



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, April 19, 2017

11:30 A.M.

BOARD TO RECONVENE

Board Members: Berjis, Bigler, Lawson, McGauley, McLaughlin, Pelz, Sistrunk
Roll Call:

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

RECOGNITION

- 3) Presentation recognizing the Kern Medical Human Resources Department –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on March 15, 2017 –
APPROVE

CA

- 5) Retroactive request to employ retired Kern County Hospital Authority employees Florencia Alacar, as Per Diem Nurse II; Novella Gamboa, as Per Diem Nurse II; Linda Markham, as Per Diem Medical Social Worker; Anna Rippy, as Per Diem Nurse II; John Caldwell, as Per Diem Pharmacist; Cheri Mudryk, as Per Diem Nurse II; Sheryl Soule, as Patient Account Services Representative II; Louanne Bentgen, as Per Diem Nurse II; Denise Blake-Lobb, as Per Diem Nurse II; Janet Sporer, as Per Diem Nurse II; Lisa Neri, as Per Diem Nurse II; Susan Price, as Per Diem Nurse II; Jeffrey Hill, as Per Diem Nurse II; and Anabel Moreno, as Office Services Specialist, for the period ending June 30, 2017, or 960 hours, whichever occurs first, effective July 1, 2016 –
APPROVE

CA

- 6) Proposed retroactive Amendment No. 2 to Agreement 485-2015 with Mohammed A.S. Molla, M.D., a contract employee, for professional medical services in the Department of Psychiatry, increasing the payment for weekend call coverage from \$1,800 to \$2,550, effective March 18, 2017, and increasing the maximum payable by \$10,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Agreements with ScriptPro USA Inc., an independent contractor, for purchase of robotic prescription dispensing systems for the Campus and Sagebrush pharmacies, in an amount not to exceed \$319,784, with annual maintenance fee of \$16,896 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL

CA

- 8) Proposed retroactive Amendment No. 9 to Agreement 185-2011 with Weatherby Locums, Inc., an independent contractor, for temporary physician staffing services, extending the term for two years from March 28, 2017 through March 27, 2019, and increasing the maximum payable by \$900,000, from \$3,700,000 to \$4,600,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL

CA

- 9) Proposed Change Order No. 1 to Agreement 2016-075 with Black/Hall Construction, Inc., an independent contractor, for construction management services related to the installation of IT data closets, increasing of the maximum payable by \$197,276, from \$252,313 to \$449,589, to cover the cost of additional services –
MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO APPROVE ANY FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED \$100,000, FOR A TOTAL CONTRACT PRICE NOT TO EXCEED \$549,589

CA

- 10) Proposed retroactive Amendment No. 6 to Agreement 947-2008 with Toyon Associates, Inc., an independent contractor, for third-party reimbursement services, extending the term for one year from October 14, 2016 through October 13, 2017, including additional routine and specialized services, incorporating changes to hourly rates, and increasing the maximum payable by \$400,000, from \$1,690,000, to \$2,090,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Amendment No. 5 to Agreement 1049-2008 with RightSourcing, Inc., an independent contractor, for temporary staffing services, extending the term for two years from July 1, 2017 through June 30, 2019, and incorporating new pricing, with no increase in the maximum payable –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- 12) Presentation on the open-source course management system “Moodle” used by Kern Medical for online learning –
RECEIVE AND FILE
- 13) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE
- 14) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE

CA

- 15) Claims and Lawsuits Filed as of March 31, 2017 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 16) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 17) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 18) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff – Employee organizations: Service Employees International Union, Local 521; Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6)
- 19) 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 –

- 20) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Hadie Vanessa Alvarez v.
County of Kern, et al., Kern County Superior Court Case No. BCV-15-101754 TSC –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, MAY 17, 2017, AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

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

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

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

- 15) CLAIMS AND LAWSUITS FILED AS OF MARCH 31, 2017 –
RECEIVE AND FILE
- A) Claim in the matter of Kely Garcia v. County of Kern
 - B) Claim in the matter of Miguel Felix Zamora v. County of Kern
 - C) Claim in the matter of Vickie Cook v. Kern County Hospital Authority



HRIS Update

Amber Ryan, HRIS Administrator

Previous State – Payroll Process

Reflections - HR
(County)

McKesson - Payroll
(Internal to Kern Medical)

JBDev -
Timekeeping
(Internal to Kern Medical)

AuditorNet -
Payroll
(County)

- 4 systems required to process payroll
- Duplicate data required in multiple systems
- Sunsetted applications
- County owns payroll process

Current State – Phase One



Kern Medical HR and Payroll



Timekeeping

- Kern Medical owns payroll process
- Single HR/Payroll vendor – Ultimate Software (UltiPro)
 - Branded internally as KernLink
- Live March 18, 2017
 - First check April 11, 2017
- JB Dev stays in Phase One

Current State – Features & Benefits

- State-of-the-art system
 - Cloud-based
 - Intuitive, user-friendly
- Robust Employee Self Service (ESS)
 - Updates to personal data anytime anywhere
 - Mobile, Tablet, Desktop
- Simplified and integrated business intelligence data

Future State - KernLink

Phase Two - 2017

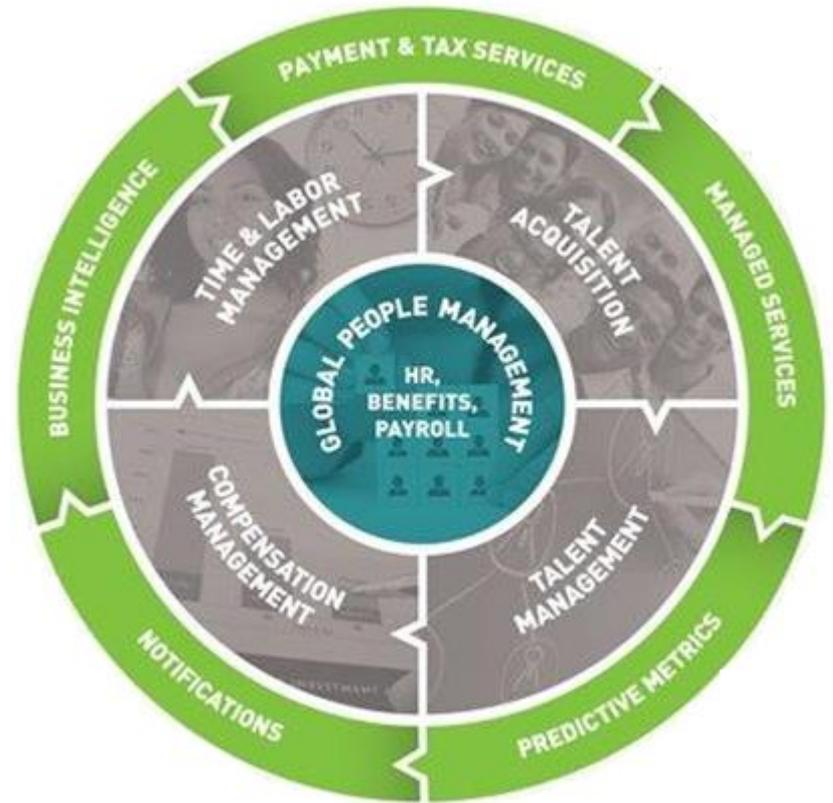
- Talent Acquisition (Recruiting & Onboarding)

Phase Three -2017/18

- Time & Labor Mgmt (replacing JB Dev)

Additional Phases - 2018

- Compensation Mgmt
- Talent Mgmt Modules





KernLink

U Link, We Link...KernLink.

Log In

[Forgot your password?](#)

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For an optimal experience, use these browsers:

[Internet Explorer 11.0](#) [Firefox 47.0](#) [Chrome 52.0](#)

Unexpected results may occur when using other browsers.

Oprah Winfrey
Mgr Special Projects

Pending Approvals

Inbox



Employee Change W-4

about 3 hours ago • Submitted by **Oprah Gail Winfrey** for Oprah Gail Winfrey .



Direct Deposit



Contacts



Name, Address,
and Telephone



Income Tax

Resources

[FAQ](#)[Historical Pay Checks](#)[Pay Periods](#)[Paid Holidays](#)

Human Resource News

Human Resources and Payroll will be available to answer questions the week of April 10th at the following locations and times:

Café**Tuesday, April 11 through Thursday, April 13**

6:00 – 8:30 AM

11:00 – 1:00 PM

5:00 – 7:00 PM

Friday, April 14

6:00 – 8:30 AM

11:00 – 1:00 PM

Columbus/Sagebrush**Wednesday, April 12 and Friday, April 14**

11:00 – 1:00 PM

M. Street**Thursday, April 13**

9:00 – 11:00 AM

User Guides

[Update Direct Deposit](#)[Access Historical Data](#)[Update Personal Information](#)[Update Withholdings](#)[View and Print Paycheck](#)[Understand Your Paycheck](#)

MYSELF



Home



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Personal

- Employee Summary
- Name, Address, and Telephone
- Contacts
- Private Info
- Identification Documents
- Other Personal Info

My Company

- Company Info
- Electronic Forms
- Employee Directory
- Organization Chart
- View Opportunities
- UltimateSoftware.com

Jobs

- Job Summary
- Compensation
- Reviews
- Other Company Info

Career & Education

- Licenses
- Skills
- Tests
- Previous Employment
- Awards
- Education

Pay

- Current Pay Statement
- Pay History
- Direct Deposit
- Income Tax
- W-2

Benefits

- Current Benefits
- Beneficiaries/Dependents
- PTO Plans
- COBRA
- Links

Open Enrollment

Life Events

- Life Events

Documents

- Employee Documents

MENU

MYSELF

MY TEAM

ADMINISTRATION

SYSTEM CONFIGURA



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Inbox



Learning
Center

Customer
Success
Portal

Go To Assist

Manager Guide

My Employees

Time Management

Compensation Summary

Compensation
Management

Salary Planning

Talent Management

Available Reports

Compensation Management	Salary Below Grade Minimum
Compensation Management	Employees With Pay Variance to Pay Scale
Employee Management	Performance Reviews - Overdue
Employee Management	Performance Reviews - Upcoming
Employee Management	Active Leaves of Absence
Employee Management	Salary Reviews - Overdue
Employee Management	Salary Reviews - Upcoming
Employee Management	Multi-Company Employee Headcount
Employee Management	Headcount
Employee Management	Employee Anniversary Listing
Employee Management	Employee Birthday Listing
Employee Management	Employee Job Profile
Employee Management	Employee New Hire Profile
Employee Management	Employee Listing with Salary
Employee Management	Employee Seniority
Employee Management	Employee Seniority with Unions
Employee Management	Multi-Company Employee Listing
Employee Management	Employee Listing
Employee Management	Employee Count Detail - Paid Employees
Employee Management	Employees with Multiple Jobs



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, March 15, 2017

11:30 A.M.

BOARD RECONVENED

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

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

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

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

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 INVITED THE BOARD TO ATTEND THE ROSS UNIVERSITY SCHOOL OF MEDICINE STUDENT UNION RIBBON CUTTING CEREMONY IN APRIL

DIRECTOR SISTRUNK REPORTED ON HER GREATER APPRECIATION FOR THE ORGANIZATION AND KERN MEDICAL STAFF FOLLOWING HER “DOC-FOR-A-DAY” EXPERIENCE IN FEBRUARY

CHAIRMAN BIGLER THANKED CHIEF EXECUTIVE OFFICER RUSSELL V. JUDD FOR HIS PRESENTATION ON KERN MEDICAL TO THE CLIPPER CLUB

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing the Kern County Hospital Authority Board of Governors on its first anniversary –
MADE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on February 18, 2017 –
APPROVED
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 5) Proposed retroactive Amendment No. 2 to Agreement 051-2012 with Owens & Minor Distribution, Inc., an independent contractor, for clinical supply technology and centralized inventory management services, extending the term for two years from October 28, 2016 through October 27, 2018, and increasing the maximum payable by \$292,000, from \$725,000 to \$1,017,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-022
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 6) Proposed retroactive Agreement with AMN Healthcare, Inc., an independent contractor, for temporary nurse staffing from August 11, 2016 through August 10, 2017, in an amount not to exceed \$3,000,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-023
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 7) Proposed retroactive Amendment No. 1 to 717-2016 with the County of Kern, as represented by Behavioral Health and Recovery Services (f/k/a Kern County Mental Health), for the provision of reciprocal mental health services, revising the fee schedule, effective January 1, 2017, at no additional cost –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-024
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 8) Proposed Software Use Agreement with Strata Decision Technology LLC, an independent contractor, for management reporting software and fees from March 16, 2017 through March 15, 2022, in an amount not to exceed \$2,056,164 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-025
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 9) Proposed retroactive Amendment No. 1 to Kern County Hospital Authority Defined Contribution Plan for Physician Employees (As Amended and Restated Effective July 1, 2016), revising the definitions of full-time physician and part-time physician, effective January 1, 2017 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 2017-026
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 10) Proposed liquidation of the Kern County Hospital Authority Defined Contribution Plan for Physician Employees Trust (a/k/a "Fund A") established pursuant to the Trust Agreement with Wells Fargo Bank to hold, administer and distribute Trust assets, and termination of the Trust Agreement with Wells Fargo Bank –
APPROVED; ADOPTED RESOLUTION 2017-004
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

CA

- 11) Proposed reappointments of Members Amir Berjis, M.D. and Stephen Pelz to the Kern County Hospital Authority Board of Governors, terms to expire June 30, 2020 –
REFERRED TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE REAPPOINTMENTS
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

- 12) Presentation by the Chief Operating Officer regarding Kern Medical facilities –
RECEIVED AND FILED
Pelz-Lawson; 5 Ayes; 2 Absent - McGauley, McLaughlin
 - 13) Kern County Hospital Authority Chief Financial Officer report –
RECEIVED AND FILED
Berjis-Pelz; 5 Ayes, 2 Absent - McGauley, McLaughlin
 - 14) Kern County Hospital Authority Chief Executive Officer report -
RECEIVED AND FILED
Pelz-Sistrunk; 5 Ayes, 2 Absent - McGauley, McLaughlin
- CA
- 15) Claims and Lawsuits Filed as of February 28, 2016 –
RECEIVED AND FILED
Lawson-Sistrunk: 5 Ayes; 2 Absent - McGauley, McLaughlin

ADJOURNED TO CLOSED SESSION
Sistrunk-Pelz

CLOSED SESSION

- 16) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 17) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – WITHDRAWN
- 18) PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW
- 19) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(2).) Number of Cases: Three hundred sixty-seven (367) 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
- 20) 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
Lawson-Berjis

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 16 concerning a Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR LAWSON, SECONDED BY DIRECTOR PELZ; 2 ABSENT - MCGAULEY, MCLAUGHLIN), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING, ADVANCE IN STAFF STATUS, FOCUSED PROFESSIONAL PRACTICE EVALUATION, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 17 concerning a Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – WITHDRAWN

Item No. 18 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 19 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(2).) Number of cases: Three hundred sixty-seven (367) 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. 20 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, APRIL 19, 2017 AT 11:30 A.M.

