



AGENDA

KERN COUNTY HOSPITAL AUTHORITY COMMUNITY HEALTH CENTER BOARD OF DIRECTORS

**Community Health Center
Administrative Office
900 Truxtun Avenue, Suite 250
Bakersfield, California 93301**

Regular Meeting
Wednesday, March 26, 2025

11:30 A.M.

BOARD TO RECONVENE

Board Members: Behill, Kemp, Lopez, Martinez, Nichols, Sandoval, Smith, Valdez, Williams
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 COMMUNITY HEALTH CENTER 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)) –
- CA
3) Minutes for the Kern County Hospital Authority Community Health Center Board of Directors regular meeting on February 26, 2025 –
APPROVE
- CA
4) Proposed ratification of the Kern County Hospital Authority Organizational Chart, effective March 19, 2025 –
RATIFY
- CA
5) Proposed approval of Resolution to adopt the Kern County Hospital Authority Conflict of Interest Policy and Code –
APPROVE; ADOPT RESOLUTION
- CA
6) Proposed approval of the Kern County Hospital Authority Community Health Center Board of Directors training schedule –
APPROVE
- CA
7) Proposed approval of the Kern County Hospital Authority Community Health Center finance, operations and quality policies –
APPROVE
- CA
8) Proposed approval of Resolution to adopt the Kern County Hospital Authority Human Resources policies –
APPROVE; ADOPT RESOLUTION
- 9) Proposed Memorandum of Understanding with Kern Medical Center for shared services, effective April 1, 2025 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- 10) Proposed Memorandum of Understanding with Kern Medical Center for the internal referral of health center patients for outpatient diagnostic and ancillary services at Kern Medical Center, effective April 1, 2025 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- 11) Proposed approval of Kern County Hospital Authority Community Health Center Quality Improvement and Assessment policy
APPROVE

- 12) Proposed approval of Kern County Hospital Authority Community Health Center Sliding Fee Scale policy
APPROVE
 - 13) Presentation regarding Kern County Hospital Authority Community Health Center Sliding Fee Discount Program / Billing and Collections –
HEAR PRESENTATION; RECEIVE AND FILE
 - 14) Presentation regarding Kern County Hospital Authority Community Health Center Patient Safety –
HEAR PRESENTATION; RECEIVE AND FILE
- CA
- 15) Miscellaneous Correspondence as of March 26, 2025 –
 - 16) Kern County Hospital Authority Community Health Center Executive Director report –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

- 17) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Community Health Center Executive Director (Government Code Section 54957) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, APRIL 23, 2025 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 Community Health Center Board of Directors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

CA

15) MISCELLANEOUS CORRESPONDENCE AS OF MARCH 26, 2025 –
RECEIVE AND FILE

- A) Correspondence received March 20, 2025, from Kern County Hospital Authority Board of Governors concerning approval of the Kern County Hospital Authority Community Health Center Board of Directors Bylaws for Governance



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY COMMUNITY HEALTH CENTER BOARD OF DIRECTORS

**Community Health Center
Administrative Office
900 Truxtun Avenue, Suite 250
Bakersfield, California 93301**

Regular Meeting
Wednesday, February 26, 2025

11:30 A.M.

BOARD RECONVENED:

Board Members: Behill, Kemp, Lopez, Martinez, Nichols, Sandoval, Smith, Valdez, Williams
Roll Call: 6 Present; 3 Absent - Lopez, Nichols, Smith

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

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!**
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 WILLIAMS HEARD REGARDING GOVERNANCE AND THE HEALTH CENTER MISSION STATEMENT; VICE PRESIDENT AND GENERAL COUNSEL KAREN BARNES RESPONDED

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on January 16, 2025 –
APPROVED
Williams-Valdez: 6 Present; 3 Absent - Lopez, Nichols, Smith

CA

- 4) Proposed approval of Community Health Center key management staff and job descriptions –
APPROVED; AUTHORIZED EXECUTIVE DIRECTOR TO HIRE/PLACE STAFF
Williams-Valdez: 6 Present; 3 Absent - Lopez, Nichols, Smith

CA

- 5) Proposed approval of Resolution establishing the Kern County Hospital Authority Community Health Center services, accessible locations, and hours of operation –
APPROVED; ADOPTED RESOLUTION 2025-002
Williams-Valdez: 6 Present; 3 Absent - Lopez, Nichols, Smith

- 6) Proposed approval of the Bylaws of Kern County Hospital Authority Community Health Center Board of Directors –
EXECUTIVE DIRECTOR RENEE VILLANUEVA HEARD; DIRECTOR VALDEZ HEARD REGARDING INSURANCE COVERAGE; VICE PRESIDENT & GENERAL COUNSEL KAREN BARNES ADDRESSED THE COVERAGE QUESTION; APPROVED; AUTHORIZED CHAIRMAN TO SIGN; REFERRED TO KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS FOR APPROVAL
Behill-Williams: 6 Present; 3 Absent - Lopez, Nichols, Smith

- 7) Proposed approval of Kern County Hospital Authority Community Health Center Organizational Chart, effective February 26, 2025 –
EXECUTIVE DIRECTOR RENEE VILLANUEVA HEARD; APPROVED
Valdez-Kemp: 6 Present; 3 Absent - Lopez, Nichols, Smith

- 8) Proposed approval of the Community Health Center Patient Origin and Service Area Analysis and Form 5B Service Sites –
EXECUTIVE DIRECTOR RENEE VILLANUEVA HEARD; DIRECTOR VALDEZ HEARD REGARDING EXPANDING SERVICE LOCATIONS; CHAIRMAN MARTINEZ HEARD REGARDING THE POTENTIAL TO INCREASE THE HEALTH CENTER PATIENT POPULATION; OPERATIONS ADMINISTRATOR TYLER WHITEZELL RESPONDED; APPROVED
Williams-Kemp: 6 Present; 3 Absent - Lopez, Nichols, Smith

- 9) Proposed approval of the Kern County Hospital Authority Community Health Center Look-Alike Application and associated budget –
EXECUTIVE DIRECTOR RENEE VILLANUEVA HEARD; APPROVED; AUTHORIZED
EXECUTIVE DIRECTOR TO SUBMIT APPLICATION
Valdez-Behill: 6 Present; 3 Absent - Lopez, Nichols, Smith
- 10) Proposed approval of Health Resources and Services Administration Health Center Program Form 5A: Services Provided –
EXECUTIVE DIRECTOR RENEE VILLANUEVA HEARD; CHAIRMAN MARTINEZ AND
DIRECTOR VALDEZ HEARD REGARDING THE FORM 5A SERVICE LIST; APPROVED
Valdez-Kemp: 6 Present; 3 Absent - Lopez, Nichols, Smith
- 11) Proposed approval of Kern County Hospital Authority Community Health Center Budget for the period January 2025 through June 2025 –
SR. FINANCE DIRECTOR JOHN MILLS HEARD; DIRECTOR WILLIAMS HEARD REGARDING
PAYERS AND WHETHER THE HEALTH CENTER WILL REALIZE AN INCREASE IN
REIMBURSEMENT RATES; KERN COUNTY HOSPITAL AUTHORITY CHIEF EXECUTIVE
OFFICER SCOTT THYGERSON HEARD REGARDING PUBLIC HOSPITAL
REIMBURSEMENT; APPROVED
Valdez-Behill: 6 Present; 3 Absent - Lopez, Nichols, Smith
- 12) Presentation regarding Community Health Center patient satisfaction requirements –
EXECUTIVE DIRECTOR RENEE VILLANUEVA MADE PRESENTATION; DIRECTOR
WILLIAMS HEARD REGARDING THE ROLE OF THE HEALTH CENTER BOARD IN THE
PATIENT COMPLAINT PROCESS; EXECUTIVE DIRECTOR RENEE VILLANUEVA PROVIDED
STEPS OF THE COMPLAINT PROCESS; MEDICAL DIRECTOR SHAKTI SRIVASTAVA, M.D.,
HEARD REGARDING THE PROVIDER PROCESS AND PEER REVIEW OF PROVIDERS AND
MID-LEVELS; DIRECTOR SANDOVAL HEARD REGARDING THE RESULTS OF PATIENT
SURVEYS; KERN COUNTY HOSPITAL AUTHORITY CHIEF EXECUTIVE OFFICER SCOTT
THYGERSON HEARD REGARDING ACCESS TO ONLINE PATIENT SATISFACTION
RESULTS AVAILABLE TO THE PUBLIC; RECEIVED AND FILED
Sandoval-Valdez: 6 Present; 3 Absent - Lopez, Nichols, Smith
- 13) Presentation regarding Community Health Center Section 330 training requirements –
FOUNDING PARTNER GREGORY FACKTOR AND STRATEGIC DEVELOPMENT ADVISOR
STEVEN GUY, HEARD REGARDING SECTION 330 TRAINING REQUIREMENTS; DIRECTOR
VALDEZ HEARD REGARDING THE DIFFERENCE BETWEEN AN FQHCVERSES A FQHC
LOOK-ALIKE; RECEIVED AND FILED
Valdez-Kemp: 6 Present; 3 Absent - Lopez, Nichols, Smith
- CA
14) Miscellaneous Correspondence as of February 26, 2025 –
RECEIVED AND FILED
Williams-Valdez: 6 Present; 3 Absent - Lopez, Nichols, Smith

ADJOURNED TO CLOSED SESSION
Valdez-Williams

CLOSED SESSION

- 15) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Community Health Center Executive Director (Government Code Section 54957) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Valdez-Kemp

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 15 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Community Health Center Executive Director (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, MARCH 26, 2025 AT 11:30 A.M.

Valdez

/s/ Mona A. Allen
Clerk of the Board of Directors

/s/ Elsa Martinez
Chairman, Board of Directors
Kern County Hospital Authority Community Health Center

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed ratification of Kern County Hospital Authority's Organizational Chart

Recommended Action: Ratify

Summary:

On February 26, 2025, your Board approved staff's request to submit a FQHC Look-Alike application to HRSA. One of the many requirements of the application is to confirm that your Board understands the relationship between the Board of Directors and the Kern County Hospital Authority Board of Governors. The Kern County Hospital Authority's Organizational Charts shows that Renee Villanueva, the executive director of the Kern County Hospital Authority's Community Health Center is also Kern Medical Center's Chief Ambulatory & Outreach Officer.

This dual role connects the CHC's Board of Directors to the Board of Governors and provides a conduit for information to flow between the two Board.

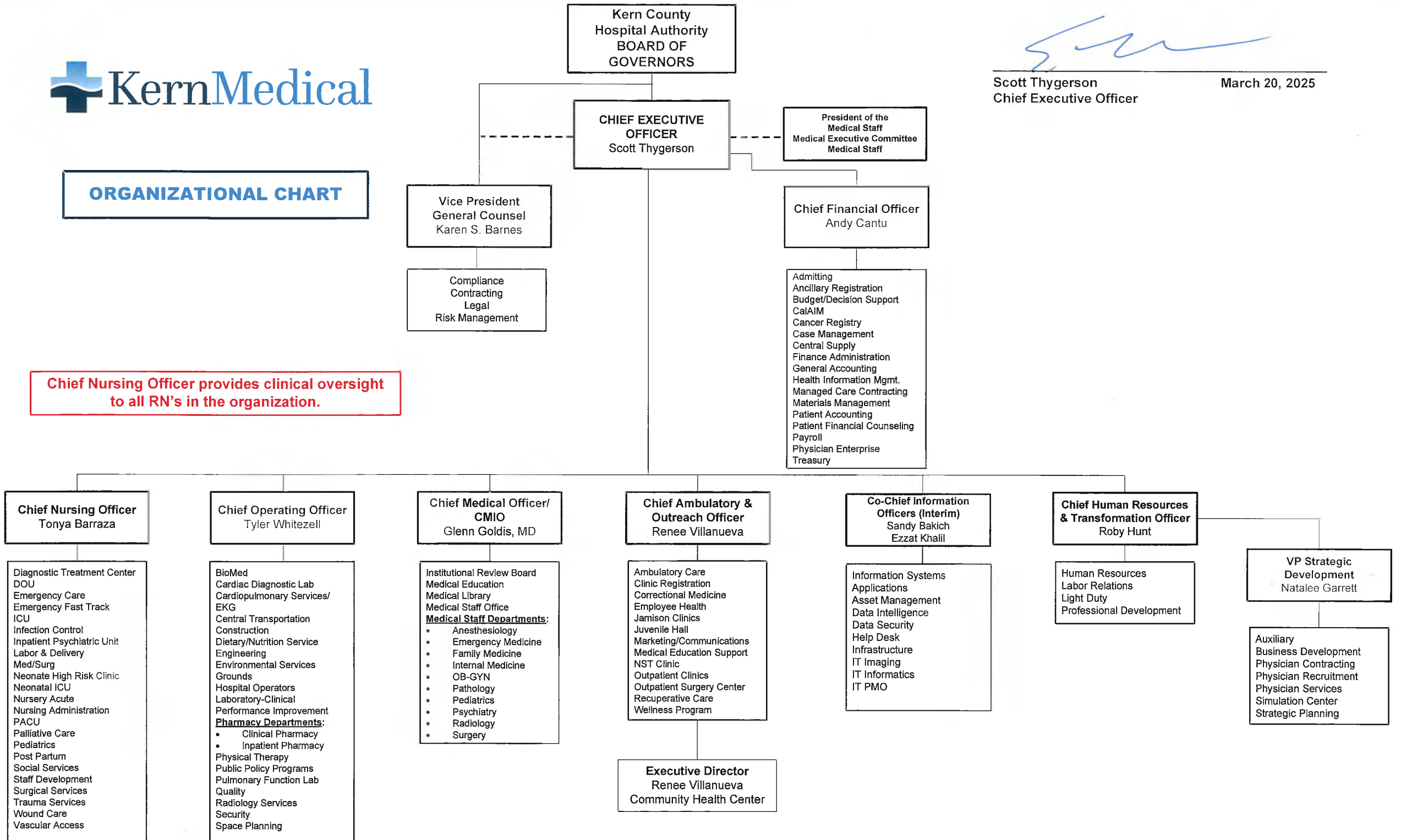
Therefore, it is recommended that your Board ratify the Kern County Hospital Authority's Organizational Chart to inform and indicate how the CHC is connected to the Kern County Hospital Authority's Board of Governors.



ORGANIZATIONAL CHART

Scott Thygerson
Chief Executive Officer

March 20, 2025



**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed resolution to adopt Kern County Hospital Authority Conflict of Interest Policy and Code

Recommended Action: Adopt Resolution; Authorize Chairman to sign

Summary:

The Kern County Hospital Authority Community Health Center governing board (CHC) must assure that the healthcare center is operated in compliance with applicable federal, state, and local law and regulations. The purpose of the Kern County Hospital Authority Conflict of Interest Policy and Code is: (1) to preserve the integrity of the decision-making process of the Hospital Authority, and therefore, the CHC, (2) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (3) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (4) to prevent violations of state conflict of interest laws.

As the Kern County Hospital Authority is the co-applicant of the CHC, the authorities and functions that apply to the co-applicant board also apply to the healthcare center.

Therefore, it is recommended that your Board adopt the Resolution to adopt the Kern County Hospital Authority Conflict of Interest Policy and Code and authorize the Chairman to sign.

**BEFORE THE BOARD OF DIRECTORS
OF THE KERN COUNTY HOSPITAL AUTHORITY
COMMUNITY HEALTH CENTER**

In the matter of:

Resolution No. 2025-____

**ADOPTING THE CONFLICT OF
INTEREST POLICY AND CODE
OF THE KERN COUNTY HOSPITAL
AUTHORITY**

I, MONA A. ALLEN, Clerk of the Board of Directors for the Kern County Hospital Authority Community Health Center, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Directors of the Kern County Hospital Authority Community Health Center at an official meeting thereof on the 26th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Directors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Clerk of the Board of Directors
Kern County Hospital Authority
Community Health Center

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The conduct of Kern County Hospital Authority Community Health Center is subject to the provisions of the section 330 of the Public Health Services (PHS) Act (42 U.S.C. 254b) ("section 330"), as amended; and

(b) Public agencies are permitted to utilize a co-applicant governance structure for the purposes of meeting Health Center Program governance requirements. Public centers may be structured in one of two ways to meet the program requirements: 1) the public agency independently meets all the Health Center Program governance requirements based on the existing structure and vested authorities of the public agency's governing board; or 2) together, the public agency and the co-applicant meet all Health Center Program requirements; and

(c) By adopting the Kern County Hospital Authority Conflict of Interest Policy and Code, the Board of Directors will demonstrate compliance with the requirement that the health center governing board assures that the health center is operating in compliance with applicable federal, state, and local laws and regulations.

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

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

2. This Board hereby adopts the Kern County Hospital Authority's Conflict of Interest Policy and Code as set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

3. The Clerk of the Board of Directors shall provide copies of this Resolution to the following:

Members, Board of Directors, Community Health Center
Members, Board of Governors, Kern County Hospital Authority
Community Health Center
Executive Director, Community Health Center
Medical Director, Community Health Center
Kern Medical Center
Legal Services Department

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed training schedule for the Kern County Hospital Authority Community Health Center (CHC) Board of Directors

Recommended Action: Approve

Summary:

The CHC Board has the discretion with respect to decision making or other activities on how to carry out its required responsibilities, functions, and authorities in areas such as the following:

- Whether to establish standing committees, including the number and type of such committees, such as executive, finance, quality improvement, planning, etc. (in compliance with the Brown Act);
- Whether to seek input or assistance from other organizations or subject matter experts, such as a joint committee that includes CHC staff and other organizations, consultants, etc.; and
- How to format and determine its long-range/strategic planning.

The proposed training schedule for your Board outlines when and how your Board will be informed about key initiatives, required tasks, and strategic planning.

Therefore, it is recommended that your Board approve the proposed training schedule for the Kern County Hospital Authority Community Health Center Board of Directors.

Proposed Board Training Plan 2025

2025	Quality	Finance	Stewardship	Compliance	Closed Session
January	Quality Reporting Requirements: Patient Satisfaction and Grievances	Finance Reporting Requirements	Community Health Center Overview	Ralph M Brown Act	
February	Patient Satisfaction / Patient Engagement CGCAPHS			Section 330 Training Requirements	
March	Patient Safety Presentation	Sliding Fee Schedule and Nominal Charges, Billing / Collections			Executive Director EPR
April			Presentation: Health Center Utilization Report		
May	Presentation : Intro Quality Improvement CHC Metrics			Strategic Planning - Board Responsibilities	Executive Director EPR
June			Presentation: Peer Review		
July				Service Area Analysis and Key Management Responsibilities	
August		Grant management and funding sources			
September	SDOH statistics of service area				
October				CEO and Board Relationship / Conflict of Interest	
November	Patient Engagement			Community Partnerships	
December				HRSA OSV participation	

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed approval of Community Health Center (CHC) Policies and Procedures

Recommended Action: Approve

Summary:


The CHC Board has oversight responsibilities for reviewing and approving the policies and procedures for the CHC. The following proposed policies and procedures which focus on Finance and Operations are required to be included FQHC Look-Alike application submitted to HRSA.

Policy	Policy #
Billing Collections Policy	LAL-BC-01
Waiver of Charges Policy	LAL-BC-02
Notification of Equipment and Supply Costs Policy	LAL-BC-03
Registration and Eligibility Policy	LAL-BC-04
Financial Management System	LAL-FIN-01
Maintenance of Internal Controls	LAL-FIN-02
Record Management and Retention	LAL-FIN-03
Bank Accounts	LAL-FIN-04
Program Income	LAL-FIN-05
Financial Statements and Reports	LAL-FIN-06
Annual Audits	LAL-FIN-07
Insurance Contracts	LAL-FIN-08
Month End Close	LAL-FIN-09
Cash Disbursements	LAL-FIN-10
Credit Cards	LAL-FIN-11
Fixed Assets	LAL-FIN-12
Real Property	LAL-FIN-13
Receipt of Funds	LAL-FIN-14
Payroll Processing	LAL-FIN-15
Out-of-Pocket Employees Exp	LAL-FIN-16
Legislative Mandates	LAL-FIN-17
Investment of Funds	LAL-FIN-18
Petty Cash Funds	LAL-FIN-19
Annual Budget Preparation	LAL-FIN-20
Competitive Bidding	LAL-IM-01
Approval Levels for Purchase Requisitions and Invoices	LAL-IM-02
Procurement to Payment	LAL-IM-03
Blanket Purchase Orders	LAL-IM-04

Contract and Vendor Management	LAL-IM-05
After-hours Access to Care for Medical Emergencies	LAL-OP-01
Emergency Department Discharge Tracking	LAL-OP-02
Acute Care Transition Program	LAL-OP-03
Credentialing and Privileging Policy	LAL-QUAL-01

Therefore, it is recommended that your Board approve the proposed policies and procedures.

Kern Medical Outpatient Health

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-BC-01	March 2025	March 2028	1 of 4	
Title: Billing Protocols				

POLICY STATEMENT:

Kern County Hospital Authority Community Health Center (KCHA CHC) is committed to ensuring a patient-center billing and collections process that seeks to minimize financial barriers patients may face in paying for services, while optimizing collections for amounts due. In accordance with HRSA requirements, it is the policy of KCHA CHC to:

- Make every reasonable effort to secure payment for services from patients in accordance with health center fee schedules and the corresponding schedule of discounts.
- Make every reasonable effort to enter in contractual or other arrangements to collect reimbursement of its costs from the appropriate agencies with administer or supervise the administration of Medi-Cal, Medicare, other public benefit programs, and private health insurance and benefit programs.
- Collect appropriate reimbursement for its services on the basis of the full allowable amount when billing third-party payers.
- Efficiently process all claims in a timely manner and in compliance with payer and HRSA guidelines.
- Ensure all patient information is within the guidelines to process a clean claim before submission to each individual payer.

This policy applies to billers, the Billing Director and/or Manager, the CFO, and billing personnel, and accounting personnel.

POLICY GUIDELINES:

1. **Fee Schedule:** All patients and third-party payers are charged in accordance with KCHA CHC's fee schedule which is inclusive of services typically billed for in the local healthcare market and is developed using data on locally prevailing rates and actual health center costs. Discounts may be applied to these charges as applied to patients in accordance with KCHA CHC's Sliding Fee Discount Program and Waiver of Charges Policy.

Annually, KCHA CHC leadership recommends adjustments to KCHA CHC's fee schedule to establish charges for any new and/or additional services and to ensure KCHA CHC's fee schedule represents current locally prevailing rates and KCHA CHC's actual costs of providing services to ensure the financial viability and sustainability of the Health Center.

These recommendations are presented to the Board of Directors for approval prior to implementation. By regularly updating KCHA CHC's fee schedule, the health center is able to legally and ethically maximize reimbursement from third-party payers as costs of doing business increase.

2. **Coding and Billing:** KCHA CHC is committed to ensuring that coding and billing accurately reflects services performed and that documentation is in compliance with applicable contractual, state, and federal requirements and that staff are properly educated and trained on the requirements as they relate to compliance. It is a policy to ensure all claim information is within guidelines to process a clean claim before submission to third party payers and that records are properly maintained and that billers make every effort to ensure clean claims before submission to payers.

3. **Claims Processing:** KCHA CHC will file all third-party claims on behalf of patients who have signed the Assignment of Benefits Agreement. Claims are filed within five days of services.

KCHA CHC makes every reasonable effort to file claims with appropriate payers via electronic submissions. All claims should pass without error through electronic edits. KCHA CHC's billing team is responsible for errors detected during edits, and for reviewing all claims prior to submission for payment.

In the event that KCHA CHC must process paper claims, these are processed once per week to ensure that all claims are submitted to third party payers within 10 business days of the date of service. The appointed staff member (see **Billing & Collections Procedure**) will be responsible for ensuring the proper and efficient delivery of claims each week.

4. **Rejections and Denials Processing:** Should any claims submitted to third-party payers be rejected or denied due to accuracy, KCHA CHC corrects and resubmits these claims in a timely manner to maximize collections to the health center. Reasons for rejection and denial are reviewed regularly to ensure that common errors are resolved to avoid further rejections and denials.
5. **Patient Collections:** KCHA CHC collects fees for services in a timely manner in accordance with KCHA CHC's fee schedule and any corresponding discounts and applicable fee waivers. No patient is denied service based on inability to pay. Self-Pay patients are asked to pay at the time of service and are issued patient statements for non-payment and outstanding balances.

KCHA CHC educates patients on insurance and third-party coverage options available to them and, if applicable, assists patients in enrollment when possible.

If a patient with an outstanding or written off balance attempts to schedule a service, they will not be denied service. No patients will be limited to denied services for refusing to pay.

- a. KCHA CHC attempts to collect balances owed by patients and maintains systems and processes for collecting owed charges, co-pays, nominal charges, and discounted fees.
- b. It is the policy of KCHA CHC to send statements to patients with an outstanding balance for 120 days from date of service, issuing three

statements monthly following the date of service.


- c. Statements will include information on how the patient can contact an KCHA CHC Financial Counselor in case the patient is interested in qualifying for a payment plan.
 - d. At 120 days after the date of service, any outstanding patient balances will be written off as Bad Debt.
 - e. No patient will be limited or denied services if they refuse to pay.
 - f. Receivables are aged monthly and reviewed by the Billing Manager and/or CFO.
6. **Billing Month End Process:** It is the policy of KCHA CHC to close each month and perform appropriate reconciliation no later than the 6th of the following month.
7. **Billing Reconciliation:** KCHA CHC Patient Accounting, Physician Enterprise and finance department accounting personnel reconcile all payments received against general ledger to ensure all payments have been posted to the correct funding source. Monthly bank reconciliations are prepared by the CFO and reviewed by the CEO for completion including reconciliation of all cash receipts, see Accounting Manual for more information.
8. **Balance Adjustments and Write-Offs:** It is the policy of KCHA CHC to establish an efficient system when applying payments and adjustments to KCHA CHC accounts receivables balances. KCHA CHC is committed to ensuring a patient-center billing and collections process that seeks to minimize financial barriers patients may face in paying for services, while optimizing collections for amounts due. Receivables are aged monthly and reviewed by the Billing Manager and/or CFO. Accounts are subject to write-off when they are determined to be uncollectible as further details in the **Billing & Collections Procedure**.
9. **Refunds:** It is the policy of KCHA CHC to make an appropriate effort to return patient or other payer overpayments.
10. **Record Retention:** Medical records shall be retained for no less than 7 years and in accordance with local, state, and federal regulations. Medi-Cal patient records are retained for a minimum of 10 years.

REFERENCES

- **Billing & Collections Procedure**
- **Sliding Fee Discount Policy and Procedure**
- **Waiver of Charges Policy and Procedure**
- **HRSA Health Center Program Compliance Manual, Chapter 16**

OWNERSHIP (Committee/Department/Team)			
ORIGINAL.....			
REVIEWED, NO REVISIONS.....			
REVISED			
APPROVED BY COMMITTEE.....			
DISTRIBUTION.....			
REQUIRES REVIEW			
Executive Director Signature of Approval		Signature of Approval	
Date		Date	

Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-BC-02	March 2025	March 2028	1 of 2 (with addendum)	
Title: Waiver of Charges				

POLICY STATEMENT: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to waive the charges in cases where it is determined that these charges represent a barrier to care.

POLICY PURPOSE: The purpose of this policy is to ensure KCHA CHC has a mechanism to determine if a patient is experiencing financial hardship and may apply for a discount or waiver of charges (e.g., full payment if self-insured, or copayment, coinsurance, and/or unmet deductible if insured). Whether such a discount or waiver is granted shall be based on an individual assessment of the patient's financial and medical circumstances, and an assessment of KCHA CHC's legal and contractual obligations to the third-party payers.

POLICY SCOPE: This policy applies to the front desk, Clinic Manager, Billing Manager/Director, Chief Financial Officer and Chief Operating Officer or designee, as well as other staff as appropriate.

POLICY DEFINITIONS:

Administrator: Clinic Manager, Billing Manager/Director, and Chief Financial Officer or designee with authority to waive charges based on Waiver of Charges Procedures.

POLICY GUIDELINES:


1. It is the policy of KCHA CHC to determine whether the patient is a beneficiary of a private third-party payer plan. If appropriate, KCHA CHC will determine whether its agreement with the payer prohibits a financial hardship waiver or discount.
2. The Billing Manager/Director, Chief Financial Officer, or designee has the authority to waive charges in cases where it is determined that the fee represents a barrier to care. Any waiving of charges will be documented in the patient's file along with (1) an explanation at the time the charges are adjusted and (2) an effective date, after which the waiver is no longer valid and must be re-evaluated if patient renews their request.
3. Such circumstances include the following and are described under Waiver of Charges Procedures:
 - a. Extreme hardship cases with medical conditions requiring frequent or expensive care, with consultation with patient's Primary Care Provider;
 - b. Patient who has been determined to fall within one category on the sliding fee scale and later provide documentation justifying a new position on the sliding fee scale;
 - c. Patients who are temporarily limited in their ability to pay for the services rendered (i.e. suffering extreme poverty, particularly when combined with immigration status, mental

health issues, homelessness with no income or other assets, unemployment with no other assets, and disability with no other assets; also in cases of patients having no income due to serious and expensive medical expenses or personal emergencies due to major accidents, catastrophes, earthquake, fire, or flood.)

