point during the process of evaluation, rehabilitation, or reinstatement, the medical staff member refuses/fails to cooperate or comply with this procedure, he/she may be summarily suspended from the medical staff and afforded due process as defined in the medical staff bylaws.

Confidentiality Throughout this process, all information will be kept confidential and any discussion will be among the involved parties only. The original report, description of actions taken and outcomes of investigations will be filled in a confidential peer review file separate from the medical staff member's credentials file. This confidential file will be maintained by the Medical Staff Office.

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KERN MEDICAL CENTER
MEDICAL STAFF
Policy and Procedure
Late Career Practitioner Policy

Approvals:

Medical Executive Committee: July 11, 2017
Board of Governors:
Review Date:

I. PURPOSE:

Clinical excellence is a complex composite of performance in many domains, including, among others, cognitive ability, technical proficiency, communication skills, professional judgment, productivity, and stamina. As individuals age, both the natural aging process and specific medical conditions and medications have the potential to adversely affect the capacity of practitioners to carry out their clinical responsibilities. Given this reality, it is imperative, from the point of view of patient safety as well as physician well-being, to establish a process by which late career practitioners' performance and capacities can be fairly and accurately evaluated. The purpose of this policy is to establish this evaluation process.

Key elements of this policy are to assure high quality care for the patient, to be supportive of the practitioner and to address issues that the individual may not recognize.

The Medical Staff of Kern Medical adopt this policy in order to:

- Provide patients with medical care of high quality and safety and protect them from harm
- Identify issues that may be pertinent to the health and clinical practice of medical staff members
- Support members of the medical staff
- Apply evaluation criteria objectively, equitably, respectfully and confidentially

II. SCOPE:

This policy applies to all members of, and applicant to, the Medical Staff of Kern Medical.

III. POLICY STATEMENT:

Any practitioner aged 70 or older who applies for appointment to the Medical Staff will complete, as part of the application process, The Physician Assessment and Clinical Education (PACE) Aging Physician Assessment (PAPA). Practitioners who are currently on the medical staff who are aged 70 or older will be required to complete the PAPA program. Failure to complete the required PAPA program will be deemed as an

incomplete application and could be deemed a voluntary resignation of appointment and clinical privileges.

The clinical skills assessment and health screening described in this policy must indicate that the practitioner has no detected problem(s) that might interfere with the safe and effective provision of care permitted with the clinical privileges requested (for applicants) or currently in effect (for current members of the medical staff). Adverse findings that indicate potential interference with the safe and effective provision of care with the clinical privileges requested (for applicants) or currently in effect (for current members of the medical staff) will be assessed along with other pertinent factors by the applicable Department Chairman and Credentials Committee in formulating their recommendations regarding appointment and clinical privileges to the Medical Executive Committee [MEC] as provided in the Kern Medical Staff Bylaws. The Department Chairman/Credentials Committee has the right to request additional information for further evaluation if necessary.

IV. PROCEDURE:

A. Components of the assessment: For any practitioner aged 70 or older at the time of his/her application for appointment or who is otherwise required by the Credentials Committee to undergo evaluation (including the annual assessment of current members of the medical staff aged 70 or older), the Medical Staff Office will notify the practitioner of the assessment and screenings required by this policy. These are as follows:
   1. The PACE Aging Physician Assessment (PAPA), see Appendix A.
      a) Practitioners who are currently on the medical staff who are aged 70 or older will be required to complete the PAPA program at the expense of KMC.

B. Review of assessments

   1. The completed PAPA will be submitted to the Medical Staff Office.

   2. This information, which will be treated as highly confidential, will be reviewed by the applicable Department Chairman and Chair of the Credentials Committee. If the Department Chairman is under review, their information will be reviewed by the Chief Medical Officer and the Chair of the Credentials Committee. Additional evaluation and consultation may be sought regarding the interpretation of the results as needed.

C. Outcomes of review

   1. If the findings do not identify potential patient care concerns in relation to the expected level of performance of the requested privileges, the results will be filed in a confidential file maintained by the Medical Staff Office, and the

credentials file will only reflect the assessment and screening process has been completed with no significant concerns identified. The appointment process will then proceed as specified in the Medical Staff Bylaws.

2. If the findings identify potential patient care concerns, the Department Chairman/Chief Medical Officer and the Credentials Committee will, on a confidential basis, evaluate the results and will recommend further evaluation if indicated. This could include proctoring of the practitioner's clinical performance, the scope and duration of which would be determined by the MEC upon recommendation of the Credentials Committee, with input from the Department Chairman/Chief Medical Officer. Specific findings that would identify potential concerns include low ratings on the Clinical Excellence Core Competencies Evaluation or significant health issues that would interfere with the ability to practice medicine in the physician's specialty. The complete evaluation/findings will be maintained by the Medical Staff Office in the practitioner's credential file.

    a) If the Credentials Committee concludes that the practitioner is *not* able to safely and competently perform the privileges requested, a representative of the committee and/or the Department Chairman/Chief Medical Officer will discuss alternative practice patterns or modification of requested privileges, including the possibility of revocation of privileges, with the practitioner. *The goal of such discussion is to be supportive and respectful of the practitioner and to suggest resources to assist the practitioner.*

    b) If the Credentials Committee recommends modification, restriction or revocation of clinical privileges to the MEC, and if that recommendation is approved by the MEC, the practitioner may request a hearing under Article XIII of the Medical Staff Bylaws.

