



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, June 17, 2020

11:30 A.M.

BOARD TO RECONVENE

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

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

STAFF RECOMMENDATION SHOWN IN CAPS



PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on May 20, 2020 –
APPROVE

CA

- 4) Proposed Agreement with Winnie A. Palispis, M.D., a contract employee, for professional medical services in the Department of Surgery from August 1, 2020 through July 31, 2026, in an amount not to exceed \$3,490,000, plus applicable benefits –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 5) Proposed Agreement with Theingi Win, M.D., a contract employee, for professional medical services in the Department of Medicine from July 8, 2020 through July 7, 2023, in an amount not to exceed \$1,575,000, plus applicable benefits –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed Agreement with Mohammed A. S. Molla, M.D., a contract employee, for professional medical services in the Department of Psychiatry from July 14, 2020 through July 13, 2025, in an amount not to exceed \$2,289,766, plus applicable benefits –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Engagement Letter from Moss-Adams, LLP, an independent contractor, regarding the audit Kern Medical Center financial statements for the fiscal year ended June 30, 2020, in an amount not to exceed \$150,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 6 to Agreement 472-2009 with Morrison Management Specialists, Inc., doing business as Morrison Healthcare, Inc., an independent contractor, for dietary and nutrition services for the period June 27, 2009 through June 30, 2023, adding dietary staff, increasing the salary for Registered Dietician services, and increasing the maximum payable by \$378,873, from \$6,419,663 to \$6,798,536, to cover the term, effective June 27, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Amendment No. 2 to Agreement 2016-042 with Trans-West Security Services, Inc., an independent contractor, for security services for the period July 1, 2016 through June 30, 2020, extending the term for two years from July 1, 2020 through June 30, 2022, increasing the maximum payable by \$4,200,000, from \$5,612,834 to \$9,812,834, to cover the extended term, effective July 1, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Amendment No. 6 to Agreement 1118-2009 with Healthcare Interpreter Network, an independent contractor, for language interpretation services for the period September 9, 2009 through June 30, 2020, extending the term for one year from July 1, 2020 through June 30, 2021, and increasing the amount payable by \$135,000, from \$857,391 to \$992,391, to cover the extended term, effective July 1, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed retroactive Amendment No. 9 to Agreement 14818 with Healthcare Performance Group, Inc., an independent contractor, for professional consulting services related to the Cerner Millennium project for the period June 11, 2018 through June 10, 2020, extending the term for two months from June 11, 2020 through August 10, 2020, and increasing the maximum payable by \$99,360, from \$2,844,824 to \$2,944,184, to cover the extended term, effective June 11, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Request to employ retired Kern County Hospital Authority employee Tina Anderson, as Extra Help Senior Paralegal, for the period ending June 30, 2021, or 960 hours, whichever occurs first, effective July 1, 2020 –
APPROVE

CA

- 13) Proposed Amendment No. 2 to Agreement 2017-023 with AMN Healthcare, Inc., an independent contractor, for temporary staffing services for the period August 11, 2016 through August 10, 2020, extending the term for four years from August 11, 2020 through August 10, 2024, and increasing the maximum payable by \$12,000,000, from \$12,000,000 to \$24,000,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed renewal and binding of insurance coverages for hospital professional liability, general liability and umbrella/excess liability, excess workers' compensation and employers liability, automobile liability, helipad liability, directors and officers liability, employment practices liability, crime, privacy and security (cyber) liability, premises pollution liability, underground storage tank liability, employed lawyers liability, and fiduciary liability from July 1, 2020 through June 30, 2021, with option to finance selected premiums including property insurance (building, equipment, business interruption, and flood coverage renewed March 31, 2020) through IPFS Corporation of California and CSAC-EIA in an amount not to exceed \$1,068,873 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN PREMIUM FINANCE AGREEMENT AND CERTIFICATE OF INCUMBENCY

- 15) Request to employ retired Kern County Hospital Authority employee Manuel Acosta, as Extra Help PACS Administrator, for the period ending June 30, 2021, or 960 hours, whichever occurs first, effective July 1, 2020 –
APPROVE

- 16) Kern County Hospital Authority Financial report –
RECEIVE AND FILE

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

CA

- 18) Miscellaneous Correspondence as of May 31, 2020 –
RECEIVE AND FILE

CA

- 19) Claims and Lawsuits Filed as of May 31, 2020 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 20) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 21) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 22) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Kathryn A. Kodner, an individual, et al. v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-102453 TSC –
- 23) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, JULY 15, 2020, AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

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

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

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

18) MISCELLANEOUS CORRESPONDENCE AS OF MAY 31, 2020 –
RECEIVE AND FILE

- A) Letter from Clerk of the Kern County Board of Supervisors to Dr. Amir Berjis regarding reappointment to Kern County Hospital Authority Board of Governors, for the term expiring June 30, 2023
- B) Letter from Clerk of the Kern County Board of Supervisors to Stephen Pelz regarding reappointment to Kern County Hospital Authority Board of Governors, for the term expiring June 30, 2023

19) CLAIMS AND LAWSUITS FILED AS OF APRIL 30, 2020 –
RECEIVE AND FILE

- A) Claim in the matter of Danielle Barney
- B) Notice of Intent to Sue in the matter of Daniel Hicks
- C) Summons and Complaint in the matter of Maria Elena Lopez-Rodriguez v. Kern Medical Surgery Center, LLC, et al., Kern County Superior Court Case No. BCV-20-100510 SDS



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, May 20, 2020

11:30 A.M.

BOARD RECONVENED

Board Members: Alsop, Bigler, Brar, McLaughlin, Pelz, Sistrunk
ROLL CALL: 5 Present; 2 Absent - Berjis, Sistrunk

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

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

BOARD ACTION SHOWN IN CAPS

NOTE: DIRECTOR BERJIS ARRIVED AFTER THE VOTE ON THE CONSENT AGENDA

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**
NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR BERJIS REPORTED ON THE SOUTHERN SAN JOAQUIN VALLEY RESEARCH FORUM INAUGURAL REGIONAL GATHERING FINALISTS AND STATUS OF GME ACTIVITIES DUE TO COVID-19

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on April 15, 2020 –
APPROVED
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjis, Sistrunk

CA

- 4) Proposed Resolution extending insurance coverage maintained by Kern County Hospital Authority to Kern Medical Center Foundation and Kern Medical Auxiliary, effective May 20, 2020 –
APPROVED; ADOPTED RESOLUTION 2020-006; DIRECTED STAFF TO COORDINATE AND CONFIRM COVERAGE WITH ALLIANT INSURANCE SERVICES, INC.
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjis, Sistrunk

CA

- 5) Proposed purchase of real property located at 1935 Flower Street, Bakersfield, California, APN 138-032-03, from Maria de Remedios Gonzalez, for a purchase price of \$125,000 plus estimated closing costs of \$5,000 –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302, 15303, 15304, 15305, 15306, AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVED; ADOPTED RESOLUTION 2020-007; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN STANDARD OFFER AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE, ACCEPT GRANT DEED ON BEHALF OF KERN COUNTY HOSPITAL AUTHORITY, AND SIGN ALL ESCROW DOCUMENTS; DIRECTED STAFF TO ISSUE WARRANT PAYABLE TO CHICAGO TITLE COMPANY
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjis, Sistrunk

CA

- 6) Proposed retroactive Agreement with HercRentals, Inc., an independent contractor, containing nonstandard terms and conditions, for rental services of lighting equipment to operate Temporary Isolation Units (TIU) established for the purpose of providing a safe and isolated location for individuals who have tested positive for COVID-19 or are exhibiting symptoms of COVID-19 and do not have housing that would provide sufficient quarantine, on a month-to-month basis at a rate of \$2,564 per month for four (4) light towers, plus applicable delivery and taxes, effective April 8, 2020 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 018-2020
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjis, Sistrunk

CA

- 7) Proposed Extended Services Supplement to Agreement 496-2016 with The Ultimate Software Group, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of advanced reports software for the Human Resources Department, increasing the maximum payable by \$38,784, from \$426,794 to \$465,578, to cover the cost of the software, effective May 20, 2020 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 019-2020
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjjs, Sistrunk

CA

- 8) Proposed retroactive Amendment No. 4 to Agreement 1119-2009 with Language Line Services, Inc., an independent contractor, for video and telephone interpreter services for the period December 14, 2009 through December 13, 2019, extending the term for one year from December 14, 2019 through December 13, 2020, and increasing the maximum payable by \$270,000, from \$2,000,000 to \$2,270,000, to cover the extended term, effective December 14, 2019 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 020-2020
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjjs, Sistrunk

- 9) Kern County Hospital Authority Financial report –
RECEIVED AND FILED
McLaughlin-Brar: 6 Ayes; 1 Absent - Sistrunk

- 10) Proposed Kern County Hospital Authority operating and capital budget for Fiscal Year 2020-2021 –
APPROVED; REFERED TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL
Berjjs-Pelz: 6 Ayes; 1 Absent - Sistrunk

- 11) Kern County Hospital Authority Chief Executive Officer report –
RECEIVED AND FILED
McLaughlin-Brar: 6 Ayes; 1 Absent - Sistrunk

CA

- 12) Claims and Lawsuits Filed as of April 30, 2020 –
RECEIVED AND FILED
Pelz-McLaughlin: 5 Ayes; 2 Absent - Berjjs, Sistrunk

ADJOURNED TO CLOSED SESSION
McLaughlin-Berjjs

CLOSED SESSION

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

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

RECONVENED FROM CLOSED SESSION

Pelz-Brar

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 13 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR PELZ, SECOND BY DIRECTOR BRAR; 1 ABSENT - DIRECTOR SISTRUNK), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, CHANGE IN STAFF STATUS; AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 14 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 15 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, JUNE 17, 2020, AT 11:30 A.M.

Alsop

/s/ Mona A. Allen
Authority Board Coordinator

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



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

June 17, 2020

Subject: Proposed Agreement for Professional Services with Winnie A. Palispis, M.D.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve an Agreement for Professional Services with Dr. Winnie Palispis as a contract employee.

Dr. Palispis is currently a full-time contract employee serving in the Department of Surgery, Division of Orthopedics with a focus on providing orthopedic hand coverage. Dr. Palispis joined Kern Medical on August 21, 2019, after completing an orthopedic surgical residency at the University of California, Irvine with the intention to enter into further subspecialty graduate medical education training in an orthopedic hand surgery fellowship. Dr. Palispis was accepted into the orthopedic hand surgery fellowship at University of California, Irvine starting August 1, 2020. Orthopedic hand surgery fellowship programs have a duration of one year. Dr. Palispis will return at the end of the hand surgery fellowship to Kern Medical to continue serving as a full-time a contract employee, providing professional orthopedic hand services to fill the void in this specialty in Kern County.

The proposed Agreement is for a term of six-years commencing August 1, 2020. During the first year of the Agreement from August 1, 2020 through July 31, 2021, Dr. Palispis will be available on a part-time basis as a contract employee providing hand call coverage when she is available, payable in the amount of \$1,000 per 24-hour period as well as continue to participate in the Defined Contribution Plan for Physician Employees for retirement, which is a requirement of the Plan. Dr. Palispis will not receive any other employee benefits during this time. From August 1, 2021 through July 31, 2026, Dr. Palispis will serve as a full-time contract employee. The maximum compensation payable under this six-year Agreement is \$3,490,000.

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Winnie A. Palispis, M.D., for professional medical services in the Department of Surgery, Division of Orthopedics from August 1, 2020 through July 31, 2026, in an amount not to exceed \$3,490,000, and authorize the Chairman to sign.

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

This Agreement is made and entered into this ____ day of _____, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Winnie A. Palispis, M.D. (“Physician”).

**I.
RECITALS**

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

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

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

(d) Authority currently contracts with Physician as a contract employee for the provision of professional medical services in the Department and teaching services to resident physicians employed by Authority (Agt. #24319, dated July 11, 2019), for the period August 21, 2019 through August 20, 2021; and

(e) Each party expressly understands and agrees that Agt. #24319 is superseded by this Agreement as of the Commencement Date, except as otherwise provided herein;

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

**II.
TERMS AND CONDITIONS**

1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of six (6) years, commencing as of August 1, 2020 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

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

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

4. **Obligations of Physician.**

4.1 **Services.**

4.1.1 **Commencing August 1, 2020.** Physician shall engage in the practice of medicine on a part-time basis as an exempt employee of Authority providing as-needed hand call coverage.

4.1.2 **Commencing August 1, 2021.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit “A,” attached hereto and incorporated herein by this reference.

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

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

4.3 Qualifications.

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

4.3.2 Board Certification. Physician shall obtain board certification by the American Board of Orthopaedic Surgery in orthopaedic surgery-general no later than July 31, 2023, and surgery of the hand-subspecialty no later than July 31, 2024, and maintain such certifications at all times during the Term of this Agreement.

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

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

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

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

4.6 Managed Care Contracting. Physician shall cooperate in all reasonable respects necessary to facilitate KMC’s entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable KMC to participate in any third-party payer arrangements, Physician shall, upon request: (i) enroll as a

provider (if required by the third-party payer), separate from KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a “Managed Care Organization”) designated by KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

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

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

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

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician’s activities, Physician, through the nature of her work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law,

Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

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

5. Compensation Package.

5.1 Hand Call Coverage from August 1, 2020 through July 31, 2021. Authority shall pay Physician a fixed fee of \$1,000 per 24-hour day for hand call coverage. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.2 Annual Compensation Commencing August 1, 2021. Physician shall work full time, which is a minimum of 80 hours per biweekly pay period, and will be compensated with cash and other value as described below in the paragraph 5.2 ("Annual Salary").

5.2.1 Annual Salary. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for the care of KMC patients in the amount of \$610,000 per year, to be paid as follows: Physician shall be paid \$23,461.53 biweekly not to exceed \$610,000 annually. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.2 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a median level of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the Term of this Agreement.

5.2.2 Biweekly Payment. Physician shall be paid biweekly on the same schedule as regular Authority employees. The exact date of said biweekly payments shall be at the sole discretion of Authority. All payments made by Authority to Physician

according to the compensation methodology set forth in paragraph 5.2 shall be subject to all applicable federal and state taxes and withholding requirements.

5.2.3 Fair Market Value Compensation. The compensation provided under this section 5 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement.

5.3 Call Coverage Commencing August 1, 2021. Authority shall pay Physician a fixed fee of \$1,000 per 24-hour day for hand call coverage that exceeds one (1) in four (4) days. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.4 Professional Fee Billing.

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

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

5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$3,490,000 over the six-year Term of this Agreement.

6. **Benefits Package.** Except as otherwise described below in this section 6, Physician shall be eligible to receive the following benefits commencing August 1, 2021:

6.1 Retirement. Effective August 1, 2020, Physician shall continue to participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

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

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

6.4 Vacation. Physician shall retain her vacation credit balance, if any, as of July 31, 2020. Commencing August 1, 2021, Physician shall be entitled to vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall retain her sick leave credit balance, if any, as of July 31, 2020. Commencing August 1, 2021, Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue commencing August 1, 2021. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department Chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

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

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

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

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

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

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

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

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

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

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

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

9. **Authority to Incur Financial Obligation.** It is understood that Physician, in her performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.
12. **Compliance with Law.** Physician shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.
13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that she receives in the course of her employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.
14. **Conflict of Interest.** Physician covenants that she has no interest and that she will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of her services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.
15. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.
17. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.
18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or

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

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

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

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

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

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

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

Notice to Physician:

Winnie A. Palispis, M.D.
4000 Scenic River Lane, Apt. 16-F
Bakersfield, California 93308

Notice to Authority:

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

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

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

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

28. **Termination.**

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

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

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

29. **Effect of Termination.**

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

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

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

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

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

[Signatures follow on next page]

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

PHYSICIAN

By _____
Winnie A. Palispis, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
VP & General Counsel
Kern County Hospital Authority

EXHIBIT “A”
JOB DESCRIPTION
Winnie A. Palispis, M.D.
Effective August 1, 2021

Position Description: Reports to Chair, Department of Surgery and Chief, Division of Orthopaedic Surgery; serves as full-time faculty member in the Department; provides no fewer than 2,500 hours of service per year for all teaching, administrative, and clinical services; works collaboratively with clinic and surgery staff and hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

Essential Functions:

1. Clinical Responsibilities and Assignments:
 - Provides service and improves efficiency for orthopaedic clinic activities and surgical cases
 - Provides faculty service for hand and fresh fracture call coverage; rounds and follows up as appropriate on patients admitted to KMC
 - Provides orthopaedic hand and general orthopaedic services
 - Supervises orthopaedic Physician Assistant activity and competence
 - KMC, Stockdale Highway, Q Street or other designated outpatient clinic sites – minimum of three (3) full days per week, with two (2) days focused on hand services and one (1) day focused on general orthopaedics/fresh fractures
 - Operating Room – minimum of two (2) full days per week at KMC or other KMC designated sites (e.g., Kern Medical Surgery Center, LLC)
 - Hand call coverage – minimum of one (1) day per week and one (1) weekend per month

2. Administrative Responsibilities:
 - Participates in clinical and administrative integration efforts across KMC as appropriate for orthopaedic surgery ensuring proper program planning, resource allocation, analysis, communication and assessment
 - Gathers data through best practices and collaborates with other members of the Department and Division to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
 - Supports the Department Chair and Division Chief in developing monitoring tools to measure financial, access, quality, and satisfaction outcomes
 - Attends and actively participates in assigned Medical Staff and hospital committees
 - Participates in the preparation, monitoring, review, and performance of clinical activity in the Division
 - Participates in the quality improvement and risk management activities, including peer review and quality control functions as assigned to services in the Division
 - Provides didactic teaching and resident physician and medical student education as assigned and participates in setting goals and expectations for orthopaedic surgery medical student rotations

- Completes medical records in a timely fashion and works to improve the quality, accuracy, and completeness of documentation
- Works collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
- Works collaboratively with Department and Division leadership and KMC administration to develop an orthopaedic hand program to complement existing orthopaedic services at KMC
- Follows and complies with the Medical Staff bylaws, rules, regulations, and policies and Authority and KMC policies and procedures

Employment Standards:

One (1) year of post-residency experience in orthopaedic surgery; completion of a one (1) year fellowship in surgery of the hand

AND

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

AND

Certification by the American Board of Orthopaedic Surgery in orthopaedic surgery-general and surgery of the hand-subspecialty

Knowledge of: The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to orthopaedic surgery generally and surgery of the hand specifically; principles of effective supervision and program development.

[Intentionally left blank]

EXHIBIT "B"
AUTHORIZATION TO RELEASE INFORMATION

[See attached]

AUTHORIZATION TO RELEASE INFORMATION

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

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

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

Physician

Date



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

June 17, 2020

Subject: Proposed Agreement for Professional Services with Theingi Win, M.D., for professional medical services in the Department of Medicine

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve an Agreement for Professional Services with Theingi Win, M.D., for professional medical services in the Department of Medicine, for a three-year term from July 8, 2020 through July 7, 2023.

Dr. Win is currently a full-time contract employee in the Department of Medicine, Division of Cardiology, with a focus on women's cardiology issues. She joined Kern Medical on July 8, 2017, following completion of her fellowship in cardiology. Dr. Win is one of two female cardiologists (the other is Dr. Joolhar) employed by Kern Medical. Drs. Win and Joolhar are the only female cardiologists in the community.

The proposed Agreement is for a term of three years from July 8, 2020 through July 7, 2023. The cost of this Agreement includes an annual salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of Kern Medical patients. The maximum compensation payable under the Agreement will not exceed \$1,575,000, over the three-year term. Dr. Win will continue to receive the same complement of benefits, including eligibility to participate in the physicians' pension plan, health care coverage, vacation and sick leave, education days and CME reimbursement, and the option to elect voluntary benefits at no cost to Kern Medical.

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Theingi Win, M.D., for professional medical services in the Department of Medicine (Cardiology Division), for the period July 8, 2020 through July 7, 2023, in an amount not to exceed \$1,575,000, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Theingi Win, M.D.)**

This Agreement is made and entered into this _____ day of _____, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Theingi Win, M.D. (“Physician”).

**I.
RECITALS**

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

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

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

(d) Authority currently contracts with Physician as a contract employee for the provision of professional medical services in the Department and teaching services to resident physicians employed by Authority (Agt. #11817, dated April 17, 2017), for the period July 8, 2017 through July 7, 2020; and

(e) Each party expressly understands and agrees that Agt. #11817 is superseded by this Agreement as of the Commencement Date;

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

**II.
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall be for a period of three (3) years, commencing as of July 8, 2020 (the “Commencement Date”), and shall end July 7, 2023 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

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

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

4. **Obligations of Physician.**

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

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

4.3 **Qualifications.**

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

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

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

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

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

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

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

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

Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

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

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

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

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

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

5. Compensation Package.

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

5.1.1 Annual Salary. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$485,000 per year, to be paid as follows: Physician shall be paid \$18,653.84 biweekly not to exceed \$485,000 annually. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a median level of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the Term of this Agreement.

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

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

5.2 Call Coverage. Authority shall pay Physician for diagnostic cardiology call coverage as follows: (i) Physician shall be paid a fixed fee of \$500 per 24-hour day for every weekend and holiday of call coverage assigned that exceeds one in two (1:2) days (Saturday and Sunday; designated Authority holidays only); and (ii) Physician shall be paid a fixed fee of \$250 for every weekday night of call coverage assigned that exceeds one in two (1:2) days (Monday-Friday). All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.3 Retention Bonus. Physician shall be paid a one-time retention bonus in the amount of \$15,000, less all applicable federal and state taxes and withholdings, payable within 30 days of the Commencement Date.

5.4 Professional Fee Billing.

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

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

5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,575,000 over the three-year Term of this Agreement.

6. Benefits Package.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. **Authority to Incur Financial Obligation.** It is understood that Physician, in her performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.

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

13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that she receives in the course of her employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.

14. **Conflict of Interest.** Physician covenants that she has no interest and that she will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of her services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.

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

16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.

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

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

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

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

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

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

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

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

Notice to Physician:

Theingi Win, M.D.
10607 Loughton Avenue
Bakersfield, California 93311

Notice to Authority:

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

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

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions

shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

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

28. **Termination.**

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

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

29. **Effect of Termination.**

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

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

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

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

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

[Signatures follow on next page]

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

PHYSICIAN

By _____
Theingi Win, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
VP & General Counsel
Kern County Hospital Authority

Agreement.Win.052920

EXHIBIT “A”
JOB DESCRIPTION
Theingi Win, M.D.

Position Description: Reports to Chair, Department of Medicine and Chief, Division of Cardiology; serves as a full-time faculty member in the Department providing no fewer than 80 hours per pay period; works collaboratively with clinic and surgery staff as well as hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

Essential Functions:

1. Clinical Responsibilities and Assignments:
 - Supervise residents and medical students assigned to the cardiology service while on service
 - Provide weekday professional staffing on medical/surgical and ICU patients
 - Provide mutually agreed upon weeknight and weekend/holiday after hours call coverage
 - Supervise procedures performed by residents and mid-levels while on service
 - Perform therapeutic and diagnostic procedures within the scope of practice for a non-invasive cardiologist
 - Provide coverage for outpatient clinic services a minimum of three (3) half days per week
 - Provide interpretation of diagnostic examinations (echocardiogram, stress test, Holter monitor, etc.)

2. Administrative Responsibilities:
 - Attend Department staff meetings and the annual medical staff meeting
 - Participate in medical staff committees as assigned by the President of the Medical Staff
 - Participate in clinical and administrative integration efforts across that hospital as appropriate for cardiology, ensuring proper program planning, resource allocation, analysis, communication, and assessment
 - Gather data through best practices and collaborate with other members of the Department and Division to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality patient care
 - Participate in the preparation, monitoring, review, and performance of Division clinical activity
 - Support the Department Chair and Division Chief in developing monitoring tools to measure financial, access, quality, and satisfaction outcomes
 - Complete medical records in a timely fashion and work to improve the quality, accuracy, and completeness of documentation
 - Work collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
 - Follow and comply with the Medical Staff Bylaws, rules, regulations, and policies as well as Authority and KMC policies and procedures

3. Teaching Responsibilities:

- Establish and maintain appointment at the David Geffen School of Medicine at University of California, Los Angeles
- Provide medical education including didactic lectures, education and mentoring of resident physicians and medical students during rounds and in the clinic setting
- Prepare residents for oral boards and reviews case logs
- Provide didactic lectures based on standard curriculum, as assigned by the Department Chair and/or Program Director
- Participate in EKG conferences
- Provide cardiology board review sessions, as assigned by the Department Program Director
- Attend monthly morbidity and mortality conference and journal club, as assigned by the Department Chair, or designee, when cardiology cases are discussed

Employment Standards:

Completion of an accredited residency program in internal medicine; completion of a fellowship in cardiology; one (1) year of post-residency experience in non-invasive cardiology desirable

AND

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

AND

Certification by the American Board of Internal Medicine in internal medicine-general cardiovascular disease-subspecialty

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

[Intentionally left blank]

EXHIBIT "B"

AUTHORIZATION TO RELEASE INFORMATION

AUTHORIZATION TO RELEASE INFORMATION

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

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

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

Physician

Date



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

June 17, 2020

Subject: Proposed Agreement with Mohammed A.S. Molla, M.D., for professional medical and administrative services in the Department of Psychiatry and as Acting Joint Chair and Director of the Department of Psychiatry for Kern Medical and Kern County Behavioral Health and Recovery Services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve an Agreement with Mohammed A.S. Molla, M.D., for professional medical and administrative services in the Department of Psychiatry and as Acting Joint Chair and Director of Department of Psychiatry for Kern Medical and Kern County Behavioral Health and Recovery Services.

