

AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, June 17, 2026

11:30 A.M.

BOARD TO RECONVENE

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard, Stout
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" OR "C" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY STAFF. THE "CA" OR "C" 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

RECOGNITION

- 1) Presentation by the Chief Executive Officer recognizing Sabitha Eppanapally, M.D., for her outstanding leadership and service as President of Staff of the Medical Staff of Kern Medical Center from July 1, 2024 through June 30, 2026 –
MAKE PRESENTATION

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on May 20, 2026 –
APPROVE

CA

- 5) Proposed renewal and binding of insurance coverages for hospital professional liability, general liability and umbrella/excess liability, sexual abuse and molestation liability, workers' compensation and employers liability, automobile liability, heliport and non-owned aircraft liability, directors and officers liability, employment practices liability, healthcare regulatory liability, crime, privacy and security (cyber) liability, underground storage tank liability, employed lawyers professional liability, fiduciary liability, and Kern Medical Surgery Center fiduciary liability with option to finance selected premiums through PRISM and AFCO Direct Capital Finance in an amount not to exceed \$2,492,680, effective July 1, 2026 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO BIND COVERAGE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE WITH AFCO DIRECT CAPITAL FINANCE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN MEMORANDA OF UNDERSTANDING WITH PRISM

CA

- 6) Proposed Engagement Letter with Baker Tilly US LLP, an independent contractor, regarding the audit of Kern Medical Center financial statements for the fiscal year ended June 30, 2026, in an amount not to exceed \$227,125 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Quote with Bracco Diagnostics, Inc., an independent contractor, for purchase of a contrast injector for the MRI unit, for a term of eight years effective upon delivery, in an amount not to exceed \$46,000, plus applicable fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Agreement with Kalderos, Inc., an independent contractor, containing nonstandard terms and conditions, for use of a web-based 340B claim submission platform from June 17, 2026 through June 16, 2028 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Quote Q02120 with Sentec, Inc., an independent contractor, containing nonstandard terms and conditions, for scheduled maintenance of a Percussionaire VDR4 ventilator, effective June 17, 2026, in an amount not to exceed \$3,500, plus applicable fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Amendment No. 2 to Agreement 61523 with Anh Dao, M.D., an independent contractor, for professional medical services in the Department of Radiology for the period September 1, 2026 through August 31, 2026, extending the term for two years from September 1, 2026 through August 31, 2028, increasing the maximum payable by \$700,000, from \$750,000 to \$1,450,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Quote with Baxter International, Inc., an independent contractor, containing nonstandard terms and conditions, for training on Baxter/Welch Allyn vital signs monitors, effective June 17, 2026, in an amount not to exceed \$2,100 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed Amendment No. 1 to Agreement 29824 with Healthcare Performance Group, Inc., an independent contractor, for professional consulting services for the electronic health record for the period September 2, 2024 through September 1, 2026, extending the term for two years from September 2, 2026 through September 1, 2028 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Schedule A-6 to Agreement 29824 with Healthcare Performance Group, Inc., an independent contractor, for managed services support for Oracle Health applications from June 18, 2026 through June 17, 2028, increasing the maximum payable by \$2,802,508, from \$313,620 to \$3,116,128, to cover the additional services –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed updated Conflict of Interest Policy and Code for Kern County Hospital Authority –
APPROVE; REFER TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL

CA

- 15) Proposed Amendment No. 3 to the Master License Agreement 28824 with MCG Health, LLC, an independent contractor, for licensing of evidenced-based clinical guidelines for the period May 20, 2024 through June 24, 2026, extending the term for three years from June 25, 2026 through June 24, 2029, increasing the maximum payable by \$173,684, from \$109,512 to \$283,196, to cover the extended term –
APPROVE; AUTHORIZE TO SIGN

- CA
16) Proposed Amendment No. 4 to Agreement 09324 with Greg Facktor & Associates, LLC, doing business as Facktor, an independent contractor, for consulting support services for the Federal Health Center Program requirements for the period February 13, 2024 through February 12, 2027, increasing the maximum payable by \$750,000, from \$750,000 to \$1,500,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
17) Proposed reappointment of Directors Juan Avila and Vernon Kemp to the Kern County Hospital Authority Community Health Center Board of Directors, terms to expire June 30, 2029 –
MAKE APPOINTMENTS
- CA
18) Proposed Amendment No. 7 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine for the period March 16, 2023 through June 28, 2026, extending the term from June 29, 2026 through July 24, 2026, and increasing the maximum payable by \$60,000, from \$8,391,435 to \$8,451,435, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
19) Proposed Amendment No. 1 to Agreement 002-2025 with Patrick G. Pieper, M.D., a contract employee, for professional medical services in the Department of Surgery for the period February 1, 2025 through January 31, 2028, increasing the per diem rate for excess call coverage from \$1,200 to \$1,600, and increasing the maximum payable by \$120,000, from \$2,250,000 to \$2,370,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
20) Proposed Amendment No. 1 to Agreement 112-2025 with Tung Thanh Trang, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery for the period September 20, 2025 through September 19, 2028, increasing the per diem rate for excess call coverage from \$1,200 to \$1,600 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
21) Proposed Amendment No. 6 to Agreement 099-2023 with Alton Scott Thygerson, a contract employee, for professional services as chief executive officer of Kern County Hospital Authority for the period July 19, 2023 through July 19, 2026, extending the term for two years from July 19, 2026 through July 19, 2028 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
22) Proposed Second Amendment to Bylaws of the Medical Staff of Kern Medical Center, amending the procedures for approving amendments to the Bylaws and revisions to the medical staff rules, regulations, policies, and procedures, effective June 17, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- CA
23) Proposed Eighth Amendment to Operating Agreement of Kern Medical Surgery Center, LLC, a California Limited Liability Company, increasing the capital contribution amount by \$1,000,000, from \$9,281,363 to \$10,281,363, for additional working capital, effective June 17, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
24) Proposed Amendment No. 3 to Agreement 554-2021 with the County of Kern, as represented by the Administrative Office and Kern County Sheriff's Office for the provision of health care services at Kern Justice Facility for the period July 1, 2021 through June 30, 2026, extending the term for one year from July 1, 2026 through June 30, 2027 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
25) Proposed Amendment No. 7 to Agreement 718-2016 with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department for the provision of medical services to adult inmates and juvenile detainees at county-owned and -operated jail facilities for the period July 1, 2016 through June 30, 2026, extending the term for one year from July 1, 2026 through June 30, 2027 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
26) Report on upcoming anticipated retroactive agreements –
RECEIVE AND FILE
- 27) Proposed retroactive Engagement Letter with Wipfli Advisory LLC, an independent contractor, containing nonstandard terms and conditions, for consulting services to establish the Medicaid reimbursement rate for the Federally Qualified Health Center clinics from June 3, 2026 through August 31, 2027, in an amount not to exceed \$86,920 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 28) Report on Kern Medical Center supplemental funding programs
RECEIVE AND FILE
- 29) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE
- 30) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE
- CA
31) Monthly report on What's Happening at Kern Medical Center –
RECEIVE AND FILE
- CA
32) Claims and Lawsuits Filed as of June 30, 2026 –
RECEIVE AND FILE

ADJOURN AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS; RECONVENE AS KERN MEDICAL SURGERY CENTER, LLC BOARD OF MANAGERS

C-33) Kern Medical Surgery Center, LLC, Administrative Report –
RECEIVE AND FILE

C-34) Proposed credentialing recommendations –
APPROVE

ADJOURN AS KERN MEDICAL SURGERY CENTER, LLC, BOARD OF MANAGERS; RECONVENE
AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

ADJOURN TO CLOSED SESSION

CLOSED SESSION

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

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, JULY 15, 2026 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.

CA

32) CLAIMS AND LAWSUITS FILED AS OF JUNE 30, 2026 –
RECEIVE AND FILE

- A) Notice of Intent to Commence Action for Professional Negligence in the matter of Raymond Vasquez Balderas
- B) Civil Rights Complaint by a Prisoner in the matter of Randy Ausborn, Plaintiff, v. CDCR Department of Adult Parole Operations, Kern County Sheriff, Kern Medical, et al., United States District Court, Eastern District of California, Case No. 1:26-cv-03223-SAB (PC)
- C) Claim in the matter of Jesus Cirilo Cruz
- D) Claim in the matter of Amarjeet Sangha



KernMedical |



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

**Regular Meeting
May 20, 2026**

11:30 A.M.

BOARD RECONVENED

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard, Stout
Roll Call: 6 Present; 2 Absent - Merz, Pollard

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

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

BOARD ACTION SHOWN IN CAPS

NOTE: DIRECTOR POLLARD JOINED THE MEETING AFTER ROLL CALL AND PRIOR TO THE VOTE ON THE CONSENT AGENDA.

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR BERJIS ANNOUNCED KERN MEDICAL RECEIVED INITIAL ACCREDITATION FROM THE ACGME FOR THE FAMILY MEDICINE RESIDENCY STARTING JULY 1, 2027, UNDER THE LEADERSHIP OF DR. KANURI

DIRECTOR BERJIS ANNOUNCED THE UPCOMING 7TH ANNUAL SOUTHERN SAN JOAQUIN VALLEY REGIONAL RESEARCH FORUM ON MAY 21, 2026, AND THE RECOGNITION DINNER FOR GRADUATING RESIDENTS AND FELLOWS ON JUNE 11, 2026

DIRECTOR ANDERSON THANKED STAFF FOR THE TOUR OF KERN MEDICAL AND GAVE A SHOUT OUT TO JENNY WILSON, EMERGENCY DEPARTMENT DIRECTOR

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on April 15, 2026 –
APPROVED
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 4) Proposed reappointment of Directors Amir Berjis, M.D. and Stephen Pelz to the Kern County Hospital Authority Board of Governors, terms to expire June 30, 2029 –
REFERRED TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENTS
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 5) Proposed Third Amendment to Second Amended and Restated Credit Agreement with PNC Bank, National Association (PNC Bank) for a revolving Line of Credit, extending the maturity date of the Line of Credit to a date not later than May 26, 2027, provided that the Line of Credit shall otherwise be substantially on the same terms set out in the Second Amended and Restated Credit Agreement and that any indebtedness incurred thereunder at any time shall be secured only by personal property, substantially the same as the personal property described in the previously executed General Security and Pledge Agreement, in favor of PNC Bank, and delegating authority to certain officers –
APPROVED; ADOPTED RESOLUTION 2026-002; AUTHORIZED AND DIRECTED ANY TWO OF THE FOLLOWING OFFICERS (EACH, AN “AUTHORIZED OFFICER”), FOR AND IN THE NAME OF AND ON BEHALF OF THE AUTHORITY, TO EXECUTE THE THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT 089-2026, AS THE AUTHORIZED OFFICERS EXECUTING THE SAME, TOGETHER WITH THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, SHALL APPROVE: CHAIRMAN OF THIS BOARD, VICE-CHAIRMAN OF THIS BOARD, CHIEF EXECUTIVE OFFICER OF THE AUTHORITY OR CHIEF FINANCIAL OFFICER OF THE AUTHORITY; AUTHORIZED AND DIRECTED ANY TWO AUTHORIZED OFFICERS, FOR AND IN THE NAME OF AND

ON BEHALF OF THE AUTHORITY, TO EXECUTE, ACKNOWLEDGE, DELIVER, RECORD AND FILE SUCH AGREEMENTS, DOCUMENTS, INSTRUMENTS AND CERTIFICATES, AND REVISIONS AND CORRECTIONS THEREOF AND AMENDMENTS THERETO, IN EACH CASE IN A FORM APPROVED BY THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, AND TO PERFORM SUCH OTHER ACTS AND DEEDS AS MAY, IN ANY SUCH AUTHORIZED OFFICER'S DISCRETION AND WITH THE APPROVAL OF THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, BE DEEMED NECESSARY OR OTHERWISE PROPER, TO EFFECT THE PURPOSES OF THIS RESOLUTION AND THE ACTIONS HEREIN AUTHORIZED

Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 6) Proposed retroactive acceptance of donation of travel and related expenses from Health Connect Partners for one Kern Medical Center employee to attend the 2026 Spring Hospital Pharmacy Conference in Louisville, Kentucky, from May 18-20, 2026 – APPROVED; ADOPTED RESOLUTION 2026-003

Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 7) Proposed acceptance of donation of travel and related expenses from Solventum for one Kern Medical Center employee to attend The Art of IV Site Management workshop in Atlanta, Georgia, from June 1-2, 2026 – APPROVED; ADOPTED RESOLUTION 2026-004

Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 8) Proposed Agreement with Zohal (Ghulam-Jelani) Soderlund, M.D., a contract employee, for professional medical services in the Department of Surgery, from September 19, 2026 through September 18, 2029, in an amount not to exceed \$3,000,000, plus applicable benefits – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 068-2026

Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 9) Proposed retroactive Amendment No. 1 to Agreement 62723 with DBRS Medical Systems, an independent contractor, for lease of a mobile CT trailer for the period of March 10, 2024 through September 10, 2024, extending the term for 22 months from September 11, 2024 through July 31, 2026, and increasing the maximum payable by \$921,780, from \$174,770 to \$1,096,480, to cover the extended term –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 069-2026

Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 10) Proposed retroactive Amendment No. 2 to Agreement 079-2022 with Verity Solutions Group, Inc., an independent contractor, for 340B split billing services for the period June 24, 2022 through June 27, 2030, adding optimizing drug purchasing services, and increasing the maximum payable by \$280,000, from \$277,000 to \$557,000, to cover the term, effective April 28, 2026 –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 070-2026

Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 11) Proposed Service Quote WO-00361234 with Zoll Medical Corporation, an independent contractor, containing nonstandard terms and conditions, for preventive maintenance of an LTV 1200 ventilator from May 20, 2026 through May 19, 2032, in an amount not to exceed \$30,000, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 071-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 12) Proposed retroactive Amendment No. 1 to Agreement 073-2024 with the County of Kern, a political subdivision of the state of California, as represented by the Public Health Services Department, for designation of Kern Medical Center as a Primary Stroke Center for the period March 1, 2020 through February 28, 2026, extending the designation for two years from March 1, 2026 through February 28, 2028 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 072-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 13) Proposed Quote 20333949 with TSI Incorporated, an independent contractor, containing nonstandard terms and conditions, for repair of a TSI ventilator device, in an amount not to exceed \$160, plus fees and taxes, effective May 20, 2026 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 073-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 14) Proposed retroactive Agreement with PACE Analytical Services, LLC, an independent contractor, containing nonstandard terms and conditions, for soil testing at the underground storage tank site from April 10, 2026 through April 10, 2027, in an amount not to exceed \$25,226 –
MADE FINDING THAT PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302, AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 074-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 15) Proposed Quote with ICU Medical, Inc., an independent contractor, containing nonstandard terms and conditions, for repair of a fast flow fluid warming device, in an amount not to exceed \$2,914, plus fees and taxes, effective May 20, 2026 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 075-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 16) Proposed Amendment No. 3 to Master Services Agreement 053-2021A-D, with Stericycle, Inc., an independent contractor, for waste disposal services for the period September 15, 2021 through August 31, 2026, adding the Outpatient Eye Clinic location as a disposal site, and increasing the maximum payable by \$500, from \$1,697,000 to \$1,697,500, to cover the term, effective May 20, 2026 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 076-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 17) Proposed donation of learning credits from Cisco Systems Inc. for four Kern Medical Center employees to attend the Cisco Live! conference in Las Vegas, Nevada, from June 1-4, 2026 – APPROVED; ADOPTED RESOLUTION 2026-005
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 18) Proposed Service Contract Quotation Q-37475 with Sciton, Inc., an independent contractor, containing nonstandard terms and conditions, for laser device repairs and maintenance from June 2, 2026 through June 1, 2027, in an amount not to exceed \$24,048 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 077-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 19) Proposed retroactive Amendment No. 1 to Agreement 10624 with Arthrex, Inc., an independent contractor, for purchase of surgical implants and supplies for the period March 1, 2024 February 28, 2026, extending the term from March 1, 2026 through February 28, 2028, increasing the maximum payable by \$250,000, from \$120,000 to \$370,000, to cover the extended term – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 078-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 20) Proposed Agreement with De Lage Landen Financial Services, Inc., an independent contractor, for purchase of a Kinevo neurosurgical microscope, effective May 20, 2026, in an amount not to exceed \$757,143, plus fees and taxes – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 079-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 21) Proposed Quote with ICU Medical, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of ICU monitoring kits, temperature systems and torque-line catheters from May 20, 2026 through May 19, 2029, in an amount not to exceed \$20,000, plus fees and taxes – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 080-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 22) Proposed Quote with NeurOptics, Inc., an independent contractor, containing nonstandard terms and conditions, for pupillometer warranty services from May 20, 2026 through May 19, 2028, in an amount not to exceed \$2,500 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 081-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 23) Proposed Quotation 60470798 from Welch Allyn, Inc., a subsidiary of Baxter International Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of hardware and software support for the RetinaVue 700 Fundus Camera from May 20, 2026 through May 19, 2029, in an amount not to exceed \$3,330 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 082-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 24) Proposed Agreement with Yahya Daneshbod, M.D., a contract employee, for professional medical services in the Department of Pathology from July 20, 2026 through July 19, 2029, in an amount not to exceed \$1,525,000, plus applicable benefits –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 083-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 25) Proposed Agreement with Bakersfield Memorial and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, independent contractors, containing nonstandard terms and conditions, for one or more physicians designated by Kern Medical Center to provide professional consultation and treatment of patients in need of emergency gastrointestinal medical care who present to the emergency department or who are inpatients of Bakersfield Memorial Hospital, Mercy Hospital, and Mercy Southwest Hospital from June 1, 2026 through May 31, 2027, at no cost to Kern Medical Center –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 084-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 26) Proposed retroactive Agreement with Bakersfield Memorial and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, independent contractors, containing nonstandard terms and conditions, for one or more physicians designated by Kern Medical Center to provide professional consultation and treatment of patients in need of emergency urology medical care who present to the emergency department or who are inpatients of Bakersfield Memorial Hospital, Mercy Hospital, and Mercy Southwest Hospital from May 18, 2026 through May 17, 2027, at no cost to Kern Medical Center –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 085-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 27) Proposed Amendment No. 6 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine for the period March 16, 2023 through May 29, 2026, extending the term by 30 days from May 29, 2026 through June 28, 2026, and increasing the maximum payable by \$765,000, from \$7,626,435 to \$8,391,435, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 086-2026
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 28) Report on upcoming anticipated retroactive agreements –
RECEIVED AND FILED
Berjis-Pelz: 6 Present; 1 Absent - Merz

29)

- Proposed retroactive Amendment No. 1 to Agreement 20623 with William R. Stull, M.D., a contract employee, for professional medical services in the Department of Pathology for the period May 5, 2023 through May 4, 2026, extending the term for three months from May 5, 2026 through August 4, 2026, increasing the annual salary from \$380,000 to \$500,000 per year, and increasing the maximum payable by \$130,000, from \$1,140,000 to \$1,270,000, to cover the extended term –

CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD REGARDING THE RETROACTIVITY OF ITEM 29; DIRECTOR BERJIS ASKED WHETHER THE PHYSICIAN GAVE APPROPRIATE NOTICE OF TERMINATION AND WHAT EFFORTS WERE BEING MADE TO RECRUIT HIS REPLACEMENT; MR. THYGERSON RESPONDED; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 087-2026

Pollard-Stout: 6 Present; 1 Absent - Merz

- 30) Proposed retroactive Agreement with Stryker Sales, LLC, an independent contractor, for purchase of Stryker helmets and supplies for the Operating Room from April 28, 2026 through April 27, 2031, in an amount not to exceed \$250,000, fees and taxes –

CHIEF NURSING OFFICER TONYA BARRAZZA HEARD REGARDING THE RETROACTIVITY OF ITEM 30; APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 088-2026

Pelz-Berjis: 6 Present; 1 Absent - Merz

- 31) Public hearing pursuant to Government Code Section 3502.3 regarding Kern County Hospital Authority vacancies, recruitment and retention efforts (Assembly Bill 2561) –

OPENED HEARING; CHIEF HUMAN RESOURCES AND TRANSFORMATION OFFICER ROBY HUNT HEARD REGARDING KERN COUNTY HOSPITAL AUTHORITY VACANCIES, RECRUITMENT AND RETENTION EFFORTS; CLOSED HEARING; DIRECTOR POLLARD ASKED WHETHER POSITIONS COULD BE ELIMINATED, FLEXED OR FROZEN GIVEN THE CURRENT FISCAL CHALLENGES; DIRECTOR ANDERSON THANKED STAFF FOR EXPLORING OPPORTUNITIES WITH EMPLOYERS' TRAINING RESOURCE; MR. HUNT RESPONDED; RECEIVED AND FILED

Pollard-Anderson: 6 Present; 1 Absent – Merz

- 32) Kern County Hospital Authority Chief Financial Officer report –

CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; RECEIVED AND FILED

Pollard-Stout: 6 Present; 1 Absent - Merz

- 33) Proposed Kern Medical Surgery Center, LLC budget for Fiscal Year 2026-2027 –

CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; APPROVED

Pelz-Berjis: 6 Present; 1 Absent - Merz

- 34) Proposed Kern County Hospital Authority Community Health Center budget for Fiscal Year 2026-2027 –

CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; DIRECTOR ANDERSON INQUIRED ABOUT THE RATE SETTING FOR THE FQHC; DIRECTOR MCLAUGHLIN REQUESTED STAFF TO BRING BACK A REVISED BUDGET FOLLOWING RECEIPT OF THE REIMBURSEMENT RATE FROM HRSA; CHIEF EXECUTIVE OFFICER SCOTT THYGERSON RESPONDED; APPROVED

Berjis-Pollard: 6 Present; 1 Absent - Merz

- 35) Proposed Kern County Hospital Authority operating and capital budgets for Fiscal Year 2026-2027 –

CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; DIRECTOR ANDERSON ASKED WHEN THE 1115 WAIVER EXPIRES; DIRECTOR MCLAUGHLIN ASKED IF THERE IS A RESERVE PLAN IN PLACE; MR. CANTU RESPONDED; APPROVED; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL

Stout-Pollard: 6 Present; 1 Absent - Merz

- 36) Kern County Hospital Authority Chief Executive Officer report –
CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD; RECEIVED AND FILED
Pelz-Pollard: 6 Present; 1 Absent - Merz

CA

- 37) Monthly report on What's Happening at Kern Medical Center –
RECEIVED AND FILED
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 38) Miscellaneous Correspondence as of April 30, 2026 –
RECEIVED AND FILED
Berjis-Pelz: 6 Present; 1 Absent - Merz

CA

- 39) Claims and Lawsuits Filed as of April 30, 2026 –
RECEIVED AND FILED
Berjis-Pelz: 6 Present; 1 Absent - Merz

ADJOURNED TO CLOSED SESSION
Pollard-Stout

CLOSED SESSION

- 40) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 41) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Iliana Peralta, Plaintiff, v. Kern County Hospital Authority; San Joaquin Community Hospital Corporation dba Adventist Health Bakersfield; Angelica Braga, NP; and DOES 1 through 50, Inclusive, Defendants, Kern County Superior Court Case No. BCV-24-103763 TSC – SEE RESULTS BELOW
- 42) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(4)) Number of cases: One (1) Based on existing facts and circumstances, the Board of Governors has decided to initiate or is deciding whether to initiate litigation – SEE RESULTS BELOW
- 43) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW
- 44) 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
Berjis-Pollard

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 40 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR PELZ, SECOND BY DIRECTOR BERJIS; 1 ABSENT - MERZ), THE BOARD APPROVED ALL CREDENTIALING RECOMMENDATIONS; NO OTHER REPORTABLE ACTION TAKEN

Item 41 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Iliana Peralta, Plaintiff, v. Kern County Hospital Authority; San Joaquin Community Hospital Corporation dba Adventist Health Bakersfield; Angelica Braga, NP; and DOES 1 through 50, Inclusive, Defendants, Kern County Superior Court Case No. BCV-24-103763 TSC – HEARD; NO REPORTABLE ACTION TAKEN

Item 42 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(4)) Number of cases: One (1) Based on existing facts and circumstances, the Board of Governors has decided to initiate or is deciding whether to initiate litigation – HEARD; NO REPORTABLE ACTION TAKEN

Item 43 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item 44 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, JUNE 17, 2026 AT 11:30 A.M.

Pollard

/s/ Mona A. Allen
Authority Board Coordinator

/s/ Philip McLaughlin
Chairman, Board of Governors
Kern County Hospital Authority

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

June 17, 2026

SUBJECT: Proposed renewal and binding of insurance coverages in an amount not to exceed of \$2,492,680, effective July 1, 2026

RECOMMENDED ACTION: Approve; Authorize Chief Executive Officer to sign the Commercial Insurance Premium Finance Agreement – Promissory Note with AFCO Direct Capital Finance; Authorize Chief Executive Officer to sign Memoranda of Understanding with PRISM

SUMMARY:

Kern Medical requests your Board's approval to renew and bind the following insurance coverages effective July 1, 2026, following an extensive marketing effort to multiple carriers to ensure the most competitive terms, conditions, and pricing:

- Hospital Professional Liability, General Liability and Umbrella/Excess Liability
- Sexual Abuse and Molestation Liability (new)
- Workers' Compensation and Employers Liability
- Automobile Liability
- Heliport & Non-Owned Aircraft Liability
- Directors & Officers Liability
- Employment Practices Liability
- Healthcare Regulatory Liability
- Crime
- Privacy and Security (Cyber) Liability
- Underground Storage Tanks (UST) Liability
- Employed Lawyers Professional Liability
- Fiduciary Liability
- Kern Medical Surgery Center Fiduciary Liability

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

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

- Insurance Carriers: Coverys, National Fire & Marine Insurance Company (MedPro) and Hiscox Insurance Company
- A.M. Best Rating: Coverys (A [Excellent] XII); MedPro (A++ [Superior] XV); Hiscox (A+ [Superior] XV)
- Term: July 1, 2026 – July 1, 2027

- Coverage: Hospital Professional Liability insurance protects the organization, physicians and other licensed health care professionals from liability associated with wrongful practices resulting in bodily injury, medical expenses, and the cost of defending lawsuits related to such claims. General Liability insures against losses from bodily injury, personal injury and property damage related to non-medical practices. Umbrella/Excess Liability provides additional limits in excess of self-insured retentions and underlying coverages
- Limit per Medical Incident or per Occurrence and Aggregate: \$25,000,000
- Self-insured Retention (SIR):
 - \$2,000,000 per Professional Liability Claim / \$6,000,000 Aggregate
 - \$1,000,000 per General Liability Occurrence
- Underlying Coverages: Automobile Liability, Employers Liability and Heliport Liability
- Hiscox provides standalone Sexual Abuse and Molestation coverage in coordination with the Coverys and MedPro policies
- Combined Annual Premium: \$1,398,089 (**27.29% increase** over last year [\$1,098,336] in total)

Workers' Compensation and Employers Liability *

Kern Medical recommends renewing coverage for Workers' Compensation and Employers Liability with MidWest Employers Casualty Co.

- Insurance Carrier: MidWest Employers Casualty Co.
- A.M. Best Rating: A+ (Superior) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy insures against losses from work-related bodily injury or disease and the common law liability of an employer for injuries sustained by employees
- Limit per Occurrence:
 - Workers' Compensation - Statutory
 - Employers Liability - \$5,000,000 and Aggregate
- SIR: \$1,000,000
- Annual Premium: \$112,466 (**0% change** over last year \$112,466])

Non-California Workers' Compensation and Employers Liability *

Kern Medical recommends renewing coverage for Workers' Compensation and Employers Liability CompWest Insurance Company.

- Insurance Carrier: CompWest Insurance Company
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy insures against losses from work-related bodily injury or disease and the common law liability of an employer for injuries sustained by employees
- Limit per Occurrence:
 - Workers' Compensation - Statutory
 - Employers Liability - \$1,000,000
- SIR: \$1,000,000
- Annual Premium: \$994 (**-7.95% decrease** over last year [\$1,080])

Automobile Liability *

Kern Medical recommends renewing coverage for Automobile Liability with Travelers Casualty and Surety Company of America Company to cover 11 vehicles, 3 RVs (used as mobile clinics) and 3 trailers (1 cargo trailer and 2 security camera trailers) with specific coverages as expiring.

- Insurance Carrier: Philadelphia Indemnity Insurance Company
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy insures against losses from automobile accident-related injuries and property damage, including Owned, Non-Owned and Hired Automobiles
- Limit per Occurrence: \$1,000,000
- Deductible: \$1,000 for both comprehensive and collision (where coverage applies); \$5,000 for liability
- Annual Premium: \$42,180 (**17.65% increase** over last year [\$35,854] in total)

Heliport Liability *

Kern Medical recommends binding Heliport Liability coverage through National Union Fire Insurance.

- Insurance Carrier: National Union Fire Insurance Company of Pittsburg, PA
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy insures against losses for injury to a third party or their property arising from the operation and maintenance of the hospital's helipad (e.g., damage caused to a vehicle from debris). The policy also protects the hospital against losses associated with non-owned aircraft (e.g., patient transport by helicopter)
- Limit per Occurrence and Aggregate: \$10,000,000
- Deductible: \$0
- Annual Premium: \$10,725 (**15.53% increase** over last year [\$9,283] in total)

Directors and Officers and Employment Practices Liability *

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

- Insurance Carrier: Lloyd's Syndicate 2623/623 (Beazley)
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2026 – July 1, 2027

Directors & Officers:

- Coverage: This policy provides financial protection for managers against the consequences of actual or "wrongful acts" when acting within the scope of their managerial duties
- Limit Each Wrongful Act Claim and Aggregate: \$5,000,000 (shared limit with EPLI)
- SIR: \$200,000 / \$0 Non-Indemnifiable Claims

Employment Practice Liability

- Coverage: This policy insures against losses for wrongful acts, including wrongful termination, sexual harassment, discrimination, invasion of privacy, false imprisonment, breach of contract, and emotional distress
- Limit Each Wrongful Act Claim and Aggregate: \$5,000,000 (shared limited with D&O)
- SIR: \$500,000; \$750,000 for High Wage Earner/Physician (=>\$250K) & Mass/Class Action
- Annual Premium: \$185,000 (**7.95% change** over last year [\$165,965])
- Coverage is now structured with a shared \$5M limit between EPLI and D&O versus separate \$5M towers on the expiring program.

- **Excess Directors & Officers/Employment Practice Liability**
- Insurance Carrier: TDC Specialty Insurance
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy provides \$5,000,000 in excess coverage under the primary \$5,000,000 policy for a total policy limit of \$10,000,000.
- Limit: \$5,000,000 Each Claim and Aggregate excess of \$5,000,000 underlying.
- SIR: Subject to Underlying Policy SIR/Deductibles.
- Annual Premium: \$110,000 (**7.80% change** over last year [\$102,044])
- Total Annual Premium (Primary and Excess): \$295,000 (**7.95% change** over last year [\$273,287])

Healthcare Regulatory Coverage *

Kern Medical recommends renewing regulatory coverage through Certain Underwriters at Lloyd's of London

- Insurance Carrier: Certain Underwriters at Lloyd's of London
- A.M. Best Rating: A [Excellent] XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy insures against billing errors and omissions, including but not limited to Medicare/Medicaid audits, whistleblower (QuiTam) actions, commercial payer audit defense coverage, HIPAA investigations originating from Office for Civil Rights, and incidents arising from alleged EMTALA violations.
- Limit per Occurrence: \$5,000,000 (sublimit of \$2,500,000 for QuiTam actions)
- Deductible: \$250,000
- Annual Premium: \$101,780 (4.80% increase over last year [\$97,116])

Crime

Kern Medical recommends continued participation in the Crime insurance program offered by Public Risk Innovation, Solution, and Management (PRISM).

- Insurance Carrier: National Union Fire Insurance Company of Pittsburgh, PA (AIG), Berkley Insurance Company and Great American Insurance Company
- A.M. Best Rating: National Union (A [Excellent] XV); Berkley (A (Excellent) XV); Great American (A+ [Superior] XV)
- Term: June 30, 2026 – June 30, 2027
- Coverage: This policy insures against employee theft, robbery, forgery, extortion, and computer fraud
- Includes increased Impersonation Fraud sublimit to \$500,000 (was \$250K) for \$7,500
- Increased Limit per Occurrence: \$25,000,000
- Deductible: \$25,000
- Annual Premium: \$27,672 (0.83% decrease over last year [\$27,905])
- A signed MOU will be required to remain in the PRISM Crime program.

Privacy and Security (Cyber) Liability

Kern Medical recommends continued participation in the Cyber Liability program offered by PRISM. Final program details are not expected to be available until after the Authority's June Board of Governors meeting.

- Insurance Carrier: Primary program layer and breach notification through Lloyd's Syndicate 2623/623 (Beazley) and excess program layers through Lloyd's of London Syndicate 1686 (AXIS), Liberty Surplus Insurance Corporation (Ironshore), Houston Casualty Company (Tokio Marine), Indian Harbor Insurance Company (AXA XL), Lloyd's of London Syndicate 1856 (Zurich Insurance Plc and IQUW), Safety Specialty Insurance Company (Safety National), and Munich Re Lloyd's Cyber Consortium 7729 (Much Re

Syndicate 457, Nephila Syndicate, and Ren Re Syndicate)

- A.M. Best Rating: Lloyd's/Beazley (A [Excellent] XV); AXIS (A [Excellent] XV); Ironshore (A [Excellent] XV); Tokio Marine (A++ [Superior] XV); AXA XL (A+ [Superior] XV); Zurich (A+ [Superior] XV); IQUW (A [Excellent] XV); Safety National (A++ [Superior] XV); Much Re Lloyd's Cyber Consortium (A+ [Superior] XV)
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy insures against website media content liability (including cyber extortion, first party data protection and first party network business interruption) and privacy notification costs from data breaches in which patient and employee personal information, such as names, dates of birth, Social Security Numbers, credit card information, etc., is exposed and/or misappropriated
- Limit per Incident and Aggregate: \$18,000,000; \$750,000 for Business Interruption resulting from Security Breach, Cyber Extortion and Data Recovery Costs; 100,000 Notified Individuals for Breach Response
- SIR: \$100,000 and/or 100 Notified Individuals
- Annual Premium: \$372,578 (5.84% increase over last year [\$352,028])
- Not to Exceed pending PRISM's final premium approval in mid-June 2026.
- A signed MOU will be required to remain in the PRISM Cyber program.

Underground Storage Tank Liability *

Kern Medical recommends renewing Underground Storage Tank Liability insurance through Liberty Surplus Insurance Corporation for one underground storage tank containing 10,000 gallons of diesel fuel. Great American non-renewed coverage due to the tank's age, making it challenging to find an alternative, but Liberty Mutual/Ironshore is one of the few carriers willing to provide UST coverage for such an old tank, with the pricing below reflecting the minimum premium. However, as the tank is scheduled for removal later this year, this issue should not affect the 2026 renewal.

- Insurance Carrier: Liberty Surplus Insurance Corporation
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: Bodily Injury or Property Damage caused by a storage tank incident, incl. Corrective Action Costs and Legal Defense Expenses; satisfies Financial Responsibility
- Limit per Occurrence and Aggregate: \$1,000,000 / \$2,000,000
- Deductible: \$250,000
- Annual Premium: \$13,042 (0% change over last year)
-

Employed Lawyers *

Kern Medical recommends renewing Employed Lawyers Professional Liability coverage through National Fire & Marine Insurance Company (Berkshire)

- Insurance Carrier: National Fire & Marine Insurance Company (Berkshire)
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy provides professional liability coverage for three (3) employed lawyers and support staff from claims arising from their professional legal services
- Limit per Occurrence/Aggregate: \$1,000,000
- SIR: \$0 Non-Indemnified Person; \$5,000 Organization
- Annual Premium: \$2,580 (0% change over last year)

Fiduciary Liability *

Kern Medical recommends renewing Fiduciary Liability coverage through Hudson Insurance Company

- Insurance Carrier: Hudson Insurance Company
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy provides coverage for the Defined Contribution Plan fiduciaries, as they can be held personally liable for losses to a benefit plan incurred because of their alleged errors or omissions or breach of their fiduciary duties
- Limit per Occurrence/Aggregate: \$3,000,000
- SIR: \$0 Non-Indemnifiable Losses of Covered Penalties; \$250,000 Class Action or Derivative Claim; \$50,000 All other Losses
- Annual Premium: \$9,735 (3.16% increase over last year [\$9,437])

Kern Medical Surgery Center Fiduciary Liability *

Kern Medical recommends renewing Fiduciary Liability coverage for Kern Medical Surgery Center through Hudson Insurance Company

- Insurance Carrier: Travelers Casualty and Surety Company of America
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2026 – July 1, 2027
- Coverage: This policy provides coverage for the Defined Contribution Plan fiduciaries, as they can be held personally liable for losses to a benefit plan incurred because of their alleged errors or omissions or breach of their fiduciary duties
- Limit per Occurrence/Aggregate: \$1,000,000
- SIR: \$0 Non-Indemnifiable Losses of Covered Penalties
- Annual Premium: \$1,358 (10.59% increase over last year [\$1,228])

Total Annual Premiums: \$2,430,680 (as recommended; 17.17% increase over last year)

The total premium increase is 17.17% (or \$356,262). A significant portion of this increase is driven by the Hospital Professional Liability and Excess placements, which are facing severe market-wide pressure from rising litigation costs. Specific to the HPL/Excess, Kern Medical's premium increase is a reflection of both its own claims history and, more significantly, rapidly deteriorating conditions in the broader medical malpractice insurance market. The renewal premium is a credibility-weighted blend of an "Experience-Rated Premium" which is based on KCHA's own loss history over a 10-year period, and an "Exposure-Rated Premium" which reflects the average cost for healthcare providers in the state. The two rating factors are blended to provide the actuarially indicated renewal premium. While the hospital's own experience is a key component, the substantial increase is heavily influenced by the rising costs seen across the entire industry.

This market-wide trend, often termed "social inflation," is driven by several factors. Both nationally and in California, the frequency of malpractice claims resulting in payouts over \$1 million has been increasing steadily in recent years. As such, industry-wide medical malpractice loss ratios are significantly above 100%, meaning insurers are paying out far more in claims than they are collecting in premiums. This environment of more frequent and larger "nuclear verdicts" creates an unsustainable financial situation for health systems and their insurers, leading to higher premiums across the board to cover the escalating cost of litigation and settlements.

The pricing for higher excess insurance layers, such as the \$15M xs \$10M layer, often follows a model similar to the primary layer. However, the escalating frequency and severity of "nuclear verdicts" are directly impacting these higher layers and forcing prices upward.

Historically, these upper layers were rarely affected by losses, but that is no longer the case. Large claims are now regularly penetrating high excess layers. As this trend continues, excess carriers are experiencing significant losses, compelling them to increase their pricing to reflect the much greater risk they now assume.

The remainder of the increase is spread across all other lines of coverage and is in line with industry averages and provided budget projections.

Despite the challenging market, the competitive process undertaken by the Legal, Risk Management, and Alliant staff was crucial in mitigating these increases. This months-long process of analyzing several competitive quotes resulted in controlling the overall premium increase while also enhancing coverage in key areas, such as additional fraud and business interruption protection.

Premium Financing

Kern Medical recommends financing the premiums as follows:

1. **PRISM** will provide in-house financing of Crime, Privacy and Security (Cyber) coverages, and Risk Subsidy Funds for an additional fee of up to \$14,000 with the cost of coverage and financing split between 12 equal payments; and
2. **AFCO Direct Capital Finance** will finance those coverages identified with an * symbol. Financing will be split between 12 equal installments, for an additional fee up to \$48,000 or 5.96% finance charge.

Financing through AFCO Direct Capital Finance requires the signing of a separate Commercial Insurance Premium Finance and Security Agreement.

Attached for your ease of reference is a Proposed Program Summary and a Summary of Changes Per Policy Year from July 1, 2019 to the present.

Therefore, it is recommended that your Board approve the renewal and binding of insurance coverages effective July 1, 2026, with the option to finance selected premiums through PRISM and AFCO Direct Capital Finance, in an amount not to exceed \$2,492,680, and authorize the Chief Executive Officer to sign the Commercial Insurance Premium Finance and Security Agreement with AFCO Direct Capital Finance, and authorize the Chief Executive Officer to sign the Memoranda of Understanding with PRISM.

Line of Coverage	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
1 HPL/GL/UMB/Excess	\$ 692,447	\$ 726,649	\$ 754,108	\$ 778,979	\$ 812,383	\$ 816,367	\$ 1,098,336	\$ 1,398,089
2 Auto	\$ 15,983	\$ 18,362	\$ 20,819	\$ 20,667	\$ 21,789	\$ 24,610	\$ 52,975	\$ 42,180
3 Heliport	\$ 6,441	\$ 7,403	\$ 8,143	\$ 6,960	\$ 7,918	\$ 8,512	\$ 9,283	\$ 10,725
4 Premises Pollution	\$ 12,548	\$ 12,688	\$ 13,932	\$ 14,463	\$ 15,941	\$ 26,615	\$N/A - 2 yr	\$ 27,500
5 UST	\$ 841	\$ 1,375	\$ 2,453	\$ 2,478	\$ 2,559	\$ 13,042	\$ 13,042	\$ 13,042
6 D&O	\$ 29,408	\$ 39,197	\$ 46,405	\$ 59,230	\$ 63,146	\$ 68,497	\$ 68,497	\$ 72,000
7 EPL	\$ 63,886	\$ 74,219	\$ 88,109	\$ 88,844	\$ 94,719	\$ 102,746	\$ 102,746	\$ 113,000
8 Excess D&O/EPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,044	\$ 110,000
9 EWC	\$ 126,533	\$ 132,988	\$ 162,138	\$ 175,572	\$ 159,947	\$ 164,309	\$ 112,446	\$ 112,446
10 Non-CA WC						\$ 893	\$ 581	\$ 994
11 Crime	\$ 13,203	\$ 15,690	\$ 15,629	\$ 16,905	\$ 19,500	\$ 19,562	\$ 27,905	\$ 27,672
12 Cyber/Excess/BBR	\$ 19,993	\$ 31,190	\$ 164,425	\$ 430,506	\$ 519,686	\$ 427,514	\$ 352,028	\$ 372,578
13 Employed Lawyers	\$ 1,764	\$ 2,594	\$ 2,597	\$ 2,597	\$ 2,597	\$ 2,580	\$ 2,580	\$ 2,580
14 Fiduciary Liability	\$ 6,518	\$ 6,518	\$ 7,921	\$ 8,703	\$ 8,879	\$ 8,879	\$ 9,437	\$ 9,735
15 KMSC Fiduciary Liability						\$ 1,174	\$ 1,228	\$ 1,358
16 Regulatory Liability				\$ 80,180	\$ 90,969	\$ 93,560	\$ 97,116	\$ 101,780
17 PRISM Risk Subsidy				\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
Total	\$ 989,565	\$ 1,068,873	\$ 1,286,679	\$ 1,686,084	\$ 1,820,033	\$ 1,778,860	\$ 2,065,244	\$ 2,430,679

Summary of Significant Changes Per Policy Year

-
- 1 HPL/GL/UMB/Excess** For **FY 19/20**, coverages and SIR's remain the same for both HPL and GL
For **FY 20/21**, coverages and SIR's remain essentially the same for both HPL and GL with the exception that an aggregate (per policy term) SIR of \$6M has been included.
For **FY 21/22**, KCHA's longtime incumbent carrier exited the CA hospital market and coverage was placed with a new carrier and substantially the same terms and limits.
For **FY 22/23**, coverages and retentions remain essentially the same.
For **FY 23/24**, coverages and retentions remain essentially the same.
For **FY 24/25**, coverages and retentions remain essentially the same.
For **FY 25/26**, coverages and retentions remain essentially the same.
For **FY 26/27**, coverages and retentions remain essentially the same, with a change in carriers and added standalone Sexual Abuse and Molestation policy.
-
- 2 Auto** For **FY 19/20**, coverages and deductibles remain the same with the exception that a liability deductible of \$5k per claim was added and discovered after policy renewal.
For **FY 20/21**, coverages and deductibles remain essentially the same.
For **FY 21/22**, coverages and deductibles remain essentially the same; however, two (2) mobile vaccination units were added mid-term of FY 20/21 and continuing.
For **FY 22/23**, coverages and deductibles remain essentially the same. Mid-term addition of trailer-mounted cameras resulted in a minor increase in premium.
For **FY 23/24**, coverages and deductibles remain essentially the same.
For **FY 24/25**, coverages and retentions remain essentially the same. Rate increase is consistent with market.
For **FY 25/26**, coverages and retentions remain essentially the same. Rate increase is consistent with market.
For **FY 26/27**, coverages and retentions remain essentially the same. Rate increase is consistent with market.
-
- 3 Heliport** No changes had been made to this coverage since **FY 16/17**.
For **FY 22/23**, the incumbent carrier increased premiums again and an alternate carrier offered greater coverage (\$10M incidental MedMal and Products/Completed Operations) with all other limits and retentions staying the same but at a lesser cost.
For **FY 23/24**, coverages and deductibles remain essentially the same.
For **FY 24/25**, coverages and retentions remain essentially the same.
For **FY 25/26**, coverages and retentions remain essentially the same.
For **FY 26/27**, coverages and retentions remain essentially the same.
-
- 4 Premises Pollution** For **FY 19/20**, incumbent offered renewal terms with unfavorable coverage limitations and exclusions resulting in an action to place coverage with a competing carrier offering coverage and pricing similar to expiring.
For **FY 20/21**, coverages and deductibles remain essentially the same.
For **FY 21/22**, incumbent carrier offered renewal terms but at a 55% increase; secured alternative with a smaller increase and similar terms and conditions but with a \$100k mold deductible.
For **FY 22/23**, terms reflect coverage is excess to other collectible insurance. Emergency and crisis management costs are no longer excluded for construction activities.
For **FY 23/24**, coverages and deductibles remain essentially the same.
For **FY 24/25**, coverage and deductibles remain essentially the same. Policy is now a 2-year term.
For **FY 25/26**, Policy is now a 2-year term, renewing 7/1/2026
For **FY 26/27**, coverage and deductibles remain essentially the same. Policy is renewing as a 2-year term again.
-

5 UST	<p>For FY 19/20, an audit of storage tanks revealed an additional two not previously disclosed to the carrier and needed to be added.</p> <p>For FY 20/21, the addition of a temporary above-ground storage tank resulted in a premium increase.</p> <p>For FY 21/22, the prior policy was cancelled/rewritten to align with other policy periods</p> <p>For FY 22/23, coverages and deductibles remain essentially the same.</p> <p>For FY 23/24, coverages and deductibles remain essentially the same.</p> <p>For FY 24/25, coverage is moved to a new carrier due to prior carrier non-renewal due the age of the UST.</p> <p>For FY 25/26, coverage is renewed with incumbent carrier due the age of the UST and planned removal.</p> <p>For FY 26/27, coverage is renewed with incumbent carrier due the age of the UST and planned removal.</p>
6 D&O	<p>For FY 19/20, the incumbent carrier offered unfavorable renewal terms resulting in a change of carrier including coverage and terms.</p> <p>For FY 20/21, coverages and deductibles remain essentially the same; however, an increase in claim frequency has resulted in an unfavorable increase in premium.</p> <p>For FY 21/22, continued claims frequency and market conditions resulted in an unfavorable increase in both premiums and terms. Specifically, the primary retention increased from \$100k to \$200k, the anti-trust retention increased from \$250k to \$350k and KCHA must consult with carrier's counsel before a layoff of 100 or more individuals within a 60 day period.</p> <p>For FY 22/23, anti-trust retention increased from \$350k to \$500k and co-insurance for anti-trust increased from 0% to 10% as a result of unfavorable market conditions.</p> <p>For FY 23/24, sublimit for immigration practices increased from \$50k to \$100k. Endorsement regarding layoffs added in FY 21/22 has been eliminated. No other substantial changes.</p> <p>For FY 24/25, coverages and retentions remain essentially the same.</p> <p>For FY 25/26, coverage moved from a split \$5M DO/\$5M EPL to a \$5M shared limit. As such a \$5Mxs\$5M policy was added.</p> <p>For FY 26/27, coverages and retentions remain essentially the same.</p>
7 EPL	<p>For FY 19/20, the incumbent carrier offered unfavorable renewal terms resulting in a change of carrier including coverage and terms.</p> <p>For FY 20/21, coverages and deductibles remain essentially the same; however, an increase in claim frequency has resulted in an unfavorable increase in premium.</p> <p>For FY 21/22, continued claims frequency and market conditions has resulted in both an unfavorable increase in premiums and terms. Specifically, a higher retention of \$750k (vs. \$500k) for high wayer earners (>\$150K) and a retention of \$750k (vs. \$500k) now applies to any mass/class action. Additionally, KCHA must consult with carrier's counsel before a layoff of 100 or more individuals within a 60 day period.</p> <p>For FY 22/23, coverages and deductibles remain essentially the same.</p> <p>For FY 23/24, high wage earner threshold retention increased from \$150k annual earnings to \$250k. Provider selection retention increased from \$500k to \$750k to match Physician High Wage retention. No other substantial changes.</p> <p>For FY 24/25, coverages and retentions remain essentially the same.</p> <p>For FY 25/26, coverage moved from a split \$5M DO/\$5M EPL to a \$5M shared limit, as such a \$5M xs\$5M policy was added.</p> <p>For FY 26/27, coverages and retentions remain essentially the same.</p>
9 EWC	<p>For FY 19/20, coverages and SIR remained the same with the incumbent carrier.</p> <p>For FY 20/21, coverages and SIR remain essentially the same.</p> <p>For FY 21/22, a modest base rate increase of 4% occurred; however, the majority of the premium increase was a direct result of the additional payroll added by the transfer of many Cantu employees to KCHA.</p> <p>For FY 22/23, coverages and SIR remain essentially the same. Payroll continues to increase and so the premium commensurate with any increases in payroll.</p> <p>For FY 23/24, coverages and SIR remain essentially the same. Claim frequency and severity remain low and existing claims are noted to be favorably managed resulting in a negotiated net premium decrease despite a continued increase in payroll.</p> <p>For FY 24/25, coverages and SIR remain essentially the same. Claim frequency and severity remain low and existing claims are noted to be favorably managed resulting in a negotiated net rate decrease. Premium increase is due to increase in payroll exposures (payroll increased 20.3%)</p> <p>For FY 25/26, coverages was moved from SNCC to MidWest due to improved rate resulting in a significant premium savings. Employers Liability limit reduced from \$5M to \$2M.</p> <p>For FY 26/27, Policy is now a 2-year term, renewing 7/1/2026</p>
10 Non-CA WC	<p>For FY 24/25, new placement for 2024.</p> <p>For FY 25/26, coverages and deductibles remain essentially the same.</p> <p>For FY 26/27, coverages and retentions remain essentially the same.</p>
11 Crime	<p>No significant changes have been made to this coverage since FY 16/17.</p> <p>For FY 22/23, PRISM now includes an exclusion for losses resulting directly from a cyberextortion event.</p> <p>For FY 23/24, program details have not yet been finalized; however, coverages and deductible is assumed to remain the same as expiring. Premium is reflected as a not-to-exceed number.</p> <p>For FY 24/25, PRISM offered an additional \$5M in coverage for a modest increase.</p> <p>For FY 25/26, PRISM offered coverages and SIR that remain essentially the same. Larger premium increase is due to optional sublimit increase for Impersonation Fraud (\$250k to \$500k)</p> <p>For FY 26/27, coverages and retentions remain essentially the same.</p>

12 Cyber/Excess/BBR For **FY 19/20**, higher limits and multiple broadening of coverages occurred
 For **FY 20/21**, overall limits increased with additional excess layers of coverage resulting in a premium increase also due to the presentation of a claim in FY 19/20
 For **FY 21/22**, a significant premium increase occurred as a result of both KCHA's cyber claim as well as the claims of other program members, market conditions, and claims within the public sector. Additionally, while total limits remained the same, many changes to sublimits became applicable including \$750k for cyber extortion, business interruption for security breach, and data recovery costs. Bricking sublimit increased from \$75k to \$100k. Primary retention increased from \$50k to \$100k. Extensive efforts were made to find a comparable program with more competitive pricing; however, both claims activity and market hardening provided no viable options.
 For **FY 22/23**, cyber market remained extremely hard; however, coverages were placed timely. Extensive marketing of the Cyber Risk revealed placement in the PRISM program provided the greatest amount of coverage and the best pricing.
 For **FY 23/24**, PRISM continues to negotiate renewal coverages and terms. It is believed that total coverage may increase to \$16 million per member. Member entities advised to budget high with the premium reflected above as a not-to-exceed. Current market conditions and capacity severely restricts, if not eliminates, KCHA's ability to obtain standalone coverage with similar coverages, limits and terms. PRISM program details are not expected to be released before KCHA's June Board meeting or finalized until after July 1.
 For **FY 24/25**, higher limits and multiple broadening of coverages occurred with a premium decrease.
 For **FY 25/26**, higher limits and multiple broadening of coverages occurred with a premium decrease.
 For **FY 26/27**, higher limits and multiple broadening of coverages occurred with a premium decrease.

