



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, January 15, 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))

RECOGNITION

- 3) Presentation of service awards by the Chief Executive Officer to seven Kern Medical Center employees with 25 and 30 years of service –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on December 11, 2019 –
APPROVE

CA

- 5) Proposed First Amendment to Employer Participation Agreement 2016-006 with the Kern County Employees' Retirement Association for standards of financial capability for new employees of the Kern County Hospital Authority, effective January 15, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed Plan of Participation Agreement with the Kern County Employees' Retirement Association and County of Kern for standards of financial capability for new employees of the Kern County Hospital Authority, effective January 15, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed retroactive Grant Agreement with the County of Kern to provide funding for the procurement of a high-performance modular building structure, foundation and construction costs associated with the modular building structure, and construction costs, renovation and improvement of existing facilities from December 18, 2019 through June 30, 2025, in an amount not to exceed \$1,113,867 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed retroactive acceptance of donation from the California Safety Net Institute, an independent contractor, for travel and related expenses to cover all costs for one Kern Medical Center employee to attend the 2019 Institute for Healthcare Improvement “National Forum on Quality Improvement in Health Care” in Orlando, Florida, from December 10-11, 2019 –
APPROVE; ADOPT RESOLUTION

CA

- 9) Proposed acceptance of donations from California State Association of Counties and Safety National risk funds for travel and related expenses to cover all costs for one Kern Medical Center employee to attend the state of California Department of Industrial Relations “27th Annual DWC Educational Conference” in Los Angeles, California, from March 26-27, 2020 –
APPROVE; ADOPT RESOLUTION

CA

- 10) Proposed retroactive Resolution reaffirming the appointment of Russell V. Judd, Andrew J. Cantu, Alton Scott Thygerson, Jared W. Leavitt, Glenn E. Goldis, M.D., and Antoinette C. Smith, RN, MSN, to serve as officers of the Kern County Hospital Authority, effective October 16, 2019 –
APPROVE; ADOPT RESOLUTION

CA

- 11) Proposed retroactive Amendment No. 8 to Agreement 14818 with Healthcare Performance Group, Inc., an independent contractor, for professional consulting services related to the Cerner Millennium project, for the period December 21, 2019 through June 10, 2020, increasing the maximum payable by \$856,960, from \$1,987,864 to \$2,844,824, to cover payment for additional services, effective December 21, 2019 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- 12) Proposed Report of Independent Auditors from Moss-Adams LLP, an independent contractor, regarding the audit of Kern Medical Center financial statements for the year ending June 30, 2019 –
RECEIVE AND FILE; REFER TO KERN COUNTY BOARD OF SUPERVISORS

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

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 15) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(2).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs –
- 16) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 17) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, FEBRUARY 12, 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.



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

January 15, 2020

Subject: Presentation by the Chief Executive Officer recognizing Service Awardees for Kern County Hospital Authority employees with 25 and 30 years of service.

Recommended Action: Make presentation

Summary:

25 years of Service:

- Angelina Reyes, Director, Health Information Services Department, August 1994
- Kelly Ballard, Clinical Nurse Specialist, NICU Department, October 1994
- Rowena Blakely, Hospital Staff Nurse, Lerdo Clinic Department, November 1994
- Richard Contreras, Hospital Staff Nurse, Psychiatric Services Department, December 1994

30 years of Service:

- Nancy Valenzuela, Pharmacy Technician, Columbus Pharmacy Department, July 1989
- Cynthia Norville, Clinical Nurse Director, ICU Department, September 1989
- Deborah Wold, Health Information Services Coder, Health Information Services Department, September 1989



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

**Regular Meeting
Wednesday, December 11, 2019**

11:30 A.M.

BOARD RECONVENED

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz, Sistrunk
Roll Call: 6 Present; 1 Absent - Brar

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

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

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR BERJIS EXTENDED HIS THANKS TO HOSPITAL AUTHORITY LEADERSHIP AND COLLEAGUES FOR THE COLLABORATIVE EFFORT TO FORM AN INTEGRATED DELIVERY SYSTEM AND THE IMPORTANT EFFECT IT HAS ON OUR COMMUNITY

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing the Cerner Electronic Health Record Implementation teams –
MADE PRESENTATION; REY LOPEZ, CHIEF INFORMATION OFFCER, HEARD

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on November 13, 2019 –
APPROVED
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

CA

- 5) Proposed acceptance of donation from Federal Emergency Management Agency Center for Domestic Preparedness for travel and related expenses to cover all costs for ten Kern Medical Center employees to attend the “Healthcare Leadership for Mass Casualty Incidents” training in Anniston, Alabama, from January 5, 2020 through January 11, 2020 –
APPROVED; ADOPTED RESOLUTION 2019-017
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

CA

- 6) Proposed updated Conflict of Interest policy and Conflict of Interest Code for the Kern County Hospital Authority –
APPROVED; REFERRED CONFLICT OF INTEREST CODE TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

CA

- 7) Proposed Agreement with Arman G. Froush, D.O., a contract employee, for professional medical and administrative services in the Department of Radiology from December 11, 2019 through December 10, 2022, in an amount not to exceed \$2,850,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 073-2019
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

CA

- 8) Proposed Master Lease Schedule to Quote 20032199908673-01 with Presidio Networked Solutions Group, LLC, an independent contractor, for financing the purchase of software and equipment for on-site data storage and backup system, effective December 11, 2019 – APPROVED; ADOPTED RESOLUTION 2019-018; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 074-2019
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

CA

- 9) Proposed Sales Order 1-6UQOXCN with Cerner Corporation, an independent contractor, for the purchase of the MPI Duplicate Reconciliation Tool related to the electronic health record from December 11, 2019 through January 10, 2025, in an amount not to exceed \$285,178 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 075-2019
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

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

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

CA

- 12) Claims and Lawsuits Filed as of November 30, 2019 – RECEIVED AND FILED
Pelz-Alsop: 6 Ayes; 1 Absent - Brar

ADJOURNED TO CLOSED SESSION
Pelz-McLaughlin

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) 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
Sistrunk-McLaughlin

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 ALSOP, SECOND BY DIRECTOR PELZ; 1 ABSENT - DIRECTOR BRAR), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, CHANGE IN STAFF STATUS, VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 14 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, JANUARY 15, 2020, AT 11:30 A.M.

McLaughlin

/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**

January 15, 2020

SUBJECT: Proposed first amendment to the Employer Participation Agreement with the Kern County Employees' Retirement Association (KCERA).

Requested Action: Approve; Authorize Chairman to sign

Summary:

KCERA is a multi-employer, defined benefit pension plan, governed by the County Employees' Retirement Law of 1937 (CERL) and subject to the requirements of the Public Employees' Pension Reform Act of 2013 (PEPRA). KCERA is considered a "governmental plan," as defined in section 414(d) of the Internal Revenue Code. The Kern County Hospital Authority (Authority) is a "district" within the meaning set forth in the CERL and thereby eligible to participate in KCERA.

Prior to becoming employees of the Authority, employees of Kern Medical Center were County employees and enrolled as members of KCERA. Those employees who transferred from the County to the Authority continue to be members of KCERA, retaining service credit earned prior to the date of transfer.

Pursuant to the Kern County Hospital Authority Act ("the Act"), the Authority must provide that County employees who retired from Kern Medical Center prior to the effective date of the transfer to the Authority, County employees who initially transferred to the Authority, and those employees directly hired by or retired from the Authority during the first 24 months following the effective date of the transfer to the Authority (known as Legacy Employees) will continue to be members of KCERA, to the extent provided for in the applicable memorandum of understanding, enabling ordinance or the personnel transition plan.

Therefore, in order for the Authority to secure retirement of Legacy Employees, the Authority applied for, and was accepted as a new employer with KCERA through an Employer Participation Agreement. The Employer Participation Agreement was first approved by your Board on March 30, 2016.

The Act allows for the County to be relieved of its obligation to make required contributions for employees hired after the first 24 months following the effective date of the transfer to the Authority (known as New Employees), if the Authority can demonstrate that it is sufficiently financially capable to satisfy future debt obligations related to the pension liability for its New Employees. The Act also allows for KCERA and the County to establish criteria to determine whether the Authority is financially capable to make all employer contributions on behalf of its New Employees.

Staff from the Authority worked with staff from both the County and KCERA to establish four indicators of financial capability, which must be met for three consecutive years in order for the Authority to be deemed “sufficiently financially capable.” These indicators include:

1. Positive Cash Flow
2. Positive Net Income
3. Liquidity Ratio greater than 1.0
4. Unmodified Audit Opinion

Staff also worked to determine an allocation methodology for payments, whereby at the discretion of KCERA, employer contributions will first be applied to New Employees and then to the employer contributions for any remaining employees.

Notwithstanding the above, under the Act, all obligations, including pension obligations, revert back to the County in the event that the Authority becomes insolvent.

Therefore, it is recommended that your Board approve the first amendment to the Employer Participation Agreement to incorporate this distribution methodology into the Agreement, and authorize the Chairman to sign.

First Amendment to Employer Participation Agreement

WHEREAS, on or about July 1, 2016, the Kern County Hospital Authority, through its Board of Governors, (the "Employer") and the Kern County Employees' Retirement Association ("KCERA" or the "Plan") entered into an Employer Participation Agreement to establish the terms and conditions under which Employer could participate in the Plan and provide retirement, death and disability benefits for the benefit of its eligible employees; and

WHEREAS, California Health and Safety Code section 101853.1(g)(7)(B) of the Kern County Hospital Authority Act ("Act") allows the County of Kern (County") to be relieved of its obligation to make required contributions for Employer's New Employees¹ in the event that KCERA's Board of Retirement determines that the Authority is sufficiently capable financially to fully assume the obligation to make all employer contributions for New Employees of the Authority; and

WHEREAS, Employer, KCERA and the County have entered into that certain Plan of Participation Agreement ("Plan of Participation") which provides the terms and conditions by which the KCERA Board of Retirement may determine the financial capability of the Employer; and

WHEREAS, Paragraph 5.b of the Plan of Participation requires the parties hereto to amend the Employer Participation Agreement to provide that in collecting and applying the employer contributions made by Employer to KCERA from time to time, KCERA may in its absolute discretion first apply such contributions to required employer contributions for New Employees and then to employer contributions for any remaining employees of Employer.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is acknowledged by Employer and KCERA, it is hereby agreed as follows:

1. Subsection 13 shall be added to Section A. Contributions of the Employer Participation Agreement as follows:

13. Employer understands and agrees that in collecting and applying the employer contributions made by Employer to the Plan from time to time, the Plan may in its absolute discretion first apply such contributions to required employer contributions for New Employees, as defined in the Act, and then to the employer contributions for any remaining employees of Employer.

¹ For purposes of this Amendment 1, the definition of "New Employees" and "Legacy Employees" shall have the meaning set forth in the Act.

2. Except as expressly amended herein, the terms and conditions of the Employer Participation Agreement are unchanged and shall remain in full force and effect.

WHEREUPON, the parties hereto, by and through their authorized signatories, agree to enter into and be bound by the terms and conditions of this Agreement, effective this _____ day of _____, 2019.

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Name: _____
Title: _____
Date: _____

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

By:  _____
Name: Jordan Kaufman
Title: Chair, Board of Retirement
Date: 12-13-19



BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

January 15, 2020

SUBJECT: Proposed Plan of Participation Agreement with the Kern County Employees' Retirement Association (KCERA) and the County of Kern.

Requested Action: Approve; Authorize Chairman to sign

Summary:

KCERA is a multi-employer, defined benefit pension plan, governed by the County Employees' Retirement Law of 1937 (CERL) and subject to the requirements of the Public Employees' Pension Reform Act of 2013 (PEPRA). KCERA is considered a "governmental plan," as defined in section 414(d) of the Internal Revenue Code. The Kern County Hospital Authority (Authority) is a "district" within the meaning set forth in the CERL and thereby eligible to participate in KCERA.

Prior to becoming employees of the Authority, employees of Kern Medical Center were County employees and enrolled as members of KCERA. Those employees who transferred from the County to the Authority continue to be members of KCERA, retaining service credit earned prior to the date of transfer.

Pursuant to the Kern County Hospital Authority Act ("the Act"), the Authority must provide that County employees who retired from Kern Medical Center prior to the effective date of the transfer to the Authority, County employees who initially transferred to the Authority, and those employees directly hired by or retired from the Authority during the first 24 months following the effective date of the transfer to the Authority (known as Legacy Employees) will continue to be members of KCERA, to the extent provided for in the applicable memorandum of understanding, enabling ordinance or the personnel transition plan.

Therefore, in order for the Authority to secure retirement of Legacy Employees, the Authority applied for, and was accepted as a new employer with KCERA through an Employer Participation Agreement. The Employer Participation Agreement was first approved by your Board on March 30, 2016.

Your Board is now presented with the Plan of Participation Agreement, which was prepared in accordance with the Act, and agreed to among KCERA, the County of Kern and the Authority.

The Act allows for the County to be relieved of its obligation to make required contributions for employees hired after the first 24 months following the effective date of the transfer to the Authority (known as New Employees), if the Authority can demonstrate that it is sufficiently financially capable to satisfy future debt obligations related to the pension liability for its New Employees. The Act also allows for KCERA and the County to establish criteria to determine whether the Authority is financially capable to make all employer contributions on behalf of its New Employees.

Members, Board of Governors

January 15, 2020

Page 2 of 2

Staff from the Authority worked with staff from both the County and KCERA to establish four indicators of financial capability, which must be met for three consecutive years in order for the Authority to be deemed “sufficiently financially capable.” These indicators include:

1. Positive Cash Flow
2. Positive Net Income
3. Liquidity Ratio greater than 1.0
4. Unmodified Audit Opinion

Staff also worked to determine an allocation methodology for payments, whereby at the discretion of KCERA, employer contributions will first be applied to New Employees and then to the employer contributions for any remaining employees.

Notwithstanding the above, under the Act, all obligations, including pension obligations, revert back to the County in the event that the Authority becomes insolvent.

The Plan of Participation Agreement sets forth the standards by which KCERA’s Board of Retirement will use in order to determine the financial capability of the Authority to make all required contributions for New Employees. Therefore, it is recommended that your Board approve the Plan of Participation Agreement, and authorize the Chairman to sign.

PLAN OF PARTICIPATION AGREEMENT

This Plan of Participation Agreement (“Plan of Participation”) is prepared in accordance with the Kern County Hospital Authority Act (Cal. Health and Safety Code sections 101852 et seq.) (“the Act”) and agreed to among the Kern County Employees’ Retirement Association (“KCERA”), the County of Kern (“County”) and the Kern County Hospital Authority (“Authority”).