Dr. Molla is currently a full-time contact employee in the Department of Psychiatry. He has been a staple of Kern Medical since 2005, initially as a member of the core faculty in the Department. In 2015 Dr. Molla was promoted to Acting Joint Chair. Dr. Molla is board certified in psychiatry-general and child and adolescent psychiatry-subspecialty.

The proposed Agreement is for a term of five years from July 14, 2020 through July 13, 2025. The maximum payable under the Agreement will not exceed \$2,289,766 over the five-year term and is comprised of the following components:

Dr. Molla will continue to receive the same complement of benefits, including eligibility to participate in the physicians' pension plan, health care coverage, vacation and sick leave, education days and CME reimbursement, and the option to elect voluntary benefits at no cost to Kern Medical.

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Mohammed A.S. Molla, M.D., for professional medical and administrative services in the Department of Psychiatry and as Acting Joint Chair and Director of the Department of Psychiatry for Kern Medical and Kern County Behavioral Health and Recovery Services from July 14, 2020 through July 13, 2025, in an amount not to exceed \$2,289,766, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Mohammed A.S. Molla, M.D.)**

This Agreement is made and entered into this ____ day of _____, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Mohammed A.S. Molla, M.D. (“Physician”).

**I.
RECITALS**

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

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

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

(d) Authority currently contracts with Physician as a contract employee for the provision of professional medical and administrative services in the Department and teaching services to resident physicians employed by Authority (Kern County Agt. #485-2015, dated July 13, 2015, as amended and assigned), for the period July 14, 2015 through July 13, 2020; and

(e) Each party expressly understands and agrees that Kern County Agt. #485-2015 is superseded by this Agreement as of the Commencement Date;

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

**II.
TERMS AND CONDITIONS**

1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of five (5) years, commencing as of July 14, 2020 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

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

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

4. **Obligations of Physician.**

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

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

4.3 **Qualifications.**

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

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

4.3.2 Board Certification. Physician shall be board certified by the American Board of Psychiatry and Neurology in psychiatry-general and child and adolescent psychiatry-subspecialty, and maintain such certifications at all times during the Term of this Agreement.

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

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

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

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

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

appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

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

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

4.9 Physician Private Practice. Physician understands and agrees that he shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine or provide psychiatry services to other organizations, directly or indirectly, during the Term of this Agreement. Notwithstanding the foregoing, Authority agrees Physician shall be permitted to provide psychiatry services as an independent contractor to organizations located outside the "Geographic Area" only. For purposes of this Agreement, "Geographic Area" is defined as the County of Kern. Physician agrees that he shall not provide psychiatry services to other organizations during Authority work days between the hours of 8:00 a.m. and 5:00 p.m. (except on scheduled days off), or at any time when Physician has not completed the pre-determined clinic and work schedule assignments. Physician, while engaged in activities outside the Geographic Area or the scope of this Agreement, is not covered by the professional liability insurance provided by Authority under this Agreement during the performance of such activities. If Physician engages in outside activities beyond the scope of this Agreement, including services provided outside the Geographic Area, Physician hereby agrees to indemnify and hold Authority and KMC harmless from and against any and all liability arising therefrom. Physician understands and agrees that the provision of services outside the Geographic Area shall be subordinate to his obligations and duties under this Agreement.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and

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

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

5. Compensation Package.

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

5.1.1 Compensation Methodology. Authority shall pay Physician in accordance with a five (5) level Annual Salary range (Steps A through E) commencing with Step A, with a maximum adjustment of 3% per level. The step levels and corresponding salary ranges are set forth in Exhibit "B," Salary Schedule, attached hereto and incorporated herein by this reference.

5.1.2 Initial Annual Salary. Authority shall pay Physician an initial Annual Salary of \$11,299.57 biweekly not to exceed \$293,789 annually. The Annual Salary shall be comprised of (i) a base salary for Acting Joint Chair and Director of Department of Psychiatry for KMC and Kern County Behavioral Health and Recovery Services and teaching and administrative services and (ii) payment for care of KMC patients.

Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey (“MGMA Survey”) for specialty and (ii) Physician will maintain a median level of worked relative value units (“Worked RVU”) based on the current MGMA Survey and fulfill all the duties set forth in Exhibit “A” during the Term of this Agreement.

5.1.3 Salary Adjustment. Physician shall be subject to an automatic salary adjustment in accordance with the salary schedule set forth in Exhibit “B,” commencing July 14, 2021, and annually thereafter during the Initial Term.

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

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

5.2 Call Coverage.

5.2.1 IPU Call Coverage. Authority shall pay Physician for inpatient psychiatric unit (“IPU”) call coverage as follows: (i) Physician shall be paid \$250 for every weekday night of call coverage assigned (Monday through Thursday from 5:00 p.m. to 8:00 a.m.); and (ii) Physician shall be paid \$2,550 for every weekend of call coverage assigned (Friday at 5:00 p.m. to Monday at 8:00 a.m.).

5.2.2 After-hours Clinic Coverage. Authority shall pay Physician an hourly rate of \$150 per hour for after-hours clinic coverage (defined as scheduled appointments in the KMC or Kern Behavioral Health and Recovery Services outpatient clinics on weekends or after 5:00 p.m. on weekdays).

5.2.3 STRTP Call Coverage. Authority shall pay Physician for short-term residential therapeutic program (“STRTP”) call coverage as follows: (i) Physician shall be paid \$250 for every weekday night of STRTP telephonic call coverage assigned (Monday through Thursday from 5:00 p.m. to 8:00 a.m.); (ii) Physician shall be paid \$1,000 for weekend STRTP telephonic call coverage assigned (Friday at 5:00 p.m. to Monday at 8:00 a.m.); and (iii) Physician shall be paid \$500 for in-person consultations.

5.2.4 Backup Physician Coverage.

1) Outpatient Coverage for Outpatient Physicians. Authority shall pay Physician an hourly rate of \$150 per hour not to exceed four (4) hours for outpatient coverage that exceeds two (2) days per month. Physician is eligible for payment if he is

on duty in the outpatient setting and assumes responsibility for the caseload of another physician covering the outpatient service.

2) Inpatient Coverage for Inpatient Physicians. Authority shall pay Physician an hourly rate of \$150 per hour not to exceed four (4) hours for inpatient coverage that exceeds two (2) days per month. Physician is eligible for payment if he is on duty in the inpatient setting and assumes responsibility for the caseload of another physician covering the inpatient service.

3) Inpatient Physician Coverage by Outpatient Physicians. Authority shall pay Physician an hourly rate of \$150 per hour not to exceed four (4) hours for inpatient physician coverage. Physician is eligible for payment if he is on duty in the outpatient setting and assumes responsibility for the caseload of another physician covering the inpatient service.

4) Outpatient Physician Coverage by Inpatient Physicians. Authority shall pay Physician an hourly rate of \$150 per hour not to exceed four (4) hours for outpatient physician coverage. Physician is eligible for payment if he is on duty in the inpatient setting and assumes responsibility for the caseload of another physician covering the outpatient service.

5.2.5 Taxes. All payments made by Authority to Physician for call coverage shall be subject to all applicable federal and state taxes and withholding requirements.

5.2.6 Limitations on Call Coverage. Physician understands and agrees that he is not permitted to take call for the STRTP while on call for the IPU and vice versa.

5.3 Chair Stipend. Authority shall pay Physician an annual stipend of \$1,153.84 biweekly not to exceed \$30,000 annually for services as Acting Joint Chair and Director of Department of Psychiatry for KMC and Kern County Behavioral Health and Recovery Services. Physician understands and agrees that he must remain in the position of Acting Joint Chair and Director of Department of Psychiatry for KMC and Kern County Behavioral Health and Recovery Services as of each biweekly payout date in order to earn and receive the stipend payment. All chair stipend payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.4 Retention Bonus. Physician shall be paid a retention bonus in the amount of \$2,769.23 biweekly not to exceed \$72,000 annually for each biweekly pay period Physician remains employed by Authority during the Initial Term. Physician understands and agrees that he must remain actively employed by Authority and in compliance with Authority and KMC policies and directives concerning job performance and conduct as of each payout date in order to earn and receive the retention bonus payment. All retention bonus payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.5 Board Certification Stipend. Physician shall be paid a board certification stipend as described below in this paragraph 5.5, as follows:

5.5.1 General Psychiatry. Physician shall be paid \$115.38 biweekly not to exceed \$3,000 annually for board certification in psychiatry-general. If the conditions for Physician to receive the board certification stipend are met, Physician would be eligible for payment of the stipend the first day of the biweekly payroll period coincident with or next following the day Physician achieves board certification in psychiatry-general.

5.5.2 Psychiatry Subspecialty. Physician shall be paid \$230.76 biweekly not to exceed \$6,000 annually if, in addition to board certification in general psychiatry, Physician receives one or more board certifications in any psychiatry subspecialty. If the conditions for Physician to receive the additional board certification stipend are met, Physician would be eligible for payment of the stipend the first day of the biweekly payroll period coincident with or next following the day Physician achieves additional board certification(s) in any psychiatry subspecialty.

5.5.3 Criteria for Payment. Physician understands and agrees that she must maintain board certification(s) as of each payout date in order to earn and receive the stipend payment. The maximum payable for the board certification stipend shall not exceed \$9,000 annually during the Term. All stipend payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.6 Professional Fee Billing.

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

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

5.7 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$2,289,766 over the five-year Initial Term of this Agreement.

6. **Benefits Package.**

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

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

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

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

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

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

6.7 **CME Expense Reimbursement.** Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with

Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

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

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

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

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

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

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

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

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

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

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

9. **Authority to Incur Financial Obligation**. It is understood that Physician, in his performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.

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

13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that he receives in the course of his employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.

14. **Conflict of Interest.** Physician covenants that he has no interest and that he will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of his services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.

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

16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.

17. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or

hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

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

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

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

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

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

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

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

Notice to Physician:

Mohammed A.S. Molla, M.D.
5400 Pelican Hill Drive
Bakersfield, California 93312

Notice to Authority:

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

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

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

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

28. **Termination.**

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

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or

monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

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

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

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

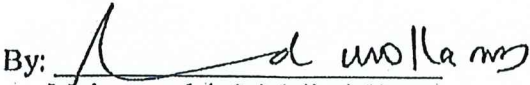
29.4 **No Hearing Rights.** Termination of this Agreement by Authority or KMC for any reason shall not provide Physician the right to a fair hearing or the other rights more particularly set forth in the KMC medical staff bylaws.

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

[Signatures follow on next page]

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

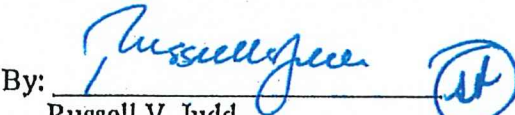

PHYSICIAN

By: 
Mohammed A.S. Molla, M.D.

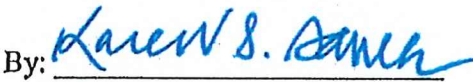
KERN COUNTY HOSPITAL AUTHORITY

By: _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By:  
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By: 
VP & General Counsel
Kern County Hospital Authority

Agreement.Molla.052920

EXHIBIT “A”
JOB DESCRIPTION
Mohammed A.S. Molla, M.D.

Position Description: Reports to Chief Medical Officer; serves as Acting Joint Chair and Director of Department of Psychiatry for KMC and Kern County Behavioral Health and Recovery Services; serves as a full-time faculty member in the Department; provides no fewer than 80 hours per pay period of service; day-to-day work activities and clinical workload shall include coverage within the Department; provides comprehensive and safe clinical coverage for day-to-day operations, timely completion of care, direct patient care, scholarly research, and resident education. Physician shall work collaboratively with Department faculty, staff and administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience. The Acting Joint Chair is a working clinical position that models exemplary clinical outcomes and professional leadership behaviors.

Essential Functions:

A. Leadership and Administrative Responsibilities

- Serve in the leadership role as Acting Joint Chair, including mentoring and professional development of all Department faculty, residents, fellows, and medical students
- Maintain and enhance excellence of the psychiatry residency and fellowship programs and accreditation by the RRC and ACGME
- Appoint and provide oversight of the psychiatry residency and fellowship program directors and curriculum
- Develop a Department culture that ensures prompt recognition of medical adverse events, prompt corrective action, and transparency with the organization including a culture that consistently focuses on patient care and patient safety
- Develop a Department culture that does not allow disruptive behavior
- Monitor individual physician clinical performance by tracking and trending outcomes, utilization of resources, adherence to established protocols, and document and counsel as appropriate
- Develop mechanisms to conduct patient care reviews objectively for the purpose of analyzing and evaluating the quality and appropriateness of patient care and treatment
- Responsible for preparing or delegating staff schedules and clinical assignments to maximize productivity and quality care and ensure that all faculty are present at KMC performing their assigned and scheduled clinical, teaching, and administrative duties
- Oversight of Department meetings, morbidity and mortality conferences, and ensure leadership, structure and function of Department committees, including assigning faculty to appropriate committees and facilitating their involvement in hospital-wide quality and performance improvement programs
- Conduct annual performance evaluations of faculty
- Pursue further alignment with the University of California, Los Angeles (UCLA) in conjunction with all other KMC initiatives including specific alignment for the Department of Psychiatry with UCLA

- Serve as a member on the Medical Executive Committee and participate on Medical Staff and other hospital committees
- Participate in quality and system improvement initiatives, including improving patient satisfaction, enhancing timely access to care, and peer review within the Medical Staff and Department
- Collaborate with all other KMC Department Chairs
- Collaborate with KMC administration to enhance engagement with area health plans, community physicians, and members of the Medical Staff to improve patient care and overall volume growth
- Lead the clinical preparation, monitoring, review, and performance of clinical activity in the Department
- Develop a faculty succession and recruitment plan. In consultation with Department faculty, recruit and recommend to the Chief Executive Officer and Chief Medical Officer new faculty, after appropriate vetting, for faculty appointments in the Department
- Work collaboratively with other clinical departments to develop a cohesive and collaborative environment across clinical departments with a focus of enhancing access to patient care for inpatient and outpatient services
- Support the development of the Simulation Laboratory and related education programs and curriculum
- Follow and comply with the Medical Staff bylaws, rules, regulations, and Authority and KMC policies and procedures
- Participate in clinical and administrative integration efforts across the hospital as appropriate for the Department ensuring proper program planning, resource allocation, analysis, communication, and assessment

B. Clinical Responsibilities

- Serve as an attending physician in the Department providing appropriate care within the scope of practice for a general psychiatry and/or child and adolescent psychiatry specialist while on service
- Supervise residents, fellows, and medical students
- Supervise Advance Practice Providers (APP) in the Department and ensure competence
- Supervise care performed by residents, fellows, and mid-levels, while on service

C. Medical Education, Teaching, and Academic Responsibilities

- Serve as a core faculty member providing supervision and instruction to residents, fellows, and medical students
- Provide clinical mentoring to and evaluation of residents, fellows, and medical students
- Establish and maintain academic appointment at the David Geffen School of Medicine at UCLA
- Serve as a mentor to residents, fellows, and medical students who desire to conduct research or other scholarly activity
- Demonstrate active involvement in continuing education

- Demonstrate active involvement in presentations, publications, and other scholarly activity at local, regional and national scientific societies in accordance with RRC program requirements
- Support the activities of the residency and fellowship educational programs
- Participate in the development of Department curriculum
- Attend and participate in the weekly Department didactic sessions
- Deliver lectures as appropriate throughout the year

Employment Standards:

Completion of an accredited residency program in psychiatry; one (1) year of post-residency experience in psychiatry desirable

AND

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

AND

Certification by the American Board of Psychiatry and Neurology in psychiatry-general

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

[Intentionally left blank]

EXHIBIT "B"
SALARY SCHEDULE
Mohammed A.S. Molla, M.D.

<u>Step Levels</u>	<u>Annual Rate of Compensation</u>
Step A	\$293,789; effective July 14, 2020
Step B	\$302,603; effective July 14, 2021
Step C	\$311,681; effective July 14, 2022
Step D	\$321,031; effective July 14, 2023
Step E	\$330,662; effective July 14, 2024

EXHIBIT "C"

AUTHORIZATION TO RELEASE INFORMATION

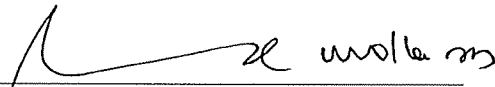
[Attached]

AUTHORIZATION TO RELEASE INFORMATION

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

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

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



Physician

05/29/2020

Date



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

June 17, 2020

Subject: Proposed Engagement Letter from Moss-Adams, LLP

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Engagement Letter from Moss-Adams, LLP, an independent contractor, for financial auditing services for fiscal year ending June 30, 2020.

The primary purpose of an external financial audit is to conduct an audit sufficient to express an opinion as to whether the Kern County Hospital Authority's financial statements are fairly presented in accordance with Generally Accepted Accounting Principles and whether supplementary information is fairly presented in relation to the basic financial statements. The audit will include an evaluation and report of the Authority's internal controls for the purpose of identifying areas of weakness or noncompliance.

Therefore, it is recommended that your Board approve the Engagement Letter from Moss-Adams, LLP, and authorize the Chairman to sign.



T (310) 477-0450
F (310) 477-0590

10960 Wilshire Boulevard
Suite 1100
Los Angeles, CA 90024

May 18, 2020

Russell E. Bigler, Chairman, Board of Directors
Andy Cantu, Chief Financial Officer
Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306-4018

Re: Audit and Nonattest Services

Dear Chairman Bigler:

Thank you for the opportunity to provide services to Kern County Hospital Authority, a local unit of government and a subdivision of the state of California, which owns and operates Kern Medical Center (“Kern Medical”). This engagement letter (“Engagement Letter”) and the attached Agreement for Professional Services between Moss Adams LLP and Kern County Hospital Authority, effective August 17, 2018 (“PSA”), which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP (“Moss Adams,” “we,” “us,” and “our”) will provide to Kern County Hospital Authority (“you,” “your,” and “Company”).

Scope of Services – Audit

You have requested that we audit the Company’s financial statements, which comprise the statement of net position as of June 30, 2020, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (“RSI”), such as management’s discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Company’s RSI in accordance with auditing standards generally accepted in the United States of America. We will not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance. The following RSI will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis
- 2) Schedule of the proportionate share of OPEB liability for Kern Medical
- 3) Schedule of the proportionate share of net pension liability for Kern Medical
- 4) Schedule of Contributions for Kern Medical

Scope of Services and Limitations – Nonattest

We will provide the Company with the following nonattest services:



- Assist you in drafting the financial statements and related footnotes as of and for the year ended June 30, 2020. Although we will assist in drafting the financial statements and related footnotes, our fee estimate included in this engagement letter is based on management providing a substantially complete working draft of the financial statements and required footnotes. Should you request additional assistance, we can discuss the additional fees that may be required prior to commencing additional work.

Our professional standards require that we remain independent with respect to our attest clients, including those situations where we also provide nonattest services such as those identified in the preceding paragraphs. As a result, Company management must accept the responsibilities set forth below related to this engagement:

- Assume all management responsibilities.
- Oversee the service by designating an individual, preferably within senior management, who possesses skill, knowledge, and/or experience to oversee our nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services performed.

It is our understanding that Andy Cantu, the Company's Chief Financial Officer, has been designated by the Company to oversee the nonattest services and that in the opinion of the Company is qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

Timing

Stelian Damu is responsible for supervising the engagement and authorizing the signing of the report. We expect to be on-site the weeks of August 17, 2020 and August 24, 2020 for planning, interim, and the start of final test work, and again starting the week of October 26, 2020 to continue our final fieldwork. We expect to issue our report no later than December 31, 2020. As we reach the conclusion of the audit, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.



Fees

We have agreed to the following payment schedule for the services based on a total fee estimate of \$140,000 - \$150,000.

Month Due	Amount
July 2020	\$ 35,000
September 2020	35,000
October 2020	35,000
November 2020	35,000 – 45,000
Total	\$140,000 – \$150,000

Additionally, there will be a one-time audit fee, estimated as \$15,000, for the June 30, 2020 audit, related to incremental control testing required due to the revenue system implementation that occurred during the fiscal year.

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals/entertainment expenses will be billed separately and are not included in the 5% charge, and will be reimbursed in accordance with the terms set forth in the PSA.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Company's records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments, and/or untimely assistance will result in an increase of our fees.

Reporting

We will issue a written report upon completion of our audit of the Company's financial statements. Our report will be addressed to the Board of Governors of the Company. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2020.

Objectives of the Audit

The objective of our audit is the expression of an opinion on the financial statements. The objective also includes reporting on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

The report on internal control and compliance will include a statement that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance, that the report is an integral part of an audit performed in accordance with *Government Auditing*



Standards in considering the entity's internal control over financial reporting and compliance, and, accordingly, it is not suitable for any other purpose.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. It will include tests of your accounting records and other procedures we consider necessary to enable us to express an opinion on the financial statements and to render the required reports. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, we will not provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, and noncompliance with the provisions of laws, regulations, contracts and grant agreements that come to our attention, unless clearly inconsequential. We will also inform you of any other conditions or other matters involving internal control, if any, as required by *Government Auditing Standards*. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Company and its environment, including its internal control sufficient to assess the risks of material misstatements of the financial statements whether due to error or fraud and to design the nature, timing, and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control and



accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. However, if, during the audit, we become aware of any matters involving internal control or its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, we will communicate them in writing to management and those charged with governance. We will also identify if we consider any significant deficiency, or combination of significant deficiencies, to be a material weakness.

We may assist management in the preparation of the Company's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of Moss Adams.

Management's Responsibility

As a condition of our engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, but management remains responsible for the financial statements. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for informing us about all known or suspected fraud affecting the Company involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators or others.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control over compliance with the provisions of laws, regulations, contracts, and grant agreements, and for identifying and ensuring that you comply with such provisions. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with the provisions of laws, regulations, contracts, and grant agreements or abuse that we may report.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement management will provide us with:



- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence.

Management's Responsibility for Supplementary Information

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

Dissemination of Financial Statements

Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

Offering of Securities

This Agreement does not contemplate Moss Adams providing any services in connection with the offering of securities, whether registered or exempt from registration, and Moss Adams will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that Moss Adams will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor



auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

Changes in Professional or Accounting Standards

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

Representations of Management

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Company's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Company's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Company's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the Company further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the Company's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any member of the Company's management.

Use of Moss Adams' Name

The Company may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Hiring of Employees

Any offer of employment to members of the audit team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.



We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in the Agreement, please sign the enclosed copy of this letter and return it to us.

Very truly yours,

A handwritten signature in cursive script that reads "Stelian Damu".

Stelian Damu, for
Moss Adams LLP

Enclosures
SD/ep

Accepted and Agreed:

This Engagement Letter and the attached PSA set forth the entire understanding of Kern County Hospital Authority with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: _____

Print Name: _____ Russell E. Bigler _____

Title: _____ Chairman, Board of Governors _____

Date: _____

Client: #636216
v. 2/18/2019



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

June 17, 2020

Subject: Proposed Amendment No. 6 to Agreement 472-2009 with Morrison Management Specialists, Inc. for dietary and nutrition services in the Food Services and Nutrition Department

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 6 to the Agreement for Professional Services with Morrison Management Specialists, Inc., which provides dietary and nutrition management and services in the Food Services and Nutrition Department. The proposed amendment increases the maximum payable for the period June 27, 2018 through June 30, 2023 by \$363,878, from \$6,434,294 to \$6,798,172, to allow for the addition of a sous chef and to augment the registered dietician salaries to align with market rates. The amendment does not alter the agreement term, which ends June 30, 2023.

Therefore, it is recommended that your Board approve Amendment No. 6 to the Agreement with Morrison Management Specialists, Inc., to increase the maximum payable for the period June 27, 2018 through June 30, 2023 by \$363,878, from \$6,434,294 to \$6,798,172, to cover the additional expenditures, effective June 27, 2020, and authorize the Chairman to sign.

**AMENDMENT NO. 6 TO
MANAGED SERVICES AGREEMENT
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Morrison Management Specialists, Inc.)**

This Amendment No. 6 to the Managed Services Agreement is made and entered into this 17th day of June, 2020, by and between the Kern County Hospital Authority, a local unit of government (“KCHA”), which owns and operates Kern Medical Center (“Kern Medical”), and Morrison Management Specialists, Inc., a Georgia corporation, d/b/a Morrison Health Care, Inc. (“Morrison”), with offices located at 400 Northridge Road, Suite 600, Atlanta, Georgia 30350.