13 Employed Lawyers No changes had been made to this coverage since **FY 16/17**.
 For **FY 20/21**, the addition of an employed lawyer resulted in a modest increase in premium.
 For **FY 21/22**, there were no significant changes in terms or coverages with the exception of an increase in retention from \$5k to \$25k for regulatory defense costs.
 For **FY 22/23**, coverages and deductibles remain essentially the same.
 For **FY 23/24**, coverages and deductibles remain essentially the same.
 For **FY 24/25**, coverages and deductibles remain essentially the same with a new carrier.
 For **FY 25/26**, coverages and deductibles remain essentially the same.
 For **FY 26/27**, coverages and deductibles remain essentially the same.

14 Fiduciary Liability For **FY 18/19**, added 401(A) Plan though there was no charge until next term.
 For **FY 19/20**, Post Employment Health Plan added which increased premium along with 401(A) by \$500.
 For **FY 20/21**, coverages and deductibles remain essentially the same.
 For **FY 21/22**, carrier instituted a new sublimit of \$3M for class action and derivative and a new separate retention of \$250k for class action or derivative claims.
 For **FY 22/23**, coverages and deductibles remain essentially the same.
 For **FY 23/24**, coverages and deductibles remain essentially the same.
 For **FY 24/25**, coverages and deductibles remain essentially the same.
 For **FY 25/26**, coverages and deductibles remain essentially the same.
 For **FY 26/27**, coverages and deductibles remain essentially the same.

15 KMSC Fiduciary Liability For **FY 24/25**, new placement for 2024.
 For **FY 25/26**, coverages and deductibles remain essentially the same.
 For **FY 26/27**, coverages and deductibles remain essentially the same.

16 Regulatory Liability For **FY 22/23**, coverage was recommended as a new placement with no prior stand-alone coverage in existence.
 For **FY 23/24**, coverages and deductibles remain essentially the same.
 For **FY 24/25**, coverages and deductibles remain essentially the same.
 For **FY 25/26**, coverages and deductibles remain essentially the same.
 For **FY 26/27**, coverages and deductibles remain essentially the same.

17 PRISM Risk Subsidy For **FY 25/26**, new addition for 2025, following lost funds from EWC placement change.
 For **FY 26/27**, Risk Subsidy funds remain the same.

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

25/26 to 26/27

27.29%

-20.38%

15.53%

#VALUE!

0.00%

5.11%

9.98%

7.80%

0.00%

71.08%

-0.83%

5.84%

0.00%

3.16%

10.59%

4.80%

0.00%

Total % Change

17.69%

PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE

660 Newport Center Drive, Suite 1050 Newport Beach, California 92660
Phone 877-226-5456 www.afcodirect.com

Quote Number
2803955.2

Agent/Broker/Producer (Name and Address)
Alliant Insurance Services, Inc. - Bay Area
560 Mission Street, 6th Floor
San Francisco, CA 94105
Telephone Number: 925-287-7263 Agency Code: ALLIANT-W07

Insured (Name and Address as shown on the policy(ies) including all insureds covered by the policies below)
Kern County Hospital Authority
1700 Mount Vernon Ave
Bakersfield, CA 93306
Telephone Number: 661-326-2000

Creditor: AFCO Acceptance Corporation			Federal Truth In Lending Disclosures		
(A) Total Premiums	(B) Down Payment	(C) Amount Financed (The amount of credit provided to you or on your behalf)	(D) FINANCE CHARGE (The dollar amount the credit will cost you)	(E) Total of Payments (The amount you will have paid after you have made all payments as scheduled)	(F) ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate)
\$2,015,429.44	\$167,952.45	\$1,847,476.99	* \$41,807.27	\$1,889,284	5.96%
Your PAYMENT SCHEDULE will be: Monthly			*Includes a minimum finance charge of \$25.00	If the borrower under this Agreement is a consumer, you will receive an Itemization of the Amount Financed.	
No. of Payments		Amount of Payments	When Payments are Due		
11		\$171,753.11	On the 1st day of the month, beginning 8/1/2026		
<p>Security: You are giving a security interest in any and all unearned or return premium(s) and dividends which may become due under the policy(ies) being purchased.</p> <p>Late Charge: You will be charged 5% of the payment, subject to a minimum charge of \$1.00 on any payment received more than 10 days after the due date.</p> <p>Prepayment: If you voluntarily prepay in full prior to the last installment due date you will not be charged a prepayment fee and you may be entitled to a refund of part of the finance charge in the manner provided by Section 18637 of the Financial Code.</p> <p>See Above and on the last page of this document for any additional information about non-payment default, any repayment in full before the scheduled date, and prepayment refunds and penalties.</p>					

SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
Audit= N Min Ernd= 0% AddCxlDays= 0	7/1/2026	Coveryus	HOSPITAL PROFESSIONAL LIABILITY Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$1,398,089
Insured acknowledges that upon satisfactory completion of this Agreement the undersigned Agent will receive from AFCO \$0.00 for the origination and administration of this Agreement.					

In consideration of the payment(s) to be made by AFCO ACCEPTANCE CORPORATION ("AFCO") to the above insurance company(ies) ("Insurer(s)"), either directly or through your or their agents, representatives, or producer, the above-named insured ("Insured") (jointly and severally if more than one):

- PROMISE OF PAYMENT:** Promises to pay to the order of AFCO at the above address or any address AFCO may designate, the Total of Payments in accordance with the Payment Schedule set forth in the above Truth-in-Lending Disclosures as well as any other sums due pursuant to this Agreement. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. AFCO may, at its option, pay loan proceeds to any agent, broker, general agent, managing general agent or insurer set forth herein. Payments to AFCO are deemed made only upon receipt in good funds. Checks are accepted, subject to collection.
 - SECURITY INTEREST AND POWER OF ATTORNEY:** Irrevocably appoints AFCO as Attorney-In-Fact with full authority to affect cancellation of the policies covered hereby or any substitution, rewrite or renewal thereof in accordance with the provisions herein, to receive all sums assigned to AFCO or in which it has granted AFCO a security interest. AFCO may execute and deliver on behalf of the Insured all documents, forms and notices relating to the policies covered hereby in furtherance of this Agreement. The Power of Attorney is coupled with an interest and the powers given herein may be exercised by the Attorney-In-Fact, or its successors and assigns.
 - RECEIPT OF AGREEMENT AND PRIVACY NOTICE:** Acknowledges that it has received a copy of all pages of this Agreement and if the borrower is a consumer, the Insured acknowledges that he has received a copy of AFCO's Privacy Statement.
- NOTICE: 1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS AGREEMENT. 3. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE SERVICE CHARGE.**

INSURED AGREES TO THE TERMS SET FORTH ABOVE AND ON ALL PAGES OF THIS AGREEMENT

Kern County Hospital Authority	_____	Insured	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____

AGENT/BROKER/PRODUCER WARRANTIES AND REPRESENTATIONS

The undersigned warrants and agrees: 1. The policies listed in the Schedule of Policies are in full force and effect, and the information and the premiums are correct. 2. The Insured has received a copy of this Agreement, has authorized this transaction and recognizes the security interest assigned herein. 3. To hold in trust for AFCO any payments made or credited to the Insured through or to the undersigned, directly or indirectly, actually or constructively by the insurance companies, their representatives or AFCO and to pay the monies as well as any unearned commissions to AFCO upon demand to satisfy the outstanding indebtedness of the Insured. 4. Any lien the undersigned has or may acquire in the return premiums arising out of the listed insurance policies is subordinate to AFCO's lien or security interest therein. 5. The policies comply with AFCO's eligibility requirements. 6. No audit or reporting form policies, policies subject to retrospective rating or minimum earned premium are included. 7. The deposit or provision premiums are not less than anticipated premiums to be earned for the full term of the policies. 8. The policies can be cancelled by the Insured and the unearned premiums will be computed on the standard short-rate or pro-rata table. 9. A proceeding in bankruptcy, receivership, or insolvency has not been instituted by or against the named Insured borrower. 10. That it has received the down payment and any other sums due as required by the Agreement and is holding same or they are attached to this Agreement. 11. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. 12. AFCO will rely upon these representations in determining whether to accept this Agreement.

THE UNDERSIGNED FURTHER WARRANTS THAT IT HAS RECEIVED THE DOWN PAYMENT AND ANY OTHER SUMS DUE AS REQUIRED BY THE AGREEMENT AND IS HOLDING SAME OR THEY ARE ATTACHED TO THIS AGREEMENT

Alliant Insurance Services, Inc. - Bay A	_____	Agent	_____
AGENT OR BROKER	SIGNATURE OF AGENT OR BROKER	TITLE	DATE
_____	_____	_____	_____

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

(4) **ASSIGNMENT OF SECURITY INTEREST AND POWER OF ATTORNEY:** The Insured assigns and hereby gives a security interest to AFCO as collateral for the total amount payable in this Agreement and any other past, present or future extension of credit: (a) any and all unearned premiums or dividends which may become payable for any reason under all insurance policies financed by AFCO, (b) loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests and (c) any interest in any state guarantee fund relating to any financed policy. If any circumstances exist in which all premiums related to any policy could become fully earned in the event of any loss, AFCO shall be named a loss-payee with respect to such policy. AFCO at its option may enforce payment of this debt without recourse to the security given to AFCO. The Insured irrevocably appoints AFCO as its attorney in fact with full authority to (i) cancel all insurance financed by AFCO for the reason set forth in paragraph 13, whether pursuant to this or any other agreement, (ii) receive all sums hereby assigned to AFCO and (iii) execute and deliver on the Insured's behalf all documents, instruments of payment, forms and notices of any kind relating to the insurance in furtherance of this Agreement.

(5) **WARRANTY OF ACCURACY:** The Insured (i) warrants that all listed insurance policies have been issued to it and are in full force and effect and that it has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees; (ii) authorizes AFCO to insert or correct on this Agreement, if omitted or incorrect, the insurer's name, the policy numbers, and the due date of the first installment and to correct any obvious errors; and (iii) authorizes AFCO to correct or remedy any error or omission in the completion of this Agreement. In the event of any such change, correction or insertion, or of any change in Blocks (A) thru (F), or in the Federal Truth-In-Lending Disclosures or in the Itemization of the Amount Financed Disclosures the Insured will be notified at the address shown hereon.

(6) **REPRESENTATION OF SOLVENCY:** The Insured represents that it is not insolvent or the subject of any insolvency proceeding.

(7) **ADDITIONAL PREMIUMS:** The money paid by AFCO is only for the premium as determined at the time the insurance policy is issued. AFCO's payment shall not be applied by the insurance company to pay for any additional premiums owed by the Insured resulting from any type of misclassification of the risk. The Insured shall pay to the insurer any additional premiums or any other sums that become due for any reason. The Insured agrees that, in the event the total premiums are greater than that shown hereon, or if the Insured requests additional premiums be added or additional premiums financed, this Agreement may be amended to reflect the actual premiums and the Insured will either (i) pay the difference in premium due or (ii) pay any required additional down payment and any additional finance charge permitted by law. In such event AFCO will forward the Insured a revision notice showing all information required by law. If AFCO assigns the same account number to any additional extension or extensions of credit, (i) this Agreement and any agreement or agreements identified by such account number shall be deemed to comprise a single and indivisible loan transaction, (ii) any default with respect to any component of such transaction shall be deemed a default with respect to all components of such transaction and (iii) any unearned premiums relating to any component of such transaction may be collected and applied by AFCO to the totality of such transaction.

(8) **SPECIAL INSURANCE POLICIES:** If the insurance policy is auditable or is a reporting form policy or is subject to retrospective rating, then the Insured promises to pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by AFCO which the insurance company retains.

(9) **FIRST NAMED INSURED:** If the insurance policy provides that the first named insured in the policy shall be responsible for payment of premiums and shall act on behalf of all other insureds regarding the policy, then the same shall apply to this Agreement and the Insured represents that it is authorized to sign on behalf of all insureds. If not, then all insureds' names must be shown on this Agreement unless a separate agreement appoints an insured to act for the others.

(10) **FINANCE CHARGE:** The finance charge shown in Block D begins to accrue as of the earliest policy effective date and that the rate of charge for a loan not exceeding \$2,499.99 shall not exceed: (a) 2% per month on the part of the unpaid principal balance not exceeding \$1000; 1% per month of any remainder of such unpaid balance in excess of \$1000; or (b) 1.6% per month of the unpaid principal balance. All other rates of charge shall be agreed upon by the parties to the contact.

(11) **AGREEMENT BECOMES A CONTRACT:** This Agreement becomes a binding contract when AFCO mails the Insured its written acceptance and is not a contract until such time. The Insured agrees that (i) this Agreement may be transmitted by facsimile, E-mail or other electronic means to AFCO, (ii) any such transmitted Agreement shall be deemed a fully enforceable duplicate original document and (iii) such Agreement, when accepted by AFCO, shall constitute a valid and enforceable contract.

(12) **DEFAULT AND DISHONORED CHECK CHARGES:** If the Insured is late in making a loan payment to AFCO by more than the number of days specified by law the Insured will pay to AFCO a delinquency charge equal to the maximum charge permitted by law. If a check is dishonored, AFCO may re-present the check electronically and collect a service fee not to exceed the lesser of \$25 or the amount permitted by law.

(13) **CANCELLATION:** AFCO may cancel all insurance policies financed by AFCO after giving statutory notice and the full balance due to AFCO shall be immediately payable if the Insured does not pay any installment according to the terms of this or any other Agreement with AFCO. Payment of unearned premiums shall not be deemed to be payment of installments to AFCO, in full or in part.

(14) **CANCELLATION CHARGES:** If AFCO cancels any insurance policy in accordance with the terms of this Agreement the Insured will pay AFCO a cancellation charge, if permitted, up to the limit specified by law.

(15) **MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to AFCO after mailing of AFCO's Notice of Cancellation may be credited to the Insured's account without affecting the acceleration of this Agreement and without any liability or obligation to request reinstatement of a canceled policy. In the event that AFCO requests, on the Insured's behalf, reinstatement of the policy, such request does not guarantee that coverage will be reinstated. Any money AFCO receives from an insurance company shall be credited to the amount due AFCO with any surplus paid over to whomever it is entitled. No refund of less than \$1.00 shall be made. In case of a deficiency, the Insured shall remain liable and pay the same with interest as set forth above.

(16) **ATTORNEY FEES - COLLECTION EXPENSE:** If, for collection, this Agreement is referred to an attorney and/or other party who is not a salaried employee of AFCO, the Insured agrees to pay any reasonable attorney fees and costs as well as other reasonable collection expenses, as permitted by law or granted by the court.

(17) **PREPAYMENT AND REFUND CREDITS:** The Insured may voluntarily prepay the full amount due and may be entitled to receive a partial refund of the FINANCE CHARGE in accordance with Section 18629 of the Financial Code. If payment in full is made during the first three months and 15 days after the earliest policy effective date as shown on the front of the contract, AFCO will compute a finance charge by multiplying the agreed rate of charge as stated at the end of this Agreement by the unpaid principal balances for the number of days from the earliest policy effective date to the date of prepayment in full. AFCO will apply each payment made by the Insured, first to finance charge and then to principal. PR will then subtract this actual finance charge from the finance charge shown in Box D of the contract to obtain the refund credit. If prepayment in full is made more than three months and 15 days after the earliest policy effective date, the refund credit will be computed by the Rule of 78s method. If payment of the unpaid balance is accelerated for any reason, AFCO will make the same refund or credit as would be required if the loan was paid in full on the date of acceleration. The unpaid balance remaining after subtracting the refund or credit will be treated as the unpaid balance and thereafter the unpaid balance of the loan shall bear charges at the agreed rate of charge of the end of this Agreement, until PR is actually paid in full, notwithstanding any cancellation of coverage. If AFCO issues a Notice of Cancellation, AFCO may recalculate the total finance charge payable pursuant to this Agreement, and the Insured agrees to pay interest on the Amount Financed set forth herein, from the first effective date of coverage, at the highest lawful rate of interest.

(18) **INSURANCE AGENT OR BROKER:** The insurance agent or broker named in this Agreement is the Insured's agent, not AFCO's and AFCO is not legally bound by anything the agent or broker represents to the Insured orally or in writing. AFCO has not participated in the choice, placement, acquisition or underwriting of any financed insurance. Any disclosures made by the agent are made in its capacity as the Insured's agent and AFCO makes no representations with respect to the accuracy of any such disclosures.

(19) **NOT A CONDITION OF OBTAINING INSURANCE:** This Agreement is not required as a condition of obtaining insurance coverage.

(20) **SUCCESSORS AND ASSIGNS:** All legal rights given to AFCO shall benefit AFCO's successors and assigns. The Insured will not assign this Agreement and/or the policies without AFCO's written consent except for the interest of mortgagees and loss payees.

(21) **LIMITATION OF LIABILITY - CLAIMS AGAINST AFCO:** The Insured hereby irrevocably waives and releases AFCO from any claims, lawsuits and causes of action which may be related to any prior loans and/or to any act or failure to act prior to the time that this Agreement becomes a binding contract, pursuant to paragraph 11. AFCO's liability for breach of any of the terms of this Agreement or the wrongful exercise of any of its powers shall be limited to the amount of the principal balance outstanding, except in the event of gross negligence or willful misconduct. Any claims against AFCO shall be litigated exclusively in the Supreme Court of the State of New York, County of New York.

(22) **DISCLOSURE:** The insurance company or companies and their agents, any intermediaries and the insurance agent or broker named in this Agreement and their successors are authorized and directed to provide AFCO with full and complete information regarding all financed insurance policy or policies, including, without limitation, the status and calculation of unearned premiums.

(23) **ENTIRE DOCUMENT - GOVERNING LAW - ENFORCEMENT VENUE:** This document is the entire agreement between AFCO and the Insured and can only be changed in a writing signed by both parties except as stated in paragraph (5). The laws of the state indicated in the Insured's address as set forth herein will govern this Agreement. AFCO may, at its option, prosecute any action to enforce its rights hereunder in the Supreme Court of the State of New York, County of New York, and the Insured (i) waives any objection to such venue and (ii) will honor any order issued by or judgment entered in such Court.

(24) **WAIVER OF SOVEREIGN IMMUNITY:** The Insured hereby certifies that it is empowered to enter into this Agreement without any restrictions and that the individual signing it has been fully empowered to do so. To the extent that the Insured either possesses or claims sovereign immunity for any reason, such sovereign immunity is expressly waived and the Insured agrees to be subject to the jurisdiction of the laws and courts set forth in the preceding paragraphs.



Recurring ACH Debit Authorization Form

Please complete this fillable digital form to have your payments automatically debited from your account listed below. Email the completed form to your Agent/Broker with your signed PFA. Or email directly to AFCO Direct at payments@afcodirect.com. If you need to print this form, please fax to 877.226.5297.

Name: Kern County Hospital Authority

Address: 1700 Mount Vernon Ave Bakersfield, CA 93306

Phone: 661-326-2000

Quote or Account # 2803955.1

Account Holder Name: _____


Bank Name: _____

Account Type: Checking Savings

Routing Number: _____

Account Number: _____

Payment Confirmation Email Address: _____



PLEASE ATTACH A VOIDED CHECK FOR ACCOUNT VERIFICATION & CONFIRMATION PURPOSES. It is agreed that you hereby authorize AFCO Direct to initiate an automatic debit to the financial account indicated (and authorize said financial institution to honor such debit) for any and all installments due under the AFCO Direct quote or account number listed above. It is further agreed that any additional fees, including but not limited to, late fees, non-sufficient funds fees and cancellations fee, will also be charged and debited from the indicated account should they accrue during the term of the loan. The debited installment amount is subject to change in the event of the financing of an additional premium or the crediting of an endorsement refund to the original PFA which has been processed to your existing account. You further understand, agree and affirm that: (1) the information you have provided above is correct and accurate; (2) you are authorized to enter into this agreement and are the signer on the above account; (3) funds will be available to cover the amount of the existing obligation on the payment due date or the business day prior to the due date should the due date fall on a weekend or holiday; (4) this authorization will remain in full force and effect until either (a) you request termination of this agreement by providing AFCO Direct written notice of the desire to terminate automatic ACH debit fifteen (15) days prior to desired termination date at the address or email below and/or (b) you receive written notification from AFCO Direct of termination resulting from the rejection of an ACH debit due to NSF or a closed account. AFCO Direct reserves the right to remove this ACH Debit Authorization at its sole discretion should an ACH debit be returned as unpaid for any reason, but AFCO Direct reserves its right to reestablish future ACH debits based on this authorization unless this authorization has been terminated as outlined above; (5) You may authorize changes to the bank account to be debited, authorize the extension of this document to additional AFCO Direct accounts or quotes, and authorize its use to ACH debit for the Down Payment on the indicated quote or account or any subsequent authorized quote or account, provided that authorization is granted in writing (an email request is deemed an acceptable notification in writing). You are authorizing AFCO Direct to act upon such request, without the necessity of an additional ACH Debit Authorization form; (6) Please check below if you wish for AFCO Direct to initiate an ACH Debit for the Down Payment on your quote/account. Do not provide this authorization if you have or intend to send the Down Payment directly to your authorized Insurance Agent. You hereby grant to your authorized Insurance Agent a limited attorney-in-fact to authorize AFCO Direct to initiate an ACH Debit for your Down Payment, either through use of the check box below or with their written instruction to AFCO Direct (an email request from your Insurance Agent to AFCO Direct is deemed an acceptable notification in writing).

 * I INCLUDE DOWN PAYMENT. By checking this box, you authorize AFCO Direct to initiate an ACH debit for your down payment and you are *
 * confirming you have not issued, nor do you intend to issue, the down payment directly to your authorized Insurance Agent. *

Authorized & Agreed to by:

BY: _____

Authorized Signatory of Account Holder Printed Name & Title Date

MEMORANDUM OF UNDERSTANDING MASTER CRIME INSURANCE PROGRAM

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between Public Risk Innovation, Solutions, and Management (hereinafter referred to as “PRISM”) and the participating entities (hereinafter “Members”) who are signatories to this Memorandum.

1. CREATION AND PURPOSE OF THE PROGRAM. There is hereby created by this Memorandum the Master Crime Insurance Program (hereafter “Program”). The purpose of the Program is to provide participating Members with group purchase and coverage for illegal acts committed by employees while on the job, as more fully described in the applicable coverage documents.

2. JOINT POWERS AGREEMENT. Each participating member of the Program shall have executed the Joint Powers Agreement Creating Public Risk Innovation, Solutions, and Management (hereinafter referred to as “Agreement”). Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Agreement, and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.

3. GOVERNANCE AND PROGRAM OVERSIGHT

The Executive Committee of PRISM (hereafter “Committee”) shall have full authority over all matters affecting the Program, including but not limited to:

- a. Approval of new members;
- b. Program structure and participation requirements;
- c. Premium and rate setting;
- d. Retention levels, limits, and reinsurance;
- e. Underwriting standards; and
- f. Policies regarding withdrawal and cancellation

4. PROGRAM PARTICIPATION AND MEMBERSHIP

- a. Participation in the Program is voluntary and subject to approval by PRISM in accordance with the Agreement and Program underwriting guidelines.
- b. A Member approved for participation shall remain in the Program until withdrawal or cancellation in accordance with the Agreement and this Memorandum.
- c. PRISM may establish eligibility criteria, including but not limited to training, and compliance with applicable laws and standards.

5. ANNUAL PREMIUM

In accordance with Article 14(b)(2) of the Agreement, participating Members shall be assessed an annual premium for the purpose of funding the Program. Annual rates/premiums will be established by the Committee in consultation with the carrier, actuaries and/or other consultants.

6. COST ALLOCATION

Each Member's share of the annual premium shall be determined pursuant to a Committee-approved cost allocation methodology, which may consider factors such as exposure, size, loss experience, and other risk characteristics. The cost allocation methodology may be amended from time to time by action of the Committee.

7. COVERAGE DOCUMENTS

PRISM shall issue applicable coverage documents evidencing a Member's participation in the Program and setting forth the specific terms, conditions, limits, retentions, exclusions, and endorsements applicable to the coverage.

8. CLAIMS AND INCIDENT REPORTING

- a. Members shall comply with all incident reporting, claims reporting, and cooperation requirements established by PRISM and/or the carrier, and as set forth in the coverage documents.
- b. Members shall promptly notify PRISM of any known or suspected incident that may give rise to a claim under the Program.
- c. Failure to comply with these reporting requirements could adversely impact coverage.

9. CLAIMS ADMINISTRATION

Claims administration services shall be provided by the insurance carrier(s) and/or their assignee.

10. WITHDRAWAL AND CANCELLATION

Withdrawal or cancellation from the Program shall be governed by Articles 20 and 21 of the Agreement, subject to policy provisions and any additional Program-specific requirements adopted by the Committee.

11. LATE PAYMENTS

Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any Member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

12. DISPUTE RESOLUTION

Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Agreement Article 31, Dispute Resolution.

13. AMENDMENT

This Memorandum may be amended by a majority vote of the Executive Committee and signature on the Memorandum by the Member's designated representative who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Executive Committee, the Member will be deemed to have withdrawn at the following renewal.

14. COMPLETE AGREEMENT

Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.

15. SEVERABILITY

If any provision of this Memorandum is judicially determined to be void or unenforceable, such determination shall not affect the validity of the remaining provisions.

16. EFFECTIVE DATE

This Memorandum shall become effective on the effective date of coverage for the Member and upon approval by the Executive Committee of any amendment, whichever is later.


17. EXECUTION IN COUNTERPARTS

This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the dates set forth below.

PRISM:

Dated: 7/1/2026

Signature: 

Printed Name & Title: Gina Dean, CEO

Public Risk Innovation, Solutions, and Management

Member:

Dated: _____

Signature: _____

Printed Name & Title: _____

Member Entity: _____

MEMORANDUM OF UNDERSTANDING CYBER LIABILITY PROGRAM

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between Public Risk Innovation, Solutions, and Management (hereinafter referred to as “PRISM”) and the participating entities (hereinafter “Members”) who are signatories to this Memorandum.

1. CREATION AND PURPOSE OF THE PROGRAM. There is hereby created by this Memorandum the Cyber Liability Program (hereafter “Program”). The purpose of the Program is to provide participating Members with coverage and risk-sharing for cyber-related losses, including but not limited to data breaches, network security failures, privacy liability, cyber extortion, business interruption due to cyber events, and related costs, as more fully described in the applicable coverage documents.

2. JOINT POWERS AGREEMENT. Each participating member of the Program shall have executed the Joint Powers Agreement Creating Public Risk Innovation, Solutions, and Management (hereinafter referred to as “Agreement”). Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Agreement, and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.

3. GOVERNANCE AND PROGRAM OVERSIGHT

The Executive Committee of PRISM (hereafter “Committee”) shall have full authority over all matters affecting the Program, including but not limited to:

- a. Approval of new members;
- b. Program structure and participation requirements;
- c. Premium and rate setting;
- d. Retention levels, limits, and reinsurance;
- e. Allocation of aggregate limits (as needed);
- f. Underwriting standards;
- g. Data submission requirements and cybersecurity controls; and
- h. Policies regarding withdrawal and cancellation

4. PROGRAM PARTICIPATION AND MEMBERSHIP

- a. Participation in the Program is voluntary and subject to approval by PRISM in accordance with the Agreement and Program underwriting guidelines.
- b. A Member approved for participation shall remain in the Program until withdrawal or cancellation in accordance with the Agreement and this Memorandum.
- c. PRISM may establish eligibility criteria, including but not limited to minimum cybersecurity controls, incident response planning, training, and compliance with applicable laws and standards.

5. ANNUAL PREMIUM

In accordance with Article 14(b)(2) of the Agreement, participating Members shall be assessed an annual premium for the purpose of funding the Program. Annual

rates/premiums will be established by the Committee in consultation with the carrier, actuaries and/or other consultants.

6. COST ALLOCATION

Each Member's share of the annual premium shall be determined pursuant to a Committee-approved cost allocation methodology, which may consider factors such as exposure, size, cybersecurity posture, loss experience, and other risk characteristics. The cost allocation methodology may be amended from time to time by action of the Committee.

7. COVERAGE DOCUMENTS

PRISM shall issue applicable coverage documents evidencing a Member's participation in the Program and setting forth the specific terms, conditions, limits, retentions, exclusions, and endorsements applicable to the cyber liability coverage.

8. CLAIMS AND INCIDENT REPORTING

- a. Members shall comply with all incident reporting, claims reporting, and cooperation requirements established by PRISM, and/or the carrier, and as set forth in the coverage documents.
- b. Members shall promptly notify PRISM of any known or suspected cyber incident that may give rise to a claim under the Program.
- c. PRISM may establish cyber incident response protocols, panel vendors, breach response requirements, and claims administration standards applicable to the Program.
- d. Failure to comply with these reporting requirements could adversely impact coverage.

9. CLAIMS ADMINISTRATION

Claims administration services shall be provided by the insurance carrier(s) and/or their assignee.

10. CYBERSECURITY STANDARDS

Each Member shall maintain reasonable and appropriate cybersecurity controls, policies, and procedures, and shall cooperate with PRISM in risk management initiatives, assessments, training, and audits related to cyber risk.

11. WITHDRAWAL AND CANCELLATION

Withdrawal or cancellation from the Program shall be governed by Articles 20 and 21 of the Agreement, subject to policy provisions and any additional Program-specific requirements adopted by the Committee.

12. LATE PAYMENTS

Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any Member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

13. DISPUTE RESOLUTION

Any question or dispute with respect to the rights and obligations of the parties to this Memorandum regarding coverage shall be determined in accordance with the Agreement Article 31, Dispute Resolution.

14. AMENDMENT

This Memorandum may be amended by a majority vote of the Executive Committee and signature on the Memorandum by the Member's designated representative who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Executive Committee, the Member will be deemed to have withdrawn at the following renewal.

15. COMPLETE AGREEMENT

Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.

16. SEVERABILITY

If any provision of this Memorandum is judicially determined to be void or unenforceable, such determination shall not affect the validity of the remaining provisions.

17. EFFECTIVE DATE

This Memorandum shall become effective on the effective date of coverage for the Member and upon approval by the Executive Committee of any amendment, whichever is later.


18. EXECUTION IN COUNTERPARTS

This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the dates set forth below.

PRISM:

Dated: 7/1/2026

Signature: 
Printed Name & Title: Gina Dean, CEO
Public Risk Innovation, Solutions, and Management

Member:

Dated: _____

Signature: _____
Printed Name & Title: _____
Member Entity: _____

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

June 17, 2026

Subject: Proposed Engagement Letter from Baker Tilly US LLP

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Engagement Letter from Baker Tilly US LLP, an independent contractor, for financial auditing services for fiscal year ending June 30, 2026.

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

The parties have agreed on a payment schedule for the services based on a total fee estimate of \$190,000 - \$202,000. In addition to fees, we will be billed for expenses. Invoices will include a flat expense charge, calculated as 5% of fees, estimated as \$10,125 to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel and related expenses, which are estimated not to exceed \$15,000, will be billed separately and are not included in the 5% charge, and will be reimbursed in accordance with the terms set forth in the separate Agreement for Professional Services.

Therefore, it is recommended that your Board approve the Engagement Letter from Baker Tilly US LLP, in an amount not to exceed \$227,125, and authorize the Chairman to sign.



Baker Tilly US, LLP
225 S Lake Avenue
Suite 900
Pasadena, CA 91101
United States of America

June 4, 2026

T: +1 (310) 477 0450
F: +1 (310) 477 0590

Phil McLaughlin, Chairman, Board of Governors
c/o Andrew Cantu, Chief Financial Officer
Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306-4018

bakertilly.com

Re: Audit and Nonattest Services

Dear Chairman McLaughlin:

Thank you for the opportunity to provide services to Kern County Hospital Authority, a local unit of government and a subdivision of the state of California, which owns and operates Kern Medical Center ("Kern Medical"). This engagement letter ("Engagement Letter") and the attached Agreement for Professional Services (Agreement #036-2024), as amended, between Baker Tilly US, LLP and Kern County Hospital Authority, effective April 1, 2024 ("PSA"), which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Baker Tilly US, LLP ("Firm," "we," "us," and "our") will provide to Kern County Hospital Authority ("you," "your," "KHCA," and "Company").

Scope of Services – Audit

You have requested that we audit the Company's financial statements, which comprise the statement of net position as of June 30, 2026, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. We will also report on whether the schedule of net position as of June 30, 2026, and the related schedule of revenue, expenses, and changes in net position for the year then ended, presented as supplementary information, are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

- 1) Management's discussion and analysis
- 2) Schedule of the proportionate share of the net OPEB liability (asset) for Kern Medical

- 3) Schedule of the proportionate share of the net pension liability for Kern Medical
- 4) Schedule of contributions for Kern Medical

Scope of Services and Limitations – Nonattest

We will provide the Company with the following nonattest services:

- Assist you in drafting the financial statements and related footnotes as of and for the year ended June 30, 2026. Although we will assist in drafting the financial statements and related footnotes, our fee estimate included in this engagement letter is based on management providing a substantially complete working draft of the financial statements and required footnotes. Should you request additional assistance, we can discuss the additional fees that may be required prior to commencing additional work.

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

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

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

Timing

Kimberly Sokoloff is the engagement partner, and Kristen Olko is responsible for supervising the engagement and authorizing the signing of the report. We expect to perform interim procedures beginning in September 2026, final procedures beginning in October 2026, and issue our report no later than December 31, 2026. As we reach the conclusion of the audit, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes

will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

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

Fees

We have agreed to the following payment schedule for the services based on a total fee estimate of \$190,000 - \$202,500.

Month Due	Amount
August 2026	\$60,000
September 2026	\$60,000
October 2026	\$60,000
November 2026	\$10,000 - \$22,500
Total	\$190,000 - \$202,500

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, estimated at \$10,125, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meal expenses, which shall not exceed \$15,000, will be billed separately and are not included in the 5% charge, and will be reimbursed in accordance with the terms set forth in the PSA.

Reporting

We will issue a written report upon completion of our audit of the Company's financial statements. Our report will be addressed to the Board of Governors of the Company. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2026.

Objectives of the Audit

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives also include reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards.

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

The Auditor's Responsibility

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control or to identify deficiencies in the design or operation of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not

formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

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

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

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

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

Management's Responsibility

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

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

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

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

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

Management's Responsibility to Notify Us of Affiliates

Our professional standards require that we remain independent of the Company as well as any "affiliate" of the Company. Professional standards define an affiliate as follows:

- a fund, component unit, fiduciary activity or entity that the Company is required to include or disclose, and is included or disclosed in its basic financial statements, in accordance with generally accepted accounting principles (U.S. GAAP);
- a fund, component unit, fiduciary activity or entity that the Company is required to include or disclosed in its basic financial statements in accordance with U.S. GAAP, which is material to the Company but which the Company has elected to exclude, and for which the Company has more than minimal influence over the entity's accounting or financial reporting process;
- an investment in an investee held by the Company or an affiliate of the Company, where the Company or affiliate controls the investee, excluding equity interests in entities whose sole purpose is to directly enhance the Company's ability to provide government services;
- an investment in an investee held by the Company or an affiliate of the Company, where the Company or affiliate has significant influence over the investee and for which the investment is material to the Company's financial statements, excluding equity interests in entities whose sole purpose is to directly enhance the Company's ability to provide government services

In order to fulfill our mutual responsibility to maintain auditor independence, you agree to notify the Firm of any known affiliate relationships, to the best of your knowledge and belief. Additionally, you agree to inform the Firm of any known services provided or relationships between affiliates of the Company and the Firm or any of its employees or personnel.

Other Information Included in an Annual Report

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in an entity's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to us as soon as it is available.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If we identify that a material inconsistency or misstatement of the other information exists, we will discuss it with you; if it is not resolved U.S. GAAS requires us to take appropriate action.

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. You have not engaged us to report on key audit matters, and the Agreement does not

contemplate the Firm providing any such services. You agree we are under no obligation to communicate key audit matters in the auditor's report.

If you request to engage the Firm to communicate key audit matters in the auditor's report, before accepting the engagement we would discuss with you the additional fees to provide any such services, and the impact to the timeline for completing the audit.

Dissemination of Financial Statements

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

Offering of Securities

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

Changes in Professional or Accounting Standards

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

Representations of Management

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

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

Data Privacy and Security

To the extent the Services require the Firm to receive personal data or personal information from Organization, the Firm may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws, and such processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Organization, such as the Firm's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which the Firm or its clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. The Firm is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Organization personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Organization, the Firm shall, unless otherwise permitted by applicable privacy law, (a) follow Organization instructions; (b) not sell personal data or personal information collected from the Organization or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Organization's engagement and not for the Firm's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Organization to ensure compliance with applicable privacy laws.

Organization is responsible for notifying the Firm of any applicable privacy laws the personal data or personal information provided to the Firm is subject to, and Organization represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize the Firm to process such information in connection with the Services described herein. Organization further understands the Firm, Baker Tilly Advisory Group, LP and Moss Adams Advisory Group, LP and their affiliated entities (collectively, the "Firm Entities") may co-process Organization data as necessary to perform the Services, pursuant to the alternative practice structure in place among the entities, and by executing this Agreement, you hereby consent to the sharing of Organization data, Organization files, workpapers and work product with such Firm Entities. Baker Tilly Advisory Group, LP maintains custody of client files for the Firm. The Firm Entities are bound by the same confidentiality obligations as the Firm. The Firm is responsible for notifying Organization if the Firm becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Organization to take reasonable and appropriate steps to remediate personal data or personal information processing. Organization agrees that the Firm Entities have the right to utilize Organization data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Organization to be used for the Firm Entities' business purposes and with the outputs owned by the Firm Entities. For clarity, the Firm Entities will only disclose aggregated/de-identified data in a form that does not identify Organization, Organization employees, or any other individual or business entity and that is stripped of all persistent identifiers. Organization is not responsible for the Firm Entities' use of aggregated/de-identified data.

Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

Use of the Firm's Name

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

Use of Nonlicensed Personnel

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



Hiring of Employees

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

Alternative Practice Structure: Baker Tilly International

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms.

Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

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

Very truly yours,

Baker Tilly US, LLP

Baker Tilly US, LLP

Enclosures



Accepted and Agreed:

This Engagement Letter sets forth the entire understanding of Kern County Hospital Authority with respect to this engagement and the services to be provided by the Firm:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Accepted and Agreed:

LEGAL SERVICES DEPARTMENT:

By: _____

Vice President & General Counsel
Kern County Hospital Authority

Client: #636216
v. 6/11/2025

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

June 17, 2026

Subject: Proposed Quote with Bracco Diagnostics, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve this Quote with Bracco Diagnostics for an injector for the GE MRI trailer. This Quote is part of a bundle of agreements for the new MRI unit. This Quote is for the purchase of an injector used in the MRI unit for contrast during procedures. This is an eight (8) year agreement that would allow us to get the injector at no cost to the facility due to us purchasing contrast and consumables. This also includes necessary end user and biomed training. The cost avoidance with this agreement is the cost of an injector, \$30,000 each plus service agreement. The agreement will be effective upon delivery of the new MRI in an amount not to exceed \$5,740 annually and \$46,000 in the aggregate. The vendor is currently Kern Medical's vendor of choice.

Currently, Kern Medical is renting the MRI unit at a cost \$55,000 per month, however, with the purchase of a new MRI unit, the monthly cost over the next 5 years will be \$50,000 per month after month 12 of installation (\$39,000 for first 12 months due to service being included). Total comparative costs over 5 years will be \$3,300,000 vs \$2,895,000 (inclusive of service agreements).

Therefore, it is recommended that your Board approve the proposed Quote with Bracco Diagnostics, Inc. for the purchase of an injector for the new MRI unit, in an amount not to exceed \$46,000, plus applicable fees and taxes, effective upon delivery of the new MRI unit and authorize the Chairman to sign.



Bracco Diagnostics Inc
 510 Carnegie Center
 Suite 300
 Princeton, NJ 08540

Bracco Representative:
 DANI LINDHOLM
 dani.lindholm@diag.bracco.com

QUOTE

Quote ID: 49992
Date: 11/4/2025
Quote Expiration Date: 07/01/2026

Contact: SUZANNE KNIGHT, suzanne.knight@kernmedical.com

Prepared For:
 KERN COUNTY HOSPITAL AUTHORITY
 1700 MOUNT VERNON AVE
 BAKERSFIELD, CA 93306-4018

Ship To: C0000045902
 KERN COUNTY HOSPITAL AUTHORITY
 1700 MOUNT VERNON AVE
 BAKERSFIELD, CA 93306

Injectors and Digital Solutions

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
640471	EMPOWER MR INJECTOR SYSTEM	\$36,489.00	1	\$29,920.00	\$29,920.00
Injectors and Digital Solutions Sub-Total					\$29,920.00

Shipping

Item Name / Description	Qty	Unit Price	Extended Total
Empower Shipping/ Freight Costs	1	\$350.00	\$350.00

Accessories

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
101850	EMPOWER FIELD SERVICE TESTKIT	\$3,000.00	1	\$995.00	\$995.00
Accessories Sub-Total					\$995.00

Applications and Installations

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
109720	MR APPLICATIONS TRAINING	\$3,000.00	1	\$0.00	\$0.00
Applications and Installations Sub-Total					\$0.00



Warranty and Service

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
016297	BIOMED - Empower MR Training - Following Bracco Technical Support training, participants will receive a system overview combined with the opportunity to utilize an individual training injector to perform service repair and Preventative Maintenance. Individual participant fees are billed per modality.	\$5,770.00	1	\$4,395.00	\$4,395.00
Warranty and Service Sub-Total					\$4,395.00

Prices are subject to freight and handling charges and to all taxes, excises, or other charges levied by any government (national, state, or local) upon the sale consumption, or use of the products listed herein.

Special Instructions:

Bracco is aware that Customer is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §7920.000 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

Please issue your purchase order for WARRANTY & SERVICE to VENDOR:

Acist Medical Systems, Inc.

PO Box 978975
Dallas, TX 75397-8975
Fed Tax ID: 41-1694195

Please issue your purchase order for INJECTORS, SHIPPING, APPLICATIONS/INSTALLATION and ACCESSORIES to VENDOR:

Contracts Administration c/o Bracco Diagnostics Inc

510 Carnegie Center
Suite 300
Princeton, NJ 08540

Once all paperwork and signed quote is completed, please fax or email the information to:
(609) 514-2444 or cadmin@diag.bracco.com



Bracco Diagnostics Inc
510 Carnegie Center
Suite 300
Princeton, NJ 08540

Bracco Representative:
DANI LINDHOLM
dani.lindholm@diag.bracco.com

CONSUMABLES BID PRICING

Quote ID: 49992
Date: 11/4/2025
Quote Expiration Date: 07/01/2026

Contact: SUZANNE KNIGHT, suzanne.knight@kernmedical.com

Prepared For:
KERN COUNTY HOSPITAL AUTHORITY
1700 MOUNT VERNON AVE
BAKERSFIELD, CA 93306-4018

Consumables

SKU	Item Name / Description	List Price	Unit Price
017356	FASTLOAD MR SYR PACK 50/CS DCV	\$1,000.00	\$660.00

Prices are subject to freight and handling charges and to all taxes, excises, or other charges levied by any government (national, state, or local) upon the sale consumption, or use of the products listed herein.

Provided this quote is duly signed by a representative of the above-named Account prior to its expiration, Account may purchase the injector consumables products listed herein for a term of three (3) years from the Quote Expiration Date. The pricing shown above shall be firm for the first year of such term, and thereafter, Bracco reserves the right to increase injector consumables products prices by up to 10% on an annual basis within its sole discretion.

Special Instructions:

Bracco is aware that Customer is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §7920.000 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.



Please submit your purchase order and signed quote to:
Contracts Administration
c/o Bracco Diagnostics Inc
510 Carnegie Center
Suite 300
Princeton, NJ 08540

Alternatively, you may also fax or email the information to (609) 514-2444 or
cadmin@diag.bracco.com



TERMS AND CONDITIONS

For the protection of our customers and to avoid misunderstanding, Bracco Diagnostics Inc. (Bracco) respectfully requests careful reading of the following:

1. USE OF PRODUCTS Therapeutic and dosage suggestions contained in Bracco's literature are based on the best available clinical evidence and experience. They are, however, general in character and Bracco disclaims the adequacy or accuracy of such information.

The indications or contraindications of any Bracco products, as well as any modifications to the suggested dose or frequency of dosage to meet specific conditions, are questions that should be decided by a competent physician as part of a proper diagnostic work-up.

Bracco cannot control the conditions or circumstances under which Bracco products may be administered and assumes no responsibility for the administration of the products.

2. PRICE Prices and quotations are submitted without offer and are subject to change without notice. Prices are subject to all taxes, excises, or other charges levied by any government (national, state, or local) upon the sale, consumption, or use of the products listed herein. Account shall bear the cost of any sales, use, excise or similar tax applicable to the purchase of the product under this Quotation, unless Account shall have previously provided Bracco with a tax exemption certificate to the applicable taxing authorities. Prices are subject to freight and handling charges.

3. PAYMENT TERMS Net thirty (30) days.

All payment terms are subject to change at any time on prior written notice by Bracco. After thirty (30) days from the date of invoice, Bracco shall have the right to collect interest on past due amounts at the lesser of (i) one and one-half percent (1½%) per month, or (ii) the maximum interest rate legally permitted.

4. CONSUMABLES ORDERS All orders are subject to acceptance by Bracco, which acceptance shall be only by letter or performance. Accepted orders will be shipped from the appropriate branch distribution center to expedite service. Orders sent to remittance address or physical distribution centers will be delayed. Unless otherwise agreed in writing by Bracco, no term or conditions contained in any Account purchase order or confirmation thereof shall apply to the sale of any product, except those identifying the particular product(s) ordered, quantity, and limited shipping/billing instructions. All orders are subject to prior credit approval as a condition of acceptance.

Bracco reserves the right to discontinue and withdraw from the marketplace any product, product size, or packaging at any time without further obligation on the part of Bracco.

5. DISTRIBUTION Capital Equipment and parts will ship from Acist Medical Systems in Eden Prairie, MN.



Bracco has one main distribution facility for consumable products, located in Southaven, MS.

6. SHIPMENT Shipping terms: FOB Destination

Title and risk of loss or damage passes to the Account upon delivery by the carrier. Unless otherwise agreed to specifically by Bracco in writing, delivery dates specified in this Quotation or in any other confirmation of any other Account purchase order shall be deemed to be estimated only. Account shall not be relieved of its obligation to purchase all of the products stated in its purchase order due to Bracco's failure to meet any desired or requested delivery date.

7. TRANSPORTATION - Consumables Expedited delivery is available upon request by Account. Account must place its order via phone or fax with customer service to ensure proper delivery of shipments. Expedited deliveries will be assessed a transportation fee. For direct orders Account will be assessed standard ground shipping fees with a \$15.00 minimum charge.

8. CORRESPONDENCE All correspondence should be addressed to Bracco Diagnostics Inc., Attention Customer Service, at 510 Carnegie Center, Suite 300, Princeton, NJ 08540, or P.O. Box 5225, Princeton, NJ, 08543-5225, or sent by e-mail to bracco.otc@diag.bracco.com

9. LABELS, CARTONS AND EMPTY CONTAINERS Loose labels, empty cartons or containers cannot be supplied for any reason whatsoever.

