



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, March 18, 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 by the Chief Executive Officer recognizing staff for exceeding “Up Sooner Safer” Safe Patient Mobility Program goals –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on February 12, 2020 –
APPROVE

CA

- 5) Proposed acceptance of donations from CNA and Safety National for travel and related expenses to cover all costs for one Kern Medical Center employee to attend the American Society for Health Care Risk Management “ASHRM Academy 2020” in Atlanta, Georgia, from April 20-23, 2020 –
APPROVE; ADOPT RESOLUTION

CA

- 6) Proposed Amendment No. 1 to Agreement 032-2019 with M. Brandon Freeman, M.D., a contract employee, for professional medical services in the Department Surgery for the period July 17, 2019 through July 16, 2022, adding services as Medical Director of the Wound Care Clinic, and increasing the maximum payable by \$60,000, from \$1,800,000 to \$1,860,000, to cover the cost of additional services, effective March 18, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed retroactive Amendment No. 1 to Agreement 073-2018 with Naheedy and Zarandy Medical Group, Inc., an independent contractor, for professional medical services in the Department of Radiology from November 1, 2018 through October 31, 2020, revising the payment methodology for shift coverage, and increasing the maximum payable by \$20,000, from \$730,000 to \$750,000, to cover the term, effective January 1, 2020 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
 - 8) Proposed Resolution affirming commitment of the Board of Governors to patient safety at Kern Medical Center –
APPROVE; ADOPT RESOLUTION
 - 9) Proposed renewal and binding of all-risk property insurance through CSAC-EIA, and earthquake coverage through Specialty Risk Underwriters with a total dedicated coverage limit of \$25 million, from March 31, 2020 through March 31, 2021, in an amount not to exceed \$479,178, plus administrative costs –
APPROVE
 - 10) Request to employ retired Kern County Hospital Authority employee Manuel Acosta, as Extra Help PACS Administrator, for the period ending June 30, 2020, or 960 hours, whichever occurs first, effective March 28, 2020 –
APPROVE
 - 11) Kern County Hospital Authority Financial report –
RECEIVE AND FILE
 - 12) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE
- CA
- 13) Claims and Lawsuits Filed as of February 29, 2020 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

- 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)) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

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

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

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

**AMERICANS WITH DISABILITIES ACT
(Government Code Section 54953.2)**

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

13) CLAIMS AND LAWSUITS FILED AS OF FEBRUARY 29, 2020 –
RECEIVE AND FILE

- A) Dismissal and Notice of Rights in the matter of Amy Swidecki, EEOC Charge No. 37A-2019-01714



Up Sooner Safer

Recognition of a Long-Term
Collaborative Process Improvement
Project

March 18, 2020





Nursing staff lift between
3,000-4,000 lbs/shift
(per staff member)

Average car weighs
4,000 lbs

Touhy-Main, K., (1997). Why manual handling should be eliminated for resident and career safety. *Geriatrics*, 15, 10-14.

Equipment

- 68 Pieces of Equipment – at Kern Medical and 3 clinics



Mobility Coaches

Meet Your 3C and 2C Mobility Coaches



Isidra Jimenez, PCT



Jessica Reyes, PCT



Joy Flores, RN



Lupita Chavez, RN



Roger Miller, RN



Eihani Beladi, RN



Roxanne Chavez, PCT



Valerie Cantorna, RN



Created a program in which Mobility Coaches were identified and trained to be resources in their Department/Units.

- Resources for non-Coaches
- Assist in training staff and new hires
- Understand how to use all mobility equipment

Now have over 70 coaches

Meet Your 3D Mobility Coaches



Agnes Garay, RN



Beverly Collins, RN



Eppie Candana, RN



Leah Noriega, RN



Lizy Joseph, RN



Maria Salazar, PCT



Nydia Madera, PCT



Valerie Cantorna, RN



Patricia Baldivia, RN



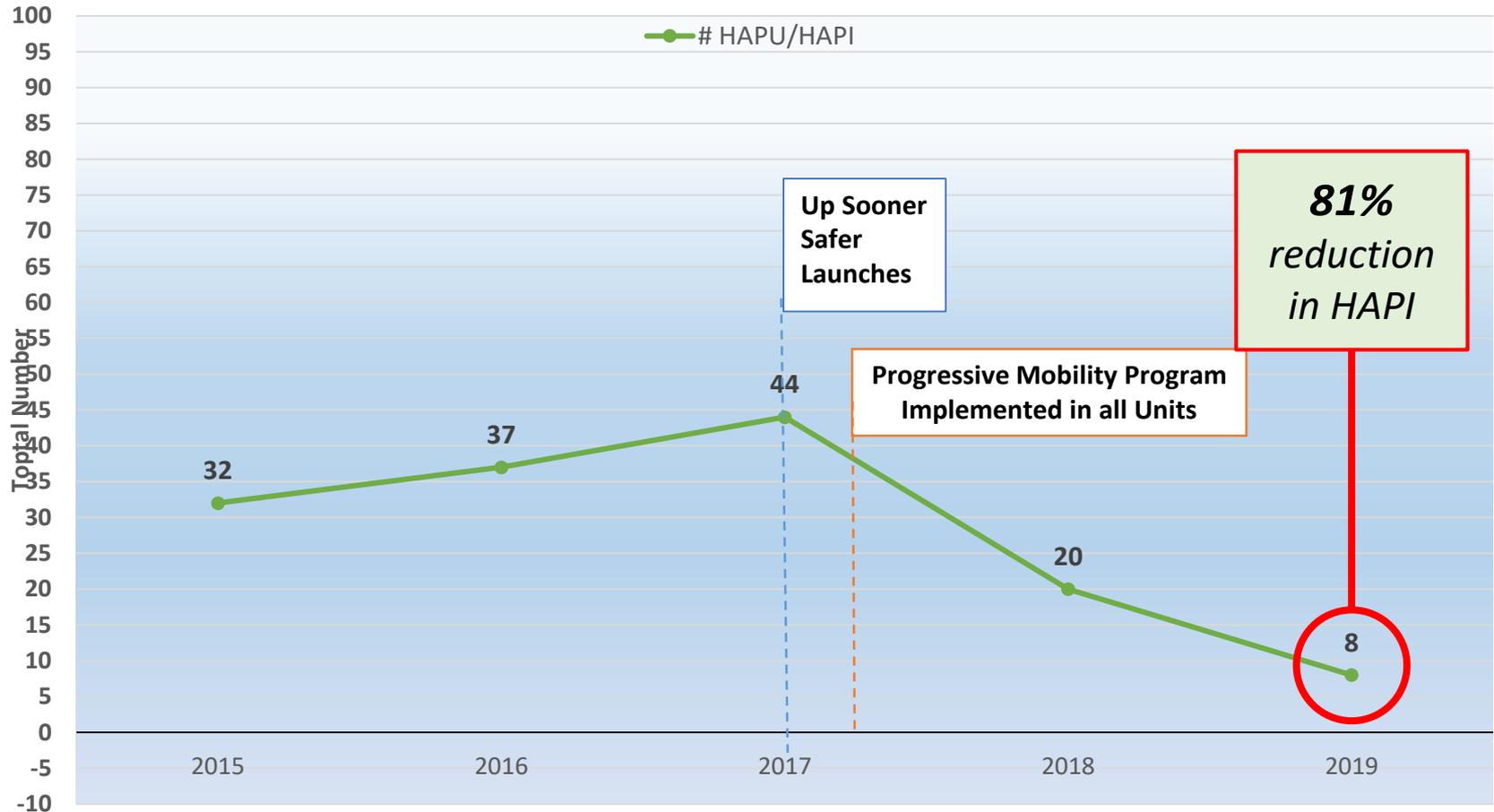
Sandeep Randhawa, PCT



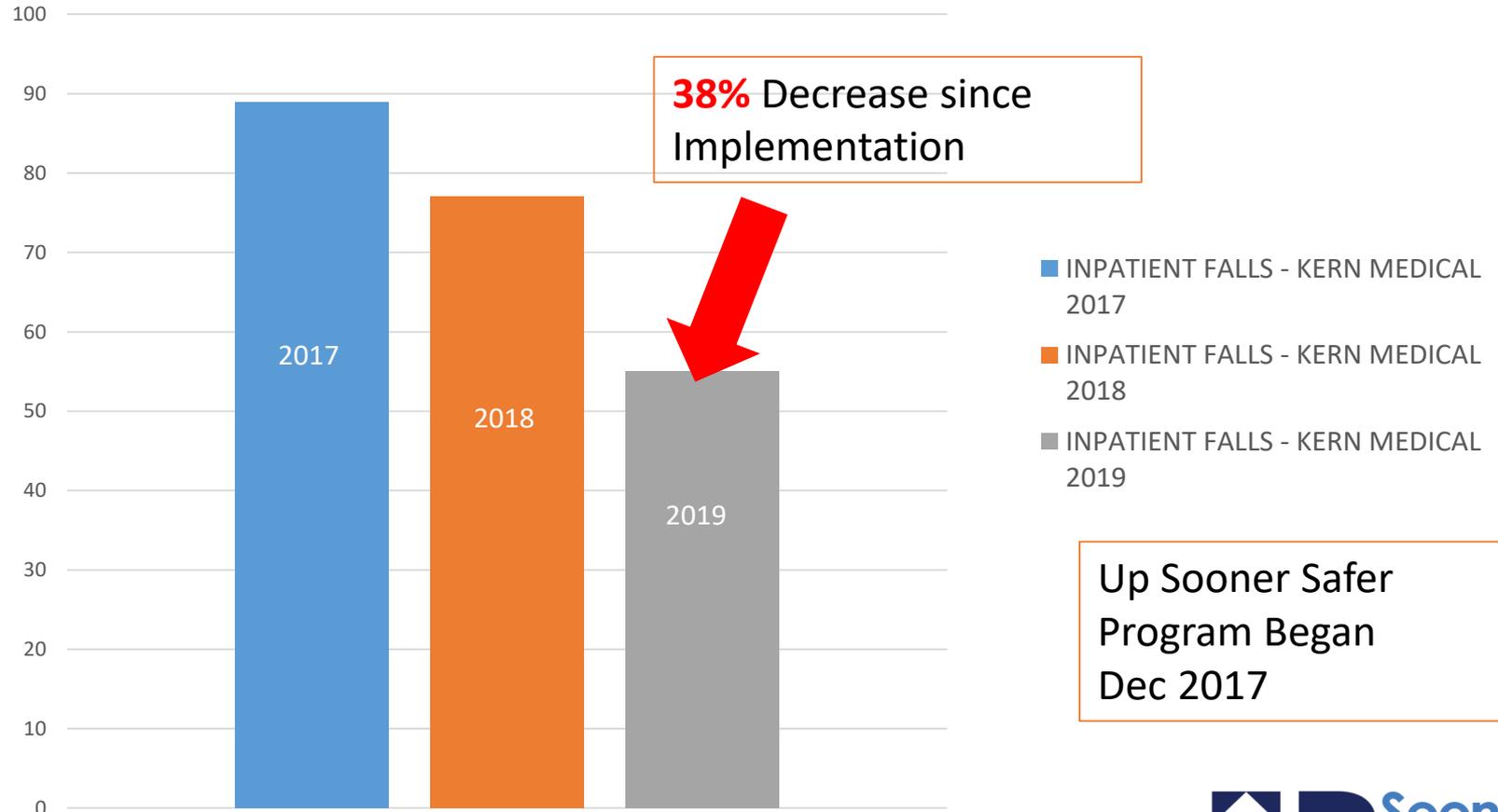
Training



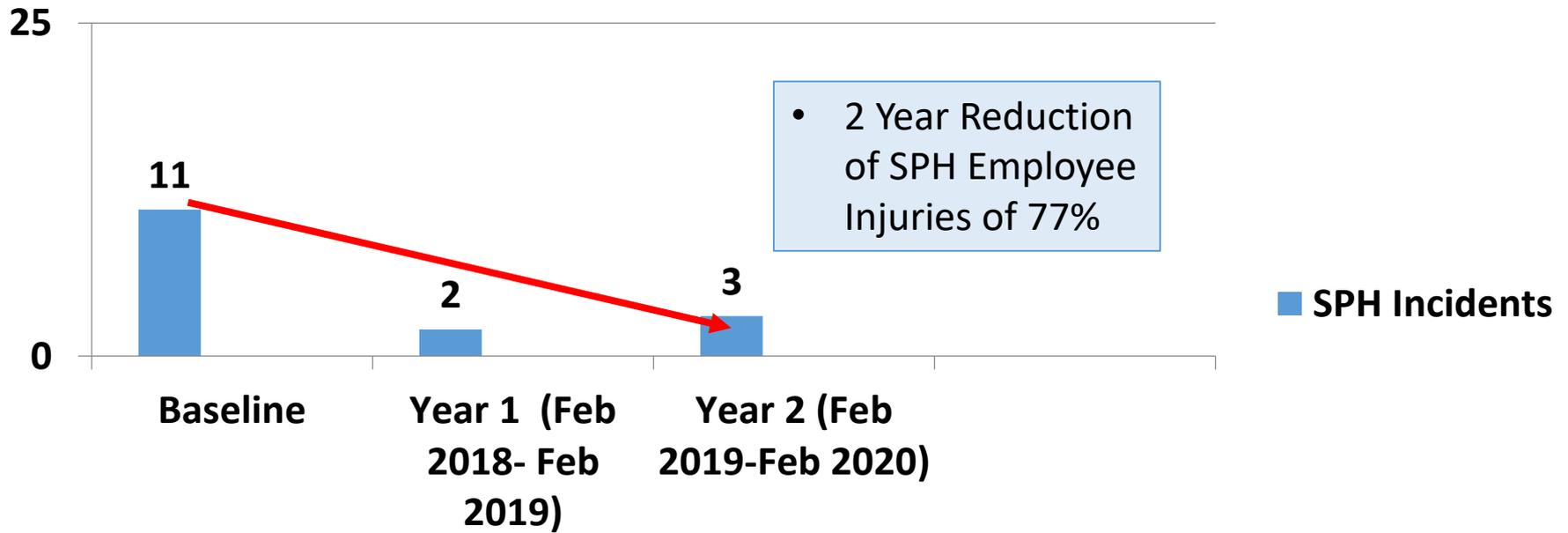
Total Number of HAPI: 2015-2019



Inpatient Falls: 2017-2019



Kern Medical Patient Mobilization OSHA Staff Safe Patient Handling Injury Log-Data

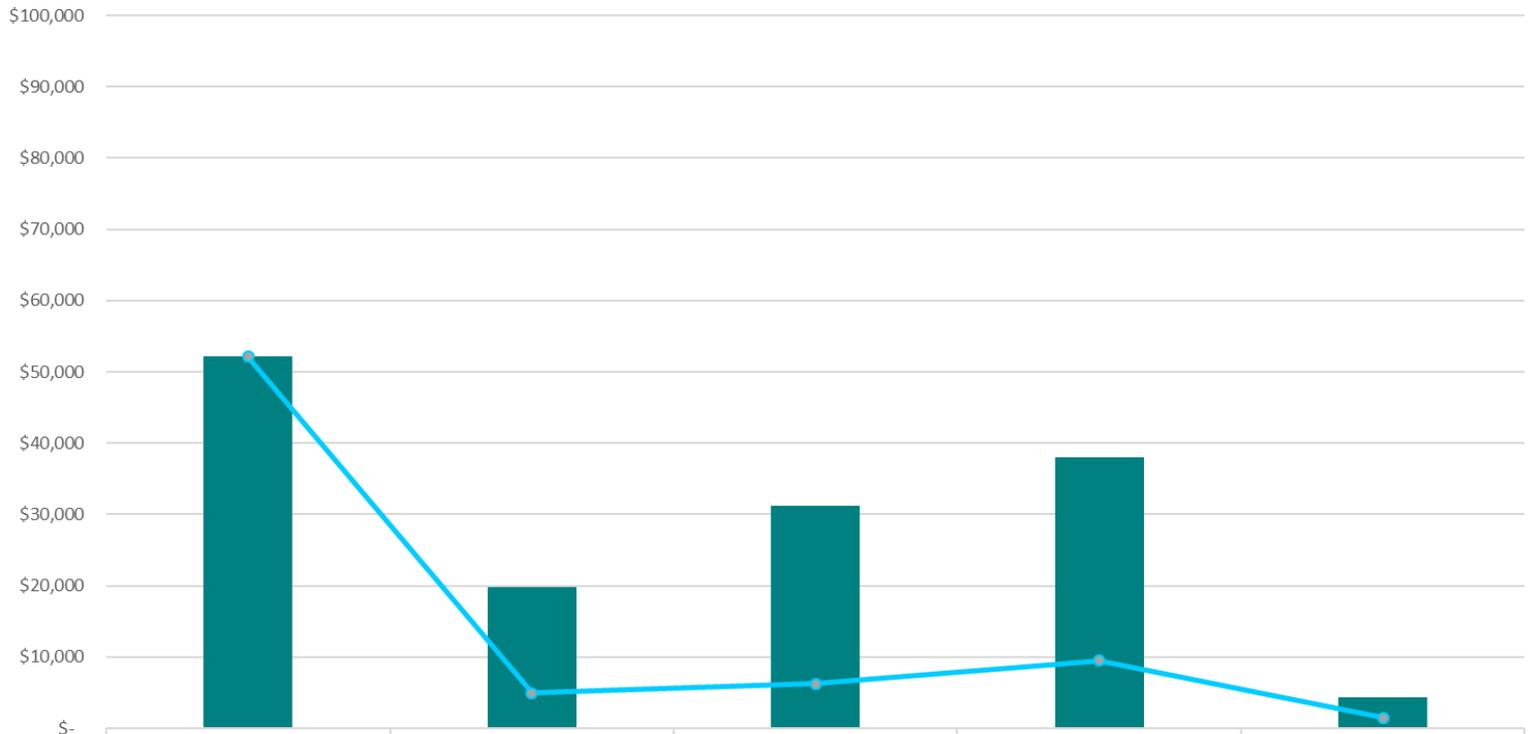


Baseline calculated as the average of SPH injuries from the 3 years prior to the program