RECITALS

(a) The County of Kern and Morrison have heretofore entered into a Managed Services Agreement (Kern County Agt. #472-2009, dated June 16, 2009), Amendment No. 1 (Kern County Agt. #1104-2010, dated December 13, 2010), Amendment No. 2 (Kern County Agt. #836-2012, dated November 12, 2012), Amendment No. 3 (Kern County Agt. #479-2013, dated June 25, 2013), Amendment No. 4 (Kern County Agt. #450-2015, dated June 23, 2015), Assignment of Agreement (Kern County Agt.#297-2016, dated March 1, 2016), and Amendment No. 5 (HA Agt. #078-2017, dated November 15, 2017) (hereinafter collectively referred to as the “Agreement”), for the period June 27, 2009 through June 30, 2023, to provide supervision and management of the Food Service at Kern Medical; and

(b) The parties have agreed to add one Sous Chef to the Services, and to increase the salary of Morrison’s on-site Registered Dietitian by eight percent; and

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

(d) This Amendment No. 6 to the Agreement shall be effective June 27, 2020;

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 22, Cost of Services, paragraph b, Summary of Costs, shall be deleted in its entirety and replaced with the following:

“b. Summary of Costs:

i. For the period June 27, 2009 through June 26, 2012, Morrison’s charges to KCHA for payroll costs related to Morrison’s management personnel (including clinical staff); Morrison’s combined management fee and general and administrative charge; and Morrison’s relocation and startup fees shall not exceed \$3,118,680.

ii. For the period June 27, 2012 through June 26, 2015, Morrison's charges to KCHA for payroll costs related to Morrison's management personnel (including clinical staff); Morrison's combined management fee and general and administrative charge; and incentives earned in accordance with Section 22 shall not exceed \$3,306,344.

iii. For the period June 27, 2015 through June 26, 2018, Morrison's charges to KCHA for payroll costs related to Morrison's management personnel (including clinical staff); Morrison's combined management fee and general and administrative charge; and incentives earned in accordance with Section 22 shall not exceed \$3,362,445. Notwithstanding the forgoing, the parties anticipate adding a new registered dietitian for Kern Medical's outpatient clinic prior to June 26, 2018. At such time, this number will increase by \$8,798 for each month remaining in the period. The increase has been included in the not to exceed amount of \$3,362,445.

iv. For the period June 27, 2018 through June 30, 2023, Morrison's charges to KCHA for payroll costs related to Morrison's management personnel (including clinical staff); Morrison's combined management fee and general and administrative charge; and incentives earned in accordance with Section 22 shall not exceed \$6,798,172.

2. Exhibit C of the Agreement ("Summary of Costs") shall be deleted in its entirety and replaced with Exhibit C to this Amendment No. 6 ("Total Cost of Contract"), attached hereto and incorporated herein by this reference.

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

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

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

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

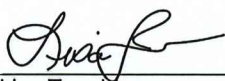
[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 6 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

MORRISON MANAGEMENT
SPECIALISTS, INC.

By _____
Russell Bigler
Chairman, Board of Governors

By  _____
Lisa Trombley (Print Name)
Regional Vice President (Title)

Approved As To Content:
Kern Medical Center

By _____
Russell V. Judd
Chief Executive Officer

Approved As To Form:
Legal Services Department

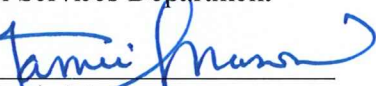
By  _____
Jamie Mason
Hospital Counsel

EXHIBIT C TO AMENDMENT NO. 6

Total Cost of Contract

Annual Contract Cost Not to Exceed

(Years 10 through 14)

		Total Salaries & Benefits	Total Support Fees	Total Contract Year Price
Year	10 (June 27, 2018 through June 26, 2019)	\$1,027,767	\$ 173,040	\$1,200,807
Year	11 (June 27, 2019 through June 26, 2020)	\$1,048,323	\$ 176,501	\$1,224,824
Year	12 (June 27, 2020 through June 26, 2021)	\$1,192,172	\$ 180,031	\$1,372,203
Year	13 (June 27, 2021 through June 26, 2022)	\$1,216,015	\$ 183,632	\$1,399,647
Year	14 (June 27, 2022 through June 30, 2023)	\$1,240,335	\$ 189,357	\$1,429,692
Total Fixed Contract Price Years 10 through 14 (consisting of Total Salaries & Benefits and Total Support Fees)				<u>\$6,627,173</u>

Incentive Opportunity

Year	10 (June 27, 2018 through June 26, 2019)	\$ 32,784
Year	11 (June 27, 2019 through June 26, 2020)	\$ 33,440
Year	12 (June 27, 2020 through June 26, 2021)	\$ 34,109
Year	13 (June 27, 2021 through June 26, 2022)	\$ 34,791
Year	14 (June 27, 2022 through June 30, 2023)	\$ 35,875
Total Variable Contract Price Years 10 through 14 (consisting of Total Incentive)		<u>\$ 170,999</u>

Total Annual Contract Cost Not to Exceed

(Years ten through fourteen)

\$6,798,172

Total Contract Cost Analysis

(Years one through fifteen)

Cost of Initial 3-Year Contract Period	\$3,118,680
Cost of Amend 2	\$ -0-
Cost of Amend 3, 36 Month Renewal Period	\$3,306,344
Cost of Amend 4, 36 Month Renewal Period	\$3,362,445
Cost of Amend 5, 60 Month Renewal Period	\$6,434,294
Cost of Amend 6, No Additional Renewal Period	\$363,878
Total Cost of Contract:	\$16,585,641



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

June 17, 2020

Subject: Proposed Amendment No. 2 to Agreement 2016-042 with Trans-West Security Services, Inc., for management of security services and provision of security personnel

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 2 to the Agreement for Professional Services with Trans-West Security Services, Inc., for management of security services and provision of security officers for the Kern Medical campus and Columbus Street and Q Street clinics.

The proposed Amendment extends the term of the Agreement for an additional two years, from July 1, 2020 through June 30, 2022, and increases the maximum payable by \$4,200,000, from \$5,612,834 to \$9,812,834, to cover the extended term. An increase in the maximum payable is necessary to cover the cost of increasing the number of hours security is provided at the Kern Medical campus and the Columbus and Q Street clinics and the cost of increasing the hourly rate for security officers due to the California state minimum wage mandates taking effect in 2021 and 2022.

Therefore, it is recommended that your Board approve Amendment No. 2 to the Agreement for Professional Services with Trans-West Security, Inc., extending the term for two years from July 1, 2020 to June 30, 2022, increasing the maximum payable by \$4,200,000, from \$5,612,834 to \$9,812,834, to cover the extended term, effective July 1, 2020, and authorize Chairman to sign.

**AMENDMENT NO. 2 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Trans-West Security Services, Inc.)**

This Amendment No. 2 to the Agreement for Professional Services - Independent Contractor (“Amendment No. 2”) is entered into this 17th day of June, 2020, by and between Kern County Hospital Authority, a local unit of government, (“KCHA”) which owns and operates Kern Medical Center (“Kern Medical”), and Trans-West Security Services, Inc., a California corporation (“Contractor”), with its principle place of business located at 8503 Crippen Street, Bakersfield, CA 93311.

RECITALS

A. KCHA and Contractor have entered into an Agreement for Professional Services (KCHA Agt. #HA2016-042, dated June 22, 2016) and Amendment No. 1 (KCHA Agt. #HA041-2018, dated June 20, 2018) for the period of July 1, 2016 through June 30, 2020, to provide security services for Kern Medical, (“Agreement”).

B. The Agreement expires June 30, 2020; and

C. KCHA continues to require the services of Contractor and Contractor has agreed to continue to provide such services; and

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

F. The Agreement is amended effective July 1, 2020;

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

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

“1. **Term**. The term of this Agreement shall commence on July 1, 2016 (the “Effective Date”), and shall end June 30, 2022, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 4., **Payment for Services** shall be deleted in its entirety and superseded by the following:

“4.1 **Fees and Charges**. As consideration for the services provided by Contractor hereunder, KCHA will pay Contractor in accordance with the fee schedule set

forth in Exhibit "B", attached hereto and incorporated herein by this reference for the period of July 1, 2016 to June 30, 2018; and in accordance with the fee schedule set for their Exhibit "B-1", attached hereto and incorporated herein by this reference for the period of July 1, 2018 to June 30, 2020; and in accordance with the fee schedule set forth in Exhibit "B-2", attached hereto and incorporated by reference for the period of July 1, 2020 to June 30, 2022. All services are payable in arrears.

4.2 Invoices. Invoices for payment shall be submitted in a form approved by KCHA and list each service performed. Invoices and receipts shall be sent to KCHA for review and processing within 60 days of the date of service or payment will not be made. Payment shall be made to Contractor within 30 days of receipt and approval of each invoice by Kern Medical.

4.3 Maximum Payable. The maximum payable under this Agreement will not exceed \$9,812,833.28.

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

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

4. This Amendment No. 2 shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment No. 2 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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


[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. 2 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

TRANS-WEST SECURITY SERVICES
INC.

By _____
Russell Bigler
Chairman, Board of Governors

By 
Printed Name: BROOKE ANTONIONI
Title/Position: PRESIDENT/CEO

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
Legal Services Department


By 
Hospital Counsel

EXHIBIT "B-2"

Kern Medical Estimated Budget

July 2020 through June 2022

	WEEKLY HOURS	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
DIRECTOR (REEVES)	40	RDO	8	8	8	8	8	RDO
SITE SUP (HURTADO)	40	RDO	8	8	8	8	8	RDO
SHIFT LEAD	168	24	24	24	24	24	24	24
IPU PSYCHE	112	16	16	16	16	16	16	16
D WING	140	20	20	20	20	20	20	20
ER LOBBY	168	24	24	24	24	24	24	24
ER TREATMENT AREA	168	24	24	24	24	24	24	24
PEDIATRICS	168	24	24	24	24	24	24	24
PATROL UNIT	168	24	24	24	24	24	24	24
Q STREET CLINICS	50	RDO	10	10	10	10	10	RDO
SAGEBRUSH CLINICS 1	112	RDO	16	16	16	16	16	16
SAGEBRUSH CLINICS 2	112	RDO	16	16	16	16	16	16
PART TIME AFTERNOON SUP (AVALO)	20	RDO	4	4	4	4	4	RDO
AFTERNOON PARKING LOT PATROL	40	8	RDO	RDO	8	8	8	8
TOTAL WEEKLY HOURS	1506							

Estimated 2020 budget - July through Dec

	Pay Rate	Bill Rate	%	Hours	Weekly	Monthly	6 Months
Level 1	\$14.50	\$23.49	62%	818	\$19,214.82	\$41,632.11	\$499,585.32
Level 2	\$14.75	\$23.90	62%	320	\$7,648.00	\$16,570.67	\$198,848.00
Level 3	\$15.00	\$24.30	62%	120	\$2,916.00	\$6,318.00	\$75,816.00
Level 4	\$15.25	\$24.71	62%	168	\$4,151.28	\$8,994.44	\$107,933.28
Post Supervisor	\$16.50	\$26.50	61%	40	\$1,060.00	\$2,296.67	\$27,560.00
Director		\$81.89		40	\$3,275.60	\$7,097.13	\$85,165.60

1506	\$38,265.70	\$82,909.02	\$994,908.20
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Estimated 2021 budget

	Pay Rate	Bill Rate	%	Hours	Weekly	Monthly	Annual
Level 1	\$15.00	\$24.30	62%	818	\$19,877.40	\$86,135.40	\$1,033,624.80
Level 2	\$15.25	\$24.71	62%	320	\$7,905.60	\$34,257.60	\$411,091.20
Level 3	\$15.50	\$25.11	62%	120	\$3,013.20	\$13,057.20	\$156,686.40
Level 4	\$15.75	\$25.52	62%	168	\$4,286.52	\$18,574.92	\$222,899.04
Post Supervisor	\$17.00	\$27.54	62%	40	\$1,101.60	\$4,773.60	\$57,283.20
Director		\$81.89		40	\$3,275.60	\$14,194.27	\$170,331.20
				1506	\$39,459.92	\$170,992.99	\$2,051,915.84

Estimated 2022 budget - Jan through June

	Pay Rate	Bill Rate	%	Hours	Weekly	Monthly	6 Months
Level 1	\$16.00	\$25.92	62%	818	\$21,202.56	\$91,877.76	\$551,266.56
Level 2	\$16.25	\$26.33	62%	320	\$8,424.00	\$36,504.00	\$219,024.00
Level 3	\$16.50	\$26.73	62%	120	\$3,207.60	\$13,899.60	\$83,397.60
Level 4	\$16.75	\$27.14	62%	168	\$4,558.68	\$19,754.28	\$118,525.68
Post Supervisor	\$18.00	\$29.16	62%	40	\$1,166.40	\$5,054.40	\$30,326.40
Director		\$81.89		40	\$3,275.60	\$14,194.27	\$85,165.60
				1506	\$41,834.84	\$181,284.31	\$1,087,705.84

Estimated Grand Totals From July 2020 through June 2022

\$4,134,529.88



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

June 17, 2020

SUBJECT: Proposed Amendment No. 6 to Agreement 1118-2009 with Health Care Interpreter Network (HCIN), for language interpretation services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 6 to the Agreement for Professional Services with HCIN, which is the primary vendor used by Kern Medical for providing language interpretation services for multiple languages and American Sign Language for our patients. HCIN does require a secondary source for languages unavailable through HCIN and in the event of increased volume. Your Board recently approved a contract with Language Line Services, Inc. for that purpose.

This proposed Amendment extends the term for an additional one year from July 1, 2020 to June 30, 2021. During that period, Kern Medical will perform an evaluation of multiple interpretation services and assure that the vendor selected will provide cost effective, efficient and effective services to our patients and staff. A new Agreement will then be executed. The proposed Amendment increases the maximum payable by \$135,000, from \$857,391 to \$992,391, to cover the extended term.

Therefore, it is recommended that your Board approve Amendment No. 6 to the Agreement for Professional Services with HCIN extending the term for one year from July 1, 2020 through June 30, 2021, increasing the maximum payable by \$135,000, from \$857,391 to \$992,391, effective July 1, 2020, and authorize the Chairman to sign.

**AMENDMENT NO. 6 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Health Care Interpreter Network)**

This Amendment No. 6 to the Agreement for Professional Services is made and entered into this 17th day of June, 2020, between the Kern County Hospital Authority, a local unit of government (“KCHA”), which owns and operates Kern Medical Center (“KMC”), and Health Care Interpreter Network (HCIN) (“Contractor”), with its principle place of business located at 6400 Hollis Street, Suite 9, Emeryville, California 94608.

RECITALS

(a) KCHA and Contractor have heretofore entered into an Agreement for Professional Services (Kern County Agt. #1118-2009, dated December 14, 2009); Amendment No. 1 (Kern County Agt. #552-2011, dated July 11, 2011); Amendment No. 2 (Kern County Agt. #878-2011, dated December 12, 2011), Amendment No. 3 (Kern County Agt. #472-2014, dated June 24, 2014), Amendment No. 4 (Kern County Agt. #682-2016, dated June 14, 2016), and Amendment No. 5, (HA Agt. #0419-2018, dated July 18, 2018) (“Agreement”) for the period of September 9, 2009 through June 30, 2020 for language interpretation services; and

(b) The Agreement expires June 30, 2020; and

(c) KCHA continues to require the assistance of Contractor to provide interpretation services and Contractor 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 Contractor; and

(e) KCHA and Contractor agree to amend the Agreement to (i) extend the term for one (1) year through June 30, 2021; (ii) increase the maximum payable under the Agreement by \$135,000 from \$857,391 to \$992,391, to cover the extended term; (iii) delete in its entirety all references in the Agreement, including all Amendments and the Business Associate Agreement, to Health Care Interpretation Network and replace with Health Care Interpreter Network; and

(f) The Agreement is amended effective July 1, 2020;

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 KCHA shall commence on September 9, 2009 (the “Effective Date”), and shall end June 30, 2021, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 2, Payment, shall be deleted in its entirety and replaced with the following:

“2. Payment.

a. KCHA agrees to pay Contractor a membership fee in an amount not to exceed \$72,391 for the period of September 9, 2009 through June 30, 2011 and \$40,000 per year for the period of July 1, 2011 through June 30, 2021, in amount not to exceed \$472,391 for the term of this Agreement.

b. Additionally, KCHA agrees to pay \$15,000 for equipment, video unit set-up fees and licensing fees per year for the period of July 14, 2014 through June 30, 2021. Equipment and licensing fees will not exceed \$ 105,000 for the term of this Agreement.

c. Additionally, KCHA agrees to sell/purchase spoken languages to/from the network as follows:

- \$.75 per minute for Spoken Language within HCIN
- \$.85 per minute for Spoken Language on the Affiliated HCIN Network – Sharing
- \$1.55 per minute for Spoken Language on the Affiliated HCIN Network – Non-Sharing
- \$2.90 - \$3.35 for American Sign Language

d. Contractor agrees to pay KCHA for medical interpretation provided by their interpreters as follows:

- \$.75 per minute for Spoken Language provided within HCIN including scheduled appointments
- \$.80 per minute for Spoken Language provided to the Affiliated HCIN Network – Sharing
- \$1.45 per minute for Spoken Language provided to the Affiliated HCIN Network – Non-Sharing
- \$2.90 for American Sign Language

e. Scheduled appointments: one-hour minimum \$51 per hour, all usage is billed hourly and usage over the number of hours scheduled will be billed at the next full hour rate. Appointments may be cancelled at least 24 business hours before the scheduled time of the appointment with only a \$1 scheduling fee charged. If requesters of scheduled appointments do not call during the first 30 minutes of the scheduled appointment, the interpreter will be released for other calls and may no longer be available.

f. Credit/debit minutes will be invoiced on a quarterly basis, in arrears. In the event the credit minutes exceed the fourth quarter membership/connection fee in any fiscal

year, the excess will be deducted from the first three quarters membership/connection fee for the following fiscal year. Should KCHA decide not to renew the contract with the Contractor for fiscal year 2021-2022 Contractor will pay KCHA any excess credit minutes within 30 days of the expiration of this agreement and KCHA agrees to pay contractor for all debit minutes with 30 days of the expiration of this agreement.

g. The total amount paid to Contractor shall not exceed \$447,391 for the period of September 9, 2009 through June 30, 2016; \$160,000 for the period of July 1, 2016 through June 30, 2018; \$250,000 for the period of July 1, 2018 through June 30, 2020; and \$135,000 for the period of July 1, 2020 through June 30, 2021. The total maximum payable under this Agreement shall not exceed \$992,391 over the 12 year term of this Agreement.”

3. Effective September 9, 2009, all references in the Agreement, including all Amendments and the Business Associate Agreement, to “Health Care Interpretation Network” shall be deleted in its entirety and replaced with “Health Care Interpreter Network”.

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

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 take together shall constitute one and the same instrument.

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

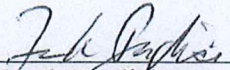
[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 6 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

HEALTH CARE INTERPRETER NETWORK

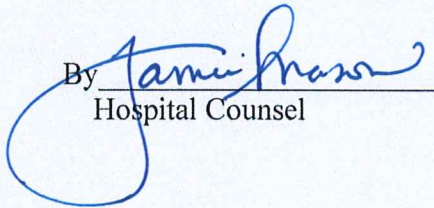
By _____
Chairman
Board of Governors

By  _____
Frank Puglisi
Executive Director

APPROVED AS TO CONTENT:
Kern Medical Center

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
Legal Services Department

By  _____
Hospital Counsel



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

June 17, 2020

Subject: Proposed Retroactive Amendment No. 9 to Agreement for Professional Consulting Services with Healthcare Performance Group, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board retroactively approve the proposed Amendment No. 9 to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc. (HPG), in the amount of \$99,360, for a total revised Agreement amount of \$2,944,184 to provide extensions of professional services with HPG staff. These extended support services are required to meet the continuing needs of implementing and supporting the Millennium clinical applications from Cerner Corporation.

Previous Agreements	Purpose of Amendment	Variance
Original Agreement, dated May 7, 2018 – Agt.#14818	Schedule A-1, Jacqui Pada, EHR Consultant for Clinical and Nursing Support	\$232,576
Amendment No. 1, dated September 19, 2018 – Agt.# 062-2018	Schedule A-2, Kayla Smith, EHR Consultant for HIM and 3M Support	\$217,000
Amendment No. 2, dated January 16, 2019 – Agt.#005-2019	Schedule A-3, Nicole Van Luchene, EHR Consultant for Informatics and Physician Adoption Support	\$300,240
Amendment No. 3, dated March 20, 2019 – Agt.#018-2019	Amendment to Schedule A-1, EHR Consultant for Clinical and Nursing Support	\$203,896
Amendment No. 4, dated May 15, 2019 – Agt.#023-2019	<u>Schedule A-5</u> Diane Justice – Clinical Application Expertise - April 1, 2019 thru August 30, 2019 - \$146,776 <u>Schedule A-6</u> Elizabeth (Betsy) Hlavac – Clinical Application Expertise – April 8, 2019 thru August 30, 2019 - \$140,104 <u>Schedule A-7</u> Kim Green – Clinical Application Expertise – April 15, 2019 thru August 30, 2019 - \$133,432 <u>Jacqui Pada’s Extension</u> – Clinical Application Expertise – November 29, 2019 thru December 20, 2019 – \$17,920. <u>Kayla Smith’s Extension</u> – Cerner Millennium HIM – June 10 thru December 20, 2019 - \$185,472	\$643,720

	<u>Nicole Van Luchene's Extension</u> – Clinical Informatics Expertise – November 29, 2019 thru December 20, 2019 - \$20,016.	
Amendment No. 5, dated July 17, 2019 – Agt.#043-2019	<u>Schedule A-8 Maria Negrete</u> – Additional Clinical Informatics Expertise – June 3, 2019 thru August 2, 2019.	\$40,088
Amendment No. 6, dated July 29, 2019 – Agt.#38019	<u>Schedule A-9 Ramona Hamilton</u> –Informatics and Physician Adoption Support – Replacement for Nicole Van Luchene – no additional cost	\$0
Amendment No. 7, dated September 18, 2019 - Agt.#057-2019	<u>Schedule A-10:</u> Betsy Hlavac extension - Clinical Application Expertise (9/1/19 thru 12/20/19) - 640 hours x \$137.00 and travel expenses. \$105,680 <u>Schedule A-11:</u> Kim Green extension - Clinical Application Expertise (9/1/19 thru 12/20/19) - 640 hours x \$137.00 and travel expenses. \$105,680 <u>Schedule A-12:</u> Maria Negrete extension – Clinical Informatics Expertise (8/3/19 thru 12/20/19) - 800 hours x \$136.00 and travel expenses. \$130,800	\$342,160
Amendment No 8, dated January 15, 2020 – Agt.#004-2020	<u>Schedule A-13: \$141,440</u> Maria Negrete extension – Clinical Informatics Expertise (12/21/2019 thru 6/10/2020) - \$136.00/hour and travel expenses. <u>Schedule A-14: \$142,480</u> Betsy Hlavac extension - Clinical Application Expertise (12/21/2019 thru 6/10/2020) - \$137.00/hour and travel expenses. <u>Schedule A-15: \$142,480</u> Kim Green extension - Clinical Application Expertise (12/21/2019 thru 6/10/2020) - \$137.00/hour and travel expenses. <u>Schedule A-16: \$144,560</u> Ramona Hamilton extension - Physician Adoption Support – (12/21/2019 thru 6/10/2020) - \$139.00/hour and travel expenses. <u>Schedule A-17: \$144,560</u> Jacqui Pada's extension – Clinical Application Expertise – (12/21/2019 thru 6/10/2020) - \$139.00/hour and travel expenses. <u>Schedule A-18: \$141,440</u> Kayla Smith's extension – Cerner Millennium HIM – (12/21/2019 thru 6/10/2020) - \$136.00/hour and travel expenses.	\$856,960
Proposed Amendment No 9, dated June 17, 2020	<u>Schedule A-19: \$49,320</u> Kim Green's extension - Clinical Application Expertise (6/15/2020 thru 8/10/2020) - \$137.00/hour <u>Schedule A-20: \$50,040</u> Ramona Hamilton's extension - Physician Adoption Support – (6/15/2020 thru 8/1/2020) - \$139.00/hour	\$99,360

Therefore, it is recommended that your Board retroactively approve Amendment No. 9 to the Agreement for Professional Services with HPG for the extension of professional services for the period June 11, 2020 through August 10, 2020, increasing the maximum payable by \$99,360 from \$2,844,824 to \$2,944,184 for the additional professional fees, and authorize the Chairman to sign.

Amendment No. 9 To
Agreement for Professional Consulting Services
(Healthcare Performance Group, Inc. – Kern County Hospital Authority)

This Amendment No. 9 to the Agreement for Professional Consulting Services is entered into this 17th day of June, 2020, by and between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (Customer) and Healthcare Performance Group, Inc. (HPG).

RECITALS

- A. Customer and HPG have heretofore entered into an Agreement for Professional Consulting Services (Customer Agt.#14818, dated May 11, 2018), Amendment No. 1 (Customer Agt.#062-2018, dated September 19, 2018), Amendment No. 2 (Customer Agt.#005-2019, dated January 16, 2019); Amendment No. 3 (Customer Agt.#018-2019, dated March 20, 2019), Amendment No. 4 (Customer Agt.#023-2019, dated May 15, 2019), Amendment No. 5 (Customer Agt.#043-2019, dated July 17, 2019), Amendment No. 6 (Customer Agt.#38019, dated July 31, 2019), Amendment No. 7 (Customer Agt.#057-2019, dated September 18, 2019), and Amendment No. 8 (Customer Agt.#004-2020, dated December 20, 2019), (“Agreement”) to provide professional consulting services; and
- B. Customer requires additional services of HPG and HPG has agreed to provide these services; and
- C. The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and
- D. The Agreement is amended effective June 11, 2020:
NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follow:

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

“Term

The term of this Agreement shall begin on June 11, 2018 and will terminate on August 10, 2020, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Schedules A-19 and A-20 to Amendment No 9 are added to the Agreement and incorporated herein by this reference.
3. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 9 have the meaning set forth in the Agreement.

