



## **AGENDA**

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

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

Regular Meeting  
Wednesday, October 21, 2020

11:30 A.M.

#### **BOARD TO RECONVENE**

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

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

STAFF RECOMMENDATION SHOWN IN CAPS



PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

RECOGNITION

- 3) Virtual tour of Kern Medical Center –  
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on September 16, 2020 –  
APPROVE

CA

- 5) Proposed Resolution establishing regular meeting dates of the Kern County Hospital Authority Board of Governors for calendar year 2021 –  
APPROVE; ADOPT RESOLUTION

CA

- 6) Proposed retroactive Amendment No. 10 to Agreement 1324502 with Vantage Technology Consulting Group, an independent contractor, for construction management services related to the 4C Nurse Call System Upgrade Project, increasing the maximum payable by \$41,943, from \$444,408 to \$486,351, to cover the additional services, effective October 2, 2020 –  
MAKE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT AMOUNT

CA

- 7) Proposed retroactive GHX Credentialing, Contracting, and Compliance Form with Global Healthcare Exchange, LLC, an independent contractor, containing non-standard terms and condition, for purchase of a subscription to the Vendormate Credentialing software to provide verification of vendor credentials, for a term of three years at no cost, effective July 1, 2019 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amended and Restated Engagement Letter 024-2020 with Moss Adams, LLP, an independent contractor, for financial auditing services for fiscal year ending June 30, 2020, incorporating the United States Department of Health and Human Services requirement of a Single Audit for recipients of the Provider Relief Fund associated with the fiscal year of receipt, in an additional amount not to exceed \$25,000 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Agreement with Naheedy and Zarandy Medical Group, Inc., an independent contractor, for professional medical services in the Department of Radiology from November 1, 2020 through October 31, 2022, in an amount not to exceed \$800,000 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Agreement with Tri M. Ngo, M.D., a contract employee, for professional medical services in the Department of Radiology from November 21, 2020 through November 20, 2023, in an amount not to exceed \$1,900,000 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Amendment No. 3 to Agreement 078-2018 with Ray A Morgan Company, an independent contractor, for lease and maintenance of printers and facsimile machines for the period October 21, 2020 through November 30, 2023, for the exchange of equipment at no additional cost – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 12) Kern County Hospital Authority financial report –  
RECEIVE AND FILE

- 13) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVE AND FILE

CA

- 14) Claims and Lawsuits Filed as of September 30, 2020 –  
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 15) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 16) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 17) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –
- 18) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Isaac Salas, a minor, by and through his Guardian ad Litem v. Kern County Hospital Authority dba Kern Medical, et al., Kern County Superior Court Case No. BCV-20-100675 TSC –
- 19) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Farzin Tayefeh, M.D., et al. v. County of Kern, et al., Kern County Superior Court, Case No. BCV-15-100647 TSC –
- 20) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, NOVEMBER 18, 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.

- 14) CLAIMS AND LAWSUITS FILED AS OF SEPTEMBER 30, 2020 –  
RECEIVE AND FILE
- A) Claim in the matter of Francisco Bracamontes
  - B) Claim in the matter of Donna Fletcher
  - C) Claim in the matter of Darren Carter
  - D) Claim in the matter of Kamalneel Singh, NP-C



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

October 21, 2020

**Subject:** Virtual Tour of Kern Medical Center

**Recommended Action:** Make Presentation

**Summary:**

This video was created for medical students who are interviewing with Kern Medical Residency Programs. In lieu of being able to come to our facility and take a tour in person, medical students can now view this video virtually and learn about Kern Medical.

# Virtual Tour of Kern Medical

- <https://vimeo.com/466426248/882be908d0>



## SUMMARY OF PROCEEDINGS

### KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting  
Wednesday, September 16, 2020

11:30 A.M.

#### BOARD RECONVENED

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

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.

#### NON-AGENDA ITEM

MOTION TO CONSIDER NON-AGENDA ITEM NO. 20: MADE FINDING THAT THE NEED TO TAKE ACTION ON A NON-AGENDA MATTER OCCURRED AFTER THE AGENDA WAS POSTED ON SEPTEMBER 11, 2020. ON FRIDAY, SEPTEMBER 11, 2020, AFTER THE AGENDA WAS POSTED, GENERAL COUNSEL FOR THE KERN COUNTY HOSPITAL AUTHORITY RECEIVED AN UPDATE REGARDING AN ONGOING MATTER RELATED TO ANTICIPATED LITIGATION THAT REQUIRES THE IMMEDIATE ATTENTION OF THE BOARD OF GOVERNORS PRIOR TO THE BOARD'S NEXT REGULAR MEETING ON OCTOBER 21, 2020. ACCORDINGLY, SEPTEMBER 16, 2020 IS THE LAST DAY FOR THE BOARD OF GOVERNORS TO BE UPDATED ON THE MATTER IN CLOSED SESSION. DUE TO THE IMPACT ON OPERATIONAL ISSUES AND THE ECONOMIC CONSEQUENCES OF FAILING TO ACT ON THE UPDATE, IT IS NECESSARY THAT COUNSEL AND STAFF CONFER WITH THE BOARD OF GOVERNORS IN CLOSED SESSION PRIOR TO THE OCTOBER REGULAR MEETING

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

NOTE: CHIEF EXECUTIVE OFFICER RUSSELL V. JUDD AND EMPLOYEES OF MERIDIAN HEALTHCARE PARTNERS, INC. JOINED THE MEETING AT 11:57 A.M., AFTER THE MOTION AND VOTE ON THE NON-AGENDA ITEM AND CONSENT AGENDA

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 BERJIS REPORTED ON THE VISIT OF DR. JEROME ADAMS, THE UNITED STATES SURGEON GENERAL, TO KERN MEDICAL CENTER ON SEPTEMBER 14, 2020**

**CHAIRMAN BIGLER REPORTED ON THE SURGEON GENERAL'S UPCOMING CALL TO ACTION TO ADDRESS HYPERTENSION AND MATERNAL HEALTH ISSUES**

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing Christina Sistrunk for her service on the Kern County Hospital Authority Board of Governors –  
**MADE PRESENTATION**

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on August 19, 2020 –  
**APPROVED**  
**McLaughlin-Sistrunk: 5 Ayes; 2 Absent - Alsop, Brar**

CA

- 5) Proposed Change Order No. 1 to Agreement 034-2020 with Lee Construction, Inc., an independent contractor, for construction services related to the fluoroscopy machine installation, increasing the maximum payable by \$11,210, from \$451,742 to \$462,951, to cover the cost of additional services –

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 041-2020; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT AMOUNT

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

CA

- 6) Proposed Agreement with Fowrooz S. Joolhar, M.D., a contract employee, for professional medical services in the Department of Medicine for the period September 30, 2020 through September 29, 2023, in an amount not to exceed \$1,845,000 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 042-2020

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

CA

- 7) Proposed Service Agreement and Addendum with OEC Medical Systems, Inc., a GE Healthcare Business, an independent contractor, containing non-standard terms and conditions, for purchase of extended warranty maintenance and glass coverage for the X-ray tube for the OEC C-arm from September 16, 2020 through September 15, 2027, in an amount not to exceed \$81,144 –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 043-2020

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

CA

- 8) Proposed Amendment No. 1 to Agreement 014-2019 with Meridian Healthcare Partners, Inc., an independent contractor, for Chief Executive Officer and healthcare management services for the period December 16, 2018 through December 15, 2025, revising the contractor staff requirements, and adding a new maximum payable of \$10,387,536 for the two-year period from December 16, 2020 through December 15, 2022 –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 044-2020

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

CA

- 9) Proposed Amendment No. 9 to Agreement 947-2008 with Toyon Associates, Inc., an independent contractor, for third-party reimbursement services for the period October 14, 2008 through October 13, 2022, extending the term for two years from October 14, 2020 through October 13, 2022, incorporating changes to the scope of work and hourly rates, and increasing the maximum payable by \$950,000, from \$3,340,000 to \$4,290,000, to cover the extended term –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 045-2020

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

CA

- 10) Proposed retroactive Engagement Letter to Agreement 2017-025 with Strata Decision Technology LLC, an independent contractor, for the period March 16, 2017 through March 15, 2022, for purchase of StrataJazz software consulting services, effective August 17, 2020, and increasing the maximum payable by \$95,580, from \$2,257,169 to \$2,353,019, to cover the cost of the purchased services –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 046-2020

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

- 11) Public hearing regarding proposed closure of the gynecologic oncology clinic located at 2011 19th Street, Bakersfield, and consolidation of gynecologic oncology services to 9300 Stockdale Highway, Suite 100, Bakersfield –  
OPENED HEARING; NO PUBLIC COMMENT; CLOSED HEARING; APPROVED CLOSURE OF GYNECOLOGIC ONCOLOGY CLINIC LOCATED AT 2011 19TH STREET, BAKERSFIELD; DIRECTED STAFF TO CONSOLIDATE GYNECOLOGIC ONCOLOGY SERVICES AT 9300 STOCKDALE HIGHWAY, SUITE 100, BAKERSFIELD  
**Pelz-Sistrunk: 5 Ayes; 2 Absent - Alsop, Brar**

NOTE: DIRECTOR ALSOP JOINED THE MEETING AFTER THE VOTE AN AGENDA ITEM 11 AND BEFORE THE VOTE ON AGENDA ITEM 12

- 12) Review of Board of Governors vacant position selection process –  
RECEIVED AND FILED  
**Pelz-Berjis: 6 Ayes; 1 Absent - Brar**

NOTE: DIRECTOR BRAR JOINED THE MEETING AFTER THE VOTE AN AGENDA ITEM 12 AND BEFORE THE VOTE ON AGENDA ITEM 13

- 13) Kern County Hospital Authority Financial report –  
RECEIVED AND FILED  
**Sistrunk-McLaughlin; 7 Ayes**
- 14) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED  
**Pelz-McLaughlin: 7 Ayes**

- CA  
15) Claims and Lawsuits Filed as of August 31, 2020 –  
RECEIVED AND FILED  
**McLaughlin-Sistrunk: 5 Ayes; 2 Absent - Alsop, Brar**

- CA  
16) Miscellaneous Correspondence –  
RECEIVED AND FILED  
**McLaughlin-Sistrunk: 5 Ayes; 2 Absent - Alsop, Brar**

ADJOURNED TO CLOSED SESSION  
**McLaughlin-Berjis**

CLOSED SESSION

- 17) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 18) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW

- 19) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Kern County Hospital Authority, a public entity, and successor in interest to the County of Kern v. The United States of America, et al., United States District Court, Eastern District of California Case No. 1:19-cv-00474-DAD-JLT – SEE RESULTS BELOW
- 20) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
(Government Code Section 54956.9 (d)(4).) Number of cases: One (1) Based on existing facts and circumstances, the Board of Governors has decided to initiate or is deciding whether to initiate litigation – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

**McLaughlin-Pelz**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 17 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE (MOTION BY DIRECTOR SISTRUNK, SECOND BY DIRECTOR PELZ); THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 18 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. 19 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Kern County Hospital Authority, a public entity, and successor in interest to the County of Kern v. The United States of America, et al., United States District Court, Eastern District of California Case No. 1:19-cv-00474-DAD-JLT – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 20 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9 (d)(4).) Number of cases: One (1)  
Based on existing facts and circumstances, the Board of Governors has decided to initiate or is deciding whether to initiate litigation – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, OCTOBER 21, 2020, AT 11:30 A.M.

**Sistrunk**

/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**

October 21, 2020

**SUBJECT:** Establish Regular Meeting Dates of the Kern County Hospital Authority Board of Governors for Calendar Year 2021

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

The conduct of your Board is subject to the provisions of the Brown Act (Gov. Code, § 54950 et seq.). The Brown Act requires that your Board shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings.

Therefore, it is recommended that your Board establish its schedule of regular meetings for calendar year 2021 in compliance with the Brown Act by adopting the attached Resolution.

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

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In the matter of:

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

**ESTABLISHING THE REGULAR  
MEETING DATES OF THE KERN  
COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS FOR  
CALENDAR YEAR 2021**

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I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 21st day of October, 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

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Mona A. Allen

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**RESOLUTION**

Section 1. WHEREAS:

(a) The Brown Act (Gov. Code, § 54954, subd. (a)) requires that the legislative body of a local agency shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings; and

(b) Section 2.170.060 of the Ordinance Code of the County of Kern (“Ordinance”) provides for a governing body, which shall be known as the Kern County Hospital Authority Board of Governors (“Board of Governors”); and

(c) Section 2.170.030 of the Ordinance provides that the Brown Act shall apply to the Kern County Hospital Authority; and

(d) The Board of Governors desires to establish its schedule of regular meetings for calendar year 2021 in compliance with the Brown Act.

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. Except as provided in paragraph 4 of this Resolution, the calendar year 2021 regular meetings of the Board of Governors shall be held as follows:

Wednesday, January 20, 2021	Regular Meeting
Wednesday, February 17, 2021	Regular Meeting
Wednesday, March 17, 2021	Regular Meeting
Wednesday, April 21, 2021	Regular Meeting
Wednesday, May 19, 2021	Regular Meeting
Wednesday, June 16, 2021	Regular Meeting
Wednesday, July 14, 2021	Regular Meeting
Wednesday, August 18, 2021	Regular Meeting
Wednesday, September 15, 2021	Regular Meeting
Wednesday, October 20, 2021	Regular Meeting
Wednesday, November 17, 2021	Regular Meeting
Wednesday, December 15, 2021	Regular Meeting

3. All meetings shall be held at Kern Medical Center, which is located at 1700 Mount Vernon Avenue, Bakersfield, California 93306. All meetings shall commence at the hour of 11:30 a.m., unless a different time is posted by the Authority Board Coordinator. Meetings so commenced may be continued from time to time until the disposition of all business before the Board of Governors.

4. Regular meetings shall be canceled or rescheduled whenever the Board of Governors unanimously finds good cause otherwise exists for cancellation, rescheduling, or scheduling of a regular meeting.

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

Members, Board of Governors  
Kern Medical Center  
Legal Services Department  
County Administrative Office  
Clerk of the Board of Supervisors



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

October 21, 2020

**Subject:** Proposed Retroactive Amendment No. 10 to Agreement 1324502 with Vantage Technology Consulting Group

**Recommended Action:** Make finding project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines; Approve; Authorize Chief Executive Officer to sign; Authorize Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total contract amount

**Summary:**

Kern Medical requests your Board approve the proposed retroactive Amendment No. 10 to the Engineering Services Agreement with Vantage Technology Consulting Group (“Vantage”), the licensed information technology (IT) designer for the Pediatrics Fourth Floor C Wing Relocation project to be completed at Kern Medical. This Amendment will compensate the Consultant for design and construction administration for the IT and Nurse Call systems for the project.

This project, in general, consists of a remodel of the fourth floor C Wing North to include the construction of a playroom, nurse station, one patient isolation and anti-room, a remodel of seven patient rooms and private restrooms, a tub room, a new treatment room, clean/dirty rooms, and new storeroom. A new nurse call system and IT upgrades are also planned for this space.

On December 19, 2012, the County of Kern executed the original Engineering Services Agreement with Vantage for the design and administration of the Information Technology systems throughout the hospital to include construction of the new IDF/MDF closets at Kern Medical. Between September 2013 and April 2016, the County issued five (5) Amendments to design the Emergency power project and Nurse Call systems for 4D, 4C and 3C, at Kern Medical.

On June 21, 2016, the Engineering Services Agreement was assigned to the Kern County Hospital Authority. Between August 2016 and October 2017, your Board executed Amendment Nos. 6 through 9, for design of the 2C Nurse Call System, Emergency Power at B Wing and to provide construction administration services.

This Amendment No. 10 increases the maximum payable by \$41,943 from \$444,408.19 to \$486,351.19 to cover the extended project costs described above, effective October 2, 2020.

Therefore, it is recommended that your Board make finding project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines; authorize Chief Executive Officer to sign; authorize Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total contract amount.

**AMENDMENT NO. 10  
TO AGREEMENT FOR ENGINEERING SERVICES  
(Kern County Hospital Authority – Vantage Technology Consulting Group)**

THIS AMENDMENT No. 10 to the Agreement for Engineering Services is entered into this 2<sup>nd</sup> day of October 2020 (“Effective Date”), by and between the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (“KCHA”), with its principle location at 1700 Mount Vernon Avenue, Bakersfield, California 93306, and Vantage Technology Consulting Group (“Consultant”), with its principle place of business located at 201 Continental Boulevard, Suite 120, El Segundo, California 90245.

**RECITALS:**

- A. KCHA and Consultant have entered into an Agreement for Engineering Services (Kern County Agt. # 1324502, dated December 19, 2012), Amendment Nos. 1 through 9, and the Assignment of Agreement (Kern County Agt. # 757-2016, dated June 21, 2016) (“Agreement”), to provide engineering services; and
- B. The Agreement is set to expire upon project completion; and
- C. KCHA requires additional services from the Consultant and Consultant has agreed to provide such additional services; and
- D. The Parties agree to amend certain terms and conditions of the Agreement; and
- E. The Agreement is amended effective October 2, 2020.

**AMENDMENT:**

**NOW, THEREFORE**, in consideration of the above recitals and the mutual covenants and conditions hereinafter set forth, the Parties hereto agree to amend the Agreement as follows (check those applicable):

     **Term.** The Agreement shall be extended from \_\_\_\_\_ to \_\_\_\_\_, unless sooner terminated as provided for in this Agreement.

  X   **Fees** payable by KCHA under the Agreement shall increase from \$444,408.19 to \$486,351.19

     **Travel Expenses** payable by KCHA under the Agreement shall increase from XX to XX

  X   **Services.** See Exhibit A-10, which is attached hereto and incorporated herein, for additional Services.

     **Other.** \_\_\_\_\_

**Defined Terms.** All terms not otherwise defined herein shall have the same meaning as set forth in the Agreement.

**Effect of Amendment.** Except to the extent expressly provided in this Amendment, all terms, provisions, and conditions of the Agreement remain unchanged and in full force and effect. To the extent any conflict arises between the terms, provisions, and conditions of this Amendment and the Agreement, the terms of this Amendment will control. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** the duly authorized representatives of the parties hereto have executed this Amendment as of the last date of signature below.