4. Financial hardship waivers shall be applied only to the co-insurance or deductible amounts owed by the patient and shall be determined in accordance with applicable state law and contractual agreements. Waivers will not be applied to amounts owed by third-party payers.
5. The policy will be initiated when a patient requests for a reduction or waiver of charges. Any denial of the waiver request is documented and includes instructions for reconsideration. If additional documentation is received to support the financial hardship, the request is reviewed and reconsidered per the above guidelines. The decision of the Administrator or designee is final.
6. All information relating to financial hardship requests is kept confidential, except as required by law.
7. It is the policy of KCHA CHC to ensure all staff understands how to appropriately follow the established guidelines when there is a request for a waiver of charges, unwillingness or refusal to pay, and/or fee disputes.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-BC-03	March 2025	March 2028	1 of 2 (with addendum)	
Title: Notification of Equipment and Supply Costs				


POLICY STATEMENT: In cases in which Kern County Hospital Authority Community Health Center (KCHA CHC) provides supplies or equipment that are related to, but not included in, the service itself as part of prevailing standards of care^a and charges patients for these items, it is a policy of Kern Medical to inform patients of such charges (“out-of-pocket costs”) prior to the time of service.

This policy applies to KCHA CHC billing and front desk staff.

^a These items differ from supplies and equipment that are included in a service as part of prevailing standards of care and are reflected in the fee schedule (for example, casting materials, bandages)

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No. LAL-BC-04	Effective Date March 2025	Review Date: March 2028	Page 1 of 2 (with addendum)	
Title: Registration and Eligibility				

POLICY STATEMENT:

Kern County Hospital Authority Community Health Center (KCHA CHC) maintains accurate patient information through consistent and efficient insurance verification and patient registration processes. KCHA CHC is committed to assisting all patients who are uninsured or underinsured in identifying and applying for health insurance or other coverage.

It is a policy of KCHA CHC to enter patient demographics and insurance information into the electronic health system.

This policy applies to Registration and Health Benefit Advisors (HBAs).

POLICY GUIDELINES:


1. It is the policy of KCHA CHC to appropriately collect and enter patient demographics and insurance policy information of all patients into KCHA CHC's EHR. As such, all patients seeking healthcare at KCHA CHC undergo the patient registration process.
2. It is a policy of KCHA CHC to verify insurance coverage for patients before or at the time of each visit. This is to ensure that the clinic has the most up-to-date insurance information on a patient, the financial viability of KCHA CHC, and appropriate coordination of care.
3. KCHA CHC HBAs educate patients on insurance and, if applicable, related third-party coverage options available to them. They assist all interested patients in applying for health insurance through state-funded programs, such as Medi-Cal , Covered California, and other public benefit and safety net programs. Additionally, Health Benefit Advisors inform patients of the availability of sliding fee discounts and patient fee waivers. **See Sliding Fee Discount Program and Patient Fee Waiver Policies and Procedures for more information.**

REFERENCES:

- **Registration and Eligibility Procedure**
- **Sliding Fee Discount Program Policy and Procedure**
- **Patient Fee Waiver Policy and Procedure**

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-01	March 2025	March 2028	1 of 3 (with addendum)	
Title: Accounting and Financial Management System				

POLICY: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to utilize a financial management and internal control system that reflects Generally Accepted Accounting Principles in the United States (US GAAP). KCHA CHC maintains appropriate accounting and internal control systems over, and accountability for, all funds, property, and other assets through adequate segregation of functions and safeguarding of assets. To this end, KCHA CHC maintains a professional accounting system to track its finances and uses an accounting system that can produce all standard accounting reports and a chart of accounts that categorizes all transactions in a manner that is consistent with US GAAP.

PROCEDURE: KCHA CHC currently utilizes the Cerner Millennium Electronic Health Record (EHR) to record patient billing, patient accounts receivable, and patient cash collections transactions. KCHA CHC uses the PeopleSoft software system as its financial management system to record all general ledger accounting transactions. Cerner and PeopleSoft are both used to create the following reports:

- Chart of Accounts
- Income or Expense Account
- Accounts Payable Aging Summary
- Open Invoices
- Cash Flow Report
- Accounts Receivable Aging Summary
- Profit and Loss Report
- Balance Sheet Report
- Comparisons of Budget vs. Actuals

The Cerner and PeopleSoft software systems are remotely backed up daily.

KCHA CHC maintains a double entry accounting system on an accrual basis and tracks revenue and expenditures by cost center and grant number with a comprehensive record keeping system including a general journal, a general ledger, a cash receipts journal, a cash disbursements journal, and individual payroll records. The general ledger, journals and payroll records are posted at least monthly. KCHA CHC specifically identifies and accounts for all federal awards received and expended in its accounting as is required per 45 CFR 75.302.

KCHA CHC Accounting and Financial Management procedures are designed to establish a uniform accounting system that:

- Ensures that all costs of operation can be adequately accounted for.
- Provides for the functional classification of expenses in terms of grant and appropriate cost center.
- Ensures that all revenues and expenses are reported monthly and on an accrual basis.
- Provides financial records that clearly reflect and identify the cost of each type of service for which reimbursement is claimed.

Source documentation is maintained as a voucher package to support all entries made into the general ledger. Voucher information includes a purchase requisition, an invoice approved by

the appropriate department manager, a receiving document, and a contract and/or purchase order if applicable. KCHA CHC uses PNC Bank's Integrated Payables system to process vendor payments and cash disbursements. Accounts payable pay cycles are run at least once a week to pay all invoices that have been properly approved for payment and have the appropriate support documents electronically attached. Vendor pay cycle files generated in PeopleSoft are electronically sent to PNC for processing. PNC processes the payments by Automated Clearing House (ACH) direct deposit if requested by vendors or by printing and mailing paper checks. Remittance information supporting payments is automatically emailed to vendors as set up in the Integrated Payables system. All cash disbursement and voucher information are saved and maintained electronically on the Kern Medical network and accounted for in monthly bank reconciliations (**see Month-End Close Policy and Procedure**). Payroll registers are also saved and maintained electronically to support salary and benefit expenses. Grant information is also maintained in a digital file. Tracking of authorizations, obligations, and unobligated balances of grant programs is maintained in an excel spreadsheet, updated by the Finance Manager or designee, and retained on the KCHA CHC network in the Finance Department digital file.

Chart of Accounts

A chart of accounts shall be maintained by the Senior Director of Finance to safeguard assets and assure they are used solely for authorized purposes in accordance with the terms and conditions of the Health Center Program award/designation. The Senior Director of Finance, Finance Manager, and Chief Financial Officer (CFO) shall authorize any changes to the chart of accounts structure.

All transactions are coded to a department/cost center and funding source, as appropriate. KCHA CHC's chart of accounts categorizes transactions into the following major classifications of accounts:

- Assets
- Liabilities
- Equity
- Revenue
- Expenses

All asset accounts shall begin with 1, all liability and equity accounts shall begin with 2, all revenue accounts shall begin with 3 or 5, and all expense accounts shall begin with 6 or 7.

In addition to the major classification codes described above, all transactions are coded to a department/cost center as appropriate for the reporting structure currently being utilized. The account code is designed with 18 digital codes (main code: 8 digits, facility: 5 digits, cost center: 5 digits).

KCHA CHC will establish a separate account within the chart of accounts for each federal program it participates in. This allows for detailed reports of all transfer of funds from the PMS system and funds expensed under the federal program. Each federal grant program has its own account number within the chart of accounts and all transactions are recorded to the appropriate account. This allows the running of reports of revenue and expenditures by federal grant (consolidated) and by each federal program.

Maintaining the General Ledger

The general ledger is automated and maintained by KCHA CHC. All inputs and balancing are the responsibility of the Senior Director of Finance with the final approval by the CFO. GAAP is followed when recording information into the general ledger. The Senior Director of Finance reviews the general ledger on a monthly basis and analyzes variances between budget and actual amounts. The Senior Director of Finance presents the analysis to the CFO. The CFO presents the financials to the CEO and the Board of Governors.

Cost Allocations

It is the policy of KCHA CHC to allocate costs in a consistent, fair, and accurate manner to the proper site or grant based on the relative benefits received. Only costs that are allowable in accordance with OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Section 200) can be allocated to benefiting sites and programs.

Shared administrative costs that are not directly charged to health center sites are allocated based on an appropriate allocation methodology at month-end and included in site specific management reports. Allocation procedures are reviewed at least yearly by the Finance Department and revised if necessary.

Capturing Accounting Data:


All accounting transactions must be verified by written evidence called a source document.

Source documents are written records of formal financial transactions. All source documents must be sent to the Finance Department for proper recording and coding. Source documents are filed and maintained. They include, but are not limited to:

- Receipt Vouchers (Grant Contracts, Client Collections, Remittance Advice, Inter-Account Loans Memorandum, Loan Contracts, Cash Receipts, Bank Deposit Slips, etc.)
- Disbursement Vouchers (Vendor Invoices, Service Contracts and Invoices, Petty Cash Vouchers, Time Sheets, Employee Advances, Employee Status Form, Purchase Orders and Cancelled Checks).

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-02	March 2025	March 2028	1 of 2 (with addendum)	
Title: Maintenance of Internal Controls				

POLICY: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to maintain sufficient internal controls to safeguard the organization and its assets. Internal controls should be sufficient to minimize risks, protect assets, ensure accuracy of records, prevent, and detect fraud and promote operational efficiency. Internal controls ensures that financial information is timely and accurate, which is essential for accountability and decision-making.

Internal controls ensure that employees' duties are arranged, and records and procedures are designed to enable the exercise of effective accounting controls over assets, liabilities, resources and expenditures. The basic application of these controls involves:

- Division of responsibility among different employees for a sequence of related functions.
- Clear establishment of each employee's responsibilities and duties.
- Separation of the responsibility for maintaining records from the responsibility for operations, acquisitions and custody of assets.
- Use of proofs, checks and other security measures.

Management is responsible for devising, installing, and supervising a system of internal controls adequate to:

1. Safeguard the assets of the organization.
2. Check the accuracy and reliability of accounting data.
3. Promote operational efficiency.
4. Encourage adherence to prescribed management policies.
5. Provide an appropriate plan of organization, an adequate system of authorization and record procedures and sound practices.
6. Personnel of appropriate number and capabilities.

PROCEDURE:

The following measures ensure internal fiscal control for the overall organization:


1. The Board of Directors shall be given reasonably full and complete information relating to the operations of KCHA CHC. Monthly variance budget reports are provided to the Board for their review as a control to prevent expenditures of funds in excess of approved budget amounts. The Board of Directors reviews prior period's fiscal activity, including an operating statement of revenues and expenditures, balance sheet, ratios and other statistical information on visits and users monthly. The Board of Directors meets monthly to review and approve the financials.
2. There are written procedures for the:
 - a) Organizational structure
 - b) Accounting functions (including a chart of accounts, which provides for the identification of receipts and expenditures for each program and for each funding source).
 - c) Personnel policies, including all policies for accumulating vacation and sick

leave.

3. Duties within the organization are segregated so that no one individual has complete authority over an entire financial transaction. Accounting personnel duties and responsibilities should be clearly outlined. All cash-related duties are assigned to separate employees so that no one employee performs more than one cash handling or recording function.
4. All accounting records are secured in the Finance Department.
5. There shall be an annual audit by an outside certified public audit firm approved by the Board of Directors in accordance with Section 330 guidelines. See **Annual Audits** Section for more information.
6. Any suspected irregularities shall be reported to the Board of Directors first through the CFO and then through the CEO. In instances where the irregularities involve the CEO, CFO or Compliance Officer, personnel may proceed directly to the Board of Directors.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No. LAL-FIN-03	Effective Date March 2025	Review Date: March 2028	Page 1 of 4 (with addendum)	
Title: Record Management and Retention				

POLICY: This policy provides for the systematic review, retention, and destruction of documents received or created by Kern County Hospital Authority Community Health Center (KCHA CHC) in connection with the transaction of organization business. In accordance with federal and state laws and regulations, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding. KCHA CHC maintains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). This policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate KCHA CHC's operations by promoting efficiency and freeing up valuable storage space.

PROCEDURE: Records include, but are not limited to originals and copies of:

1. Paper documents.
2. Films, microfilms, photographs, x-rays.
3. Electronic documents, e-mails, scanned images, structured data, etc., regardless of
4. storage location:
5. Network drives.
6. Electronic database programs.
7. Desktop and laptop hard drives.
8. Mobile devices (telephones, personal digital assistants, etc.).
9. Hard Drives.
10. CDs and DVDs.
11. USB drives.
12. iPhones and similar devices.

Financial records include but are not limited to:

- All originating documents such as grant letters, payment requests and invoices deposit documents; purchase orders, invoices and receiving reports, time reports and other payroll documents; journal vouchers and other financial transaction record.
- All fiscal reports including fund balance sheets; statements of support, revenue and expenses; statements of functional expenses; fiscal reports to grantors; inventory records and reports and audit reports.
- All accounting books, journals and ledgers.

- Miscellaneous documents such as tax exemption requests, corporate legal documents, bank statements and property deeds.

Record Retention

KCHC CHC maintains records—including financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a federal award—in accordance with 45 CFR § 75.361 and current versions of HHS Grants Policy Statements.

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

Records that must be retained for 7 years:

- Payroll:
 - Form 1099R
 - Form 941 & Support
 - Form W-4
 - Payroll Check Registers
 - Payroll Summaries
 - Timecards
 - Garnishments/tax levies/release
- Accounting:
 - AP Check Requests, Manual Checks, Purchase Orders (POs), Wires, Canceled Checks
 - Deposit Slips
 - General Ledgers & Support
 - Monthly reconciliations including bank reconciliations
 - Positive Pay & ACHs
 - Form 1099 MISC and 1099-NEC

Records that must be retained permanently:

- Payroll:
 - Form W-2
- Financials:
 - Tax Returns
 - Audited Financial Statements
- Other:
 - Articles of Incorporation
 - By-Laws
 - IRS Determination Status Letter
 - Application for Exempt Status
 - Notice of Revocation of Tax-Exempt Status
 - Actuarial Reports (Workers Compensation, LTD, Health Plans)
 - Unclaimed property filings and supporting documentation

In the event that KCHC CHC ceases operations, all funding sources will be contacted regarding the requirements for storage and retention of the accounting records.

Specific Record Retention Guidance

- Personnel Services: Payroll records; time and attendance records are electronically signed by the employee and supervisor for each payroll (including employee name,

number of hours worked, rate of pay, and pay period covered); time distribution records by program (accounting for total work time on a daily basis). These records shall be maintained for all employees.

- Written authorization should be on file for all employees, covering rates of pay, withholding and deductions and all salary and wage rate changes.
- Records on file should include documentation for Federal and State payroll taxes withheld.
- **Consultant Services**: Copies of contracts and billings. Depending upon the type of contract, the following may be required to support consultant services: time records, travel vouchers detailing purpose, time and location of travel, and invoices for supplies.
- **Travel**: Travel expense vouchers showing location, dates and time of travel; purpose of trip and rates claimed; vehicle mileage logs showing dates, destination, and purpose of trip and mileage.
- **Operating Expenses**: documents such as invoices, receiving reports, bills of lading, lease agreements, contracts, etc.

KCHC CHC maintains supporting documentation for services provided and revenues collected as follows:

- **Encounter Forms**: Copies of original encounter documents for each patient visit to record patient's name and ID, services provided, name of provider, diagnosis, and charges.
- **Monthly Patient Billings**: Aged trial balance reports for accounts receivable including individual patients billed, amounts collected, and balance due.
- **Third Party Receipts**: Remittance advices for all third-party payments to show amount billed, amount paid, and disallowed amounts.

Record Storage and Disposal

All records are stored in a manner that provides for appropriate security and privacy of information, preserves records from physical damage, and allows for easy access and retrieval within a reasonable amount of time when required. Stored records exceeding their retention period will be identified for disposal on an annual basis and will be destroyed in a manner to safeguard the privacy of the data. A certificate of destruction shall be required as appropriate.

All supporting documentation for program expenditures and revenues, or for services billed under fee-for-service, are filed in a systematic and consistent manner. Support documents are filed as follows:

<u>Checks</u>	Numerically
<u>Invoices</u>	Batched by check-run date
<u>Receipts</u>	date/monthly
<u>Service Records</u>	All patient encounter forms are filed by site, source number and date of service, so that it is possible to trace from monthly billing summaries (under fee-for-service) back to original service record documentation.


Accounting transactions posted can be cross-referenced to supporting documentation. For example, expenditure transactions can be cross-referenced to the invoice by vendor name and date as well as to the check-by-check number. Revenue transactions can be cross-referenced to receipt numbers.

Record Hold

The disposal of records will cease in the case of litigation, audit, or other qualifying event until appropriate resolution of the event has occurred.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No. LAL-FIN-04	Effective Date March 2025	Review Date: March 2028	Page 1 of 1 (with addendum)	
Title: Bank Accounts				

POLICY: Kern County Hospital Authority Community Health Center (KCHA CHC) has a policy to maintain bank accounts necessary for its business operations. When possible, bank accounts shall be insured by the FDIC or other available governing bodies.

KCHC CHC maintains the following types of bank accounts:

- General Checking Accounts
- Payroll Checking
- Investment Account

The establishment of bank accounts is under the authority and discretion of the Board of Directors. The Board Chair must sign authorization forms to open new banking accounts.

Only those officers and staff members authorized by the Board of Directors may sign the check signature cards. New signature cards are required each time there is a change of officers or staff members allowed signing. The Board Chair must attest to these changes.

No bank account may be closed without the approval of the Board of Directors.

Transfers between KCHC CHC accounts require the written approval of the CFO.


PROCEDURE: Any decision to open or close a bank account must be approved by the Board and recommended by the CEO and/or CFO. Such decisions will be recorded in KCHC CHC's Board minutes.

Bank Transfers:

If a transfer between accounts needs to be performed, the Senior Director of Finance or designee will submit the transfer for approval by the CFO.

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Department: Finance				
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LAL-FIN-05	March 2025	March 2028	1 of 1 (with addendum)	
Title: Program Income				

POLICY: All program income generated due to projects financed with federal funds must be limited to:

1. Furthering the eligible project/program objectives;
2. Financing the non-federal share of the project/program, or deducted from the total federal share of the project/program's allowable costs;
3. Utilized for allowable costs which have been approved by the Board of Directors via the Annual Budget; and
4. Purposes that not specifically prohibited under Section 330.


The CFO and Finance Department will be responsible for maintaining the methodology for calculating program income, as well as under what conditions the program income is to be used.

PROCEDURE:

1. Annually, program income will be estimated based on the past year's performance, with growth objectives and change in the federally funded program payment methods (if any). This will become the amount placed in the budget as program income.
2. As Kern County Hospital Authority Community Health Center (KCHA CHC) is operating within the approved budget fiscal year, the program income is tracked by the Chief Financial Officer through accounts receivable, aging reports and cash receipts.
3. Program income is comprised of payments for patient services including from patients and third-party payers.
4. Program income is recorded when received or earned and used to meet the expenditures of the project/program.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-06	March 2025	March 2028	1 of 1 (with addendum)	
Title: Financial Statements and Reports				

POLICY: It is a policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to inform and support management's efforts to make organizational decision making by providing appropriate, accurate and up-to-date monthly management reports, or other relevant information, as outlined below.

The Finance Department prepares financial reports for internal management purposes, to provide data to funding sources, and to meet federal and state regulations. All financial reports, both for internal control and to provide financial information to outside agencies, are produced on a timely basis according to the schedule developed by the Finance Department.

Financial reporting is developed for the Board of Directors on a monthly basis and must include:

- A summary of activities and financial impact
- Statement of Financial Position
- Statement of Financial Activities, including Budget vs. Actuals
- Key performance indicators of overall financial performance

Procedures:


Financial statements are the culmination of the accounting process. They summarize all financial transactions within a given period. The following interim reports are produced and distributed to the Finance Committee, Board of Directors, Executive Team, and department managers as applicable. The reports may be distributed to outside agencies at the direction of the CFO and/or CEO:

- Summary of activities and financial impact
- Financial Statements with actual vs budget variance including Profit and Loss Statement and Balance Sheet,
- Financial Ratios and KPIs.

KCHA CHC CFO reviews all monthly reports for accuracy before they are submitted to the CEO for review and approval. These monthly financial reports are then submitted to the Board of Directors.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-07	March 2025	March 2028	1 of 2 (with addendum)	
Title: Annual Audits				

POLICY: Kern County Hospital Authority Community Health Center (KCHA CHC) will have an independent financial audit completed by a contracted audit firm annually no later than six months after the close of the fiscal year. An audited financial statement enhances the credibility of the organization's finances, ensuring that funds are used appropriately in alignment with the organization's mission and in compliance with regulatory requirements. KCHA CHC staff shall provide the auditors with all requested documents. Additionally, the organization may need to undergo a Single Audit, as mandated below.

PROCEDURE:

Auditor Selection: KCHA CHC will have a request for bids/proposals at least every 5 years to select the independent audit firm. A minimum of 3 proposals will be secured. These will be presented to the Board of Directors for review and selection. The Board will select an audit firm and execute a contract for a period of 3-5 years, unless specifically determined that another period is more appropriate.

Single Audit Determination: The Single Audit, formerly known as OMB Circular A-133, are required from recipients (non-profit organizations) who expend \$750,000 or more in aggregate federal funds within their fiscal year.

The CFO and designee will ensure that the following preparations are completed for the financial audit:

- Compile all requested documentation for review by the auditors.
- Ensure that key staff will be present and available during fieldwork.
- Organize financial records.
- Perform reconciliations of the balance sheet and income statement.
- Document and update financial and accounting policies & procedures.
- Review and update internal controls processes.

Prior to the audit, the Controller and the CFO must update all individual general ledgers to an adjusted trial balance, prepare all necessary closing entries and analyze all deferred expenses and loans. The Senior Director of Finance must ensure that the fiscal files contain all necessary records, are in good order, and accessible. Full cooperation with the auditor is required of all staff and Board members involved in the KCHA CHC fiscal management. Once the audit is completed, the Senior Director of Finance, CFO, CEO review it. It is then submitted to the Board for approval.

Independent Financial Auditor's Report

The independent financial auditor's report shall be the mechanism through which the auditor expresses an opinion or, if circumstances require, disclaims an opinion on such items as:

- The fairness presented in the financial statements relating to KCHA CHC present financial position.
- The result of operations and changes in financial position.
- The conformity with generally accepted accounting principles.

Independent Financial Auditor's Management Letter

- a. The independent financial auditor's management letter describes in reasonable detail the objectives and limitations of the internal control system implemented at KCHA CHC.
- b. The auditor's management letter should indicate whether any identified weaknesses relate to procedures or the implementation of those procedures. The auditor's management letter may also include recommendations for improving procedures, comments concerning corrective action taken or in process, or other appropriate comments related to the financial audit process.

Distribution of the Financial Audit Report and Management Letter

The purposes of the independent financial audit are for the oversight of the governing Board of Directors, compliance to grant funders and transparency to donors and the public. Therefore, the auditors should formally present their audit report and management letter to the Governing Board of Directors and/or a formally designated Committee of the Board.


Distribution of the financial audit report and related documents shall be made to:

- a. The Chief Executive Officer and Chief Financial Officer
- b. The Board of Directors and the Finance Committee (if applicable)
- c. The Federal Audit Clearinghouse, Bureau of the Census
- d. The Office Grants Management, Bureau of Primary Health Care

The Board of Directors must review and accept the entire financial audit report before it is released to any person or agency. Once the board has reviewed and accepted the audit, it will be submitted to the Federal Audit Clearinghouse as required within the earlier of 30 days after the receipt or nine months after the fiscal year end.

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Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-08	March 2025	March 2028	1 of 2 (with addendum)	
Title: Insurance Contracts				

POLICY: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) that under the authority of the Board of Directors, KCHA CHC shall maintain adequate insurance coverage for:

- Medical Malpractice
- General Corporate Liability
- Equipment Breakdown insurance
- Property Damage and General Liability
- Personal Injury including Defamation and Slander of Officers or Staff
- Bonding Insurance
- Bodily Injury
- Employee Health and Dental Coverage
- Worker's Compensation
- Board of Directors and Officers Liability
- Cyber

The scope of coverage shall be adequate to meet the requirements of funding agencies as well as local, state, and federal laws.

PROCEDURE:

Any occurrences with possible professional liability implications or personal injury are to be reported immediately to the CEO and CFO. The procedure is intended to:

- Protect the assets of KCHA CHC, its Board of Directors, management, and staff from liability claims that arise from activities that are within the scope of duties at KCHA CHC;
- Assure that KCHA CHC obtains adequate coverage within the guidelines established by the Board of Directors, funding agencies, and governmental bodies. Assure that all insurance policies are periodically reviewed and renewed on schedule to provide for continuous coverage; and
- Assure that claims against KCHA CHC are processed in a timely manner and that adequate documentation is provided to the carrier.


The CFO, CEO, and the Vice President, Legal Counsel are responsible for:

- Reviewing and approving all new insurance policies as well as any changes in scope of coverage, premiums, or carriers for existing policies.
- Recommending insurance policies to the CEO for approval.
- Reviewing all claims filed against KCHA CHC with implications for malpractice liability, all incidents resulting in bodily injury, and theft.
- Informing the Board of Directors of major liability claims against KCHA CHC and other incidents that could result in major damages.

The Board of Directors shall remain informed of new insurance policies, changes in scope in coverage for existing policies, and/or policies that cover directors and officer's liability.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-09	March 2025	March 2028	1 of 2 (with addendum)	
Title: Month End Close				

POLICY: The purpose of this policy is to ensure month-end closing procedures are performed in a timely manner and to report to the Board of Directors and Finance Committee (if applicable). Month-end closing procedures are necessary for the purposes of proper accounting and recording processes, reconciling the bank statement, accounts receivable and account payables, and for making timely business decisions based on current operating results. The CFO, Controller and designee review reconciliations and reports for accuracy. Kern County Hospital Authority Community Health Center (KCHA CHC) CFO and designee prepares financial reports on a monthly basis, comparing the organization's budget to actuals for review by the CEO, Board of Directors and Finance Committee (if applicable).

PROCEDURE:

1. The Senior Director of Finance and the Finance Manager will develop the month-end closing schedule and delegate tasks, considering internal controls and the segregation of duties. All journal entries shall be reviewed and approved by the Finance Manager or its designee.
2. A month-end journal entries schedule is maintained to track all monthly journal entries that need processing. This schedule ensures that all standard monthly entries are completed, approved, and entered in the general ledger. It also provides information about any adjusting entries made during the month.
3. All general ledger journal entries must be clearly documented with the entry's purpose, account numbers, dollar amounts, and any other relevant description. The accounting system automatically assigns an identifying journal number and audit trail number to both recurring (standard) and non-recurring entries. Additionally, the system identifies the individual responsible for entering the journal entry into the computerized general ledger.
4. Month-end closing journal entries may consist of, but are not limited to, prepaid rent, prepaid insurance, depreciation and amortization recognition, funds transfers between bank accounts, and accrued revenue and expenses.
5. All journal entries shall be recorded on an accrual basis in accordance with GAAP.

Bank reconciliations are prepared monthly by a finance staff accountant (or designee assigned by the Finance Manager) and reviewed by the Finance Manager. Once the month has been closed; Board financial statements are prepared. Board financial statements are reviewed by the CEO, CFO, and Senior Director of Finance in preparation for the monthly Board of Directors meeting.

Prior to completion and review of bank reconciliations, finance staff will:

- Ensure that the bank statements reconcile with the organization's books including the Cash Disbursements Journal, Cash Receipts Journal, and the General Ledger.
- Provide a listing of all outstanding checks.
- Provide a listing of all deposits in transits (DIT).
- Provide a summary of all bank reconciliation adjustments to the General Ledger.

- Ensure that there are adequate segregation of duties between the preparation of bank reconciliations and other cash-related responsibilities (cash deposit, cash disbursement).

This procedure is completed for each bank account through the financial management software. The following is a condensed summary of the bank reconciliation format:

Bank Balance at Month End ^[1] _{SEP}	\$XXXXXX
Plus: Deposits in Transit	\$XXXXXX
Less: Outstanding Checks	\$(XXXXX)
Plus/Minus Other Reconciling Items	\$XXXXXX
Balance	\$XXXXXX
Balance Per G/L	\$XXXXXX


Kern Medical Outpatient Health will use the following procedures to maintain adequate segregation of duties:

1. Financial management system workflow permissions/rights:
 - The finance staff who enters deposits and/or invoices into the financial management system should not be performing bank reconciliations.
 - The finance staff who reconciles bank accounts should not be a check signer.
 - Check signers should not have posting and entering rights in the financial management system.
2. Deposits in Transit (DIT) - Any DIT greater than one month old should be investigated immediately. Reviewing DIT is essential to determining whether there have been any lost or misapplied deposits.^[1]_{SEP}
3. Outstanding Checks - A detailed list of outstanding checks should be maintained. A stop payment should be issued on any outstanding checks older than 6 months (time can vary). These checks should be investigated immediately as to why they have not been cashed. A new check should be issued, if applicable.
4. Other Reconciling Items - The detail should be reviewed monthly to determine appropriateness and a method of resolution (i.e., journal entry)

There should be no difference between the reconciled bank balance and the general ledger balance. If the balances do not match, then there may be more reconciling items than originally identified.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-10	March 2025	March 2028	1 of 3 (with addendum)	
Title: Cash Disbursements				

POLICY: It is Kern County Hospital Authority Community Health Center (KCHA CHC) policy that all cash disbursements have the approval of the appropriate personnel prior to issuing payment. Disbursements must have the proper back-up documentation including an invoice, check stub and an accounts payable voucher (if applicable). Checks are issued once a week according to a published schedule. The Finance Department is required to keep complete vendor files including invoices, vouchers and cross-reference checks issued.

All disbursements shall be for pre-approved, budgeted items, and any disbursement greater than \$250,000 which was not in the board-approved budget must be presented to the Board of Directors.

To determine reasonableness, all disbursements must follow KCHA CHC **Procurement & Contracting Policy**, and expenditure receipts must be retained for documentation.