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

5. This Amendment No. 9 may be executed in counterparts, each of which shall be deemed an original, but all 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.

[Signature to Follow]

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. 9 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Russell Bigler
Chairman, Board of Governors

APPROVED AS TO CONTENT
Kern Medical Center

By _____
Reynaldo Lopez
Chief Information Officer

APPROVED AS TO FORM
Legal Services Department

By  _____
Hospital Counsel & Acting Compliance Officer
Kern County Hospital Authority

HEALTHCARE PERFORMANCE GROUP, INC.

Chad
By Terstriep
Digitally signed by
Chad Terstriep
Date: 2020.06.10
14:44:45 -05'00'
Printed Name: Chad Terstriep
Title/Position: President

Schedule "A-19"

Kern Medical (Customer) and Healthcare Performance Group, (HPG), wish to attach this Schedule as an addendum to the Agreement between the parties in order to define the services to be provided by HPG to Customer.

Project Background

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

PROJECT ROLE AND DETAILS TO BE APPROVED BY CUSTOMER:

- Provide technical and clinical expertise for PathNet applications
- Provide best practice education for PathNet modules
- Provide expertise on testing for the lab and the PathNet modules within Cerner Millennium
- Provide expertise around best practices for workflows
- Provide Cerner Millennium PathNet design, build, testing, implementation and training
- Kim will work with Customer to facilitate meetings, tasks and project deliverables for this project
- Kim will provide additional expertise to other Millennium applications as requested by Customer
- Kim will also follow the Cerner EHR Consultant Job Description that will be attached to the Master Service Agreement.

Engagement Scope and Approach

HPG will provide the services of Kim Green. Kim will assist the Customer in the project as described above, reporting to Mr. Reynaldo Lopez and providing services on a continuous, ongoing and full-time basis ending on August 10, 2020. Customer may wish to extend these services and will provide written notification.

Fees, Timing & Payment

The professional service fee for these services is \$137 per hour. Additional hours will require an addendum for extension. Customer agrees to pay travel expenses. Estimated costs for this engagement are \$49,320 plus any travel expenses.

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

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

This Schedule A-19 is an addition to the Master Service Agreement and Schedules A-1 through A-18.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE: _____ DATE: _____

HPG:

Chad

Digitally signed
by Chad Terstriep
Date: 2020.06.10
14:44:12 -05'00'

Terstriep

SIGNATURE: _____ DATE: 6/10/2020

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

Schedule "A-20"

Kern Medical (Customer) and Healthcare Performance Group, (HPG), wish to attach this Schedule as an addendum to the Agreement between the parties in order to define the services to be provided by HPG to Customer.

Project Background

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

PROJECT ROLE AND DETAILS TO BE APPROVED BY CUSTOMER:

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

Engagement Scope and Approach

HPG will provide the services of Ramona Hamilton. Ramona will assist the Customer in the project as described above, reporting to Mr. Reynaldo Lopez and providing services on a continuous, ongoing and full-time basis ending August 10, 2020. Customer may wish to extend these services and will provide written notification.

Fees, Timing & Payment

The professional service fee for these services is \$139 per hour. Additional hours will require an addendum for extension. Customer agrees to pay travel expenses. Estimated costs for this engagement are \$50,040 plus any travel expenses.

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

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

This Schedule A-20 is an addition to the Master Service Agreement and Schedules A-1 through A-19.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE: _____ DATE: _____

HPG:

SIGNATURE: **Chad Terstriep** Digitally signed by Chad Terstriep Date: 2020.06.10 14:43:40 -05'00' DATE: 6/10/2020

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



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

June 17, 2020

Subject: Request to employ retired Kern County Hospital Authority employee Tina Anderson

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employee Tina Anderson, as Extra Help Senior Paralegal, for the period ending June 30, 2021, or 960 hours, whichever occurs first, effective July 1, 2020.

The Public Employee Pension Reform Act (PEPRA) sets forth post-retirement employment requirements for all retirees receiving a pension benefit from a public retirement system who returns to work for a public employer. The Authority is a designated public employer for purposes of KCERA. 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.

Ms. Anderson retired effective February 2, 2019. Ms. Anderson has worked at Kern Medical for 10 years, as a senior paralegal, supporting the attorneys who advise Kern Medical and the Authority and has the requisite experience and skill set needed to perform the work for which she is being reemployed. Ms. Anderson was the only paralegal employed by Kern Medical and her position has not been filled. Due to Ms. Anderson's intimate acquaintance with the functions of the Legal Services Department, she will be able to provide services immediately without any training. Ms. Anderson will be reemployed for a limited duration to draft and process over 100 resident physician contracts prior to the new academic year.

Therefore, it is recommended that your Board approve the reemployment of Tina Anderson, as Extra Help Senior Paralegal, effective July 1, 2020.



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

June 17, 2020

Subject: Proposed Amendment No. 2 to Agreement 2017-023 with AMN Healthcare, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 2 to the Healthcare Staffing Agreement with AMN Healthcare, Inc. (AMN), for the continued provision of temporary nurse staffing. Unfortunately, the number of working Registered Nurses in the San Joaquin Valley, including Kern County, is insufficient to meet the needs of healthcare providers serving the various communities. The proposed Amendment No. 2 will continue to expand recruitment of “traveling nurses” to overseas locations of our choice. AMN pre-interviews all candidates, performs competency testing in basic skills, as well as specified specialties, and then provides Kern Medical with the right of final approval to make sure that we have access to a high volume of high quality nurse candidates. All candidates are fully licensed to practice in the State of California immediately upon arrival.

Previous Agreements	Purpose of Agreement	Variance
Original Agreement, effective August 11, 2016	Recruitment of Traveling Nurses Term 08/11/2016 – 08/10/2017	\$3,000,000
Amendment No. 1, signed August 15, 2017	Continued Recruitment of Traveling Nurses Term 08/11/2017 – 08/10/2020	\$9,000,000
Proposed Amendment No. 2	Continued Recruitment of Traveling Nurses Proposed Term 08/11/2020 – 08/10/2024	\$12,000,000

Therefore, it is recommended that your Board approve Amendment No. 2 with AMN Healthcare, Inc. for temporary nurse staffing, extending the term for four years from August 11, 2020 to August 10, 2024, increasing the maximum payable by \$12,000,000, from \$12,000,000 to \$24,000,000, and authorize the Chairman to sign.

**AMENDMENT NO. 2 TO THE HEALTHCARE STAFFING AGREEMENT
BETWEEN KERN COUNTY HOSPITAL AUTHORITY AND AMN HEALTHCARE, INC.**

This Amendment No. 2 ("Amendment") amends and modifies the terms of the Healthcare Staffing Agreement dated March 15, 2017 (the "Agreement") by and between Kern County Hospital Authority ("Client") and AMN Healthcare, Inc. ("Agency").

RECITALS:

WHEREAS, Client and Agency are parties to an agreement for Healthcare Staffing Services effective as of August 11, 2016 (the "Agreement") and wish to modify certain terms of the Agreement as set forth below;

WHEREAS, Section 13 of the Agreement provides that the parties may amend the Agreement by means of a written instrument signed by both parties.

NOW, THEREFORE, in consideration of the mutual promises and undertakings of the parties hereinafter set forth, it is agreed as follows:

1. Section 17, Term shall be deleted in its entirety and superseded by the following:

"17. TERM. The term of this Agreement shall be for a period of eight years beginning August 11, 2016 and ending on August 10, 2024, unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for successive one year periods by written amendment. Either party may terminate this Agreement upon the other party's material breach and failure to cure within 30 days, or at any time, upon the provision of 30 days written notice to the other party; provided, however, all Clinicians currently confirmed for an assignment, or at work on an assignment, will be permitted at Agency's option to complete their assignments under the terms of this Agreement. This Agreement shall be binding on and inure to the benefit of the successors and/or assigns of Agency. "

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

Intentionally left blank.

SC
6/02/20
1

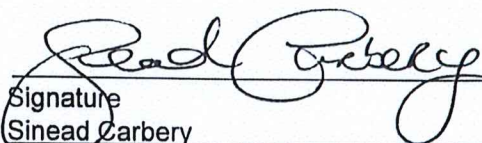
In the event of a conflict between the Agreement and the terms of this Amendment, the terms of this Amendment shall prevail.

KERN COUNTY HOSPITAL AUTHORITY


AMN HEALTHCARE, INC.

By: _____
Signature
Russell Bigler
Printed Name
Chairman, Board of Governors
Title

Date

By:  _____
Signature
Sinead Carbery
Printed Name
Brand President, O'Grady Peyton
Title
June 2, 2020
Date

Approved As to Form:

By:  _____
Signature
Shannon Hochstein
Printed Name
Hospital Counsel & Acting Compliance Officer
Title
6/10/2020
Date



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

June 17, 2020

SUBJECT: Proposed renewal and binding of insurance coverages from July 1, 2020 through June 30, 2021, in an amount not to exceed \$1,068,873

RECOMMENDED ACTION: Approve; Authorize Chief Executive Officer to sign the Premium Finance Agreement and Certificate of Incumbency with IPFS Corporation of California

Kern Medical requests your Board's approval to renew and bind the following insurance coverages for the period July 1, 2020 through June 30, 2021:

- Hospital Professional Liability, General Liability and Umbrella/Excess Liability
- Workers' Compensation and Employers Liability
- Automobile Liability
- Heliport & Non-Owned Aircraft Liability
- Directors & Officers Liability
- Employment Practices Liability
- Crime
- Privacy and Security (Cyber) Liability
- Premises Pollution Liability
- Underground Storage Tanks (UST) Liability
- Employed Lawyers Liability
- Fiduciary Liability

Hospital Professional Liability, General Liability and Umbrella/Excess Liability *

Kern Medical recommends renewing coverage for the Hospital Professional Liability, General Liability and Umbrella/Excess Liability with Columbia Casualty Company (CNA) and National Fire & Marine Insurance Company (MedPro).

- Insurance Carriers: Columbia Casualty Company (CNA) and National Fire & Marine Insurance Company (MedPro)
- A.M. Best Rating: CNA (A (Excellent) XV); MedPro (A++ (Superior) XV)
- Term: July 1, 2020 – July 1, 2021
- Coverage: Hospital Professional Liability insurance protects physicians and other licensed health care professionals from liability associated with wrongful practices resulting in bodily injury, medical expenses, and the cost of defending lawsuits related to such claims. General Liability insures against losses from bodily injury, personal injury and property damage. Umbrella/Excess Liability provides additional limits in excess of self-insured retentions and underlying coverages

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

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

- Limit per Medical Incident or per Occurrence: \$25,000,000
- Self-insured Retention (SIR):
 - \$2,000,000 per Professional Liability Claim / \$6,000,000 Aggregate
 - \$1,000,000 per General Liability Occurrence
- Underlying Coverages: Automobile Liability, Employers Liability and Heliport Liability
- Combined Annual Premium: \$726,649

Workers' Compensation and Employers Liability *

Kern Medical recommends renewing coverage for Workers' Compensation and Employers Liability with Safety National Casualty Corporation.

- Insurance Carrier: Safety National Casualty Corporation
- A.M. Best Rating: A+ (Superior) XV
- Term: July 1, 2020 – July 1, 2021
- Coverage: This policy insures against losses from work-related bodily injury or disease and the common law liability of an employer for injuries sustained by employees
- Limit per Occurrence:
 - Workers' Compensation - Statutory
 - Employers Liability - \$5,000,000
- SIR: \$1,000,000
- Annual Premium: \$132,988

Automobile Liability *

Kern Medical recommends renewing coverage for Automobile Liability with Philadelphia Indemnity to cover 11 vehicles and five (5) trailers with specific coverages as expiring.

- Insurance Carrier: Philadelphia Indemnity Insurance Co.
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2020 – July 1, 2021
- Coverage: This policy insures against losses from automobile accident-related injuries and property damage, including Owned, Non-Owned and Hired Automobiles
- Limit per Occurrence: \$1,000,000
- Deductible: \$1,000 for both comprehensive and collision (where coverage applies); \$5,000 for liability
- Annual Premium: \$18,362

Heliport Liability *

Kern Medical recommends renewing Heliport Liability coverage through ACE Property & Casualty Insurance Co (Chubb).

- Insurance Carrier: ACE Property & Casualty Insurance Co. (Chubb)
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2020 – July 1, 2021

- Coverage: This policy insures against losses for injury to a third party or their property arising from the operation and maintenance of the hospital's helipad (e.g., damage caused to a vehicle from debris). The policy also protects the hospital against losses associated with non-owned aircraft (e.g., patient transport by helicopter)
- Limit per Occurrence: \$10,000,000
- Deductible: \$0
- Annual Premium: \$7,403

Directors and Officers Liability *

Kern Medical recommends renewing coverage for Directors and Officers Liability through Lloyd's of London (Beazley Syndicate).

- Insurance Carrier: Lloyd's Syndicate 2623/623 (Beazley)
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2020 – July 1, 2021
- Coverage: This policy provides financial protection for managers against the consequences of actual or "wrongful acts" when acting within the scope of their managerial duties
- Limit Each Wrongful Act Claim: \$5,000,000
- SIR: \$100,000 / \$0 Non-Indemnifiable Claims
- Annual Premium: \$39,197

Employment Practices Liability *

Kern Medical recommends renewing Employment Practices Liability coverage through Lloyd's of London (Beazley Syndicate).

- Insurance Carrier: Lloyd's Syndicate 2623/623 (Beazley)
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2020 – July 1, 2021
- Coverage: This policy insures against losses for wrongful acts, including wrongful termination, sexual harassment, discrimination, invasion of privacy, false imprisonment, breach of contract, and emotional distress.
- Limit Each Wrongful Act Claim: \$5,000,000
- SIR: \$500,000
- Annual Premium: \$74,219

Crime

Kern Medical recommends continued participation in the Crime insurance program offered by California State Association of Counties Excess Insurance Authority (CSAC-EIA).

- Insurance Carrier: National Union Fire Insurance of Pittsburgh, PA (AIG) and Berkley Insurance Company
- A.M. Best Rating: A (Excellent) XV; A+ (Superior) XV
- Term: June 30, 2020 – June 30, 2021

- Coverage: This policy insures against employee theft, robbery, forgery, extortion, and computer fraud
- Limit per Occurrence: \$15,000,000
- Deductible: \$25,000
- Annual Premium: \$15,690

Privacy and Security (Cyber) Liability

Kern Medical recommends continued participation in the Cyber Liability program through California State Association of Counties Excess Insurance Authority (CSAC-EIA).

- Insurance Carrier: Primary program layer and breach notification through Lloyd's of London (Beazley Syndicate) and excess program layers through Greenwich Insurance Company (AXA XL), Crum & Forster Specialty Insurance Company, Ironshore (Liberty Surplus Insurance Corporation, and Brit Global Specialty USA (Lloyd's of London Syndicate)
- A.M. Best Rating: Lloyd's/Beazley (A [Excellent] XV); Greenwich (A+ [Superior] XV); Crum & Forster (A [Excellent] XIII); Ironshore (A [Excellent] XV); Brit Global (A [Excellent] XV)
- Term: July 1, 2020 – July 1, 2021
- Coverage: This policy insures against website media content liability (including cyber extortion, first party data protection and first party network business interruption) and privacy notification costs from data breaches in which patient and employee personal information, such as names, dates of birth, Social Security Numbers, credit card information, etc., is exposed and/or misappropriated
- Limit per Incident and Aggregate: \$12,000,000
- SIR: \$50,000
- Annual Premium: \$31,190

Premises Pollution Liability *

Kern Medical recommends renewing Premises Pollution Liability coverage through Interstate Fire and Casualty Company (Allianz).

- Insurance Carrier: Interstate Fire and Casualty Company (Allianz)
- A.M. Best Rating: A+ (Superior) XV
- Term: July 1, 2020 – July 1, 2021
- Coverage: Coverage for first-party claims arising from a pollution condition from premises, including clean-up, emergency response and business interruption; coverage for third-party bodily injury and property damage; coverage for transport of hazardous materials and non-owned disposal sites
- Limit per Pollution or Indoor Environmental Condition: \$1,000,000
- SIR: \$25,000
- Annual Premium: \$12,688

Underground Storage Tank Liability *

Kern Medical recommends renewing Underground Storage Tank Liability insurance through ACE American Insurance Company (Chubb) for one underground storage tank containing 10,000 gallons of diesel fuel and the associated aboveground day tanks.

- Insurance Carrier: ACE American Insurance Company (Chubb)
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2020 – July 1, 2021
- Coverage: Bodily Injury or Property Damage caused by a storage tank incident, including Corrective Action Costs and Legal Defense Expenses; meets requirements for Financial Responsibility
- Limit per Occurrence: \$1,000,000
- Deductible: \$25,000
- Annual Premium: \$1,375

Employed Lawyers *

Kern Medical recommends renewing Employed Lawyers Professional Liability coverage through Federal Insurance Co (Chubb).

- Insurance Carrier: Federal Insurance Company (Chubb)
- A.M. Best Rating: A++ (Superior) XV
- Term: 7/1/2020 – 7/1/2021
- Coverage: This policy provides professional liability coverage for three (3) employed lawyers and support staff from claims arising from their professional legal services
- Limit per Occurrence/Aggregate: \$1,000,000
- SIR: \$0 Non-Indemnified Person; \$5,000 Organization
- Annual Premium: \$2,594

Fiduciary Liability *

Kern Medical recommends renewing Fiduciary Liability coverage through Hudson Insurance Co.

- Insurance Carrier: Hudson Insurance Company
- A.M. Best Rating: A (Excellent) XV
- Term: 7/1/2020 – 7/1/2021
- Coverage: This policy provides coverage for the Defined Contribution Plan fiduciaries, as they can be held personally liable for losses to a benefit plan incurred because of their alleged errors or omissions or breach of their fiduciary duties
- Limit per Occurrence/Aggregate: \$3,000,000
- SIR: \$0 Non-Indemnifiable Losses of Covered Penalties; \$50,000 All other Losses
- Annual Premium: \$6,518

Total Annual Premiums: \$1,068,873 (as recommended)

Premium Financing

Kern Medical recommends financing the premiums as follows:

1. **CSAC-EIA** will provide in-house financing of Crime and Privacy and Security (Cyber) coverages for an additional fee of \$472 with the cost of coverage and financing split between 12 equal payments; and
2. **CSAC-EIA** will also provide in-house financing of Property coverage, for which coverage the Board previously approved on March 18, 2020 with an effective date of March 31, 2020 in the amount of \$184,351 (though subsequently reduced to \$170,488 following CSAC's final premium allocations), for an additional fee of \$1,728 with the cost of coverage and financing split between 12 equal payments; and
3. **IPFS Corporation of California** will finance those coverages identified with an * symbol. Financing will require a 15% cash down payment (\$153,299), plus finance charges at a rate of 4.05% (up to \$16,207), for total payments not to exceed \$884,901, as set forth below:

Total Premium	\$1,021,993
Cash down payment	\$153,299
Amount financed -	\$868,694
Finance charges (4.05%)	\$16,207
Total payments	\$884,901

Financing through IPFS Corporation requires the signing of a separate Premium Finance Agreement and Certificate of Incumbency.

Attached for your ease of reference are a Proposed Program Summary and a Summary of Changes Per Policy Year from July 1, 2016 to the present.

Therefore, it is recommended that your Board approve the renewal and binding of insurance coverages from July 1, 2020 through June 30, 2021, with the option to finance selected premiums through CSAC-EIA and IPFS Corporation of California, in an amount not to exceed \$1,087,280; and authorize the Chief Executive Officer to sign the Premium Finance Agreement with IPFS Corporation and Certificate of Incumbency.

49 STEVENSON STREET
 SUITE 1275
 SAN FRANCISCO, CA 94105
 (877)687-9826 FAX: (415)796-6156
 CUSTOMER SERVICE: (800)774-8282

PREMIUM FINANCE AGREEMENT
License # 973 9750

IPFS CORPORATION
OF CALIFORNIA

A	CASH PRICE (TOTAL PREMIUMS)	\$1,021,993.27
B	CASH DOWN PAYMENT	\$153,298.99
C	PRINCIPAL BALANCE (A MINUS B)	\$868,694.28

AGENT (Name & Place of business) ALLIANT INSURANCE SERVICES INC 100 PINE ST STE 1100 SAN FRANCISCO, CA 94111-5113 (415)403-1400 FAX: (415)403-0773	INSURED (Name & Residence or business) KERN COUNTY HOSPITAL AUTHORITY 1700 MOUNT VERNON AVE BAKERSFIELD, CA 93306-4018 (661)326-2868 steven.chandler@kernmedical.com
--	---

Commercial

Account #: _____

LOAN DISCLOSURE
 Additional Policies Scheduled on Page 3

Quote Number: 12305860

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 4.050%	FINANCE CHARGE The dollar amount the credit will cost you. \$16,206.62	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$868,694.28	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled \$884,900.90
--	---	---	---

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments 10	Amount Of Payments \$88,490.09	When Payments Are Due Beginning: MONTHLY 08/01/2020
-------------------------------------	--	---

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed as provided in Sec. 18635, California Statute or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$25.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	07/01/2020	COLUMBIA CASUALTY CO	EXCESS PROF LIABILITY	25.00%	12	607,776.00 Tax: 19,752.72
Broker Fee:						\$0.00
TOTAL:						\$1,021,993.27

The undersigned insured directs IPFS Corporation of California (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement. **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

**FOR INFORMATION CONTACT THE
 DEPARTMENT OF FINANCIAL INSTITUTIONS,
 STATE OF CALIFORNIA**

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

 Signature of Insured or Authorized Agent

 DATE

 Signature of Agent

 DATE

Insured and Lender further agree that: **4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$15.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your insurance agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct. Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of California will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVEREIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this, and any future, agreements represents, warrants and agrees: (1) installment payments totaling \$0.00 and all applicable down payment(s) have been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
 (Name & Place of business)
 ALLIANT INSURANCE SERVICES INC
 100 PINE ST STE 1100
 SAN FRANCISCO, CA 94111-5113
 (415)403-1400 FAX: (415)403-0773

INSURED
 (Name & Residence or business)
 KERN COUNTY HOSPITAL AUTHORITY
 1700 MOUNT VERNON AVE
 BAKERSFIELD, CA 93306-4018
 (661)326-2868
 steven.chandler@kernmedical.com

Account #: _____

**SCHEDULE OF POLICIES
 (continued)**

Quote Number: 12305860

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	07/01/2020	NATIONAL FIRE & MARINE INS CO MED PRO	EXCESS PROF LIABILITY	25.00%	12	96,000.00 Tax: 3,120.00
PENDING	07/01/2020	ACE PROPERTY & CASUALTY INSURANCE C	LIABILITY	0.000%	12	7,403.00
PENDING	07/01/2020	LLOYD'S LONDON - CERTAIN UNDERWRITE AMWINS INS. BROKERAGE OF CA, LLC	DIRECTORS & OFFICERS	0.000%	12	109,846.00 Tax: 3,570.00
PENDING	07/01/2020	INTERSTATE FIRE & CASUALTY CO	POLLUTION	25.00%	12	12,289.00 Tax: 399.39
PENDING	07/01/2020	ACE AMERICAN INSURANCE CO	LIABILITY	0.000%	12	1,375.00
PENDING	07/01/2020	SAFETY NATIONAL CASUALTY CORPORATIO	WORKMENS COMP	0.000%	12	132,988.00
PENDING	07/01/2020	FEDERAL INSURANCE CO	LAW PROF LIABILITY	0.000%	12	2,594.00
PENDING	07/01/2020	HUDSON INSURANCE CO AMWINS INS. BROKERAGE OF CA, LLC	FIDUCIARY	0.000%	12	6,518.00
PENDING	07/01/2020	PHILADELPHIA INDEMNITY INS CO	AUTO LIABILITY	0.000%	12	18,334.00 Fee: 28.16
TOTAL:						\$1,021,993.27

CERTIFICATE OF INCUMBENCY

I, MONA A. ALLEN, do hereby certify that I am the duly elected or appointed and acting Secretary or Clerk of Kern County Hospital Authority (Insured), that I have custody of the records of such entity, and that each individual named below is, and was as of the date each individual affixed his or her signature to the Premium Finance Agreement, between the Insured and Imperial PFS. (the "Agreement"), a duly elected or appointed officer of such entity holding the title or office set forth opposite his or her name below. I further certify that: (i) the signature set opposite each individual's name is true and authentic signature of that individual and (ii) each such individual has (and had on the date each such individual affixed his or her signature to the Agreement) the authority on behalf of the Insured to enter into the Agreement.