Cost Savings-Workers Comp

KERN MEDICAL

PATIENT HANDLING INCIDENT TYPES 5 YEAR AVERAGE (TOTAL INCURRED)



	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
PT Handling Total Incurred	\$52,136	\$19,780	\$31,177	\$38,045	\$4,330
PT Handling Average	\$52,136	\$4,945	\$6,235	\$9,511	\$1,443

- **Avg SPH Injury Cost: Decreased 97%, from \$55,957/injury to \$1,565/injury**

Kern Medical Up Sooner Safer

OVERSIGHT COMMITTEE

- Travis Eckard, PT, DPT, Manager Therapy Services, Program Champion
- Toni Smith, RN, CNO, Administrative Sponsor
- Shalom Sakowski, RN, Staff Development, Education Coordinator
- Steven Chandler, Workman's Comp & Risk Management
- Diane McConnehey, RN, Quality and Compliance
- Erica Easton, Executive Director, Kern Medical Foundation
- Jessica Wonderly, RN, Implementation and Quality
- Cindy Norville, RN, Clinical Director, Acute Nursing

PARTNERS

- Kaiser Permanente
- ArjoHuntleigh



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, February 12, 2020**

11:30 A.M.

BOARD RECONVENED

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

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))
NO ONE HEARD

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing staff for achieving Public Hospital Redesign and Incentives in Medi-Cal (PRIME) quality improvement metrics –
MADE PRESENTATION; MARINDA DUTOIT, CLINICAL DIRECTOR, MATERNAL CHILD SERVICES AND SHAHZAD CHAUDHRY, DIRECTOR, BEHAVIORAL HEALTH, HEARD

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on January 15, 2020 –
APPROVED
Sistrunk-Alsop: 6 Ayes; 1 Absent - Berjis

CA

- 5) Proposed Amendment No. 4 to Agreement 2016-030 with Valley Neurosurgery and Neurorestoration Center, A Medical Corporation, an independent contractor, for professional medical services in the Department of Surgery for the period July 1, 2016 through June 30, 2021, deleting neurodiagnostic monitoring services and technician support, and reducing the maximum payable by \$300,760, from \$10,968,792 to \$10,668,032 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 005-2020
Sistrunk-Alsop: 6 Ayes; 1 Absent - Berjis

CA

- 6) Proposed Agreement with Neurodiagnostic Workforce LLC, an independent contractor, for neurodiagnostic monitoring services from February 12, 2020 through February 11, 2021, in an amount not to exceed \$376,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 006-2020
Sistrunk-Alsop: 6 Ayes; 1 Absent - Berjis

CA

- 7) Proposed increase in the number of Microsoft Volume Licenses and purchase of additional security licenses through Microsoft Enterprising Agreement 11418 with affiliate Dell, Inc., an independent contractor, increasing the maximum payable by \$1,321,643, from \$637,565 to \$1,959,208, to cover the term –
APPROVED
Sistrunk-Alsop: 6 Ayes; 1 Absent - Berjis

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

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

CA

- 10) Claims and Lawsuits Filed as of January 31, 2020 –
RECEIVED AND FILED
Sistrunk-Alsop: 6 Ayes; 1 Absent - Berjis

ADJOURNED TO CLOSED SESSION

Pelz-Sistrunk

CLOSED SESSION

- 11) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 12) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 13) 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 – SEE RESULTS BELOW
- 14) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(3).) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – SEE RESULTS BELOW
- 15) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – SEE RESULTS BELOW
- 16) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: President, Hospital and Clinic Operations (Government Code Section 54957) – SEE RESULTS BELOW
- 17) 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

Alsop-McLaughlin

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 11 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 BRAR, SECOND BY DIRECTOR SISTRUNK; 1 ABSENT - DIRECTOR BERJIS), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 12 concerning Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 13 concerning 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 – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 14 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

Item No. 15 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 16 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: President, Hospital and Clinic Operations (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 17 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, MARCH 18, 2020, AT 11:30 A.M.

Brar

/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**

March 18, 2020

Subject: Proposed acceptance of donation of travel and related expenses from CNA and Safety National for American Society for Health Care Risk Management “2020 ASHRM Academy”

Recommended 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.

CNA is the provider of Health Facilities Excess Coverage insurance to the Authority; Safety National covers the Authority’s workers’ compensation program. CNA, through its Health Pro Risk Control Fellowship Program, and Safety National, through its risk fund, have offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend the American Society for Health Care Risk Management “ASHRM Academy 2020” in Atlanta, Georgia, from April 20-23, 2020.

Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donations from CNA 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 DONATION OF
TRAVEL AND RELATED EXPENSES
FROM CNA AND SAFETY NATIONAL
FOR “ASHRM ACADEMY 2020”**

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 18th day of March, 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) CNA provides Health Facilities Excess Coverage insurance to the Kern County Hospital Authority; and

(c) Safety National provides coverage for the workers' compensation program; and

(d) CNA, through its Health Pro Risk Control Fellowship Program, and Safety National, through its risk fund, have offered to donate to the Authority all travel and related expenses for one Authority employee to attend the American Society for Health Care Risk Management "ASHRM Academy 2020" in Atlanta, Georgia, from April 20-23, 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 CNA 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 CNA and Safety National the donation of travel and related expenses to cover all costs for one Authority employee to travel to Atlanta, Georgia, to attend the American Society for Health Care Risk Management "ASHRM Academy 2020" from April 20-23, 2020.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the American Society for Health Care Risk Management "ASHRM Academy 2020" in Atlanta, Georgia, from April 20-23, 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**

March 18, 2020

Subject: Proposed Amendment No. 1 to Agreement 032-2019 with M. Brandon Freeman, M.D., for professional medical services in the Department of Surgery

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve an amendment with M. Brandon Freeman, M.D., a contract employee, for professional medical services in the Department of Surgery, for the period of three-years from July 17, 2019 through July 16, 2022, adding services as the Medical Director of the Wound Care Clinic increasing the maximum payable by \$60,000 from \$1,800,000 to \$1,860,000, effective March 18, 2020.

Dr. Freeman serves as Chief in the Division of Plastic Surgery. Dr. Freeman is responsible for efficient, key program development, day-to-day operations and resident education within the Department for the plastic surgery division and has been employed by Kern Medical Center since 2008.

Dr. Freeman's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided by Dr. Freeman.

Therefore, it is recommended that your Board approve the Agreement with M. Brandon Freeman, M.D., for professional medical services in the Department of Surgery from July 17, 2019 through July 16, 2022, in an amount not to exceed \$1,860,000 over the three-year term, and authorize the Chairman to sign.

**AMENDMENT NO. 1
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – M. Brandon Freeman, M.D.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this _____ day of _____, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and M. Brandon Freeman, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. #032-2019, dated June 19, 2019) (the “Agreement”), for the period July 17, 2019 through July 16, 2022, whereby Physician provides professional medical services in the Department of Surgery at KMC; and

(b) It is the intent of the parties to have the terms of the Agreement provide for the payment of all reasonably projected costs and expenses related to the services provided by Physician; 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 March 18, 2020;

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

1. Section 5, Compensation Package, paragraph 5.5, Medical Director Stipend, shall be made part of the Agreement as follows:

“5.5 Medical Director Stipend. Authority shall pay Physician an annual stipend of \$923.07 biweekly not to exceed \$24,000 annually for services as Medical Director for the Wound Care Clinic. Physician understands and agrees that he must remain in the position of Medical Director of the Wound Care Clinic as of each biweekly payout date in order to earn and receive the stipend. All stipend payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.”

2. Section 5, Compensation Package, paragraph 5.4, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.4 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,860,000 over the three-year Term of this Agreement.”

3. Amendment No. 1 to Exhibit “A,” Job Description, shall be deleted in its entirety and replaced with Amendment No. 2 to Exhibit “A,” Job Description, attached hereto and incorporated herein by this reference.
4. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
5. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
7. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

PHYSICIAN

By _____
M. Brandon Freeman, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
VP & General Counsel
Kern County Hospital Authority

Amend1.Freeman.022520

**AMENDMENT NO. 1
TO
EXHIBIT “A”
JOB DESCRIPTION
M. Brandon Freeman, M.D.**

Position: Chief, Division of Plastic Surgery.

Position Description: Reports to Chair, Department of Surgery; serves as the chief physician responsible for efficient, key program development, day-to-day operations and resident education within the Department for the plastic surgery division at KMC; serves as a full-time faculty member in the Department; provides no fewer than 80 hours per pay period of service.

Essential Functions:

1. Clinical Responsibilities.

- Serves as attending physician in the Division of Plastic Surgery
- Supervises residents and medical students assigned to the plastic surgery service
- Supervises orthopedic and plastic surgery physician assistant activity and competency
- Provides service and improves efficiency for hand, plastic and microvascular surgery clinical activities – two (2) half days per week
- Provides service and improves efficiency for hand and plastic surgery cases
- Provides faculty call coverage for hand, plastic and maxilla-facial trauma

2. Administrative Responsibilities.

- Serves as Chief, Division of Plastic Surgery
- Leads clinical and administrative integration efforts across KMC as appropriate for hand, plastic and microvascular surgery ensuring proper program planning, surgeon recruitment and faculty development, resource allocation, analysis, communication and assessment
- Gathers data through best practices and collaborates with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
- Supports the Department chair with development of monitoring tools to measure financial, access, quality and satisfaction outcomes for hand, plastic and microvascular surgery

3. Teaching Responsibilities.

- Assists in resident mentoring, counseling, and evaluation, as appropriate
- Assists in resident research and scholarly activity
- Provides didactic lectures for residents and medical students, as assigned by one or more program directors

4. Medical Director Responsibilities for Wound Care Clinic.

- Work collaboratively with hospital administration, Clinic management, and other medical and clinical staff at the Wound Care Clinic to provide medical supervision
- Provide clinical oversight of the Wound Care Clinic
- Oversee and support education and training of medical and clinical staff at the Wound Care Clinic
- Support and oversee the development of written policies, procedures, and protocols for patient care in the Wound Care Clinic and obtain approval of such protocols as needed through appropriate hospital and medical staff committees
- Provide oversight to coordinate performance improvement activities
- Work to ensure excellent care through chart review, direct observation, and data analysis

Employment Standards:

One (1) year of post-residency experience in plastic surgery

AND

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

AND

Certification by the American Board of Plastic Surgery in plastic surgery-general

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

Ability to: Plan, organize, direct and coordinate plastic surgery services; perform plastic surgery procedures; supervise and instruct professional and technical personnel; develop and present educational programs for interns, residents and ancillary medical staff; maintain records and prepare comprehensive reports; work effectively with staff, patients, and others.

[Intentionally left blank]



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

March 18, 2020

Subject: Proposed retroactive Amendment No. 1 to Agreement 073-2018 for Professional Services with Naheedy and Zarandy Medical Group, Inc.

Recommended Action: Approve, Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve an Agreement for Professional Services with Naheedy and Zarandy Medical Group, Inc., an independent contractor, for professional medical services in the Department of Radiology, revising the payment methodology for shift coverage.

Naheedy and Zarandy Medical Group, Inc., has provided radiology services at Kern Medical since June of 2009. Kern Medical continues to require the services of Naheedy and Zarandy Medical Group, Inc., and both parties have agreed to the terms of the two-year agreement.

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Naheedy and Zarandy Medical Group, Inc. for professional medical services in the Department of Radiology, from November 1, 2018 through October 31, 2020, increasing the maximum payable by \$20,000, from \$730,000, to \$750,000 to cover the term, effective January 1, 2020 and authorize the Chairman to sign.

**AMENDMENT NO. 1
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Naheedy and Zarandy Medical Group, Inc.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Naheedy and Zarandy Medical Group, Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 49 Goleta Point Drive, Corona Del Mar, California 92625.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #073-2018, dated October 17, 2018) (“Agreement”), for the period November 1, 2018 through October 31, 2020, for professional medical services in the Department of Radiology at KMC; and

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

(c) The Agreement is amended effective January 1, 2020;

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

1. Section 4, Payment for Services, paragraph 4.1, Compensation, subparagraph 4.1.1, Shift Coverage, shall be deleted in its entirety and replaced with the following:

“4.1.1 Shift Coverage. Authority shall pay Contractor for shift coverage as follows: (i) Physician shall be paid a per diem rate in the amount of \$1,665 per eight (8) hour shift; and (ii) Physician shall be paid a per diem rate in the amount of \$2,081.25 per ten (10) hour shift.”

2. Section 4, Payment for Services, paragraph 4.2, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.2 Maximum Payable. The maximum payable under this Agreement shall not exceed \$750,000 over the two-year term of this Agreement.”

3. Exhibit “A,” Description of Services, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “A,” Description of Services, attached hereto and incorporated herein by this reference.

4. Exhibit "C," Insurance, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit "C," Insurance, attached hereto and incorporated herein by this reference.
5. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
6. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
8. Except as provided herein, all other terms, conditions, and covenants of the Agreement shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

NAHEEDY AND ZARANDY MEDICAL GROUP, INC.

By _____
Mohammad Hussain Naheedy, M.D.
Its President

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
VP & General Counsel
Kern County Hospital Authority

Amend1.Naheedy.022520

**AMENDMENT NO. 1
TO
DESCRIPTION OF SERVICES
NAHEEDY AND ZARANDY MEDICAL GROUP, INC.**

Contractor through Group Physicians will provide services, as assigned by the Department Chair, as follows:

1. Contractor shall provide radiology services on-site at KMC and in accordance with generally accepted professional standards. Contractor will provide professional services for all patients who present to KMC for treatment.
2. Contractor shall perform such administrative and teaching duties and responsibilities, as mutually agreed upon between Contractor and the Department chair.
3. Contractor shall provide shift coverage Monday through Friday in eight (8) hour or ten (10) hour shifts, as assigned by the Department chair.
4. Contractor shall provide shift coverage on Saturday and Sunday in eight (8) hour or ten (10) hour shifts or until the work is completed, as assigned by the Department chair.
5. Contractor shall provide call coverage weekday nights from 6:00 p.m. to 8:00 a.m. and Saturday and Sunday, as assigned by the Department chair. Contractor agrees to carry a pager when on call and respond to KMC within 30 minutes of being called. Contractor will cover one weekend in three. Contractor will cover one in three holidays and no fewer than four per year.
6. Contractor shall provide coverage an average of 15 shifts per months.
7. Contractor shall actively participate in assigned hospital and Department committees.
8. Contractor shall hold Group Physicians accountable for timely completion of medical records and work to improve the quality, accuracy, and completeness of their documentation.

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**AMENDMENT NO. 1
TO
EXHIBIT "C"
INSURANCE**

With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived in writing by Authority. Any requirement for insurance to be maintained after completion of the work shall survive the termination or expiration of this Agreement.

Authority reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

1. Workers' Compensation and Employers Liability Insurance:

- (a) Required if Contractor has employees. If Contractor currently has no employees, Contractor's written confirmation of such will be required before execution of this Agreement. If Contractor engages any employees during the term of this Agreement or any extensions thereof, Contractor agrees to obtain the specified Workers' Compensation and Employers Liability insurance.
- (b) Workers' Compensation insurance with statutory limits as required by the California Labor Code.
- (c) Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- (d) Waiver of Subrogation: The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Authority for all work performed by Contractor, its employees, agents and subcontractors.
- (e) Required Evidence of Insurance: Certificate of Insurance.