VI. Throughout this process the intent of each step is to protect patient safety, provide support, to the practitioner and assist in any resulting changes in practice patterns or transitions. This process is also available to individual practitioners who, on their own, express concerns. Inquiries by such practitioners should be directed to the Department Chairman or Chief Medical Officer.

VII. APPENDICES

- *Appendix A – The PACE Aging Physician Assessment (PAPA) program*

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The PACE Aging Physician Assessment (PAPA)

The UC San Diego PACE Program is proud to offer the PACE Aging Physician Assessment (or PAPA).

WHY CONSIDER AN AGE-BASED SCREEN?

Despite their possession of seemingly supernatural healing powers, Physicians, like everyone else, are not immune are to the effects of the natural aging process. This includes decreasing physical strength and stamina and cognitive abilities including: decreased reaction time, decreased fine motor skills/dexterity, difficulty learning new concepts and skills, decreased comprehension of complex information, and decreased analytic processing.

According to the American Medical Association (AMA), the total number of physicians 65 years and older more than quadrupled from 50,993 in 1975 to 241,641 in 2013.[1] Additionally, physicians 65 and older currently represent 23 percent of physicians in the United States.[1] Within this group, two-fifths (39.3 percent) are actively engaged in patient care.[2]

Unlike the airline industry, which requires biannual medical examinations of commercial pilots and mandatory retirement at age 65, Medicine does not require physicians to undergo regular medical examinations nor does it mandate when they must stop practicing. Instead, medicine relies mainly on physician self-regulation in recognizing physical or cognitive decline. This approach is flawed, however, as the impaired physician is often the last to know of his/her own impairment. As a result, many physicians may be practicing without realizing that their ability to deliver safe care has been compromised. As such, determining which individuals may pose a safety risk is the responsibility of those in the hospital or other medical setting.

COMPONENTS OF PAPA:

1. **Review of self-report health questionnaires**
2. **History and physical examination**
3. **MicroCog™ Cognitive screening examination**
4. **Mental health screen**
5. **Dexterity test***

*The dexterity test component applies only to proceduralists.

THE PACE AGING PHYSICIAN ASSESSMENT (PAPA) (CONT.)

Quick Facts

What PAPA IS:

PAPA is a physical and mental health screening intended for late career physicians who have reached a certain age (generally 70 and older), but otherwise have no known impairment or competency problems. PAPA is designed to detect the presence of any physical or mental health problems affecting a physician's ability to practice. If concerns are identified, further evaluation will be recommended.

What it is NOT:

PAPA is not a diagnostic evaluation nor is it a fitness for duty evaluation. It is not intended to be used in "for cause" assessments of physicians who are suspected of having impairment. Hospitals or medical groups that have concerns about an individual physician's fitness to practice should consult with our Fitness for Duty Program's Administrative Director, Patricia Reid, M.P.H., pdreid@ucsd.edu.

Who should use PAPA:

Any hospital or medical group that would like to ensure the ongoing health and fitness to practice of its late career practitioners would benefit from PAPA. Any hospital or medical group that has enacted a policy to screen late career practitioners would benefit from PAPA.

Why you should you use PAPA:

Evidence suggests that there is an inverse relationship between the number of years that a physician has been in practice and the quality of care that the physician provides.[3]

Why use PACE?:

The PACE Program was originally founded in 1996 to provide clinical competency evaluations of and remedial education to physicians identified as having performance concerns. The physical and mental health screening components of our competency evaluation has helped detect undiagnosed health problems in dozens of physicians that were potentially impairing their ability to practice safely. This in turn led to the creation of the PACE Fitness for Duty Evaluation (FFDE) in July 2011, which evaluates physicians suspected of impairment due to physical, cognitive or mental health problems.

THE PACE AGING PHYSICIAN ASSESSMENT (PAPA) (CONT.)

All screening components take place at the PACE office in San Diego, CA.

POSSIBLE RESULTS OF PAPA:

Following the assessment, a final report will be sent to the referring group that outlines whether the physician is falls into one of the following two categories and what recommendations exist:

- **FIT FOR DUTY:**
  Results either indicate that no presence of illness exists that interferes with the physician's ability to safely perform the duties of his or her job OR that presence of illness exists but currently does not interfere with the physician's ability to safely perform the duties of his or her job. Re evaluation may be recommended depending on the prognosis of present illness(es).
- **FURTHER EVALUATION RECOMMENDED:**
  Results indicate a possible impairment exists due to a physical or mental health problem.

PRICING:

Rates are determined based on the total number of physicians referred and the practice area of the participating physician, i.e., there is a slightly higher cost for proceduralists.

Pricing tops out at $2,000 (or $2,200 for proceduralists) and goes down from there based on the total number of physicians referred. For more information about pricing and bulk discounts, please contact us.