Signature

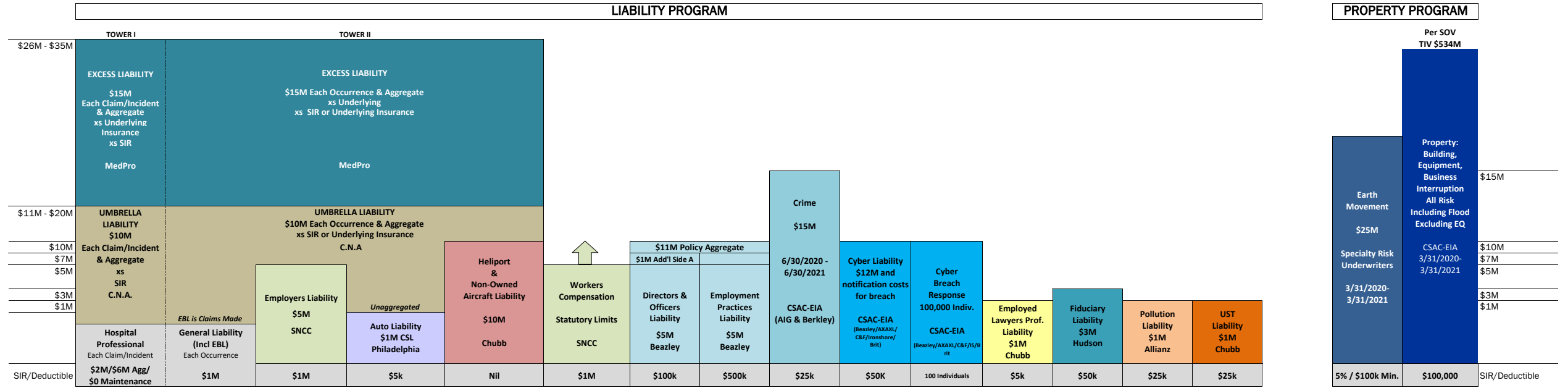
Russell V. Judd
Chief Executive Officer
Kern County Hospital Authority

IN WITNESS WHEREOF, I have duly executed this Incumbency Certificate and affixed the Insured's seal hereto this _____ day of _____, 2020.

Mona A. Allen, Authority Board Coordinator

Kern County Hospital Authority

Program Summary - Proposed as of 6-10-2020
7/1/2020 to 7/1/2021



Graph is not to scale

19-20 PROGRAM COST (INCLUDING SURPLUS LINES TAXES & FEES OF 3.02% AND FEES)

															LIABILITY TOTAL				PROGRAM TOTAL
Payroll: \$152,449,468																			
\$7M per Member																			
# of Lawyers: 2																			
\$692,447	Incl w/WC	\$15,983	\$6,441	\$126,533	\$29,408	\$63,886	\$13,203	\$6,510	\$13,483	\$1,764	\$6,518	\$12,548	\$841	\$989,565	N/A	\$616,649	\$1,606,214		
C.N.A	\$597,090																		
MedPro	\$95,357																		
															w/100K notified ind.				

20-21 RENEWAL PROGRAM COST (INCLUDING SURPLUS LINES TAXES & FEES OF 3.025% AND OTHER FEES)

															LIABILITY TOTAL				PROGRAM TOTAL
Payroll: \$160,226,642																			
\$12M per Member																			
# of Lawyers: 3																			
\$726,649	Incl w/WC	\$18,362	\$7,403	\$132,988	\$39,197	\$74,219	\$15,690	\$15,000	\$16,190	\$2,594	\$6,518	\$12,688	\$1,375	\$1,068,873	\$294,970	\$170,488	\$1,534,331		
5%	\$627,529	15%	15%	5%	\$113,416			19%	130%	20%	47%	0%	1%	63%	\$465,458				
C.N.A														Other pricing options pending					
MedPro	\$99,120																		
															-26%				

Cost Difference	\$79,308	Cost Difference	-\$71,883
% Change	8.01%	% Change	-4.48%

Line of Coverage	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	% Change from 19/20 to 20/21
1 HPL/GL/UMB/Excess	\$ 911,050	\$ 643,246	\$ 671,110	\$ 692,447	\$ 726,649	4.94%
2 Auto	\$ 13,405	\$ 13,425	\$ 14,509	\$ 15,983	\$ 18,362	14.88%
3 Heliport	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,441	\$ 7,403	14.94%
4 Pollution	\$ 12,129	\$ 12,130	\$ 12,252	\$ 12,548	\$ 12,688	1.12%
5 UST	\$ 481	\$ 529	\$ 579	\$ 841	\$ 1,375	63.50%
6 D&O	\$ 19,944	\$ 20,023	\$ 21,243	\$ 29,408	\$ 39,197	33.29%
7 EPL	\$ 71,753	\$ 77,810	\$ 83,855	\$ 63,886	\$ 74,219	16.17%
8 EWC	\$ 703,640	\$ 389,000	\$ 130,463	\$ 126,533	\$ 132,988	5.10%
9 Crime	\$ 10,630	\$ 11,183	\$ 12,003	\$ 13,203	\$ 15,690	18.84%
10 Cyber/Excess/CEO	\$ 22,411	\$ 21,987	\$ 20,282	\$ 19,993	\$ 31,190	56.00%
12 Employed Lawyers	N/C	\$ 1,764	\$ 1,764	\$ 1,764	\$ 2,594	47.05%
13 Fiduciary Liability	N/C	N/C	\$ 6,018	\$ 6,518	\$ 6,518	0.00%
Total	\$ 1,771,462	\$ 1,197,116	\$ 980,097	\$ 989,565	\$ 1,068,873	Average % 22.99%

Summary of Significant Changes Per Policy Year

- 1 **HPL/GL/UMB/Excess** In **FY 16/17**, coverage limits were the same as present; however, the SIR for both HPL and GL were set at \$1M, each
In **FY 17/18**, coverage limits remained the same though the SIR for HPL changed to \$2M while GL remained at \$1M
For **FY 18/19**, coverages and SIR's remain the same for both HPL and GL
For **FY 19/20**, coverages and SIR's remain the same for both HPL and GL
For **FY 20/21**, coverages and SIR's remain essentially the same for both HPL and GL with the exception that an aggregate (per policy term) SIR of \$6M has been included.
-
- 2 **Auto** No changes had been made to this coverage through **FY 17/18**.
In **FY 18/19**, both changes in coverage and the addition of the four previously uninsured trailers were recommended. Coverage changes included the deletion of Collision coverage from two 2001 Dodge Cargo Vans as the deductible is equitable to half the vehicle value. Other coverage changes included the deletion of Med Pay, UM and UIM coverages as these are essentially duplicative of other available coverages such as workers compensation. In addition, passengers were prohibited from being transported in a KCHA vehicle by policy.
For **FY 19/20**, coverages and deductibles remain the same with the exception that a liability deductible of \$5k per claim was added and discovered after policy renewal.
For **FY 20/21**, coverages and deductibles remain essentially the same.
-
- 3 **Heliport** No changes have been made to this coverage since **FY 16/17**.
-
- 4 **Pollution** No changes had been made to this coverage through **FY 18/19**.
For **FY 19/20**, incumbent offered renewal terms with unfavorable coverage limitations and exclusions resulting in an action to place coverage with a competing carrier offering coverage and pricing similar to expiring.
For **FY 20/21**, coverages and deductibles remain essentially the same.
-

5	UST	<p>No changes have been made to this coverage through FY 18/19. For FY 19/20, an audit of storage tanks revealed an additional two not previously disclosed to the carrier and needed to be added. For FY 20/21, the addition of a temporary above-ground storage tank resulted in a premium increase.</p>
6	D&O	<p>No changes have been made to this coverage through FY 18/19. For FY 19/20, the incumbent carrier offered unfavorable renewal terms resulting in a change of carrier including coverage and terms. For FY 20/21, coverages and deductibles remain essentially the same; however, an increase in claim frequency has resulted in an unfavorable increase in premium.</p>
7	EPL	<p>No changes have been made to this coverage through FY 18/19. For FY 19/20, the incumbent carrier offered unfavorable renewal terms resulting in a change of carrier including coverage and terms. For FY 20/21, coverages and deductibles remain essentially the same; however, an increase in claim frequency has resulted in an unfavorable increase in premium.</p>
8	EWC	<p>In FY 16/17, statutory limits were selected and coverage was placed through CSAC/EIA with an SIR of \$500k. In FY 17/18, a recommendation was made and approved to increase the SIR to \$1M as a result of favorable claims history and management resulting in a net premium decrease. In FY 18/19, the incumbent carrier presented an unfavorable renewal premium despite a favorable loss history. A change in carrier resulted in a substantially lower premium with no material difference in coverage or a change from the \$1M SIR. For FY 19/20, coverages and SIR remained the same with the incumbent carrier. For FY 20/21, coverages and SIR remain essentially the same.</p>
9	Crime	<p>No significant changes have been made to this coverage since FY 16/17.</p>
10	Cyber/Excess/CEO	<p>No changes have been made to this coverage through FY 18/19. For FY 19/20, higher limits and multiple broadening of coverages have occurred with the incumbent carriers. For FY 20/21, overall limits have increased with additional excess layers of coverage resulting in a premium increase also due to the presentation of a claim in FY 19/20</p>
11	Employed Lawyers	<p>No changes had been made to this coverage since FY 16/17. For FY 20/21, the addition of an employed lawyer resulted in a modest increase in premium.</p>
12	Fiduciary Liability	<p>No significant changes have been made to this coverage through FY 18/19. For FY 18/19, added 401(A) Plan though there was no charge until next term. For FY 19/20, Post Employment Health Plan added which increased premium along with 401(A) by \$500. For FY 20/21, coverages and deductibles remain essentially the same.</p>

Beginning FY 20/21, property, including earthquake, is not illustrated within this matrix as coverage for these policies require renewal in March of each respective year. Effective March 2020 and continuing annually, the Board was presented with specifics and recommendations for these coverages separately.



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

June 17, 2020

Subject: Request to employ retired Kern County Hospital Authority employee Manuel Acosta

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employee Manuel Acosta, as Extra Help PACS Administrator, for the period ending June 30, 2021, or 960 hours, whichever occurs first, effective July 1, 2020.

The Public Employee Pension Reform Act (PEPRA) sets forth post-retirement service and employment requirements for all KCERA retirees returning to work for a KCERA employer. The Authority is a designated KCERA employer. 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, Mr. Acosta 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.

Mr. Acosta retired effective March 27, 2020. He worked at Kern Medical for over 30 years as a Picture Archiving & Communication Systems (PACS) Administrator supporting the radiology department in the operation of PACS equipment and capturing of digital images for patient records. His requisite experience and skill set are critical to our hospital. Kern Medical has an urgent need to reemploy Mr. Acosta immediately, to ensure continuity in PACS administration duties. Mr. Acosta has extensive experience in this area, which is a highly specialized skill set that is not readily available in our labor market. Due to Mr. Acosta's specialized training and experience with PACS, he will be able to provide services immediately without any training.

Therefore, it is recommended that your Board approve the reemployment of Manuel Acosta, as Extra Help PACS Administrator, effective July 1, 2020.



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

June 17, 2020

Subject: Comments Regarding Budget Variances – April 2020

Recommended Action: Receive and File

Summary:

COVID-19 Impact on Kern Medical Operations:

The COVID-19 pandemic has impacted Kern Medical's key performance indicators as follows:

- Average Daily Census of 107 for April is 24 less than the April budget of 131 and 28 less than the year-to-date average census of 135 per month
- Admissions of 688 for April is 105 less than the April budget of 793 and 97 less than the year-to-date average admissions of 785 per month
- Total Surgeries of 418 for April are 20 less than the April budget of 438 and 45 less than the year-to-date average of 463 total surgeries per month
- Clinic Visits of 11,625 for April is 1,365 less than the April budget of 12,990 and 918 less than the year-to-date average of 12,543 per month

Although key volumes for the month are unfavorable compared to plan, Kern Medical has maintained the staffing levels necessary to adequately provide coverage for a surge in pandemic activity if necessary. In addition, Kern Medical is participating in all emergency funding programs available at the county, state, and federal levels to offset lost revenue and increased expenses that may be realized due to the COVID-19 issue.

Another COVID-19 related item affecting the April financials is the receipt of \$4.1M of Health and Human Services (HHS) Stimulus Funding. This item is classified within the other operating income section of the income statement.

Other items impacting the April financials are the recognition of \$2.6M of indigent revenue from the Rate Range IGT Program to true-up the FY 2019 settlement amount. In addition, \$1.1M of Enhanced Payment Program (EPP) revenue was recognized to true-up the FY 2018 settlement amount. Both of these indigent revenue items were just received in April 2020.

The following items have budget variances for the month of April 2020:

Patient Revenue:

Gross patient revenue has an unfavorable month-to-date budget variance for April because of the decrease in patient volumes caused by the COVID-19 pandemic. On a year-to-date basis, the gross patient revenue budget variance is favorable primarily because of improved revenue cycle efficiency realized since the implementation of the Cerner EHR.

Indigent Funding:

Indigent funding has a favorable budget variance for the month due to the recognition of \$2.6M of indigent revenue from the Rate Range IGT Program to true-up the FY 2019 settlement amount. In addition, \$1.1M of Enhanced Payment Program (EPP) revenue was recognized to true-up the FY 2018 settlement amount. Both of these indigent revenue items were just received in April 2020. On a year-to-date basis the favorable budget variance is due to state settlements of the Low-Income Health Program (LIHP) for prior fiscal years. The settlements date back throughout the past 12 years to fiscal year 2008. Kern Medical relieved the only remaining LIHP accrual from its balance sheet last year with the understanding that the program was closed. However, the current settlements are for the LIHP predecessor programs Health Care Coverage Initiative (HCCI) and Coverage Initiative (CI). The net income realized from these settlements is \$14.9 million.

Capitation Premium Revenue:

Capitation premium revenue for April has an unfavorable budget variance due to a change in the estimated amount of capitation revenue expected to be received for fiscal year 2020. The estimate is based on a negotiated reimbursement rate paid to Kern Medical by Kern Health Systems for patients covered by managed Medi-Cal health plans implemented as part of the Affordable Care Act that are administrated by Kern Health Systems and assigned to Kern Medical for health care services.

Other Operating Revenue:

Other operating revenue has a favorable variance for the month and on a year-to-date basis due to the receipt of \$4.1M of Health and Human Services (HHS) Stimulus Funding. Funding has been allocated to healthcare providers from the HHS in an effort to mitigate the effects of lost revenues and increased expenses realized because of the COVID-19 pandemic.

Salaries Expense:

Salaries expense is over budget for the month and on a year-to-date basis primarily because the salaries for management and supervision, registered nurses, and aides and attendants have been consistently more than budget throughout the year.

Registry Nurse Expense:

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

Medical Fees:

Medical fees are at the budgeted amount for the month. On a year-to-date basis medical fees are under budget due to a decrease in contracted physician services used by the Behavioral Health Department.

Other Professional Fees:

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

Supplies Expense:

Supplies expenses are under budget for the month because of lower than average costs for pharmaceuticals and other medical supplies. Supplies costs have a slightly favorable variance on a year-to-date basis as well.

Purchased Services:

Purchased services expenses are even with budget for the month of April. On a year-to-date basis, the unfavorable variance is primarily due to the fact that Trans-West Security expense was budgeted low for FY 2020.

Other Expenses:

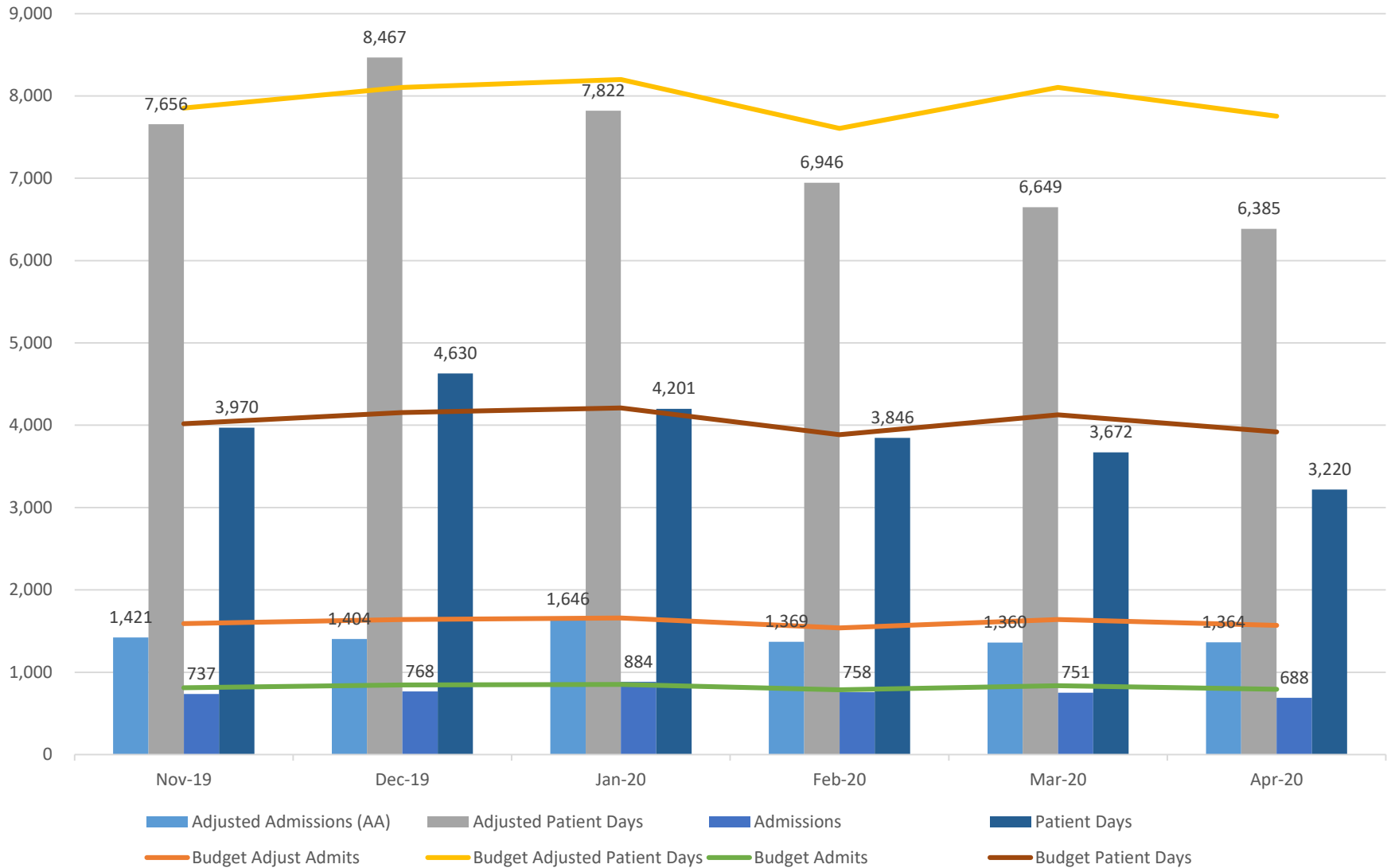
Other expenses are under budget on a month-to-date and on a year-to-date basis due to lower than average repairs and maintenance expenses.



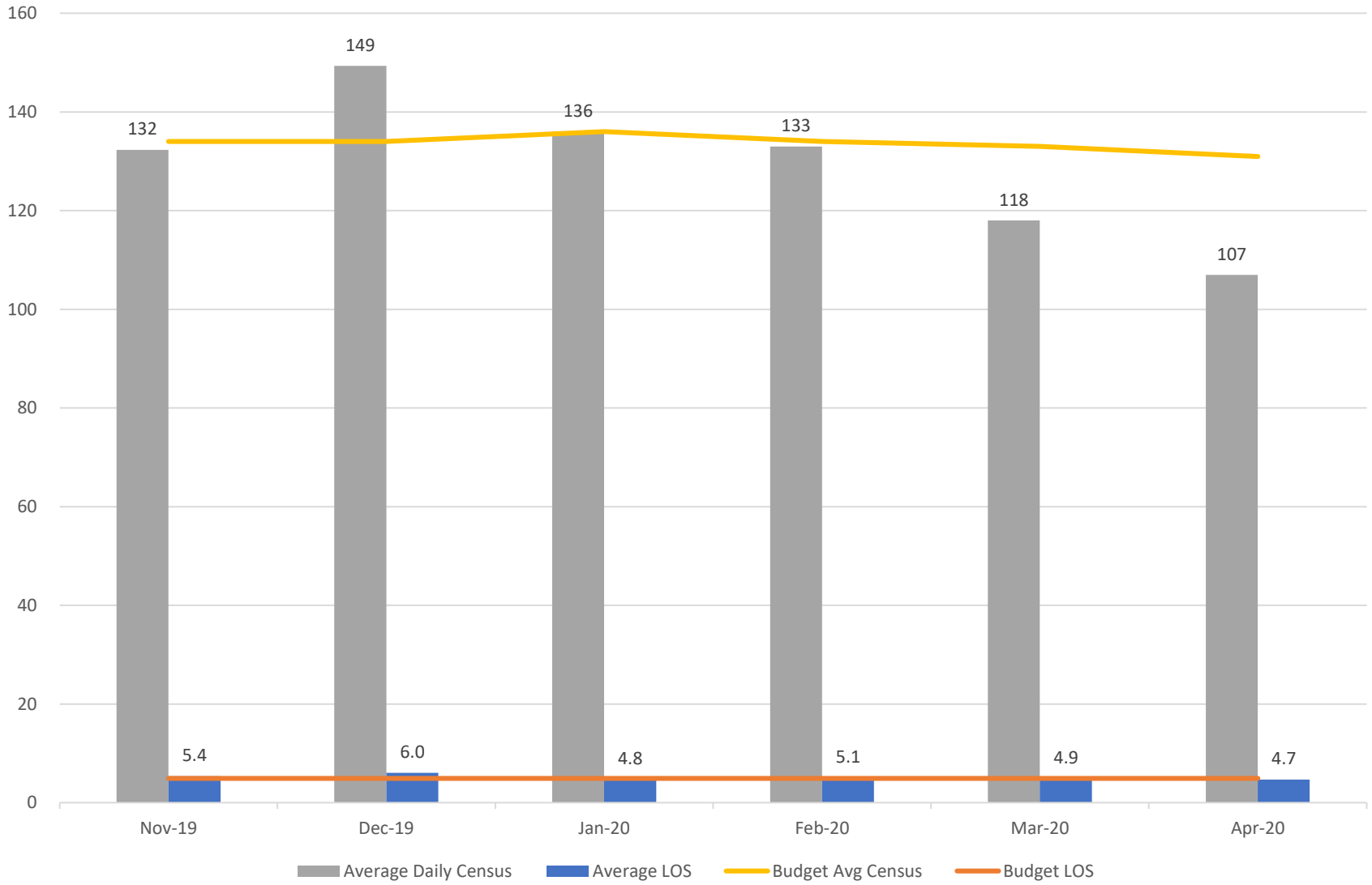
**BOARD OF GOVERNORS' REPORT
KERN MEDICAL – APRIL 2020**

