



## **AGENDA**

### **KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS**

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

Regular Meeting  
Wednesday, August 19, 2020

11:30 A.M.

#### **BOARD TO RECONVENE**

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz, Sistrunk  
Roll Call:

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

**STAFF RECOMMENDATION SHOWN IN CAPS**



PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on July 15, 2020 –  
APPROVE

CA

- 4) Proposed Resolution regarding acceptance of grant proceeds from the California Health Facilities Financing Authority under the Children's Hospital Bond Act of 2018 in the amount of \$9,289,981 –  
APPROVE; ADOPT RESOLUTION

CA

- 5) Proposed retroactive Amendment No. 3 to Agreement 161-2016 with Valley Children's Medical Group, Inc., an independent contractor, for on-site consultation services to pediatric patients for the period August 2, 2015 through August 1, 2020, extending the term for one year from August 2, 2020 through August 1, 2021, and increasing the maximum payable by \$161,500, from \$807,500 to \$969,000, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed Agreement with Katayoun Sabetian, M.D., Inc., an independent contractor, for professional medical services in the Department of Medicine from September 1, 2020 through August 31, 2022, in an amount not to exceed \$610,000 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed retroactive Sales Order OPT-0245191 with Cerner Corporation, an independent contractor, for the purchase of medical coding services from July 20, 2020 through July 19, 2022, in an amount not to exceed \$1,728,000 –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 8) Proposed Agreement with Freedom Healthcare Staffing, an independent contractor, for supplemental healthcare staffing services from August 19, 2020 through August 18, 2021, in an amount not to exceed \$1,684,800 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN SUPPLEMENTAL DOCUMENTS SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
- 9) Kern County Hospital Authority Financial report –  
RECEIVE AND FILE
- 10) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVE AND FILE

CA

- 11) Claims and Lawsuits Filed as of July 31, 2020 –  
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 12) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 13) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS –
- 14) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-19-103529 TSC –
- 15) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 16) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, SEPTEMBER 16, 2020, AT 11:30 A.M.

## **SUPPORTING DOCUMENTATION FOR AGENDA ITEMS**

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

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

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

11) CLAIMS AND LAWSUITS FILED AS OF JULY 31, 2020 –  
RECEIVE AND FILE

- A) First Amended Complaint in the matter of Maria Elena Lopez-Rodriguez v. Kern Medical Surgery Center, LLC, et al., Kern County Superior Court Case No. BCV-20-100510 SDS
- B) Complaint in the matter of Weatherby Locums, Inc. v. Kern County Hospital Authority, United States District Court (EDCA) Case No. 1:20-cv-00949-NONE-JLT
- C) Application for Leave to Present Late Claim in the matter of Jihad Hashim
- D) Notice of Charge of Discrimination in the matter of Lisa Nafus, EEOC Charge No. 480-2020-03067
- E) Claim in the matter of Edward Ceballos



## SUMMARY OF PROCEEDINGS

### KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting  
Wednesday, July 15, 2020

11:30 A.M.

#### BOARD RECONVENED

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz, Sistrunk  
ROLL CALL: 5 Present; 2 Absent - Alsop, McLaughlin

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

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

#### BOARD ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

**DIRECTOR SISTRUNK ANNOUNCED THAT SHE IS RETIRING FROM AERA ENERGY EFFECTIVE SEPTEMBER 30, 2020, AND WILL BE RESIGNING FROM THE KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS AFTER THE SEPTEMBER MEETING. SHE EXPRESSED HER APPRECIATION FOR THE OPPORTUNITY TO SERVE ON THE BOARD**

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on July 15, 2020 –  
APPROVED  
**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

CA

- 4) Proposed retroactive Agreement with Brink's U.S., a Division of Brink's Incorporated, an independent contractor, containing non-standard terms and conditions, for armored transport services from July 13, 2020 through July 12, 2023, in an amount not to exceed \$42,963 –  
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 032-2020  
**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

CA

- 5) Proposed Agreement with Mission Linen Supply, an independent contractor, for linen supply items from August 1, 2020 through July 31, 2021, in an amount not to exceed \$1,200,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 033-2020  
**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

CA

- 6) Proposed Agreement with Lee Construction, Inc., an independent contractor, for construction upgrades required for fluoroscopy machine installation, effective July 15, 2020, in an amount not to exceed \$451,742 –  
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 034-2020  
**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

CA

- 7) Proposed License and Services Agreement with Informatica, LLC, an independent contractor, containing non-standard terms and conditions, for legacy data software support from July 15, 2020 through July 14, 2022, in an amount not to exceed \$141,600 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 035-2020  
**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

CA

- 8) Proposed retroactive Amendment No. 1 to Agreement 147-2019 with the County of Kern, as represented by the County Administrative Office and Kern County Sheriff's Office, for health care services to in-custody inmates housed in Kern County Justice Facility, for the period May 12, 2018 through June 30, 2020, extending the term for one year from July 1, 2020 through June 30, 2021 –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 036-2020

**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

- 9) Kern County Hospital Authority Financial report –  
RECEIVED AND FILED

**Brar-Pelz: 5 Ayes; 2 Absent - Alsop, McLaughlin**

NOTE: DIRECTOR MCLAUGHLIN JOINED THE MEETING AFTER THE VOTE ON AGENDA ITEM 9 AND BEFORE THE VOTE ON AGENDA ITEM 10

- 10) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED

**Sistrunk-Brar: 6 Ayes; 1 Absent - Alsop**

CA

- 11) Claims and Lawsuits Filed as of June 30, 2020 –  
RECEIVED AND FILED

**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, McLaughlin**

ADJOURNED TO CLOSED SESSION

**Pelz-Sistrunk**

CLOSED SESSION

- 12) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 13) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 14) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – SEE RESULTS BELOW
- 15) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer  
(Government Code Section 54957) – SEE RESULTS BELOW
- 16) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

**Pelz-McLaughlin**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 12 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR MCLAUGHLIN, SECOND BY DIRECTOR SISTRUNK; 1 ABSENT - DIRECTOR ALSOP), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, CHANGE IN STAFF STATUS, AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 13 concerning Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 14 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Martin L. Goldman, M.D., an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-18-100390 SDS – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 15 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 16 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, AUGUST 19, 2020, AT 11:30 A.M.

**Brar**

/s/ Mona A. Allen  
Authority Board Coordinator

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



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

August 19, 2020

**Subject:** Proposed Acceptance of Grant Proceeds under the Children’s Hospital Bond Act of 2018 from the California Health Facilities Financing Authority

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

Kern Medical Center requests that your Board adopt the attached proposed resolution accepting a grant award of \$9,289,941.38, less administrative costs and costs of issuance totaling \$99,866.87, from the California Health Facilities Financing Authority, to expand or improve health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children. The proposed resolution also authorizes the Chief Executive Officer to appoint Erica Easton to administer the grant award on behalf of the hospital and the Chief Financial Officer to establish an interest bearing account to deposit the grant award for purposes of payments of project expenditures to better track the accounting of the receipt and expenditure of the grant award, both requirements of the grant.

The grant will provide funding for the Kern Medical Every Kid program that include projects throughout both the inpatient and outpatient pediatric clinical areas. The following items highlight the positive impact of the funding.

**Inpatient Pediatric Unit:** Relocation of the Pediatric Unit to 4C, where it will be designed and equipped with new, efficient technology and equipment to better serve our pediatric patients and their families. The unit will feature 11 pediatric beds, including an isolation room.

**Pediatric Emergency Room:** Design and construction of a Pediatric Unit within our existing Emergency Department. This will allow for our pediatric patients to be cared for in a specially designed unit. Currently, pediatric patients account for approximately 20% of our overall volume in the Emergency Department.

**Columbus Pediatric Outpatient Clinic:** Renovation of the existing clinic space will provide a refresh of the space and update all of the clinical areas with new equipment. The enhancements will improve workflow that will allow us to increase the number of children we serve by more than 15% annually. The renovation will include expanding our waiting room areas, which will allow for better physical distancing for our critically and chronically ill patients.

Equipment and Technology: Purchase of new specialty equipment for the Neonatal Intensive Care Unit, surgical equipment for our ENT specialists, simulation equipment for education, and diagnostic equipment. Several software applications will be funded for our telehealth program, breast milk program, and the sepsis and antimicrobial stewardship programs.

Preparations for the Every Kid program has already begun and will be complete by November 2023.

Therefore, it is recommended that your Board adopt the proposed resolution accepting the grant proceeds from the California Health Facilities Financing Authority.

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

---

In the matter of:

Resolution No. 2020-\_\_\_\_

**ACCEPTANCE OF GRANT PROCEEDS  
FROM THE CHILDREN'S HOSPITAL  
BOND ACT OF 2018**

---

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director Pelz, seconded by Director Brar, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 19th day of August, 2020, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

**MONA A. ALLEN**  
Authority Board Coordinator  
Kern County Hospital Authority

---

Mona A. Allen

---

**RESOLUTION**

Section 1. WHEREAS:

(a) The Kern County Hospital Authority Act (Health & Saf. Code, §101852 et seq.) provides that the Kern County Hospital Authority ("Authority") has the power "*to participate in, contract for, and to **accept**, gifts, **grants**, and loans of funds, property, or other aid or finance opportunity in any form **from** the federal government, the state, **a state agency**, or other source or combination thereof, as otherwise would be available to a public, government, or private entity and to comply, subject to this chapter, with the terms and conditions thereof.*" (Health & Saf. Code, § 101855(a)(13).) (Emphasis added.); and

(b) On June 25, 2020, the California Health Facilities Financing Authority adopted Resolution No. CHP-4E 2020-11 approving a grant in the amount of \$9,289,941.38, less administrative costs and costs of issuance (“Grant Award”), to Kern Medical Center, to expand or improve health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children; and

(c) As a condition to receiving the Grant Award, the Board of Governors must provide the California Health Facilities Financing Authority a true, correct, complete and certified copy of a resolution adopted by the Board of Governors as the governing body of Kern Medical Center; and

(d) The Board of Governors has received information about the terms and conditions of the Grant Award from the California Health Facilities Financing Authority, attached hereto and incorporated herein by this reference as Exhibit “A”, and intends to accept said terms and conditions of the Grant Award; and

(e) It is in the best interest of Kern Medical Center that the Board of Governors accept the Grant Award.

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

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

2. This Board hereby accepts all terms and conditions of the Grant Award in the amount of \$9,289,941.38, less administrative costs and costs of issuance, on behalf of the Kern Medical Center, and expressly authorizes and directs the Chief Executive Officer, to carry out any duties necessary to effectuate acceptance on behalf of Kern Medical Center, including but not limited to the execution and delivery of the grant agreement and other relevant documents as may be necessary.

3. This Board hereby authorizes the Chief Executive Officer to appoint Erica Easton to administer the Grant Award on behalf of Kern Medical Center.

4. This Board hereby authorizes the Chief Financial Officer to establish an interest bearing account to deposit the Grant Award for purposes of payments of project expenditures to better track the accounting of the receipt and expenditure of the Grant Award.

5. The provisions of this Resolution shall be effective, in force, and operative as the 19th day of August, 2020.

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

Chief Executive Officer  
Chief Financial Officer  
Legal Services Department  
California Health Facilities Financing Authority  
Erica Easton

# **EXHIBIT**

**A**

**TAB 1**  
**Grant Agreement**

**TAB 2**  
**EXHIBIT A**  
**Grant Award Letter**

**TAB 3**  
**EXHIBIT B**  
**Grant Funds Disbursement**  
**Certification**

**TAB 4**  
**EXHIBIT C**  
**Resolution of the Authority**

**TAB 5**  
**EXHIBIT D**  
**Certified Resolution of**  
**Grantee's Governing Board**

**TAB 6**  
**EXHIBIT E**  
**Project Description**

**TAB 7**  
**EXHIBIT F**  
**Terms & Conditions**

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
CHILDREN’S HOSPITAL BOND ACT OF 2018 (PROPOSITION 4)**

**GRANT AGREEMENT NUMBER XXX**

**HOSPITAL NAME  
HOSPITAL ADDRESS**

THIS GRANT AGREEMENT (the “Agreement”) is made between **Hospital Name** (“Grantee”) and the California Health Facilities Financing Authority (“CHFFA” or the “Authority”).

**RECITALS:**

- A. Grantee has applied to CHFFA for a grant from the Children’s Hospital Program of 2018 to fund the hereinafter defined Project.
- B. CHFFA has determined that Grantee’s Application for the grant meets the eligibility criteria required by the hereinafter defined Regulations.
- C. Subject to the availability of grant monies in the hereinafter defined Program Fund, CHFFA proposes to provide a grant of **NET GRANT AWARD** (the "Grant") to Grantee in consideration of, and on condition that the sum is expended in carrying out the purposes of the hereinafter defined Project from the hereinafter defined Program Fund and on the terms and conditions contained herein.

Total Grant Amount not to exceed **NET GRANT AWARD**.

The following specific provisions as determined by the Authority are made part of and incorporated into the Agreement:

See Section 6.11

- D. The purpose of this Agreement is to set forth the terms and conditions upon which CHFFA will provide the Grant to Grantee to undertake the Project.

NOW, THEREFORE, CHFFA and Grantee agree as follows:

**ARTICLE I – DEFINITIONS**

Section 1.1 – INTRODUCTION. Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Regulations.

Section 1.2 – AGREEMENT means this Agreement, including any amendments and exhibits hereto.

Section 1.3 – APPLICATION means Grantee’s completed Application submitted to CHFFA, received **XX** for a Requested Amount of **XX** (incorporated herein by reference), including any supplemental Project information requested by the Authority.

Section 1.4 – AUTHORITY or CHFFA means the California Health Facilities Financing Authority.

Section 1.5 – GRANT AWARD LETTER means CHFFA’s Grant Award Letter dated **XX** to Grantee relating to the Grant and attached hereto as Exhibit A (incorporated herein by reference).

Section 1.6 – DISBURSEMENT REQUEST means the request for disbursement of Grant funds as described in Grant Funds Disbursement Certification executed by Grantee and attached hereto as Exhibit B.

Section 1.7 – ELIGIBLE COSTS means those costs of the Project set forth in Attachment A of the Application and as set forth in Exhibit E of this Agreement that meet the criteria defined in Section 7002 of the Regulations.

Section 1.8 – EXECUTIVE DIRECTOR means the Executive Director of CHFFA.

Section 1.9 – GRANT means the Grant (as defined in Section 7000(s) of the Regulations) of **NET GRANT AWARD** to Grantee by CHFFA as evidenced by this Agreement.

Section 1.10 – GRANT DOCUMENTS means this Agreement, the Application, the Grant Award Letter, and the Resolution, including any and all exhibits to such documents.

Section 1.11 – GRANTEE means **HOSPITAL NAME**.

Section 1.12 – PROGRAM means the program resulting from the Children’s Hospital Bond Act of 2018 (Part 6.3 (commencing with Section 1179.81), Division 1, Health and Safety Code), approved by voters on November 6, 2018.

Section 1.13 – PROGRAM FUND means the Children’s Hospital Bond Act Fund, as defined in Section 1179.83 of the Health and Safety Code.

Section 1.14 – PROJECT means the Project to be funded with the Grant as more specifically described in the Application, although the scope of the Project may be clarified in the Authority staff report accompanying the Resolution submitted to the Authority members. The Project is more specifically defined in Exhibit E of this Agreement. The Authority may broaden the definition of the Project, at its discretion if it is determined that additional elements are needed to ensure that the Project can provide its intended services. Any written approval of CHFFA to expand the Project shall become incorporated into this Agreement.

Section 1.15 – GRANT PERIOD means the period beginning on the date of Final Allocation and ending on **XX**, as such period may be extended upon the prior written

approval of CHFFA pursuant to Section 7015(d) of the Regulations. However, any extension shall not surpass the Resolution expiration date pursuant to Section 1.17 of this Agreement. Any written approval of CHFFA extending the Grant Period shall become incorporated into this Agreement.

Section 1.16 – REGULATIONS means The Children’s Hospital Program of 2018, Title 4, Division 10, Chapter 1 (commencing with Section 7000) of the California Code of Regulations, as such regulations may be amended from time to time.

Section 1.17 – RESOLUTION means Resolution No. **XX** (Exhibit C) adopted by CHFFA on **XX**. Any amendment to the Resolution shall become incorporated into this Agreement.

## **ARTICLE II – DELEGATION OF AUTHORITY**

Section 2.1 – Pursuant to the Resolution, the Executive Director or the Deputy Exexutive Director, is authorized to act for and on behalf and in the name of CHFFA, including, but not limited to:

- (a) Taking all steps necessary with respect to the Grant to Grantee, including preparing and executing this Agreement and disbursing funds pursuant to this Agreement and the Regulations;
- (b) Approving any minor, non-material changes in the Project as the Executive Director or the Deputy Executive Director shall deem appropriate and authorized under the Regulations in his or her sole discretion (provided that the amount of the Grant may not be increased above the amount approved by CHFFA and contained in this Agreement);
- (c) Drawing money from the Program Fund not to exceed the amount of the Grant;
- (d) Executing and delivering to Grantee any and all documents necessary to complete the transfer of Grant funds; and
- (e) Undertaking any and all things and executing and delivering any and all documents which the Executive Director or the Deputy Executive Director deems necessary or advisable in order to effectuate the purposes of the Grant Documents and the transactions contemplated thereby.

## **ARTICLE III – REPRESENTATIONS AND WARRANTIES**

Grantee makes the following representations and warranties to CHFFA as of the date of execution of this Agreement and of the date of each disbursement of Grant funds to Grantee:

Section 3.1 – LEGAL STATUS. Grantee is an Eligible Hospital as defined in Section 7000(l) of the Regulations that meets the eligibility requirements of Section 7001 of the Regulations and has full legal right, power and authority to enter into this Agreement and

the other Grant Documents to which it is a party and to carry out and consummate all transactions contemplated hereby and by the other Grant Documents and by proper corporate action has duly authorized the execution, delivery and performance of this Agreement and the other Grant Documents to which it is a party. A true, correct and complete copy of the certified resolution of Grantee's governing body authorizing the execution and delivery of this Agreement and the other Grant Documents to which it is a party is attached hereto as Exhibit D. Such resolution has not been amended, modified or rescinded in any manner since the date of its adoption and the same is now in full force and effect as of the date hereof.

Section 3.2 – VALID AND BINDING OBLIGATION. This Agreement has been duly authorized, executed and delivered by Grantee, and is a valid and binding agreement of Grantee, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles.

Section 3.3 – PROJECT AND ELIGIBLE COSTS. The Project and the Eligible Costs relating to the Project meet the requirements of the Regulations, including the definition of "Project" contained in Section 7000(ii) and the requirements for "Eligible Project Costs" contained in Section 7002 of the Regulations. If the Project involves funding architect, design, or engineering fees or land acquisition costs as part of an associated larger project, such larger project is expected to be completed within the timelines provided in the Application.

Section 3.4 – PROPERTY OWNERSHIP. Grantee holds good and marketable fee simple title to the real property underlying the Project (except for equipment acquisition Projects). If any portion of the Project (except for equipment acquisition Projects) is located on any real property leased by Grantee, Grantee has satisfied the requirements of Section 7014 of the Regulations.

Section 3.5 – APPLICATION. To the best of Grantee's knowledge and belief the information contained in the Application is true and correct. To the best of Grantee's knowledge and belief no information, exhibit or report furnished to the Authority by Grantee in connection with the Application or the negotiation of this Agreement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 3.6 – GRANT DOCUMENTS. Grantee has access to professional advice to the extent necessary to enable Grantee to fully comply with the terms of the Grant Documents.

#### **ARTICLE IV - CONDITIONS PRECEDENT TO EACH DISBURSEMENT**

The obligation of CHFFA to make each disbursement of Grant funds during the Grant Period under this Agreement is subject to all of the following conditions:

Section 4.1 – DOCUMENTATION. This Agreement shall be fully executed and delivered by Grantee and CHFFA in form and substance satisfactory to CHFFA.

Section 4.2 – REPRESENTATIONS AND WARRANTIES. The representations and

warranties contained in Article III of this Agreement are true and correct as of the date of such disbursement.

Section 4.3 – NO EVENT OF DEFAULT. There shall not exist an Event of Default under this Agreement, and there shall exist no event, omission or failure of condition, which, after notice or lapse of time, would constitute an Event of Default under this Agreement.

Section 4.4 – DISBURSEMENT REQUEST. Grantee shall have delivered to CHFFA a completed Disbursement Request relating to such disbursement in form and substance satisfactory to CHFFA. The Disbursement Request shall be on official letterhead and include the amount of funds requested and copies of applicable supporting documentation justifying funds requested, and in form and substance satisfactory to CHFFA.

Section 4.5 – FUNDING CONDITIONS. Grantee shall meet all applicable funding conditions pursuant to Section 7013.1 of the Regulations, Exhibit F of this Agreement (as required under Section 7005(a)(4) of the Regulations), the Grant Award Letter, the Resolution, and this Agreement. Grantee shall obtain prior written authorization from CHFFA to make changes in the eligible use of funds that exceed ten percent (10%) of the amount of any budget line item of Attachment A of the Application (see Exhibit E-1 of this Agreement). Grantee memorializes the agreement and certification to the terms of Exhibit F of this Agreement (as required under Section 7005(a)(4) of the Regulations) submitted with the Application, as executed by an authorized officer of the Grantee.

## **ARTICLE V – GRANT DISBURSEMENT PROCEDURES**

Section 5.1 – DISBURSEMENT PROCESS. Grantee shall make Disbursement Requests to CHFFA for disbursement of Grant funds pursuant to the requirements of Articles IV and V of this Agreement at least sixty (60) calendar days before the date such funds are needed by Grantee. Grantee acknowledges that CHFFA will make only one disbursement every ninety (90) calendar days. CHFFA may allow more frequent disbursements, at its discretion after consultation with the Grantee. CHFFA shall use its best efforts to respond to a Disbursement Request within sixty (60) calendar days after the receipt of such Disbursement Request. CHFFA shall notify Grantee in writing of any deficiencies or discrepancies in the Disbursement Request. Grantee shall not receive a disbursement until Grantee corrects any such deficiencies or discrepancies.

Section 5.2 – AMOUNT OF DISBURSEMENT. Grant funds shall be released upon receipt of Disbursement Requests made pursuant to Section 5.1 of this Agreement, which shall include credit for interest earnings on any previously released portion of the Grant and pursuant to Section 7013.1(e) of the Regulations. Grant funds shall be disbursed up to the amount of the Grant authorized under this Agreement and only for Eligible Costs. Grantee shall establish an interest bearing bank account to deposit the Grant funds and shall maintain this account for purposes of payments of Project expenditures. A segregated sub-account may be used given the bank statement allows for the accounting of the receipt and expenditure of Grant funds and the interest earned from these funds, separately from other funds in the account. Upon request from CHFFA, Grantee shall submit copies of all bank statements for such account or subaccount to CHFFA. All interest earned from Grant funds shall be paid to the Authority, either by direct payment or reduction of disbursements. At the end of the Grant Period

(inclusive of any extensions permitted by CHFFA per Section 7015(d) of the Regulations), any unused Grant funds revert to and shall be paid to the Authority.

Section 5.3 – DISBURSEMENT PERIOD. The initial Disbursement Request for Grant funds shall be made no later than six (6) months from date of execution of this Agreement, and all Grant disbursements shall be disbursed within the Grant Period. In the event Grantee fails to complete the Project by the end of the Grant Period (inclusive of any extensions permitted by CHFFA pursuant to Section 7015(d) of the Regulations), CHFFA may require remedies, including forfeiture and return of Grant funds to CHFFA pursuant to the Regulations, including but not limited to Sections 7015(c) and 7016 of the Regulations. In addition, if the Grant is funding architect, design, or engineering fees or land acquisition costs as part of the Project, Grantee may be required to return all Grant funds if CHFFA cannot determine that the associated larger Project has been completed, based on the timelines provided in the Application.