10. INSURANCE Bracco shall at all times during the term of this Quotation and the Injector Placement Agreement (Agreement No.: 2354608), dated May 7, 2026, attached hereto ("Injector Placement Agreement"), maintain the following minimum insurance coverage:

- I. A. Commercial General Liability
Including Claims-Made Products Liability, Errors & Omissions, Cyber & Intellectual Property, Disclosure, Reputation Liability
\$10,000,000 Products/Completed Operations- Each Occurrence / Aggregate Limit
\$ 1,000,000 General Aggregate Limit
\$ 3,000,000 Claims-Made Integrated Liability & Indemnity Aggregate Limit- Including Errors & Omissions and Intellectual Property, Disclosure & Reputation Disparagement Aggregate Limit.
 - B. Worker's Compensation / Employers Liability
Coverage will meet the statutory requirements of the state(s) in which the individuals providing services hereunder are employed, including the provisions of section 3700 of the California Labor Code.
\$1,000,000 Employers Liability Aggregate Limit
 - C. Excess Umbrella Liability Insurance
\$9,000,000 Each Occurrence / Aggregate Limit in excess of the underlying liability coverage described in other subsections of this Section, excluding Products/Completed Operations.
 - D. Errors and Omissions Insurance – see Part A above
 - E. Crime Insurance / Fidelity Bond
Fiduciary Liability & Crime Package, including:
\$5,000,000 Crime- Single Loss Limit- Fidelity (Employee Theft, ERISA Fidelity & Employee Theft of Client Property)
 - F. Cyber Liability/Data Breach Coverage
\$1,000,000 Each Claim and Annual Aggregate Limit.
- II. All policies will be written by companies which have a rating by Best's Key Rating Guide not less than A-/VIII.
 - III. The Commercial General Liability Insurance shall name Account and Account's board members, officials, officers, agents and employees as additional insureds.

- IV. All insurance provided by Bracco hereunder shall be primary to and not contributing to any other insurance maintained by Account.
- III. Upon request of Account, Bracco shall furnish Certificate(s) of Insurance. In the event any of the above-described policies are cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

11. WARRANTIES AND DISCLAIMER Unless otherwise specifically agreed in writing by Bracco, all products sold by Bracco are sold with the manufacturer's standard warranty included. Bracco itself makes no representations, warranties or guarantees concerning any of the products and the Account agrees to rely solely on the respective product's manufacturer for all warranty questions and issues. Additionally, Bracco cannot control the conditions or circumstances under which the product may be used and Bracco specifically disclaims any responsibility or liability for the suitability of any product for any particular medical treatment or for any medical complications resulting from the use any product.

Account agrees and acknowledges that ALL OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED FROM THIS QUOTATION OR ANY SALE PURSUANT HERETO.

Bracco specifically disclaims and Account waives any claim against Bracco for liability of any type for any damages (whether special, direct or indirect, consequential, incidental or otherwise), including, without limitation, expenditures, or loss of profits or projected profits.

12. EXTENDED WARRANTY AND SERVICE CONTRACTS If this Quotation includes extended warranties and/or service contracts, Account acknowledges and agrees that the Quotation is provided as a convenience to Account on behalf of ACIST, the provider of such extended warranties and/or service contracts. To purchase such extended warranties or such service contracts, or for more information regarding same, please call ACIST at 888-670-7701.

13. "OWN USE" REQUIREMENT Account hereby certifies that all products purchased by Account or by any other authorized purchaser under this Quotation will be for the respective purchaser's "own use" as required by the Non Profit Institutions Act [15 U.S.C. sec. 13(c)], and as further defined in the U.S. Supreme Court decision in Abbott Labs v. Portland Retail Druggists Association, 421 US 1 (1976). Account and any other authorized purchaser shall not directly or indirectly resell any products purchased from Bracco to any third-parties.

14. REPORTING REQUIREMENTS In the event Account purchases any Bracco product at a discounted price, Account hereby agrees that it shall properly disclose and account for the total value of discounts and rebates received under this Quotation in connection with costs claimed or charges made to federal health care programs in accordance with all applicable federal and state laws and regulations, including, but not limited to, the provisions of 42 USC Section 1320a-7b(b)(3)(A) and 42 CFR Section 1001.952(h), and shall provide accurate information regarding the net cost of products purchased from Bracco in response to any inquiry from federal or state agencies. Bracco agrees to assist Account by providing any information necessary for Account to properly calculate and disclose cost of Bracco products, net of all discounts and rebates received, upon request by Account.

15. CHOICE OF LAW Intentionally Omitted

16. FORCE MAJEURE Bracco shall be excused, without penalty, and shall not be liable for damages or default for any failure to supply product to Account due to circumstances beyond Bracco's control, such as strike, fire, unavoidable accidents, riot, war, terrorism, insurrection, epidemic, pandemic, viral or communicable disease outbreak, quarantines, lack of or inability to obtain fuel, power, components or materials, disruption of supply chains, disruption of transportation systems, disruption of labor force, national emergency, act, order, or requirement of any governmental authority, acts of God or other causes beyond its control.

17. RETURN GOODS POLICY

- a) Returned products require prior authorization from Bracco Diagnostics. Authorizations can be obtained by contacting the Bracco Customer Service Team at 1-877 -BRACCO9 (1-877-272-2269).
- b) Returns will only be authorized for product purchased directly from Bracco. Bracco product purchased from wholesalers must be returned to the wholesaler based on the wholesaler's policy.
- c) Temperature control forms must be completed by the customer to be eligible for credit when required based on storage requirements of the product. This document, which verifies the appropriate storage conditions of product while at the customer facility, will be provided by Bracco and must be returned promptly.
- d) Returns will be authorized for shipping errors, picking errors, products damaged in transit, transportation errors, and Customer Service order entry errors. Such authorized returns will receive credit based on the final invoice price when product is returned in saleable form (excluding product damaged in transit) within 15 days from the original delivery date.
- e) All other authorized returns for non-Bracco errors will receive credit based on the final invoice price, less a 30% restocking fee, when product is returned in saleable form within 15 days from the original delivery date.
- f) Bracco will issue credit for authorized returned goods within 30 days of receipt. No deduction can be taken at any time without Bracco's prior written approval.
- g) Product returned after 15 days from the original delivery date will not be eligible for credit.
- h) Upon receipt of a return by the customer, products will be promptly evaluated and the customer will be notified of product eligibility or ineligibility for credit. Bracco reserves the right to destroy all returned products, whether or not they are found to be eligible for credit. All Bracco products are returned with the understanding that they are subject to final review and evaluation by Bracco, and will be processed in accordance with the most recent return goods policy in effect at the time the return is received.
- i) The cost of shipping product to the Bracco warehouse will be paid for by Bracco for Authorized returns through the use of call tags. Sales Representatives are not authorized to pick up merchandise. No reimbursement shall be paid to the customer for any failure to receive the appropriate call tags.
- j) Any returned product that was not maintained under appropriate storage conditions will not be eligible for credit.
- k) Credit will not be issued for any product sold with the specific understanding that such product is non-returnable, sterile products, or special order products, unless the error is on the part of Bracco.
- l) Bracco will not issue credit for expired products.
- m) No product may be returned by, and no credit shall be issued to, any third party return processor.
- n) Bracco reserves the right to determine the eligibility of products to qualify for credit when returned.
- o) Bracco will reserve the right to amend this policy by notification to the customer.

18. BRACCO CODE OF ETHICS Account acknowledges that Bracco Diagnostics Inc. and its parent companies, the Bracco Group and Bracco Imaging S.p.A., have adopted a code of ethics (the "Bracco Code of Ethics"), a copy of which is available at <https://www.bracco.com/media/1330>. The parties agree that the Bracco Code of Ethics constitutes an integral and essential part of this Quotation. By signing this Quotation, Account undertakes to abide by and comply with the provisions of the Bracco Code of Ethics, as well as with any applicable law and regulation, in any transaction performed in connection with this Quotation. Any breach of the

Quote 49992

above covenants will be grounds for termination of this Quotation, or the taking of such corrective action as Bracco deems appropriate. If requested by Bracco, Account shall permit Bracco's duly authorized delegates to have access to any relevant information as may be necessary to determine the correctness of any conduct made under this Quotation, provided that Bracco shall ensure the confidentiality of any such information received from Account and safeguard the trade secrets incorporated therein in accordance with any applicable law.

19. FACSIMILE/PDF EXCHANGE; ELECTRONIC SIGNATURE The exchange of copies of this Quotation and of signature pages by facsimile transmission, electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original appearance of the document, or by a combination of such means, shall constitute effective execution and delivery of this Quotation and may be used in lieu of an original Quotation for all purposes. Account may execute this Quotation by electronic means and Bracco recognizes and accepts the use of electronic signatures by Account in connection with the execution hereof and both parties agree that such electronic signatures shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law.

20. ACCESS TO BOOKS AND RECORDS Until the expiration of four (4) years after the expiration or termination of this Quotation, Bracco shall make available, upon written request of the Secretary of the United States Secretary of Health and Human Services ("Secretary") or the Comptroller General of the United States General Accounting Office ("Comptroller General"), or any of their duly authorized representatives, a copy of this Quotation and such books, documents and records of either party as are necessary to certify the nature and extent of costs of the services Bracco provided under this Quotation. Bracco further agrees that if it carries out any of its duties under this Quotation through a subcontract with a value or cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period with a related organization, that such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary or the Comptroller General, or any of their duly authorized representatives, the subcontract, books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

21. AUDITS, INSPECTION AND RETENTION OF RECORDS Bracco agrees to maintain and make available to Account during normal business hours, accurate books and records relative to all its activities under this Quotation, upon reasonable advance written notice. Bracco shall permit Account to audit, examine and make excerpts and transcripts from such records, and to conduct audits or reviews of all invoices, materials, records or personnel or other data related to all other matters covered by this Quotation, such audit to be conducted no more than once in a twelve (12) month period. Bracco shall maintain such data and records in an accessible location and condition for a period of not less than four (4) years from the date of final payment under this Quotation, or until after the conclusion of any audit, whichever occurs last. The State of California or any federal agency having an interest in the subject of this Quotation shall have the same rights conferred upon Account herein.

22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT-HITECH Bracco does not require and shall not request access to, or attempt to access, any Protected Health Information ("PHI") of Account or any of its affiliates, except as permitted by the Privacy Rule (45 C.F.R. Part 160 and Subparts A and E of Part 164) for a person subject to the jurisdiction of the Food and Drug Administration ('FDA') with respect to an FDA-regulated product under 45 C.F.R. §164.512(b)(1)(iii). If, in the course of performing this Quotation and the Injector Placement Agreement, Bracco's personnel sees or hears any PHI, this PHI is to be treated as private and confidential, including the fact that a person has visited Account's facility(ies) or receives (or previously received) services from Account. The privacy and confidentiality of Account's patients are protected by Account policies and procedures, state laws and regulations and Federal HIPAA Regulations. If appropriate, Bracco agrees to execute a business associate agreement with Account to supplement this Quotation if required by law, subject to the parties' mutual agreement upon the terms and conditions of the business associate agreement.

23. DISQUALIFIED PERSONS Bracco represents and warrants that no person providing goods and/or services under the terms of this Quotation (i) has been convicted of a criminal offense related to healthcare (unless such individual has been officially reinstated into the federal healthcare programs by the Office of Inspector General ("OIG") and provided proof of such reinstatement to Account), (ii) is currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation, or (iii) is currently listed on the General Services Administration List of Parties Excluded from the Federal Procurement and Non-Procurement Programs. Bracco agrees that if any individuals providing goods and/or services under the terms of this Quotation becomes involved in a pending criminal action or proposed civil debarment, exclusion or other sanctioning action related to any

federal or state healthcare program (each, an “Enforcement Action”), Bracco shall immediately notify Account and such individual shall be immediately removed by Bracco from any functions involving (i) the claims development and submission process, and (ii) any healthcare provider contact related to Account patients; provided, however, that if Bracco is directly involved in the Enforcement Action, any agreement between Account and Bracco shall terminate immediately.

24. NON-COLLUSION COVENANT Bracco represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Quotation with Account. Bracco has received no incentive or special payments, nor considerations, not related to the provision of services under this Quotation from Account.

25. INDEMNIFICATION Bracco agrees to indemnify, defend and hold harmless Account and Account’s agents, board members, elected and appointed officials and officers, employees, volunteers and authorized representatives (“Account Indemnities”) from any and all third party losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, and expenses (including, but not limited to, reasonable attorneys’ fees of counsel, expert fees, costs of staff time, and investigation costs) (collectively, “Damages”), which arise out of or are in any way connected with (i) any negligent act or omission or willful misconduct of Bracco or Bracco’s officers, agents, employees, independent contractors, sub-contractors of any tier, or authorized representatives in the performance of this Quotation and the Injector Placement Agreement; or (ii) Bracco’s breach of the terms, conditions and obligations of this Quotation and the Injector Placement Agreement. Without limiting the generality of the foregoing, Damages shall include bodily and personal injury or death to any person or persons, damage to any property, regardless of where located, including the property of Account; and any workers’ compensation claim or suit arising from or connected with any services performed by or on behalf of Bracco by any person or entity under this Quotation or the Injector Placement Agreement. Further, Bracco shall indemnify, defend and hold harmless the Account Indemnitees from liability of any nature or kind as a result of Account’s use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, or articles or appliances furnished or used under this Quotation or the Injector Placement Agreement in accordance with the applicable instructions for use provided by Bracco. Notwithstanding the foregoing, Bracco shall not have any obligation under this paragraph to the extent that Damages arise as a result of Account’s negligence, willful misconduct or breach of contract.

Account agrees to indemnify, defend and hold harmless Bracco and Bracco’s agents, board members, officers, employees, and authorized representatives from any and all Damages, which arise out of or are in any way connected with (i) any negligent act or omission or willful misconduct of Account or Account’s officers, agents, employees, or authorized representatives in the performance of this Quotation and the Injector Placement Agreement; or (ii) Account’s breach of the terms, conditions and obligations of this Quotation and the Injector Placement Agreement. Notwithstanding the foregoing, Account shall not have any obligation under this paragraph to the extent that Damages arise as a result of Bracco’s negligence, willful misconduct or breach of contract.

26. LIABILITY OF ACCOUNT The liabilities or obligations of Account with respect to its activities pursuant to this Quotation shall be the liabilities or obligations solely of Account and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the State of California.

QUOTE AND TERMS AND CONDITIONS ARE HEREBY
APPROVED BY:

Print Name

Title

Signature

Date

APPROVED AS TO FORM:
Legal Services Department

By Phillip Jenkins
Kern County Hospital Authority



Bracco Diagnostics Inc
 510 Carnegie Center
 Suite 300
 Princeton, NJ 08540

Bracco Representative:
 DANI LINDHOLM
 dani.lindholm@diag.bracco.com

QUOTE SUMMARY

Quote ID: 49992
Date: 11/4/2025
Quote Expiration Date: 07/01/2026

Contact: SUZANNE KNIGHT, suzanne.knight@kernmedical.com

Prepared For:
 KERN COUNTY HOSPITAL AUTHORITY
 1700 MOUNT VERNON AVE
 BAKERSFIELD, CA 93306-4018

Injectors and Digital Solutions

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
640471	EMPOWER MR INJECTOR SYSTEM	\$36,489.00	1	\$29,920.00	\$29,920.00
Injectors and Digital Solutions Sub-Total					\$29,920.00

Shipping

Item Name / Description	Qty	Unit Price	Extended Total
Empower Shipping/ Freight Costs	1	\$350.00	\$350.00

Accessories

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
101850	EMPOWER FIELD SERVICE TESTKIT	\$3,000.00	1	\$995.00	\$995.00
Accessories Sub-Total					\$995.00

Applications and Installations

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
109720	MR APPLICATIONS TRAINING	\$3,000.00	1	\$0.00	\$0.00
Applications and Installations Sub-Total					\$0.00



Warranty and Service

SKU	Item Name / Description	List Price	Qty	Unit Price	Extended Total
016297	BIOMED - Empower MR Training - Following Bracco Technical Support training, participants will receive a system overview combined with the opportunity to utilize an individual training injector to perform service repair and Preventative Maintenance. Individual participant fees are billed per modality.	\$5,770.00	1	\$4,395.00	\$4,395.00
Warranty and Service Sub-Total					\$4,395.00

Grand Total: \$35,660.00

Prices are subject to freight and handling charges and to all taxes, excises, or other charges levied by any government (national, state, or local) upon the sale consumption, or use of the products listed herein.

Special Instructions:

Bracco is aware that Customer is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §6250 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

Please issue your purchase order for WARRANTY & SERVICE to VENDOR:

Acist Medical Systems, Inc.

PO Box 978975
Dallas, TX 75397-8975
Fed Tax ID: 41-1694195

Please issue your purchase order for INJECTORS, SHIPPING, APPLICATIONS/INSTALLATION and ACCESSORIES to VENDOR:

Contracts Administration

c/o Bracco Diagnostics Inc

510 Carnegie Center
Suite 300
Princeton, NJ 08540

Once all paperwork and signed quote is completed, please fax or email the information to:
(609) 514-2444 or cadmin@diag.bracco.com



Bracco Diagnostics Inc.
510 Carnegie Center
Suite 300
Princeton, NJ 08540

INJECTOR PLACEMENT AGREEMENT

Agreement No: 2354608

This Injector Placement Agreement (the 'Agreement'), dated May 7, 2026, is between Bracco Diagnostics Inc. ('Bracco') and KERN COUNTY HOSPITAL AUTHORITY located at 1700 MOUNT VERNON AVE BAKERSFIELD, CA 93306-4018 ('Account').

This Agreement shall have a term of five (5) years (the 'Term'), commencing on the first day of the month in which the first Equipment (as defined below) is installed, as such installation date is confirmed in writing by the parties on the installation acceptance document (the 'Effective Date'). For the Term of this Agreement, Bracco grants to Account, and Account accepts, a nontransferable right to use the power injector equipment listed on Exhibit A (the 'Equipment'). Account shall use the Equipment with the appropriate x-ray contrast media/magnetic resonance imaging (MRI) contrast media products (the 'Contrast Media Products') and injector disposable products and transfer sets (the 'Consumables') purchased from Bracco, in accordance with the fifth paragraph of this Agreement, to provide health care services to Account's patients. Account agrees that the Equipment shall remain at all times in the location(s) set forth in Exhibit A, which location(s) shall be under Account's ownership or control. Account shall not move the Equipment from such location(s) without Bracco's prior written consent. In the event that such location(s) shall no longer be owned by or under the control of Account, then Account must notify Bracco in writing within sixty (60) days of such change.

Pricing for any Contrast Media Products and transfer sets to be purchased by Account from Bracco shall be as set forth in HPG's GPO contract for Contrast Media Products ("Contrast Media GPO Agreement"). Pricing for any Consumables (other than transfer sets) to be purchased by Account from Bracco shall be as set forth in an independent bid. Should the Term of this Agreement extend beyond any time period for which pricing has been established for the Contrast Media Products and/or the Consumables through agreements between Bracco and Account, including an independent bid by Account, or between Bracco and Account's group purchasing organization, including the Contrast Media GPO Agreement, then – no less than thirty (30) days prior to the end of such time period – Bracco and Account shall mutually agree to an agreement containing pricing for the Contrast Media Products and/or Consumables to be in effect over the next agreed upon time period. In the event the parties are unable to agree on such an agreement, this Agreement will terminate at the end of the time period for which mutually agreeable pricing for the Contrast Media Products and/or Consumables has been established.

Account shall purchase the accessories, user training and related applications and installation for the Equipment and the deployment of the NEXO® Contrast Management System (if applicable) (the 'Accessories') set forth in Exhibit C at the prices stated therein (the Contrast Media Products, Consumables and Accessories being referred to herein collectively as the 'Products'). Account will be

Quote 49992

invoiced for the Accessories at the time of Equipment shipment, for payment in accordance with the payment terms set forth in the Consumables GPO Agreement or Bracco's Terms and Conditions attached hereto, as applicable.

Subject to Account meeting its obligations set forth in this Agreement and in any other agreement between Bracco and Account, Account shall have the right to use the Equipment on a royalty-free basis. Title and ownership shall remain with Bracco. Bracco shall waive any and all royalties for the use of the Equipment beginning on the Effective Date through the entire Term upon the express condition that Account purchases from Bracco no less than ninety percent (90%) of its requirements, measured by volume, of the Contrast Media Products and one hundred percent (100%) of its requirements of the Consumables. Initial compliance with the purchase commitment for Contrast Media Products shall be measured at the end of the first twelve (12) months of the Term ('Conversion Period'). Compliance with the purchase commitment for Consumables shall be required as of the Effective Date.

For each twelve (12) month period during the Term (each such period referred to herein as a 'Contract Year'), the parties acknowledge and agree that the applicable royalties waived under this Agreement shall be equal to thirty percent (30%) of the purchase price of the Equipment, as set forth in Exhibit A. In the event there exists a need to calculate royalties on a partial year basis, it shall be done on a pro-rated basis by multiplying the annual royalty by a fraction. The number of days in the partial Contract Year shall become the numerator and the number three hundred sixty-five (365) shall become the denominator.

Except for the Conversion Period for Contrast Media Products, in the event that Account fails to make the required minimum purchases of the Contrast Media Products and Consumables as measured for any Contract Year during the Term, then Account shall be required to pay a royalty to Bracco, as set forth above, for that Contract Year. If, at any time, Bracco has reason to believe, based on Account's purchasing history, that Account has not made the required minimum purchases during any particular Contract Year, then Bracco shall notify Account. Account shall then have thirty (30) days to document, to Bracco's reasonable satisfaction, that it has met the purchase requirement for the Contract Year in question. If Account fails to document its meeting the purchase requirement to Bracco's reasonable satisfaction, then Bracco shall invoice Account for the applicable royalties owed to Bracco. Account shall pay the full amount within thirty (30) days of the invoice date.

The parties acknowledge and agree that Bracco's waiver of royalties under the terms of this Agreement constitutes an additional discount on the sale of the Products. Account shall properly disclose and account for the total value of discounts received under this Agreement, and in any other agreement between Bracco and Account, in connection with costs claimed or charges made to federal health care programs in accordance with all applicable federal and state laws and regulations, including, but not limited to, the provisions of 42 USC Section 1320a-7b(b)(3)(A) and 42 CFR Section 1001.952(h)(1). Account shall provide accurate information regarding its net payment for Products purchased from Bracco in response to any inquiry from federal or state agencies. Bracco agrees to assist Account by providing any information necessary for Account to properly calculate and disclose its cost and payment for Bracco Products, net of all discounts received, upon request by Account.

If the services provided by Account using the Equipment and Products require the reporting of costs on a cost report, then Account shall claim the benefit of the discount in the fiscal year in which the discount is earned or the following year. It shall fully and accurately report the discount in the applicable cost report. If the services are reflected in a cost report, or based on charges through the submission of a fee for service claim, Account shall provide information documenting the discount upon request of the Secretary of the U.S. Department of Health and Human Services or by the appropriate state agency.

For any period during the Term in which Bracco reasonably determines, based on actual and anticipated

supply availability, it is unable to supply Account with an adequate amount of Contrast Media Products (meaning Bracco fails to supply Account, in a timely manner, with Contrast Media Products ordered in the ordinary course of business, resulting in Account's failure to meet the minimum purchase requirement described above (the 'Failure to Supply Period')), as reasonably communicated to Account, then Bracco shall waive any and all royalties which would otherwise be payable by Account during such Failure to Supply Period due to noncompliance with the purchase requirement for Contrast Media Products. To the extent a Failure to Supply Period results in Account's total purchases from Bracco (including all Contrast Media Products, Consumables, Accessories and any royalty revenue) during any one (1) year period equaling less than Bracco's cost to provide such Products and Equipment, then either the parties shall agree to modify this Agreement to provide for a reasonable fair market royalty fee for the use of the Equipment, or Bracco shall have the right to terminate this Agreement by providing Account with reasonable written notice to allow Account to obtain substitute equipment.

Bracco shall retain title to the Equipment at all times. Account shall cooperate in all reasonable measures to evidence Bracco's ownership of the Equipment. Account shall not take any action that could interfere in any manner with Bracco's ownership interest in the Equipment.

Account shall be responsible for transportation, delivery, and service expenses. Account shall also be responsible for, and assume the risk of, loss or theft of, or damage to, the Equipment. While the Equipment is in Account's possession, Account shall perform routine service and maintenance and use the Equipment only in the manner for which it is intended and in full compliance with the instructions and warnings set forth in the applicable Operator's Manual(s).

The Equipment shall be covered by the manufacturer's standard warranty for each such product. Following the expiration of the manufacturer's standard warranty, the Equipment shall be covered by Account's BioMed Program and/or manufacturer's authorized BioMed provider. The Account agrees to purchase BioMed training from the manufacturer, which will provide a broader understanding of the equipment, essential skills and knowledge necessary to perform field service on the Equipment, including, on the field replacement components, system preventative maintenance, responding to error messages and troubleshooting techniques. The manufacturer, or its designee, will charge the following BioMed rate*:

Rate	Package
\$5,770 - Empower	<ul style="list-style-type: none"> - 2 day training - Service Manual
\$1995	<ul style="list-style-type: none"> - Service Kit

* The rate does not include travel, hotel and meals, which shall be borne by Account.

The Account agrees to utilize the BioMed Program to ensure all Equipment is deemed operational and in good working order for the Term. In addition, all parts for items in Exhibit A must be purchased through the manufacturer.

Account acknowledges and agrees that the manufacturer, and not Bracco, is the responsible party for providing BioMed training. The Manufacturer, or its designee, shall invoice Account directly 30 days after completion of training, for all BioMed training required under this Agreement, in the amount set forth in Exhibit B.

At the end of the Term, Account may purchase the Equipment at the buy-out price set forth on page [4] of this Agreement (which is based on a percentage of the purchase price of the Equipment, as set forth in Exhibit A). If Account elects not to purchase the Equipment, Account shall return it to Bracco, at Account's sole expense, in reasonable working condition, and with no greater than ordinary wear and tear. If Account returns the Equipment to Bracco damaged condition, then Account will be billed for any damage. Both parties shall mutually agree upon the amount owed for any damage. In the event the parties do not agree to an amount, the parties shall engage an agreed-upon third party to provide an evaluation at their shared expense. Account should contact Bracco to arrange for the return of the Equipment.

In the event that the Equipment is lost or stolen, Account shall have ninety (90) days to locate the Equipment and regain possession consistent with the terms of this Agreement. If this is not accomplished successfully within the ninety (90) days, then Account will be billed an amount equal to the lesser of either: (i) the full amount of all royalties remaining due under this Agreement plus the end of Term buy-out price, as set forth below (which is based on a percentage of the purchase price of the Equipment, as set forth in Exhibit A) or (ii) one-hundred percent (100%) of the purchase price set forth in Exhibit A. . No credit will be issued for the Equipment returned after this period.

In the event that Account wants to terminate this Agreement prior to the expiration of the Term, Account must provide at least ninety (90) days prior written notice to Bracco of its intent to terminate this Agreement. In such a case, Account shall be required to purchase the Equipment at the buy-out price indicated in the chart below. The buy-out price shall be calculated as a percentage of the purchase price of each of the Equipment based on the age of each of the Equipment commencing from the date of its respective installation, with such percentage decreasing each year through the seventh year. In addition, Account must pay any and all accrued royalties due and owing with respect to the Equipment as of the date of termination for prior non-compliant periods during the Term; provided, however, that the aggregate amount that Account shall be required to pay as the sum of the buy-out price and the accrued royalties shall in no event exceed the purchase price of the Equipment as set forth on Exhibit A. Monies previously paid by Account for any extended warranty and service contract, Accessories and Consumables will not be credited to Account upon termination of this Agreement. Upon payment of all amounts owed to Bracco hereunder, title to the Equipment shall be transferred to Account and this Agreement shall be terminated.

	Year Following Date of Installation of each Equipment							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Buy-Out Price (as a % of purchase price of Equipment)	90%	70%	50%	40%	30%	20%	10%	

In the event that either party fails to perform or otherwise defaults on a material part of this Agreement, then the other party shall have the right to notify the defaulting party of such event. If within thirty (30) days after receiving such notice of default, the party so notified fails to correct such default, then the aggrieved party may terminate this Agreement on thirty (30) days' notice and all Equipment shall be returned to Bracco immediately upon such termination; provided, however, that in the case where Bracco is the aggrieved party, Bracco may, in its sole discretion, either (A) demand, and Account shall

provide for, the immediate return of the Equipment upon such termination, or (B) issue an invoice, and Account shall pay upon such termination, an amount equal to the lesser of either: (i) the full amount of all royalties remaining due under this Agreement plus the end of Term buy-out price, as set forth above (which is based on a percentage of the purchase price of the Equipment, as set forth in Exhibit A) or (ii) one-hundred percent (100%) of the purchase price set forth in Exhibit A. Such termination and above-stated remedies shall not affect any other legal rights the aggrieved party may have under the law.

Bracco shall be excused, without penalty, and shall not be liable for damages or default for any failure to supply the Equipment to Account as contemplated by this Agreement due to circumstances beyond Bracco's control, such as strike, fire, unavoidable accidents, riot, war, terrorism, insurrection, epidemic, pandemic, viral or communicable disease outbreak, quarantines, lack of or inability to obtain fuel, power, components or materials, disruption of supply chains, disruption of transportation systems, disruption of labor force, national emergency, act, order, or requirement of any governmental authority, acts of God or other causes beyond its control.

Account acknowledges that Bracco Diagnostics Inc. and its parent companies, the Bracco Group and Bracco Imaging S.p.A., have adopted a code of ethics (the "Bracco Code of Ethics"), a copy of which is available at <https://www.bracco.com/media/1330>. The parties agree that the Bracco Code of Ethics constitutes an integral and essential part of this Agreement. By signing this Agreement, Account undertakes to abide by and comply with the provisions of the Bracco Code of Ethics, as well as with any applicable law and regulation, in any transaction performed in connection with this Agreement. Any breach of the above covenants will be grounds for termination of this Agreement, or the taking of such corrective action as Bracco deems appropriate. If requested by Bracco, Account shall permit Bracco's duly authorized delegates to have access to any relevant information as may be necessary to determine the correctness of any conduct made under this Agreement, provided that Bracco shall ensure the confidentiality of any such information received from Account and safeguard the trade secrets incorporated therein in accordance with any applicable law.

Neither this Agreement nor any right or interest hereunder may be assigned or sublicensed by Account. This Agreement contains all of the agreements between the parties with regard to the subject matter hereof. No waiver or modification of this Agreement will be valid unless made in writing and signed by both parties.

CHOICE OF LAW: Intentionally Omitted

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission, electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original appearance of the document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original Agreement for all purposes. Each party may execute this Agreement by electronic means and recognizes and accepts the use of electronic signatures by the other party in connection with the execution hereof and agrees that such electronic signatures shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law. This provision shall also apply to the execution of any subsequent written amendment to this Agreement.

[Signature Page is Next]

IN WITNESS WHEREOF, Account and Bracco have executed this Agreement as of the Effective Date stated above.

Bracco Diagnostics Inc.

Account:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Notice Addresses:

Bracco Diagnostics Inc.

KERN COUNTY HOSPITAL AUTHORITY

510 Carnegie Center, Suite 300

1700 MOUNT VERNON AVE

Princeton, NJ 08540

BAKERSFIELD, CA 93306-4018

Attn: Legal Department

Attn: _____

BRACCO DIAGNOSTICS INC.

**KERN COUNTY HOSPITAL AUTHORITY
1700 MOUNT VERNON AVE
BAKERSFIELD, CA 93306**

EXHIBIT A

Customer	List No.	Product Description	Qty	Unit Price	Extended Total
C0000045902 KERN COUNTY HOSPITAL AUTHORITY BAKERSFIELD, CA 93306	640471	EMPOWER MR INJECTOR SYSTEM	1	\$29,920.00	\$29,920.00

BRACCO DIAGNOSTICS INC.

**KERN COUNTY HOSPITAL AUTHORITY
1700 MOUNT VERNON AVE
BAKERSFIELD, CA 93306**

EXHIBIT B

Customer	List No.	Product Description	Qty	Unit Price	Extended Total	Agreement Total
C0000045902 KERN COUNTY HOSPITAL AUTHORITY BAKERSFIELD, CA 93306	016297	BIOMED - Empower MR Training - Following Bracco Technical Support training, participants will receive a system overview combined with the opportunity to utilize an individual training injector to perform service repair and Preventative Maintenance. Individual participant fees are billed per modality.	1	\$4,395.00	\$4,395.00	\$4,395.00

BRACCO DIAGNOSTICS INC.

**KERN COUNTY HOSPITAL AUTHORITY
1700 MOUNT VERNON AVE
BAKERSFIELD, CA 93306**

EXHIBIT C

Customer	List No.	Product Description	Qty	Unit Price	Extended Total
C0000045902 KERN COUNTY HOSPITAL AUTHORITY BAKERSFIELD, CA 93306	101850	EMPOWER FIELD SERVICE TESTKIT	1	\$995.00	\$995.00
C0000045902 KERN COUNTY HOSPITAL AUTHORITY BAKERSFIELD, CA 93306	109720	EMPOWERMR APPLICATIONS TRAINING	1	\$0.00	\$0.00

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

May 26, 2026

Subject: Proposed Agreement with Kalderos, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary: Kern Medical requests your Board approve the proposed 340B Discount Recipient Platform Agreement with Kalderos, Inc for Kalderos' web-based 340B claim submission platform (Truzo). Multiple drug manufacturers are now requiring claim data (deidentified) to be submitted through the Truzo platform with the intent to prevent duplicate discounts and maintain integrity in the 340B system. Access to this platform is critical as it ensures Kern Medical can continue to take advantage of purchasing prescription medications at the reduced 340B prices. There is no cost to participate this Agreement but there would be a significant financial loss without it. The Agreement is effective June 17, 2026 for an initial period of two (2) years and renews on an annual basis thereafter. The Agreement can be terminated thirty (30) days before the renew date.

Counsel is unable to approve the Agreement as to form because it includes nonstandard terms. The nonstandard terms include the inability to terminate without cause, no indemnification, governing law of Delaware amongst others. Despite attempts to negotiate the vendor was unwilling to modify their terms.

Therefore, it is recommended that your Board approve the proposed Kern Medical recommends that your Board approve the proposed agreement with Kalderos, Inc., effective June 17, 2026 through June 16, 2028, and authorize the Chairman to sign.



Authorized 340B Discount Recipient Platform Agreement Terms and Conditions

This Authorized 340B Discount Recipient Platform Agreement Terms and Conditions (together with all exhibits, appendices, annexes and attachments hereto, this "Agreement") is an agreement between you or the entity you represent ("you" or "your") and Kalderos, Inc. ("Kalderos"), effective as of the date when you enter your information and click the "confirm and next" button or check box presented with this Agreement ("Effective Date"). You represent to Kalderos that you are lawfully able to enter into contracts and have legal authority to bind any entity you represent. Each of you and Kalderos is a "Party" and together they are the "Parties." All services provided by Kalderos are described herein as the "Kalderos Services."

Kalderos has developed the Truzo Drug Discount Management Platform (as further defined below, "Management Platform") for use by Authorized 340B Discount Payors. You may use the Management Platform as provided in this Agreement for the purpose of exchanging information with Authorized 340B Discount Payors.

Certain Authorized 340B Discount Payors from which you seek to receive 340B Discount Treatment on Subject Drugs have elected to receive 340B Discount Requests from you via the Management Platform. Kalderos provides services to Authorized 340B Discount Payors with respect to the management and evaluation of 340B Discount Submissions and Requests.

1. Management Platform and Kalderos Services.

1.1 Account Set-Up.

(a) To access the Management Platform you must establish a Kalderos Account, including by providing and confirming your entity and authorized Kalderos Account user information; accepting this Agreement; identifying and verifying associated credentials, and otherwise providing information pursuant to the instructions provided in the Kalderos Account set-up documentation by Kalderos from time to time.

(b) Subject to Section 6.6, you may designate each Authorized User to manage and operate your Kalderos Account on your behalf by providing the information requested via the Management Platform for Authorized Users.

(c) You acknowledge and agree that setting up your Kalderos Account is necessary to use the Management Platform.

1.2 Support. Kalderos will provide support for the Management Platform as described in the help center accessible via the Kalderos website, as modified from time to time by Kalderos.

1.3 Accuracy of Information. You represent and warrant that all information you provide to Kalderos is true, accurate and complete, including all information in your Kalderos Account profile, and you agree to promptly update any such information provided to establish your Kalderos Account.

2. Data Submission.

2.1 You may submit data elements that may be required by certain Authorized 340B Discount Payors through the Submission Application. Data elements are those as required by the applicable 340B Discount Payor's Policies, and that may be updated or changed by an Authorized 340B Discount Payor from time to time.

3. Request Validation.

3.1 Request Validation. Following submission of a 340B Discount Request, the 340B Discount Request may be subject to validation procedures ("Validation") to test whether the 340B Discount Request (i) lacks sufficient information based upon which to make a determination as to

eligibility, or (ii) is ineligible for 340B Discount Treatment (whether due to characteristics of the underlying Dispensed Subject Drug, duplication of another request for 340B Discount Treatment, or otherwise). If the 340B Discount Request does not satisfy Validation, the 340B Discount Request will be deemed to have “Failed” (and such failure to satisfy, a “Failure”). If a 340B Discount Request Failed, Kalderos will notify you of such Failure and the reason, therefore. You may submit a revised version of any such 340B Discount Request that corrects the Failure and such resubmission will be treated as a new 340B Discount Request. Validation may include verification of, among other things, the following:

(a) The 340B Discount Request includes the data elements enumerated by the applicable 340B Discount Payor’s Policies;

(b) According to the HRSA Office of Pharmacy Affairs Information System public Covered Entity searchable database, currently available at <https://340bopais.hrsa.gov/coveredentitysearch>, you were eligible to receive 340B Discount Treatment as of the date the relevant Dispensed Subject Drug was dispensed; and the dispensing Pharmacy is one of your authorized Contract Pharmacy(ies);

(c) 340B Discount Treatment has not previously been received or requested for the Dispensed Subject Drug;

(d) The 340B Discount Request otherwise conforms with the Authorized 340B Discount Payor’s Policy (ies); and

(e) A drug rebate has not previously been paid on the Dispensed Subject Drug such that 340B Discount Treatment in respect thereof would result in a duplicate discount under Applicable Law.

3.2 Reports. Kalderos will make available via the Management Platform a report for each Authorized 340B Discount Payor in respect of whom you made a 340B Discount Request (based on information made available to Kalderos by each Authorized 340B Discount Payor). The report will include a record of the following:

(a) Transaction details in respect of each 340B Discount Approval or 340B Discount Failure (including the reason for any such 340B Discount Failure); and

(b) Total number of each 340B Discount Approvals, and 340B Discount Failures.

4. Change Process. Kalderos may from time to time change the Kalderos Services, the Management Platform and/or the terms and conditions of this Agreement (including by modifying the terms and conditions hereof or adding additional terms and conditions) and you will cooperate with Kalderos as necessary to implement any such changes. Kalderos may at any time designate additional Subject Drugs, or remove a designated Subject Drug, by modifying the list of designated Subject Drugs available on the Kalderos website accordingly.

5. Taxes. Each Party shall be responsible for and shall pay any real or personal property taxes on property it owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts, or its share of the net income or gross receipts generated by the transactions contemplated by this Agreement, and all interest and penalties thereon.

6. Additional Representations, Warranties and Covenants. You make the following representations, warranties and covenants, as of the Effective Date and at such other times provided below:

6.1 You qualify as an Authorized 340B Discount Recipient at any time you submit a 340B Discount Request.

6.2 Anyone accessing your Kalderos Account is at least 18 years of age or older and a resident of the United States at the time of access.

6.3 Each time you submit a 340B Discount Request, have not requested or received, and will not request or receive, 340B Discount Treatment in respect of the applicable Dispensed Subject Drug (other than the submission of such 340B Discount Request via the Management Platform).

6.4 You are and on an ongoing basis will continue to be a business organized and located in the United States.

6.5 You comply, and on an ongoing basis will continue to comply, with Applicable Law in all material respects relevant to this Agreement, and the Management Platform. Kalderos is not responsible for ensuring that your business complies with Applicable Law in any respect, including with respect to your practices for requesting or receiving 340B Discount Treatment in respect of any Dispensed Subject Drug, and you are not relying on Kalderos for such purpose.

6.6 With respect to any Authorized User acting on your behalf in the use of your Kalderos Account, on an ongoing basis:

(a) You are responsible for any act, omission or representation made by such Person, including any transactions such Person may authorize, or any information provided by such Person, to the same extent as if you had carried out such act or omission, made such representation or provided such information on your own behalf;

(b) You are responsible for ensuring that any such Person is subject to applicable pass-through obligations consistent with your obligations hereunder, including Sections 7 through 10; and

(c) To the extent such Person provides or receives any data or information with respect to any transaction on the Management Platform, such Person is duly authorized to provide or receive such data or information subject to the terms hereof.

7. Data Security and Security Procedures.

7.1 You are responsible for the security of all information and data in your possession or control and for your compliance with Applicable Law in connection with your data privacy and security policies and procedures, including your sharing of information and data with Kalderos. You must use commercially reasonable efforts to protect and secure information and data related to your use of the Management Platform from unauthorized use or disclosure, such as your Kalderos Account credentials. If data belonging to you relating to your use of the Management Platform, such as your Kalderos Account credentials, has been accessed, acquired or disclosed without authorization ("Breach"), you must promptly notify Kalderos within 24 hours of discovering a suspected or confirmed Breach. You acknowledge that Kalderos shall not be liable for any misuse of your account credentials, improperly processed or unauthorized data transmitted to Kalderos. Kalderos' liability for improperly processed or unauthorized 340B Discount Data except solely attributable to the gross negligence of Kalderos and is limited pursuant to Section 19.

7.2 Kalderos does not guarantee the security of the Management Platform or any data on the Management Platform, and Kalderos will not be responsible in the event of any unauthorized access to its systems or any unauthorized access to, acquisition of, or disclosure of such data, provided that Kalderos has used commercially reasonable efforts designed to prevent any such access, acquisition or disclosure. You further acknowledge and agree that Kalderos is not responsible for the security of any data within any server or system not owned or controlled by Kalderos.

7.3 Without limiting your obligations under this Agreement, you will not code or introduce into the Management Platform or otherwise transmit to Kalderos, any viruses, Trojan horses,

worms, spyware, back doors, email bombs, malicious code or similar items (collectively, “Malware”), and you will use all reasonable efforts to prevent Malware from being introduced into the Management Platform or transmitted to Kalderos by third parties, provided that, in the event that Malware is found to have been introduced into the Management Platform or transmitted to Kalderos, you will use your best efforts to mitigate the effects of the Malware and, if the Malware causes a loss of operational efficiency or loss of data, mitigate and restore such losses at your sole cost and expense.

8. Data Integrity. You are solely responsible for verifying the accuracy and completeness of all data submitted to and processed by Kalderos with respect to you.

9. Data Privacy – Provision and Use of Data.

9.1 You shall provide Kalderos, acting on behalf of the Authorized 340B Discount Payors, accurate, timely, up to date and minimally necessary information for payment purposes as requested to process the 340B Discount Treatment. Both Parties acknowledge and agree that Kalderos is not a HIPAA business associate to you.

9.2 You represent and warrant that you have all necessary consents, permissions, and authorizations, as applicable, to provide the data you provide to or through the Management Platform (collectively, “Recipient Data”), including with respect to each 340B Discount Submission, Discount Request, in each case to Kalderos on behalf of the applicable Authorized 340B Discount Payor. Kalderos will enter into an agreement with such Authorized 340B Discount Payor pursuant to which Kalderos shall process the data on behalf of the Authorized 340B Discount Payor, and that such Authorized 340B Discount Payor agrees to use or disclose, including disclosing to contractors and third party service providers, Recipient Data solely for the Authorized 340B Discount Payor’s internal business purposes, government pricing compliance, account reconciliation, identification of potential duplicate discounts, dispute resolution, or otherwise as necessary to fulfill its obligations and exercise its rights thereunder.

9.3 You will use or disclose, as applicable, data you receive from Authorized 340B Discount Payors via the Management Platform (including any 340B Discount Approvals and 340B Discount Failures) solely for purposes of account reconciliation, dispute resolution and otherwise as necessary to fulfill your obligations and exercise your rights hereunder.

9.4 Kalderos may use or disclose, or permit to be used or disclosed, the Recipient Data you provide as follows:

(a) To provide the Kalderos Services to Authorized 340B Discount Payors, including to provide the Management Platform to you;

(b) For purposes of dispute resolution;

(c) As Kalderos deems necessary for the provision of analytics, risk assessments, optimization and modeling, for business management and operations, and to develop, modify or improve the Management Platform, the Kalderos Services or other related products and services provided by or through Kalderos, including for purposes of development of algorithms, modeling, prediction, risk management and analytics;

(d) To perform Validation of 340B Discount Submissions and 340B Discount Requests, including by validating 340B Discount Submissions and 340B Discount Requests against third party governmental and non-governmental databases to ensure the propriety of the underlying claim for compliance with Applicable Law and contracts, including 340B Discount Treatment, including, where applicable, whether the Dispensed Subject Drug qualifies for a 340B Discount and whether the 340B Discount Request is duplicative of any other paid or claimed 340B Discount Treatment; and

(e) To comply with Applicable Law and to provide information to any Governmental Authority in connection with a request or requirement to provide such information or pursuant to legal process.

9.5 Kalderos' agreement with Authorized 340B Discount Payors will include that the Authorized 340B Discount Payor inform any third-party to whom they disclose any Recipient Data that the third-party is only permitted to use such Recipient Data as provided herein.

10. Confidentiality. You will keep confidential any Authorized 340B Discount Payor information provided to you by Kalderos in connection with the Management Platform, it being understood that you may disclose Authorized 340B Discount Payor information (i) as provided in Section 9.3 and (ii) to applicable Pharmacies or third-party administrators to the extent necessary to follow their normal processes for requesting 340B Discount Treatment and provided such Pharmacies and third-party administrators are bound by written obligations of confidentiality. You will keep confidential this Agreement and any related methodologies, work approaches, tutorials, procedures, techniques, algorithms, and processes of Kalderos to which you become privy pursuant to your use of the Management Platform, and may share such information solely on a need-to-know basis with Kalderos' express written consent. You may not permit, issue, or cause the publication of any press release or other public announcement relating to the activities contemplated by the Agreement without Kalderos' prior written consent.

11. Intellectual Property.

11.1 Retention of Ownership. You acknowledge and agree that any software or other materials provided to you by Kalderos remains Kalderos' property. Kalderos may update such software automatically on your device.

11.2 License Grant; Restrictions. During the Term, Kalderos grants to you a royalty-free, non-assignable and non-exclusive license to use such software, for the sole purpose of enabling you to establish your Kalderos Account, access the Management Platform and submit data using the Management Platform to enable Authorized 340B Discount Payors to receive the Kalderos Services, in the manner permitted by this Agreement. Use of the Kalderos API, if made available to you, is also subject to all terms in the Documentation applicable to the Kalderos API. You may not copy, modify, distribute, sell, or lease any part of the Management Platform, or included software, nor may you reverse engineer or attempt to extract the source code of that software, unless Applicable Law prohibits those restrictions, or you have Kalderos' written permission.

11.3 License to Use Feedback. You grant to Kalderos a worldwide, perpetual, irrevocable, royalty-free, sublicensable license to use and incorporate into its products and services any suggestion, enhancement request, recommendation, correction or other feedback provided by you or your users or personnel relating to the operation of Kalderos' products or services.

12. E-Sign Consent. You agree to the terms of Annex 1 hereto.

13. Disputes. Without limitation of any Person's rights under Applicable Law, Kalderos will use commercially reasonable efforts upon request to truzo-support@kalderos.com to facilitate the resolution of disputes related to the Kalderos Services.

14. Term. This Agreement will be effective during the period beginning on the Effective Date and will continue for an initial term of 2 years (the "Initial Term"), unless earlier terminated pursuant to Section 157. After the Initial Term, this Agreement will renew automatically for additional 1-year periods (each, a "Renewal Term") unless either Party provides to the other Party written notice of such Party's intent not to renew this Agreement at least 30 days prior to the end of the Initial Term or the

then-current Renewal Term, as applicable. “Term” means the Initial Term together with any Renewal Term.

15. Termination.

15.1 Kalderos may suspend (without prior notice) this Agreement immediately upon your material breach of any term or condition hereof and may terminate this Agreement upon written notice if you fail to cure such breach within 30 days after written notice of such breach from Kalderos. Kalderos may notify you following any such suspension.

15.2 Kalderos may suspend (without prior notice), restrict (without prior notice) or terminate upon written notice this Agreement with immediate effect, and may exercise such rights automatically, if:

(a) Kalderos suspends, restricts or terminates your use of the Management Platform; or

(b) Kalderos determines, including pursuant to a change in law or interpretation thereof, that its offering of the Kalderos Services, or the Management Platform may violate law.

Kalderos may notify you following any such suspension or restriction.

15.3 Kalderos may suspend (without notice), restrict (without notice) or terminate upon written notice this Agreement if (i) a receiver or trustee is appointed for you or all or substantially all of your assets; (ii) you make an assignment for benefit of its creditors; (iii) you commence a voluntary proceeding in bankruptcy, insolvency, or other similar proceeding; (iv) an involuntary proceeding in bankruptcy, insolvency, or other similar proceeding is commenced against you, which proceeding is not discharged within sixty (60) days after the commencement; or (v) you commence to liquidate or dissolve your entity.

15.4 You and Kalderos may terminate or suspend this Agreement upon written 30 days’ written notice.

15.5 Effect of Termination.

(a) If this Agreement is terminated or expires for any reason or, to the extent appropriate, during the period of any suspension or restriction:

(i) Solely to the extent that a pending transmission of 340B Discount Data has been submitted by Kalderos at or prior to the time of such termination, expiration, suspension or restriction, such pending transmission shall be completed in accordance herewith, and Kalderos will have no further obligation;

(ii) Kalderos will promptly stop allowing you to use the Management Platform to submit new 340B Discount Requests, or other data unrelated to pending transmissions; and

(iii) The license(s) described in Sections 11.1 and 11.2 will immediately and automatically terminate.

(b) Kalderos is not responsible for completing any transactions or submission of data with respect to an Authorized 340B Discount Payor whose access to its Kalderos Account or the Management Platform has been terminated or suspended (an “Inactive User”). If you submit any 340B Discount Request or 340B Discount Reversal in respect of any Inactive User, Kalderos will not communicate such 340B Discount Request or 340B Discount Reversal to the Inactive User. For clarity, to the extent that a pending transmission of 340B Discount Data has been submitted by Kalderos, at or prior to the time an Authorized 340B Discount Payor becomes an Inactive User, such pending transmission shall be completed in accordance

herewith. Kalderos will notify you via the Management Platform if an Authorized 340B Discount Payor with respect to whom you have a pending 340B Discount Request, becomes an Inactive User.