Pelz

/s/ Raquel D. Fore
Authority Board Coordinator

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

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

April 19, 2017

Subject: Proposed retroactive request to employ retired Authority employees

Recommended Action: Approve

Summary:

Kern Medical is requesting retroactive approval to employ retired Kern County Hospital Authority employees Florencia Alacar, as Per Diem Nurse II; Novella Gamboa, as Per Diem Nurse II; Linda Markham, as Per Diem Medical Social Worker; Anna Rippy, as Per Diem Nurse II; John Caldwell, as Per Diem Pharmacist; Cheri Mudryk, as Per Diem Nurse II; Sheryl Soule, as Patient Account Services Representative II; Louanne Bentgen, as Per Diem Nurse II; Denise Blake-Lobb, as Per Diem Nurse II; Janet Sporer, as Per Diem Nurse II; Lisa Neri, as Per Diem Nurse II; Susan Price, as Per Diem Nurse II; Jeffrey Hill, as Per Diem Nurse II; and Anabel Moreno, as Office Services Specialist, for the period ending June 30, 2017, or 960 hours, whichever occurs first, effective July 1, 2016. Each retiree has the requisite experience and skill set needed to perform the work for which they were reemployed. Each retiree was reemployed for a limited duration to fill voids in staffing.

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

Therefore it is recommended that your Board retroactively approve the reemployment of the above-referenced KCERA retirees, effective July 1, 2016.

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

April 19, 2017

Subject: Proposed retroactive Amendment No. 2 to Agreement 485-2015 with Mohammed A.S. Molla, M.D.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests retroactive Amendment No. 2 to Agreement 485-2015 with Mohammed A.S. Molla, M.D., a contract employee, for professional medical services in the Department of Psychiatry, increasing the payment for weekend call coverage from \$1,800 to \$2,500, effective March 18, 2017, and increasing the maximum payable by \$10,000, to cover the term.

**AMENDMENT NO. 2
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Mohammed A.S. Molla, M.D.)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2017, between the Kern County Hospital Authority, a county hospital authority (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Mohammed A.S. Molla, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Kern County Agt. #485-2015, dated July 13, 2015), Assignment of Agreement (Kern County Agt. #296-2016, dated March 1, 2016), and Amendment No. 1 (Agt. #10616, dated August 6, 2016) (collectively, the “Agreement”), for the period July 14, 2015 through July 13, 2020, whereby Physician provides professional medical and administrative services to KMC in the Department of Psychiatry and Behavioral Health and Recovery Services (f/k/a Kern County Mental Health System of Care); 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, 2017;

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

1. Section 5, Compensation Package, section 5.3, Call Coverage, shall be deleted in its entirety and replaced with the following:

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

2. Section 5, Compensation Package, paragraph 5.7, Maximum Payable, shall be deleted in its entirety and replaced with the following:

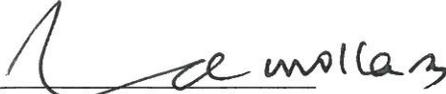
“5.7 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$2,141,284 over the five-year Initial Term of this Agreement.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
6. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

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

PHYSICIAN

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

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By  
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By 
Chief Deputy

Amend1.Molla.031117

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

April 19, 2017

Subject: Proposed Agreements with ScriptPro USA Inc.

Recommended Action: Approve; Authorize Chairman to sign subject to approval as to form by Counsel

Summary:

Kern Medical requests approval of the proposed agreements with ScriptPro USA, Inc., for purchase of robotic prescription dispensing systems for the Campus and Sagebrush pharmacies, in an amount not to exceed \$319,784, with annual maintenance fee of \$16,896.

Counsel has reviewed the proposed agreements and is unable to approve them as to legal form due to the limitation of liability provision in each agreement, which limits ScriptPro's liability to the cost of the contract. Efforts were made to negotiate a revision to the provision to no avail. Kern Medical views the risk associated with these agreements as negligible, and in the best interest of the hospital and its pharmacies to proceed with the agreements. Counsel otherwise approves the agreements as to form.



Purchase Agreement

P 17793

Prepared By: PKS

Date: March 17, 2017

ScriptPro USA Inc. ("ScriptPro")	Customer Name & Billing Address ("Customer")	Name & Delivery Address (if different) ("Customer Site")
Mailing Address:	Kern Medical Center	Kern Medical Center Campus Pharmacy
5828 Reeds Road	1830 Flower Street	2014 College Avenue
Mission, KS 66202	Bakersfield, CA 93305	Bakersfield, CA 93305
Attn: Contracts Dept.		
Customer Legal Name: Kern County Hospital Authority		

Equipment Description ("Equipment")	# Units	Unit Price	Total Price
SP 100/CCC (includes shipping, installation and training)	1	\$151,444.00	\$151,444.00 (plus applicable sales and use taxes)

Additional Equipment: Additional Equipment may be added, at the time of execution of this Agreement or in the future, by execution of a Supplement to Purchase Agreement ("Supplement") listing the additional Equipment and prices. All other terms of this Agreement shall apply to the Equipment listed in the Supplement.

Customer is not acquiring the Equipment primarily for personal, family or household purposes or for agricultural purposes. Customer agrees to all of the terms and conditions shown above and on Page 2 of this Agreement and also to all of the terms and conditions contained in the attached Purchase Customer Support Agreement. All such terms and conditions are the complete and exclusive statement of the agreement between Customer and ScriptPro with respect to the subject matter herein and may be modified only by a written agreement signed by both parties specifically referencing this Agreement and not by any oral representations, course of performance, or by the terms of any purchase order issued by Customer and accepted by ScriptPro. This Agreement supersedes all prior agreements and understandings with respect to the subject matter herein. This Agreement shall be binding only after it has been signed by an authorized representative of ScriptPro. If any provision of this Agreement shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement. The parties agree that this Agreement cannot be cancelled except as provided for herein. This Agreement shall be interpreted and construed and the legal relations created herein shall be determined in accordance with the laws of the State of Kansas including, but not limited to, the Kansas Product Liability Act, and any claims filed shall be brought in the District Court of Johnson County, Kansas. By signing this Agreement the persons below represent that they bind, and have the authority to bind, the respective parties to this Agreement.

Customer	ScriptPro USA Inc., a Kansas Corporation
Signature _____	Signature _____
Please also sign the attached Purchase Customer Support Agreement (PCS27249), which is not part of this Agreement	
Print Name _____	Print Name Michael E. Coughlin
Title _____	Title President, CEO and CFO
Date _____	Date _____

ScriptPro Use Only: Sales Associate: TV _____ Date: _____
Attachments: A _____
Purchase Order #: _____ Standing P.O. _____ Annual P.O. _____

1. Purchase and Payment Terms:

Customer agrees to purchase the Equipment specified on Page 1 hereof for the Total Price also there specified, plus all applicable sales and use taxes. Customer agrees to pay such amounts to ScriptPro as follows: (a) upon execution of this Agreement, 50% of the Total Price, (b) prior to shipment of the Equipment to Customer Site, 40% of the Total Price, and (c) upon completion of installation of the Equipment and "Software" (as defined below), the remainder of the Total Price (10%) plus applicable taxes. Installation shall be deemed complete when the specified Equipment has been physically placed and configured for operation at the Customer Site and ScriptPro confirms that the Equipment and Software are operating substantially in accordance with ScriptPro's technical specifications. Risk of loss with respect to the Equipment shall pass to Customer when the Equipment arrives at Customer Site.

2. Software; Software License:

"Software" shall mean that certain set of computer programs installed on the Equipment (or on other equipment through which ScriptPro may make such programs available for use by Customer) that operate such Equipment, interface the Equipment with other computer systems, and are used for monitoring and maintenance of the overall system. Upon installation, and contingent upon timely payment by Customer of all amounts due as set forth above, ScriptPro grants Customer a personal, perpetual, nonexclusive, nontransferable, nonsublicensable, restricted and limited license to use the Software solely for operating the Equipment. Customer acknowledges that ScriptPro owns and retains all right, title and interests in, to, and associated with the Software and all related intellectual property rights, and that the Software is confidential, proprietary information of ScriptPro. Customer agrees that it shall not disclose such information to any other person and shall take all steps necessary to ensure that the Software is not transferred or disclosed to others or duplicated in whole or in part.

3. No Warranties:

The Equipment and Software are provided to Customer "as is". The related Purchase Customer Support Agreement with ScriptPro contains certain provisions regarding the Limited Warranty (as defined in the Purchase Customer Support Agreement). Customer agrees that its obligations under this Agreement are not subject to any claims or defenses due to ScriptPro's performance under said Purchase Customer Support Agreement or any warranties, conditions or guarantees contained therein except as expressly provided therein. **SCRIPTPRO USA INC., SCRIPTPRO LLC (MANUFACTURER OF THE EQUIPMENT), AND THE EMPLOYEES, CONTRACTORS, VENDORS, AND SUPPLIERS THEREOF (ALL COLLECTIVELY REFERRED TO HEREIN AS "SCRIPTPRO PERSONNEL") DISCLAIM ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR GUARANTEES OF ANY NATURE OR KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING MERCHANTABILITY AND FITNESS FOR USE, OF THE EQUIPMENT AND SOFTWARE. NO SCRIPTPRO PERSONNEL HAVE THE AUTHORITY TO GRANT ANY OTHER WARRANTY TO CUSTOMER, WRITTEN OR ORAL, UNLESS SUCH WARRANTY IS SET FORTH IN WRITING AND SIGNED BY AN AUTHORIZED OFFICER OF SCRIPTPRO.** Some newly manufactured Equipment may contain remanufactured parts equivalent to new in performance.

4. Limitation of Liability and Exclusive Remedy:

(a) It is agreed that Customer shall have no right or remedy against ScriptPro Personnel for direct, indirect, incidental, consequential, or special damages, including, without limitation, loss of use, loss of data, loss of revenues or profits, corrupt data, claims for service interruptions, errors in supply or failure of supply, or for costs or expenses incurred in connection with labor, overhead, transportation, installation, removal of equipment, programming, substitute facilities, supply sources, liability to third parties, or any cause, loss, action, claim, or damage whatsoever for injury or death to persons or damage to property, or for any other consequential, economic or incidental loss arising out of or related in any way to the Equipment and/or Software or its performance, or to the performance of installation, repairs, or any other services by ScriptPro Personnel, regardless of whether ScriptPro Personnel have been advised of the possibility of such cause, loss, action, claim, or damage. ScriptPro Personnel shall not be liable for any damages caused by delay in delivery, installation, or furnishing of Equipment, Software, parts, and/or services under this Agreement or under the related Purchase Customer Support Agreement.

(b) If notwithstanding Section 4(a) ScriptPro has any liability or obligation to Customer in respect of any matter referenced in Section 4(a), the total liability of ScriptPro Personnel for all claims, whether in contract, tort (including, but not limited to, negligence and product liability), or otherwise, arising out of, connected with, or resulting from the manufacture, sale, delivery, installation, repair, replacement, or use of the Equipment and/or Software shall not exceed the total amounts paid by Customer to ScriptPro for the Equipment and/or Software that gives rise to the claim.

(c) Customer agrees that ScriptPro Personnel and the Equipment and Software in no way assume the professional duties and responsibilities of pharmacy personnel in the operation of Customer's pharmacy. Customer further agrees that it is the responsibility of qualified professionals to inspect prescriptions and to make the decision to use the Equipment and/or Software to dispense medications and provide healthcare services to patients. Therefore, Customer agrees that ScriptPro Personnel shall not be responsible or liable in any manner for damages, judgments, losses, claims, demands, or causes of action arising from any errors in dispensing medications or providing healthcare services to patients in Customer's pharmacy regardless of whether ScriptPro Personnel and/or the Equipment and Software were present when such errors occurred, and regardless of whether any actions of ScriptPro Personnel, the Equipment, and/or the Software relate in any way to such errors. Accordingly, Customer shall indemnify, defend, and hold harmless ScriptPro Personnel from any and all damages, judgments, losses, claims, demands, or causes of action arising from the occurrence or alleged occurrence of any and all errors in Customer's pharmacy or elsewhere related to the dispensing of medications or the providing of healthcare services to patients.

(d) Customer agrees that ScriptPro Personnel shall have no obligation, and expressly disclaim any responsibility, with respect to malfunction, repair, or replacement of Equipment and/or Software caused or necessitated by misuse or damage, including, but not limited to, failure of Customer to follow procedures specified by ScriptPro Personnel for operating the Equipment and/or Software as set out in documentation and/or training provided to Customer, or caused or necessitated by excessive temperature or humidity, electrical power fluctuation or failure, vandalism, computer virus, negligence of others (including Customer's employees or contractors), unauthorized repair, adjustment or installation, the requirements of governmental or regulatory authorities, and/or any other physical, environmental or legal condition outside the control of ScriptPro.

(e) No action arising out of any claimed breach of this Agreement may be brought by either party more than 1 year after the cause of action accrues.