All checks require authorized signatures. The following individuals have check-signing authority:

- Chief Executive Officer
- Chief Financial Officer
- Chair, Board of Directors

Additionally, any check exceeding the organization's threshold must bear two authorized signatures.

It is the policy of the health center to provide effective segregation of duties to safeguard assets, including in vendor account creation and EFT initiation.

Blank checks/check stocks are kept in a locked safe in the finance department.

PROCEDURE:

Accounts Payable (AP) Check Runs and Reconciliations

- Requests for payments may come from the following sources:
 - Invoices
 - Check request forms
 - Employee travel reimbursement forms
 - Employee mileage reimbursement forms
- Required information process for payment:
 - Payee name, payee address, amount, business purpose, date of request, date needed, grant to charge (if applicable)
 - Supporting documentation may be in the form of a receipt, license application, registration confirmation, etc.
- Approvals: All requests for payment must have a written supervisor approval.
- Coding: Invoices must be coded with a natural account number, cost center number, fund/grant number if applicable, and construction-in-progress (CIP) number if applicable. Including all relevant information as back up documentation for payments is essential to

- allocate expenditures correctly and prevent duplicate entries to a vendor or fund/grant.
- Invoice processing: the A/P clerk/accountant reviews each invoice and reimbursement request for accuracy, allowability, cost reasonableness, consistency, adequate documentation, proper approval signatures, grant and/or cost center reference, and available discounts or credits that can be applied. Data is then entered into the financial management system for review by the Finance Manager or designee.
- Aging Invoices: Invoices are typically aged for a minimum of 15 days, unless expedited payment is necessary to avoid penalties or for other urgent reasons. The aging period may be extended in response to cash flow management considerations.
- Vendor Information: All vendors are required to have a completed Form W-9 on file. Updates are requested periodically to ensure vendors remain compliant with laws and regulations. Vendor information is entered and updated in the vendor maintenance files, which are managed by the AP Clerk/Accountant.
- Payment Frequency: Check runs typically occur on a weekly basis. Before checks are issued, the Senior Director of Finance or the Finance Manager reviews the Accounts Payable (A/P) Aging Report, which the A/P Clerk/Accountant has prepared to show invoices due for payment. Additionally, the CFO or Senior Director of Finance reviews cash availability. In rare cases of limited cash reserves, the CFO and/or Senior Director of Finance may exercise discretion in prioritizing payments.
- Checks made to "Cash": No checks will be made out to "Cash." Petty cash replenishment checks will be made payable to the Kern County Hospital Authority.
- The following table delineates Kern Medical Outpatient Health's check signing authority:

Types of Checks	Types of Signatures	Exceptions
Accounts Payable Checks	Electronic signature	<i>Amounts > \$25,000 Must have dual signatures, with one original signature</i>
Payroll Checks	Electronic signature	<i>Bonus checks > \$25,000 must have dual signatures, with one original signature</i>
Manual (in-house) Checks	Hand signature, once the check and documentation have been approved and signed off by CFO or CEO	<i>Amounts > \$25,000 Must have dual signatures, with one original signature</i>
Checks above \$100,000 will require two (2) signatures, with the additional requirement that one signature be from an authorized signatory on the Board of Directors.		

- Chief Executive Officer
 - Chief Financial Officer
 - Chair, Board of Directors
- EFT Payments: Some invoices are paid by ACH or EFT (Electronic Fund Transfer) set up with the bank. The PNC Bank Integrated Payables system is used to process vendor payments. Check runs consist of sending electronic files listing vendor invoices pre-approved for payment with all back up documentation attached to PNC Bank. ACH payment request files are created in the PeopleSoft software system. Electronic remittance information is automatically emailed to vendors.
- Post Payment: AP Clerk/Accountant runs and electronically files a check register and posting journal report. All paid invoices, check stubs, EFT stub check requests along with all supporting documentation are electronically stored and saved. Paid invoices are filed with either a check stub or EFT stub attached to the original invoice or request along with


supporting documentation.

Credit Card Payments: Some expenses are paid with the company credit cards. See **Credit Cards** policy and procedure

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-11	March 2025	March 2028	1 of 2 (with addendum)	
Title: Credit Cards				

POLICY: Kern County Hospital Authority Community Health Center (KCHA CHC) provides credit cards to authorized personnel to efficiently make business purchases where other methods of payment are not accepted. Credit cards may not be used for personal expenditures. Authorized expense types and amounts shall be clearly defined. All credit card purchase receipts must be submitted for review and reconciled monthly against the respective credit card statement(s).

Credit cards shall be used under predefined circumstances as dictated in the associated procedure. Credit card usage shall be fully documented. KCHA CHC credit cards are for necessary business purchases only.

PROCEDURE:


1. Issuance of credit cards are approved by the CFO on an as needed basis only. Credit cards may not be used for personal expenditures. Credit limits for issued credit cards are as follows:
 - a. Chief Executive Officer \$20,000
 - b. Chief Financial Officer \$20,000
 - c. Chief Operating Officer \$20,000
 - d. Leadership (Directors) \$10,000
 - e. All other employees \$ 5,000
2. Issuance: Credit cards are issued in the name of the employee.
3. Usage: Credit cards are to be used principally for hotel bookings and other pre-travel requirements of staff and for exceptional circumstances where immediate payment is required and/or the check request process is not an alternative. Typical uses of the credit card include: travel, food, and emergency purchases. Transactions should not exceed \$1,000 without justification.
4. Liability: Persons issued credit cards are responsible for the card's protection and custody and shall immediately notify the credit card company and CFO in the event it is lost or stolen.
5. End of Employment: All persons issued credit cards must immediately surrender credit cards to the current CFO or CEO when affiliation with KCHA CHC has ended.
6. Periodic Review: The CFO shall review all credit card accounts and signatories on a periodic basis.
7. Supporting Documentation: Receipts and other documents pertaining to credit card transactions shall be retained by the holder of each credit card, including a brief description of the purpose of the transaction, date, amount, and account to be charged.
8. Non-business/Unapproved Charges: Any amount inappropriately charged to the company credit card will be recovered via check reimbursement or payroll deduction (to the extent allowable by law). Furthermore, the cardholder will receive guidance on the correct use of the card, and the credit card may be revoked. Disciplinary action, including termination, may be taken if necessary.
9. Reconciliations: At the end of the billing cycle, each credit cardholder will be provided with their statement to reconcile. Each cardholder shall verify all charges on their respective statements and match with respective receipts. The cardholder is required to resolve any

discrepancies. After the statement and receipts have been reconciled, the cardholder forwards the statement and receipts to the Finance Department.

10. Post Review: Credit card statements are reconciled monthly by an Accounts Payable Accountant, entered into the financial management system and reviewed by the Finance Manager.
11. Credit Card Statement Balance Payment: The credit card balance is paid in full monthly after reconciliation has been completed. Any discrepancies will be investigated.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No. LAL-FIN-12	Effective Date March 2025	Review Date: March 2028	Page 1 of 3 (with addendum)	
Title: Fixed Assets				

POLICY: All capitalized assets shall be documented in a fixed asset property log. This log shall include a description, cost, purchase date, source of funding, location, and condition of each property item; this fixed asset inventory will be physically reconciled no less than every 18 months. Property purchased with government funds must be tagged, and a loss/theft safeguarding scheme must be documented and implemented.

Plant, Property & Equipment (PP&E) items acquired and put into service with a purchase price exceeding \$5,000 per unit are classified as Fixed Assets on the organization's financial statements. Items costing less than this threshold are expensed in the year of purchase. The total cost of individual items billed across multiple invoices should be combined and reported as a single item. Components of a system that are not useful to the organization without the entire system should be aggregated into one item if they share a similar useful life.

For the purposes of federal award accounting and administration, "supplies" shall include all assets with a unit cost equal to or lesser than \$5,000, the capitalization threshold utilized by Kern County Hospital Authority Community Health Center (KCHA CHC). All purchases of "supplies" with federal funds shall be approved, in advance and in writing, by the federal awarding agency.

Capitalized assets will be reported as expense for grants if they were included in the grant's approved application budget. However, for the organization's financial statements, these assets will be capitalized and depreciated, per this policy.

PROCEDURE:

All capitalized assets shall be recorded in a fixed asset property log. This log shall include the following information with respect to each asset:

- Date of acquisition
- Acquisition Cost
- Description (including model and serial number)
- Funding source of equipment, including the federal award number if applicable
- Location of assets
- Depreciation method
- Estimated useful life
- Condition of property

The fixed asset inventory recorded in this log will be reconciled at the end of each fiscal year. Any adjustments for impairment resulting from the reconciliation will require approval by the CFO.

Property includes equipment, furniture, and similar items valued at \$5,000 or more and expected to last more than one year under normal use. Group purchases totaling \$5,000 or more are capitalized only if the individual items exceed \$5,000 each.

Depreciation and Useful Lives

Capitalized assets shall be depreciated on a straight-line basis using the estimated lives and guidelines specified in American Hospital Association's latest "Estimated Useful Lives of Depreciable Hospital Assets" or any other reasonable method.

Repairs and Maintenance of PP&E

Repairs and maintenance for PP&E are capitalized when they meet specific criteria indicating that they improve the asset's useful life, productivity, or capacity. If the repair extends the asset's life or improves its functionality beyond its original condition, it is typically capitalized. However, routine maintenance and repairs that simply maintain the asset in its current condition are expensed as incurred. The decision to capitalize repairs and maintenance should follow GAAP.

Disposals of PP&E

PP&E purchased, whether funded by federal or non-federal funds, shall remain on the books until sale, retirement or disposed. At that time, both the cost and related accumulated depreciation shall be removed from KCHA CHC books, and any resulting gain or loss shall be recognized. KCHA CHC will follow the regulations under 45 CFR §75.320 for disposition of property obtained with federal funds.

No property shall be sold, returned to any outside organization or retired without prior written authorization from the CFO.

When property is retired, all information should be noted in the fixed asset property log. When possible, some items may be traded for usable items, supplies, etc., In such cases, proper documentation and records must be maintained on all traded items and/or supplies.

Government Funds Use

Should any government funds be used to purchase property/equipment, such property will be appropriately tagged for identification.

Safeguarding of Property


All PP&E records are maintained in the Finance Department.

KCHA CHC PP&E should only be used in conjunction with the activities of KCHA CHC and shall not be removed from KCHA CHC without proper approval of Management. KCHA CHC premises are secured and alarmed for after hours. In the event of loss or theft of KCHA CHC property, the Senior Director of Finance and CFO should be notified in writing, describing property lost/stolen, date & time, loss or theft noticed and if applicable copy of a police report.

KCHA CHC CFO is responsible for administering this procedure, including updating it as required by changes in circumstances and responding to questions which arise concerning its implementation.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-13	March 2025	March 2028	1 of 1 (with addendum)	
Title: Real Property				

POLICY: Kern County Hospital Authority Community Health Center (KCHA CHC) properly accounts for expenditures and disbursements related to the acquisition, disposal and/or construction of real property.

Real property is defined as land, structural buildings and any permanent improvements attached to it such as: HVAC systems, central AC units, permanent flooring, permanent landscaping.

The Board of Directors shall participate in discussions related to the acquisition, disposal and/or construction of real property including but not limited to purchases, leases, and lease options. Any agreement or commitment, verbal or written, regarding a real property transaction must be approved in advance by the Board of Directors.


The Finance Department will track and maintain all transactions and records including disbursements during construction (if applicable).

PROCEDURE:

1. The Board of Directors will be notified of all prospective transactions related to the acquisition, disposal and/or construction of real property. The Board will also be updated on the status of ongoing projects including any legal, financial, planning, and other implications.
2. Staff must ensure all legal requirements for real property transactions are met, such as obtaining appraisals, permits and easements.
3. The CFO must approve all payments related to the acquisition or construction of real property. Approval will only be granted upon review of vendor contract, invoice and/or other reasonable supporting documentation.
4. The Finance Department will compile and document all costs associated with real property transactions. This information will be accessible to the Board of Directors upon request.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No. LAL-FIN-14	Effective Date March 2025	Review Date: March 2028	Page 1 of 4 (with addendum)	
Title: Receipt of Funds				

POLICY: It is a policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to receive payments by various methods, prepare deposits, track payments received, and record cash receipts in as timely, accurate, compliant, and efficient manner, while ensuring that a separation of duties is in place to safeguard cash handling. The policy aims to account for all collected funds to prevent theft.

It is KCHA CHC policy is that all cash and cash equivalents, whether in the form of cash, ACH, EFT, checks, credit cards or foreign currency, are reasonably recorded at the time of receipt. Cash receipts are forwarded to the Finance department along with proper documentation for deposit and reconciliation. Reasonable efforts shall be made to deposit cash or cash equivalents at least weekly unless exceptional circumstances prevent this. See **Petty Cash Policy and Procedure** for more information.

It is the policy of KCHA CHC to accept donations consistent with KCHA CHC Conflict of Interest policy, section following all federal, state, local laws or regulations.

PROCEDURE:

1. Mail Handling: A staff member outside of the fiscal department receives and opens mail. Checks received are routed to the designated fiscal staff. After review by fiscal staff, checks are handed to Accounts Receivable (A/R) staff member.
2. Check Deposit Preparation (Bank Deposit): A/R endorses checks with a bank account stamp and prepares a deposit slip in duplicate. Checks are listed separately on an adding machine tape and attached to original deposit slip. A listing of checks received is made on a spreadsheet. Checks and deposit slip are photocopied, and photocopies filed. Checks and deposit slip are given to another fiscal staff member to be deposited.
3. Electronic Check Deposits/Transmissions: A/R staff electronically transmits checks to the bank. No photocopies are made. Checks deposited are retained on site in a locked drawer, and then destroyed. See **Records Retention policy & procedures** for more information.
4. Check backups:
 - a. Back-up for checks in payment of patient accounts are routed to the Billing Department for posting to patient accounts in KCHA CHC's EHR.
 - b. For all other payments received, payments are listed individually on a spreadsheet, coded, reviewed by the Controller or designee, and then posted to the general ledger.
5. **Electronic Fund Transfers (EFTs), ACH and Credit Card Payments:** Payments from various sources, including Medi-Cal, Medicare, some private insurers, some grants (i.e. HRSA) are received by electronic remittance advice and automatically posted in the Cerner EHR. Payments received in bank lockbox accounts are downloaded from the

bank website on a daily basis. The information is sorted, grouped, and posted to the general ledger by a designated fiscal staff member. Credit card payments are similarly downloaded, sorted, and posted to the general ledger on a regular basis.

6. **Cash Receipts:** Cash, checks, and credit card receipts from Medical Reception desks are collected daily by the Cash Management supervisor, who prepares a deposit slip and bank deposit bag. See **Petty Cash Management policy and procedures** for more information.

Recording Cash Receipts

- Front desk staff collects patient payments in various forms such as: cash, checks and credit cards.
- Front desk staff records all patient payment collections directly into the EHR to credit the patients account at the time of visit.
- Each patient is given a receipt printed from the EHR.
At the end of the day, the front desk staff balances their batches and provides a printout to the Finance department along with cash collected.

Reconciling Cash Receipts

- The supervisor or designee reconcile individual batches with health center batch totals. Any discrepancies are investigated, and an incident report is completed if money is found to be out of balance.
- Once batches are verified to be in balance and money collected ties to the Daily Cash Receipt summary, they are placed in a locking cash bag.
- A courier will pick up the locked cash bags from the sites daily to transport to Finance.
- Couriers will not have access to open the locked cash bags. Keys to open locked cash bags are assigned only to the health center supervisor and fiscal staff.

Recording Payments by Mail

- The Accounts Payable Clerk/Accountant (AP) receives all checks in the mail. They open, endorse, date stamps supporting documentation, and prepares a list of checks received with check number and amount.
- The Accounts Receivable Clerk/Accountant (AR) prepares the deposit.

Preparing Deposits

For remote deposits:

- A fiscal staff reviews checks, sorts by type and prepares the batch to scan for electronic deposit.
- The Controller or designee reviews and submits deposits to the bank via online banking to process.
- After checks are electronically deposited; the fiscal staff stamps "Deposited" on the check for security purposes.
- Checks along with the respective electronic deposit confirmations are filed. See **Record Retention policy & procedures** for additional information.

For courier deposits:

- AR prepares a bank deposit slip daily. All currency and coins are listed separately from checks with their bank numbers on the bank's deposit slip.
- All currency and checks are segregated according to date. They are kept in the Finance department's safe between deposits.
- After a deposit is made, the bank retains the original deposit ticket, while a copy is stamped on the back with the date. Check copies are then attached to the deposit slip and filed chronologically in monthly folders.

- The fiscal staff files away the deposit ticket copy along with copies of deposited checks.

Posting Cash Receipts to the General Ledger

- A fiscal staff enters cash receipts into the General Ledger daily as deposits are made.
- The Finance Manager or designee will review cash receipts entries and post.

Maintaining Internal Control for Cash Receipts

The following measures are followed to ensure that cash receipts are properly recorded and accounted for:

- All cash receipts, whether received through mail or collected on site, are promptly deposited. Cash is transported in locked banker's bags from the site to the Finance department, with keys held by Finance and site leadership. Cash is stored in a safe between deposits.
- Duplicate deposit slips are kept and organized chronologically, containing enough information for comparison with individual receipts and the Cash Receipts Journal.
- The Front Desk Supervisor, in charge of cash receipts, does not sign checks or reconcile monthly bank statements. They are not responsible for non-cash accounting records.
- Monthly bank statements are reconciled by an independent Accountant, separate from cashing and depositing functions.
- Daily deposit dates and amounts on bank statements are reconciled with the cash receipts journal, which is further reconciled with the monthly automated General Ledger Statement.
- The Cashier maintains a log to account for and control all unused receipt numbers.

Donations and Contributions

Communication to Kern Medical Foundation (the Foundation) team: All donations shall be communicated to the Foundation team. The Foundation is responsible for acknowledging all donations of funds, goods, and materials to donors, including issuing a receipt.

Revenue Recognition:

KCHA CHC will follow guidance from FASB Statement No. 116 regarding the accounting for contributions received (issued 6/93). Below is a summary of the guidance, which may be subject to change. KCHA CHC will follow the most update-to-date guidance for the purposes of compliance with GAAP.


Revenue from contributions will be recognized as follows:

- Unrestricted: Revenue from unrestricted contributions is recognized upon receipt (or when written documentation is received, if applicable).
- Restricted: Restrictions are made by donors. Revenue is recognized when written documentation is received, regardless of when cash is received.
- Conditional: Revenue is not recognized until the condition set by the donor has been met or satisfied, regardless of when the organization receives the cash.
- Stock donations: Revenue from stock donations is recognized at the time of donation based on Fair Market Value (FMV), regardless of when the organization redeems, sells or liquids the stock donation.
- Promises to Give/Pledges: Revenue recognition for pledges will follow the same principles as contributions defined in the above categories (unrestricted, restricted, conditional)
- In-Kind: may be for either services or tangible items. Donations of tangible items should only be accepted for new and unused items only. Revenue will be recognized based on reasonable and applicable Fair Market Value (FMV) data.

The CFO and/or the Senior Director of Finance have the authority to annually assess and evaluate material thresholds for the revenue recognition process of the organization's donations and contributions in accordance with FASB Statement No. 116.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-15	March 2025	March 2028	1 of 2	
Title: Payroll Processing				

POLICY: This policy ensures that all employees, both exempt and non-exempt, accurately record their time worked, holidays, and leave taken for payroll, benefits tracking, and cost allocation purposes. It also ensures that the payroll process is consistent, timely, and accurate.

Policy Statement:

1. All employees of Kern County Hospital Authority Community Health Center (KCHA CHC) are required to record their time worked, holidays, and leave taken using the JBDev timekeeping system.
2. Payroll checks will be generated only from approved timecards. No payroll checks will be issued based on unapproved timecards.
3. This policy applies to all personnel responsible for completing time records, their respective timecard supervisor(s) and the finance department.


PROCEDURE:

1. Overview: Salaries are based on the Board of Director's approved budget. Changes in salaries require the CEO's approval and notification to CFO.
2. Payroll frequency: Employees receive their pay every two weeks, totaling 26 pay periods per year. Paydays fall on the Tuesday following the end of each pay cycle. Each pay period covers two weeks, running from Monday to Sunday of the following week.
3. Timesheet recording: Each employee must accurately record their work hours and obtain pre-authorization from their supervisor for overtime, vacation days, personal days, sick time, and other paid time off (PTO). Requests for time off must be submitted before the last day of the pay period. Any planned unpaid time off must be submitted for supervisor review and approval of timesheets. Special care should be given when planning leave or vacation. A completed time sheet should be completed by employees in JBDev and submitted for supervisor review and approval before leaving.
4. Timesheet submission: Employee time entries must be submitted by 10:00am on Monday before the Tuesday payday the following week.
5. Supervisor timesheet review: Supervisors are required to review all time entries for accuracy and appropriateness, make any necessary adjustments to timesheets, respond to time off requests, and approve timesheets by 10:00am on the first business day of the payday week.
6. Failure to submit timesheets timely/inaccurate timesheets:
 - a. Timesheets not approved and submitted in by 10:00am on Monday morning before the Tuesday payday the following week may be processed in the next payroll period. Every effort is made to limit the delay to two working days for each day that the time sheet is submitted late.
 - b. Inaccurate timesheets due to missed hours or timesheets not completed timely must be reported by the employee's supervisor. Missed hours may be processed in the next payroll period.
7. Timesheet review: The payroll accountant will review timesheets and the payroll register for completeness and accuracy including total hours worked, time off for vacation, sick leave, holiday, etc.

8. Payroll register review: The payroll register is printed and given to the Controller or designee to review for completeness and accuracy. The Payroll Manager makes any final changes and prints a final register. Payroll is submitted to the payroll processing service by Monday at noon.
9. Payday: ACHs and live payroll checks are available by Tuesday morning. Live checks are delivered to employees by Tuesday end of day. In the event an employee is not available (on PTO, left early) to receive their paycheck, every effort will be made to deliver the employee's paycheck by the next available business day.
10. Post payroll: Staff Accountant downloads the payroll file and uploads into the GL. The Finance Manager or designee reviews and post the entry.
11. Employee records: Human Resources maintains all employee records in the payroll system and supporting documents electronically on the Kern Medical Outpatient Health computer network. Payroll records are stored electronically in the network and shared only with individuals that have a business need for access.
12. Manual paychecks: The Payroll accountant prepares out of cycle paychecks as needed for various reasons, including terminations, bonuses, etc.
13. Timesheet attestation: For grant activity, time and commitment attestation reports may be required to be completed each pay period based on actual time spent on each grant program by each employee whose time is charged to a specific grant. The employee must indicate the percentage of time he/she spent on each grant program. The time and commitment attestation reports are then signed by each employee and their supervisor and retained along with the payroll records.
14. Segregation of duties:
 - a. Access to enter/make changes to employee information (HR) should be separate from the payroll processor (Payroll accountant).
 - b. The fiscal staff (staff accountant) uploading payroll register data to the GL should be separate from the fiscal staff (Finance Manager or designee) posting the journal entry.

OWNERSHIP (Committee/Department/Team)			
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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-16	March 2025	March 2028	1 of 5 (with addendum)	
Title: Out of Pocket Employee				

POLICY: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) that necessary business expenses paid out of pocket be reimbursed. These include but are not limited to cellphone expenses, local and out-of-town travel expenses, continuing professional education.

Mileage Reimbursement Policy:

- KCHA CHC offers mileage reimbursement to Employees when deemed appropriate.
- Reimbursement is based on the IRS standard mileage rate and undergoes annual review by management, typically in January.

Eligibility Criteria:

- Mileage reimbursement applies when an employee drives to a location for KCHA CHC business beyond their regular commuting distance to and from the Health Center.
- Additional mileage reimbursements are subject to the discretion of the CEO.

Documentation Requirements:

- Proper documentation is essential for reimbursement.
- Employees must provide detailed mileage information on the Mileage Reimbursement Request or Travel Expense Report Form.
- Documentation should include the travel date, miles traveled, starting location, destination, and the business purpose for the travel.

PROCEDURE:

- Employees, with prior approval by their Supervisor, can be reimbursed for out-of-pocket necessary business expenses directly related to work and patient services.
- Submission Process: All reimbursements must be completed and submitted on the necessary forms as required by the organization.

Cell Phone Reimbursement

- Option for Personal Cell Phone Usage:
 - Employees can opt to use their personal cell phones instead of a company-provided phone for conducting company business.
 - Approval is contingent upon the requirements of their role and function within the organization.
- Request Process:
 - Employees seeking to use their personal cell phone for KCHA CHC business must complete a formal request.
 - The request should then be forwarded to their Supervisor for approval.
- Stipend Submission:
 - Upon approval, employees are required to submit the stipend amount of \$XX.00 per month.
 - A current copy of the first page of the monthly bill should accompany the stipend submission.

- Submissions are to be made to the Finance department using the appropriate request form, signed by the Supervisor.
- Part-Time Employee Reimbursement:
 - Part-time employees are eligible for a pro-rated reimbursement based on their Full-Time Equivalent (FTE) status.

Mileage Reimbursement:

Only local mileage related to KCHA CHC business and/or patient services may be reimbursed to the employee. Only the employee driving the vehicle may request for mileage reimbursement. Passengers are not eligible for mileage reimbursement. Permit fees and parking fees are also eligible for reimbursement. **Moving violations and/or parking violations will not be reimbursed under any circumstances.**

1. Overview: Employees of KCHA CHC may be reimbursed for mileage for the use of their personal vehicle related to the conduct of authorized business of KCHA CHC.
2. Supervisor approval: Employee's supervisors shall be responsible for authorizing the use of an employee's personal vehicle for corporate business.
3. Permitted uses of personal automobiles for reimbursement: includes, but are not limited to, errands for copying, mail, purchase of supplies, delivery of Board related information to Board members and similar activities.
4. Employee mileage for commuting to and from the employee's home to their assigned location are not eligible for reimbursement.
5. Processing: reimbursements will be processed monthly by check or ACH.
6. To receive mileage reimbursement: Employees must submit a log of their mileage. The log shall include date of trip, total mileage, business purpose and a printout of google maps detailing the trip begin and end points. Employees must sign off verifying that the information provided are true and correct. Mileage statements shall be turned in no later than the 5th day of the following month for timely processing.
7. Deadline: It is the employee's responsibility to submit mileage claims on a timely basis. Mileage claims submitted more than 90 days after the end of a month's period may not be honored. This is necessary for KCHA CHC to be able to plan for its cash flow obligations.

KCHA CHC Mileage Reimbursement Form

Name: _____ Title: _____

Department: _____ Date Submitted: _____

Month & Year: _____

Date	From	To	Purpose	Total Mileage
Total Miles				
Amount (Total Miles x \$0.70)				

Employee Signature: _____ Date: _____

Approved by CEO/Supervisor: _____ Date: _____

KCHA CHC Expense Reimbursement Form

Name: _____ Title: _____

Department: _____ Date Submitted: _____

Month & Year: _____


Date of Transaction	Paid To	Description	Amount
Total Reimbursement Requested			

Employee Signature: _____ Date: _____

Approved by CEO/Supervisor: _____ Date: _____

OWNERSHIP (Committee/Department/Team)	
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Signature of Approval	Date

Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No. LAL-FIN-17	Effective Date March 2025	Review Date: March 2028	Page 1 of 1 (with addendum)	
Title: Legislative Mandates				

POLICY: Kern County Hospital Authority Community Health Center (KCHA CHC) is committed to high standards and compliance with all applicable laws and regulations and maintains safeguards to ensure KCHA CHC’s compliance with the Legislative Mandates.

PROCEDURE: KCHA CHC maintains compliance with requirements mandated by the most recent Consolidated Appropriations Act, which provides funding to HRSA and limits uses of funds.

A complete description of the Legislative Mandates for fiscal year 2024 is included in [HRSA Bulletin 2024-02E](#):

Division B, Title VII

(1) Confidentiality Agreements (Section 742)

Division D, Title II

(2) Salary Rate Limitation (Section 202)

(3) Gun Control (Section 210)

Division D, Title V

4) Anti-Lobbying (Section 503)

(5) Acknowledgment of Federal Funding (Section 505)

(6) Restriction on Abortions (Section 506)

(7) Exceptions to Restriction on Abortions (Section 507)

(8) Ban on Funding Human Embryo Research (Section 508)


(9) Limitation on Use of Funds for Promotion of Legalization of Controlled Substances (Section 509)

(10) Restriction of Pornography on Computer Networks (Section 520)

(11) Restriction on Purchase of Sterile Needles (Section 526)

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-18	March 2025	March 2028	1 of 2	
Title: Investment of Funds				

POLICY: Kern County Hospital Authority Community Health Center (KCHA CHC) maintains clear investment goals and guidelines for investments along with appropriate measurement benchmarks and periods. The guidelines quantify the specific asset allocation limits as well as criteria for investment vehicles and fiduciary responsibilities including requirements for present and future cash flow and for the preservation of principle.

KCHA CHC will invest excess cash in an appropriate and responsible manner. This policy provides guidance in the investment of excess cash to achieve a reasonable rate of return with minimal risk that will allow for quick availability of cash while preserving and protecting capital.

- **Security:** All cash and investments as is practical shall be maintained in insured accounts (FDIC or private) or in government-backed securities.
- **Interest Bearing:** KCHA CHC shall maintain an interest-bearing account. Cash will be moved from this interest-bearing account into a checking account as needed for disbursements.
- **Operating Funds/ Short-Term Reserves:** Certificates of Deposits may be purchased in a staggered manner for terms not to exceed six months with any unrestricted funds in excess of four months of operational cash on hand.
- **Board Restricted Funds/ Long-Term Reserves:** Board restricted funds, and operating funds in excess of 12 months of operational cash may be invested in longer term Certificates of Deposit or in US Government Securities at the Board's discretion.