## **ARTICLE VI – AFFIRMATIVE COVENANTS**

Section 6.1 – CERTIFICATE OF COMPLETION. Upon completion of the Project, Grantee shall certify to CHFFA that the Project is complete by submitting a Completion Certificate and Final Report Form No. CHFFA 10 CHP 18-CCFR (10/2019) pursuant to Section 7015 of the Regulations. The Completion Certificate and Final Report shall be completed and submitted to CHFFA no later than sixty (60) calendar days upon CHFFA’s request.

Section 6.2 – COMPLIANCE WITH CALIFORNIA LAW. Grantee shall comply with and be bound by all laws of the State of California including Health and Safety Code Sections 1179.81, et. seq. and Regulations governing the Children’s Hospital Bond Act of 2018.

Section 6.3 – AUDIT PROVISIONS AND RECORD REQUIREMENTS. The Grantee shall maintain satisfactory financial accounts, documents and records for the Project, and Grantee acknowledges that pursuant to Section 7017 of the Regulations, the California State Auditor and CHFFA staff may conduct periodic audits to ensure that Grantee is using the Grant consistent with the Children’s Hospital Program of 2018 requirements and the terms of this Agreement for the Project. Pursuant to Section 7017(b) of the Regulations, Grantee shall retain all Children’s Hospital Program of 2018 documentation and financial data necessary to substantiate the purposes for which the Grant funds were spent for a period of three years after the certification of completion of the Project has been submitted to CHFFA or until June 30, 2036, whichever is later. Equipment records shall be maintained accurately and shall include a description of the equipment; manufacturer’s serial number; model number or other identification number; source of funding for the equipment, including the award number; acquisition date; unit acquisition cost; current location; and ultimate disposition data, including date of disposal.

Section 6.4 – LITIGATION. Grantee shall promptly give notice in writing to CHFFA of any pending or threatened administrative action or litigation related to the Project in which the amount claimed is in excess of twenty five thousand dollars (\$25,000).

Section 6.5 – NOTICE TO CHFFA. Grantee shall promptly give notice in writing to CHFFA of any uninsured or partially uninsured loss related to the Project through fire, theft, liability, or otherwise in excess of an aggregate of twenty five thousand dollars (\$25,000).

Section. 6.6 – RELEASE. Grantee shall waive all claims and recourse against CHFFA including the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to this Agreement, Grantee’s use of the Grant funds, Grantee’s business operations, or the Project. The provisions of this Section 6.6 shall survive termination of this Agreement.

Section 6.7 – INDEMNIFICATION. Grantee shall defend, indemnify and hold harmless CHFFA and the State, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Grant, the Project or the Program. The provisions of this Section 6.7 shall survive termination of this Agreement.

Section 6.8 – NON-DISCRIMINATION CLAUSE. Grantee and its contractors and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Grantee and its contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Section 6.9 – PROJECT COMPLETION. The Grantee shall assume any obligation to furnish any additional funds that may be necessary to complete the Project.

Section 6.10 – PAYMENT OF RENT. If any portion of the Project (except for equipment acquisition Projects) is located on any real property leased by Grantee, Grantee shall budget for payment of rent each year (unless Grantee pays a nominal yearly rent or has paid full rent under the lease agreement).

Section 6.11– AFFILIATION AGREEMENTS. The Grantee shall provide notice to CHFFA and the State Treasurer’s Office at least sixty (60) days before the estimated execution or effective date of any affiliation agreement to which the Grantee may be a party. CHFFA may require the Grantee to monitor and inform CHFFA of the use of the Project and expenditure of Grant funds during the period commencing on the effective date of this Agreement and ending on the earlier of the end of the reasonably expected useful life of the Project or twenty-five (25) years after the effective date of this Agreement. The provisions of this Section 6.11 shall survive termination of this Agreement.

## **ARTICLE VII - NEGATIVE COVENANTS**

Grantee further covenants that so long as this Agreement is in effect, Grantee will not without prior consent of CHFFA:

Section 7.1 – USE OF FUNDS. Use any Grant funds for purposes other than for the Project unless a change in the use of the Grant is approved in writing by CHFFA pursuant to Section 7011 of the Regulations.

Section 7.2 – CHANGE IN PROJECT. Make any changes to the Project as described in the Application or any of the Grant Documents.

Section 7.3 – DISPOSE OF PROJECT. Dispose of Project or any part thereof before the end of the useful life of the Project. Any determination of the useful life of a Project shall be based upon the values contained in the most recent edition of a publication generally accepted by the hospital industry (such as the American Hospital Association publication entitled "Estimated Useful Lives of Depreciable Hospital Assets") for the year that the Project was put into service.

### **ARTICLE VIII – DEFAULT AND REMEDIES**

Section 8.1 – EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

- (a) If any representation or warranty made by Grantee, or anyone acting on its behalf, hereunder or under any of the other Grant Documents shall prove to be incorrect in any material respect;
- (b) Grantee's failure to perform any term or condition of this Agreement or any of the other Grant Documents or comply with any other agreements between Grantee and CHFFA relating to this Project;
- (c) Any substantial or continuous breach by Grantee of any material obligations of Grantee imposed by any agreements other than the Grant Documents with respect to the Project;
- (d) If at any time the Executive Director, the Deputy Executive Director, or CHFFA determines the use of Grant funds was not consistent with the Children's Hospital Program of 2018 requirements pursuant to Section 7016 of the Regulations; or
- (e) If any portion of the Project (except for equipment acquisition Projects) is located on any real property leased by Grantee, and the lease agreement terminates prior to the end of the useful life of the Project under the Grant, and the property that was subject to the lease agreement is not simultaneously released under a new lease agreement that complies with the requirements of Section 7014 of the Regulations, or fee title to the property that was subject to the lease agreement is not simultaneously transferred to the Children's Hospital.

Section 8.2 – NOTICE OF GRANTEE'S DEFAULT AND OPPORTUNITY TO CURE.

- (a) Grantee shall provide written notice to CHFFA within thirty (30) calendar days of any Event of Default by specifying: (1) the nature of the event or deficiency giving rise to the Event of Default, (2) the action required to cure the Event of Default, if an action to cure is possible, and (3) a date, by which such action to cure must be taken.
- (b) CHFFA shall give written notice to Grantee of any Event of Default by specifying: (1) the nature of the event or deficiency giving rise to the Event of Default, (2) the action required to cure the Event of Default, if an action to cure is possible, and (3) a date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible, provided, however, except with respect to a monetary Event of Default, so long as Grantee has commenced to cure within such time, then Grantee shall have a reasonable period thereafter within which to fully cure the Event of Default.

Section 8.3 – REMEDIES. If an Event of Default has occurred and is continuing, CHFFA shall have the right to pursue remedies pursuant to Section 7016 of the Regulations and to take any other actions in law or in equity to enforce performance and observance of any obligation, agreement or covenant of Grantee under this Agreement.

#### **ARTICLE IX – MISCELLANEOUS**

Section 9.1 – AMENDMENTS. This Agreement may be amended, changed or modified, by agreement of Grantee and CHFFA.

Section 9.2 – ENTIRE AGREEMENT. This Agreement, together with all agreements and documents incorporated by reference herein, constitutes the entire agreement of the parties and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

Section 9.3 – NOTICES. Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first-class mail, postage prepaid and addressed as follows:

- (i) If to Grantee:

Hospital Name  
Address  
Attention: Title

- (ii) If to the Authority:

California Health Facilities Financing Authority  
915 Capitol Mall, Suite 435  
Sacramento, California 95814  
Attention: Executive Director



**Exhibit A**  
**GRANT AWARD LETTER**

Grant Number

**Exhibit B**  
**GRANT FUNDS DISBURSEMENT CERTIFICATION**

California Health Facilities Financing Authority (“CHFFA” or the “Authority”)  
915 Capitol Mall, Suite 435  
Sacramento, CA 95814

RE: Disbursement of Grant funds for **Hospital Name** (“Grantee”) under this Grant Agreement number **XX** between CHFFA and Grantee.

On behalf of Grantee, **Name, Title**, requests from CHFFA the periodic disbursement of Grant funds totaling no more than **NET GRANT AWARD** as allowed by the Grant Documents, and certifies and attests to the following:

a. To whom payments shall be made. Payments from CHFFA to Grantee shall be directed to the following interest bearing account at the wiring address specified here:

Bank Routing No.: **ABA #XX**  
Bank Account No.: **XX**  
Bank Name: **XX**  
Beneficiary Name: **XX**  
Type of Bank Account: Interest Bearing Checking Account

b. The purpose(s) for which such payments are to be made, including all that apply:

- 1) For all Projects with the exception of equipment acquisition or real property acquisition Projects, Grantee hereby certifies that all supporting documentation has been or will be submitted to CHFFA prior to disbursement of Grant funds with a copy of the executed construction contract and building permits, if documentation was not submitted with the Application.
- 2) For Projects that include architect, design and engineering fees to be paid with Grant funds, Grantee hereby certifies that all applicable executed architect, design and engineering contracts have been or will be provided to CHFFA prior to disbursement of Grant funds.
- 3) For real property acquisition Projects, Grantee hereby certifies that a copy of the executed purchase and sale agreement and a copy of an appraisal, the appraised value of which (when added to the amount of reasonable transaction and closing costs) shall not be less than the sum of the Grant and all other funding sources necessary to acquire the Project, has been provided to CHFFA. Grantee hereby also certifies that the appraisal provided to CHFFA was no older than six months from the date of the executed purchase and sale agreement and was completed by a state certified appraiser.
- 4) For equipment acquisition Projects, Grantee hereby certifies that all contracts, purchase orders, invoices, and copies of cancelled checks have been or will be submitted to CHFFA prior to disbursement of Grant funds. If the Grantee does not provide copies of cancelled checks, the Grantee shall provide wire transfers,

electronic fund transfers, or other evidence acceptable to CHFFA in lieu of cancelled checks.

- 5) Grantee hereby certifies that it holds good and marketable fee simple title to the real property underlying the Project (except for equipment acquisition Projects). If any portion of the Project (except for equipment acquisition Projects) is located on any real property leased by Grantee, Grantee hereby certifies that it has satisfied the requirements of Section 7014 of the Regulations.
- 6) Grantee hereby certifies that it has executed and delivered to CHFFA this Agreement.
- 7) Grantee hereby certifies that the Grant amount does not exceed the cost of the Project.
- 8) Grantee hereby certifies that if funding sources other than the Grant are required to complete the Project, Grantee will provide proof of the funding source, (commitment letters, board approved capital campaign plans or any other documentation acceptable to the Authority). Such documentation shall be in accordance with Project timeline and budget. The source and the dollar amount of these other funds as specified in the Application are as follows:

XX

- 9) Grantee hereby certifies that if the Project benefits both nonpediatric and pediatric patients, the Grant funds shall be limited only to the proportionate cost of providing care to the pediatric patients.
- 10) Grantee hereby certifies that it will provide evidence prior to disbursement of Grant funds that the Project has no outstanding issues related to the California Environmental Quality Act and any other applicable law.
- 11) Grantee represents and warrants that if Grantee intends to change at any point in the Grant Period the eligible use of funds in excess of ten percent (10%) of any budget line item of Attachment A of Grantee's Application (also at Exhibit E of the Grant Agreement), Grantee shall request and receive written authorization from CHFFA in advance of such change.
- 12) Grantee agrees that all requests for disbursements shall be submitted in a form acceptable to CHFFA, with documentation supporting eligibility of each cost and accompanied by a completed Disbursement Request that is required pursuant to Section 4.4 of this Agreement.

GRANTEE:  
HOSPITAL NAME

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name, Title

**Exhibit C**  
**RESOLUTION**  
**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**

**Exhibit D**

**CERTIFIED RESOLUTION OF GRANTEE'S GOVERNING BOARD**

**Exhibit E**  
**PROJECT DESCRIPTION**

The Project Description, as described in Exhibit A to the Authority's **BOARD MEETING DATE Resolution No. XX** is as follows:

**The proceeds of the grant will be used by XX.**

Attached to this Exhibit E as Exhibit E-1 are Grantee's response to Section C (Project Description), Section D (Project Readiness and Feasibility), and Attachment A (Sources and Uses of Funds) of the Grant Application. Exhibit E-2 is a summary budget that provides line item descriptions of the uses of grant funds, subject to verification of eligibility. [*if applicable:*] Exhibit E-3 is a listing, prepared by Authority staff, of \$\_\_\_\_\_ of ineligible expenditures, resulting in net eligible expenditures of \$\_\_\_\_\_.

Partial disbursements of this grant award may be paid, pursuant to the release of funds provisions of Section 7013.1 of Children's Hospital Program of 2018 Regulations.

**EXHIBIT: E-1**

**EXHIBIT: E-2**

**EXHIBIT: E-3**

**EXHIBIT: E-4**

## **EXHIBIT F**

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Applicant, on behalf of the Applicant, shall agree and certify to the following terms and conditions as a requirement of receiving any Grant:

- (1) The information contained in the Application and attachments is true and correct to the best of its knowledge and belief and understands that any misrepresentation may result in the cancellation of a Grant and other actions permitted by law and the Grant Agreement.
- (2) If Children's Hospital is a party to a Children's Hospital Applying Jointly Application, Children's Hospital accepts designation as Lead Grantee.
- (3) Grantee has disclosed all information requested by the Legal Status Questionnaire.
- (4) Grant funds will only be used for the Project described in the Application unless a change in the Project is approved in writing by the Authority pursuant to Section 7011 of the Regulations.
- (5) Grantee will provide all documents and information required by law and meet all necessary requirements prior to the release of the Grant.
- (6) Grantee may be required to return all or a portion of the Grant including any unused interest earnings if the Grantee fails to complete the Project as approved. In cases where the Grant will fund architect, design, or engineering fees or land acquisition costs as part of an approved Project, the Grantee may be required to return all Grant funds and any unused interest earnings if the Authority cannot determine that the associated larger Project has been completed, based on timelines provided within the Application.
- (7) Grantee will notify the Authority in writing at the time of Project completion with evidence of completion included.
- (8) The Project and financial records of the Grantee's Project are subject to audit and inspection by the Authority and the California State Auditor.



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

August 19, 2020

**Subject:** Proposed Retroactive Amendment No. 3 to Agreement 161-2016 with Valley Children’s Medical Group, Inc.

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve retroactive Amendment No. 3 to Agreement 161-2016 with Valley Children’s Medical Group, Inc., for on-site consultation services to pediatric patients at Kern Medical extending the term for one year, August 2, 2020 through August 1, 2021, increasing the maximum payable by \$161,500.

<b>Previous Agreements</b>	<b>Payment for Services</b>
161-2016 – Original August 2, 2015 - August 1, 2017 NTE \$320,000	Pediatric Gastroenterology Services
07618 – Amendment No. 1 August 2, 2017 - August 1, 2019 NTE \$322,000	1. Pediatric Gastroenterology Services 2. Pediatric and Neonatal Echocardiography and EKG Interpretation Services 3. Pediatric Echocardiology Sonographer Services
Amendment No. 2 August 2, 2019 - August 1, 2020 NTE \$165,500	Same as Amendment No. 1
<b>Proposed Agreement</b> Amendment No. 3 August 2, 2020 - August 1, 2021 NTE \$161,500	Same as Amendment No. 1

Therefore, it is recommended that your Board approve Amendment No. 3 to Agreement 161-2016 with Valley Children’s Medical Group, Inc., an independent contractor, for on-site consultation services to pediatric patients for the period August 2, 2015 through August 1, 2020, extending the term one year from August 2, 2020 through August 1, 2021, and increasing the maximum payable by \$161,500, from \$807,500to \$969,000, to cover the extended term and authorize the Chairman to sign.

**AMENDMENT NO. 3  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Valley Children’s Medical Group, Inc.)**

This Amendment No. 3 to the Agreement for Professional Services is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Valley Children’s Medical Group, Inc., a California nonprofit public benefit corporation (“Contractor”), with its principal place of business located at 9300 Valley Children’s Place, Madera, California 93636.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Kern County Agt. #161-2016, dated April 5, 2016), Amendment No. 1 (Agt. #07618, dated August 2, 2017), and Amendment No. 2 (Agt. #041-2019, dated July 17, 2019) (the “Agreement”), for the period August 2, 2015 through August 1, 2020, whereby Contractor provides professional medical services to pediatric patients at KMC; and

(b) The Agreement expires August 1, 2020; and

(c) KMC continues to require the services of Contractor to fill voids in staffing; and

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

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

(f) The Agreement is amended effective August 2, 2020;

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

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

“1. Term. Performance by Contractor and Authority shall commence August 2, 2015, and shall end August 1, 2021, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 4, Payment for Services, paragraph 4.4, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.4 Maximum Payable. The maximum payable under this Agreement shall not exceed \$969,000 over the six-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 and any 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.

VALLEY CHILDREN'S MEDICAL GROUP, INC.

By   
\_\_\_\_\_  
Michael Goldring  
President

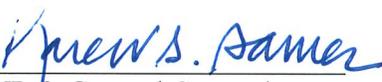
KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:

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

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By   
\_\_\_\_\_  
VP & General Counsel  
Kern County Hospital Authority



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

August 19, 2020

**Subject:** Proposed Agreement for Professional Services with Katayoun Sabetian, M.D., Inc.

**Recommended Action:** Approve, Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve an Agreement for Professional Services with Katayoun Sabetian, M.D., Inc., for professional medical services in the Department of Medicine. Dr. Sabetian is board certified in neurology by the American Board of Psychiatry and Neurology. She has provided services at Kern Medical since 1997 and is a valued member of the core faculty.

Dr. Sabetian also assists in the training programs related to this medical specialty to resident physicians employed by Kern Medical.

Payment for Services are:

- Medical Director Services of the Stroke Program;
- Neurology Coverage - Neurology clinic; Neurology rounds and consultations; weekday night call coverage (Monday through Thursday, 5:00 p.m. to 8:00 a.m.); weekend call coverage (Friday, 5:00 p.m. to Monday, 8:00 a.m.); and adult EEG, nerve conduction study and EMG interpretation; and
- Didactic Lectures

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Katayoun Sabetian, M.D., Inc., for professional medical services in the Department of Medicine, from September 1, 2020 through August 31, 2022, in an amount not to exceed \$610,000 over the two-year term, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Katayoun Sabetian, M.D., Inc.)**

This Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Katayoun Sabetian, M.D., Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 2323 16th Street, Suite 206, Bakersfield, California 93301.

**I.  
RECITALS**

(a) Authority is authorized, pursuant to section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and

(b) Authority owns and operates KMC, a general acute care hospital located at 1700 Mount Vernon Avenue, Bakersfield, California, and affiliated clinics (collectively, the “Premises”), in which is located the Department of Medicine (the “Department”); and

(c) Contractor is a California professional medical corporation with medical doctors (collectively, “Group Physicians” or individually, “Group Physician”) who provide services on behalf of Contractor; and

(d) KMC has developed a stroke program that meets the accreditation standards of The Joint Commission for certification as a Primary Stroke Center; and

(e) Authority requires the assistance of Contractor to provide professional medical and administrative services at KMC and teaching services to resident physicians employed by Authority, as such services are unavailable from Authority resources, and Contractor agrees to provide such services on the terms and conditions set forth in this Agreement; and

(f) Contractor has special knowledge, training and experience, and is qualified to render such services;

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 as follows:

**II.  
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall commence September 1, 2020 (the “Effective Date”), and shall end August 31, 2022, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.

## 2. Obligations of Contractor.

2.1 Specified Services. Contractor shall render those services set forth in Exhibit "A," attached hereto and incorporated herein by this reference. Such services may be changed from time to time by agreement of the parties in accordance with the provisions of this Agreement.

2.2 Representations. Contractor makes the following representations which are agreed to be material to and form a part of the inducement for this Agreement: (i) Contractor has the expertise and support staff necessary to provide the services described in this Agreement; and (ii) Contractor does not have any actual or potential interests adverse to Authority nor does Contractor represent a person or firm with an interest adverse to Authority with reference to the subject of this Agreement; and (iii) Contractor shall diligently provide all required services in a timely and professional manner in accordance with the terms and conditions set forth in this Agreement.

2.3 Standard of Care. Authority has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all of its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by Authority shall not operate as a waiver or release.

2.4 Performance Standard. Contractor shall perform all services hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor's profession. If Authority determines that any of Contractor's work is not in accordance with such level of competency and standard of care, Authority, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with Authority to review the quality of the work and resolve matters of concern; (b) terminate this Agreement pursuant to the provisions of section 36; or (c) pursue any and all other remedies at law or in equity.

2.5 Assigned Personnel. Contractor shall assign only competent personnel to perform the Services hereunder. In the event that at any time Authority, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform the services hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from Authority. Group Physicians providing services under this Agreement include, without limitation, Katayoun Sabetian, M.D.

### 2.6 Qualifications of Group Physicians.

2.6.1 Licensure/Board Certification. Group Physicians shall at all times during the term of this Agreement be duly licensed physicians and surgeons in the state of California, practicing in the medical specialty of neurology, and certified by or eligible for certification by the American Board of Psychiatry and Neurology in neurology-general.

2.6.2 Medical Staff Status. Each Group Physician shall at all times during the term of this Agreement be a member in good standing of the KMC medical staff with “active” or “courtesy” staff status and hold all clinical privileges on the active or courtesy medical staff appropriate to the discharge of his or her obligations under this Agreement.

2.6.3 TJC and ACGME Compliance. Each Group Physician shall observe and comply with all applicable standards and recommendations of The Joint Commission and Accreditation Council for Graduate Medical Education.

2.6.4 Training/Experience. Each Group Physician shall have (i) recent experience in neurology and stroke care, (ii) an academic background to include teaching and working in an academic medical center, experience working with other clinical departments, teaching residents and medical students, participating in hospital committees, and working on pathways and evidence-based guidelines, and (iii) ongoing acute care hospital experience.

2.7 Rights and Duties. Katayoun Sabetian, M.D., shall act as the authorized agent for Contractor in all matters relating to the performance of Group Physicians under this Agreement. Contractor shall require Group Physicians to participate in the educational and committee activities of the KMC medical staff. Contractor shall, by contract, obligate Group Physicians to comply fully with all duties, obligations and restrictions imposed upon Contractor under this Agreement.

2.8 Loss or Limitation. Contractor shall notify KMC promptly of any loss, sanction, suspension or material limitations of any Group Physician’s license to practice in the state of California, Controlled Substance Registration Certificate issued by the Drug Enforcement Administration, right to participate in the Medicare or Medicaid programs, or specialty qualifications for medical staff membership or clinical privileges.

2.9 Standards of Medical Practice. The standards of medical practice and professional duties of all Group Physicians providing services under this Agreement shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards for practice established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

2.10 Medical Record Documentation. Contractor shall cause a complete medical record to be timely prepared and maintained for each patient seen by a Group Physician providing services under this Agreement. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC medical staff bylaws, rules, regulations, and policies. Documentation by Group Physicians will conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive.

2.11 Quality Improvement and Risk Management. Contractor agrees that all Group Physicians shall participate in (i) the quality improvement and risk management programs of KMC and serve on such committees as may be required; (ii) ongoing quality improvement

activities, such as audits, which will be conducted annually in the Department in order to evaluate and enhance the quality of patient care; and (iii) risk management activities designed to identify, evaluate and reduce the risk of patient injury associated with care. At a minimum, Contractor shall ensure that the quality improvement program consists of the following integrated components: (i) professional development that provides continuous performance feedback that is benchmarked, evaluated, and rated individually and collectively; (ii) clinical standards that are evidence-based and grounded in industry best practices; (iii) performance improvement that is outcomes-focused and based on quality indicators/metrics with quarterly reporting of same; and (iv) customer satisfaction that is feedback/survey-driven and objectively and comparatively measured, tracked/trended, and analyzed. The appropriate review mechanism will be applied in accordance with the provisions of the KMC medical staff bylaws, The Joint Commission, and applicable law.