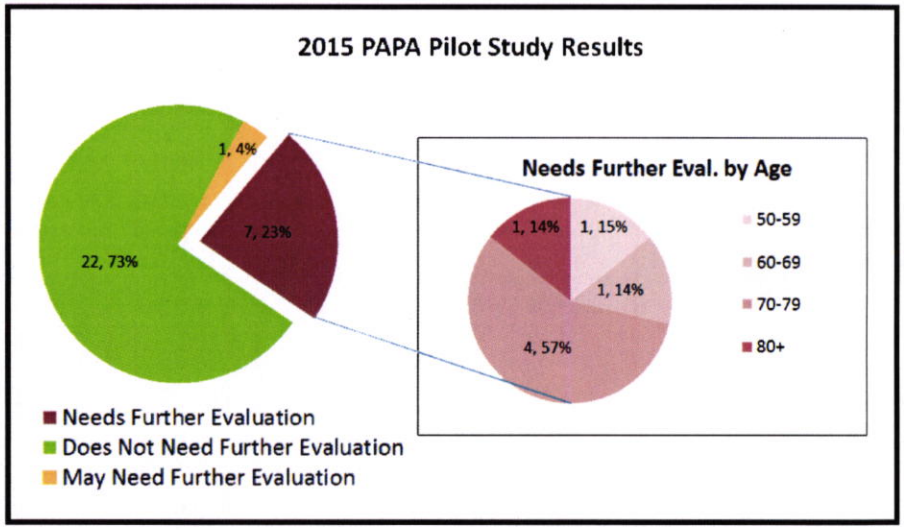
For any further questions about the PACE Fitness for Duty Program Evaluation or PAPA Program, please contact:

Patricia Reid, MPH
Administrative Director of FFD and PAPA Programs
619-471-0569
pdreid@ucsd.edu

THE PACE AGING PHYSICIAN ASSESSMENT (PAPA) (CONT.)

THE PACE PAPA PILOT STUDY:

From August, 2014 to July 2015, the PACE Program conducted a study on 30 volunteer physicians aged 50 years and older. Of those who participated, 23% (n=7) received recommendations for further neuropsychological evaluation and 4% (n=1) were determined to possibly need further evaluation based on their MicroCog™ scores.



References

1. CME Report 5-A-15, Assuring Safe and Effective Care for Patients by Senior/Late Career Physicians, Council on Medical Education. American Medical Association.
2. Smart DR. Physician Characteristics and Distribution in the US. American Medical Association. 2015 Ed.).
3. Choudhry NK, Fletcher RH, Soumerai SB. Systematic review: the relationship between clinical experience and quality of health care. Ann Intern Med. 2005;142:260–273.

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Request to employ retired Kern County Hospital Authority employee Wedad M. Rizkalla, M.D.

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employee Wedad M. Rizkalla, M.D., as Associate-Pediatrics, for the period ending June 30, 2018, or 960 hours, whichever occurs first, effective September 4, 2017. Dr. Rizkalla is a participant in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), which is a governmental plan sponsored by the authority for its employed physicians.

The Public Employee Pension Reform Act (PEPRA) sets forth post-retirement service and employment requirements for all retirees receiving a pension benefit from a public retirement system who return to work for a public employer. The authority is a public employer; the Plan conforms to the PEPRA definition of a "public retirement system." Under PEPRA service requirements, a retiree may be reemployed up to a maximum of 960 hours per fiscal year, subject to approval by your Board.

In addition to the service requirements, Dr. Rizkalla is also subject to the employment requirements under PEPRA, which provide that a retired public employee is not eligible for post-retirement employment for a period of 180 days following the date of retirement unless the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by your Board. The appointment may not be placed on the consent agenda.

Dr. Rizkalla retires effective September 3, 2017. Dr. Rizkalla has worked at Kern Medical for 30 years as a pediatrician and has the requisite experience and skill set needed to perform the work for which she is being reemployed. Kern Medical has a critical need to reemploy Dr. Rizkalla immediately, to ensure there is sufficient pediatric coverage for the clinic, normal newborn nursery, inpatient unit, and call. Currently Kern Medical has five pediatricians who cover a very busy service. In the absence of a fifth pediatrician, there will be voids in staffing, which could compromise patient care. Dr. Rizkalla will be reemployed for a limited duration to fill those voids in staffing, while Kern Medical continues to recruit for another full time pediatrician.

Therefore, it is recommended that your Board approve the reemployment of Wedad M. Rizkalla, M.D., as Associate-Pediatrics, effective September 4, 2017.

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 2017

Subject: Kern County Hospital Authority, Chief Financial Officer Report

Recommended Action: Receive and File

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

Other Professional Fees:

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

Supplies:

- Supplies have an unfavorable budget variance for the month of June 2017 due in part to increased expenses paid to Zones for information systems infrastructure and minor equipment purchases. There were also higher than average supplies expenses for food costs and linen and housekeeping supplies.

Purchased Services:

- Purchased Services have an unfavorable budget variance for the month of June 2017 due in part to higher than average expenses paid for out-of-network services, and for consulting services provided by CSS Consulting, Health Advocates, and Hall Ambulance.