(c) All provisions of this Agreement that by their nature are intended to survive termination or expiration of this Agreement, including all payment obligations accrued during the term will survive termination or expiration of this Agreement for any reason, including, but not limited to: Appendix A, 7 through 10, 11.1, 11.3, , 15.5, and 16 through 25. The termination or expiration of this Agreement for any reason shall have no effect on any liabilities accrued prior to such termination or expiration.

16. Indemnification. Notwithstanding the indemnification provisions set forth in this Agreement, or any other provision of this Agreement, the Parties hereby agree that neither Party shall be permitted to assert a claim for indemnification against the other Party resulting from any third-party claim, demand, suit or proceeding alleging that use of the Management Platform violates and/or is not authorized under Applicable Law.

16.1 You agree to defend, indemnify and hold harmless Kalderos and its affiliates, and its and their respective officers, directors, agents, employees, and suppliers (collectively, "Related Parties"; with Kalderos, the "Indemnified Parties") from any third-party claims, actions, proceedings or suits, and any resulting liabilities, damages, settlements, penalties, fines, costs, or expenses (including reasonable attorneys' fees and other litigation expenses) arising from: (i) your violation of this Agreement or Applicable Law; (ii) use of the Management Platform and use of your Kalderos Account, in each case whether or not authorized by you; (iii) your fraud, negligence or willful misconduct in connection with the Kalderos Services or your Kalderos Account; (iv) loss or corruption of data on the Management Platform in connection with or arising through access to your Kalderos Account.

16.2 Kalderos shall promptly notify you if it learns of an indemnifiable claim against an Indemnified Party, and Kalderos shall reasonably cooperate with you in your defense of such claim at your expense. You shall not be liable for any claim settled without your consent, which consent shall not be unreasonably withheld or delayed. You shall obtain Kalderos' consent prior to ceasing to defend, settling or otherwise disposing of any claim if as a result thereof Kalderos or any Indemnified Party would become subject to injunctive or other equitable relief, or would admit any wrongdoing or unindemnified liability.

17. Governing Law; Mandatory Arbitration; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof. Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator shall be binding and may be entered in any court having jurisdiction thereof. Such arbitration shall take place in Chicago, Illinois. Such arbitration shall be conducted in English by one arbitrator mutually acceptable to the Parties selected in accordance with AAA rules. The arbitrator shall not have the power to award any punitive damages or any damages excluded by this Agreement. BY AGREEING TO BINDING ARBITRATION, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH THEREOF. If for any reason any controversy or claim arising out of or relating to this Agreement cannot be arbitrated as provided in this Section 17, each Party hereby irrevocably consents to the jurisdiction of the state and federal courts sitting in Wilmington, Delaware with respect thereto.

18. DISCLAIMER OF WARRANTY. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE MANAGEMENT PLATFORM, THE KALDEROS ACCOUNT, ANY OTHER

PRODUCTS OR SERVICES PROVIDED HEREUNDER ARE PROVIDED "AS IS" AND "AS AVAILABLE", WITHOUT ANY REPRESENTATION OF WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, KALDEROS MAKES NO REPRESENTATION OR WARRANTY THAT THE MANAGEMENT PLATFORM, THE KALDEROS ACCOUNT, ANY THIRD-PARTY PROPERTIES TO WHICH KALDEROS MAY GRANT ITS CUSTOMERS APPROPRIATE ACCESS UNDER APPLICABLE LICENSES OR ANY OTHER PRODUCTS OR SERVICES PROVIDED OR MADE AVAILABLE HEREUNDER WILL MEET YOUR REQUIREMENTS OR BE CONTINUOUS, UNINTERRUPTED, OR ERROR-FREE.

19. Limitation of Liability.

19.1 NEITHER KALDEROS NOR ANY OF ITS RELATED PARTIES SHALL HAVE ANY LIABILITY TO YOU FOR ANY DIRECT DAMAGES, LOSSES, EXPENSES OR OTHER LIABILITY OF ANY KIND INCURRED BY YOU, EXCEPT TO THE EXTENT SUCH LOSSES ARE DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF KALDEROS OR ANY OF ITS RELATED PARTIES ACTING IN SUCH CAPACITY.

19.2 IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY, DAMAGES OR LOSSES, INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, DATA, USE, OR OTHER INTANGIBLE LOSSES INCURRED IN CONNECTION WITH (I) THIS AGREEMENT OR (II) A PARTY'S USE OF, INABILITY TO USE, OR UNAVAILABILITY OF THE SUBMISSION APPLICATION, THE REQUEST APPLICATION, THE REFUND APPLICATION, THE MANAGEMENT PLATFORM OR ANY OTHER PRODUCT OR SERVICE PROVIDED HEREUNDER, UNDER ANY THEORY OF LIABILITY OR CAUSE OF ACTION WHETHER IN TORT (INCLUDING NEGLIGENCE), CONTRACT OR OTHERWISE, REGARDLESS OF WHETHER YOU HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR YOUR OR KALDEROS' OBLIGATIONS TO PAY ANY AMOUNTS OWED UNDER THIS AGREEMENT, INCLUDING ANY AMOUNTS OWED TO KALDEROS, IN NO EVENT WILL EITHER PARTY'S LIABILITY OR THAT OF ANY OF ITS RELATED PARTIES EXCEED ONE HUNDRED (\$100) DOLLARS. THIS LIMITATION OF LIABILITY SECTION 19 WILL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW.

19.3 NOTWITHSTANDING THE LIMITATION OF LIABILITY AND EXCLUSION OF DAMAGES SET FORTH HEREIN, EACH PARTY SHALL BE LIABLE FOR UNLIMITED DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES TO THE EXTENT ARISING OUT OF: (I) BREACH OF ITS CONFIDENTIALITY OBLIGATIONS IN SECTION 10 OR ITS INDEMNIFICATION OBLIGATIONS HEREUNDER; (II) GROSSLY NEGLIGENT OR WILLFUL MISCONDUCT BY IT OR ITS RELATED PARTIES; (III) LOSSES COVERED BY ANY ERRORS OR OMISSIONS OR OTHER INSURANCE CARRIED BY THE PARTY; OR (IV) FRAUD OR VIOLATION OF APPLICABLE LAW BY IT OR ITS RELATED PARTIES.

20. Assignment. You may not transfer, assign, or delegate this Agreement or any of your rights, obligations, or duties hereunder, without the prior written consent of Kalderos. For purposes of the preceding sentence, a transfer, assignment or delegation includes (a) a merger, consolidation or similar transaction providing for the acquisition of the direct or indirect ownership of 50% or more of your outstanding voting securities or the power to direct the management of your company or (b) a sale of all or substantially all of your assets related to the subject matter of this Agreement. This Agreement will be binding upon the permitted successors, legal representatives and assigns of you and Kalderos. Any breach of this Section 20 is deemed to be a material breach for purposes of Section 15.1.

21. Force Majeure. Neither Party is responsible for any delay or failure to perform its obligations under this Agreement during any period in which such performance is delayed by circumstances beyond its reasonable control (including any circumstance resulting from the inability to provide any product, service or feature due to reliance on any third party but excluding any event or circumstance to the extent that it results in a Party's not having sufficient funds to comply with an obligation to pay money), including weather, fire, flood, earthquake, war, embargo, strike, riot, civil unrest, acts of terrorism, the intervention of any Governmental Authority. In the event of such a failure, provided notice is provided to the other Party, such Party's obligations will be suspended until such Party is able to perform.

22. Third Party Beneficiaries. This Agreement is intended for the exclusive benefit of the Parties and not intended to benefit any third party.

23. No Waiver. The failure of either Party at any time to require performance by the other Party of any provision of this Agreement will in no way affect that Party's right to enforce such provisions, nor will the waiver by either Party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.

24. Notices. Any notice given pursuant to this Agreement must be in writing by (a) personal service or (b) next business day courier, postage prepaid, to the address below for Kalderos and to the address in the Management Platform for you, or as otherwise changed through written notice to the other Party. Notice given by personal service will be deemed effective on the date it is delivered to the addressee and notice given by courier will be deemed effective one business day after deposit with such courier for next business day deliver (as evidenced by the records of such courier).

Kalderos, Inc.
625 West Adams Street, Suite 20
Chicago, Illinois 60661
Attn: Legal Department

25. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes any and all previous representations, understandings, or agreements between the Parties as to the subject matter hereof. Any additional or inconsistent terms in any purchase order, acceptance, acknowledgment or similar document provided by you are hereby rejected and shall not be part of any agreement between the Parties.

[Remainder of page left intentionally blank]

KERN COUNTY HOSPITAL AUTHORITY

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Phillip Jenkins
Kern County Hospital Authority

By: _____
Chairman, Board of Governors
Date: _____

Appendix A to Agreement

Definitions

The following terms have the following meanings in this Agreement:

“340B Discount” means, for a given transaction for a Subject Drug, an amount equal to the difference between (i) the published Wholesale Acquisition Cost (“WAC”) or, if applicable and permitted by Applicable Law, the relevant Group Purchasing Organization (“GPO”) price, and (ii) the applicable 340B Price on the dispense date of the Subject Drug.

“340B Discount Approval” means an Authorized 340B Discount Payor’s approval via the Management Platform of a 340B Discount Request in an amount (the “340B Discount Approval Amount”) equal to the 340B Discount Request Amount.

“340B Discount Failure” means an Authorized 340B Discount Payor’s action via the Management Platform to identify a 340B Discount Request that has Failed.

“340B Discount Request” means a request by an Authorized 340B Discount Recipient via the Management Platform in respect of a Dispensed Subject Drug, and in an amount (the “340B Discount Request Amount”), specified in such request.

“340B Discount Submission” means submission by an Authorized 340B Discount Recipient via the Management Platform of data elements as may be required by an Authorized 340B Discount Payor on a scheduled basis.

“340B Discount Treatment” means the benefit of a 340B Discount or the 340B Price, as applicable.

“340B Price” means either the statutorily defined ceiling price (as defined under 42 U.S.C. § 256b) or a subceiling price (as instructed by the Authorized 340B Refund Payor) of a Subject Drug on the dispense date of the Subject Drug.

“340B Statute” means the statute at 42 U.S.C. § 256b.

“Applicable Law” means all applicable federal, state, and local laws, rules, and regulations, including those governing the 340B drug discount program established pursuant to the 340B Statute, the Medicaid Drug Rebate Program at 42 U.S.C. § 1396r-8, the Federal Anti-Kickback Statute at 42 U.S.C. § 1320a-7b(b) and the regulatory safe harbors set forth at 42 C.F.R. § 1001.952, information and data security, and privacy.

“Authorized 340B Discount Payor” means a Person duly authorized by Applicable Law or contract to offer the 340B Price or 340 Discount as a Manufacturer.

“Authorized 340B Discount Payor’s Policy” means the policy document outlining the Authorized 340B Discount Payor’s requirements for a Covered Entity to be eligible to receive the 340B Price on a given Subject Drug of the Authorized 340B Discount Payor, including without limitations any Contract Pharmacy policies. Authorized 340B Discount Payor Policies, as applicable, will be available on the Kalderos’ website and/or the Management Platform.

“Authorized 340B Discount Recipient” means a health care provider or other Person duly authorized by Applicable Law or contract to receive the 340B Discount.

“Authorized User” means any Person whom you have authorized to act on your behalf to use your Kalderos Account and the Request Application.

“Breach” has the meaning set forth in Section 7.

“Contract Pharmacy” means a Pharmacy that has an agreement with a Covered Entity to dispense drugs to a Covered Entity’s patients and that is listed in the HRSA Office of Pharmacy Affairs Information System

public contract pharmacy searchable database, currently available at <https://340bopais.hrsa.gov/ContractPharmacySearch>.

“Core System” means, with respect to a business, the data processing software application(s), platform(s) and hardware used by such business for processing and accounting for key business transactions.

“Covered Entity” means a “covered entity” for purposes of 42 U.S.C. § 256b (the “340B Statute”).

“Dispensed Subject Drug” means the Subject Drug that has been dispensed and for which you are making a 340B Discount Request.

“Documentation” means the Kalderos Service usage guidelines and other documentation published at help.kalderos.com (as Kalderos may update from time to time), as well as any other documentation for the Request Application or the Management Platform that Kalderos may publish or provide to you from time to time.

“Failure” or “Failed” has the meaning set forth in Section 3.1.

“Governmental Authority” means any government, any state or any other political subdivision thereof, and any agency or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, in each case whether federal, state or local.

“HRSA” means the Health Resources and Services Administration, an agency of the U.S. Department of Health and Human Services.

“Inactive User” has the meaning set forth in Section 15.5(b)

“Indemnified Party” has the meaning set forth in Section 16.1.

“Initial Term” has the meaning set forth in Section 14.

“Kalderos Account” means an account established on the Management Platform pursuant to Section 3.1. For clarity, a Kalderos Account is a customer account that does not receive, hold or transfer funds.

“Kalderos API” means the Request Application and Refund Application programming interface and associated software provided to you by Kalderos pursuant to the Documentation.

“Kalderos Privacy Policy” means the Privacy Policy available at <https://www.kalderos.com/company/privacy-policy> as it may be amended from time to time, or any successor document.

“Kalderos Services” has the meaning set forth in the preamble to this Agreement.

“Malware” has the meaning set forth in Section 7.3.

“Management Platform” means the proprietary Truzo Drug Discount Management Platform made available by Kalderos to provide the Kalderos Services to Authorized 340B Discount Payors and enable Authorized 340B Discount Recipients to request and receive the 340B Discount.

“Manufacturer” means any entity which is engaged in the production, preparation, propagation, compounding, conversion or processing of prescription drug products either directly or indirectly or in the packaging, repackaging, labeling, relabeling, or distribution of prescription drug products, excluding wholesale distributors and retail or specialty pharmacies licensed under state law.

“Person” means a natural person (an individual), a business organization such as a partnership, corporation or other organization of limited or unlimited liability (whether or not for profit), an agency or other instrumentality of a government, or any other organization or entity.

“Pharmacy” means a licensed pharmacy, such as a retail, mail-order, or institutional pharmacy, that provides prescription drugs to customers.

“Recipient Data” has the meaning set forth in Section 9.2.

“Renewal Term” has the meaning set forth in Section 144.

“Subject Drugs” means the prescription drug products designated by Kalderos from time to time on the Kalderos website or any successor website for which 340B Discount Submissions or 340B Discount Requests may be submitted.

“Term” has the meaning set forth in Section 144.

“Validation” has the meaning set forth in Section 3.1.

**Annex 1 to Authorized 340B Discount Recipient Platform Agreement Terms and Conditions
E-SIGN Consent**

1. Communications. By opening a Kalderos Account or using the Kalderos Services, you consent to receive all Communications from Company electronically and you confirm that you can access, receive and retain such Communications. "Communications" means all communications, terms, disclosures, notices, and statements that Company provides to you in connection with your Kalderos Account and your use of the Kalderos Services. Company provides Communications to you by posting them on kalderos.com (or a subdomain of Kalderos.com) or by emailing them to you at the email address associated with your Kalderos Account.

2. Notices to you. A Communication will be considered to be received by you within 24 hours after the time we post it to our website or email it to you.

3. Hardware and software requirements. In order to access and retain Communications electronically, you need the following hardware and software:
 - 3.1 A computer, laptop, smartphone, or other device, that is Internet-enabled;
 - 3.2 A valid email account associated with your Kalderos Account;
 - 3.3 A web browser which includes 128-bit encryption, such as current versions of Chrome, Internet Explorer, Firefox, or Safari, with cookies enabled; and
 - 3.4 Data storage to save Communications electronically or an installed printer to print them.

4. Keeping your contact information updated. You must keep your email address updated in order to receive Communications from Company electronically. To update the email address associated with your Kalderos Account, please contact Kalderos at truzo-support@kalderos.com.

5. Requesting paper copies. You may request a paper copy of a Communication that we provided to you electronically by contacting Kalderos at truzo-support@kalderos.com. We will send it to the mailing address on file for your Kalderos Account. Kalderos may charge you a fee of \$5.00 for each paper copy of a Communication sent to you.

6. Withdrawing consent. You may withdraw your consent to receive Communications electronically by contacting us at truzo-support@kalderos.com. If you withdraw your consent, Company may prohibit you from using the Kalderos Services and may close your Kalderos Account.

7. How to contact us regarding electronic Communications. If you have any questions regarding our policy on electronic Communications, please email us at truzo-support@kalderos.com.

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

June 17, 2026

Subject: Proposed Quote Q02120 with Sentec, Inc.

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed quote Q02120 with Sentec, Inc. for the scheduled maintenance of a Percussionaire VDR4 ventilator in an amount not to exceed \$3,500. This critical care device provides breathing support for patients when they cannot breathe on their own. This vendor was selected because they are the authorized service provider for this ventilator. The quote will be effective June 17, 2026.

Counsel is unable to approve the terms as to form because the quote includes the unmodified terms of the vendor. The terms do not include provisions for governing law, indemnification, among other terms. Despite attempts by Counsel to negotiate, the vendor was unwilling to engage.

Therefore, it is recommended that your Board approve the proposed quote Q02120 with Sentec, Inc. for the maintenance of a Percussionaire VDR4 ventilator with a not to exceed amount of \$3,500 plus tax and shipping, effective June 17, 2026, and authorize the Chairman to sign.



Repair Estimate

#Q02120
Date: 03/25/2026

Bill To

Kern Medical Center
PO Box 3519
ACCOUNTS PAYABLE
Bakersfield CA 93385
United States

TOTAL

\$3,500.00

Quote Expires: 04/24/2026

Quote Prepared By	Terms	Incoterms	Shipping Method
3143 Service Department, US	Net 30		UPS® Ground

Quantity	Item	Rate	Amount
1	PA S00018-2 VDR4, W/MULTIMETER, NO MONITRON	\$0.00	\$0.00
1	PA-SVC PA-SVC: PERCUSSIONAIRE SERVICE SVC ANNUAL PM VDR420000001	\$3,500.00	\$3,500.00

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Phillip Jenkins
Kern County Hospital Authority

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Chairman, Board of Governors

Date: _____

Subtotal	\$3,500.00
Shipping	-\$0.00
Discount	-
Tax Total (%)	\$0.00
Total	\$3,500.00

Service Required:

Customer reports unit makes internal grinding/ whirring noise during operation. SVC Annual PM VDR420000001.

Terms and Conditions: By sending your device into Sentec Service, the responsible party (end user) accepts a service charge if the device is deemed unrepairable due to age of device, availability of parts or the end user refuses the repair of said device. If your device is deemed "Not for clinical use", Sentec is obligated to return your device upon receipt of a service charge of \$500.00 for labor incurred. Sentec will provide and file documentation that a device has been labeled "Not for clinical use" and it will be the responsibility of the end user to dispose of the device properly upon return of said device.

Thank you from the Sentec Service Team!



Q02120

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

June 17, 2026

Subject: Proposed Amendment No. 2 to Agreement 61523 with Anh Dao, M.D., an independent contractor, for professional medical services in the Department of Radiology

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting your Board approve the proposed Amendment No. 2 with Anh Dao, M.D., for professional medical services in the Department of Radiology with an effective date of June 17, 2026. Dr. Dao provides radiology reading services on an as-needed basis in the Department of Radiology.

Dr. Dao has provided radiology services at Kern Medical as an independent contractor since 2023. Kern Medical continues to require the services of Dr. Dao to provide scheduled and as-needed coverage within the Department of Radiology. This amendment extends the term of the agreement by two additional years from September 1, 2026, through August 31, 2028. This amendment also increases the per diem compensation rate to \$2,400 per day for weekend services and increases the hourly rate to \$235 per hour for weekday coverage. To cover the extended term of the agreement, the maximum payable is increased by \$700,000, from \$750,000 to \$1,450,000. These rates are calculated based on current Medical Group Management (MGMA) Physician Compensation and Production Survey for radiology and represents a reasonable fair market value for the services being provided. Dr. Dao provides services as assigned by the Department Chair. Kern Medical bills and collects all professional fees for services provided by Dr. Dao during the term of the agreement.

Therefore, it is recommended that your Board approve the Amendment No. 2 to Agreement 61523 with Anh Dao, M.D., for professional medical services in the Department of Radiology, extending the term of the agreement from September 1, 2026 through August 31, 2028 and increasing the maximum payable by \$700,000, from \$750,000 to \$1,450,000 to cover the term of the agreement, and authorize the Chairman to Sign.

**AMENDMENT NO. 2
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Anh Dao, M.D.)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Anh Dao, M.D., a sole proprietor (“Contractor”), whose principal place of business is located at 102 Tantara, Irvine, California 92602.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. 61523, dated September 7, 2023) and Amendment No. 1 (Agt. 64425, dated August 20, 2025) (collectively the “Agreement”), for the period September 1, 2023 through August 31, 2026, for professional medical services in the Department of Radiology at KMC; and

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

(c) The Agreement is amended effective June 17, 2026, except as otherwise set forth herein;

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

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** This Agreement shall be effective and the term shall commence as of September 1, 2023 (the “Effective Date”), and shall end August 31, 2028, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. **Effective September 1, 2026**, Section 4, Payment for Services, paragraph 4.1, Compensation, subparagraph 4.1.1, Weekday Shift Coverage, shall be deleted in its entirety and replaced with the following:

“4.1.1 Weekday Shift Coverage. Authority shall pay Contractor hourly rate of \$235 per hour for weekday coverage (Monday-Friday).”

3. **Effective September 1, 2026**, Section 4, Payment for Services, paragraph 4.1, Compensation, subparagraph 4.1.2, Weekend and Holiday Shift Coverage, shall be deleted in its entirety and replaced with the following:

“4.1.2 Weekend and Holiday Shift Coverage. Authority shall pay Contractor a per diem rate of \$2,400 per day for weekend and holiday coverage (Saturday and Sunday; designated Authority holidays only).”

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

“4.2 Maximum Payable. The maximum payable under this Agreement shall not exceed \$1,450,000 over the five (5) year term of this Agreement.”

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

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

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

8. Except as provided herein, all other terms, conditions, and covenants of the Agreement 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.

CONTRACTOR

By Anh Dao
Anh Dao, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

June 17, 2026

Subject: Proposed Quote with Baxter International, Inc.

Requested Action: Approve; Authorize Chairman to sign

Summary: Kern Medical requests Board approval for the proposed Quote with Baxter International, Inc., for specialized training of our technicians on Baxter/Welch Allyn vital signs monitors to enable in-house repair and calibration. These devices must be properly calibrated and maintained before being placed into patient use to ensure safety and regulatory compliance. Without this training, each unit would need to be sent out for service at a cost of \$896 per device. With a total fleet of 196 units, this would result in a significant financial impact. Approving the Quote will allow Kern Medical to maintain these devices internally, reduce service costs, minimize equipment downtime, and ensure timely availability of properly functioning equipment for patient care. The quote will be effective on June 17, 2026 in an amount not to exceed \$2,100.

Counsel is unable to approve the terms as to form because they include limitations on the liability, interest on late payments, silence on jurisdiction, in addition to other nonstandard terms. Despite negotiations, counsel was unsuccessful in negotiating these terms.

Therefore, it is recommended that your Board approve the proposed Training Quote with Baxter International, Inc., for training with a not to exceed amount of \$2,100 plus tax and shipping, and authorize the Chairman to sign.



Welch Allyn Inc
4341 State Street Road
SKANEATELES FALLS NY 13153

Quotation

Page 1 of 5
Reference # 60472747
Quotation Date 01/26/2026

Remit To:
WELCH ALLYN, INC
PO BOX 73040, CHICAGO IL 60673-7040
Account # 5145937
ABA: 071000013 (ACH) / ABA: 021000021 (Wires)
Remit: globalcashremittances@hill-rom.com

Bill To: 10925741 / Payer: 10925741
Kern Medical
PO Box 3519
Bakersfield CA 93385

Ship To: 10642986 / Sold To: 10642986
Kern Medical Center
1700 Mount Vernon Ave
Bakersfield CA 93306-4018

Ship Method: Best Way	Payment Terms: Net 30 Days
Customer PO #: 20260126JLW-B	Contact/Buyer: Purchasing
Delivery Terms: CPT Destination	Freight Terms: Prepaid & Add
Valid from: 01/26/2026 to 04/26/2026	
Created By: Jamie Williams-Blunt Phone #: Ext:	
Sales Rep: Lauren Cieslinski Phone#:916-952-6973Ext.:Email.:Lauren_Cieslinski@Baxter.com	

Material Number / Description	U/M	Quantity	Unit Price	Extended Price	Disc. %	Total
FINANCING OPTIONS NOW AVAILABLE, please contact your Baxter sales representative for more information.						
Note: Once PO is placed, financing is no longer applicable.						
New certs are for: Dameon Coleman: Dameon.coleman@kernmedical.com Elmer Casaclang: Elmer.casaclang@kernmedical.com						
Recert is for: George Edge George.Edge@kernmedical.com						
VSM6000REPCW-TRN CVSM REPAIR RECERT WEB TRAINING CVSM REPAIR RECERT WEB TRAINING	EA	1	194.50	194.50	0.00	194.50
VSM6000SERREPW-TRN Connex Vital Signs Monitor Online Technical Service and Repair Training Premier Monitoring Contract PP-NS-1950 BS Expires 05/31/2027	EA	2	924.68	1,849.36	0.00	1,849.36
Sub Total				2,043.86		2,043.86
Total Amount						\$ 2,043.86
KERN COUNTY HOSPITAL AUTHORITY						
REVIEWED ONLY NOT APPROVED AS TO FORM						
By: <u>Phillip Jenkins</u> Kern County Hospital Authority		By: _____ Chairman, Board of Governors				
Date: _____		Date: _____				

GENERAL SERVICES TERMS AND CONDITIONS

1. **Scope; Entire Agreement.** These General Services Terms and Conditions apply to the repair, maintenance, support, and other services ("Services") offered by Hill-Rom Company, Inc. and Welch Allyn, Inc. (each, a "Services Provider") that are described in the SERVinity Services Program details at <https://www.hillrom.com/serviceoptions>, <https://www.hillrom.com/GSSserviceoptions/>, or <https://www.hillrom.com/FLCs-serviceoptions/>, as the same may be updated from time to time (each, a "Services Program"). The following documents, listed in order of precedence in the event of any inconsistency among them, constitute the agreement between Services Provider and Customer with respect to the Services Program ("Agreement"): (i) proposals or quotations executed by Services Provider and Customer (if any); (ii) these General Services Terms and Conditions; and (iii) the Services Program description. To the extent no proposals or quotations are executed by Services Provider and Customer, Customer's submission of a purchase order signifies Customer's acceptance of the terms of the Agreement. The Agreement represents the entire agreement between Services Provider and Customer with respect to the Services Program and supersedes any other oral or written agreement between Services Provider and Customer. The Agreement will prevail over any conflicting terms in Customer's purchase order and may only be modified in a writing signed by both parties.
2. **Effective Date.** The effective date of the Agreement is: (i) for Services Programs sold directly by Services Provider, as provided in the initial proposal or quotation; or (ii) for Services Programs sold by an authorized distributor, the date of Customer's purchase.
3. **Initial Term and Renewal; Cancellation.** The initial term of the Services Program is: (i) for Services Programs sold directly by Services Provider, the number of years set forth on the initial proposal or quotation; or (ii) for Services Programs sold by an authorized distributor, the number of years agreed to and paid for by Customer. The Services Program may be renewed upon Services Provider's and Customer's execution of a renewal proposal or quotation, or, in the absence of a renewal proposal or quotation, upon Customer's timely payment of renewal term invoices issued by Services Provider. A renewal term may be of lesser duration than the initial term or any previous renewal term in the event Services Provider deems covered products, equipment, or software "end-of-life" subject to a limited period of continuing support. Either party may cancel the Services Program upon 60 days' written notice to the other party. Customer shall pay Services Provider for all Services performed up to the effective date of cancellation (including Services performed pursuant to implementation projects under certain Services Programs). Customer may incur cancellation fees if it cancels certain Services Programs; such cancellation fees are described in the applicable Services Program description.
4. **Payment Terms.** For Services Programs sold directly by Services Provider, the fee for the Services Program may be paid in annual or monthly installments and is not refundable. Customer's election of annual or monthly payments may not be changed in either the initial term or any renewal term. The fee does not include any applicable sales, use or other taxes payable by Customer. Payment is due net 30 days from invoice date. Unless waived by Services Provider in writing, undisputed overdue invoices shall be subject to a late payment charge equal to the lesser of 1.5% per month or the maximum rate allowed by law. Customer agrees to pay Services Provider for any and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Services Provider to collect any amounts owed to it. Customer may be obligated to properly reflect and/or report any discount, rebate, or reduction in price in its costs claimed or charges made to federal (e.g., Medicare) or state (e.g., Medicaid) health care programs requiring such disclosure, and Services Provider's invoices may not reflect Customer's net cost. Customer may make written request to Services Provider in the event it requires additional information to meet applicable reporting or disclosure obligations. For Services Programs sold by authorized distributors, payment terms for the initial term are as agreed between Customer and the authorized distributor.
5. **Suspension of Performance.** If Customer fails to pay Services Provider's invoices as required, Services Provider may suspend the performance of Services upon 5 days' written notice unless (i) Services Provider receives full payment, or (ii) the parties agree in writing to alternative payment arrangements. Services Provider reserves the right to cancel the Services Program upon written notice to Customer with immediate effect if Customer fails to rectify its non-payment or continues to default on its payment obligation.
6. **Exclusions.** The Services Programs do not cover damage to or failure of covered products, equipment, or software caused by, in whole or in part, the following as determined by Services Provider in its sole discretion: (i) modification or upgrade, or improper repair, by anyone other than Services Provider; (ii) misuse or improper use, including failure to comply properly with routine maintenance requirements specified in the directions for use or service manual; (iii) natural disasters, extreme weather, or other catastrophe; (iv) loss of, or fluctuation in, power; or (v) use of non-Services Provider accessories, replacement parts, and/or third-party software not authorized in writing by Services Provider.
7. **Services for Non-Services Provider Products.** Under certain Services Programs, Services Provider will provide requested repair Services for non-Services Provider products, with the exception of operating room tables, lights, and equipment management systems. Customer is responsible at its sole expense to provide all parts to complete the repairs and to provide applicable service manuals unless otherwise agreed to by Services Provider. Services Provider will not be liable if Customer's request for or Services Provider's provision of repair Services on non-Services Provider products voids the warranty or service agreement of any third party.
8. **Non-Solicitation.** To the extent permitted by applicable law, during the term of the Services Program and for a period of 6 months following its expiration or cancellation, Customer agrees that it will not directly or indirectly: (i) induce any individual who has provided Services to Customer within the 6-month period immediately preceding the expiration or cancellation of the Services Program to terminate his/her relationship with Services Provider, or (ii) offer employment to, employ, or retain as an independent contractor any individual who was employed by Services Provider to provide Services at any time during the 6-month period immediately preceding the offer, employment, or retention without first paying to Services Provider a finder's fee equal to 50% of the annual fee for the Services Program. The foregoing restrictions do not prohibit Customer from placing any general advertisements for employees or hiring individuals who respond to such general advertisements so long as such general advertisements are not directed to any individuals who have provided Services to Customer.
9. **Incorporation of SCRM License Terms and Conditions.** Customer's access to or use of SmartCare Remote Management ("SCRM") in connection with any Services Program purchased by Customer (an "SCRM Services Program") is subject to the SCRM license terms and conditions in effect on the effective date of the Agreement (the "SCRM License Terms and Conditions"). The SCRM License Terms and Conditions, available at <https://www.hillrom.com/en/products/smartcare-remote-management/software-license-terms-and-conditions/> (password: RemoteManagement), are incorporated into these General Services Terms and Conditions in full by this reference.
10. **Warranty.** Services Provider warrants that it will perform Services in a reasonably timely, professional and workmanlike manner using trained and qualified personnel capable of performing Services in accordance with industry standards. Services Provider's exclusive obligation, and Customer's exclusive remedy, for breach of the foregoing warranty is re-performance of defective Services. THE FOREGOING WARRANTY CONSTITUTES THE SOLE WARRANTY MADE BY SERVICES PROVIDER AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO EMPLOYEE OR REPRESENTATIVE OF SERVICES PROVIDER IS AUTHORIZED TO MODIFY THIS WARRANTY IN ANYWAY OR GRANT ANY OTHER WARRANTY. Warranty information on replacement parts is available at <https://parts.hillrom.com>.
11. **Limitation of Liability.** Services Provider will not be liable for loss or damages because of delays or nonperformance resulting from any cause beyond Services Provider's reasonable foresight or control. Any delays will extend Services Provider's period of performance under the Services Program. IN NO EVENT AND UNDER NO LEGAL THEORY—WHETHER IN TORT (INCLUDING NEGLIGENCE), CONTRACT, WARRANTY, PRODUCTS LIABILITY, OR OTHERWISE—WILL SERVICES PROVIDER BE LIABLE TO CUSTOMER FOR ANY CONSEQUENTIAL DAMAGES (INCLUDING BUSINESS INTERRUPTION, LOST PROFITS, OR LOST OR CORRUPTED DATA) ARISING OUT OF THE SERVICES PROGRAM (INCLUDING ANY SCRM SERVICES PROGRAM, OR THE USE OF SCRM OR ANY INABILITY TO USE SCRM) OR THESE GENERAL SERVICES TERMS AND CONDITIONS (INCLUDING, IF APPLICABLE, THE SCRM LICENSE TERMS AND CONDITIONS). IN NO EVENT WILL SERVICES PROVIDER'S AGGREGATE LIABILITY TO CUSTOMER FOR DIRECT DAMAGES ARISING OUT OF THE SERVICES PROGRAM (INCLUDING ANY SCRM SERVICES PROGRAM, OR THE USE OF SCRM OR ANY INABILITY TO USE SCRM) OR THESE GENERAL SERVICES TERMS AND CONDITIONS (INCLUDING, IF APPLICABLE, THE SCRM LICENSE TERMS AND CONDITIONS), REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE NUMBER OF CLAIMS MADE, EXCEED THE FEE FOR THE SERVICES PROGRAM PAID OR PAYABLE BY CUSTOMER FOR THE 12-MONTH PERIOD IN WHICH THE FIRST EVENT GIVING RISE TO SUCH DAMAGES OCCURRED. THIS SECTION 11 IS INDEPENDENT OF ANY OTHER LIMITATION OF LIABILITY AND REFLECTS AN ALLOCATION OF RISK SEPARATE FROM PROVISIONS SPECIFYING OR LIMITING A PARTY'S REMEDIES.
12. **General.** Services Provider and Customer shall comply at all times with applicable federal and state laws and regulations. Customer may assign the Agreement upon notice to Services Provider. The Agreement will be governed by and construed under the laws of the State of Illinois without reference to its conflicts of law principles. The provisions of these General Services Terms and Conditions (including, if applicable, the SCRM License Terms and Conditions) that by their nature are intended to survive the expiration or cancellation of the Services Program and the Agreement, including Section 8 and Section 11, will survive the expiration or cancellation of the Services Program and the Agreement.

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

June 17, 2026

Subject: Proposed Amendment No. 1 to Agreement 29824 with Healthcare Performance Group, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment No. 1 with Healthcare Performance Group, LLC (HPG) to extend the term for two (2) years to allow for additional services under Addendum A-6. This vendor provides Electronic Health Record Consulting services.

Therefore, it is recommended that your Board approve Amendment No. 1 to the Agreement for Professional Consulting Services with HPG for the period September 2, 2024 through September 1, 2026, extending the term by two (2) years to cover the additional services of Addendum A-6, and authorize the Chairman to sign.

Amendment No. 1 To
Agreement for Professional Consulting Services
(Healthcare Performance Group, Inc. - Kern County Hospital Authority)

This Amendment No. 1 to the Agreement for Professional Consulting Services is entered into this 17th day of June 2026, by and between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (CUSTOMER) and Healthcare Performance Group, Inc. (HPG).

RECITALS

- A. Customer and HPG have heretofore entered into an Agreement for Professional Consulting Services (Customer Agt.#29824, dated September 3, 2024) for the period of September 2, 2024 through September 1, 2026, to provide professional consulting services; and
- B. Customer anticipates that current services will extend past the current termination date; 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 September 2, 2026.

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

1. Term

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

“Term

The term of this Agreement shall begin on September 2, 2024 and will terminate on September 1, 2028.”

- 2. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 1 have the meaning set forth in the Agreement.
- 3. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the state of California.
- 4. This Amendment No. 1 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

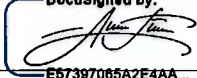
[Signatures to Follow]

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

KERN COUNTY HOSPITAL AUTHORITY

By _____
Phil McLaughlin
Chairman, Board of Governors

HEALTHCARE PERFORMANCE
GROUP, INC.

DocuSigned by:

By _____
E57397065A2E4A...
Printed Name: Andy Flynn
Title/Position: President

APPROVED AS TO CONTENT:
Kern Medical Center

5/7/2026 | 17:35 CDT

By Sandra Bakich
Sandra Bakich
Co-Chief Information Officer

APPROVED AS TO FORM:
Legal Services Department

By Shannon Hochstein
Hospital Counsel
Kern County Hospital Authority

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

June 17, 2026

Subject: Proposed Schedule A-6 to the Agreement 29824 with Healthcare Performance Group, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests Board approve the proposed Schedule A-6 to enter into a statement of work with Healthcare Performance Group, Inc. (HPG) to provide managed services support for Oracle Health applications currently in production and those planned for implementation during the next two (2) years of the term. Services include incident management, system maintenance, configuration, and workflow optimization in support of clinical and revenue cycle operations.

This agreement will replace the existing Oracle AMS staff augmentation contract in the amount of \$1,876,988, as well as current HPG staff augmentation expenditures of \$500,000. The agreement also supports additional staffing requirements for both existing applications and those to be implemented under the new Oracle Health contract. The estimated cost to provide equivalent services with internal staff, including salaries and benefits, is approximately \$4.1 million. The proposed Schedule A-6 is expected to result in an estimated savings of \$1.3 million over the contract term.

Payment for Services	Previous Agreements	Proposed Agreement	Variance
Monthly = \$116,567 One Time Start Up Cost = \$4,900 Annual Cost = \$2,802,508	Schedules A-1 through 5 – maximum payable of \$313,620	Managed services for Oracle Health applications. Includes support, reporting, and optimization services 24-month agreement (6/18/2026 – 6/17/2028)	\$2,488,888

Therefore, it is recommended that your Board approve the proposed Addendum A-6 to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc. for Oracle Health application support services from June 18, 2026, through June 17, 2028, in an amount not to exceed \$2,802,508, extending the maximum payable from \$313,620 to \$3,116,128, and authorize the Chairman to sign.

Schedule “A-6”

HPG Managed Services Agreement, dated September 3, 2024

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

HPG understands that Customer is seeking support for Oracle Health applications in production. HPG agrees to provide the Managed Services support requested by the Customer as defined within this addendum.

1.0 Project Background

HPG agrees to provide Managed Services for the following Oracle Health applications currently installed into production and entities listed in addendum. HPG will provide at a level that meets or exceeds the Service Level Metrics defined in this addendum, in Exhibit D.

2.0 Term

The term of this agreement will begin on June 18, 2026, and will continue through June 17, 2028.

3.0 Scope and Definitions

Start-Up Services Includes:

- Review initial objectives, scoped deliverables, definitions and priorities
- Review existing Customer service backlog, ticket system, and review of SLAs
- Review and adaptation of existing Customer change control procedures and processes, making recommendations where needed
- Provide documentation and project plan
- Kick-off meeting as outlined in Exhibit B

Managed Services Includes:

- HPG’s team will integrate seamlessly with the Customer’s organization, IT staff, A-Team and end users, by utilizing the familiarity of the organization, along with the technical expertise of Oracle Health applications
- Resolve tickets assigned to the HPG Team. Tickets include Incidents and Configuration Changes requested by Customer for Oracle Health applications in production for the covered applications, as well as: (See Exhibit C for details)
 - **Incident** refers to an unplanned interruption or substantial reduction in the functioning of an application. Examples of routine Incident Requests are listed in Exhibit C. Managed Services Incidents include troubleshooting interfaces to 3rd party applications sharing data with the covered applications
 - **Configuration Change** refers to a requested change to support and/or improve the existing functionality or usability of the covered applications. Configuration change requests includes:
 - **Additional Requests** refers to other project work, rules or reports, enhancements or optimizing workflows.
- Provide thorough communication and documentation to the business owner of the ticket, incident or configuration change within the ticketing system
- Facilitate weekly calls for tickets assigned to the HPG team
- Project Manager to implement quarterly executive summary reviews, enable process improvements, analysis of tickets and provide oversight for efficiency
- Follow Change Control procedures indicated by the Customer and the HPG Project Manager
- Provide metrics and reporting, status reports of tickets and details on issue resolution

- Utilization of LightsON for additional analysis to enable best practices and better use of system
- Provide regulatory analysis of Oracle applications by reviewing packages and Oracle Health updates applicable to the Customer domain. This information will be delivered to the Customer counterparts for compliance attestation. The Customer will be responsible for the decision making for compliance and implementation of any changes.

4.0 HPG Responsibilities and Other Terms

- Should additional time be required to meet SLA requirements, in Exhibit D, written approval by both parties must be provided prior to work efforts initiated.
- Additional Service Requests are available to be purchased for a separate fee, based upon the corresponding GFE for the work efforts
- HPG will utilize the Customer's ticketing system and provide a knowledge transfer to HPG associates for processes and protocols
- The Project Manager will conduct monthly status meetings with Customer leadership
- Provide monthly, quarterly, and annual reports regarding HPG's performance based on the Service Level Metrics included in this addendum in Exhibit D
- Utilize Customer workflows, change control procedures, issue tracking, and issue reporting. Daily, operationalize these workflows, procedures, and processes in collaboration with Customer staff.
- Implement a mutually agreeable escalation plan for any disputes that may arise regarding prioritization of Incident Requests or Configuration Change Requests

5.0 Customer Responsibilities and Other Terms

- Assign a designated Manager or Director as administrator for the Customer and to collaborate with the HPG Project Manager
- Provide HPG assigned support team members and HPG Project Manager necessary access to all applications and domains requested
- Provide reasonable availability and access to Customer personnel for HPG associates
- Customer will utilize the Oracle Health Upgrade Center for the full services of the upgrade
- Attend weekly and monthly status meeting/conference calls with the HPG Project Manager
- Implement a mutually agreeable escalation plan for any disputes that may arise regarding prioritization of Incident Requests or Configuration Change Requests

6.0 Additional Services

In the event the Customer requests HPG to provide services beyond this agreement, additional fees will apply. These services will require a separate SOW and will be billed separately in addition to this contract at the hourly rates listed below:

- CCL/Discern/Custom support \$140/hr
- Clinical and Revenue Cycle Application Services \$140/hr
- Project Management/Integration Architect support \$160/hr

7.0 Dispute Resolution

In the event of a significant dispute or disagreement relating to this addendum, the Customer's designated Manager or Director and the HPG Project Manager will collaborate in good faith and attempt to resolve the dispute or disagreement. If unresolved, the dispute or disagreement will be escalated to the Customer's Chief Information Officer and the HPG Vice President of Consulting, where a mutually agreed plan and timeline for resolution will be adopted.

8.0 Engagement Scope and Approach

- Development, Support and Maintenance for the following Solutions: (See Exhibit A)
 - Oracle Health EHR Clinical Applications
 - Oracle Health EHR Revenue Cycle Applications
 - Operation Job Management
- Introduction to team
- Approach and Deliverables
 - HPG Project Manager will delegate work as well as complete requests
 - Collaborative approach to request resolution
 - Productivity will be measured and monitored by Project Manager
 - Requests will be prioritized by Customer and the Project Manager and handled by the most qualified associate
 - Additional resources will be involved, as needed, to resolve requests in other areas presented in this proposal
 - Good Faith Estimates (GFE) for can be conducted as needed for additional requests outside of the scope of managed services
 - HPG and Customer will meet weekly to review the priority of work to be done to maximize productivity of hours
- Metrics and Reporting
 - Monthly Status Report
 - Ticket Assignment Detail
 - Quarterly Executive Summary Review and Analysis
- Other Terms
 - HPG's normal business hours are M-F, 8am-5pm PST, excluding national holidays (New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas), calls placed after normal business hours will be billed at \$195/hr
 - Travel and living expenses, when incurred, will be invoiced in addition to the service fees
 - The Oracle Health applications to be supported include all applications presently installed and future applications installed during the term of this agreement
 - HPG will prorate any partial calendar monthly fees
 - HPG will assign qualified consulting associates from its practice to complete this project

9.0 Assumptions

- Customer will provide the following:
 - HPG associates will have the necessary access to Customer's Domain(s) and Application(s) for the duration of this project
 - Customer will have a Non-Prod Domain available for the duration of the project
 - HPG associates working on this project will be aware and notified of Customer's Domain Strategy for Non-Prod and Prod Domains
 - HPG associates will coordinate schedules with assigned counterparts to avoid downtime
 - Customer will ensure that all counterpart associates will be available to work with HPG associates during project timeline

- All identified hardware and software packages will be available upon project's start
- Customer agrees to provide a contact person, **Sandra Bakich, Co-CIO**, or designee(s), to work in collaboration with HPG's Team.

Fees and Payment

The fees associated with this engagement are:

- One-time Start-Up Services \$4,900
 - Due upon execution of this SOW
- Monthly fee: \$116,567
 - The Monthly Fee shall be invoiced 30 days in advance and is due by the 1st of the month for which services are provided
- Reasonable travel and out of pocket expenses in accordance with the Master Agreement will be invoiced in addition to the above fees.
- Payment is by electronic transfer of funds to

ABA routing number 101100045, Account Number 005048626030 to:
Healthcare Performance Group, Inc.,
23419 West 215 Street, Spring Hill, KS 66083

Please email remittance advice to CustomerPayments@hpgresources.com.
- A monthly invoice will be sent at the beginning of each month to the attention of **Sandy Bakich** at sandra.bakich@kernmedical.com

Description of Fee	One Time Fee	Monthly Fee	Annual Fee
Start-Up Services <ul style="list-style-type: none"> • One-time Start-Up Services • Resourcing allocation • Pre-planning • Due upon execution of this SOW 	\$4,900		
Managed Services <ul style="list-style-type: none"> • Application support for Oracle Health Clinical and Revenue Cycle solutions • Prioritization and delegation of incidents and configuration tickets • Provide thorough communication and documentation for issue resolution and closure • Process improvement review for frequent tickets logged • Provide testing on behalf of Customer during upgrades conducted by Oracle Health (team will shift from working tickets during this period on a mutually agreed upon schedule) • Project Management to provide a quarterly review and provide executive summary of services • Regulatory compliance checks to notify Customer • Review Flashes, patient and financial impacts with the Customer's IA • Review of Packages and Release Analysis with the Customer's IA 		\$116,567	
Total Cost of Services - Term: 24 months		\$2,802,508	

The monthly fee shall be invoiced 30 days in advance and is due by the 1st of the month for which services are provided. Any unpaid balances still due 30 days from the Invoice Date will accrue a late charge at a rate of 1.0% per month. Payment is accepted by check or ACH transfer. HPG does not accept credit card payments.

10.0 Non-Solicit Agreement:

Each party agrees not to solicit the other's employees or subcontractors during this Agreement and for a period of one (1) year after the termination of this Agreement. If either becomes aware of an agreement outside of the terms set herein, such party will be entitled to fees equal to Twenty-Five Percent (25%) of the fees/salary for one year of the other party's subcontractor/employee relationship.

11.0 Termination for Cause

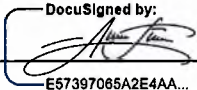
While it is the intention of both parties to continue this addendum in full force through the term, either party may terminate this addendum for cause if a mutually agreed plan and timeline cannot be achieved through the Dispute Resolution provision. In the event of termination, both parties will cooperate in executing an orderly transition plan for Customer with a forty-five (45) day written notification of termination, and Customer agrees to pay all undisputed invoices.

ACCEPTED by:

Kern Medical (Customer):

SJB SIGNATURE: _____ DATE: _____

Healthcare Performance Group, Inc. (HPG):

SIGNATURE:  DATE: 5/7/2026 | 17:34 CDT
E57397065A2E4AA...

*ABA routing number: 10110045; *Account number: 005048626030; Address: Healthcare Performance Group, Inc., P.O. Box 588, Spring Hill KS 66083

APPROVED AS TO FORM:
Legal Services Department

By Shannon Hochstein
Kern County Hospital Authority

Exhibit A Oracle Health Applications

List of Customer Entities
Kern Medical Center (222 beds)

List of Oracle Health Applications:

- | | |
|---|---|
| ◇ Acute Case Management | ◇ Health Data Intelligence (HDI) |
| ◇ Anesthesia Management | ◇ Infection Control |
| ◇ Behavioral Health (testing only) | ◇ MPages (Standard) |
| ◇ Bridge Medical Solutions | ◇ Millennium Mobile (testing only) |
| ◇ iBus | ◇ Nursing Documentation |
| ◇ Cerner HIM (ProFile) | ◇ Operation jobs (test only) |
| ◇ Cerner Patient Accounting | ◇ PathNet (GL, Micro, BB, Outreach, AP) |
| ◇ Cerner Practice Management (Revenue Cycle Management) | ◇ PharmNet Inpatient |
| ◇ Charge Services | ◇ Physician Documentation |
| ◇ Clinical Reporting/RRD | ◇ Point of Care |
| ◇ Cerner Supply Chain | ◇ PowerChart Ambulatory |
| ◇ Clairvia | ◇ PowerChart Inpatient |
| ◇ Commonwell | ◇ PowerChart Maternity |
| ◇ CPDI | ◇ PowerChart Oncology |
| ◇ Digital Objects | ◇ PowerOrders |
| ◇ ED LaunchPoint | ◇ RadNet |
| ◇ Eligibility Management | ◇ Referral Management |
| ◇ Enterprise Person Management Index | ◇ Registration Management |
| ◇ ePrescribe/EPCS | ◇ Scheduling Management |
| ◇ FirstNet | ◇ SurgiNet |
| ◇ Foreign Systems Interfaces | ◇ Women's Health & FetaLink |

- Current licensed applications will be covered under this agreement. Should additional applications be purchased and licensed in the duration of this agreement, HPG will support those new contracted applications between Oracle Health and Kern Medical.