June 2020

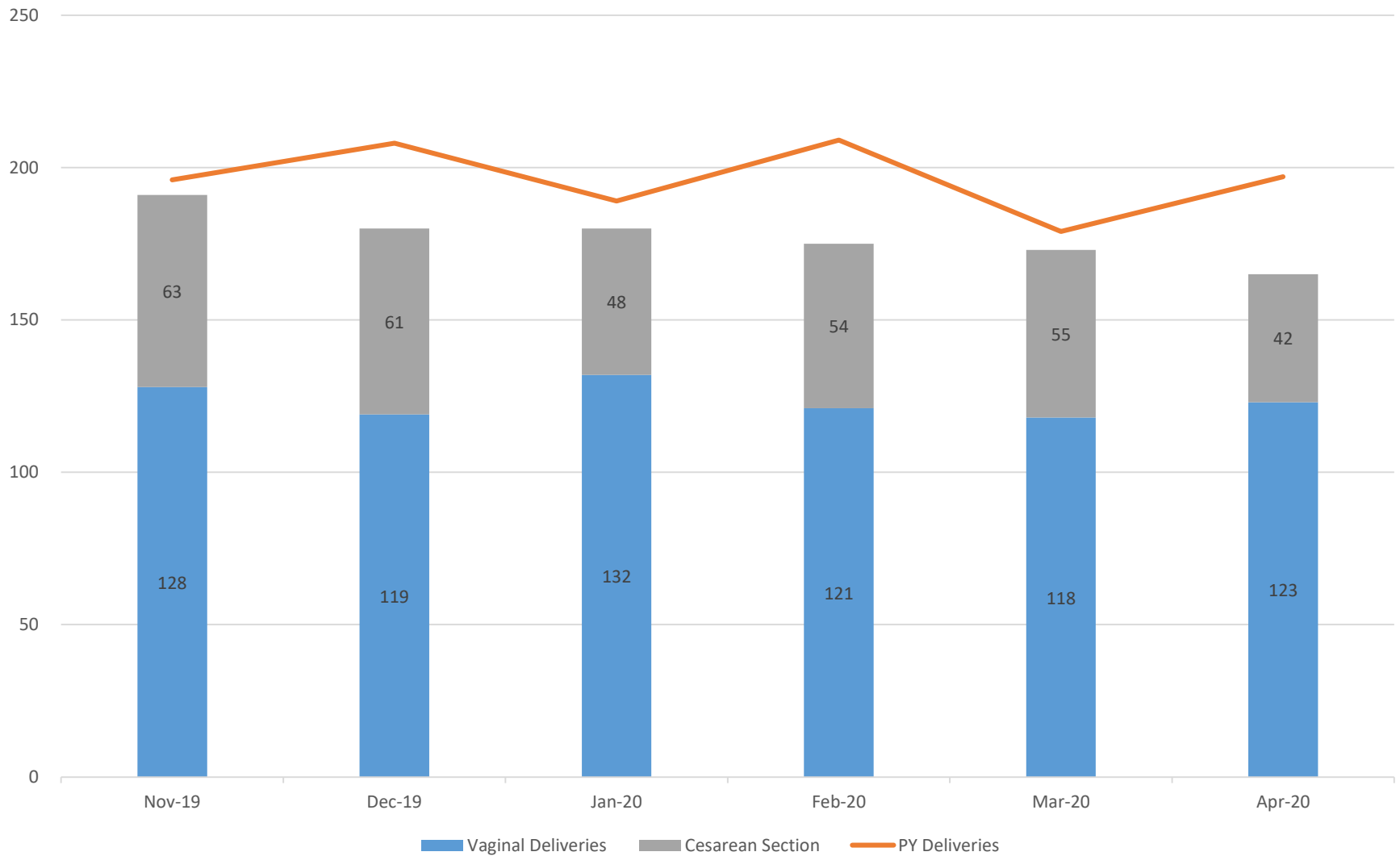
Hospital Volumes



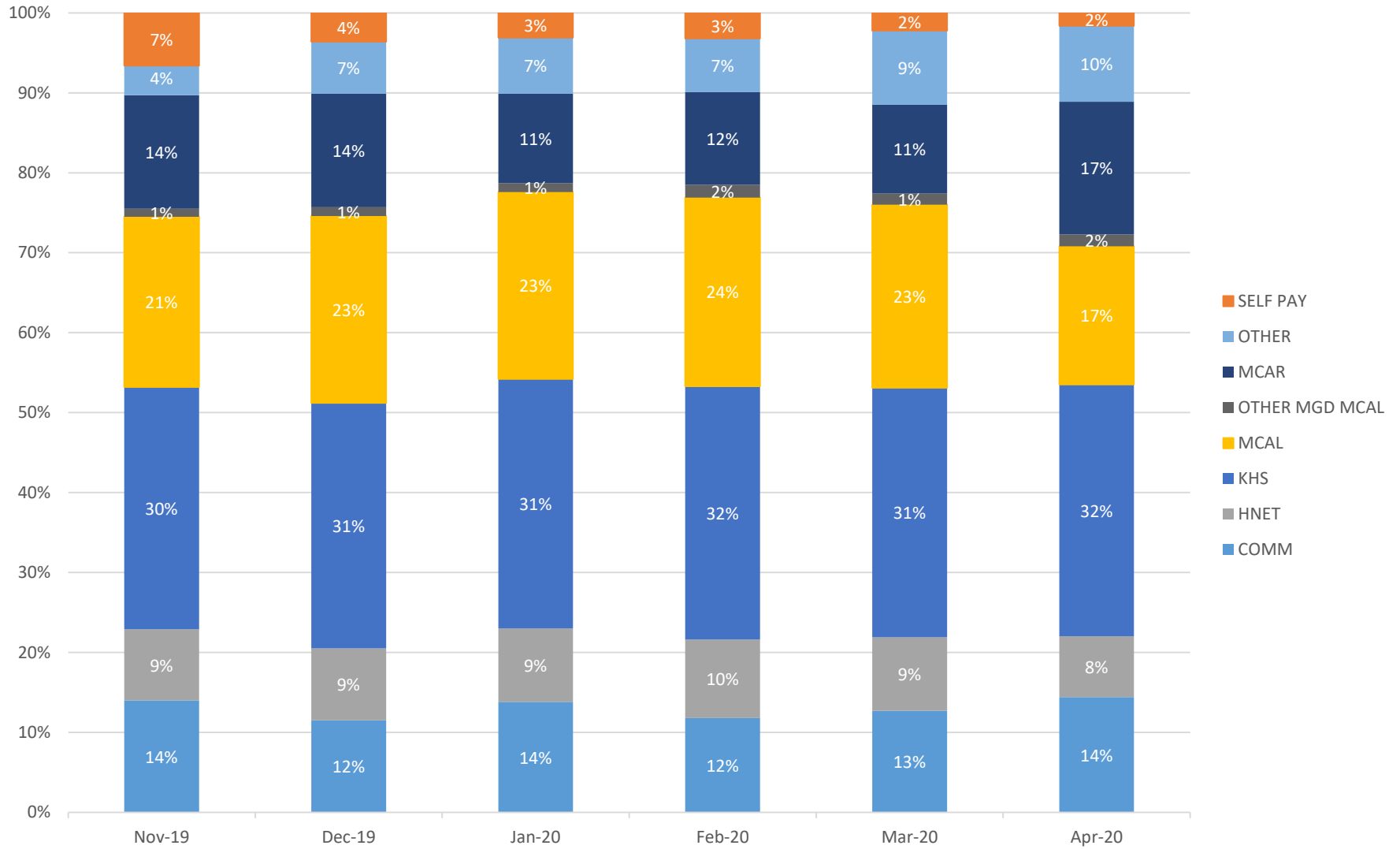
Census & ALOS



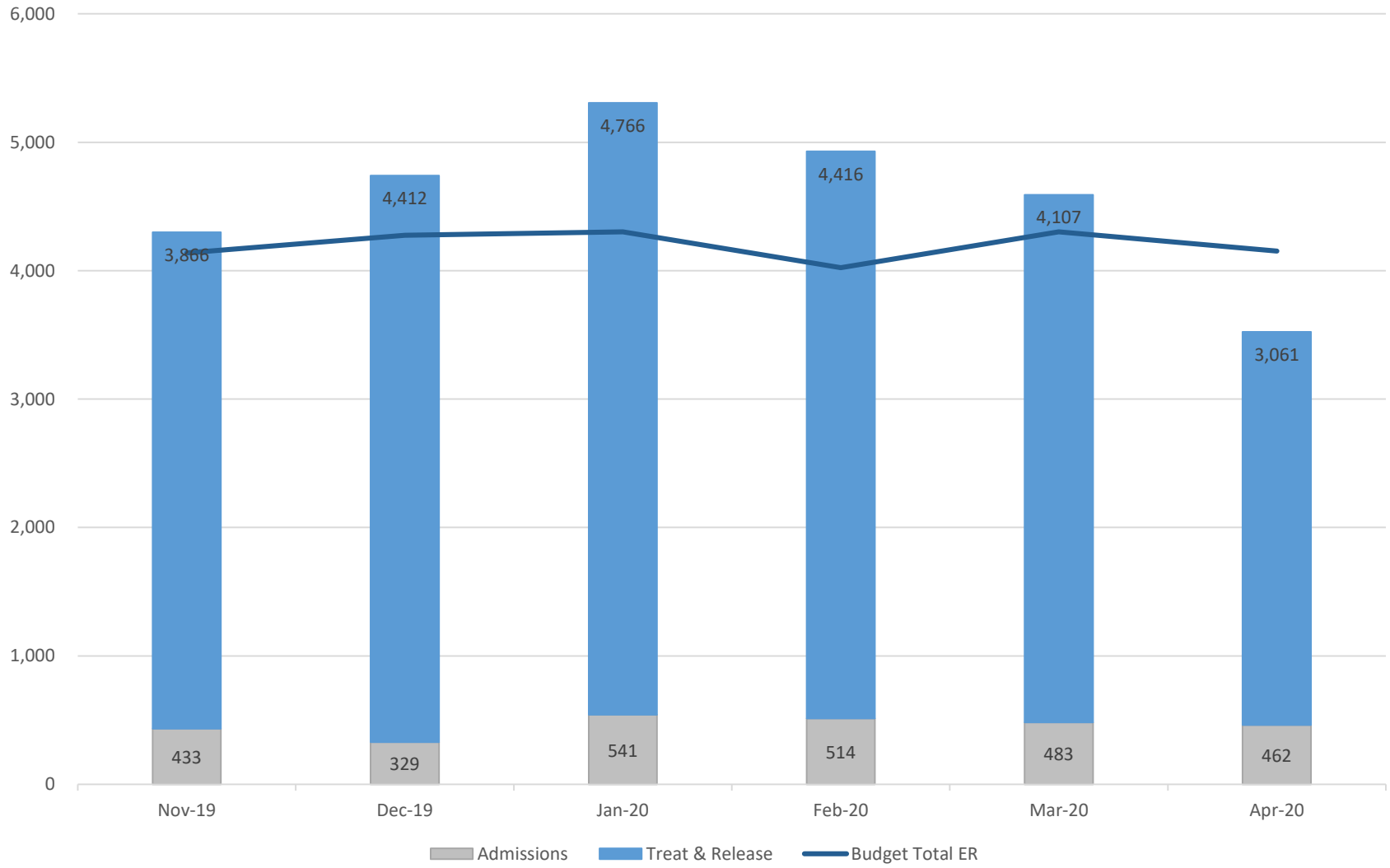
Deliveries



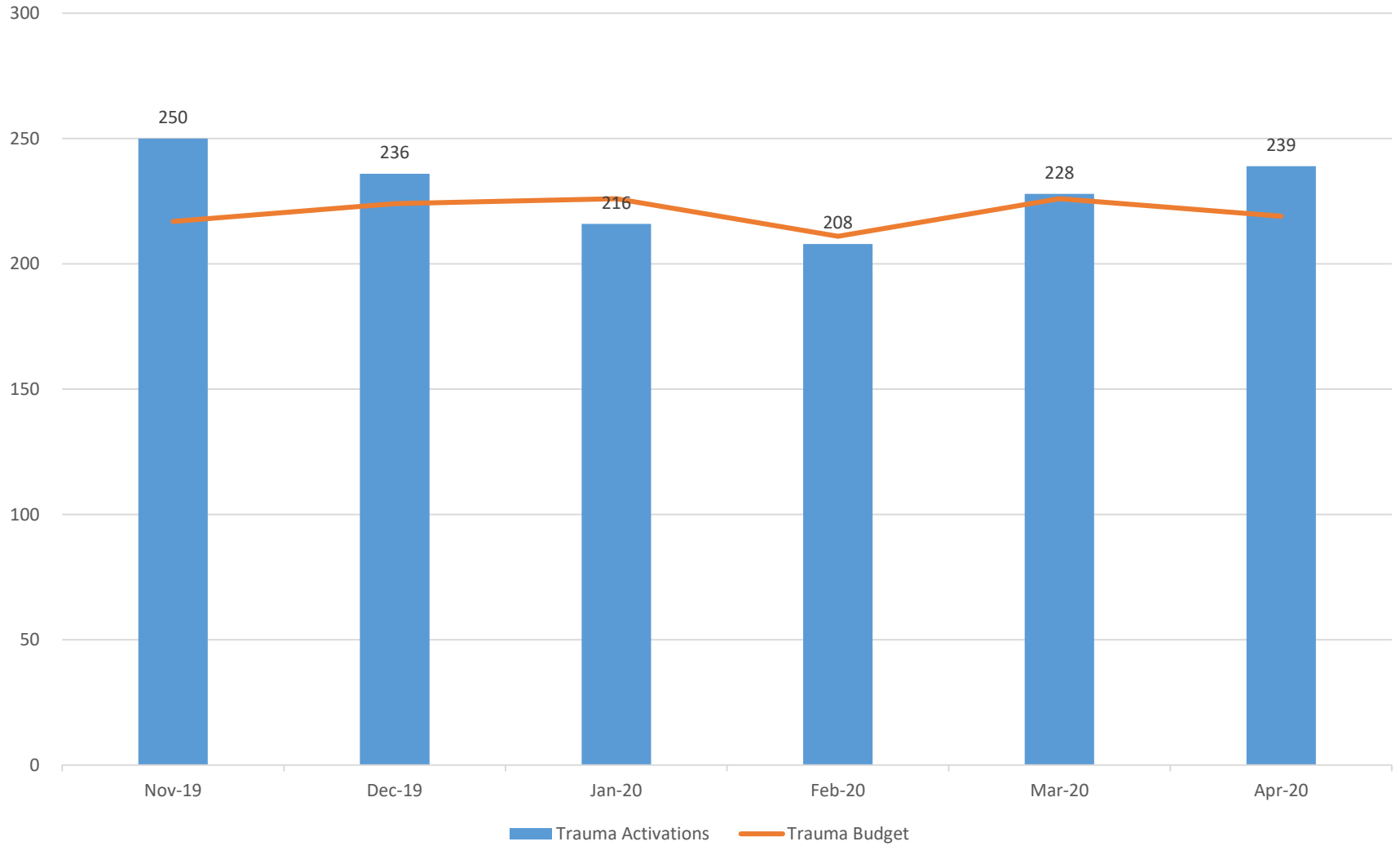
PAYER MIX



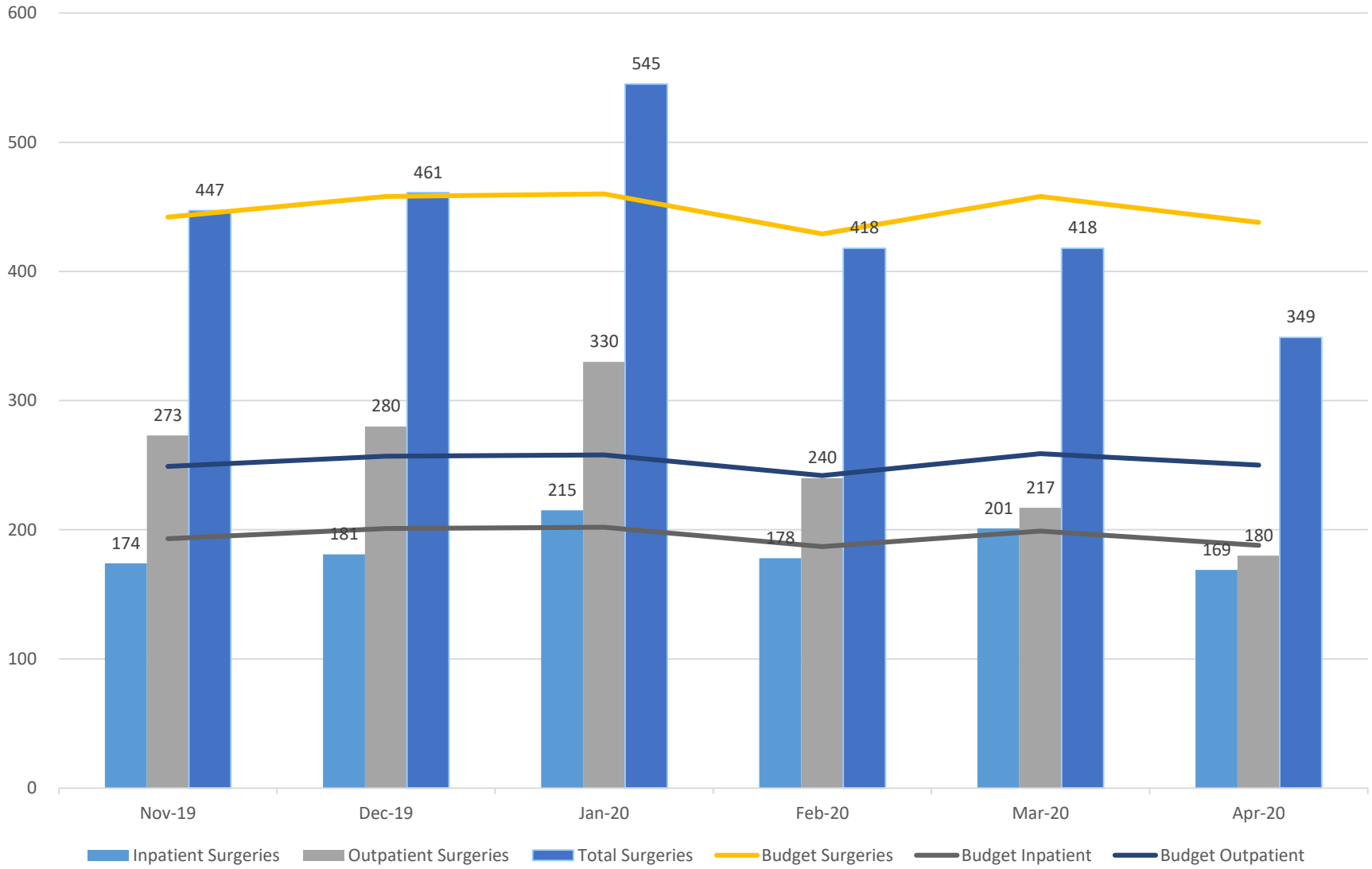
Emergency Room Volume



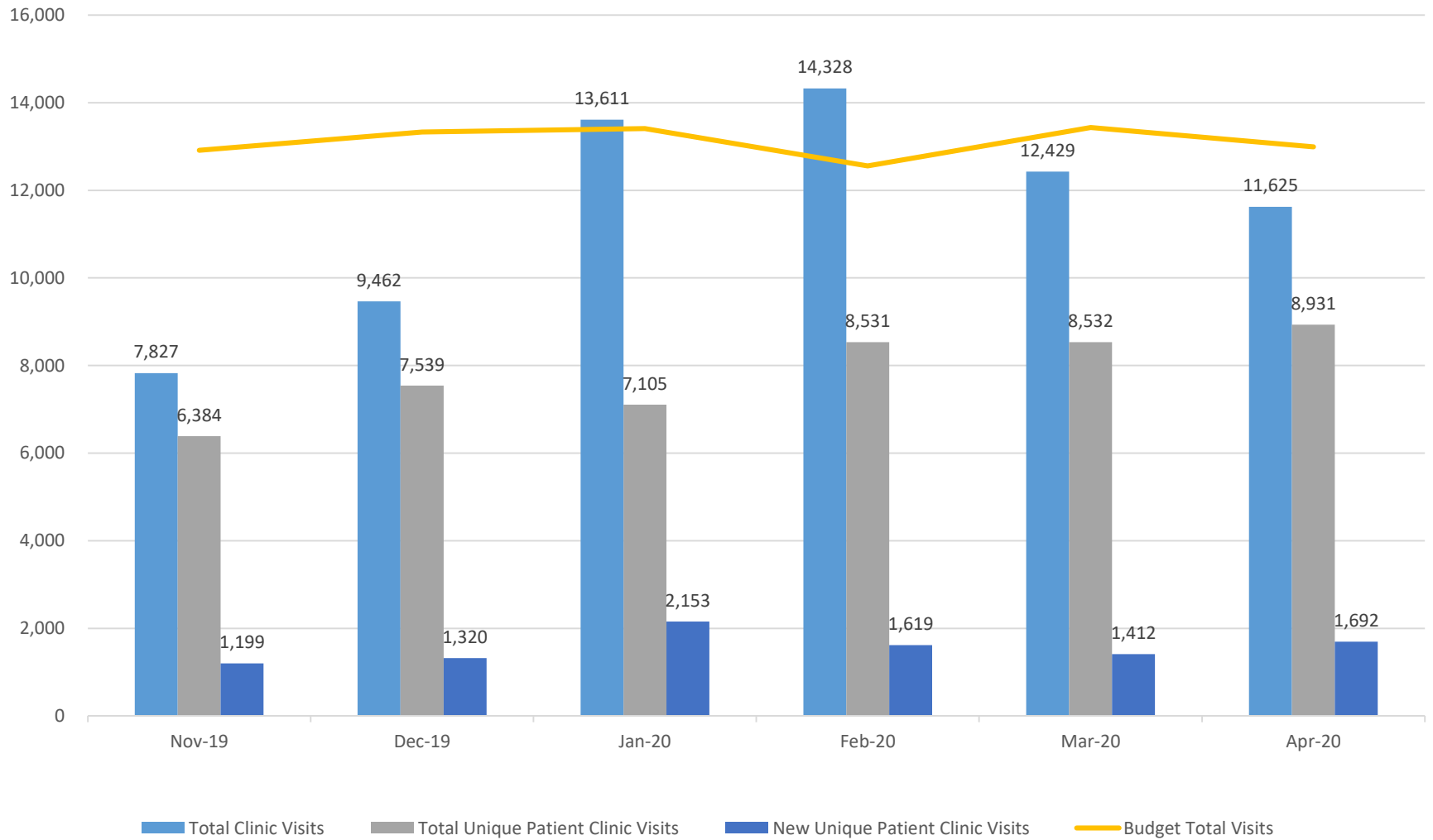
Trauma Activations



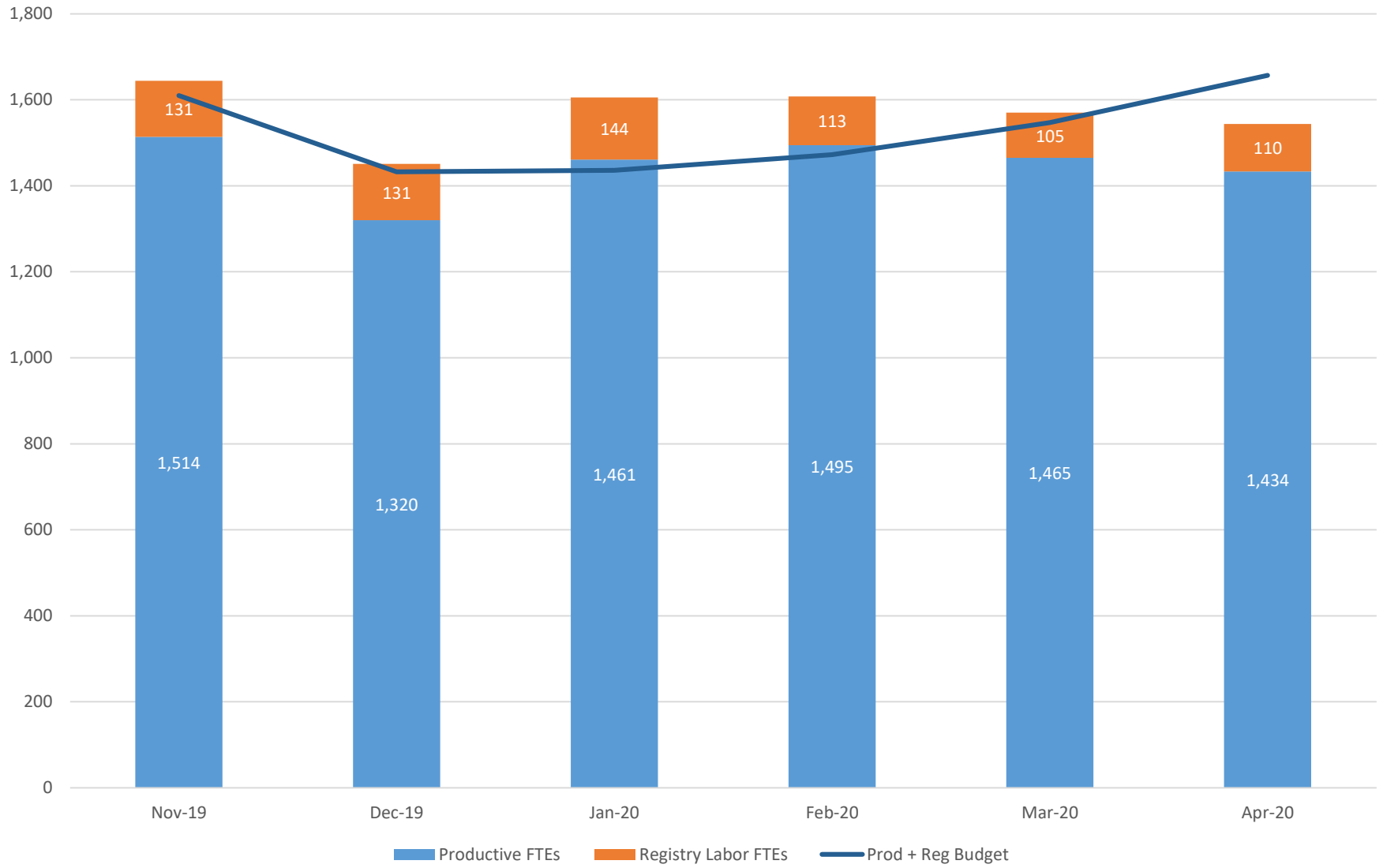
Surgical Volume



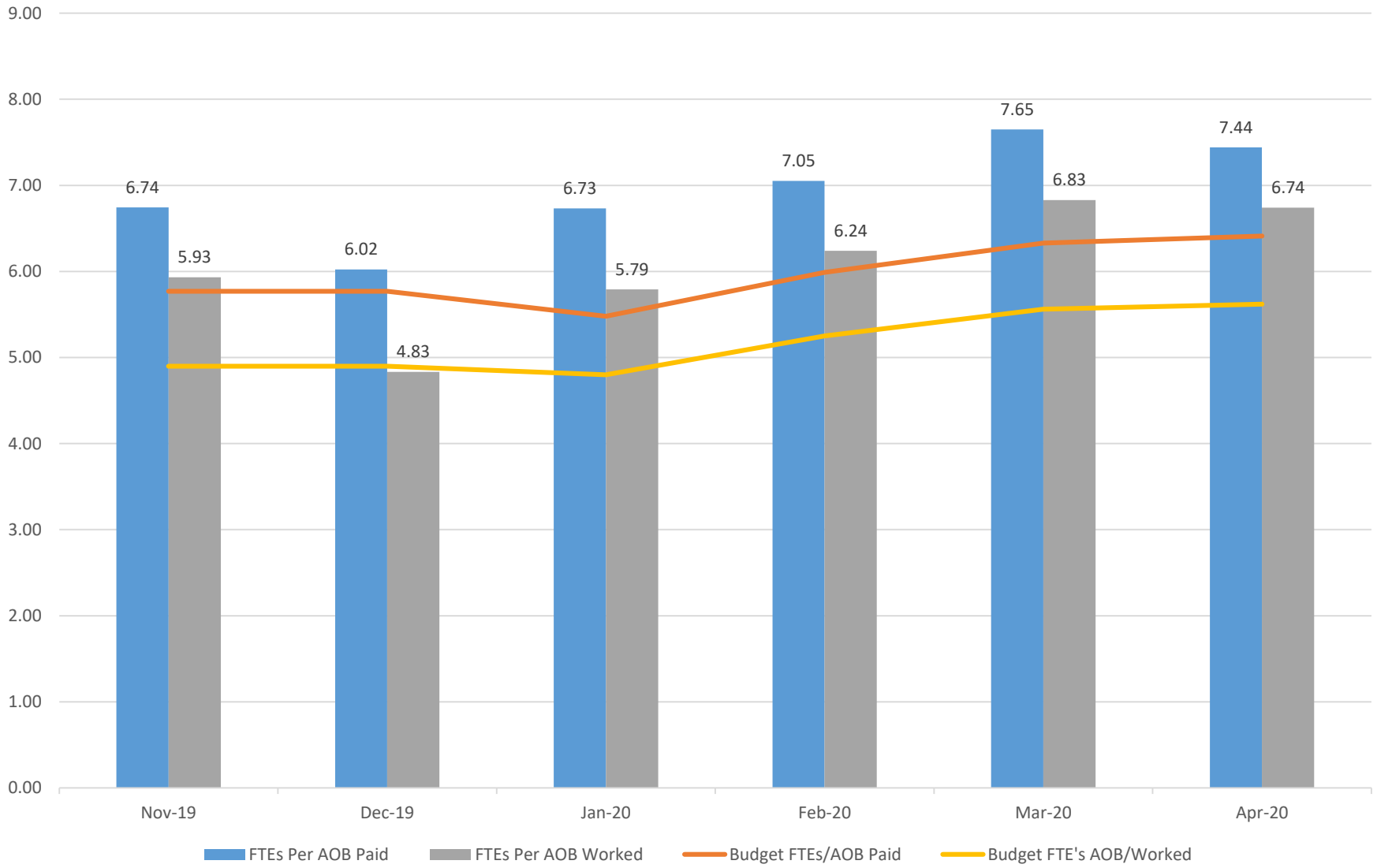
Clinic Visits



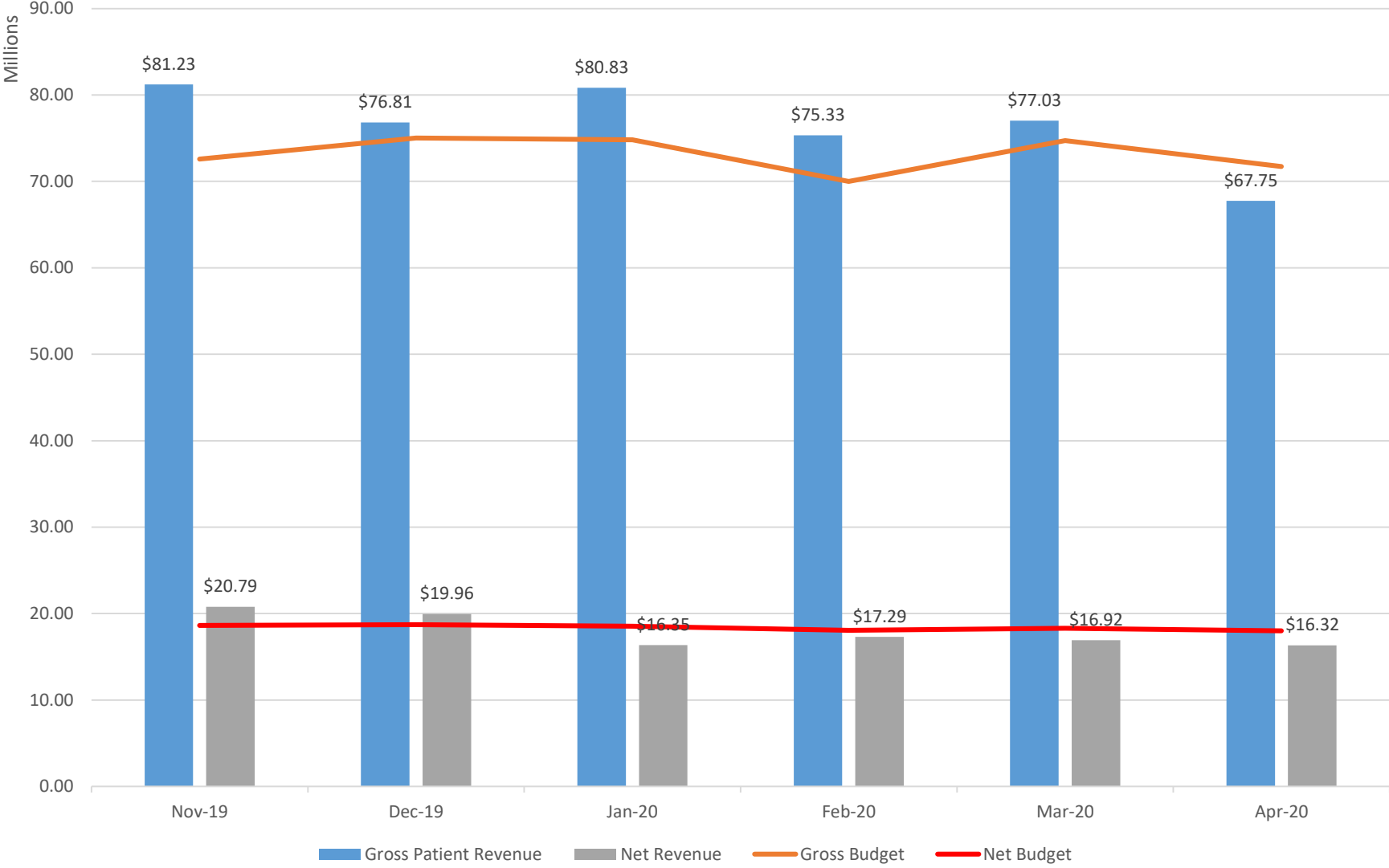
Productivity



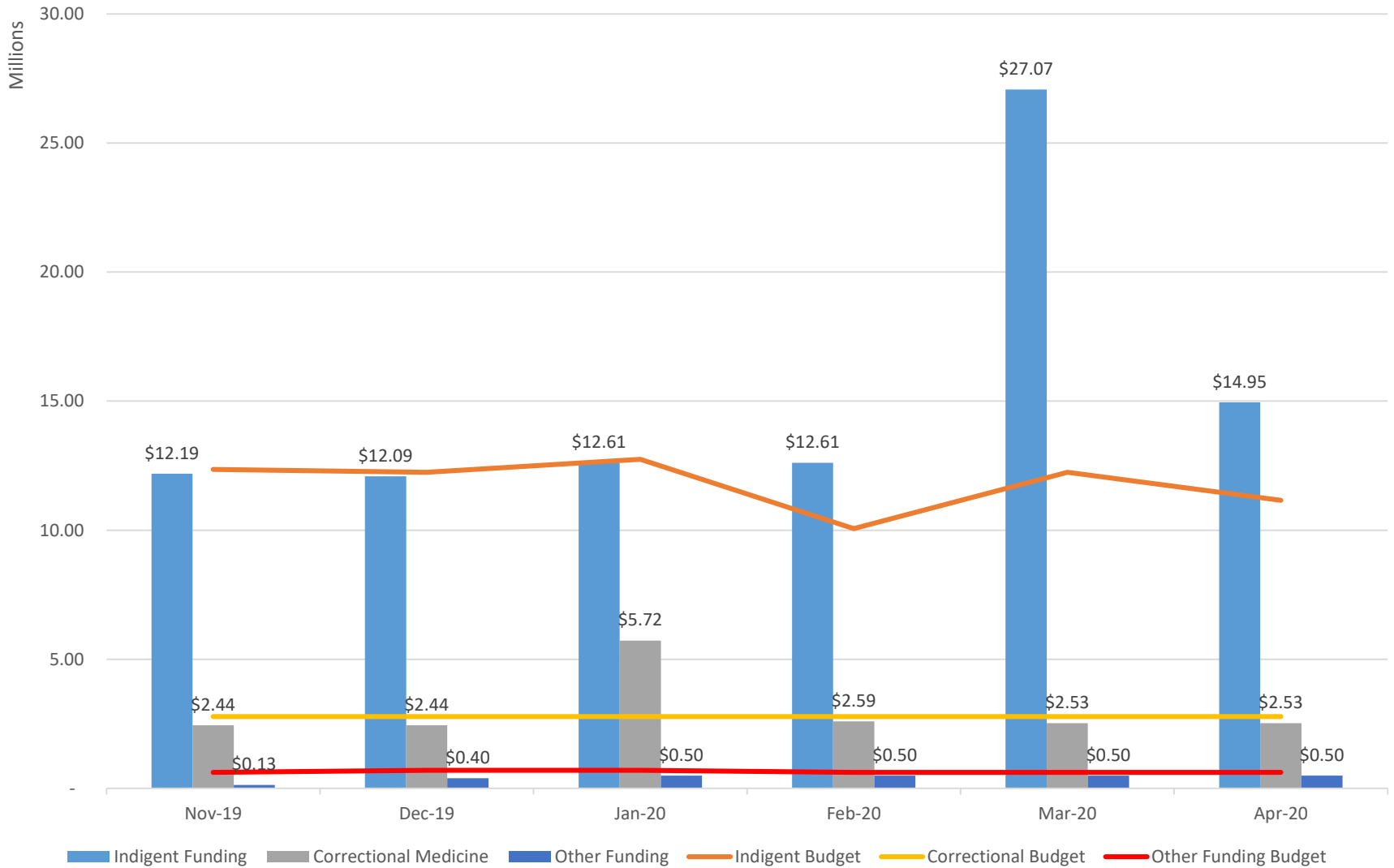
Labor Metrics



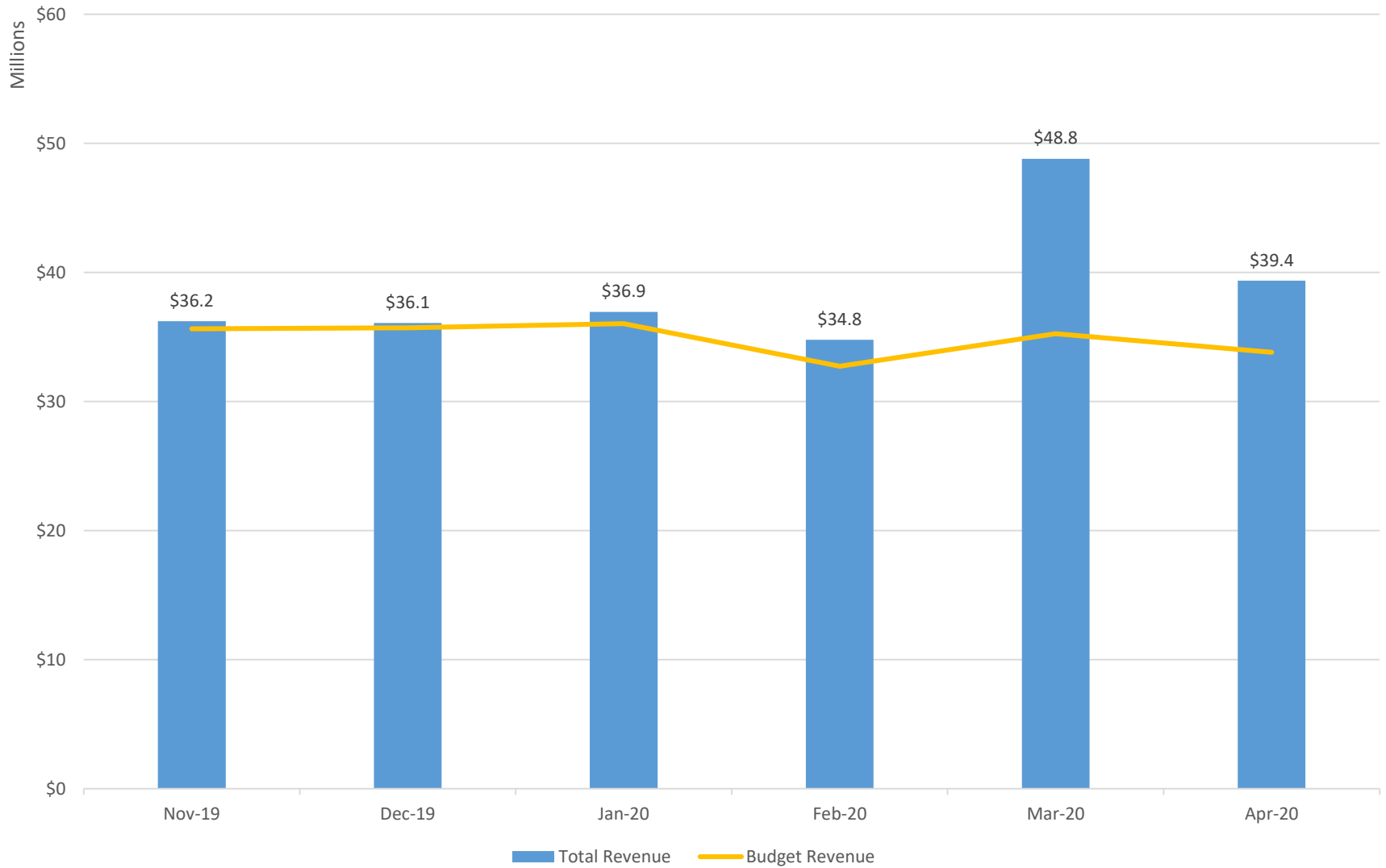
Patient Revenue



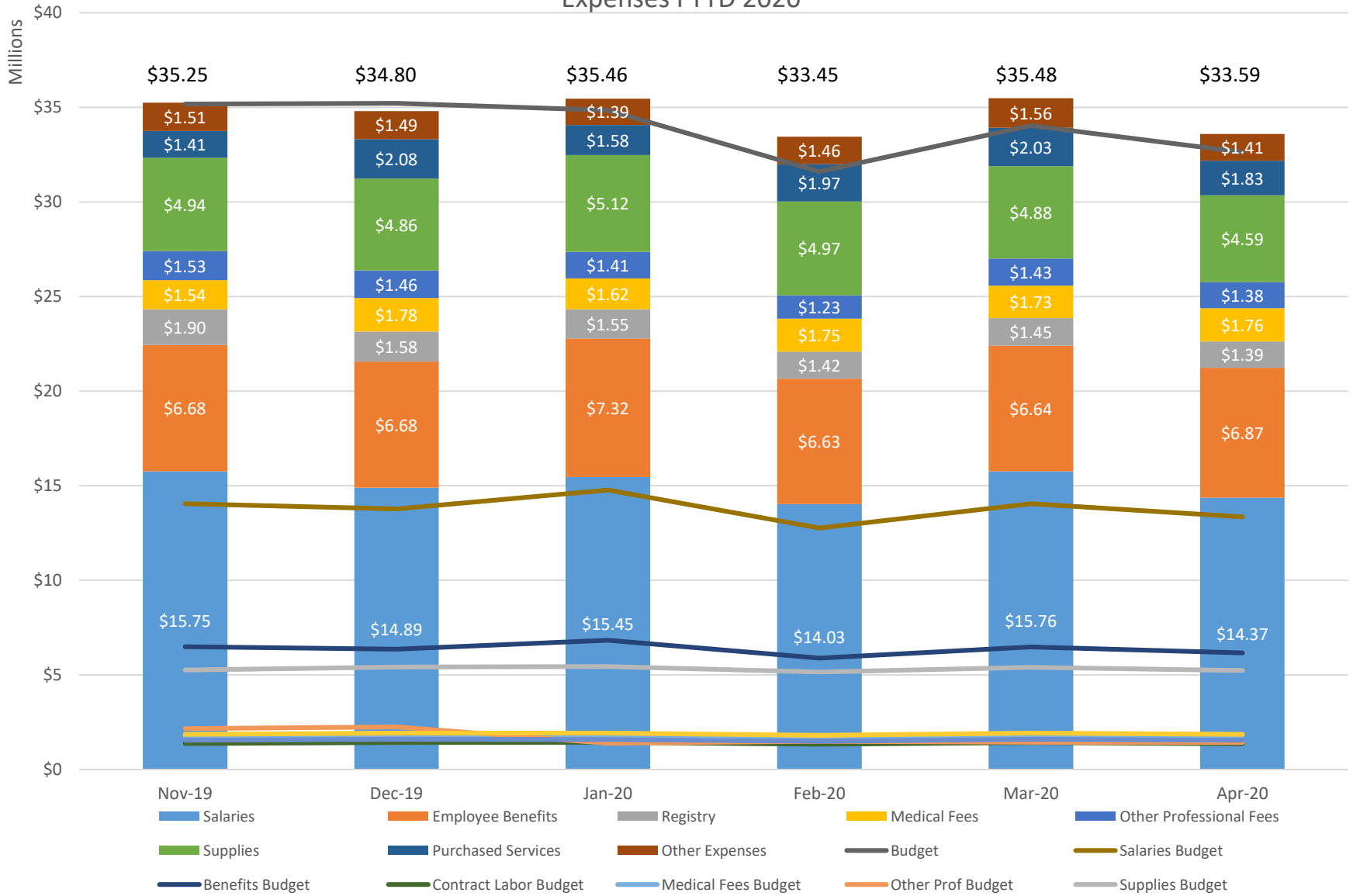
Indigent & Correctional Revenue



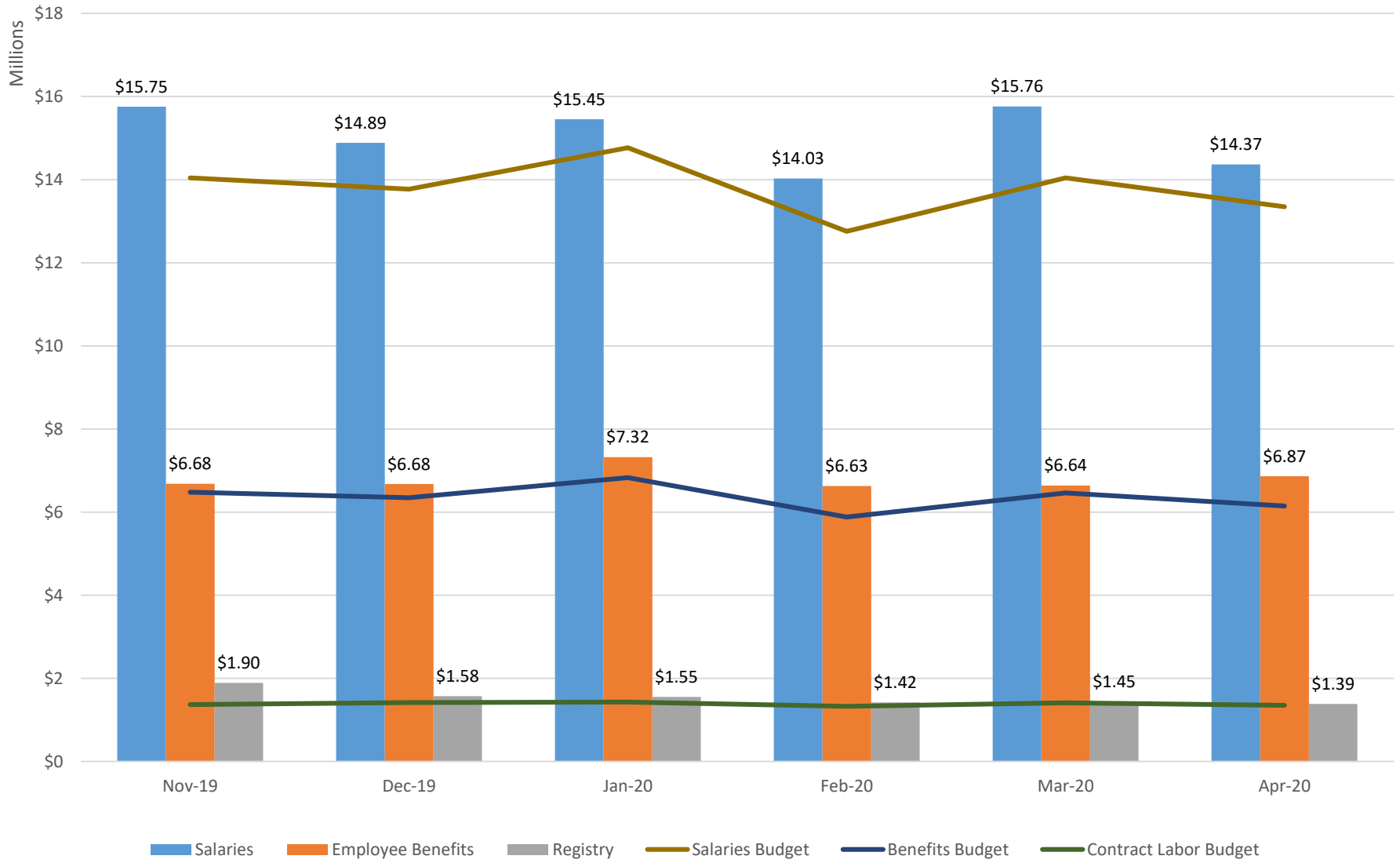
Total Revenue



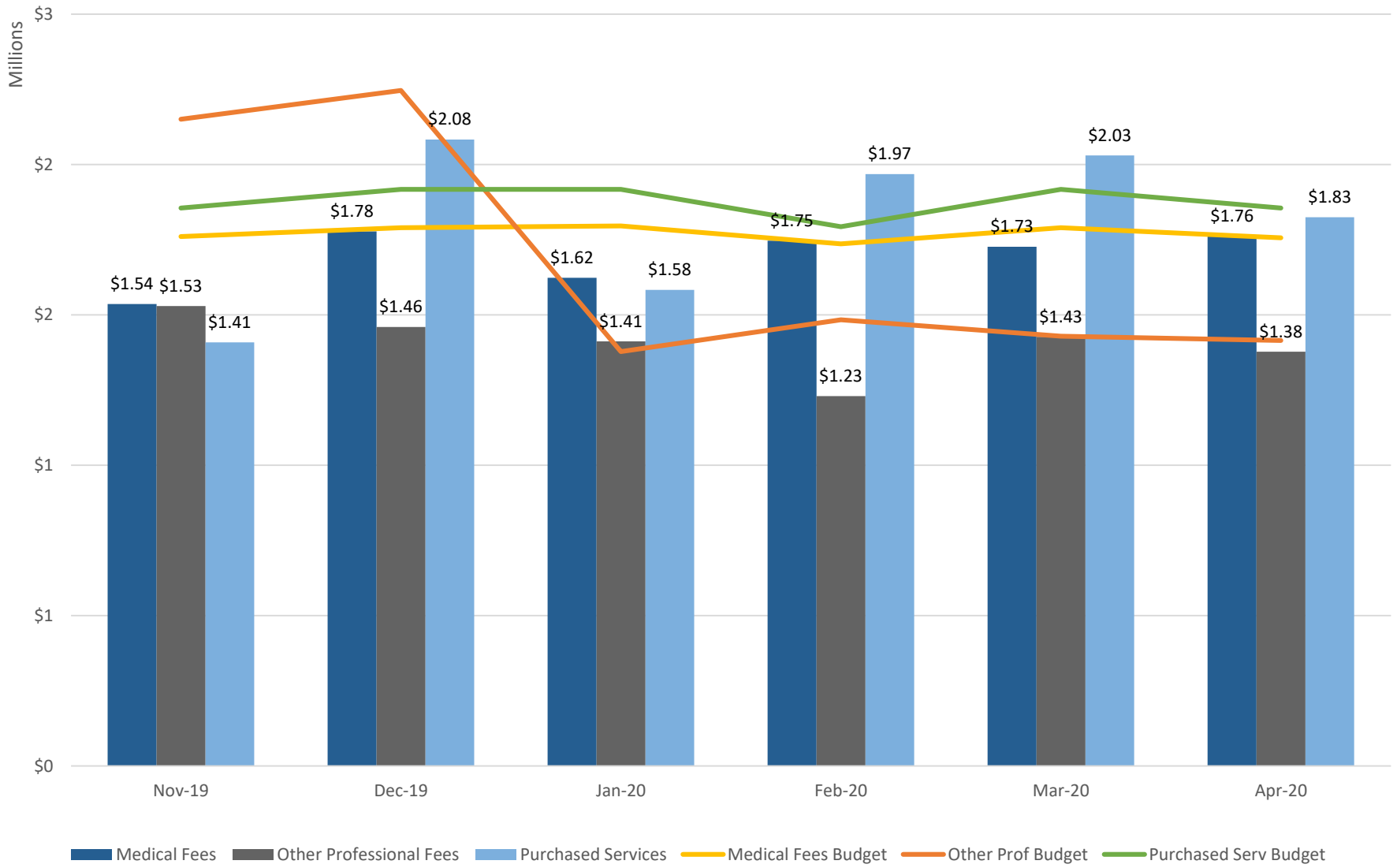
Expenses FYTD 2020



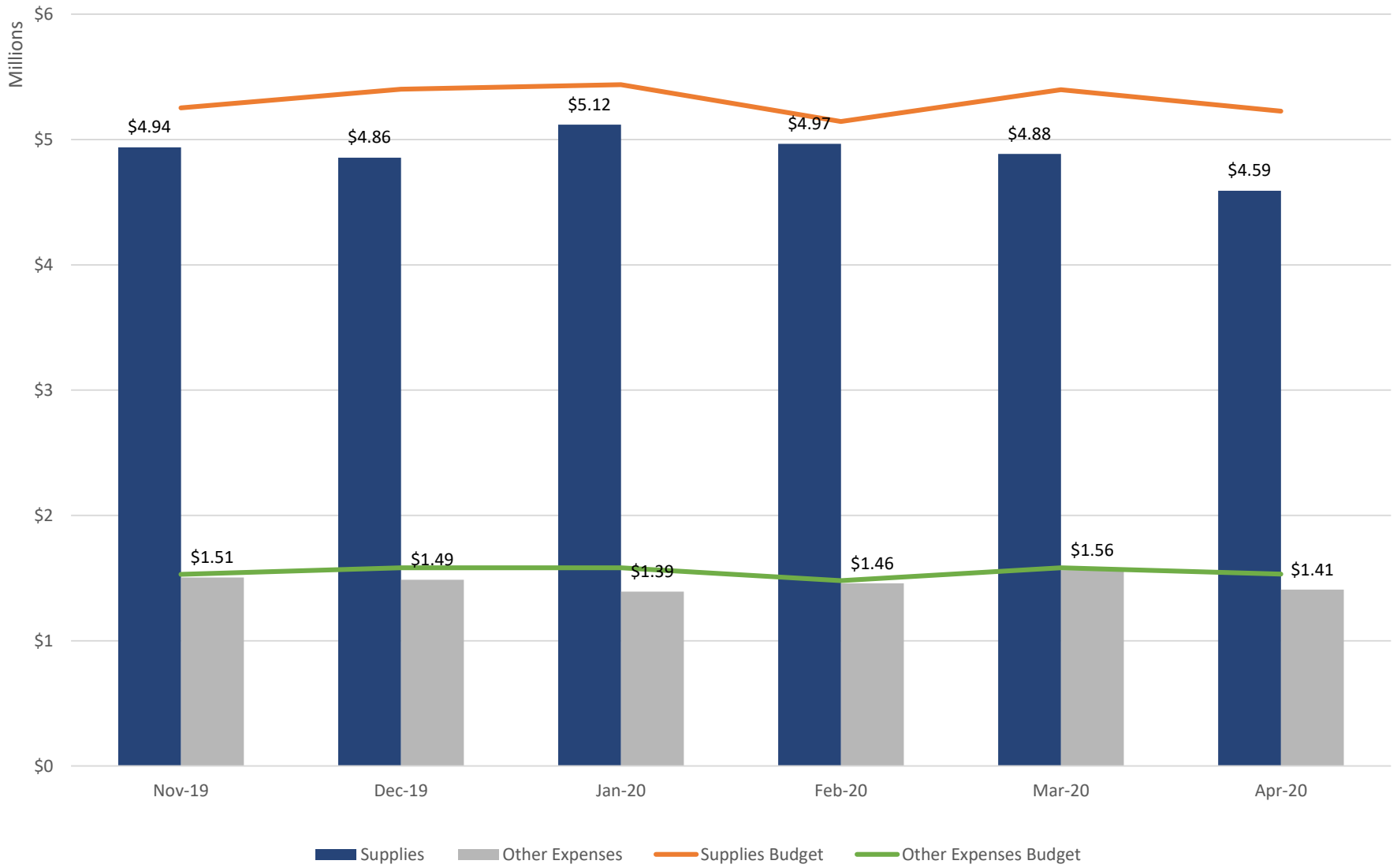
Salaries & Benefits FYTD 2020



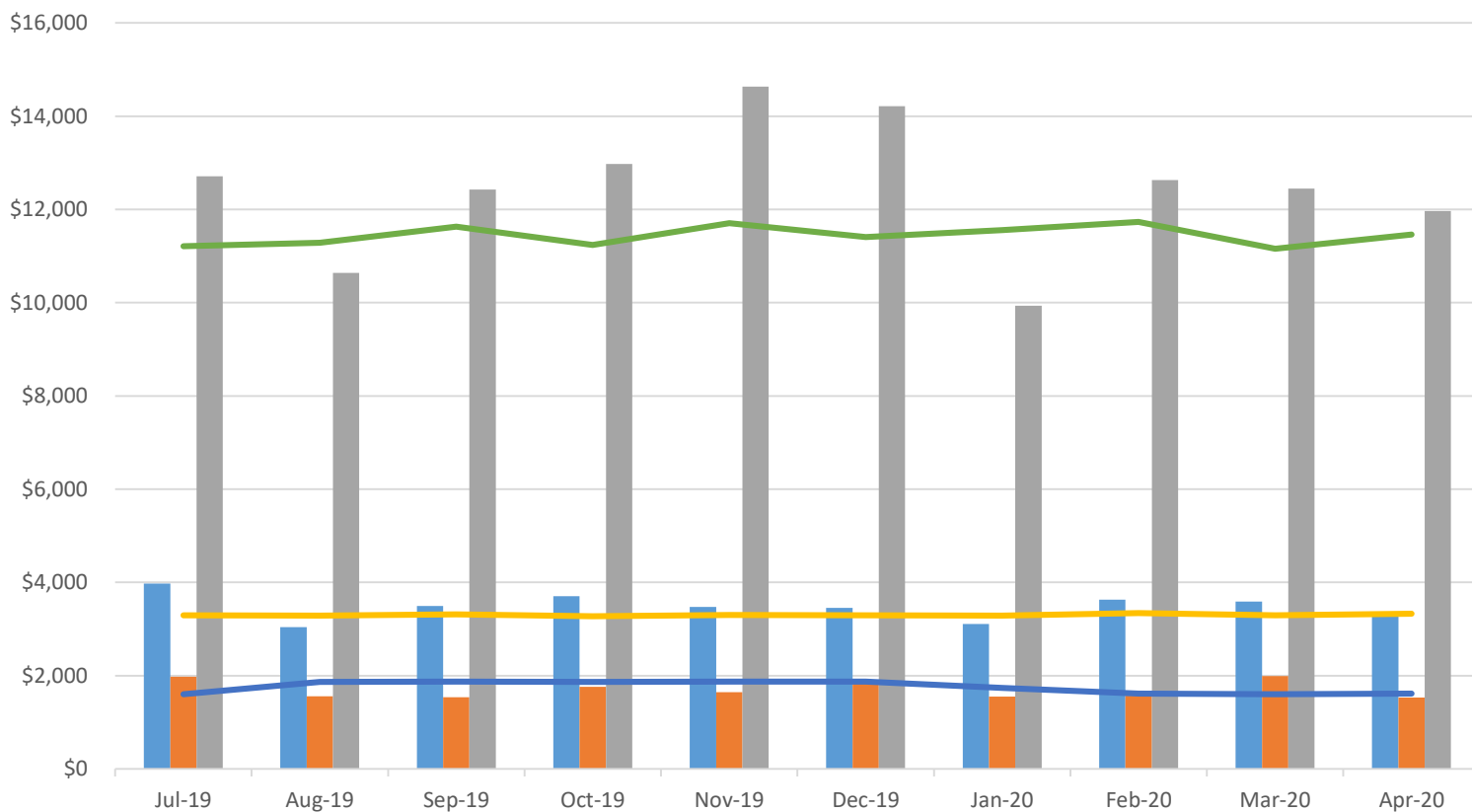
Purchased Services, Medical, & Other Prof Fees FYTD 2020



Supplies & Other Expenses FYTD 2020

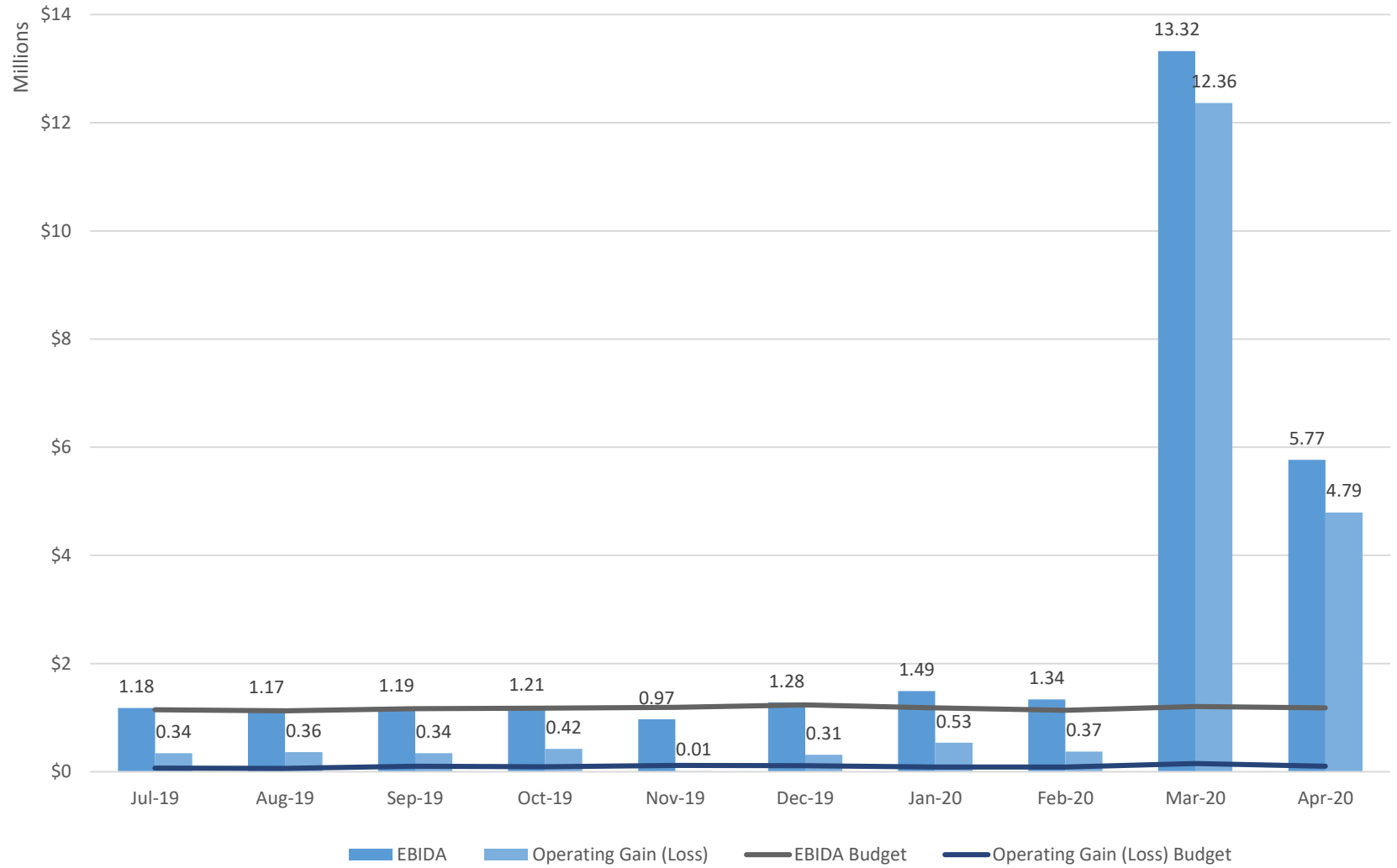


Operating Metrics

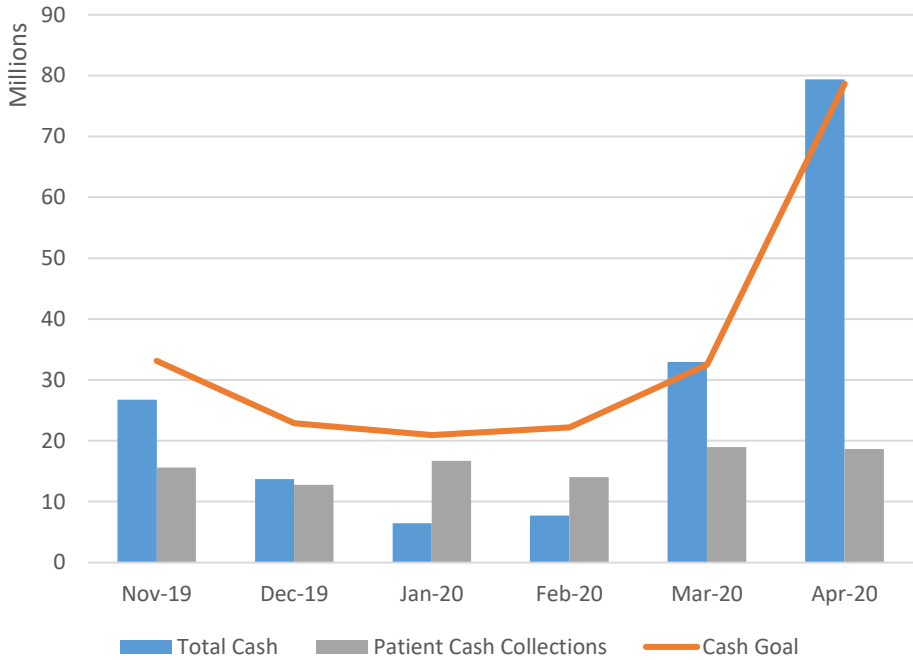


	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Supply Expense per AA	\$3,977	\$3,040	\$3,492	\$3,703	\$3,474	\$3,457	\$3,110	\$3,627	\$3,592	\$3,365
Pharm Cost per AA	\$1,976	\$1,558	\$1,536	\$1,762	\$1,646	\$1,905	\$1,549	\$1,569	\$1,989	\$1,530
Net Revenue Per AA	\$12,710	\$10,636	\$12,428	\$12,972	\$14,631	\$14,212	\$9,934	\$12,632	\$12,444	\$11,963
Budget Supp/AA	\$3,295	\$3,286	\$3,313	\$3,277	\$3,303	\$3,293	\$3,291	\$3,343	\$3,293	\$3,330
Budget Pharm/AA	\$1,604	\$1,869	\$1,870	\$1,869	\$1,870	\$1,870	\$1,736	\$1,614	\$1,603	\$1,615
Budget Net Rev/AA	\$11,209	\$11,286	\$11,630	\$11,234	\$11,703	\$11,409	\$11,556	\$11,730	\$11,153	\$11,464

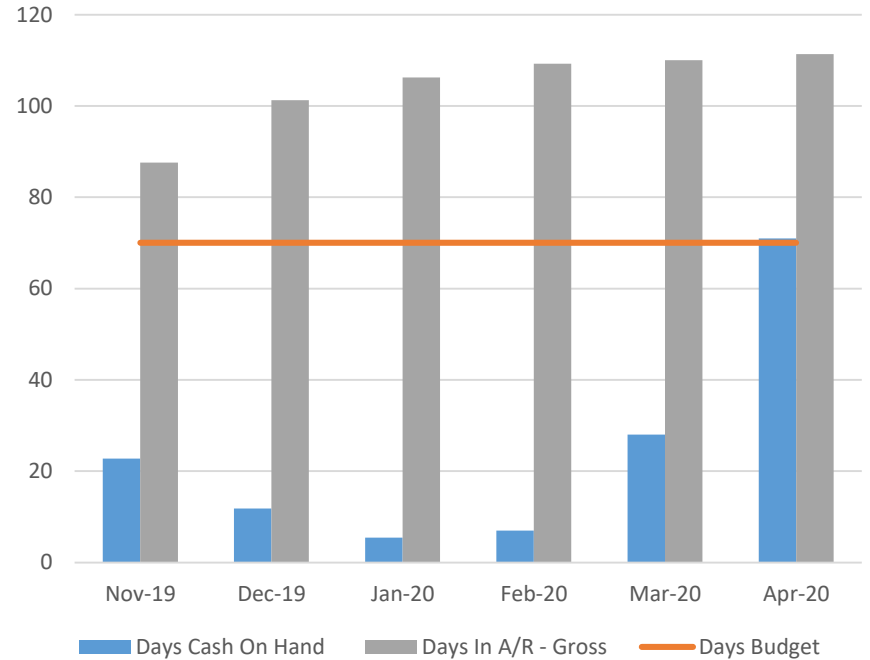
EBIDA 2020 FYTD



Cash 2020 FYTD



AR Days 2020 FYTD



3-Month Trend Analysis: Revenue & Expense

April 30, 2020

				BUDGET	VARIANCE	PY
	FEBRUARY	MARCH	APRIL	APRIL	POS (NEG)	APRIL
Gross Patient Revenue	\$ 75,328,913	\$ 77,025,381	\$ 67,751,569	\$ 71,713,334	(6%)	\$ 75,546,695
Contractual Deductions	(58,035,996)	(60,103,656)	(51,430,544)	(53,720,945)	(4%)	(57,883,330)
Net Revenue	17,292,917	16,921,725	16,321,024	17,992,389	(9%)	17,663,364
Indigent Funding	12,612,972	27,070,042	14,954,448	11,154,337	34%	14,579,531
Correctional Medicine	2,594,088	2,527,068	2,527,068	2,777,068	(9%)	2,552,068
County Contribution	285,211	285,211	285,211	284,951	0.1%	285,211
Incentive Funding	212,040	212,040	212,040	333,333	(36%)	250,000
Net Patient Revenue	32,997,228	47,016,086	34,299,791	32,542,078	5%	35,330,175
Gain/(Loss) on Health-Related Entity	548,143	0	0	0	0%	0
Other Operating Revenue	1,235,653	1,773,319	5,038,989	1,267,452	298%	1,016,761
Other Non-Operating Revenue	3,025	15,953	14,068	4,489	213%	(2,269)
Total Revenue	34,784,049	48,805,358	39,352,848	33,814,019	16%	36,344,667
Expenses						
Salaries	14,026,440	15,758,686	14,365,693	13,347,455	8%	13,467,269
Employee Benefits	6,630,925	6,641,938	6,866,418	6,149,302	12%	5,493,952
Contract Labor	1,422,161	1,447,694	1,388,264	1,350,188	3%	1,841,979
Medical Fees	1,746,897	1,727,154	1,762,437	1,756,307	0%	1,126,579
Other Professional Fees	1,229,802	1,427,447	1,377,941	1,415,304	(2.6%)	1,941,121
Supplies	4,965,445	4,884,383	4,591,410	5,226,834	(12%)	5,209,598
Purchased Services	1,968,367	2,030,412	1,825,083	1,855,621	(2%)	1,458,871
Other Expenses	1,457,730	1,563,796	1,407,758	1,531,324	(8%)	1,335,329
Operating Expenses	33,447,767	35,481,511	33,585,005	32,632,335	3%	31,874,696
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,336,282	\$ 13,323,847	\$ 5,767,843	\$ 1,181,684	388%	\$ 4,469,971
EBIDA Margin	4%	27%	15%	3%	319%	12%
Interest	221,226	220,867	220,039	342,117	(36%)	96,622
Depreciation	488,502	483,034	489,161	520,022	(6%)	505,281