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BOARD OF GOVERNORS' FINANCIAL REPORT
KERN MEDICAL – JUNE 2017

AUGUST 2017

3-Month Trend Analysis: Revenue & Expense

June 30, 2017

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
Gross Patient Revenue	$ 64,408,959	$ 73,205,111	$ 72,937,524	$ 65,525,181	11.3%	$ 64,305,040
Contractual Deductions	(44,965,492)	(52,905,197)	(56,090,490)	(49,913,161)	12%	$ (53,184,786)
Net Revenue	19,443,467	20,299,914	16,847,034	15,612,020	8%	11,120,254
Indigent Funding	12,802,173	8,870,563	8,765,956	6,654,482	32%	(9,079,077)
Correctional Medicine	1,976,045	1,976,045	1,976,045	1,879,808	5%	3,515,692
County Contribution	285,211	285,211	285,211	287,671	(1%)	757,074
Incentive Funding	0	(1,698,630)	0	833,333	(100%)	40,726,792
Net Patient Revenue	34,506,896	29,733,103	27,874,246	25,267,314	10%	47,040,735
Other Operating Revenue	866,608	1,523,938	470,101	1,259,434	(63%)	945,983
Other Non-Operating Revenue	66,546	144,665	212,819	21,472	891%	662,894
Total Operating Revenue	35,440,050	31,401,706	28,557,166	26,548,220	8%	48,649,612
Expenses						
Salaries	11,000,039	11,575,494	10,926,597	10,713,502	2%	9,716,572
Employee Benefits	12,347,535	5,589,394	1,335,127	5,314,185	(75%)	1,786,971
Contract Labor	931,525	1,102,404	1,075,607	631,329	70%	1,136,821
Medical Fees	1,530,462	1,118,976	1,393,156	1,346,878	3%	1,338,792
Other Professional Fees	1,948,606	2,103,401	1,942,998	1,496,398	30%	1,428,564
Supplies	4,293,927	5,063,539	4,471,915	3,603,585	24%	4,740,918
Purchased Services	1,662,381	1,839,750	1,687,099	1,175,372	44%	1,661,121
Other Expenses	1,169,715	1,732,797	1,506,629	1,664,550	(9%)	1,000,529
Operating Expenses	34,884,190	30,125,756	24,339,128	25,945,799	(6%)	22,810,288
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	555,860	1,275,951	4,218,038	602,421	600%	25,839,325
EBIDA Margin	2%	4%	15%	2%	551%	53%
Interest	18,550	21,544	3,131,765	48,361	6,376%	3,317,333
Depreciation	474,958	468,380	477,071	386,775	23%	531,599
Amortization	17,548	69,761	32,280	48,191	(33%)	68,122
Total Expenses	35,395,246	30,685,441	27,980,244	26,429,126	6%	26,727,342
Operating Gain (Loss)	44,804	716,266	576,922	119,094	384%	21,922,271
Operating Margin	0.1%	2%	2%	0.4%	350%	45%

Year-to-Date: Revenue & Expense
June 30, 2017

	ACTUAL FYTD	BUDGET FYTD	REVISED BUDGET	PY FYTD
Gross Patient Revenue	$ 809,998,778	$ 796,350,159	$ 818,892,509	$ 745,955,367
Contractual Deductions	(605,646,510)	(606,574,213)	(615,027,594)	$ (564,098,516)
Net Revenue	204,352,268	189,775,946	203,864,915	181,856,851
Indigent Funding	118,919,678	80,962,850	110,576,132	70,030,413
Correctional Medicine	23,701,600	22,871,003	20,991,195	23,244,142
County Contribution	3,433,471	3,500,000	3,212,329	7,600,790
Incentive Funding	0	10,000,002	9,166,669	52,976,792
Net Patient Revenue	350,407,017	307,109,801	347,811,240	335,708,988
Other Operating Revenue	11,364,056	15,323,095	14,063,661	12,894,981
Other Non-Operating Revenue	1,322,879	261,244	239,772	2,184,094
Total Operating Revenue	363,093,952	322,694,140	362,114,673	350,788,063
Expenses				
Salaries	133,683,596	130,277,977	132,166,227	122,651,489
Employee Benefits	68,684,209	64,613,484	65,878,984	59,566,202
Contract Labor	10,932,991	7,672,825	11,672,825	7,102,464
Medical Fees	16,642,863	16,387,030	16,887,030	15,349,871
Other Professional Fees	21,251,255	18,206,177	25,343,824	18,194,154
Supplies	50,999,031	43,795,383	56,295,383	49,929,607
Purchased Services	18,482,509	14,300,448	21,438,095	14,774,404
Other Expenses	15,919,664	18,606,667	21,103,857	15,765,337
Operating Expenses	336,596,118	313,859,991	350,786,225	303,333,528
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	26,497,834	8,834,149	11,328,448	47,454,536
EBIDA Margin	7%	3%	3%	14%
Interest	3,346,323	588,385	540,024	3,649,551
Depreciation	5,673,359	4,705,761	4,993,761	5,032,643
Amortization	321,612	586,323	538,132	721,788
Total Expenses	345,937,412	319,740,460	356,858,142	312,737,510
Operating Gain (Loss)	17,156,540	2,953,680	5,256,531	38,050,554
Operating Margin	5%	1%	1%	11%