2.12 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Contractor agrees to indemnify and hold Authority harmless from any liability which it may incur to the United States or to the state of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case Authority is audited for compliance regarding any withholding or other applicable taxes, Contractor agrees to furnish Authority with proof of payment of taxes on these earnings.

2.13 Nonexclusive Services. Contractor understands and agrees that Authority will utilize the services of Contractor pursuant to the terms of this Agreement on a non-exclusive basis. Contractor further agrees that Authority shall retain the option to enter into agreements with other organizations for purposes of securing the services, in its sole discretion.

### 3. Obligations of Authority.

3.1 Authority Designee. Authority shall designate a primary contact, who will arrange for KMC staff assistance as may be required.

3.2 Space. KMC shall furnish for the use of Contractor such space and facilities as may be deemed necessary by KMC for the proper operation and conduct of the Department. KMC shall, in its sole discretion, determine the amount and type of space and facilities to be provided herein. Contractor shall use the space and equipment solely for the performance of the services required under this Agreement. Neither Contractor nor Group Physicians shall use such space or equipment for other business or personal use.

3.3 Use Limitations on Space. The use of any part of the space occupied by the Department for the general or private practice of medicine is prohibited. Contractor shall use the items furnished under this Agreement only for the performance of services required by this Agreement. This Agreement shall not be construed to be a lease to Contractor or any Group Physician of any portion of the Premises, and insofar as Contractor or Group Physicians may use a portion of said Premises, Contractor and Group Physicians do so as licensees only, and Authority and KMC shall, at all times, have full and free access to the same.

3.4 Equipment. KMC shall furnish for the use of the Department such equipment as is deemed necessary by KMC for the proper operation and conduct of the Department consistent with community standards. KMC shall keep and maintain this equipment in good order and repair and replace such equipment, as is reasonably necessary and subject to the usual purchasing practices of Authority and KMC and budget constraints.

3.5 Services and Supplies. KMC shall provide or arrange for the provision of janitorial services, housekeeping services, laundry and utilities, together with such other hospital services, including medical records, administrative and engineering services, and expendable supplies as KMC deems necessary for the proper operation and conduct of the Department.

3.6 Control Retained in KMC. In compliance with title 22, California Code of Regulations, section 70713 KMC will retain professional and administrative responsibility for services rendered under this Agreement. Contractor shall apprise KMC of recommendations, plans for implementation and continuing assessment through dated and signed reports which shall be retained by KMC for follow-up action and evaluation of performance.

#### 4. Payment for Services.

4.1 Compensation. As consideration for the services provided by Contractor hereunder, Authority shall pay Contractor according to the fee schedule set forth in this paragraph 4.1. All services are payable in arrears.

4.1.1 Medical Director Services. Contractor shall be paid an hourly rate of \$150 per hour not to exceed 40 hours per month for services as Medical Director of the stroke program.

4.1.2 Neurology Coverage. Contractor shall be compensated as follows: (i) Contractor shall be paid a fixed fee of \$500 for each neurology clinic attended; (ii) Contractor shall be paid a per diem rate of \$350 per day for neurology rounds and consultations; (iii) Contractor shall be paid a per diem rate of \$75 for weekday night call coverage (Monday through Thursday, 5:00 p.m. to 8:00 a.m.); (iv) Contractor shall be paid a fixed fee of \$300 for weekend call coverage (Friday, 5:00 p.m. to Monday, 8:00 a.m.); and (v) Contractor shall be paid prevailing Medi-Cal rates for each adult EEG, nerve conduction study and EMG interpreted by Contractor.

4.1.3 Didactic Lectures. Contractor shall be paid a fixed fee of \$300 per lecture, which includes preparation time and lecture presentation.

4.1.4 Fair Market Value Compensation. The compensation provided under section 4.1 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Contractor under this Agreement.

4.2 Limitations on Compensation. Except as expressly stated herein, neither Contractor nor Group Physicians shall receive any benefits from Authority, including without limitation, health benefits, sick leave, vacation, holidays, deferred compensation or retirement.

4.3 Invoices. Invoices for payment shall be submitted in a form approved by KMC and list each service performed. Invoices and receipts shall be sent to KMC for review and processing within 60 days of the date of service or payment will not be made. Payment shall be made to Contractor within 30 days of receipt and approval of each invoice by KMC.

4.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$610,000 over the two-year term of this Agreement.

4.6 Taxpayer Identification. To ensure compensation is reported as paid to the proper party, Contractor will complete and execute IRS Form W-9 (Exhibit "B," attached hereto and incorporated herein by this reference), which identifies the taxpayer identification number for Contractor.

4.7 Professional Fee Billing. Contractor shall have the exclusive right to bill, collect and retain all professional fees for all direct patient care services provided by Contractor under this Agreement, with the exception of "County Responsible" patients. "County Responsible" patients are defined as medically indigent adults pursuant to Welfare and Institutions Code sections 17000 et seq., and adult inmates and juvenile detainees in custody in detention facilities owned and operated by the County of Kern.

4.7 Managed Care Contracting. Contractor shall cooperate, and shall ensure that Group Physicians cooperate, in all reasonable respects necessary to facilitate KMC's entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable Authority or KMC to participate in any third-party payer arrangements, Contractor and/or Group Physicians shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from Authority and KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a "Managed Care Organization") designated by Authority or KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

5. Access to Books and Records. Contractor shall make available, upon written request from Authority or KMC, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, this Agreement, and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of seven (7) years after the termination or expiration of this Agreement. If Contractor is requested to disclose books, documents or records pursuant to this section for any purpose, Contractor shall notify KMC of the nature and scope of the request, and Contractor shall make available, upon written request of KMC, all such books, documents or records.

6. **Anti-referral Laws.** Contractor acknowledges that it is subject to certain federal and state laws governing the referral of patients, which are in effect during the term of this Agreement. These laws include (i) prohibitions on payments for referral or to induce the referral of patients, and (ii) the referral of patients by a physician for certain designated health care services to an entity with which the physician (or his or her immediate family) has a financial relationship (Cal. Business and Professions Code sections 650 et seq.; Cal. Labor Code sections 139.3 and 139.31; section 1128B (b) of the Social Security Act; and section 1877 of the Social Security Act). The parties expressly agree that nothing contained in this Agreement shall require either the referral of any patients to, or order of any goods or services from Contractor or KMC. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party shall knowingly or intentionally conduct itself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs (42 U.S.C. section 1320a-7b).

7. **Assignment.** Contractor shall not assign, delegate, sublet, or transfer any interest in or duty under this Agreement. Contractor shall not assign any money due or which becomes due to Contractor under this Agreement without the prior written approval of Authority.

8. **Audits, Inspection and Retention of Records.** Contractor agrees to maintain and make available to Authority accurate books and records relative to all its activities under this Agreement. Contractor shall permit Authority 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 Agreement. Contractor 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 Agreement, 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 Agreement shall have the same rights conferred upon Authority herein.

9. **Authority to Incur Financial Obligation.** It is understood that neither Contractor nor Group Physicians, in the performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. **Captions.** The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

11. **Change in Law.** In the event that a change in state or federal law or regulatory requirement (or the application thereof), any of which renders this Agreement illegal, impossible to perform, or commercially impracticable, the parties agree to negotiate immediately, in good faith, any necessary or appropriate amendments(s) to the terms of this Agreement. If the parties fail to reach a mutually agreeable amendment within 30 days of such negotiation period, this Agreement shall automatically terminate at the end of such 30-day period.

12. **Choice of Law/Venue.** The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the state of California. It is expressly acknowledged that this Agreement has been entered into and will be performed within the County of Kern.

Should any suit or action be commenced to enforce or interpret the terms of this Agreement or any claim arising under it, it is expressly agreed that proper venue shall be in the Superior Court, County of Kern, state of California.

13. **Compliance with Law.** Contractor shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

14. **Compliance Program.** Contractor acknowledges that KMC has implemented a compliance program for the purpose of ensuring adherence to applicable federal and state laws, regulations and other standards. Contractor agrees that in the course of performance of its duties described herein that it shall act, and cause its employees to act, in conformance with the policies set forth therein. KMC shall make available such information relating to its compliance program as is appropriate to assist Contractor in adhering to the policies set forth in the compliance program. Contractor and its employees shall participate in compliance training and education as reasonably requested by KMC.

15. **Confidentiality.**

15.1 **Use and Disclosure Restrictions.** Neither party shall, without the written consent of the other, communicate confidential information of the other, designated in writing or identified in this Agreement as such, to any third party and shall protect such information from inadvertent disclosure to any third party in the same manner that the receiving party would protect its own confidential information. The foregoing obligations will not restrict either party from disclosing confidential information of the other party: (i) pursuant to applicable law; (ii) pursuant to the order or requirement of a court, administrative agency, or other governmental body, on condition that the party required to make such a disclosure gives reasonable written notice to the other party to contest such order or requirement; and (iii) on a confidential basis to its legal or financial advisors.

15.2 **Trade Secrets.** The parties acknowledges that each party, in connection with its business, has developed certain operating manuals, symbols, trademarks, trade names, service marks, designs, patient lists, procedures, processes, and other copyrighted, patented, trademarked, or legally protectable information which is confidential and proprietary to the party that constitute its trade secrets. The parties shall not use any name, symbol, mark, or other proprietary information of the other party except as expressly permitted.

15.3 **Medical Staff and Committee Records.** All records, files, proceedings and related information of Group Physicians, KMC and the medical staff and its committees pertaining to the evaluation and improvements of the quality of patient care at KMC shall be kept strictly confidential by Contractor and Group Physicians. Neither Contractor nor Group Physicians shall voluntarily disclose such confidential information, either orally or in writing, except as expressly required by law or pursuant to written authorization by KMC, which may be given or withheld in the sole discretion of KMC.

15.4 Medical Records. The parties agree to maintain the confidentiality of all medical records pertaining to the provision of services under this Agreement in accordance with applicable federal and state laws and regulations including, but not limited to, the California Confidentiality of Medical Records Information Act, codified at section 56.1 of the California Civil Code, California Evidence Code sections 1156 and 1157, and the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations.

15.5 Ownership of Records. All documents, papers, notes, memoranda, computer files and other written or electronic records of any kind ("Documents"), in whatever form or format, assembled, prepared or utilized by Contractor or Group Physicians during and in connection with this Agreement shall remain the property of Authority at all times. Upon the expiration or termination of this Agreement, Contractor shall promptly deliver to Authority all such Documents, which have not already been provided to Authority in such form or format as Authority deems appropriate. Such Documents shall be and will remain the property of Authority without restriction or limitation. Contractor may retain copies of the above described Documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of Authority.

15.6 Non-disparagement. Each party agrees that it shall not make or cause to be made, any written (including, but not limited to, any emails, internet postings, remarks or statements) or verbal assertions, statements or other communications regarding the other party's business or each other which may be in any manner whatsoever defamatory, detrimental or unfavorable to such other party. Each party agrees that these non-disparagement covenants shall survive the termination of this Agreement.

16. Conflict of Interest. Contractor covenants that it has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of this Agreement no person having any such interests shall be employed. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.

17. Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

18. Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and Authority acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Contractor and Authority acknowledge that they have each had

an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

19. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

20. **Disqualified Persons.** The parties mutually represent and warrant to one another that they and their respective representatives are not: (i) currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 U.S.C. section 1320a-7b-(f) (the "Federal health care programs") and/or present on the exclusion database of the Office of the Inspector General ("OIG") or the Government Services Administration ("GSA"); (ii) convicted of a criminal offense related to the provision of health care items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs; or (iii) debarred, suspended, excluded or disqualified by any federal governmental agency or department or otherwise declared ineligible from receiving federal contracts or federally approved subcontracts or from receiving federal financial and nonfinancial assistance and benefits. This shall be an ongoing representation and warranty during the term of this Agreement and a party shall immediately notify the other party of any change in the status of any of the representations and/or warranties set forth in this section. Any breach of this section shall give the non-breaching party the right to terminate this Agreement immediately upon written notice.

21. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

22. **Immigration Compliance.** Contractor shall comply with all provisions of immigration law with respect to hiring, recruiting or referring for employment persons whose authorization for employment in the United States has been verified, and shall provide KMC with a copy of such verification required in 8 USCA section 1324a. Contractor agrees to indemnify, defend, and hold harmless Authority, its agents, officers, and employees, from any liability, damages, or causes of action arising out of Contractor's failure to comply with this section 22.

23. **Indemnification and Hold Harmless.** Authority shall assume liability for and indemnify and hold Contractor and Group Physicians harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Contractor or Group Physicians or for which Contractor or Group Physicians becomes liable, arising out of or related to professional services rendered or which a third party alleges should have been rendered by Contractor or Group Physicians pursuant to this Agreement. Authority's obligation under this paragraph shall extend from the Effective Date and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of professional services Contractor or Group Physicians rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than KMC without

approval by the Kern County Hospital Authority Board of Governors and, provided further, that Authority shall have no duty or obligation to defend, indemnify or hold Contractor or Group Physicians harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

24. **Independent Contractor.** In the performance of the services under this Agreement, Contractor shall be, and acknowledges that Contractor is in fact and law, an independent contractor and not an agent or employee of Authority. Contractor has and retains the right to exercise full supervision and control over the manner and methods of providing services to Authority under this Agreement. Contractor retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Contractor in the provision of services under this Agreement. With respect to Contractor's employees, if any, Contractor shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any and all other laws regulating employment.

25. **Informal Dispute Resolution.** Controversies between the parties with respect to this Agreement, or the rights of either party, or with respect to any transaction contemplated by this Agreement, shall be resolved, to the extent possible, by informal meetings and discussions among appropriate representatives of the parties.

26. **Insurance.** With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit "C," attached hereto and incorporated herein by this reference.

27. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

28. **No Third Party Beneficiaries.** It is expressly understood and agreed that the enforcement of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to Authority and Contractor. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of Authority and Contractor that any such person or entity, other than Authority or Contractor, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

29. **Non-appropriation.** Authority reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, Authority will be released from any further financial obligation to Contractor, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Contractor will be given 30 days' prior written notice in the event that Authority requires such an action.

30. **Non-collusion Covenant.** Contractor 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

Agreement with Authority. Contractor has received from Authority no incentive or special payments, nor considerations, not related to the provision of services under this Agreement.

31. **Nondiscrimination.** Neither Contractor, nor any officer, agent, employee, servant or subcontractor of Contractor shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, ancestry, national origin, religion, sex, actual or perceived sexual orientation, marital status, age, pregnancy, medical condition, handicap or other prohibited basis, either directly, indirectly or through contractual or other arrangements.

32. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of Authority. Forbearance or indulgence by Authority in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Contractor. Authority shall be entitled to invoke any remedy available to Authority under this Agreement or by law or in equity despite said forbearance or indulgence.

33. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

Notice to Contractor:

Katayoun Sabetian, M.D., Inc.  
2323 16th Street, Suite 206  
Bakersfield, California 93301  
Attn.: Its President

Notice to Authority:

Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306  
Attn.: Chief Executive Officer

34. **Signature Authority.** Each party represents that they have full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

35. **Sole Agreement.** This Agreement, including all attachments hereto, contains the entire agreement between the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

36. **Termination.**

36.1 **Termination with Cause.** Either party may terminate this Agreement in the event of a material breach by the other; provided, however, the termination for the breach of this Agreement will not become effective unless and until the party not in default, has given the other party written notice of breach, which notice shall state the general nature of the breach, and the

party allegedly in default will thereafter have a period of 30 days following the giving of said notice in which to remedy the default to the reasonable satisfaction of the other party. If the alleged default is of the kind that cannot be cured within 30 days, then the party allegedly in default will have an additional 30 days in which to remedy the breach as long as such party is acting in good faith and using diligent efforts to remedy such breach throughout the cure period.

36.2 Termination without Cause. Either party may terminate this Agreement, without cause, upon 90 days' prior written notice to the other party.

36.3 Immediate Termination. Notwithstanding the foregoing, Authority shall have the right to terminate this Agreement effective immediately after giving written notice to Contractor, for any of the following reasons: (i) Authority determines that Contractor does not have the proper credentials, experience or skill to perform the required services under this Agreement; (ii) continuation by Contractor in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) the violation of any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or KMC is subject; (iv) an unauthorized use or disclosure of confidential or proprietary information by Contractor which causes material harm to Authority or KMC; (v) commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty by Contractor against Authority or KMC; (vi) the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal, due to the actions of Contractor; or (vii) the failure of Contractor to cure a default within the time allowed in paragraph 36.1.

37. Effect of Termination.

37.1 Payment Obligations. In the event of termination of this Agreement for any reason, Authority shall have no further obligation to pay for any services rendered or expenses incurred by Contractor after the effective date of the termination, and Contractor shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

37.2 Vacate Premises. Upon expiration or earlier termination of this Agreement, Contractor shall immediately vacate KMC, removing at such time any and all personal property of Contractor. Authority may remove and store, at Contractor's expense, any personal property that Contractor has not so removed.

37.3 No Interference. Following the expiration or earlier termination of this Agreement, Contractor shall not do anything or cause any person to do anything that might interfere with any efforts by Authority to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between Authority and any provider that may replace Contractor.

37.4 No Hearing Rights. Termination of this Agreement by Authority or KMC for any reason shall not provide Contractor or Group Physicians the right to a fair hearing or the other rights more particularly set forth in the KMC medical staff bylaws.

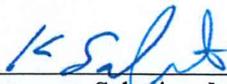
38. **Time of Essence.** Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

39. **Liability of Authority.** The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Agreement as of the day and year first written above.

KATAYOUN SABETIAN, M.D., INC.

By   
Katayoun Sabetian, M.D.  
Its President

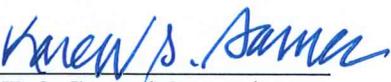
KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:

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

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By   
VP & General Counsel  
Kern County Hospital Authority

Agreement.Sabetian.071620

**EXHIBIT "A"**  
**DESCRIPTION OF SERVICES**  
**Katayoun Sabetian, M.D., Inc.**

**Position Summary:**

1. Reports to Chair, Department of Medicine.
2. Serves as Medical Director of the stroke program.
3. Serves as a provider of neurology services.

**Clinical Responsibilities:**

1. Provide neurology clinic coverage, rounds and consultations (excluding two Thursdays per month when Contractor is available for phone consultations only).
2. Provide interpretation of adult electroencephalograms, nerve conduction studies and electromyelograms.
3. Provide supervision of residents, medical students and mid-level practitioners.
4. Provide electronic or telephonic consultation on an as-needed basis for problem cases.

**Teaching Responsibilities:**

1. Provide bedside teaching of residents and medical students.
2. Provide didactic lectures three times per year, one hour each lecture, on clinic day.

**Medical Director Responsibilities:**

1. Work collaboratively with the stroke program Coordinator and other medical and clinical staff to maintain disease-specific accreditation as a primary stroke center through The Joint Commission.
2. Provide leadership and clinical oversight of the stroke program.
3. Provide leadership and support for the education and training of the medical and clinical staff involved in stroke care.
4. Provide leadership and support in the development of written care protocols and obtain approval of such protocols through appropriate KMC medical staff committees.
5. Provide oversight to coordinate performance improvement activities.
6. Lead and participate in multidisciplinary stroke committee meetings.
7. Participate in and support KMC academic programs that relate to stroke program teaching and research.
8. Participate in a leadership role at KMC and in the community.
9. Work to ensure excellent care through chart review, direct observation, and data analysis.

[Intentionally left blank]

**EXHIBIT "B"**

**IRS FORM W-9**

## **EXHIBIT "C"** **INSURANCE**

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

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

### 1. Workers' Compensation and Employers Liability Insurance:

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

### 2. General Liability Insurance:

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

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

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$100,000 per person for bodily injury; \$300,000 per incident for bodily injury; \$50,000 per incident property damage.
- (b) Insurance shall apply to all Owned autos. If Contractor currently owns no autos, Contractor agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions thereof.
- (c) Insurance shall include coverage for Non-Owned and Hired autos. (See requirements in section 1(c) above if there is no separate Automobile Liability coverage.)
- (d) Authority shall be named as an additional insured for liability arising out of operations by or on behalf of Contractor in the performance of this Agreement. See section 5 for full Additional Insured wording.
- (e) Required Evidence of Insurance: Certificate of Insurance.

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

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

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

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

7. Documentation:

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

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

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

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

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

[Intentionally left blank]



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

August 19, 2020

**Subject:** Proposed Retroactive Cerner Sales Order OPT-0245191 with Cerner Corporation for the purchase of Medical Coding Services

**Recommended Action:** Approve; Authorize Chief Executive Officer to sign

**Summary:**

Kern Medical requests your Board approve the proposed retroactive Sales Order OPT-0245191 with Cerner Corporation for the purchase of the RevWorks Services, a professional coding services.

Our current vendor performs the medical coding services at a higher hourly rate of \$62.50 and an overtime rate of \$93.75. The current vendor completes our medical coding services at a yearly cost of \$1.2M and strictly codes to the minimal requirements. We are recommending that we transition to Cerner's RevWorks Services, as they will include additional areas of professional coding, including but not limited to, missing charges, technical denials for medical necessity and providing feedback and education to the physicians on denial workflows i.e. unspecified diagnosis. Transitioning to Cerner for professional coding services will have a monthly cost of \$72,000 with any overtime required included, for a yearly cost of \$864,000. The approval of this Sales Order is estimated to save Kern Medical \$336,000 per year for professional medical services.

Cerner Corporation's professional fees for this 2-year engagement are \$1,728,000, billed in quarterly payments beginning ninety (90) days from the effective date, August 19, 2020, with an estimated first payment due on October 1, 2020 at \$192,000.

Therefore, it is recommended that your Board approve the proposed retroactive Sales Order OPT-0245191 with Cerner Corporation to implement the Cerner RevWorks Professional Coding Services for a term of 2 (two) years, with a maximum payable of \$1,728,000, and authorize the Chief Executive Officer to sign.



**CERNER SALES ORDER**

This Cerner Sales Order is made on July 20, 2020 ("Effective Date"), between

**Kern County Hospital Authority ("Client")**

and

**Cerner Corporation ("Cerner")**

a local unit of government with its principal place of business at

a Delaware corporation with its principal place of business at

1700 Mount Vernon Ave  
Bakersfield, CA 93306-4018, United States  
Telephone: (661) 326-2000

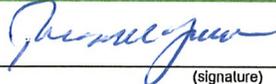
2800 Rockcreek Parkway  
Kansas City, MO 64117, United States  
Telephone: (816) 221-1024

Cerner Sales Contact: Chris Runquist  
+1 816 201 3950  
chris.runquist@cerner.com

Client agrees to purchase the specific products and services set forth herein, and Cerner agrees to furnish such products and services upon the terms and conditions of this Cerner Sales Order and the Cerner Business Agreement No. 1-3H7XXBV (Client Reference HA # 2016), dated July 01, 2016, between Client and Cerner (the "Agreement").

**KERN COUNTY HOSPITAL AUTHORITY**

**CERNER CORPORATION**

By:    
(signature)  
Russell V. Judd  
(print)

By:   
Teresa Waller

Title: Chief Executive Officer

Title: Sr. Director, Contract Management

**CLIENT WILL COMPLETE THE FOLLOWING UPON EXECUTION OF THIS CERNER SALES ORDER:**

Client Invoice Contact: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Contact Email Address: \_\_\_\_\_

Client's account can be managed online at [cerner.com](http://cerner.com) by registering for Cerner eBill. To gain access to eBill, contact the Cerner Client Care Center at 866-221-8877 or e-mail [ClientCareCenter@cerner.com](mailto:ClientCareCenter@cerner.com).