Exhibit B

Kick-Off Meeting Agenda

Kick-off and Initiation:

- Review the high-level work plan and Kick-off meeting agenda
 - Review program objectives, responsibilities, and coordination points
 - Attend Change Control meetings to discuss the process
 - Project Manager and Senior Analysts will receive training on ticketing system
 - Identify key partners for Configuration Change Request validation

Introduction to the existing team of Analysts and Team Leads Approach

- Assign one HPG Project Manager
- Assign Team of Consultants
- Support team will work collaboratively with the Customer Analyst team

Approach and Deliverables

- Project Manager will delegate work as well as complete optimization requests
- A collaborative approach to request resolution
- Productivity will be measured and monitored by the Project Manager
- Configuration Change requests will be prioritized by Customer and the Project Manager
- Adherence to SLAs

**Exhibit C:
Routine Examples of Incidents, Configuration Changes, and Additional
Service Requests**

Incident Requests

- System slowness or error
- Interface crashing
- New alias not crossing over interface
- BMDI results not posting in Oracle Health
- CPDI batch not available
- Vital signs fail to load in Dynamic Doc
- Task did not fall off Care Compass
- User defined field not saving
- Location not displaying in PMLaunch

Configuration Change Requests

- Privilege changes
- Preference changes
- ESH
- CCL Modifications
- Modify Orders
- Modify DTA
- Modify Charges, CPT, CDM, Price
- Adding Positions
- Location Alias

Additional Service Requests (GFE can be provided prior to work effort commencement)

- Project Work
- Optimizations
- New CCL Reports
- New Rules
- New Interface
- New Instrumentation

**Exhibit D:
Service Level Agreements**

Incident Priority	Prioritization Guidelines	First Time Response	Updates	Resolution Time
Low (4)	<ul style="list-style-type: none"> ● Single user out of service, but has alternate access ● Limited capability in application ● File restores ● Deferred resolution is acceptable 	8 Business Hours	Daily	6 Business Days
Medium (3)	<ul style="list-style-type: none"> ● Single user to a few users affected, limited to moderate interruption to performing job function ● Single user cannot access email/network ● Alternative solutions exist 	2 Business Hours	Daily	3 Business Days
High (2)	<ul style="list-style-type: none"> ● Significant interruption to performing job function, User unable to conduct daily business ● Several to most users affected ● Critical single user or workstation out of service ● Slow response affecting multiple users ● Some financial impact and patient care condition exist 	1 Business Hour	Every 3 Hours	9 Business Hours
Urgent (1)	<ul style="list-style-type: none"> ● Complete operational impairment of system ● Extensive and widespread ● Critical function in an application down ● No alternative solution ● Major financial impact and patient safety condition exists 	30 Business Minutes	Hourly	7 Business Hours
Service Requests / All Priorities	<ul style="list-style-type: none"> ● Approved system changes, modification of workflow, new functionality ● Approved new device request ● Approved new interface request 	7 Business Days	Weekly	24 Business Days

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

June 17, 2026

SUBJECT: Proposed Conflict of Interest Code for Kern County Hospital Authority

Recommended Action: Approve; Refer to Kern County Board of Supervisors for Approval

Summary:

The enabling county ordinance at section 2.170.102 requires the Hospital Authority and its officers and directors to conduct activities in a manner this is in conformity with the laws of the state of California as they pertain to conflicts of interest, including, but not limited to the Political Reform Act (Gov. Code, § 81000 et seq.), financial interests involving contracts (Gov. Code, § 1090), common law conflicts of interest,¹ and incompatible activities.²

The purposes of this policy are: (1) to preserve the integrity of the decision-making process of the Hospital Authority, (2) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (3) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (4) to prevent violations of state conflict of interest laws.

The attached conflict of interest code has been revised to streamline the reporting process, which previously was overbroad and unnecessary under the state conflict of interest laws. There are now three disclosure categories of designated covered individuals (Form 700 filers): Category 1 filers are in the broadest disclosure category and have the ability to influence real property decisions; Category 2 filers are broad decision-makers and may potentially influence decisions Authority-wide, but do not have the ability to influence real property decisions; Category 3 filers are still decision-makers, but their authority is limited in scope. Other cleanup changes have been made to preserve the longevity of the policy. For example, the policy now refers the reader to the definitions in the Political Reform Act, instead of listing those definitions verbatim in the policy, as those definitions may be amended over time. The policy also no longer references specific dollar amounts for sources of income including gifts, as those dollar thresholds change annually. The proposed changes have been reviewed and approved as to legal form by Counsel.

¹ Each member of the Hospital Authority Board of Governors and officers shall discharge his or her duties with integrity and fidelity and may not let private interests influence public decisions.


² In accordance with Section 101855(o) of the Health and Safety Code, a member of the Hospital Authority's administrative staff shall not be considered to hold an incompatible office or to be engaged in activities inconsistent and incompatible with his or her duties as a result of his or her employment or affiliation with the County of Kern or an agency of the County.

Members, Board of Governors

June 17, 2026

Page 2

Therefore, it is recommended that your Board approve the conflict of interest policy for the Kern County Hospital Authority and refer the policy to the Kern County Board of Supervisors for approval.

	Department: Administration			
	Policy No. ADM-LD-700	Effective Date: June 2026	Review Date: June 2028	Page 1 of 6 (with addendum)
Title: Conflict of Interest				

POLICY STATEMENT:

It is the policy of Kern County Hospital Authority (“Hospital Authority”) to provide for a process for the disclosure and management of conflicts of interest which may exist for persons with positions of trust and responsibility in the governance and management of the Hospital Authority, and to assure that state law provisions¹ relating to such conflicts are followed. In order to safeguard independent judgment and action in business decisions, each person entrusted with a key position of responsibility in the Hospital Authority has a duty to disclose actual or potential conflicts of interest, to avoid acting out of any actual or apparent conflict of interest which may arise from personal financial interests in entities which may conflict with the Hospital Authority’s best interests. The purposes of this policy are: (i) to preserve the integrity of the decision-making process of the Hospital Authority, (ii) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (iii) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (iv) to prevent violations of state conflict of interest laws.

DEFINITIONS:

For purposes of this policy, the definitions set forth in the California Political Reform Act (Gov. Code, § 81000 et seq.) shall apply unless otherwise stated.

- A. “Covered Individual” means those individuals identified in the attached Appendix A.
- B. “Indirect investment or interest” means any investment or interest owned by the spouse or dependent child of the Covered Individual, by an agent on behalf of the Covered Individual, or by a business entity or trust in which the Covered Individual, or Covered Individual’s agent, spouse, and dependent children own directly, indirectly, or beneficially a 10% interest or greater.

1.0 ACTS CONSTITUTING CONFLICT OF INTEREST

- A. No Covered Individual shall engage in any employment, activity or enterprise that results in any of the following:
 - 1. Using the prestige or influence of a Hospital Authority office or employment for private gain or advantage, or the private gain or advantage of another;
 - 2. Using Hospital Authority time, facilities, equipment or supplies for the Covered Individual’s private gain or advantage, or the private gain or advantage of another;

¹Government Code section 1090; Government Code section 81000 et seq.

3. Using confidential information acquired by virtue of Hospital Authority office or employment for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
 4. Receiving or accepting money or any other consideration from anyone other than the Hospital Authority for the performance of an act which the Covered Individual would be required or expected to render in the regular course or hours of office or employment or as part of duties as a Covered Individual;
 5. Performance of an act in other than the Covered Individual's capacity knowing that such act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by the Covered Individual or by the Hospital Authority;
 6. Make, participate in making or in any way attempt to use the Covered Individual's position to influence a governmental decision (other than a decision affecting an employee's wages, hours, or working conditions) in which the Covered Individual knows or has reason to know that the Covered Individual has a financial interest; or
 7. Non-Hospital Authority employment or self-employment outside of regular working hours which involves such time demands or services of such a character as to impair effectiveness of Hospital Authority employment.
- B. Any violation of the provisions contained in the aforementioned section shall constitute sufficient grounds for disciplinary action up to and including termination of employment.

2.0 EXEMPTION FOR CERTAIN PHYSICIAN SERVICES

Those physicians rendering professional services to Kern Medical Center or other Hospital Authority businesses under contract authorizing billing for services to non-indigent patients shall not be deemed to be in violation of the provisions of Section 1.0 of this policy in billing for such services so rendered.

3.0 POST-EMPLOYMENT RESTRICTIONS REGARDING REPRESENTATION, APPEARANCE OR COMMUNICATION

- A. Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to the Hospital Authority or a present member of the Board of Governors or any officer or employee of the Hospital Authority if the appearance or communication is made for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.
- B. Subsection A shall not apply to any individual who is, at the time of the appearance or communication, a board member, officer, or employee of a local government agency or an employee or representative of any other public agency and is appearing or communicating on behalf of that agency.
- C. The following definitions shall apply for purposes of Sections 3.0 and 4.0 only:
1. "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment, or defeat by the Hospital Authority of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.
 2. "Legislative action" means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the Board of Governors or by any committee or subcommittee thereof, or by a member of the Board of Governors acting in his or her official capacity.

3. "Person" shall mean an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.

D. This Section and Section 4.0 are adopted in accordance with Government Code section 87406.3(c).

4.0 POST-EMPLOYMENT RESTRICTIONS REGARDING AID, ADVICE OR COUNSEL

Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving that office or employment, for compensation, aid, advise, counsel, consult or assist any other person regarding an appearance or communication which the official or employee would be prohibited from making under Section 3.0.

5.0 CONFLICT OF INTEREST CODE

- A. The Political Reform Act requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (Cal. Code Regs., tit. 2, § 18730), which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices designating positions and establishing disclosure categories shall constitute the conflict of interest code of the Hospital Authority.
- B. Designated Covered Individuals identified in the attached Appendix A shall file statements of economic interests (Form 700) with the Hospital Authority, who will make the statements available for public inspection and reproduction. (Gov. Code, § 81008.) Upon receipt of the statements of the Chairman and Members of the Board of Governors of the Hospital Authority, the Hospital Authority shall make and retain a copy and forward the original of these statements to the Board of Supervisors of the County of Kern. Statements for all other designated Covered Individuals shall be retained by the Hospital Authority.
- C. Government Code Section 87306.5 requires local agencies, which includes the Hospital Authority to submit to their code reviewing body, which, in the case of the Hospital Authority is the Kern County Board of Supervisors, a biennial report identifying changes in its conflict of interest code, or a statement that their code is not in need of amendment. An amendment is required to: (1) include new positions (including consultants) that must be designated; (2) revise the titles of existing positions; (3) deleted titles of positions that have been abolished; (4) deleted positions that manage public investments from the list of designated positions; (5) revise disclosure categories; and (6) other. No amendment is required if the Hospital Authority's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property and sources of income that may foreseeably be affected materially by the decisions made by those designated positions; and the code includes all other provisions required by Government Code Section 87302. Such report shall be submitted no later than October 1 of each even-numbered year. (Gov. Code, § 87306.5(a).) When completed, the report must be mailed to the Clerk of the Board of Supervisors.

KEY WORDS: conflict of interest

OWNERSHIP (Committee/Department/Team) Administration
 ORIGINAL
 REVIEWED, NO REVISIONS Jun 2020
 REVISED June 2026, Jan. 2025, Aug. 2024, Sept. 2022, Dec. 2019, Oct. 2018, Oct. 2016
 APPROVED BY COMMITTEE Kern County Board of Supervisors
 DISTRIBUTION Administrative Manual
 REQUIRES REVIEW Aug. 2028

<u>June 2026</u> Administrative Signature of Approval Date	<u>June 2026</u> Signature of Approval Date
--	---

APPENDIX A

CONFLICT OF INTEREST CODE KERN COUNTY HOSPITAL AUTHORITY DESIGNATED COVERED INDIVIDUALS

Designated Covered Individuals Assigned to Category 1

Chief Ambulatory and Outreach Officer
Chief Executive Officer
Chief Financial Officer
Chief Operating Officer
Executive Director, Community Health Center (new)
Hospital Counsel
Pension Committee Members
Vice President & General Counsel
Consultants *

Designated Covered Individuals Assigned to Category 2:

Accountant II and III
Chief Information Officer
Chief Medical Officer
Chief Nursing Officer
Chief Transformation Officer
Contracts Compliance Specialist
Credit Card Holders (all)
Decision Support Specialist (formerly Decision Support Consultant)
Director, Cardiopulmonary Services (new)
Director, Care Coordination
Director, Clinical Laboratory Services (new)
Director, Marketing and Communications (formerly Director, Communications)
Director, Outpatient Quality (new)
Director, Patient Access
Director, Patient Accounting
Director, Performance Improvement
Director, Pharmacy Programs and Education
Director, Population Health
Director, Radiology and Imaging Studies
Director, Security and Emergency Management
Director, Whole Person Care
Director, Community Health and Wellness (formerly Executive Director, Community Health Center)
Executive Director, Foundation (new)
Senior Director, Ancillary Services (formerly Director, Pharmacy Services)
Senior Director, Facilities
Senior Director, Finance
Senior Director, Health Information Services
Senior Director, Physician Enterprise (Physician Enterprise Manager)
Senior Director, Physician Recruitment (formerly Director, Physician Recruitment)
Senior Director, Physician Relations and Strategy (new)
Vice President, Development (formerly Vice President, Strategic Development)
Vice President, Human Resources

Designated Covered Individuals Assigned to Category 3:

Associate Director of Medical Education
Authority Board Coordinator
Clinical Directors (all)
Director, Business Development (new)
Director, Human Resources
Director, Practice Management (new)
EVS Director
Fiscal Support Supervisor (assigned to General Accounting or Accounts Payable)
Front End Revenue Cycle Manager – EMR
Front End Revenue Cycle Manager – Inpatient and Emergency Department
Front End Revenue Cycle Manager – Patient Financial Counseling and Outpatient Clinics
Front End Revenue Cycle Manager – Pre-registration and Authorization
Hospital Materials Director
Hospital Materials Manager
Hospital Payroll Manager
Managed Care Consultant (contract service)
Manager, Biomedical Engineering (new)
Manager of Finance (new)
Materials Management Operations Manager
Medical Staff Department Chairs (all)
Medical Staff Division Chiefs (all)
Medical Staff Officers (elected officers only)
Patient Access Services Supervisor
Physician Enterprise Consultant
Revenue Cycle AR Manager (formerly Revenue Cycle AR Administration Manager)
Revenue Cycle AR Inventory Manager
Revenue Cycle Billing Manager (new)
Revenue Cycle Systems Support Manager
Risk Manager (Non-clinical)
Senior Director, Foundation Operations (new)
Special Projects Manager
Therapy Services Manager

The following positions are required to file pursuant to Government Code § 87200, and therefore, are listed for informational purposes only:

Chairman and Members of the Board of Governors (appointed by Board of Supervisors)
Chairman and Members of the Community Health Center Board of Directors

*Consultants shall be included in the list of designated Covered Individuals and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The Chief Executive Officer may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in the Kern County Hospital Authority Conflict of Interest Code. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

DISCLOSURE CATEGORIES

Category 1. Full Disclosure, Including Real Property Disclosure.

Designated covered individuals assigned to this category must report: All sources of income, including gifts, loans, and travel payments, interests in real property, and investments and business positions in business entities.

Category 2. Broad Disclosure, Excluding Real Property Disclosure.

Designated covered individuals assigned to this category must report: Business positions in business entities, investments in business entities, and sources of income, including gifts, loans, and travel payments, from entities of the type that provide supplies, machinery, equipment, or services of the type utilized by the Authority.

Category 3. Limited Disclosure.

Designated covered individuals assigned to this category must report: Business positions in business entities, investments in business entities, and sources of income, including gifts, loans, and travel payments, from sources of the type that provide supplies, machinery, equipment, or services of the type utilized by the division subject to the authority of the designated covered individual.

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

June 17, 2026

Subject: Proposed Amendment No. 3 to the Master License Agreement 28824 with MCG Health, LLC for licensing of their evidenced based clinical guidelines

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment No. 3 to the Master License Agreement with MCG Health, LLC. to license their evidence based clinical guidelines utilized to argue against claim denials based on the same criteria utilized by insurance/payer.

Insurances utilize for the most part one of two nationally recognized evidence based clinical guidelines to approve or deny admission, continued stay, or services rendered by Kern Medical. Kern Medical has chosen to have InterQual as our evidence-based guidelines of choice. For those insurances that utilize MCG Health guidelines, we license a static version of the guideline so that we can argue against denials utilizing the same criteria as the insurance used to deny services.

Kern Medical also utilizes the MCG Health guidelines in the approval services for the Kern Medical Wellness Plan (KMWP). MCG Health guidelines provide robust ambulatory services and procedure guidelines that are either unavailable or insufficient within the InterQual guidelines. Utilizing the ambulatory guidelines in the authorization of services under the KMWP prevents overutilization of limited resources.

Therefore, it is recommended that your Board approve the proposed Amendment No. 3 to Master License Agreement 28824 with MCG Health, LLC to purchase software that applies medical necessity criteria guidelines to insurance claims, extending the term for three (3) years, June 25, 2026 through June 24, 2029, to the current term of May 20, 2024 through June 24, 2026, increasing the maximum payable by \$173,684 from \$109,512 to \$283,196 to cover the extended term, and authorize the Chairman to sign.



701 Fifth Avenue
Suite 4900
Seattle, WA 98104
USA

Tel 206 389 5300
Fax 206 464 7813
mcg.com

AMENDMENT NO. 3 TO MASTER LICENSE AGREEMENT

THIS AMENDMENT NO. 3 ("Amendment") is made by and between MCG HEALTH, LLC ("MCG") and KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and manages KERN MEDICAL CENTER ("Licensee") effective as 6/25/2026 (the "Amendment Effective Date"). All capitalized terms used but not defined herein shall bear the meaning assigned to them in the Agreement.

RECITALS

WHEREAS, MCG and Licensee are parties to a certain Master License Agreement effective May 20, 2024, as may have been amended during the Term, (the "Agreement"); and

WHEREAS, MCG and Licensee desire to renew the Agreement with amended terms as set forth herein;

NOW THEREFORE, in consideration of the agreements set forth below, the receipt and sufficiency of which is hereby acknowledged, MCG and Licensee agree to amend the Agreement as follows:

AGREEMENTS

1. The parties hereby agree to renew the Agreement for a Term of thirty-six (36) months subject to the terms of this Amendment, starting on 6/25/2026.

2. The document attached to the Agreement as "Solution & Fee Schedule - 1 (Amendment No. 1)," is hereby deleted in its entirety and replaced with the document attached hereto as "Solution & Fee Schedule - 1 (Amendment No. 3)." Hereafter, any reference in the Agreement to "Solution & Fee Schedule - 1 (Amendment No. 1)" shall refer to the "Solution & Fee Schedule - 1 (Amendment No. 3)."

3. Except as expressly set forth herein, all other terms and conditions set forth in the Agreement, including any related Agreements such as a Business Associate Agreement (if applicable), shall remain in full force and effect during the Term. In the event of any conflict between the terms of this Amendment, and the terms of the Agreement, or any prior Amendment thereto, the terms of this Amendment shall control. In addition, the Terms and Conditions and any Schedule(s) specified in this Amendment shall constitute a valid offer for a duration not exceeding thirty (30) days from the Amendment Effective Date, and after the expiration of this period, MCG may, at its sole discretion, render this Amendment void even if signed by one of the parties. Notification of such a decision to void this Amendment will be communicated via written notification (including email) to the parties.

Signatures to follow

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and effective as of the Amendment Effective Date.

MCG HEALTH, LLC

KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and manages KERN MEDICAL CENTER

By: *John Pollard*
John Pollard (Jun 3, 2026 18:59:32 EDT)

By: _____

Name: John Pollard

Name: Phil McLaughlin

Title: CFO

Title: Chairman, Board of Governors

Date: 06/03/2026

Date: June 17, 2026

APPROVED AS TO FORM:
Legal Services Department

By: *Shannon Hochstein*
Kern County Hospital Authority

Solution & Fee Schedule - 1 (Amendment No. 3)

TERM

The term of the current Agreement shall be thirty-six (36) months, beginning on 6/25/2026 and ending 6/24/2029.

AUTHORIZED USER(S)

"Authorized User(s)" shall mean any of Licensee's employees within the United States who perform health care delivery services for Licensee's patients, members and/or enrollees in the normal course of Licensee's business at, if applicable, any Licensed Entities. "Authorized User(s)" also includes agents or contractors (collectively, "Administrative Agents") of Licensee solely to the extent they exclusively perform traditional "back-office" functions, such as information systems management, accounting or administration, for the sole benefit of Licensee provided that such Administrative Agents: 1) are not a competitor of MCG, 2) are under an obligation of confidentiality with Licensee, and 3) have no direct contact with Licensee's or any third-party's patients, members and/or enrollees. Licensee shall be and remain solely responsible and liable for acts and omissions of such individuals with respect to the Solutions.

AUTHORIZED USE

For purposes of this Schedule, "Authorized Use" means access and use of the Solutions by Authorized User(s) as part of the performance of hospital care services at Licensee's Hospital Entities listed on a Schedule for Licensee's patients while admitted for such services at such Hospital Entities in the normal course of Licensee's business. Licensee's Hospital Entities means entities with bedded patients including, as applicable, inpatient, observation, ambulatory services, acute rehabilitation, transitional care (e.g., "swing beds"), LTAC, or inpatient behavioral health that occur within an individual hospital entity.

For purposes of this Schedule, "Staffed Beds" means the total bed capacity at the Licensee's Hospital Entities in which hospital services can be provided, the count of which shall be taken from a third-party standard report.

LICENSED ENTITIES, LICENSED BASIS METRIC, LICENSED BASIS, AND SOLUTIONS

Licensed Entity Name	Licensed Basis Metric	Licensed Basis	Solutions
Kern County Hospital Authority	Beds	222	Inpatient & Surgical Care General Recovery Care Ambulatory Care

FEE SCHEDULE AND SUMMARY

Fees do not include applicable shipping or taxes. Where applicable, all annual fees will include an Application Infrastructure fee.

Year 1 - \$55,093.93 Due within thirty (30) days from receipt of invoice

Year 2 - \$57,848.62 Due by 5/20/2027

Year 3 - \$60,741.05 Due by 5/20/2028

Invoicing/Billing Contact:

Krystle Wood

Fiscal Support Technician

Kern County Hospital Authority

1830 Flower Street

Bakersfield, CA 93305-4186

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

June 17, 2026

Subject: Proposed Amendment No. 4 to the Professional Services Agreement 09324 with Greg Facktor & Associates, LLC, dba Facktor to cover the additional services required to maintain compliance with HRSA guidelines.

Recommended Action: Approve; Authorize Chairman to sign.

Summary:

Kern Medical respectfully requests Board approval of the proposed Amendment No. 4 to the professional services agreement (09324) with Greg Facktor & Associates, LLC, dba Facktor for the period of February 13, 2024 through February 12, 2027, to increase the maximum payable by \$750,000, from \$750,000 to \$1,500,000 to cover the additional services required to maintain compliance with HRSA guidelines.

On February 13, 2026, the Kern County Hospital Authority entered into a professional services agreement with Greg Facktor & Associates, LLC, dba Facktor to provide consulting support to the Kern County Hospital Authority in the development and submission of a Federal Health Center Program Look Alike application. Facktor assisted Kern County Hospital Authority staff in developing the Federally Qualified Health Center by outlining and reviewing compliance with the Health Resources Services Administration program requirements. As the application process continued, Facktor also supported Kern County Hospital Authority staff in the operational site visit, where surveyors from the Health Resources Services Administration toured the Federally Qualified Health Center as the last step in the process of receiving an official Look Alike designation.

As of May 1, 2026, the Kern County Hospital Authority was noticed of its official Look Alike designation by the Health Resources Services Administration.

In approximately one (1) year, the Health Resources Services Administration will return to the Kern Medical Outpatient Health clinics to complete a second survey. In anticipation of this survey, the Kern Medical Outpatient Health staff will continue to need the consultation services provided by Facktor and Facktor has agreed to provide such services.

Therefore, it is recommended that your Board approve the proposed Amendment No. 4 to the professional services agreement (09324) with Greg Facktor & Associates, LLC, dba Facktor for the period of February 13, 2024 through February 12, 2027, to increase the maximum payable by \$750,000, from \$750,000 to \$1,500,000 to cover the additional services required to maintain compliance with HRSA guidelines.

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

AMENDMENT NO. 4
TO
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
(Kern County Hospital Authority–Greg Facktor & Associates)

THIS AMENDMENT TO AGREEMENT, effective June 17, 2026, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center and the Community Health Center, and Greg Facktor & Associates, LLC, dba Facktor ("Consultant") with its principal place of business located at 316 N. Rossmore Avenue, Suite 505, Los Angeles, CA 90004.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated February 13, 2024 (Agt. #09324), Amendment No. 1, effective January 14, 2025 (Agt.# 03625), Amendment No. 2, effective October 1, 2025 (Agt.# 74225), and Amendment No. 3, effective February 1, 2026 (Agt # 28626) ("Agreement"), for the period February 13, 2024 through February 12, 2027; and

WHEREAS, the parties to the Agreement desire to amend the Agreement as specified herein below;

NOW, THEREFORE, KCHA and Consultant do mutually agree as follows (check those applicable):

- Term.** The Agreement shall be extended from XXX to XXX, unless sooner terminated as provided for in the Agreement.
- Fees** payable by KCHA under the Agreement shall increase by \$750,000, from \$750,000 to \$1,500,000.
- Travel Expenses** payable by KCHA under the Agreement shall XXX from by \$, from \$ to \$.
- Services.** See Exhibits XXX, attached hereto and incorporated herein by this reference, for revised Services.
- Other**

Except as expressly amended herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 4 to the Agreement has been executed as of the date indicated above.

KERN COUNTY HOSPITAL AUTHORITY

APPROVED AS TO CONTENT:
Responsible KCHA Department

By _____
Phil McLaughlin, Chairman, Board of Governors
"KCHA"

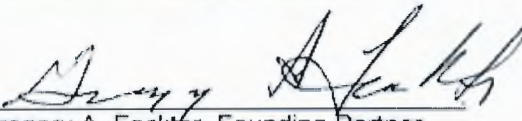
By _____
Renee Villanueva, Executive Director

Date: _____

Date: _____

GREG FACKTOR & ASSOCIATES, LLC

APPROVED AS TO FORM:
Legal Services Department

By 
Gregory A. Facktor, Founding Partner
Founder
"Consultant"

By Shannon Hochstein
Hospital Counsel & Acting Compliance Officer
Kern County Hospital Authority

Date: 5/12/2026

Date: 05/12/2026

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

June 17, 2026

Subject: Proposed reappointment of Directors Juan Avila and Vernon Kemp to the Kern County Hospital Authority Community Health Center Board of Directors, terms to expire June 30, 2029

Recommended Action: Make Appointments

Summary:

Kern Medical recommends your Board reappoint Directors Juan Avila and Vernon Kemp to the Kern County Hospital Authority Community Health Center Board of Directors for terms of three years each, terms to expire June 30, 2029. On January 15, 2025, your Board appointed Mr. Kemp to the Health Center Board for an initial term of 18 months, pursuant to Resolution No. 2025-003. His term expires June 30, 2026. On September 17, 2025, your Board appointed Mr. Avila to the Health Center Board to fill the vacancy created by the resignation of Anthony Valdez, whose initial term of 18 months was set to expire June 30, 2026.

Directors Avila and Kemp, as required by the Health Center's Bylaws, have notified your Board in writing (attached) of their intent to seek reappointment to the Board of Directors. They are not required to submit new applications for reappointment.

Therefore, it is recommended that your Board reappoint Directors Avila and Kemp to the Kern County Hospital Authority Community Health Center Board of Directors for three-year terms expiring June 30, 2029.



June 17, 2026

Members, Board of Governors
Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306

Re: Reappointment to Kern County Hospital Authority Community Health Center Board of Directors

Dear Honorable Board Members:

On September 17, 2025, I was appointed by your Board to the Kern County Hospital Authority Community Health Center Board of Directors to fill the vacancy created by the resignation of Anthony Valdez, term to expire June 30, 2026. Please accept this letter as notice of my intent to seek reappointment to the Board of Directors, term to expire June 30, 2029. Such notice is provided pursuant to Section 2.04 of the Community Health Center Bylaws. Please take appropriate measures to ensure the Kern County Hospital Authority Community Health Center Board of Directors is notified timely of my reappointment.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Juan Avila", is written over the printed name.

Juan Avila

cc: Renee Villanueva, Executive Director
Authority Board Coordinator
Clerk of the Board of Directors



June 17, 2026

Members, Board of Governors
Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306

Re: Reappointment to Kern County Hospital Authority Community Health Center Board of Directors

Dear Honorable Board Members:

On January 15, 2025, I was appointed by your Board to the Kern County Hospital Authority Community Health Center Board of Directors for an initial term of 18 months, pursuant to Kern County Hospital Authority Resolution No. 2025-003. My term of office expires June 30, 2026. Please accept this letter as notice of my intent to seek reappointment to the Board of Directors, term to expire June 30, 2029. Such notice is provided pursuant to Section 2.04 of the Community Health Center Bylaws. Please take appropriate measures to ensure the Kern County Hospital Authority Community Health Center Board of Directors is notified timely of my reappointment.

Very truly yours,

A handwritten signature in black ink, appearing to read "Vernon Kemp", is written over a light blue horizontal line.

Vernon Kemp

cc: Renee Villanueva, Executive Director
Authority Board Coordinator
Clerk of the Board of Directors

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

June 17, 2026

Subject: Proposed Amendment No. 7 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine

Recommended Action: Approve; Authorize the Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 7 to Agreement 041-2023 with Tarun Rustagi, M.D., for professional medical services in the Department of Medicine. Dr. Rustagi is a fellowship-trained, board-certified gastroenterologist, and has been employed by Kern Medical since March 16, 2023. The term of the Agreement expires June 28, 2026.

Kern County and the Central Valley are designated as a Health Professional Shortage Area (HPSA). The region is primarily rural and relies economically on agriculture with some limited energy production. Nearly half of the population is enrolled in Medicaid (Medi-Cal) due to severe socio-economic challenges. A significant shortage of physicians exists across nearly all specialties in the area, and is particularly acute in gastroenterology due to the conditions described above. Further, the number of gastroenterologists coming out of training is not keeping up with growing national and local demands due to an aging population.

Kern Medical has been attempting to recruit an additional gastroenterologist to support its single part-time gastroenterology specialist for over 10 years without success. For most of those years, the medical center was unable to generate any interested candidates due to the challenges of recruiting to a less-than-desirable area. To bolster its chances to recruit additional physicians in this much needed specialty, Kern Medical entered into a Professional Services Agreement in 2020 with Adventist Health Physicians Network (Adventist) to jointly recruit more gastroenterologists. Adventist was experiencing the same needs and a lack of success in recruitment. Under the agreement with Adventist, Kern Medical employs physicians in various specialties that in turn provide coverage at Adventist and Kern Medical.

The gastroenterology service under the agreement between Kern Medical and Adventist provides emergency, inpatient, and outpatient coverage for eight Adventist Health hospitals and dozens of clinics located in the Central Valley and Central Coast as well as Kern Medical's hospital, trauma center and 12 outpatient clinics. Adventist refers all gastroenterology cases from its service area to the Adventist Health Bakersfield hospital.

Despite joint recruitment efforts to date, Adventist and Kern Medical have only been able to recruit a single gastroenterologist, Dr. Rustagi. In addition to basic gastroenterology services, Dr. Rustagi has advanced interventional gastroenterology fellowship training to treat the most complex cases, which allows for most patients in the area to be treated locally and not have to be transferred to Los Angeles or the Bay area. To support the demand, Dr. Rustagi has provided coverage nearly 365 days a year since he started. Dr. Rustagi's work effort as measured by a physician's productivity based on work RVUs far exceeds the 90th percentile for the MGMA Physician Compensation and Production Survey for gastroenterology.

The proposed Amendment extends the term of the Agreement for an addition period from June 29, 2026 through July 24, 2026, and increases the maximum payable by \$60,000, from \$8,391,435 to \$8,451,435, to cover the extended term of the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 7 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine, extending the term from June 29, 2026 through July 24, 2026, increasing the maximum payable by \$60,000, from \$8,391,435 to \$8,451,435, to cover the extended term, and authorize the Chairman to sign.

**AMENDMENT NO. 7
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Tarun Rustagi, M.D.)**

This Amendment No. 6 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Tarun Rustagi, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 041-2023, dated March 15, 2023), Amendment No. 1 (Agt. 053-2024, dated March 20, 2024), Amendment No. 2 (Agt. 041-2025, dated April 16, 2025), Amendment No. 3 (Agt. 068-2025, dated June 18, 2025), Amendment No. 4 (Agt. 133-2025, dated November 19, 2025), Amendment No. 5 (Agt. 017-2026, dated February 18, 2026), and Amendment No. 6 (Agt. 086-2026, dated May 20, 2026) (collectively, the “Agreement”), for the period March 16, 2023 through June 28, 2026, whereby Physician provides professional medical services in the Department of Medicine at KMC; and

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

(c) The Agreement is amended effective June 17, 2026;

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

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of one (1) year, commencing as of March 16, 2023, or the approved date of Physician’s nonimmigrant H-1B status, which permits work authorization, but no later than ninety (90) days after the approved H-1B visa date (the “Commencement Date”), and shall end July 24, 2026. At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter if any.”

2. Section 5, Compensation Package, paragraph 5.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$8,451,435 over the Initial Term of this Agreement.”

2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. 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.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 7 as of the day and year first written above.

PHYSICIAN

By _____
Tarun Rustagi, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

June 17, 2026

Subject: Proposed Amendment No. 1 to Agreement 002-2025 with Patrick G. Pieper, M.D., a contract employee, for professional medical services in the Department of Surgery

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 1 to Agreement 002-2025 with Patrick G. Pieper, M.D., for professional medical services in the Department of Surgery. Dr. Pieper serves as a full-time otolaryngologist, head and neck surgeon in the Department and Medical Director of the Laser and Aesthetics Center. Dr. Pieper has been employed by Kern Medical since February 1, 2019.

The proposed Amendment increases the per diem rate for excess call coverage from \$1,200 to \$1,600 effective June 17, 2026, and increases the maximum payable by \$120,000, from \$2,250,000 to \$2,370,000, to cover the term.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 002-2025 with Patrick G. Pieper, M.D., for professional medical services in the Department of Surgery, increasing the per diem rate for excess call coverage from \$1,200 to \$1,600, increasing the maximum payable by \$120,000, from \$2,250,000 to \$2,370,000, and authorize the Chairman to sign.

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

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Patrick G. Pieper, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 002-2025, dated January 15, 2025) (the “Agreement”), for the period February 1, 2025 through January 31, 2028, whereby Physician provides professional medical services in the Department of Surgery at KMC; and

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

(c) The Agreement is amended effective June 17, 2026;

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

1. Section 5, Compensation Package, paragraph 5.2, Excess Call Coverage, shall be deleted in its entirety and replaced with the following:

“5.2 Excess Call Coverage. Authority shall pay Physician for excess call coverage as follows: (i) Physician shall be paid a per diem rate in the amount of \$1,600, less all applicable federal and state taxes and withholding requirements, per twenty-four (24) hour day for weekend² call coverage that exceeds one (1) weekend per month; and (ii) Physician shall be paid a per diem rate in the amount of \$500, less all applicable federal and state taxes and withholding requirements, for weekday³ call coverage that exceeds one in four (1:4) weekdays.”

² For purposes of weekend call coverage, a “weekend” is defined as Saturday from 7:00 a.m. to Monday at 7:00 a.m. or, in the event of a holiday, from Friday at 7:00 a.m. to Monday at 7:00 a.m. or Saturday at 7:00 a.m. to Tuesday at 7:00 a.m.

³ For purposes of weekday call coverage, a “weekday” is defined as Monday through Friday or, in the event of a holiday, Tuesday through Friday.

2. Section 5, Compensation Package, paragraph 5.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$2,370,000 over the three (3) year 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 shall remain in full force and effect.

[INTENTIONALLY LEFT BLANK]

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

PHYSICIAN

By _____
Patrick G. Pieper, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

June 17, 2026

Subject: Proposed Amendment No. 1 to Agreement 112-2025 with Tung Thanh Trang, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 1 to Agreement 112-2025 with Tung Thanh Trang, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery. Dr. Trang, a board-certified otolaryngologist, has served as a full-time physician at Kern Medical since July 2009, and serves as Chief, Division of Otolaryngology in the Department of Surgery.

The proposed Amendment increases the per diem rate for excess call coverage from \$1,200 to \$1,600 effective June 17, 2026. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 112-2025 with Tung Thanh Trang, M.D., for professional medical and administrative services in the Department of Surgery from September 20, 2025 through September 19, 2028, increasing the per diem rate for excess call coverage from \$1,200 to \$1,600, and authorize the Chairman to sign.

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

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Tung Thanh Trang, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 112-2025, dated September 17, 2025) (the “Agreement”), for the period September 20, 2025 through September 19, 2028, whereby Physician provides professional medical and administrative services in the Department of Surgery at KMC; and

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

(c) The Agreement is amended effective June 17, 2026;

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

1. Section 5, Compensation Package, paragraph 5.2, Excess Call Coverage, shall be deleted in its entirety and replaced with the following:

“5.2 Excess Call Coverage. Authority shall pay Physician for excess call coverage as follows: (i) Physician shall be paid a per diem rate in the amount of \$1,600, less all applicable federal and state taxes and withholding requirements, per twenty-four (24) hour day for weekend² call coverage that exceeds one (1) weekend per month; and (ii) Physician shall be paid a per diem rate in the amount of \$500, less all applicable federal and state taxes and withholding requirements, for weekday³ call coverage that exceeds one in four (1:4) weekdays.”

² For purposes of weekend call coverage, a “weekend” is defined as Saturday from 7:00 a.m. to Monday at 7:00 a.m. or, in the event of a holiday, from Friday at 7:00 a.m. to Monday at 7:00 a.m. or Saturday at 7:00 a.m. to Tuesday at 7:00 a.m.

³ For purposes of weekday call coverage, a “weekday” is defined as Monday through Friday or, in the event of a holiday, Tuesday through Friday.

2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. 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.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[INTENTIONALLY LEFT BLANK]

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

PHYSICIAN

By _____
Tung Thanh Trang, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

June 17, 2026

Subject: Proposed Amendment No. 6 to Agreement 099-2023 with Alton Scott Thygerson, a contract employee

Requested Action: Approved; Authorize Chairman to sign

Summary:

On July 19, 2023, your Board approved Agreement 099-2023 with Alton Scott Thygerson for professional services as chief executive officer of Kern County Hospital Authority for an initial term of three years commencing July 19, 2023, with the initial term set to expire on July 19, 2026. The Agreement states that at the end of the initial term the Agreement may be renewed for one additional term of two years upon mutual written agreement of the parties.

The proposed Amendment extends the term of the Agreement for two years from July 19, 2026 through July 19, 2028, in accordance with the terms of the Agreement. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 6 to Agreement 099-2023 with Alton Scott Thygerson for professional services as chief executive officer of Kern County Hospital Authority for the period July 19, 2023 through July 19, 2026, extending the term for two years from July 19, 2026 through July 19, 2028, and authorize the Chairman to sign.

**AMENDMENT NO. 6
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Alton Scott Thygerson)**

This Amendment No. 6 to the Agreement for Professional Services is made and entered into this _____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Alton Scott Thygerson (“Executive”).

RECITALS

(a) Authority and Executive have heretofore entered into an Agreement for Professional Services (Agt. #099-2023, dated July 19, 2023) (the “Agreement”), for the period July 19, 2023 through July 19, 2026, whereby Executive serves as chief executive officer of Authority; and

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

(c) The Agreement is amended effective July 19, 2026;

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

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** The term of this Agreement shall commence as of July 19, 2023 (the “Commencement Date”), and shall end July 19, 2028 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. At the end of the Term, this Agreement may be renewed, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.”

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

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


4. 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.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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

EXECUTIVE

By 
Alton Scott Thygeron

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

BOARD OF GOVERNORS KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

June 17, 2026

Subject: Proposed Second Amendment to the Kern Medical Center Bylaws of the Medical Staff

Requested Action: Approve; authorize Chairman to sign

Summary:

On May 5, 2026, upon recommendation of the Bylaws Committee, the Medical Executive Committee (MEC) approved a change in the procedure for how amendments to the Medical Staff Bylaws are approved, due to the inability to receive a majority (51%) of the votes cast by members of the medical staff eligible to vote (only members assigned to the active staff category are eligible to vote).

Article XV, Sections 15.1, 15.2, and 15.3 of the Bylaws, each describe the procedure for the adoption of Rules and Regulations, Medical Staff Organization and Functions Manual, and Medical Staff Policies, respectively. The adoption process for all three has been streamlined into a single process whereby MEC would adopt provisional revisions to the rules and regulations, organization and functions manual, policies, and procedures, that, in the judgment of the MEC, are necessary for patient safety, legal, or regulatory compliance. Following adoption by the MEC, the revisions would be communicated to the medical staff for review and comment. The revisions would become final following a seven-day comment period, unless at least 25% of the voting members express opposition to the revisions in writing. If the medical staff approves of the provisional revisions, the revisions will stand. If the medical staff does not approve the provisional revisions, the disagreement will be resolved using the conflict resolution process set forth in Section 15.17 of the Bylaws.

Proposals to adopt, amend, or repeal the Bylaws require a vote by written ballot of no fewer than 50% of the members of the medical staff eligible to vote. In an effort to encourage medical staff participation in the voting process, and to alleviate the need to redo a vote due to lack of participation in the voting process, the Bylaws are being amended to (a) provide for an electronic voting process and (b) change the threshold requirement to adopt, amend, or repeal the Bylaws from no fewer than 50% of the members of the medical staff eligible to vote to a simple majority of such members.

Pursuant to the Article XVI, Adoption and Amendment of Bylaws, the proposed amendment was circulated to each member of the medical staff eligible to vote with an affirmative vote to amend the Bylaws by no fewer than 50% of those members eligible to vote having been received. All votes by the medical staff to amend the Bylaws were by secret ballot.

Members, Board of Governors

June 17, 2026

Page 2

The Medicare Conditions of Participation and title 22 of the California Code of Regulations require the Bylaws and any amendments thereto be approved by the medical staff and the governing body of the hospital.

Therefore, it is recommended that your Board approve the Second Amendment to the Kern Medical Center Bylaws of the Medical Staff and authorize the Chairman to sign.

**SECOND AMENDMENT
TO
KERN MEDICAL CENTER BYLAWS OF THE MEDICAL STAFF**

WHEREAS, the Medicare Conditions of Participation and title 22 of the California Code of Regulations provide for the creation of clinical oversight of general acute care hospitals through an organized Medical Staff; and

WHEREAS, the organized Medical Staff of Kern Medical Center is governed by bylaws that are approved by the Medical Staff and the governing body of the hospital; and

WHEREAS, the Kern Medical Center Bylaws of the Medical Staff were restated on April 20, 2016; and

WHEREAS, the Medical Executive Committee, upon recommendation of the Bylaws Committee, approved a change in the procedure for how amendments to the Bylaws are approved, due to the inability to receive a majority (51%) of the votes cast by members of the Medical Staff eligible to vote; and

WHEREAS, the proposed amendments were circulated to each member of the Medical Staff eligible to vote with an affirmative vote to amend the Bylaws by no fewer than 50% of those members eligible to vote having been received; and

WHEREAS, the Bylaws are amended effective June 17, 2026;

NOW, THEREFORE, BE IT RESOLVED that effective as the date set forth above and incorporating by this reference the foregoing recitals, the Kern Medical Center Bylaws of the Medical Staff are amended as follows:

1. Article XV, Section 15.1, Rules and Regulations, shall be deleted in its entirety and replaced with the following:

“15.1 PROCEDURE

The Medical Staff shall have the responsibility to formulate, review, and recommend to the Board medical staff rules, regulations, policies, procedures, and amendments thereto as needed. The Medical Staff Rules and Regulations, Organization and Functions Manual, policies, and procedures shall be reviewed by the medical executive committee not less than every two (2) years and revised as appropriate, and as otherwise necessary to comply with applicable law or accreditation standards. The Medical Staff exercises this responsibility through its elected and appointed leaders or through direct vote of its voting membership. Such responsibility shall be exercised in good faith and in a reasonable, responsible, and timely manner.”

2. Article XV, General Provisions, Section 15.2, Organization and Functions Manual, shall be deleted in its entirety and replaced with the following:

“15.2 MEDICAL STAFF RULES AND REGULATIONS, ORGANIZATION AND FUNCTIONS MANUAL, POLICIES, AND PROCEDURES

The medical executive committee may adopt provisional revisions to the Medical Staff Rules and Regulations, Organization and Functions Manual, policies, and procedures, that, in the judgment of the medical executive committee, are necessary for patient safety, legal, or regulatory compliance. After adoption, these provisional revisions will be communicated to the Medical Staff for its review and opportunity for comments within seven (7) days of the date of the notice. The revisions shall become final at the end of the comment period unless at least twenty-five percent (25%) of voting members express opposition to the revisions in writing. If the Medical Staff approves of the provisional revisions, the revisions will stand. If the Medical Staff does not approve of the provisional revisions, it will be resolved using the conflict resolution process noted in Section 15.17.”

3. Article XV, General Provisions, Section 15.3, Medical Staff Policies, shall be deleted in its entirety and replaced with the following:

“15.3 ELECTRONIC VOTING

Unless otherwise provided in these Bylaws, any vote for an election, adoption, or amendment process may be accomplished through an electronic voting process approved by the medical executive committee, so long as the medical executive committee has determined that the electronic voting process has sufficient safeguards to protect the integrity of the vote and the process has been approved by the Board. “Electronic voting process” includes, but is not limited to, email and web-based voting processes.”

4. Article XVI, Adoption and Amendment, Section 16.2, Action by the Active Staff, shall be deleted in its entirety and replaced with the following:

“16.2 ACTION BY THE ACTIVE STAFF

These Bylaws may be amended at (1) any regular meeting of the Medical Staff or (2) any special meeting of the Medical Staff called for such purpose, provided written notice of such proposed amendment is given to each member of the Medical Staff eligible to vote at least fifteen (15) calendar days prior to such meeting. Voting shall be conducted via a mail ballot, or via an electronic voting process, as described elsewhere in these Bylaws. The ballot, in whatever form, must specify what language in the Bylaws is proposed to be added, amended, moved or deleted. Amendments shall require a simple majority vote of the members of the Medical Staff eligible to vote. In lieu of (1) any regular meeting of the Medical Staff or (2) any special meeting of the Medical Staff called for purposes of amending the Bylaws, these Bylaws may also be amended by vote of the Medical Staff, without a meeting, provided written notice of the proposed amendment and the date the votes are to be tabulated is given to each member of the Medical Staff eligible to vote at least thirty (30) days prior to the date the votes are to be tabulated, accompanied by a mail or electronic ballot that will allow the recipient to vote on the proposed amendment.

For purposes of this paragraph, notice will be deemed to be given as of date the proposed amendment is sent to the members of the Medical Staff. To be counted for any purpose, a ballot must be returned to the medical staff office no later than one (1) business day prior to the date designated in the written notice as the date the votes are to be tabulated. All votes by the Medical Staff to amend the Bylaws shall be by secret ballot. Notwithstanding anything herein to the contrary, an amendment to the Bylaws adopted by the Medical Staff as contemplated by this Section 16.2 shall not become effective until approved by the Board.”

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Second Amendment to Kern Medical Center Bylaws of the Medical Staff is adopted this 17th day of June, 2026.

ADOPTED by the Medical Staff of Kern Medical Center.

By _____
Sabitha Eppanapally, M.D.
President of Staff

ADOPTED by Kern County Hospital Authority Board of Governors.

By _____
Chairman
Board of Governors

APPROVED AS TO FORM:

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

June 17, 2026

Subject: Proposed Eighth Amendment to Operating Agreement of Kern Medical Surgery Center, LLC, a California Limited Liability Company

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The Operating Agreement provides that the Kern County Hospital Authority (“Authority”), a California governmental entity, in its capacity as the sole member of the Kern Medical Surgery Center, LLC (“Surgery Center”), shall contribute cash and other property to the Surgery Center as the Authority determines is needed and is appropriate. The proposed Eighth Amendment increases the capital contribution amount by \$1,000,000, from \$9,281,363 to \$10,281,363, for additional working capital.

The Surgery Center provides a less costly and more efficient operating room service than a general acute care hospital. However, given the Surgery Center’s high proportion of Medi-Cal patients and its support of Kern Medical Center as one of California’s 21 designated public safety net hospitals, such contributions will likely continue into the foreseeable future. Similarly, the Authority participates in the supplemental funding programs that the other public hospitals in the state access to ensure adequate reimbursement is available to offset the costs of serving as a safety net facility.

Therefore, it is recommended that your Board approve the Eighth Amendment to the Operating Agreement of Kern Medical Surgery Center, LLC, increasing the capital contribution amount by \$1,000,000, from \$9,281,363 to \$10,281,363, effective June 17, 2026, and authorize the Chairman to sign.

**EIGHTH AMENDMENT
TO
OPERATING AGREEMENT
OF
Kern Medical Surgery Center, LLC
a California Limited Liability Company**

This Eighth Amendment (this “Amendment”) to the Operating Agreement of Kern Medical Surgery Center, LLC, a California limited liability company (the “Company”), dated as of August 18, 2016, amends the Operating Agreement of the Company (the “Agreement”), effective as of this 17th day of June, 2026, and is made by Kern County Hospital Authority, a California governmental entity, in its capacity as the sole member (the “Member”) of the Company.