3-Month Trend Analysis: Cash Indicators

June 30, 2017

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
CASH						
Total Cash	40,734,737	63,766,149	41,406,224	44,855,082	-8%	13,739,953
Days Cash On Hand	35	63	51	52	(2%)	18
Days In A/R - Gross	90.6	91.3	86.2	76.0	13%	564.7
Patient Cash Collections	$ 17,319,639	$ 18,540,963	$ 18,963,104	N/A	N/A	$ 18,712,584
Patient Cash Goal	$ 17,170,387	$ 17,597,550	$ 17,643,533	N/A	N/A	$ 17,735,411
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

June 30, 2017

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
Operating Metrics						
Total Expense per Adjusted Admission	24,570	19,571	17,693	18,688	(5%)	18,364
Total Expense per Adjusted Patient Day	4,765	3,823	3,471	3,446	21%	3,590
Supply Expense per Adjusted Admission	2,981	3,229	2,828	2,548	11%	3,257
Supply Expense per Surgery	1,758	1,823	1,549	1,615	(4%)	1,456
Supplies as % of Net Patient Revenue	12%	17%	16%	14%	12.5%	10%
Pharmaceutical Cost per Adjusted Admission	1,006	1,186	1,022	1,124	(9%)	1,912
Net Revenue Per Adjusted Admission	$ 13,497	$ 11,566	$ 10,653	$ 11,039	-3%	$ 7,640

Year-to-Date: Operating Metrics

June 30, 2017

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Operating Metrics					
Total Expense per Adjusted Admission	19,163	20,199	(5%)	19,744	(3%)
Total Expense per Adjusted Patient Day	3,774	3,445	26%	3,485	24%
Supply Expense per Adjusted Admission	2,825	2,767	2%	3,152	(10%)
Supply Expense per Surgery	1,728	1,615	7%	1,798	(4%)
Supplies as % of Net Patient Revenue	15%	14%	3.4%	15%	(1%)
Pharmaceutical Cost per Adjusted Admission	1,081	1,220	(11%)	1,477	(27%)
Net Revenue Per Adjusted Admission	$ 11,063	$ 11,989	(7.7%)	$ 11,481	(4%)

APPENDIX A

INDIGENT PATIENT CARE FUNDING - MTD & YTD

FOR THE MONTH JUNE 30 , 2017

MTD ACTUAL	MTD BUDGET	VAR $ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR $ FAV/(UNFAV)	VAR %
301,335	334,817	(33,482)	-10.0%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	3,666,239	4,073,601	(407,362)	-10.0%
828,267	920,297	(92,030)	-10.0%	MEDI-CAL EXPANSION REVENUE FROM HMO	24,964,699	11,196,949	13,767,750	123.0%
177,790	189,926	(12,136)	-6.4%	COUNTY REALIGNMENT FUNDS	2,085,616	2,310,769	(225,153)	-9.7%
984,098	929,387	54,711	5.9%	MEDI-CAL SUPPLEMENTAL FUNDING	20,468,153	11,307,531	9,160,622	81.0%
2,111,104	2,345,671	(234,567)	-10.0%	PRIME - NEW WAIVER	26,342,764	28,539,000	(2,196,236)	-7.7%
1,740,945	1,934,384	(193,439)	-10.0%	GPP - NEW WAIVER	25,560,826	23,535,000	2,025,826	8.6%
2,622,417	0	2,622,417	0.0%	WHOLE PERSON CARE	15,734,502	0	15,734,502	0.0%
0	0	0	0.0%	EMR	96,879	0	96,879	0.0%
8,765,956	6,654,482	2,111,474	31.7%	SUB-TOTAL - GOVERNMENTAL REVENUE	118,919,678	80,962,850	37,956,828	46.9%
1,976,045	1,879,808	96,237	5.1%	CORRECTIONAL MEDICINE	23,701,600	22,871,003	830,597	3.6%
285,211	287,671	(2,460)	-0.9%	COUNTY CONTRIBUTION	3,433,471	3,500,000	(66,529)	-1.9%
11,027,212	8,821,961	2,205,251	25.0%	TOTAL INDIGENT CARE & COUNTY FUNDING	146,054,749	107,333,853	38,720,896	36.1%