**Vantage Technology Consulting Group**

**Kern County Hospital Authority**

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

\_\_\_\_\_  
Russell V. Judd

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

Chief Executive Officer

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

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

APPROVED AS TO CONTENT:  
Kern Medical Center

\_\_\_\_\_  
Scott Thygerson  
President of Hospital and Clinic Operations

APPROVED AS TO FORM:  
Kern County Hospital Authority

\_\_\_\_\_  
Jamie A. Mason  
Hospital Counsel

## EXHIBIT A-10



Vantage Technology Consulting Group

201 CONTINENTAL BOULEVARD, SUITE 120 • EL SEGUNDO, CALIFORNIA 90245  
310 536 7676 • FAX 310 536 7677 • WWW.VANTAGETCG.COM

September 2, 2020

Nanette Crawford  
Special Projects Manager  
Kern Medical  
Construction Division of Engineering  
1700 Mount Vernon Ave  
Bakersfield, CA 93306

**Kern Medical**  
**4C Wing Nurse Call System Upgrade Project**  
**Proposal for Construction Admin Services to 4C Wing Nurse Call Upgrade Project**

Dear Nanette,

Vantage Technology Consulting Group (“Vantage”) is pleased to provide Kern Medical with this proposal for additional services to the existing Technology Consulting Services contract for the upgrade of 4C Wing Nurse Call system at Kern Medical.

### **Scope of Work**

Kern Medical has requested assistance with Construction Administration services to 4C Wing nurse call upgrade project.

Vantage’s scope of work will include the following:

- Issue OSHPD ACD with the following changes to currently approved OSHPD drawings.
  1. Reduce number of patient stations from (2) to (1) in all patient rooms.
  2. Relocate TV outlets from ceiling to wall. TV locations in patient room to be provided by KSA Architects.
  3. Add data outlets to patient rooms and structured cabling specification. New data outlet locations in patient rooms to be provided by Kern Medical IS.
- Review and comment on nurse call system submittal, samples, and associated documents
- Review and comment RFIs and assist with resolution of site issues.
- Attend construction meetings via Zoom/Microsoft Team.
- Attend (2) site meetings to inspect installation of nurse call infrastructure and system.

- Provide Punch-list
- Provide sign-off on testing and warranty on conclusion of the project.

### Construction Admin Fees

Vantage's fee for this work will be a Time and Material spent basis with maximum Not to Exceed (NTE) amount as described below:

<i>Item</i>	<i>Fee</i>
OSHPD ACD-Design Changes	\$6,201
Construction Admin	\$30,742
<b>TOTAL</b>	<b>\$36,943</b>

The NTE fee amount above is based on twelve months construction administration duration starting from the date of nurse call system submittal from the Hill-Rom. See attached 2020 hourly rates for Vantage staff.

Fees will be invoiced monthly based on the level of completion of the work. Payment will be due net thirty (30) days.

### Assumptions

1. The work will be led by Chris Lee. Other Vantage staff will be available as needed, but Chris will be the primary contact for this project.
2. This Scope is an additional service for the existing NC design contract between Vantage and Kern Medical.

Nanette, we are excited about the opportunity to work with you and the Hospital on this interesting project and hope that this proposal meets your requirements. Please do not hesitate to contact me if you any questions or comments regarding this proposal.

Sincerely,

*<Phil Crompton>*

Phil Crompton, PE RCDD  
Principal  
for Vantage Technology Consulting Group



VANTAGE TECHNOLOGY CONSULTING GROUP  
Schedule of Hourly Rates 2020

Staff Title	Hourly Rate
Principal, Strategic Consulting	\$318.00
Principal, Design & Engineering	\$285.00
Vice President	\$312.00
Associate Principal	\$250.00
Associate Vice President	\$307.00
Associate	\$240.00
Senior Strategic Consultant	\$302.00
Senior Consultant, Design & Engineering	\$225.00
Strategic Consultant	\$260.00
Consultant, Design & Engineering	\$195.00
Lead Engineer	\$185.00
Engineer, Graphics, Revit, CAD	\$177.00
Analyst, Writer	\$140.00
Designer	\$95.00
Support Staff	\$90.00

Hourly rates are reviewed annually in January and are subject to adjustment at that time.



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

October 21, 2020

**Subject:** Proposed Retroactive GHX Credentialing, Contracting, and Compliance Order Form with Global Healthcare Exchange, LLC to provide verification of proper credentials of vendor entities

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

**Summary:**

Kern Medical requests your Board retroactively approve the proposed GHX Credentialing, Contracting, and Compliance Order Form with Global Healthcare Exchange, LLC for a three (3) year subscription for the continued use of software required for vendor credentialing, contracting, and compliance.

The Vendormate Credentialing Subscription screens and tracks Kern Medical's vendors and individual representatives to help meet Kern Medical goals and legal requirements for privacy/security regulations, Federal/State sanctions, regulatory compliance, safety, and facility access. The Subscription provides customized facility access procedures and allows Kern Medical to maintain all credentialing documentation in one centralized, online location with on-demand access for improved quality and audit preparedness.

The term of the agreement is for three years and was effective July 1, 2019. The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to the inability to terminate the Agreement without cause.

Therefore, and considering the included non-standard terms, it is recommended that your Board approve the proposed retroactive GHX Credentialing, Contracting, and Compliance Order Form with Global Healthcare Exchange, LLC to provide the use of the Vendormate Credentialing Subscription at no cost for a three (3) year term and authorize the Chairman to sign.



Offer Valid Through: July 31, 2020  
 Quote Number: Q-00045723

## GHX Credentialing, Contracting and Compliance Order Form

**Bill To:** Kern County Hospital Authority  
 1700 Mount Vernon Ave.  
 Bakersfield, CA 93306

**Billing Contact:** Han Nguyen  
 Accounts Payable  
 661-862-4133

**Service Type:**

Renewal

**Service Description:** See the applicable Services Schedule located at <http://ghx.com/credentialing/> (each a "Services Schedule") for a description of the Services selected in the Billing Details.

**Service Term:** Three years from 7/1/2019 (the "Initial Term"). Thereafter, the Service will renew under identical terms for additional one-year terms after expiration of the Initial Term (each "Renewal Term" and together with the Initial Term, shall be referred to as the "Term") until terminated by either Party upon 60 days written notice prior to the end of the then current Term. Fees in the Service Details are for 12 months of Service. This Order Form and the Terms and Conditions constitute the entire agreement

**Billing Details:**

Service Type	Service Requested	Fee	Affiliates	# Of Licensed Beds	Invoice Milestone	Invoice Cycle
Vendormate Credentialing-Subscription	Renewal	\$ 0	1	222	7/1/2019 and each anniversary	Annual
<b>Total Due on Effective Date</b>		<b>\$ 0</b>				

**General**

Upon execution by Customer below and receipt by GHX, this Order Form shall become legally binding (the "Effective Date") and governed by the GHX Terms and Conditions located at <http://ghx.com/credentialing/>. This Order Form and the Terms and Conditions constitute the entire agreement between the parties and supersedes all prior agreements, oral or written, between the parties with respect to the subject matter hereof. GHX may reject this Order Form if: (1) the signatory below does not have the authority to bind Customer to this Order Form, (2) changes have been made to this Order Form (other than completion of the purchase order information and the signature block), or (3) the requested purchase order information or signature is incomplete or does not match our records or the rest of this Order Form.

Customer represents and warrants that: (i) it is duly authorized to purchase Services for itself and any affiliates listed on the attached Affiliate List ("Affiliates"); and (ii) Customer and its Affiliates will comply with the Terms and Conditions in accessing and using the Services.

All amounts due GHX are payable in full within 30 days from date of invoice ("Due Date"). Invoice amounts not paid on or before the Due Date shall bear interest at the rate of 1.0% per month or the highest lawful rate, whichever is lower. Customer will pay all sales, use, service, and similar taxes levied or based on the Service fees other than taxes based on or measured by GHX's income, revenues, employees, or corporate existence. Customer will be billed for GHX's reasonable out-of-pocket expenses (including transportation, accommodations and meals) for travel or other related expenses reasonably required by GHX to perform the Services. Fees for the Services, if applicable, will automatically increase 5% from prior year's fee each year during the Initial Service Term. These fee adjustments are in addition to any fee metric, transaction based or other fee adjustments provided for in a Services Schedule.



Offer Valid Through: July 31, 2020  
Quote Number: Q-00045723

**Customer/User:**

**Purchase Order Information**

Signature: \_\_\_\_\_  
Name: Russell Bigler  
Title: Chairman, Board of Governors  
Date: October 21, 2020

If you require a Purchase Order (PO) for purchase or payment related to this Order Form, please complete the following:

PO Number: \_\_\_\_\_ PO Amount: \_\_\_\_\_

**If unable to complete via DocuSign**, please return the signed Order Form to GHX Customer Contracts:

Via mail to: Global Healthcare Exchange, LLC, Attn: Customer Contracts, 1315 W. Century Drive, Suite 100, Louisville, CO 80027;  
or

Via e-mail to: [customercontracts@ghx.com](mailto:customercontracts@ghx.com)

**REVIEWED ONLY  
NOT APPROVED AS TO FORM**

By   
Legal Services Department



Offer Valid Through: July 31, 2020  
Quote Number: Q-00045723

### AFFILIATE LIST

This exhibit lists You and Your Affiliates, which are eligible to utilize and that You have elected to utilize the Service. "Affiliate" means controls, is controlled by, or is under common control with Customer. Control means holding, directly or indirectly, 50% or more of the outstanding voting securities, or having the power to designate a majority of directors or similar functions.

CUSTOMER/AFFILIATE NAME	ADDRESS
CUSTOMER:	
Kern Medical Center (Customer)	1830 Flower St. Bakersfield California 93305



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

October 21, 2020

**Subject:** Proposed Amendment to Engagement Letter 024-2020 with Moss Adams, LLP

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

**Summary:**

Kern Medical requests your Board approve the proposed amended Engagement Letter with Moss Adams, LLP, for financial auditing services for fiscal year ending June 30, 2020.

The purpose of the amended Engagement Letter is to incorporate the United States Department of Health and Human Services requirement of a Single Audit for recipients of the Provider Relief Fund (i.e., federal awards) associated with the fiscal year of receipt. The Single Audit is due within nine months after the fiscal year end of June 30, 2020, to be completed by March 2021. There will be an additional one-time audit fee estimated not to exceed \$25,000 related to the required Single Audit associated with the receipt and expenditure of federal awards.

Therefore, it is recommended that your Board approve the amended Engagement Letter with Moss Adams, LLP, and authorize the Chairman to sign.



T (310) 477-0450  
F (310) 477-0590

10960 Wilshire Boulevard  
Suite 1100  
Los Angeles, CA 90024

September 21, 2020

Russell E. Bigler, Chairman, Board of Directors  
Andy Cantu, Chief Financial Officer  
Kern County Hospital Authority  
1700 Mount Vernon Avenue  
Bakersfield, CA 93306-4018

Re: Audit and Nonattest Services

Dear Chairman Bigler:

Thank you for the opportunity to provide services to Kern County Hospital Authority, a local unit of government and a subdivision of the state of California, which owns and operates Kern Medical Center ("Kern Medical"). This engagement letter ("Engagement Letter") and the attached Agreement for Professional Services between Moss Adams LLP and Kern County Hospital Authority, effective August 17, 2018 ("PSA"), which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to Kern County Hospital Authority ("you," "your," and "Company") and amends and restates our previous engagement letter, dated May 18, 2020.

### **Scope of Services – Audit**

You have requested that we audit the Company's financial statements, which comprise the statement of net position as of June 30, 2020, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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

- 1) Management's Discussion and Analysis
- 2) Schedule of the proportionate share of OPEB liability for Kern Medical
- 3) Schedule of the proportionate share of net pension liability for Kern Medical
- 4) Schedule of Contributions for Kern Medical

**We will also report on whether the schedule of expenditures of federal awards, presented as supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole. Scope of Services and Limitations – Nonattest**

We will provide the Company with the following nonattest services:

- Assist you in drafting the financial statements and related footnotes as of and for the year ended June 30, 2020. Although we will assist in drafting the financial statements and related footnotes, our fee estimate included in this engagement letter is based on management providing a substantially complete working draft of the financial statements and required footnotes. Should you request additional assistance, we can discuss the additional fees that may be required prior to commencing additional work.
- Assist you in drafting the auditee section of the OMB Data Collection Form for the year ended June 30, 2020.

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

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

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

**Timing**

Stelian Damu is responsible for supervising the engagement and authorizing the signing of the report. We expect to be on-site the weeks of August 17, 2020 and August 24, 2020 for planning, interim, and the start of final test work, and again starting the week of October 26, 2020 to continue our final fieldwork. We expect to issue our report no later than December 31, 2020. As we reach the conclusion of the audit, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

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

## Fees

We have agreed to the following payment schedule for the services based on a total fee estimate of \$140,000 - \$150,000.

Month Due	Amount
July 2020	\$ 35,000
September 2020	35,000
October 2020	35,000
November 2020	35,000 – 45,000
<b>Total</b>	<b>\$140,000 – \$150,000</b>

Additionally, there will be a one-time audit fee, estimated as \$15,000, for the June 30, 2020 audit, related to incremental control testing required due to the revenue system implementation that occurred during the fiscal year.

Additionally, there will be a one-time audit fee, estimated as \$15,000 - \$25,000, for the June 30, 2020 audit, related to the required Single Audit associated with the receipt of and expenditure of federal awards.

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals/entertainment expenses will be billed separately and are not included in the 5% charge, and will be reimbursed in accordance with the terms set forth in the PSA.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Company's records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments, and/or untimely assistance will result in an increase of our fees.

## Reporting

We will issue a written report upon completion of our audit of the Company's financial statements. Our report will be addressed to the Board of Governors of the Company. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2020.

At the conclusion of the engagement, we will complete the auditor section of the Data Collection Form and electronically sign the Data Collection Form that summarizes our findings. We will provide electronic copies of our reports to you; however, it is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan, as applicable) along with the Data Collection Form to the Federal Audit Clearinghouse. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period. At the conclusion of the engagement, we will make arrangements with management regarding Data Collection Form submission procedures.

## Objectives of the Audit

The objective of our audit is the expression of an opinion on the financial statements. The objective also includes reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.
- Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the audit requirements contained in OMB Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance).

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

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the audit provisions of the OMB Uniform Guidance. It will include tests of your accounting records, a determination of major program(s) in accordance with the OMB Uniform Guidance, and other procedures we consider necessary to enable us to express an opinion on the financial statements and to render the required reports. If our opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

### **Procedures and Limitations**

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

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or

employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, we will not provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and the audit provisions of the OMB Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program.

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

#### **Procedures and Limitations—Internal Control**

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinions on the Company's financial statements and on its compliance with requirements applicable to major federal programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with the provisions of laws, regulations, contract and grant agreements and other noncompliance matters that have a direct and material effect on the financial statements.

An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control and accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. However, if, during the audit, we become aware of any matters involving internal control or its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, we will communicate them in writing to management and those charged with governance. We will also identify if we consider any significant deficiency, or combination of significant deficiencies, to be a material weakness.

As required by the audit provisions of the OMB Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the OMB Uniform Guidance.

#### **Procedures and Limitations—Compliance**

Our audit will be conducted in accordance with the standards referred to in the section titled "Objectives of the Audit." As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform tests of the Company's compliance with the provisions of laws, regulations, contracts, and grant agreements that may have a direct and material effect on the financial statements. However, the objective of those procedures will not be

to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The audit provisions of the OMB Uniform Guidance require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program. Our procedures will consist of the applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major federal programs. The purpose of those procedures will be to express an opinion on the Company's compliance with requirements applicable to each of its major federal programs in our report on compliance issued pursuant to the OMB Uniform Guidance.

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

### **Management's Responsibility**

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

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

Management is responsible for establishing and maintaining internal control over compliance with the provisions of laws, regulations, contracts, grant agreements, and the terms and conditions of federal awards, and for identifying and ensuring that you comply with such provisions. Management is also responsible for informing us of any significant contractor relationships in which the contractor is responsible for program compliance. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and

noncompliance with the provisions of laws, regulations, contracts, grant agreements, and the terms and conditions of federal awards or abuse that we may report. Additionally, as required by the OMB Uniform Guidance, it is your responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

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

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

### **Management's Responsibility for Supplementary Information**

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

### **Dissemination of Financial Statements**

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

### **Offering of Securities**

This Agreement does not contemplate Moss Adams providing any services in connection with the offering of securities, whether registered or exempt from registration, and Moss Adams will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering

document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that Moss Adams will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

### **Changes in Professional or Accounting Standards**

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

### **Representations of Management**

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

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

### **Use of Moss Adams' Name**

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

### **Use of Nonlicensed Personnel**

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

### **Hiring of Employees**

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

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

Very truly yours,



Stelian Damu, for  
Moss Adams LLP

Enclosures  
SD/ep

**Accepted and Agreed:**

This Engagement Letter and the attached PSA set forth the entire understanding of Kern County Hospital Authority with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: \_\_\_\_\_

Print Name:  Russell E. Bigler

Title:  Chairman, Board of Governors

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

Client: #636216  
v. 2/18/2019



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

October 21, 2020

**Subject:** Proposed Agreement for Professional Services with Naheedy and Zarandy Medical Group, Inc.

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

**Summary:**

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

Naheedy and Zarandy Medical Group, Inc., has provided radiology services at Kern Medical since June of 2009. Kern Medical continues to require the services of Naheedy and Zarandy Medical Group, Inc., and both parties have agreed to the terms of the two-year agreement. Dr. Naheedy's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided by Dr. Naheedy's.

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Naheedy and Zarandy Medical Group, Inc. for professional medical services in the Department of Radiology, from November 1, 2020 through October 31, 2022, in an amount not to exceed \$800,000 over the two-year term of this Agreement.

**AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Naheedy and Zarandy Medical Group, Inc.)**

This Agreement for Professional Services (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Naheedy and Zarandy Medical Group, Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 49 Goleta Point Drive, Corona Del Mar, California 92625.

**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 Radiology (the “Department”); and

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

(d) Authority requires the assistance of Contractor to provide professional medical services to patients of 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

(e) 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.** Performance by Contractor and Authority shall commence on November 1, 2020 (the “Effective Date”), and shall end October 31, 2022, unless earlier terminated pursuant to other provisions of this Agreement.

## 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, Mohammad Hossain Naheedy, 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, be board certified or eligible for certification by the American Board of Radiology in diagnostic radiology-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 diagnostic radiology experience, (ii) a background to include 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. Mohammad Hossain Naheedy, 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 Reading Station Equipment. Authority shall furnish for the use of Contractor such reading station equipment (“Equipment”), as is deemed necessary by KMC in order for Contractor to perform the services set forth in this Agreement at Contractor’s office space located at 49 Goleta Point Drive, Corona Del Mar, California. Contractor shall not relocate the Equipment without the prior written approval of KMC. 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. Contractor shall be responsible for installation and maintenance of any required connection to operate the Equipment. Contractor shall arrange with Authority’s assigned primary contact to return the Equipment to KMC upon termination or expiration of this Agreement.