RECITALS

WHEREAS, Section 101853.1(g)(7)(B) of the Act allows the County to be relieved of its obligation to make required contributions for New Employees of the Authority (as defined herein) if the Authority demonstrates, and KCERA’s Board of Retirement determines that the Authority is sufficiently capable financially to fully assume the obligation to make all employer contributions for New Employees (as defined in the Act) of the Authority following the Effective Date, as defined herein, based upon the standard of financial capability approved by KCERA and the County; and

WHEREAS, KCERA, the County and the Authority wish to set forth in this Plan of Participation the standard by which the KCERA Board of Retirement will determine the sufficiency of the Authority’s financial capability to make employer contributions for New Employees, and to incorporate such standard into a written agreement between KCERA and the County, as required by the Act.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties each hereby acknowledge, KCERA, the County and the Authority agree as follows:

1. Binding Authorities. Except as expressly agreed to in this Plan of Participation, nothing shall relieve the County or the Authority of any obligation set forth by statute, the Act or contract, including but not limited to the Employer Participation Agreement dated on or about July 1, 2016 between the Authority and KCERA, as amended from time to time (“Participation Agreement.”)

2. Financial Capability Determination. Within sixty (60) calendar days following receipt of all information necessary to determine if the Authority has satisfied the Standards for Financial Capability (as defined herein) KCERA, through its Board of Retirement, agrees to determine whether the Authority is sufficiently capable financially to fully assume the obligation to make all employer contributions for New Employees after the Effective Date, as required by section 101853.1(g)(7)(B) of the Act. A determination that the Hospital Authority is sufficiently capable financially to fully assume the obligation to make all employer contributions for New Employees will be deemed conclusive and irrevocable.

3. Definitions. For purposes of this Plan of Participation, the following terms have the following meanings ascribed to them. All terms not defined herein shall have the meaning set forth in the Act.

a. “Positive Cash Flow” – measured by the Net cash provided by operating activities on the Statement of Cash Flows of the Authority’s Annual Financial Report.

b. “Positive Net Income” – measured by the Change in net position on the Statement of Revenues, Expenses, and Changes in Net Position of the Authority’s Annual Financial Report.

c. "Satisfactory Liquidity Ratio" – means current assets over current liabilities (also referred to as the Quick Ratio) greater than one, measured on the Authority's Statement of Net Position of the Annual Financial Report.

d. "Effective Date" – means the date on which the last of KCERA, the County and the Authority have duly adopted this Plan of Participation by resolution or other appropriate action of their respective governing bodies and an authorized signatory has executed it on their behalf.

e. "Unmodified Audit Opinion" – means an unmodified written opinion issued on the Authority's Annual Financial Report by an independent, third party firm of certified public accountants, under generally accepted accounting standards and in compliance with the Government Accounting Standards Board requirements.

4. Standards for Financial Capability

- a. Positive Cash Flow
- b. Positive Net Income
- c. Satisfactory Liquidity Ratio
- d. Unmodified Audit Opinion

5. Sufficiency of Financial Capability. For the KCERA Board of Retirement to determine that the Authority is "sufficiently capable financially to fully assume the obligation to make all employer contributions for New Employees," as required by statute, the Authority must do both of the following:

- a. Satisfy the Standards for Financial Capability for each of any three consecutive fiscal years commencing with fiscal year ending June 30, 2017; and
- b. Agree herein and in the Employer Participation Agreement, and obtain the County's agreement hereto, that in collecting and applying the employer contributions made by the Authority to KCERA from time to time, KCERA may in its absolute discretion first apply such contributions to required employer contributions for New Employees of the Authority and then to employer contributions for any remaining employees of the Authority. The total contributions received from both the Authority and County as provided in the Act shall be applied as set forth in Government Code section 31587.

6. Payment of Required contributions

- a. *New Employees:* Commencing as of the Effective Date and continuously thereafter, the Authority will pay required employer contributions for its New Employees and collect and remit required New Employee contributions to KCERA in accordance with the Employer Participation Agreement.
- b. *Remaining Employees of the Hospital Authority:* The Authority and the County agree that any amount paid by the County in satisfaction of its obligations under 5.b. of the Plan of Participation herein and Section 12 of the Agreement for Health Care Services, Finance, and Support (Kern County Agt. #716-2016, Kern County Agt. #135-2019), shall be deemed a loan repayable by the Authority to the County in accordance with the provisions of Section 6.b of the Agreement for Health Care Services, Finance, and Support.

c. *Application of Employer Contributions:* KCERA, County and the Authority agree to the application of the Authority's employer contributions as set forth in Section 5.b herein. KCERA and the Authority agree to amend the Employer Participation Agreement consistent with this agreed application of contributions.

7. Term. This Plan of Participation shall remain in full force and effect from the Effective Date forward, unless and until it is terminated, amended or otherwise modified by a written agreement duly executed by KCERA, the County and the Authority.

WHEREUPON, the parties hereto, by and through their authorized signatories, agree to accept the terms and conditions of this Plan of Participation, effective this _____ day of _____, 2019.

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Name: _____
Title: _____
Date: _____

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

By: 
Name: Jordan Kaufman
Title: Chair, Board of Retirement
Date: 12-13-19

COUNTY OF KERN

By: 
Name: LETICIA PEREZ
Title: Chairman, Board of Supervisors,
County of Kern
Date: JAN 07 2020

APPROVED AS TO FORM
Office of County Counsel
Kern County
By: 



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

January 15, 2020

SUBJECT: Proposed Grant Agreement between the Kern County Hospital Authority and the County of Kern

Requested Action: Approve; Authorize Chairman to sign

Summary:

The 2019-2020 California Governor's Budget set aside \$100 million of State General Fund (one-time with multi-year spending authority through June 30, 2025) for active Whole Person Care (WPC) Pilot programs that provide housing services. This funding is available for the costs of long-term and short-term housing for Medi-Cal beneficiaries who are mentally ill and are experiencing homelessness, or at risk of homelessness. The funding may be used to match local county investments and shall not supplant existing funding for these services.

On September 18, 2019, your Board approved a resolution authorizing the Kern County Hospital Authority ("the Authority") to participate in the Housing Funds for Whole Person Care Pilot programs in Fiscal Year 2019-2020. The Authority submitted a letter of interest to the California Department of Health Care Services (DHCS), which was accepted and approved by DHCS.

The Authority has worked with local stakeholders to identify projects which would complement other work being done in the community, and with this grant, seek authorization to grant \$1,113,867.52 to the County of Kern for the purposes of procuring a high-performance modular building structure, foundation and construction costs associated with the modular building structure, and construction costs for renovation and improvement of existing facilities at the County's planned Low-Barrier Shelter.

Therefore, it is recommended that your Board approve the attached proposed Grant Agreement with the County of Kern, and authorize the Chairman to sign.

GRANT AGREEMENT
(Kern County Hospital Authority – County of Kern)

Kern County Hospital Authority, a local unit of government (“**Authority**”), has approved a grant in the amount of one million one hundred thirteen thousand eight hundred sixty-seven dollars (\$1,113,867) (“**Grant**”) to the **County of Kern**, a political subdivision of the state of California (“**Grantee**”). The grant period is from December 18, 2019 through June 30, 2025. This Grant is made in accordance with the following terms and conditions of this Agreement:

I. Purpose of the Grant

Authority is making grant money available to further its mission as a safety net healthcare provider serving vulnerable and underserved populations in Kern County. Authority seeks to support projects that address issues related to improving community and public health. As one component of this mission, Authority seeks to support projects that address issues related to homelessness, including enhancing the availability of emergency shelter to those experiencing homelessness. To this end, this Grant will provide funding for the procurement of a high-performance modular building structure, foundation and construction costs associated with the modular building structure, and construction costs, renovation and improvement of existing facilities. Grantee shall fulfill all outlined objectives in the attached work plan (Exhibit A) and budget (Exhibit B) on or before June 30, 2025.

II. Conditions and Terms of the Grant

A. As a condition of receiving this Grant, Grantee represents and warrants that Grantee or any of its Principals:

1. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency or from participating in any state or federal healthcare programs;
2. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) contract or subcontract.

B. Grantee shall provide monthly reports to Authority. These reports are to be submitted within ninety (90) days following the full expenditure of funds or the request for specific data elements. All the reports shall document progress made during those reporting periods in accordance with the attached work plan and budget. Grantee will also report on activities carried out in compliance with the acknowledgement and communication requirements set forth in Section VII. Reports shall include the following:

1. The total number of individuals served;
2. A description of the services provided and which populations are being targeted;
3. An accounting of how funds have been spent, with accompanying invoices;

4. An attestation that services provided with this funding comply with all applicable “Housing First” principles, as defined in Welfare and Institutions Code Sections 8255-8256;
5. A narrative demonstrating how the services and facilities implemented by this Grant will support existing housing services within the community; and
6. A description of total expenditures on the low barrier shelter, including other funding outside of this grant, as requested.

C. Funds provided through this Grant shall **NOT** be used for following:

1. Housing case management services, including housing navigation services and tenancy sustaining services; and
2. Housing transition services, including providing security deposits or coverage of utilities.

III. Disbursement of Grant Funds

This Grant award will be disbursed to Grantee in one (1) payment as indicated below. Authority will make the payment of Grant funds within thirty (30) days of receipt of:

1. Two (2) original copies of this Agreement signed by authorized representatives of Grantee and returned to the address identified in Section XI, Notices; and
2. If applicable, one copy of Grantee’s IRS Form W-9, if not previously provided to Authority.

Grantee understands that Authority has no obligation to provide additional support to Grantee for this or any other purpose. Expenditure of Grant funds must be consistent with the approved Grant budget, attached as Exhibit B. Revisions of the Grant budget must be requested in writing when changes, in any line item, are projected to be above ten percent (10%) of the approved budget.

Notwithstanding the provisions of this Section III, Authority will not make any disbursement of the Grant funds unless Grantee is in compliance with all of the terms and conditions applicable to the award contained in this Agreement, and only as long as the disbursement of the Grant (1) will not violate any provision of law, regulation, or administrative ruling to which Authority is subject, and (2) will not subject Authority to any tax, penalty or fine.

IV. Default; Termination; Repayment

Authority will not be obligated to disburse any Grant funds, if, at the time of the disbursement, Grantee is in default under the terms of any agreement providing funding from Authority. Authority, in its sole discretion, may terminate the Grant and Authority will be under no further obligation to extend funding should Grant proceeds be used for any purpose other than those specified under this Agreement. Authority, in its sole discretion, may terminate the Grant at any time without any further obligation to Grantee, if (1) Grantee ceases to be exempt from federal income tax under the Internal Revenue Code, (2) in Authority’s judgment, Grantee becomes

unable to carry out the purposes of the Grant, (3) Grantee fails to comply with the conditions of this Agreement, or (4) Authority's anticipated funds designated to support this Grant are substantially reduced or discontinued. If the Grant is terminated prior to the end of the Grant term due to the occurrence of items 1-3, above, Grantee shall reimburse Authority the full monetary value of the Grant, as specified in this Agreement.

V. Monitoring

Authority reserves the right to monitor and conduct an evaluation of the project operations funded by the Grant. This monitoring may include a site visit by Authority personnel at a reasonable time to review the progress, pertinent records and/or subcontracts, and other material related to Grant activities. Authority reserves the right to audit all financial records pertaining to Grant activities.

VI. Indemnification

Grantee agrees to indemnify, defend and hold Authority and Authority's officers, directors, employees, agents and authorized representatives harmless from and against all loss, damage, or claims arising as a result of Grantee undertaking Grant award activities pursuant to this Agreement including any loss due solely to the acts or omissions of Grantee in the performance of this Agreement.

VII. Acknowledgement and Communication

A. In all written materials for public distribution prepared in accordance with project or activities funded by this Grant, Grantee shall include the following statement: "This project is funded in part by **Kern Medical** and will benefit residents of Kern County."

B. During the term of this Agreement, Grantee must name Kern Medical as grantor in all communications relating to this project and must acknowledge **Kern Medical** at all fundraising or other related events as a sponsor of this project.

C. If applicable to this Grant, permanent signage recognizing Kern Medical will be posted in a conspicuous location at or near the entrance of any site that uses Authority funds to improve its physical plant; this signage will recognize Kern Medical as a founding donor or language to that effect. In using any Authority trademarks or logos, Grantee shall comply with Authority's branding policies.

D. If mutually agreed, Authority and Grantee organizations will prepare and issue joint press releases that recognize Authority's contribution and its importance in addressing community needs.

E. Authority will include information regarding the grants on Authority's external website.

F. Grantee will report on all the above listed activities in the reports required by and in accordance with the schedule determined at the time the Grant is awarded.

VIII. No Right of Assignment or Delegation

Grantee may not assign or otherwise transfer its rights or delegate any of its obligations under this Agreement, with the exception of any needed subcontractors, which shall agree to be bound by all applicable terms and conditions of the Grant. Any such assignment shall be null and void *ab initio* and is considered a material breach of this Agreement.

IX. Validity; Amendment

If any term or part of any term or condition of this Agreement is determined to be invalid it shall not affect the validity of the other terms and conditions. This Agreement can be modified by an amendment written and authorized by representatives of Authority and Grantee.

X. Notices

Any notices required or permitted to be given shall be in writing and shall be deemed delivered upon personal delivery; twenty-four (24) hours following deposit with a courier for overnight delivery; or seventy-two (72) hours following deposit in the U.S. Mail, registered or certified mail, postage prepaid, return-receipt requested, addressed to the parties at the following addresses or to such other addresses as the parties may specify in writing:

To Authority: Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, California 93306
Attn.: Chief Executive Officer

To Grantee: County of Kern
1115 Truxtun Avenue, 5th Floor
Bakersfield, California 93301
Attn.: County Administrative Officer

XI. Governing Law; Venue

This Agreement, and all transactions contemplated by this Agreement, shall in all respects be governed by, and construed and interpreted in accordance with, the laws of the state of California, without giving effect to any conflicts of law principles of such state that might refer the governance, construction or interpretation of this Agreement to the laws of another jurisdiction. Any dispute between the parties shall be brought before the Superior Court, County of Kern, California, which shall have jurisdiction over all such claims.

[Signatures follow on next page]

XII. Authorized Signature

This Agreement sets forth Grantee's understanding of the terms and conditions of the Grant. Grantee accepts this Agreement by having an authorized individual sign and date in the spaces provided below.

The terms of this Grant accepted and agreed to:

KERN COUNTY HOSPITAL AUTHORITY COUNTY OF KERN

By: _____
Russell V. Judd
Chief Executive Officer

By: _____
Chairman, Board of Supervisors

Date: _____

Date: _____

EXHIBIT A

WORK PLAN

EXHIBIT B

BUDGET



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

January 15, 2020

SUBJECT: Proposed retroactive acceptance of donation of travel and related expenses from the California Safety Net Institute for attendance at the 2019 Institute for Healthcare Improvement National Forum on Quality Improvement in Health Care

Requested Action: Approve; Adopt Resolution

Summary:

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

The general conference of the Institute for Healthcare Improvement National Forum on Quality Improvement in Health Care is a two-day meeting that brings together health care visionaries, improvement professionals, world leaders, industry newcomers, and many others looking to bring a new perspective into their work. The conference was in Orlando, Florida, on December 10-11, 2019.