2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Contractor maintains higher limits than the specified minimum limits, Authority requires and shall be entitled to coverage for the higher limits maintained by Contractor.
- (c) If Contractor has no Owned automobiles, the General Liability policy shall include Non-Owned and Hired Automobile Liability in the amount of \$1,000,000 combined single limit per accident.

- (d) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000, it must be approved in advance by Authority. Contractor is responsible for any deductible or self-insured retention and shall fund it upon Authority's written request, regardless of whether Contractor has a claim against the insurance or is named as a party in any action involving Authority.
- (e) Authority shall be named as an additional insured for liability arising out of operations by or on behalf of Contractor in the performance of this Agreement. See section 5 below for full Additional Insured wording.
- (f) The insurance provided to Authority as an additional insured shall be primary to and non-contributory with any insurance or self-insurance program maintained by Authority.
- (g) The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- (h) The policy shall cover inter-insured suits between Authority and Contractor and include a "separation of insureds" or "severability" clause, which treats each insured separately.
- (i) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (b) Insurance shall apply to all Owned autos. If Contractor currently owns no autos, Contractor agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions thereof.
- (c) Insurance shall include coverage for Non-Owned and Hired autos. (See requirements in section 1(c) above if there is no separate Automobile Liability coverage.)
- (d) Authority shall be named as an additional insured for liability arising out of operations by or on behalf of Contractor in the performance of this Agreement. See section 5 for full Additional Insured wording.
- (e) Required Evidence of Insurance: Certificate of Insurance.

4. Standards for Insurance Companies: Insurers shall have an A.M. Best's rating of at least A;VII.

5. Additional Insured Wording: "**Kern County Hospital Authority, its officers, officials, employees and volunteers**" are to be named as Additional Insureds as per each section where noted above.

6. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:

- (a) The Retroactive Date must be shown and must be before the Effective Date of the Agreement or the beginning of contract work.
- (b) Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract work.*
- (c) If coverage is canceled or non-renewed, and *not replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, Contractor must purchase “extended reporting” coverage for a minimum of *five (5) years* after completion of the contract work.

7. Documentation:

- (a) The Certificate of Insurance must include the following reference: **“Agreement for Professional Services.”**
- (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Evidence of Insurance on file with Authority for the entire term of this Agreement and any additional periods if specified in sections 1, 2 or 3 above.
- (c) The name and address for the Certificates of Insurance and Additional Insured endorsements is Kern County Hospital Authority, c/o Kern Medical Center, 1700 Mount Vernon Avenue, Bakersfield, California 93306.
- (d) Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.
- (e) Contractor shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
- (f) Upon written request, certified copies of required insurance policies must be provided to Authority within 30 days.

8. Policy Obligations: Contractor’s indemnity and other obligations shall not be limited by the foregoing insurance requirements.

9. Waiver of Subrogation: Contractor hereby grants to Authority a waiver of any right to subrogation, which any insurer of said Contractor may acquire against Authority by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not Authority has received a waiver of subrogation endorsement from the insurer.

10. Primary Coverage: For any claims related to this Agreement, Contractor’s insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects Authority, its officers, directors, officials, employees, and volunteers. Any insurance or self-insurance maintained by Authority, its officers, directors, officials, employees, or volunteers shall be excess of Contractor’s insurance and shall not contribute with it.

11. Material Breach: If Contractor fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement. Authority, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, Authority may purchase the required insurance, and without further notice to Contractor, Authority may deduct from sums due to Contractor any premium costs advanced by Authority for such insurance. These remedies shall be in addition to any other remedies available to Authority.

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

March 18, 2020

SUBJECT: Proposed resolution affirming commitment of the Board of Governors to patient safety at Kern Medical Center

Requested Action: Approve; Adopt Resolution

Summary:

Operations of healthcare providers are high-risk by their nature. Kern Medical is determined to achieve consistently safe operations and to create a safe environment for patients, staff and visitors. Studies show a link between a positive safety culture and improved patient safety within a healthcare organization. The Joint Commission defines safety culture as the product of individual and group beliefs, values, attitudes, perceptions, competencies, and patterns of behavior that determine the organization's commitment to quality and patient safety.

Annually, Kern Medical conducts a system wide survey on perceptions of patient safety amongst staff. In response to the annual culture of safety survey conducted staff has identified areas for improvement and has outlined the following five strategies to achieve these results.

1. Engage Leadership
2. Implement Just Culture
3. Increase Communication
4. Encourage Reporting
5. Employee Engagement

Kern Medical recommends your Board adopt the attached proposed resolution to affirm the commitment of the Board of Governors to patient safety at Kern Medical Center and direct staff to develop and implement tactics to successfully execute the five strategies listed above.

SAFETY PLAN (NAME TBD)

Kern Medical strives to be a highly reliable organization and provide a safe environment for our patients, staff, and visitors.

IMPLEMENT JUST CULTURE

- Establish trust
- Eliminate fear of punishment
- Improve systems and processes

ENGAGE LEADERSHIP

- Departmental safety plan
- Revise policies and procedures

EMPLOYEE ENGAGEMENT

- Enhance staff education
- Safety programs: AVADE; Up Sooner Safer
- Employee recognition at the BOG

INCREASE COMMUNICATION

- Implement Safety Check
- Talk about safety at every meeting and huddle
- Close the loop communication

ENCOURAGE REPORTING

- EOC rounds weekly
- Annual Culture of Safety survey
- Examine errors, close calls, and hazardous conditions



Kern
Medical

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

In the matter of:

Resolution No. 2020-____

**AFFIRMING COMMITMENT OF THE
BOARD OF GOVERNORS TO PATIENT
SAFETY AT KERN MEDICAL CENTER**

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 18th day of March, 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 Board of Governors of the Kern County Hospital Authority is the body in whom the final authority and responsibility is vested for the conduct of Kern Medical Center (see Cal. Code Regs., tit. 22, § 70035); and

(b) The quality and safety of care provided by Kern Medical Center depend on many factors, including a culture that fosters safety and quality; and

(c) The Joint Commission defines Safety Culture as the sum of what an organization is and does in the pursuit of safety and the product of individual and group beliefs, values, attitudes, perceptions, competencies, and patterns of behavior that determine the organization's commitment to quality and patient safety; and

(d) The Board of Governors acknowledges the high-risk nature of Kern Medical's activities and is determined to achieve consistently safe operations and create a safe environment for patients, staff and visitors; and

(e) The Board of Governors acknowledges that in order to be successful, the culture of safety must create a transparent, non-punitive approach to reporting and learning from adverse events, close calls and unsafe conditions; and

(f) The Board of Governors has determined that clear, just and transparent risk-based processes are critical for recognizing and distinguishing human errors and system errors from unsafe, blameworthy actions; and

(g) The Board of Governors acknowledges that collaboration across ranks and disciplines is paramount in finding solutions to safety concerns; and

(h) The Board of Governors recognizes that its body is responsible for facilitating a culture of safety within the organization and is committed to addressing safety concerns and creating a safe environment; and

(i) The Board of Governors is committed to provide a consistent and sustained message about safety throughout the organization; and

(j) The Board of Governors desires to affirm its commitment to patient safety at Kern Medical Center.

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 affirms its commitment to patient safety at Kern Medical Center.

3. This Board hereby adopts the philosophy that Kern Medical Center strives to be a highly reliable organization and provide a safe environment for patients, staff and visitors.

4. This Board hereby directs staff to develop a Safety Plan including tactics to implement the following safety strategies: Just Culture; Engage Leadership; Increase Communication; Encourage Reporting; and Employee Engagement.

5. The provisions of this Resolution shall be effective, in force, and operative as of the 18th day of March, 2020.

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

Kern Medical Center
Legal Services Department



BOARD OF GOVERNORS KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

March 18, 2020

Subject: Proposed renewal and binding of all-risk property insurance through CSAC-EIA and earthquake coverage through Specialty Risk Underwriters

Recommended Action: Approve renewal and binding of all-risk property insurance through CSAC-EIA, and earthquake coverage through Specialty Risk Underwriters with a total dedicated coverage limit of \$25 million, from March 31, 2020 through March 31, 2021, in an amount not to exceed \$479,178, plus administrative fees.

The Authority presently insures its property, including contents, via a member-directed insurance risk sharing pool administered by the California State Association of Counties (CSAC). CSAC, a Joint Powers Authority (JPA), provides an ultra-competitively priced all-risk group policy, which includes the standard perils of loss such as fire, flood, business interruption, and more for both structures and contents. For a substantial additional cost, the peril of earthquake may be included.

For some time, property insurance has remained in a 'soft' market. Claim costs were down thus premiums remained relatively low, especially for organizations without claims. The market responded with attractive rates and broad coverages for those who placed few to no claims, maintained higher retentions, successfully defended or mitigated loss exposures, and who proactively managed risks to avert potential claims. Unfortunately, the market has dramatically changed.

Given the catastrophic and continuous losses occurring from seasonal fires and other worsening conditions, rates in the property market have steadily climbed at an alarming rate; thus, the market has substantially changed to reflect steep increases for renewal terms. Although the Authority maintains a low-risk profile, has no ratable claims for property, and has a relatively high retention of \$100,000 per occurrence for property perils other than earthquake, it is not immune to the market conditions and offerings experienced by all entities upon renewal.

The present insurance policy offered by CSAC is scheduled to renew effective March 31, 2020 for a new one-year term. The renewal policy provides comprehensive, all-risk, coverage to include earthquake; however, the premium is set to increase significantly. Negotiations by CSAC with respective primary and excess underwriters have attempted to stabilize premiums through a multi-year arrangement though rates are expected to continue to rise. Of benefit to members of the CSAC JPA, is a much lower rate per \$100 of coverage due to the purchasing power in volume presented by the members of the JPA. The downfall of this approach is that a member entity such as the Authority is not afforded the opportunity to select a lower limit of coverage other than the full replacement value. This is of particular concern with respect to the optional earthquake coverage.

For the renewing term starting March 31, 2020, the combined cost for all-risk property coverage to include the peril of earthquake, your Board has the option to renew coverage at a premium estimated at \$860,631, with a final premium determination by CSAC at its March board meeting. This represents a nearly 40% increase over the previous year with rates expected to rise in each subsequent renewal. The Authority is not alone with respect to the rising rates as such increases are being implemented almost across the board with many

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A Designated Public Hospital

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organizations having claims experiencing even higher increases. Of the estimated property renewal premium of \$860,631, the optional peril of earthquake represents \$671,062 of the premium or approximately 72%. The following matrix illustrates the rising property insurance premiums over time:

Policy Year	Total Premium	Earthquake (EQ) Premium (Included in Total Premium)	Total Insured Value (Subject to Lower Limits for EQ)
2016/2017	\$550,251	\$399,754	\$539,742,711
2017/2018	\$519,869	\$390,373	\$534,486,271
2018/2019	\$520,511	\$396,560	\$518,020,772
2019/2020	\$616,649	\$474,231	\$527,123,876
2020/2021	\$860,631	\$671,062	\$534,069,401

In response to the ever-increasing premiums, staff has worked diligently with both CSAC and its brokers at Alliant to evaluate the risk, opportunities, and available market alternatives. This included an outsourced professional engineering evaluation by Holmes Structures for the purpose of earthquake risk modeling with estimated loss predictions of both buildings and contents provided by AmWINS. The information was used to establish certain coding for purposes of obtaining competitive quotes for alternative earthquake coverage.

The report from Holmes Structures with estimated loss data provided from AmWINS indicates a more positive risk profile than the modeling and data used by CSAC, which relies on limited, generalized data supplied by the insured entities and then aggregated with other entities to limit the potential of exceeding the shared limits. Holmes predicts the likelihood of a seismic event using historical data combined with the construction of the subject property and, with additional analysis from AmWINS, is able to estimate a potential loss through predictive algorithms specific to the targeted entity in its geographic location. Potential insurers use this modeling to establish rates associated with the level of coverage requested. Based on a conservative, 250-year occurrence rate, the estimated damage of an earthquake-related loss is \$7,405,305. While the potential of a catastrophic event is always a possibility, historical data used to predict potential future losses represents an opportunity for your Board to consider insuring property and contents with respect to the peril of earthquake for limits lower than the full estimated value.

Coverage options for your Board to consider include the following:

- Option A: Most Expensive, Highest Available Earthquake Coverage, Shared Limits
Renew as is, including the peril of earthquake, with CSAC at the estimated renewal premium of \$860,631. Earthquake coverage is subject to shared limits of \$465M of all entities combined within CSAC's Tower I of group coverage.
- Option B: Less Expensive, Second Highest Earthquake Coverage Available
Renew property coverage with CSAC, excluding the peril of earthquake. Place standalone earthquake coverage with alternative carrier, Specialty Risk Underwriters, subject to a total dedicated coverage limit of \$50M for an estimated annual premium of \$470,886 – a savings of \$200,176 or an approximate 30% decrease than CSAC's renewal premium for earthquake.
- Option C: Less Expensive, Third Highest Earthquake Coverage Available, Dedicated Limits
Renew property coverage with CSAC, excluding the peril of earthquake. Place standalone earthquake coverage with alternative carrier, Specialty Risk Underwriters, subject to a total dedicated coverage limit of \$25M for an estimated annual premium of \$294,827 – a savings of \$376,235 or an approximate 56% decrease than CSAC's renewal premium for earthquake.

Option D: Less Expensive, Least Earthquake Coverage Available, Dedicated Limits

Renew property coverage with CSAC, excluding the peril of earthquake. Place standalone earthquake coverage with alternative carrier, Specialty Risk Underwriters, subject to a total dedicated coverage limit of \$10M for an estimated annual premium of \$202,045 – a savings of \$469,017 or an approximate 70% decrease than CSAC's renewal premium for earthquake.

Option E: Least Expensive, No Earthquake Coverage

Renew property coverage with CSAC, excluding the peril of earthquake. No coverage for the peril of earthquake would be provided for either structures or contents. Property coverage would renew at approximately \$189,569, which would reflect a premium decrease of \$671,062.

In consultation with Alliant, a recommendation is made for a savings opportunity entertaining lower limits of coverage in exchange for a reduced annual premium. Following review of the Holmes Structures and AmWINS reports with an estimated loss potential as referenced above, the market conditions, and CSAC declining to offer lower limits, Alliant recommends the purchase of a stand-alone earthquake policy with a \$25M ceiling of coverage so as to effectively cover the estimated maximum loss, provide a cushion of additional coverage, and realize an immediate substantial savings in the renewal premium. Staff concurs with the recommendation, which will result in total premium savings at the March 31, 2020 renewal of \$376,235. A copy of Alliant's recommendation is attached.

Therefore, it is recommended that your Board approve the renewal and binding of all-risk property insurance through CSAC-EIA, and earthquake coverage through Specialty Risk Underwriters with a total dedicated coverage limit of \$25 million, from March 31, 2020 through March 31, 2021, in a total amount not to exceed \$479,178, plus administrative costs.



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

March 18, 2020

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

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employee Manuel Acosta, as Extra Help PACS Administrator, for the period ending June 30, 2020, or 960 hours, whichever occurs first, effective March 28, 2020.

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

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

Mr. Acosta retired effective March 27, 2020. He worked at Kern Medical for over 30 years as a Picture Archiving & Communication Systems (PACS) Administrator supporting the radiology department in the operation of PACS equipment and capturing of digital images for patient records. His requisite experience and skill set are critical to our hospital. Kern Medical has an urgent need to reemploy Mr. Acosta immediately, to ensure continuity in PACS administration duties. Mr. Acosta has extensive experience in this area, which is a highly specialized skill set that is not readily available in our labor market.

Therefore, it is recommended that your Board approve the reemployment of Manuel Acosta, as Extra Help PACS Administrator, effective March 28, 2020.



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

March 18, 2020

Subject: Comments Regarding Budget Variances – January 2020

Recommended Action: Receive and File

Summary:

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

Patient Revenue:

Gross patient revenue has a favorable month-to-date and 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).

County Funding:

County funding is favorable compared to budget for the month due to additional contributions received from the County of Kern to fund Cerner infrastructure that was put in place to support Correctional Medicine Services.

Capitation Premium Revenue:

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

Other Operating Revenue:

Other operating revenue has a favorable budget variance for the month due to the receipt of credits from Allscripts Healthcare. The credits are for Allscripts software invoices that should not have been billed after the implementation of the new Cerner EHR.