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

4.1.2 Emergency Night Shift Coverage. Authority shall pay Contractor a per diem rate of \$2,000 per day for emergency night shift coverage (i.e., not a scheduled shift).

4.1.3 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 and Group Physicians under this Agreement.

4.1.4 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.

4.1.5 Payment All-inclusive. The compensation paid to Contractor is inclusive of accommodations, mileage reimbursement, car rental, meals, and incidental expenses.

4.2 Maximum Payable. The maximum payable under this Agreement shall not exceed \$800,000 over the two-year term of this Agreement.

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.

4.4 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.

4.5 Professional Fee Billing. KMC shall have the exclusive right to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Contractor to KMC patients during the term of this Agreement. All professional fees generated by Contractor for services rendered to KMC patients at KMC or a KMC location during the term of this Agreement, including both cash collections and accounts receivable, will be the sole and exclusive property of KMC, whether received by KMC or by Contractor and whether received during the term of this Agreement or anytime thereafter. Contractor hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

4.6 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 or transfer this Agreement or its obligations hereunder, or any part thereof. 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 Contractor, in its 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 and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

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 amendment(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 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 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.

15.4 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.

15.5 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:

Naheedy and Zarandy Medical Group, Inc.  
49 Goleta Point Drive  
Corona Del Mar, California 92625  
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 30 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.

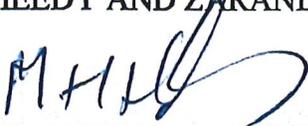
38. **Time of Essence.** Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision hereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

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.

NAHEEDY AND ZARANDY MEDICAL GROUP, INC.

By   
Mohammad Hossain Naheedy, M.D.  
Its President

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

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

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
Vice President & General Counsel  
Kern County Hospital Authority

Agreement.Naheedy.100120

**EXHIBIT “A”**  
**DESCRIPTION OF SERVICES**  
**NAHEEDY AND ZARANDY MEDICAL GROUP, INC.**

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

1. Contractor shall provide radiology services on-site at KMC or remotely from an office located 49 Goleta Point Drive, Corona Del Mar, California, and in accordance with generally accepted professional standards. Contractor will provide professional services for all patients who present to KMC for treatment.
2. Contractor shall perform such administrative and teaching duties and responsibilities, as mutually agreed upon between Contractor and the Department chair.
3. Contractor shall provide shift coverage Monday through Friday in eight (8) hour or ten (10) hour shifts, as assigned by the Department chair.
4. Contractor shall provide shift coverage on Saturday and Sunday in eight (8) hour or ten (10) hour shifts or until the work is completed, as assigned by the Department chair.
5. Contractor shall provide mutually agreed upon call coverage weekday nights from 6:00 p.m. to 8:00 a.m. and Saturday and Sunday, as assigned by the Department chair. Contractor agrees to carry a pager when on call and respond to KMC within 30 minutes of being called. If assigned call coverage, Contractor will cover one weekend in three. If assigned call coverage, Contractor will cover one in three holidays and no fewer than four per year.
6. Contractor shall provide coverage an average of 15 shifts per months.
7. Contractor shall actively participate in assigned hospital and Department committees.
8. Contractor shall hold Group Physicians accountable for timely completion of medical records and work to improve the quality, accuracy, and completeness of their documentation.

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

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

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

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

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

7. Documentation:

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

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

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

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

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

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

October 21, 2020

**Subject:** Proposed Agreement for Professional Services with Tri M. Ngo, M.D.

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

**Summary:**

Kern Medical requests your Board approve an Agreement for Professional Services with Tri M. Ngo, M.D., a contract employee, for professional medical services in the Department of Radiology. Dr. Ngo has provided radiology services at Kern Medical since May of 2019 as an independent contractor.

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

Therefore, it is recommended that your Board approve the Agreement for Professional Services with Tri M. Ngo, M.D., for professional medical services in the Department of Radiology, from November 21, 2020 through November 20, 2023, in an amount not to exceed \$1,900,000 over the three-year term of this Agreement.

**AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Tri M. Ngo, M.D.)**

This Agreement 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 Tri M. Ngo, M.D. (“Physician”).

**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 requires the assistance of Physician to provide professional medical services in the Department of Radiology at KMC (the “Department”), as such services are unavailable from Authority resources, and Physician desires to accept employment on the terms and conditions set forth in this Agreement; and

(c) Physician has special training, knowledge and experience to provide such services; and

(d) Authority currently contracts with Physician as an independent contractor for the provision of professional medical services in the Department (Agt. #17719, dated May 15, 2019), for the period May 1, 2019 through April 30, 2021; and

(e) Each party expressly understands and agrees that Agt. #17719 is superseded by this Agreement as of the Commencement Date;

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 initial term of this Agreement (“Initial Term”) shall be for a period of three (3) years, commencing as of November 21, 2020 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

2. **Employment.** Authority hereby employs Physician for the practice of medicine in the care and treatment of patients at KMC, or at such other clinic sites as KMC may designate (collectively referred to as the “Practice Sites”). It is expressly understood and agreed that KMC shall have reasonable discretion to consolidate and relocate clinics operated by Authority and to re-designate Practice Sites served by Physician from time to time. Physician shall be subject to Authority’s employment policies, directives, rules and regulations as promulgated by Authority from time to time, including, but not limited to, those pertaining to employees.

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician’s license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician’s medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person<sup>1</sup>; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

4.1 **Services.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit “A,” attached hereto and incorporated herein by this reference.

4.2 **Use of Premises.** Physician shall use the Practice Sites as designated by Authority or KMC exclusively for the practice of medicine in the care and treatment of patients and shall comply with all applicable federal, state, and local laws, rules and regulations related thereto.

4.3 **Qualifications.**

4.3.1 **Licensure.** Physician shall maintain a current valid license to practice medicine in the state of California at all times during the Term of this Agreement.

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<sup>1</sup> An “Ineligible Person” is an individual or entity who: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or non-procurement programs; or (ii) has been convicted of a criminal offense that falls within the range of activities described in 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

4.3.2 Board Certification. Physician shall be board certified by the American Board of Radiology in diagnostic radiology-general and maintain such certification at all times during the Term of this Agreement.

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

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

4.4 Loss or Limitation. Physician shall notify KMC in writing as soon as possible (but in any event within three (3) business days) after any of the following events occur: (i) Physician’s license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (ii) Physician’s medical staff privileges at KMC or any other health care facility are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (iii) Physician’s Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (iv) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (v) Physician becomes the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; or (vi) an event occurs that substantially interrupts all or a portion of Physician’s professional practice or that materially adversely affects Physician’s ability to perform Physician’s obligations hereunder.

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC medical staff bylaws, rules, regulations, and policies, the standards for physicians 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.

4.6 Managed Care Contracting. Physician shall 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 KMC to participate in any third-party payer arrangements, Physician shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a “Managed Care Organization”) designated by 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.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC and its agents any information requested by KMC or its agents from time to time relating to Physician's professional qualifications or competency. Physician agrees to execute the Authorization to Release Information in the form set forth in Exhibit "B," attached hereto and incorporated herein by this reference, and to execute all other documents required by KMC from time to time and to otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. 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 Physician shall 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. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that he shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine or provide similar services to other organizations, directly or indirectly, during the Term of this Agreement or any extensions thereof.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician's activities, Physician, through the nature of his work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law, Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician's own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner, officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with KMC, including the operation of any medical practice or offering of any medical services that are similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

## 5. Compensation Package.

5.1 Annual Compensation. Physician shall work full time, which is a minimum of 80 hours per biweekly pay period, and will be compensated with cash and other value as described below in this paragraph 5.1 ("Annual Salary").

5.1.1 Annual Salary. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$495,000 per year, to be paid as follows: Physician shall be paid \$19,038.46 biweekly not to exceed \$495,000 annually. Physician understands and agrees that (i) the annual salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a median level (50th percentile) of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the term of this Agreement.

5.1.2 Biweekly Payment. Physician shall be paid biweekly on the same schedule as regular Authority employees. The exact date of said biweekly payments shall be at the sole discretion of Authority. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.1.3 Fair Market Value Compensation. The compensation provided under section 5.1 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement.

## 5.2 Additional Shifts.

5.2.1 Weekday Coverage. Authority shall pay Physician for additional shifts as follows: Physician shall be paid a fixed fee in the amount of \$1,700 for every weekday shift (Monday-Friday) that exceeds 20 eight-hour shifts per month or 16 10-hour shifts per month.

5.2.2 Weekend Coverage. Authority shall pay Physician for additional shifts as follows: Physician shall be paid a fixed fee in the amount of \$1,900 for every weekend shift (Saturday and Sunday) that exceeds 20 eight-hour shifts per month or 16 10-hour shifts per month.

5.2.3 Taxes. All payments made by Authority to Physician for additional shifts shall be subject to all applicable federal and state taxes and withholding requirements.

5.3 Starting Bonus.

5.3.1 Bonus. Physician shall receive a starting bonus in the amount of \$15,000, less all applicable federal and state taxes and withholdings, payable within 10 business days of the Commencement Date. Physician shall forfeit the starting bonus if he fails to report to work on the Commencement Date.

5.3.2 Repayment. In the event that Physician voluntarily terminates his employment with Authority for any reason whatsoever before the first anniversary of this Agreement, Physician will repay to Authority an amount equal to \$15,000 multiplied by the fraction, the numerator of which is 365 less the number of days during which Physician was employed by Authority, and the denominator of which is 365. Such repayment shall be made by Physician in full within 30 days of the effective date of his termination of employment with Authority.

5.3.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to Physician for any amounts in respect of the obligation to repay the starting bonus.

5.4 Retention Bonus.

5.4.1 Bonus. Physician shall be paid an annual retention bonus in the amount of \$10,000, less all applicable federal and state taxes and withholdings, payable within 30 days of the end of each Employment Year. If the conditions for Physician to receive the retention bonus are met, the retention bonus would become payable to Physician on November 21, 2021, and each November 21 thereafter.

5.4.2 Repayment. In the event that Physician voluntarily terminates his employment with Authority for any reason whatsoever during an Employment Year in which a retention bonus is paid, Physician will repay to Authority an amount equal to \$10,000 multiplied by the fraction, the numerator of which is 365 less the number of days during which Physician was employed by Authority, and the denominator of which is 365. Such repayment shall be made by Physician in full within 30 days of the effective date of his termination of employment with Authority.

5.4.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to Physician for any amounts in respect of the obligation to repay the retention bonus.

## 5.5 Professional Fee Billing.

5.5.1 Assignment. KMC shall have the exclusive right and authority to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Physician during the Term of this Agreement. All professional fees generated by Physician during the Term of this Agreement, including without limitation, both cash collections and accounts receivable, capitated risk pool fees, professional retainer fees, honoraria, professional consulting and teaching fees, and fees for expert testimony (but excluding Physician's private investment and nonprofessional income), will be the sole and exclusive property of KMC, whether received by KMC or by Physician and whether received during the Term of this Agreement or anytime thereafter. Physician hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

5.5.2 Remittance of Professional Fee Charges. Physician shall remit all professional fee charges to KMC within 45 days of the date direct patient care services are provided by Physician. Any professional fee charges not remitted by Physician to KMC within 45 days of the date of such service, or any charges for which relevant documentation has not been provided, will not be credited to Physician as Worked RVU.

5.6 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,900,000 over the three-year Initial Term of this Agreement.

## 6. Benefits Package.

6.1 Retirement. Physician shall participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is 20% of the current biweekly premium. Physician is eligible for coverage the first day of the biweekly payroll period coincident with or next following the day he completes one (1) month of continuous service. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least 40 hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall be entitled to vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Kern\$Flex. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician and the Department chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan (“457 Plan”) on a pre-tax basis. Physician shall make all contributions if he elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Relocation Reimbursement. Authority shall reimburse Physician for actual relocation expenses (defined as the packing, moving and unpacking of household goods and vehicles) and travel expenses (defined as lodging, meals, mileage and incidental expenses) associated in moving to Bakersfield, California, in an amount not to exceed \$7,500, payable in arrears, in accordance with Authority policy. Reimbursement of travel expenses will include per mile reimbursement for one (1) personal vehicle at the current privately owned vehicle (POV) mileage reimbursement rate established by the U.S. General Services Administration, meals and incidental expenses for Physician only at the current domestic per diem rates established by the U.S. General Services Administration for Kern County, and reasonable hotel accommodations not to exceed the maximum allowable reimbursement rate including taxes established by Authority. Physician shall be deemed vested in reimbursement of relocation expenses in the amount of \$208.34 per month beginning on the last day of the month in which the relocation expenses are reimbursed to Physician. In the event Physician’s employment is terminated by either party, with or without cause, then, on the effective date of such termination, Physician shall repay to Authority all amounts received in which Physician has not yet become vested.<sup>1</sup>

6.16 Limitation on Benefits. Except as expressly stated herein, Physician shall receive no other benefits from Authority.

7. Assignment. Physician shall not assign or transfer this Agreement or his obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.

8. Assistance in Litigation. Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.

9. Authority to Incur Financial Obligation. It is understood that Physician, in his performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

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<sup>1</sup> By way of example only, in the event Physician terminates his employment after 12-months then Physician will be vested to the extent of \$2,500 in the relocation expenses described herein and will be obligated to repay Authority the amount of \$5,000. **In the event Physician fails to pay such amount to Authority, Physician expressly grants to Authority the right to offset any amounts owed to Authority against any payments made to Physician by Authority.**

10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.

12. **Compliance with Law.** Physician 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.

13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that he receives in the course of his employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.

14. **Conflict of Interest.** Physician covenants that he has no interest and that he will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of his services hereunder. 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.

15. **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.

16. **Dispute Resolution.** In the event of any dispute involving the enforcement or interpretation of this Agreement or any of the rights or obligations arising hereunder, the parties shall first attempt to resolve their differences by mediation before a mediator of their mutual selection. If the parties are, after mutual good faith efforts, unable to resolve their differences by mediation, the dispute shall be submitted for trial before a privately compensated temporary judge appointed by the Kern County Superior Court pursuant to Article VI, section 21 of the California Constitution and Rules 3.810 through 3.830 of the California Rules of Court. All costs of any dispute resolution procedure shall be borne equally by the parties.

17. **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.

18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician 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 Practice Sites 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 Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

19. **Invalidity of a Portion.** Should a portion, section, paragraph, or term of this Agreement be construed as invalid by a court of competent jurisdiction, or a competent state or federal agency, the balance of the Agreement shall remain in full force and effect. Further, to the extent any term or portion of this Agreement is found invalid, void or inoperative, the parties agree that a court may construe the Agreement in such a manner as will carry into force and effect the intent appearing herein.

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

21. **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 Physician, 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. Physician shall be given 30 days' prior written notice in the event that Authority requires such an action.

22. **Nondiscrimination.** No party to this Agreement shall discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

23. **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 Physician. 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.

24. **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 Physician:

Tri M. Ngo, M.D.  
10321 Finchley Avenue  
Westminster, California 92683

Notice to Authority:

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

25. **Relationship.** Authority and Physician recognize that Physician is rendering specialized, professional services. The parties recognize that each is possessed of legal knowledge and skill, and that this Agreement is fully understood by the parties, and is the result of bargaining between the parties. Each party acknowledges their opportunity to fully and independently review and consider this Agreement and affirm complete understanding of the effect and operation of its terms prior to entering into the same.

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

27. **Sole Agreement.** This Agreement 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.

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than 90 days' prior written notice to the other party.

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events ("Event of Default"): (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program,

including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

29.1 **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 Physician after the effective date of the termination, and Physician shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

29.2 **Vacate Premises.** Upon expiration or earlier termination of this Agreement, Physician shall immediately vacate KMC, removing at such time any and all personal property of Physician. KMC may remove and store, at the expense of Physician, any personal property that Physician has not so removed.

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

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

30. **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.

PHYSICIAN

By: Tri M. Ngo  
Tri M. Ngo, M.D.

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

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

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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

**EXHIBIT “A”  
JOB DESCRIPTION  
Tri M. Ngo, M.D.**

**Position Description:** Reports to Chair, Department of Radiology; provides diagnostic radiology and special procedures with an emphasis on musculoskeletal imaging; works collaboratively with the Department manager to ensure efficient workflow and adequacy of support equipment.

**Essential Functions:**

1. Clinical Responsibilities

- Provides radiology services on-site at KMC and in accordance with generally accepted professional standards
- Provides professional services for all patients who present to KMC for treatment
- Participates in special procedures and in rotations in the various departmental image reading queues
- Provides weekday shift coverage, as assigned by the Department chair
- Provides weekend shift coverage, as assigned by the Department chair
- Provides call coverage weekday nights, as assigned by the Department chair
- Provides 24-hour weekend call coverage, as assigned by the Department chair
- Carry a pager when on call and respond to call within 10 minutes

2. Administrative Responsibilities

- Assists in clinical and administrative integration efforts across KMC as appropriate for the Department, assisting with proper program planning, physician recruitment, faculty development, resource allocation, analysis, communication and assessment
- Gathers data through best practices and collaborates with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
- Supports the Department Chair to develop monitoring tools to measure financial, access, quality and satisfaction outcomes
- Participates in the preparation, monitoring, review, and performance of clinical activity in the Department
- Participates in the quality improvement and risk management activities, including peer review and quality control functions, as assigned to services in the Department
- Completes medical records in a timely fashion and works to improve the quality, accuracy, and completeness of documentation
- Works collaboratively with other clinical departments to develop further a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
- Follows and complies with the Medical Staff bylaws, rules, regulations, and policies, Department rules, policies, and procedures, and Authority and KMC policies and procedures
- Attends department staff meetings and the annual Medical Staff meeting

- Attends and actively participates in Medical Staff and hospital committees, as assigned
- Participates in other clinical, academic, and administrative activities, as assigned by the Department Chair
- Participates in the training of residents and medical students, including the review of active and past case material, as required for patient care
- Participates in proficiency testing and performance improvement programs, as required
- Pursues optimized musculoskeletal imaging services, development of a comprehensive musculoskeletal imaging program, and works cooperatively with other physician specialties
- Participates in additional administrative responsibilities, as required

**Employment Standards:**

Completion of an accredited residency program in diagnostic radiology; one (1) year of post-residency experience in diagnostic radiology

AND

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

AND

Certification by the American Board of Radiology in diagnostic radiology-general

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

[Intentionally left blank]

**EXHIBIT "B"**  
**AUTHORIZATION TO RELEASE INFORMATION**

[See attached]

**AUTHORIZATION TO RELEASE INFORMATION**

I, the undersigned physician, hereby authorize Kern Medical Center (“KMC”) and its duly authorized representatives to obtain information from time to time about my professional education, training, licensure, credentials competence, ethics and character from any source having such information. This information may include, without limitation, peer review information, DRG and RVU analyses, ancillary usage information and other utilization and quality related data.