Kern Medical recommends your Board retroactively adopt the attached proposed resolution to accept the travel donation from the California Safety Net Institute for registration, travel and related expenses for the Institute for Healthcare Improvement National Forum on Quality Improvement in Health Care, and authorize the Chief Executive Officer to designate one employee to attend this important conference.

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

In the matter of:

Resolution No. 2020-____

**ACCEPTANCE OF DONATIONS OF TRAVEL
AND RELATED EXPENSES FROM CALIFORNIA
SAFETY NET INSTITUTE FOR 2019 IHI “NATIONAL
FORUM ON QUALITY IMPROVEMENT IN
HEALTH CARE”**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 15th day of January, 2020, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

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

(b) California Safety Net Institute supports California’s public health care systems by informing and shaping statewide and national health care policy, by providing performance measurement and reporting expertise, and by accelerating and supporting decision-making and learning, within and across member systems; and

(c) Kern Medical Center is a member of California Safety Net Institute; and

(d) California Safety Net Institute has offered to donate to the Authority all travel and related expenses for one Authority employee to attend the 2019 Institute for Healthcare Improvement “National Forum on Quality Improvement in Health Care” in Orlando, Florida, from December 10-11, 2019; and

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

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

(g) California Safety Net Institute has not made any restrictions as to how the donation may be used.

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

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

2. This Board hereby accepts from California Safety Net Institute the donation of travel and related expenses to cover all costs for one Authority employee to travel to Orlando, Florida, to attend the 2019 Institute for Healthcare Improvement “National Forum on Quality Improvement in Health Care” from December 10-11, 2019.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the 2019 Institute for Healthcare Improvement “National Forum on Quality Improvement in Health Care” from December 10-11, 2019.

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

Chief Financial Officer
Legal Services Department
Human Resources Department



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

January 15, 2020

SUBJECT: Proposed acceptance of donations of travel and related expenses from CSAC and Safety National for state of California Department of Industrial Relations “27th Annual DWC Educational Conference”

Requested Action: Approve; Adopt Resolution

Summary:

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

CSAC is the provider of primary and excess insurance coverage to the Authority; Safety National covers the Authority’s workers’ compensation program. Both CSAC and Safety National, through their respective risk funds, have offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend the state of California Department of Industrial Relations “27th Annual DWC Educational Conference” in Los Angeles, California, from March 26-27, 2020.

Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donations from CSAC and Safety National for registration, travel and related expenses, and authorize the Chief Executive Officer to designate one employee to attend this important conference.

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

In the matter of:

Resolution No. 2020-____

**ACCEPTANCE OF DONATIONS OF TRAVEL
AND RELATED EXPENSES FROM CSAC AND
SAFETY NATIONAL FOR “27TH ANNUAL
DWC EDUCATIONAL CONFERENCE”**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 15th day of January, 2020, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

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

- (b) CSAC provides primary and excess coverage to the Authority; and
- (c) Safety National provides coverage to the Authority for the workers' compensation program; and
- (d) CSAC and Safety National, through their respective risk funds, have offered to donate to the Authority all travel and related expenses for one Authority employee to attend the state of California Department of Industrial Relations "27th Annual DWC Educational Conference" in Los Angeles, California, from March 26-27, 2020; and
- (e) The training session is necessary in connection with official Authority business; and
- (f) The Authority desires to obtain the donation of travel and related expenses to the Authority and will retain full control over the use of the donation; and
- (g) Neither CSAC nor Safety National has made any restrictions as to how the donation may be used.

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

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.
2. This Board hereby accepts from CSAC and Safety National the donation of travel and related expenses to cover all costs for one Authority employee to travel to Los Angeles, California, to attend the state of California Department of Industrial Relations "27th Annual DWC Educational Conference" from March 26-27, 2020.
3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the state of California Department of Industrial Relations "27th Annual DWC Educational Conference" from March 26-27, 2020.
4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Chief Financial Officer
Legal Services Department
Human Resources Department



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

January 15, 2020

SUBJECT: Proposed retroactive Resolution reaffirming the appointment of Officers of the Kern County Hospital Authority, effective October 16, 2019

Recommended Action: Approve; Adopt Resolution

Summary:

On April 16, 2016, your Board adopted Resolution No. 2016-004 appointing Russell Judd, Scott Thygerson, Andy Cantu, Dr. Glenn Goldis, Jared Leavitt, and Toni Smith, RN, MSN, to serve as initial officers of the Hospital Authority. The action by your Board complied with the state statute, county ordinance, and the hospital authority's Bylaws for Governance. On January 16, 2019, following the approval of a new Agreement for Professional Services with Meridian Healthcare Partners, Inc., for Chief Executive Officer and healthcare management services to the hospital authority and Kern Medical, your Board adopted Resolution No. 2019-001, reaffirming the appointment of these same officers.

On October 16, 2019, by a unanimous vote of those Directors present, your Board approved the appointment of Alton Scott Thygerson, Chief Strategy Officer, as President, Hospital and Clinic Operations. With this new appointment, Kern Medical is recommending that your Board adopt the attached resolution reaffirming the appointment of the following individuals by name and title as officers of the hospital authority, effective October 16, 2019:

Chief Executive Officer:	Russell V. Judd
President, Hospital and Clinic Operations:	Alton Scott Thygerson
Chief Financial Officer:	Andrew J. Cantu
Chief Medical Officer:	Glenn E. Goldis, M.D.
Chief Operating Officer:	Jared W. Leavitt
Chief Nursing Officer:	Antoinette C. Smith, RN, MSN

Therefore, it is recommended that your Board approve the recommended action and adopt the attached Resolution.

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

In the matter of:

Resolution No. 2020-____

**REAFFIRMING THE APPOINTMENT OF RUSSELL
V. JUDD, ALTON SCOTT THYGERSON, ANDREW J.
CANTU, GLENN E. GOLDIS, M.D., JARED W.
LEAVITT, AND ANTOINETTE C. SMITH, RN, MSN,
TO SERVE AS OFFICERS OF THE KERN COUNTY
HOSPITAL AUTHORITY**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 15th day of January, 2020, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) Health and Safety Code section 101855(a)(6) provides that the Kern County Hospital Authority shall have the power *“to appoint and employ or otherwise engage a chief executive officer and other officers and employees that may be necessary or appropriate, ...and to define the power and duties of officers and employees”*; and

(b) Section 2.170.070 of the Ordinance Code of the County of Kern (“Ordinance Code”) titled *Powers of Hospital Authority* provides that “*the Hospital Authority shall have the power to appoint and employ or otherwise engage a chief executive officer and other necessary officers and employees*”; and

(c) Section 2.170.080 of the Ordinance Code also provides that the “*Board of Supervisors shall approve the initial and any successive Chief Executive Officer of the Hospital Authority prior to his or her appointment by the Hospital Authority*”; and

(d) Section 5.01 of the Hospital Authority Bylaws for Governance provides that “*the Board of Governors shall appoint a competent and experienced Chief Executive Officer, subject to the prior approval by the Board of Supervisors, to have responsibility for the general management of the Hospital Authority...Subject to the rights of the Board of Supervisors, the Chief Executive Officer shall be employed, contracted with, or otherwise engaged by the Hospital Authority*”; and

(e) On March 16, 2016, by a unanimous vote of those Directors present, the Board of Governors recommended Russell V. Judd be appointed the Chief Executive Officer of the Hospital Authority and referred the matter to the Board of Supervisors for approval; and

(f) On April 5, 2016, the Board of Supervisors approved the initial appointment of Russell V. Judd as the Chief Executive Officer of the Hospital Authority; and

(g) Section 4.03 of the Hospital Authority Bylaws for Governance provides that “*the Chief Financial Officer shall be appointed by the Chief Executive Officer.... Prior to appointing the Chief Financial Officer, the Chief Executive Officer shall consult with and receive direction from the Board of Governors*”; and

(h) On March 16, 2016, Russell V. Judd consulted with and received direction from the Board of Governors regarding the appointment of a Chief Financial Officer of the Hospital Authority; and

(i) On March 16, 2016, by a unanimous vote of those Directors present, the Board of Governors approved the recommendation of Russell V. Judd to appoint Andrew J. Cantu as the Chief Financial Officer of the Hospital Authority; and

(j) On April 16, 2016, the Board of Governors adopted Resolution No. 2016-004 appointing Russell V. Judd, Alton Scott Thygerson, Andrew J. Cantu, Glenn E. Goldis, M.D., Jared W. Leavitt, and Antoinette C. Smith, RN, MSN, to serve as initial officers of the Hospital Authority; and

(k) On January 16, 2019, the Board of Governors adopted Resolution No. 2019-001 reaffirming the appointments of Russell V. Judd, Alton Scott Thygerson, Andrew J. Cantu, Glenn E. Goldis, M.D., Jared W. Leavitt, and Antoinette C. Smith, RN, MSN, to serve as officers of the Hospital Authority; and

(l) On October 16, 2019, by a unanimous vote of those Directors present, the Board of Governors appointed Alton Scott Thygerson, Chief Strategy Officer, as President, Hospital and Clinic Operations of the Hospital Authority; and

(m) The Board of Governors desires to reaffirm the appointments of Russell V. Judd, Alton Scott Thygerson, Andrew J. Cantu, Glenn E. Goldis, M.D., Jared W. Leavitt, and Antoinette C. Smith, RN, MSN, to serve as officers of the Hospital Authority, effective October 16, 2019.

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

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

2. This Board hereby reaffirms the appointment of the following individuals by name and title as officers of the Kern County Hospital Authority, effective October 16, 2019:

Chief Executive Officer:	Russell V. Judd
President, Hospital and Clinic Operations:	Alton Scott Thygerson
Chief Financial Officer:	Andrew J. Cantu
Chief Medical Officer:	Glenn E. Goldis, M.D.
Chief Operating Officer:	Jared W. Leavitt
Chief Nursing Officer:	Antoinette C. Smith, RN, MSN

3. The provisions of this Resolution shall be effective, in force, and operative as of the 16th day of October, 2019.

4. Resolution No. 2019-001, adopted by the Board of Governors on January 16, 2019, is hereby repealed and superseded by this Resolution.

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

Kern Medical Center
Legal Services Department
Office of Kern County Counsel
Kern County Administrative Office
Clerk of the Kern County Board of Supervisors



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

January 15, 2020

Subject: Proposed Retroactive Amendment No. 8 to Agreement for Professional Consulting Services with Healthcare Performance Group, Inc.

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests that your Board retroactively approve the proposed Amendment No. 8 to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc. (HPG), in an amount of \$856,960, for a total revised Agreement amount of \$2,844,824 to provide extensions of professional services with HPG staff. These extended support services are required to meet the 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
Proposed Amendment No 8, dated January 15, 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

Therefore, it is recommended that your Board retroactively approve Amendment No. 8 to the Agreement for Professional Services with HPG for the extension of professional services for the period December 21, 2019 through June 10, 2020, effective December 21, 2019 increasing the maximum payable by \$856,960 from \$1,987,864 to \$2,844,824 for the additional professional fees and travel expenses, and authorize the Chief Executive Officer to sign.

HA Agmt. # _____

Amendment No. 8 To
Agreement for Professional Consulting Services
(Healthcare Performance Group, Inc. – Kern County Hospital Authority)

This Amendment No. 8 to the Agreement for Professional Consulting Services is entered into this 20th day of December 2019, 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) and Amendment No. 1 (Customer Agt.#062-2018, dated September 19, 2018) (“Agreement”), Amendment No. 2 (Customer Agt.#005-2019, dated January 16, 2019); Amendment No. 3 (Customer Agt.#018-2019, dated March 20, 2019) for the period of April 1, 2019 through December 20, 2019, Amendment No. 4 (Customer Agt.#023-2019, dated May 15, 2019), and Amendment No. 5 (Customer Agt.#043-2019, dated July 17, 2019), Amendment No. 6 (Customer Agt.#38019, dated July 31, 2019), and Amendment No. 7 (Customer Agt.#057-2019, dated September 18, 2019) 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 December 21, 2019:

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 June 10, 2020, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

- 2. Schedules A-13, A-14, A-15, A-16, A-17, and A-18, to Amendment No 8 is added to the Agreement and incorporated herein by this reference.
- 3. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 8 have the meaning set forth in the Agreement.

4. This Amendment No. 8 shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment No. 8 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. 8 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

By 
Russell V. Judd
Chief Executive Officer

HEALTHCARE PERFORMANCE GROUP, INC.

Chad
By Terstriep
Digitally signed by Chad Terstriep
Date: 2019.12.20 10:56:36 -06'00'
Printed Name: Chad Terstriep
Title/Position: President

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

Schedule "A-13"

Kern Medical (Customer) and Healthcare Performance Group, Inc. (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, Maria Negrete. Key responsibilities of this project engagement are as follows:

PROJECT ROLE AND DETAILS TO BE APPROVED BY CUSTOMER:

- Provide technical and clinical expertise for testing and integrated testing
- Provide best practice education on creation and execution of test scripts
- Provide expertise around best practices for workflows
- Provide Cerner Millennium design, build, testing, implementation and training
- Maria will work with Customer to facilitate meetings, tasks and project deliverables for this project
- Maria will provide additional expertise to other Millennium applications as requested by Customer
- Maria 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 Maria Negrete. Maria 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 June 10, 2020. Customer may wish to extend these services and will provide written notification if requested.

Fees, Timing & Payment

The professional service fee for these services is \$136 per hour. Additional hours will require an addendum for extension. Customer agrees to pay travel expenses. The additional professional service fees for this extended engagement are \$141,440.

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.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE:  (11) DATE: 12/28/19

HPG:

SIGNATURE: Chad Terstriep Digitally signed by Chad Terstriep Date: 2019.12.20 10:57:03 -06'00' DATE: 12/20/19

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

Schedule "A-14"

Kern Medical (Customer) and Healthcare Performance Group, Inc. (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, Elizabeth (Betsy) Hlavac. Key responsibilities of this project engagement are as follows:

PROJECT ROLE AND DETAILS TO BE APPROVED BY CUSTOMER:

- Provide technical and clinical expertise for PharmNet and Pharmacy initiatives
- Provide best practice workflows for Cerner Model Experience
- Provide design, build, testing, training, and implementation expertise for PharmNet and integrated points
- Lead the efforts for taking the current and future state workflow to integrate into testing
- Betsy will work with Customer to facilitate meetings, tasks and project deliverables for this project
- Betsy will provide additional expertise to other Millennium applications as requested by Customer
- Betsy 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 Elizabeth (Betsy) Hlavac. Betsy 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 June 10, 2020. Customer may wish to extend these services and will provide written notification if requested.