5. Cancellation; Late Charge; Default; Security:

The parties agree to a cancellation fee of 50% of the Total Price in the event this Agreement is cancelled by Customer prior to shipment. If any amounts become due under this Agreement, or under the related Purchase Customer Support Agreement, and remain unpaid after 30 days, Customer shall be in default and shall be assessed interest at the highest rate allowed by law, plus a service charge of 10% of the amount overdue. In the event Customer is in default, ScriptPro shall have no obligations under this Agreement or under the related Purchase Customer Support Agreement. The parties agree that ScriptPro reserves a purchase money security interest in the Equipment until the amounts due as set forth above are paid in full, and this Agreement shall serve as a security agreement as that term is defined in the Uniform Commercial Code of the State of Kansas, or similar statute applicable in other states or jurisdictions, to secure payment of such amounts. At ScriptPro's request, Customer shall promptly execute any appropriate instruments, including financing statements, that ScriptPro deems necessary to give effect to and preserve such security interest. In the event of any failure of or refusal by Customer to perform the obligations of this Agreement or to execute the instruments required by this Agreement, ScriptPro shall have, in addition to and not in lieu of any other rights and remedies to which it may be entitled under this Agreement or otherwise, all of the rights and remedies of a secured party as enacted in the Uniform Commercial Code of the State of Kansas, or similar statutes applicable in other states or jurisdictions, as though fully set out herein. If a UCC financing statement has been filed, ScriptPro shall file a UCC termination statement, or similar document applicable in other jurisdictions, promptly after the amounts due as set forth above have been paid by Customer.

DATED _____
ATTACHMENT A
TO KERN COUNTY HOSPITAL AUTHORITY
PURCHASE AGREEMENT P17793

ScriptPro USA Inc. ("ScriptPro") and Kern County Hospital Authority ("Customer") intend that the provisions of this Attachment A supplement or modify the terms of the above Purchase Agreement ("Purchase Agreement") between the parties as follows:

1) Customer represents that it desires to transfer the following equipment ("Trade-In Equipment") to ScriptPro in order to receive a reduction in the Total Price under this Purchase Agreement:

Trade-In Equipment: Innovation PharmAssist Robot

Customer further represents and warrants that it has clear and transferable title to the Trade-In Equipment. Accordingly, the parties agree as follows:

i) During installation by ScriptPro of the Equipment, Customer shall make the Trade-In Equipment available to ScriptPro installation personnel at the Customer Site and shall permit ScriptPro to remove the Trade-In Equipment, own it unconditionally, and use, sell or dispose of it, or any part of it, as ScriptPro sees fit.

ii) No software or patient data shall be transferred with the Trade-In Equipment.

iii) When ScriptPro takes possession of the Trade-In Equipment at the Customer Site as provided above, the Total Price shall be reduced by the amount ("Trade-In Allowance") shown below:

Trade-In Allowance: \$10,000

iv) ScriptPro's installation personnel shall execute, in duplicate, a receipt for the Trade-In Equipment when it is received at the Customer Site. Customer shall be provided with one original copy of said receipt and the other original copy shall be retained by ScriptPro and become part of this Purchase Agreement.

v) If, for any reason, the Trade-In Equipment is not made available to ScriptPro installation personnel at the Customer Site during installation as provided above, this provision shall be null and void and the Total Price shall not be reduced.

2) The parties agree that the terms of the Purchase Agreement and all Attachments thereto are confidential between ScriptPro and Customer and cannot be disclosed by a party to others without the other party's written consent.

3) The parties agree that all other terms of the Purchase Agreement remain unchanged.

Customer

ScriptPro



Purchase Customer Support Agreement PCS 27249

Prepared By: PKS

Date: March 17, 2017

ScriptPro USA Inc. ("ScriptPro")	Customer Name & Billing Address ("Customer")	Name & Delivery Address (if different) ("Customer Site")
Mailing Address: 5828 Reeds Road Mission, KS 66202 Attn: Contracts Dept.	Kern Medical Center 1830 Flower Street Bakersfield, CA 93305	Kern Medical Center Campus Pharmacy 2014 College Avenue Bakersfield, CA 93305
Customer Legal Name: Kern County Hospital Authority		

Customer Support Package ("Support Package")	# Units	Unit Monthly Payment	Total Monthly Payment
SP 100/CCC All Inclusive Customer Support	1	\$704.00	\$704.00
(plus applicable sales and use taxes)			

Additional Support: Additional Customer Support Packages may be added, at the time of execution of this Agreement or in the future, by execution of a Supplement to Purchase Customer Support Agreement ("Supplement") listing the additional Customer Support Packages and monthly payments. All other terms of this Agreement shall apply to the Customer Support Packages listed in the Supplement.

Customer agrees to all of the terms and conditions shown above and on Page 2 of this Agreement. This Agreement is also governed by certain provisions of the related Purchase Agreement to which it is attached as referenced below, and the terms defined therein shall also apply to this Agreement. All such terms and conditions are the complete and exclusive statement of the agreement between Customer and ScriptPro with respect to the subject matter herein and may be modified only by a written agreement signed by both parties specifically referencing this Agreement and not by any oral representations, course of performance, or by the terms of any purchase order issued by Customer and accepted by ScriptPro. This Agreement supersedes all prior agreements and understandings with respect to the subject matter herein. This Agreement shall be binding only after it has been signed by an authorized representative of ScriptPro. If any provision of this Agreement shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement. The parties agree that this Agreement cannot be cancelled except as provided for herein. This Agreement shall be interpreted and construed, and the legal relations created herein shall be determined, in accordance with the laws of the State of Kansas, including, but not limited to, the Kansas Product Liability Act, and any claims filed shall be brought in the District Court of Johnson County, Kansas. By signing this Agreement the persons below represent that they bind, and have the authority to bind, the respective parties to this Agreement.

Customer	ScriptPro USA Inc., a Kansas Corporation
Signature _____	Signature _____
Attachment to Purchase Agreement (P17793)	
Print Name _____	Print Name Michael E. Coughlin
Title _____	Title President, CEO and CFO
Date _____	Date _____

ScriptPro Use Only: Sales Associate: TV _____	Date: _____
Attachments: _____	
Purchase Order #: _____	Standing P.O. _____ Annual P.O. _____

1. Purchase and Payment Terms:

Customer agrees to purchase the Support Package specified on Page 1 hereof for a term that shall commence on the date that installation is complete and that shall run for the number of support months for which payments are made by paying the Total Monthly Payment specified on Page 1 hereof, plus all applicable sales and use taxes, on or before the first day of each calendar month following completion of installation. The support provided under the Support Package is set forth in Section 5, below. Customer may terminate this Agreement without notice at any time by discontinuing payments. ScriptPro may terminate this Agreement by giving Customer 90 day written notice, except ScriptPro agrees not to terminate within 5 years of the date of installation. ScriptPro shall not increase the Unit Monthly Payment and the Total Monthly Payment for the first 12 months from date of installation but reserves the right to adjust the Unit Monthly Payment and the Total Monthly Payment at any time or times thereafter.

2. System Manager:

Customer shall designate a System Manager who shall represent Customer and be the primary contact with ScriptPro under this Agreement. The System Manager shall be responsible for certifying to ScriptPro that the Customer Site has been prepared for delivery and installation of the Equipment (as defined in the Purchase Agreement) and/or Software (as defined in the Purchase Agreement), and for contacting ScriptPro to coordinate support under this Agreement. ScriptPro shall be entitled to also rely on other employees of Customer in connection with the furnishing of support under this Agreement absent specific written instructions from Customer to the contrary.

3. Site Preparation, Shipping and Installation:

ScriptPro shall arrange and pay for shipment of the Equipment, installation of the Equipment at Customer Site, and implementation of the Software. Customer shall be responsible for preparation of the Customer Site for installation of the Equipment and Software and for receipt and safeguarding of Equipment pending installation. Site preparation includes making ready: (a) physical space and electrical service as required for the Equipment so it can be placed in its permanent location and connected to the electrical service upon delivery, (b) network access as required by ScriptPro, and (c) pharmacy computer software interfaces and hardware connections. If Customer Site is not fully and properly prepared when ScriptPro begins installation, Customer shall reimburse ScriptPro for additional actual out-of-pocket costs incurred, including personnel costs at ScriptPro's standard service rates.

4. Limited Warranty:

During the term of this Agreement, if the Equipment is defective in workmanship or materials, or if the Software fails to operate in accordance with ScriptPro's technical specifications, ScriptPro shall repair or replace, at its option, defective parts, Software, or the Equipment (the "Limited Warranty"). The Limited Warranty is void if the Equipment or Software have been installed or modified, other than as authorized in writing by ScriptPro. ScriptPro makes no representations, warranties, conditions, or guarantees that the Equipment or Software shall meet the specifications of Customer or that operation of the Equipment and Software shall be uninterrupted or error free.

5. Support Provided:

- (a) Software Updates. During the term of this Agreement, ScriptPro may provide, at no additional cost, one or more new versions of the Software that are issued to enhance its existing functionality ("updates"). If requested by ScriptPro, Customer shall assist in installing updates. Failure or refusal by Customer to install updates may, at ScriptPro's option, void the Limited Warranty and the support obligations contained herein.
- (b) Telephone Support. During the term of this Agreement, ScriptPro shall provide Customer toll free access to its help desk that can be called 24 hours a day, 365 days a year to obtain support. To allow ScriptPro to provide support and collect information regarding the Equipment and Software, Customer shall provide and ensure that the Equipment and Software are properly connected to ScriptPro's help desk remote communications interface and shall permit ScriptPro to transfer electronic data to and from the Equipment and Software at any time.
- (c) Service. During the term of this Agreement, ScriptPro shall perform the service necessary to maintain the Equipment and Software in good working order at Customer Site, subject to the provisions covered under Misuse of Equipment, below. If the Equipment or Software becomes disabled, Customer shall promptly notify ScriptPro of the disability and any known cause. Customer shall assist ScriptPro in performing diagnosis and correction of problems through the remote communications interface. If diagnosis so indicates, ScriptPro shall use good faith efforts to respond to on-site service needs within 24 hours. Customer shall provide ScriptPro access to the Equipment and Software at all reasonable hours to perform necessary service, including preventive maintenance. Service includes adjustments and replacement or repair of parts and/or Software as ScriptPro deems necessary. Replacement parts may be remanufactured, equivalent to new in performance, and are furnished on an exchange basis. Parts and on-site labor, including travel, are provided by ScriptPro at no additional cost to Customer, except as provided below.
- (d) Misuse of Equipment; Damage. Customer shall not install or make any modifications, repairs or adjustments to the Equipment or Software without the prior written consent of ScriptPro. If the Equipment or Software require any service or repair necessitated by misuse or damage, including, but not limited to, failure of Customer to follow procedures specified by ScriptPro Personnel for operating the Equipment and Software as set out in documentation and training provided to Customer, or caused or necessitated by excessive temperature or humidity, electrical power fluctuation or failure, vandalism, computer virus, negligence of others (including Customer's employees or contractors), unauthorized repair, adjustment or installation, the requirements of governmental or regulatory authorities, or any other physical, environmental or legal condition outside the control of ScriptPro, ScriptPro shall provide the required service or repair to the extent reasonably practicable, but Customer shall pay ScriptPro for such service or repair, including replacement parts, at ScriptPro's standard service and parts rates discounted 15%, plus actual costs incurred for travel, meals, and lodging in accordance with ScriptPro's standard expense reimbursement policies.
- (e) Subcontracting. ScriptPro may subcontract any part, or all, of its obligations under this Agreement, provided, however, that any such subcontracting shall not relieve ScriptPro of its obligations or duties to Customer under this Agreement.
- (f) Use of Information. Customer agrees that ScriptPro shall be permitted to collect information with regard to Customer's use of the Equipment and Software during the term of this Agreement, including drug utilization and inventory management information, and retain and use such information as its sole and absolute property, provided, however, that ScriptPro shall have no right to use any patient identifying information.

6. Protection Against Loss of Data:

Customer shall be responsible to take any and all actions necessary or desirable to back up, or otherwise protect against, loss of data and other information stored on or in Customer's present hardware or software, as well as data and other information placed or installed on or in, or input to, the Equipment and/or Software. Customer shall be responsible for the integrity of all data and other information and for any and all actions taken to protect the integrity of such data and other information. Customer agrees that ScriptPro Personnel (as defined in the Purchase Agreement) are not responsible for any loss of data and other information, regardless of whether such data and other information was protected by Customer or whether such loss of data and other information resulted from any action or omission by ScriptPro Personnel.

KERN COUNTY HOSPITAL AUTHORITY
Kern Medical Center Campus Pharmacy

PURCHASE AGREEMENT P17793
PURCHASE CUSTOMER SUPPORT AGREEMENT PCS27249

SCRIPTPRO USA INC.
340B PRIME VENDOR PROGRAM PRICING - APEXUS CONTRACT NO.
PSVA1001 US\$ 2016

EQUIPMENT SCHEDULE

EQUIPMENT SCHEDULE: PURCHASE

SYSTEM CONFIGURATION:		EQUIPMENT SCHEDULE: PURCHASE		
Item	Description	Purchase Price	Installation Fee	Monthly Payment
1	Robotic Prescription Dispensing System with Collating Control Center	141,046	20,398	704
		141,046	20,398	704
		-10,000		
		131,046	20,398	704

Robotic Systems				
SP 100/CCC				
Total Before Credits				
Credits				
Less: Trade-in Allowance				
Grand Total, All Units				

Summary	
Purchase Price	131,046
Installation fee	20,398
Total Price	151,444
Total Monthly Support	704
Total Monthly Subscription	0

Purchase	
	131,046
	20,398
	151,444
	704
	0



Purchase Agreement

P 17794

Prepared By: PKS

Date: March 17, 2017

ScriptPro USA Inc. ("ScriptPro")	Customer Name & Billing Address ("Customer")	Name & Delivery Address (if different) ("Customer Site")
Mailing Address: 5828 Reeds Road Mission, KS 66202 Attn: Contracts Dept.	Kern Medical Center 1830 Flower Street Bakersfield, CA 93305	Kern Medical Center Sage Brush Pharmacy 1111 Columbus Street Bakersfield, CA 93305
Customer Legal Name: Kern County Hospital Authority		

Equipment Description ("Equipment")	# Units	Unit Price	Total Price
SP 100/CCC (includes shipping, installation and training)	1	\$151,444.00	\$151,444.00 (plus applicable sales and use taxes)

Additional Equipment: Additional Equipment may be added, at the time of execution of this Agreement or in the future, by execution of a Supplement to Purchase Agreement ("Supplement") listing the additional Equipment and prices. All other terms of this Agreement shall apply to the Equipment listed in the Supplement.