KCHA CHC's Conflict of Interest policy and procedure will be observed in all investment-related actions.

PROCEDURE:

The following objectives are applicable for all investments:


- a. **Preservation of Purchasing Power.** The Fund will be managed to achieve returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power. Risk control is an important element in the investment of KCHA CHC's assets. KCHA CHC desires to achieve at least a real rate of return of 3% over the rate of inflation (measured by the Consumer Price Index).
- b. **Preservation of Capital.** The Fund should be managed to minimize the probability of loss of principal over the investment horizon. Emphasis is placed on minimizing return volatility rather than purely maximizing return.
- c. **Growth.** The long-term horizon of the Fund(s) necessitates the use of equity securities in order to provide the opportunity for growth of principal and positive real rates of return over time at an overall target rate of return of 6-7.5% per annum over a full market cycle, approximately 5 to 7 years. Short term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.
- d. **Liquidity.** The Fund(s) shall invest in securities which can be sold readily and efficiently with minimal impact on market price to ensure the ability to meet all expected or unexpected cash flow needs.
- e. **Income.** The income derived from the invested assets will provide support and stability to the Fund(s). Therefore, an important component of the Fund(s) shall be the generation of investment income (interest or dividends) while avoiding excessive risk.

Operating Reserves should be managed with a horizon of less than one year, prioritizing (1) Liquidity, (2) Preservation of Capital, and (3) Income.

Investment Reserves should be managed with a horizon of 12-48+ months, prioritizing (1) Preservation of Purchasing Power, (2) Growth, (3) Preservation of Capital, (4) Liquidity, (5) Income.

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-19	March 2025	March 2028	1 of 2	
Title: Petty Cash Funds				

I. PURPOSE:

To define the necessary steps to be taken regarding the internal controls and account reconciliation for the petty cash account. The total balance in the petty cash account consists of petty cash funds maintained in cash boxes by several staff custodians throughout various hospital departments, including Patient Accounting, Ambulatory Patient Access and the Emergency Department (ED). The petty cash fund is maintained for minor disbursements and to facilitate quick transactions. The ability to collect patient copays and deductibles at time of service is a primary reason for maintaining these cash boxes.

II. DEFINITIONS: N/A

III. POLICY STATEMENT:

It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to implement internal controls and regular account reconciliations regarding petty cash asset management.

In general, there is a total of \$3,000 in petty cash maintained in cash boxes by KCHA CHC custodians and it will be equal to the total per the petty cash general ledger balance sheet account in the KCHA CHC financial accounting system.

IV. PROCEDURE:

- A. Each cash box custodian is responsible for maintaining the correct cash balance in the cash box at all times. The total balance could consist of any combination of currency, coin or vouchers, and receipts. Any voucher or receipt that a custodian makes change for will have the appropriate signed approval of the custodian's supervisor or department director. The balance sheet reconciliation for the account will be maintained monthly, per policy, FIN-IM-115, Account Reconciliation. In addition to monthly balance sheet reconciliations, surprise cash counts will be conducted by finance staff on a regular basis to maintain the integrity of the account. Discrepancies discovered during surprise or random cash box counts will require a written remedy regarding improved internal controls to be prepared and provided by the supervisor or department director where the cash box resides. Cash box replenishment due to shortages or vouchers will be completed before the end of the month.
- B. Cash asset management responsibility will reside with the Director of Finance or equivalent position at the facility.
- C. Fiscal Control:
 - Two persons have access to the petty cash fund.
 - Petty cash funds are kept separate from other money.
 - Loans or advances are not permitted from petty cash funds.
 - A member of the Accounts Payable (AP) team counts, balances the fund, and examines vouchers as needed.

V. EDUCATION:

A. KCHA CHC General Accounting Staff: Will receive education pertaining to this policy, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. In addition, all petty cash custodians, their supervisors and department directors will be required to acknowledge this policy.

VI. DOCUMENTATION: N/A


VII. ADDENDUMS: N/A

VIII. REFERENCES: N/A

IX. KEY WORDS: Cash, Controls

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Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-FIN-20	March 2025	March 2028	1 of 3 (with addendum)	
Title: Annual Budget Preparation				

I. PURPOSE:

The purpose of this policy is to document the requirement that Kern County Hospital Authority Community Health Center (KCHA CHC) must prepare a balanced annual operating budget prior to the start of the fiscal year on July 1st and submit it to the Board of Governors for approval. In addition, this document outlines the procedure that should be followed to develop the budget.

II. DEFINITIONS:

Fiscal Year

- The fiscal year for the Hospital Authority begins on July 1st and ends on June 30th.

Balanced Budget

- A balanced budget occurs when revenues are equal to or greater than expenses.

III. POLICY STATEMENT:

The budget will reflect the mission of the Hospital Authority by ensuring that resources are properly allocated across all departments of the hospital and clinics. Revenues and expenses for lines of business outside the HRSA-approved scope of the health center organization are fully supported by non-health center project revenues and are excluded from the annual operating budget for the health center project.

This budget is reflective of all projected costs and revenues necessary to support the Hospital Authority's HRSA-approved scope of project, including revenue and expenses for all sites, services and activities within the scope of project. This includes all projected revenue sources that will support the Health Center Program project, specifically:

- Fees, premiums and third-party reimbursements and payments that are generated from the delivery of services
- Revenues from state, local or other federal grants or contracts
- Private support or income generated from contributions
- Any other funding expected to be received for purposes of supporting the Health Center Program project

The Chief Financial Officer (CFO) will initiate the budget preparation process, coordinate necessary input, and obtain Board of Governors approval of the budget prior to the start of the new fiscal year on July 1st.

IV. PROCEDURE:

The annual operating budget shall include all projected revenue sources. The operating budget will communicate short-term operating plans, approve staffing of monetary requests, and monitor performance. Regular variance reports shall be created to note changes in actual expenditures compared to the budget; said reports will be presented monthly to the Board of Directors for their review. These reports may prompt the Board of Directors to direct staff to reduce expenditures or find new revenue sources.

1. The CFO and finance department managers will meet with all Hospital Authority Vice Presidents and the department directors that report to them. During the initial planning stage, particular emphasis will be placed on the nursing departments to determine the volumes of service expected for the next fiscal year. The number of full-time equivalent (FTE) employees needed to cover anticipated volumes will be adjusted at the department level. Consideration will be given to:
 - Current volumes (Average Daily Census, Admissions, Outpatient Visits, Emergency Department Visits, Surgeries, Deliveries, etc.).
 - Any anticipated increases/decreases or changes in patient services.
 - Any anticipated changes in payer mix.
2. Meet with Chief Executive Officer (CEO) and identify any capital projects, equipment purchases, and other initiatives to account for during the next year.
3. Based on the projected patient volumes and on historical financial results, calculate a baseline of expected revenues and expenses for the following year.
4. Apply an appropriate inflation factor to each revenue and expense line item. In addition, adjust for known changes in employee wage rates.
5. Make necessary adjustments to revenues and expenses based on input from department vice presidents, directors, and managers.
6. Draft hospital-wide budgeted income statement and individual department budgets.
7. Allocate department budgets to directors and managers of all cost centers of the hospital and clinics for their review.
8. All changes and edits needed to clear review points and finalize the hospital-wide budget will be made before submission to the CEO for review and approval. A corresponding narrative will be drafted to highlight key points in the budget.
9. After CEO approval, the budget will be added to the next Board of Governors meeting agenda for their review and approval.
10. Once approved by the Board of Governors, the budget is also submitted to the Kern


County Board of Supervisors for their review and approval. After approval, the budget will be included in monthly financial statements. Financial statements will be produced each month and variances in actual revenue and expenses compared to the budget will be analyzed and appropriate corrective action taken as needed.

V. EDUCATION:

Department managers will be educated by finance staff about interpreting and analyzing monthly financial reports, productivity reports, and statistical reports.

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Kern County Hospital Authority Community Health Center

Department: Supply Chain Management				
Policy No.	Effective Date	Review Date:	Page	
LAL-IM-01	March 2025	March 2028	1 of 2	
Title: Supply Chain Management				

POLICY STATEMENT: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to utilize competitive bidding where appropriate to ensure cost-effective procurement processes. All procurement transactions will be conducted in a manner that maximizes best quality of goods and services at the lowest cost to the best extent possible. This will be accomplished as deemed appropriate through open market inquiry, cost analysis including lease versus purchase options, request for proposal, and/or competitive bidding.

PURPOSE: KCHA CHC shall use cost-appropriate competitive bidding and contracting processes for procurement.


PROCEDURE:

1. The Purchasing Department shall govern all competitive bidding and contracting processes for routine commodities, equipment, and services agreements.
2. The Purchasing Department shall obtain competitive quotations for products whenever deemed appropriate, considering market conditions, pricing, and other relevant factors.
3. KCHA CHC may belong to one or more Group Purchasing Organizations (such as the Vizient GPO, which KCHA CHC currently belongs to as an affiliate of UCLA), and may utilize agreements available from said GPO(s) as deemed most advantageous for current needs, provided the GPO uses a competitive bidding process for contract award of the respective products that considers all relevant vendors, is conducted in an open and competitive manner, and is awarded to the vendor(s) of best value, price, quality, and other relevant factors considered.
4. Cost or price analysis shall be made and documented in the procurement files in connection with every procurement action above \$10,000 (micro-purchase threshold) in value.
5. Informal requests for quotation and/or competitive bids are encouraged for purchases of less than \$100,000, either in aggregate or individual, as is most appropriate for current business needs.
6. Informal requests for quotation or competitive bids are required for purchases exceeding \$100,000. At least three (3) quotations shall be obtained. The award or purchase shall be granted to the bidder offering the best advantage for KCHA CHC, considering price, service, and product quality.
7. All procurement actions that exceed the Simplified Acquisition Threshold (which may be periodically adjusted and is currently defined as \$250,000) must incur a formal cost analysis and competitive bidding process. Each Request for Quote (RFQ) or Request for Bid (RFB) shall include the formal development of specifications and scope of service, solicitation to vendors capable of providing responsible and responsive bids, and cost analysis of all bids received including financial evaluation and compliance with specifications.

- a. Formal bidding will be addressed in a manner appropriate for the commodity or service involved.
 - b. End user management shall be involved in creating sufficiently detailed specifications and scope descriptions that intending bidders are able to accurately and adequately prepare proposals or quotations as directed in the request documents.
 - c. Request documents shall address the scope of equipment, commodities, and/or services, specifications, terms and time frames, and other business- appropriate factors for consideration in award and contract.
 - d. Recommendations for award shall include an analysis of all up-front investments and ongoing costs, conformance to stated scope and specifications, and other factors relevant to the award decision. All recommendations for award shall be approved by the appropriate KCHA CHC executive, in accordance with the KCHA CHC policy LAL-IM-02 Approval Levels for Requisitions and Invoices.
 - e. Formal contract and award shall be accomplished in a time effective manner and shall be communicated to all bidders of record.
 - f. Award Protests: Bidders may notify Materials Management of a protest of any intended award within ten (10) days of notification of award. The protest shall be in letter form and shall describe the reasons the bidder believes the award is not in the best interests of KCHA CHC. Protests shall be reviewed and a final determination made by the appropriate KCHA CHC executive in accordance with the KCHA CHC policy LAL-IM-02 Approval Levels for Requisitions and Invoices.
8. Exceptions to the competitive bid requirements shall be made on an as appropriate basis, subject to administrative approval at the level of expenditure involved. Examples include real estate purchases, insurance services, and professional services, as well as additions to existing systems, compatibility with existing equipment, and availability of post purchase support.

OWNERSHIP (Committee/Department/Team)			
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Kern County Hospital Authority Community Health Center

Department: Supply Chain Management				
Policy No.	Effective Date	Review Date:	Page	
LAL-IM-02	March 2025	March 2028	1 of 3 (with addendum)	
Title: Approval Levels for Purchase Requisitions and Invoices/Vouchers				

POLICY STATEMENT: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) that all procurement of goods and services is requested and approved by the appropriate staff or management to ensure appropriate use of KCHA CHC assets.

PURPOSE: The purpose of this policy is to standardize the requesting and approval levels from the staff level up through executive management throughout the enterprise for both Materials Management and Accounts Payable (AP), and to outline the process for exceptions to the standard practice.

Consistently applied approval levels will also reduce the risk that goods or services are requested and/or approved by unauthorized individuals.

DEFINITIONS: KCHA CHC Accounts Payable will route non-PO invoices (invoices not associated with a purchase order) for approval. Once the invoice is entered into the system, it will go to the Department receiving the services or goods. Designated approvers will then be given the option to approve or deny the invoice.

Requester: A person who may requisition supplies and services and self-approve those requisitions up to their assigned dollar limit according to the guidelines of this policy.

Approver: A person who may approve requisitions for supplies and services up to their assigned dollar limit according to the guidelines of this policy.

AP Approver: A person who may approve non-PO invoices up to their assigned dollar limit according to the guidelines of this policy.

Facility Approver: Facility approval levels are the responsibility of the facility CFO; however, the administration (not the responsibility) of this function may be delegated by the CFO to someone else in the facility.

POLICY GUIDELINES:

KCHA CHC will ensure the following:

1. All requesters/approvers and all AP approvers have the appropriate approval

limits based on the guidelines outlined below:

<u>Requester and Approver Levels</u>	<u>Order Total</u>
a. Level 1 Supervisor	Up to \$1,000
b. Level 2 Manager	Up to \$5,000
c. Level 3 Director	Up to \$25,000
d. Level 4 Administrator	Up to \$100,000
e. Level 5 Executive Director	Above \$100,000
f. Level 6 KCHA CHC Board of Directors	Above \$250,000

CFO approval shall be required for all unbudgeted expenditures above \$25,000.


Additions and changes that are within the parameters outlined above, or exceptions outlined below, should be submitted to the designated Facility Approver.

The Director of Finance will maintain the approval matrix. This matrix will be sent to the facility CFO on a semi-annual basis for review and approval.

2. Approval levels cannot exceed the levels listed above; however, KCHA CHC can assign a lower approval level.
3. A person cannot be set up as both a capital expenditure requester and approver.
4. No delegation of authority is allowed beyond the limits outlined above except for the following:
 - a. The departments listed in #5 below.
 - b. The Executive Director may delegate to subordinates for routine high-dollar transactions.
 - c. An approver who is out of the office for more than 7 days may delegate authority on a temporary basis.
5. Securing goods for the proper operation of the pharmacies and operating room may exceed the request and approval levels outlined above. These departments routinely have very large routine and time-sensitive purchases, and the standard approval levels could possibly impact patient care.
6. Authority may be delegated outside the limits discussed above for purchases.
7. An individual in an acting position or a subordinate filling in temporarily while an individual is on leave may have the same approval level as the permanent position.

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Kern County Hospital Authority Community Health Center

Department: Supply Chain Management				
Policy No.	Effective Date	Review Date:	Page	
LAL-IM-03	March 2025	March 2028	1 of 5 (with addendum)	
Title: Procurement to Payment				

POLICY STATEMENT: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to use standard practices for the requisitioning, procurement and payment for all goods and services used in the provision of care for its patients and in the operation of its facilities. KCHA CHC is committed to ensuring that goods and services are purchased in an effective and efficient manner that provides, to the maximum extent practicable, open and full competition, and that is in compliance with all applicable federal, state, and local laws and regulations while practicing good internal control procedures, effective cost control measures, and compliance with 45 CFR § 75.327 through 45 CFR §75.335 and any current Legislative Mandates that apply to the use of federal funds. KCHA CHC maintains appropriate procedures addressing the procurement of goods and services with federal funds to accomplish these objectives in compliance with 45 CFR Part 75 Subpart E: Cost Principles. These standards include a process for the approval of all transactions that will result in payments to a vendor. Oversight of these standards is a joint effort between Accounts Payable, Materials Management and facility Finance Administrator.

PURPOSE: The purpose of this policy is to establish the most efficient and fiscally responsible means of requesting, buying and paying for the supplies and services needed by KCHA CHC to provide excellent care to its patients and to operate its facilities in a cost-effective manner. By establishing these standards, information regarding purchase history can be captured in a single repository and used to make better buying decisions for the organization.

PROCEDURE: Individual users must initiate requests for or directly purchase goods and services using specific methods that are determined by the type or cost of the goods and services needed and by the individual's approval authority as defined by KCHA CHC policy LAL-IM-02 Approval Levels for Requisitions and Invoices. All methods require a clearly documented approval process that must be followed before orders are placed to support on-time, accurate payments to vendors. All procurement transactions will be conducted in a manner that maximizes best quality of goods and services at the lowest cost to the best extent possible. This will be accomplished as deemed appropriate through open market inquiry, cost analysis including lease versus purchase options, request for proposal, and/or competitive bidding. Cost or price analysis shall be made and documented in the procurement files in connection with every procurement action above \$10,000 (micro-purchase threshold) in value. All

procurement actions that exceed the Simplified Acquisition Threshold (which may be periodically adjusted and is currently defined as \$250,000) must incur a cost analysis and competitive bidding process.

The acceptable methods of requisition or direct purchase are:

- Standard Requisition
- Customized Requisitions
- Electronic Requisition
- Inventory Requisition (i.e. Q Site)
- Purchasing Card
- Check Request
- Petty Cash

Standard Requisition

Standard requisitions must be used for all tangible goods or services. Wherever possible, pre-developed forms or requisitions (Customized Requisitions) must be used to assure accuracy in item number coding and other information.

For free-text items, the requester must provide accurate ordering information including vendor name, catalogue number, description and cost. If the requester is unable to get correct pricing, the buyer will follow up with the vendor to obtain it.

Requesters must consult with the Materials Management department when requesting new items to determine contract compliance and other purchasing considerations.

Once a standard requisition is submitted it will be routed for approval, if necessary, according to the KCHA CHC Approval Levels for Requisitions and Invoices Policy LAL-IM- 02.

Once all necessary approvals are obtained for the requisition the buyer will create a standard purchase order and submit it to the vendor.

Invoices for standard purchase orders are received by Accounts Payable. If the PO, receiving document and invoice are within tolerance, the invoice will be released for payment. If there are any discrepancies the invoice will be routed back to the buyer for resolution.

After-the-Fact (ATF) Requisition

In certain instances, goods are delivered to a facility prior to a purchase order being issued. In general, this practice should be limited to very specific circumstances such as implant cases done in Surgery or Cath Lab.

The requester will submit an after-the-fact requisition. Once an ATF requisition is submitted by the requester it will be routed for approval according to the KCHA CHC policy LAL-IM-02 Approval Levels for Requisitions and Invoices.

Only after a requisition completes the necessary approval process will the buyer create an ATF purchase order and submit it to the vendor using the most efficient means available.

Invoices for standard purchase orders are received by Accounts Payable. If the PO, receiving document and invoice are within tolerance, the invoice will be released for payment. If there are any discrepancies the invoice will be routed back to the buyer for resolution.

Capital (CAP) Purchase Orders

All capital purchases require a Purchase Order. Users must follow the KCHA CHC policies for capital procurement when requesting these items. A capital purchase order will be used for any equipment or project that meets the current KCHA CHC guidelines for capital. In some cases, CAP purchase orders will be set up in such a way that they do not go through the standard receiving process. Invoices for these types of CAP purchase orders are received by Accounts Payable and routed to the buyer for receipt validation. Invoices for CAP purchase orders that do go through the standard receiving process are received by Accounts Payable. If the PO, receiving document and invoice are within tolerance, the invoice will be released for payment. If there are any discrepancies, the invoice will be routed back to the buyer for resolution.

Third Party Ordering System

In some cases, KCHA CHC Materials Management will authorize facilities to use a vendor's on-line ordering system. Only those on-line ordering systems that are approved by KCHA CHC Materials Management may be used. Prior to approving a third-party ordering system, Materials Management will make sure that controls are in place to ensure an appropriate approval process, and that contract compliance is followed.

Purchasing Card (P-Card)

Purchasing Cards will be issued to certain individuals within the organization according to KCHA CHC guidelines. Each card will have controls in place that limit individual transaction amounts, monthly total expenditure amounts and types of goods or services that can be purchased.

1. In general, P-Cards are to be used for travel, certain nonmedical, inexpensive, supply purchases, and certain purchased services (i.e. Travel). A common use of the P-Card is for parts and supplies used in the Plant Operations, Maintenance or Bio-Med departments.

P-Cards should never be used to purchase medical supplies, capital equipment, IT/Telecom equipment or personal items, or to receive cash advances.

Cardholders should never share P-Card account numbers or direct P-Cards to be used by any individual other than the cardholder whose name is embossed on the actual card.

2. Individual cardholders will be responsible for monthly reconciliation of their P-Card statement according to the KCHA CHC P-Card reconciliation guidelines. Reconciliation must be done within the established time frames and with proper documentation including receipts and written approval as defined by KCHA CHC policy LAL-IM-02 Approval Levels for Requisitions and Invoices.

Blanket Purchase Orders

1. Blanket purchase orders (BPO's) will be used in those circumstances where routine, regular purchases occur from a specific vendor for designated products throughout the year.
2. Materials Management will issue BPO's on request of end user departments or as deemed appropriate by department management. The BPO shall designate the vendor name and location, payment terms, BPO term, and other information including line item detail and cost where appropriate.
3. Individual transactions requested as authorized by Approval Levels for Requisitions and Invoices Policy LAL-IM-04 shall be recorded as BPO releases, as provided via the Blanket Purchase Orders Policy LAL-IM-04.

Check or Payment Request

1. For vendors that cannot accept P-Cards, purchase orders or do not invoice, an authorized individual can request that the vendor be paid directly using a KCHA CHC check request.

To request that a vendor be paid without an invoice, an authorized user must submit a Check Request Form to Accounts Payable. All fields including GL coding, business purpose and authorizing signatures must be included on the form.

2. Check requests should only be used when there is no vendor invoice. Examples include postage fees, taxes/licenses, charitable donations and seminar or membership fees when a P-card is not acceptable.
3. Check requests payable to new vendors will follow standard procedures for vendor set-up, requiring a W-9 form to accompany the check request.


Unless special arrangements are made, all checks will be mailed to the vendor directly or the vendor will be set up to receive an electronic funds (EFT) payment.

Petty Cash

Petty cash funds can be established to expedite the payment of small non-recurring business expenditures that arise during daily operations in accordance with KCHA CHC Policy FIN-LAL-19 Petty Cash Funds. Each petty cash fund established shall be operated as an imprest cash fund consisting of a fixed amount of money used for paying minor operating expenses when the amount is too small to warrant issuance of a check through the payable system. The maximum amount that will be disbursed from petty cash at one time is \$50. In certain emergency cases (or when deemed necessary) the appropriate administrative officer can override the established dollar limit and approve petty cash transactions up to the \$100.

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Kern County Hospital Authority Community Health Center

Department: Supply Chain Management				
Policy No. LAL-IM-04	Effective Date March 2025	Review Date: March 2028	Page 1 of 1	
Title: Blanket Purchase Orders				

POLICY STATEMENT: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to use Blanket Purchase Orders in a manner consistent with generally accepted business practices.


PURPOSE: KCHA CHC shall use Blanket Purchase Orders (BPO) for procurement of supplies and/or services when deemed necessary. A BPO is a purchase order issued to a vendor for routine goods or services when it is anticipated that multiple purchases will be made with that vendor over a specified period. Once accepted by the vendor, purchases may be made against it periodically as needed, without requiring new purchase orders.

PROCEDURE:

- a. KCHA CHC's Materials Management (MM) Department creates Blanket Purchase Orders on the request of a user department via a Supply Requisition.
- b. MM communicates the BPO number and terms to the vendor via fax, email, or regular mail as is most appropriate.
- c. Blanket Purchase Orders shall specify pricing, terms, and other conditions of purchase.
- d. Orders placed via the BPO shall bear a relevant Purchase Order Release number, logged and recorded via spreadsheet or manual log.
- e. BPO releases shall itemize goods and/or services purchased.
- f. BPO release copies shall be stored on the appropriate electronic format for use by Accounts Payable for invoice processing.

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Kern County Hospital Authority Community Health Center

Department: Supply Chain Management				
Policy No. LAL-IM-05	Effective Date March 2025	Review Date: March 2028	Page 1 of 2	
Title: Contract and Vendor Management				

POLICY STATEMENT: It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to practice thorough internal control procedures and effective cost control measures as it relates to the oversight of vendor agreements and contracts.


POLICY SCOPE: This policy applies to KCHA CHC personnel involved in contracting and procurement within the organization. This includes, but is not limited to, executive officers, contractors, agents, and members of the board.

POLICY GUIDELINES:

- Standards of Conduct:** All procurement actions will be conducted in accordance with the following general principles:
 - No KCHA CHC employee, contractor, agent, officer, or member of the Board of Directors (The Board) will participate in the selection, award, or administration of a contract or award if such participation would create a real or apparent conflict of interest.
 - KCHA CHC employees, contractors, agents, officers, or members of the Board of Directors will neither solicit nor accept gratuities, favors, bribes, or anything of value from contractors or parties to agreements or sub- agreements.
 - If KCHA CHC arranges with a contractor to perform substantive programmatic work, KCHA CHC will request and document prior approval from HRSA.
- Violations:** KCHA CHC employees, contractors, agents, officers or members of the Board who violate this policy, including the Standards of Conduct, will be subject to disciplinary action. The level and extent of any disciplinary action will be determined based on the severity of the violation and may include a written warning, re-assignment of job duties, termination of employment, termination of contracts, and removal from the Board. Where warranted, violations of this policy may also be reported to appropriate law enforcement authorities for further action.
- Competitive Procurements:** All procurement transactions will be conducted in a manner that maximizes best quality of goods and services at the lowest cost to the best extent possible. This will be accomplished as deemed appropriate through open market inquiry, cost analysis including lease versus purchase options, request for proposal, and/or competitive bidding. See LAL-IM-01 Competitive Bidding Policy as reference.
- Record Keeping:**
 - KCHA CHC will retain records for procurement actions paid for in whole or in part under the Federal award that include the rationale for method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. This applies to both competitive and noncompetitive procurements.
 - KCHA CHC will have access to contractor records and reports related to health center activities to ensure that all activities and reporting requirements are being carried out in accordance with the provisions and timelines of the related contract.

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Kern County Hospital Authority Community Health Center

Department: Operations				
Policy No.	Effective Date	Review Date:	Page	
LAL-OP-01	March 2025	March 2028	1 of 3	
Title: Standard Operating Procedure: After-Hours Access to Care for Medical Emergencies				

I. PURPOSE:

Kern County Hospital Authority Community Health Center (KCHA CHC) is responsible for ensuring patients have access to care after the health center's normal business hours. The purpose of this Standard Operating Procedures (SOP) is to outline the process and procedure for patients who require After-Hours Access to Care for Medical Emergencies.

II. DEFINITIONS:

- A. SOP – Standard Operating Procedures
- B. EHR – Electronic Health Record

III. POLICY STATEMENT:

It is the policy of Kern County Hospital Authority Community Health Center (KCHA CHC) to have an SOP to address medical emergencies outside of the KCHA CHC hours of operation. This document outlines the procedures for managing medical emergencies after KCHA CHC business hours.

IV. EQUIPMENT: N/A

V. PROCEDURE:

A. After-hours contact information

1. After-hours contact information is posted on the KCHA CHC website and at the public-facing main entrances of the health center.
2. KCHA CHC ensures that the answering service/after-hours coverage system provides appropriate languages to serve the patient population. The health center informs patients with Limited English Proficiency (LEP) about after-hours coverage accessibility. For LEP patients, the service provides extensive options, including ASL.
3. After-hours automated message provides patient instruction on next steps including calling 9-1-1 for any life-threatening medical emergency. The health center after-hours message is also activated during any clinic closures which may include staff meetings and trainings where health center staff cannot answer the phone calls promptly.

B. Patient Notification of After-Hours Access

1. Instructions on after-hours procedures and contact information (661-326-2800) are automatically printed on all after care instructions which are given to patients at the time of discharge from a clinic visit. At time of discharge, staff will highlight and review the after-hours procedures and contact information with each patient.

- C. Nurse Triage Line
Patients also have access to a contracted third-party Nurse triage line who can provide clinical advice. The nurse triage line is available from 8:00 PM – 8:00AM daily, including weekends and holidays.
- D. Documentation and Follow-up
 1. Reports of all after-hour calls are evaluated during business hours by KCHA CHC designated staff which may include Care Coordinators, Medical Assistants, Acute Care Transition Nurses and Schedulers.
 2. KCHA CHC designated staff will follow-up on each call to determine if the patient should be scheduled with their assigned PCP and/or receive additional services at the health center.
 3. KCHA CHC designated staff will document follow-up care in the patient's electronic health record (EHR), update the patient's PCP, and coordinates any orders if needed.
 4. If the patient went to the ED or is admitted, the KCHA CHC designated staff will update their PCP. The KCHA CHC designated staff will follow-up with the patient after discharge to determine if the patient will be scheduled with their assigned PCP and/or receive additional services in the health center.
 5. The KCHA CHC designated staff will ensure that all required information is captured which may include:
 - a) Patient identification
 - b) Reason for the originating call
 - c) Date and time of originating call
 - d) Date and time of contact with Licensed Independent Practitioner (LIP)
 - e) Outcome of the call (i.e., patient admitted to ED, patient scheduled for follow up MM/DD/YYYY)
 - f) Follow-up actions (i.e., patient referred to Specialist)
 - g) Final outcome (i.e., patient completed follow-up visit on MM/DD/YYYY)
- E. Monitoring
 1. After-hours call reports are routinely audited and reported to KCHA CHC Quality Improvement Committee to identify opportunities for improvement. Annual after-hours metrics are reported to the KCHA CHC Board as part of the KCHA CHC Quality and Risk Management Program.