APPENDIX B

OTHER REVENUE

FOR THE MONTH JUNE 30, 2017

OTHER OPERATING REVENUE

	MTD ACTUAL	MTD BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
PARKING LOT REVENUE	436	493	(57)	7,834	6,000	1,834
OTHER CO. DEPT. REIMBURSEMENT	28,601	13,776	14,825	358,821	167,601	191,220
EMS REVENUE (SB-612)	90,849	68,966	21,883	482,709	839,076	(356,367)
FEDERAL INMATE REVENUE	0	52,837	(52,837)	(47,071)	642,849	(689,920)
MEDICAL RECORDS FEES	2,910	1,935	975	27,515	23,539	3,976
X-RAY COPY FEES	16	0	16	64	0	64
MEDICAL SCHOOL STUDENT FEES	(204,193)	371,241	(575,434)	3,468,760	4,516,764	(1,048,004)
JURY/WITNESS FEES	82	0	82	2,297	0	2,297
CANCELLED OUTLAWED WARRANTS	753	2,665	(1,912)	49,646	32,425	17,221
WORKER'S COMP REFUNDS	0	0	0	87,522	0	87,522
PROFESSIONAL FEES	87,174	489,402	(397,674)	2,499,719	5,954,389	(3,399,254)
FOUNDATION CONTRIBUTIONS	15,555	0	15,555	17,193	0	17,193
PRIMARY CARE INCENTIVE PAYMENTS	0	0	0	1,224	0	1,224
CAFETERIA SALES	75,211	65,919	9,292	881,026	802,018	79,008
OTHER OPERATING REVENUE	0	0	0	0	0	0
FEDERAL-OTHER AID	(947)	0	(947)	58,598	0	58,598
GRANTS	0	0	0	527	0	527
KHS GRANT PCMH	0	0	0	792,685	0	792,685
DRUG COMPANY CASH BACK	7,531	0	7,531	9,218	0	9,218
MENTAL HEALTH MOU	294,666	185,792	108,874	2,247,555	2,260,472	(12,917)
REBATES & REFUNDS	71,457	6,408	65,049	418,217	77,963	340,254
TOTAL OTHER OPERATING REVENUE	470,101	1,259,434	(784,779)	11,364,058	15,323,096	(3,903,622)
OTHER NON-OPERATING REVENUE						
INTEREST ON COLLECTIONS	7,448	12,466	(5,018)	231,260	151,666	79,594
OTHER MISCELLANEOUS REVENUE	91,652	4,020	83,078	510,659	48,905	406,338
INTEREST ON FUND BALANCE	113,719	4,987	108,732	580,960	60,673	520,287
TOTAL OTHER NON-OPER REVENUE	212,819	21,473	186,792	1,322,879	261,244	1,006,219

KERN MEDICAL
BALANCE SHEET

	June 2017	June 2016
CURRENT ASSETS:		
CASH	$67,319,461	$32,605,994
CURRENT ACCOUNTS RECEIVABLE (incl. CLINIC CHARGES RECEIVABLE)	199,467,581	157,080,375
ALLOWANCE FOR UNCOLLETIBLE RECEIVABLES - CURRENT	(155,254,961)	(130,047,343)
-NET OF CONT ALLOWANCES	44,212,620	27,033,032
CORRECTIONAL MEDICINE RECEIVABLE	1,778,440	0
MD SPA	2,882,856	1,224,753
HOSPITAL FEE RECEIVABLE	3,355,207	3,035,805
CPE - O/P DSH RECEIVABLE	4,461,748	5,203,162
MENTAL HEALTH MOU	362,285	62,500
MANAGED CARE IGT (RATE RANGE)	15,188,767	7,994,172
RECEIVABLE FROM LIHP	(6,547,536)	0
OTHER RECEIVABLES	973,000	1,166,680
PRIME RECEIVABLE	14,637,894	31,710,000
AB85/75% DEFAULT PCP RECEIVABLE	862,739	3,082,239
GPP (Global Payment Program)	5,833,305	7,048,403
INTEREST ON FUND BALANCE RECEIVABLE	147,030	85,508
MANAGED CARE IGT (SPD)	68,546	0
OTHER NON PATIENT RECEIVABLE	1,232,780	27,366,626
WAIVER RECEIVABLE FY07	(745,824)	0
WAIVER RECEIVABLE FY08	(6,169,000)	0
WAIVER RECEIVABLE FY09	(2,384,000)	0
WAIVER RECEIVABLE FY10	579,696	579,696
WAIVER RECEIVABLE FY11	(10,493,878)	0
WAIVER RECEIVABLE FY12	679,308	679,308
WAIVER RECEIVABLE FY15	(23,770,144)	(1)
WAIVER RECEIVABLE FY16	(2,819,361)	0
KHS GRANT RECEIVABLE	0	476,402
PREPAID EXPENSES	2,738,707	1,689,969
PREPAID MORRISON DEPOSIT	799,706	297,090
INVENTORY AT COST	4,488,030	3,374,526
TOTAL CURRENT ASSETS	119,672,382	154,715,864
PROPERTY, PLANT & EQUIPMENT:		
LAND	170,395	168,115
EQUIPMENT	46,909,454	42,495,836
BUILDINGS	82,462,622	82,462,622
CONSTRUCTION IN PROGRESS	5,253,447	1,576,480
LESS: ACCUMULATED DEPRECIATION	(83,611,939)	(78,044,942)
NET PROPERTY, PLANT & EQUIPMENT	51,183,979	48,658,111
NET INTANGIBLE ASSETS		
INTANGIBLE ASSETS	12,302,618	10,753,091
ACCUMULATED AMORTIZATION INTANGIBLES	(10,550,369)	(10,228,757)
NET INTANGIBLE ASSETS	1,752,249	524,334
LONG-TERM ASSETS:		
LONG-TERM PATIENT ACCOUNTS RECEIVABLE		
DEFERRED OUTFLOWS - PENSIONS	49,355,076	49,355,076
CASH HELD BY COP IV TRUSTEE	912,973	906,469
TOTAL LONG-TERM ASSETS	50,268,049	50,261,545
TOTAL ASSETS	$222,876,659	$254,159,854