Customer is not acquiring the Equipment primarily for personal, family or household purposes or for agricultural purposes. Customer agrees to all of the terms and conditions shown above and on Page 2 of this Agreement and also to all of the terms and conditions contained in the attached Purchase Customer Support Agreement. All such terms and conditions are the complete and exclusive statement of the agreement between Customer and ScriptPro with respect to the subject matter herein and may be modified only by a written agreement signed by both parties specifically referencing this Agreement and not by any oral representations, course of performance, or by the terms of any purchase order issued by Customer and accepted by ScriptPro. This Agreement supersedes all prior agreements and understandings with respect to the subject matter herein. This Agreement shall be binding only after it has been signed by an authorized representative of ScriptPro. If any provision of this Agreement shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement. The parties agree that this Agreement cannot be cancelled except as provided for herein. This Agreement shall be interpreted and construed and the legal relations created herein shall be determined in accordance with the laws of the State of Kansas including, but not limited to, the Kansas Product Liability Act, and any claims filed shall be brought in the District Court of Johnson County, Kansas. By signing this Agreement the persons below represent that they bind, and have the authority to bind, the respective parties to this Agreement.

Customer	ScriptPro USA Inc., a Kansas Corporation
Signature _____	Signature _____
Please also sign the attached Purchase Customer Support Agreement (PCS27250), which is not part of this Agreement	
Print Name _____	Print Name Michael E. Coughlin
Title _____	Title President, CEO and CFO
Date _____	Date _____

ScriptPro Use Only: Sales Associate: TV _____ Date: _____
Attachments: A _____
Purchase Order #: _____ Standing P.O. _____ Annual P.O. _____

1. Purchase and Payment Terms:

Customer agrees to purchase the Equipment specified on Page 1 hereof for the Total Price also there specified, plus all applicable sales and use taxes. Customer agrees to pay such amounts to ScriptPro as follows: (a) upon execution of this Agreement, 50% of the Total Price, (b) prior to shipment of the Equipment to Customer Site, 40% of the Total Price, and (c) upon completion of installation of the Equipment and "Software" (as defined below), the remainder of the Total Price (10%) plus applicable taxes. Installation shall be deemed complete when the specified Equipment has been physically placed and configured for operation at the Customer Site and ScriptPro confirms that the Equipment and Software are operating substantially in accordance with ScriptPro's technical specifications. Risk of loss with respect to the Equipment shall pass to Customer when the Equipment arrives at Customer Site.

2. Software; Software License:

"Software" shall mean that certain set of computer programs installed on the Equipment (or on other equipment through which ScriptPro may make such programs available for use by Customer) that operate such Equipment, interface the Equipment with other computer systems, and are used for monitoring and maintenance of the overall system. Upon installation, and contingent upon timely payment by Customer of all amounts due as set forth above, ScriptPro grants Customer a personal, perpetual, nonexclusive, nontransferable, nonsublicensable, restricted and limited license to use the Software solely for operating the Equipment. Customer acknowledges that ScriptPro owns and retains all right, title and interests in, to, and associated with the Software and all related intellectual property rights, and that the Software is confidential, proprietary information of ScriptPro. Customer agrees that it shall not disclose such information to any other person and shall take all steps necessary to ensure that the Software is not transferred or disclosed to others or duplicated in whole or in part.

3. No Warranties:

The Equipment and Software are provided to Customer "as is". The related Purchase Customer Support Agreement with ScriptPro contains certain provisions regarding the Limited Warranty (as defined in the Purchase Customer Support Agreement). Customer agrees that its obligations under this Agreement are not subject to any claims or defenses due to ScriptPro's performance under said Purchase Customer Support Agreement or any warranties, conditions or guarantees contained therein except as expressly provided therein. **SCRIPTPRO USA INC., SCRIPTPRO LLC (MANUFACTURER OF THE EQUIPMENT), AND THE EMPLOYEES, CONTRACTORS, VENDORS, AND SUPPLIERS THEREOF (ALL COLLECTIVELY REFERRED TO HEREIN AS "SCRIPTPRO PERSONNEL") DISCLAIM ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR GUARANTEES OF ANY NATURE OR KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING MERCHANTABILITY AND FITNESS FOR USE, OF THE EQUIPMENT AND SOFTWARE. NO SCRIPTPRO PERSONNEL HAVE THE AUTHORITY TO GRANT ANY OTHER WARRANTY TO CUSTOMER, WRITTEN OR ORAL, UNLESS SUCH WARRANTY IS SET FORTH IN WRITING AND SIGNED BY AN AUTHORIZED OFFICER OF SCRIPTPRO.** Some newly manufactured Equipment may contain remanufactured parts equivalent to new in performance.

4. Limitation of Liability and Exclusive Remedy:

(a) It is agreed that Customer shall have no right or remedy against ScriptPro Personnel for direct, indirect, incidental, consequential, or special damages, including, without limitation, loss of use, loss of data, loss of revenues or profits, corrupt data, claims for service interruptions, errors in supply or failure of supply, or for costs or expenses incurred in connection with labor, overhead, transportation, installation, removal of equipment, programming, substitute facilities, supply sources, liability to third parties, or any cause, loss, action, claim, or damage whatsoever for injury or death to persons or damage to property, or for any other consequential, economic or incidental loss arising out of or related in any way to the Equipment and/or Software or its performance, or to the performance of installation, repairs, or any other services by ScriptPro Personnel, regardless of whether ScriptPro Personnel have been advised of the possibility of such cause, loss, action, claim, or damage. ScriptPro Personnel shall not be liable for any damages caused by delay in delivery, installation, or furnishing of Equipment, Software, parts, and/or services under this Agreement or under the related Purchase Customer Support Agreement.

(b) If notwithstanding Section 4(a) ScriptPro has any liability or obligation to Customer in respect of any matter referenced in Section 4(a), the total liability of ScriptPro Personnel for all claims, whether in contract, tort (including, but not limited to, negligence and product liability), or otherwise, arising out of, connected with, or resulting from the manufacture, sale, delivery, installation, repair, replacement, or use of the Equipment and/or Software shall not exceed the total amounts paid by Customer to ScriptPro for the Equipment and/or Software that gives rise to the claim.

(c) Customer agrees that ScriptPro Personnel and the Equipment and Software in no way assume the professional duties and responsibilities of pharmacy personnel in the operation of Customer's pharmacy. Customer further agrees that it is the responsibility of qualified professionals to inspect prescriptions and to make the decision to use the Equipment and/or Software to dispense medications and provide healthcare services to patients. Therefore, Customer agrees that ScriptPro Personnel shall not be responsible or liable in any manner for damages, judgments, losses, claims, demands, or causes of action arising from any errors in dispensing medications or providing healthcare services to patients in Customer's pharmacy regardless of whether ScriptPro Personnel and/or the Equipment and Software were present when such errors occurred, and regardless of whether any actions of ScriptPro Personnel, the Equipment, and/or the Software relate in any way to such errors. Accordingly, Customer shall indemnify, defend, and hold harmless ScriptPro Personnel from any and all damages, judgments, losses, claims, demands, or causes of action arising from the occurrence or alleged occurrence of any and all errors in Customer's pharmacy or elsewhere related to the dispensing of medications or the providing of healthcare services to patients.

(d) Customer agrees that ScriptPro Personnel shall have no obligation, and expressly disclaim any responsibility, with respect to malfunction, repair, or replacement of Equipment and/or Software caused or necessitated by misuse or damage, including, but not limited to, failure of Customer to follow procedures specified by ScriptPro Personnel for operating the Equipment and/or Software as set out in documentation and/or training provided to Customer, or caused or necessitated by excessive temperature or humidity, electrical power fluctuation or failure, vandalism, computer virus, negligence of others (including Customer's employees or contractors), unauthorized repair, adjustment or installation, the requirements of governmental or regulatory authorities, and/or any other physical, environmental or legal condition outside the control of ScriptPro.

(e) No action arising out of any claimed breach of this Agreement may be brought by either party more than 1 year after the cause of action accrues.

5. Cancellation; Late Charge; Default; Security:

The parties agree to a cancellation fee of 50% of the Total Price in the event this Agreement is cancelled by Customer prior to shipment. If any amounts become due under this Agreement, or under the related Purchase Customer Support Agreement, and remain unpaid after 30 days, Customer shall be in default and shall be assessed interest at the highest rate allowed by law, plus a service charge of 10% of the amount overdue. In the event Customer is in default, ScriptPro shall have no obligations under this Agreement or under the related Purchase Customer Support Agreement. The parties agree that ScriptPro reserves a purchase money security interest in the Equipment until the amounts due as set forth above are paid in full, and this Agreement shall serve as a security agreement as that term is defined in the Uniform Commercial Code of the State of Kansas, or similar statute applicable in other states or jurisdictions, to secure payment of such amounts. At ScriptPro's request, Customer shall promptly execute any appropriate instruments, including financing statements, that ScriptPro deems necessary to give effect to and preserve such security interest. In the event of any failure of or refusal by Customer to perform the obligations of this Agreement or to execute the instruments required by this Agreement, ScriptPro shall have, in addition to and not in lieu of any other rights and remedies to which it may be entitled under this Agreement or otherwise, all of the rights and remedies of a secured party as enacted in the Uniform Commercial Code of the State of Kansas, or similar statutes applicable in other states or jurisdictions, as though fully set out herein. If a UCC financing statement has been filed, ScriptPro shall file a UCC termination statement, or similar document applicable in other jurisdictions, promptly after the amounts due as set forth above have been paid by Customer.

DATED _____
ATTACHMENT A
TO KERN COUNTY HOSPITAL AUTHORITY
PURCHASE AGREEMENT P17794

ScriptPro USA Inc. ("ScriptPro") and Kern County Hospital Authority ("Customer") intend that the provisions of this Attachment A supplement or modify the terms of the above Purchase Agreement ("Purchase Agreement") between the parties as follows:

1) Customer represents that it desires to transfer the following equipment ("Trade-In Equipment") to ScriptPro in order to receive a reduction in the Total Price under this Purchase Agreement:

Trade-In Equipment: Innovation PharmAssist Robot

Customer further represents and warrants that it has clear and transferable title to the Trade-In Equipment. Accordingly, the parties agree as follows:

i) During installation by ScriptPro of the Equipment, Customer shall make the Trade-In Equipment available to ScriptPro installation personnel at the Customer Site and shall permit ScriptPro to remove the Trade-In Equipment, own it unconditionally, and use, sell or dispose of it, or any part of it, as ScriptPro sees fit.

ii) No software or patient data shall be transferred with the Trade-In Equipment.

iii) When ScriptPro takes possession of the Trade-In Equipment at the Customer Site as provided above, the Total Price shall be reduced by the amount ("Trade-In Allowance") shown below:

Trade-In Allowance: \$10,000

iv) ScriptPro's installation personnel shall execute, in duplicate, a receipt for the Trade-In Equipment when it is received at the Customer Site. Customer shall be provided with one original copy of said receipt and the other original copy shall be retained by ScriptPro and become part of this Purchase Agreement.

v) If, for any reason, the Trade-In Equipment is not made available to ScriptPro installation personnel at the Customer Site during installation as provided above, this provision shall be null and void and the Total Price shall not be reduced.

2) The parties agree that the terms of the Purchase Agreement and all Attachments thereto are confidential between ScriptPro and Customer and cannot be disclosed by a party to others without the other party's written consent.

3) The parties agree that all other terms of the Purchase Agreement remain unchanged.

Customer

ScriptPro



Purchase Customer Support Agreement PCS 27250

Prepared By: PKS

Date: March 17, 2017

ScriptPro USA Inc. ("ScriptPro")	Customer Name & Billing Address ("Customer")	Name & Delivery Address (if different) ("Customer Site")
Mailing Address: 5828 Reeds Road Mission, KS 66202 Attn: Contracts Dept.	Kern Medical Center 1830 Flower Street Bakersfield, CA 93305	Kern Medical Center Sage Brush Pharmacy 1111 Columbus Street Bakersfield, CA 93305
Customer Legal Name: Kern County Hospital Authority		

Customer Support Package ("Support Package")	# Units	Unit Monthly Payment	Total Monthly Payment
SP 100/CCC All Inclusive Customer Support	1	\$704.00	\$704.00 <small>(plus applicable sales and use taxes)</small>

Additional Support: Additional Customer Support Packages may be added, at the time of execution of this Agreement or in the future, by execution of a Supplement to Purchase Customer Support Agreement ("Supplement") listing the additional Customer Support Packages and monthly payments. All other terms of this Agreement shall apply to the Customer Support Packages listed in the Supplement.

Customer agrees to all of the terms and conditions shown above and on Page 2 of this Agreement. This Agreement is also governed by certain provisions of the related Purchase Agreement to which it is attached as referenced below, and the terms defined therein shall also apply to this Agreement. All such terms and conditions are the complete and exclusive statement of the agreement between Customer and ScriptPro with respect to the subject matter herein and may be modified only by a written agreement signed by both parties specifically referencing this Agreement and not by any oral representations, course of performance, or by the terms of any purchase order issued by Customer and accepted by ScriptPro. This Agreement supersedes all prior agreements and understandings with respect to the subject matter herein. This Agreement shall be binding only after it has been signed by an authorized representative of ScriptPro. If any provision of this Agreement shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement. The parties agree that this Agreement cannot be cancelled except as provided for herein. This Agreement shall be interpreted and construed, and the legal relations created herein shall be determined, in accordance with the laws of the State of Kansas, including, but not limited to, the Kansas Product Liability Act, and any claims filed shall be brought in the District Court of Johnson County, Kansas. By signing this Agreement the persons below represent that they bind, and have the authority to bind, the respective parties to this Agreement.

Customer	ScriptPro USA Inc., a Kansas Corporation
Signature _____	Signature _____
Attachment to Purchase Agreement (P17794)	
Print Name _____	Print Name Michael E. Coughlin
Title _____	Title President, CEO and CFO
Date _____	Date _____

ScriptPro Use Only: Sales Associate: TV _____	Date: _____
Attachments: _____	
Purchase Order #: _____	Standing P.O. _____ Annual P.O. _____

1. Purchase and Payment Terms:

Customer agrees to purchase the Support Package specified on Page 1 hereof for a term that shall commence on the date that installation is complete and that shall run for the number of support months for which payments are made by paying the Total Monthly Payment specified on Page 1 hereof, plus all applicable sales and use taxes, on or before the first day of each calendar month following completion of installation. The support provided under the Support Package is set forth in Section 5, below. Customer may terminate this Agreement without notice at any time by discontinuing payments. ScriptPro may terminate this Agreement by giving Customer 90 day written notice, except ScriptPro agrees not to terminate within 5 years of the date of installation. ScriptPro shall not increase the Unit Monthly Payment and the Total Monthly Payment for the first 12 months from date of installation but reserves the right to adjust the Unit Monthly Payment and the Total Monthly Payment at any time or times thereafter.