VI. SPECIAL CONSIDERATIONS: N/A

VII. EDUCATION:

- A. KCHA CHC Staff: Will receive education pertaining to this SOP, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. Staff's knowledge, skills and abilities will be validated during unit-specific orientation.


VIII. DOCUMENTATION: N/A

IX. ADDENDUMS: N/A

X. REFERENCES: N/A

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Kern County Hospital Authority Community Health Center

Department: Operations				
Policy No.	Effective Date	Review Date:	Page	
LAL-OP-02	March 2025	March 2028	1 of 3	
Title: Standard Operating Procedures – Emergency Department Discharge Tracking				

I. PURPOSE:

Kern County Hospital Authority Community Health Center (KCHA CHC) is responsible for managing the patient's transition of care after an Emergency Department (ED) visit. The purpose of this Standard Operating Procedures (SOP) is to ensure that patient ED visits are tracked and reviewed timely by the healthcare practitioner in order to facilitate continued coordination of care and follow a closed-loop process.

II. DEFINITIONS:

A. Closed-loop process – A process to ensure that any patient data and information that may require action are delivered and communicated to the right individuals, at the right time and modality, to allow for interpretation, critical review, reconciliation, initiation of action, acknowledgment, and appropriate documentation. Closed-loop processes for ED visit tracking end after the healthcare practitioner reviews and incorporates the findings from the patient's recent ED visit into the Electronic Health Record (EHR) and the patient is notified of their updated plan of care.

III. POLICY STATEMENT:

It is the policy of KCHA CHC to have an SOP for tracking and monitoring ED visits to ensure a closed-loop process for patients who are discharged from the ED. This document describes procedures for KCHA CHC employees who are involved in the tracking, reviewing, communicating the patient's ED visit to healthcare practitioners, and generally coordinating the care for KCHA CHC patients who are discharged after an ED visit.

IV. EQUIPMENT: N/A

V. PROCEDURE:

A. ED Visit Tracking

1. KCHA CHC staff may receive notification of a patient's ED visit in a number of ways:
 - a) Patients are asked by designated clinical support staff to report any ED visits at every KCHA CHC visit.
 - b) Patients or their caregivers are asked to call KCHA CHC to report an ED visit.
 - c) Patients may be advised to go to the ED directly by a KCHA CHC healthcare practitioner or clinical staff member.
 - d) KCHA CHC may receive a call or fax from a local hospital.
 - e) KCHA CHC may receive an electronic notification through the health information exchange (HIE) interface that a patient has visited the ED of a local hospital.
 - f) KCHA CHC may receive communication or have access to online portals for local hospitals, health plans, IPAs, etc. identifying patients in need of an ED follow-up.
2. Once the notification of patient ED visit discharge is received, the KCHA CHC designated employee receiving the notification will communicate pertinent

information as needed to the patient's healthcare practitioner. All notification communications are documented in the EHR.

3. Coordination and tracking of ED visit
 - a) All notifications of ED visits will be tracked by KCHA CHC designated employees so follow-up care can be provided to the patient after an ED discharge.
 - b) An ED tracking log will include the following information:
 - 1) Patient demographic information
 - 2) Date of ED visit
 - 3) Reason for ED visit, if known
 - 4) Follow-up encounter information.
 - c) KCHA CHC designated employees will review the tracking log during business hours and coordinate follow up after ED visits.
 - d) The tracking log will be uploaded in the Shared Drive. Access to the tracking log folder is restricted to users who are involved in the program.
4. Healthcare practitioner and Patient Notification of ED Visit Information from Outside Facility
 - a) Pertinent medical information related to the patient's ED visit is requested from the outside facility by the KCHA CHC designated employee upon notification of ED discharge and is scanned in the EHR for healthcare practitioner to review.
 - b) Healthcare practitioner will review pertinent information related to the ED visit and determines appropriate follow-up and incorporates findings in the patient's plan of care.
 - 1) The KCHA CHC designated employee will schedule a follow-up appointment with the patient based on ED visit discharge instructions, unless otherwise directed by the healthcare practitioner.
 - 2) The follow-up appointment is communicated to the patient/caregiver as determined by the healthcare practitioner.
 - a) Patients may be notified of the plan of care at their follow-up visit or by a phone call.
 - i) KCHA CHC designated employee will make three attempts on different days and/or times to contact the patient. If unable to reach the patient by phone, staff will send a letter requesting a call back.
 - ii) Staff will notify the Practitioner or designee if unable to contact the patient.
 - iii) All successful and unsuccessful attempts to contact the patient will be documented in the EHR.
5. Post ED Discharge Follow-up Appointment
 - a) KCHA CHC designated employee will schedule an ED visit discharge follow-up appointment based on the discharge instruction, unless otherwise directed by the healthcare practitioner.
 - 1) The KCHA CHC employee will schedule the first available appointment with the healthcare practitioner and will notify the healthcare practitioner of the pending appointment.
 - 2) If the patient refuses to schedule the appointment, the KCHA CHC employee will notify the healthcare practitioner of the refusal and reason, if known.
 - 3) If the patient misses the appointment, the KCHA CHC employee will make three attempts on different days and/or times to contact the patient by phone.
 - a) If there is no response after three (3) business days, the KCHA CHC employee will notify the healthcare practitioner of the missed appointment and will send a letter to the patient notifying them of the missed appointment.

6. ED visit tracking are routinely reported to the Quality Improvement Committee to determine improvement opportunities.

VI. SPECIAL CONSIDERATIONS: N/A

VII. EDUCATION:

KCHA CHC staff will receive education pertaining to this SOP, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. Staff's knowledge, skills and abilities will be validated during unit-specific orientation.


VIII. DOCUMENTATION: N/A

IX. ADDENDUMS: N/A

X. REFERENCES: N/A

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Kern County Hospital Authority Community Health Center

Department: Operations				
Policy No.	Effective Date	Review Date:	Page	
LAL-OP-03	March 2025	March 2025	1 of 3	
Title: Standard Operating Procedures – Acute Care Transition Program				

I. **PURPOSE:**

Kern County Hospital Authority Community Health Center (KCHA CHC) is responsible for managing the patient's transition of care after a hospital discharge. The purpose of this Standard Operating Procedures (SOP) is to define the processes and procedures for the Acute Care Transition (ACT) Program to ensure the seamless transition of patients who are admitted to the hospital and discharged home.

II. **DEFINITIONS:**

- A. ACT – Acute Care Transition
- B. DME – Durable Medical Equipment
- C. EHR – Electronic Health Record

III. **POLICY STATEMENT:**

It is the policy of KCHA CHC to coordinate on-going or follow up care for patients who are discharged from a hospital.

IV. **EQUIPMENT:** N/A

V. **PROCEDURE:**

- A. Staffing
 - 1. Registered Nurse
 - 2. Licensed Vocational Nurse
 - 3. Clerical support
- B. Roles and Responsibilities- Kern Medical Center hospital discharge
 - 1. The designated ACT staff will pull the daily ACT discharge report in the EHR and upload to the network designate shared drive. Access to the shared drive is restricted to users directly involved in the program.
 - 2. Once the daily ACT discharge report is uploaded, the hospital discharge follow-up assignment is divided among the ACT staff members.
 - 3. At the start of shift, the ACT staff will check their voice mail and communication center in the EHR for any updates on discharge cases that are open and need to be resolved.
 - 4. All patients who are admitted to the hospital and discharged home will receive a hospital discharge follow up call from the KCHA CHA nurse within four business days of discharge.
 - 5. The nurse will use the readmission stratification risk score that are completed by the Hospital Case Management Department to prioritize the hospital discharge follow up calls.
 - 6. Prior to making the hospital discharge follow up call, the nurse will review the patient's hospital records including their discharge instructions.
 - 7. During the hospital discharge follow up call, the nurse will verify and assist the patient with the following:
 - a) That the patient understands the discharge instructions

- b) That prescriptions for discharge medications are filled. If there are issues with getting the medications filled, the nurse will coordinate with the ordering healthcare practitioner and pharmacy to resolve the issue.
 - c) If DME is ordered and there are issues with obtaining the DME, the nurse will coordinate with the healthcare practitioner and Hospital Inpatient Case Management team to resolve the issue.
 - d) If there are issues with Home Health, the ACT Nurse will coordinate with the healthcare practitioner and Hospital Inpatient Case Management team to resolve the issue.
 - e) If the patient is assigned to a KCHA CHC healthcare practitioner as their primary care, the patient will be scheduled for a hospital discharge follow up appointment.
 - f) If a patient has a referral to a specialist, the nurse will coordinate with KCHA CHC Referral Department if needed.
 - g) If a patient is assigned to a non-KCHA CHC primary care, the nurse will instruct the patient to set up a hospital discharge follow up with their primary care healthcare practitioner.
- 8. After the hospital discharge follow-up call is completed, the nurse will document their hospital discharge notes in the EHR and close the case.
- 9. If the nurse is not able to contact the patient on first attempt, the nurse will make two other attempts on different days and/or times. After three unsuccessful attempts, a standard letter requesting a call back will be mailed to the patient's address on file and scanned into the EHR.
- C. Roles and Responsibilities - Non-Kern Medical Center hospital discharge
 - 1. When the ACT team receives a request for a hospital discharge follow up appointment from a non-Kern Medical Center hospital staff, the ACT team will obtain the outside hospital admission records prior to scheduling the patient.
 - 2. Once the outside hospital records are received, the ACT team will schedule the patient for a hospital discharge follow up appointment.
 - 3. The ACT team will upload the outside hospital records into the EHR.
 - 4. The ACT team will call the requesting hospital staff and provide the patient's hospital discharge follow up appointment.

VI. SPECIAL CONSIDERATIONS: N/A

VII. EDUCATION:

- A. KCHA CHC staff will receive education pertaining to this SOP, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. Staff's knowledge, skills and abilities will be validated during unit-specific orientation.


VIII. DOCUMENTATION: N/A

IX. ADDENDUMS: N/A

X. REFERENCES: N/A

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Kern County Hospital Authority Community Health Center

Department: Quality				
Policy No.	Effective Date	Review Date:	Page	
LAL-QUAL-01	March 2025	March 2025	1 of 7	
Title: Healthcare Practitioner Credentialing and Privileging				

I. PURPOSE:

To establish a process for credentialing, evaluating and reviewing the qualifications, competency, quality, safety, appropriateness of care and professional conduct of all Healthcare practitioners providing care at Kern County Hospital Authority Community Health Center (CHC).

II. DEFINITIONS:

- A. Advanced Practice Provider (APP) – An individual, other than a licensed physician, dentist, clinical psychologist or podiatrist, who is not eligible for medical staff membership, who holds a license, certificate or other legal credential in a category of Advance Practice Provider. After approval through the Interdisciplinary Practice Committee (IPC), the Credentials Committee, the Medical Executive Committee (MEC) and granting of practice privileges by the Board of Governors, the APP provides direct patient care services in the hospital or outpatient clinic area under the supervision of a physician, who has been granted practice privileges, and is assigned per the Practice Agreement or Standardized Procedures. Only APP's, who continuously meet qualifications, as determined under the processes outlined in this policy and procedure, are eligible to exercise practice privileges at KMC.
- B. Credential Committee – Exists to actively oversee all credentialing activities related to healthcare practitioners including but not limited to, APP, physicians, psychologists, etc.
- C. Interdisciplinary Practice Committee (IPC) – In accordance with California Department of Public Health, Title 22, IPC oversees the development, review, and approval of authorization criteria, scope of services, practice protocols, and other relevant specifications of the following types of healthcare practitioners:
 - 1. Nurse Practitioners (NP)
 - 2. Physician Assistants (PA)
 - 3. Certified Registered Nurse Anesthetics (CRNA)
 - 4. Certified Nurse Midwives
 - 5. Registered Nurse First Assist (RNFA)
 - 6. Clinical Pharmacists
 - 7. Other healthcare practitioners whose practice patterns overlap with medical scope of practice
- D. Licensed Independent Practitioner (LIP) – An individual permitted by law and the organization to provide care and services without direction or supervision, within the scope of the individual's license and consistent with individually granted clinical privileges. This includes, but not limited to Physician (MD, DO, DPM, and DDS), advanced practice practitioners (CRNA, CNM, NP, PA, PharmD, and PHD), LCSWs.
- E. Medical Executive Committee – Defined as the executive committee of the Medical Staff at the Kern County Hospital Authority.
- F. Other Clinical Staff (OCS) - An individual who is providing clinical services on behalf of the health center in states, territories or jurisdictions that do not require licensure or certification. Examples include, but are not limited to, medical assistants (MA), dental assistants (DA), and other Community Health Workers (CHW).

- G. Other Licensed or Certified Practitioner (OLCP) - An individual who is licensed, registered or certified but is not permitted by law to provide patient care services without direction or supervision. Examples include, but are not limited to residents, registered nurses, licensed vocational nurses, laboratory technicians, certified medical assistants, licensed practical nurses, and dental hygienists.
- H. Physician - Includes Medical Doctors, Doctors of Osteopathic Medicine, Dentists, and Podiatrists.
- I. Registered Nurse - An individual who graduated or successfully passed a nursing program from a recognized nursing school and met the requirements outlined by a county, state, province or similar government-authorized licensing body to obtain a nursing license.
- J. Standardized Procedure – Authorization designated by Nursing Practice Act Section 2725 to allow performance of a medical function by a registered nurse.
- K. Practice Agreement – A written document, developed through collaboration among one or more physicians and surgeons and one or more Pas, that defines the medical services the Pas are authorized to perform.

III. POLICY STATEMENT:

It is the policy of CHC to allow Healthcare practitioners to provide patient care services according to this policy, the approved standardized procedures, practice agreements and clinical category practice privileges, as permitted by law, accreditation regulations, and other clinic policies. In keeping with all applicable rules and the policies and procedures of CHC, an appropriate credentialing process is followed to ensure that any individual providing patient care has the required education, training, licensure/certification, documented practice privileges and competency requirements. All healthcare practitioners must be credentialed and privileged prior to placement into any practice location, then re-credentialed and re-appointed privileges every two years thereafter.

In accordance with the memorandum of understanding between Kern Medical Center (KMC) and CHC, credentialing and privileging activities will be delegated to KMC and reviewed pursuant to this policy. The Medical Staff Office has been appointed by the CMO and is responsible for overseeing the credentialing and privileging process. Human Resources will screen OLCP and OCS staff, the IPC will screen APPs, and Medical Executive Committee will prescreen LIPs qualification and will grant credentialing and privileging approval for all healthcare practitioner subject to the CHC Board approval.

The CHC Board, has delegated the credentialing and privileging process and approval to the KMC Board though reserves the option to review recommendations from the KMC Board during CHC Board of Director meetings, as needed.

IV. EQUIPMENT: N/A

V. PROCEDURE:

- A. Kern County Hospital Authority is dedicated to providing the highest quality care to its members. Kern County Hospital Authority, through KMC, has established credentialing criteria to ensure the training, experience, skills, qualifications, and character of its healthcare practitioners as described below. KMC's Medical Staff Office Personnel handle responsibilities associated with collecting and verifying documents and monitor functions associated with healthcare practitioner credentialing. This policy applies to all healthcare practitioners: Licensed Independent Practitioners (LIP), Other Licensed and/or Certified Practitioners (OLCP), and Other Clinical Staff (OCS) who are permitted by law to practice within the scope of the individual's license or certification, have a relationship with KMC, provide direct patient care to health center patients, and who are utilized on a full-time, part-time, intermittent, locum tenens, or volunteer basis at locations where the health center provides patient care. Only those LIP, OLCP, and OCS who have a

current, complete, and approved credentialing file with the health center will be eligible to provide patient care.

B. Credentialing Process

Initial appointment, reappointment, and/or additional practice privileges

1. KMC's verification process for initial appointments, reappointments, and additional practice privileges are outlined in policies and in the Medical Staff Bylaws.
2. Healthcare practitioner enrollment/Health Plan credentialing will be completed by Medical Staff. This will ensure the health center is able to receive payment for services rendered by the practitioner. LIP will not be allowed to provide services until credentialing has been completed.

C. Privileging Process

Privileging activities shall include verification of fitness for duty, as well as verification of immunizations and communicable disease status for all clinical staff (LIP, OLCP and OCS) ensuring all clinical staff have the physical and cognitive ability to safely perform their duties, see Attachment "A".

1. Licensed Independent Practitioners (LIP) will be privileged upon hire. Privileges will be reviewed and renewed/modified upon contract establishment/renewal or performance evaluation.
2. Other Licensed and/or Certified Practitioners (OLCP) and Other Clinical Staff (OCS) will be granted privileges upon hire through a defined scope of practice completed during the orientation process via a supervisory evaluation/skills assessment and verification of clinical competence based on the current job description and the CMO and/or Medical Director's and supervisor review and approval.

D. Duration of Credentialing and Privileging Term

1. All appointments and reappointments to healthcare practitioner status and all credentialing and re-credentialing terms for CHC's will be for a period of not more than two (2) years.
2. Each healthcare practitioner's credentials and privileges shall be reviewed within two (2) years from the last approval date. Resubmission of information contained in the initial application process may be required.
3. Clinical competence and fitness for duty will be evaluated for all clinical staff.

E. Scope of Service Oversight

1. Pre-designation and Annual Reviews. KMC agrees to submit pre-delegation and annual audits of its credentialing program, as outlined in Attachment A. KMC agrees to provide copies of its policies and procedures to CHC and to allow access to minutes related to credentialing actions and to credentials files. KMC staff will credential according to their respective department policies and procedures.
2. Minimum credentialing requirements. CHC agrees to the following minimum credentialing requirements as outlined in Attachment A.
3. KMC will verify to ensure all necessary verifications have been completed and documented appropriately. Healthcare practitioner's credentialing file will be maintained within the Medical Staff office's electronic credentialing system and will be accessible by the health center's designated staff.
4. KMC will notify CHC of the new healthcare practitioner candidate and will continue to provide an update on the credentialing progress.

F. Ongoing Monitoring

KMC must develop and implement policies and procedures for ongoing monitoring of all healthcare practitioner sanctions, complaints and quality issues between re-credentialing cycles and taking action against healthcare practitioners when it identifies occurrences of poor quality. At a minimum, KMC must collect and review the following:

1. Medicare and Medicaid sanctions;
2. Sanctions or limitations on licensure;

3. Medicare Opt-Out;
4. Medi-Cal Suspended and Ineligible list;
5. CMS Preclusion list;
6. Patient complaints; and
7. Identified adverse events;
8. Monthly query of the National Practitioners Data Bank

G. Reports

1. Profiles – KMC agrees to provide CHC with healthcare practitioner profiles upon approval of healthcare practitioner and on a monthly basis thereafter when adding a healthcare practitioner to CHC. CHC reserves the right to request additional information to be included in this report.
2. KMC will provide CHC a report on a monthly basis of the termination, resignation, change of status, change of address, etc., of a healthcare practitioner.
3. License, DEA, insurance updates. KMC will reassure that License, DEA, and insurance is current at all times. Between re-credentialing cycles, KMC must also monitor the healthcare practitioner's license for expiration and timely renewal and take appropriate action when issue is identified.
4. Quarterly Reports - KMC will provide CHC with a report that addresses the healthcare practitioners discussed and/or reviewed for initial and recredentialing, concerns, or problems and at a minimum, must include: the healthcare practitioner's complete name, professional degree, specialty, PCP/SCP designation, current license number, board certification specialty and expiration date (if applicable), credentialing/recredentialing approval date, and if there were suspensions/terminations, the date and reason.

H. Change in credentialing process

KMC will advise CHC of any changes in its credentialing process and criteria within sixty (60) days of the change. If CHC deems the changes material and not in compliance with KMC's credentialing requirements, CHC will notify KMC of such, if not, KMC will have thirty (30) days to come into compliance with this policy requirements.

I. Denying, Modifying, or Removing Privileges

1. At any point, the executive leadership may request the modification or removal of privileges based on assessments of clinical competence and/or fitness for duty, including unsatisfactory reports from the QI committee, adverse events, or a pattern of adverse events, or if the individual is judged to have a medical condition which would normally diminish clinical skills or judgement.
2. Request for denial, modification or removal of privileges will be determined by the MEC and forwarded to the CEO for consideration, which will be processed according to KMC and CHC's Board Bylaws. Any adverse decision will be communicated to the Healthcare practitioner pursuant to any agreement or HR rules and regulations based on established policies and procedures.
 - a) Denying, modifying and/or removing Clinical Privileges as a result of unsatisfactory clinical competence assessment(s) will follow the process delineated in the Medical Staff Bylaws.

J. Temporary Privileges

Temporary Privileges can be granted during certain declared emergency situations consistent to those described in the HRSA Program Assistance Letter (PAL) 2024-01, and only when all verifications, queries, and documents have been collected, reviewed, and verified, and only if the approval of the CMO is missing. Temporary Privileges cannot be granted for more than 90 days.

1. For all healthcare practitioners responding to declared public health emergencies, including volunteers, temporary privileges (also known as expedited credentialing and privileging) may be granted by the Chief Executive Officer (CEO) and/or Chief Medical Officer (CMO) of the impacted health center upon expedited review and verification of the professional credentials,

references, claims history, fitness for duty, professional review organization findings, and license, registration, or certification status.

2. Expedited (temporary) credentialing and privileging files must include the following:
 - a) Verification of Identity
 - b) Verification of Professional Credentials
 - c) Verification of Claims History
 - d) Verification of Fitness for Duty
 - e) Verification of Professional References
3. Temporary privileges can be granted for no more than 90 days. After the 90-day period, the health center will have completed all the necessary verification for standard credentialing and privileging and granted full privileges based on that information.

K. Respect for Confidentiality

CHC commits to high levels of maintaining confidentiality involving potential or existing Healthcare practitioner. Any sensitive information submitted and collected during the credentialing/re-credentialing process is treated by HIPAA compliance. Information exchanged will solely be used for credentialing/re-credentialing.

VI. SPECIAL CONSIDERATIONS: N/A

VII. EDUCATION:

- A. KCHA CHC staff will receive education pertaining to this policy, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. Staff's knowledge, skills and abilities will be validated during unit-specific orientation.

VIII. DOCUMENTATION: N/A

IX. ADDENDUMS: Attachment A – Credentialing and Privileging Delineation

X. REFERENCES: N/A

OWNERSHIP (Committee/Department/Team).....	
ORIGINAL	
REVIEWED, NO REVISIONS	
REVISED.....	
APPROVED BY COMMITTEE.....	
DISTRIBUTION	
REQUIRES REVIEW	
<hr/>	
Executive Director Signature of Approval	Signature of Approval
Date	Date

ATTACHMENT A
CREDENTIALING AND PRIVILEGING DELINEATION

Credentialing or Privileging Activity	Licensed Independent Practitioner (LIP)	Other licensed or certified practitioner (OLCP)	Other clinical staff (OCS)
<i>Examples of Staff</i>	<i>Physician, Advance Practice Providers, PharmD, LCSWs</i>	<i>Residents, RN, LVN, RD, RDH, RDA, CMA, X-ray Techs</i>	<i>MA, DA, CHW</i>
INITIAL CREDENTIALING	METHOD		
Approval authority	Medical Staff / CHC	Human Resources	Human Resources
Frequency	Upon hire	Upon hire	Upon hire
Verification of licensure, registration, or certification	Primary source	Primary source	N/A
Verification of education	Primary source	Primary or secondary source	Primary or secondary source
Verification of training	Primary source	Secondary source	Secondary source
Verification of current competence	Primary source	Supervisory evaluation per job description	Supervisory evaluation per job description
Verification of Board Certification	Primary Source	N/A	N/A
Verification of Professional Liability Insurance & Claims History	Secondary Source	Secondary source	N/A or Secondary source as applicable
Criminal Background Check	Primary Source	Primary Source	Primary Source
Medicare/Medicaid Sanctions	Primary Source	Primary source	N/A
Professional References	Primary Source	Secondary source	Secondary source
National Practitioner Data Bank (NPDB) Query	Primary source	Primary source	Primary source
Government issued picture identification	Secondary source	Secondary source	Secondary source
Drug Enforcement Administration (DEA) registry	Primary source, if applicable	Primary source, if applicable	N/A
Hospital admitting privileges	Primary source	N/A	N/A
Basic Life Support Training	Secondary source	Secondary source	Secondary source
RE-CREDENTIALING	METHOD		
Approval authority	Medical Staff / CHC	Human Resources	Human Resources
Frequency	At least every 2 years	At least every 2 years	At least every 2 years
Verification of current licensure, registration, or certification	Primary source	Primary source	N/A
Verification of Board Certification	Primary Source	N/A	N/A
Hospital admitting privileges	Primary source	N/A	N/A
Drug Enforcement Administration (DEA) registry	Secondary source, if applicable	Secondary source, if applicable	N/A

National Practitioner Data Bank (NPDB) Query	Primary source	Primary source	Primary source
Verification of Professional Liability Insurance & Claims History	Secondary Source	Secondary source	N/A
Medicare/Medicaid Sanctions	Primary Source	Primary source	N/A
Basic Life Support Training	Secondary source	Secondary source	Secondary source
INITIAL GRANTING OF PRIVILEGES	METHOD		
Approval authority	Medical Staff / CHC	Human Resources	Human Resources
Frequency	Upon hire	Upon hire	Upon hire
Verification of current competence to provide services specific to each of the organization's care delivery	Primary source based on peer review and/or performance improvement data	Supervisory evaluation per job description	Supervisory evaluation per job description
Verification of Fitness for Duty	Primary or secondary source	Primary or secondary source	Primary or secondary source
Immunization and Communicable Disease Status	Primary or secondary source	Primary or secondary source	Primary or secondary source
RENEWAL OR REVISION OF PRIVILEGES	METHOD		
Approval authority	Medical Staff / CHC	Human Resources	Human Resources
Frequency	At least every 2 years	At least every 2 years	At least every 2 years
Verification of current competence to provide services specific to each of the organization's care delivery	Primary source based on peer review and/or performance improvement data	Supervisory evaluation per job description	Supervisory evaluation per job description
Verification of Fitness for Duty	Primary or secondary source	Primary or secondary source	Primary or secondary source
Immunization and Communicable Disease Status	Primary or secondary source	Primary or secondary source	Primary or secondary source

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed resolution to adopt Kern County Hospital Authority's Human Resources Policies and Procedures

Recommended Action: Approve; Adopt Resolution

Summary:

The Kern County Hospital Authority Community Health Center (CHC) will have all Human Resources services provided by the Kern County Hospital Authority's Human Resources department. As outlined in the co-applicant agreement, the Authority maintains complete authority over all employee/staff operations to manage, hire, discipline, negotiate salary and benefits scales, and all employee grievances for the CHC. The CHC Board may not take any action that is inconsistent with any provision of any Kern County ordinance, any Kern County Hospital Authority policy, or any action of the Board of Governors related to personnel and labor matters.

The Human Resources policy and procedures that will be applied include, but are not limited to:

Hiring Policy: HRM-HR-201

Discipline Policy: HRM-HR-401

Other applicable Human Resources content

Therefore, it is recommended that your Board approve the Resolution to adopt the Kern County Hospital Authority's Human Resources department policies and procedures.

**BEFORE THE BOARD OF DIRECTORS
OF THE KERN COUNTY HOSPITAL AUTHORITY
COMMUNITY HEALTH CENTER**

In the matter of:

Resolution No. 2025-____

**ADOPTING THE HUMAN RESOURCE
POLICIES AND PROCEDURES OF THE
KERN COUNTY HOSPITAL AUTHORITY**

I, MONA A. ALLEN, Clerk of the Board of Directors for the Kern County Hospital Authority Community Health Center, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Directors of the Kern County Hospital Authority Community Health Center at an official meeting thereof on the 26th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Directors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Clerk of the Board of Directors
Kern County Hospital Authority
Community Health Center

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The conduct of Kern County Hospital Authority Community Health Center is subject to the provisions of the section 330 of the Public Health Services (PHS) Act (42 U.S.C. 254b) (“section 330”), as amended; and

(b) Public agencies are permitted to utilize a co-applicant governance structure for the purposes of meeting Health Center Program governance requirements. Public centers may be structured in one of two ways to meet the program requirements: 1) the public agency independently meets all the Health Center Program governance requirements based on the existing structure and vested authorities of the public agency's governing board; or 2) together, the public agency and the co-applicant meet all Health Center Program requirements; and

(c) By adopting the Kern County Hospital Authority's Human Resource policies, the Board of Directors will demonstrate compliance with the requirement that the health center governing board establishes, adopts, and maintains general personnel policies for the health center.

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

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

2. This Board hereby adopts the Kern County Hospital Authority's Human Resources policies as set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

3. The Clerk of the Board of Directors shall provide copies of this Resolution to the following:

Members, Board of Directors, Community Health Center
Members, Board of Governors, Kern County Hospital Authority
Community Health Center
Executive Director, Community Health Center
Medical Director, Community Health Center
Kern Medical Center
Legal Services Department

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed Memorandum of Understanding (MOU) with Kern Medical Center for shared services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

As both the Kern County Hospital Authority Community Health Center (CHC) and Kern Medical Center (KMC) are owned and operated by the Kern County Hospital Authority, the two sub-entities will share services, utilities, supplies, etc. that will need to be accurately accounted for by use of each sub-entity. The proposed MOU, in Exhibit "A", lists the assessed goods and services of each sub-entity, which may be subject to change.