I hereby release the Kern County Hospital Authority and KMC, its authorized representatives and any third parties from any liability for actions, recommendations, statements, reports, records or disclosures, including privileged and confidential information, involving me that are made, requested, taken or received by KMC or its authorized representatives to, from or by any third parties in good faith and relating to or arising from my professional conduct, character and capabilities.

I agree that this authorization to release information shall remain effective until termination of my employment by the Kern County Hospital Authority and KMC. A duplicate of this authorization may be relied upon to the same degree as the original by any third party providing information pursuant to this request.



\_\_\_\_\_  
Physician

10/15/2020  
\_\_\_\_\_  
Date



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

October 21, 2020

**Subject:** Proposed Amendment No. 3 to Agreement 078-2018 with Ray A Morgan Company

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

**Summary:**

Kern Medical is requesting your Board approve the proposed Amendment No. 3 with Ray A Morgan Company to provide for an even exchange of specified equipment due to damaged equipment received upon arrival, a model exchange for compatibility, and to authorize a third-party lessor/secured party to make such changes. There are no costs associated with this exchange.

Kern Medical and Ray Morgan Company have entered into a State and Local Government Value Rental Lease Agreement (Customer Agt. #078-2018, dated November 14, 2018), Amendment No. 1 (Customer Agt. #10619, dated March 25, 2019), and Amendment No. 2 (Customer Agt. 011-2020, dated April 15, 2020) ("Agreement") allowing Kern Medical to secure and manage print output.

During the initial printer deployment, there was a printer (IMC3500RS) that was damaged by the vendor and replaced at no charge. Under Amendment 2, there were thirty-six additional printers added to the Agreement. Seven of the thirty-six printers (SPC360SFNW-RS) were not compatible with the Nuance client software and those were exchanged with a Nuance compatible model (IMC300F-RS) at no additional charge. The serial numbers must be changed in the documentation with the third-party lessor/secured party and the third-party lessor/secured party requires approval by your Board.

Therefore, it is recommended that your Board approve the Amendment No. 3 to State & Local Government Value Rental Lease Agreement with Ray A Morgan Company for the period of October 21, 2020 through November 30, 2023, at no additional cost, and authorize the Chairman to sign.

**AMENDMENT NO. 3 TO  
STATE & LOCAL GOVERNMENT VALUE RENTAL LEASE AGREEMENT  
(Kern County Hospital Authority – Ray A Morgan Company)**

This Amendment No. 3 to the State & Local Government Value Rental Lease Agreement (“Amendment No.3”) is entered into this 21<sup>st</sup> day of October, 2020, by and between Kern County Hospital Authority (“Customer”), a local unit of government which owns and operates Kern Medical Center and Ray A Morgan Company, a California Corporation Group, (“Owner”), with its principal place of business located at 3131 Esplanade, Chico, CA 95973.

**RECITALS**

A. Customer and Owner have heretofore entered into a State & Local Government Value Rental Lease Agreement (Customer Agt. #078-2018, dated November 14, 2018), Amendment No. 1 (Customer Agt.#10619, dated March 25, 2019), and Amendment No. 2 (Customer Agt.#011-2020, dated April 15, 2020) (“Agreement”), beginning on the 20<sup>th</sup> day of the month following the installation date and terminating 60 months later, to provide equipment and maintenance to support print output services for Customer, as such services are unavailable from Customer resources; and

B. The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

C. The Agreement is amended effective October 21, 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 follow:

1. EQUIPMENT EXCHANGE AMENDMENTS attached to Amendment No. 3, which is added to the Agreement and incorporated herein by this reference. The purpose of the Equipment Exchange Amendments is to evenly exchange equipment and authorize a third-party lessor/secured party to make such changes. The original equipment is listed in both Schedules A-1 and A-2 in the Agreement.

2. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 3 have the meaning set forth in the Agreement.

3. This Amendment No. 3 shall be governed by and construed in accordance with the laws of the state of California.

4. This Amendment No. 3 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. 3 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

RAY A MORGAN COMPANY

By \_\_\_\_\_  
Russell Bigler  
Chairman, Board of Governors

By  \_\_\_\_\_  
Clint Phillips  
Executive Vice President

APPROVED AS TO CONTENT:  
Kern Medical Center

By \_\_\_\_\_  
Reynaldo Lopez  
Chief Information Officer

APPROVED AS TO FORM:  
Legal Services Department

By  \_\_\_\_\_  
Hospital Counsel & Acting Compliance Officer



EQUIPMENT EXCHANGE AMENDMENT

EQUIPMENT FINANCE

AGREEMENT #
500-0573785-000

Amendment to Agreement # 500-0573785-000, dated 8/6/20, between Kern County Hospital Authority as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance") as Lessor/Secured Party.

The parties wish to amend the above-referenced Agreement as set forth below:

The following specified equipment is hereby REMOVED from the Agreement:

Table with 3 rows and 3 columns: Original Equipment, Description, Serial Number, Meter Read, Removal Date.

The following specified equipment ("Equipment") is hereby ADDED to the Agreement:

Table with 3 rows and 3 columns: Substituted Equipment, Description, Serial Number, Meter Read, Install Date.

together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

You hereby acknowledge and agree that the above exchange is an even exchange of equipment. The substituted Equipment listed above has been delivered satisfactorily and is irrevocably accepted.

By signing this Amendment, you acknowledge the above changes to the Agreement and authorized Lessor/Secured Party to make such changes. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remaining binding on the Customer.

U.S. Bank Equipment Finance
Lessor/Secured Party

Signature (handwritten)

Title: Executive VP, Date: 10/1/2020

Kern County Hospital Authority
Customer

X
Signature

Chairman, Board of Governors
Title, Date

NOTE: SIGNER OF THIS DOCUMENT MUST BE SAME AS ON THE AGREEMENT. A FACSIMILE OF THIS DOCUMENT WITH SIGNATURE SHALL BE CONSIDERED TO BE AN ORIGINAL. CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

Approved As To Form:
Kern County Hospital Authority



EQUIPMENT EXCHANGE AMENDMENT

EQUIPMENT FINANCE

AGREEMENT # 500-0573785-001

Amendment to Agreement # 500-0573785-001, dated 8/6/20, between Kern County Hospital Authority as Customer and U.S. Bank Equipment Finance, a division of U.S. Bank National Association ("U.S. Bank Equipment Finance") as Lessor/Secured Party.

The parties wish to amend the above-referenced Agreement as set forth below:

The following specified equipment is hereby REMOVED from the Agreement:

Table with 2 columns: Description, Serial Number, Meter Read, Removal Date. Row 1: QTY 7 - SPC360SFNW-RS, C790R100016, C790R100286, C790R100181, C790R100280, C790R100309, C790R100301, C790R100293.

The following specified equipment ("Equipment") is hereby ADDED to the Agreement:

Table with 2 columns: Description, Serial Number, Meter Read, Install Date. Row 1: QTY 7 - IMC300F-RS, 3920P201107, 3920P200734, 3920P200701, 3920P200689, 3920P200687, 3920P200735, 3920P200762.

together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

You hereby acknowledge and agree that the above exchange is an even exchange of equipment. The substituted Equipment listed above has been delivered satisfactorily and is irrevocably accepted.

By signing this Amendment, you acknowledge the above changes to the Agreement and authorized Lessor/Secured Party to make such changes. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remaining binding on the Customer.

U.S. Bank Equipment Finance Lessor/Secured Party

Kern County Hospital Authority Customer

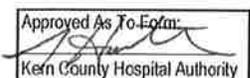
Signature [Handwritten Signature]

X Signature

Title Executive VP. Date 10/1/2020

Title Chairman, Board of Governors Date

NOTE: SIGNER OF THIS DOCUMENT MUST BE SAME AS ON THE AGREEMENT. A FACSIMILE OF THIS DOCUMENT WITH SIGNATURE SHALL BE CONSIDERED TO BE AN ORIGINAL. CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.





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

October 21, 2020

**Subject:** Kern County Hospital Authority Financial Report – August 2020

**Recommended Action:** Receive and File

**Summary:**

COVID-19 Impact on Kern Medical Operations:

- Average Daily Census of 147 for August is 10 more than the August budget of 137 and 18 more than the 129 average over the last three months
- Admissions of 682 for August are 128 less than the August budget of 810 and 36 less than the 718 average over the last three months
- Total Surgeries of 473 for August are 14 less than the August budget of 487 and 11 more than the 462 average over the last three months
- Clinic Visits of 13,179 for August are 742 less than the August budget of 13,921 and 601 more than the 12,578 average over the last three months

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.

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

**Key Performance Indicators:**

Kern Medical experienced an abnormally high number of trauma activations during the month of August. This corresponds with a higher than average census and higher than average length of stay per patient, even though admissions are low for the month. Trauma patients needing a relatively high acuity level of care typically have longer than average lengths of stay. Therefore, a high census level was maintained in August from patients already in-house, not because of a high admissions rate.

**Patient Revenue:**

Gross patient revenue has a favorable budget variance for August and on a year-to-date basis mainly because of strong average daily census levels. In addition, there has been an overall increase in revenue cycle efficiency since the implementation of the Cerner EHR.

**Other Non-Operating Revenue:**

Other non-operating revenue has a favorable budget variance for the month. The Families First Coronavirus Response Act was recently implemented by the federal government. The intent of the Act is to enhance Medicaid funding to reinforce efforts to control COVID-19 and to help provide care for patients infected with the virus. The act authorized a 6.2% increase in the Federal Medical Assistance Percentage (FMAP) rate. The FMAP increase resulted in an additional \$1,245,819 of PRIME Medi-Cal supplemental funding received in August. In addition, under the direction of our Moss Adams consultants, all COVID-19 related revenue should be classified as other non-operating revenue. Therefore, since the supplemental funding received as a result of the 6.2% FMAP increase is COVID-19 specific, it is classified as other non-operating revenue rather than included with indigent revenue derived from the regular Medi-Cal indigent programs.

**Salaries Expense:**

Salaries and benefits expenses are over budget for the month mainly because of an extremely busy month for the hospital and clinics with an average daily census of 147. There was also a Relative Value Units (RVUs) payout to physicians in August and a physician sign-on bonus payout.

**Supplies Expense:**

Supplies expenses are under budget for the month and year-to-date primarily because of lower than expected pharmaceutical expenses.

**Other Expenses:**

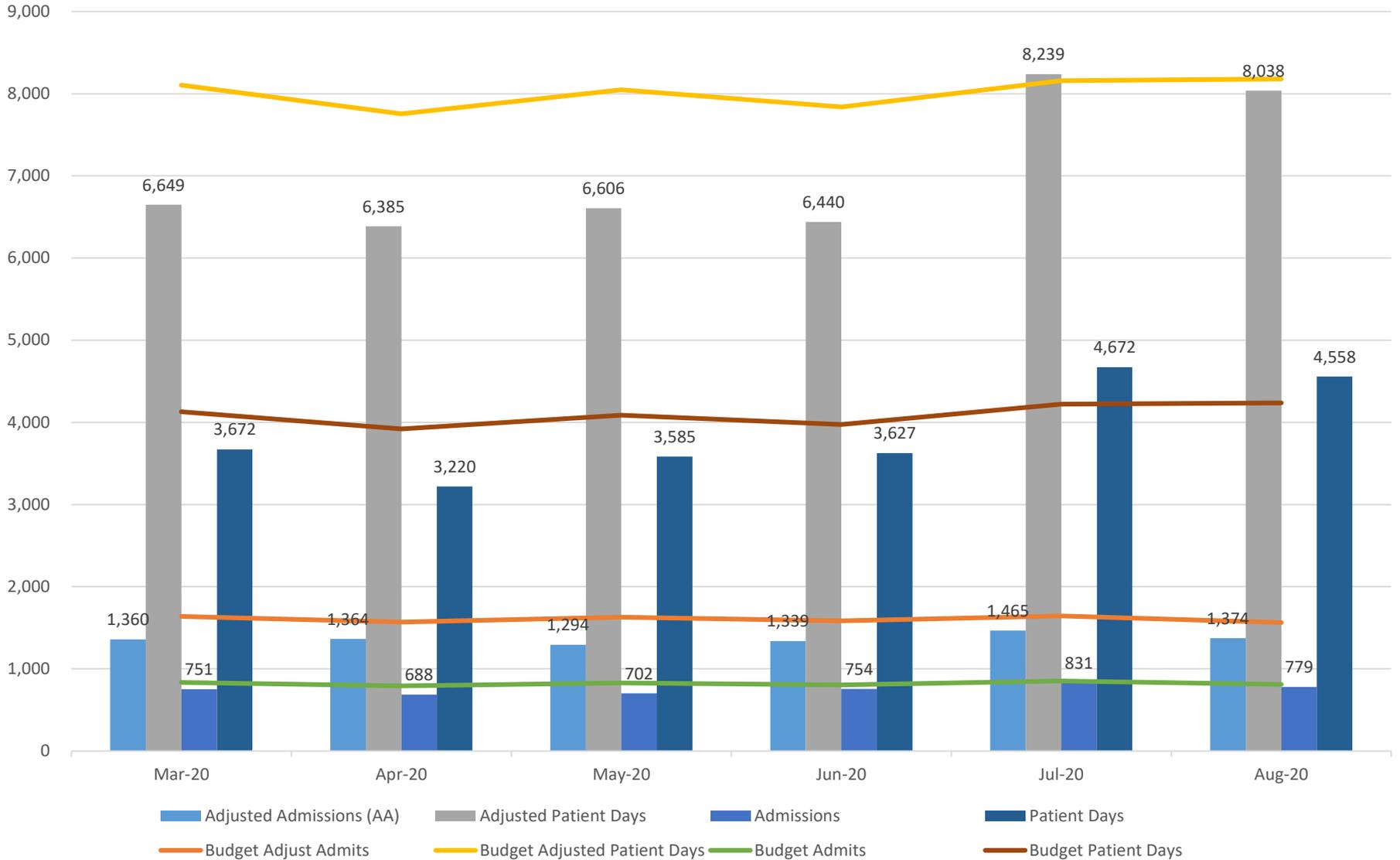
Other expenses are over budget for the month and on a year-to-date basis due to higher than average repairs and maintenance expenses. Utility expenses were also higher than average for the month, most likely due to warm weather.



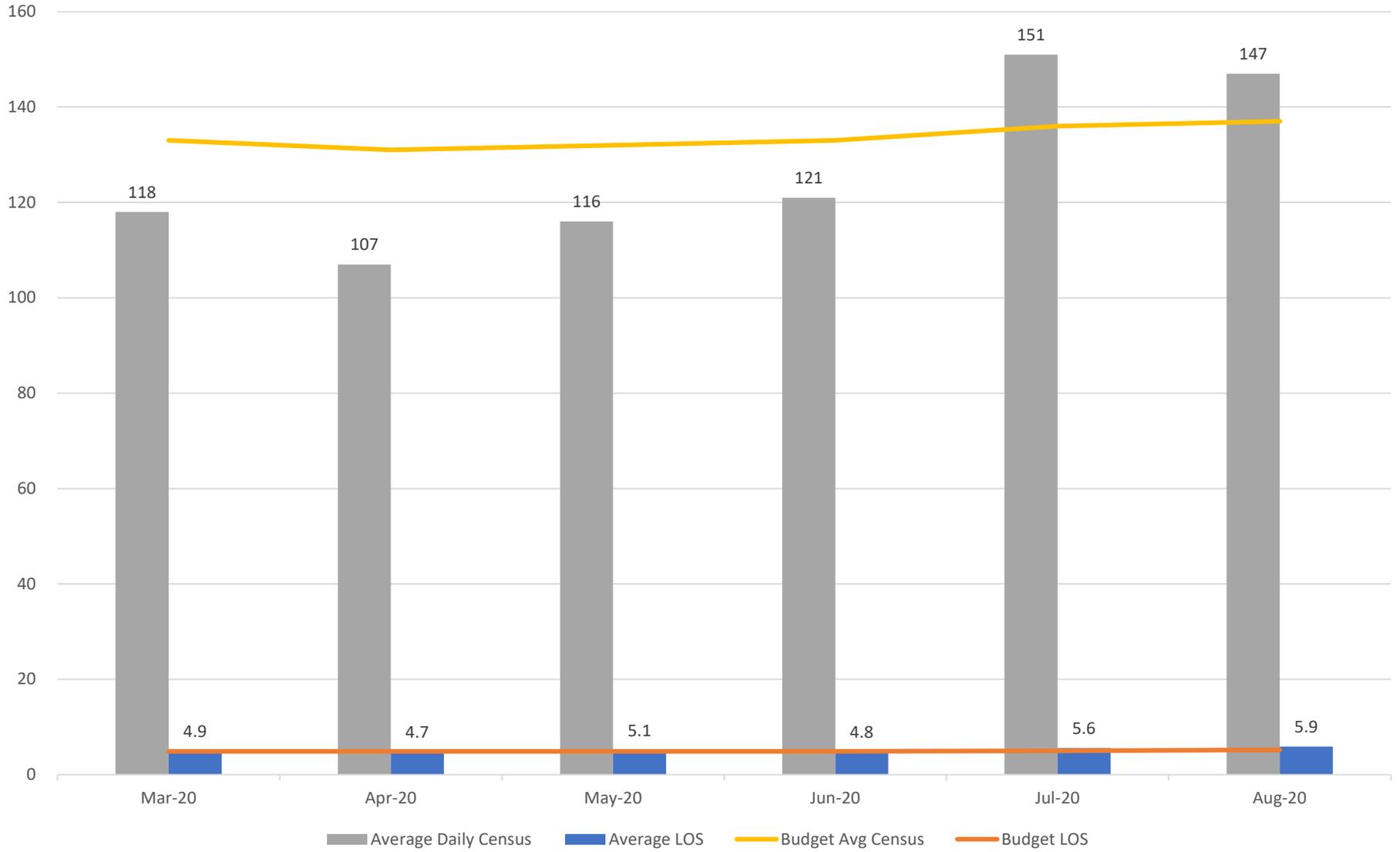
**BOARD OF GOVERNORS' REPORT  
KERN MEDICAL – AUGUST 2020**