2. System Manager:

Customer shall designate a System Manager who shall represent Customer and be the primary contact with ScriptPro under this Agreement. The System Manager shall be responsible for certifying to ScriptPro that the Customer Site has been prepared for delivery and installation of the Equipment (as defined in the Purchase Agreement) and/or Software (as defined in the Purchase Agreement), and for contacting ScriptPro to coordinate support under this Agreement. ScriptPro shall be entitled to also rely on other employees of Customer in connection with the furnishing of support under this Agreement absent specific written instructions from Customer to the contrary.

3. Site Preparation, Shipping and Installation:

ScriptPro shall arrange and pay for shipment of the Equipment, installation of the Equipment at Customer Site, and implementation of the Software. Customer shall be responsible for preparation of the Customer Site for installation of the Equipment and Software and for receipt and safeguarding of Equipment pending installation. Site preparation includes making ready: (a) physical space and electrical service as required for the Equipment so it can be placed in its permanent location and connected to the electrical service upon delivery, (b) network access as required by ScriptPro, and (c) pharmacy computer software interfaces and hardware connections. If Customer Site is not fully and properly prepared when ScriptPro begins installation, Customer shall reimburse ScriptPro for additional actual out-of-pocket costs incurred, including personnel costs at ScriptPro's standard service rates.

4. Limited Warranty:

During the term of this Agreement, if the Equipment is defective in workmanship or materials, or if the Software fails to operate in accordance with ScriptPro's technical specifications, ScriptPro shall repair or replace, at its option, defective parts, Software, or the Equipment (the "Limited Warranty"). The Limited Warranty is void if the Equipment or Software have been installed or modified, other than as authorized in writing by ScriptPro. ScriptPro makes no representations, warranties, conditions, or guarantees that the Equipment or Software shall meet the specifications of Customer or that operation of the Equipment and Software shall be uninterrupted or error free.

5. Support Provided:

(a) Software Updates. During the term of this Agreement, ScriptPro may provide, at no additional cost, one or more new versions of the Software that are issued to enhance its existing functionality ("updates"). If requested by ScriptPro, Customer shall assist in installing updates. Failure or refusal by Customer to install updates may, at ScriptPro's option, void the Limited Warranty and the support obligations contained herein.

(b) Telephone Support. During the term of this Agreement, ScriptPro shall provide Customer toll free access to its help desk that can be called 24 hours a day, 365 days a year to obtain support. To allow ScriptPro to provide support and collect information regarding the Equipment and Software, Customer shall provide and ensure that the Equipment and Software are properly connected to ScriptPro's help desk remote communications interface and shall permit ScriptPro to transfer electronic data to and from the Equipment and Software at any time.

(c) Service. During the term of this Agreement, ScriptPro shall perform the service necessary to maintain the Equipment and Software in good working order at Customer Site, subject to the provisions covered under Misuse of Equipment, below. If the Equipment or Software becomes disabled, Customer shall promptly notify ScriptPro of the disability and any known cause. Customer shall assist ScriptPro in performing diagnosis and correction of problems through the remote communications interface. If diagnosis so indicates, ScriptPro shall use good faith efforts to respond to on-site service needs within 24 hours. Customer shall provide ScriptPro access to the Equipment and Software at all reasonable hours to perform necessary service, including preventive maintenance. Service includes adjustments and replacement or repair of parts and/or Software as ScriptPro deems necessary. Replacement parts may be remanufactured, equivalent to new in performance, and are furnished on an exchange basis. Parts and on-site labor, including travel, are provided by ScriptPro at no additional cost to Customer, except as provided below.

(d) Misuse of Equipment; Damage. Customer shall not install or make any modifications, repairs or adjustments to the Equipment or Software without the prior written consent of ScriptPro. If the Equipment or Software require any service or repair necessitated by misuse or damage, including, but not limited to, failure of Customer to follow procedures specified by ScriptPro Personnel for operating the Equipment and Software as set out in documentation and training provided to Customer, or caused or necessitated by excessive temperature or humidity, electrical power fluctuation or failure, vandalism, computer virus, negligence of others (including Customer's employees or contractors), unauthorized repair, adjustment or installation, the requirements of governmental or regulatory authorities, or any other physical, environmental or legal condition outside the control of ScriptPro, ScriptPro shall provide the required service or repair to the extent reasonably practicable, but Customer shall pay ScriptPro for such service or repair, including replacement parts, at ScriptPro's standard service and parts rates discounted 15%, plus actual costs incurred for travel, meals, and lodging in accordance with ScriptPro's standard expense reimbursement policies.

(e) Subcontracting. ScriptPro may subcontract any part, or all, of its obligations under this Agreement, provided, however, that any such subcontracting shall not relieve ScriptPro of its obligations or duties to Customer under this Agreement.

(f) Use of Information. Customer agrees that ScriptPro shall be permitted to collect information with regard to Customer's use of the Equipment and Software during the term of this Agreement, including drug utilization and inventory management information, and retain and use such information as its sole and absolute property, provided, however, that ScriptPro shall have no right to use any patient identifying information.

6. Protection Against Loss of Data:

Customer shall be responsible to take any and all actions necessary or desirable to back up, or otherwise protect against, loss of data and other information stored on or in Customer's present hardware or software, as well as data and other information placed or installed on or in, or input to, the Equipment and/or Software. Customer shall be responsible for the integrity of all data and other information and for any and all actions taken to protect the integrity of such data and other information. Customer agrees that ScriptPro Personnel (as defined in the Purchase Agreement) are not responsible for any loss of data and other information, regardless of whether such data and other information was protected by Customer or whether such loss of data and other information resulted from any action or omission by ScriptPro Personnel.

KERN COUNTY HOSPITAL AUTHORITY
 Kern Medical Center Sage Brush Pharmacy

PURCHASE AGREEMENT P17794
 PURCHASE CUSTOMER SUPPORT AGREEMENT PCS27250

SCRIPTPRO USA INC.
 340B PRIME VENDOR PROGRAM PRICING - APEXUS CONTRACT NO.
 PSVA1001 US\$ 2016

EQUIPMENT SCHEDULE

EQUIPMENT SCHEDULE: PURCHASE

SYSTEM CONFIGURATION:	
Purchase	
Total Monthly Support	

Item	Description	Units Priced	Purchase Price	Installation Fee	Monthly Payment
Robotic Systems SP1007CCC	Robotic Prescription Dispensing System with Collating Control Center	1	141,046	20,398	704
Total Before Credits			141,046	20,398	704
Credits					
Less: Trade-in Allowance			-10,000		
Grand Total, All Units			131,046	20,398	704

Credit Description
 Innovation PharmAssist Robot is \$10,000

Summary

Purchase Price
 Installation fee
 Total Price
 Total Monthly Support
 Total Monthly Subscription

Purchase	131,046
Installation fee	20,398
Total Price	151,444
Total Monthly Support	704
Total Monthly Subscription	0

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

April 19, 2017

Subject: Proposed retroactive Amendment No. 9 to Agreement 185-2011 with Weatherby Locums, Inc.

Recommended Action: Approve; Authorize Chairman to sign subject to approval as to form by Counsel

Summary:

Kern Medical requests proposed retroactive amendment No. 9 to Agreement 185-2011 with Weatherby Locums, Inc., an independent contractor, for temporary physician staffing services, extending the term for two years from March 28, 2017 through March 27, 2019, and increasing the maximum payable by \$900,000, from \$3,700,000 to \$4,600,000, to cover the term.

**AMENDMENT NO. 9
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Weatherby Locums, Inc.)**

This Amendment No. 9 to the Agreement for Professional Services is entered into this _____ day of _____, 2017, between the Kern County Hospital Authority, a local unit of government (“KCHA” or “Client”), which owns and operates Kern Medical Center (“KMC”), and Weatherby Locums, Inc. (“Weatherby”), with its principal place of business located at 6451 North Federal Highway, Suite 800, Fort Lauderdale, Florida 33308.

RECITALS

(a) The Parties have heretofore entered into an Agreement for Professional Services (Kern County Agt. #185-2011, dated March 29, 2011), Amendment No. 1 (Kern County Agt. #816-2011, dated November 14, 2011), Amendment No. 2 (Kern County Agt. #133-2012, dated March 12, 2012), Amendment No. 3 (Kern County Agt. #259-2013, dated May 13, 2013), Amendment No. 4 (Kern County Agt. #743-2014, dated September 30, 2014), Amendment No. 5 (Kern County Agt. #094-2015, dated February 24, 2015), Amendment No. 6 (Kern County Agt. #842-2015, dated November 17, 2015), Amendment No. 7 (Kern County Agt. #132-2016, dated March 15, 2016); Assignment to the Kern County Hospital Authority (Kern County Agt. #342-2016, dated March 1, 2016), and Amendment No. 8 (KCHA Agt. # HA2016-048, dated June 22, 2016) (“Agreement”), for the period March 29, 2011 through March 27, 2017, to provide temporary physicians to fill voids in staffing at KMC; and

(b) KMC continues to require the services of Weatherby to fill voids in staffing and Weatherby has agreed to provide such services; and

(c) 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 Weatherby; and

(c) The Parties agree to amend the Agreement to (i) extend the term for an additional period of two (2) years, from March 28, 2017 to March 27, 2019, and (ii) increase the not to exceed amount by \$900,000, from \$3,700,000 to \$4,600,000, to cover the term; and

(d) The Agreement is amended effective March 28, 2017;

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

1. Section 4, Fees, paragraph 4.A, Fees, shall be deleted in its entirety and replaced with the following:

“4.A Fees. Client shall pay Weatherby fees (“Fee(s)” or “Fee Schedule”) for Physician Coverage for each Assignment, as specified in Exhibit “A,” attached hereto and incorporated herein by this reference, or as agreed upon by the Parties and outlined in the Confirmation for that Assignment, in an amount not to exceed \$4,600,000 over the term of this Agreement.”

2. Section 5, Term, Cancellation and Removal of Physician, paragraph 5.D, Term, shall be deleted in its entirety and replaced with the following:

“5.D Term. Performance by Weatherby and KCHA shall commence on March 29, 2011, and shall end March 27, 2019, unless earlier terminated pursuant to other provisions of this Agreement.”

3. Exhibit “A,” Not to Exceed Amount, shall be deleted in its entirety and replaced with the following:

“Not to Exceed Amount: KCHA shall compensate Weatherby in an aggregate sum not to exceed \$4,600,000 over the term of the Agreement.”

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 taken together shall constitute one and the same instrument.

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

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 9 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

WEATHERBY LOCUMS, INC.

By _____
Chairman
Board of Governors

By _____
John Wagner
Senior Director

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Deputy

Amend9.Weatherby.032917

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

April 19, 2017

Subject: Proposed Change Order No. 1 to Agreement 2016-075 with Black/Hall Construction, Inc.

Recommended Action: Make Finding Project is Exempt from further CEQA review per sections 15301 and 15061(b)(3) of State CEQA guidelines; Approve; Authorize Chairman to sign; Authorize Chief Executive Officer to approve any further change orders in an amount not to exceed \$100,000, for a total contract price no to exceed \$549,589

Summary:

Kern Medical entered in to an agreement with Black Hall Construction, Inc. to install independent distribution facilities, or data closets, (“IDF”) in 3C, 4C, and 4D to accommodate future Information Technology infrastructure. This proposed Change Order No. 1 totals \$197,276, for a new contract amount of \$449,589.

Item one of this Change Order allows the contractor to add one additional IDF closet and one main distribution facility room to the scope of work to provide voice and data infrastructure upgrades.

Item two of this change order will extend the project completion date to June 30, 2017 at no additional cost to the Hospital Authority.

To mitigate potential delays with future contract changes, Kern Medical requests Board approval for the Chief Executive Officer to approve all future change orders in an amount not to exceed an additional \$100,000, for a total contract price not to exceed of \$549,589.

CHANGE ORDER

PROJECT:

IDF Room Upgrades at 4C, 4D and 3C
1700 Mt. Vernon Avenue
Bakersfield, CA 93306

PROJECT NO.: 1250.10924
CONTRACT NO.: 2016-075

CONTRACTOR:

Black Hall Construction, Inc.
P.O. Box 445
Taft, CA 93628

CHANGE ORDER NO.: ONE (1)

DATE: April 19, 2017

DESCRIPTION OF CHANGE	ADD	DEDUCT
1. Provide all labor, material and equipment to complete construction of the added MDF/IDF rooms to the scope of the project. The additional work includes telecommunications, electrical, mechanical, structural, and architectural finishes. Scope is outlined in OSHPD approved ACD 3 drawing and Instruction Bulletin No. 3	\$197,276.00	
2. Contract Completion date has been extended to June 30, 2017 at no additional cost to Hospital Authority.	\$0.00	
CHANGE ORDER NO. 1 TOTAL (ADD)	\$197,276.00	
ORIGINAL CONTRACT PRICE	\$252,313.00	
NEW CONTRACT AMOUNT	\$449,589.00	

REASON FOR CHANGE

1. It was determined by the IT Department that two additional closets/rooms are needed to complete the Voice/Data upgrades throughout the Hospital.

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

CONFORMANCE WITH SPECIFICATIONS:

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

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

SUBMITTED BY:

Black Hall Construction, Inc.

BY: _____

Glenn Black, President

APPROVED AS TO CONTENT:

BY: _____

Jared Leavitt, Chief Operating Officer

**APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL**

BY: _____

Shannon Hochstein
Deputy County Counsel

BY: _____

Russell Judd
Chief Executive Officer

KERN COUNTY HOSPITAL AUTHORITY

BY: _____

Board of Governors - Chairman
"KCHA"

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

April 19, 2017

Subject: Proposed retroactive Amendment No. 6 to Agreement 947-2008 with Toyon Associates, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests retroactive Amendment No. 6 to Agreement 947-2008 with Toyon Associates, Inc., an independent contractor, for third-party reimbursement services, extending the term for one year from October 14, 2016 through October 13, 2017, including additional routine and specialized services, incorporating changes to hourly rates, and increasing the maximum payable by \$400,000, from \$1,690,000, to \$2,090,000, to cover the term.