Pursuant to 42 CFR §51c.303, the CHC must maintain effective control over, and accountability for, all funds, property, and other assets in order to adequately safeguard all such assets and ensure that they are used solely for authorized purposes. The proposed MOU will achieve this requirement.

Therefore, it is recommended that your Board approve the proposed Memorandum of Understanding (MOU) with Kern Medical Center for shared services for a term of one (1) year, March 26, 2025 through March 25, 2026, with automatic one (1) year renewal terms, and authorize the Chairman to sign.

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
KERN MEDICAL CENTER AND COMMUNITY HEALTH CENTER**

THIS MEMORANDUM OF UNDERSTANDING ("MOU"), dated as of March 26, 2025, is entered into by and between the constituent departments of Kern Medical Center ("KMC") and the Community Health Clinic ("CHC") both owned and operated by the Kern County Hospital Authority, a local unit of government. KMC and CHC are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. WHEREAS, CHC requires services from KMC and KMC agrees to provide such services as described in this MOU; and

B. WHEREAS, CHC agrees to purchase such services as described under the terms of this MOU.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, agreements, representations, and warranties contained herein, and for other good and valuable consideration, KMC and CHC hereby agree as follows:

1. Services.

1.1 Scope of Services. During the term hereof, KMC shall provide to CHC only the services listed and described in **Exhibit A** attached hereto and incorporated in this MOU by this reference. KMC shall assign such personnel to perform the services as KMC determines are reasonably necessary to render the services in accordance with the terms of this MOU. KMC shall exercise reasonable care and business judgment in providing the services and shall otherwise perform the services to the same standards of timeliness and quality as KMC would apply to the performance of similar work for KMC.

1.2 Good Faith Negotiations. KMC and CHC shall negotiate in good faith any changes in the types and quantities of services. Any such changes shall be incorporated into this MOU by way of amendments in accordance with Section 19.

2. Term. This MOU shall commence on March 26, 2025 and shall continue for a one (1) year term ("Term"), unless terminated earlier pursuant to Section 5 below. The Term shall automatically renew for successive one (1) year periods unless terminated by either Party by written notice to the other Party at least one hundred twenty (120) days prior to its next termination date. Without limiting the foregoing, the Parties may agree to terminate specific services in accordance with Section 6.

3. Consideration.

3.1 Fees for Services. Fees for Services. KMC and CHC will review all fees

associated with the services set forth in **Exhibit A**, The Parties agree to reasonably negotiate in good faith to allocate the actual fees and/or charges incurred by CHC. These established fees and charges will be paid by CHC to KMC as negotiated by the Parties.

4. Contracting Officers - Delegation of CHC

4.1 KMC shall administer this MOU through a single administrator (KMC Contracting Officer). The person so designated shall take all actions necessary to implement this MOU, subject to the limitations of California laws and state administrative regulations. No person other than the KMC Contracting Officer or the Board of Governors shall have the power to bind KMC relative to the rights and duties of KMC under this MOU, nor shall any other person be considered to have the delegated authority of the KMC Contracting Officer or to be acting on his or her behalf unless the KMC Contracting Officer has expressly stated in writing that person is acting as his or her authorized agent.

4.2 CHC shall administer this MOU through a single administrator, Andrew Cantu and/or his designee, (CHC Contracting Officer). The person so designated shall take all actions necessary to implement this MOU, subject to the limitations of California laws and state administrative regulations. No person other than the CHC Contracting Officer or the Board of Directors shall have the power to bind the CHC relative to the rights and duties of CHC under this MOU, nor shall any other person be considered to have the delegated authority of the CHC Contracting Officer or to be acting on his or her behalf unless the CHC Contracting Officer has expressly stated in writing that person is acting as his or her authorized agent.

5. Termination of MOU. This MOU shall terminate upon the occurrence of one of the following acts or events:

5.1 the mutual written consent of the Parties hereto;

5.2 by either Party upon breach by the other Party of any material provision of this MOU, provided that such breach continues for twenty (20) business days after receipt by the breaching Party of written notice of such breach by the non-breaching Party;

5.3 by either Party, without cause, upon 120 days' prior written notice to the other Party.

6. Termination of Specific Service. Notwithstanding any other provision of this MOU, either Party may terminate a specific service upon 120 days' prior written notice to the other Party. The remaining services shall continue to remain in effect. CHC shall pay KMC for all accrued fees associated with such terminated service as of the termination date for such service.

7. Compliance

7.1 Compliance with Laws. Each Party shall act hereunder in compliance in all material respects with all applicable standards set forth by law or ordinance or established by the rules and regulations of any federal, state or local agency, department, commission, association or other pertinent governing, accrediting, or advisory body having CHC to set standards for health care facilities, including the Health Resources and Services Administration ("HRSA") and the

Medicare/Medicaid conditions of participation and any amendments thereto to the extent applicable. The Parties agree to comply with all applicable laws, rules and regulations, including but not limited to, those laws prohibiting payment for referrals. Accordingly, the Parties agree that it is not a purpose of this MOU to generate referrals for services or supplies for which payment may be made in whole or in part under any federal healthcare program.

7.2 HIPAA. Each Party shall maintain all patient information as confidential and shall use or disclose such patient information only in accordance with the requirements of state and federal law. Each Party agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 USC § 1320d through d-8 ("HIPAA") as amended by the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 ("HITECH Act") and any current and future regulations promulgated thereunder, including the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Parts 160, 162 and 164 ("Federal Security Regulations"), and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, all collectively referred to herein as "HIPAA Requirements." In furtherance of the foregoing, the Parties hereby agree to comply with the terms of that certain Business Associate MOU ("BAA") attached hereto and incorporated herein as **Exhibit B**, which shall apply to this MOU. If there is a conflict between the terms of this MOU and the terms of the BAA, the terms of the BAA shall control.

7.3 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 MOU 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.

7.4 Access to Books and Records. If applicable, the Parties agree to make books and records available and to require any subcontractor to make books and records available, upon request of the Secretary of the U.S. Department of Health and Human Services or the Comptroller General of the United States or their duly authorized representatives for up to four (4) years following the furnishing of goods or services under this MOU pursuant to Section 1861(v)(1)(I) of the Social Security Act.

7.5 Exclusion From Governmental Programs. Each Party represents and warrants that neither it nor any of its directors or officers, and to the best of its knowledge, its employees and agents, have been convicted of a criminal offense related to health care, debarred, suspended, declared ineligible, or excluded from participating with Medicare, Medicaid or any other plan or program that provides health benefits, whether directly through insurance or otherwise, which is funded directly, in whole or in part, by the United States Government or any State health care program. This shall be an ongoing representation and warranty during the Term, and each Party shall notify the other of any change in the status of the representations set forth in

this Section. A Party may terminate this MOU immediately upon the occurrence or notification of any of the above.

8. Disclaimer and Waiver of Warranty. EXCEPT AS SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICES, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, TIMELINESS, FITNESS FOR A PARTICULAR PURPOSE, OR QUALITY. UNLESS AND EXCEPT AS SPECIFICALLY STATED HEREIN AND TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, (I) ALL SERVICES ARE PROVIDED "AS IS"; AND (II) KMC DOES NOT WARRANT THAT THE SERVICES WILL MEET THE CHC'S REQUIREMENTS OR THAT THE OPERATION OF THE SERVICES WILL BE ENTIRELY ERROR FREE, FREE FROM VIRUSES, OR UNINTERRUPTED OR FUNCTION PRECISELY AS DESCRIBED IN ANY ACCOMPANYING DOCUMENTATION. IN ADDITION, AND FOR CERTAINTY, EXCEPT AS SET FORTH HEREIN, KMC SHALL HAVE NO LIABILITY FOR FAILURE TO PROVIDE SERVICES IF SUCH FAILURE ARISES FROM CAUSES BEYOND KMC'S CONTROL.

12. Responsibility for Personnel. KMC shall have the sole and exclusive responsibility for the Personnel, shall supervise the Personnel and shall cause the Personnel to cooperate with CHC in performing the Services. KMC shall pay and be responsible for the payment of any and all wages, salaries and benefits paid to the Personnel and any and all premiums, contributions and taxes for workers' compensation insurance, unemployment compensation, disability insurance and all similar provisions now or hereafter imposed by any federal, state or local governmental CHC which are imposed with respect to or measured by wages, salaries or other compensation paid or to be paid by KMC to the Personnel.

13. No Third Party Beneficiaries. The terms and provisions of this MOU (including provisions regarding employee and employee benefit matters) are intended solely for the benefit of KMC and CHC and their respective successors and permitted assigns, and are not intended to confer third-party beneficiary rights upon any other Person.

14. Severability. If any provision of this MOU is held or determined to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of KMC or CHC under this MOU shall not be materially and adversely affected: (a) such provision shall be fully severable; (b) this MOU shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this MOU; (c) the remaining provisions of this MOU shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this MOU; and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this MOU a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

15. Counterparts. This MOU may be executed in any number of counterparts, each

of which shall be deemed an original, but all of which together shall constitute one and the same MOU, binding on both of the Parties hereto.

16. Entire Agreement; Modification. This MOU supersedes all previous contracts, agreements, and understandings and constitutes the entire agreement of whatsoever kind or nature existing between or among the Parties representing the within subject matter and no Party shall be entitled to benefits other than those specified in this MOU. As between or among the Parties, any oral or written representation, agreement, or statement not expressly incorporated in this MOU shall be of no force and effect unless and until made in writing and signed by the Parties. This MOU may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. This MOU may not be amended except in a written instrument executed by the Parties.

17. Choice of Law. This MOU shall be governed by and construed in accordance with the laws of the State of California without regard to the state's conflicts of laws rules.

18. Conflict of Interest. The Parties have read and are aware of the provisions of section 1090 et seq. and section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. All Parties hereto agree that they are unaware of any disqualifying financial or economic interest of any public officer or employee of KMC or CHC relating to this MOU. It is further understood and agreed that if such a financial interest does exist at the inception of this MOU, KMC may immediately terminate this MOU by giving written notice thereof. CHC shall comply with the requirements of Government Code section 87100 et seq. during the term of this MOU.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this MOU to be effective as of the date above.

KERN MEDICAL CENTER

COMMUNITY HEALTH CENTER

Exhibit A

KMC Services

CHC shall purchase the following Services from KMC:

I. Finance Services

1. General Accounting / Financial Planning – FQHC Services - This should not be considered an exhaustive list:
 - a. General Accounting
 - i. Monitor revenue cycle workflows, procurement to payment workflows, etc. to ensure interfaces and mapping are working as intended.
 - ii. Provide all aspects of financial accounting accounts receivable, accounts payable, month-end accounting cycle close process, and the preparation of monthly financial statements.
 - iii. Monthly balance sheet reconciliations, including separate cash/bank reconciliations.
 - iv. Preparation of monthly Board of Directors meeting presentations.
 - v. Provide annual HCAI report and Medicare and Medi-Cal cost reports. Even though preparation of the actual reports is contracted out to Toyon, substantial time is spent providing workpapers and documents to Toyon and answering questions.
 - vi. Corresponding Medicare cost report audits require many hours of interfacing with auditors, consultants, etc.
 - vii. HRSA reporting on at least an annual basis, if not quarterly or monthly.
2. Financial Planning / Decision Support
 - a. Daily gross patient charges reconciliation.
 - b. Annual budget preparation.
 - c. Cost accounting analyses.
 - d. Ad-hoc decision support analyses.
 - e. Possibly provide quarterly HCAI reports.
 - f. Compile and account for all clinical statistics including clinic visits.

II. Billing Services

1. Physician Enterprise
 - a. Credentialing- All healthcare providers & payer enrollments related to FQHC.
 - b. Coding- Capturing all charges/diagnose codes for encounters in FQHC

- c. Billing-Sending claims to all insurance payers for processing of claim, followed by follow-up with denial, claim appeals and payments.
- d. Cash Posting- Posting of any remittance/Explanation of benefit and/or denial to FQHC encounter for Billing to review.
- e. Vendor Relations- validating that only statements according to Sliding Fee Discount Program have been sent to patients and payment was collected and encounter is resolved to reflect zero balance once complete.
- f. Reporting- Assisting with Finance for close of month reconciliation for FQHC on charges, coding, & payments and any other programs that need to be validated within FQHC. (ECM, QIP, EPP, HEDIS).

III. Purchasing

- 1. Materials Management – FQHC Services - The Materials Management department at Kern Medical shall provide Health Benefit Advisors (HBA):
 - a. To conduct procurement for all types of purchases for the Facility to include Patient care, Capital equipment and all other Goods and services request by the Facility and Clinics.
 - b. To ensure the best pricing practices either GPO or negotiated agreements, contracts, blanket orders and service contracts.
 - c. To ensure the Procure to pay policy is adhered to for each purchase.
 - d. To provide oversight of the contract management, terms and conditions, not to exceed amount and expiration dates.
 - e. To follow the competitive bidding practices as required.
- 2. Patient Access – FQHC Services
 - a. The Patient Access department at Kern Medical shall provide Health Benefit Advisors (HBA) to:
 - i. Conduct presumptive financial assistance screening for all patients -both insured and uninsured-for financial assistance when scheduled in advance.
 - ii. Conduct point of care screening for unscheduled walk-ins needing financial assistance.
 - iii. Offer assistance to patients in completing required financial assistance application forms adhering to HRSA requirements and compliance.
 - iv. Perform quality assurance to ensure revenue is classified in the correct fee schedule for billing & compliance reporting.

IV. Health Information Management

- 1. Custodianship of all medical records, including but not limited to, paper records, scans, diagnostic records, etc.
- 2. Provides copying services for requested copies of records.

V. General Services

- 1. Marketing

Consideration: All direct services to CHC will be billed at an hourly rate agreed upon the beginning of the fiscal year.

2. Fleet management and maintenance.

3. Construction Services

Construction Services currently provides comprehensive project management for major maintenance and repair and capital projects occurring at CHC. More specifically, Construction Services performs management of consultants, including architects and engineers, inspections, hazardous material testing, any required permitting with various entities, bids/proposals, accounting, billing and payment process, contracting, and general project management.

Consideration: All direct services to CHC will be billed at an hourly rate agreed upon the beginning of the fiscal year.

4. Nutrition Services

Assess patient nutritional needs, dietary habits and health conditions and develop personalized nutrition plans taking into account patient lifestyle working collaboratively with primary care staff to ensure health goals are met.

5. Environmental Services and Housekeeping

Environmental Services and Housekeeping management will ensure that facilities are maintained in a clean, safe and health environment for patients of the CHC and ensure appropriate policies are in place to maintain compliance with regulations.

Consideration: All direct services to CHC will be billed at an hourly rate agreed upon the beginning of the fiscal year.

6. Engineering and Facilities

Engineering and Facilities provides services to ensure that buildings are well maintained and accessible through routine and as needed services. Kern County Hospital Authority staff will provide and maintain a ticket entry system so that CHC staff can report facility related issues and concerns.

Consideration: An allocation will be applied to CHC calculated as a formula of CHC square footage as a percentage of total square footage of the Kern County Hospital Authority.

7. Security

KCHA will provide security presence to all requested CHC locations during agreed upon hours. Security officers will patrol premises and parking areas on a regular basis and provide escort services for night shift employees to parking lot. Security will respond to calls for assistance, perform door checks and make best efforts to prevent acts of vandalism, theft, and assault, assist in enforcing parking and smoking policies, assist in maintaining safety requirements and providing training to staff on self-defense and de-escalation strategies.

Consideration: All direct services to CHC will be billed at an hourly rate agreed upon the beginning of the

fiscal year and oversight and management will be allocated based on percentage of total security hours worked in the CHC

8. Bio Medical Services

Bio Medical services will provide routine maintenance of medical equipment at each of the CHC locations. Bio Medical will work with CHC leadership to develop preventive maintenance schedules for all equipment and ensure that roles are clearly outlined for each piece of medical equipment. Bio Medical will perform repairs and work with third parties to obtain replacement parts and specialized repair services. Bio Medical will also coordinate distributions and set of new medical equipment, as needed.

Consideration: Bio Medical Services will be billed to the CHC as an allocation based on total square footage of the CHC compared to total square footage of the KCHA. All direct costs, including replacement parts and repairs will be billed at their actual cost to the CHC.

VI. Information Technology

1. Software - Data Center (space, power and equipment)
2. Telephone Services
3. Equipment
4. Quotes regarding; System Upgrades, new leased spaces, EMR Upgrades

Consideration: Telecommunication charges include equipment, dial tone, line use, system and one-time costs. Charges to CHC will be based on billing invoices for phone lines and equipment assigned, in some cases, shared costs of phone systems and equipment. Any telecommunication systems upgrades such as voice over internet protocol, call center, extension to cellular, and Conference Bridge will be paid by CHC at cost. In addition, warranties and repairs will be covered by CHC as a pass-through third party vendor or based on agreed upon hourly rate.

Central data processing charges are as follows:

- Mainframe Infrastructure Support. This charge will include the direct personnel cost supporting the payroll/personnel process, and the KMC's financial management system, maintenance, operating system and data base management software licenses and support, uninterruptible power supply. Charges will be based on the proportional use of batch and on-line processing.
- Data Center will include an agreed upon rate for the use of the data center.
- Other support agreement(s) will be charged as pass-through charge to CHC.
- Special requests for data processing, special operations requests such as extractions of mainframe or internet firewall data, special requests to utilize information technology staff for equipment installation, maintenance, and planning and special request for changes or enhancements to phone system will be billed upon agreed hourly rate.

Consideration: All direct services to CHC will be billed at cost quarterly.

VII. Legal/Risk/Compliance/Privacy Services

1. All direct services to CHC will be billed at cost quarterly, as needed.

VIII. Human Resources

1. Payroll
 - Review and export time entries in JBDev time keeping.
 - Import and process hours worked in KernLink HRIS system.
 - Maintain employee withholding orders from various agencies.
 - Generate checks and direct deposits as needed.
 - Approve W4 changes as needed in Kernlink.
 - Process retro pay and corrections as needed.
 - Monitor payroll taxes paid each pay period.
 - Run General Ledger and provide to Accounting Department each pay period.
 - Reconcile Payroll Bank Account transactions each month.
 - Review and monitor quarterly tax returns.
 - Submit Multiple Work Site reports to Dept of Labor quarterly.
 - Work with auditors to provide requested reports/documents as needed.
2. Personnel, including:
 - a. Job Descriptions
 - b. Hiring, selection, onboarding, dismissal
 - c. Salary and benefits scales
 - d. Employee grievance
 - e. Equal opportunity practices
3. Mandatory HR Training
4. Staff Education
5. Physician Recruiting

IX. Clinical Services

1. Services as needed by CHC

X. Quality

1. Establish a Quality Improvement Committee including the services of various staff.

EXHIBIT B
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("**BAA**") is entered into by Kern County Hospital Authority on behalf of and between Kern Medical Center and the Community Health Center (each a "**Party**" and collectively the "**Parties**").

RECITALS

WHEREAS, Covered Entity is a "Covered Entity" as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91), as amended, ("**HIPAA**"), and the regulations promulgated thereunder by the Secretary of the U.S. Department of Health and Human Services ("**Secretary**"), including, without limitation, the regulations codified at 45 C.F.R. Parts 160, 162, and 164 ("**HIPAA Rules**");

WHEREAS, Business Associate performs Services for or on behalf of Covered Entity, and in performing said Services, Business Associate creates, receives, maintains, or transmits Protected Health Information ("**PHI**");

WHEREAS, the Parties intend to protect the privacy and provide for the security of PHI Disclosed by Covered Entity to Business Associate, or received or created by Business Associate, when providing Services in compliance with HIPAA, the Health Information Technology for Economic and Clinical Health Act (Public Law 111-005) (the "**HITECH Act**") and its implementing regulations and guidance issued by the Secretary; and

WHEREAS, the Privacy and Security Rules (defined below) require Covered Entity and Business Associate to enter into a BAA that meets certain requirements with respect to the Use and Disclosure of PHI, which are met by this BAA.

WHEREAS, the Parties each possess PHI which is subject to the Privacy and Security Rules and may exchange this PHI between one another in furtherance of the services provided in the underlying MOU with the flow of information being in both directions depending on the circumstances;

WHEREAS, in light of the dual flow and exchange of information, a Party may at times under the underlying MOU be acting as a "Covered Entity" because it is sharing information in its possession and the other Party receiving the information is its "Business Associate," or a Party may be acting as a Business Associate receiving the information from a Party that is the Covered Entity;

WHEREAS, depending on the flow of information, either Party may accordingly be referred to herein as "Covered Entity" (the Party sharing the information) and the other Party as "Business Associate" (the Party receiving the information);

WHEREAS, when a Party is acting as a Covered Entity it seeks to require the Business Associate to appropriately safeguard individually identifiable health information; and

WHEREAS, the Party acting as the Business Associate agrees to comply with all obligations imposed upon Business Associates under the Applicable Privacy and Security Laws as outlined in this BAA.

NOW THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 **"Breach"** shall have the meaning given under 45 C.F.R. § 164.402.

1.2 **"Breach Notification Rule"** shall mean the Breach Notification for Unsecured Protected Health Information interim final rule at 45 C.F.R. Parts 160 and 164, Subpart D, as may be amended from time to time.

1.3 **"Designated Record Set"** shall have the meaning given such term under 45 C.F.R. § 164.501

1.4 **"Disclose"** and **"Disclosure"** mean, with respect to PHI, the release, transfer, provision of access to, or divulging in any other manner of PHI outside of Business Associate or to other than members of its Workforce, as set forth in 45 C.F.R. § 160.103.

1.5 **"Electronic PHI"** or **"e-PHI"** means PHI that is transmitted or maintained in electronic media, as set forth in 45 C.F.R. § 160.103.

1.6 **"Protected Health Information"** and **"PHI"** mean any information created, received or maintained by Business Associate on behalf of Covered Entity, whether oral or recorded in any form or medium, that: (a) relates to the past, present or future physical or mental health or condition of an Individual, the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) shall have the meaning given to such term under the Privacy Rule at 45 C.F.R. § 160.103. Protected Health Information includes e-PHI.

1.7 **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended from time to time.

1.8 **"Security Rule"** shall mean the Security Standards at 45 C.F.R. Parts 160 and 164, Subparts A and C, as may be amended from time to time.

1.9 **"Services"** shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to any service agreement(s) between Covered Entity and Business Associate which may be in effect now or from time to time (the "Underlying MOU"), or, if no such agreements are in effect, then the services or functions performed by Business Associate that constitute a Business Associate relationship, as set forth in 45 C.F.R. § 160.103.

1.10 **"Subcontractor"** shall have the meaning given to such term under 45 C.F.R. § 160.103.

1.11 **"Unsecured PHI"** shall have the meaning given to such term under 42 U.S.C. § 17932(h), 45 C.F.R. § 164.402, and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009) by the Secretary.

1.12 **"Use" or "Uses"** mean, with respect to PHI, the sharing, employment, application, utilization, examination or analysis of such PHI within Business Associate's internal operations, as set forth in 45 C.F.R. § 160.103.

1.13 **"Workforce"** shall have the meaning given to such term under 45 C.F.R. 160.103

Capitalized terms not otherwise defined in this BAA shall have the meanings given to them in HIPAA or the HITECH Act, as applicable.

ARTICLE II OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate shall not Use or Disclose PHI other than as permitted or required by any Underlying agreement, this BAA, or as Required by Law. Business Associate shall not Use or Disclose PHI in any manner that would constitute a violation of the Privacy Rule if so Used or Disclosed by Covered Entity, except that Business Associate may Use or Disclose PHI (i) for the proper management and administration of Business Associate; (ii) to carry out the legal responsibilities of Business Associate, provided that with respect to any such Disclosure either: (a) the Disclosure is Required by Law; or (b) Business Associate obtains a written agreement from the person to whom the PHI is to be Disclosed that such person will hold the PHI in confidence and shall not Use and further Disclose such PHI except as Required by Law and for the purpose(s) for which it was Disclosed by Business Associate to such person, and that such person will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached. Business Associate may perform Services, including Data Aggregation for the Health Care Operations purposes of Covered Entity and de-identification of PHI in accordance with 45 C.F.R. § 164.514, if required by any Underlying agreement or with the advance written permission of Covered Entity.

2.2 Adequate Safeguards of PHI. Business Associate shall implement and maintain appropriate safeguards to prevent Use or Disclosure of PHI other than as provided for by this BAA. Business Associate shall reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains or transmits on behalf of Covered Entity and shall comply with Subpart C of 45 C.F.R. Part 164 to prevent Use or Disclosure of PHI other than as provided for by this BAA.

2.3 Reporting Non-Permitted Use or Disclosure.

2.3.1 Reporting Security Incidents and Non-Permitted Use or Disclosure. Business Associate shall report to Covered Entity in writing each Security Incident or Use or Disclosure that is made by Business Associate, members of its Workforce, or Subcontractors that is not specifically permitted by this BAA no later than twenty-four (24) hours days after becoming aware of such Security Incident or non-permitted Use or Disclosure, in accordance with the notice provisions set forth herein. Notwithstanding the foregoing, Business Associate and Covered Entity acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such as pings and other broadcast service attacks, and Covered Entity acknowledges and agrees that no additional notification to Covered Entity of such ineffective Security

Incidents is required, as long as no such incident results in unauthorized access, Use or Disclosure of PHI. Business Associate shall investigate each Security Incident or non-permitted Use or Disclosure of Covered Entity's PHI that it discovers to determine whether such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI and shall provide a summary of its investigation and risk assessment to Covered Entity. Business Associate shall document and retain records of its investigation of any suspected Breach, including its reports to Covered Entity under this Section 2.3.1. Business Associate shall take prompt corrective action and any action required by applicable state or federal laws and regulations relating to such Security Incident or non-permitted disclosure. If Business Associate or Covered Entity, in its review of this initial report, determines that such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI, then Business Associate shall comply with the additional requirements of Section 2.3.2 below.

2.3.2 Breach of Unsecured PHI. If Business Associate or Covered Entity determines that a reportable Breach of Unsecured PHI has occurred, Business Associate shall provide a written report to Covered Entity without unreasonable delay but no later than five (5) calendar days after discovery of the Breach. To the extent that information is available to Business Associate, Business Associate's written report to Covered Entity shall be in accordance with 45 C.F.R. § 164.410(c). Business Associate shall cooperate with Covered Entity in meeting Covered Entity's obligations under the HIPAA Rules with respect to such Breach. Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the Secretary and, if applicable, the media. Business Associate shall reimburse Covered Entity for its reasonable and actual costs and expenses in providing the notification, including, but not limited to, any administrative costs associated with providing notice, printing and mailing costs, public relations costs, and costs of mitigating the harm (which may include the costs of obtaining credit monitoring services and identity theft insurance) for affected individuals whose PHI has or may have been compromised as a result of the Breach.

2.3.3 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Sections 2.3.1 and 2.3.2, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to notify individuals impacted or potentially impacted by a State Breach.

2.4 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this BAA.

2.5 Use of Subcontractors. Business Associate shall require each of its Subcontractors that creates, maintains, receives, or transmits PHI on behalf of Business Associate, to execute a Business Associate Agreement that imposes on such Subcontractors substantially the same restrictions, conditions, and requirements that apply to Business Associate under this BAA with respect to PHI.

2.6 Access to Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall make the PHI it maintains (or which is maintained by its Subcontractors) in Designated Record Sets available to Covered Entity for inspection and copying, or to an Individual to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524. If Business Associate maintains PHI in a Designated Record Set electronically, Business Associate shall provide such information in the electronic form and format requested by the Covered Entity if it is readily reproducible in such form and format, and, if not, in such other form and format agreed to by Covered Entity to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524(c)(2). Business Associate shall notify Covered Entity within five (5) days of receipt of a request for access to PHI from an Individual.

2.7 Amendment of Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall amend the PHI it maintains (or which is maintained by its Subcontractors) in Designated Record Sets to enable the Covered Entity to fulfill its obligations under 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within five (5) days of receipt of a request for amendment of PHI from an Individual.

2.8 Accounting. Within thirty (30) days of receipt of a request from Covered Entity or an Individual for an accounting of disclosures of PHI, Business Associate and its Subcontractors shall make available to Covered Entity the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c). Business Associate shall notify Covered Entity within five (5) days of receipt of a request by an Individual or other requesting party for an accounting of disclosures of PHI from an Individual.

2.9 Delegated Responsibilities. To the extent that Business Associate carries out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate must comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations.

2.10 Availability of Internal Practices, Books, and Records to Government. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity promptly available for inspection and copying to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the HIPAA Rules. In addition, Business Associate agrees that Covered Entity shall have the right to audit and monitor all applicable activities and records of Business Associate to determine Business Associate's compliance with the HIPAA Rules and shall promptly make available to Covered Entity such books, records, or other information relating to the Use and Disclosure of PHI provided, created, received, maintained or transmitted by Business Associate on behalf of Covered Entity for such purpose.

2.11 Minimum Necessary. Business Associate (and its Subcontractors) shall, to the extent practicable, limit its request, Use, or Disclosure of PHI to the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure, in accordance with 42 U.S.C. § 17935(b) and 45 C.F.R. § 164.502(b)(1) or any other guidance issued thereunder.

2.12 Acknowledgement. Business Associate acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA, the HITECH Act, and the HIPAA Rules. Business Associate shall comply with all applicable state privacy and security laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

ARTICLE III OBLIGATIONS OF COVERED ENTITY

3.1 Covered Entity's Obligations.

3.1.1 Covered Entity shall notify Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.

3.1.2 Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to Use or Disclose his or her PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

3.1.3 In the event Covered Entity agrees with an Individual to any restrictions on Use or Disclosure of PHI pursuant to 45 C.F.R. § 164.522(a) or if Covered Entity determines that it is obligated to accommodate a reasonable request of an Individual to receive communications of PHI pursuant to 45 C.F.R. § 164.522(b), Covered Entity promptly shall notify Business Associate of the same, as well as any revocation or modification of the same, and Business Associate thereupon shall observe such restriction or accommodation (or revocation or modification, if any, thereof) to the extent applicable to its Use or Disclosure of PHI hereunder, notwithstanding any other provision hereof, except as otherwise required by law.