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 are favorable compared to budget for the month and on a year-to-date basis due to a decrease in contracted physician services used by Behavioral Health Department. In addition, expense was over accrued for this line item in the prior month.

Other Professional Fees:

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

Supplies Expense:

Supplies expenses are under budget for the month because of lower than average costs for general medical supplies and lower than average costs for minor equipment. 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 January due to the reclassification of Healthcare Performance Group, Inc. to the Cerner project. In addition, ambulance fees were over accrued in prior month. On a year-to-date basis, purchased services expenses are only slightly higher than planned. The FY 2020 year-to-date variance is primarily due to the fact that additional Trans-West Security Officers were increased to maintain employee and patient safety.

Other Expenses:

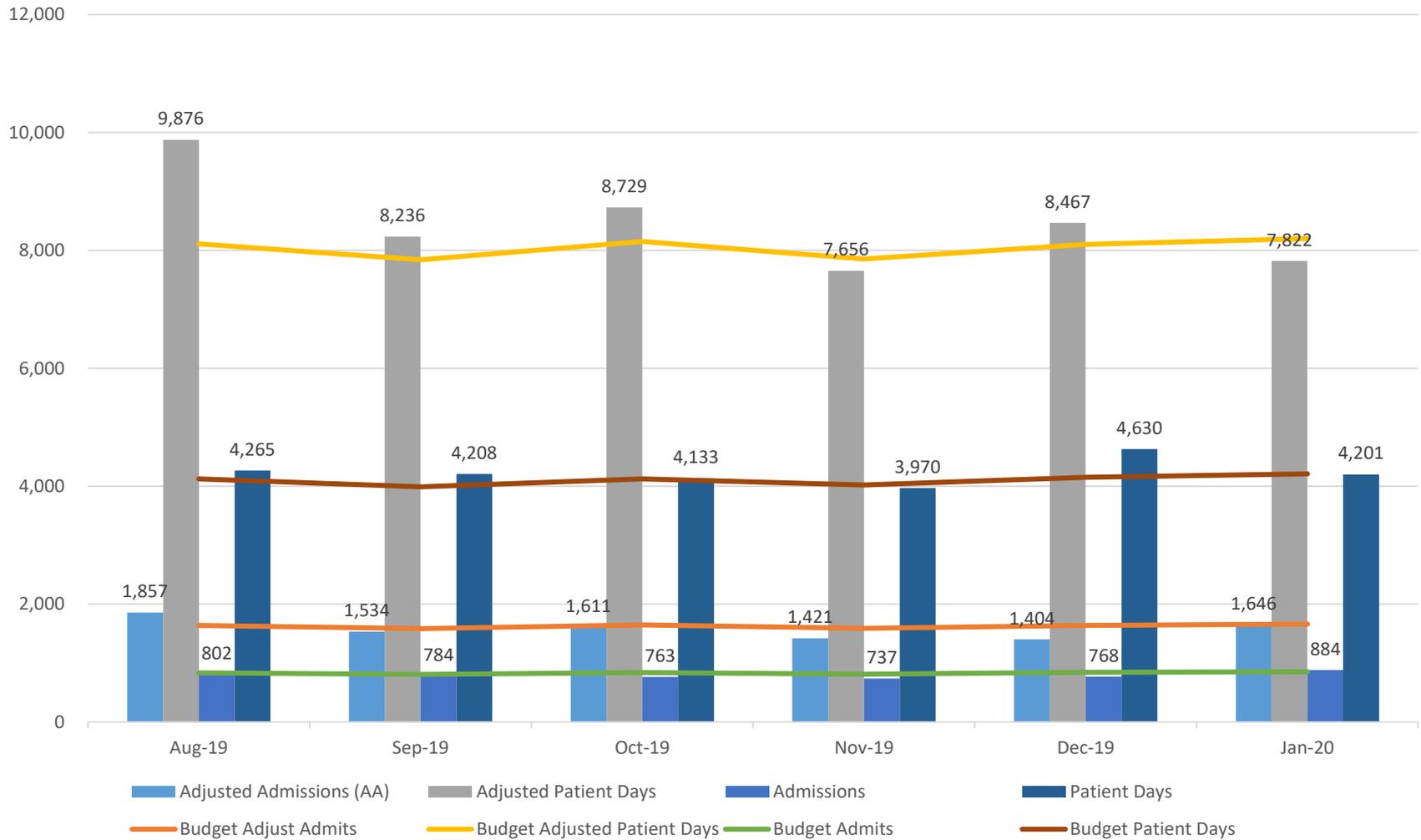
Other expenses for the month and on a year-to-date basis are under budget due to lower than average repairs and maintenance expenses.



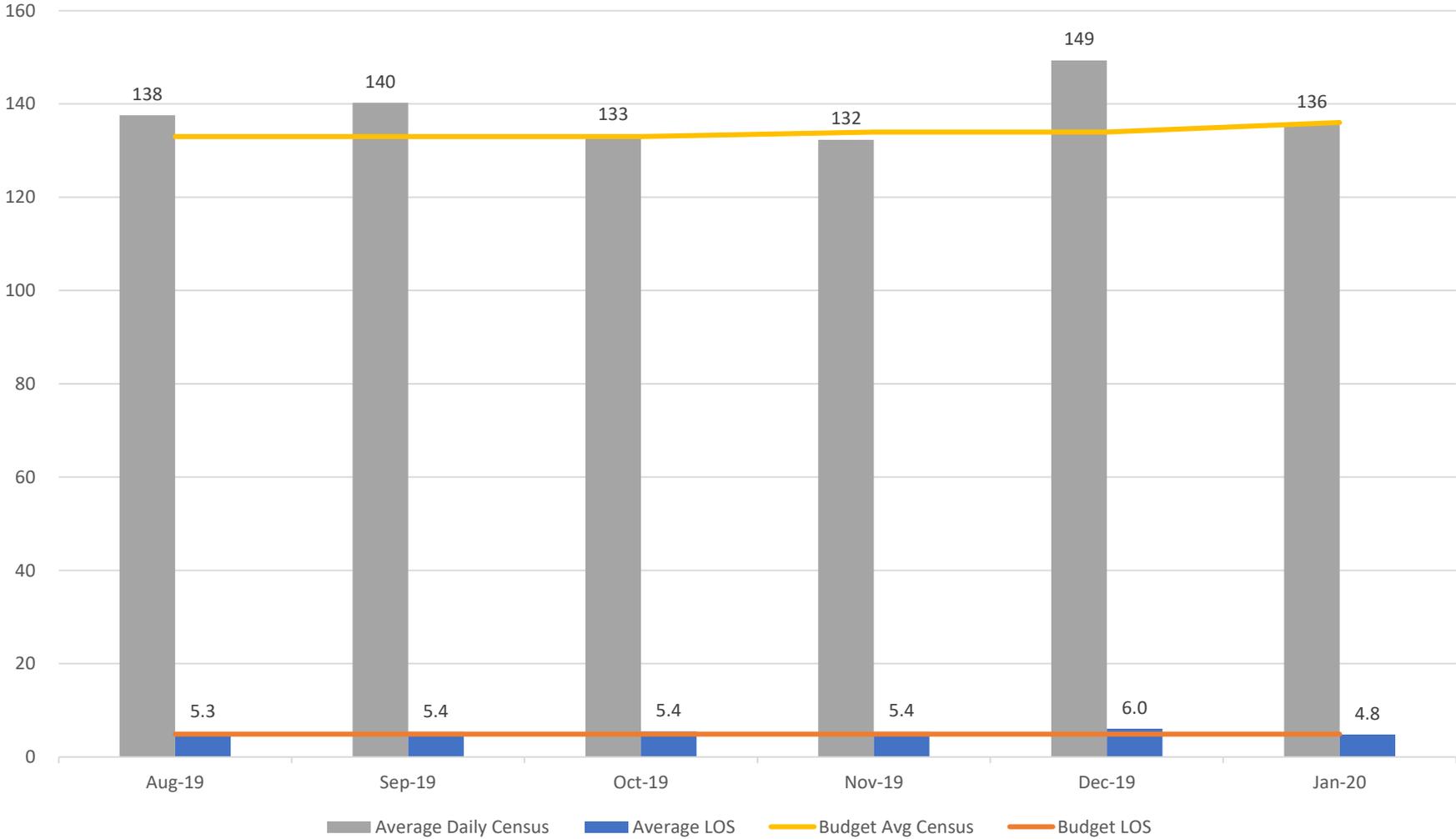
**BOARD OF GOVERNORS' REPORT
KERN MEDICAL – JANUARY 2020**