**AMENDMENT NO. 6 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Toyon Associates, Inc.)**

This Amendment No. 6 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2017, by and between the Kern County Hospital Authority, a local unit of government (“KCHA”), which owns and operates Kern Medical Center (“KMC”), and Toyon Associates, Inc., a California corporation (“Contractor”), with its principal place of business located at 1800 Sutter Street, Suite 600, Concord, California 94520.

RECITALS

(a) Kern Hospital Authority and Contractor have heretofore entered into an Agreement for Professional Services (Kern County Agt. #947-2008, dated October 28, 2008), Amendment No. 1 (Kern County Agt. #789-2010, dated August 24, 2010), Amendment No. 2 (Kern County Agt. #159-2013, dated April 9, 2013), Amendment No. 3 (Kern County Agt. #748-2013, dated September 24, 2013), Amendment No. 4 (Kern County Agt. #777-2014, dated October 13, 2014), Amendment No. 5 (Kern County Agt. #007-2016 and Assignment to Kern County Hospital Authority (Kern County Agt. No. #335-2016, dated March 1, 2016) (“Agreement”), for third party reimbursement services to KMC; and

(b) Section 21 of the Agreement provides that it may be amended; and

(c) The Agreement expired October 13, 2016; and

(d) KCHA continues to require the services of Contractor and Contractor desires to continue to provide such services; and

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

(f) The parties agree to amend the Agreement to (i) extend the term for one year from October 14, 2016 through October 13, 2017, (ii) increase the maximum payable by \$400,000, from \$1,690,000,000 to \$2,090,000, to cover payment of past invoices and the extended term, (iii) add additional routine and specialized services, and (iv) incorporate new exhibits to reflect any changes to the standard hourly rates for services for the period October 14, 2014 through October 13, 2015, for the period October 14, 2015 through October 13, 2016, and for the period of October 14, 2016 through October 13, 2017; and

(g) The Agreement is amended effective October 14, 2016;

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

1. Section 1, Term, shall be amended as follows:

“1. Term. Performance of Contractor and KCHA shall commence October 14, 2008, and shall end October 13, 2017, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 3, Compensation, paragraph 3.5, Maximum Payable, shall be amended as follows:

“3.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$2,090,000 over the nine-year term of this Agreement.”

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

4. Exhibit “B-3,” Hourly Rates, October 14, 2016 – October 13, 2017, attached hereto and incorporated herein by this reference, shall be made part of the Agreement.

5. All capitalized terms used in the Agreement 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 and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

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

KERN COUNTY HOSPITAL AUTHORITY

TOYON ASSOCIATES, INC.

By _____
Chairman
Board of Governors

By Ronald M. Knapp
Ronald G. Knapp
Executive Vice President

APPROVED AS TO CONTENT:
Kern Medical Center

By Russell V. Judd
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
Office of County Counsel

By [Signature]
Deputy

**AMENDMENT NO. 4
TO
EXHIBIT "A"
DESCRIPTION OF SERVICES**

A. Routine Services: Contractor shall provide any of the following routine third-party reimbursement services, if requested by Kern Medical and approved in advance by Kern Medical:

1. Medicare and Medicaid cost report preparation
2. Medicaid eligible days documentation development for Medicare DSH optimization
3. Medicare SSI ratio analysis for Medicare DSH optimization
4. Review prior year Medicare and Medicaid cost reports for accuracy
5. Medi-Cal redesign cost analysis and interim rate support
6. Medicare and Medicaid cost report audit appeals
7. Medicare cost report compliance review and policies and procedures development
8. Contractual allowance and reserve analysis, including audit review
9. Medicare and Medicaid cost report audit assistance
10. Assist with annual OSHPD reports
11. Medicare and Medicaid reimbursement planning and strategy development
12. Medicare bad debt recovery documentation development, analysis and appeals
13. Medicare wage index review and reclassification requests
14. Medicare GME/IME reimbursement review and payment optimization
15. AB 85 Public Hospital County data submission form preparation or review
16. Preparation and review of AB 915 claims
17. Preparation and review of Medi-Cal waiver workbooks (a.k.a. P-14 workbooks)
18. Preparation or review of CAPH and/or DHCS data requests regarding Medi-Cal program funding
19. Process Medi-Cal POS for aid code review

B. Specialized Services: Contractor shall provide the following specialized services, as requested by Kern Medical:

1. Assist with monthly booking of revenue and periodic true-up of revenue based on updated schedules from California Association of Public Hospitals, and review actual Medi-Cal outpatient and physician costs (AB 915 and Physician SPA).
2. Develop projections for Kern Medical government program net revenue.
3. Assist with development of template for monthly contractual allowance calculations and provide routine review.

4. Review booking of Practice Plus revenue and ensure that data are captured in a format necessary for cost reporting and claiming.
5. Provide ongoing training for designated Kern Medical staff, as necessary, regarding state/federal funding and proper cost report and P 14 preparation.
6. Identify data needs and items for review to prepare and/or revise P14 workbook(s) including, without limitation, dual eligible calculations.
7. Oversee and support P14, Medi-Cal, and DSH audits.
8. Prepare quarterly cost reports to validate data and identify potential adjustments prior to year-end.
9. Undertake special projects and/or analysis not otherwise covered regarding government funding.

[Intentionally left blank]

EXHIBIT "B-3"
HOURLY RATES
OCTOBER 14, 2016 – OCTOBER 13, 2017

[See attached]

Exhibit B-3

TOYON ASSOCIATES, INC. HOURLY RATES - 10/14/16 - 10/13/17

Tom Knight	President	\$ 450
Ron Knapp	Executive Vice President	\$ 450
Kaatz, Nancy	Vice President - Public Hospital Services	\$ 325
Shin, Wayne	Vice President - Hospital Services	\$ 325
Trahan Whitten	Executive Vice President	\$ 450
Tom Hubner	Vice President	\$ 325
Samonte, Sheryl	Senior Director - Client Services	\$ 275
Schulz, Eric	Senior Director - Client Services	\$ 275
Yasuda, Scott	Senior Director - Client Services	\$ 275
Yee, Carrie	Senior Director - Client Services	\$ 275
Yoder, Dave	Senior Director - Client Services	\$ 275
Bhatnagar, Mridula	Director - Client Services	\$ 250
Cherry, Laura	Director - Client Services	\$ 250
Chinea, Dylan	Director - Client Services	\$ 250
Ellis, Lisa	Director - Client Services	\$ 250
Giberti, Kathleen	Director - Client Services	\$ 250
Oliva, Naomi	Director - Client Services	\$ 250
Ponce, Christine	Director - Client Services	\$ 250
Ujita, Scott	Director - Client Services	\$ 250
Wong, Rufina	Director - Client Services	\$ 250
Pelayo, Daniel	Manager, Cost Report/OSHPD Services	\$ 280
Collins, Sherry	Manager	\$ 250
Sader, Ryan	Manager	\$ 250
Whitten Erin	Manager	\$ 250
Lee, Sandra	Asst. Director - Client Services	\$ 195
Vanderford, Tim	Asst. Director - Client Services	\$ 195
Vinluan, Marwin	Asst. Director - Client Services	\$ 195
Fowler, Pam	Senior Consultant	\$ 195
Gutilla, Anthony	Senior Consultant	\$ 195
Ho, Geoff	Senior Consultant	\$ 195
Kellar, Eric	Senior Consultant	\$ 195
Metzler, Robert	Senior Consultant	\$ 195
Patascil, Mariano	Senior Consultant	\$ 195
Quipanes, Leila	Senior Consultant	\$ 195
Hank, Christina	Consultant	\$ 165
Wong, Derek	Consultant	\$ 165
Sheehey, Bryan	Senior Analyst	\$ 140
Wong, Alex	Senior Analyst	\$ 140
Frame, Robert	Senior Analyst	\$ 140
Caravan, Alex	Analyst	\$ 115
Fadayel, Ramzi	Analyst	\$ 115
Frame, Robert	Analyst	\$ 115
Fedorenko, Dave	Manager - Systems Development	\$ 225
Kiesel, Robert	Systems Administrator	\$ 225
Young, Nicholas	Systems Programmer	\$ 175
Wieczorek, Emilia	Systems Programmer	\$ 175
Bowers, Sherrie	Office Manager	\$ 110
Chin, Joyce	Admin Support	\$ 110
Stevens, Sandy	Appeals Coordinator	\$ 110
Benzler, Janis	Appeals Support	\$ 110

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

April 19, 2017

Subject: Proposed Amendment No. 5 to Agreement 1049-2008 with RightSourcing, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests proposed Amendment No. 5 to Agreement 1049-2008 with RightSourcing, Inc., an independent contractor, for temporary staffing services, extending the term for two years from July 1, 2017 through June 30, 2019, and incorporating new pricing, with no increase in the maximum payable.

AMENDMENT NO. 5
TO
RIGHTSOURCING® SUPPLIER MANAGED SERVICES AGREEMENT
(Kern County Hospital Authority – RightSourcing, Inc.)

This Amendment No. 5 to the RIGHTSOURCING SUPPLIER MANAGER SERVICES Agreement (“Amendment No. 5”) is entered into this ____ day of April, 2017, by and between RightSourcing, Inc., a New York corporation (“RightSourcing”), and the Kern County Hospital Authority, a local unit of government (“KCHA”), which owns and operates Kern Medical Center (“KMC”).

RECITALS

- A. KCHA and RightSourcing have heretofore entered into a Rightsourcing Supplier Managed Services Agreement (Kern County Agt. # 1049-2008), with an effective date of December 8, 2008
- B. Amendment No. 1(Kern County Agt. # 411-2009) effective June 8, 2009 , Amendment No. 2 (Kern County Agt. # 604-2011) effective August 8, 2011 , Amendment No. 3 (Kern County Agt. #860-2014) effective December 2, 2014, and Assignment of Agreement (Kern County Agt. #242-2016) effective July 1, 2017 (collectively referred to as the “Agreement”), for the period of December 8, 2008 through June 30, 2017, pursuant to which RightSourcing Inc. agreed to provide certain temporary staffing and related services to KCHA; and KCHA continues to require the services of RightSourcing Inc. and RightSourcing Inc. has agreed to continue to provide such services as amended below; and
- C. The parties have agreed to amend the Agreement to extend the term for two (2) years, and to revise Schedule A per Attachment 1, attached hereto and incorporated into the Agreement by this reference; and
- D. The parties also acknowledge that RightSourcing is the primary vendor for Managed Service Provider (“MSP”) services, and Client shall authorize RightSourcing to add Suppliers, in its full discretion, to the program as needed if requisitions are not filled within thirty (30) days of RightSourcing’s receipt of requisition request from Client; and
- E. The Agreement is amended effective April 19, 2017.

NOW, THEREFORE, the parties hereto, based upon the above recitals and covenants and conditions set forth herein, agree as follows:

1. EXTENSION OF TERM

Section 8(a) of the Agreement is hereby deleted and superseded in its entirety as follows:

“8. TERM AND TERMINATION

(a) Term

This Agreement shall commence on December 8, 2008 (“Effective Date”), and shall terminate on June 30, 2019 unless earlier terminated as provided in this Agreement. Any extension of this Agreement must be set forth in a written amendment of this Agreement signed by both parties.”

2. NOTICE

Section 9 of the Agreement is hereby deleted and superseded in its entirety as follows:

“9. NOTICE

Notices or other communications required or permitted hereunder, (with the exception of requests by Client for services or cancellations of services), shall be in writing and shall be personally delivered or mailed, certified mail, return receipt requested, in the United States postal system, addressed to the parties as follows:

To Client:
Kern County Hospital Authority
1700 Mt. Vernon Avenue
Bakersfield, CA 93306
Attn: CEO

To RightSourcing:	cc:
RightSourcing, Inc. 1150 Iron Point Road Folsom, CA 95630 Attn: Legal Department	RightSourcing, Inc. 9 Executive Circle, Suite 290 Irvine, CA 92614 Attn: Contracts Department”

3. Schedule A is deleted in its entirety and superseded by Attachment 1 to Amendment 5 which is attached and incorporated herein by reference.

4. VALIDITY OF AGREEMENT

To the extent that they do not conflict with the terms of this Amendment No. 5, all other sections and provisions of the Agreement shall remain in full force and effect. In the event there is any inconsistency between the terms hereof and the Agreement, this Amendment No. 5 shall control.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement No. 5 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

RightSourcing, Inc.