**APPROVED AS TO FORM  
Legal Services Department**

By:   
Kern County Hospital Authority





Cerner

# CERNER SALES ORDER

## FINANCIAL OVERVIEW

Description	One-Time Fees	Monthly Fees
<b>PROFESSIONAL SERVICES</b>		
Fixed Fee	1,728,000.00	--
<b>TOTALS:</b>	<b>1,728,000.00</b>	<b>0.00</b>

All prices in this Cerner Sales Order are shown in USD. Pricing is valid until September 27, 2020. If this Cerner Sales Order is not executed on or before such date, this pricing is considered null and void and will be subject to revision.

Not applicable is indicated by "--".

## PAYMENT TERMS

ONE-TIME FEES			
Description	Payment Number	Percent (%) Of Total Due	Payment Due
Professional Services: Fixed Fee	1		Nine (9) equal quarterly payments beginning October 1, 2020, in the amount of \$192,000

## ASSIGNMENT OF PAYMENTS

Client agrees that Cerner may assign its interest in or otherwise grant a security interest in payments due pursuant to this Cerner Sales Order in whole or in part to an assignee. Cerner will continue to perform its obligations under the Agreement following such assignment or granting of a security interest.

## PROFESSIONAL SERVICES

FIXED FEE					
Service Project Detail	Manufacturer Part No.	Solution	One-Time Fees	Third-Party Component(s)	Pass-Through Code
<i>Custom Services</i>					
RevWorks Services	--	--	1,728,000	✓	--
<b>TOTALS:</b>			<b>1,728,000</b>	<b>--</b>	<b>--</b>

## FACILITIES

**Permitted Facilities.** For use and access by these facilities:

Name	Address	City	State/Province	Zip/Postal Code	Country
Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306-4018	United States

The parties may add or substitute Permitted Facilities by amending this section.



Kern County Hospital Authority  
OPT-0245191\_Q-04248.2  
July 20, 2020



## CERNER SALES ORDER

### ADDITIONAL TERMS AND PROVISIONS

**Board Approval.** Cerner understands that this Ordering Document is subject to final approval by Client's Board of Directors (the "Board"). Client shall notify Cerner in writing on or before August 21, 2020 if this Ordering Document is not approved by the Board. Client has a one-time right to terminate this Ordering Document by notifying Cerner on or before August 21, 2020 if Board approval is not obtained. Client understands and agrees that Cerner shall not and will not take any action under this Ordering Document until approved by the Board, and Cerner shall not be liable for any resulting delays. Notwithstanding the foregoing, Client shall continue to be bound by the obligations of confidentiality under the Agreement with respect to Confidential Information shared with Client by Cerner prior to any termination.



## CERNER SALES ORDER

### EXHIBIT A SCOPE OF SERVICES

This Exhibit A defines the Service deliverables ("Scope") for the Services set forth in this Cerner Sales Order.

#### GENERAL SCOPE

##### PROFESSIONAL SERVICES

The following scope applies to all implementation services set forth in this Cerner Sales Order.

**Scope Considerations; Control of Scope of Work.** Cerner commits to delivering, in conjunction with Client, a design, build, test, and rollout of all applicable elements set forth in this Cerner Sales Order. The build for all Licensed Software and Cerner Services will be based upon Cerner's standard implementation processes. The project teams will reasonably accommodate design and build requests by Client, including non-Model Experience requests. Such requests may result in changes to project timelines and budget. Customization of reports, views, *MPages*, and rules are only included if specifically noted.

Client and Cerner must fulfill their responsibilities and adhere to the other requirements and descriptions set forth herein to meet the goals of an 'on-time' and 'on-budget' project. Modifications to this Scope shall be mutually agreed upon by Cerner and Client's executive steering committee and set forth on a new Cerner Sales Order, including changes in resources, professional services fees, and project timelines.

**Project Start Date.** The project start date will be based on the Effective Date of this Cerner Sales Order. Cerner requires a minimum of 90 days from the Effective Date to accommodate project staffing requests. After the project start date, Cerner and Client will begin activities such as planning, staffing, and technology activities.

**Travel, Lodging, Out-of-Pocket Expenses, and Per Diem Rates.** The fees in this Cerner Sales Order do not include travel, lodging, per diem, or other out-of-pocket expenses. Such fees will be billed to Client based upon the terms of the underlying agreement.

**Fixed Fee Implementation.** For fixed fee implementations, the scope of the implementation is based on the specific assumptions set forth herein and in the scope of work for the solutions being implemented (the "Solution Detail Scope"). Each party (or its designee) will fulfill project responsibilities assigned to such party in this Scope and in the Solution Detail Scope(s). This Scope and the Solution Detail Scope(s) describes the solutions to be implemented, duration of the implementation, and the Services to be performed. Any changes to assumptions, tasks, duration, services or resources may result in additional fees, and will only become effective upon written approval by both parties.

#### SOLUTION DETAIL SCOPE

**Third-Party Services.** Capitalized terms used in third-party Scope shall have the meanings ascribed to them herein, or as set forth in the applicable third party's pass-through provisions. Where there is a conflict between the definitions in third-party Scope and the Agreement, the definitions in this Exhibit A shall control, but only with regards to the subject matter set forth herein.

Client acknowledges and agrees that the services provided under this Cerner Sales Order may be performed by parties other than Cerner without further notice, and any such services are considered Third Party Services.



Kern County Hospital Authority  
OPT-0245191\_Q-04248.2  
July 20, 2020



# CERNER SALES ORDER

## EXHIBIT A SCOPE OF SERVICES

### PROFESSIONAL SERVICES

#### REWORKS VIRTUAL BUSINESS OFFICE

<b>Services Overview</b>	<ul style="list-style-type: none"> <li>Cerner will provide credentialed coding specialists ("Coding Specialist(s)") to code Client's patient records in accordance with Client's policies and procedures, ICD-10 Clinical Modification/Procedure Coding System, Current Procedural Terminology ("CPT"), and applicable official coding guidelines recognized by the American Medical Association (AMA), the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), and the American Health Information Management Association (AHIMA).</li> </ul> <p>Medical Coding Services will be provided by 10 Coding Specialists, named RevWorks associates to be fulfilled domestically, for a duration of 96 weeks.</p> <p>Coding Specialists team will be a blended team of Medical Coder(s) and Senior Medical Coder(s). Coding Specialists are considered Full-time Equivalents (FTEs) which will work a minimum of 40 hour(s) per week.</p> <p>Overtime (OT) per associate will be incorporated where appropriate; Total OT is capped for the team at 20 hours per month.</p>
--------------------------	--

**Revenue Cycle Workflow: Description of Services**

**TABLE 1**

Coding	Cerner	Client	Frequency
Provide remote coding professionals to code patient medical records using the ICD-10 code sets	X		Ongoing
Complete Request(s) for System Access Forms	X		Soonest TAT
Process system access forms and confirm successful access is obtained for Medical Coding		X	>5 Days Production Coding Go Live
Provide a Complete Record for Medical Coding		X	Daily
Provide additional documentation or other information needed to complete coding		X	Daily
Provide specific coding guidelines and training for data abstraction for all applicable patient types to ensure Coders can navigate EMR/Document Management to appropriately code all records		X	As planned
Create and generate Physician queries	X		As needed
Provide and support Physician query completion(s)		X	As needed
Reporting	Cerner	Client	Frequency
Generate and print desired standard reports	X	X	As necessary
Deliver Key Performance Indicator (KPI) reports where necessary	X	X	Weekly



Kern County Hospital Authority  
OPT-0245191\_Q-04248.2  
July 20, 2020



# CERNER SALES ORDER

## EXHIBIT A SCOPE OF SERVICES

REWORKS VIRTUAL BUSINESS OFFICE				
	Participate in project and or service status calls	X	X	As necessary
<b>Compliance with Law</b>	<p>Client has established and shall maintain a compliance program to promote Client's compliance with all applicable laws, regulations and rules, including policies and procedures related to Client's revenue cycle services. Client shall furnish Cerner with a copy of its compliance program and those policies and procedures established by Client related to revenue cycle services.</p> <p>Cerner acknowledges that Client has governmental and accreditation compliance obligations that arise as a result of its status as a healthcare provider. The parties agree to work collaboratively to promote their mutual compliance with all applicable laws, regulations and rules related to the RCM Services.</p> <p>Cerner will consult with Client and assist in formulating requirements applicable to the RCM Services. If Cerner identifies opportunities for improvement of Client's revenue cycle policies and procedures, Cerner shall propose such modifications to the Client for Client's review and adoption.</p> <p>In the event of a disagreement between the parties regarding a revenue cycle billing, coding or other matter potentially involving compliance with applicable laws, regulations and rules relating to the RCM Services (including the modification or adoption of Client's compliance policies related to the revenue cycle process), the parties agree to work in good faith to resolve such disagreement. Cerner will have the option to suspend billing the applicable accounts until resolution of the disagreement or to submit the disputed bills in the more conservative compliant manner.</p>			
<b>Knowledge Sharing</b>	<p>Cerner and Client agree to work together to share information in a timely manner to optimize the collection Services. Such information may include but not be limited to information related to the nuances of certain facilities, specialties, states, and payers that could improve clean claims performance and decrease adjudication turnaround time.</p>			
<b>Clinical Visit</b>	<p>Client will perform all tasks related to clinical encounter and treatment. Client should complete all clinical tasks and accompanying clinical documentation within 48 hours and in accordance with payer and regulatory guidelines and requirements</p>			
<b>Post Visit: Coding and Charge Entry</b>	<p>Cerner and Client will perform all medical coding and compliance functions necessary for claim generation and submission. Client will train personnel on CPT4, HCPCS, modifiers and ICD-10 coding and resolve denials and/or rejections related to coding.</p> <p>Coding services unless otherwise stated or documented are outside the scope of this Ordering Document.</p> <p>Client will ensure that charges are entered the RCM Solution for all encounter/visit types.</p> <p>Charge entry is performed either manually or via the EMR.</p> <p>Client will verify that the charge process is accurate and complete.</p>			



Kern County Hospital Authority  
OPT-0245191\_Q-04248.2  
July 20, 2020



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

August 19, 2020

**Subject:** Proposed Agreement with Freedom Healthcare Staffing to provide crisis Registered Nurse staffing.

**Recommended Action:** Approve; Authorize Chairman to sign and authorize the Chief Executive Officer to approve any future documents in support of this Agreement and as approved by Counsel

**Summary:**

Kern Medical requests your Board approve the Staffing Agreement with Freedom Healthcare Staffing, who specializes in rapid response and crisis Registered Nurse staffing. Freedom Healthcare Staffing is able to staff registered nurses in as little as five (5) days and for contractual periods as short as two (2) weeks. Kern Medical is under no obligation to utilize services unless we determine we have a need, so the services will be provided as needed. Currently, Kern Medical does not have a partnership with an agency specializing in crisis Registered Nurse staffing.

The Staffing Agreement is for a term of one (1) year beginning on August 19, 2020, but may be terminated with a thirty (30) day written notice. The estimated cost of the one (1) year agreement is \$1,684,800.

Therefore, it is recommended that your Board approve the Staffing Agreement with Freedom Healthcare Staffing for the provision of nurse staffing for a term of one (1) year beginning on August 19, 2020 and terminating on August 18, 2021, in an amount not to exceed \$1,684,800, authorize the Chairman to sign, and authorize the Chief Executive Officer to approve any other documents in support of this Agreement and as approved by Counsel.



## FREEDOM HEALTHCARE STAFFING™ STAFFING AGREEMENT

This Rapid Response and Crisis Staffing Agreement (hereinafter "Agreement") for health care personnel is entered into between Kern County Hospital Authority, a local unit of government which owns and operates **Kern Medical Center** (hereinafter "Facility") in the city of **Bakersfield** (hereinafter "City") in the State of **California** and **FREEDOM HEALTHCARE STAFFING™** (hereinafter "FreedomHCS").

Whereas, FreedomHCS is in the business of recruiting qualified health care workers (hereinafter "Staff" or "Staff Member") to provide quality patient care to health care facilities; and,

Whereas, Facility has the need for supplemental health care staffing;

Therefore, Facility and FreedomHCS do hereby agree as follows:

### **I. FreedomHCS Shall:**

- A. Exercise its best efforts to provide Staff as needed to Facility, and in cooperation with Facility, to screen and select Staff to fill Facility's weekly schedule as requested on the attached "Order Form". All Staff shall have qualifications requested by Facility on the Order Form.
- B. Give notice to Facility's designated representative that a Staff Member will be traveling to begin work prior to arranging for Staff Member to embark to Facility. Such notification shall include a summary of the Staff Member's qualifications and other information as shall be reasonably requested by Facility.
- C. Submit to Facility all applicable information for each Staff Member provided by FreedomHCS including: licensing data (primary source verification); educational credentials; skill checklists; references; copies of licenses, including a valid State license; resuscitation credentials, drug screening results, criminal background screening, and other data requested by Facility.
- D. Be available for telephonic communication and consultation, 24 hours per day.
- E. Provide non-clinical orientation, which shall include appropriate manuals and handbooks as may be requested by Facility.
- F. Maintain professional liability insurance for Staff provided to Facility, as well as general liability, property, and workers compensation insurances. Current certificates of insurance shall be provided to Facility upon request.
- G. Arrange transportation and housing for all Staff ordered and scheduled to work at Facility.
- H. Following the conclusion of each work week, provide to Facility an invoice detailing amounts owed to FreedomHCS for services rendered as determined pursuant to paragraphs II.P through II.S.



- I. Have complete responsibility over the payment of all compensation to Staff provided under this Agreement, at rates in compliance with all applicable State and Federal laws and regulations; including sole responsibility for ensuring all applicable State and Federal income tax withholding and contributions, social security tax withholding and contributions, workers' compensation coverage obligations and any other employment law requirements for Staff provided under this Agreement are complied with and paid.
- J. Indemnify, defend, save and hold harmless Facility and its responsible officers from any and all liability Facility may incur for compensation, State and Federal Income Tax withholding and contributions, workers' compensation and any other employer liability arising out of Facility's use of Staff provided by FreedomHCS under this Agreement.
- K. At no additional charge, provide ongoing consultation and expertise to Facility to enable maximum productivity and effectiveness by Staff Members through the completion of their assignments.
- L. Orient and instruct all Staff Members in the maintenance of the confidentiality of Facility and patient information under HIPAA statutes.

## **II. Facility Shall:**

- A. Designate a Facility Representative to coordinate and consult with corporation on all staffing matters.
- B. Request FreedomHCS to fill Facility's vacant weekly assignments by completing the Order Form, initially submitting the Order Form upon execution of this Agreement, and again as needed to modify its order during the term of the Agreement.
- C. Following FreedomHCS's notice to Facility that a Staff Member is ready to embark, ensure that work is available for the Staff Member upon arrival.
- D. Verify the skills and qualifications, upon arrival, of the Staff Member, and have the right to refuse further use of the Staff Member if Staff Member does not possess and demonstrate the qualifications stated in the Order Form. If denial of placement occurs for reasons stated in this paragraph, Facility shall have no financial obligation to FreedomHCS for hours worked, travel, housing or other expenses, for any Staff Members so terminated or denied work. Any other termination shall proceed as stated in paragraph II.K and II.L.
- E. Arrange the following Staff Schedules and Shift Guarantees, unless otherwise provided for herein:
  - 1. Each Work Week shall begin at 7:00 a.m. on Sunday (hereinafter "Week") or as designated by Facility.
  - 2. A Work Day shall consist of one twelve (12)-hour Shift (hereinafter "Shift").
  - 3. Sufficient Shifts each Week to guarantee all Staff a minimum of thirty six (36) hours per Week. Should a Staff Member work less than the guaranteed minimum hours in a Week due to a lack of available work, Facility shall pay FreedomHCS the corresponding rate per the attached Rate Sheet for each guaranteed hour not worked.
- F. Accept all qualified Staff referred by FreedomHCS specified by Facility in the Order Form.
- G. Under no circumstances may Facility deny placement of a Staff Member based upon grounds prohibited by federal or state civil rights law, including but not limited to Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disability Act of 1990, the Age Discrimination in Employment Act of 1967, the Equal Pay Act of 1963, Section 501 of the Vocational Rehabilitation Act of 1973, or which may be prohibited under Executive Order

11246, if Facility is considered a federal contractor, or under any other collateral State employment discrimination statute.

- H. Exercise complete supervision over the job performance of all Staff provided by FreedomHCS. At all times during the course of this Agreement, Facility is responsible for determining the professional standards of work and is encouraged to periodically conduct performance evaluations on Staff provided under this Agreement.
- I. Provide professional clinical orientation, which shall be considered as time worked by Staff. The amount, type and duration of such orientation shall be determined by Facility at its sole discretion with prior notice given to FreedomHCS.
- J. At the expense of FreedomHCS, require all Staff to undergo pre-employment drug and health screening and background check.
- K. Have the right to cancel the services of any Staff Member if Facility determines a Staff Member is professionally, or in any other way, unsatisfactory. Whereupon, Facility shall immediately notify FreedomHCS, and provide documentation thereof at FreedomHCS's request. If any Staff Member is terminated for professional incompetence or questionable job performance, Facility shall pay only for actual hours worked.
- L. Notify FreedomHCS immediately should Facility determine that a Staff Member is no longer needed for reasons other than professional incompetence or unsatisfactory job performance, and a 2-week cancellation for each Staff Member.
- M. Complete all modifications to its order at least five (5) days prior to the scheduled start date of the staffing assignment. If Facility cancels such a request with less than five (5) days notice prior to any Staff embarking to work at Facility, it shall be financially obligated to FreedomHCS for one guaranteed work week for each confirmed Staff Member.
- N. Not knowingly solicit any FreedomHCS Staff to work at Facility or Facility's affiliates as an employee or as an independent contractor, nor knowingly accept FreedomHCS's Staff to work as a referral from another agency without the written permission of the FreedomHCS, for a period of not less than ninety (90) days from the last date worked by the Staff Member at the Facility. All information and documentation relating to this Agreement shall be treated as a trade secret unless required to be disclosed per law.
- O. Notify FreedomHCS's authorized representative immediately if any Staff Member provided under this Agreement is involved in any incident or accident while working at Facility. Facility further agrees to provide first aid and other immediate medical service to FreedomHCS's Staff in the same manner as Facility treats its own employees at no charge for Facility services. Injuries of a more serious or long-term nature shall be submitted for payment under FreedomHCS's Workers' Compensation insurance coverage.
- P. Pay FreedomHCS for each Staff Member in accordance with the attached Rate Sheet.
- Q. When ordering Staff Members who are to work "On-call" assignments, shall pay a rate of \$15.00 per hour for each Staff Members hours' on-call. Such designated Staff Members will be available to report to the Facility within forty-five (45) minutes of notification. On-call hours shall not count towards the guaranteed paid weekly hours. When Staff is notified to report to duty while on-call, FreedomHCS shall be compensated at the overtime rate for each hour worked pursuant to the notification.
- R. All invoices associated will be paid within thirty five (35) days of receipt of invoice.
- S. Pay applicable State Sales Taxes as required unless a Certificate of Exemption is provided

to FreedomHCS. This amount shall be detailed on each invoice submitted to Facility.

### **III. General Provisions:**

- A. This Agreement may be executed in two or more counterparts, each of which shall be deemed original, but all of which taken together shall constitute one and the same instrument.
- B. Unless otherwise addressed herein, professional staff provided under this agreement shall be required to float to patient areas different from their primary assignment placement, subject to the staff's individual qualifications as documented with respect to licensure, certification, training, and experience.
- C. This Agreement, inclusive of the rider, embodies the entire understanding of the parties. There are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof, unless expressly referred to by reference herein. This Agreement may be amended or modified only by an instrument in writing, signed by all of the parties.
- D. This Agreement shall be construed in all respects according to the laws of the State of California. Subject to Section F below, the federal and state courts located in Kern County, California shall have exclusive jurisdiction over any disputes arising out of this Agreement.
- E. It is expressly agreed and understood by the parties hereto that neither party is an agent, partner, or joint venture with, or of, the other party.
- F. The parties do not intend the benefits of this Agreement to inure to any third persons not a signatory hereto. This Agreement shall not be construed as creating any right, claim or cause of action against either party by any person or entity not a party to this Agreement.
- G. Any controversy or claim arising out of this contract, or the breach thereof, except controversies involving less than \$5000.00, may be settled by arbitration in accordance with the Judicial Arbitration and Mediation Services in the state of California, and judgment upon the award rendered by the Arbitrator may be entered in any Court having jurisdiction.
- H. Each party shall indemnify, defend, save and hold harmless the other party, its officers, directors, employees, attorneys and agents from any and all losses, liability, charges, claims, fines, liens, causes of action, awards, judgements, costs and expenses (including, but not limited to, reasonable attorney fees, expert fees, costs of staff time, and investigation costs) and/or damage of whatever kind or nature which may arise out of or are in any way connected to the willful or negligent acts of either party's employees, contractors or agents in connection with this agreement. FreedomHCS' Placed Staff will not be seen as an agent and/or contractor of Facility for purposes of this section.
- I. The total aggregate liability of the FreedomHCS for any and all claims arising under or related to this Agreement shall not exceed the aggregate fees paid to FreedomHCS by Facility under this Agreement. Notwithstanding anything to the contrary, FreedomHCS' limitations of liability shall not apply to, affect, or limit: (i) any of FreedomHCS' duties to indemnify Facility in accordance with this agreement and/or (ii) any third party claims.
- J. The liabilities or obligations of Facility with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Facility and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including

the state of California. California Health and Safety Code Section 101853(g)

- K. This Agreement shall be effective for one year from the date of its execution. Termination may occur upon thirty (30) days written notice by either party.
- L. All notices which are required or permitted to be given pursuant to this Agreement shall be in writing and shall be sufficient in all respects if delivered by U.S. Mail, certified, postage prepaid and addressed to the receiving party. The addresses and names as indicated below may be changed in the manner provided above for giving notice.
- M. Facility and FreedomHCS are equal opportunity employers.
- N. The Parties acknowledge that in carrying out their obligations under this Agreement, FreedomHCS and its employees, agents, or representatives may have reason to access medical records and individually identifiable patient information maintained by Facility ("Patient Information"). FreedomHCS and its Staff agree to comply with all applicable statutes, regulations, rules, ordinances, guidelines and directives of federal, state, and other governmental and regulatory bodies having jurisdiction over FreedomHCS that govern the privacy and confidentiality of the content of Patient Information, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), The Joint Commission ("TJC"), Occupational Safety and Health Administration ("OSHA"), and all laws of the State of Colorado.

This Agreement shall be effective as of this 19th day of August, 2020.