March 2020

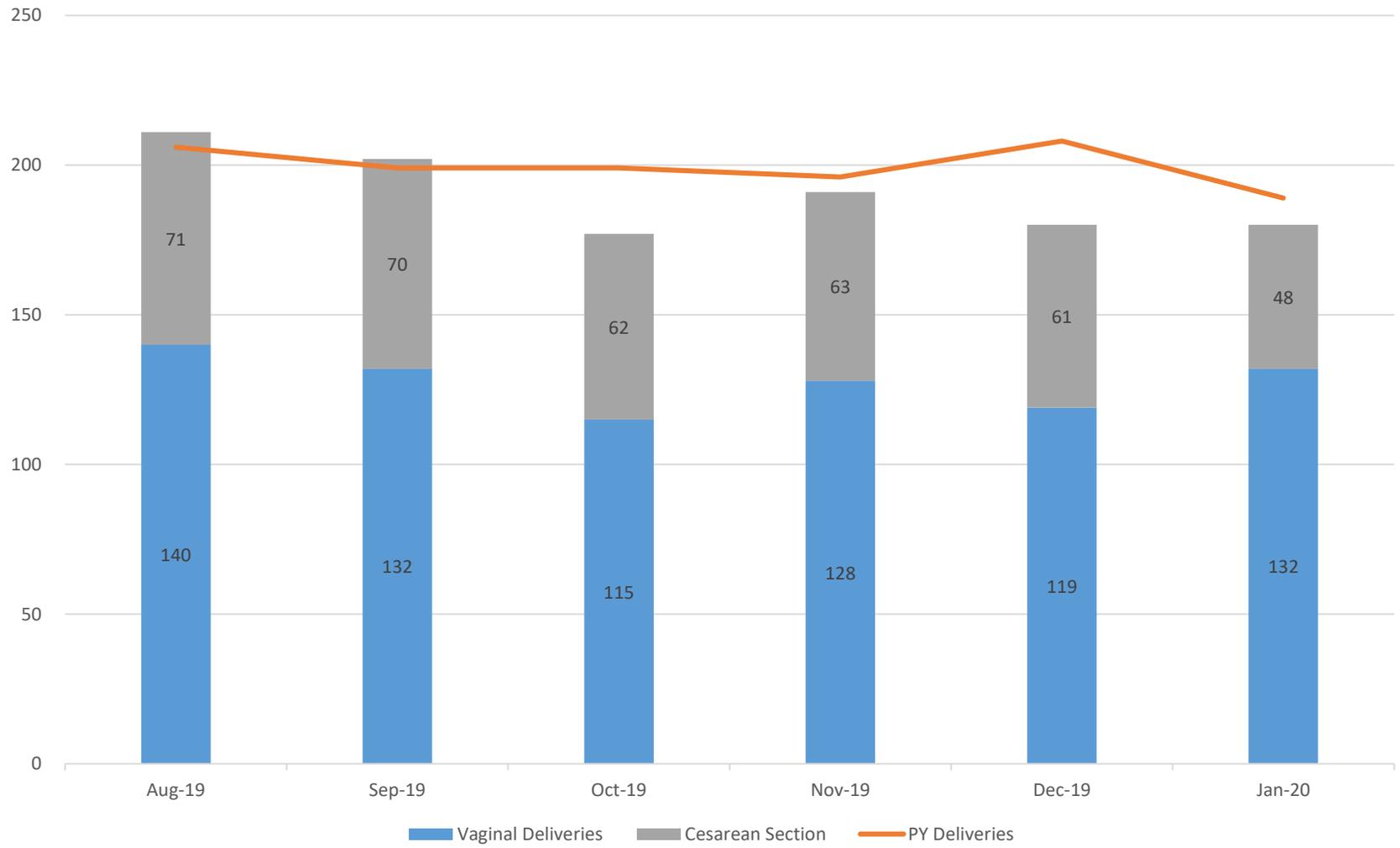
Hospital Volumes



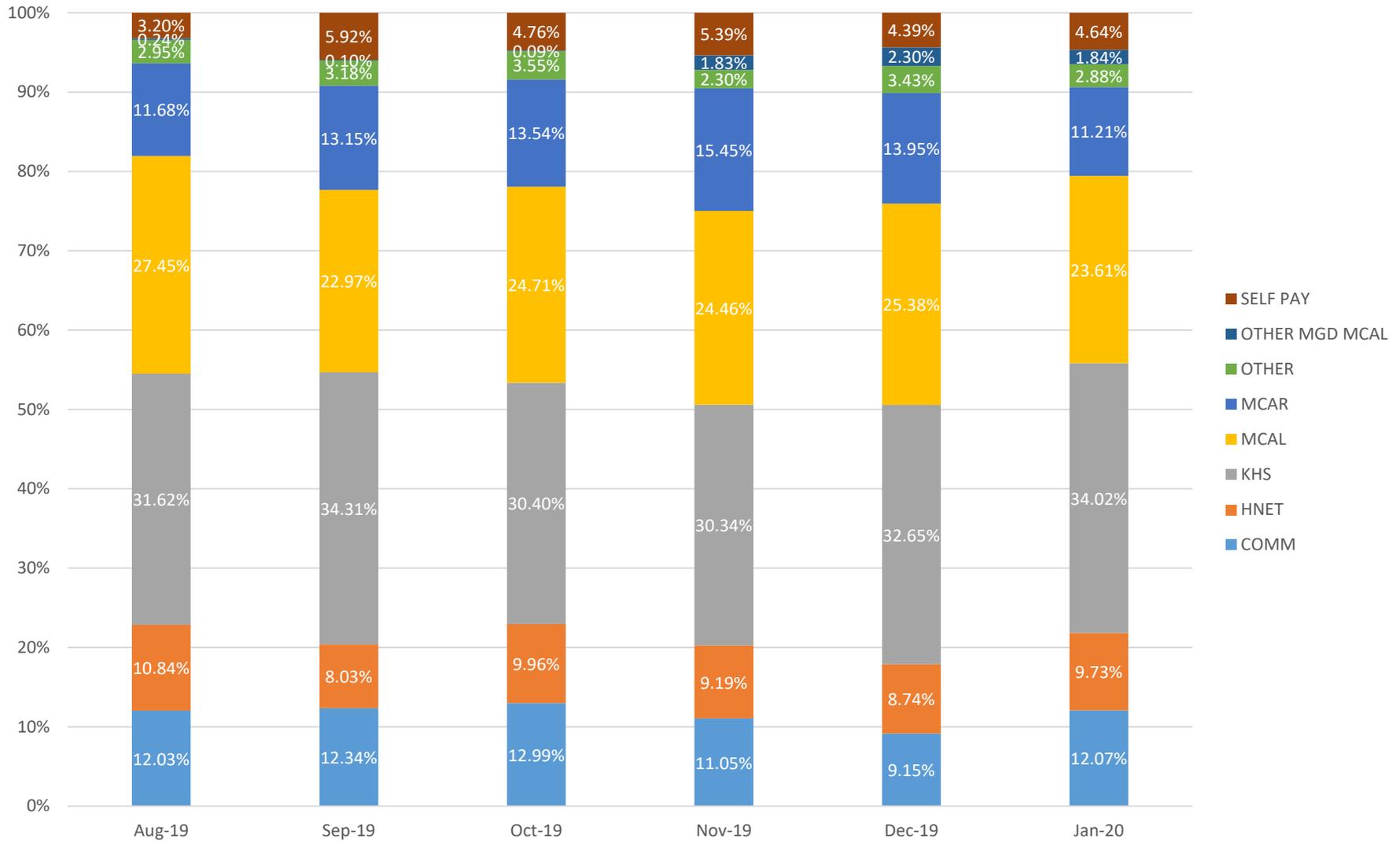
Census & ALOS



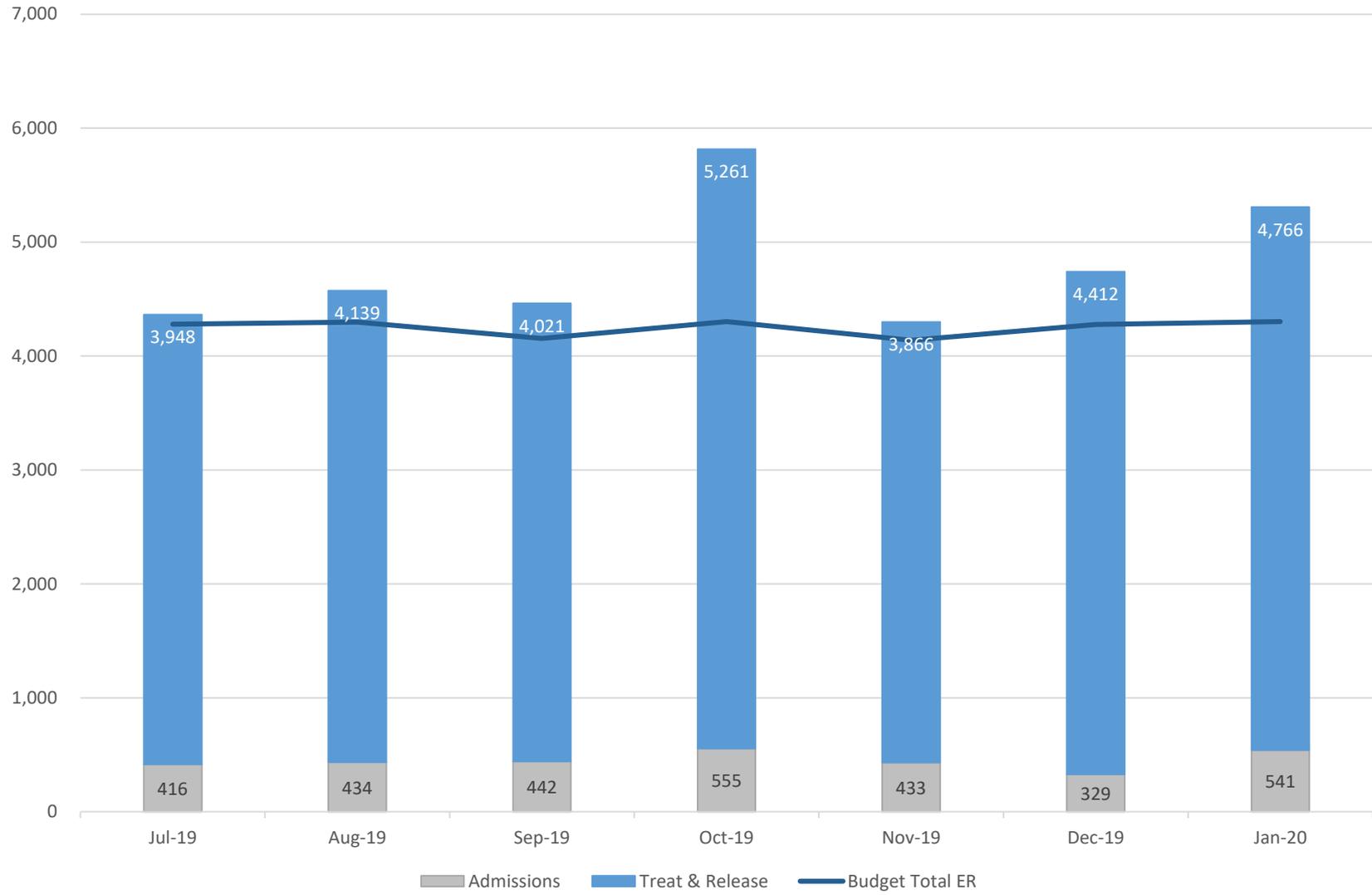
Deliveries



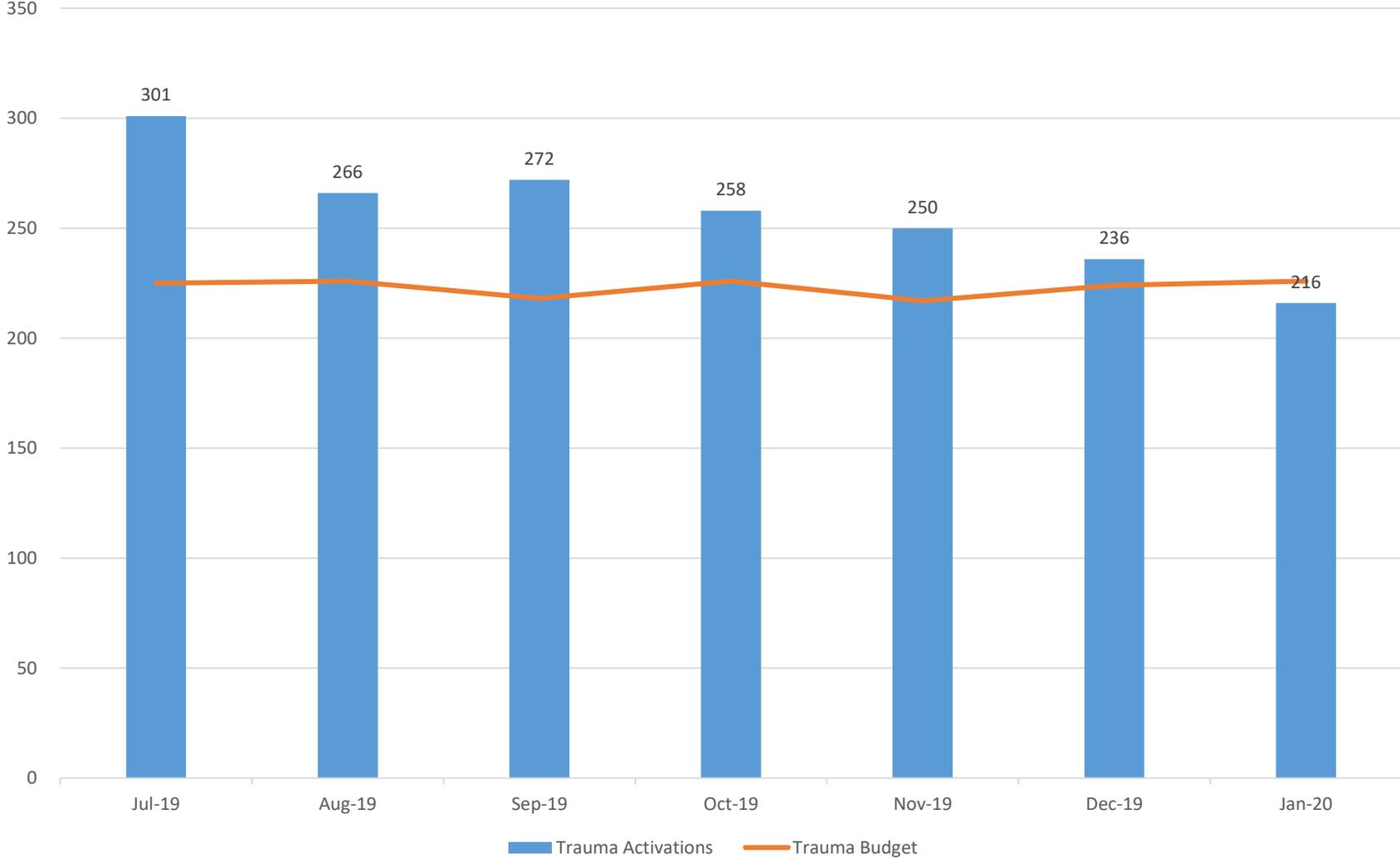
Payer Mix



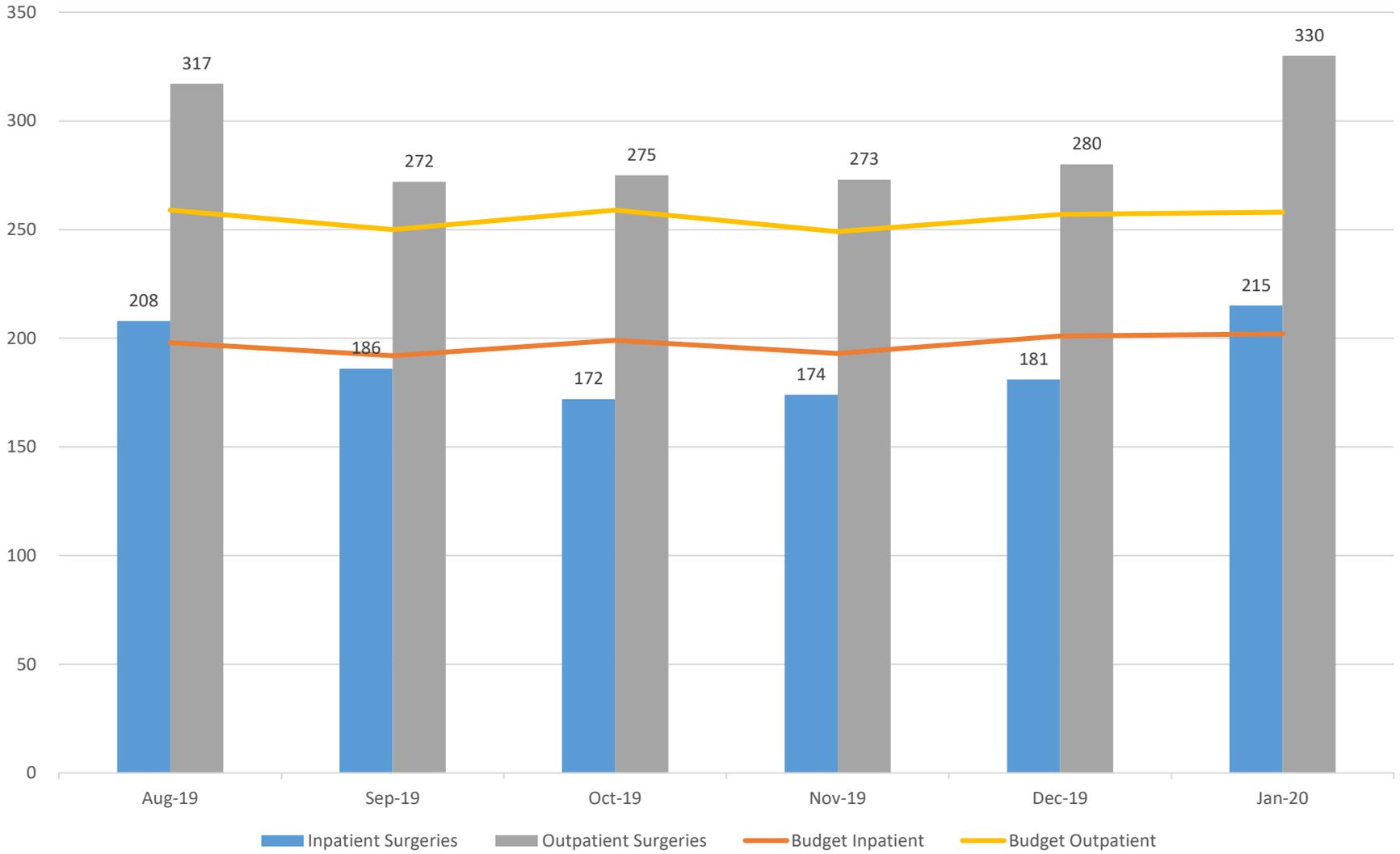
Emergency Room Volume



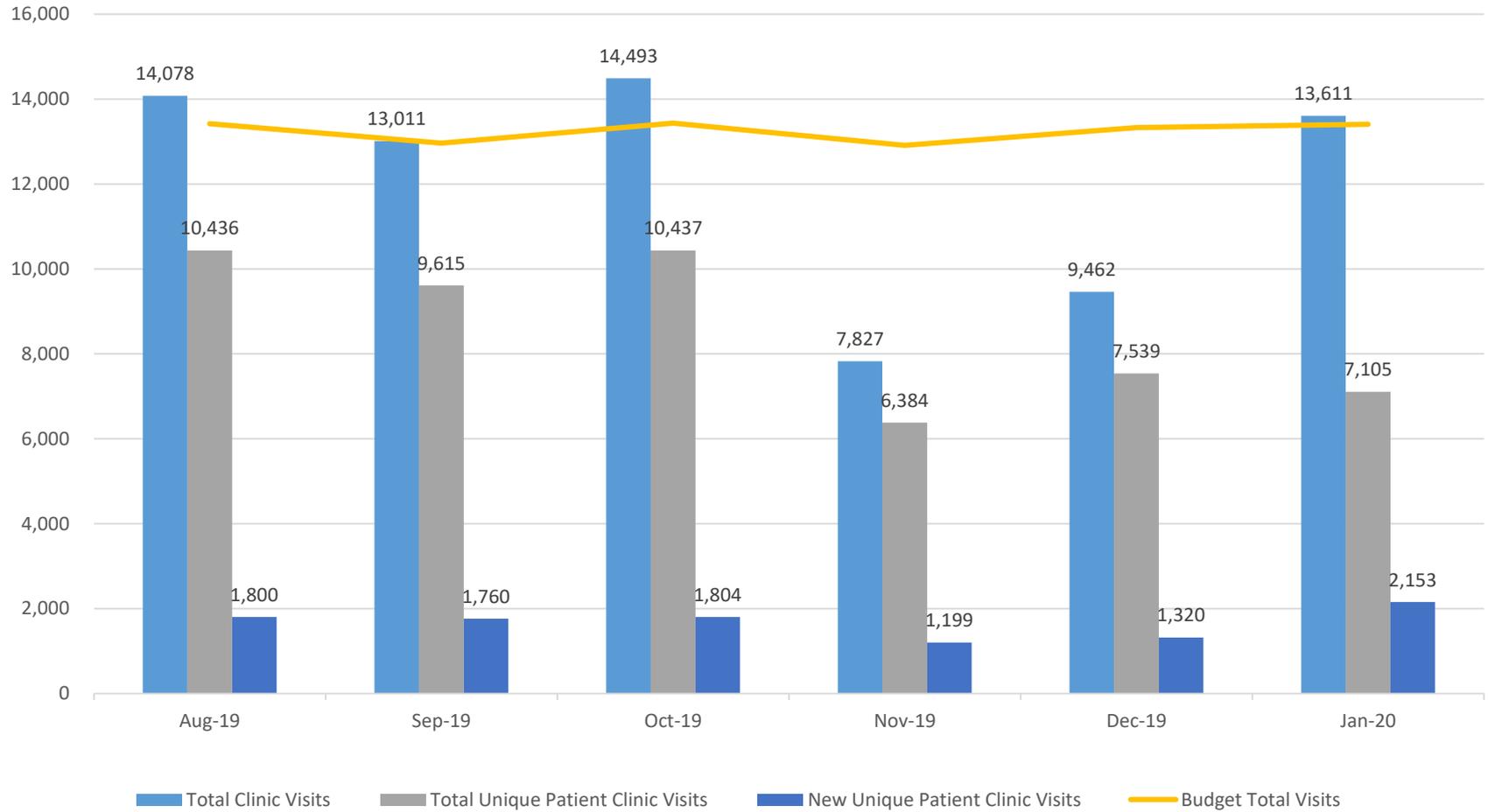