By _____
Chairman
Board of Governors

By _____

(Print Name)

APPROVED AS TO CONTENT:
Kern Medical Center

(Title)

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
Office of County Counsel

By _____
Deputy

Attachment 1
Pricing

Client Rates are all inclusive (“Blended”) per the following pricing tables:

Job Title – Traveler	Blended Client Bill Rate	Crisis Bill Rate Range	
Clinical Dietician	\$76.22	\$80.03	\$106.71
Clinical Director	\$133.90	\$140.60	\$187.46
Clinical Lab Scientist (CLS/MT)	\$90.64	\$95.17	\$126.90
Clinical Supervisor	\$89.61	\$94.09	\$125.45
Coding Supervisor	\$55.62	\$58.40	\$77.87
CPTA, COTA	\$77.25	\$81.11	\$108.15
ER Technician	\$61.80	\$64.89	\$86.52
Histologic/Cytology Tech – Level I	\$90.64	\$95.17	\$126.90
Histologic/Cytology Tech – Level II	\$90.64	\$95.17	\$126.90
Hospital Shift Manager	\$77.25	\$81.11	\$108.15
Infection Control - Level I, 2-5 years experience	\$63.86	\$67.05	\$89.40
Infection Control - Level II, 5 + years experience	\$67.98	\$71.38	\$95.17
Medical Lab Technician (MLT)	\$75.19	\$78.95	\$105.27
Medical Social Worker	\$57.68	\$60.56	\$80.75
MRI, Mammo Technologist	\$76.22	\$80.03	\$106.71
Nuclear Med Technician	\$76.28	\$80.09	\$106.79
Occupational Therapist	\$94.76	\$99.50	\$132.66
On Call	\$6.18	\$6.49	\$8.65
OR & L/D Surgical Tech	\$57.68	\$60.56	\$80.75
Perfusion RN	\$62.83	\$65.97	\$87.96
Pharmacist	\$118.45	\$124.37	\$165.83
Pharmacy Director	\$133.90	\$140.60	\$187.46
Pharmacy Technician	\$45.32	\$47.59	\$63.45
Physical Therapist	\$94.76	\$99.50	\$132.66
Quality Management – General	\$63.86	\$67.05	\$89.40
Quality Management - Peer Review	\$73.13	\$76.79	\$102.38
Radiation Therapist	\$87.55	\$91.93	\$122.57
Radiologic Technologist - General	\$80.34	\$84.36	\$112.48
Radiologic Technologist-Level II Echo, Cardiac Cath, CV Tech, CT Tech	\$80.34	\$84.36	\$112.48
Radiology Manager	\$100.94	\$105.99	\$141.32
Registered Nurse - Case Manager	\$81.37	\$85.44	\$113.92
Registered Nurse - Case Manager Level II, 5+ yrs	\$81.37	\$85.44	\$113.92
Registered Nurse - Correctional Medicine	\$66.95	\$70.30	\$93.73
Registered Nurse - DOU	\$79.83	\$83.82	\$111.76
Registered Nurse - ER/Trauma	\$82.92	\$87.07	\$116.09
Registered Nurse - GI Procedure Lab	\$79.83	\$83.82	\$111.76
Registered Nurse - Intensive Care	\$82.92	\$87.07	\$116.09
Registered Nurse - Interventional Radiology	\$90.64	\$95.17	\$126.90
Registered Nurse - L/D	\$87.55	\$91.93	\$122.57
Registered Nurse - Level II Other	\$82.92	\$87.07	\$116.09

Registered Nurse - Level III Other	\$79.83	\$83.82	\$111.76
Registered Nurse - Med/Surg	\$79.83	\$83.82	\$111.76
Registered Nurse - Neuro	\$79.83	\$83.82	\$111.76
Registered Nurse - NICU	\$82.40	\$86.52	\$115.36
Registered Nurse - Nuclear Medicine	\$79.83	\$83.82	\$111.76
Registered Nurse - Oncology	\$79.83	\$83.82	\$111.76
Registered Nurse - Operating Room (10 Hour)	\$86.52	\$90.85	\$121.13
Registered Nurse - Operating Room (12 Hour)	\$87.55	\$91.93	\$122.57
Registered Nurse - Operating Room (8 Hour)	\$84.98	\$89.23	\$118.97
Registered Nurse - Outpatient Clinics	\$69.01	\$72.46	\$96.61
Registered Nurse - Pediatrics	\$79.83	\$83.82	\$111.76
Registered Nurse - Post Partum	\$79.83	\$83.82	\$111.76
Registered Nurse - Psych	\$76.22	\$80.03	\$106.71
Registered Nurse - Recovery Room (10 Hour)	\$82.92	\$87.07	\$116.09
Registered Nurse - Recovery Room (12 Hour)	\$83.95	\$88.15	\$117.53
Registered Nurse - Recovery Room (8 Hour)	\$81.37	\$85.44	\$113.92
Registered Nurse - Tele	\$79.83	\$83.82	\$111.76
Respiratory Therapist	\$67.98	\$71.38	\$95.17
RN Charge	\$4.12	\$4.33	\$5.77
Speech Language Pathologist	\$89.61	\$94.09	\$125.45
Sterilization Processing Tech I	\$61.80	\$64.89	\$86.52
Sterilization Processing Tech II	\$56.65	\$59.48	\$79.31
Ultra Sound- General	\$83.43	\$87.60	\$116.80
Ultra Sound- Specialty Vascular/OB	\$84.46	\$88.68	\$118.24

**** Client shall approve final Traveler Crisis Bill Rates on a case-by-case basis**

Job Titles - Registry	Blended Client Bill Rate
C.N.A.	\$31.93
Clinical Dietician	\$76.22
Clinical Lab Scientist (CLS)	\$81.89
CPTA/COTA	\$67.98
Emergency Room Technician	\$57.17
Licensed Vocational Nurse	\$57.17
Medical Lab Technician	\$74.16
MRI, Mammo	\$69.01
Nuclear Med Technician	\$84.98
Occupational Therapist	\$79.57
On Call	\$6.18
Operating Room Technician	\$57.17
Pharmacist	\$108.15
Physical Therapist	\$79.57
Radiation Therapist	\$95.28
Radiologic Technologist - General	\$74.16
Radiologic Technologist Level II - Echo, Cardiac Cath, CV Tech, CT Tech	\$79.57
Registered Nurse - Case Manager	\$74.16
Registered Nurse - Case Manager Level II, 5+ yrs	\$74.16

Registered Nurse - Correctional Medicine	\$71.07
Registered Nurse - ER/Trauma	\$74.16
Registered Nurse - GI Procedure Lab	\$75.19
Registered Nurse - Intensive Care	\$74.16
Registered Nurse - L/D	\$84.98
Registered Nurse - Level II Other	\$73.13
Registered Nurse - Level III Other	\$71.07
Registered Nurse - Med/Surg	\$71.07
Registered Nurse - Neuro	\$74.16
Registered Nurse - NICU	\$74.16
Registered Nurse - Nuclear Medicine	\$74.16
Registered Nurse - Oncology	\$71.07
Registered Nurse - Operating Room (10 Hour)	\$82.92
Registered Nurse - Operating Room (12 Hour)	\$84.98
Registered Nurse - Operating Room (8 Hour)	\$80.34
Registered Nurse - Outpatient Clinics	\$70.04
Registered Nurse - Pediatrics	\$73.13
Registered Nurse - Recovery Room	\$75.19
Registered Nurse - Tele	\$71.07
Respiratory Therapist	\$69.01
RN Charge	\$4.12
Speech Language Pathologist	\$76.22
Ultra Sound Tech- General	\$76.22
Ultra Sound Tech- Specialty Vascular/OB	\$79.31

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

April 19, 2017

Subject: Presentation on the open-source course management system “Moodle” used by Kern Medical for online learning.

Recommended Action: Receive and File

Summary:

The Chief Executive Officer will present a Review of “Moodle” – the open-source management system used at Kern Medical.



MOODLE

Learning Management System

MOODLE – Definition

M	Modular
O	Object-
O	Oriented
D	Dynamic
L	Learning
E	Environment

- Moodle is a free, open-source course management system utilized by Kern Medical to provide self-paced e-learning opportunities to staff
 - Supplements new-hire orientation
 - Designates mandatory regulatory as well as elective courses
 - Course content is customized by the organization
 - System tracks learning activities completed by students

2017 Physician List

1. Bloodborne Pathogens, Precautions & Hand Hygiene
2. HIPAA Privacy, Security and Compliance 2017
3. Infection Prevention – HAI for Select Staff
4. Infection Prevention – MDRO for Select Staff
5. OSHA/Safe Environment Training
6. Physician – Neuromuscular Blockade
7. Physician – Restraint Education
8. Sexual Harassment

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

April 19, 2017

Subject: Kern County Hospital Authority, Chief Financial Officer Report

Recommended Action: Receive and File

Summary:

Other Professional Fees:

Other Professional Fees have an unfavorable budget variance for the month of February 2017 due to fees paid to Hall, Hieatt, & Connelly, Liebert, Cassidy, & Whitmore, Elizabeth Digiacomogeffers, B.E. Smith, and Paytech Consulting. There were also fees paid to McKesson for system upgrades and Cerner for project management.

Supplies:

Supplies have an unfavorable budget variance for the month of February 2017 due in part to an invoicing issue with Synthes prostheses and medical devices that is currently being resolved. There were also increased expenses paid to Zones for IS infrastructure and to Siemens Healthcare. Also, a process change within the Materials Management inventory system has caused a temporary timing issue regarding supplies orders that has resulted in some duplication of orders.

Purchased Services:

Purchased Services have an unfavorable budget variance for the month of February 2017 due in part to a true-up for the Medi-Cal Inpatient Program (MCIP) claims. Kern Medical has been holding several claims for inmate services that were contracted out to local area providers for services that are not provided by Kern Medical, pending direction from the state regarding how to process the claims. The pending claims have been entered into the system during the past two months. Two other relatively large year-to-date expense true-ups were made within the Purchased Services expense. One was for Health Advocates that provide services to help qualify patients for Medi-Cal, and for our collection agencies that do not bill consistently throughout the year.



**BOARD OF GOVERNORS' FINANCIAL REPORT
KERN MEDICAL – FEBRUARY 2017**

APRIL 2017

3-Month Trend Analysis: Revenue & Expense

February 28, 2017

	DECEMBER	JANUARY	FEBRUARY	BUDGET FEBRUARY	VARIANCE POS (NEG)	PY FEBRUARY
Gross Patient Revenue	\$ 65,634,927	\$ 69,400,017	\$ 62,969,164	\$ 62,763,234	0.3%	\$ 58,687,460
Contractual Deductions	(47,980,890)	(65,940,667)	(45,371,614)	(48,180,000)	(6%)	\$ (43,609,429)
Net Revenue	17,654,037	3,459,350	17,597,550	14,583,234	21%	15,078,031
Indigent Funding	7,874,837	28,757,643	7,687,781	6,210,849	24%	7,384,382
Correctional Medicine	1,976,045	1,976,045	1,976,045	1,754,488	13%	991,572
County Contribution	285,211	285,911	284,511	268,493	6%	590,678
Incentive Funding	0	0	0	833,333	(100%)	1,000,000
Net Patient Revenue	27,790,130	34,478,949	27,545,887	23,650,397	16%	25,044,663
Other Operating Revenue	946,219	959,344	1,038,849	1,175,472	(12%)	1,226,692
Other Non-Operating Revenue	44,663	214,826	86,155	20,041	330%	192,596
Total Operating Revenue	28,781,012	35,653,119	28,670,891	24,845,910	15%	26,463,951
Expenses						
Salaries	10,851,301	11,698,128	10,299,399	10,126,629	2%	9,980,353
Employee Benefits	5,780,062	6,200,345	5,021,834	5,037,321	(0.3%)	5,066,131
Contract Labor	946,017	814,787	798,458	604,682	32%	735,868
Medical Fees	1,432,227	1,373,065	1,453,623	1,257,090	16%	1,178,886
Other Professional Fees	2,009,171	1,409,998	1,901,957	1,396,639	36%	1,669,738
Supplies	4,669,782	3,994,162	4,158,635	3,451,668	20%	4,285,418
Purchased Services	1,418,012	1,486,495	1,675,851	1,097,209	53%	865,487
Other Expenses	83,171	1,476,020	1,304,296	1,287,295	1%	1,077,398
Operating Expenses	27,189,743	28,453,000	26,614,052	24,258,533	10%	24,859,279
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	1,591,269	7,200,119	2,056,838	587,377	250%	1,604,672
EBIDA Margin	6%	20%	7%	2%	203%	6%
Interest	24,207	19,168	17,313	45,136	(62%)	(109,723)
Depreciation	474,567	477,976	467,888	360,989	30%	388,929
Amortization	20,313	20,313	28,424	44,979	(37%)	49,083
Total Expenses	27,708,830	28,970,457	27,127,677	24,709,637	10%	25,187,568
Operating Gain (Loss)	1,072,182	6,682,662	1,543,213	136,273	1,032%	1,276,383
Operating Margin	4%	19%	5%	0.5%	881%	5%

Year to Date: Revenue & Expense

February 28, 2017

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Gross Patient Revenue	\$ 527,183,106	\$ 525,106,325	0.4%	\$ 472,864,159	11%
Contractual Deductions	(401,700,018)	(399,746,007)	0%	\$ (352,306,502)	14%
Net Revenue	125,483,088	125,360,318	0%	120,557,657	
Indigent Funding	80,728,820	53,901,294	50%	56,156,602	44%
Correctional Medicine	15,797,420	15,226,449	4%	9,177,918	72%
County Contribution	2,292,627	2,330,137	(2%)	4,969,841	(54%)
Incentive Funding	1,698,630	6,666,668	(75%)	8,000,000	(79%)
Net Patient Revenue	226,000,585	203,484,866	11%	198,862,018	14%
Other Operating Revenue	7,693,670	10,201,404	(25%)	8,605,732	(11%)
Other Non-Operating Revenue	684,008	173,924	293%	639,160	7%
Total Operating Revenue	234,378,263	213,860,194	10%	208,106,910	13%
Expenses					
Salaries	88,510,521	86,331,168	3%	81,776,680	8%
Employee Benefits	43,313,546	42,772,367	1%	41,957,426	3%
Contract Labor	6,929,973	5,059,528	37%	4,093,911	69%
Medical Fees	11,133,850	10,909,722	2%	10,171,754	9%
Other Professional Fees	13,187,425	12,120,823	9%	11,741,575	12%
Supplies	32,257,679	28,878,281	12%	30,907,306	4%
Purchased Services	11,217,633	9,520,049	18%	8,548,450	31%
Other Expenses	10,203,891	12,344,599	(17%)	9,897,829	3%
Operating Expenses	216,754,517	207,936,537	4%	199,094,931	9%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	17,623,745	5,923,657	198%	9,011,979	96%
EBIDA Margin	8%	3%	171%	4%	74%
Interest	155,295	391,719	(60%)	233,501	(33%)
Depreciation	3,751,518	3,132,876	20%	3,133,957	20%
Amortization	196,835	390,347	(50%)	391,106	(50%)
Total Expenses	220,858,165	211,851,479	4%	202,853,495	9%
Operating Gain (Loss)	13,520,097	2,008,715	573%	5,253,415	157%
Operating Margin	6%	1%	514%	3%	129%