Amortization	255,683	255,683	264,295	218,282	21%	224,592
Total Expenses	34,413,179	36,441,095	34,558,499	33,712,756	2.5%	32,701,192
Operating Gain (Loss)	\$ 370,869	\$ 12,364,263	\$ 4,794,348	\$ 101,264	4,635%	\$ 3,643,475
Operating Margin	1.1%	25.3%	12.2%	0.30%	3,968%	10%
Less: FY18 EPP Received in April 2020			(1,166,512)			
Less: FY19 Rate Range IGT Received in April 2020			(2,665,404)			
Less: HHS COVID-19 Stimulus Revenue Received in April 2020			(4,094,873)			
Adjusted EBIDA for April 2020			\$ (2,158,946)			
Adjusted Operating Gain (Loss) for April 2020			\$ (3,132,441)			

**KERN MEDICAL
BALANCE SHEET**

	APRIL 2020	APRIL 2019
ASSETS:		
<i>Total Cash</i>	\$ 79,347,978	\$ 47,078,080
Patient Receivables Subtotal	272,360,389	188,464,490
Contractual Subtotal	(209,975,985)	(144,750,942)
<i>Net Patient Receivable</i>	62,384,404	43,713,547
Total Indigent Receivable	95,579,215	74,044,117
Total Other Receivable	9,527,428	6,884,954
Total Prepaid Expenses	3,961,887	4,406,615
Total Inventory	5,782,666	5,613,129
<i>Total Current Assets</i>	256,583,579	181,740,443
Deferred Outflows of Resources	85,573,671	74,667,309
Investments Deposited with Trustee	931,830	922,330
Total Land, Equipment, Buildings and Intangibles	194,204,116	158,095,323
Total Construction in Progress	14,751,102	32,548,768
<i>Total Property, Plant & Equipment</i>	208,955,218	190,644,091
Total Accumulated Depr & Amortization	(114,199,764)	(106,199,064)
<i>Net Property, Plant, and Equipment</i>	94,755,453	84,445,027
<i>Total Long Term Assets</i>	86,505,500	75,589,639
<i>Total Assets</i>	\$ 437,844,532	\$ 341,775,109

**KERN MEDICAL
BALANCE SHEET**

	APRIL 2020	APRIL 2019
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 34,686,147	\$ 29,393,089
Total Accrued Compensation	31,848,311	27,338,511
Total Due Government Agencies	37,260,478	52,945,920
Total Other Accrued Liabilities	78,046,109	43,233,597
<i>Total Current Liabilities</i>	181,841,045	152,911,117
<i>Total Long-Term Liabilities</i>	419,916,201	428,609,276
<i>Total Liabilities</i>	601,757,246	581,520,393
<hr/>		
Fund Balance	36,714,021	36,714,021
Retained Earnings	(200,626,735)	(276,459,305)
<i>Total Fund Balance</i>	(163,912,714)	(239,745,284)
<hr/>		
<i>Total Liabilities and Fund Balance</i>	\$ 437,844,532	\$ 341,775,109
<hr/> <hr/>		



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

June 17, 2020

Subject: Kern County Hospital Authority Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

The Chief Executive Officer of the Kern County Hospital Authority will provide your Board with a hospital-wide update.

CLERK OF THE BOARD INTEROFFICE MEMORANDUM

To: Board Members **Date:** May 7, 2020
From: Christina Rockwell *CR*
Subject: Request for reappointments to the Kern County Hospital Authority
Board of Governors

In accordance with established policy, the attached correspondence requesting reappointments of Dr. Amir Berjis as At-large Medical Staff Member and Stephen Pelz as At-large Community Member to the Kern County Hospital Authority Board of Governors, terms to expire June 30, 2023, is provided for your consideration.

Unless otherwise directed by any Board member, the attached request for reappointments will be placed on the agenda of June 2, 2020, at 9:00 a.m.

Attachment

20 APR 20 AM 8:27

PLEASE PRINT NAME OF
THE BOARD MEMBER
BY



April 15, 2020

Kathleen Krause
Clerk of the Board of Supervisors
County of Kern
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301

Re: Reappointment of Amir Berjis, M.D. and Stephen Pelz to Kern County Hospital Authority Board of Governors

Dear Ms. Krause:

I am writing to you on behalf of the Kern County Hospital Authority Board of Governors in my capacity as Chairman regarding the reappointments of Amir Berjis, M.D. and Stephen Pelz to the Board of Governors. As you may recall, Dr. Berjis and Mr. Pelz were reappointed to the Board of Governors each for a term of three years, expiring June 30, 2020. The enabling ordinance provides that members may serve an unlimited number of terms if reappointed by the Kern County Board of Supervisors.