WHEREAS, the Agreement provides that the Member, as its Capital Contribution, shall contribute such cash and other property to the Company as the Member determines that the Company may need and is appropriate; and

WHEREAS, pursuant to paragraph 3.2 of the Agreement, the Board of Managers shall cause Exhibit “A” to the Agreement to be amended to reflect all Capital Contributions made in cash or other property; and

WHEREAS, paragraph 10.7 of the Agreement states the Agreement shall not be amended or modified except by a writing signed by the Member; and

WHEREAS, the Member desires to amend the Agreement as set forth herein;

NOW, THEREFORE, the Member hereby amends the Agreement as follows:

1. Third Amendment to Exhibit “A” to Operating Agreement shall be deleted in its entirety and replaced with Fourth Amendment to Exhibit “A” to Operating Agreement, attached hereto and incorporated herein by this reference.
2. Except as otherwise defined herein, all capitalized terms used in this Amendment have the meaning set forth in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. 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.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Eighth Amendment to the Agreement as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY,
a California governmental entity

By _____
Chairman
Board of Governors

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Karen S. Barnes
Vice President & General Counsel

**FOURTH AMENDMENT
TO
EXHIBIT "A"
TO
OPERATING AGREEMENT**

Record of Capital Contributions made and Units issued to the Member:

<u>Member Name</u>	<u>Units Owned</u>	<u>Contribution Amount; Date</u>
Kern County Hospital Authority	One (1)	\$1,500,000; 08/16/2016
		\$500,000; 11/15/2017
		In-kind, including but not limited to, legal, financial, management, administrative, contracting, Agreement for Lease, equipment, and insurance; 11/15/2017 and ongoing
		\$4,781,363; 01/18/2023
		\$2,500,000; 09/17/2025
		\$1,000,000; 09/17/2026

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

June 17, 2026

SUBJECT: Proposed Amendment No. 3 to Agreement 554-2021 with the County of Kern for Health Care Services at Kern Justice Facility

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting that your Board approve the proposed Amendment No. 2 to Agreement 554-2021 for Medical Services with the County of Kern, as represented by the Administrative Office and Kern County Sheriff's Office, for the provision of health care services to adult inmates detained in the Kern Justice Facility, effective July 1, 2026.

Kern Medical has provided health care services on behalf of the Kern County Sheriff's Department, to meet the County's obligation to provide health care services under Titles 15 and 24 of the California Code of Regulations to in-custody adult inmates housed in the Kern Justice Facility since July 1, 2021. The County reimburses the Authority for such services based on a mutually agreed upon annual budget.

This Amendment requires the consent of the California Department of Corrections and Rehabilitation (CDCR) due to the Facility Sublease between the CDCR and the County and the County's certificate of the Tax Certification referenced therein.

Therefore, it is recommended that your Board approve Amendment No. 3 to Agreement 554-2021 for the provision of health care services at Kern Justice Facility for the period July 1, 2021 through June 30, 2026, extending the term for one year from July 1, 2026 through June 30, 2027, and authorize Chairman to sign.

**AMENDMENT NO. 3
TO
KERN COUNTY JUSTICE FACILITY MEDICAL SERVICES AGREEMENT
(County of Kern – Kern County Hospital Authority)**

This Amendment No. 3 to the Kern County Justice Facility Medical Services Agreement is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority (“Authority”), a local unit of government, which owns and operates Kern Medical Center (“KMC”), and County of Kern, a political subdivision of the state of California (“County”), on behalf of County Administrative Office (“CAO”) and Kern County Sheriff’s Office (“Sheriff”).

RECITALS

(a) County and Authority have heretofore entered into the Kern County Justice Facility Medical Services Agreement (Kern County Agt. #554-2021, dated September 14, 2021), Amendment No. 1 (Kern County Agt. #599-2022, dated October 25, 2022), and Amendment No. 2 (Kern County Agt. #347-2024, dated June 18, 2024) (collectively the “Agreement”), for the period July 1, 2021 through June 30, 2026, whereby Authority through KMC provides health care services to in-custody adult inmates housed in the Kern County Justice Facility (“Facility”); and

(b) The Agreement relates solely to services provided by KMC to in-custody adult inmates housed in Facility; 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 July 1, 2026;

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

1. Section 1, Term of Agreement and Records at Termination of Agreement, paragraph 1.1 shall be deleted in its entirety and replaced with the following:

“1.1 Term of Agreement. This Agreement will be effective as of July 1, 2021, and remain in effect through June 30, 2027, unless the Kern County Board of Supervisors has selected a replacement provider of healthcare services to adult inmates under the responsibility of Sheriff.”

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

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

4. 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.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 3 as of the day and year first written above.

COUNTY OF KERN

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Supervisors

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
ADMINISTRATIVE OFFICE

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Nancy Anderson
Chief Administrative Officer

By _____
Scott Thygerson
Chief Executive Officer

SHERIFF'S OFFICE

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Donny Youngblood
Sheriff

By _____
Vice President & General Counsel
Kern County Hospital Authority

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Deputy County Counsel

CONSENTED TO (Pursuant to a Facility Sublease Dated April 1, 2018, between the Department of Corrections and Rehabilitation of the state of California and the County of Kern and the County certificate to the Tax Certification referenced therein)

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By _____
Koreen H. van Ravenhorst
Deputy Director

DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA

By _____
Michelle Weaver
Deputy Director

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

June 17, 2026

SUBJECT: Proposed Amendment No. 7 to Correctional Medicine Agreement 718-2016 with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting that your Board approve the proposed Amendment No. 7 to the Correctional Medicine Agreement with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department, for the provision of medical services to adult inmates and juvenile detainees at county owned and operated jail facilities. The Authority, through Kern Medical has provided these services since July 1, 2016. The Agreement is set to expire by its terms on June 30, 2026.

Kern Medical provides correctional medical services on behalf of the Kern County Sheriff's Department and the Kern County Probation Department, to meet the County's obligation to provide healthcare services under Titles 15 and 24 of the California Code of Regulations. The County reimburses the Authority for such services based on a mutually agreed upon annual budget. The proposed Amendment extends the term of the Agreement for one year from July 1, 2026 through June 30, 2027, unless the Board of Supervisors selects a replacement provider during that time frame.

Therefore, it is recommended that your Board approve Amendment No. 7 to Correctional Medicine Agreement 718-2016, extending the term for one year from July 1, 2026 through June 30, 2027, and authorize the Chairman to sign.

**AMENDMENT NO. 7
TO
CORRECTIONAL MEDICINE AGREEMENT
(County of Kern – Kern County Hospital Authority)**

This Amendment No. 7 to the Correctional Medicine Agreement is made and entered into this ____ day of _____, 2026, between County of Kern, a political subdivision of the state of California (“County”), on behalf of County Administrative Office (“CAO”), Kern County Sheriff’s Office and Kern County Probation Department (collectively “Responsible County Departments”), and Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”).

RECITALS

(a) County and Authority have heretofore entered into a Correctional Medicine Agreement (Kern County Agt. #718-2016, dated June 22, 2016), Amendment No. 1 (Kern County Agt. #148-2019, dated March 26, 2019), Amendment No. 2 (Kern County Agt. #446-2020, dated July 14, 2020), Amendment No. 3 (Kern County Agt. #553-2021, dated September 14, 2021), Amendment No. 4 (Kern County Agt. #347-2022, dated June 14, 2022), Amendment No. 5 (Kern County Agt. #333-2023, dated June 13, 2023), and Amendment No. 6 (Kern County Agt. #346-2024, dated June 18, 2024) (collectively the “Agreement”), for the period July 1, 2016 through June 30, 2026, whereby Authority through KMC provides health care services to adult inmates and juvenile wards under the responsibility of Responsible County Departments; and

(b) The Agreement relates solely to services provided by KMC at County-owned and -operated Adult Jail Facilities, which include Central Receiving Facility, Lerdo Pre-Trial Facility, Male Minimum Facility, Female Minimum Facility, and Maximum-Medium; and Juvenile Detention Facilities and Programs, which include Kern Crossroads Facility, Youth Detention Center and incorporated rehabilitative programs, and Camp Erwin Owen; 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 July 1, 2026;

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

1. Section 1, Term of Agreement and Records at Termination of Agreement, paragraph 1.1 shall be deleted in its entirety and replaced with the following:

“1.1 Term of Agreement. This Agreement shall be effective as of July 1, 2016, and remain in effect through June 30, 2027, unless the Kern County Board of Supervisors has selected a replacement provider of healthcare services to adult inmates and juvenile wards under the responsibility of Responsible County Departments.”

2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. 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.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 7 as of the day and year first written above.

COUNTY OF KERN

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Supervisors

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
ADMINISTRATIVE OFFICE

APPROVED AS TO CONTENT:

By _____
Nancy Anderson
Chief Administrative Officer

By _____
Scott Thygerson
Chief Executive Officer

SHERIFF'S OFFICE

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Donny Youngblood
Sheriff

By _____
Vice President & General Counsel
Kern County Hospital Authority

PROBATION DEPARTMENT

By _____
Bill Dickinson
Chief Probation Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Deputy County Counsel

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

June 17, 2026

Subject: Report on upcoming anticipated retroactive agreements

Recommended Action: Receive and File

Summary:

On February 18, 2025, your Board requested that staff notify your Board of upcoming retroactive agreements. Staff has compiled the attached report on upcoming anticipated retroactive agreements since last reported in May. As requested, all board memos will state the reason for the retroactivity and reference the date your Board was first notified the agreement would be retroactive.

Therefore, it is recommended that your Board receive and file the attached report.

BOARD OF GOVERNORS
REPORT ON UPCOMING ANTICIPATED RETROACTIVE AGREEMENTS
June 17, 2026

Agreement	Description
Soroush Bazargani, MD	For provision of call coverage at Bakersfield-area CommonSpirit hospitals
Shahab Hillyer, MD	For provision of call coverage at Bakersfield-area CommonSpirit hospitals
Jack Hou, MD	For provision of call coverage at Bakersfield-area CommonSpirit hospitals
Danny Huynh, MD	For provision of call coverage at Bakersfield-area CommonSpirit hospitals
Jeffrey Nalesnik, MD	For provision of call coverage at Bakersfield-area CommonSpirit hospitals
Efe Chantal Ghanney Simon, MD	For provision of call coverage at Bakersfield-area CommonSpirit hospitals
Foundation for Medical of Kern County	Medical Provider Network for workers' compensation cases. Agreement expired while negotiations are on going.
ACIST	Repair of contrast injector required for imaging services

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

June 17, 2026

Subject: Proposed retroactive Engagement Letter with Wipfli Advisory LLC

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests your Board retroactively approve an Engagement Letter together with the attached Professional Services Terms and Conditions with Wipfli Advisory LLC. Wipfli is a finance and accounting consulting company with significant healthcare industry expertise, particularly in the area of rate setting for Federally Qualified Health Center (FQHC) entities.

Wipfli has the knowledge needed to assist Kern Medical with conversion of its primary care clinics to the FQHC rate methodology format. The next phase of this transition is to determine the reimbursement rate per clinic visit that the newly designated FQHC will realize. Wipfli's advice and expertise will allow Kern Medical to maximize the reimbursement available. In addition, Wipfli's advice and reporting services will ensure that Kern Medical's cost reporting is consistent and complies with all government regulatory and compliance requirements.

The engagement will run from June 3, 2026 through August 31, 2027. The maximum payable will not exceed \$86,920 over the term. This item is retroactive due to the urgency to establish and optimize Medicaid reimbursement for the FQHC.

Counsel is unable to approve the Professional Services Terms and Conditions as to form due to nonstandard terms which include third-party pass-through terms with no review or ability to approve in advance, the use of third-party service providers located outside the United States, limitation of liability for the use of third-party technology tools and related products, disclaimer of warranties, limitation of liability generally, dispute resolution including waiver of trial by jury, venue and choice of law (Illinois), and a restricted statute of limitations. Efforts were made to negotiate with Wipfli to no avail.

Therefore, it is recommended that your Board retroactively approve the Engagement Letter with Wipfli Advisory LLC from June 3, 2026 through August 31, 2027, in an amount not to exceed \$86,920, and authorize the Chief Executive Officer to sign.

June 3, 2026

Scott Thygerson
Kern County Hospital Authority
1700 Mount Vernon Ave
Bakersfield, CA 93306

Dear Mr. Thygerson,

Wipfli Advisory LLC (“Wipfli,” “Wipfli Advisory” “we”, “our”) appreciates the opportunity to provide services to Kern County Hospital Authority (“Client”). This letter (“Engagement Letter”), together with the attached Wipfli Advisory LLC Professional Services Terms and Conditions (“Terms and Conditions”) describe the nature and scope of the services we will provide and confirms our mutual understanding of the terms of our engagement.

Project Purpose and Objective

Kern County Hospital Authority recently received designation as a FQHC look-alike serving the Bakersfield area. With this new designation, they have multiple decisions that they need to establish a new Medi-Cal PPS rate for as they strategically optimize their Medicaid reimbursement. With the support from Wipfli, Kern County Hospital Authority will submit a rate election packet and submit a rate projection for their sites based on the analysis of the information provided to Wipfli.

Wipfli Proposes to work with the Kern County Hospital Authority leadership team to accomplish the following activities:

- Complete and submit the Rate Election Packet indicating which methodology for rate setting will be used. Wipfli will present the document to Kern County Hospital Authority for approval before submitting it to the appropriate parties.
 - In this submission, Wipfli will also request the Medicare Upper Payment Limit (UPL) to receive reimbursement until a final rate is established, unless an interim rate results in a higher rate, in which case, the UPL will be used until the interim rate is established.
- Prepare and submit the projected cost report for the included sites after completing the analysis of the information provided by Kern County Hospital Authority in response to Wipfli's data request list.
 - Wipfli will maintain supporting documentation for all rate-setting assumptions.
- Prepare and submit the projected Home Office Cost Report after completing the analysis of the information provided by Kern County Hospital Authority in response to Wipfli's data request list.
 - Wipfli will maintain supporting documentation for all rate-setting assumptions.
- Perform a mid-year analysis to assess if Kern County Hospital Authority is on track to achieve their projected rate to make necessary financial and operations decisions and adjustments.

- Prepare and submit a final rate setting report for your sites and a Home Office Cost Report after a full year of operations, with fiscal year 27 being the expected rate setting year.
 - Wipfli will maintain supporting documentation for all rate-setting assumptions
- Provide general FQHC consulting support for compliance, operations, and financial questions, concerns and opportunities upon request from your team.
 - Areas of opportunity include but are not limited to project management support throughout the fiscal year to maintain or improve cost per visit to maximize PPS rate, including accounting and financial reporting and analysis support to assist in compiling data, and other areas of interest during the fiscal year

Timing

This engagement will run from June 3, 2026 through the completion of the final rate setting report. The rate election packet and rate projection forms will be completed by June 30, 2026, as long as all data and information requested are available and provided in a timely manner. The mid-year analysis can be performed in early December 2026 pending access to the requested data. A final rate setting report will be completed following the end of fiscal year 27 once the data is provided to Wipfli and analysis is completed. FQHC general consulting support will be available through the end of the engagement activities.

Responsibilities of Management

Wipfli Advisory operates in an alternative practice structure with Wipfli LLP under applicable professional standards. To the extent Wipfli LLP is performing any services for you that require independence under such professional standards, this consulting engagement will be conducted in accordance with consulting standards established by the American Institute of Certified Public Accountants (AICPA). When providing these services, we are required to document that you understand and accept your responsibilities regarding these services, which include the following:

- Assume all management responsibilities.
- Oversee the service by designating an individual, preferably within senior management, who possesses suitable skills, knowledge, and/or experience.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.

We do not have the authority to perform management functions, make management decisions, or act in a capacity equivalent to an employee. In no event can Wipfli Advisory perform services or functions or assume any responsibility which would compromise Wipfli LLP's professional independence under AICPA standards to the extent Wipfli LLP is performing any services for you that require independence.

Additional Services

From time to time, you may request that we provide services outside the scope of the services listed in the objective section of this letter ("Additional Services"). We will provide such Additional Services subject to the terms and conditions of this Engagement Letter. However, nothing in this Engagement Letter related to Additional Services is intended to require us to provide these Additional Services or is intended to create a duty,

either express or implied, to provide such Additional Services or otherwise to bring to your attention to matters or advice that we were not specifically requested to provide or address.

Fees & Expenses

Our fees and expenses for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be:

- Rate election: Fixed Fee - \$3,000
- Rate Projection: Fixed Fee - \$10,000
- Home Office Cost Report: Fixed Fee - \$8,000
- Mid-Year Analysis: Fixed Fee - \$6,000
- Final Rate Setting Report and Home Office Cost Report: Fixed Fee - \$20,000
- FQHC General Consulting: Hourly at Time and Expense - Up to \$35,000. Total Not to exceed Including 6% professional fees - \$86,920

Title	Hourly Rate
Analyst	\$120
Sr. Analyst	\$160
Consultant I	\$215
Consultant II	\$265
Sr. Consultant	\$320
Asst. Manager	\$350
Manager	\$400
Director/Sr. Manager	\$480
Partner	\$585

Our fee has been determined based on our understanding obtained through discussions with you regarding your preparedness for the engagement and your current operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We will also charge our actual direct travel expenses (if any) plus a technology and administration fee equal to six percent (6%) of our professional fees. We expect payment of our billings within 30 days after submission.

This engagement will run from June 3, 2026 through August 31, 2027. Any modifications to this time frame will require a new Engagement Letter.

Other

Daniel Winokur will be the engagement partner for the services specified in this Engagement Letter. The engagement partner's responsibilities include supervising the firm's services performed as part of this engagement.

Gar Gautam will be part of the engagement team and your direct contact for the services specified in this Engagement Letter.

[Approval to Proceed](#)

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please electronically sign the Engagement Letter via Adobe Acrobat Sign.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli Advisory LLC

ACCEPTED: KERN COUNTY HOSPITAL AUTHORITY

By: _____

(Print Name and Title)

Date: _____

Gg/gh

Enc.

Wipfli Advisory LLC
Professional Services Terms and Conditions

1. Terms and Conditions and Related Engagement Documents

These Wipfli Advisory LLC Professional Services Terms and Conditions ("Terms and Conditions") apply to and govern Wipfli Advisory LLC's provision of services to You. For the purposes of these Terms and Conditions, any reference to "Wipfli," "We," "Us," "Our," or similar is a reference to Wipfli Advisory LLC, and includes any subsidiaries or subcontractors of Wipfli Advisory LLC, and any reference to "Client," "You," or similar is a reference to the party or parties that have engaged Us to provide services, and the parties ultimately responsible for Our fees and expenses.

These Terms and Conditions may be appended to or incorporated into an engagement letter outlining the delivery of specific services by Us to You, and in that case such engagement letter and any appendices thereto and these Terms and Conditions form the entire agreement between You and Wipfli with respect to the services described therein, and supersede and merge all prior or contemporaneous agreements and understandings (oral or written) between or among the parties regarding the subject matter thereof, including prior proposals of Wipfli regarding the engagement or services, understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued by Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the engagement letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of these Terms and Conditions, any engagement letter, its appendices, any other exhibit, attachment, schedule, or other document referenced in or by the engagement letter, shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the engagement letter shall be given controlling effect. Notwithstanding the foregoing, where Wipfli provides services, support, and advice not covered by an engagement letter, these Terms and Conditions shall apply, including with respect to any such services, support, or advice performed or provided prior to the execution of an engagement letter related to those services.

2. Change Orders

Unless an engagement letter specifies otherwise, services that fall outside the agreed-upon scope of Wipfli's engagement under any engagement letter shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli's invoice for such services. A "Change Order" means a mutually agreed-upon change in the scope of work or services, schedule, or the time for Wipfli's performance of the work or services under an engagement letter, or a change in the fees or the basis of the fees to be paid to Wipfli by Client, which is reduced to a writing that is executed or otherwise acknowledged by an authorized representative of each for Wipfli and Client. Services performed under a Change Order shall be subject to these Terms and Conditions.

3. Commencement and Term

Our engagement will commence when acceptance of these Terms and Conditions and any related engagement letter is delivered to Wipfli through execution thereof by a duly authorized representative of Client and shall continue until the services contemplated under the engagement letter are Complete (as reasonably determined by Wipfli), unless earlier terminated by either party as provided herein. Each person executing an engagement letter or Change Order on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing the same. For the purposes of this paragraph, "Complete" means the delivery by Wipfli of the report or other deliverables contemplated by the engagement letter, or where no deliverables are contemplated, three (3) months after the last date of services rendered by Wipfli with respect to the services at issue. Notwithstanding the foregoing, services, support, and advice provided by Wipfli in respect of an engagement after the termination of such engagement shall be governed by these Terms and Conditions.

4. Termination of Services

Wipfli's services may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements and such default is not cured within thirty (30) days after notice from the other party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days' written notice. Wipfli has the right to terminate services with immediate effect if We determine applicable professional standards require Us to do so, if Client does not in a timely manner provide Us with information reasonably requested by Us to perform the contemplated services, refuses to cooperate with Our reasonable requests for assistance in connection with the delivery of Our services, or misrepresents any material facts. Our withdrawal will release Us from any obligation to complete the services and will constitute termination of Our engagement. Termination of Our engagement shall have no effect on

either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination and Client agrees to compensate Us for Our time and out-of-pocket expenses through the effective date of termination.

5. Fee Estimates and Expenses

An engagement letter may set forth specific fee amounts, hourly rates, or certain ranges for Wipfli's fees in respect of the services contemplated by the engagement letter. Where Wipfli provides an estimate of fees, Client acknowledges that Wipfli provides fee estimates as an accommodation to Client. These estimates depend on various assumptions, including without limitation: (a) anticipated cooperation from Client personnel; (b) timely responses to Our inquiries; (c) timely completion and delivery of Client assistance requests; (d) timely communication of all significant accounting and financial reporting matters; (e) the assumption that unexpected circumstances will not be encountered during the engagement; and (f) where applicable, the assumption that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in an engagement letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

Unless otherwise agreed in an engagement letter, a technology and administration fee of six percent (6%) of professional fees will be added to all invoices, along with any direct travel expenses incurred. The technology and administration fee is in lieu of other direct expenses and charges which might otherwise apply. Notwithstanding the foregoing, the cost of software and software licenses or subscriptions and similar miscellaneous tools provided or acquired specifically for Client or for Client's use in connection with the performance of services may be invoiced separately.

6. Payment of Fees and Expenses

All invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on the balance due to Wipfli that is outstanding over thirty (30) days. At Our discretion, services may be suspended if Client's account becomes overdue and services will not be resumed until Client's account is paid in full. Client acknowledges and agrees that We are not required to continue services in the event of a failure to pay on a timely basis for services rendered. Client further acknowledges and agrees that in the event Wipfli suspends or terminates services as a result of Client's failure to pay as agreed on a timely basis for services rendered, Wipfli shall not be liable to Client for any damages that occur, whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages, and Client agrees to indemnify and hold Wipfli harmless against any such damages or claims.

7. Engagement Staffing

Wipfli expressly reserves the right to replace, in Our reasonable discretion, any of Our team members as necessary to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist Us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including Our wholly owned subsidiary based in India and contractors in the Philippines).

We remain responsible to Client for the supervision of all independent contractors, service providers, entities, and personnel who assist Us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes Us to disclose Client information to the foregoing parties for the purpose of providing services to Client. Applicable rules in some states require that We advise You that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services.

8. Confidentiality, Information Security and Electronic Information Storage

The performance of services by Wipfli may result in the parties having access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information

Wipfli Advisory LLC
Professional Services Terms and Conditions

received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the receiving party or its affiliates, free of any obligation to keep it confidential; (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates; (iii) is received by the receiving party from a third party without any restriction on confidentiality; (iv) is independently developed by the receiving party or its affiliates without the use of the disclosing party's Confidential Information; (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality; or (vi) is approved for release by prior written authorization of the disclosing party.

Except as permitted hereunder and necessary for the performance of services hereunder, without the advance written consent of the other party or as required by law, regulation, legal process, or to comply with professional standards applicable to a party, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding the Confidential Information of the other as it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this agreement. The parties further agree that expiration or termination of this agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

Wipfli will ensure that it maintains appropriate policies, procedures and safeguards to protect the confidentiality of Client Confidential Information. In addition We will ensure that Our agreements with all third-party service providers contain appropriate provisions to protect Client Confidential Information. We may use electronic media to transmit Client Confidential Information, and such use in itself will not constitute a breach of any security or confidentiality obligation. Client acknowledges that Wipfli has no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted, notwithstanding all reasonable security measures employed by Us. You consent to Our use of electronic devices and applications in the delivery of Our services.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data"). Any Personal Data provided to Us by Client to receive Our services will be kept confidential and not disclosed to any third party not described above (parties providing Us assistance in rendering professional services) unless necessary to deliver services, expressly permitted by Client, or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their Personal Data which will be obtained, used, and disclosed by Wipfli to render services, and Wipfli may rely on the representation that Client has obtained such consents. Notwithstanding anything to the contrary, Client acknowledges that Wipfli may collect, use, and disclose certain administrative Personal Data (such as contact information and Internet activity) to administer the contract between the parties and in accordance with Wipfli's Privacy Statement (as applicable) available at www.wipfli.com/privacy-statement.

9. Intellectual Property Rights, Client Records, Wipfli Workpapers; Use of Deliverables and Drafts

Wipfli acknowledges that all Client materials, data, or other information provided to Wipfli to permit Wipfli to perform services ("Client IP") belongs to and shall remain the property of Client. Client acknowledges that proprietary information, documents, materials, management techniques, and other intellectual property (collectively "Wipfli IP") are a material asset to Wipfli and source of services We perform for Client and others and were developed prior to performing services for Client. Client acknowledges that Wipfli Advisory LLC and/or Wipfli LLP or their affiliates (together "Wipfli Entities") owns all right, title and interest in Wipfli IP including enhancements thereto produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client IP, all of which shall remain the property of Client. Upon completion of the services and full payment by Client of all related invoices, the Wipfli Entities grant to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client (including embedded Wipfli IP), provided that any use or modification of such deliverable, other than for the purposes stated in the related engagement letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli Entities' trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli Entities' goods, products, services, marketing material, or advertising media and shall not in any way alter any of Wipfli Entities' products. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process, and

other information shall be solely and exclusively the property of the originating party.

Client's original documents, data, books, and records are the property of Client, and it is Client's responsibility to maintain all such materials. Wipfli has no responsibility to do so unless specifically undertaken by Wipfli in an engagement letter. Workpapers, documentation, and files created by Us in the course of providing services are the property of Wipfli. We will retain workpapers, documentation, and files pursuant to Our record retention policy. In the event We are required to respond to a subpoena, court order, government regulatory inquiry, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of workpapers, documents, files and/or testimony relative to information We obtained and/or prepared during the course of rendering services, We will, to the extent permitted by law and applicable professional standards, notify You of the matter, but You agree We have no obligation to You in the event We determine We are obligated to provide documents or other information. You agree to compensate Us for all time We expend in connection with such response, at Our regular rates, and to reimburse Us for all related out-of-pocket costs, including reasonable attorney's fees, that We may incur. Any services under this paragraph will be deemed a separate engagement subject to these Terms and Conditions.

Client agrees that Wipfli may use Client's name and logo in experience citations and in proposals, work product and deliverables provided or directed to Client pursuant to the engagement letter or otherwise. Notwithstanding any other provision of the engagement letter or these Terms and Conditions, and except as prohibited by law, Wipfli may use the information received under the engagement letter, including tax return information, in an aggregated and anonymized manner, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to You or current or prospective clients to provide them services or offerings. In no event will We use or disclose the information in a way that would permit Client to be identified by third parties without Client's express consent. With respect to tax return information, Client may request in writing a more limited use and disclosure than the foregoing. The foregoing consent is valid until further notice by Client.

10. Third-Party Software, Technology Tools and Related Products and Limitations Thereon

Wipfli may use software, technology tools, or related products ("Third-Party Products") to deliver services to Client. Where Wipfli uses Third-Party Products or is engaged to provide services related to the selection, implementation, or use of Third-Party Products, Wipfli will employ commercially reasonable efforts to research, learn, and assist Client in the selection, implementation, and use of such Third-Party Products. However, Wipfli shall not be held liable for any issues, errors, or malfunctions related to or arising from the Third-Party Products not directly caused by Wipfli's fraud or willful misconduct. Client acknowledges that Wipfli does not have control over the functionality, performance, or availability of Third-Party Products and cannot assure or make any representation that the Third-Party Products are free from defects, malware, viruses, trojan horses, and similar risks. Consequently, Wipfli disclaims any warranties or guarantees, express or implied, regarding the performance, reliability, or results obtained from the use of Third-Party Products, and Client acknowledges that the use of such Third-Party Products is subject to the terms of any end user agreement associated with each of the Third-Party Products and accepts such terms. Where Client is provided access to Third-Party Products by Wipfli, Client will: 1) use and access such Third-Party Products only for the purpose for which they were provided access; 2) not tamper with, modify, or alter such Third-Party Products; and 3) comply with all reasonable instructions from Wipfli in respect of such access.

11. Tax Services

Tax services are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA), and other professional standards applicable to tax services. Our fees for services do not include time spent responding to IRS or state or local inquiries, and Client understands that We are not responsible for IRS or state or local disallowance of doubtful deductions or deductions unsupported by adequate documentation, nor for resulting taxes, penalties, and interest. You acknowledge that Our tax services do not include, and we shall not be responsible for providing any procedures designed to discover significant errors, fraud, defalcations or other irregularities should any exist in respect of Client's financial statements or financial position. Client's tax returns may be selected for review by the taxing authorities. Any proposed adjustments by an examining agent are subject to certain rights of appeal. In the event of such tax examination, We will be available upon request to represent Client and

Wipfli Advisory LLC
Professional Services Terms and Conditions

will charge additional fees for the time and expenses incurred. Any such services will constitute a separate and distinct engagement.

If Client is an individual with respect to whom IRC 7216 and the related regulations ("7216") are applicable, Wipfli will not utilize foreign persons or resources to provide tax services without first obtaining appropriate consent from Client, and any provision of these Terms and Conditions which would contravene the requirements of 7216 shall be inapplicable.

12. Allocation of Risk and Limitation of Liability

In no event will Wipfli or Client be liable to the other for claims of punitive, exemplary, consequential, special, incidental, or indirect damages, whether or not a party was advised of the possibility of such damages, regardless of whether they were foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. Wipfli's liability for all claims, damages, and costs of Client arising from Wipfli's services performed under an engagement letter, Change Order, or otherwise shall be limited to the amount of fees paid by Client to Wipfli for the specific services which give rise to the claim for damages or, in the case of services provided in respect of an engagement which spans a period of more than twelve (12) months, the fees paid by Client to Wipfli in the twelve (12) months preceding the event giving rise to the claim. The limitation of liability in the preceding sentence shall not apply in the event of Wipfli's fraud or willful misconduct or where disallowed by applicable law, regulation, or professional standards applicable to the services performed under these Terms and Conditions. Because Wipfli will rely on Client and its management for the accuracy of the representations made to Wipfli to perform services, and except where indemnity is disallowed by applicable law, regulation, or professional standards applicable to the services performed under these Terms and Conditions, Client holds harmless and releases Wipfli and its owners and employees from all claims, liabilities, losses, and costs of any kind arising which arise from: (i) a knowing misrepresentation, withholding, or concealment of information by Client or its management; or (ii) a wrongful act by Client or a member of Client's management or ownership group.

13. Dispute Resolution; Choice of Law and Statute of Limitations

If any dispute arises regarding the subject matter hereof or services provided by Wipfli to Client, and such dispute cannot be resolved through informal negotiations and discussions, prior to resorting to litigation, the parties will try in good faith to settle the dispute by non-binding mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes. Either party may request mediation, and costs of any mediation proceeding shall be shared equally. IN THE EVENT OF LITIGATION, WIPFLI AND CLIENT HEREBY AGREE NOT TO ELECT OR REQUEST A TRIAL BY JURY OF ANY ISSUE TRIABLE BY RIGHT OF JURY AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH RESPECT TO THE SERVICES, THESE TERMS AND CONDITIONS, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING THEREWITH.

Client acknowledges and agrees that its sole and exclusive remedy with respect to any and all claims in respect of services rendered by Wipfli Advisory LLC shall be against Wipfli Advisory LLC and no other entity or person, including without limitation Wipfli LLP. In furtherance of the foregoing, Client hereby waives, to the fullest extent permitted under law, any and all claims and causes of action for any breach of contract, tort, or other claim against such other parties and each of their respective representatives arising under or based upon any legal theory, except in the event of common law fraud or intentional misconduct.

The parties agree that any dispute arising out of Wipfli's services or these Terms and Conditions shall be governed by the laws of the state of Illinois, without regard to conflict of laws principles. Except for an action by Us to collect payment of Our invoices, Wipfli and Client agree that no claim arising out of services rendered by Wipfli shall be filed after the earlier of the expiration of the applicable statute of limitations, or : (i) in the case of any report or deliverable issued by Wipfli under the engagement letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of any related engagement letter); or (ii) in the case of any tax form or similar governmental filing, no later than three years after the extended due date of such tax form or filing.

14. Sanctions Compliance

In connection with Wipfli's engagement to provide services, You represent, warrant and covenant as follows: (a) You are not located, ordinarily resident, or incorporated in any jurisdiction subject to comprehensive U.S. economic sanctions (currently, Cuba, Iran, North Korea, Crimea and Russia-occupied regions of Ukraine); (b) You are not and are not owned or controlled by or acting on behalf of or for the benefit of a person or entity subject to sanctions by the US, UK or EU, including any person designated on any sanctions lists; (c) You are not otherwise a person to whom a United States-based business is prohibited or restricted from providing services under applicable laws including sanctions and trade control laws; (d) You are not and are not owned or controlled by or acting on behalf of or for the benefit of a person or entity

currently debarred, suspended, proposed for debarment, or otherwise excluded from participation in any federal, state, or local process, and (e) You will not violate or cause Wipfli to violate any applicable laws, whether criminal or otherwise, including anti-corruption, anti-money laundering laws, economic sanctions and trade control laws, in connection with the services provided by Wipfli. You further agree to promptly notify Wipfli in writing if You or any individual acting for You becomes subject to any such debarment or exclusion during the term of this engagement. Wipfli reserves the right to terminate this engagement immediately upon learning of any such debarment or exclusion.

15. Alternative Practice Structure and Impact on Independence

Wipfli Advisory LLC (and its respective subsidiary entities) operates in an alternative practice structure with Wipfli LLP in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

To the extent Client has separately engaged Wipfli LLP to perform services, Wipfli Advisory LLC cannot perform services that would impair Wipfli LLP's independence. The services described in the engagement letter do not impair Wipfli LLP's independence.

"Wipfli" is the brand name under which Wipfli Advisory LLC and its respective subsidiary entities and Wipfli LLP provide professional services. In these Terms and Conditions, "Wipfli" means Wipfli Advisory LLC unless the context clearly indicates otherwise.

16. Certain Sales (and Similar) Tax Responsibilities

To the extent applicable, Client shall pay and be solely and exclusively liable for all sales, use, ad valorem, excise, or other taxes or governmental charges imposed on the installation, implementation, licensure, or sale of goods or services by Wipfli or third parties to Client.

17. Severability

The provisions of these Terms and Conditions shall be severable, so that the invalidity or unenforceability of any provision will not affect the validity or enforceability of the remaining provisions; provided that no such severability shall be effective if it materially changes the economic benefit of these Terms and Conditions to either party.

18. Independent Contractor Status and Non-Exclusivity

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties. No right of exclusivity is granted, guaranteed, or implied by Wipfli by entry into an engagement letter or the performance of services. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

19. Insurance

Wipfli will carry and maintain in force at all times during the term of its engagement with Client appropriate insurance coverages, including policies covering professional liability errors and omissions, cyber liability, general liability, automotive liability, and worker's compensation.

20. Notices

All notices required to be given to either party hereunder shall be in writing and sent by email or traceable carrier to each party's address (including an email address) indicated on any engagement letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice shall be provided to wipfli-legal@wipfli.com.

21. Counterparts and Electronic Signatures

Any document contemplated hereby may be executed in one or more counterparts, each of which will be deemed to be an original, and all of which, when taken together, will be deemed to constitute one and the same document. Each party hereto agrees that any electronic signature of a party to any document contemplated hereby is intended to authenticate such writing and shall be as valid and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing"; (ii) to have been signed; and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature.

22. Assignment

These Terms and Conditions and related engagement letters and agreements shall be binding on the parties hereto and their respective successors and assigns. Neither party may make assignment thereof without the prior written consent of the other party, except that Wipfli may assign its rights and obligations hereunder without approval of Client to an entity that acquires all or

Wipfli Advisory LLC
Professional Services Terms and Conditions

substantially all of the assets of Wipfli or to any subsidiary, affiliate, or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations hereunder or under any applicable engagement letter.

23. **Force Majeure**

Either party may suspend (or, if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) hereunder or under any engagement letter or Change Order if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, events generally understood to be "Acts of God."

24. **Certain Disclosures**

Wipfli's services do not constitute legal or investment advice. We are not in a fiduciary relationship with You. Wipfli does not provide investment advisory services. Certain Wipfli employees also dually serve as Creative Planning LLC ("Creative") investment adviser representatives ("IARs"). If Client requires investment advisory services, Wipfli will introduce Client to a Wipfli employee who dually serves as an IAR. If Client subsequently engages Creative, Creative will, in most cases, share a portion of its ongoing investment advisory fee with the IAR. The IAR is required to remit such amounts to Wipfli as the IAR's employer. Wipfli's receipt of a portion of the Creative advisory fee will not result in Client's payment of a higher Creative investment advisory fee than if Client had engaged Creative independent of Wipfli and the IAR. The IAR will provide Client with written disclosure of the relationship and economic arrangement by and among Wipfli, the IAR, and Creative. All investment advisory services are provided exclusively by Creative per the terms and conditions of a separate written agreement between Client and Creative. The Wipfli Entities do not provide investment advisory services, but Wipfli's receipt of compensation as described does present the potential of a conflict of interest. The IAR's role is limited to the introduction of Creative. Creative's written disclosure brochure and Form CRS discussing its advisory services and fees is available at www.creativeplanning.com. **No Client is under any obligation to engage Creative or to continue engaging with Creative after having decided to engage Creative.**

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

June 17, 2026

Subject: Proposed Report on Kern Medical Supplemental Funding Programs

Recommended Action: Receive and File

Summary:

Kern Medical will make a report on Supplemental Funding Programs. As a designated public hospital, Kern Medical is eligible to participate in state supplemental payment programs for public hospitals. Funding from these programs accounts for 37% of hospital proceeds and represents a significant portion of operational quality improvements throughout the organization.

Therefore, it is recommended that your Board Receive and File the Report on Kern Medical Supplemental Funding Programs.



Supplemental Funding Programs

June 12, 2026

Supplemental Funding Programs

- Enhanced Payment Program (EPP)
- Quality Incentive Pool (QIP)
- Global Payment Program (GPP)
- Voluntary Rate Range Program (VRRP)
- AB 915
- Medi-Cal GME
- Hospital Quality Assurance Fee (HQAF)
- Physician Non-Physician Practitioner Program (PNPP)

Quality Incentive Pool (QIP)

- Report on 40 metrics
 - 20 required
 - Breast Cancer Screening
 - Childhood Immunization
 - Controlling High Blood Pressure
 - Colorectal Cancer Screening
 - 20 selected from list of 37 elective
 - Surgical site infection
 - Preventing Bloodstream infections
 - Advance Care Plans
- Performance targets based on national benchmarks

QIP Funding

- Funding allocated based on Managed Care lives and encounters compared to all other public hospitals
- Net funding based on percentage Medi-Cal Expansion
- Funds are evenly distributed across metrics
- Interim payment ~9 months after year end
- Final payment ~15 months after year end

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

June 17, 2026

Subject: Kern County Hospital Authority Chief Financial Officer Report – April 2026

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$2,868,363 for April is \$2,664,230 more than the April budget of \$204,133 and \$1,631,553 more than the \$1,236,810 average over the last three months
- EBIDA of \$4,757,578 for April is \$2,908,396 more than the April budget of \$1,849,181 and \$1,895,280 more than the \$2,862,298 average over the last three months
- Average Daily Census of 174 for April is 5 more than the April budget of 169 and 1 less than the 175 average over the last three months
- Admissions of 914 for April are 90 more than the April budget of 824 and 25 more than the 889 average over the last three months
- Total Surgeries of 546 for April are 44 more than the April budget of 502 and 11 more than the 535 average over the last three months
- Clinic Visits of 23,891 for April are 4,004 more than the April budget of 19,887 and 1,430 more than the 22,461 average over the last three months

The following items have budget variances for the month of April 2026:

Patient Revenue:

Gross patient revenue has a 12% favorable budget variance for the month and a 5% favorable budget variance on a year-to-date basis. The favorable variance is mainly due to a 3.5% charge description master (CDM) price increase that became effective on July 1, 2025 and to a lesser extent, patient volumes. Kern Medical has realized strong patient census levels and consistently high gross patient revenue throughout FY 2026.

Indigent and Correctional Medicine Funding Revenue:

Indigent funding has a favorable budget variance for the month due to the relief of FY 2011 waiver program reserves. On a year-to-date basis the budget variance is unfavorable due to a conservative approach to recognizing indigent funding revenue. Throughout FY 2026, Kern Medical has only recognized 95% of the total projected revenue for the Managed Care Rate Range Program, the Medi-Cal Quality Assurance Fee Program, the Physician SPA Program, the Graduate Medical Education (GME) Program, and the AB915 Outpatient Supplemental Funding Program. Kern Medical recognizes 100% of the total projected revenue for the Medi-Cal waiver programs including the Global Payment Program (GPP), Enhanced Care Management (ECM), the Enhanced Payment Program (EPP), and the Quality Incentive Program (QIP).

Other Operating Revenue:

Other operating revenue is under budget for the month and on a year-to-date basis. Other operating revenue consists of items such as medical education funding, grant funding, Proposition 56 funding, and other miscellaneous non-patient related revenue. These items are received quarterly or otherwise periodically. Therefore, actual month-to-date and year-to-date revenue compared to the budget fluctuates throughout the year.

Other Non-Operating Revenue:

Other non-operating revenue is over budget for the month and on a year-to-date basis. Other non-operating revenue consists of miscellaneous items such as revenue for providing out-of-network physician services. These miscellaneous items are not received consistently throughout the year. Therefore, the actual dollar amount recorded for this line item may fluctuate versus budget on a monthly basis and on a year-to-date basis.

Salaries Expense:

Salaries expense is 6% under budget for the month and 3% under budget on a year-to-date basis.

Benefits Expense:

Benefits expense is 3% over budget for the month and 5% under budget on a year-to-date basis.

Nurse Registry Expense:

Nurse registry expense is 26% under budget for the month and 18% under budget on a year-to-date basis. The overall use of nurses under contract was reduced with the intent to hire more nurses as Kern Medical employees.

Medical Fees:

Medical fees are 34% over budget for the month and 20% over budget on a year-to-date basis. The unfavorable variance is due to higher-than-average fees paid to the Hayes Locums physician staffing agency.

Other Professional Fees:

Other professional fees are 13% over budget for the month and 13% over budget on a year-to-date basis. The unfavorable year-to-date variance is due to higher-than-average legal fees and an under accrual in prior months for Oracle EHR costs.

Supplies Expense:

Supplies expense is 5% over budget for the month due to higher-than-average pharmaceuticals and medical supplies costs. On a year-to-date basis, supplies expense is 0.6% under budget year-to-date due to lower-than-average pharmaceuticals costs and lower than average surgical and other medical supplies costs.

Purchased Services:

Purchased services are 12% over budget for the month and 6% over budget on a year-to-date basis due to higher-than-expected software maintenance costs and ambulance fees.

Other Expenses:

Other expenses are 2% under budget for the month and 4% over budget on a year-to-date basis. The unfavorable year-to-date variance is due to higher-than-average insurance expenses and higher-than-average expenses for utilities and for dues and subscriptions.

Interest Expense:

Interest expense is under budget for the month and year-to-date due to lower-than-average interest paid for the PNC Bank credit line. The monthly interest fluctuates depending on whether or not Kern Medical has borrowed against the credit line and depending on current interest rates.

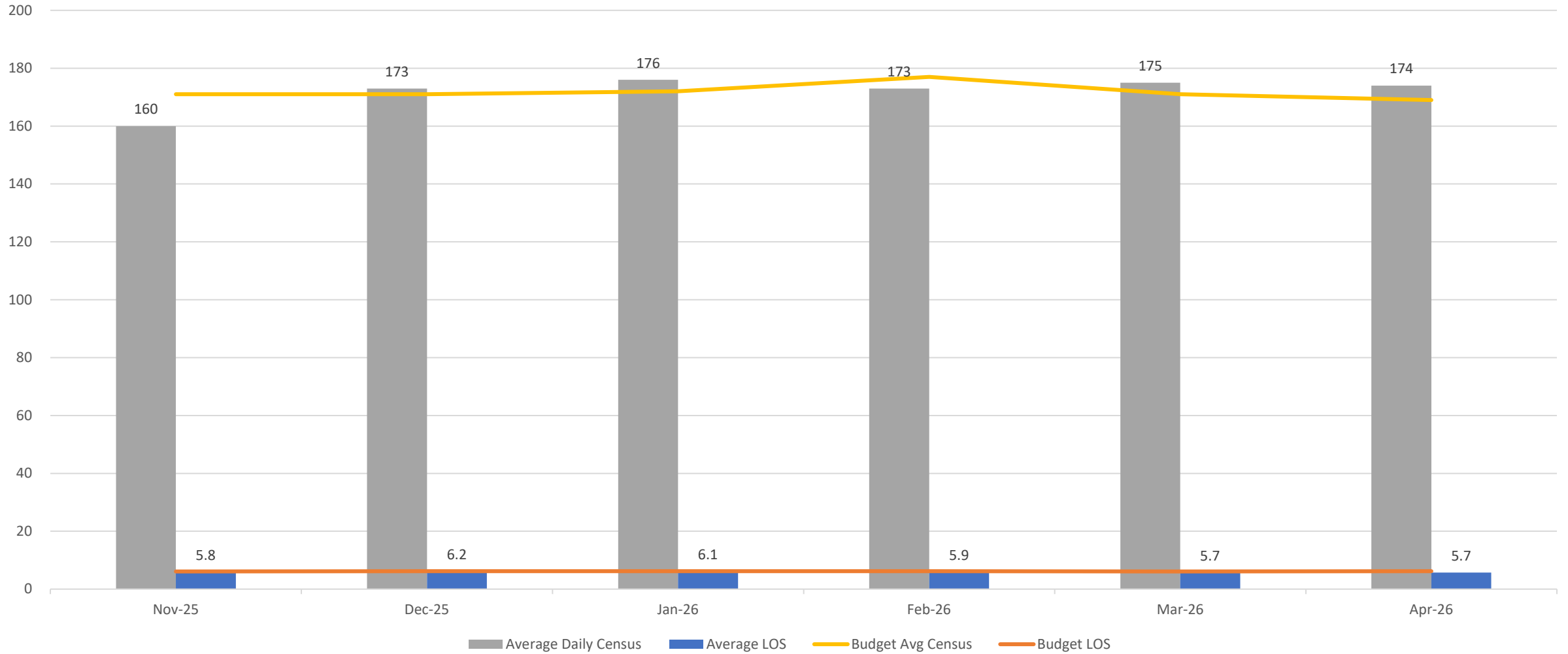
Depreciation and Amortization Expense:

Depreciation expense is 41% over budget for the month and 7% over budget on a year-to-date basis due to various equipment put in-service during FY 2026. Amortization is 5% over budget for the month but 1% under budget on a year-to-date basis. The year-to-date variance is due to less than average amortization expense for right-of-use (ROU) capital leases and less than average amortization expense for subscription-based information technology arrangement (SBITA) software. A change in the treatment of accounting for leases under GASB 87 was implemented in FY 2022. GASB 87 requires leases to be set up as assets at fair market value and amortized over time. Corresponding right-of-use liabilities are also set up for leases with applicable interest expense accrued. The net effect of the implementation of GASB 87 is minimal. There is a corresponding decrease in lease expense under the other expenses section of the income statement that offsets the increases in amortization expense and interest expense. A change in the treatment of accounting for subscription-based software under GASB 96 was implemented by Kern Medical in 2023. The accounting treatment for subscription-based software under GASB 96 and its net effect financially is the same as for lease accounting under GASB 87 as described above.