3-Month Trend Analysis: Cash Indicators

February 28, 2017

					BUDGET	VARIANCE	PY
		DECEMBER	JANUARY	FEBRUARY	FEBRUARY	POS (NEG)	FEBRUARY
CASH							
	Total Cash	82,059,137	68,479,100	66,947,825	32,963,501	103%	2,250,272
	Days Cash On Hand	94	75	70	38	85%	3
	Days In A/R - Gross	96.8	96.0	96.2	76.0	27%	89.3
	Patient Cash Collections	\$ 18,109,925	\$ 18,055,114	\$ 15,169,997	N/A	N/A	\$ 16,187,553
	Patient Cash Goal	\$ 17,369,639	\$ 17,573,818	\$ 18,569,997	N/A	N/A	\$ 13,552,693
	Projected Year End Cash Balance	44,855,082	44,855,082	44,855,082	N/A	N/A	N/A

3-Month Trend Analysis: Operating Metrics

February 28, 2017

						BUDGET	VARIANCE	PY
		DECEMBER	JANUARY	FEBRUARY		FEBRUARY	POS (NEG)	FEBRUARY
Operating Metrics								
Total Expense per Adjusted Admission		19,549	20,218	19,448		17,946	8%	18,535
Total Expense per Adjusted Patient Day		3,686	3,869	3,849		3,406	13%	3,737
Supply Expense per Adjusted Admission		3,295	2,787	2,981		2,507	19%	3,153
Supply Expense per Surgery		1,941	1,472	1,891		1,671	13%	2,509
Supplies as % of Net Patient Revenue		17%	14%	15%		15%	3.4%	17%
Pharmaceutical Cost per Adjusted Admission		1,367	1,361	982		1,105	(11%)	1,642
Net Revenue Per Adjusted Admission		\$ 12,455	\$ 14,206	\$ 12,616		\$ 10,591	133%	\$ 11,095

Year to Date: Operating Metrics

February 28, 2017

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Operating Metrics					
Total Expense per Adjusted Admission	18,591	21,320	(13%)	20,636	(10%)
Total Expense per Adjusted Patient Day	3,663	3,468	6%	3,481	5%
Supply Expense per Adjusted Admission	2,715	2,906	(7%)	3,144	(14%)
Supply Expense per Surgery	1,878	1,672	12%	1,751	7%
Supplies as % of Net Patient Revenue	14%	14%	0.6%	16%	(8%)
Pharmaceutical Cost per Adjusted Admission	1,063	1,282	(17%)	1,475	(28%)
Net Revenue Per Adjusted Admission	\$ 10,563	\$ 12,616	(16.3%)	\$ 12,264	(14%)

INDIGENT PATIENT CARE FUNDING - MTD & YTD

FOR THE MONTH FEBRUARY 28, 2017

MTD ACTUAL	MTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %
281,246	312,496	(31,250)	-10.0%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	2,440,811	2,712,014	(271,203)	-10.0%
773,050	858,944	(85,894)	-10.0%	MEDI-CAL EXPANSION REVENUE FROM HMO	19,825,369	7,454,407	12,370,962	166.0%
102,600	177,264	(74,664)	-42.1%	COUNTY REALIGNMENT FUNDS	1,679,089	1,538,402	140,687	9.1%
918,491	867,427	51,064	5.9%	MEDI-CAL SUPPLEMENTAL FUNDING	16,466,157	7,528,027	8,938,130	118.7%
1,970,364	2,189,293	(218,929)	-10.0%	PRIME - NEW WAIVER	17,099,943	18,999,937	(1,899,994)	-10.0%
1,624,882	1,805,425	(180,543)	-10.0%	GPP - NEW WAIVER	18,480,982	15,668,507	2,812,475	17.9%
2,017,082	0	2,017,082	0.0%	WHOLE PERSON CARE	4,639,524	0	4,639,524	0.0%
0	0	0	0.0%	EMR	96,879	0	96,879	0.0%
7,687,715	6,210,849	1,476,866	23.8%	SUB-TOTAL - GOVERNMENTAL REVENUE	80,728,754	53,901,294	26,827,460	49.8%
1,976,045	1,754,488	221,557	12.6%	CORRECTIONAL MEDICINE	15,797,420	15,226,449	570,971	3.7%
284,511	268,493	16,018	6.0%	COUNTY CONTRIBUTION	2,292,627	2,330,137	(37,510)	-1.6%
9,948,271	8,233,830	1,714,441	20.8%	TOTAL INDIGENT CARE & COUNTY FUNDING	98,818,801	71,457,880	27,360,921	38.3%

OTHER REVENUE

FOR THE MONTH FEBRUARY 28, 2017

OTHER OPERATING REVENUE

	<u>MTD ACTUAL</u>	<u>MTD BUDGET</u>	<u>VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>VARIANCE</u>
PARKING LOT REVENUE	500	461	39	5,744	3,995	1,749
OTHER CO. DEPT. REIMBURSEMENT	90,253	12,858	77,395	262,801	111,582	151,219
EMS REVENUE (SB-612)	102,792	64,368	38,424	295,294	558,618	(263,324)
FEDERAL INMATE REVENUE	0	49,315	(49,315)	(47,071)	427,979	(475,050)
MEDICAL RECORDS FEES	2,070	1,806	264	19,137	15,671	3,466
X-RAY COPY FEES	0	0	0	32	0	32
MEDICAL SCHOOL STUDENT FEES	333,587	346,491	(12,904)	2,670,193	3,007,051	(336,858)
JURY/WITNESS FEES	15	0	15	2,090	0	2,090
CANCELLED OUTLAWED WARRANTS	(11,226)	2,487	(13,713)	(400)	21,587	(21,987)
WORKER'S COMP REFUNDS	87,522	0	87,522	87,522	0	87,522
PROFESSIONAL FEES	103,573	452,524	(348,951)	2,074,634	3,927,261	(1,852,627)
CAFETERIA SALES	69,676	61,524	8,152	566,853	533,946	32,907
FEDERAL-OTHER AID	8,270	0	8,270	50,667	0	50,667
GRANTS	0	0	0	527	0	527
MENTAL HEALTH MOU	236,652	173,406	63,246	1,449,455	1,504,917	(55,462)
REBATES & REFUNDS	15,164	5,981	9,183	256,194	51,904	204,290
TOTAL OTHER OPERATING REVENUE	1,038,849	1,171,221	(132,372)	7,693,672	10,164,511	(2,470,839)
OTHER NON-OPERATING REVENUE						
INTEREST ON COLLECTIONS	19,164	11,635	7,529	152,165	100,972	51,193
OTHER MISCELLANEOUS REVENUE	38,839	8,003	30,836	273,598	69,452	204,146
INTEREST ON FUND BALANCE	28,152	4,654	23,498	258,244	40,393	217,851
TOTAL OTHER NON-OPER REVENUE	86,155	24,292	61,863	684,007	210,817	473,190

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

April 19, 2017

Subject: Kern County Hospital Authority, Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

The Chief Executive Officer has provided the attached 3-month trend Analysis: Volume and Strategic Indicators for Kern Medical ending February 28, 2017.



**BOARD OF GOVERNORS' VOLUMES REPORT
KERN MEDICAL – FEBRUARY 2017**

APRIL 2017

3-Month Trend Analysis: Volume and Strategic Indicators

February 28, 2017

		DECEMBER	JANUARY	FEBRUARY	BUDGET FEBRUARY	VARIANCE POS (NEG)	PY FEBRUARY
VOLUME							
	Adjusted Admissions (AA)	1,417	1,433	1,395	1,377	1%	1,359
	Adjusted Patient Days	7,518	7,487	7,049	7,254	(3%)	6,740
	Admissions	797	791	770	737	4%	737
	Average Daily Census	136	133	139	139	0.2%	131
	Patient Days	4,227	4,133	3,891	3,883	0.2%	3,655
	Available Occupancy %	63.7%	62.3%	64.9%	64.8%	0.2%	61.0%
	Average LOS	5.3	5.2	5.1	5.3	(4%)	5.0
	Surgeries						
	Inpatient Surgeries (Main Campus)	263	222	256	229	12%	195
	Outpatient Surgeries (Main Campus)	256	251	230	228	1%	268
	Total Surgeries	519	473	486	457	6%	463
	Births	207	214	187	237		213
	ER Visits						
	Admissions	436	417	402	335	20%	430
	Treated & Released	3,250	3,542	2,807	3,067	(8%)	3,145
	Total ER Visits	3,686	3,959	3,209	3,402	(6%)	3,575
	Outpatient Clinic Visits						
	Total Clinic Visits	10,024	10,252	10,230	8,067	27%	9,033

Year to Date: Volume and Strategic Indicators

February 28, 2017

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
VOLUME						
	Adjusted Admissions (AA)	11,880	9,937	20%	9,830	21%
	Adjusted Patient Days	60,298	61,080	(1%)	58,269	3%
	Admissions	6,374	5,293	20%	6,019	6%
	Average Daily Census	132	139	(5%)	131	1%
	Patient Days	32,151	32,694	(2%)	32,037	0.4%
	Available Occupancy %	61.8%	62.9%	(2%)	61.6%	0.4%
	Average LOS	5.0	6.2	(18%)	5.3	(5%)
	Surgeries					
	Inpatient Surgeries (Main Campus)	1,886	1,837	3%	1,632	16%
	Outpatient Surgeries (Main Campus)	2,038	1,985	3%	2,099	(3%)
	Total Surgeries	3,924	3,822	3%	3,731	5%
	Births	1,770	1,968	(10%)	1,743	2%
	ER Visits					
	Admissions	3,216	2,658	21%	2,933	10%
	Treated & Released	26,632	24,354	9%	25,159	6%
	Total ER Visits	29,848	27,012	10%	28,092	6%
	Outpatient Clinic Visits					
	Total Clinic Visits	84,588	67,091	26%	74,362	14%

3-Month Trend Analysis: Payor Mix

February 28, 2017

					BUDGET	VARIANCE	PY
		DECEMBER	JANUARY	FEBRUARY	FEBRUARY	POS (NEG)	FEBRUARY
PAYOR MIX							
	Commercial FFS	4.7%	4.1%	6.1%	4.1%	50%	4.1%
	Commercial HMO/PPO	6.5%	4.2%	4.7%	4.0%	18%	4.8%
	Medi-Cal	29.1%	29.3%	24.9%	29.2%	(15%)	28.9%
	Medi-Cal HMO - Kern Health Systems	31.7%	30.4%	31.7%	21.6%	47%	21.4%
	Medi-Cal HMO - Health Net	9.7%	9.3%	9.6%	5.7%	68%	5.6%
	Medi-Cal HMO - Other	1.1%	1.3%	1.3%	13.9%	(91%)	13.5%
	Medicare	5.9%	10.3%	7.9%	8.6%	(8%)	7.9%
	Medicare - HMO	1.0%	2.0%	1.9%	2.2%	(12%)	1.8%
	County Programs	3.0%	2.3%	2.7%	2.6%	4%	3.5%
	Workers' Compensation	0.6%	0.6%	0.7%	1.7%	(59%)	1.7%
	Self Pay	6.7%	6.2%	8.5%	6.4%	32%	6.9%
	Total	100.0%	100.0%	100.0%	100.0%		100.0%

Year to Date: Payor Mix

February 28, 2017

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
PAYOR MIX						
	Commercial FFS	4.2%	4.0%	6%	4.3%	(2%)
	Commercial HMO/PPO	5.9%	4.4%	34%	5.4%	9%
	Medi-Cal	28.8%	28.5%	1%	29.0%	(1%)
	Medi-Cal HMO - Kern Health Systems	29.1%	23.9%	22%	21.7%	34%
	Medi-Cal HMO - Health Net	9.4%	8.1%	16%	8.2%	15%
	Medi-Cal HMO - Other	1.1%	9.8%	(89%)	8.0%	(86%)
	Medicare	9.6%	8.6%	11%	8.9%	8%
	Medicare - HMO	2.1%	2.6%	(18%)	2.0%	5%
	County Programs	2.2%	1.8%	23%	3.8%	(42%)
	Workers' Compensation	0.6%	1.2%	(50%)	1.3%	(54%)
	Self Pay	6.9%	7.2%	(4%)	7.4%	(7%)
	Total	100.0%	100.0%		100.0%	

3-Month Trend Analysis: Labor and Productivity Metrics

February 28, 2017

					BUDGET	VARIANCE	PY
		DECEMBER	JANUARY	FEBRUARY	FEBRUARY	POS (NEG)	FEBRUARY
Labor Metrics							
	Productive FTEs	1,200.25	1,221.27	1,282.14	1,284.28	(0.2%)	1,195.38
	Non-Productive FTEs	310.08	288.98	211.33	226.64	(7%)	191.54
	Contract Labor FTEs	62.96	57.86	64.86	49.12	32%	53.57
	Total FTEs	1,510.33	1,510.25	1,493.47	1,510.92	(1%)	1,386.92
	FTE's Per AOB Paid	6.23	5.89	5.93	5.76	3%	5.56
	FTE's Per AOB Worked	4.95	4.77	5.09	4.89	4%	4.80
	Labor Cost/FTE (Annualized)	124,456	132,544	115,791	111,195	4%	121,398
	Benefits Expense as a % of Benefitted Labor Expense	75%	74%	72%	73%	(2%)	75%
	Salaries & Benefits as % of Net Patient Revenue	63%	65%	59%	67%	(12%)	63%

Year to Date: Labor and Productivity Metrics

February 28, 2017

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Labor Metrics						
	Productive FTEs	1,231.56	1,274.98	(3%)	1,150.33	7%
	Non-Productive FTEs	227.79	225.00	1%	213.61	7%
	Contract Labor FTEs	64.41	47.03	37%	39.56	63%
	Total FTEs	1,459.35	1,499.98	(3%)	1,363.94	7%
	FTE's Per AOB Paid	5.88	5.97	(1%)	5.69	3%
	FTE's Per AOB Worked	4.96	5.07	(2%)	4.80	3%
	Labor Cost/FTE (Annualized)	127,063	119,468	6%	124,744	2%
	Benefits Expense as a % of Benefitted Labor Expense	72%	73%	(1%)	73%	(0.3%)
	Salaries & Benefits as % of Net Patient Revenue	61%	66%	(7%)	64%	(4%)

**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 April 19, 2017, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

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

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on April 19, 2017, to consider:

- X CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521; Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6)

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on April 19, 2017, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(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 –

**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 April 19, 2017, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Hadie Vanessa Alvarez v. County of Kern, et al., Kern County Superior Court Case No. BCV-15-101754 TSC –