October 2020

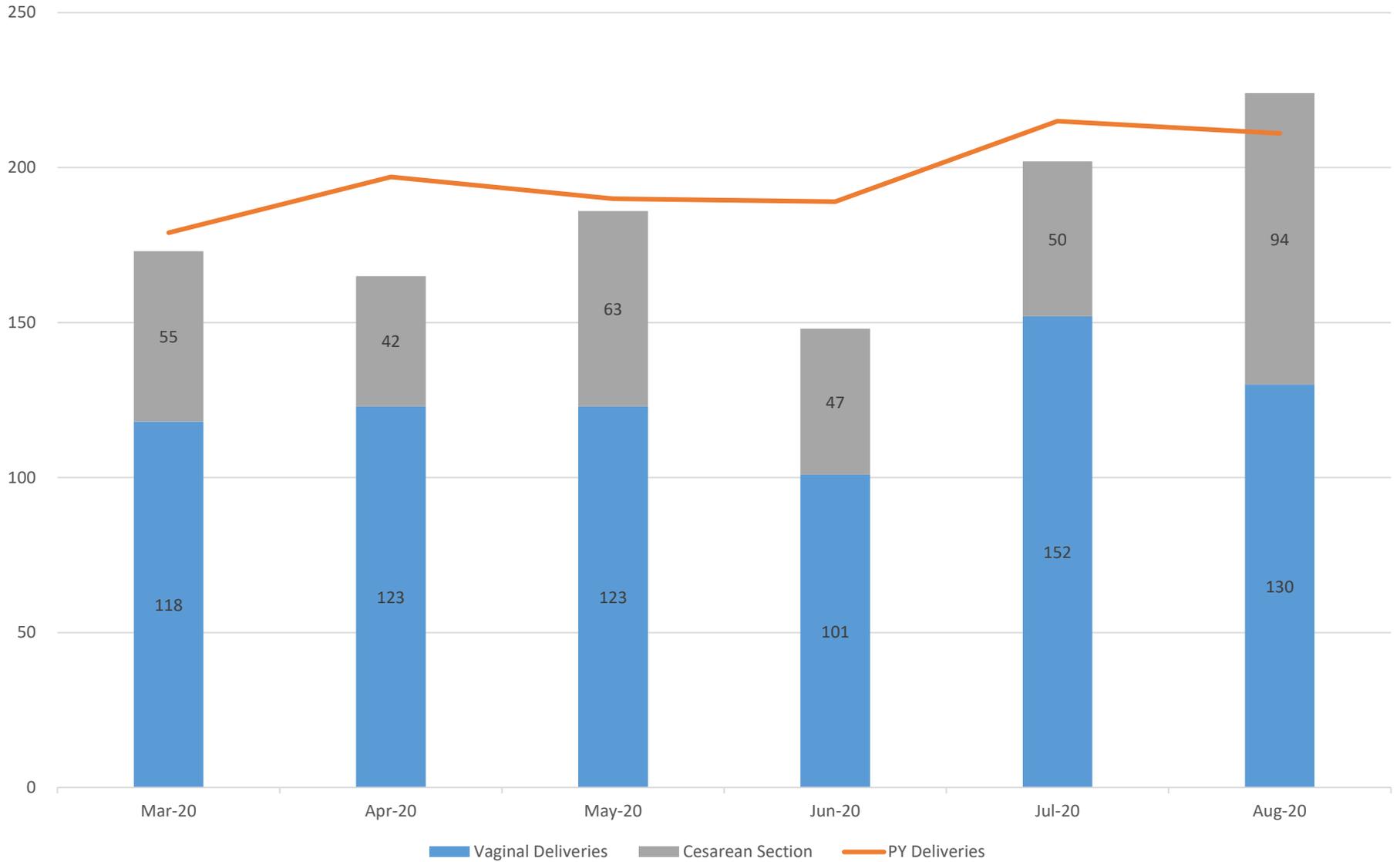
# Hospital Volumes



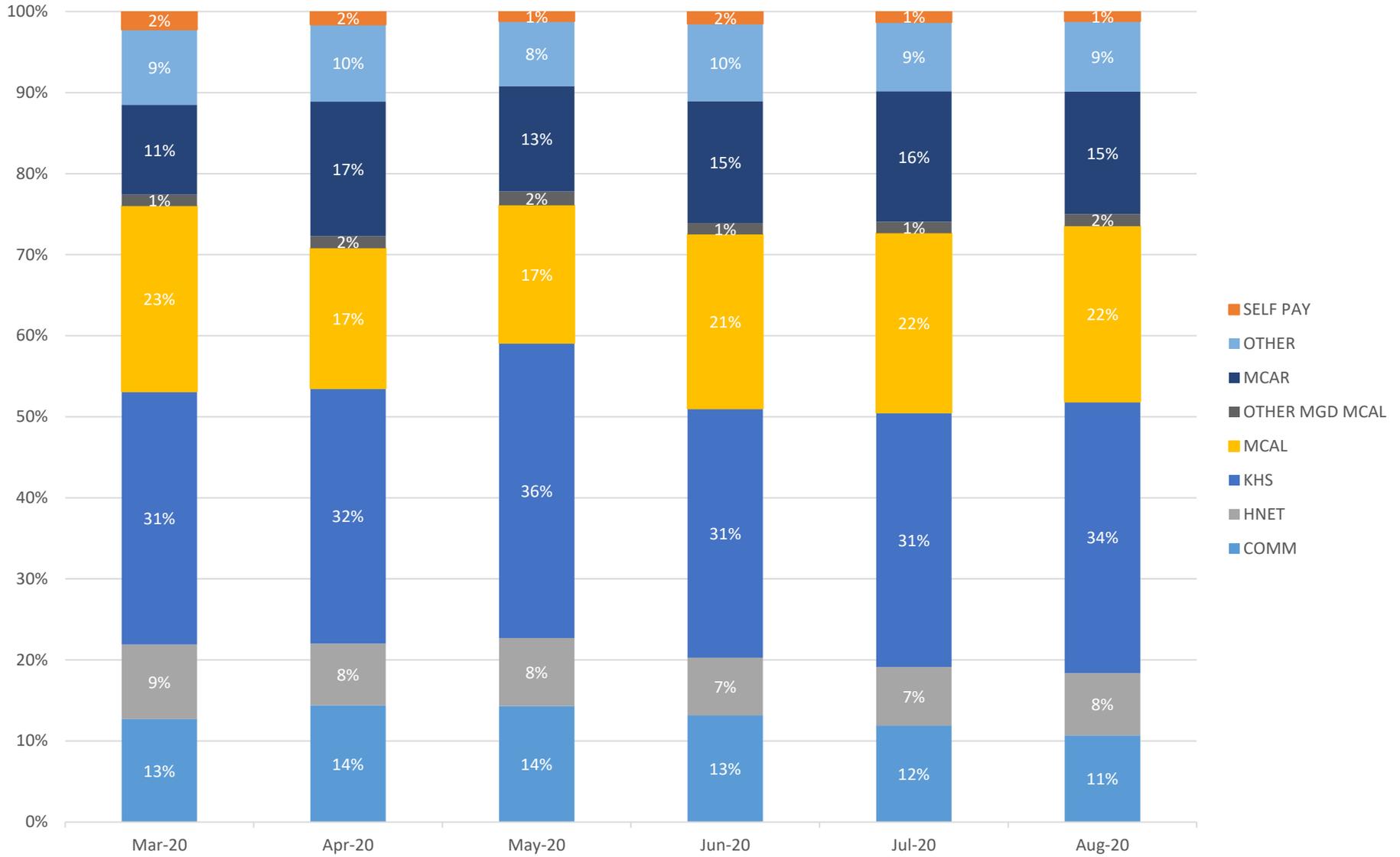
# Census & ALOS



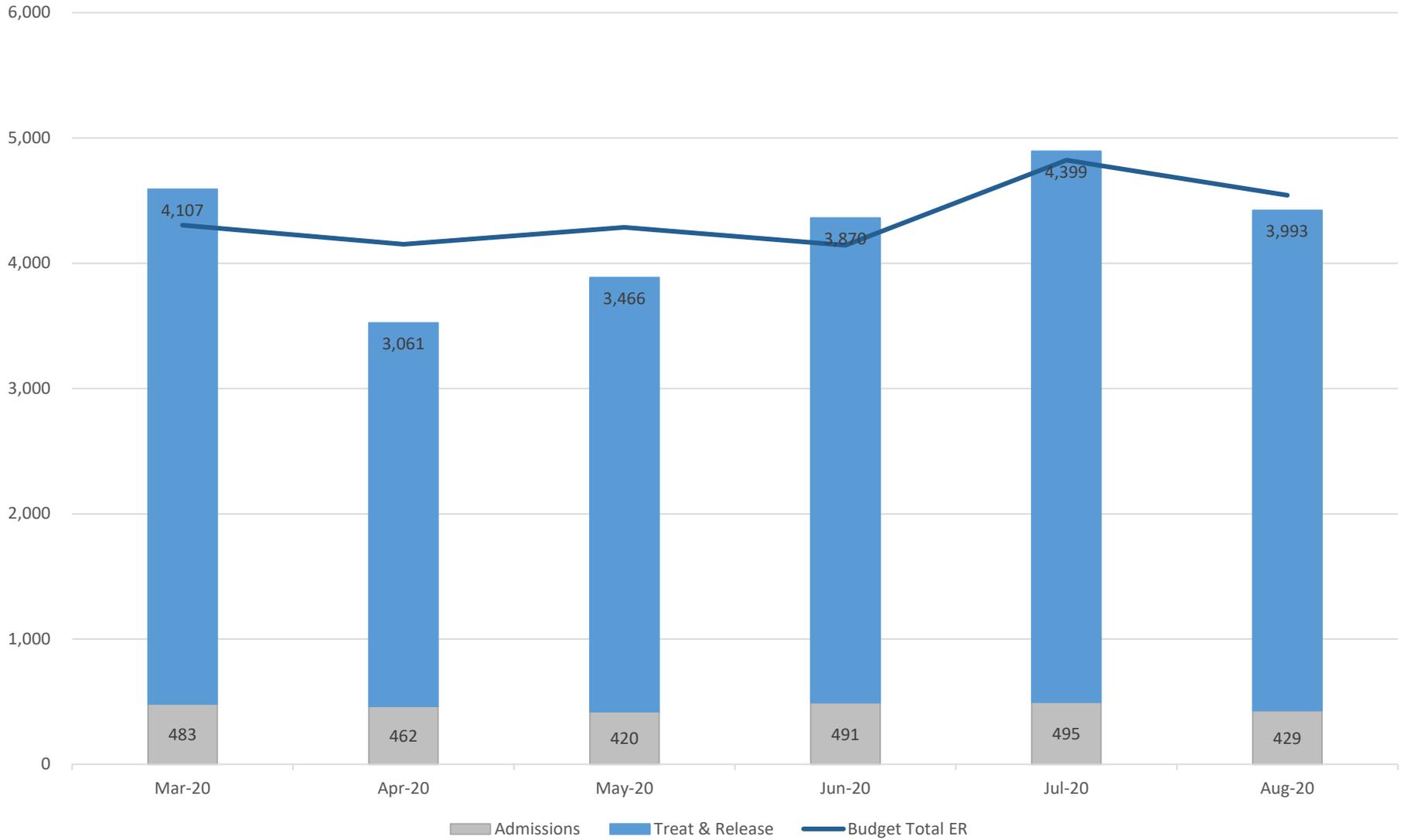
# Deliveries



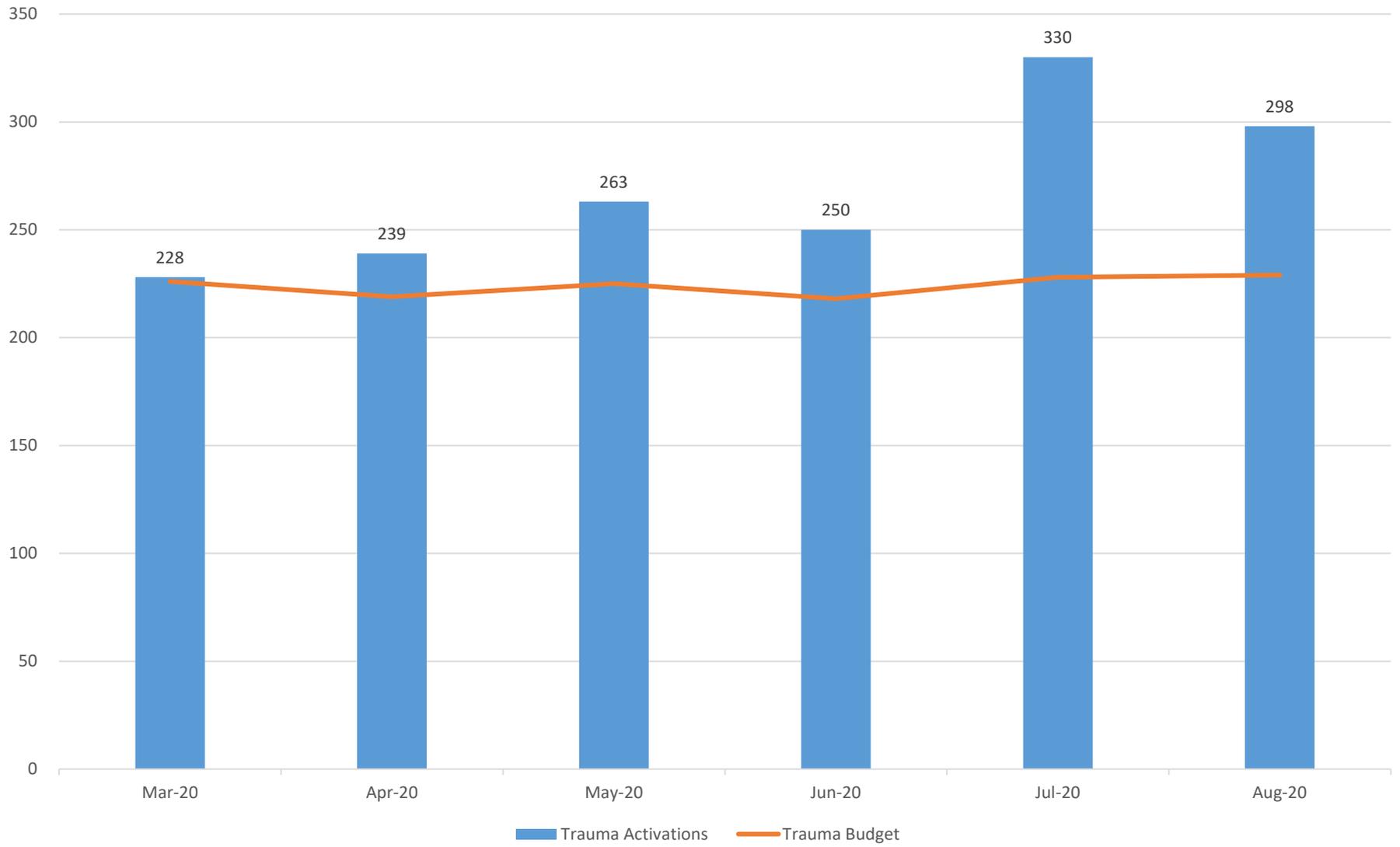
## PAYER MIX



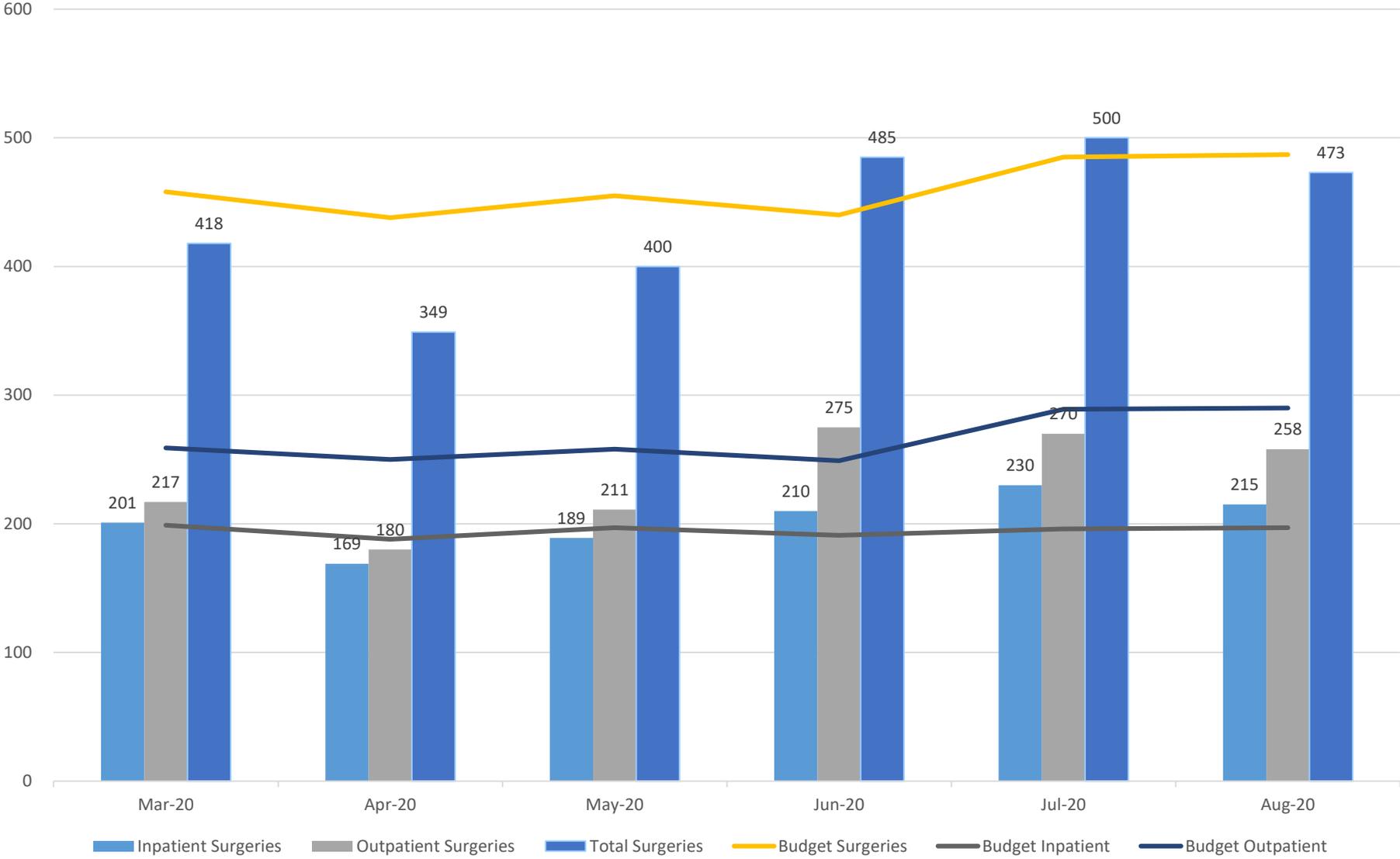
# Emergency Room Volume



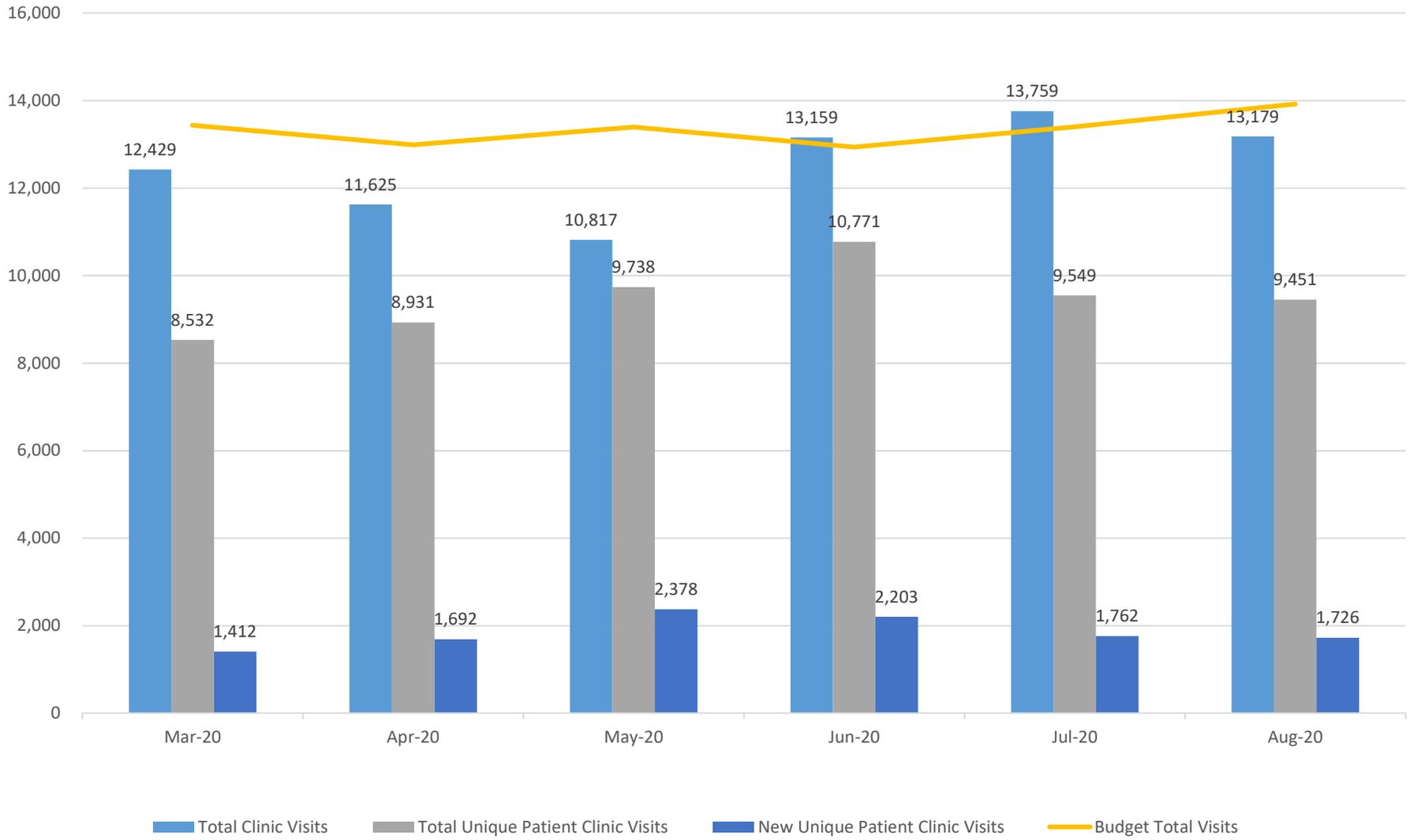