KERN MEDICAL
BALANCE SHEET

	June 2017	June 2016
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	$23,011,928	$17,300,611
ACCRUED SALARIES & EMPLOYEE BENEFITS	6,796,039	10,558,864
OTHER ACCRUALS (NOTE 2)	5,831,516	4,207,059
ACCRUED CWCAP LIABILITY	105,906	0
CURRENT PORTION - CAPITALIZED LEASES	537,387	527,672
CURR LIAB - COP 2011 PAYABLE	1,032,670	986,694
CURR LIAB - P.O.B.	2,674,831	2,481,767
MEDICARE COST REPORT LIAB PAYABLE	3,637,452	2,845,183
ACCRUED PROFESSIONAL LIABILITY	3,119,059	4,279,059
HOSPITAL FEE-IGT PAYABLE	0	1,143,153
MEDI-CAL COST REPORT LIABILITY	1,430,435	541,333
INDIGENT FUNDING PAYABLE	14,617,312	91,726,468
DSH PAYABLE FY14	24,746,355	
CREDIT BALANCES PAYABLES	2,899,286	3,418,646
DEFERRED REVENUE - COUNTY CONTRIBUTION	2,090,345	0
TOTAL CURRENT LIABILITIES	92,530,521	140,016,509
LONG-TERM LIABILITIES:		
LONG-TERM LIABILITY-COP 2011	2,217,410	3,250,080
NET UNAMORTIZED DISCOUNT COP	59,978	79,971
LONG-TERM LIABILITY - CAPITAL LEASES	1,387,154	1,924,541
NET OPEB (OTHER POST EMPLOYMENT BENEFITS)	5,354,890	5,354,890
NET PENSION LIABILITY	345,262,534	345,262,534
L.T. LIAB. - P.O.B. INTEREST PAYABLE 08	14,722,232	17,201,707
L.T. LIAB. - P.O.B. INTEREST PAYABLE 03	3,917,722	3,528,303
L.T. P.O.B. PAYABLE 03	16,695,541	18,326,891
L.T. P.O.B. PAYABLE 08	5,392,893	5,392,893
DEFERRED INFLOWS - PENSIONS	15,299,688	15,299,688
PENSION OBLIGATION BOND PAYABLE	3,678,145	4,721,626
ACCRUED COMPENSATED ABSENCES	15,320,340	9,919,153
TOTAL LONG-TERM LIABILITIES	429,308,527	430,262,277
NET POSITION		
RETAINED EARNINGS - CURRENT YEAR	17,156,541	38,050,544
RETAINED EARNINGS - PRIOR YEAR	(316,118,930)	(354,169,476)
TOTAL FUND BALANCE	(298,962,389)	(316,118,932)
TOTAL LIABILITIES & NET POSITION	$222,876,659	$254,159,854

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

August 16, 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.

BOARD OF GOVERNORS' VOLUMES REPORT
KERN MEDICAL – JUNE 2017

AUGUST 2017

3-Month Trend Analysis: Volume and Strategic Indicators

June 30, 2017

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
VOLUME						
Adjusted Admissions (AA)	1,441	1,568	1,581	1,414	12%	1,455
Adjusted Patient Days	7,428	8,027	8,062	7,669	5%	7,444
Admissions	774	863	818	757	8%	757
Average Daily Census	133	143	139	137	1.6%	129
Patient Days	3,991	4,418	4,170	4,105	1.6%	3,872
Available Occupancy %	62.2%	66.6%	65.0%	63.9%	1.6%	60.3%
Average LOS	5.2	5.1	5.1	5.4	(6%)	5.1
Surgeries						
Inpatient Surgeries (Main Campus)	257	294	235	239	(2%)	201
Outpatient Surgeries (Main Campus)	246	250	255	238	7%	277
Total Surgeries	503	544	490	477	3%	478
Births	213	213	199	247	(19%)	220
ER Visits						
Admissions	425	417	417	349	19%	428
Treated & Released	3,206	3,441	3,320	3,202	3.7%	3,613
Total ER Visits	3,631	3,858	3,737	3,551	5%	4,041
Outpatient Clinic Visits						
Total Clinic Visits	10,733	11,887	11,341	8,424	35%	10,253