3.1.4 Covered Entity agrees to obtain any consent or authorization that may be required under HIPAA or any other applicable law and/or regulation prior to furnishing Business Associate with PHI.

3.1.5 Covered Entity shall not request Business Associate to make any Use or Disclosure of PHI that would not be permitted under HIPAA if made by Covered Entity. Covered Entity agrees to fulfill its obligations under this BAA in a timely manner.

ARTICLE IV TERM AND TERMINATION

4.1 Term. Subject to the provisions of Section 4.1, the term of this BAA shall be the term of any Underlying agreement.

4.2 Termination of Underlying Agreement.

4.2.1 A breach by Business Associate of any provision of this BAA, as determined by Covered Entity, shall constitute a material breach of the Underlying MOU and shall provide grounds for immediate termination of the Underlying MOU, any provision in the Underlying MOU to the contrary notwithstanding.

4.2.2 Covered Entity may terminate the Underlying MOU, effective immediately, if: (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH

Act, the HIPAA Rules or other security or privacy laws or (ii) a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the HIP AA Rules or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

4.3 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in the Underlying MOU, upon Covered Entity's knowledge of a material breach or violation of this BAA by Business Associate, Covered Entity shall either:

4.3.1 Notify Business Associate of the breach in writing, and provide an opportunity for Business Associate to cure the breach or end the violation within ten (10) business days of such notification; provided that if Business Associate fails to cure the breach or end the violation within such time period to the satisfaction of Covered Entity, Covered Entity may terminate this BAA and the Underlying MOU upon thirty (30) calendar days written notice to Business Associate; or

4.3.2 Upon thirty (30) calendar day written notice to Business Associate, immediately terminate this BAA and the Underlying MOU if Covered Entity determines that such breach cannot be cured.

4.4 Disposition of Protected Health Information Upon Termination or Expiration.

4.4.1 Upon termination or expiration of this BAA, Business Associate shall return or destroy all PHI received from, or created or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form and retain no copies of such PHI. If Covered Entity requests that Business Associate return PHI, PHI shall be returned in a mutually agreed upon format and timeframe.

4.4.2 If return or destruction is not feasible, Business Associate shall: (a) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities; (b) return to Covered Entity the remaining PHI that the Business Associate still maintains in any form; (c) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains the PHI; (d) limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction of the PHI not feasible and subject to the same conditions set out in Sections 2.1 and 2.2 above, which applied prior to termination; and (e) return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

ARTICLE V MISCELLANEOUS

5.1 Regulatory References. A reference in this BAA to a section or other part of HIP AA, the HIPAA Rules, or the HITECH Act means, as of any point in time, the section or part as it may be amended or in effect at such time.

5.2 Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as necessary for Covered Entity to implement its obligations pursuant to HIPAA, the HIPAA Rules, or the HITECH Act.

5.3 Relationship to Underlying MOU Provisions. In the event that a provision of this BAA is contrary to a provision of the Underlying MOU, the provision of this BAA shall control. Otherwise, this BAA

shall be construed under, and in accordance with, the terms of such Underlying MOU, and shall be considered an amendment of and supplement to such Underlying MOU.

5.4 Headings. The headings of the paragraphs and sections of this BAA are inserted solely for convenience of reference and are not a part or intended to govern, limit or aid in the construction of any term or provision hereof.

5.5 Equitable Relief. Business Associate understands and acknowledges that any Disclosure or misappropriation of any PHI in violation of this BAA will cause Covered Entity irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that Covered Entity shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further Disclosure or Breach and for such other relief as Covered Entity shall deem appropriate. Such right of Covered Entity is to be in addition to the remedies otherwise available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Covered Entity.

5.6 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the security or privacy obligations of Business Associate, its officers, employees, agents and Subcontractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

5.7 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any Subcontractors or members of its Workforce assisting Business Associate in the performance of its obligations under this BAA available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of the HIPAA or other applicable laws relating to privacy or security.

5.8 Indemnification. Notwithstanding anything to the contrary which may be contained in the Underlying MOU, including but not limited to any limitations on liability contained therein, Business Associate hereby agrees to indemnify and hold harmless Covered Entity and its respective officers, directors, managers, members, employees and agents from and against any and all losses, damages, fines, penalties, claims or causes of action and associated expenses (including, without limitation, costs of judgments, settlements, court costs and attorney's fees) resulting from Business Associate's (including its employees, directors, officers, agents, or other members of its Workforce, and its Subcontractors) breach of PHI or violation of the terms of this BAA, including but not limited to failure of Business Associate to perform its obligations under this BAA, or to comply with HIPAA or applicable state privacy or security law.

5.9 Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

5.10 Notice of Request or Subpoena for Data. Business Associate agrees to notify Covered Entity promptly, but no later than five (5) business days after Business Associate's receipt of any request or subpoena for PHI or an accounting thereof. Business Associate shall promptly comply with Covered Entity's instructions for responding to any such request or subpoena, unless such Covered Entity instructions would prejudice Business Associate. To the extent that Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with Covered Entity in such challenge. The provisions of this Section shall survive the termination of this BAA.

5.11 Requests from Secretary. Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any inquiry by the Secretary concerning any actual or alleged violation of the Privacy Rule or the Security Rule.

5.12 Notices. Any notices required or permitted to be given hereunder by either Party to the other shall be given in writing: (1) by personal delivery; (2) by electronic mail Or facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery service; or (4) by United States first class registered or certified mail, postage prepaid, return receipt, in each case, addressed to a Party on the signature page(s) to this BAA, or to such other addresses as the Parties may request in writing by notice given pursuant to this Section 5.12. Notices shall be deemed received on the earliest of personal delivery; upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed; twenty-four (24) hours following deposit with a bonded courier or overnight delivery service; or seventy-two (72) hours following deposit in the U.S. mail as required herein.

KMC's Notice Address:

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

CHC's Notice Address:

Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306
Attn: Executive Director

5.13 Relationship of Parties. Notwithstanding anything to the contrary in the Underlying MOU, Business Associate is an independent contractor and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all Business Associate obligations under this BAA.

5.14 Survival. To the extent that Business Associate retains PHI, the respective rights and obligations of the Parties set forth in Sections 2.3, 4.4, 5.8, and 5.10 of this BAA shall survive the termination, expiration, cancellation, or other conclusion of the BAA or the Underlying MOU.

5.15 Interpretation. Any ambiguity in this BAA shall be interpreted to permit the Parties to comply with HIPAA, the HITECH Act, and the HIPAA Rules.

5.16 Governing Law; Applicable Law and Venue. This BAA shall be construed in accordance with the laws of the State of California applicable to agreements made and to be performed in such state. Any dispute between the Parties shall be brought before the Superior Court of Kern County, California, which shall have jurisdiction over all such claims.

5.17 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the Parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other term or condition hereof.

5.18 Assignment and Delegation. Neither this BAA nor any of the rights or duties under this BAA may be assigned or delegated by either Party hereto.

5.19 Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party's own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding PHI.

5.20 Certification. To the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligations pursuant to HIPAA relating to certification of its security practices, Covered Entity or its authorized agents or contractors may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures, and records, as may be necessary for such agents or contractors to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HIPAA Rules, the HITECH Act, or this BAA.

5.21 Counterparts. This BAA may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same MOU, binding on both Parties hereto.

The Parties hereto have executed this BAA as of the Effective Date.

The Kern County Hospital Authority on behalf
of Kern Medical Center

Community Health Center

Title: Chief Executive Officer
Date: _____

Title: Executive Director
Date: _____

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed Memorandum of Understanding (MOU) with Kern Medical Center for patient referral services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The Kern County Hospital Authority Community Health Center's (CHC) Board has numerous authorities and oversight responsibilities related to the CHC, which includes providing necessary and required health services. Unfortunately, the CHC is unable to provide all required services for its patients and is proposing to enter into an MOU with Kern Medical Center to provide these services for the CHC.

CHC requires outpatient diagnostic testing services, including diagnostic laboratory and radiology, outpatient screenings, voluntary family planning, labor and delivery, substance use disorder services, and recuperative care services, as such services are unavailable from CHC resources. Kern Medical Center has the resources to provide such services and has agreed to provide such services to CHC.

Therefore, it is recommended that your Board approve the proposed Memorandum of Understanding (MOU) with Kern Medical Center for patient referral services for a term of one (1) year, March 26, 2025 through March 25, 2026, with automatic one (1) year renewal terms, and authorize the Chairman to sign.

MEMORANDUM OF UNDERSTANDING REGARDING PATIENT REFERRALS

This Memorandum of Understanding (“MOU” or “Agreement”) is entered into between Kern County Hospital Authority Community Health Center (hereinafter “Health Center”) and Kern Medical Center (hereinafter “Referral Partner”) and is effective April 1, 2025. Each signatory to this MOU may be referred to as a “Party,” and collectively as “Parties.”

WHEREAS, Referral Partner, provides services listed in Exhibit A (hereinafter “Referral Services”) in and around Kern County, California, and

WHEREAS, Health Center, a Federally Qualified Health Center Look-Alike, provides primary and behavioral health care in and around Kern County, California, and

WHEREAS, in the interest of collaborating for more effective treatment, Referral Partner and Health Center will work together to serve patients whom they believe may have health concerns that interfere with their ability to maintain good overall health.

WHEREAS the Parties desire to enter into an agreement that clearly identifies the roles and responsibilities of each Party with respect to the referral of patients from Health Center to Referral Partner.

ARTICLE I TERM AND TERMINATION

1.1 Initial Term. The initial term of this MOU shall be from April 1, 2025 until March 31, 2026 unless earlier terminated and in accordance with Section 1.3.

1.2 Automatic Renewal. Upon expiration of the Initial Term, this MOU shall be automatically renewed for successive one-year terms, each commencing on the first day following the date on which the preceding initial term or renewal term shall have expired. Each Party reserves the right not to elect to renew the MOU.

1.3 Termination. Notwithstanding any other provision in this MOU, this MOU may be terminated on the first to occur of the following:

- (a) Either Party may terminate this MOU, with or without cause and with or without providing reasons for termination, upon giving the other Party 90 days’ prior written notice.
- (b) Either Party may terminate this MOU for cause upon written notice by either Party. “Cause” shall include, but is not limited to, the following: (1) a material breach of any term of this Agreement, subject to a 30 day opportunity to cure and failure to cure by the end of the 30 day period; (2) the loss of required insurance by Referral Partner; (3) any material change in the financial condition of Referral Partner, which reasonably indicates that Referral Partner will be unable to furnish Referral Services; (4) the loss or suspension of any

license or other authorization to do business necessary for Referral Partner to furnish Referral Service; and (5) the good faith determination by Health Center that the health, welfare or safety of patient receiving care from Referral Partner is jeopardized by the continuation of this Agreement.

ARTICLE II RESPONSIBILITIES

2.1 Responsibilities of Referral Partner.

- (a) Standard of Care.** Referral Partner agrees to furnish certain Referral Services, as set forth in Exhibit A, attached hereto and incorporated herein by reference (hereinafter, the “Referral Services”) to Health Center patients referred to by Health Center, on an as-needed basis, consistent with, at a minimum, the prevailing standards of care and in the same professional manner and pursuant to the same professional standards as are generally furnished to other patients of Referral Partner. Referral Partner agrees to furnish Referral Services in accordance with all relevant federal, state and local laws and regulations, including, but not limited to, non-discrimination laws.
- (b) Acceptance of All Referred Patients.** Referral Partner agrees to accept referrals of all Health Center patients, regardless of ability to pay, and bill such patients consistently with the terms of Section 2.1(f) below.
- (c) Professional Qualifications.** Referral Partner confirms that, during the term of the Referral Agreement, it uses a defined credentialing and privileging process to ensure it, and as applicable, its individual healthcare practitioners furnishing the Referral Services to Health Center patients: (1) are and will remain duly licensed, certified and/or otherwise qualified to provide the service hereunder, with appropriate training, education and experience in their particular field; (2) will furnish Referral Services in accordance with all relevant federal, state, and local laws and regulations, including, but not limited to, non-discrimination laws; (3) are competent and fit to perform Referral Services; and (4) are eligible to participate in federal health care programs including Medicaid and Medicare.
- (d) Referral Back to Health Center.** Referral Partner agrees to refer Health Center Patients back to Health Center at a mutually agreeable time that is clinically appropriate, which shall be determined on a case-by-case basis for each individual Health Center patient. Referral Partner agrees to provide Health Center with a written diagnosis (as applicable) and specific recommendations for appropriate follow-up care to be furnished by Health Center.
- (e) Medical Records and Notes.** Referral Partner agrees to establish and maintain medical records regarding the provision of Referral Services to Health Center patients, which records shall be the property of Referral Partner. To ensure the continuity of care of Health Center patients, Health Center and Referral Partner

agree to cooperate in developing a method by which records and other clinical notes can be shared between the Parties, which may include, but is not limited to, Health Center's reasonable access to the patient records developed by Referral Partner, subject to all applicable federal and state laws and regulations and the policies and procedures of each Party.

- (f) **Patients and Billing.** To the extent that Health Center patients receive Referral Services from Referral Partner pursuant to this Agreement, such individuals shall be considered patients of Referral Partner. Accordingly, Referral Partner agrees to provide all services listed within agreement free of charge to patient and to Health Center.

2.2 Responsibilities of Health Center.

- (a) **Making and Managing the Referral.** Health Center agrees to provide intake, registration, and initial screening and treatment services to patients presenting to the Health Center for the provision of primary and preventive health care services. If such initial screening and treatment services (or other subsequent examination) indicate the need for referral service, Health Center agrees to assist Health Center patients in making timely and appropriate appointment with Referral Partner for the provision of Referral Services.
- (b) **Treatment Plan and Follow-Up Care.** Health Center agrees to maintain responsibility for the Health Center patient's overall treatment plan, including managing and monitoring such treatment, and to furnish appropriate follow-up care to Health Center patients who are referred back to Health Center. Health Center agrees to be solely responsible for billing and collecting all payment from appropriate third-party payors, funding sources, and as applicable, patients, for follow-up care rendered by Health Center.

ARTICLE III LIABILITY AND INSURANCE

3.1 Liability. Referral Partner understands and agrees that, as the provider of record of the Referral Services provided to Health Center patients under this Agreement, Referral Partner is solely liable for all such services, and that Health Center will not be liable, whether by way of contribution or otherwise, for any damages incurred by Health Center Patients or arising from any acts or omissions in connection with the provision of such Referral Services. Each Party shall be solely liable for any and all claims, costs, and expenses arising from or out of any act or omission in the performance of its obligations hereunder.

3.2 Insurance. Referral Partner represents and warrants that Referral Partner is covered by professional liability insurance policy (malpractice, errors, and omissions) providing sufficient coverage against professional liability, which may occur as a result of furnishing the Referral Services to Health Center patients under this Agreement.

ARTICLE IV CONFIDENTIALITY

4.1 The Parties (and their directors, officers, employees, agents, and contractors) shall maintain the privacy and confidentiality of all information regarding the personal facts and circumstances of the Health Center patients, in accordance with all applicable federal and state laws and regulation (including, but not limited to, the Health Insurance Portability and Accountability Act and its implementing regulations set forth at 45 C.F.R. Part 160 and Part 164) and Health Center's policies and procedures regarding the privacy and confidentiality of such information.

4.2 The Parties (and their directors, officers, employees, agents, and contractors) shall: (1) not use or disclose patient information other than as permitted or required by this Agreement for the proper performance of its duties and responsibilities hereunder; (2) use appropriate safeguards to prevent user disclosure of patient information, other than as provided for under this Agreement and (3) notify the other immediately in the event the Party becomes aware of any use or disclosure of patient information that violates the terms and conditions of this Agreement or applicable federal and state laws or regulations.

ARTICLE V GENERAL PROVISIONS

IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

5.1 Agreements With Other Parties: Health Center retains the authority to contract with other parties, if, and to the extent that, Health Center's CEO reasonably determines that such contracts are necessary in order to implement Health Center's policies and procedures, or as otherwise may be necessary to ensure appropriate collaboration with other local providers (as required by Section 330(k)(3)(B)) to enhance patient freedom of choice, accessibility, availability, quality, or comprehensiveness of care.

5.2 Provider Judgment and Patient Freedom Of Choice. All health and health-related professionals employed by or under contract with either Party shall retain sole and complete discretion subject to any valid restrictions imposed by participation in a managed care plan, to refer patients to any and all providers that best meet the requirements of such patient. All such patients shall be advised that, subject to any valid restrictions imposed by participation in a managed care plan, said patient may request referral to any providers they choose.

5.3 Volume Or Value Of Referrals. Nothing in this Agreement requires, is intended to require, or provides payment or benefit of any kind (directly or indirectly) for the referral of individuals or business to either Party by the other Party. Neither Party shall track such referrals for purposes related to setting the compensation of their professionals or influencing their choice.

5.4 Principal Contacts. The principal contacts for this instrument are:

REFERRAL PARTNER
Contact: Scott Thygerson
Chief Executive Officer
1700 Mt Vernon Ave.
Bakersfield CA 93306
661-326-1602

HEALTH CENTER
Contact: Renee Villanueva,
Executive Director
1700 Mt. Vernon Ave
Bakersfield CA 93306
661-326-2682

The principal contacts for case and referral management are:

REFERRAL PARTNER
Contact:
Mona Allen,
Executive Assistant to Scott
Thygerson
1700 Mt Vernon Ave.
Bakersfield CA 93306
661-326-1602

HEALTH CENTER
Contact:
Ashley Manning
Manager of Administrative Services
1700 Mt. Vernon Ave.
Bakersfield CA 93306
661-326-5625
CHC@kernmedical.com

5.5 Contract Monitoring and Performance. The parties acknowledge that Health Center shall monitor and, at least annually, evaluate Referral Partner's performance under this MOU and determine whether its continuation, a change to its terms, or termination is in the best interest of Health Center. Data used for such monitoring may include Health Center patient utilization reports and patient feedback on services provided by Referral Partner. Any failure by Health Center to monitor this Agreement and Referral Partner's performance consistently with this Section shall not relieve Referral Partner from performing their duties and obligations under the MOU.

5.6 Data Reporting, Information Requests, Records Retention, and Property Management. At least annually, upon request of Health Center, Referral Partner shall provide data and information necessary to meet Health Center's applicable federal, state, and local financial and programmatic reporting requirements. Health Center and Referral Partner shall retain records relating to this agreement for at least 7 years. Any Health Center property in possession of the Referral Partner shall be managed, monitored, and maintained consistently with Health Center policies and procedures and returned to Health Center immediately upon termination of this MOU.

By signature below, Health Center and Referral Partner certify that the individuals listed in this document as representatives of the Parties are authorized to act in their respective areas for matters related to this agreement.

HEALTH CENTER

REFERRAL PARTNER

Elsa Martinez
Chairman, Board of Directors

Scott Thygerson
Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:
Legal Services Department

By *Shannon Hochstein*
Kern County Hospital Authority

EXHIBIT A

Referral Services to be provided include:

- Outpatient Diagnostic Testing Services
 - Diagnostic Laboratory
 - Diagnostic Radiology
- Screenings
- Voluntary Family Planning
- Labor and Delivery
- Pharmaceutical Services
- Substance Use Disorder Services
- Recuperative Care Services

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed approval of Kern County Hospital Authority Community Health Center (CHC) Quality Improvement/Quality Assurance Program Policy

Recommended Action: Approve

Summary:


The CHC Board has oversight responsibilities for reviewing and approving the policies and procedures for the CHC. The following proposed policy is focused on Quality Improvement/Quality Assurance concerning the healthcare provided at the CHC. This policy is required to be included in the FQHC Look-Alike application that is in the process of being submitted to HRSA.

The proposed policy will be categorized as:

LAL-QUAL-02 Quality Improvement/Quality Assurance Program

Therefore, it is recommended that your Board approve the proposed Quality Improvement/Quality Assurance Program policy.

Kern County Hospital Authority Community Health Center

Department: Quality				
Policy No.	Effective Date	Review Date:	Page	
LAL-QUAL-02	March 2025	March 2028	1 of 5	
Title: Quality Improvement/Quality Assurance Program				

I. PURPOSE:

The purpose of the Kern County Hospital Authority Community Health Center (KCHA CHC) Quality Improvement/Quality Assurance (QI/QA) Program is to ensure that the care provided is optimal and representative of the high standards of practice in the community, while utilizing cost-effective methods and minimizing risk to the patient and the facility. The QI/QA program shall monitor and evaluate, by on-going assessment, the quality and appropriateness of the utilization of services. All KCHA CHC Practitioners and clinicians adhere to evidence-based guidelines, standards of care, and standards of provision of the health center's services. KCHA CHC has a planned, organized and systematic QI/QA program designed to monitor, assess and measure its performance based on the organization's mission, vision and values, in order to better serve our KCHA CHC patients. This program focuses on all areas of responsibility throughout the clinic, including direct patient care, management and patient care/services.

II. DEFINITIONS:

A. KCHA CHC defines quality as appropriately and consistently ensuring:

1. The best possible clinical outcomes for patients;
2. Positive experiences for all patients and visitors, including staff;
3. Recruitment and retention of qualified staff; and
4. Sound financial performance

III. POLICY STATEMENT:

It is the policy of KCHA CHC to develop and implement a quality improvement program that will promote continuous and measurable improvement of processes, customer service and service quality, based on the mission, vision, and values of the organization.

IV. EQUIPMENT: N/A

V. PROCEDURE:

A. Goals and Objectives

1. The goals of the KCHA CHC QI/QA Plan are to:
 - a) Create and maintain a culture of safety throughout the facility.
 - b) Support the development of a patient-centered, outcome-oriented efforts that focus on patient health and satisfaction.
 - c) Maintain an effective QI/QA program that oversees the care and services provided to ensure that appropriate, safe, and high-quality care is being rendered in the facility.
 - d) Identify opportunities for improvement and redesign processes and systems, as indicated.
2. The objectives of the KCHA CHC QI/QA Plan are to:
 - a) Ensure the delivery of high-quality healthcare services that are safe, appropriate, effective, efficient and consistent with evidence-based medical practices.
 - b) Assure the accessibility and timeliness of primary and sub-specialty services.

- c) Provide an interdisciplinary approach to quality assessment and performance improvement.
 - d) Develop mechanisms to assess, measure, analyze and report data on the care and services being provided and identify and resolve issues.
 - e) Meet external and internal reporting requirements.
 - f) Ensure optimum communication between the services involved in the delivery of patient care services.
- B. Description of QI/QA Program
- KCHA CHC is an independently operated non-profit healthcare organization serving the Kern County community. KCHA CHC provides comprehensive outpatient primary care, health education and coordination of care. The QI/QA Program actively monitors, evaluates, and implements measures to improve activities, enhancing the quality, safety, appropriateness, and outcomes of patient care services. KCHA CHC has developed systems and processes that monitor and evaluate the following:
- 1. The QI/QA program will address:
 - a) The quality and utilization of health center services
 - b) Patient satisfaction and patient grievance processes
 - c) Patient safety, including adverse events
 - d) Ensures the provision of health center services adheres to current evidence-based clinical guidelines, standards of care, and standards of practice
- C. KCHA CHC Quality Improvement Committee Roles and Responsibilities
- 1. Integrate and coordinate all quality improvement functions and activities.
 - 2. Perform an annual review of the health center QI/QA Plan and revise, as appropriate
 - 3. Review, analyze and evaluate the results of the performance improvement activities throughout the facility, including sharing quality reports on a regular basis to support decision-making by the KCHA CHC Board and key management staff.
 - 4. Provide guidelines for service quality/performance improvement/safety indicator/projects.
 - 5. Recommend and facilitate implementation of needed actions relevant to the results and/or outcome of performance improvement activities undertaken.
 - 6. Ensure Healthcare Practitioners understanding of and participation in the planning, design, implementation, monitoring and evaluation of performance improvement activities.
- D. Leadership and Authority
- The medical and professional staff whose activities influence the quality and appropriateness of patient care shall participate in the QI/QA Program. The ultimate responsibility for the establishing, maintaining, and supporting the ongoing QI/QA Program lies with the KCHA CHC Board. Membership of the KCHA CHC QI/QAC shall include:
- 1. KCHA CHC Executive Director
 - 2. KCHA CHC Medical Director
 - 3. KCHA CHC Nurse Administrator
 - 4. KCHA CHC Quality Officer
 - 5. KCHA CHC Legal
 - 6. Ad hoc members
- E. KCHA CHC Executive Director
- The KCHA CHC Executive Director is responsible for overseeing the strategic direction, administration, and operations of the KCHA CHC. The Executive Director works closely with the KCHA CHC Board of Directors, staff, healthcare practitioners, and community stakeholders to ensure the delivery of high-quality, accessible, and patient-centered care to underserved populations. At the direction of the KCHA CHC Board, the Executive Director will manage financial and operational performance, ensure regulatory compliance, and foster community relationships. The Executive Director delegates to the KCHA CHC Medical Director to report quality initiatives to the KCHA CHC Board of Directors. The Executive Director shall delegate the KCHA CHC day-to-day quality

management to the KCHA CHC Quality Officer. The KCHA CHC Quality Officer will provide monthly quality reports to the KCHA CHC Medical Director and KCHA CHC QI/QAC.

F. Quality Improvement Model

KCHA CHC uses the Plan Do Study Act (PDSA) model for quality improvement initiatives. PDSA is an ongoing quality improvement model used to improve or conduct change in process. PDSA is the core of any quality/performance improvement activity. PDSA may be used in multiple cycles as additional improvement opportunities are identified or pilot test of change did not result in anticipated improved outcome. The steps of PDSA are:

1. P- Plan the implementation of an improvement/change
 2. D- Do the improvement and evaluate results
 3. S- Study the results and the lessons learned
 4. A- Act to adopt the change, hold the gains and continue to improve the process.
- Statistical tools such as run charts and control charts are used to track progress over time and aid in developing sustainability plans. Data is analyzed and trended to find causes of variation and poor performance. Methods for continued monitoring and sustaining may include but are not limited:
1. Monthly reporting
 2. Staff/Department meetings

G. Approval

The KCHA CHC QI/QA Plan is reviewed annually by the KCHA CHC Executive Director and is updated or revised when indicated and reviewed and then approved by the KCHA CHC Board.

H. Confidentiality

Confidentiality shall be maintained based on full respect of the patient's right to privacy, and in keeping with KCHA CHC policies and state and federal regulations.

All data shall be considered the property of KCHA CHC and the facility will ensure the maximum protection possible for all confidential data. This data includes, but is not limited to, reports, drafts, minutes, proceedings, screening information or data, recommendations, actions, correspondence, and any work project or communication of facility and professional staff committees. All KCHA CHC staff will be trained on HIPAA guidelines and will complete annual refresher trainings.

I. Scope of KCHA CHC Quality Improvement Plan

KCHA CHC QI/QA Program continues to focus on the improvement of patient care and services in the primary care clinics, selected specialty care clinics, and ancillary services. The program also includes the evaluation of specific conditions/services that cross the continuum of care. KCHA CHC addresses and monitors selected patient-focused indicators, including:

1. Quality and Utilization of patient care services
2. Patient Satisfaction and Patient Grievance Processes
3. Patient Safety and Adverse Events
4. Provision of KCHA CHC services adhere to current evidence-based clinical guidelines, standards of care, and standards of practice

J. Data Sources

The primary data sources may include the following:

1. Electronic Health Records
2. Incident and Adverse Events Report
3. Direct Clinical Observation
4. Medical Record review
5. Patient Satisfaction Survey
6. Review of Practitioner Orders and Referrals
7. Productivity and Utilization Reports
8. Pharmacy Reports
9. Diagnostic Reports

10. Mentoring and Evaluation (Peer Review, audits, quality and specific indicators)
- K. Methodology
 1. Quality and Utilization of Patient Care Services
 - a) KCHA CHC will measure quality performance measures and utilization of patient care services on a quarterly basis, at minimum, to assess the quality of patient care services. The KCHA CHC Medical Director will report quality and utilization of patient care services performance measures to the KCHA CHC Board quarterly.
 - b) The following reports will be monitored on a quarterly basis to assess utilization:
 - 1) Patient Utilization by Service and Practitioner
 - 2) Practitioner Productivity
 - 3) Practitioner's Third Next Available Appointment
 2. Patient Satisfaction and Patient Grievance Processes
 - a) At least quarterly, KCHA CHC will measure patient satisfaction through surveys received from contracted vendor. Patient satisfaction results will be reported by the KCHA CHC Medical Director to the KCHA CHC Board on a quarterly basis.
 - b) Patient grievances will be addressed according to KCHA CHC Complaints/Grievance resolution procedure and will be assessed and reported by the KCHA Medical Director to the KCHA CHC Board quarterly.
 3. Patient Safety
 - a) To manage and assess patient safety, incident and adverse events reports will be monitored and assessed quarterly.
 - b) Patient safety data will be reported quarterly to the KCHA CHC Board by the KCHA CHC Medical Director.
 4. Staff Satisfaction

Staff satisfaction will be assessed at least annually through an anonymous survey provided by KCHA CHC contracted vendor.
- L. Peer Review

Peer Review will be conducted, at least quarterly, using data systematically collected from the patient records to ensure:

 1. Healthcare practitioners adhere to current evidence-based clinical guidelines, standards of care, and standard of practice in the provision of health center services, as applicable;
 2. The identification of any patient safety and adverse event and the implementation of related follow-up actions, as necessary.