**Kern County Hospital Authority  
Kern Medical Center  
1700 Mt Vernon Avenue  
Bakersfield, CA 93306**

\_\_\_\_\_  
Signature

Russell Bigler, Chairman, Board of Governors  
Name & Title

**AUTUMN ENTERPRISES, INC. dba FREEDOM HEALTHCARE STAFFING™  
2851 S. Parker Road, Suite 1100  
Aurora, Colorado 80014**

  
\_\_\_\_\_  
Signature

Susan Whitman, EVP  
\_\_\_\_\_  
Name & Title

**APPROVED AS TO FORM  
Legal Services Department**

By   
\_\_\_\_\_  
Kern County Hospital Authority

**Freedom HCS Rate Sheet  
Rapid Response Assignment**

Facility Name: Kern Medical Center  
Effective Date: 8/19/20

In accordance with the FREEDOM HEALTHCARE STAFFING Travel Staffing Agreement executed by FACILITY and FREEDOM HEALTHCARE STAFFING on 8/19/2020, the parties do hereby agree as follows:

FACILITY SHALL PAY CORPORATION FOR EACH TITLE	BASE RATE
Registered Nurse - Specialty	\$98.00/hour
Registered Nurse – Non Specialty	\$93.00/hour
Registered Nurse – Corrections	\$85.00/hour
Licensed Vocational Nurse	\$65.00/hour

NON-HOURLY EXPENSES TO BE CHARGED	RATE/COST BASIS
Travel	Inclusive in above base bill rate
Housing	Inclusive in above base bill rate

**OTHER**

- Overtime will be billed at 1.5x the base rate for all hours worked after eight (8) hours in a day and 2x the base rate after twelve (12) hours in day and 1.5x the base rate for all hours worked after 40 hours in a work-week, as pursuant to California overtime statute.
- Federal holiday hours will be billed at the overtime rate.
- Call-back hours will be billed at the overtime rate.
- The charge rate will be billed at \$15.00/per hour.
- Minimum assignment length 8 weeks

**Kern County Hospital Authority  
Kern Medical Center  
1700 Mt Vernon Avenue  
Bakersfield, CA 93306**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Title

**FREEDOM HEALTHCARE STAFFING™  
2851 S. Parker Road, Suite 1100  
Aurora, Colorado 80014**

  
\_\_\_\_\_  
Signature

Susan Whitman, EVP  
\_\_\_\_\_

Name & Title

**Freedom HCS Rate Sheet  
Crisis and Emergency Response Assignment**

Facility Name: Kern Medical Center

Effective Date: 8/19/20

In accordance with the FREEDOM HEALTHCARE STAFFING Travel Staffing Agreement executed by FACILITY and FREEDOM HEALTHCARE STAFFING on 8/19/2020, the parties do hereby agree as follows:

FACILITY SHALL PAY CORPORATION FOR EACH TITLE	BASE RATE
Registered Nurse - Specialty	\$149.00/hour
Registered Nurse – Non Specialty	\$139.00/hour
Registered Nurse – Corrections	\$139.00/hour
Licensed Vocational Nurse	\$75.00/hour

NON-HOURLY EXPENSES TO BE CHARGED	RATE/COST BASIS
Travel	Inclusive in above base bill rate
Housing	Inclusive in above base bill rate

**OTHER**

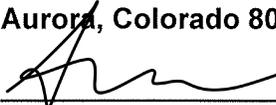
1. Overtime will be billed at 1.5x the base rate for all hours worked after eight (8) hours in a day and 2x the base rate after twelve (12) hours in day and 1.5x the base rate for all hours worked after 40 hours in a work-week, as pursuant to California overtime statute.
2. Federal holiday hours will be billed at the overtime rate.
3. Call-back hours will be billed at the overtime rate.
4. The charge rate will be billed at \$15.00/per hour.
5. Minimum assignment length 2 weeks.

**Kern County Hospital Authority  
Kern Medical Center  
1700 Mt Vernon Avenue  
Bakersfield, CA 93305**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Title

**FREEDOM HEALTHCARE STAFFING™  
2851 S. Parker Road, Suite 1100  
Aurora, Colorado 80014**

  
\_\_\_\_\_  
Signature

Susan Whitman, EVP

\_\_\_\_\_  
Name & Title

Rider A

To Agreement Dated \_\_\_\_\_, Between \_\_\_\_\_  
(Facility) and Freedom Healthcare Staffing (Freedom)

Temporary Conditions Resulting from the Presence of Pandemic/Epidemic Within the United States of America

Due to pandemic/epidemic conditions resulting from the Covid-19 virus, and consequent unknowns with respect to the availability and willingness of professional staff to travel to temporary assignments, this agreement shall be subject to the following temporary procedures to assure the continued provision of qualified professional staff to healthcare organizations.

1. Additional financial incentives to staff may be required in order to successfully fill open orders due to prevailing wages paid by competing vendors, or personal reluctance. In this event, Freedom shall immediately contact Facility and inform it of the requirements to fill openings. Facility shall have the sole discretion to approve any deviation from the contract's pricing schedule. In the event that additional pricing is declined, Freedom is under no obligation to fill such order(s).
2. Facility shall provide Personal Protective Equipment associated with the provision of services in accordance with State and Federal guidelines.
3. In the event that a Freedom staff member is exposed to the virus, or exhibits symptoms that are consistent with exposure, if requested, the Facility shall provide services and care to such individual(s) in accordance with its own protocols for its own staff members. Freedom Healthcare Staffing's worker's compensation policy is responsible for covering Staff's occupational illness. The Facility will be responsible for billing the carrier in conjunction to its appropriate patient accounting procedures.
4. In the event that Freedom staff members, as a result of suspected exposure, are subject to mandatory isolation or quarantine, Freedom shall provide for room and board costs associated with such mandate for its duration and guaranteed wages for affected staff.
5. Where in conflict with the original Agreement, the terms of this Rider shall apply.
6. The parties agree to cooperate to the fullest extent with respect to information sharing associated with exposure incidents and to requests from government entities, and the parties' own insurances.

This rider shall automatically renew month-to-month until such time as the current public health crisis is concluded.

Dated:

By:



Freedom Healthcare Staffing

Susan Whitman, EVP

Facility

---

**FREEDOM HCS STAFFING ORDER FORM**

Hospital Name: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Please fill out the following information so that we may process your order in the most expeditious and accurate manner as possible, please either fax this form to 866-463-0387 or email to: orders@freedomhcs.com

Designated Representative:

Accounts Payable Contact:

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**REQUIRED INFORMATION**

**Total number of staff ordered:** \_\_\_\_\_ **Phone Interview Required?** \_\_\_\_\_

Date Needed? \_\_\_\_\_

Orientation Date? \_\_\_\_\_

Drug Screening Required? \_\_\_\_\_

Will you provide testing post-arrival? \_\_\_\_\_

**Please fill out the following chart. Break down your order to ensure proper posting of the order.**

**EXAMPLE:**

Number of Staff	Unit/ Dept.	Staff to Patient Ratio	Specialty Area (with Specifics)	Credentials Required (i.e. ACLS, BLS, TNCC PALS, NRP, Chemo Cert.)	Shift (specify based on 12/hr shift)	On call yes/no
2	MICU	1 to 2	Heavy vents	ACLS	7a to 7p	no

Number of Staff	Unit/ Dept.	Staff to Patient Ratio	Specialty Area (with Specifics)	Credentials Required (i.e. ACLS, BLS, TNCC PALS, NRP, Chemo Cert.)	Shift (specify based on 12/hr shift)	On call yes/no

Submitted By: \_\_\_\_\_ Date: \_\_\_\_\_



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

August 19, 2020

**Subject:** Comments Regarding Budget Variances – June 2020

**Recommended Action:** Receive and File

**Summary:**

The COVID-19 pandemic has impacted Kern Medical's key performance indicators as follows:

- Average Daily Census of 121 for June is 12 less than the June budget of 133 and 9 less than the year-to-date average census of 130 per month
- Admissions of 754 for June are 50 less than the June budget of 804 and 15 less than the year-to-date average admissions of 769 per month
- Total Surgeries of 485 for June are 45 more than the June budget of 440 and 38 more than the year-to-date average of 447 total surgeries per month
- Clinic Visits of 13,159 for June is 221 more than the June budget of 12,938 and 857 more than the year-to-date average of 12,302 per month

Although some key volume indicators for the month are unfavorable compared to plan, Kern Medical has maintained the staffing levels necessary to adequately provide coverage for a surge in pandemic activity if necessary. In addition, Kern Medical is participating in all emergency funding programs available at the county, state, and federal levels to offset lost revenue and increased expenses that may be realized due to the COVID-19 issue.

Also impacting the June financials is the recognition of \$5,754,027 of prior years' Graduate Medical Education (GME) revenue. Historically, only Medicare has reimbursed hospitals for their GME expenses. Recently the Centers for Medicare and Medicaid Services (CMS) decided that Medicaid will also reimburse hospitals for these expenses. The decision is retroactive back to FY 2017. In addition, Kern Medical reviewed all of its supplemental indigent revenue programs and revised the amount of revenue to be expected from some programs. These changes in estimates resulted in a net increase of \$10,856,575 of indigent revenue for FY 2020. Kern Medical recognized this increase in revenue in June as a year-end true-up. The favorable changes in estimates are mainly due to a \$5,900,000 increase in QIP program revenue, a \$2,300,000 increase in FY 2018 Waiver program revenue, and a \$2,800,000 increase in FY 2019 Waiver program revenue.

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

**Patient Revenue:**

Gross patient revenue has an unfavorable month-to-date budget variance for June because of the decrease in patient volumes caused by the COVID-19 pandemic. On a year-to-date basis, the gross patient revenue budget variance is favorable primarily because of improved revenue cycle efficiency realized since the implementation of the Cerner EHR.

**Indigent Funding:**

Indigent funding has a favorable budget variance for the month due to the recognition of \$5.7 million of Graduate Medical Education (GME) revenue. Historically, only Medicare has reimbursed hospitals for their GME expenses. Recently the Centers for Medicare and Medicaid Services (CMS) reached the decision that Medicaid will also reimburse hospitals for these expenses. The decision is retroactive back to FY 2017. In addition, Kern Medical has recognized an additional \$10,856,575 of indigent revenue for June as a year-to-date true-up for some of its indigent revenue programs. The favorable changes in estimates are mainly due to a \$5,900,000 increase in QIP program revenue, a \$2,300,000 increase in FY 2018 Waiver program revenue, and a \$2,800,000 increase in FY 2019 Waiver program revenue.

**Other Operating Revenue:**

Other operating revenue has a favorable variance for the month due in part to above average Proposition 56 tax revenue. Proposition 56 tax revenue consists of funds derived from cigarette taxes that are allocated to healthcare providers. These funds are typically paid quarterly, however, they have been budgeted evenly throughout the year. In addition, Kern Medical received \$128,123 of local emergency relief funding from the County of Kern to support the COVID-19 Temporary Isolation Unit Program at the Kern County Fairgrounds. On a year-to-date basis, other operating revenue has a favorable variance due to the receipt of \$4,094,873 of Health and Human Services (HHS) Stimulus Funding. This funding has been allocated to healthcare providers from the HHS in an effort to mitigate the effects of lost revenues and increased expenses due to the pandemic.

**Salaries Expense:**

Salaries expense is over budget for the month and on a year-to-date basis primarily because the salaries for management and supervision, registered nurses, and aides and attendants have been consistently more than budget throughout the year.

**Registry Nurse Expense:**

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

**Medical Fees:**

Medical fees are under the budgeted amount for the month and on a year-to-date basis due to a decrease in contracted physician services used by the Behavioral Health Department.

**Other Professional Fees:**

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

**Supplies Expense:**

Supplies expenses are under budget for the month and on a year-to-date basis because of lower than average costs for pharmaceuticals.

**Purchased Services:**

Purchased services expenses are at the budgeted amount for the month. On a year-to-date basis, the unfavorable budget variance is primarily due to the fact that Trans-West Security expenses were budgeted low for FY 2020. In addition, on a year-to-date basis expenses paid for out-of-network services paid to other providers for services not provided by Kern Medical are higher than the budgeted amount.

**Other Expenses:**

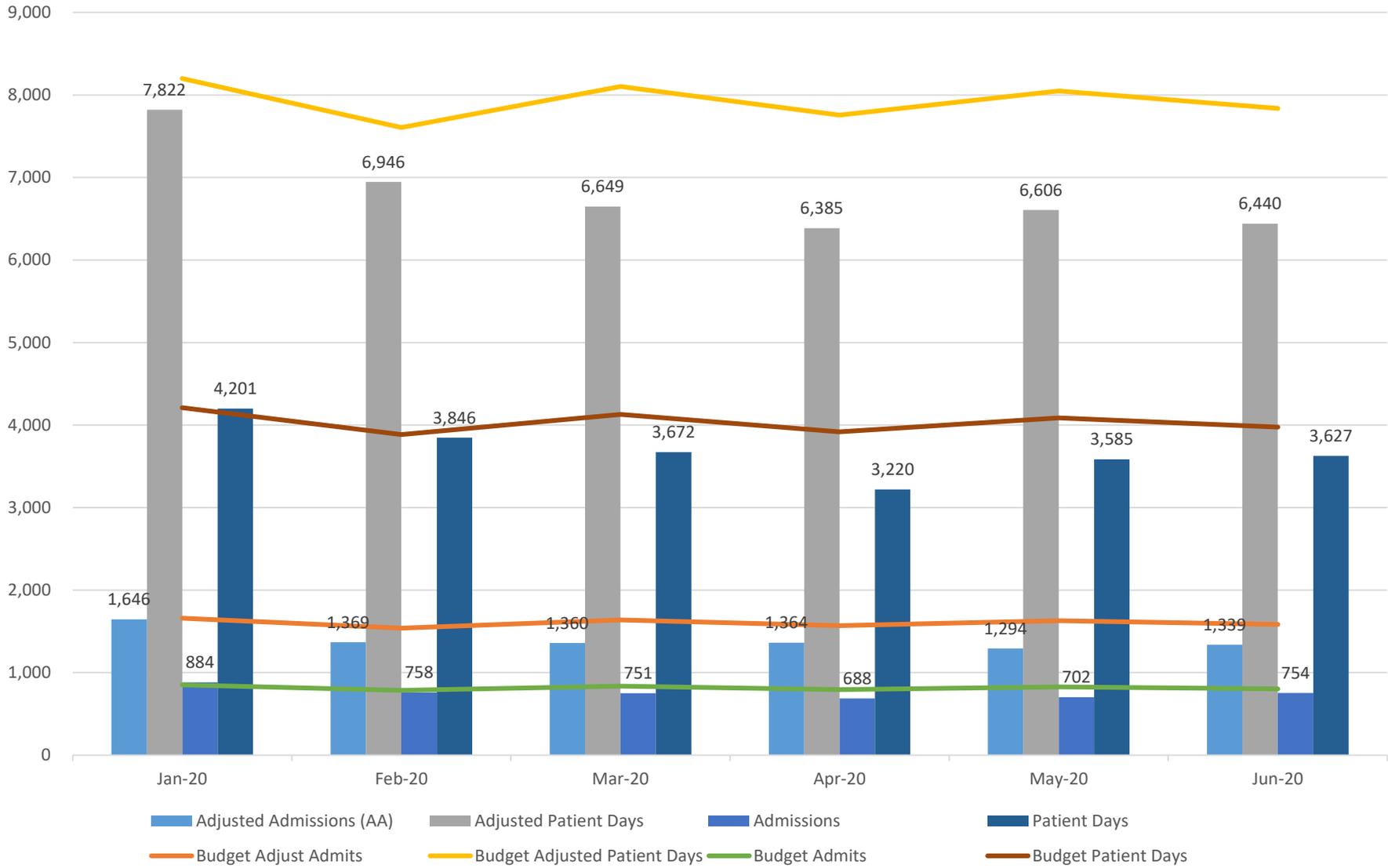
Other expenses are under budget for the month and on a year-to-date basis due to lower than average repairs and maintenance expenses.



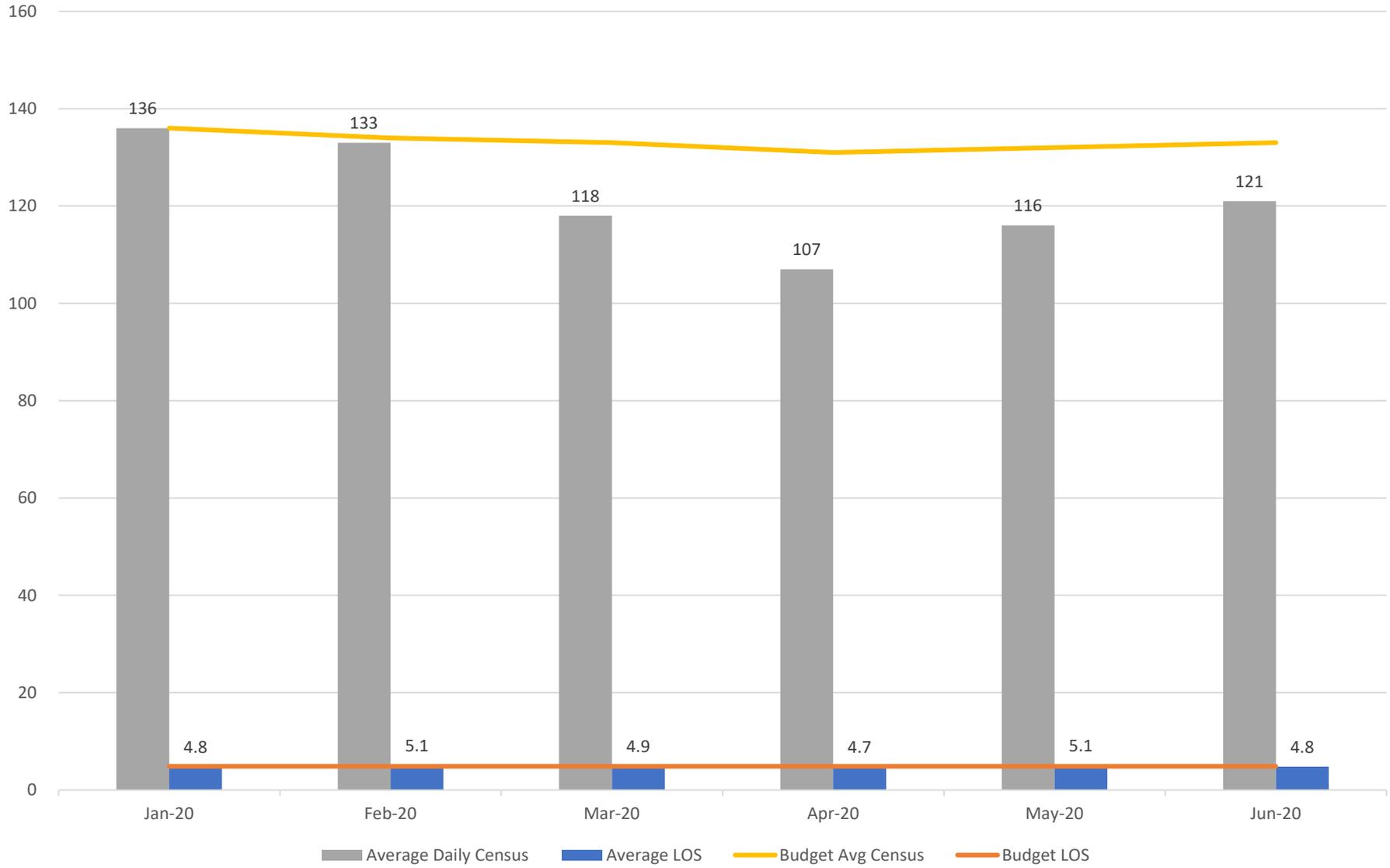
**BOARD OF GOVERNORS' REPORT  
KERN MEDICAL – JUNE 2020**