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. The additional professional service fees for this extended engagement are \$142,480.

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.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE:   DATE: 12/27/19

HPG:

SIGNATURE: Chad Terstriep Digitally signed by Chad Terstriep
Date: 2019.12.20 10:57:27 -06'00' DATE: 12/20/19

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

Schedule "A-15"

Kern Medical (Customer) and Healthcare Performance Group, Inc. (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 June 10, 2020. Customer may wish to extend these services and will provide written notification if requested.

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. The additional professional service fees for this extended engagement are \$142,480.

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.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE:   DATE: 12/27/19

HPG:

SIGNATURE: Chad Terstriep  DATE: 12/20/19

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

Schedule "A-16"

Kern Medical (Customer) and Healthcare Performance Group, Inc. (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 June 10, 2020. Customer may wish to extend these services and will provide written notification if requested.

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. The additional professional service fees for this extended engagement are \$144,560.

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.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE:   DATE: 12/27/19

HPG:

SIGNATURE: Chad Terstriep  DATE: 12/20/19

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

Schedule “A-17”

Kern Medical (Customer) and Healthcare Performance Group, Inc. (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, Jacqui Pada. 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 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
- Jacqui will work with Customer to facilitate meetings, tasks and project deliverables for this project
- Jacqui will provide additional expertise to other Millennium applications as requested by Customer
- Jacqui 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 Jacqui Pada. Jacqui 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 June 10, 2020. Customer may wish to extend these services and will provide written notification if requested.

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. The additional professional service fees for this extended engagement are \$144,560.

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.

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

ACCEPTED by:

CUSTOMER:

SIGNATURE:   DATE: 12/27/19

HPG:

SIGNATURE: Chad Terstriep  DATE: 12/20/19

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

Schedule "A-18"

Kern Medical (Customer) and Healthcare Performance Group, Inc. (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, Kayla Smith. 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 as it relates to Cerner HIM design and build
- Complete build and design delegated by the Customer
- Support and provide documentation on maintenance for build completed
- Kayla will work with Customer to facilitate meetings, tasks and project deliverables for this project
- Kayla will provide additional expertise to other Millennium applications as requested by Customer
- Kayla 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 Kayla Smith. Kayla 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 June 10, 2020. Customer may wish to extend these services and will provide written notification if requested.

Fees, Timing & Payment

The professional service fee for these services is \$136 per hour. Additional hours will require an addendum for extension. Customer agrees to pay travel expenses. The additional professional service fees for this extended engagement are \$141,440.

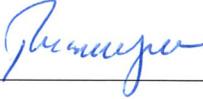
Professional services fees and reasonable travel and out of pocket expenses in accordance with Schedule I, will be invoiced biweekly. Should this engagement extend beyond 12 consecutive months, HPG may adjust the rate based upon agreement by both parties, but no more than 5%. The Invoice will be sent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

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

ACCEPTED by:

CUSTOMER:

SIGNATURE:   DATE: 12/22/19

HPG:

SIGNATURE: Chad Terstriep Digitally signed by
Chad Terstriep
Date: 2019.12.20
10:58:58 -06'00' DATE: 12/20/19

***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**

January 15, 2020

Subject: Proposed Report of Independent Auditors from Moss-Adams, LLP

Recommended Action: Receive and File; Refer to Kern County Board of Supervisors

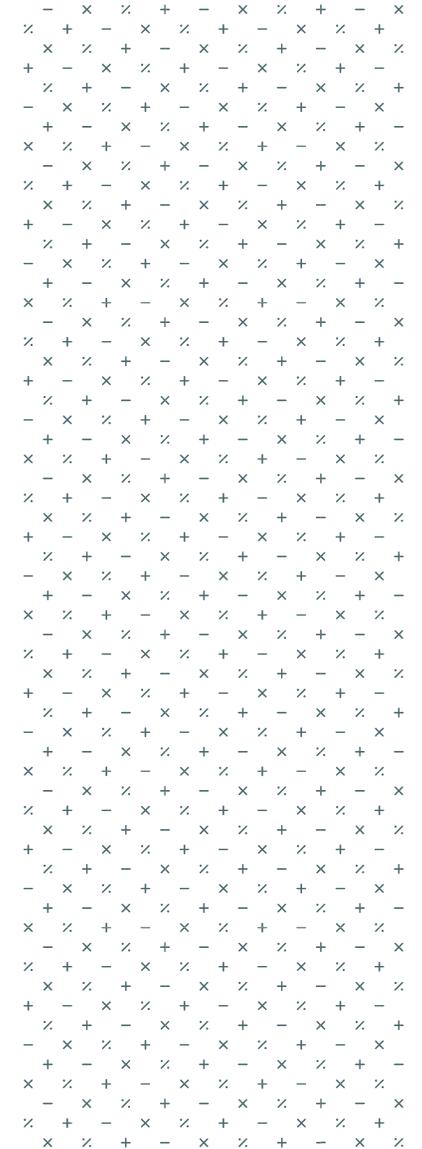
Summary:

Kern Medical requests your Board receive and file the Report of Independent Auditors from Moss-Adams, LLP, for the audit of Kern Medical's financial statements pursuant to Kern County Hospital Authority Agreement No. 069-2018. The scope of the audit includes the audit of Kern Medical financial statements, which comprise the statement of net position as of June 30, 2019, 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.



2019 Audit Results: Kern County Hospital Authority

January 15, 2020



Audit Committee

Kern Medical



Dear Board of Governors:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the financial statements of Kern County Hospital Authority (“Kern Medical”) for the year ended June 30, 2019.

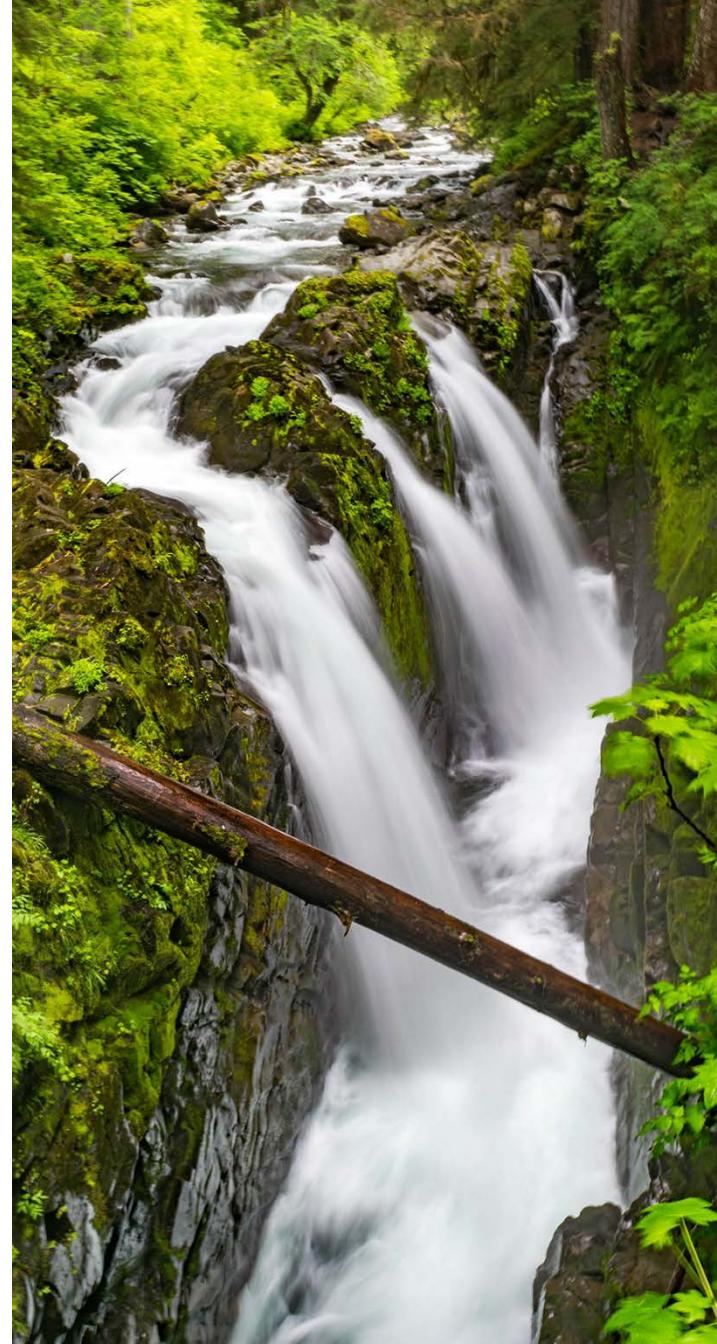
The accompanying report, which is intended solely for the use of the Board of Governors and management, presents important information regarding the Kern County Hospital Authority financial statements and our audit that we believe will be of interest to you. It is not intended and should not be used by anyone other than these specified parties.

We conducted our audit with the objectivity and independence that you expect. We receive the full support and assistance of the Kern County Hospital Authority personnel. We are pleased to serve and be associated with the Kern County Hospital Authority as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.

Agenda

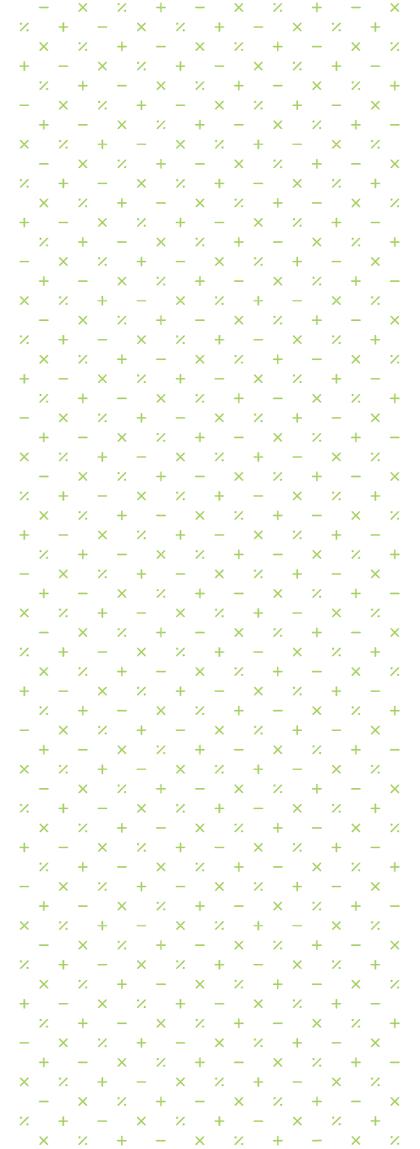
- Auditor Opinion and Reports
- Communications with Those Charged with Governance
- Exhibit: Management Representation Letter
- Other Information





Auditor Opinion & Reports

Better Together: Moss Adams & Kern County Hospital Authority



Scope of Services

We have performed the following services for Kern Medical:

- Annual financial statement audit as of and for the year ended June 30, 2019.

We have also performed the following nonattest services:

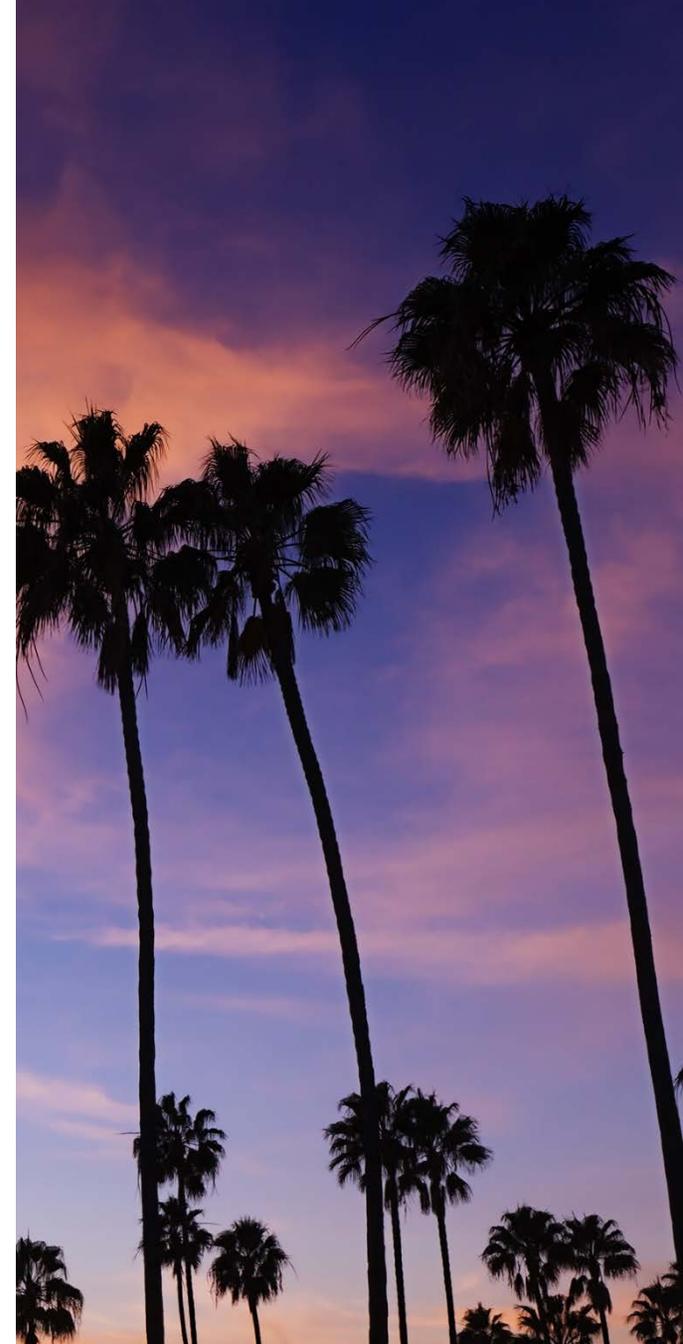
- Assisted in the drafting of the financial statements of Kern Medical, excluding Management's Discussion and Analysis.



Auditor Report on the Financial Statements

Unmodified Opinion

- Financial statements are presented fairly and in accordance with U.S. GAAP.