## Trauma Activations



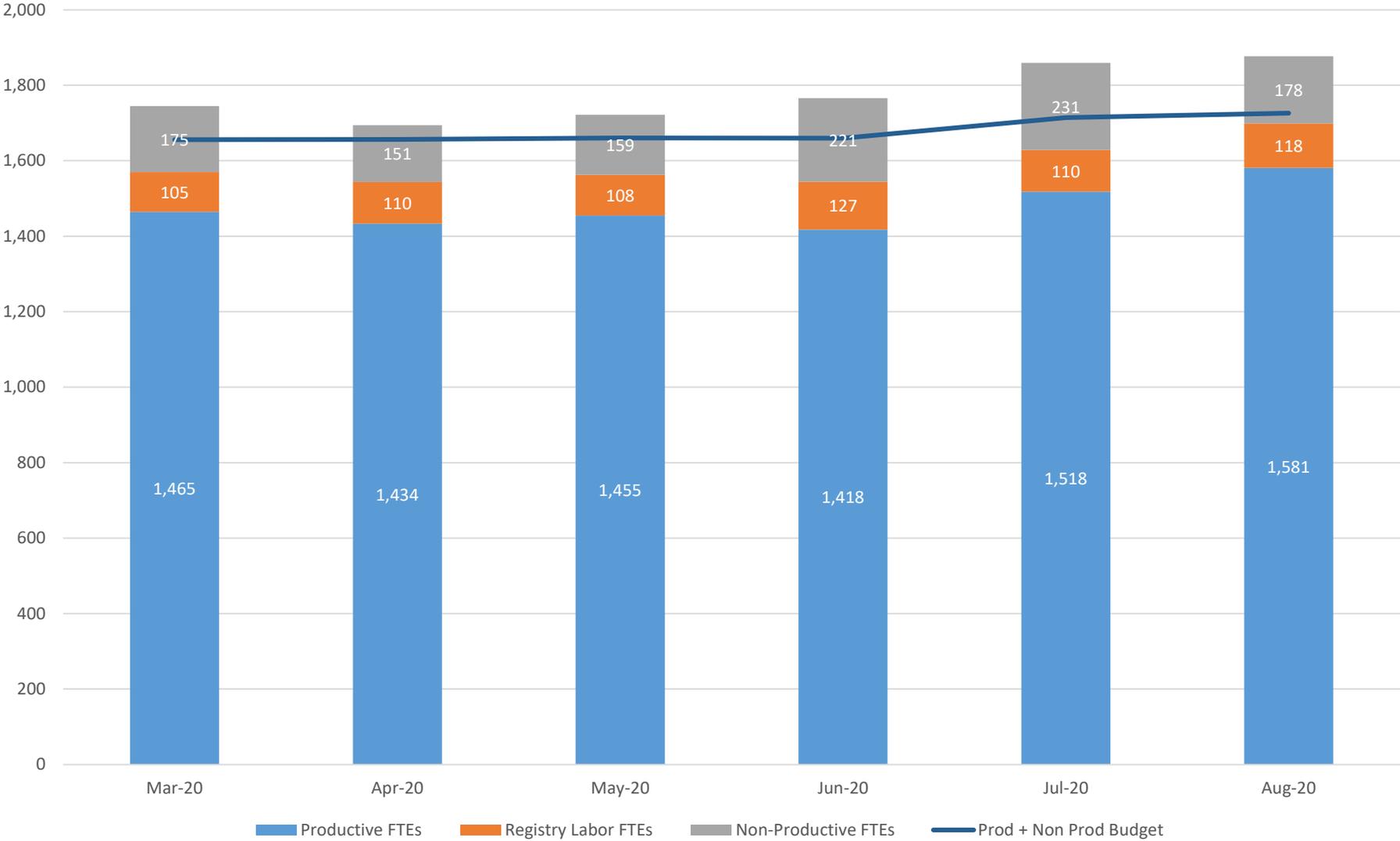
# Surgical Volume



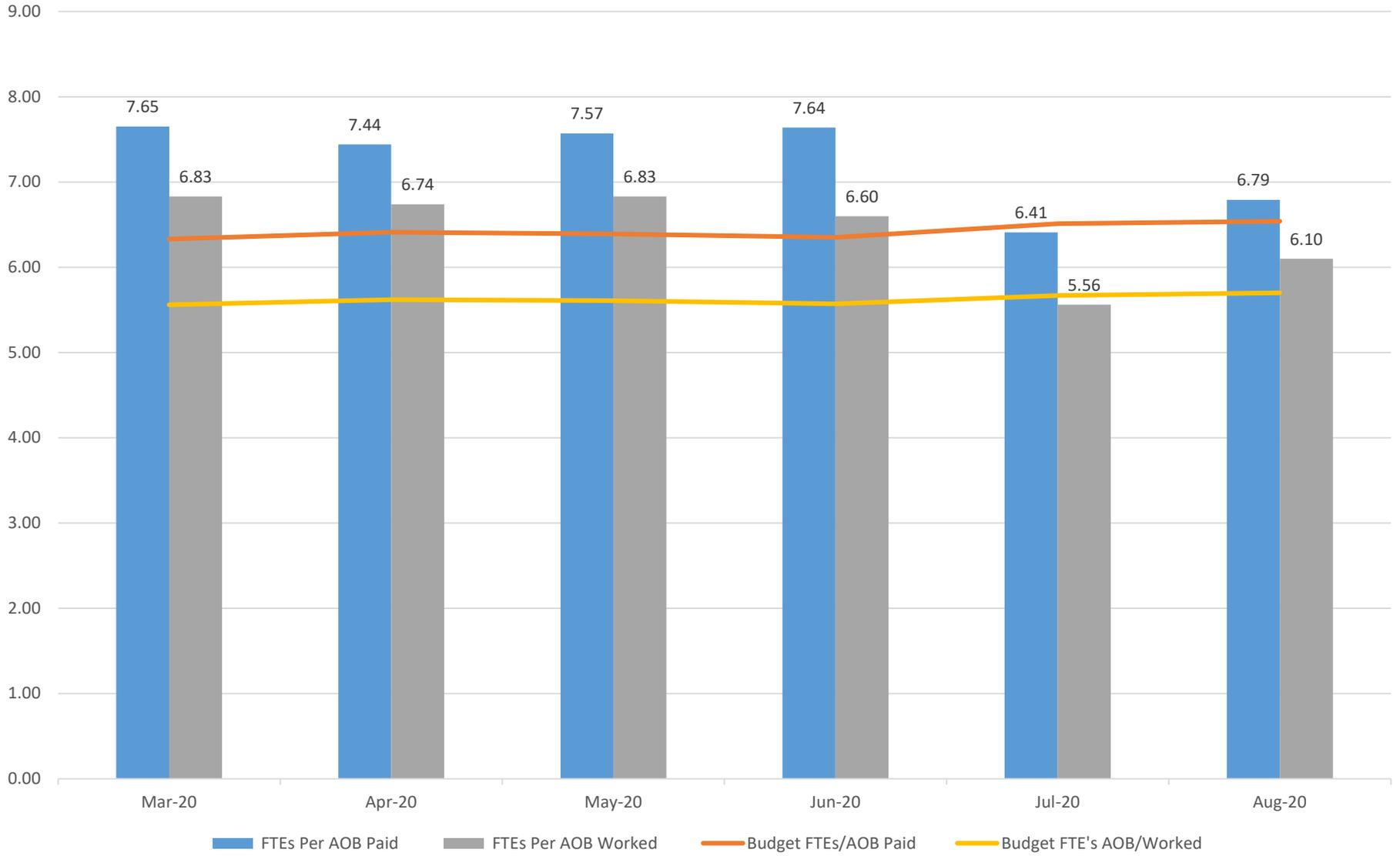
# Clinic Visits



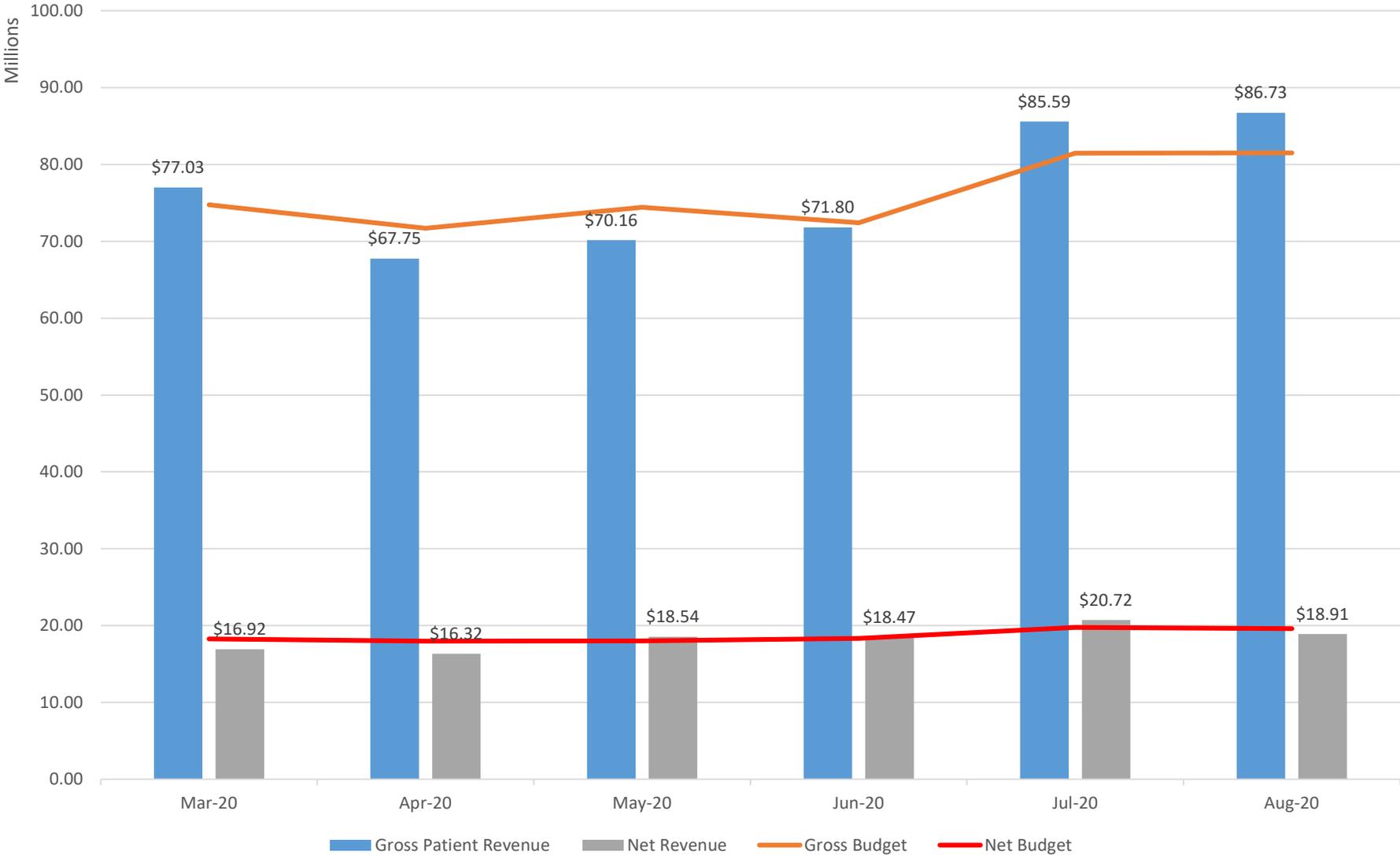
# Productivity



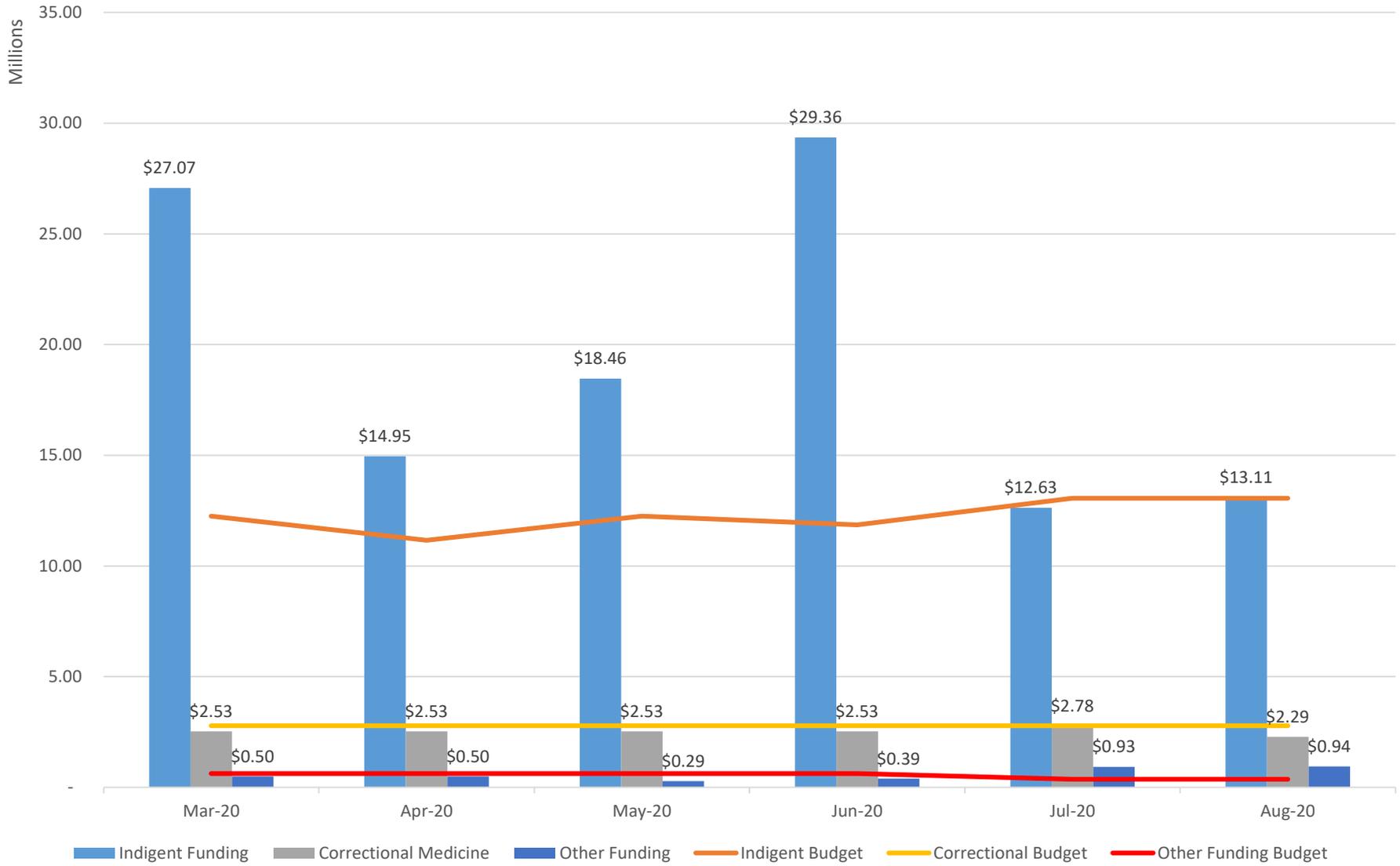
# Labor Metrics



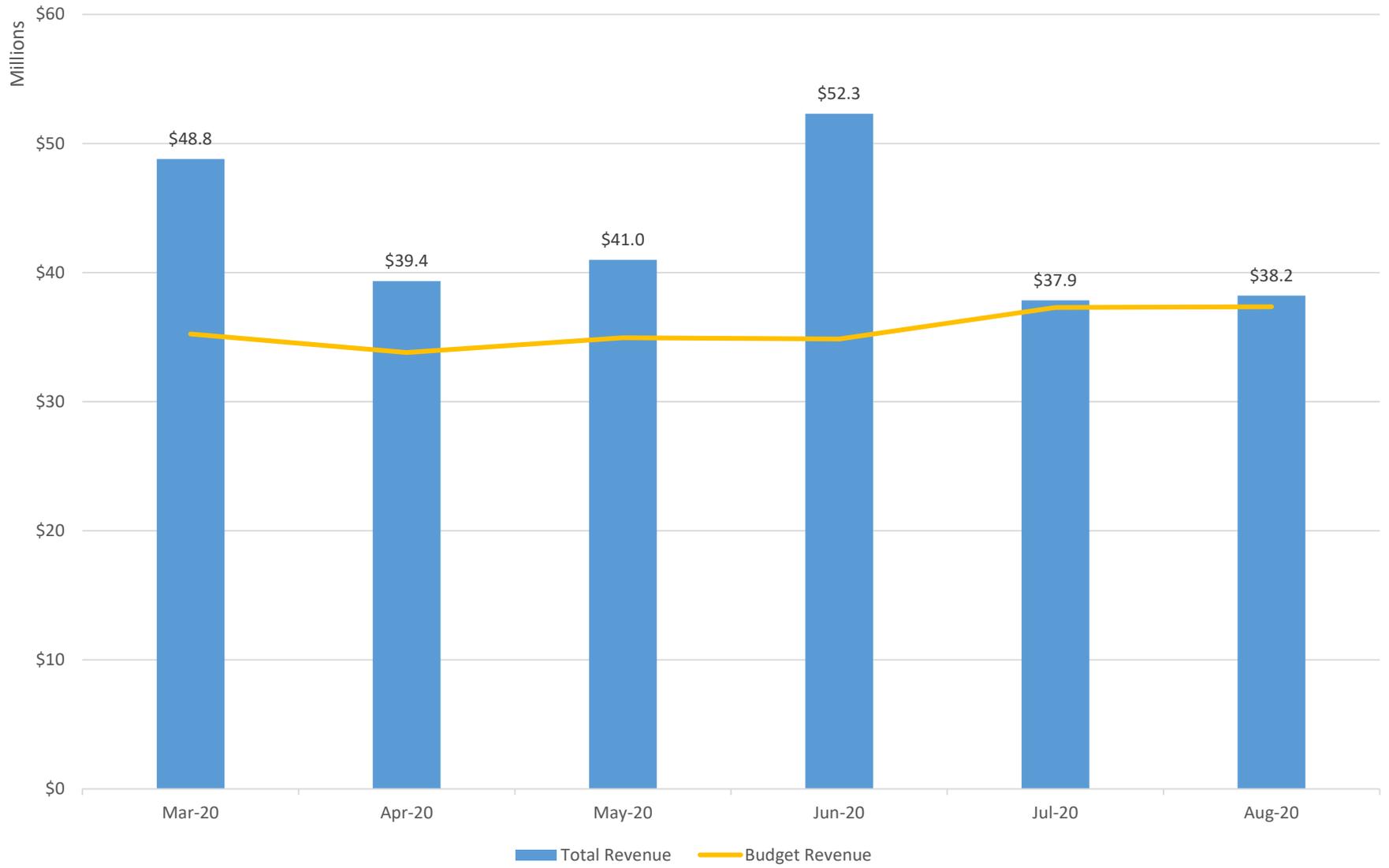
# Patient Revenue



## Indigent & Correctional Revenue



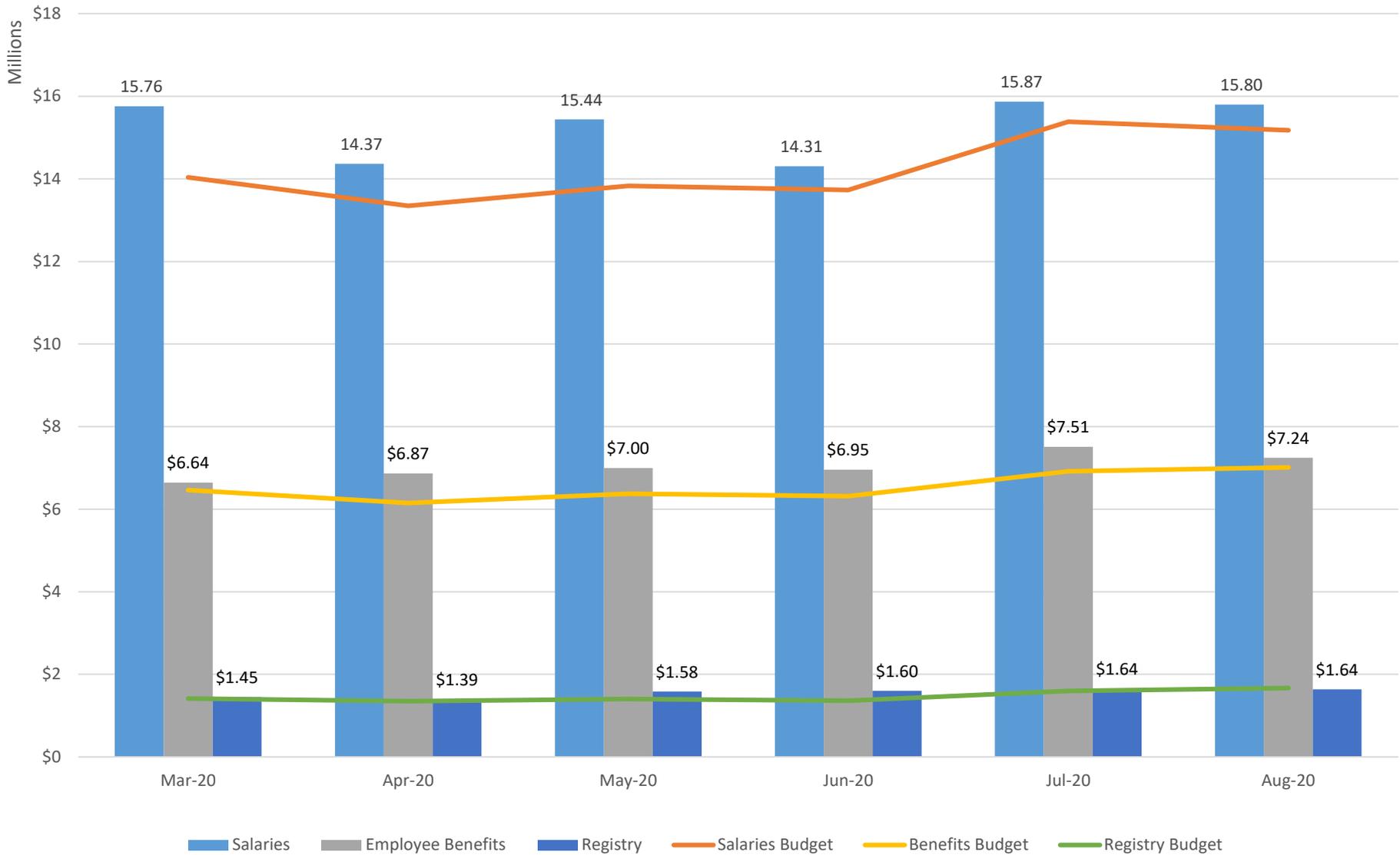