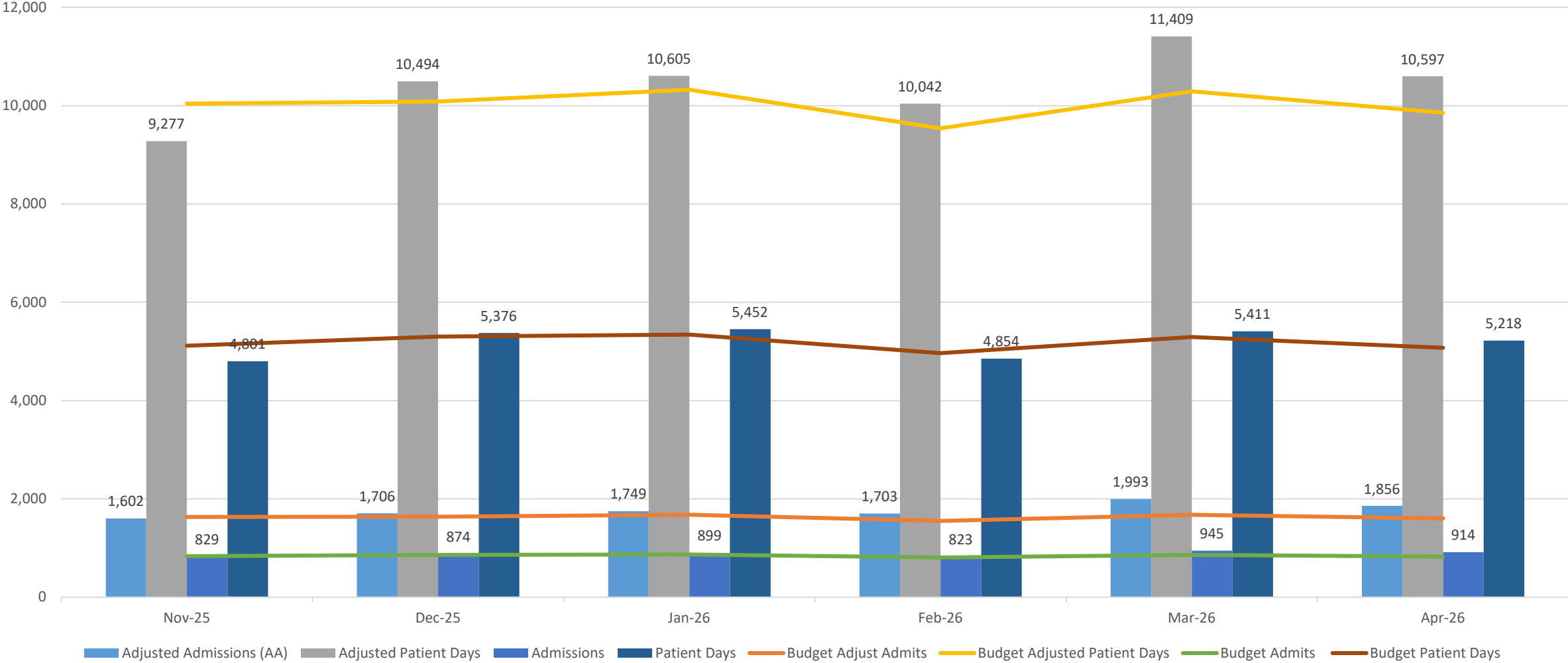
Board of Governors' Report
Kern Medical – April 2026

Census & ALOS

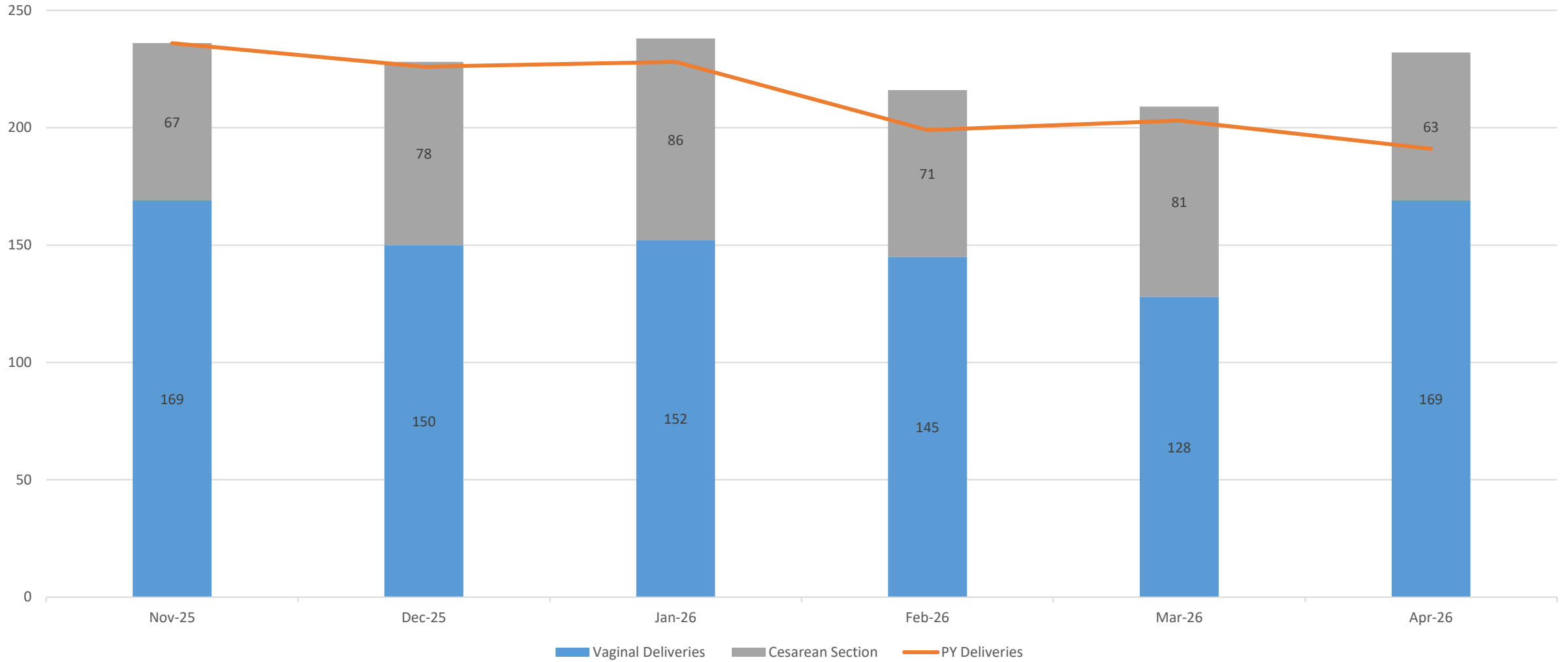


Slide 2

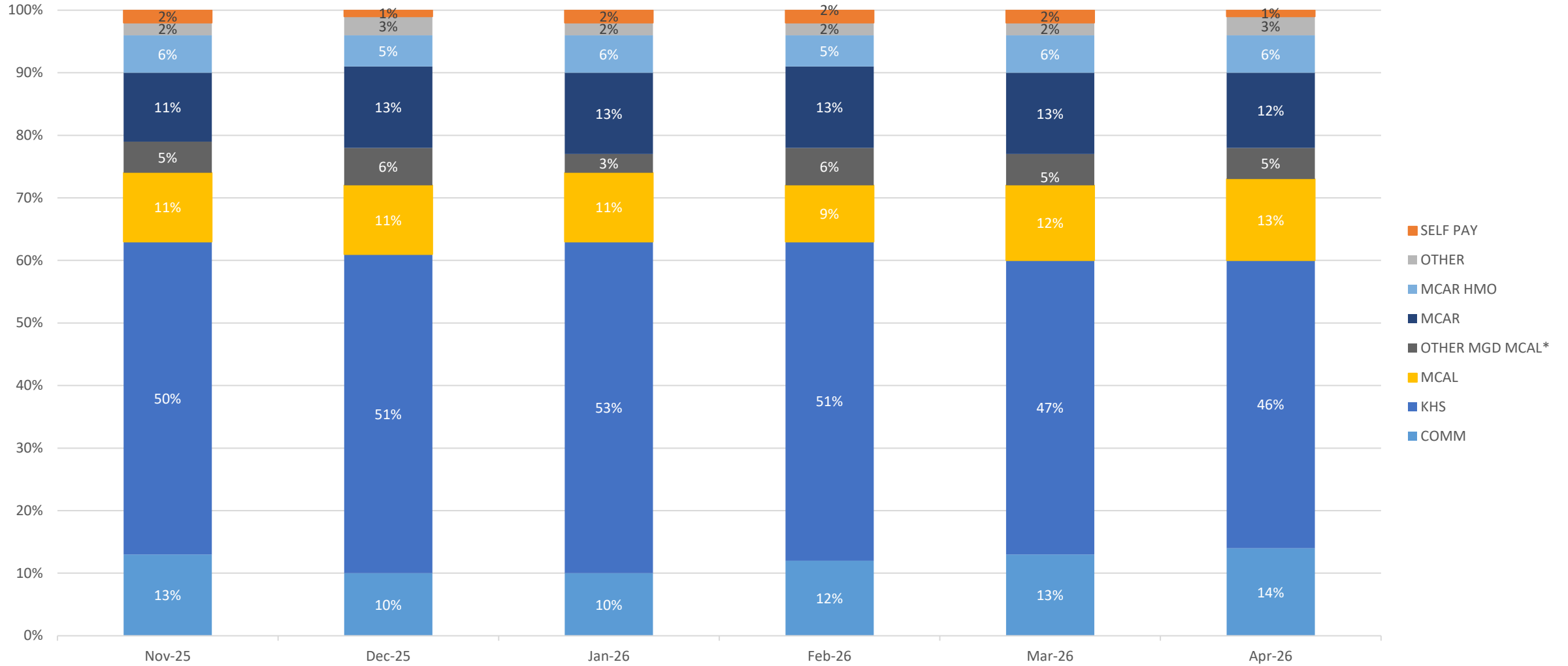
Hospital Volumes



Deliveries

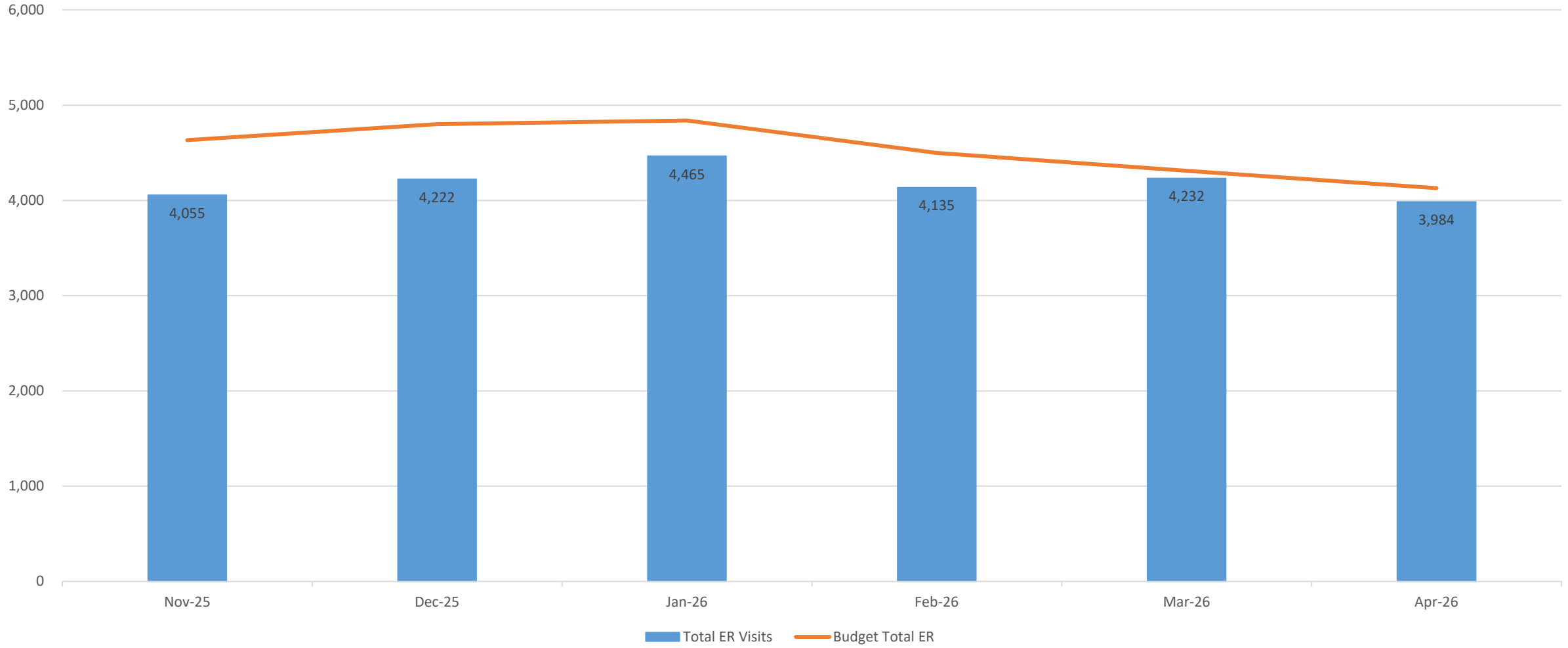


PAYER MIX

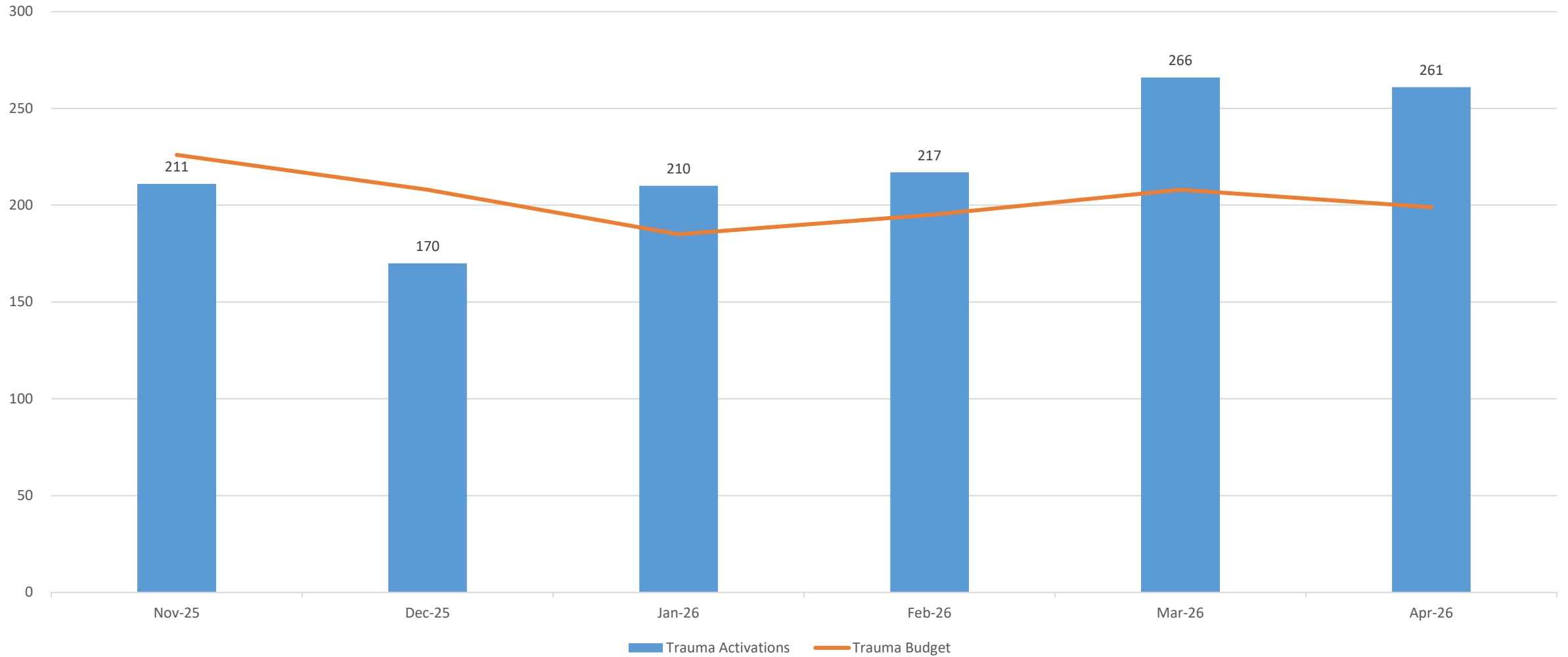


Slide 5

Emergency Room Volume

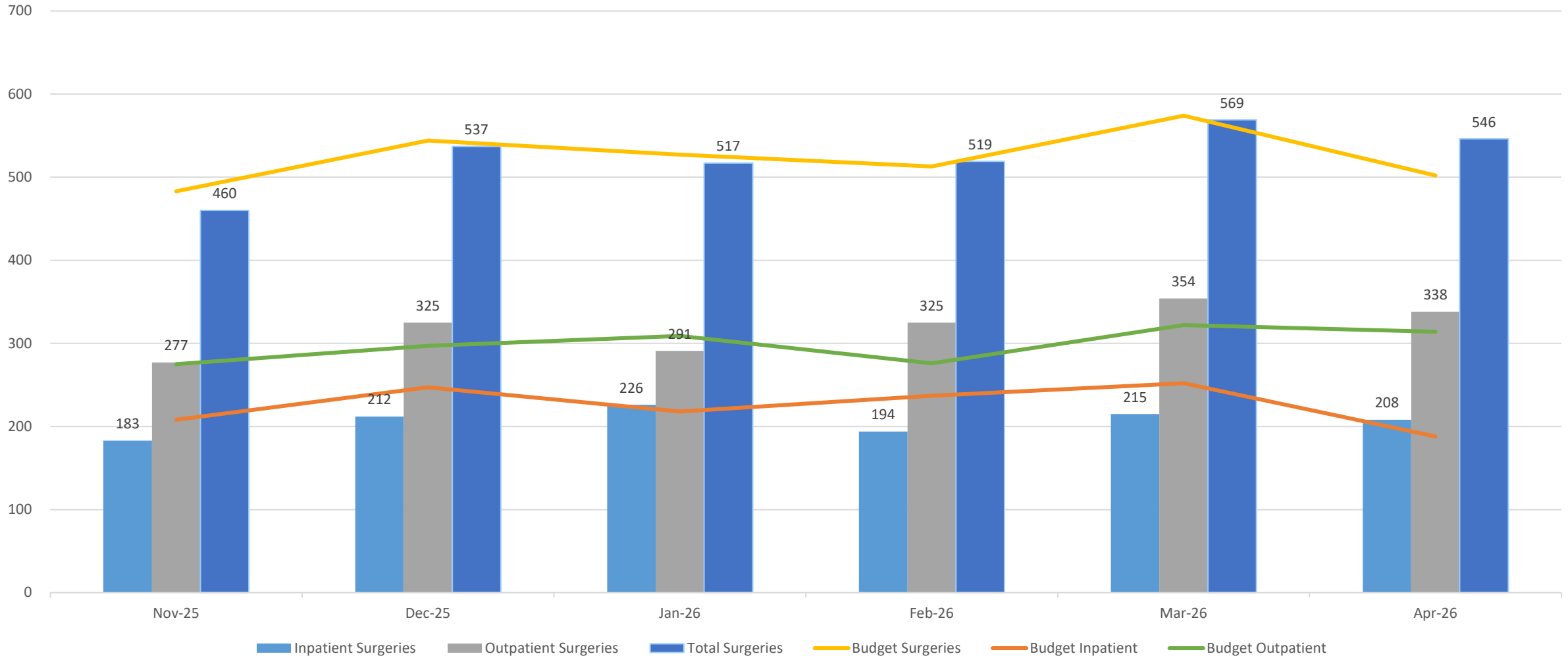


Trauma Activations



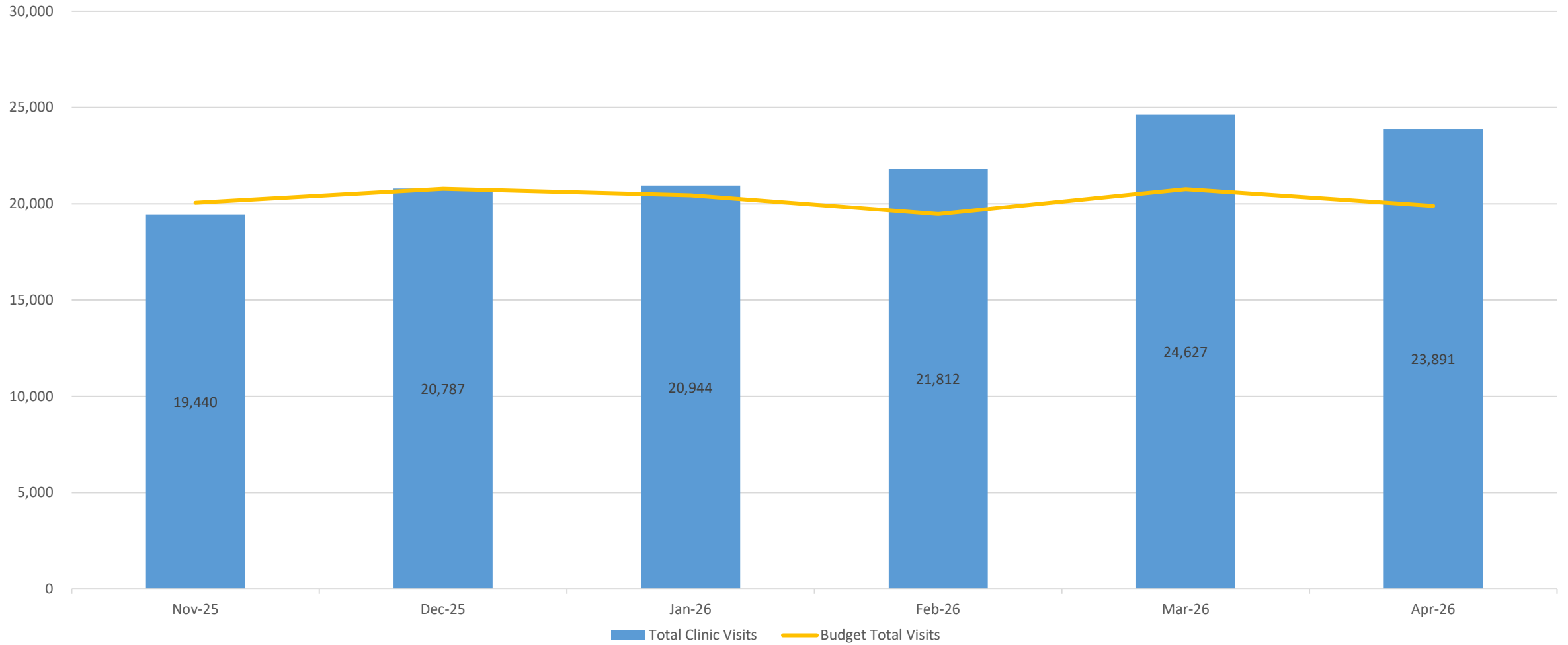
Slide 7

Surgical Volume

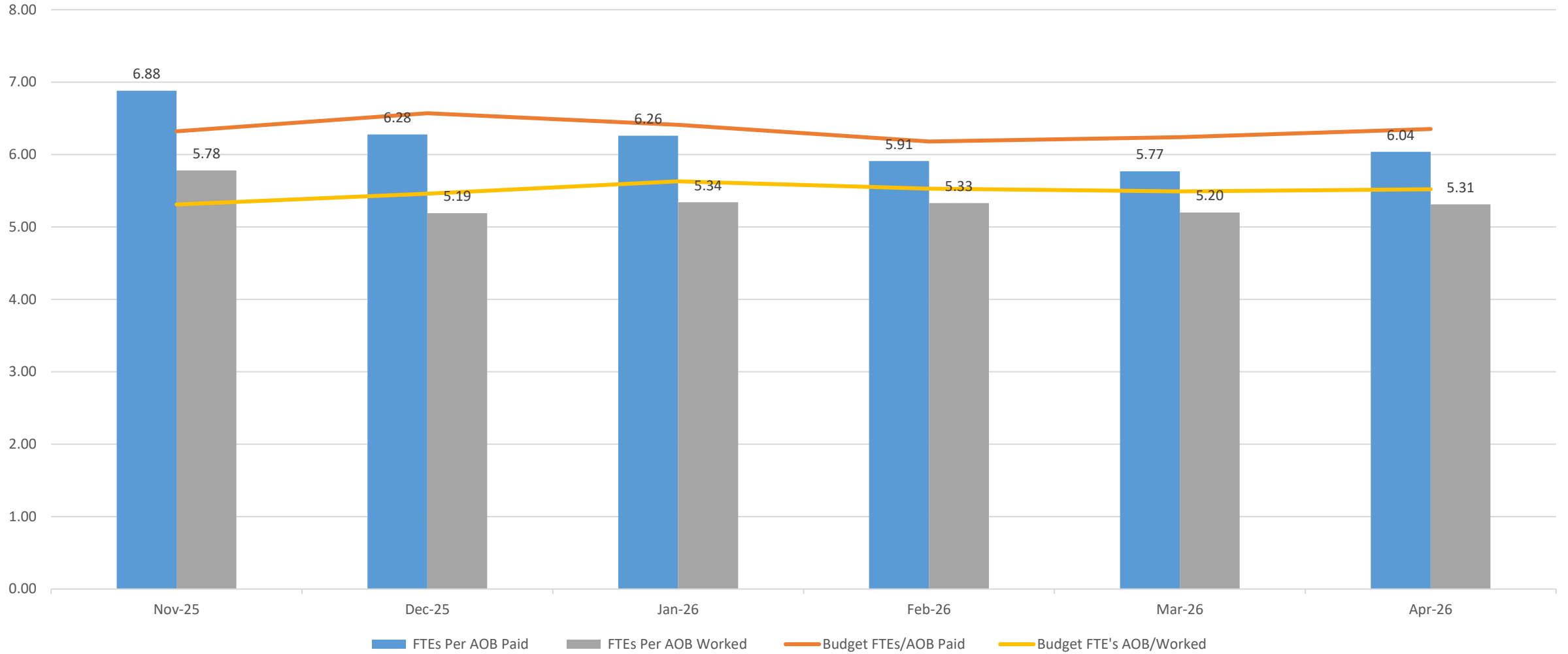


Slide 8

Clinic Visits

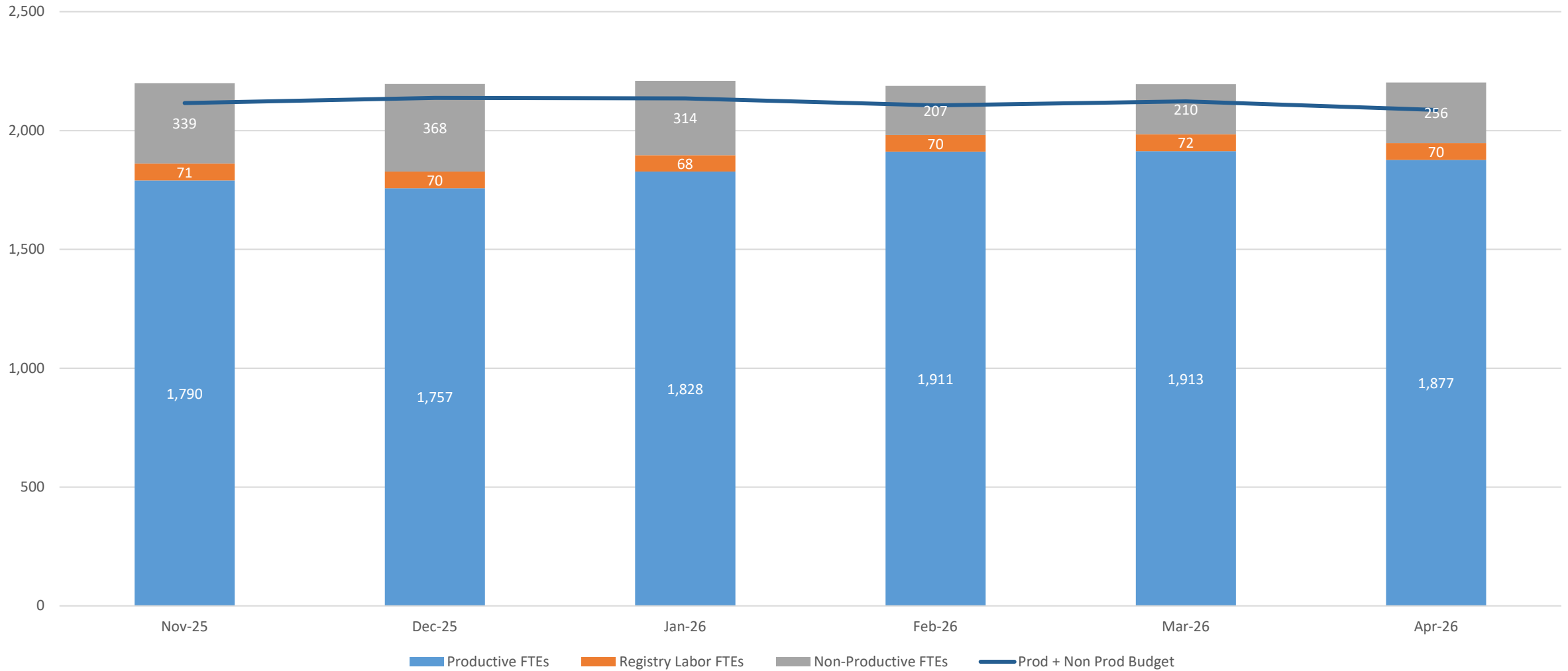


Labor Metrics



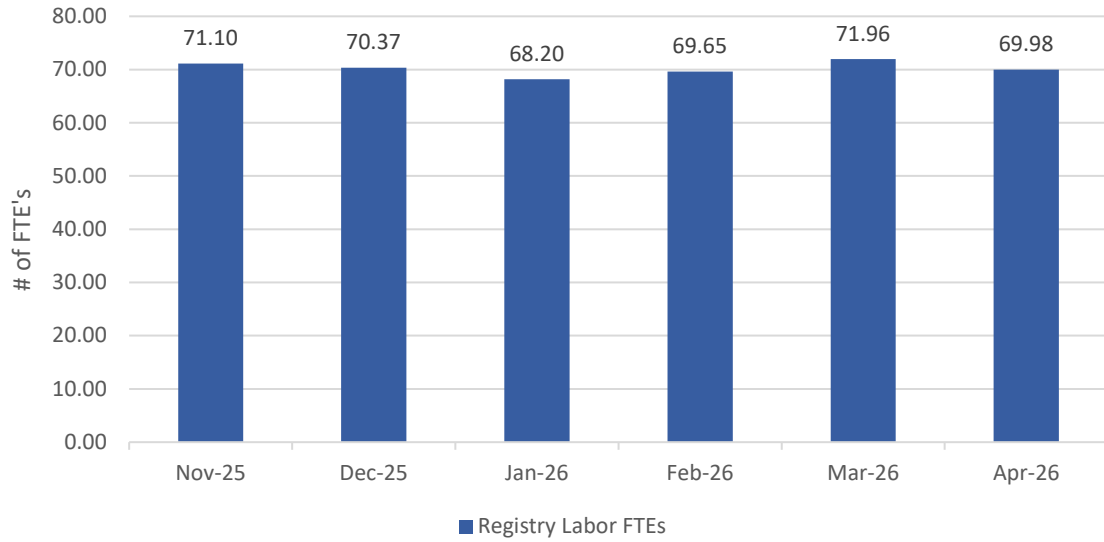
Slide 10

Productivity

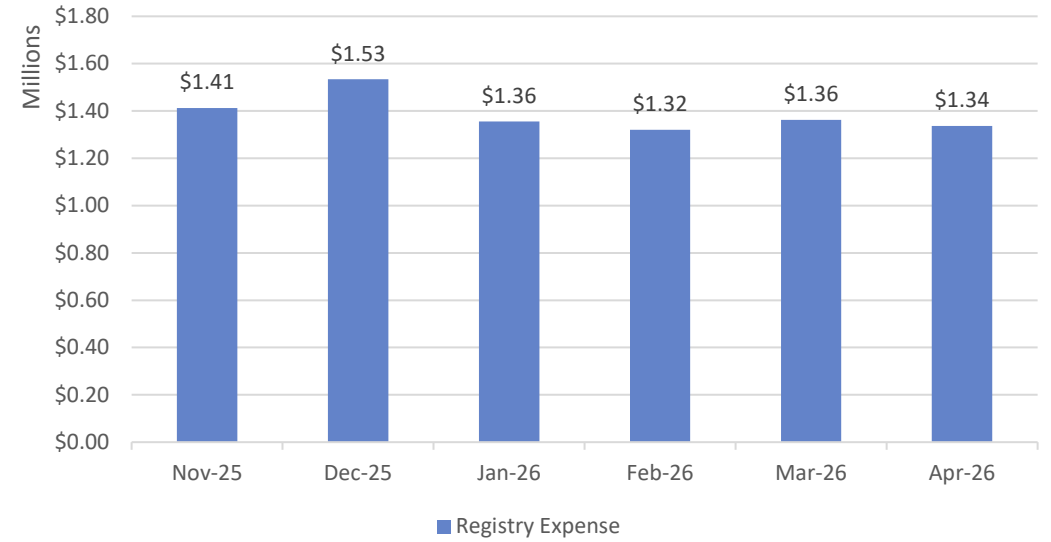


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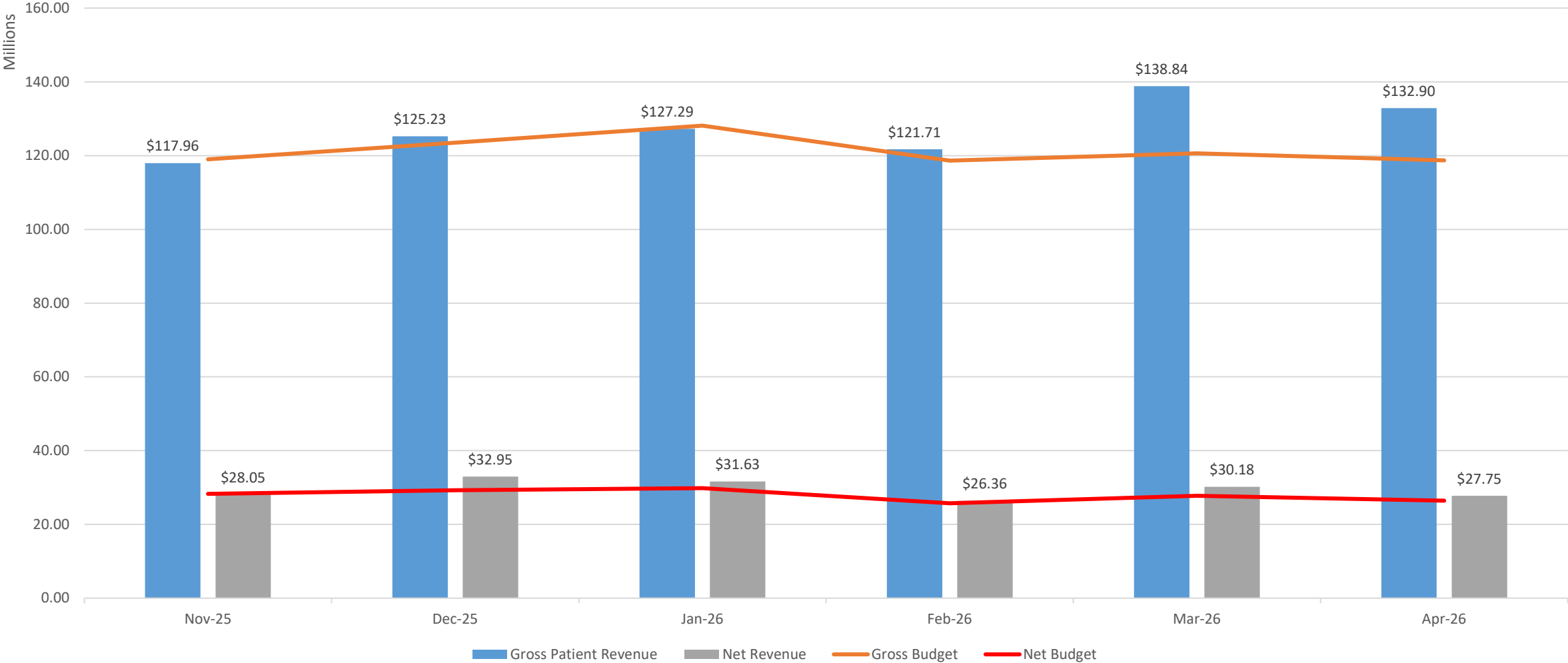
Registry FTE's