Other Auditor Reports

GAGAS Report on *Internal Control Over Financial Reporting* and on *Compliance and Other Matters*

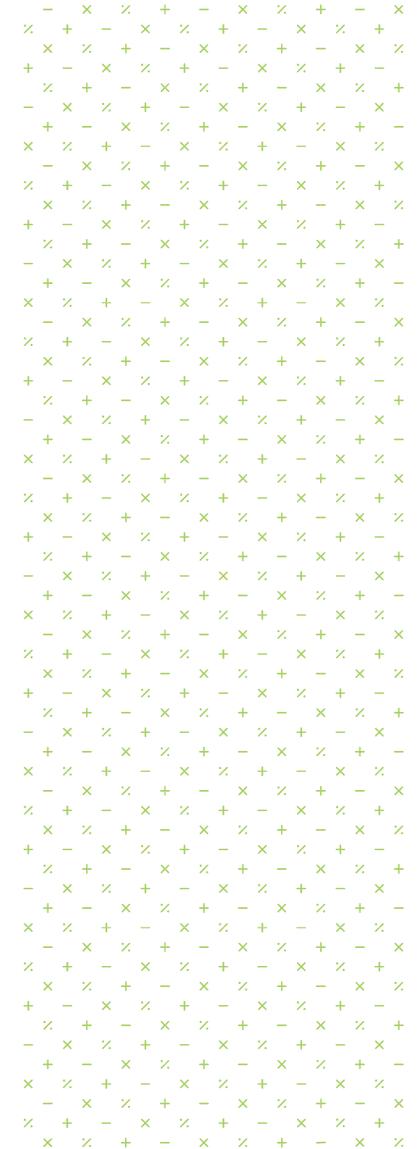
- No financial reporting findings reported
- No compliance findings reported





Communications with Those Charged with Governance

Better Together: Moss Adams & Kern County Hospital Authority



Our Responsibility

Our responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards.

1

To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, Government Auditing Standards issued by the Comptroller General of the United States, and the California (CA) Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for CA Special Districts, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

3

To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Planned Scope & Timing of the Audit

It is the auditor's responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient and appropriate audit evidence and to communicate with those charged with governance and overview of the planned scope and timing of the audit.

OUR COMMENTS

- The planned scope and timing of the audit was communicated to Kern Medical's Board of Governors in our audit planning letter and was included in the engagement letter for the year ended June 30, 2019.



Significant Accounting Policies & Unusual Transactions

The auditor should determine that the Board of Governors is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the Board of Governors is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

OUR COMMENTS

- Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by Kern Medical are described in the footnotes to the financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. There were no changes to significant accounting policies for the year ended June 30, 2019.
- We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.



Management Judgements & Accounting Estimates

The Board of Governors should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.

OUR COMMENTS

- Management's judgements and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements.
- Significant management estimates impacted the financial statements including the following: **patient accounts receivable reserves; actuarially determined accruals for workers' compensation, medical malpractice liabilities, pension, and other post-employment liabilities; and accruals for third party settlements.**
- We deem them to be reasonable.



Areas of Audit Emphasis

- Patient Revenue/Receivables
- Valuation of Third-Party Settlements, including Indigent Funding
- Pension and Other Post-Employment Benefits Obligations
- Self-Insured Risks – Professional Liability and Workers Compensation
- Related-Party Transactions



Areas of Audit Emphasis: Patient Service Revenue & Accounts Receivable Allowances

- **Accounting issue**
 - Revenue recognition and adequacy of contractual allowances and allowances for bad debts
- **Description of circumstance**
 - Revenue recognized when service provided
 - Receivables, primarily arising from third-party payors
- **Audit risk**
 - Revenue recognition could be inappropriate
 - Reserve for contractual allowances are understated
- **Moss Adams audit response**
 - Testing of internal controls around the revenue process
 - Testing of management's estimate of allowances using underlying collection history
 - Lookback analysis and subsequent cash receipts analysis
- **Moss Adams audit results**
 - Revenue recognition is considered appropriate
 - Valuation of patient accounts receivable is appropriate
 - Refer to next slide for hindsight analysis



Patient Accounts Receivable - Lookback Analysis

(\$s in 000s)	2019	2018	2017	2016
Net Patient Accounts Receivable	\$40,824,052	\$43,128,667	\$39,712,617	\$27,033,032
Subsequent Cash Receipts 4 months after 6/30	\$30,077,385	\$32,885,875	\$36,056,098	\$23,239,561
% Collected 4 months after 6/30	74%	76%	91%	86%
Exposure after 4 months collections	\$10,746,667	\$10,242,792	\$3,656,519	\$3,793,471
Collected 16 months after 6/30	n/a	\$40,995,061	\$45,758,675	\$30,103,626
Cash Receipts in Excess of (Less Than) Amounts Recorded	n/a	(\$2,133,606)	\$6,046,058	\$3,070,594
Cash Receipts in Excess of (Less Than) Amounts Recorded (%)	n/a	(5%)	15%	11%
Days in Patient Accounts Receivable	73	71	72	54



Areas of Audit Emphasis: Valuation of Third-Party Settlements, Including Indigent Funding

- **Accounting issue**
 - Revenue recognition and adequacy of reserves
- **Description of circumstance**
 - Revenue recognized in accordance with the elements of the respective reimbursement program
 - Receivables or payables, arising from expected settlements with third-party payors
- **Audit risk**
 - Revenue recognition could be inappropriate
 - Reserves are understated
- **Moss Adams audit response**
 - Testing of internal controls around the revenue process
 - Testing of management's estimate of reserves based on contractual reimbursement arrangements, historical settlements, latest available information from payors
 - Lookback analysis and subsequent cash receipts analysis
- **Moss Adams audit results**
 - Revenue recognition is considered appropriate based on available information
 - Valuation of third-party settlements is appropriate



Management Judgements & Accounting Estimates

Our views about the quantitative aspects of the entity's significant accounting policies, accounting estimates, and financial statement disclosures.

OUR COMMENTS

- The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users; however, we do not believe any of the footnotes are particularly sensitive. We call your attention to the following notes:
 - Note 8 – Long-Term Debt
 - Note 10 – Net Patient Service Revenue
 - Note 11 – Indigent Patient Care Funding
 - Note 12 – Related-Party Transactions
 - Note 13 – Pension Plan
 - Note 15 – Self-Insurance Programs
 - Note 16 – Post-Retirement Health Care Benefits



Significant Audit Adjustments & Unadjusted Differences Considered by Management to be Immaterial

The Board of Governors should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in Kern Medical's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future financial statements to be materially misstated.

The Board of Governors should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

OUR COMMENTS

Corrected Adjustments:

- There were no significant corrected adjustments proposed.

Uncorrected Adjustments:

- An adjustment of \$4,580,000 to increase Patient Accounts Receivable, \$3,674,000 to increase Patient Revenue, and \$906,000 to increase Unrestricted Net Position related to the cut-off timing of recording patient charges.

We concur with management's assessment that the uncorrected adjustment is immaterial to the financial statements taken as a whole.



Deficiencies in Internal Control and in Internal Control Over Compliance

Any material weaknesses and significant deficiencies in the design or operation of internal control or of internal control over compliance that came to the auditor's attention during the audit must be reported to the Audit Committee.

OUR COMMENTS

- Material weakness
 - None noted
- Significant deficiencies
 - Nothing to communicate
- Noncompliance
 - Nothing to communicate



Potential Effect on the Financial Statements of Any Significant Risks & Exposures

The Board of Governors should be adequately informed of the potential effect on financial statements of significant risks and exposures and uncertainties that are disclosed in the financial statements.

OUR COMMENTS

- Kern Medical is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements.



Difficulties Encountered in Performing the Audit

The Board of Governors should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit, including disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Kern Medical financial statements, or the auditor's report.

OUR COMMENTS

- No significant difficulties were encountered during our audit.
- We are pleased to report that there were no disagreements with management.



Material Uncertainties Related to Events & Conditions/ Fraud & Noncompliance with Laws and Regulations

Any doubt regarding the entity's ability to continue as a going concern should be communicated to the Board of Governors.

Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements should be communicated. We are also required to communicate any noncompliance with laws and regulations involving senior management that come to our attention, unless clearly inconsequential.

OUR COMMENTS

- No such matters came to our attention.
- We have not become aware of any instances of fraud or noncompliance with laws and regulations.



Other Material Written Communications

The Board of Governors should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit, including disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Kern Medical's financial statements or the auditor's report.

OUR COMMENTS

- See Exhibit 1 for management representation letter.
- Other than the engagement letter, management representation letter, and communications to those charged with governance, there have been no other significant communications.



Management's Consultation with Other Accountants

In some cases, management may decide to consult about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to Kern Medical's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

OUR COMMENTS

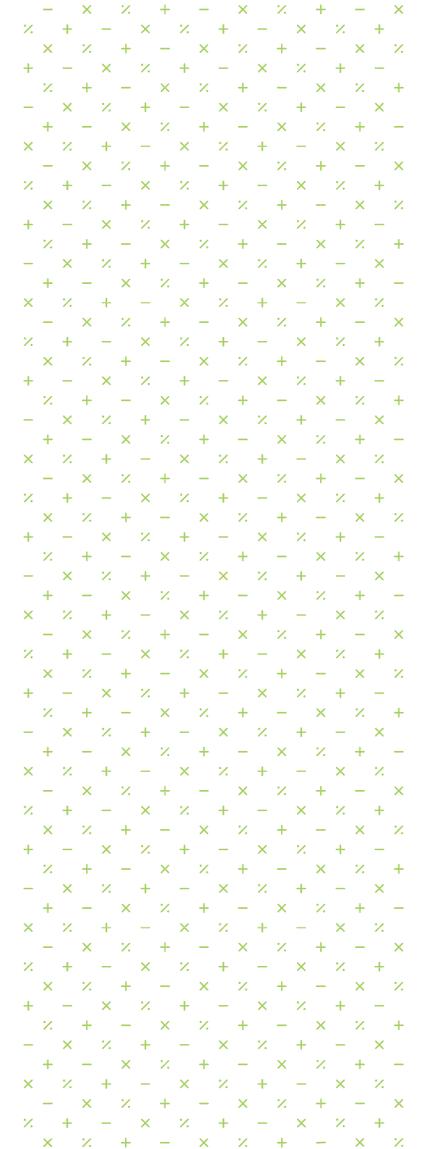
- We are not aware of any significant accounting or auditing matters for which management consulted other accountants.





Management Representation Letter

Exhibit 1



Management Representation Letter

December 20, 2019

Moss Adams LLP
10960 Wilshire Blvd., Suite 1100
Los Angeles, California 90024

Note: This represents an excerpt only.
Full management representation letter is
available upon request.

We are providing this letter in connection with your audits of the financial statements of Kern County Hospital Authority (the Authority or Kern Medical), which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$400,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 20, 2019,

Financial Statements

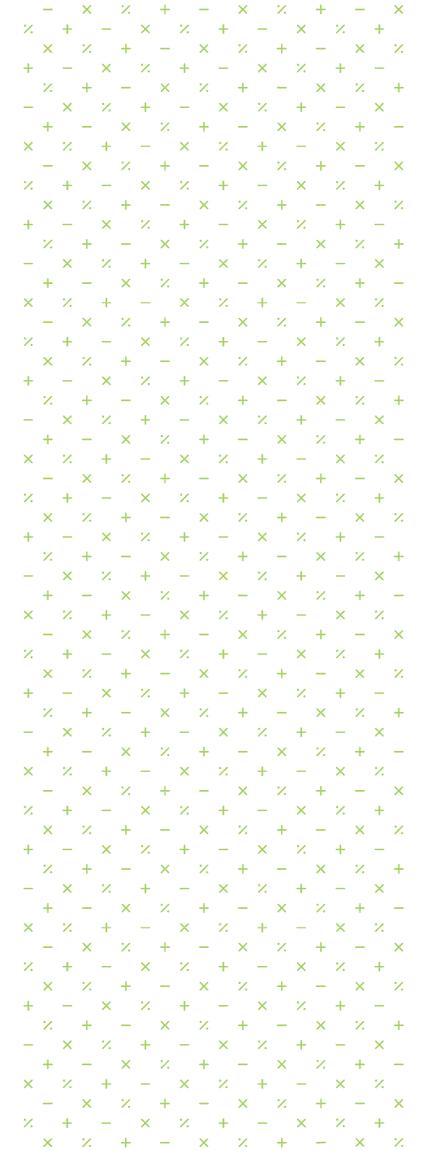
1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 16, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud





Industry Focus

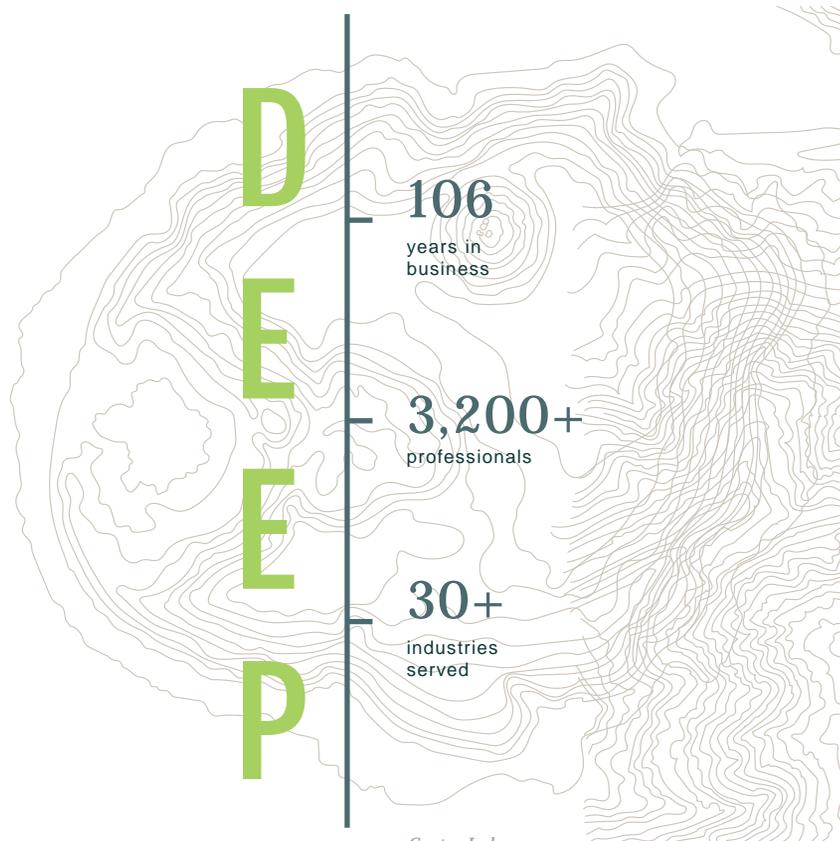
Better Together: Moss Adams & Kern County Hospital Authority