August 2020

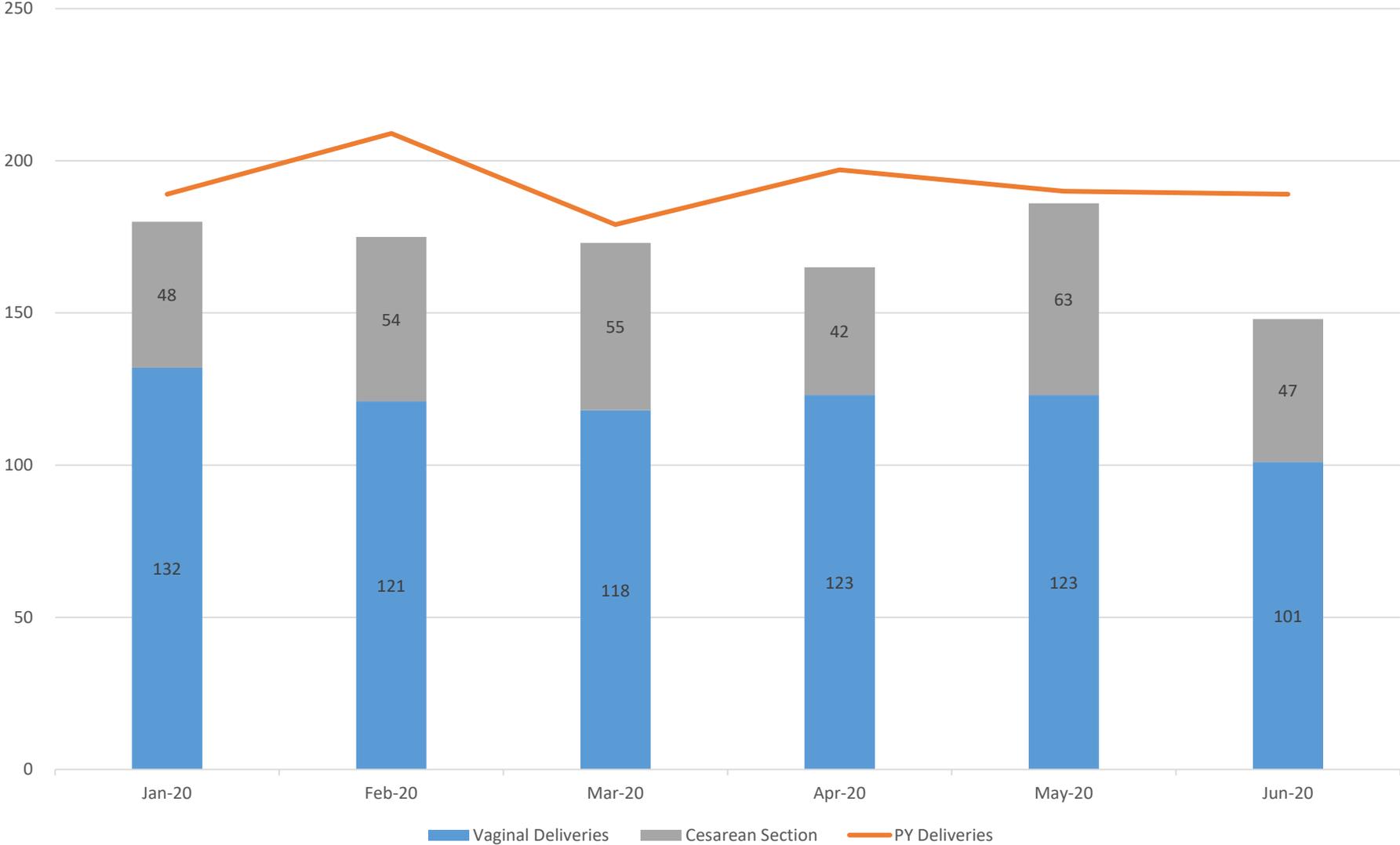
# Hospital Volumes



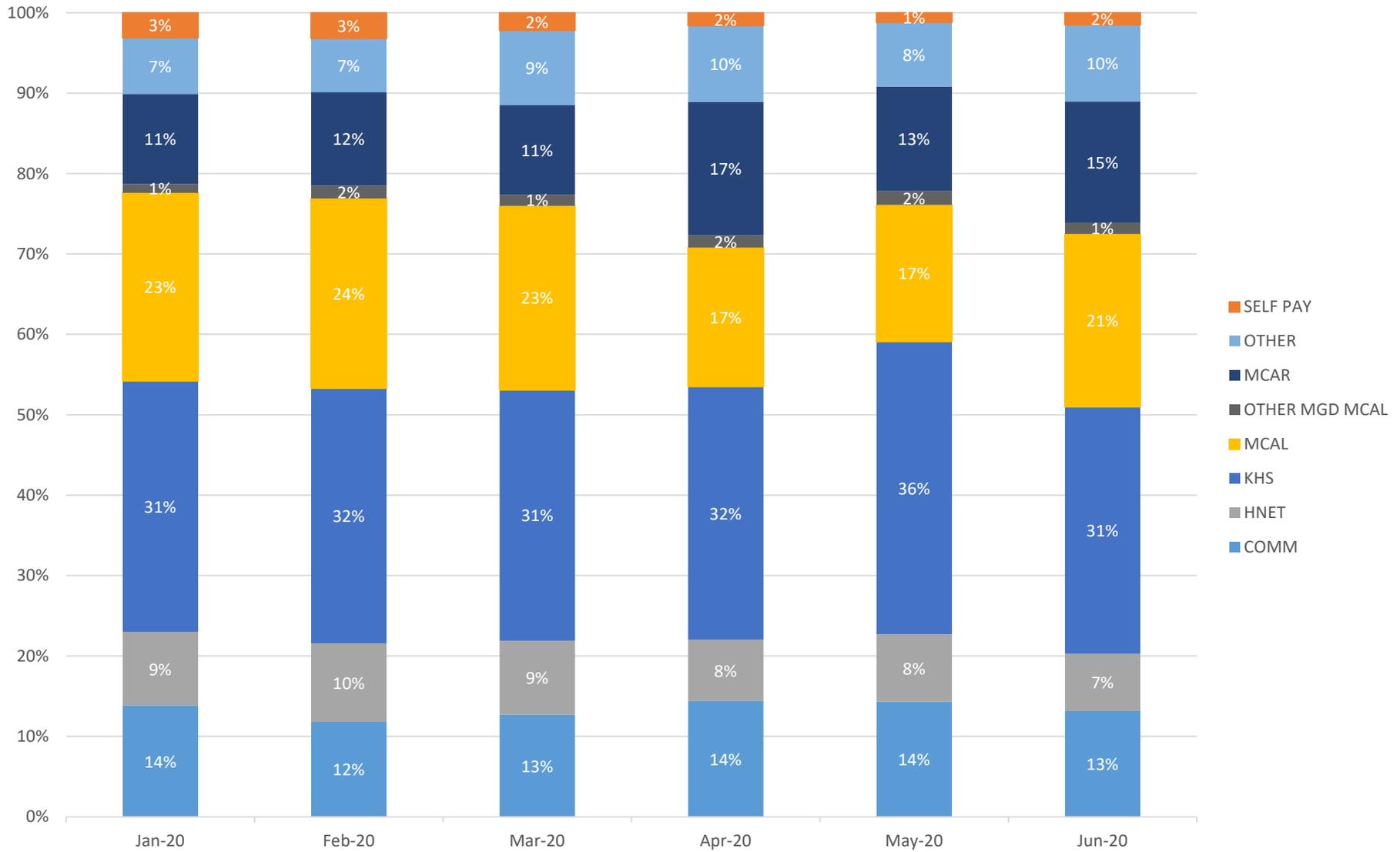
# Census & ALOS



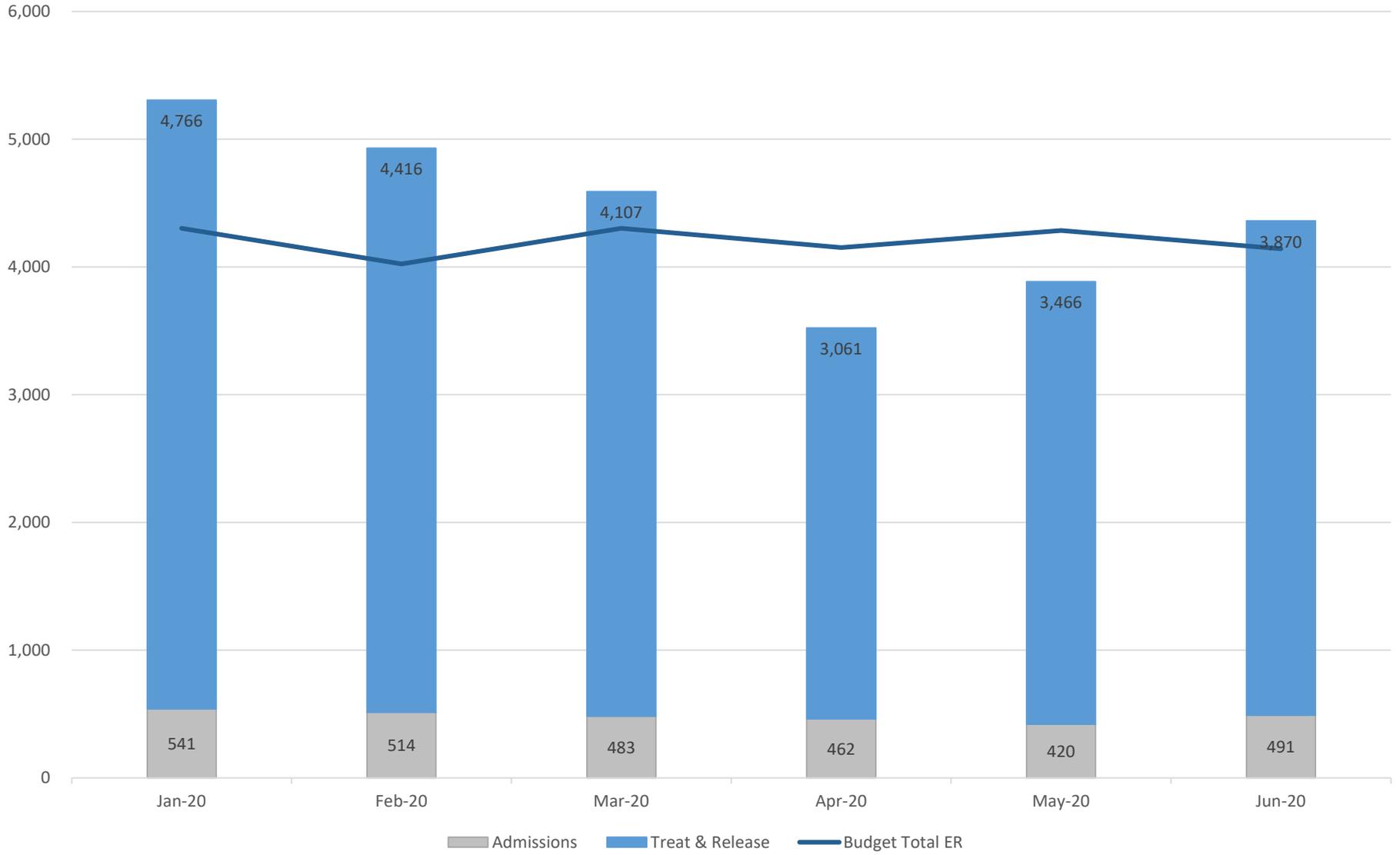
# Deliveries



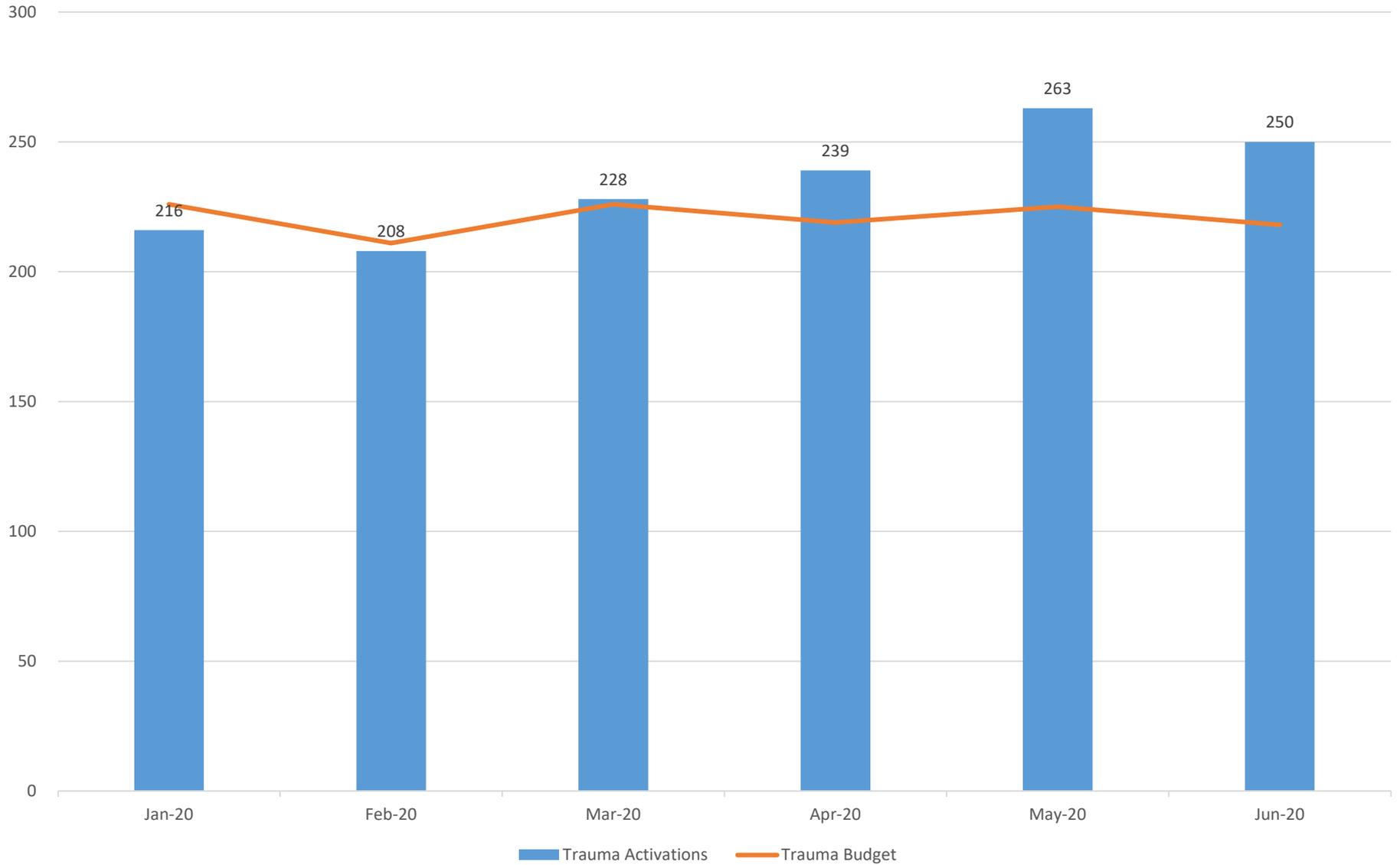
## PAYER MIX



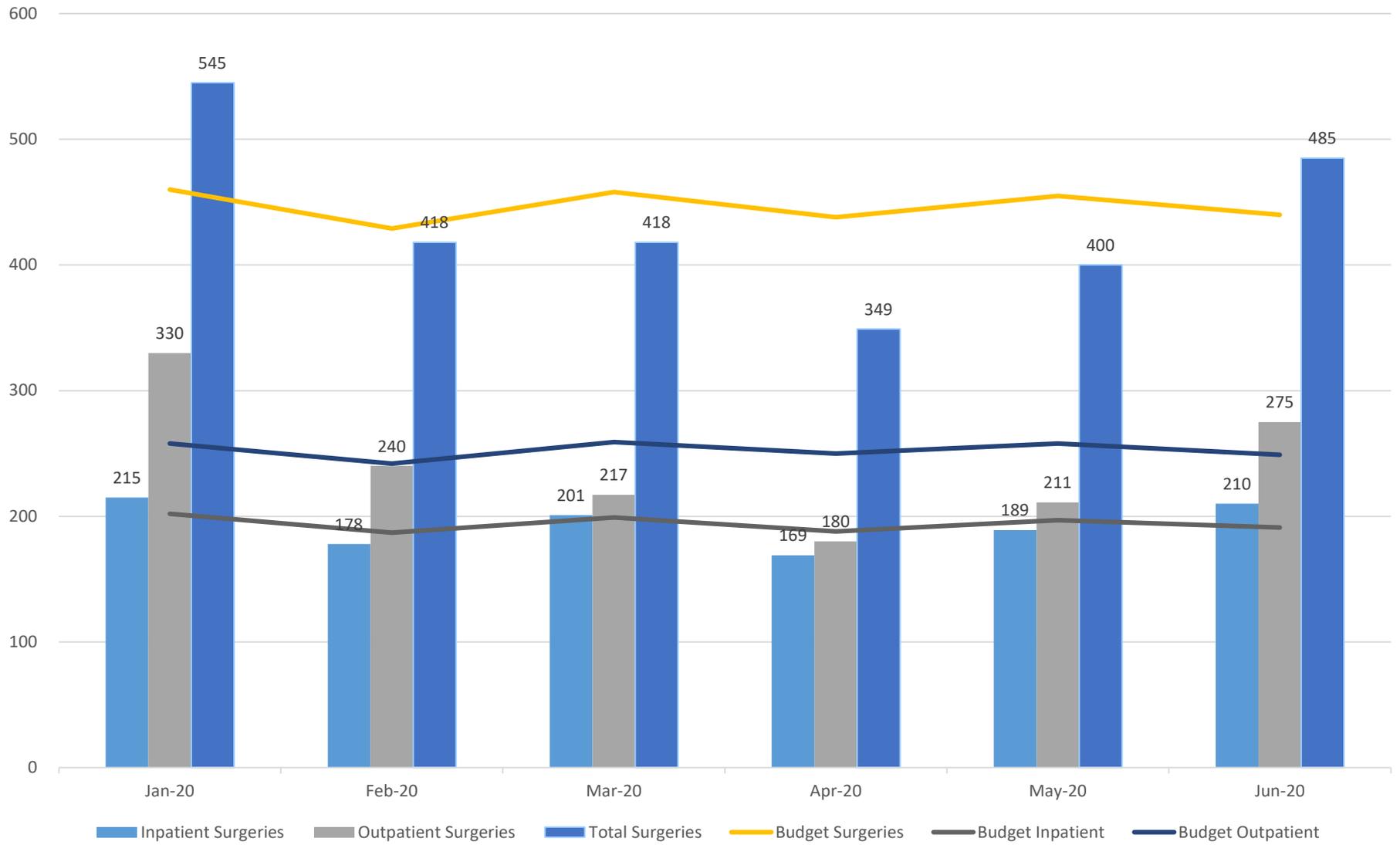
# Emergency Room Volume



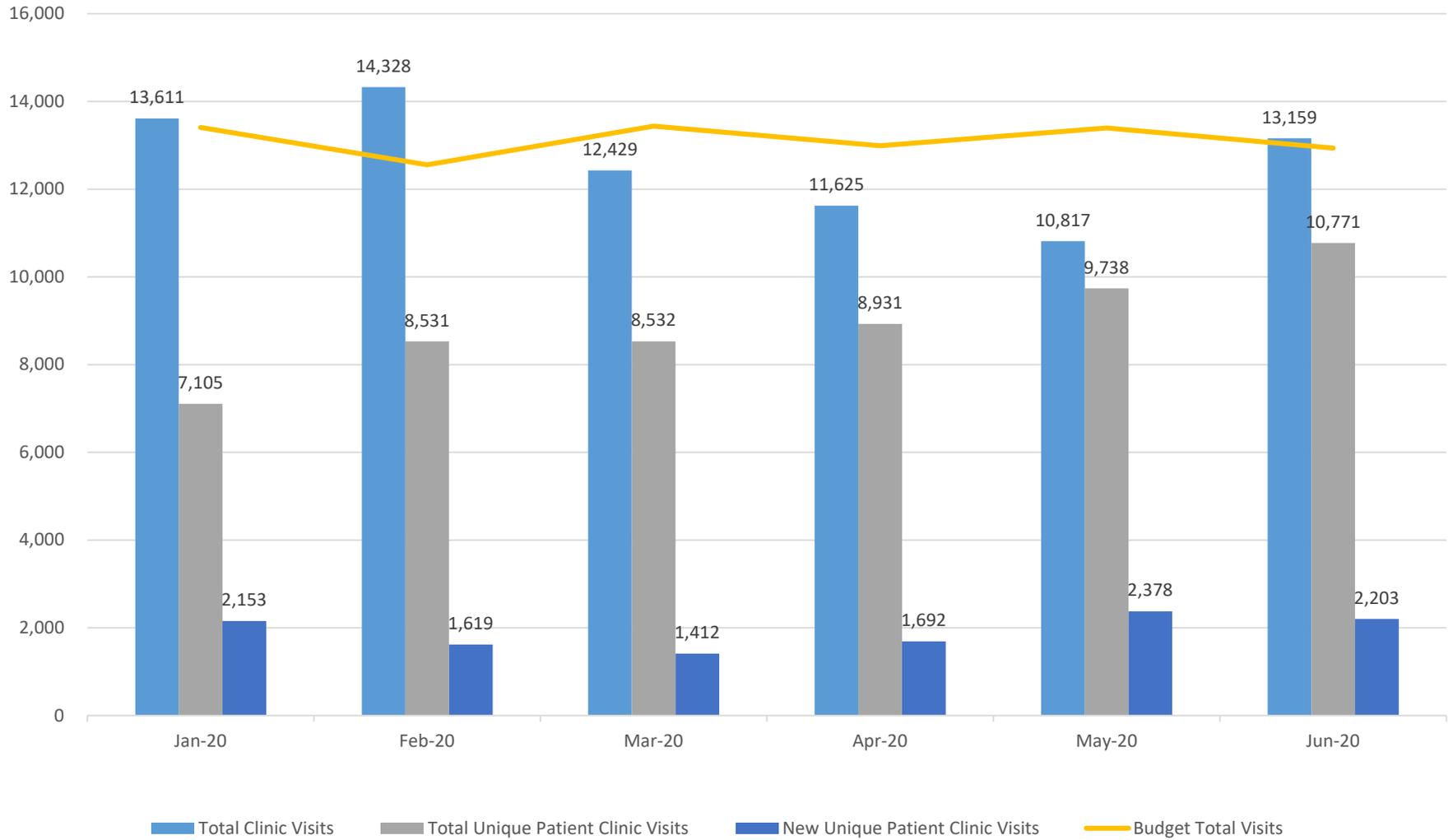
# Trauma Activations



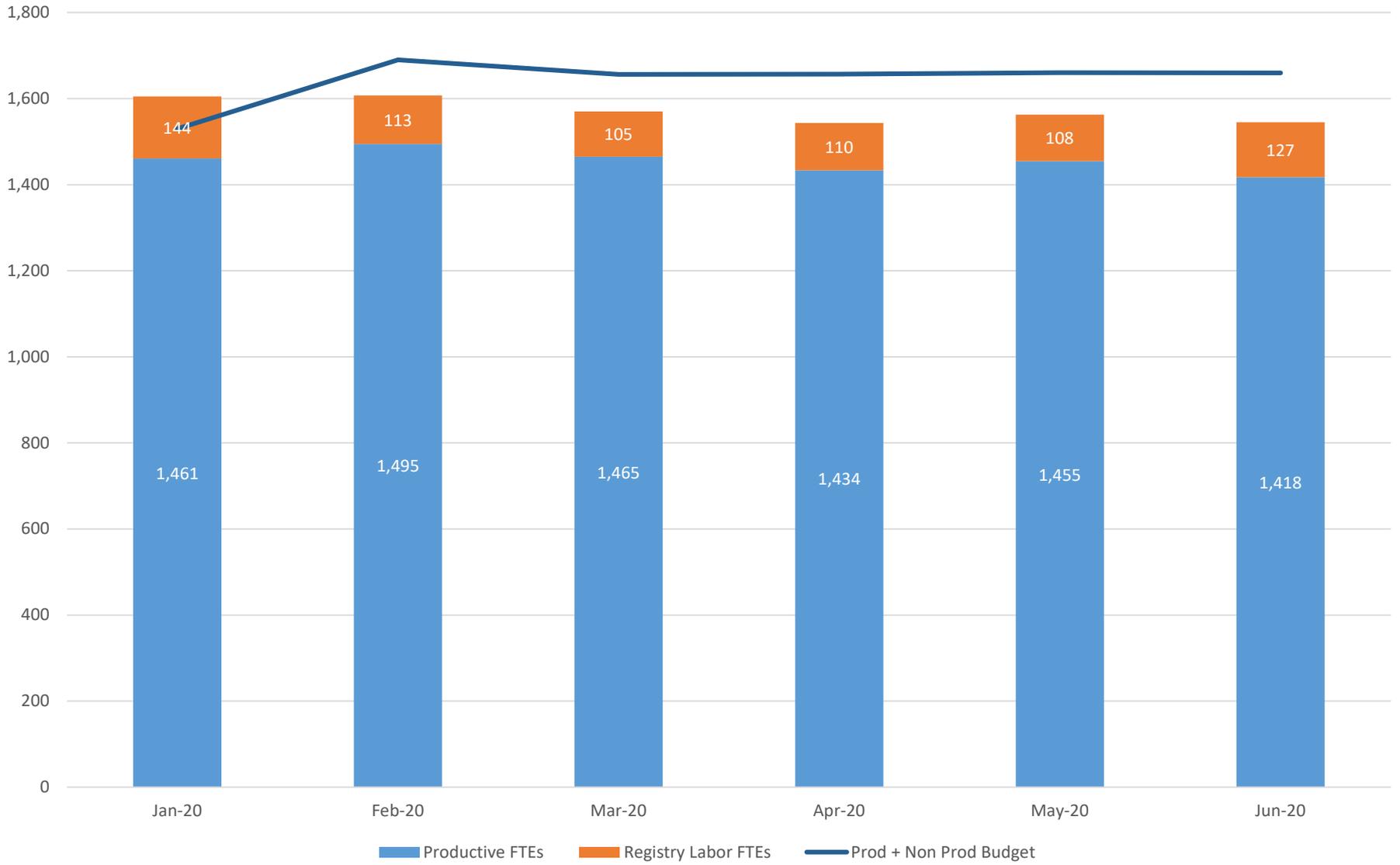
## Surgical Volume



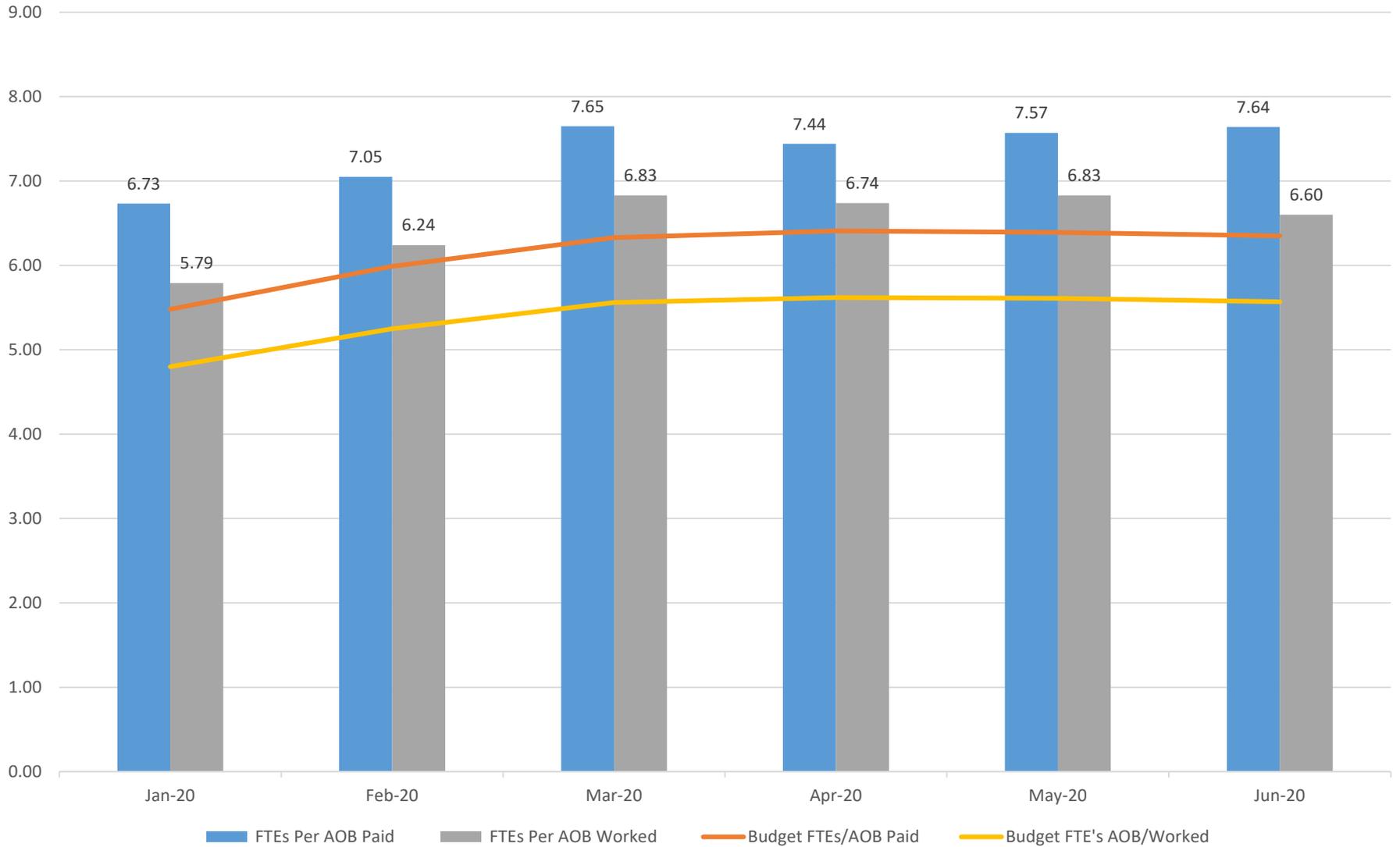
## Clinic Visits



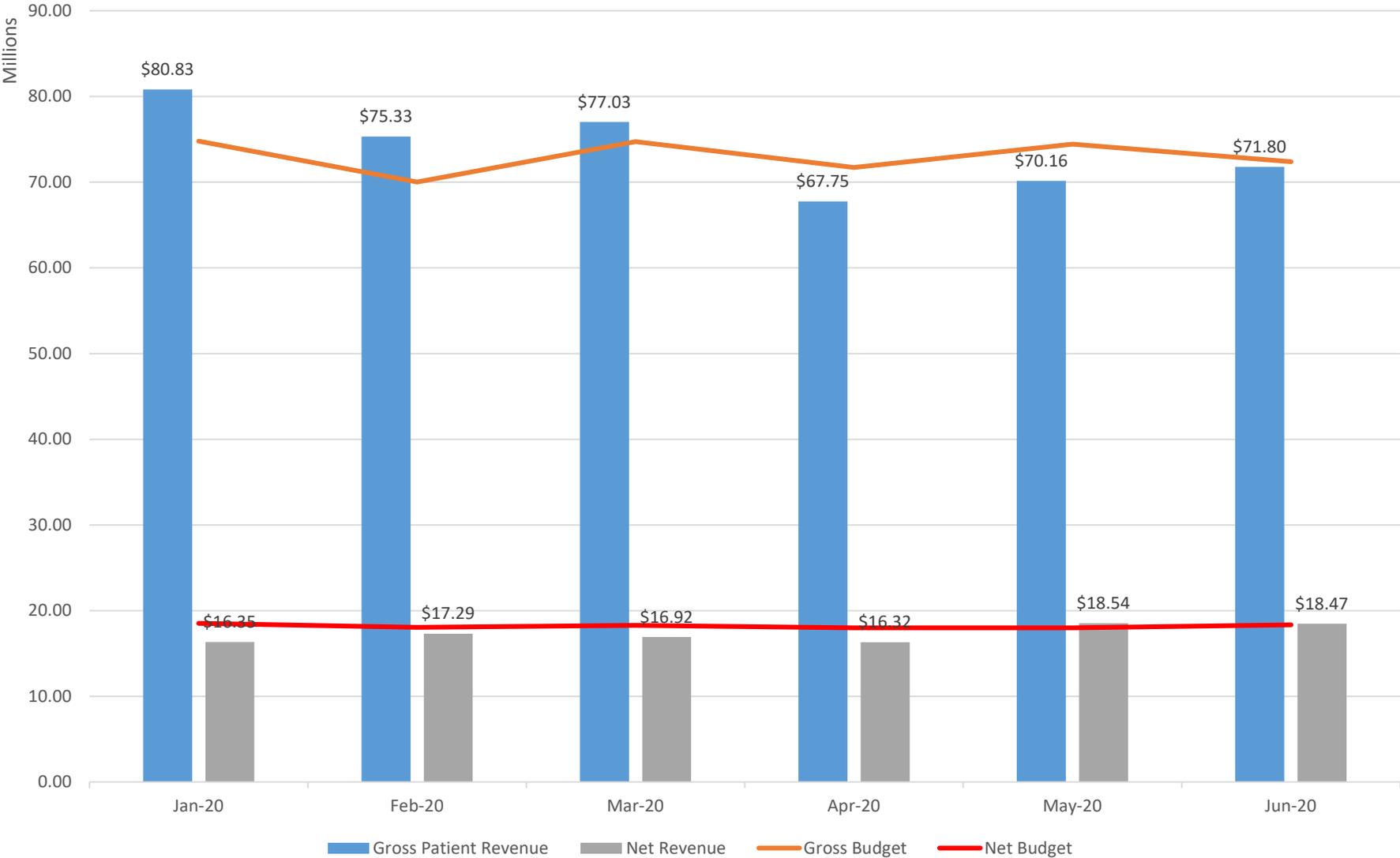
# Productivity



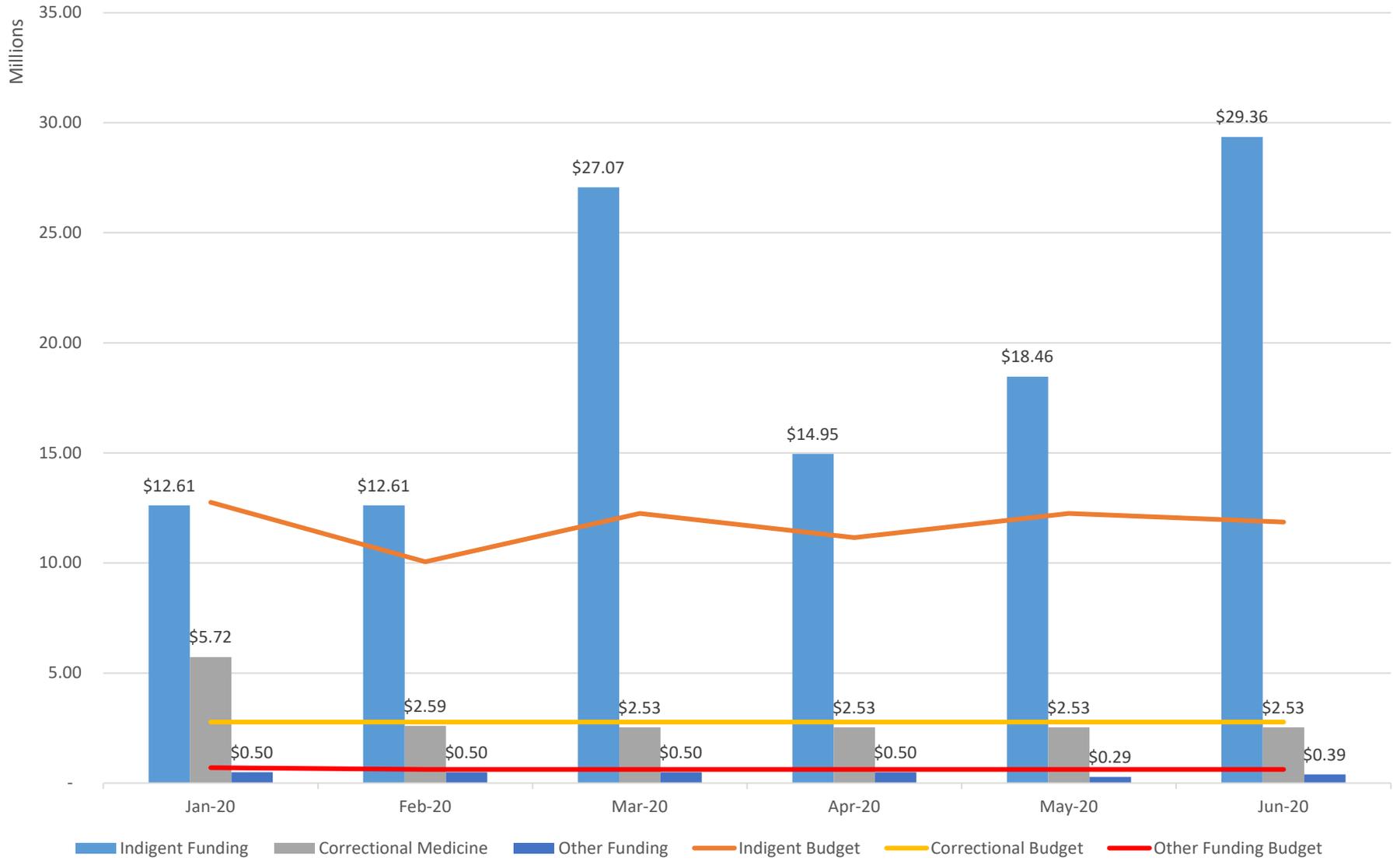
# Labor Metrics



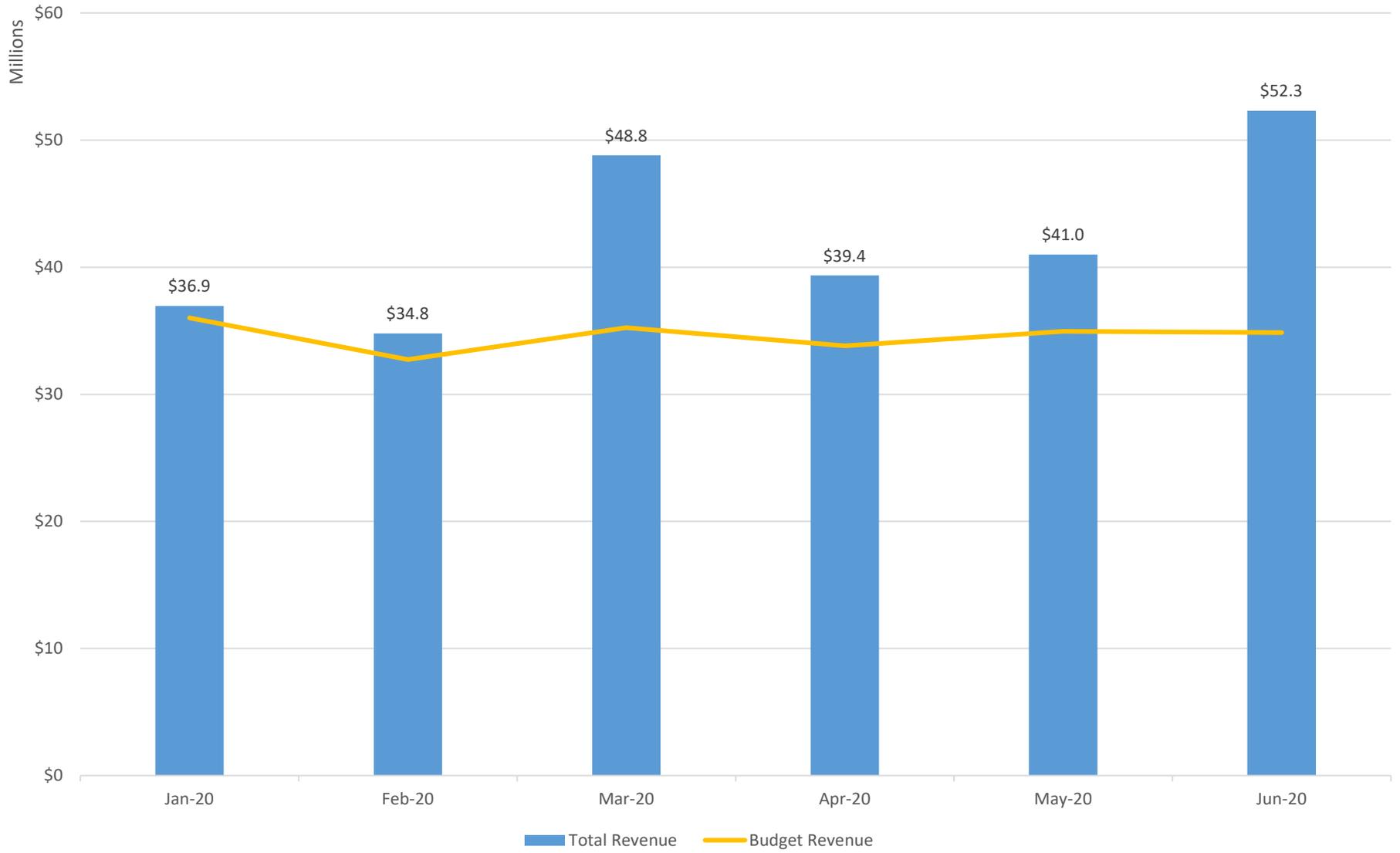
# Patient Revenue



## Indigent & Correctional Revenue



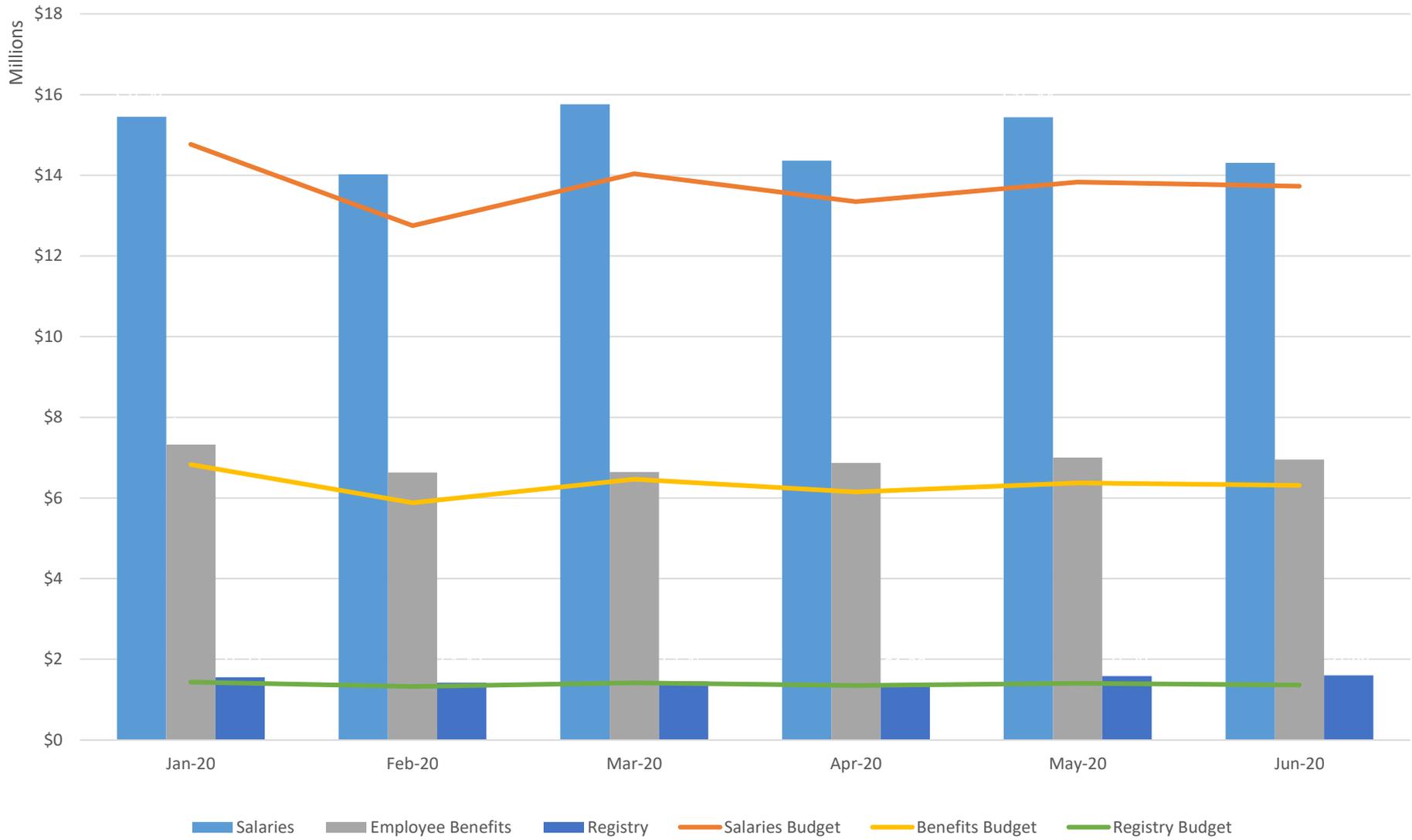
## Total Revenue



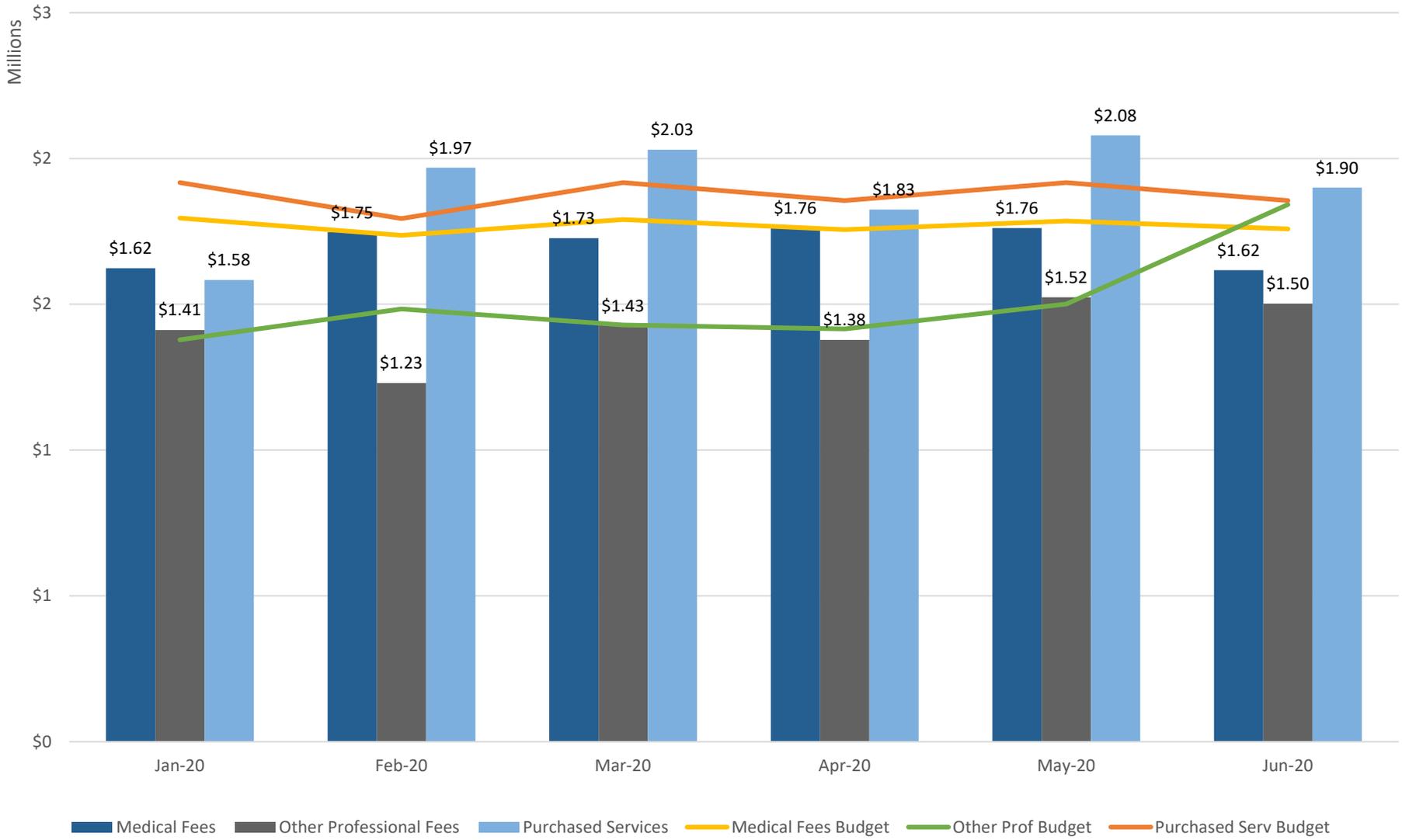
# Expenses FYTD 2020



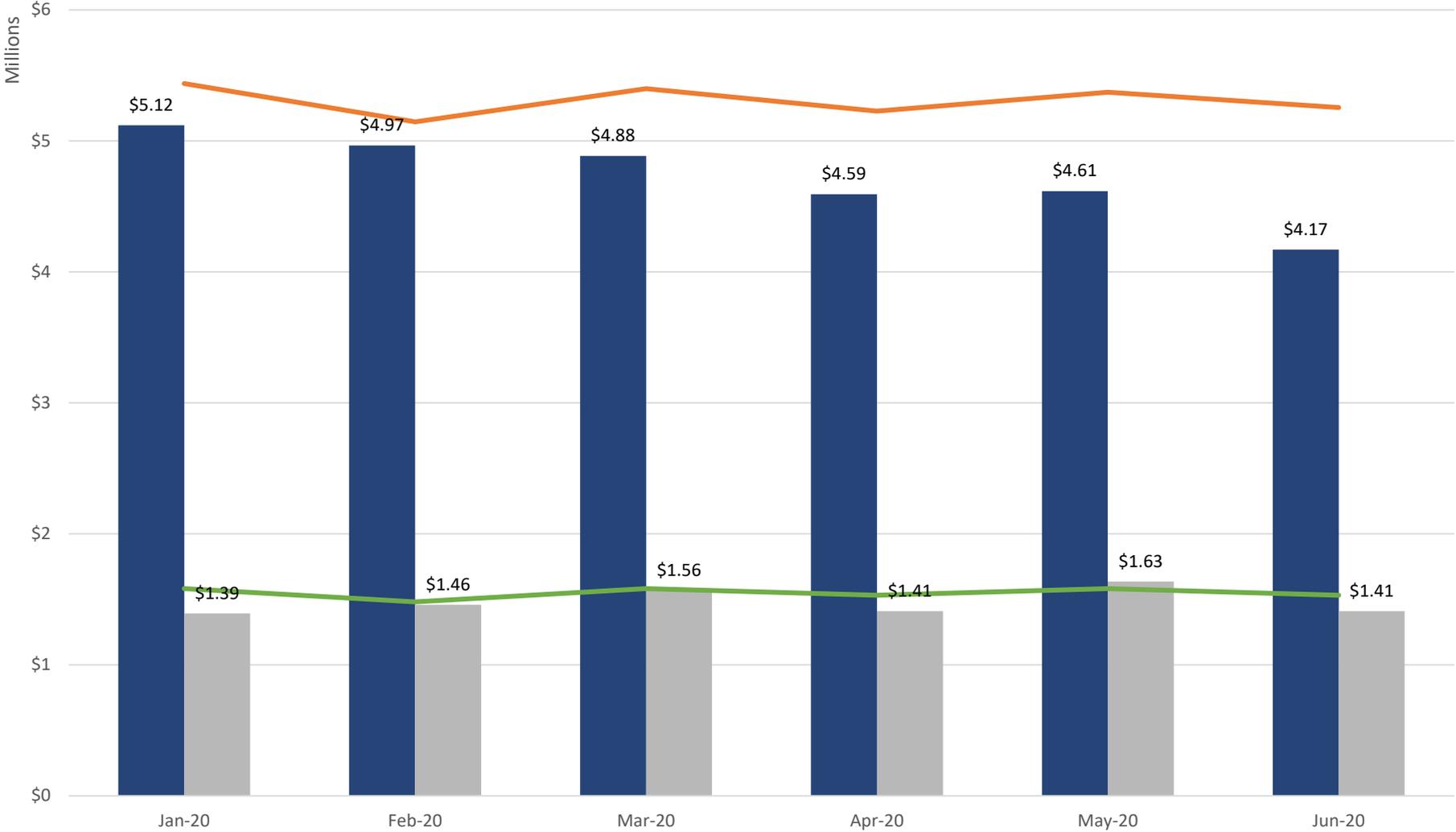
## Salaries & Benefits FYTD 2020



## Purchased Services, Medical, & Other Prof Fees FYTD 2020

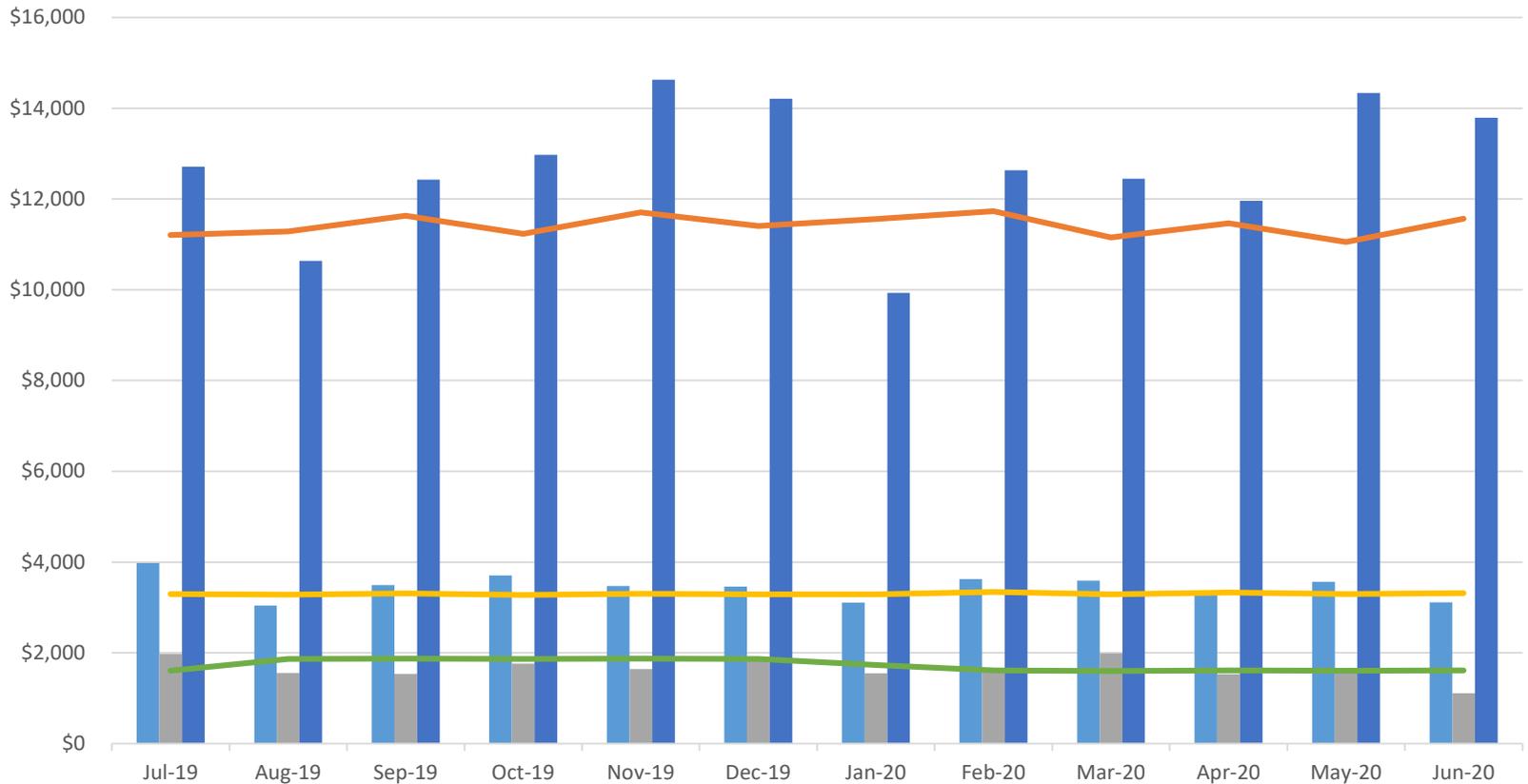


# Expenses FYTD 2020



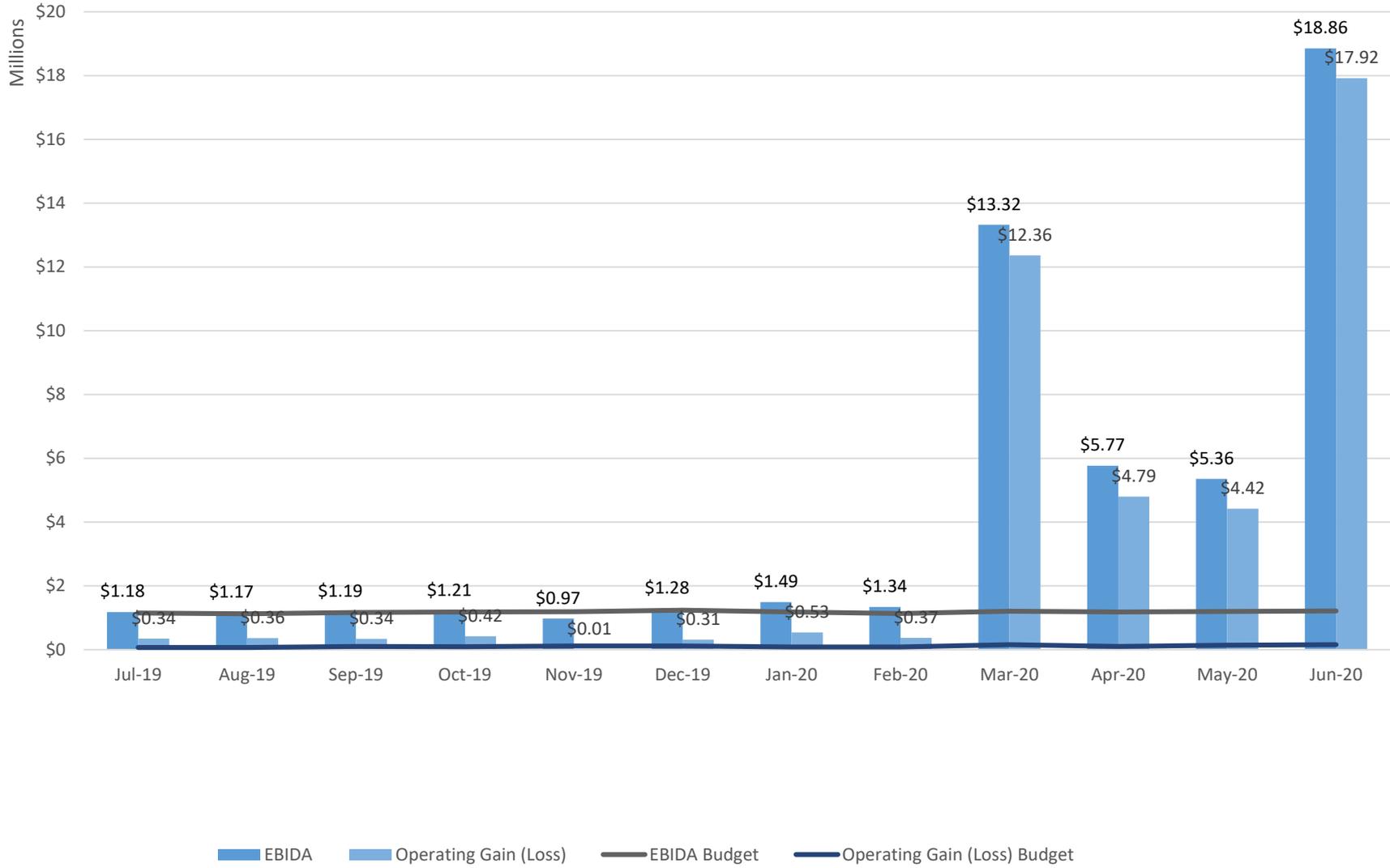
■ Supplies   
 ■ Other Expenses   
 — Supplies Budget   
 — Other Expenses Budget

## Operating Metrics

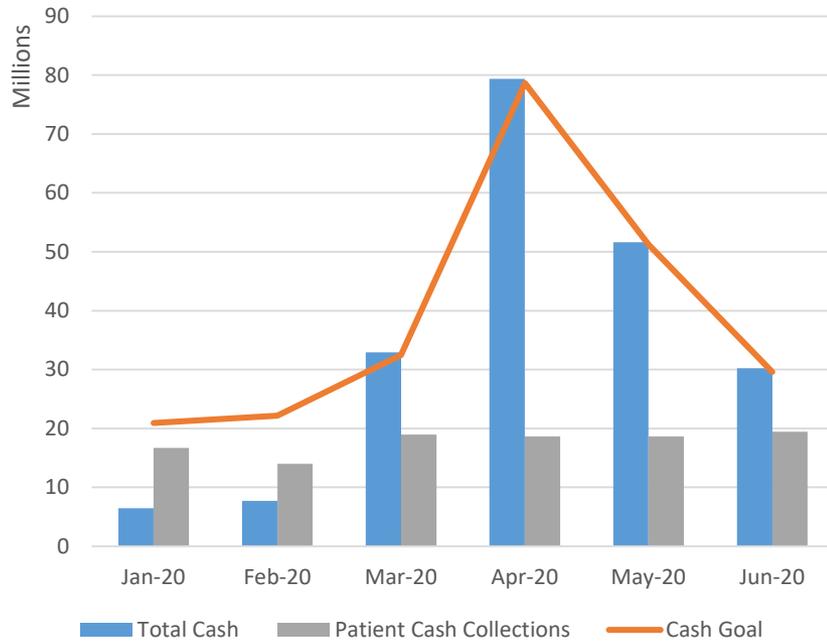


	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Supply Expense per AA	\$3,977	\$3,040	\$3,492	\$3,703	\$3,474	\$3,457	\$3,110	\$3,627	\$3,592	\$3,365	\$3,568	\$3,114
Pharm Cost per AA	\$1,976	\$1,558	\$1,536	\$1,762	\$1,646	\$1,905	\$1,549	\$1,569	\$1,989	\$1,530	\$1,658	\$1,110
Net Revenue Per AA	\$12,710	\$10,636	\$12,428	\$12,972	\$14,631	\$14,212	\$9,934	\$12,632	\$12,444	\$11,963	\$14,333	\$13,794
Budget Supp/AA	\$3,295	\$3,286	\$3,313	\$3,277	\$3,303	\$3,293	\$3,291	\$3,343	\$3,293	\$3,330	\$3,298	\$3,314
Budget Pharm/AA	\$1,604	\$1,869	\$1,870	\$1,869	\$1,870	\$1,870	\$1,736	\$1,614	\$1,603	\$1,615	\$1,605	\$1,612
Budget Net Rev/AA	\$11,209	\$11,286	\$11,630	\$11,234	\$11,703	\$11,409	\$11,556	\$11,730	\$11,153	\$11,464	\$11,052	\$11,568

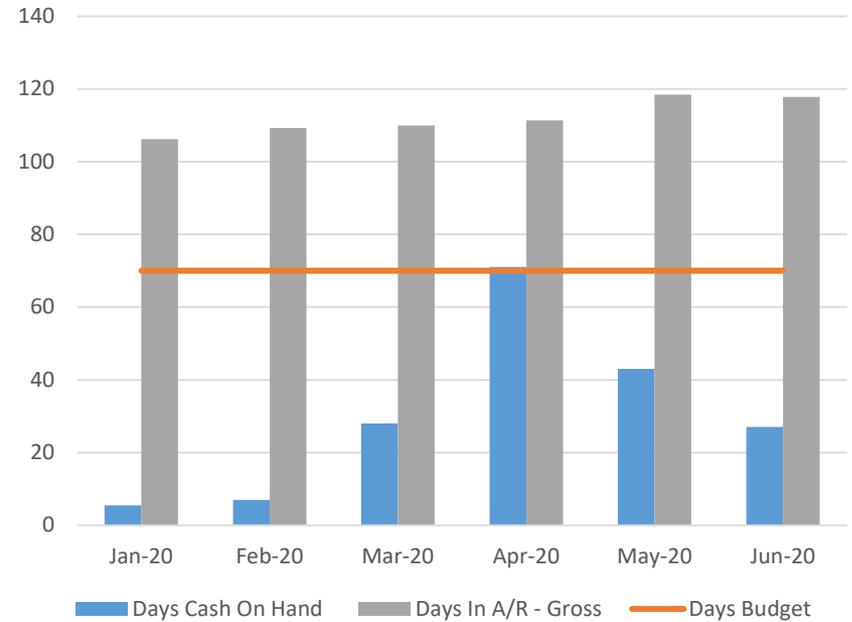
# EBIDA 2020 FYTD



Cash 2020 FYTD



AR Days 2020 FYTD



**KERN MEDICAL**  
**3-Month Trend Analysis: Revenue & Expense**  
June 30, 2020

	APRIL	MAY	JUNE	BUDGET JUNE	VARIANCE POS (NEG)	PY JUNE
<b>Gross Patient Revenue</b>	\$ 67,751,569	\$ 70,162,271	\$ 71,804,287	\$ 72,397,917	(1%)	\$ 56,817,900
Contractual Deductions	(51,430,544)	(51,621,878)	(53,338,250)	(54,058,975)	(1%)	(43,227,366)
<b>Net Revenue</b>	16,321,024	18,540,393	18,466,037	18,338,942	1%	13,590,534
Indigent Funding	14,954,448	18,463,096	29,356,407	11,854,337	148%	59,454,562
Correctional Medicine	2,527,068	2,527,068	2,527,068	2,777,068	(9%)	2,552,068
County Contribution	285,211	285,211	285,211	284,951	0.1%	285,211
Incentive Funding	212,040	0	104,660	333,333	(69%)	250,000
<b>Net Patient Revenue</b>	34,299,791	39,815,768	50,739,383	33,588,631	51%	76,132,375
Gain/(Loss) on Health-Related Entity	0	0	0	0	0%	0
Other Operating Revenue	5,038,989	1,168,062	1,561,064	1,267,452	23%	1,608,974
Other Non-Operating Revenue	14,068	9,460	17,431	4,489	288%	59,261
<b>Total Revenue</b>	39,352,848	40,993,290	52,317,879	34,860,573	50%	77,800,610
<b>Expenses</b>						
Salaries	14,365,693	15,439,012	14,306,965	13,727,617	4%	14,100,726
Employee Benefits	6,866,418	6,999,362	6,954,857	6,315,355	10%	5,671,236
Registry	1,388,264	1,584,782	1,601,302	1,362,325	18%	1,737,099
Medical Fees	1,762,437	1,761,883	1,616,857	1,758,815	(8%)	1,024,845