## Total Revenue



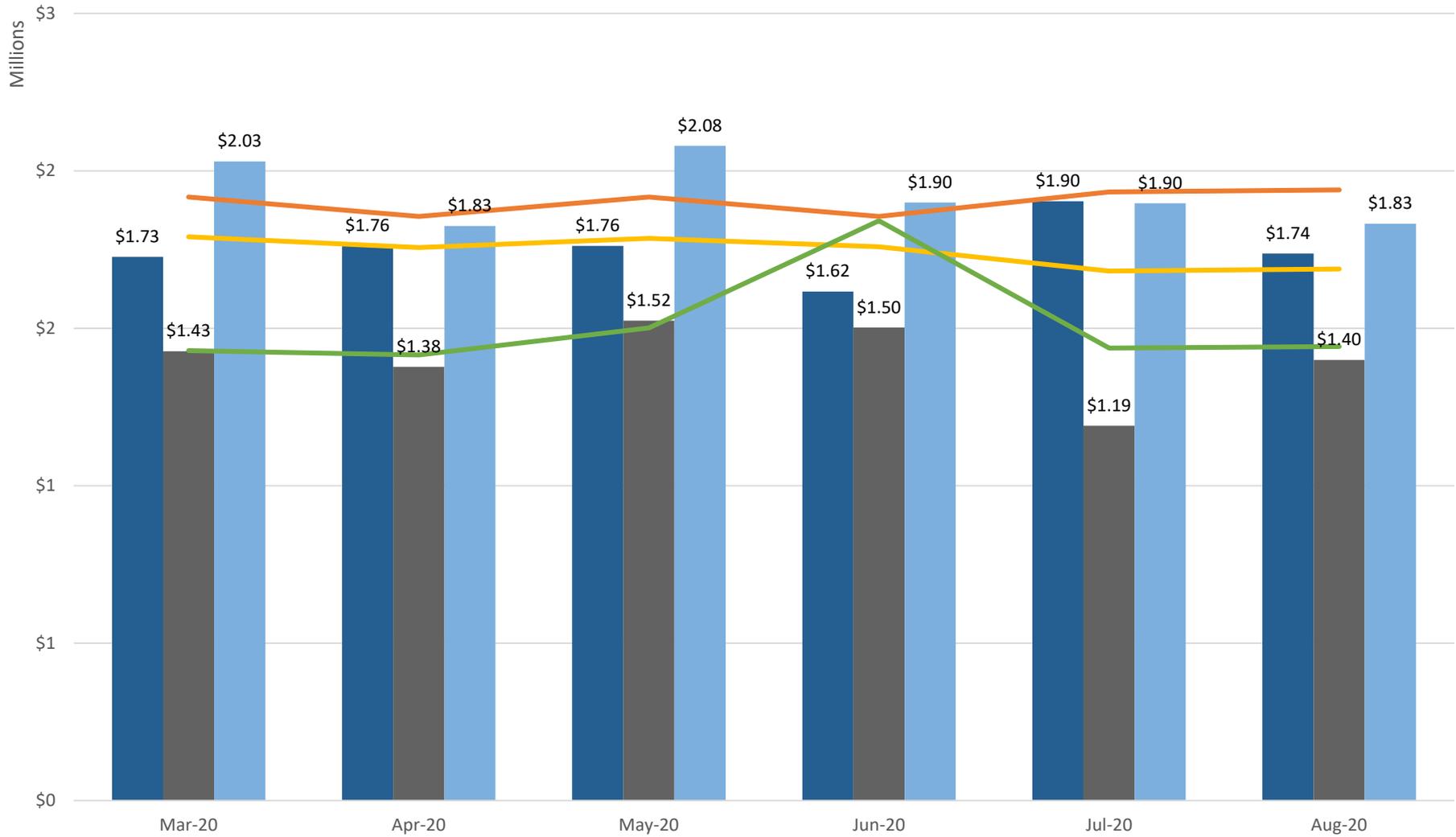
# Expenses



## Salaries & Benefits

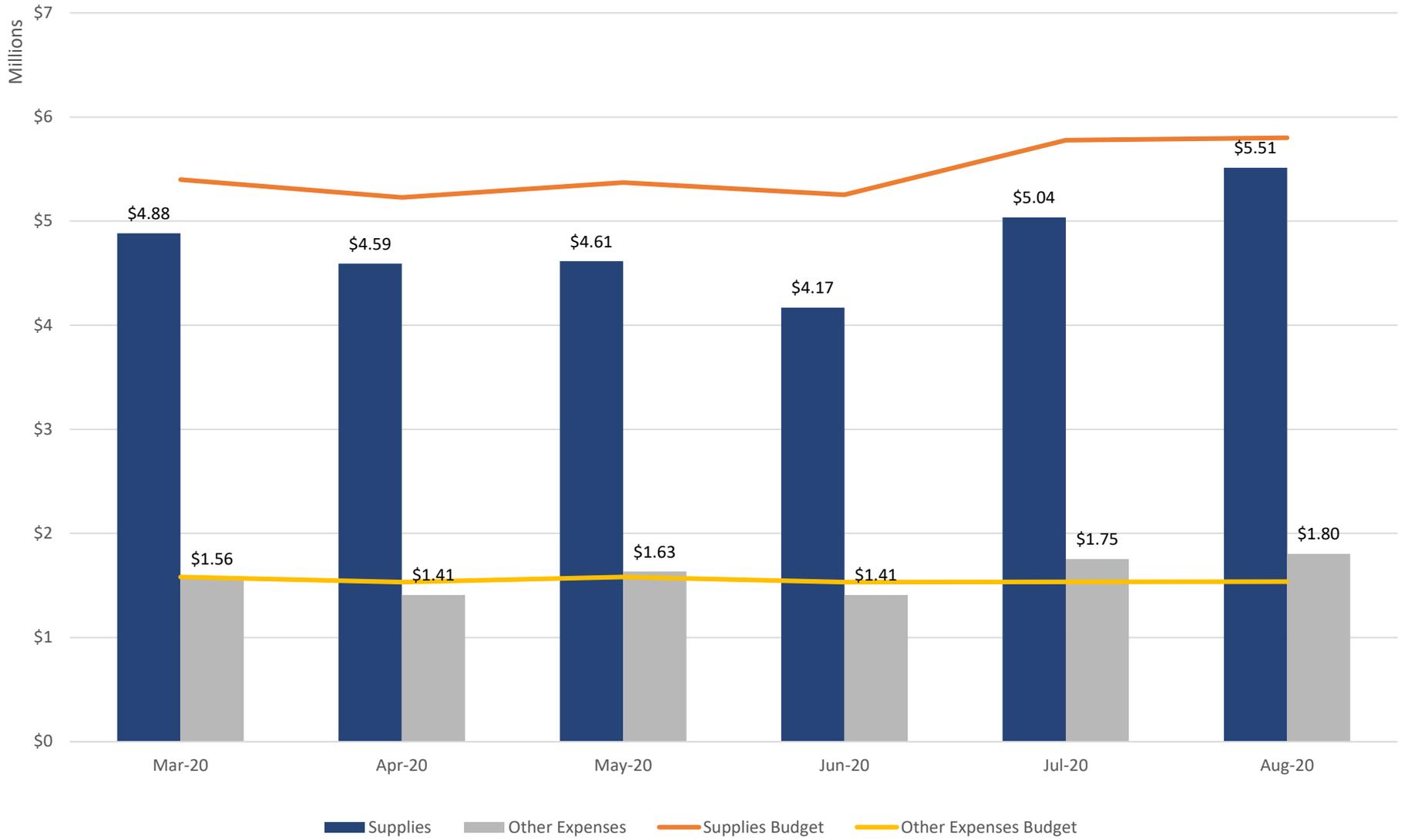


## Purchased Services, Medical, & Other Prof Fees

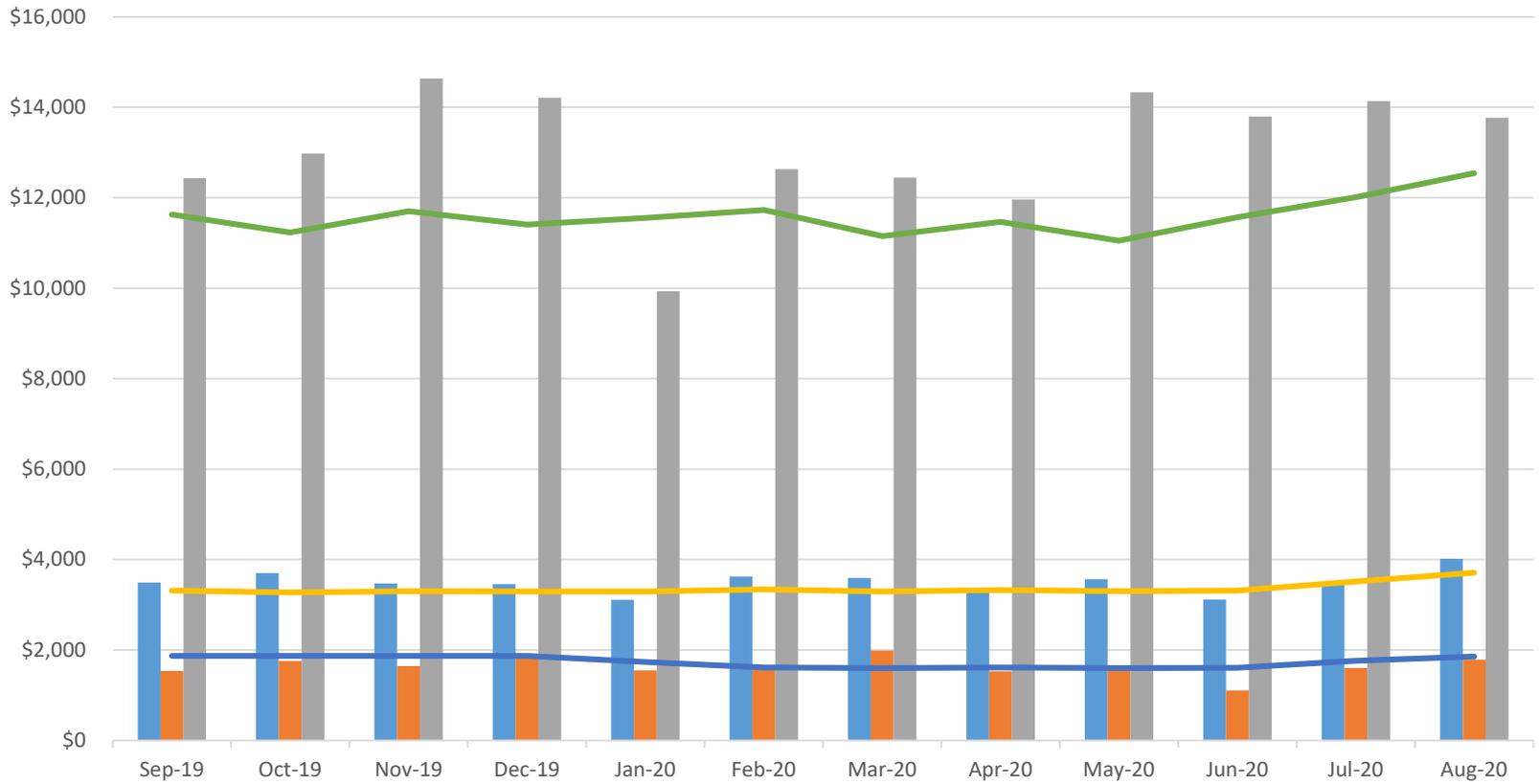


■ Medical Fees 
 ■ Other Professional Fees 
 ■ Purchased Services 
 ■ Medical Fees Budget 
 ■ Other Prof Budget 
 ■ Purchased Serv Budget