Year-to-Date: Volume and Strategic Indicators

June 30, 2017

		ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
VOLUME						
	Adjusted Admissions (AA)	18,052	15,829	14%	15,839	14%
	Adjusted Patient Days	91,658	92,821	(1%)	89,750	2%
	Admissions	9,659	9,133	6%	9,172	5%
	Average Daily Census	134	137	(2%)	129	4%
	Patient Days	48,841	49,684	(2%)	48,529	0.6%
	Available Occupancy %	62.5%	63.6%	(2%)	62.1%	0.6%
	Average LOS	5.1	5.4	(7%)	5.3	(4%)
	Surgeries					
	Inpatient Surgeries (Main Campus)	2,935	2,827	4%	2,587	13%
	Outpatient Surgeries (Main Campus)	3,083	2,969	4%	3,210	(4%)
	Total Surgeries	6,018	5,796	4%	5,797	4%
	Births	2,604	2,991	(13%)	2,556	2%
	ER Visits					
	Admissions	4,951	4,104	21%	4,243	17%
	Treated & Released	39,775	37,609	6%	39,488	1%
	Total ER Visits	44,726	41,713	7%	43,731	2%
	Outpatient Clinic Visits					
	Total Clinic Visits	132,080	101,963	30%	120,178	10%

3-Month Trend Analysis: Payor Mix

June 30, 2017

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
Commercial FFS	4.5%	5.8%	4.9%	4.7%	4%	4.1%
Commercial HMO/PPO	6.8%	5.2%	5.5%	6.4%	(13%)	5.1%
Medi-Cal	22.2%	23.3%	25.7%	24.1%	7%	28.0%
Medi-Cal HMO - Kern Health Systems	31.7%	31.2%	31.6%	22.6%	40%	20.7%
Medi-Cal HMO - Health Net	9.3%	9.5%	9.3%	5.9%	57%	5.4%
Medi-Cal HMO - Other	1.0%	1.2%	1.1%	14.4%	(92%)	13.2%
Medicare	9.8%	8.7%	9.5%	9.6%	(1%)	9.8%
Medicare - HMO	1.4%	2.6%	2.4%	2.3%	4%	2.2%
County Programs	2.4%	1.5%	1.8%	0.1%	1,536%	2.8%
Workers' Compensation	0.6%	0.7%	0.8%	1.9%	(57%)	1.7%
Self Pay	10.3%	10.3%	7.4%	8.2%	(10%)	7.1%
Total	100.0%	100.0%	100.0%	100.0%		100.0%

Year-to-Date: Payor Mix

June 30, 2017

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Commercial FFS	4.0%	5.0%	(20%)	4.6%	(13%)
Commercial HMO/PPO	6.1%	4.4%	38%	5.4%	13%
Medi-Cal	26.8%	28.0%	(4%)	29.7%	(10%)
Medi-Cal HMO - Kern Health Systems	29.5%	22.9%	29%	22.8%	29%
Medi-Cal HMO - Health Net	10.5%	7.3%	45%	7.8%	35%
Medi-Cal HMO - Other	1.0%	11.0%	(91%)	6.6%	(85%)
Medicare	9.4%	8.7%	7%	9.1%	3%
Medicare - HMO	2.1%	2.4%	(12%)	2.1%	0%
County Programs	2.2%	1.4%	58%	3.7%	(41%)
Workers' Compensation	0.7%	1.5%	(52%)	0.9%	(22%)
Self Pay	7.7%	7.3%	5%	7.3%	5%
Total	100.0%	100.0%		100.0%	

3-Month Trend Analysis: Labor and Productivity Metrics

June 30, 2017

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
Labor Metrics						
Productive FTEs	1,288.02	1,323.33	1,314.75	1,390.67	(5%)	1,183.78
Non-Productive FTEs	176.97	177.73	226.01	245.41	(8%)	214.85
Contract Labor FTEs	74.36	83.75	85.23	50.03	70%	57.40
Total FTEs	1,464.99	1,501.06	1,540.76	1,636.08	(6%)	1,398.63
FTE's Per AOB Paid	5.92	5.61	5.94	6.40	(7%)	5.64
FTE's Per AOB Worked	5.20	4.95	5.07	5.44	(7%)	4.77
Labor Cost/FTE (Annualized)	128,346.79	131,180.29	93,418.30	109,912.14	(15%)	96,505.44
Benefits Expense as a % of Benefitted Labor Expense	81%	69%	72%	73%	(2.0%)	73%
Salaries & Benefits as % of Net Patient Revenue	70%	66%	62%	66%	(6%)	27%

Year-to-Date: Labor and Productivity Metrics

June 30, 2017

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Labor Metrics					
Productive FTEs	1,255.72	1,291.55	(3%)	1,168.75	7%
Non-Productive FTEs	214.16	227.92	(6%)	195.50	10%
Contract Labor FTEs	68.93	48.39	42%	45.43	52%
Total FTEs	1,469.88	1,519.47	(3%)	1,364.25	8%
FTE's Per AOB Paid	4.89	4.98	(2%)	4.62	6%
FTE's Per AOB Worked	4.18	4.23	(1%)	3.96	6%
Labor Cost/FTE (Annualized)	129,622.21	118,908.55	9%	123,143.87	5%
Benefits Expense as a % of Benefitted Labor Expense	68%	72%	(6%)	74%	(8.1%)
Salaries & Benefits as % of Net Patient Revenue	61%	66%	(8%)	56%	8%

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 August 16, 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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on August 16, 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: Two (2) 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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on August 16, 2017, to consider:

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