Other Professional Fees	1,377,941	1,524,381	1,502,196	1,841,877	(18.4%)	1,713,174
Supplies	4,591,410	4,614,646	4,169,141	5,253,870	(21%)	4,356,120
Purchased Services	1,825,083	2,079,292	1,899,919	1,855,621	2%	1,904,140
Other Expenses	1,407,758	1,634,186	1,407,853	1,531,116	(8%)	1,177,538
Operating Expenses	33,585,005	35,637,545	33,459,092	33,646,597	(1%)	31,684,877
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 5,767,843	\$ 5,355,745	\$ 18,858,787	\$ 1,213,976	1,453%	\$ 46,115,733
EBIDA Margin	15%	13%	36%	3%	935%	59%
Interest	220,039	202,776	183,420	342,117	(46%)	94,469
Depreciation	489,161	480,743	496,173	501,636	(1%)	562,825
Amortization	264,295	256,258	256,257	218,282	17%	76,688
Total Expenses	34,558,499	36,577,321	34,394,943	34,708,631	(0.9%)	32,418,858
<b>Operating Gain (Loss)</b>	\$ 4,794,348	\$ 4,415,969	\$ 17,922,936	\$ 151,942	2,806%	\$ 45,381,752
<b>Operating Margin</b>	12.2%	10.8%	34.3%	0.44%	2,372%	58%
<b>Less: FY20 Graduate Management Education (GME) Revenue</b>			(5,754,027)			
<b>Less: Year-End True-Up for Various Indigent Programs</b>			(10,856,575)			
<b>Adjusted EBIDA for June 2020</b>			\$ 2,248,186			
<b>Adjusted Operating Gain (Loss) for June 2020</b>			\$ 1,312,334			

## Year-to-Date: Revenue & Expense

June 30, 2020

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
<b>Gross Patient Revenue</b>	\$ 909,219,190	\$ 883,174,665	3%	\$ 849,791,859	7%
Contractual Deductions	(685,350,084)	(662,874,456)	3%	(645,050,176)	6%
<b>Net Revenue</b>	223,869,106	220,300,209	2%	204,741,683	
Indigent Funding	188,325,019	144,622,907	30%	203,870,465	(8%)
Correctional Medicine	33,588,642	33,324,816	1%	29,745,146	13%
County Contribution	3,422,531	3,419,409	0.09%	3,422,532	(0%)
Incentive Funding	2,225,060	4,000,000	(44%)	6,064,060	(63%)
<b>Net Patient Revenue</b>	451,430,358	405,667,341	11%	447,843,888	1%
Gain/(Loss) on Health-Related Entity	0		0	(1,454,296)	0%
Other Operating Revenue	19,527,240	15,365,754	27%	14,984,519	30%
Other Non-Operating Revenue	133,150	226,729	(41%)	410,040	(68%)
<b>Total Revenue</b>	471,090,749	421,259,825	12%	461,784,150	2%
<b>Expenses</b>					
Salaries	176,853,117	165,956,447	7%	161,398,606	10%
Employee Benefits	81,105,046	76,504,855	6%	73,175,362	11%
Registry	19,276,639	16,688,074	16%	19,475,499	(1.0%)
Medical Fees	20,450,061	21,302,477	(4%)	20,382,125	0%
Other Professional Fees	17,484,326	21,724,725	(20%)	20,913,741	(16%)
Supplies	61,206,496	63,914,728	(4.2%)	60,751,612	1%
Purchased Services	23,435,907	22,638,580	4%	22,871,786	2%
Other Expenses	18,138,517	18,678,618	(3%)	17,451,821	4%
Operating Expenses	417,950,110	407,408,505	3%	396,420,553	5%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 53,140,639	\$ 13,851,320	283.7%	\$ 65,363,596	(19%)
EBIDA Margin	11%	3%	243%	14%	(20%)
Interest	2,666,182	4,105,399	(35%)	2,884,863	(8%)
Depreciation	5,911,297	6,793,078	(13%)	6,215,962	(5%)
Amortization	2,369,891	1,987,785	19%	897,543	164%
Total Expenses	428,897,478	420,294,766	2%	406,418,921	6%
<b>Operating Gain (Loss)</b>	\$ 42,193,271	\$ 965,058	4272%	\$ 55,365,229	(24%)
<b>Operating Margin</b>	9%	0.2%	3810%	12%	(25%)
Less: FY18 Medi-Cal Enhanced Payment Program (EPP) Revenue	(1,166,512)				
Less: FY19 Rate Range IGT Revenue	(2,665,404)				
Less: FY20 Graduate Management Education (GME) Revenue	(12,126,374)				
Less: HHS COVID-19 Stimulus Revenue	(4,094,873)				
Less: Year-End True-Up for Various Indigent Programs	(10,856,575)				