Expertise

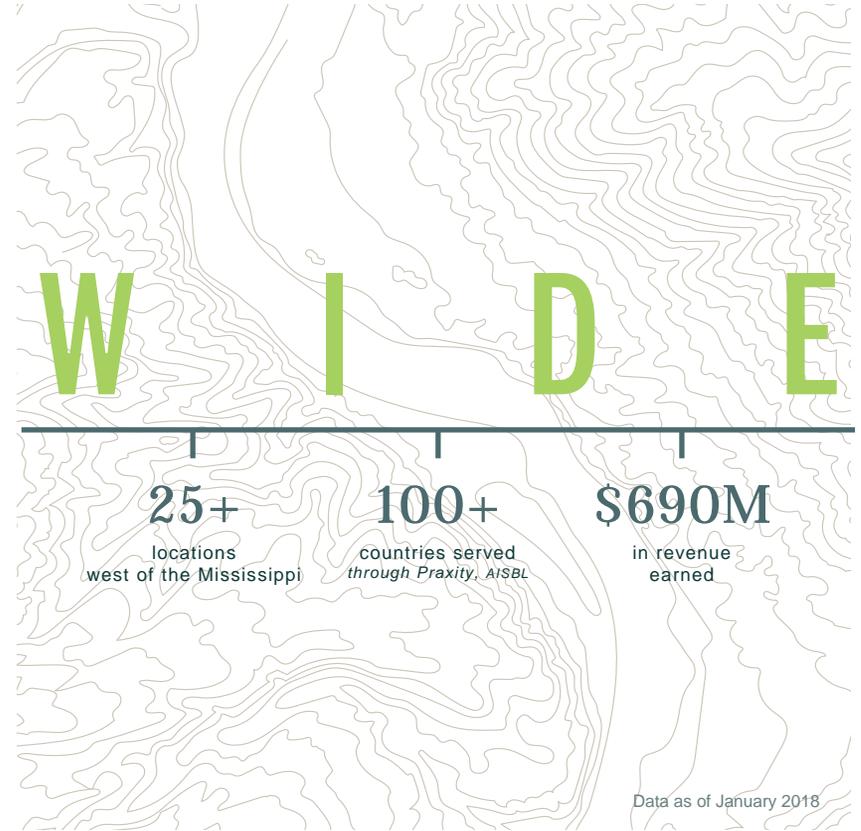


28



*Crater Lake—
A monument to perseverance, North America's deepest lake filled to 1,949 feet over 720 years.*

Reach



*Grand Canyon—
At 277 miles long and up to 18 miles wide, this icon serves as a testament to determination and time.*

Data as of January 2018

National Health Care Practice

Increased federal and state regulations and shifting patient populations create an opportunity for fresh perspectives and novel approaches to effectively operating in the marketplace. Solve your most complex challenges by engaging a team that understands the unique obstacles you face, backed by decades of experience in health care.

Health care is one of the firm's largest practice areas, and we've built a strong team of 275 professionals who provide industry-related accounting, auditing, and consulting services to over 2,500 clients that span the health care continuum.

We provide solutions, not just services, and will keep you up to date with industry changes.

*Industry
Expertise*

**D
E
E
P**

275+

health care professionals

39

health care partners

2,500+

clients nationwide

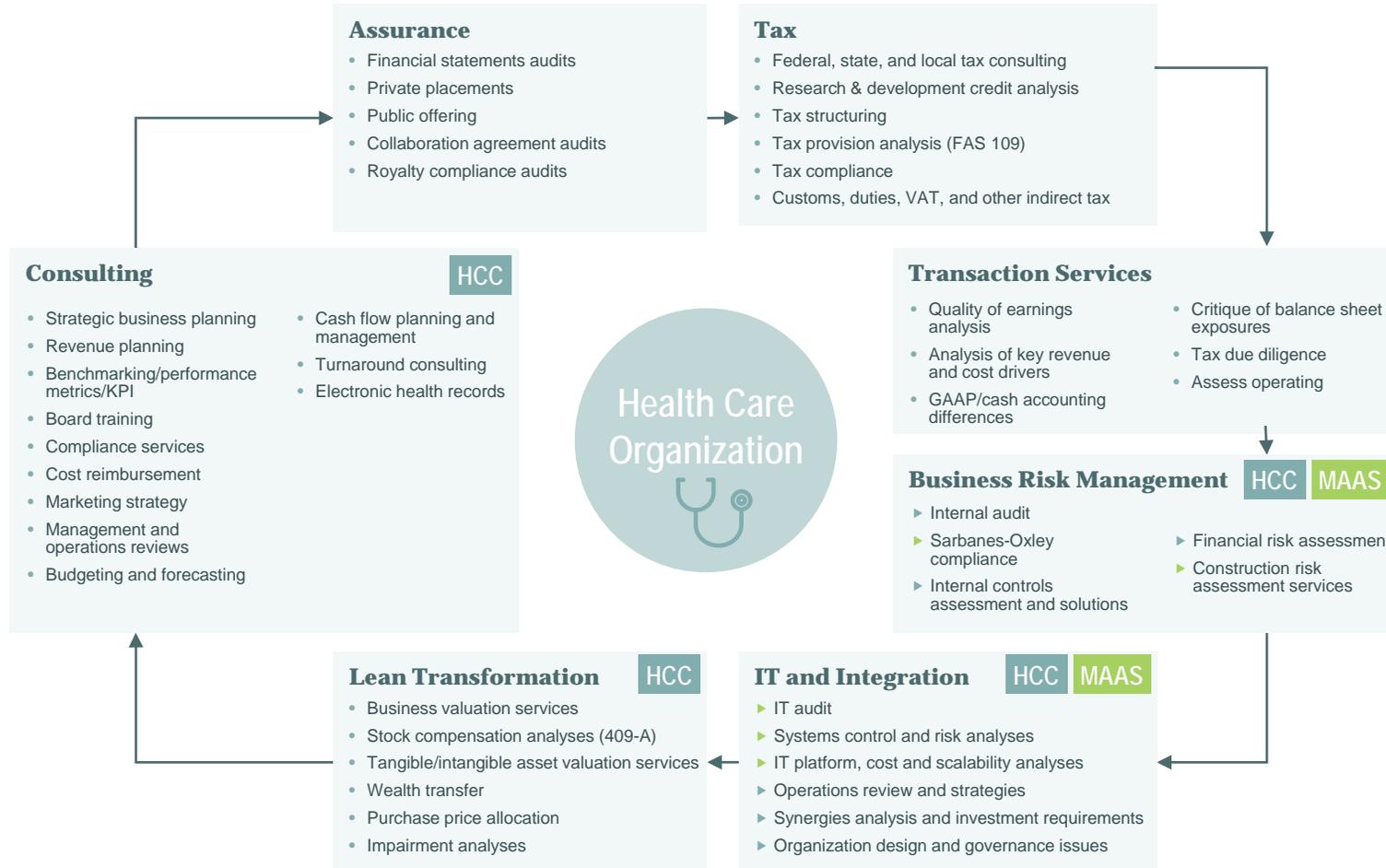
Leadership involvement with
AICPA Health Care Expert
Panel and HFMA National
Principles and Practice Board

Participation in 30+ national,
regional, and state health care
industry events

*Crater Lake—
A monument to
perseverance,
North America's
deepest lake filled
to 1,949 feet over
720 years.*

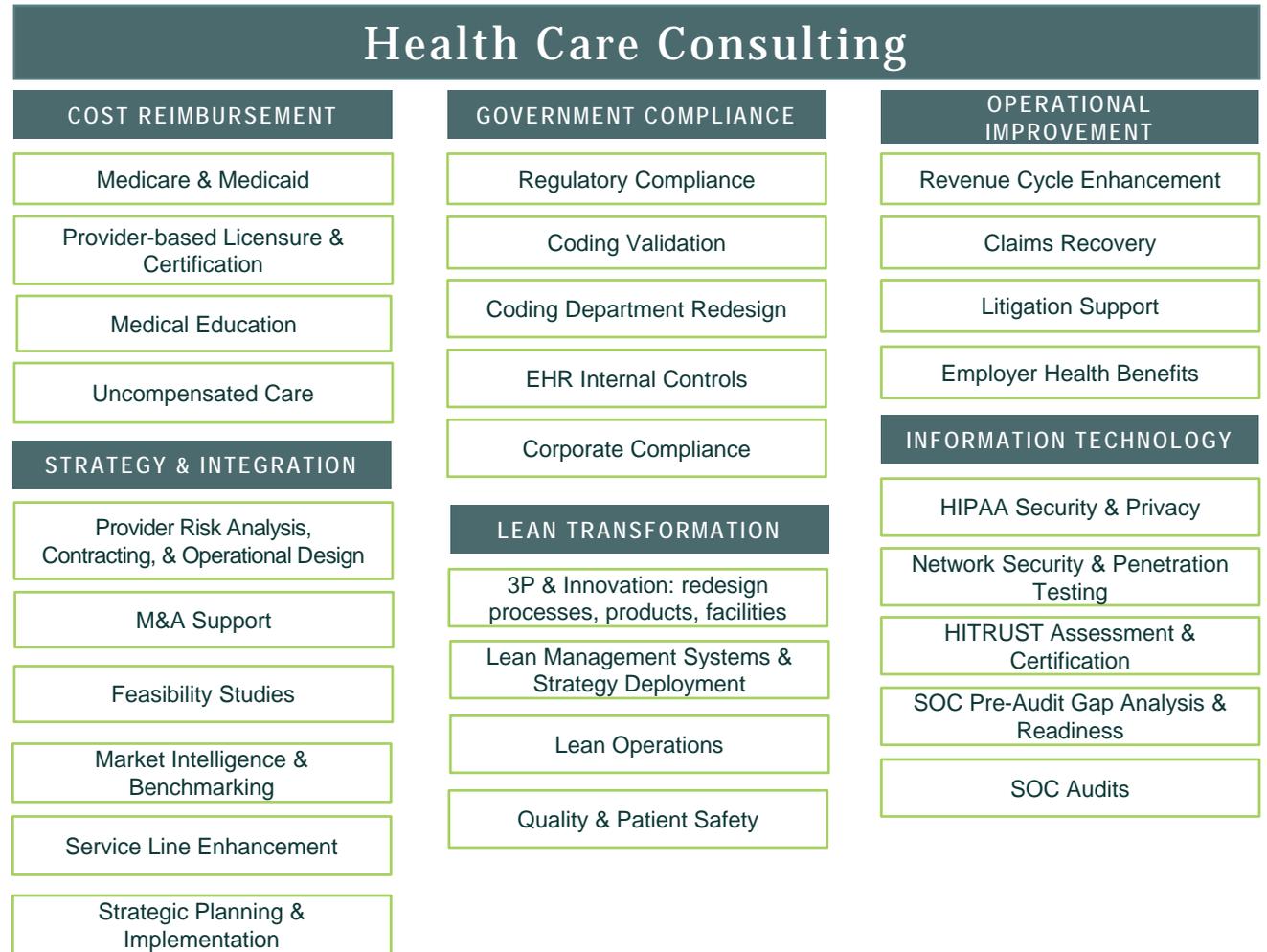
Data as of March 2017

Services Overview: How This All Fits Together



Additional Services

Audit and tax are vital. But you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all your needs—both now and in the future.



Insights and Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key.

These resources offer what you need to know, when you need to know it, and are presented in the format that fits your life.

We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.



ALERT

California State taxes will be administered and adjudicated differently beginning July 1

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The banner features the Moss Adams logo in the top left corner. The background is an aerial view of a dense forest with a circular graphic overlay.



INSIGHT

Is your data secure? Avoid a significant data breach by implementing best practices with the HITRUST CSF.

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The banner features the Moss Adams logo in the top left corner. The background shows a person standing on a rocky cliff overlooking the ocean at sunset.



WEBCAST

Boost Compliance with System and Organization Controls

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The banner features the Moss Adams logo in the top left corner. The background is a blue-toned image of a modern building with curved architectural elements.



Connect With Us

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and are presented in the format that fits your life.



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THANK
YOU





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

January 15, 2020

Subject: Comments Regarding Budget Variances – November 2019

Recommended Action: Receive and File

Summary:

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

Patient Revenue:

Gross patient revenue has a favorable year-to-date budget variance primarily because of improved revenue cycle efficiency.

Indigent Funding:

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

Capitation Premium Revenue:

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

Salaries Expense:

Salaries expense has an unfavorable budget variance for November due to the payout of physician bonuses and year-to-date true-up payments for physician relative value unit (RVU) payments.

Registry Nurse Expense:

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

Medical Fees:

Medical fees have a favorable variance for the month of November. Medical fees expense had continued to be accrued each month for a physician that resigned from Kern Medical earlier in the fiscal year. A year-to-date true-up adjustment was posted in November to account for the difference. In addition, medical fees are under budget on a year-to-date basis due in large part to reimbursement for Behavioral Health services that are credited against this expense.

Other Professional Fees:

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

Supplies Expense:

Supplies expenses are under budget for the month because of lower than average costs for pharmaceuticals. Pharmaceutical costs, as well as general medical supply costs and computer software costs, are the primary reason for the unfavorable year-to-date budget variance for supplies expenses.

Purchased Services:

Purchased services were under budget for November due to the reclassification of Healthcare Performance Group contract labor expense to the Cerner EHR capital project. On a year-to-date basis, purchased services expenses have an unfavorable budget variance mainly due to higher than average expenses for Signature Performance, Health Advocates, and ambulance fees.

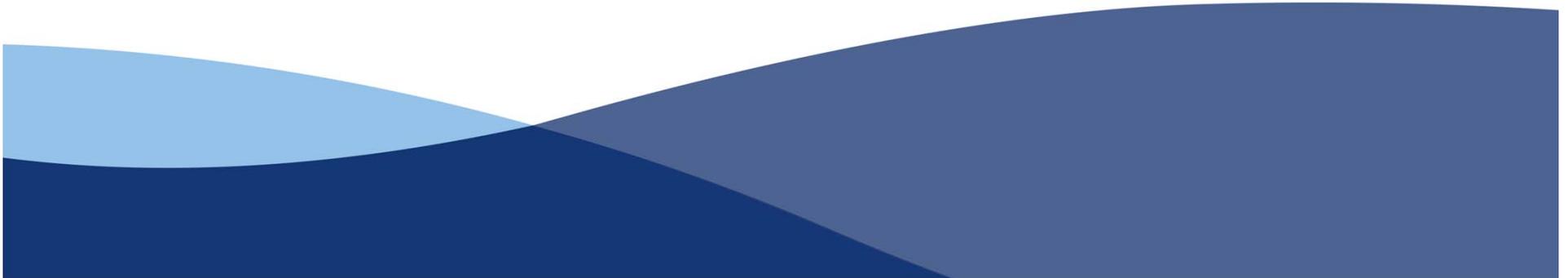
Other Expenses:

Other expenses for November were even with the budgeted amount and are trending as projected on a year-to-date basis.