As required by the hospital authority's Bylaws for Governance, Dr. Berjis and Mr. Pelz have notified the Board of Governors in writing of their intent to seek reappointment. They are not required to submit a new application for reappointment. The Bylaws for Governance also require the Board of Governors to notify the Board of Supervisors of a member's intent to continue to serve on the Board of Governors. Please accept this letter as notice of Dr. Berjis' and Mr. Pelz' intent to seek reappointment to the Board of Governors, terms to expire June 30, 2023.

Please take the necessary steps to ensure Dr. Berjis and Mr. Pelz are reappointed to the Board of Governors no later than June 30, 2020. Your prompt attention to this request is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Russell E. Bigler".

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

cc: Members, Board of Governors
Russell V. Judd

**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

MICK GLEASON District 1
ZACK SCRIVNER District 2
MIKE MAGGARD District 3
DAVID COUCH District 4
LETICIA PEREZ District 5



June 2, 2020

KATHLEEN KRAUSE
CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

Dr. Amir Berjis
13205 Michaelangelo Drive
Bakersfield, CA 93314

Dear Dr. Berjis:

Congratulations on your reappointment to the Kern County Hospital Authority Board of Governors.

Enclosed is the Official Appointment covering your reappointment as At-large Medical Staff Member to the Kern County Hospital Authority Board of Governors, for the term expiring June 30, 2023.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training every two years. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern County Hospital Authority Board of Governors. If my office can ever be of any assistance to you, please call on us.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Krause".

KATHLEEN KRAUSE
Clerk of the Board

KK/cr
Enclosure

cc: Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield CA 93306

**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

MICK GLEASON District 1
ZACK SCRIVNER District 2
MIKE MAGGARD District 3
DAVID COUCH District 4
LETICIA PEREZ District 5



June 2, 2020

KATHLEEN KRAUSE
CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

Mr. Stephen Pelz
11208 Torbay Drive
Bakersfield, CA 93311

Dear Mr. Pelz:

Congratulations on your reappointment to the Kern County Hospital Authority Board of Governors.

Enclosed is the Official Appointment covering your reappointment as At-large Community Member to the Kern County Hospital Authority Board of Governors, for the term expiring June 30, 2023.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training every two years. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern County Hospital Authority Board of Governors. If my office can ever be of any assistance to you, please call on us.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Krause".

KATHLEEN KRAUSE
Clerk of the Board

KK/cr
Enclosure

cc: Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield CA 93306

**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 June 17, 2020, 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**

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**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 June 17, 2020, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Kathryn A. Kodner, an individual, et al. v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-102453 TSC –

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

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on June 17, 2020, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

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