## Other Expenses & Supplies

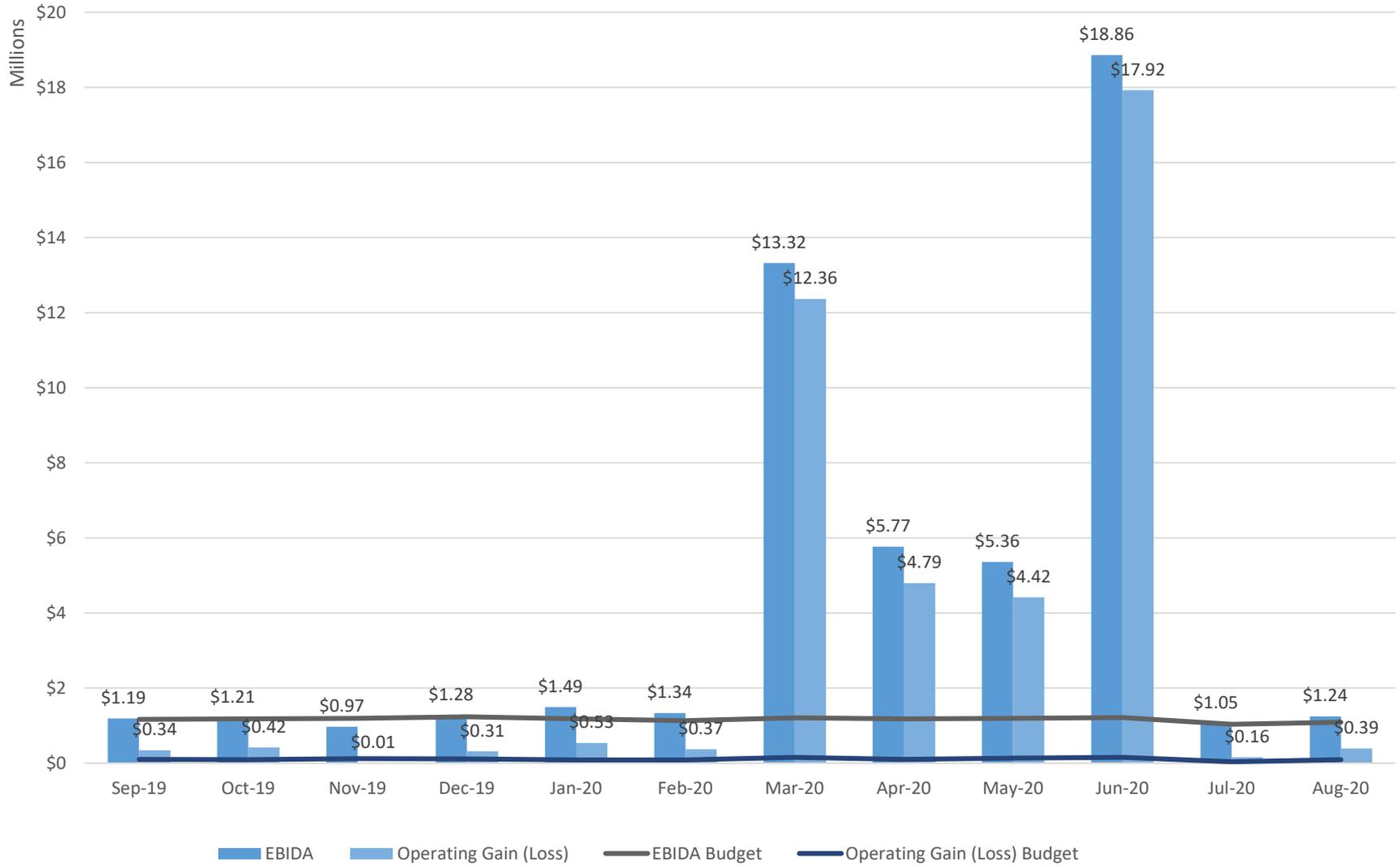


## Operating Metrics

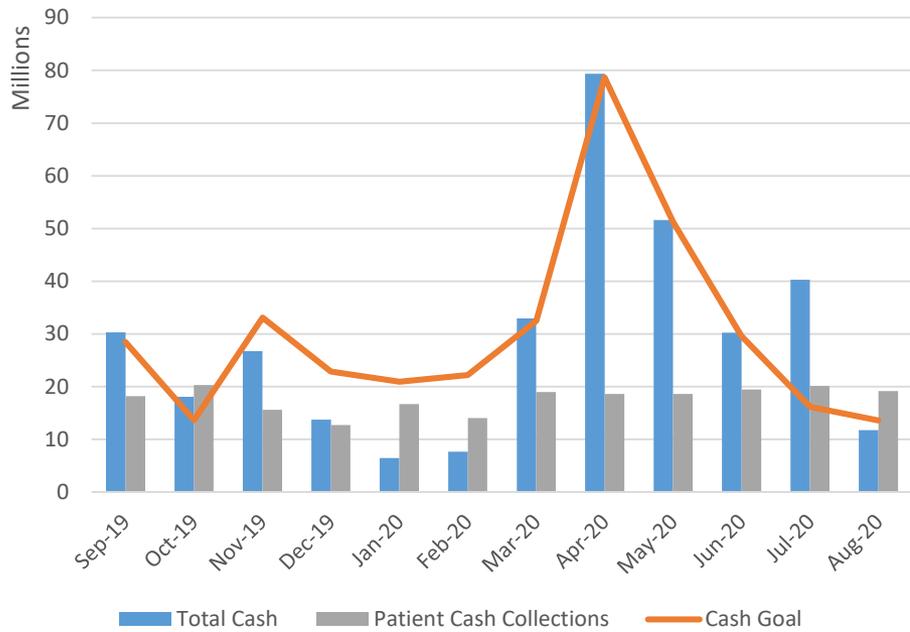


	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Supply Expense per AA	\$3,492	\$3,703	\$3,474	\$3,457	\$3,110	\$3,627	\$3,592	\$3,365	\$3,568	\$3,114	\$3,436	\$4,014
Pharm Cost per AA	\$1,536	\$1,762	\$1,646	\$1,905	\$1,549	\$1,569	\$1,989	\$1,530	\$1,658	\$1,110	\$1,604	\$1,787
Net Revenue Per AA	\$12,428	\$12,972	\$14,631	\$14,212	\$9,934	\$12,632	\$12,444	\$11,963	\$14,333	\$13,794	\$14,139	\$13,765
Budget Supp/AA	\$3,313	\$3,277	\$3,303	\$3,293	\$3,291	\$3,343	\$3,293	\$3,330	\$3,298	\$3,314	\$3,513	\$3,711
Budget Pharm/AA	\$1,870	\$1,869	\$1,870	\$1,870	\$1,736	\$1,614	\$1,603	\$1,615	\$1,605	\$1,612	\$1,760	\$1,859
Budget Net Rev/AA	\$11,630	\$11,234	\$11,703	\$11,409	\$11,556	\$11,730	\$11,153	\$11,464	\$11,052	\$11,568	\$12,011	\$12,543

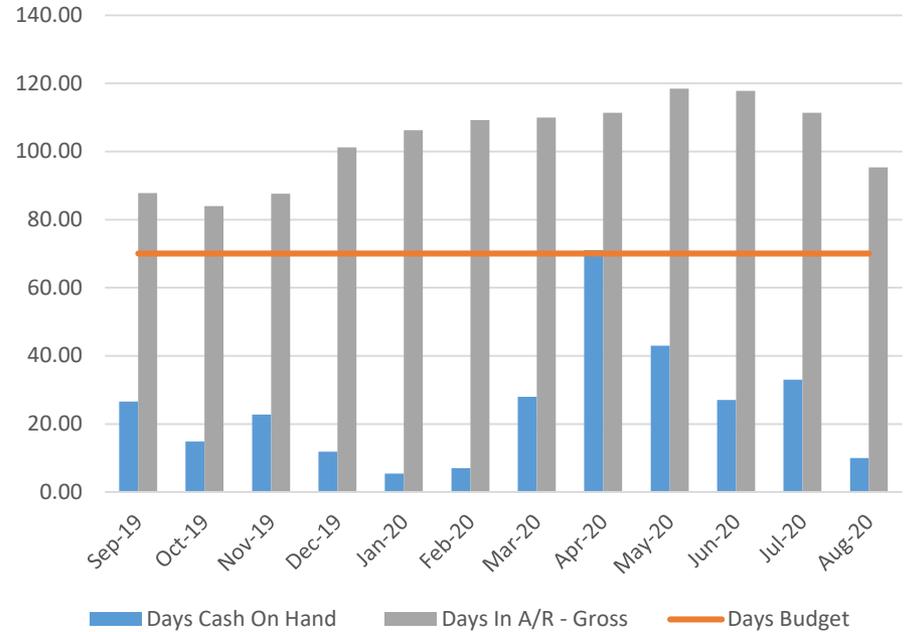
# EBIDA



### Cash



### AR Days



**KERN MEDICAL**  
**3-Month Trend Analysis: Revenue & Expense**  
August 31, 2020

	JUNE	JULY	AUGUST	BUDGET AUGUST	VARIANCE POS (NEG)	PY AUGUST
<b>Gross Patient Revenue</b>	\$ 71,804,287	\$ 85,593,513	\$ 86,734,495	\$ 81,502,284	6%	\$ 75,380,061
Contractual Deductions	(53,338,250)	(64,872,744)	(67,824,455)	(61,894,611)	10%	(55,627,891)
<b>Net Revenue</b>	18,466,037	20,720,768	18,910,041	19,607,673	(4%)	19,752,170
Indigent Funding	29,356,407	12,629,251	13,113,661	13,055,802	0.4%	12,225,222
Correctional Medicine	2,527,068	2,777,083	2,286,247	2,777,068	(18%)	2,277,068
County Contribution	285,211	285,250	285,211	285,211	0%	284,951
Incentive Funding	104,660	640,227	658,527	83,333	690%	333,333
<b>Net Patient Revenue</b>	50,739,383	37,052,579	35,253,686	35,809,087	(2%)	34,872,744
Gain/(Loss) on Health-Related Entity	0	0	0	0	0%	53,077
Other Operating Revenue	1,561,064	792,456	1,514,369	1,268,658	19%	1,093,613
Other Non-Operating Revenue	17,431	8,868	1,445,641	279,021	418%	19,735
<b>Total Revenue</b>	52,317,879	37,853,903	38,213,696	37,356,765	2%	36,039,170
<b>Expenses</b>						
Salaries	14,306,965	15,872,728	15,802,411	15,179,035	4%	14,189,261
Employee Benefits	6,954,857	7,510,372	7,243,299	7,011,438	3%	6,392,478
Registry	1,601,302	1,640,686	1,635,450	1,668,157	(2%)	1,585,501
Medical Fees	1,616,857	1,904,074	1,737,889	1,688,247	3%	1,570,220
Other Professional Fees	1,502,196	1,190,198	1,399,280	1,442,428	(3%)	1,589,024
Supplies	4,169,141	5,035,687	5,514,185	5,800,888	(5%)	5,645,386
Purchased Services	1,899,919	1,897,536	1,832,223	1,940,125	(6%)	2,221,205
Other Expenses	1,407,853	1,753,585	1,804,098	1,537,431	17%	1,673,308
Operating Expenses	33,459,092	36,804,865	36,968,835	36,267,749	2%	34,866,382
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 18,858,787	\$ 1,049,037	\$ 1,244,860	\$ 1,089,017	14%	\$ 1,172,788
EBIDA Margin	36%	3%	3%	3%	12%	3%
Interest	183,420	168,646	120,096	233,654	(49%)	220,570
Depreciation	496,173	468,306	477,535	506,667	(6%)	513,738
Amortization	256,257	256,257	256,257	259,871	(1%)	76,688
Total Expenses	34,394,943	37,698,075	37,822,724	37,267,941	1%	35,677,378
<b>Operating Gain (Loss)</b>	\$ 17,922,936	\$ 155,828	\$ 390,972	\$ 88,825	340%	\$ 361,792
<b>Operating Margin</b>	34.3%	0.4%	1.0%	0.24%	330%	1%

**KERN MEDICAL**  
**Year-to-Date Trend Analysis: Revenue & Expense**  
August 31, 2020

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
<b>Gross Patient Revenue</b>	\$ 172,328,008	\$ 162,712,315	6%	\$ 148,393,914	16%
Contractual Deductions	(132,697,199)	(123,567,838)	7%	(109,143,112)	22%
<b>Net Revenue</b>	39,630,809	39,144,477	1%	39,250,803	
Indigent Funding	25,742,912	26,111,604	(1%)	24,810,971	4%
Correctional Medicine	5,063,330	5,554,136	(9%)	5,054,136	0.2%
County Contribution	570,461	570,422	0%	569,902	0.1%
Incentive Funding	1,298,753	166,667	679%	666,667	95%
<b>Net Patient Revenue</b>	72,306,265	71,547,306	1%	70,352,478	3%
Gain/(Loss) on Health-Related Entity	0	0	0%	(78,247)	0%
Other Operating Revenue	2,282,825	2,537,316	(10%)	2,083,800	10%
Other Non-Operating Revenue	1,478,509	558,041	165%	20,567	7,089%
<b>Total Revenue</b>	76,067,599	74,642,663	2%	72,378,599	5%
<b>Expenses</b>					
Salaries	31,675,139	30,486,925	4%	27,678,590	14%
Employee Benefits	14,753,671	13,810,085	7%	13,370,133	10%
Registry	3,276,136	3,330,240	(2%)	3,289,679	(0.4%)
Medical Fees	3,641,963	3,370,164	8%	3,328,913	9%
Other Professional Fees	2,589,477	2,879,332	(10%)	3,334,274	(22%)
Supplies	10,549,872	11,581,609	(9%)	11,746,256	(10%)
Purchased Services	3,729,759	3,873,418	(4%)	4,141,474	(10%)
Other Expenses	3,557,684	3,071,320	16%	3,137,684	13%
Operating Expenses	73,773,701	72,403,093	2%	70,027,004	5%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,293,898	\$ 2,239,570	2%	\$ 2,351,595	(2%)
EBIDA Margin	3%	3%	1%	3%	(7%)
Interest	288,743	467,307	(38%)	466,276	(38%)
Depreciation	945,841	1,012,358	(7%)	1,025,893	(8%)
Amortization	512,515	518,705	(1%)	153,375	234%
Total Expenses	75,520,799	74,401,463	2%	71,672,547	5%
<b>Operating Gain (Loss)</b>	\$ 546,799	\$ 241,200	127%	\$ 706,052	(23%)
<b>Operating Margin</b>	1%	0.3%	122%	1%	(26%)

**KERN MEDICAL  
BALANCE SHEET**

	<b>AUGUST 2020</b>	<b>AUGUST 2019</b>
<b>ASSETS:</b>		
<i>Total Cash</i>	<b>\$ 11,728,104</b>	<b>\$ 12,603,895</b>
Patient Receivables Subtotal	252,955,493	209,172,757
Contractual Subtotal	(196,238,381)	(160,522,852)
<b><i>Net Patient Receivable</i></b>	<b>56,717,111</b>	<b>48,649,905</b>
Total Indigent Receivable	158,400,339	142,444,532
Total Other Receivable	11,411,702	10,605,797
Total Prepaid Expenses	4,149,988	4,584,575
Total Inventory	5,874,875	5,565,142
<b><i>Total Current Assets</i></b>	<b>248,282,119</b>	<b>224,453,845</b>
Deferred Outflows of Resources	85,573,671	73,959,204
Investments Deposited with Trustee	0	931,830
Total Land, Equipment, Buildings and Intangib	194,569,541	159,971,278
Total Construction in Progress	18,293,459	35,735,211
<b><i>Total Property, Plant &amp; Equipment</i></b>	<b>212,863,000</b>	<b>195,706,488</b>
Total Accumulated Depr & Amortization	(117,139,789)	(108,594,723)
<b><i>Net Property, Plant, and Equipment</i></b>	<b>95,723,211</b>	<b>87,111,765</b>
<b><i>Total Long Term Assets</i></b>	<b>181,296,882</b>	<b>162,002,800</b>
<b><i>Total Assets</i></b>	<b>\$ 429,579,001</b>	<b>\$ 386,456,645</b>

**KERN MEDICAL  
BALANCE SHEET**

	<b>AUGUST 2020</b>	<b>AUGUST 2019</b>
<b>LIABILITIES &amp; EQUITY:</b>		
Total Accounts Payable	\$ 25,275,232	\$ 21,652,868
Total Accrued Compensation	34,218,593	25,676,968
Total Due Government Agencies	34,179,145	51,714,302
Total Other Accrued Liabilities	66,382,506	64,312,859
<b><i>Total Current Liabilities</i></b>	<b>160,055,476</b>	<b>163,356,997</b>
Unfunded Pension Liability	307,234,709	293,255,458
Other Long-Term Liabilities	103,115,962	124,721,867
<b><i>Total Long-Term Liabilities</i></b>	<b>410,350,671</b>	<b>417,977,325</b>
<b><i>Total Liabilities</i></b>	<b>570,406,147</b>	<b>581,334,323</b>
<hr/>		
Fund Balance	36,913,884	36,714,021
Retained Earnings	(177,741,031)	(231,591,699)
<b><i>Total Fund Balance</i></b>	<b>(140,827,146)</b>	<b>(194,877,678)</b>
<hr/>		
<b><i>Total Liabilities and Fund Balance</i></b>	<b>\$ 429,579,001</b>	<b>\$ 386,456,645</b>



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

October 21, 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 October 21, 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**

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on October 21, 2020, to consider:

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

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on October 21, 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: Isaac Salas, a minor, by and through his Guardian ad Litem v. Kern County Hospital Authority dba Kern Medical, et al., Kern County Superior Court Case No. BCV-20-100675 TSC –

**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 October 21, 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: Farzin Tayefeh, M.D.,  
et al. v. County of Kern, et al., Kern County Superior Court, Case No. BCV-15-  
100647 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 October 21, 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)) –