Trauma Activations



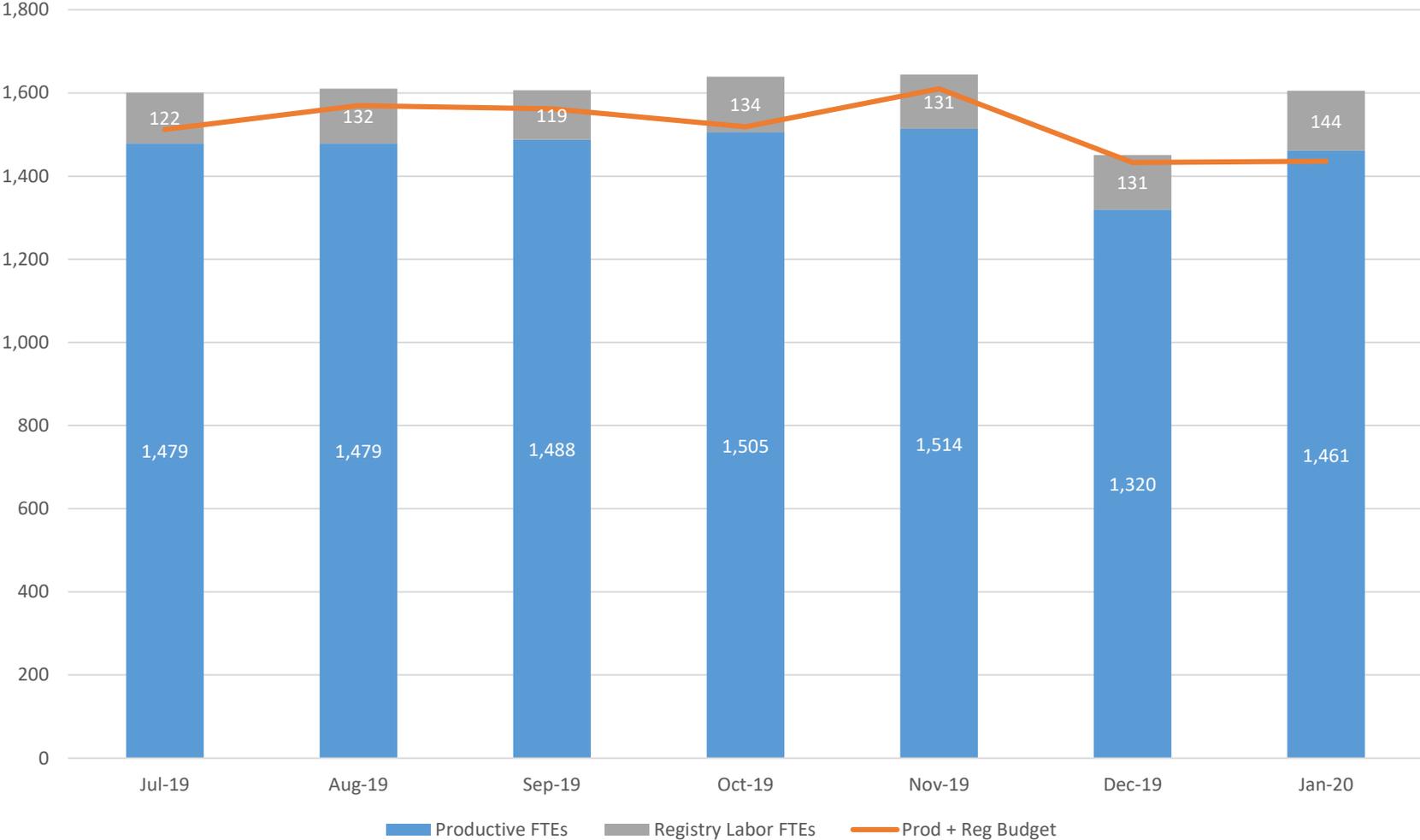
Surgical Volume



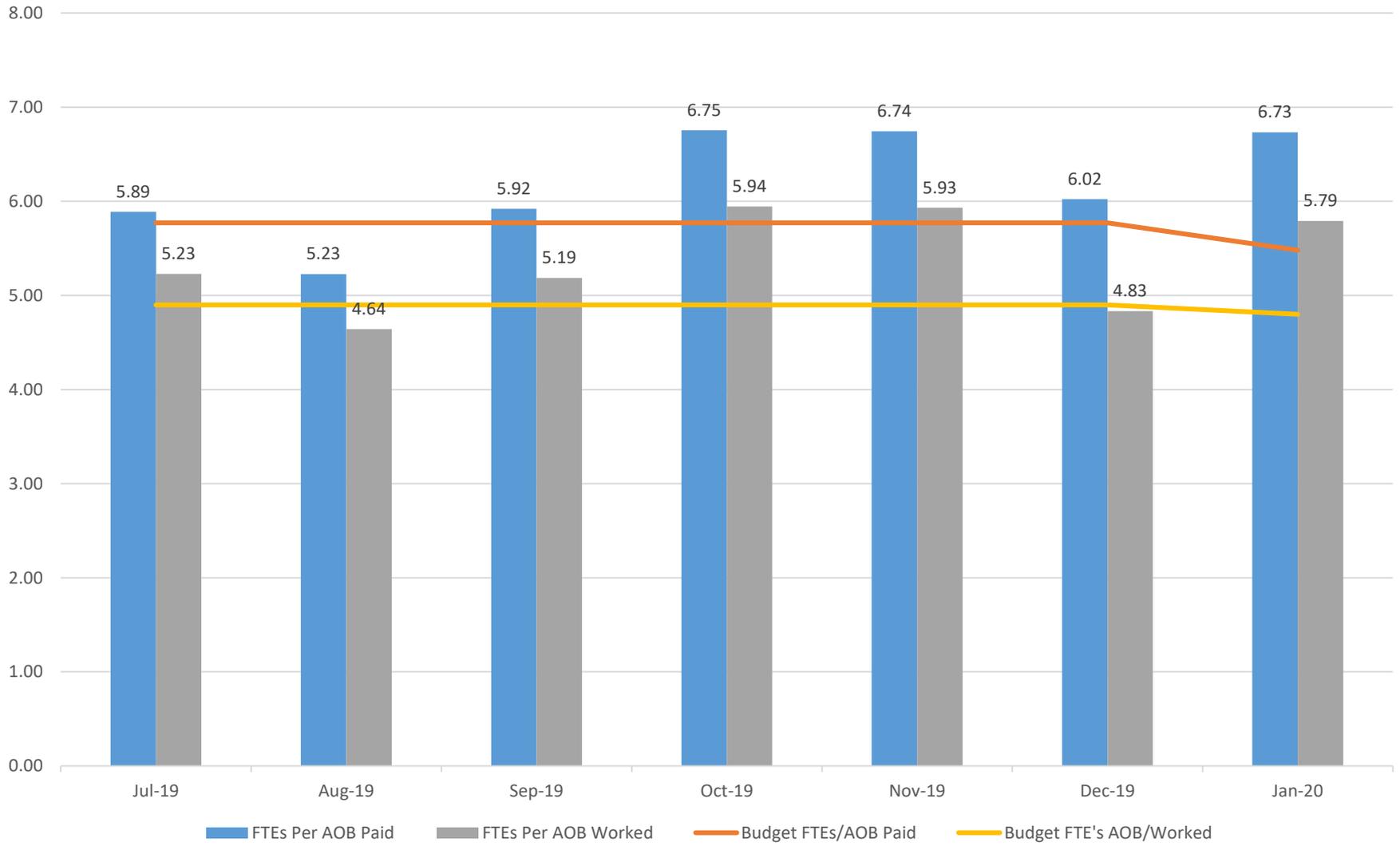
Clinic Visits



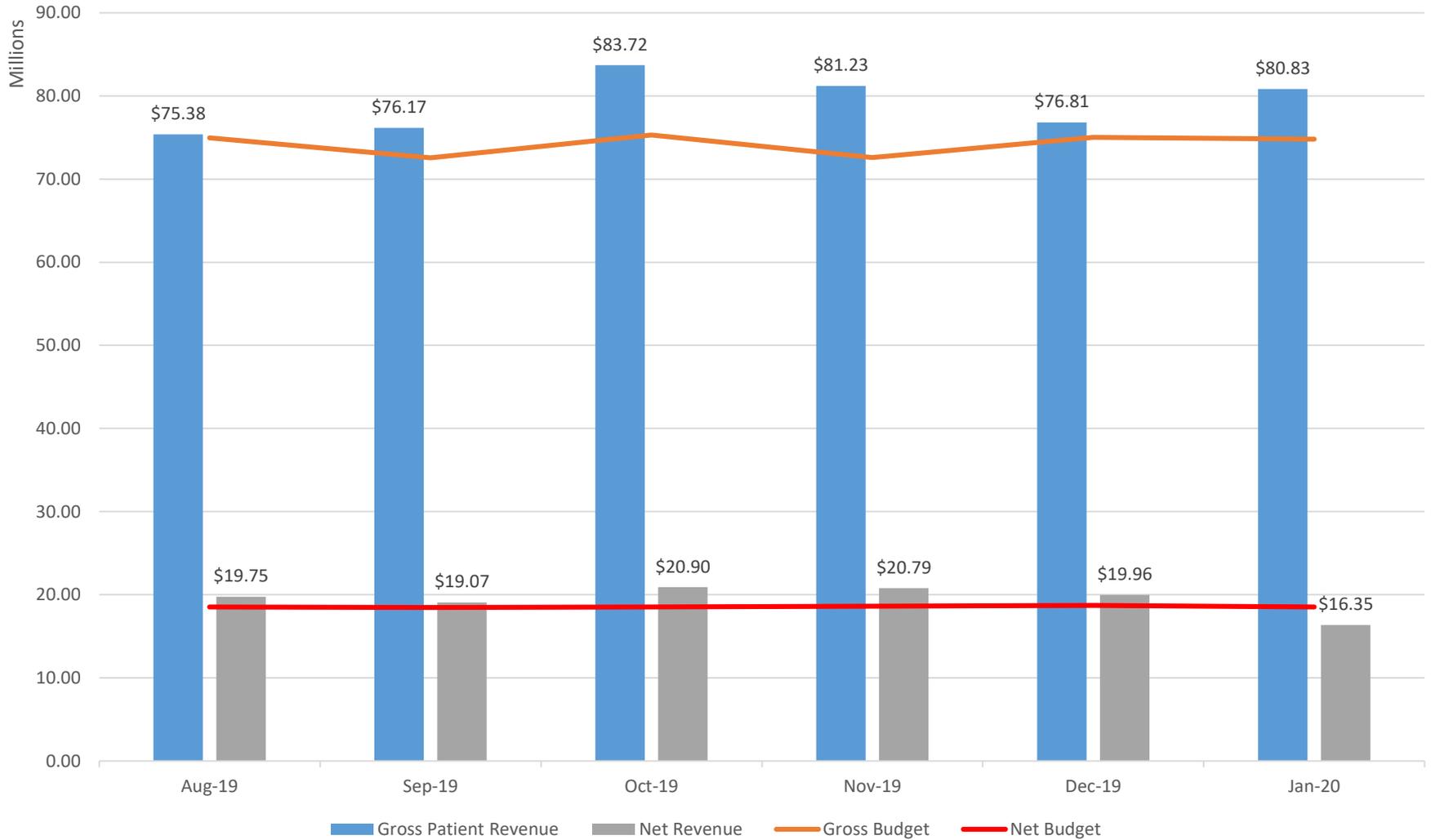
Productivity



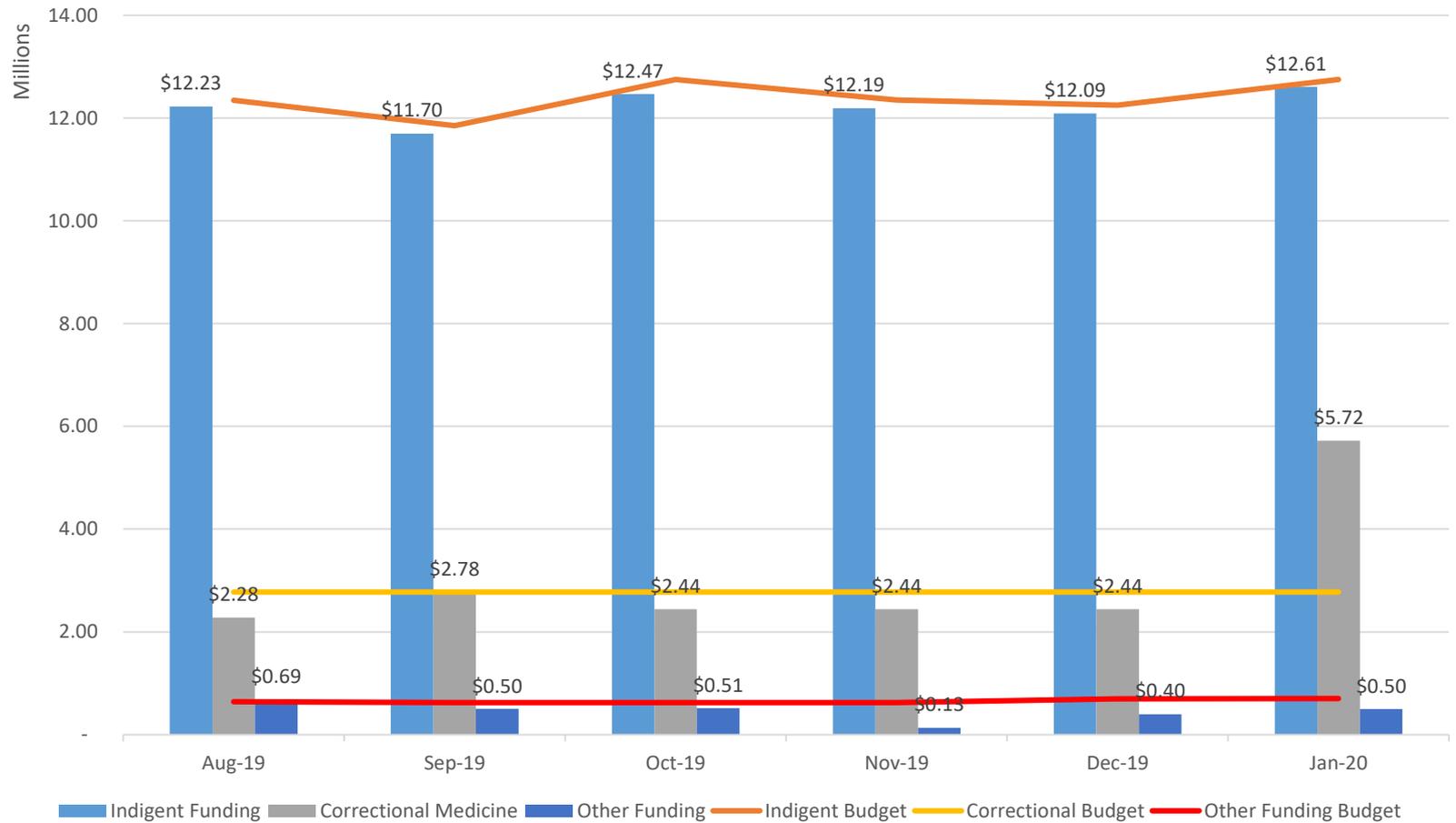
Labor Metrics



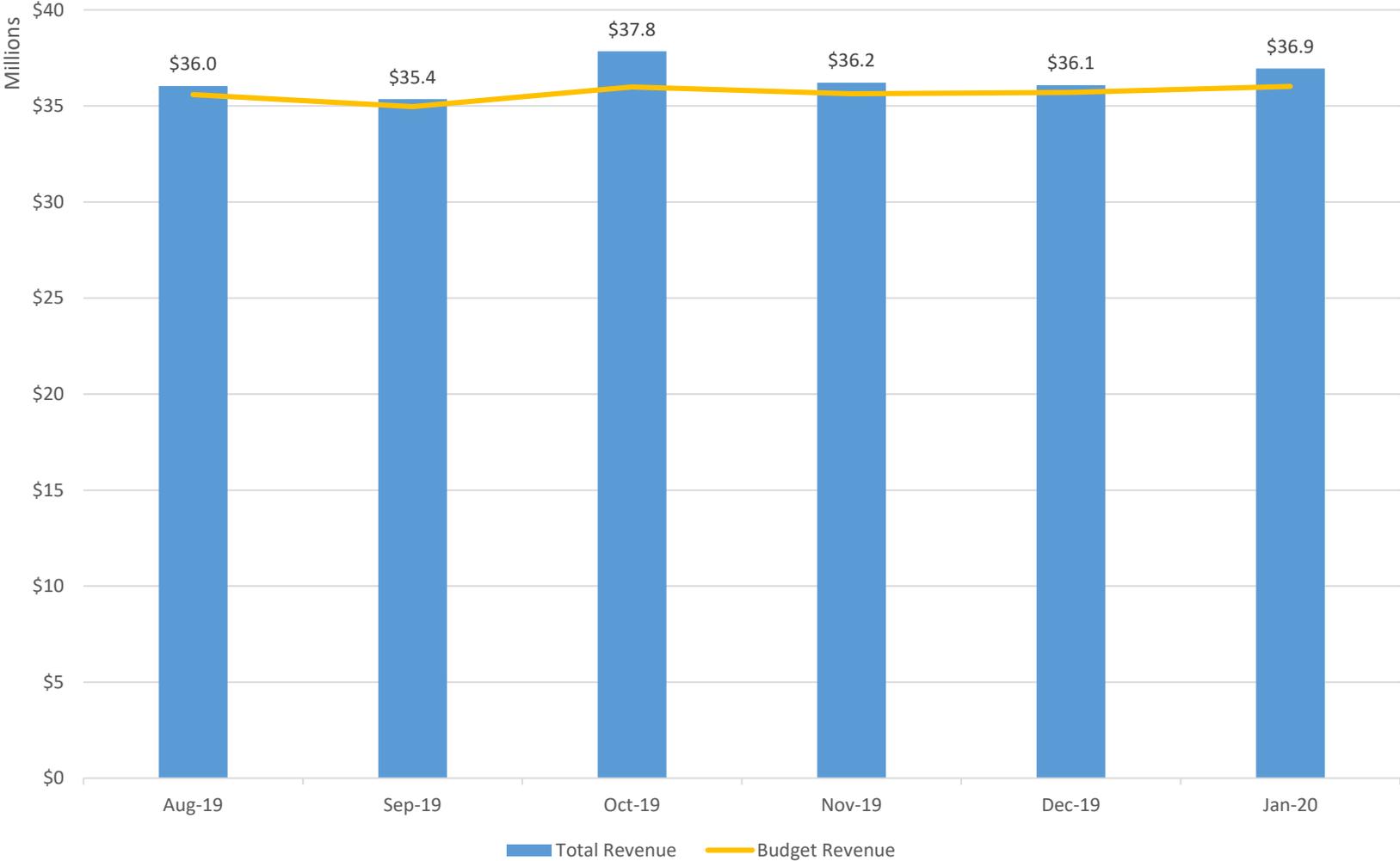
Patient Revenue



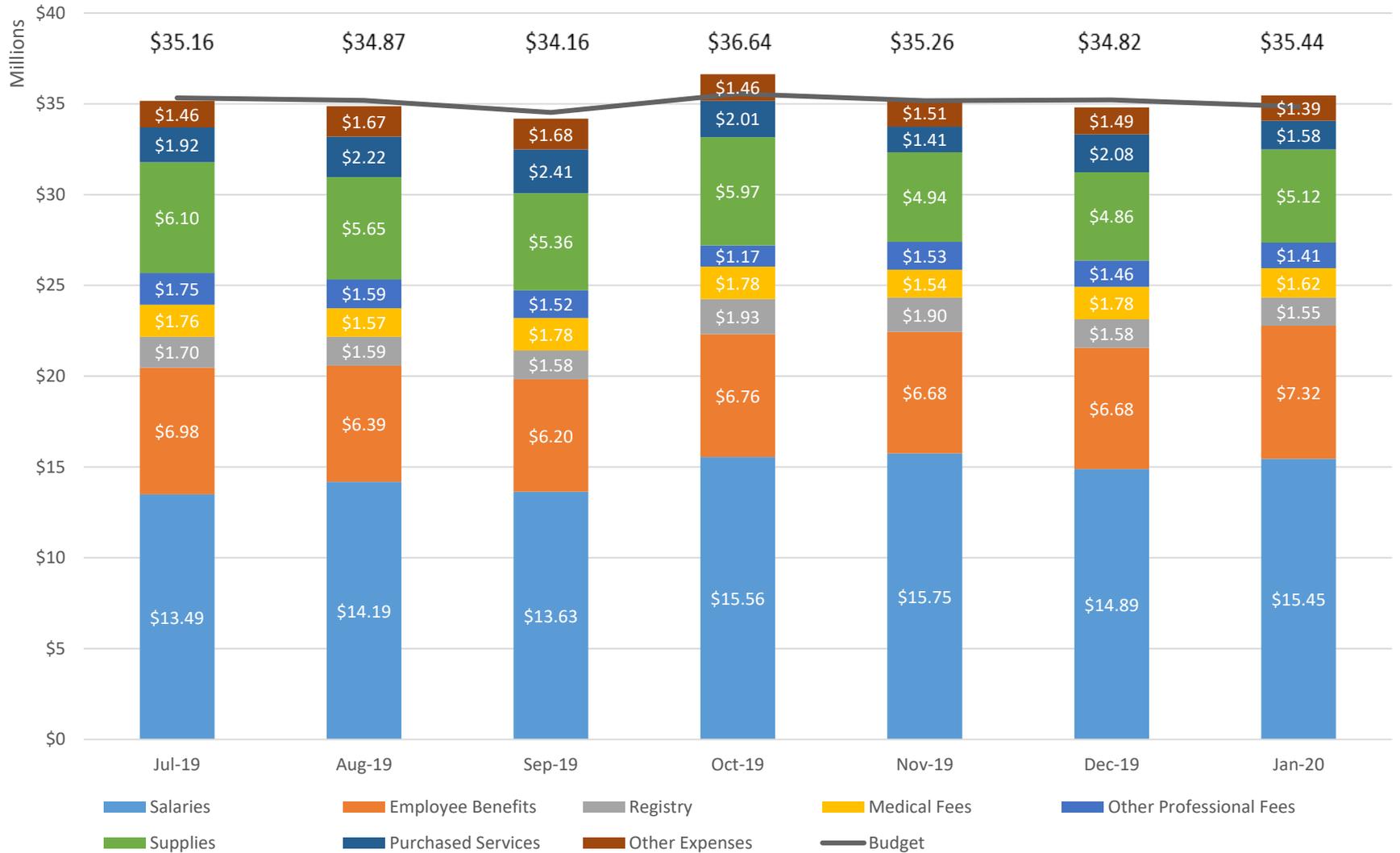