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

JANUARY 2020



3-Month Trend Analysis: Revenue & Expense

November 30, 2019

	SEPTEMBER	OCTOBER	NOVEMBER	BUDGET NOVEMBER	VARIANCE POS (NEG)	PY NOVEMBER
Gross Patient Revenue	\$ 76,169,515	\$ 83,717,416	\$ 81,226,355	\$ 72,579,650	12%	\$ 66,895,758
Contractual Deductions	(57,100,326)	(62,813,935)	(60,432,238)	(53,968,267)	12%	(49,644,291)
Net Revenue	19,069,189	20,903,481	20,794,117	18,611,383	12%	17,251,467
Indigent Funding	11,700,725	12,465,202	12,190,725	12,354,337	(1%)	12,435,621
Correctional Medicine	2,777,068	2,443,735	2,443,735	2,777,068	(12%)	2,552,068
County Contribution	285,471	284,951	285,496	284,951	0.2%	285,211
Incentive Funding	333,333	333,333	(273,133)	333,333	(182%)	250,000
Net Patient Revenue	34,165,786	36,430,702	35,440,940	34,361,071	3%	32,774,367
Gain/(Loss) on Health-Related Entity	(118,684)	(105,072)	(95,966)	0	0%	0
Other Operating Revenue	1,314,736	1,518,370	872,657	1,267,452	(31%)	1,032,193
Other Non-Operating Revenue	500	(34)	1,094	4,489	(76%)	73,399
Total Revenue	35,362,338	37,843,966	36,218,725	35,633,013	2%	33,879,959
Expenses						
Salaries	13,632,163	15,555,187	15,752,618	14,040,821	12%	12,497,006
Employee Benefits	6,200,833	6,760,144	6,681,937	6,480,813	3%	5,880,096
Contract Labor	1,583,934	1,934,128	1,895,707	1,370,333	38%	1,571,622
Medical Fees	1,784,320	1,783,119	1,536,773	1,760,701	(13%)	1,566,767
Other Professional Fees	1,520,692	1,165,662	1,529,484	2,151,076	(29%)	1,713,564
Supplies	5,357,817	5,966,461	4,937,326	5,252,525	(6%)	4,994,017
Purchased Services	2,409,922	2,005,479	1,408,854	1,855,621	(24%)	2,052,132
Other Expenses	1,682,181	1,463,117	1,505,400	1,530,985	(2%)	1,475,268
Operating Expenses	34,171,863	36,633,296	35,248,098	34,442,876	2%	31,750,472
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	1,190,475	1,210,670	970,627	1,190,137	(18%)	2,129,487
EBIDA Margin	3%	3%	3%	3%	(20%)	6%
Interest	260,529	226,813	219,742	342,117	(36%)	170,641
Depreciation	513,081	487,004	479,686	509,215	(6%)	519,707
Amortization	76,688	76,688	261,315	221,888	18%	58,691
Total Expenses	35,022,161	37,423,801	36,208,841	35,516,095	2%	32,499,512
Operating Gain (Loss)	340,177	420,166	9,885	116,918	(92%)	1,380,447
Operating Margin	1.0%	1.1%	0.0%	0.33%	(92%)	4%

Year-to-Date: Revenue & Expense

November 30, 2019

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 389,507,200	370,069,202	5%	\$ 358,854,819	9%
Contractual Deductions	(289,489,610)	(277,678,360)	4%	(272,594,996)	6%
Net Revenue	100,017,590	92,390,842	8%	86,259,823	
Indigent Funding	61,167,623	62,057,117	(1%)	64,446,060	(5%)
Correctional Medicine	12,718,673	13,885,340	(8%)	12,760,340	(0.3%)
County Contribution	1,425,820	1,424,754	0.07%	1,426,055	(0.02%)
Incentive Funding	1,060,200	1,666,667	(36%)	4,314,060	0%
Net Patient Revenue	176,389,906	171,424,720	3%	169,206,338	4%
Gain/(Loss) on Health-Related Entity	(397,969)	0	0%	0	0%
Other Operating Revenue	5,789,564	6,445,243	(10%)	5,240,850	10%
Other Non-Operating Revenue	22,128	41,660	(47%)	278,971	(92%)
Total Revenue	181,803,628	177,911,623	2%	174,726,160	4%
Expenses					
Salaries	72,618,558	69,721,954	4%	65,584,697	11%
Employee Benefits	33,013,047	32,144,065	3%	29,902,503	10%
Contract Labor	8,703,448	6,973,623	25%	7,641,543	14%
Medical Fees	8,433,125	8,888,712	(5%)	9,163,093	(8%)
Other Professional Fees	7,550,112	10,428,538	(28%)	8,663,851	(13%)
Supplies	28,007,860	26,679,650	5%	25,366,995	10%
Purchased Services	9,965,729	9,463,669	5%	9,977,610	(0.1%)
Other Expenses	7,788,382	7,808,282	(0.3%)	8,114,128	(4%)
Operating Expenses	176,080,261	172,108,494	2%	164,414,420	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	5,723,367	5,803,129	(1%)	10,311,740	(44%)
EBIDA Margin	3%	3%	(3%)	6%	(47%)
Interest	1,173,359	1,710,583	(31%)	2,369,974	(50%)
Depreciation	2,505,664	2,545,719	(2%)	2,581,474	(3%)
Amortization	568,065	1,105,834	(49%)	280,229	103%
Total Expenses	180,327,349	177,470,629	2%	169,646,097	6%
Operating Gain (Loss)	1,476,279	440,993	235%	5,080,062	(71%)
Operating Margin	1%	0.2%	228%	3%	(72%)

3-Month Trend Analysis: Cash Indicators

November 30, 2019

		SEPTEMBER	OCTOBER	NOVEMBER	GOALS NOVEMBER	PY NOVEMBER
Cash						
	Total Cash	30,316,692	18,077,243	26,755,536	33,103,706	63,772,426
	Days Cash On Hand	27	15	23	29	59
	Days In A/R - Gross	87.75	84.01	87.62	70.00	74.64
	Patient Cash Collections	\$ 18,168,052	\$ 20,290,788	\$ 15,594,622	\$ 19,024,174	\$ 18,420,777
Indigent Funding Liabilites Due to the State						
	FY 2007 Waiver Payable (County Responsibility)	\$ (745,824)	\$ (745,824)	\$ (745,824)	N/A	\$ (745,824)
	FY 2008 Waiver Payable (County Responsibility)	\$ (6,169,000)	\$ (6,169,000)	\$ (6,169,000)	N/A	\$ (6,169,000)
	FY 2009 Waiver Payable (County Responsibility)	\$ (2,384,000)	\$ (2,384,000)	\$ (2,384,000)	N/A	\$ (2,384,000)
	FY 2011 Waiver Payable (County Responsibility)	\$ (10,493,878)	\$ (10,493,878)	\$ (10,493,878)	N/A	\$ (10,493,878)
	Total County Responsibility	\$ (19,792,702)	\$ (19,792,702)	\$ (19,792,702)		\$ (19,792,702)
	FY 2015 Waiver Payable (Kern Medical Responsibility)	\$ (11,223,792)	\$ (11,223,792)	\$ (23,770,144)	N/A	\$ (11,223,792)
	FY 2016 Waiver Payable (Kern Medical Responsibility)	\$ (2,819,361)	\$ (2,819,361)	\$ (4,477,261)	N/A	\$ (2,819,361)
	FY 2017 Waiver Payable (Kern Medical Responsibility)	\$ -	\$ -	\$ (1,652,782)		
	FY 2018 Waiver Payable (Kern Medical Responsibility)	\$ -	\$ -	\$ (3,347,641)		
	DSH Payable (Kern Medical Responsibility)	\$ (42,388,763)	\$ (42,388,763)	\$ (29,842,410)	N/A	\$ (26,851,210)
	Total Kern Medical Responsibility	\$ (56,431,916)	\$ (56,431,916)	\$ (63,090,238)		\$ (40,894,363)
	Total Indigent Funding Liabilites Due to the State	\$ (76,224,618)	\$ (76,224,618)	\$ (82,882,940)	N/A	\$ (60,687,065)

3-Month Trend Analysis: Operating Metrics

November 30, 2019

	SEPTEMBER	OCTOBER	NOVEMBER	BUDGET NOVEMBER	VARIANCE POS (NEG)	PY NOVEMBER
Operating Metrics						
Total Expense per Adjusted Admission	22,825	23,224	25,476	22,332	14%	22,113
Total Expense per Adjusted Patient Day	4,253	4,287	4,730	4,521	5%	4,379
Supply Expense per Adjusted Admission	3,492	3,703	3,474	3,303	5%	3,398
Supply Expense per Surgery	1,638	2,350	1,687	1,870	(10%)	1,611
Supplies as % of Net Patient Revenue	16%	16%	14%	15%	(9%)	15%
Pharmaceutical Cost per Adjusted Admission	1,536	1,762	1,646	1,654	(0.5%)	1,710
Net Revenue Per Adjusted Admission	\$ 12,428	\$ 12,972	\$ 14,631	\$ 11,703	25%	\$ 11,738

Year-to-Date: Operating Metrics

November 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Operating Metrics						
	Total Expense per Adjusted Admission	22,787	21,915	4%	21,456	6%
	Total Expense per Adjusted Patient Day	4,313	4,435	(3%)	4,240	2%
	Supply Expense per Adjusted Admission	3,539	3,295	7%	3,208	10%
	Supply Expense per Surgery	1,827	1,869	(2%)	1,924	(5%)
	Supplies as % of Net Patient Revenue	16%	16%	2%	15%	6%
	Pharmaceutical Cost per Adjusted Admission	1,701	1601	6%	1,437	18%
	Net Revenue Per Adjusted Admission	\$ 12,639	11,409	10%	\$ 10,910	16%

INDIGENT PATIENT CARE FUNDING - MTD & YTD

FOR THE MONTH OF NOVEMBER 30, 2019

MTD ACTUAL	MTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %
389,344	409,836	(20,492)	-5%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	1,985,656	2,090,164	(104,508)	-5%
2,187,230	2,302,348	(115,117)	-5%	MEDI-CAL RATE-RANGE REVENUE	10,660,874	11,221,973	(561,099)	-5%
89,655	94,374	(4,719)	-5%	PHYSICIAN SPA REVENUE	457,241	481,306	(24,065)	-5%
442,393	465,677	(23,284)	-5%	AB 915 OUTPATIENT SUPPLEMENTAL PROGRAM	2,256,204	2,374,952	(118,748)	-5%
2,088,525	2,088,525	0	0.0%	PRIME - NEW WAIVER	10,541,475	10,541,475	0	0.0%
2,341,189	2,341,189	0	0.0%	GPP - NEW WAIVER	11,620,062	11,620,062	0	0.0%
1,229,508	1,229,508	0	0.0%	WHOLE PERSON CARE	6,270,492	6,270,492	0	0.0%
0	0	0	0%	EPP REVENUE	(81,074)	0	(81,074)	0%
1,733,750	1,733,750	0	0%	EPP REVENUE	8,842,125	8,842,125	0	0%
1,689,131	1,689,131	0	0%	QIP REVENUE	8,614,569	8,614,569	0	0%
12,190,725	12,354,337	(163,612)	-1%	SUB-TOTAL - GOVERNMENTAL REVENUE	61,167,623	62,057,117	(889,494)	-1%
2,443,735	2,777,068	(333,333)	-12.0%	CORRECTIONAL MEDICINE	12,718,673	13,885,340	(1,166,667)	-8.4%
285,496	284,951	546	0.2%	COUNTY CONTRIBUTION	1,425,820	1,424,754	1,066	0.1%
14,919,956	15,416,355	(496,399)	-3%	TOTAL INDIGENT CARE & COUNTY FUNDING	75,312,116	77,367,211	(2,055,095)	-3%

OTHER REVENUE

FOR THE MONTH NOVEMBER 30, 2019

OTHER OPERATING REVENUE

	MTD ACTUAL	MTD BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
MEDICAL POSTGRAD EDUCATION TUITION	249,565	251,623	(2,058)	1,236,625	1,283,277	(46,652)
STAFF DEVELOPMENT EDUCATION FEES	0	418	(418)	190	2,130	(1,940)
CAFETERIA REVENUE	90,734	77,496	13,238	453,021	395,232	57,789
FINANCE CHARGES-PATIENT AR	9,984	12,046	(2,062)	88,517	61,432	27,085
REBATES AND REFUNDS	3,166	69,188	(66,021)	100,464	352,857	(252,393)
DRUG COMPANY CASH BACK	0	3,275	(3,275)	4,054	16,704	(12,650)
PHOTOCOPY FEES	3,885	4,550	(665)	20,917	23,203	(2,286)
ADMINISTRATIVE FEES-PAYROLL	0	75	(75)	158	384	(226)
PHYSICIAN PRO FEE-ER LOCKBOX	0	5,540	(5,540)	13,731	28,253	(14,521)
OTHER REVENUE	6,568	124,358	(117,790)	114,085	615,463	(501,377)
LASER CENTER REVENUE	16,104	16,463	(360)	106,302	83,963	22,339
GRANTS - KHS	121,952	240,477	(118,525)	447,558	1,226,431	(778,873)
MADDY FUNDS-EMERGENCY MEDICAL SERVICES	0	22,537	(22,537)	215,005	114,940	100,065
PRIMARY CARE & OTHER INCENTIVES	1,156	9,887	(8,731)	75,021	50,421	24,599
VETERANS ADMINISTRATIVE REVENUE	3,310	3,075	235	10,748	15,684	(4,936)
JAMISON CENTER MOU	27,131	25,849	1,283	114,739	131,829	(17,089)
BEHAVIORAL HEALTH MOU	326,619	288,811	37,808	1,521,597	1,472,937	48,661
PATERNITY DECLARATION REVENUE	0	1,038	(1,038)	3,980	5,296	(1,316)
PEDIATRIC FORENSIC EXAMS	0	5,165	(5,165)	0	26,340	(26,340)
FOUNDATION CONTRIBUTIONS	1,300	2,949	(1,649)	9,164	15,042	(5,878)
FOUNDATION CONTRIBUTIONS FOR EQUIPMENT	0	18,362	(18,362)	0	93,647	(93,647)
PAY FOR PERFORMANCE	0	23,911	(23,911)	76,518	121,949	(45,431)
PROPOSITION 56 DIRECTED PAYMENTS	11,183	60,359	(49,176)	1,177,169	307,831	869,338
TOTAL OTHER OPERATING REVENUE	872,657	1,267,452	(394,795)	5,789,564	6,445,243	(655,679)

