



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, August 17, 2016

11:30 A.M.

BOARD RECONVENED

Directors present: Berjis, Bigler, McGauley, Nilon, Pelz, Sistrunk

Directors absent: McLaughlin

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

NON-AGENDA ITEM

MOTION TO CONSIDER NON-AGENDA ITEM NO. 21: MADE FINDING THAT THE NEED TO TAKE ACTION ON NON-AGENDA MATTER OCCURRED AFTER THE AGENDA WAS POSTED ON AUGUST 12, 2016. ON AUGUST 17, 2016, THE AUTHORITY RECEIVED A DEMAND TO CEASE AND DESIST FROM AWARDING THE ANESTHESIA CONTRACT TO REGIONAL ANESTHESIA ASSOCIATES, INC. (ITEM NO. 13) WITH THE THREAT OF LITIGATION. DUE TO THE IMPACT ON OPERATIONAL ISSUES AND THE ECONOMIC CONSEQUENCES OF NOT APPROVING THE AGREEMENT ON AUGUST 17, 2016, IT WAS NECESSARY FOR THE AUTHORITY TO CONFERENCE WITH LEGAL COUNSEL IN CLOSED SESSION REGARDING THE THREAT OF LITIGATION.

Nilon-McGauley: 6 Ayes; 1 Absent - McLaughlin

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

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

Director Berjis recognized the passing of Dr. David Lujan this past week. Dr. Lujan was a mentor, a role model, and a driving force for resident physician and medical student education at Kern Medical. His presence will be missed by all who knew him.

ITEMS FOR CONSIDERATION

- 3) Recognition honoring Elsa Martinez, Chief Deputy County Administrative Officer, for her expertise and direction in forming Kern County Hospital Authority –
MADE PRESENTATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on July 20, 2016 with a revision to reconvene from Closed session motion made by Berjis-McLaughlin –
APPROVED
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

CA

- 5) Proposed retroactive Amendment No. 7 to Agreement 042-2015 with Cantu Management Group, Inc., for Chief Financial Officer and healthcare financial management services, modifying certain terms to clarify the non-solicitation, immediate termination, renewal and termination provisions, and incorporating performance measures for FY 2016-2017, effective July 1, 2016; and adding four positions, deleting one position, increasing the monthly management fee by \$51,189, from \$267,478 to \$318,666, and increasing the maximum payable by \$1,586,843, from \$11,057,071 to \$12,643,914, effective August 1, 2016 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-005**055**
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

CORRECTION PER SUMMARY OF OCTOBER 19, 2016, ITEM 17

CA

- 6) Proposed Agreement with Tom Chao, M.D., a contract employee, for professional medical services in the Department of Surgery, Division of Orthopedic Surgery from September 3, 2016 through September 2, 2019, in an amount not to exceed \$2,762,500, plus applicable benefits –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-056
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

CA

- 7) Proposed letter from Moss-Adams, LLP, an independent contractor, regarding the audit of Kern Medical financial statements –
RECEIVED AND FILED
Berjis-Pelz: 6 Ayes; 1 Absent – McLaughlin

CA

- 8) Proposed Amendment No. 2 with Armanino LLP doing business as AMF Media Group, an independent contractor, for communications consulting services, extending the term through August 17, 2017, amending the description of services, and increasing the maximum payable by \$1,461,000, from \$1,560,000 to \$3,021,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-058
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

CA

- 9) Proposed Amendment No. 6 to Agreement 1324502 with Vantage Technology Consulting Group, an independent contractor, for construction management services related to completion of the 2 Center Nurse Call project, increasing the maximum payable by \$40,810, from \$295,426.19 to \$336,236.19, to cover the additional services –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-059
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

CA

- 10) Proposed Agreement with IBM Credit LLC, an independent contractor, for financing of PeopleSoft core financial system, effective August 17, 2016, in an amount not to exceed \$1,449,237 –
APPROVED; ADOPTED RESOLUTION 2016-015; AUTHORIZED CHAIRMAN TO SIGN AGREEMENTS 2016-060, 2016-061, 2016-062, AND 2016-063; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

CA

- 11) Proposed Amendment No. 4 to Agreement 679-**2012** with Ishaan S. Kalha, M.D., a contract employee, for professional medical services in the Department of Medicine, extending the term from September 15, 2016 through December 9, 2016, and increasing the maximum payable by \$135,000, from \$2,150,000 to \$2,285,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-064
Berjis-Pelz: 6 Ayes; 1 Absent – McLaughlin

CORRECTION PER SUMMARY OF OCTOBER 19, 2016, ITEM 17

- 12) Proposed Operating Agreement of Kern Medical Surgery Center, LLC, by Kern County Hospital Authority, in its capacity as the sole member, with an initial cash capital contribution of \$1,500,000 –
MADE FINDING THAT THE AGREEMENT COMPLIES WITH INTERNAL REVENUE SERVICE PLR-138562-15, DATED MAY 25, 2016, AND CHAPTER 2.170 OF THE KERN COUNTY ORDINANCE CODE; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-065 SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Berjis-Sistrunk: 5 Ayes; 1 No - McGauley; 1 Absent - McLaughlin
- 13) Proposed Agreement with Regional Anesthesia Associates, Inc., an independent contractor, for professional medical services in the Department of Anesthesiology from November 9, 2016 through November 8, 2019, in an amount not to exceed \$15,835,500 –
NO ONE HEARD; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2016-066
Pelz-Sistrunk: 6 Ayes; 1 Absent - McLaughlin
- 14) Kern County Hospital Authority Chief Executive Officer report -
RECEIVED AND FILED
Nilon-McGauley: 6 Ayes; 1 Absent - McLaughlin
- 15) Kern County Hospital Authority Chief Financial Officer report -
RECEIVED AND FILED
Pelz-McGauley: 6 Ayes; 1 Absent - McLaughlin

CA

- 16) Claims and Lawsuits Filed as of July 31, 2016 –
RECEIVED AND FILED
Berjis-Pelz: 6 Ayes; 1 Absent - McLaughlin

ADJOURNED TO CLOSED SESSION
Sistrunk-Pelz

CLOSED SESSION

- 17) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 18) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 19) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Stenerson v. Nguyen, et al., Kern County Superior Court Case No. BCV-15-101357 LHB – SEE RESULTS BELOW
- 20) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(1).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against the Authority but which the Authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed – SEE RESULTS BELOW
- 21) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(3).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION
Nilon-McGauley: 6 Ayes; 1 Absent - McLaughlin

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 17 concerning a Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (1 ABSENT - McLAUGHLIN), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT AND REAPPOINTMENT, RELEASE FROM PROCTORING, AND VOLUNTARY TERMINATION OF PRIVILEGES; THERE WERE NO ABSTENTIONS

Item No. 18 concerning a Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – NOT HEARD

Item No. 19 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Stenerson v. Nguyen, et al., Kern County Superior Court Case No. BCV-15-101357 LHB – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 20 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(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 that might result in litigation against the Authority but which the Authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 21 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(3).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, AUGUST 17 ~~AUGUST 17~~ **SEPTEMBER 21**, 2016 AT 11:30 A.M.
McGauley

CORRECTION PER SUMMARY OF OCTOBER 19, 2016, ITEM 17

/s/ Raquel D. Fore
Authority Board Coordinator

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