Indigent & Correctional Revenue



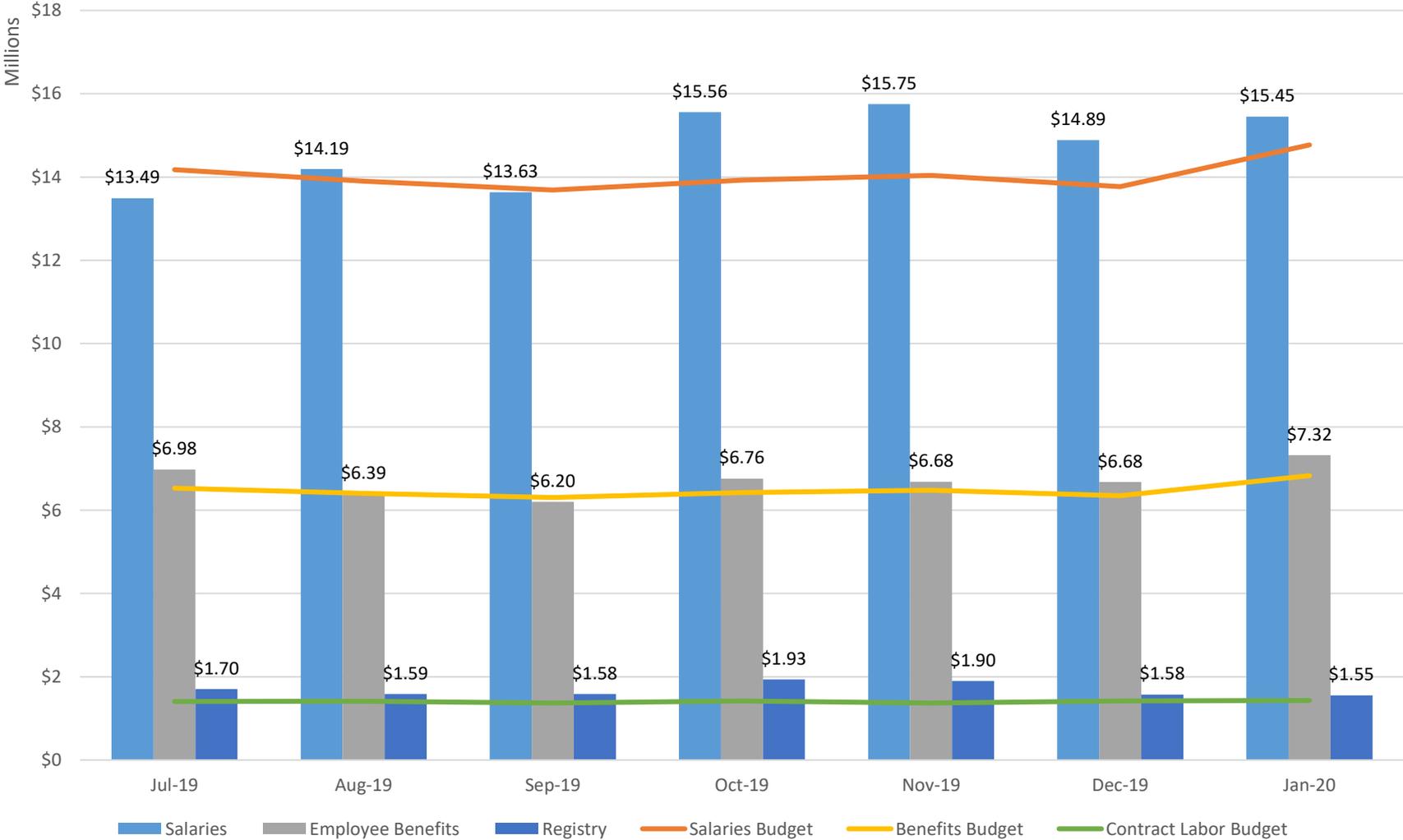
Total Revenue



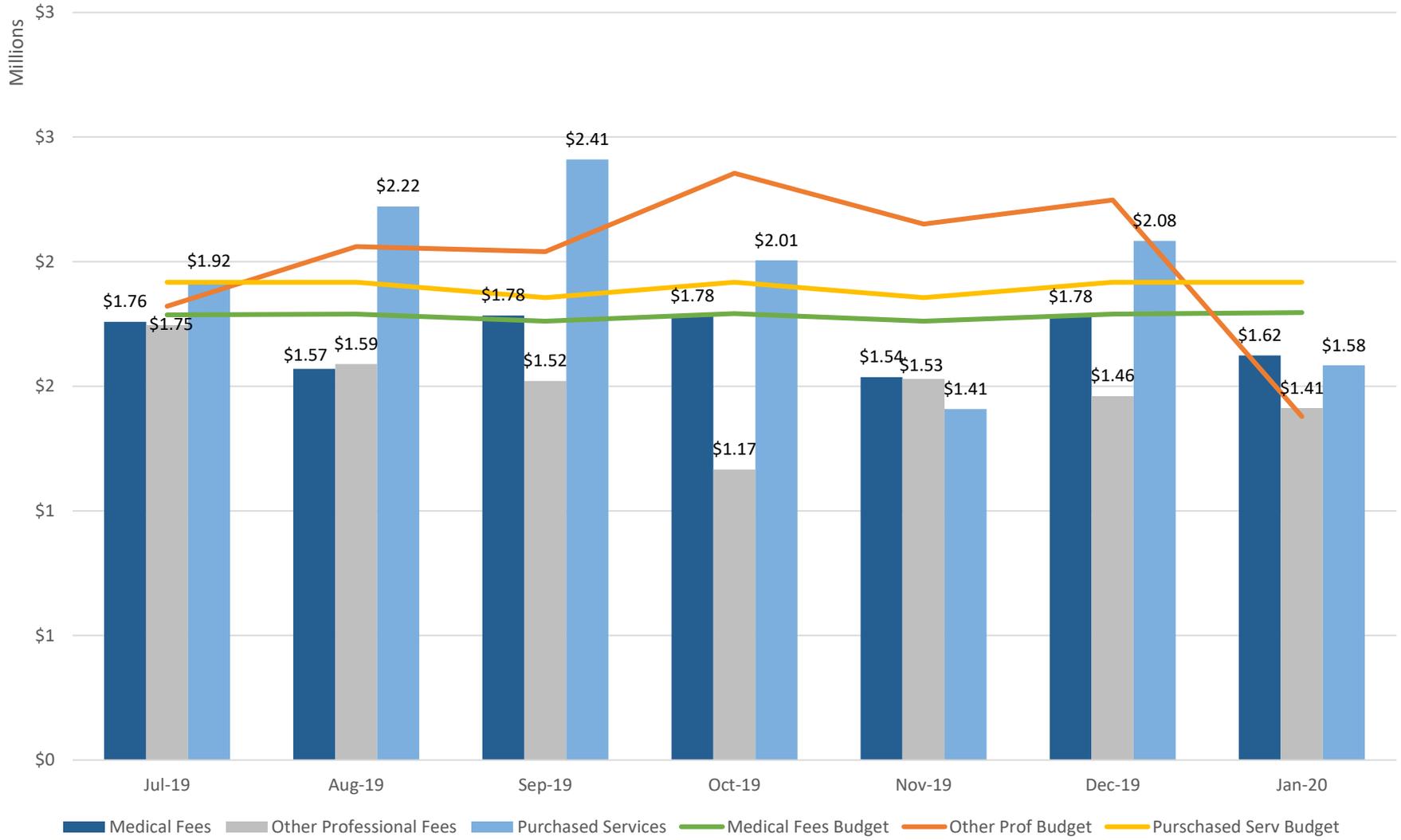
Expenses FYTD 2020



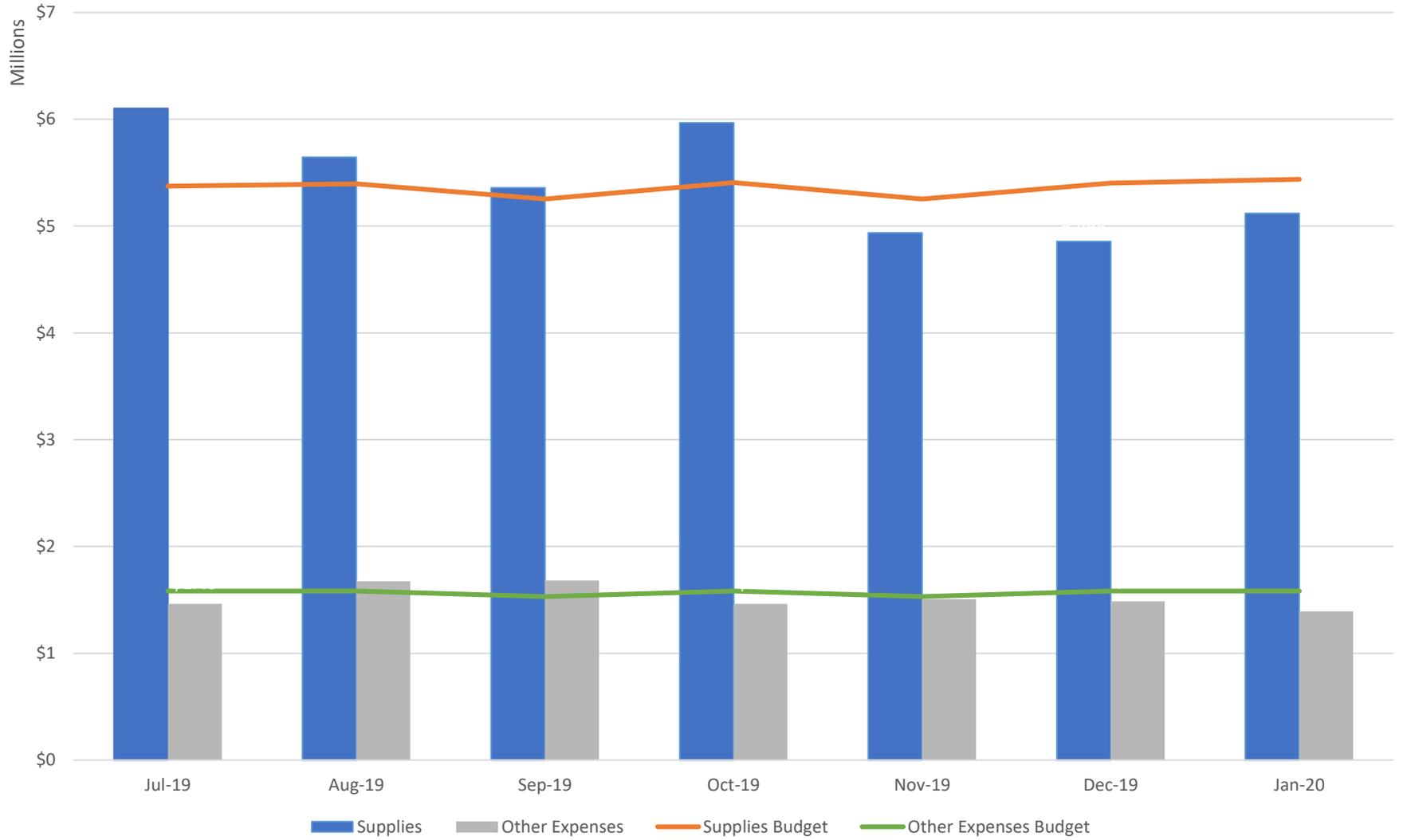
Salaries & Benefits FYTD 2020



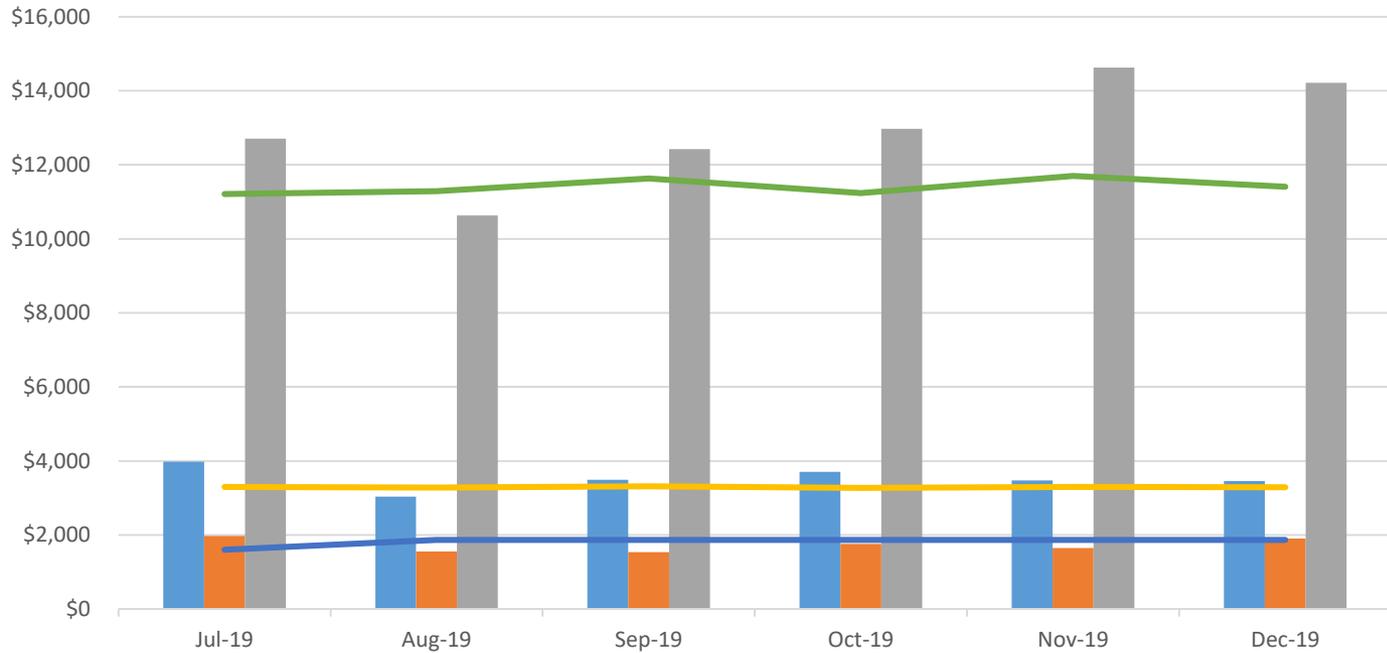
Purchased Services, Medical, & Other Prof Fees FYTD 2020