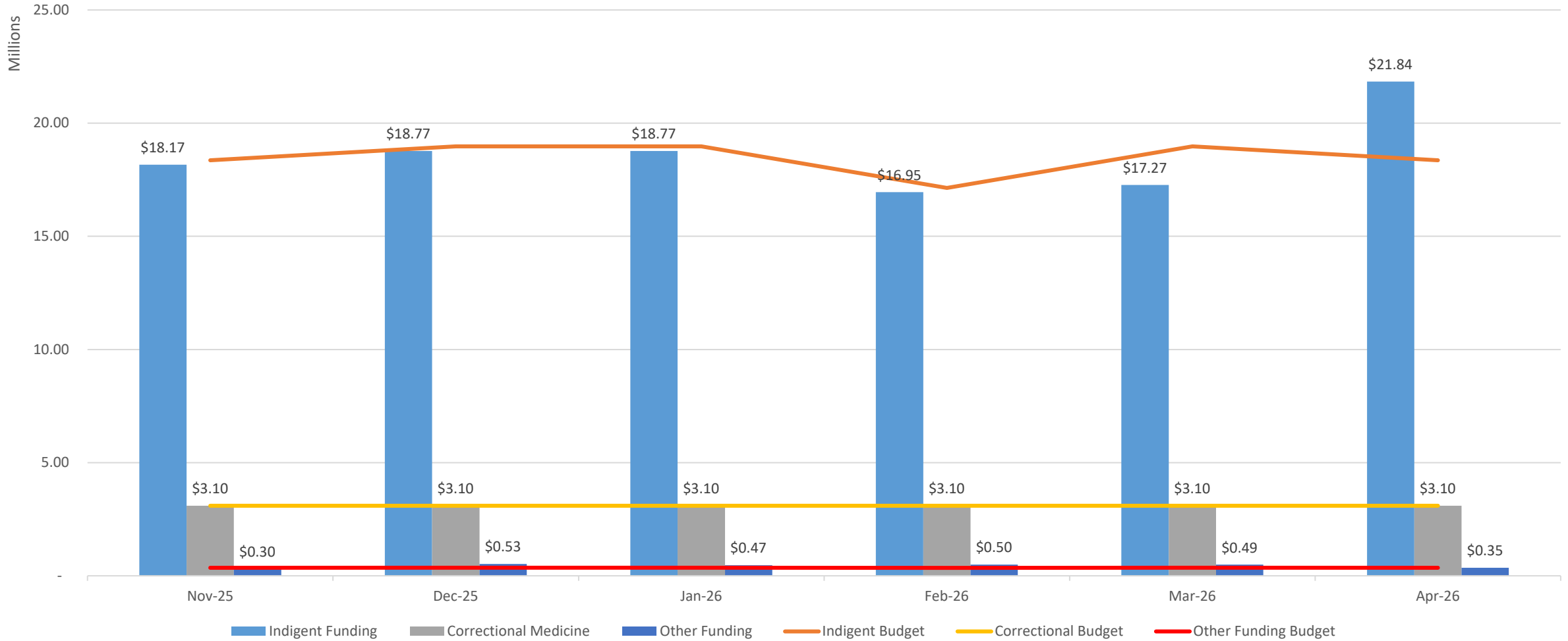
Registry Expense



Patient Revenue

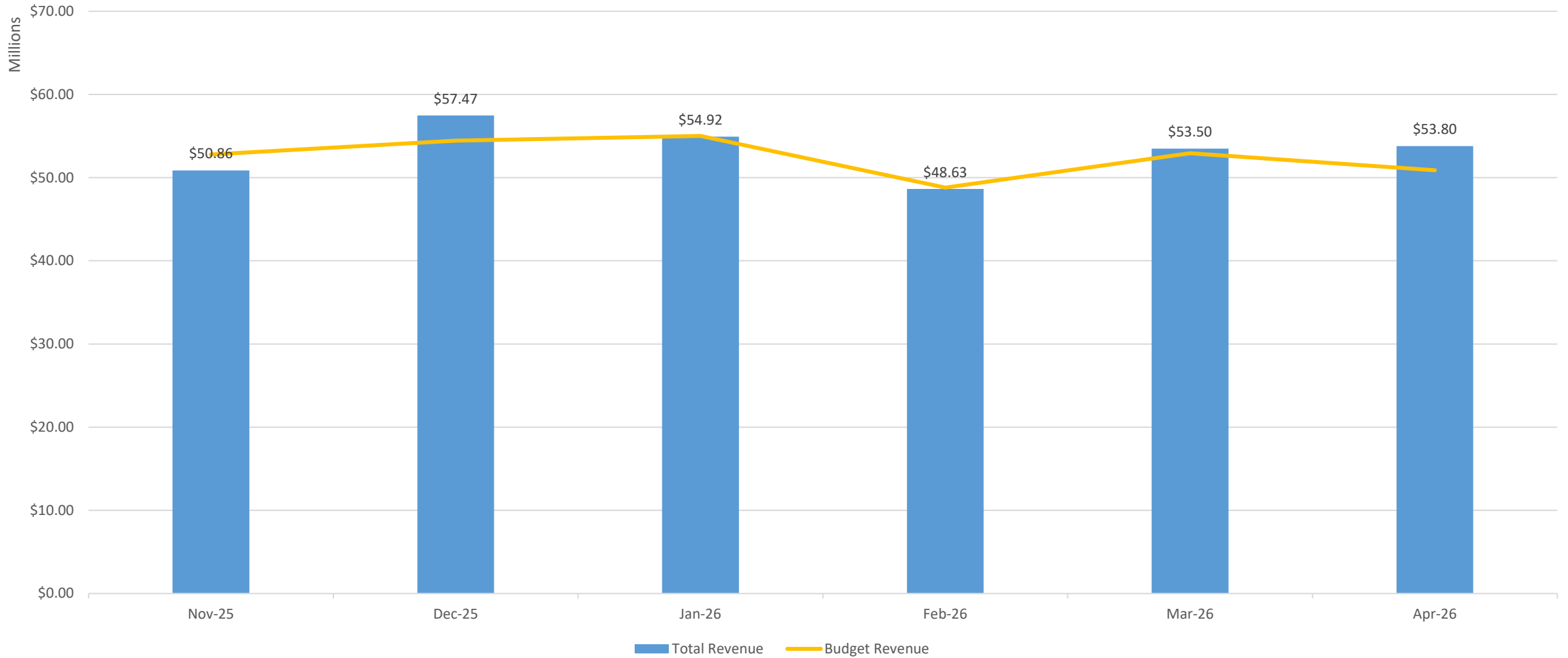


Indigent & Correctional Revenue

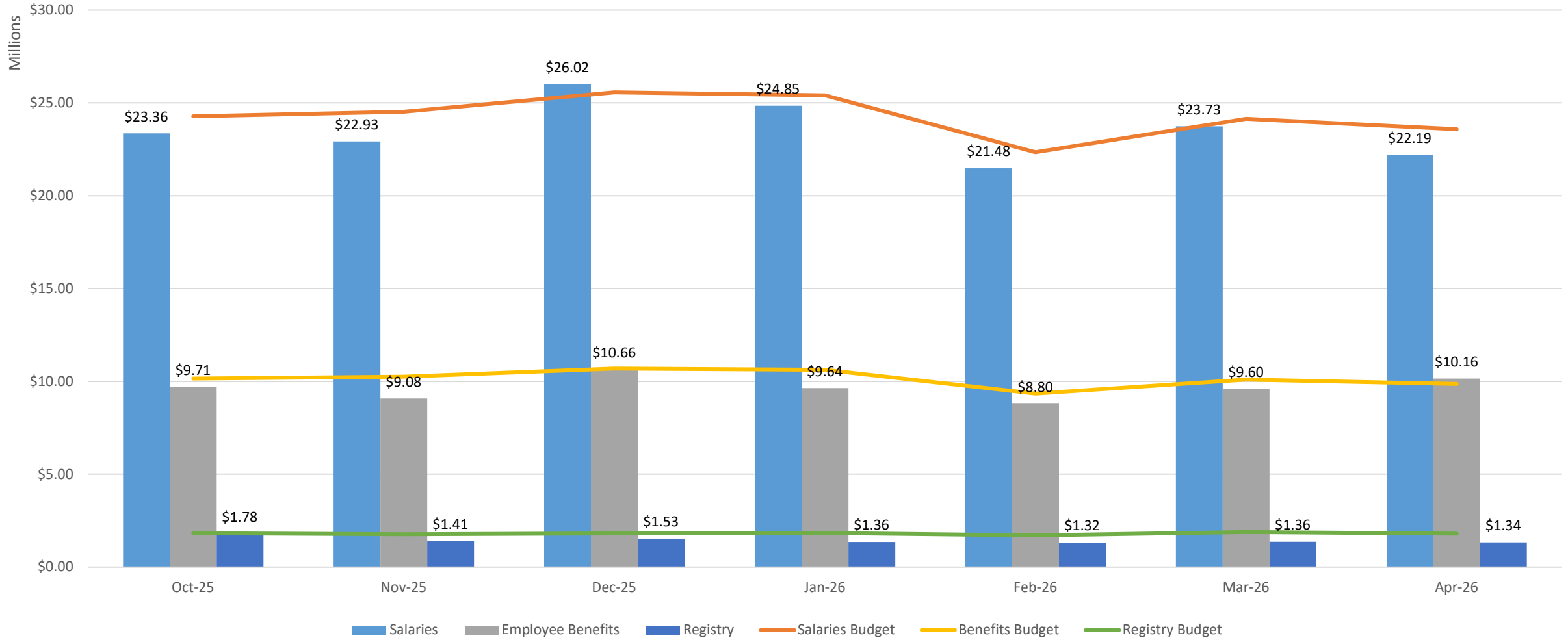


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Total Revenue

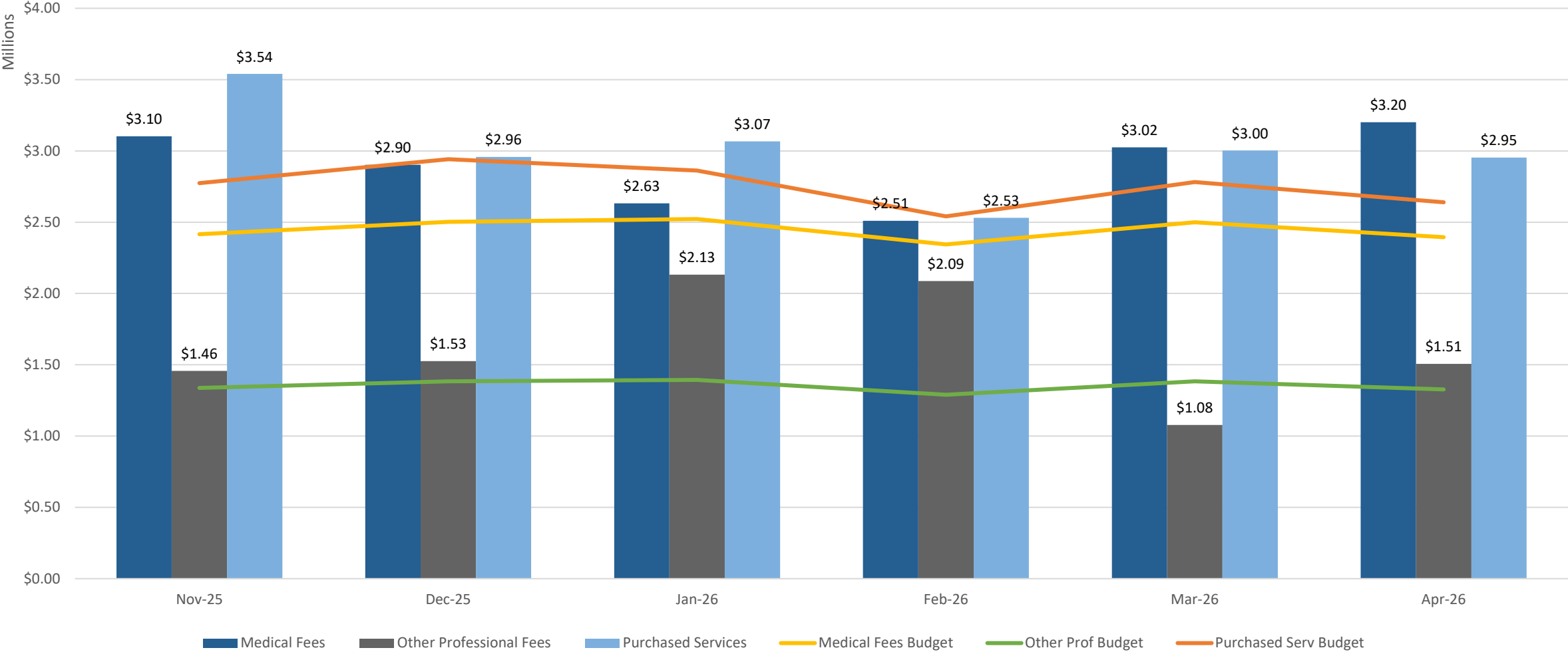


Expenses

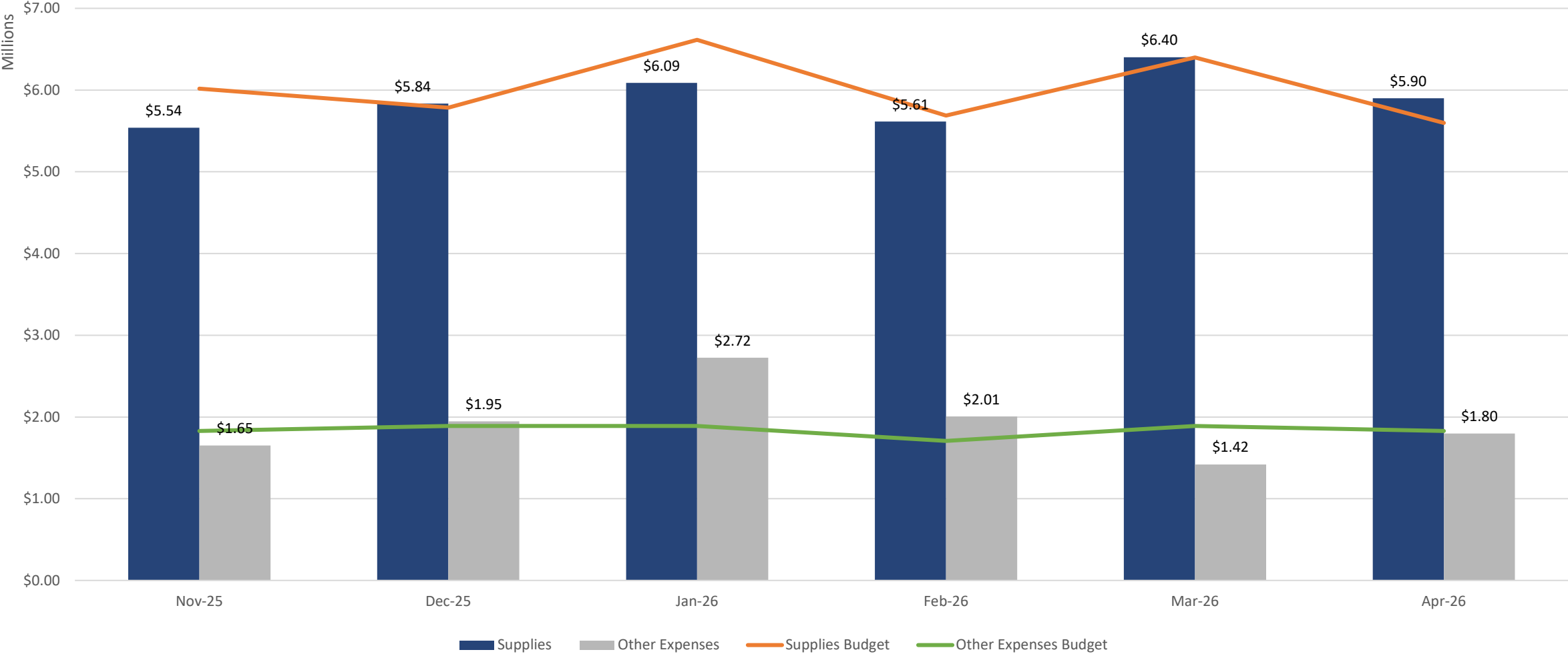


Slide 16

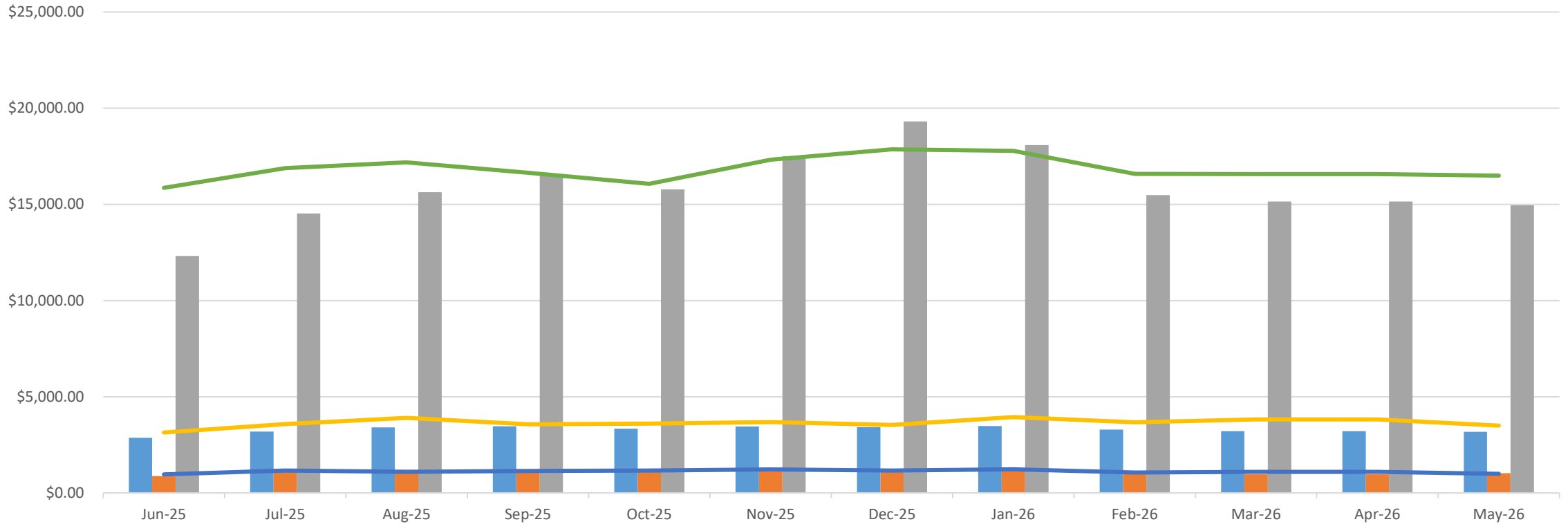
Expenses



Expenses

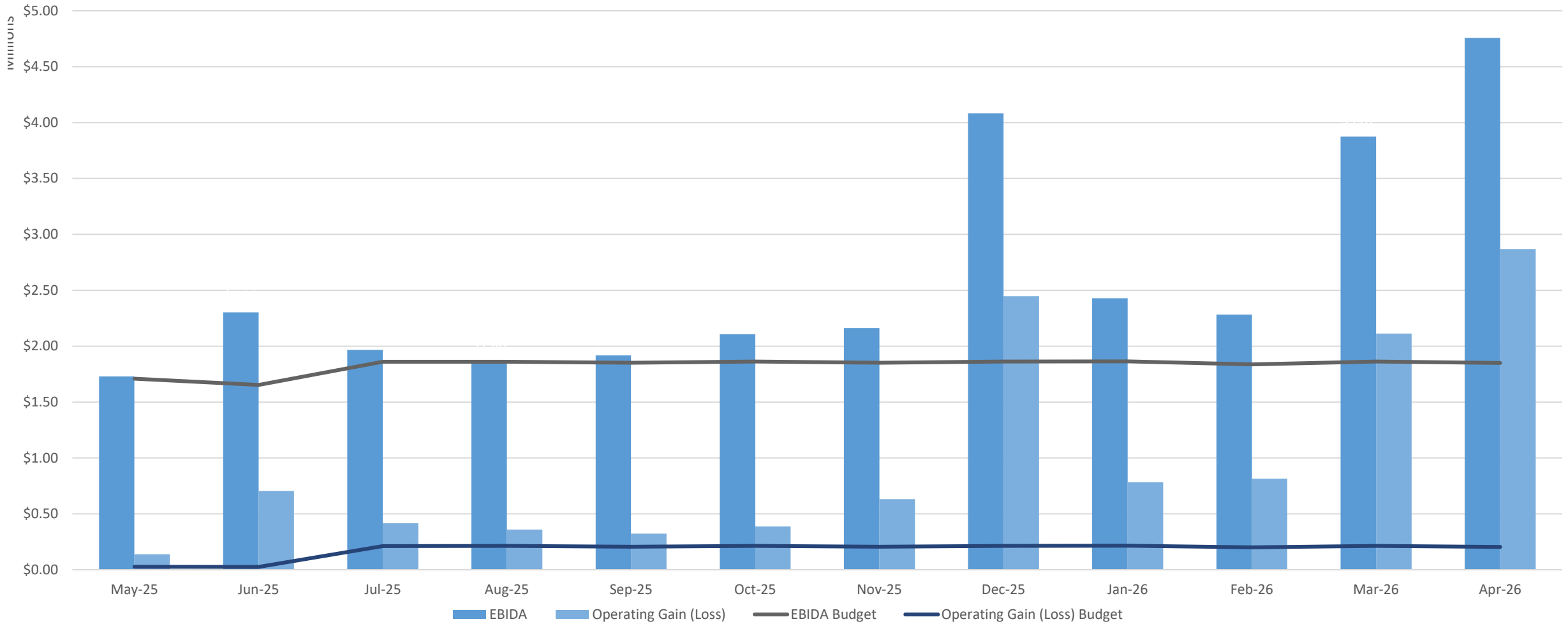


Operating Metrics



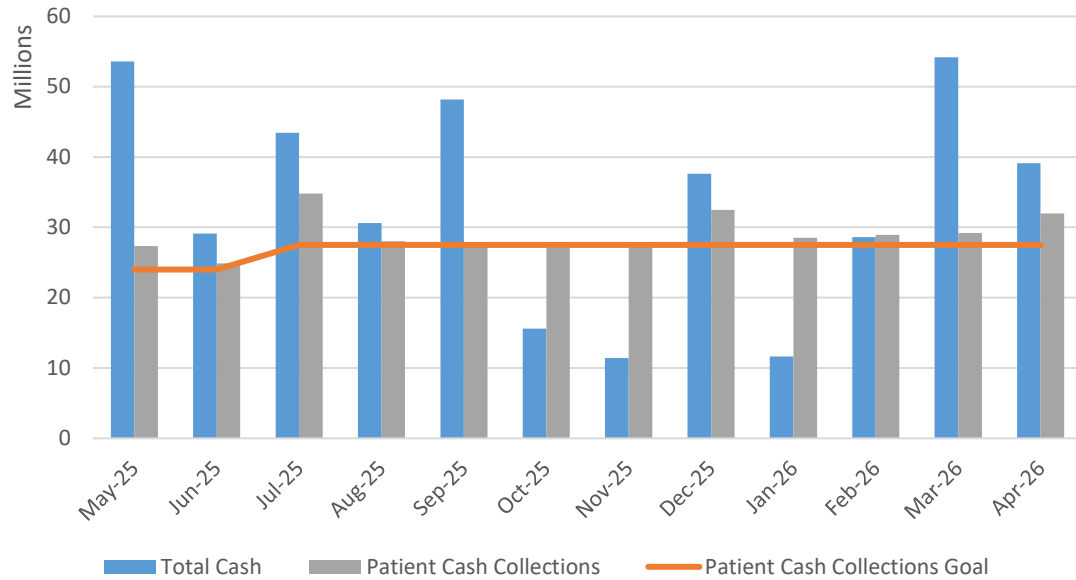
	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Supply Expense per AA	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482	\$3,298	\$3,212	\$3,212	\$3,178
Pharm Cost per AA	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211	\$1,093	\$971	\$971	\$1,032
Net Revenue Per AA	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085	\$15,482	\$15,148	\$15,148	\$14,950
Budget Supp/AA	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943	\$3,669	\$3,822	\$3,822	\$3,497
Budget Pharm/AA	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230	\$1,065	\$1,092	\$1,092	\$990
Budget Net Rev/AA	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783	\$16,593	\$16,581	\$16,581	\$16,493

EBIDA Rolling Year

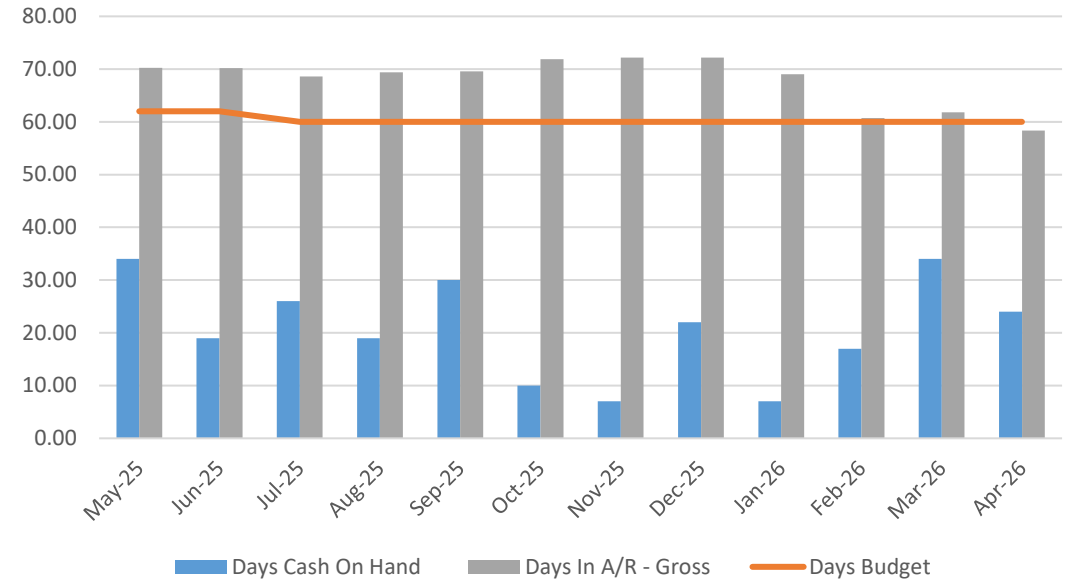


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Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
 April 30, 2026

	FEBRUARY	MARCH	APRIL	BUDGET APRIL	VARIANCE POS (NEG)	PY APRIL
Gross Patient Revenue	\$ 121,705,651	\$ 138,835,088	\$ 132,901,718	\$ 118,696,447	12.0%	\$ 124,761,344
Contractual Deductions	(95,345,216)	(108,651,815)	(105,150,275)	(92,292,428)	14%	(81,926,668)
Net Revenue	26,360,436	30,183,273	27,751,443	26,404,019	5%	42,834,676
Indigent Funding	16,954,388	17,270,930	21,839,978	18,361,796	19%	23,886,572
Correctional Medicine	3,097,713	3,097,714	3,097,712	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	(188,028)
Incentive Funding	212,224	208,356	66,537	70,043	(5%)	93,468
Net Patient Revenue	46,909,971	51,045,484	53,040,882	48,216,592	10%	69,724,402
Other Operating Revenue	1,716,341	2,433,190	736,870	2,657,654	(72%)	4,634,869
Other Non-Operating Revenue	6,802	18,058	18,963	11,630	63%	14,601
Total Revenues	48,633,113	53,496,732	53,796,715	50,885,875	5.7%	74,373,872
Expenses						
Salaries	21,479,147	23,734,647	22,186,875	23,585,286	(6%)	21,910,512
Employee Benefits	8,802,854	9,601,619	10,160,711	9,863,366	3%	(2,417,270)
Registry	1,320,370	1,361,962	1,336,449	1,798,327	(26%)	1,573,046
Medical Fees	2,510,508	3,024,479	3,201,290	2,394,849	34%	2,923,789
Other Professional Fees	2,087,480	1,077,527	1,505,747	1,327,617	13%	1,438,055
Supplies	5,614,647	6,400,198	5,898,579	5,598,160	5%	5,233,146
Purchased Services	2,529,985	3,001,778	2,953,065	2,639,969	12%	2,945,422
Other Expenses	2,005,768	1,419,555	1,796,421	1,829,119	(2%)	8,532,567
Operating Expenses	46,350,760	49,621,765	49,039,137	49,036,694	0%	42,139,268
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,282,353	\$ 3,874,967	\$ 4,757,578	\$ 1,849,181	157.3%	\$ 32,234,604
EBIDA Margin	5%	7%	9%	4%	143%	43%
Interest	295,068	317,786	275,264	335,744	(18%)	323,760
Depreciation	532,429	726,652	928,031	657,304	41%	765,526
Amortization	640,357	717,552	685,920	652,001	5%	585,896
Total Expenses	47,818,614	51,383,754	50,928,353	50,681,742	0%	43,814,450
Operating Gain (Loss)	\$ 814,499	\$ 2,112,978	\$ 2,868,363	\$ 204,133	1,305%	\$ 30,559,421
Operating Margin	1.67%	3.95%	5.33%	0.40%	1,229.1%	41.1%

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KERN MEDICAL
Year-to-Date Analysis: Revenues & Expenses

April 30, 2026

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 1,276,345,904	\$ 1,220,340,721	5%	\$ 1,170,901,499	9%
Contractual Deductions	(983,840,934)	(941,772,145)	4%	(900,312,139)	9%
Net Revenue	292,504,970	278,568,576	5%	270,589,360	8%
Indigent Funding	184,227,091	186,066,202	(1%)	188,362,495	(2%)
Correctional Medicine	30,977,133	30,955,223	0%	30,977,137	(0%)
County Contribution	2,852,109	2,852,109	(0%)	2,852,107	0%
Incentive Funding	1,462,046	709,768	106%	858,146	70%
Net Patient Revenue	512,023,350	499,151,878	3%	493,639,245	4%
Other Operating Revenue	15,856,945	26,930,889	(41%)	29,125,732	(45.56%)
Other Non-Operating Revenue	196,258	119,356	64%	130,524	50%
Total Revenues	528,076,553	526,202,123	0%	522,895,500	1%
Expenses					
Salaries	234,527,235	242,734,291	(3%)	225,133,791	4%
Employee Benefits	96,840,042	101,511,481	(5%)	81,143,671	19%
Registry	14,886,452	18,061,137	(18%)	18,521,572	(20%)
Medical Fees	29,524,636	24,577,756	20%	24,871,830	19%
Other Professional Fees	15,386,870	13,597,334	13%	14,149,015	8.7%
Supplies	60,207,890	60,543,756	(1%)	56,308,633	7%
Purchased Services	29,774,744	28,079,663	6%	28,426,693	5%
Other Expenses	19,356,154	18,535,074	4%	24,695,211	(22%)
Operating Expenses	500,504,024	507,640,491	(1%)	473,250,417	6%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 27,572,529	\$ 18,561,632	49%	\$ 49,645,084	(44.5%)
EBIDA Margin	5%	4%	48%	9%	(45%)
Interest	2,833,840	3,372,534	(16%)	3,504,883	(19%)
Depreciation	7,025,984	6,573,035	7%	6,845,393	3%
Amortization	6,443,900	6,520,015	(1%)	6,067,752	6%
Total Expenses	516,807,748	524,106,076	(1%)	489,668,444	6%
Operating Gain (Loss)	\$ 11,268,805	\$ 2,096,047	438%	\$ 33,227,056	(66%)
Operating Margin	2.1%	0.4%	435.7%	6.4%	(66%)

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**KERN MEDICAL
BALANCE SHEET**

	APRIL 2026	APRIL 2025
ASSETS:		
<i>Total Cash</i>	\$ 39,099,677	\$ 64,366,442
Patient Receivables Subtotal	258,040,127	297,279,855
Contractual Subtotal	(203,351,330)	(256,451,015)
<i>Net Patient Receivable</i>	54,688,797	40,828,840
Total Indigent Receivable	265,064,464	216,882,232
Total Other Receivable	17,662,465	7,996,717
Total Prepaid Expenses	8,002,639	8,097,500
Total Inventory	5,945,773	4,840,457
<i>Total Current Assets</i>	390,463,816	343,012,188
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	281,559,415	271,731,955
Total Construction in Progress	20,863,745	15,006,472
<i>Total Property, Plant & Equipment</i>	302,423,160	286,738,427
Total Accumulated Depr & Amortization	(193,571,735)	(180,897,916)
<i>Net Property, Plant, and Equipment</i>	108,851,425	105,840,511
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 612,775,652	\$ 573,385,417

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**KERN MEDICAL
BALANCE SHEET**

	APRIL 2026	APRIL 2025
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 18,991,840	\$ 13,635,375
Total Accrued Compensation	27,124,199	26,140,831
Total Due Government Agencies	3,735,947	1,354,014
Total Other Accrued Liabilities	40,033,073	31,859,611
<i>Total Current Liabilities</i>	89,885,059	72,989,831
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	73,228,810	80,437,833
<i>Total Long-Term Liabilities</i>	405,005,336	424,884,891
<i>Total Liabilities</i>	494,890,396	497,874,723
<i>Total Net Position</i>	117,885,257	75,510,694
<i>Total Liabilities and Net Position</i>	\$ 612,775,652	\$ 573,385,417

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date April 2026	Fiscal Year-End June 2025	Fiscal Year-to-Date April 2025	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 295,792,398	\$ 318,273,169	\$ 262,886,721	\$ 292,533,084
Cash received for other operations	217,028,665	262,872,978	242,580,169	233,602,712
Cash paid for salaries and benefits	(332,947,174)	(382,309,780)	(318,026,578)	(339,411,493)
Cash paid for services and supplies	(159,929,391)	(198,862,050)	(161,402,055)	(186,981,598)
Net cash (used in) provided by operating activities	<u>19,944,498</u>	<u>(25,683)</u>	<u>26,038,257</u>	<u>(257,296)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	381,436	-	-
Interest paid - pension obligation bond	-	(2,539,472)	-	420,331
Principal paid - pension obligation bond	-	(1,062,281)	-	(1,062,281)
Interest paid - line of credit	-	(783,152)	-	-
Line of credit payment	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(4,003,469)</u>	<u>-</u>	<u>(641,950)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(13,080,911)	(13,228,131)	(8,905,050)	(18,896,864)
Payments on right-of-usage lease liability	4,087,525	(3,802,269)	(2,427,973)	3,896,089
Interest paid - right-of-usage lease liability	2,282	-	(7,001)	31,211
Payments on SBITA liability	(594,180)	(817,100)	(633,661)	(752,150)
Interest paid - SBITA	(465)	-	(488)	2,013
Net cash used by capital and related financing activities	<u>(9,585,749)</u>	<u>(17,847,500)</u>	<u>(11,974,173)</u>	<u>(15,719,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	185,478	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	10,358,748	(21,691,174)	14,064,084	(16,618,946)
CASH AND CASH EQUIVALENTS, beginning of year	<u>28,740,929</u>	<u>50,432,103</u>	<u>50,302,358</u>	<u>66,921,303</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 39,099,677</u>	<u>\$ 28,740,929</u>	<u>\$ 64,366,442</u>	<u>\$ 50,302,358</u>

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

June 17, 2026

Subject: Kern County Hospital Authority Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

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

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

June 17, 2026

Subject: Monthly report on What's Happening at Kern Medical Center

Recommended Action: Receive and File

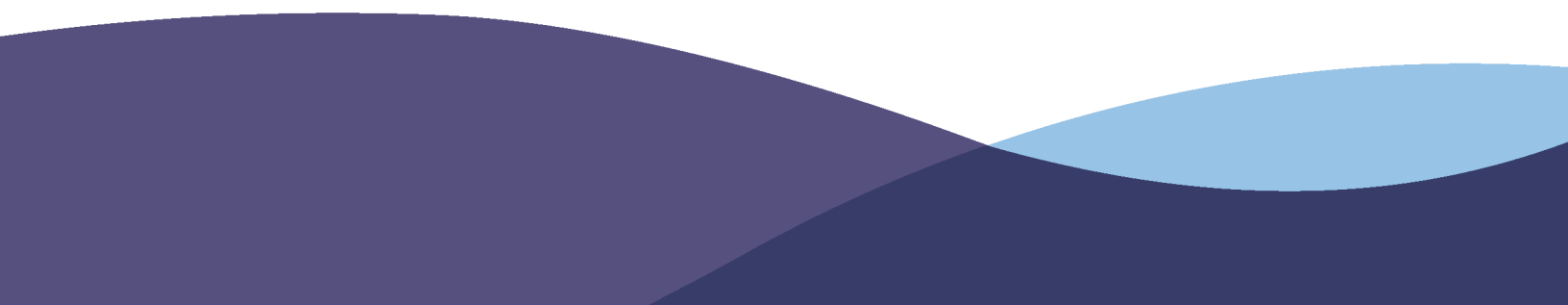
Summary:

Each month Kern Medical will be sharing a report with your Board on "What's Happening" in and around Kern Medical.

Therefore, it is recommended that your Board receive and file the attached report on What's Happening at Kern Medical.



What's Happening?



Patient Safety Survey



Kern Medical saw a remarkable increase in employee participation in the Patient Safety Survey. In 2024, 450 employees completed the survey. By 2026, participation had more than doubled to 1,018 employees, an increase of 126%, demonstrating a growing commitment to fostering a culture of safety across the organization.

Relay For Life



More than 50 employees signed up to volunteer and participate in Relay for Life at the Kern County Fairgrounds. Dr. Amin Ramzan participated in the physician panel once again.



Cinco De Mayo Mercado



The Kern Medical Foundation once again hosted its annual Cinco de Mayo Mercado, bringing local vendors to the hospital campus and giving employees the opportunity to browse, shop, and support small businesses during the festive event.

Kern Medical Night at Sam Lynn Ballpark



Hospital and Nurses Week!



Hospital and Nurses Week!



Treats, dress-up days, and lots of celebrations!



Research Forum



Kern Medical proudly hosted the 7th Annual Southern San Joaquin Valley Regional Research Forum. This year marked a record-breaking milestone with 163 accepted abstract presentations, featuring research studies, case reports, quality improvement projects, and educational innovations presented by residents, fellows, medical students, pharmacists, and research collaborators from across the region.

New Podcast Episode

NEW PODCAST EPISODE

Search "Kern Medical - Health for Life"

EPISODE 17 - Kidney Stones w/ Dr. Soroush Bazargani



Apple

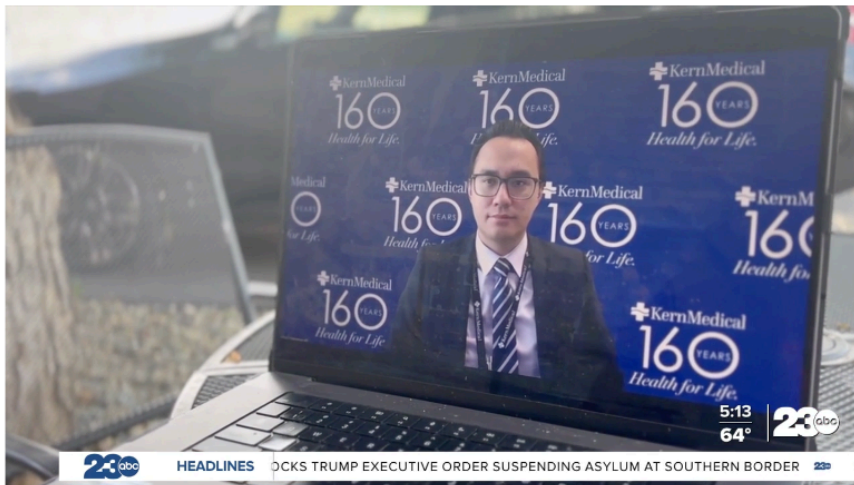


Spotify



Kern County sees rise in Valley Fever; New push for awareness and testing

In 2025, Kern County recorded the third-highest number of Valley Fever cases on record more than 3,000 cases and 41 deaths.



Latest Kern County, California and US and world news from 23ABC in Bakersfield, Calif.

Kern Medical's Dr. Carlos D'Assumpcao joined 23ABC to discuss the increase in Valley Fever cases across the region and share insights on emerging testing advancements that are improving diagnosis and treatment.

In the News: Remarkable Women



Kern Medical's Dr. Amber Jones joined KGET-17 to discuss the importance of women in medicine, inspire the next generation of young girls to pursue their goals, and share lessons from her own path to becoming a physician.

California health officials address hantavirus concerns after cruise ship deaths linked to Andes virus

Hantavirus is a disease typically spread through contact with infected rodent droppings, urine or saliva. In California, deer mice are considered one of the primary carriers



Latest Kern County, California and US and world news from 23ABC in Bakersfield, Calif.

Kern Medical's Dr. Royce Johnson appeared on 23ABC to provide expert insight on hantavirus, discussing the recent attention surrounding the virus, how infections occur, warning signs to watch for, and ways to stay safe.

In the News: Trauma Re-Verification



Kern Medical's Allison Osvog, Clinical Manager of Trauma Medicine, joined 23ABC to discuss the hospital's recent trauma re-verification and what the designation means for patients and the community, highlighting Kern Medical's continued commitment to providing high-quality, lifesaving trauma care.

National Recognitions - June

- Alzheimer's and Brain Awareness Month
- Aphasia Awareness Month
- Cataract Awareness Month
- Men's Health Month
- National Migraine & Headache Awareness Month
- National Safety Month
- National Scoliosis Awareness Month
- PTSD Awareness Month
- June 1-7: National CPR and AED Awareness Week
- June 7: National Cancer Survivors Day
- June 8: World Brain Tumor Day
- June 8-14: Men's Health Week
- June 8: Rare Chromosome Disorder Awareness Day
- June 11-17: Certified Nursing Assistant Week
- June 14: World Blood Donor Day
- June 19: World Sickle Cell Day
- June 21-June 27: Helen Keller Deaf-Blind Awareness Week
- June 27: National HIV Testing Day
- June 27: National PTSD Awareness Day



Kern Medical Surgery Center, LLC
9300 Stockdale Hwy., Suite 200
Bakersfield, CA 93311
661-964-2470

**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

June 17, 2026

Subject: Administrative Report for Two Months Ended April 30, 2026

Recommended Action: Receive and File

Summary:

Kern Medical Surgery Center Operations

Key Performance Indicators:

- March resulted in an operating loss of \$102,688; \$35,463 unfavorable to plan
- March volume of 226 surgeries; 16 below the March budget of 242
- April resulted in an operating loss of \$177,177; \$111,184 unfavorable to plan
- Total surgeries were 260 for April; 26 cases above the April budget of 234

The following items have budget variances for the months of March and April 2026:

Patient Revenue:

For March, gross patient revenue was 11% unfavorable to budget for the month with the budget at \$1,812,313 and the actual gross patient revenue at \$1,606,296. March net revenue of \$461,306 is \$64,265 less than the March budgeted net revenue of \$525,571

For April, gross patient revenue had a 2% favorable budget variance with actual gross of \$1,789,700 compared to the budget of \$1,753,851. April net revenue of \$460,341 is \$48,276 less than the April budget of \$508,617.

On a fiscal year-to-date basis, gross patient revenue of \$15,455,046 is 13% less than the budget of \$17,772,359.

Supplies Expense: March supplies of \$232,343 were over the budgeted amount of \$211,608 due to restocking cycle. April supplies of \$229,367 were \$24,584 over the budget of \$204,783 due to significant increases in case volume.

Salary and Benefit Expenses:

Salary expenses for March were \$175,379. This was \$24,649 under the budgeted amount of \$200,028. April salary expenses were \$250,794 which was \$57,218 over the budget of \$193,576 due to staff salary changes implemented in April following your Board's approval of a successor MOU with SEIU.

Benefit expenses for March were \$29,584, which was \$20,423 below the budgeted amount of \$50,007. The benefit expenses for April were \$30,386, which was \$18,008 below the budgeted amount of \$48,394.

Purchased Services:

March purchased services in the amount of \$98,472 were under the budgeted amount of \$106,669 by \$8,197. April purchased services of \$98,755 were under the budgeted amount of \$103,955 by \$5,200.

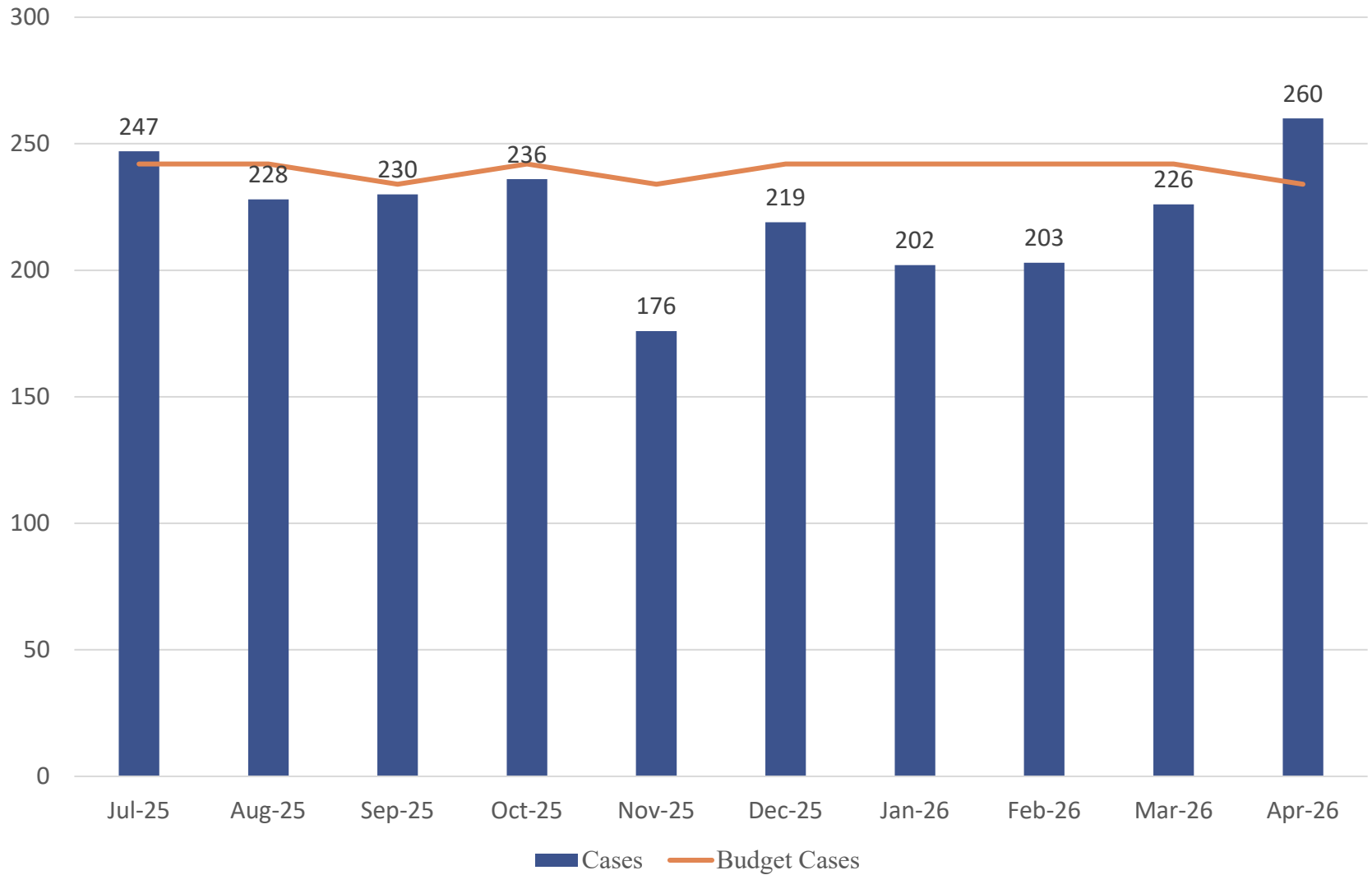
Initiatives for Marketing and Growth:

The addition of Kern Medical Gynecology services at the Ambulatory Surgery Center is expected to contribute to increased surgical volume and expanded utilization of the facility. The Center anticipates growth in case volume, enhanced operational efficiency, and improved patient access to outpatient surgical services.

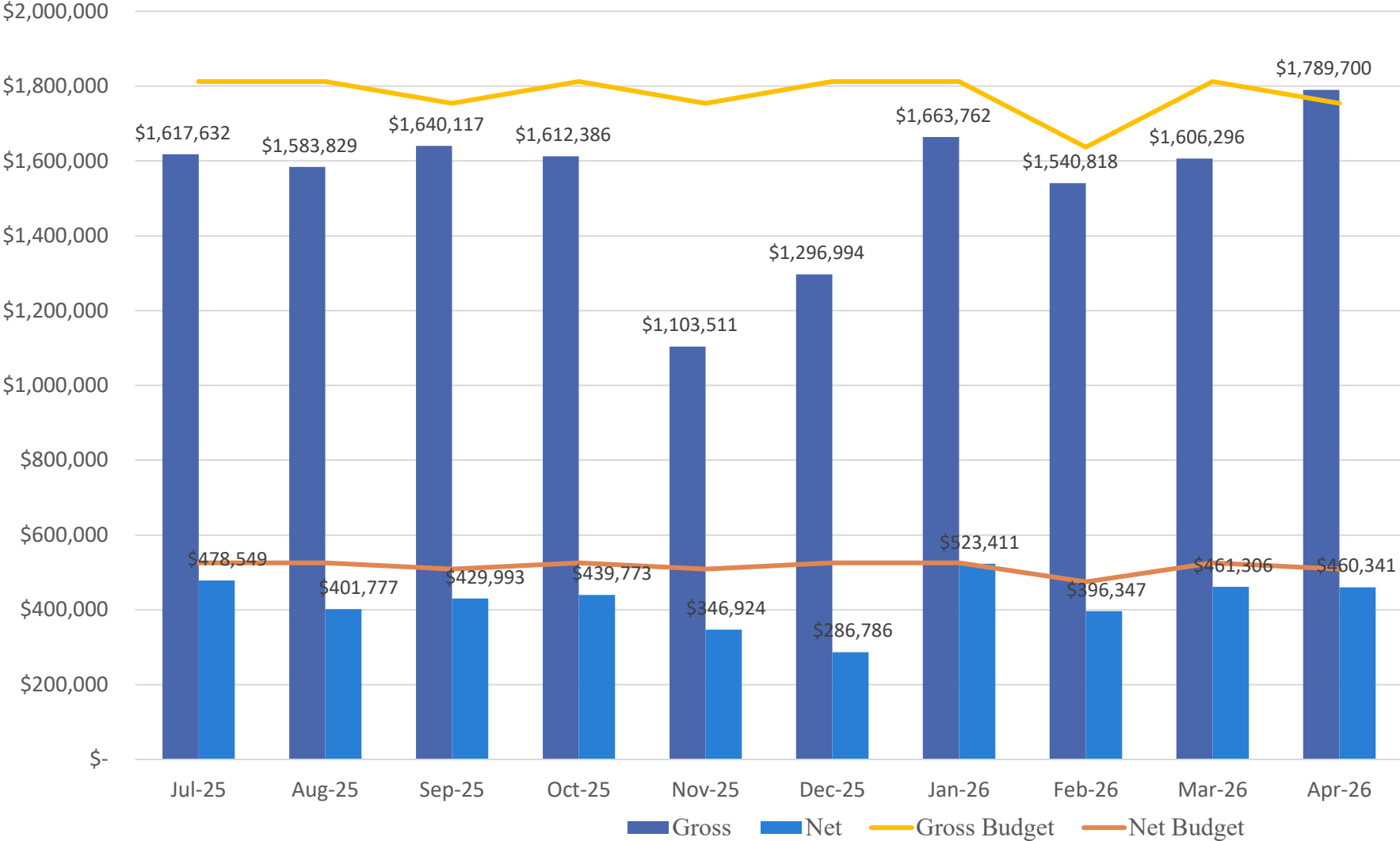


**BOARD OF MANAGERS' REPORT
MAR 2026 – APR 2026**

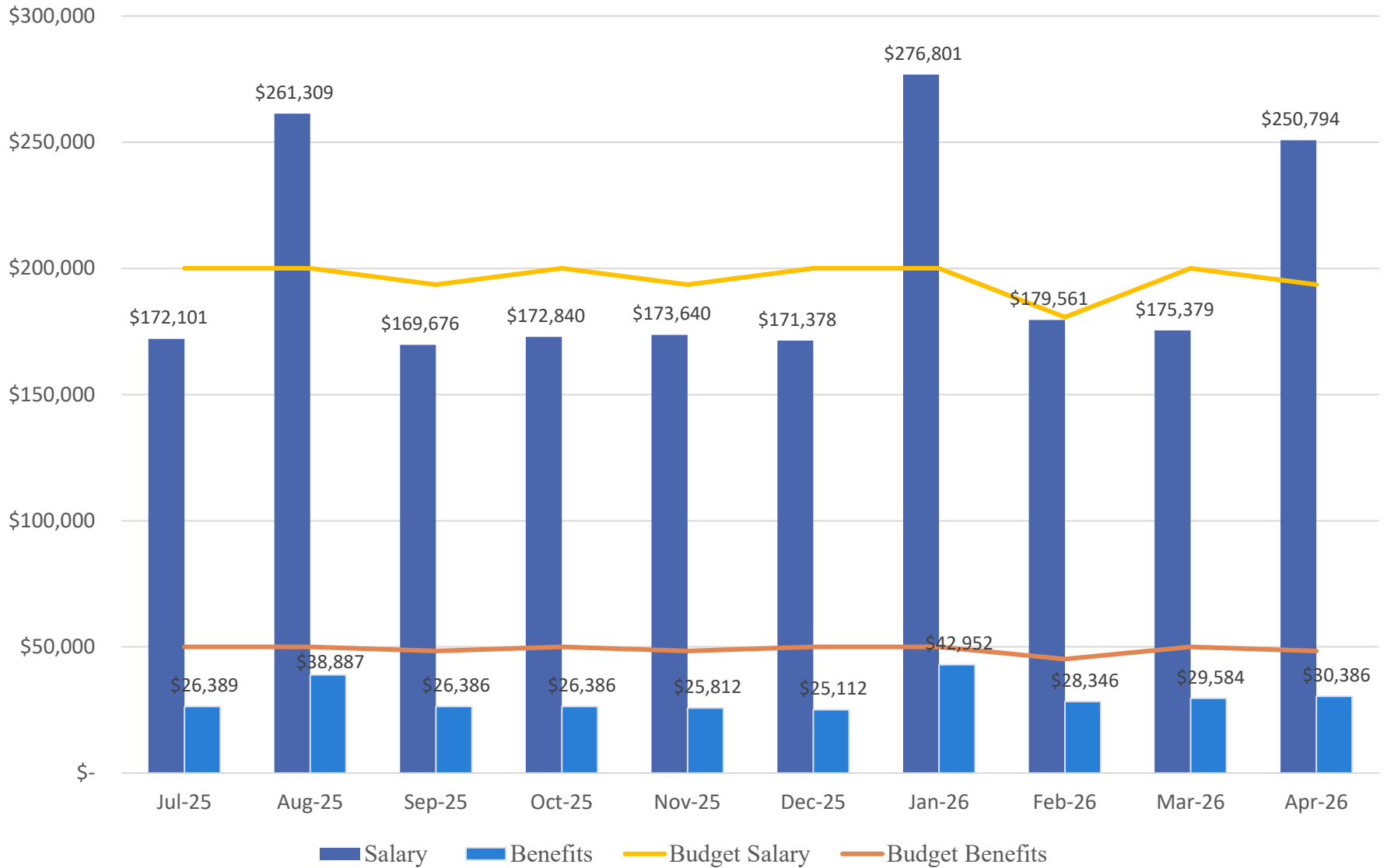
Case Volume



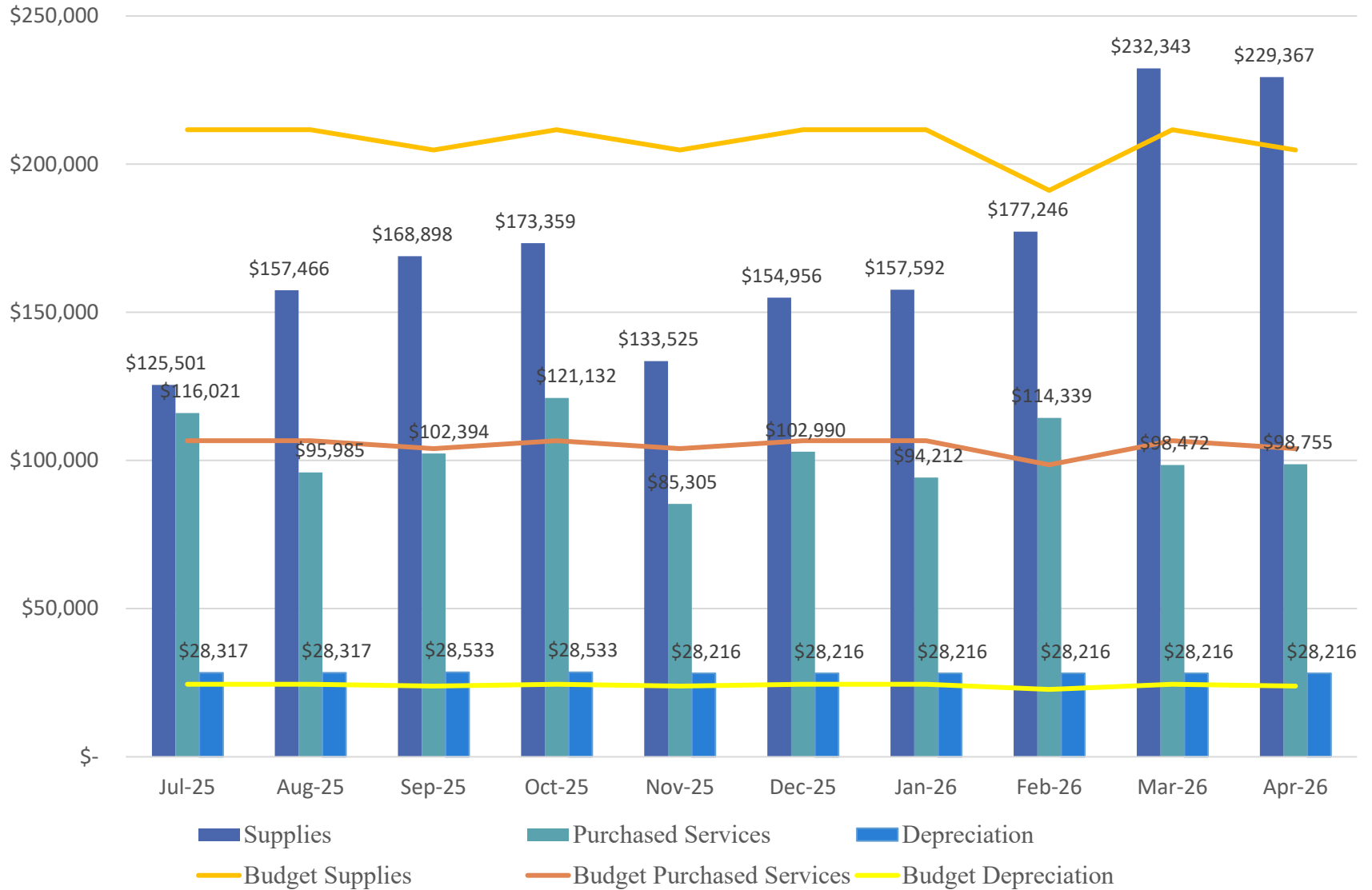
Total Revenue



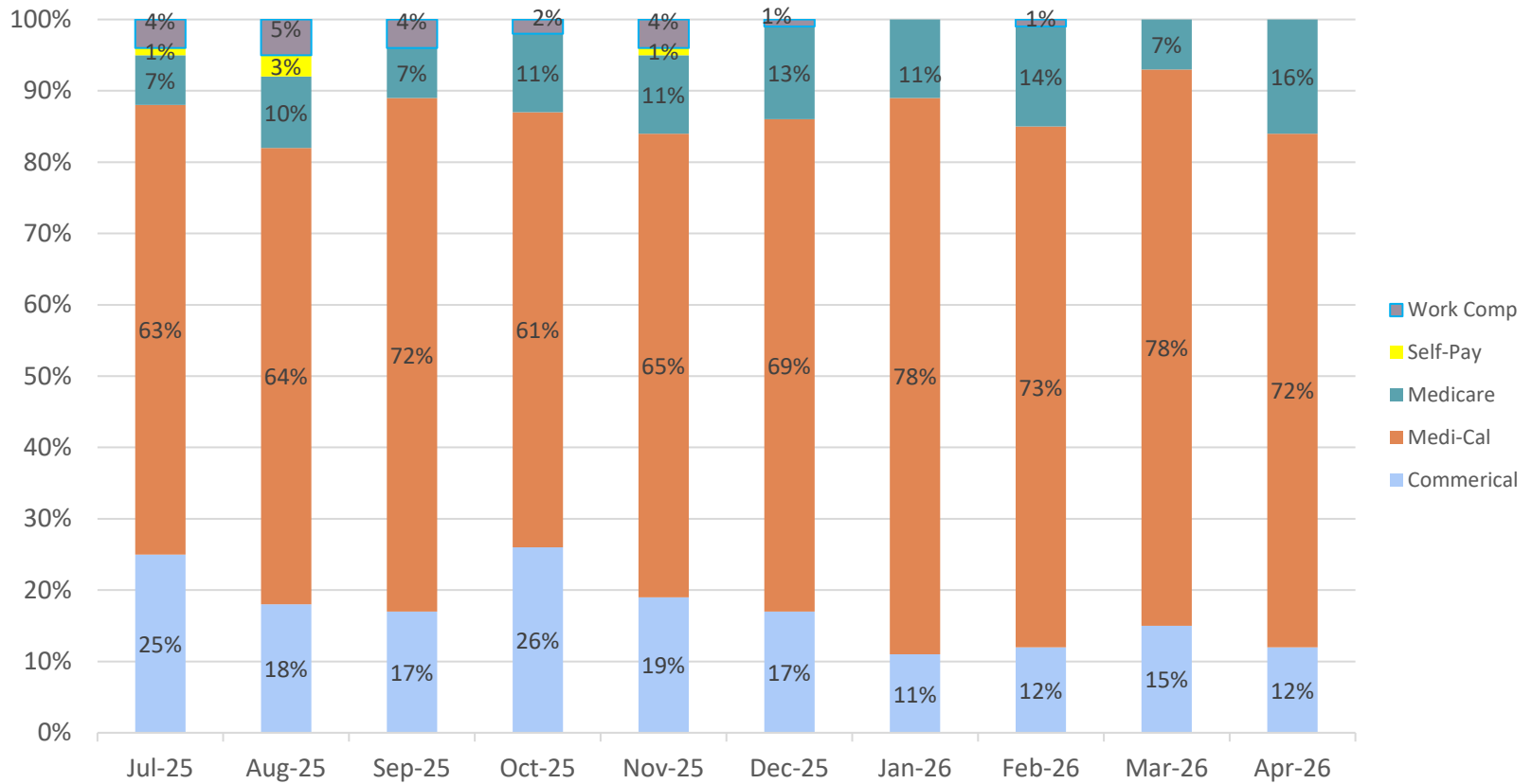
Expenses



Expenses



PAYER MIX



**Kern Medical Surgery Center, LLC.
Profit and Loss**

	Mar-26	Apr-26	Budget Apr-26	Variance
Gross Revenue	\$ 1,606,296	\$ 1,789,700	\$ 1,753,851	\$ (35,849)
Net Revenue	461,306	460,341	508,617	(48,276)
Salaries	175,379	250,794	193,576	(57,218)
Benefits	29,584	30,386	48,394	18,008
Supplies	232,343	229,367	204,783	(24,584)
Purchased Services	98,472	98,755	103,955	5,200
Depreciation	28,216	28,216	23,902	(4,314)
Total Expenses	563,994	637,518	574,610	(62,908)
Net Operating Gain (Loss)	\$ (102,688)	\$ (177,177)	\$ (65,993)	(111,184)

**Kern Medical Surgery Center, LLC.
Profit and Loss
Fiscal Year to Date**

	Actual FYTD	Budget FTYD
Gross Revenue	\$ 15,455,046	\$ 17,772,359
Net Revenue	4,225,207	5,153,989
Salaries	2,003,478	1,961,567
Benefits	300,240	490,392
Supplies	1,710,253	2,075,129
Purchased Services	1,029,605	1,050,411
Depreciation	282,996	241,348
Total Expenses	\$ 5,326,572	\$ 5,818,847
Net Operating Gain (Loss)	\$ (1,101,365)	\$ (664,858)

Balance Sheet
As of April 30, 2026

	Mar -26	Apr -26
ASSETS		
Total Cash	\$ 53,919	\$ 43,853
Gross Patient Receivables	2,029,406	1,890,604
Contractual Reserve	(1,440,878)	(1,342,329)
Net Patient Receivables	588,528	548,275
Other Receivables	-	-
Total Accounts Receivable	488,768	448,275
Total Other Current Assets	0	0
Total Current Assets	542,687	492,128
Total Fixed Assets	1,027,399	999,183
TOTAL ASSETS	157,086	1,491,311
Liabilities and Equity		
Total Accounts Payable	2,354,157	2,453,964
TOTAL LIABILITIES	2,968,499	3,066,851
Total Equity	(1,398,363)	(1,575,540)
TOTAL LIABILITIES AND EQUITY	\$ 157,086	\$ 1,491,311



**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

June 17, 2026

Subject: Proposed credentialing recommendations

Recommended Action: Approve

Summary:

It is recommended that your Board approve the attached credentialing recommendations for Kern Medical Surgery Center, LLC.

CREDENTIALING RECOMMENDATIONS TO BOARD OF MANAGERS

June 17, 2026

Initial Appointments: The following practitioner(s) are recommended for initial appointment and clinical privileges as delineated by the respective department chairs:

Amin A. Ramzan, MD, Obstetrics and Gynecology

APP Initial Appointments:

None

Reappointments: The following practitioner(s) are recommended for reappointment and clinical privileges as delineated by the respective department chairs:

John L. Etcheverry, DPM, Podiatric Surgery

Juan Lopez, MD, Obstetrics and Gynecology

Jeffrey G. Nalesnik, MD, Urology

Katelyn B. Furey, MD, Obstetrics and Gynecology

Lola Loeb, MD, Obstetrics and Gynecology

APP Reappointments:

Jacob O. Smith, CRNA

Richard A. Paulsen, CRNA

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

(Government Code Section 54957.7)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on June 17, 2026, 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)) –