<b>Adjusted EBIDA Year-to-Date for June 2020</b>	\$ 22,230,902				
<b>Adjusted Operating Gain (Loss) Year-to-Date for June 2020</b>	\$ 11,283,533				

**KERN MEDICAL  
BALANCE SHEET**

	<b>JUNE 2020</b>	<b>JUNE 2019</b>
<b>ASSETS:</b>		
<i><b>Total Cash</b></i>	<b>\$ 30,245,328</b>	<b>\$ 47,675,581</b>
Patient Receivables Subtotal	271,430,580	180,133,380
Contractual Subtotal	(212,300,057)	(139,309,327)
<i><b>Net Patient Receivable</b></i>	<b>59,130,522</b>	<b>40,824,053</b>
Total Indigent Receivable	134,657,236	101,287,001
Total Other Receivable	5,320,692	10,531,981
Total Prepaid Expenses	3,297,972	4,467,061
Total Inventory	5,813,373	5,587,862
<i><b>Total Current Assets</b></i>	<b>238,465,123</b>	<b>210,373,540</b>
Deferred Outflows of Resources	85,573,671	83,544,619
Investments Deposited with Trustee	0	931,830
Total Land, Equipment, Buildings and Intangibles	194,512,598	159,796,682
Total Construction in Progress	16,455,503	34,296,803
<i><b>Total Property, Plant &amp; Equipment</b></i>	<b>210,968,101</b>	<b>194,093,484</b>
Total Accumulated Depr & Amortization	(115,672,717)	(107,415,199)
<i><b>Net Property, Plant, and Equipment</b></i>	<b>95,295,384</b>	<b>86,678,286</b>
<i><b>Total Long Term Assets</b></i>	<b>85,573,671</b>	<b>84,476,449</b>
<i><b>Total Assets</b></i>	<b>\$ 419,334,178</b>	<b>\$ 381,528,274</b>

**KERN MEDICAL  
BALANCE SHEET**

	<b>JUNE 2020</b>	<b>JUNE 2019</b>
<b>LIABILITIES &amp; EQUITY:</b>		
Total Accounts Payable	\$ 25,155,232	\$ 25,547,331
Total Accrued Compensation	27,024,713	28,741,880
Total Due Government Agencies	34,181,465	39,832,026
Total Other Accrued Liabilities	63,996,043	50,932,704
 <b><i>Total Current Liabilities</i></b>	 <b>150,357,452</b>	 <b>145,053,941</b>
 Unfunded Pension Liability	 307,234,709	 293,255,458
Other Long-Term Liabilities	103,115,962	126,985,955
<b><i>Total Long-Term Liabilities</i></b>	<b>410,350,671</b>	<b>420,241,413</b>
 <b><i>Total Liabilities</i></b>	 <b>560,708,123</b>	 <b>565,295,354</b>
<hr/>		
Fund Balance	36,913,884	36,714,021
Retained Earnings	(178,287,830)	(220,481,101)
<b><i>Total Fund Balance</i></b>	<b>(141,373,946)</b>	<b>(183,767,079)</b>
<hr/>		
<b><i>Total Liabilities and Fund Balance</i></b>	<b>\$ 419,334,178</b>	<b>\$ 381,528,274</b>
<hr/>		



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

August 19, 2020

**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.

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

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on August 19, 2020, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on August 19, 2020, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

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

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on August 19, 2020, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X   CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-19-103529 TSC –

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

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on August 19, 2020, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

  X   Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on August 19, 2020, to consider:

- X   CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives:  
Vice President & General Counsel Karen S. Barnes and designated staff – Unrepresented  
Employee: Chief Executive Officer (Government Code Section 54957.6)