Supplies & Other Expenses FYTD 2020

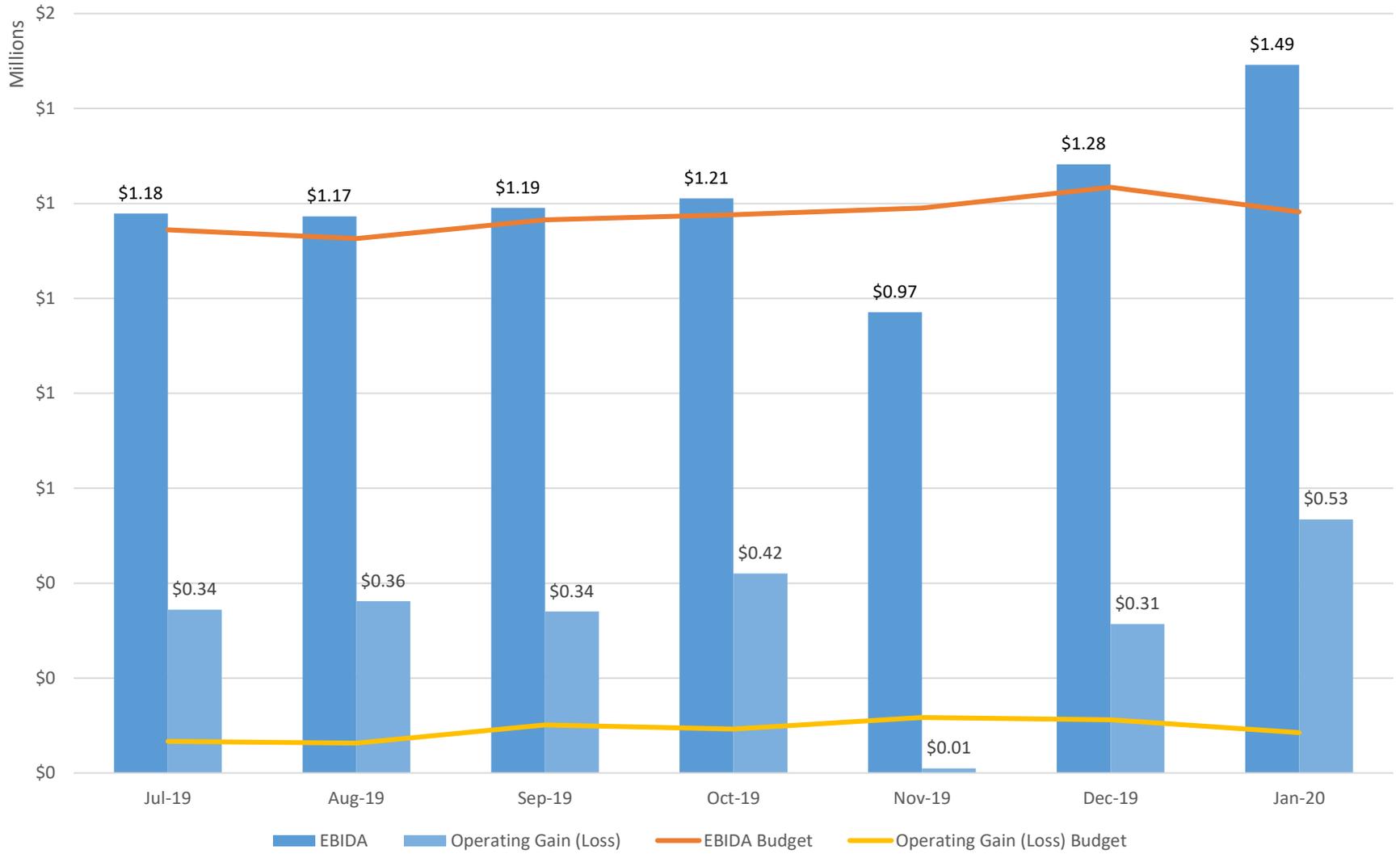


Operating Metrics

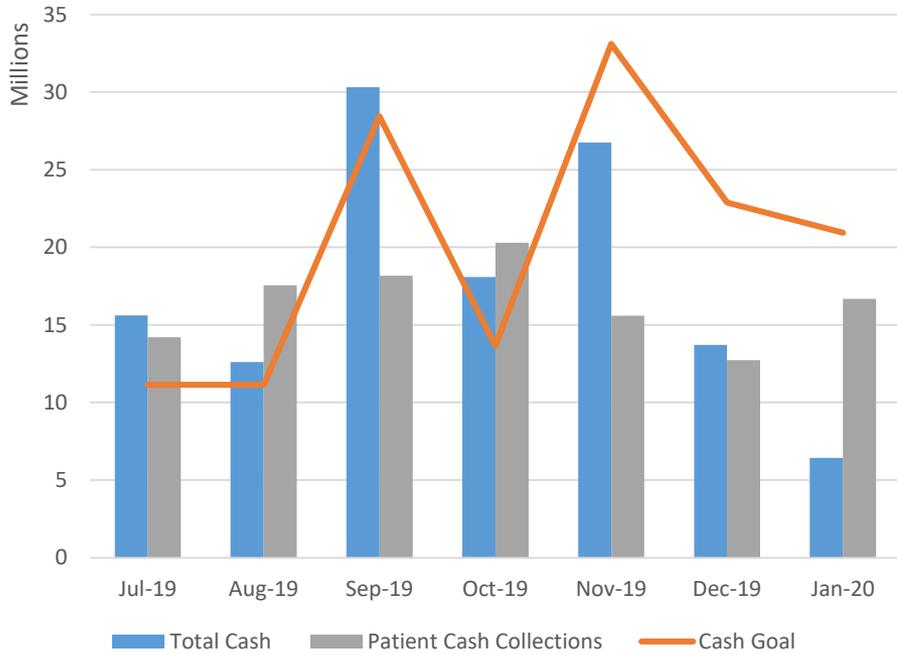


	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Supply Expense per AA	\$3,977	\$3,040	\$3,492	\$3,703	\$3,474	\$3,457
Pharm Cost per AA	\$1,976	\$1,558	\$1,536	\$1,762	\$1,646	\$1,905
Net Revenue Per AA	\$12,710	\$10,636	\$12,428	\$12,972	\$14,631	\$14,212
Budget Supp/AA	\$3,295	\$3,286	\$3,313	\$3,277	\$3,303	\$3,293
Budget Pharm/AA	\$1,604	\$1,869	\$1,870	\$1,869	\$1,870	\$1,870
Budget Net Rev/AA	\$11,209	\$11,286	\$11,630	\$11,234	\$11,703	\$11,409

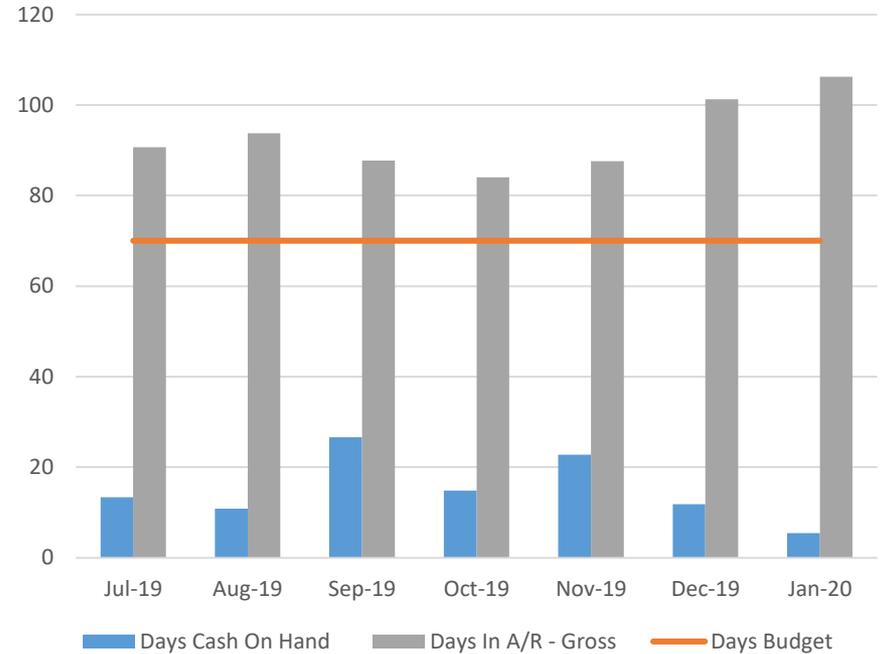
EBIDA 2020 FYTD



Cash 2020 FYTD



AR Days 2020 FYTD



3-Month Trend Analysis: Revenue & Expense

Jan-20

	NOVEMBER	DECEMBER	JANUARY	BUDGET JANUARY	VARIANCE POS (NEG)	PY JANUARY
Gross Patient Revenue	\$81,226,355	\$76,811,620	\$80,827,948	\$74,800,873	8%	\$71,720,473
Contractual Deductions	(\$60,432,238)	(\$56,851,762)	(\$64,478,388)	(\$56,275,796)	15%	(\$53,460,661)
Net Revenue	\$20,794,117	\$19,959,859	\$16,349,560	\$18,525,076	-12%	\$18,259,812
Indigent Funding	\$12,190,725	\$12,090,749	\$12,609,681	\$12,749,481	-1%	\$13,103,493
Correctional Medicine	\$2,443,735	\$2,443,735	\$5,723,874	\$2,777,068	106%	\$2,552,068
County Contribution	\$285,496	\$285,446	\$285,211	\$284,951	0%	\$285,211
Incentive Funding	(\$273,133)	\$212,040	\$212,040	\$333,333	-36%	\$250,000
Net Patient Revenue	\$35,440,940	\$34,991,828	\$35,180,366	\$34,669,910	1%	\$34,450,584
Gain/(Loss) on Health-Related Entity	(\$95,966)	(\$136,548)	(\$13,626)	\$0	0%	\$0
Other Operating Revenue	\$872,657	\$1,194,078	\$1,766,511	\$1,270,500	39%	\$1,859,567
Other Non-Operating Revenue	\$1,094	\$36,748	\$14,339	\$83,040	-83%	\$12,166
Total Revenue	\$36,218,725	\$36,086,107	\$36,947,591	\$36,023,450	3%	\$36,322,317
Expenses						
Salaries	\$15,752,618	\$14,886,695	\$15,451,068	\$14,767,400	5%	\$13,956,940
Employee Benefits	\$6,681,937	\$6,676,375	\$7,322,124	\$6,828,494	7%	\$7,620,527
Contract Labor	\$1,895,707	\$1,575,265	\$1,553,723	\$1,433,779	8%	\$1,555,430
Medical Fees	\$1,536,773	\$1,778,328	\$1,623,380	\$1,796,071	-10%	\$2,202,076
Other Professional Fees	\$1,529,484	\$1,460,377	\$1,412,068	\$1,078,286	31%	\$1,762,976
Supplies	\$4,937,326	\$4,855,484	\$5,118,128	\$5,438,037	-6%	\$5,583,195
Purchased Services	\$1,408,854	\$2,083,492	\$1,583,612	\$1,917,475	-17%	\$1,498,561
Other Expenses	\$1,505,400	\$1,487,391	\$1,391,420	\$1,581,769	-12%	\$1,191,513
Operating Expenses	\$35,248,098	\$34,803,407	\$35,455,522	\$34,841,312	2%	\$35,371,217
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$970,627	\$1,282,700	\$1,492,069	\$1,182,138	26%	\$951,100
Interest	\$219,742	\$224,997	\$219,497	\$342,117	-36%	\$33,080
Depreciation	\$479,686	\$486,792	\$481,227	\$857,710	-44%	\$513,469
Amortization	\$261,315	\$256,825	\$256,825	(\$102,926)	-350%	\$59,455
Total Expenses	\$36,208,841	\$35,772,021	\$36,413,070	\$35,938,213	1%	\$35,977,221
Operating Gain (Loss)	\$9,885	\$314,086	\$534,521	\$85,236	527%	\$345,097

**KERN MEDICAL
BALANCE SHEET
JANUARY 2020**

	January 2020	January 2019
ASSETS:		
<i>Total Cash</i>	\$6,436,477	\$74,824,823
Patient Receivables Subtotal	275,830,599	170,742,858
Contractual Subtotal	(214,047,396)	(127,614,192)
<i>Net Patient Receivable</i>	\$61,783,204	\$43,128,666
Total Indigent Receivable	107,349,192	27,395,774
Total Other Receivable	12,548,698	3,675,122
Total Prepaid Expenses	4,169,279	4,124,409
Total Inventory	5,552,622	5,347,217
<i>Total Current Assets</i>	\$197,839,470	\$158,496,012
Deferred Outflows of Resources	85,025,528	71,649,501
Investments Deposited with Trustee	931,830	922,330
Total Land, Equipment, Buildings and Intangibles	194,022,995	150,406,136
Total Construction in Progress	11,418,880	13,172,196
<i>Total Property, Plant & Equipment</i>	\$205,441,874	\$163,578,332
Total Accumulated Depr & Amortization	(111,970,597)	(101,022,899)
<i>Net Property, Plant, and Equipment</i>	\$93,471,278	\$62,555,433
<i>Total Long Term Assets</i>	\$85,957,357	\$72,571,831
<i>Total Assets</i>	\$377,268,106	\$293,623,276

**KERN MEDICAL
BALANCE SHEET CONT'D
JANUARY 2020**

	January 2020	January 2019
LIABILITIES & EQUITY:		
Total Accounts Payable	\$21,134,631	\$8,671,241
Total Accrued Compensation	25,859,096	23,363,478
Total Due Government Agencies	39,670,655	55,171,368
Total Other Accrued Liabilities	51,804,505	30,210,205
<i>Total Current Liabilities</i>	\$138,468,886	\$117,416,293
<i>Total Long-Term Liabilities</i>	\$420,241,413	\$427,155,942
<i>Total Liabilities</i>	\$558,710,299	\$544,572,235
Fund Balance	36,714,021	36,714,021
Retained Earnings	(218,156,215)	(287,662,980)
<i>Total Fund Balance</i>	(\$181,442,194)	(\$250,948,959)
<i>Total Liabilities and Fund Balance</i>	\$377,268,106	\$293,623,276



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

March 18, 2020

Subject: Kern County Hospital Authority, Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

The Chief Executive Officer will provide a Hospital-wide update.

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

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on March 18, 2020, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on March 18, 2020, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

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

**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 March 18, 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)) –