OTHER NON-OPERATING REVENUE

GAIN/LOSS ON DISPOSAL OF PROPERTY	0	3,718	(3,718)	0	18,962	(18,962)
INTEREST ON FUND BALANCE	0	0	0	18,763	18,764	(0)
PARKING LOT RENT REVENUE	1,094	771	323	3,188	3,933	(745)
MISCELLANEOUS	0	0	(0)	176	1	176
TOTAL OTHER NON-OPERATING REVENUE	1,094	4,489	(3,395)	22,128	41,660	(19,532)

KERN MEDICAL BALANCE SHEET		
	November 2019	November 2018
CURRENT ASSETS:		
CASH	\$26,755,536	\$19,329,540
CURRENT ACCOUNTS RECEIVABLE (incl. CLINIC CHARGES RECEIVABLE)	232,167,570	184,198,760
ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES - CURRENT	(176,336,881)	(140,316,080)
-NET OF CONTRACTUAL ALLOWANCES	55,830,688	43,882,680
CORRECTIONAL MEDICINE RECEIVABLE	2,581,292	2,188,295
MD SPA	1,632,666	5,952,673
HOSPITAL FEE RECEIVABLE	3,672,105	(761,844)
CPE - O/P DSH RECEIVABLE	8,274,952	3,101,305
BEHAVIORAL HEALTH MOU	1,298,042	2,244,690
MANAGED CARE IGT (RATE RANGE)	37,729,692	16,833,214
RECEIVABLE FROM LIHP	-	(6,547,536)
OTHER RECEIVABLES	6,616,671	2,444,167
PRIME RECEIVABLE	10,541,475	36,205,787
AB85/75% DEFAULT PCP RECEIVABLE	-	(9,146,436)
GPP (Global Payment Program)	5,444,567	(5,654,262)
WPC (Whole Person Care)	19,575,850	6,673,084
EPP (Enhanced Payment Program)	38,784,019	10,645,833
QIP (Quality Incentive Program)	24,160,596	6,233,333
INTEREST ON FUND BALANCE RECEIVABLE	10,496	268,595
MANAGED CARE IGT (SPD)	0	(1,907,399)
WAIVER RECEIVABLE FY07	(745,824)	(745,824)
WAIVER RECEIVABLE FY08	(6,169,000)	(6,169,000)
WAIVER RECEIVABLE FY09	(2,384,000)	(2,384,000)
WAIVER RECEIVABLE FY10	579,696	579,696
WAIVER RECEIVABLE FY11	(10,493,878)	(10,493,878)
WAIVER RECEIVABLE FY12	679,308	679,308
WAIVER RECEIVABLE FY15	(23,770,144)	(11,223,792)
WAIVER RECEIVABLE FY16	(4,477,261)	(2,819,361)
WAIVER RECEIVABLE FY17	(1,652,782)	0
WAIVER RECEIVABLE FY18	3,347,641	0
PREPAID EXPENSES	3,386,409	3,411,847
PREPAID MORRISON DEPOSIT	813,320	813,320
INVENTORY AT COST	5,542,359	5,398,327
TOTAL CURRENT ASSETS	207,564,492	109,032,363
PROPERTY, PLANT & EQUIPMENT:		
LAND	1,683,786	542,961
EQUIPMENT	53,217,567	51,513,798
BUILDINGS	90,614,739	87,486,989
CONSTRUCTION IN PROGRESS	7,156,093	27,357,984
LESS: ACCUMULATED DEPRECIATION	(98,016,084)	(91,896,210)
NET PROPERTY, PLANT & EQUIPMENT	54,656,102	75,005,522
NET INTANGIBLE ASSETS		
INTANGIBLE ASSETS	47,976,010	14,688,166
ACCUMULATED AMORTIZATION INTANGIBLES	(12,472,844)	(11,287,465)
NET INTANGIBLE ASSETS	35,503,166	3,400,701
LONG-TERM ASSETS:		
LONG-TERM PATIENT ACCOUNTS RECEIVABLE		
DEFERRED OUTFLOWS - PENSIONS	79,727,604	71,752,645
INVESTMENT IN SURGERY CENTER	5,448,097	3,143,659
CASH HELD BY COP IV TRUSTEE	931,830	922,330
TOTAL LONG-TERM ASSETS	86,107,531	75,818,634
TOTAL ASSETS	\$383,831,291	\$263,257,221

KERN MEDICAL BALANCE SHEET		
	November 2019	November 2018
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	\$35,365,684	\$21,626,962
ACCRUED SALARIES & EMPLOYEE BENEFITS	31,523,610	23,783,343
INTEREST PAYABLE	3,989,556	4,856,676
OTHER ACCRUALS	5,278,538	3,669,631
CREDIT LINE PAYABLE - PNC BANK	7,500,000	0
CURRENT PORTION - CAPITALIZED LEASES	2,007,913	1,931,455
CURR LIAB - COP 2011 PAYABLE	1,131,693	1,131,693
CURR LIAB - P.O.B.	1,825,221	1,684,945
MEDICARE COST REPORT LIABILITY PAYABLE	986,541	3,094,510
MEDI-CAL COST REPORT LIABILITY	389,631	1,070,179
INDIGENT FUNDING PAYABLE	9,300,965	15,436,349
DSH PAYABLE	29,842,410	26,851,210
CREDIT BALANCES PAYABLES	4,538,869	3,517,760
DEFERRED REVENUE - COUNTY CONTRIBUTION	10,259,696	4,652,736
TOTAL CURRENT LIABILITIES	143,940,326	113,307,449
LONG-TERM LIABILITIES:		
LONG-TERM LIABILITY-COP 2011	0	0
NET UNAMORTIZED DISCOUNT COP	19,993	39,985
LONG-TERM LIABILITY - CAPITAL LEASES	2,405,930	6,267,636
NET OPEB (OTHER POST EMPLOYMENT BENEFITS)	3,772,716	4,201,203
NET PENSION LIABILITY	307,234,709	329,935,445
L.T. LIAB. - P.O.B. INTEREST PAYABLE 08	12,745,786	14,842,004
L.T. LIAB. - P.O.B. INTEREST PAYABLE 03	4,763,410	4,329,041
L.T. P.O.B. PAYABLE 95	7,535,194	11,590,866
L.T. P.O.B. PAYABLE 08	5,392,893	5,392,893
ACCRUED PROFESSIONAL LIABILITY	6,527,387	5,060,041
ACCRUED WORKERS' COMPENSATION PAYABLE	6,252,235	6,773,000
DEFERRED INFLOWS - PENSIONS	60,090,954	22,238,926
PENSION OBLIGATION BOND PAYABLE	1,610,473	2,643,205
ACCRUED COMPENSATED ABSENCES	3,830,085	3,830,085
TOTAL LONG-TERM LIABILITIES	422,181,766	417,144,330
NET POSITION		
RETAINED EARNINGS - CURRENT YEAR	36,714,021	39,814,215
RETAINED EARNINGS - PRIOR YEAR	(219,004,822)	(307,008,774)
TOTAL NET POSITION	(182,290,801)	(267,194,559)
TOTAL LIABILITIES & NET POSITION	\$383,831,291	\$263,257,221



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

January 15, 2020

Subject: Kern County Hospital Authority, Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

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



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

JANUARY 2020



3-Month Trend Analysis: Volume and Strategic Indicators

November 30, 2019

		SEPTEMBER	OCTOBER	NOVEMBER	BUDGET NOVEMBER	VARIANCE POS (NEG)	PY NOVEMBER
VOLUME							
	Adjusted Admissions (AA)	1,534	1,611	1,421	1,590	(11%)	1,470
	Adjusted Patient Days	8,236	8,729	7,656	7,856	(3%)	7,422
	Admissions	784	763	737	812	(9%)	743
	Average Daily Census	140	133	132	134	(1%)	125
	Patient Days	4,208	4,133	3,970	4,011	(1%)	3,752
	Available Occupancy %	63.2%	60.1%	59.6%	60.2%	(1%)	58.4%
	Average LOS	5.4	5.4	5.4	4.9	9%	5.0
	Surgeries						
	Inpatient Surgeries (Main Campus)	186	172	174	193	(10%)	185
	Outpatient Surgeries (Main Campus)	272	275	273	249	10%	253
	Total Surgeries (Main Campus)	458	447	447	442	1%	438
	Outpatient Surgeries (Ambulatory Surgery Center)	50	*	74	144	(49%)	0
	Births	211	186	223	215	4%	223
	ER Visits						
	Admissions	442	555	433	417	4%	375
	Treated & Released	4,021	5,261	3,866	3,722	4%	3,618
	Total ER Visits	4,463	5,816	4,451	4,139	8%	3,993
	Trauma Activations	272	258	250	217	15%	223
	Outpatient Clinic Visits						
	Total Clinic Visits	13,011	14,493	7,827	12,912	(39%)	12,726
	Total Unique Patient Clinic Visits	9,615	10,437	6,384	9,718	(34%)	9,578
	New Unique Patient Clinic Visits	1,760	1,804	1,199	1,885	(36%)	1,858

Year-to-Date: Volume and Strategic Indicators

November 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
VOLUME						
	Adjusted Admissions (AA)	7,913	8,098	(2%)	7,907	0.1%
	Adjusted Patient Days	41,807	40,019	4%	40,011	4%
	Admissions	3,908	4,121	(5%)	3,992	(2%)
	Average Daily Census	135	133	1%	132	2%
	Patient Days	20,646	20,365	1%	20,201	2%
	Available Occupancy %	60.8%	62.2%	(2%)	61.7%	(1%)
	Average LOS	5.3	4.9	7%	5.1	4%
	Surgeries					
	Inpatient Surgeries (Main Campus)	940	979	(4%)	1,074	(12%)
	Outpatient Surgeries (Main Campus)	1,388	1,275	9%	1,260	10%
	Total Surgeries (Main Campus)	2,328	2,254	3%	2,334	(0.3%)
	Outpatient Surgeries (Ambulatory Surgery Center)	280	535	(48%)	0	0%
	Births	1,057	1,092	(3%)	1,178	(10%)
	ER Visits					
	Admissions	2,280	2,119	7.6%	2,006	5%
	Treated & Released	21,235	19,054	11%	18,874	14%
	Total ER Visits	23,667	21,173	12%	20,880	13%
	Trauma Activations	1,347	1,112	21%	1,146	18%
	Outpatient Clinic Visits					
	Total Clinic Visits	63,054	66,104	(5%)	64,282	(0.2%)
	Total Unique Patient Clinic Visits	46,865	49,552	(5%)	48,152	(16%)
	New Unique Patient Clinic Visits	8,323	9,804	(15%)	9,541	(25%)

3-Month Trend Analysis: Payor Mix

November 30, 2019

	SEPTEMBER	OCTOBER	NOVEMBER	BUDGET NOVEMBER	VARIANCE POS (NEG)	PY NOVEMBER
PAYOR MIX - Charges						
Commercial FFS/HMO/PPO	9.4%	11.1%	14.0%	8.6%	63%	8.7%
Medi-Cal	27.4%	27.9%	21.3%	33.2%	(36%)	29.4%
Medi-Cal HMO - Kern Health Systems	28.1%	28.7%	30.3%	28.7%	5%	30.2%
Medi-Cal HMO - Health Net	8.3%	8.4%	8.9%	8.4%	5%	8.9%
Medi-Cal HMO - Other	1.0%	1.0%	1.0%	0.9%	12%	1.0%
Medicare	11.1%	10.2%	11.6%	10.2%	13%	12.1%
Medicare - HMO	3.1%	3.9%	2.7%	3.3%	(18%)	2.6%
Other Government-Includes Correctional Medicine, Tricare, and CCS	0.3%	0.3%	3.7%	0.3%	993%	0.3%
Self Pay	11.2%	8.5%	6.6%	6.5%	1%	6.7%
Total	100.0%	100.0%	100.0%	100.0%		100.0%

Year-to-Date: Payor Mix

November 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
PAYOR MIX - Charges						
	Commercial FFS/HMO/PPO	11.2%	8.6%	30%	8.8%	26%
	Medi-Cal	26.5%	31.1%	(15%)	30.0%	(12%)
	Medi-Cal HMO - Kern Health Systems	28.9%	30.4%	(5%)	30.8%	(6%)
	Medi-Cal HMO - Health Net	8.5%	8.6%	(1%)	9.0%	(6%)
	Medi-Cal HMO - Other	1.0%	1.1%	(9%)	1.1%	(9%)
	Medicare	10.6%	10.1%	5%	10.0%	6%
	Medicare - HMO	3.1%	3.3%	(4%)	2.7%	18%
	Other Government-Includes Correctional Medicine, Tricare, and CCS	1.1%	0.3%	215%	0.3%	249%
	Self Pay	9.2%	6.6%	39%	7.4%	25%
	Total	100.0%	100.0%		100.0%	

3-Month Trend Analysis: Labor and Productivity Metrics

November 30, 2019

		SEPTEMBER	OCTOBER	NOVEMBER	BUDGET NOVEMBER	VARIANCE POS (NEG)	PY NOVEMBER
Labor Metrics							
	Productive FTEs	1,487.74	1,505.32	1,513.61	1,514.49	(0.1%)	1,459.93
	Non-Productive FTEs	210.23	205.20	207.15	211.23	(2%)	191.80
	Contract Labor FTEs	119.00	133.83	130.68	95.23	37%	94.17
	Total FTEs	1,697.97	1,710.52	1,720.76	1,725.72	(0.3%)	1,651.73
	FTEs Per AOB Paid	5.92	6.75	6.74	6.59	2%	6.28
	FTEs Per AOB Worked	5.19	5.94	5.93	5.78	3%	5.55
	Labor Cost/FTE (Annualized)	134,322.44	151,897.72	157,694.86	144,267.34	9%	139,036.33
	Benefits Expense as a % of Benefitted Labor Expense	59%	58%	58%	61%	(5%)	63%
	Salaries & Benefits as % of Net Patient Revenue	63%	67%	69%	64%	8%	61%

Year-to-Date: Labor and Productivity Metrics

November 30, 2019

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Labor Metrics						
	Productive FTEs	1,492.87	1,470.28	2%	1,429.01	4%
	Non-Productive FTEs	199.03	199.68	(0.3%)	225.50	(12%)
	Contract Labor FTEs	127.36	94.40	35%	97.31	31%
	Total FTEs	1,691.90	1,669.96	1%	1,654.51	2%
	FTEs Per AOB Paid	6.19	6.38	(3%)	6.33	(2%)
	FTEs Per AOB Worked	5.46	5.62	(3%)	5.46	(0.02%)
	Labor Cost/FTE (Annualized)	150,832.83	148,051	2%	134,555.24	12%
	Benefits Expense as a % of Benefitted Labor Expense	60%	61%	(2%)	62%	(3%)
	Salaries & Benefits as % of Net Patient Revenue	65%	63%	2%	61%	6%

**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 January 15, 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 - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(2).) Number of cases: One (1)
Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs –

**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 January 15, 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)) –

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on January 15, 2020, to consider:

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