The Peer Review process is outlined in further detail in KCHA Peer Review Policy and accompanying Peer Review Procedure.
- M. Annual Quality Improvement/Quality Assurance Program Evaluation

The objectives, scope, organization and effectiveness of KCHA CHC QI/QA will be evaluated at least annually by the KCHA CHC Executive Director and revised as needed. The effectiveness of the program will be evaluated based on the collaborative, interdisciplinary involvement of all services and the impact on patient care and services through improvement of processes and outcomes. This evaluation will be completed in the first quarter following the end of the calendar year and submitted to the KCHA CHC Board.

The annual summary and evaluation report will identify components of the program recommended for revision, addition, or deletion for the purposes of enhancing patient care and assuring sound clinical judgement. The evaluation will include:

 1. Review of completed and continuing program activities
 2. Trends of clinical and service indicator audits
 3. Goals/plans for the upcoming year

Upon request, KCHA CHC will make available to patients and healthcare practitioners, information about its QI/QA program, including a description of the program and progress in meeting the goals of the program.

VI. SPECIAL CONSIDERATIONS: N/A

VII. EDUCATION:

- A. KCHA CHC Staff: Will receive education pertaining to this policy, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. Staff's knowledge, skills and abilities will be validated during unit-specific orientation.

VIII. DOCUMENTATION: N/A

IX. ADDENDUMS: N/A

X. REFERENCES: N/A

OWNERSHIP (Committee/Department/Team)			
ORIGINAL			
REVIEWED, NO REVISIONS			
REVISED			
APPROVED BY COMMITTEE			
DISTRIBUTION			
REQUIRES REVIEW			
Executive Director Signature of Approval		Date	
Signature of Approval		Date	

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Proposed approval of Kern County Hospital Authority Community Health Center Sliding Fee Discount Program policy

Recommended Action: Approve

Summary:


The CHC Board has oversight responsibilities for reviewing and approving the policies and procedures for the CHC. The following proposed policy is focused on the maintenance of a Sliding Fee Discount Program at the CHC. This policy is required to be included in the FQHC Look-Alike application that is in the process of being submitted to HRSA.

The proposed policy will be categorized as:

LAL-SFDP-01 Sliding Fee Discount Program Policy

Therefore, it is recommended that your Board approve the proposed Sliding Fee Discount Program policy.

Kern County Hospital Authority Community Health Center

Department: Finance				
Policy No.	Effective Date	Review Date:	Page	
LAL-SFDP-01	March 2025	March 2028	1 of 4	
Title: Sliding Fee Discount Program				

I. PURPOSE:

The purpose of the Kern County Hospital Authority Community Health Center (KCHA CHC) Sliding Fee Schedule is to provide a schedule of discounts to ensure that no patient is denied service due to an individual's inability to pay.

II. DEFINITIONS:

- A. **Sliding Fee Scale:** Incremental reduction of a patient's full charges for services based on a patient's ability to pay.
- B. **Ability to Pay:** Ability to pay is determined by household family size and gross annual income and no other factors.
- C. **Refusal to Pay:** An unwillingness to pay the fee based on one's ability to pay are defined as a refusal to pay. Please refer to Kern County Hospital Authority Community Health Center's LAL-BC-01 Billing Collections Policy and LAL-BC-02 Waiver of Charges policies for more information.

III. POLICY STATEMENT:

It is the policy of Kern County Hospital Authority Community Health Center to establish and provide health care services regardless of a patients' inability to pay. All KCHA CHC patients are eligible for the program. To meet this policy objective, KCHA CHC provides a schedule of discounts called the Sliding Fee Discount Schedule (SFDS), through which discounts are applied to patient fees on the basis of the patient's ability to pay. The implementation of these discounts is called the Sliding Fee Discount Program (SFDP). All services KCHA CHC's HRSA-approved scope of work are offered on a sliding fee discount schedule or under another type of HRSA-compliant discount (applicable to Column III services).

This policy applies to the CFO and all other health center personnel, including but not limited to registration staff, medical assistants, patient care coordinators, billing manager or clerk, office manager, Health Benefit Advisors, etc.

IV. EQUIPMENT: N/A

V. PROCEDURE:

1. The Sliding Fee Discount Program (SFDP) will be offered to eligible persons based on the client's ability to pay. Ability to pay is determined by the household family size and annual gross income relative to the most recent U.S. Department of Health & Human Services Federal Poverty Guidelines (FPG) and no other factors.
2. The SFDP income guidelines, based on the FPG as published in the Federal Register in January of each year, are updated annually, and must be approved by the Board by no later than February of each year.
3. Household Family Size is defined as one person or a group of two people or more (one of whom is the head of the household) related by birth, marriage or adoption and

residing together. The household family size will be limited to immediate family: spouse, partner, children/dependents and grandparents (if applicable). Dependents must be age 21 or younger.

4. Income used to determine eligibility for the SFDP is the patient's gross income and can include: earnings, unemployment compensation, Social Security, Supplement Security Income, public assistance, veterans' payments, survivor benefits, pensions or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. Tips and overtime along with noncash benefits (such as food stamps and housing subsidies) do not count. Gross income means the patient's household income before taxes or other deductions.
5. The structure of the SFDS is to be evaluated once every three (3) years for its effectiveness in addressing financial barriers to care and updated, as appropriate. At a minimum, the KCHA CHC:
 - a. Collects utilization data that allows it to assess the rate at which patients within each of its discount pay classes, as well as those at or below 100 percent of the FPG, are accessing health center services;
 - b. Utilizes this and, if applicable, other data (for example, results of patient satisfaction surveys or focus groups, surveys of patients at various income levels) to evaluate the effectiveness of its SFDP in reducing financial barriers to care; and
 - c. Identifies and implements changes as needed.

The evaluation is presented to the Board of Directors along with any recommendations for changes to the SFDS and/or other follow-up actions based on evaluation results.

6. KCHA CHC patients will be offered the SFDS if patient's income is equal to or below 200% of the FPG. A full discount of charges and a nominal fee will be applied to patients at or below 100% of the FPG. Patients with an annual income above 200% of the FPG will be charged the full fee of services rendered.
7. The sliding discount is applied to the full charges of the encounter. In cases of co-pays with third-party payors, the patient will pay the discount on full charges or the anticipated or remaining self-pay balance after all other payer sources have been billed, whichever is less. This applies to any insurance deductible and/or coinsurance, unless the contract with the payor prohibits discounting share of cost. Sliding fee discounts only apply to the patient share of cost and do not apply to third-party billing.
8. Patients in each ascending pay category must pay more than the pay category below.
 - a. The SFDS/SFDP has five (5) categories:
 - i. **Slide Level A:** Patients with a monthly family income less than or equal to 100% FPG. Patients in this level will receive a full discount for service and be charged \$0 per medical, preventive dental, or behavioral health visit.
 - ii. **Slide Level B:** Patients with a monthly family income greater than 100% of FPG, but less than or equal to 133% FPG will be charged \$20.00 per medical, preventive dental, or behavioral health visit.
 - iii. **Slide Level C:** Patients with a monthly family income greater than or equal to 134%, but less than or equal to 166% of the FPG will be charged \$30.00 per medical, preventive dental, or behavioral health visit.
 - iv. **Slide Level D:** Patients with a monthly family income greater than or equal to 167%, but less than or equal to 200% of the FPG will be charged \$40.00 per medical, preventive dental, or behavioral health visit.

- v. **Slide Level E:** Patients with a monthly family income greater than 200% of FPG will be considered as private pay patients and will be charged the full fee of services rendered. Payment will be requested up front with the remaining balance billed to the patients accordingly, to maximize collections.
- 9. SFDP eligibility periods and expiration are detailed in Kern Medical Outpatient Health's SFDP Procedures. Patients are asked to re-apply for the SFDP after their eligibility expires and/or if patients report a change in gross household income or family size.
- 10. Signage about the SFDP is posted in waiting room areas, on the website, and within patient education materials notifying patients of the SFDP and how it applies to them.
- 11. Sliding Fee Discount Applicability for Contracted Services and Referral Agreements: KCHA CHC ensures that all clinical services provided via contracts and formal referral arrangements are appropriately discounted per HRSA requirements.

For contracts for Column II services, KCHA CHC ensures that services are provided with the following discounts:

- A full discount is provided for individuals and families with annual incomes at or below 100 percent of the current FPG, unless a health center elects to have a nominal charge, which would be less than the fee paid by a patient in the first sliding fee discount pay class above 100 percent of the FPG.
- Partial discounts are provided for individuals and families with incomes above 100 percent of the current FPG and at or below 200 percent of the current FPG, and those discounts adjust based on gradations in income levels and include at least three discount pay classes.
- No discounts are provided to individuals and families with annual incomes above 200 percent of the current FPG.

For formal referral arrangements for Column III services, KCHA CHC will ensure that services are discounted in the same manner as Column II contracts as shared above or are discounted in a manner such that:

- Individuals and families with incomes above 100 percent of the current FPG and at or below 200 percent of the FPG receive an equal or greater discount for these services than if the health center's SFDS were applied to the referral provider's fee schedule; and
Individuals and families at or below 100% of the FPG receive a full discount or a nominal charge for these services.

VI. SPECIAL CONSIDERATIONS:

VII. EDUCATION:

- A. KCHA CHC: Will receive education pertaining to this policy, as appropriate, at time of general orientation and/or unit-specific orientation and as changes occur in legislation, quality or regulatory requirements. Staff's knowledge, skills and abilities will be validated during unit-specific orientation.

VIII. DOCUMENTATION: N/A

IX. ADDENDUMS:

- 1. Sliding Fee Discount Program Application
- 2. Sliding Fee Discount Program Front Desk Checklist
- 3. Sliding Fee Discount Program Signage

X. REFERENCES: N/A

OWNERSHIP (Committee/Department/Team) Finance	
ORIGINAL Mar 2025	
REVIEWED, NO REVISIONS	
REVISED	
APPROVED BY COMMITTEE Mar 2025	
DISTRIBUTION.....	
REQUIRES REVIEW Mar 2028	
Executive Director Signature of Approval	Date
Signature of Approval	Date



Sliding Fee Discount Program Acknowledgement

It is a policy of Kern County Hospital Authority Community Health Center to provide essential services to patients regardless of a patient's ability to pay. Kern County Hospital Authority Community Health Center offers a Sliding Fee Discount Program for patients and families with income at or below 200% of the poverty line. You must fill out the attached Sliding Fee Discount Program Application and provide verification of your income to qualify. This will allow Kern County Hospital Authority Community Health Center to accurately determine the fee you and your family will pay for your visit. **You and your family may qualify for the Sliding Fee Discount Program even if you have insurance.**

Sliding Fee discounts are based on family size and annual income and no other factors. Should your application expire, you will be asked to re-apply by providing updated family size and income information. You may also re-apply for a Sliding Fee Discount if your financial situation changes.

I have received information on the **Sliding Fee Discount Program**. I accept and understand the conditions of the **Sliding Fee Discount Program** and:

- ☐ I wish to participate in the Sliding Fee Discount Program
- ☐ I do not wish to participate in the Sliding Fee Discount Program
- ☐ I do not qualify the Sliding Fee Discount Program

Signature

Date

Patient Name (PRINT)

MRN

Sliding Fee Discount Program Application

Patient Name: _____
Last First Middle

Patient Address: _____
Street Address City State Zip Code

I am providing the following as proof of income and living arrangement:

- | | |
|--|--|
| <input type="checkbox"/> Recent check stubs | <input type="checkbox"/> Pension or Social Security benefits |
| <input type="checkbox"/> Income tax return | <input type="checkbox"/> Bank Statement |
| <input type="checkbox"/> Other: _____
Type of Documentation | <input type="checkbox"/> My household is receiving cash payments
(Patient must complete income attestation form on next page) |
| <input type="checkbox"/> Documentation of income provided | <input type="checkbox"/> Documentation of income <u>not</u> provided |

Household Member	Employment	Income	Frequency (circle one)
			Weekly Bi-Weekly Monthly
			Weekly Bi-Weekly Monthly
			Weekly Bi-Weekly Monthly
			Weekly Bi-Weekly Monthly

Family Size: _____ Total Household Income: \$ _____

I understand that I and my dependents have been approved to receive services at a reduced fee from Kern County Hospital Authority Community Health Center based on the CHC's Sliding Fee Discount Program.

Based on the information I have submitted; I understand that I and my dependents qualify as

SFDP A : ____ **SFDP B :** ____ **SFDP C :** ____ **SFDP D :** ____ **SFDP E :** ____

I understand that I will be asked to pay for services at the time of service unless other financial arrangements have been made. By signing below, I accept these terms.

Date _____ Signature _____

To be completed by Health Benefit Advisor:

Approved: SFDP A: ____ SFDP B: ____ SFDP C: ____ SFDP D: ____ SFDP E: ____

Effective Date: _____ **Expiration Date:** _____

Processed By: _____

**Eligibility for Federal Poverty Sliding Fee Adjustment
Self-Attestation Form**

Patient's Name: _____

Date of Birth: _____

THIS SELF DECLARATION IS GOOD FOR THE NEXT 30 DAYS

This is to certify that I, _____, am the head of the household/and or the responsible party for the above individual. This is to declare that I am/am not receiving income and failed to bring proof for the office visit today. By signing this self-attestation, I understand that I will be charged based on my declared income and the respective Sliding Fee Discount charge. Any further visits within 30 days of today's date will be priced based on the Kern County Hospital Authority Community Health Center's (KCHA CHC's) Sliding Fee Discount Schedule. After 30 days, this self-attestation will expire.

Non-working Individuals-

I further declare that no other family member is receiving income that would pay for services. I understand that when I or any other family member begin to receive any type of benefit, I must report it to your agency. I understand that if I do not bring the required proof to the next office visit after expiration, I will be billed at 100% and will not receive any discount, or I can reschedule the appointment when the information is available.

Working Individuals-

I further declare that the amount of income listed below is an estimate that will be used for a one-time office visit. Proof of income will have to be brought back to the office upon next scheduled appointment. I understand that if I do not bring proof of income to the next office visit after expiration, I will be billed at 100% and will not receive any discount, or I can reschedule the appointment when the information is available.

CURRENT ESTIMATED HOUSEHOLD INCOME: \$ _____

Please circle: Weekly Bi-weekly Monthly Bi-monthly Yearly

HOUSEHOLD SIZE: _____

Patient Signature

Date

Signature of Office Personnel/Witness

Date



SFDP Application Checklist

- ☐ Is the full application fully filled out (all fields), signed, and dated by the patient?
- ☐ Does the income and household size match the patient registration form?
- ☐ Did you use the following information to calculate patient income:
 - a. Use gross (before taxes and deductions) income rather than net income.
 - b. When paid twice a month (semi-monthly) i.e., 15TH & 30TH, OR 1ST & 15TH, take the average of the pay stubs provided and multiply by 2 for monthly income.
 - c. When a patient is paid every 2 weeks multiply average of gross amount in the provided paystubs x 2.167 for monthly income.
 - d. When paid every week multiply the average of the gross amount provided in the paystubs x 4.33 for monthly income.

Do not include tips and overtime in calculations of income.

Ask someone to double check your calculation using the process above.

- ☐ Did you use the correct slide level based on income and family size?
- ☐ Check patient health record for SFDP already on file. If previously approved, has it expired? If so, request new SFDP application. **SFDP applications expire 1 year after the application is completed unless the patient self-attested to an income greater than \$0.**

Applications with self-attestations of income are only valid for 30 days and patients must re-apply for the SFDP for visits after 30 days.

- ☐ Is the patient expressing difficulty paying for their fees? If so, provide fee waiver/ payment plan request form.



You will not be denied service for inability to pay

Kern County Hospital Authority Community Health Center offers primary care services at discounted rates based upon income and family size. Please ask the front desk for information about our **Sliding Fee Discount Program**.

No patient will be denied care due to inability to pay for primary care services. No patient will be denied care based upon gender, age, skin color, race, ethnicity, national origin, religion, disability, or sexual orientation.

Thank you.



No se le negara servicio por no poder pagar.

La Autoridad Comunitaria del Condado de Kern, le ofrece todos los servicios a precios de descuento, que se basan de acuerdo a ingresos y tamaño de familia. Para más información por favor pida en la recepción los detalles del **programa de precios variables de descuento**.

A ningún paciente se le negara la atención debido a su capacidad o incapacidad de pago. A ningún paciente se le negara la atención en base a género, edad, color de piel, raza, etnicidad, origen nacional, religión, incapacidad, orientación sexual. Gracias.

**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Kern County Hospital Authority Community Health Center Sliding Fee Discount Program Training

Recommended Action: Hear Presentation; Receive and File

Summary:

Per HRSA regulations as stated in the Health Center Program Compliance Manual, the Kern County Hospital Authority Community Health Center (CHC) must maintain a Sliding Fee Discount Program (SFDP). This document outlines the HRSA requirements and CHC materials which have been developed to meet these requirements, including those requiring board approval.

Sliding Fee Discount Program Requirements

CHC must operate in a manner such that no patient shall be denied service due to an individual's inability to pay. To this end, CHC must prepare a schedule of discounts, otherwise known as the Sliding Fee Discount Schedule (SFDS) to be applied to qualifying patient charges. Discounts are applied based on the patient's ability to pay as determined by patient household size and income. CHC must establish systems for SFDP eligibility and the SFDS must include the following provisions:

- A full discount is provided for individuals and families with annual incomes at or below 100% of the current Federal Poverty Guidelines (FPG), unless a health center elects to have a nominal charge, which would be less than the fee paid by a patient in the first sliding fee discount pay class above 100% of the FPG.
- Partial discounts are provided for individuals and families with incomes above 100% of the current FPG and at or below 200% of the current FPG, and those discounts adjust based on gradations in income levels and include at least three discount pay classes.
- No discounts are provided to individuals and families with annual incomes above 200% of the current FPG.

To demonstrate program compliance, CHC must:

- Maintain a board-approved SFDP policy consistent with SFDP requirements.

- Ensure compliance with SFDP requirements for all required and additional health services within the HRSA-approved scope of project either provided directly by the health center or via contracts or referral agreements.
- Incorporate the most recent FPG into its SFDS.
- Maintain procedures for assessing/re-assessing patients for income and household family size that are consistent with the SFDP policy.
- Have mechanisms for informing patients of the availability of sliding fee discounts.
- Ensure that SFDP-eligible patients with third-party insurance coverage are charged no more for any out-of-pocket costs than they would have paid under the SFDP, except in cases where there are contractual restrictions preventing this.
- Evaluate the SFDP at least once every three years to determine its effectiveness in reducing financial barriers to care and identify and implement changes as needed.

SFDP Materials for Board Presentation

CHC has prepared the following materials for presentation to the Board:

- ***LAL-SFDP-01 Sliding Fee Discount Program Policy***: This document lays out program requirements and mechanisms in place for maintaining HRSA compliance.
- ***Sliding Fee Discount Schedule***: Illustrates fees to be owed by a patient who qualifies for a sliding fee discount. Fees are broken out by service line (medical, dental, behavioral health) and the schedule shows discount eligibility based on household size and annual household income relative to the most recently published FPG.
- ***Nominal Charge Patient Survey Results***: HRSA requires board involvement in the setting of the SFDP nominal fee. Results and analysis of a patient survey have been provided below for Board consideration in approval of the SFDS as presented.

Setting of Nominal Charge: Survey Results & Proposal

CHC had initially proposed a \$20 nominal charge to be paid by patients under 100% of FPG who qualify for Sliding Scale A. To verify if this charge was nominal from these patients' perspective, CHC conducted a phone survey of patients with recorded incomes at or below 100% FPG. Based on patient feedback, it was determined that a \$20 charge may create a financial barrier to care and would therefore not be nominal from the perspective of patients under 100% FPG. In response to these survey results, CHC has removed the proposed nominal charge from the SFDS, instead electing for a full discount for patients at or below 100% FPG. Survey results are presented below for review. A total of 32 patients were contacted, of whom 8 did not respond to the survey. Of the 24 patients who did respond, 3 (13%) stated that \$10 was a reasonable co-pay amount, 5 (21%) stated that \$15 was a reasonable co-pay amount, and 16 (67%) stated that \$20 was a reasonable co-pay amount.



Community Health Center

Sliding Fee Discount Program Training

Sliding Fee Discount Program
Sliding Fee Discount Schedule (SFDS)
Based on 2025 Federal Poverty Guidelines (FPG)

Annual Income Threshold

	Sliding Scale A		Sliding Scale B		Sliding Scale C		Sliding Scale D		Sliding Scale E
	At or below 100%		101% - 133%		134%-166%		167%-200%		Above 200%
Family Size (Persons in family/household)	From	To	From	To	From	To	From	To	Greater than 200% of FPL
1	\$0	\$15,650	\$15,651	\$20,815	\$20,816	\$25,979	\$25,980	\$31,300	\$31,301
2	\$0	\$21,150	\$21,151	\$28,130	\$28,131	\$35,109	\$35,110	\$42,300	\$42,301
3	\$0	\$26,650	\$26,651	\$35,445	\$35,446	\$44,239	\$44,240	\$53,300	\$53,301
4	\$0	\$32,150	\$32,151	\$42,760	\$42,761	\$53,369	\$53,370	\$64,300	\$64,301
5	\$0	\$37,650	\$37,651	\$50,075	\$50,076	\$62,499	\$62,500	\$75,300	\$75,301
6	\$0	\$43,150	\$43,151	\$57,390	\$57,391	\$71,629	\$71,630	\$86,300	\$86,301
7	\$0	\$48,650	\$48,651	\$64,705	\$64,706	\$80,759	\$80,760	\$97,300	\$97,301
8	\$0	\$54,150	\$54,151	\$72,020	\$72,021	\$89,889	\$89,890	\$108,300	\$108,301
Medical or Preventative Dental Visit	\$0		\$20		\$30		\$40		Full Charges
Behavioral Health Visit	\$0		\$20		\$30		\$40		Full Charges
For families/households with more than 8 persons, add \$5,500 for each additional person.									

Revised 3.7.2025



**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

March 26, 2025

Subject: Presentation regarding Kern County Hospital Authority Community Health Center's Patient Safety

Recommended Action: Hear Presentation; Receive and File

Summary:

Executive Director, Renee Villanueva, and/or her designee will provide your Board with a presentation on Patient Safety. Patient Safety will be presented quarterly as part of the Quality-of-Care presentation to your Board. This report will detail the organizational arrangements made or required to support patient and staff safety throughout the Community Health Center's variety of care sites.



Patient Safety

Community Health Center Board of Directors

What is patient safety?

- The World Health Organization (WHO) defines patient safety as “the absence of preventable harm to a patient and reduction of risk of unnecessary harm associated with health care to an acceptable minimum.”
- <https://www.who.int/news-room/fact-sheets/detail/patient-safety>

Why is patient safety important?

- Patient safety is vital to improving care quality and preventing adverse events. The Joint Commission established the National Patient Safety Goals (NPSGs) to target specific areas of concern and improve patient outcomes. These goals are intended to prevent adverse events, improve patient outcomes and establish a framework for promoting a culture of safety within healthcare organizations.
- Areas of focus include the following:
 - Patient Identification
 - Medication Reconciliation
 - Hand Hygiene

Patient Identification Processes

- Errors in patient identification can lead to severe outcomes such as incorrect diagnosis or improper treatment which jeopardizes patient safety. As part of our patient safety program, the CHC has processes to ensure accurate identification of patients at every point of care.
- Patient identity is verified using 2 identifiers –Name and Date of Birth (DOB)
 - Registration
 - Clinic intake
 - Clinic visit discharge
 - Name and DOB are highlighted on discharge instructions
 - Prior to medication administration

Patient Identification Compliance

- Monitoring compliance with patient identification promotes a culture of safety by emphasizing the importance of accurate patient identification. Tracking compliance also ensures that all staff members recognize and fulfill their responsibilities in safeguarding patient safety.
 - Staff training on the importance of patient identification and the proper procedures for verifying patient identity.
 - Regular audits of patient identification process

Electronic Audit Form

Verification of Correct Paperwork Form (Handling PHI)

Internal Medicine/Family Practice: Protected Health Information

Hi, Carmelita. When you submit this form, the owner will see your name and email address.

1. What is today's date?

Please input date (M/d/yyyy)

2. Audit performed by:

Enter your answer

3. Name of staff being audited:

Enter your answer

4. Were all documents verified to be correct PRIOR to handing to the patient?

Yes

No

5. Were name/date of birth highlighted on each document?

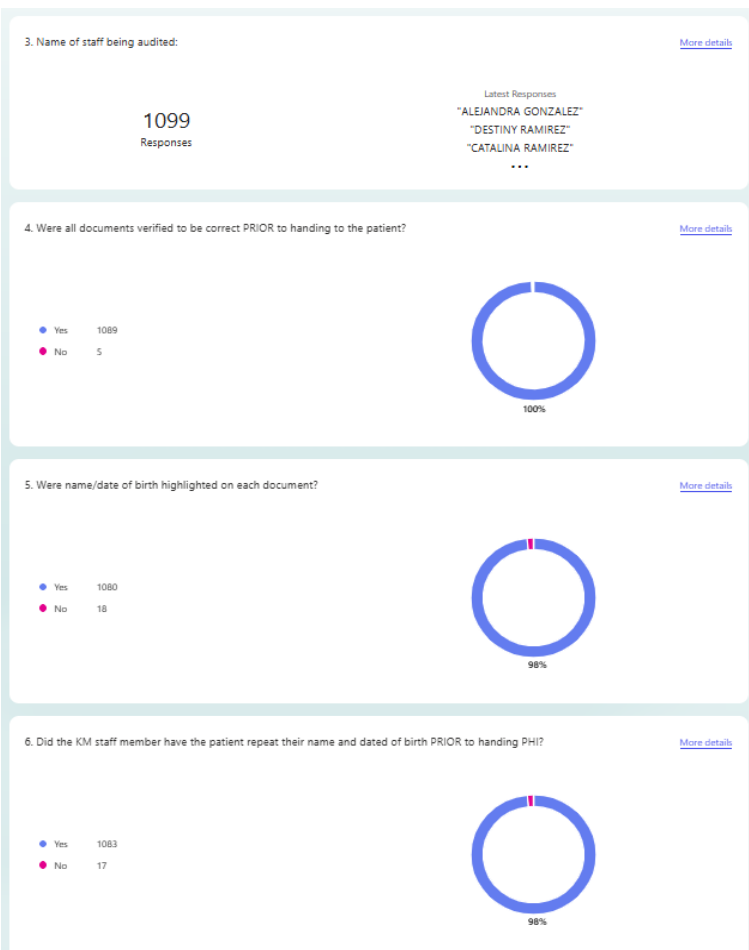
Yes

No

6. Did the KM staff member have the patient repeat their name and dated of birth PRIOR to handing PHI?

Yes

No



Medication Reconciliation (Med Rec)

- Medication errors can occur at various stages especially when patients are seen by multiple Practitioners or after recent hospitalizations that result in changes to their medication regimens.
- Medication reconciliation involves verifying and updating the patient's medication information during clinic visit.

Med Rec Process

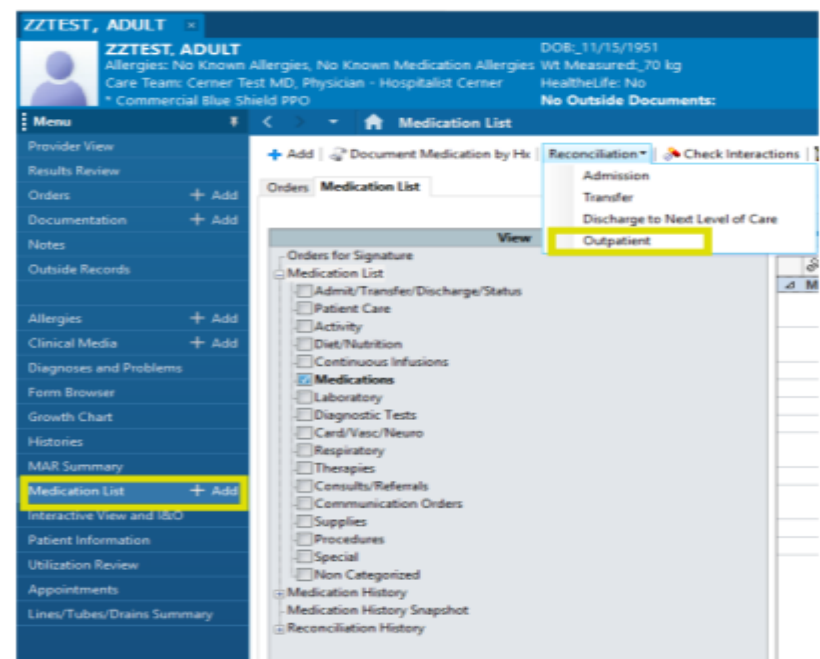
- Patients are asked to bring their medications or list of current medications at their clinic appointment.
- Active medication list is updated during clinic intake visit
- CHC staff imports pharmacy records in the EHR
- Updated medication list is included in the patient's ambulatory visit instructions

Medication Reconciliation Job Aide



Outpatient Medication Reconciliation

- 1) When in the patient chart, select Medication List from the Table of Contents.
- 2) From the Reconciliation dropdown on the mPage, select "Outpatient"



8•GUIDE•0524•Medication_Reconciliation		
Created: 05/2024	Page 11	Updated: 05/2024

Med Rec Sample Report

Chart Audits

1249 Responses 15:17 Average time to complete Active Status

1. Today's Date

1243
Responses

Latest Responses
"3/17/2025"
"3/17/2025"
"3/17/2025"

2. Which Department

Family Practice	475
Internal Medicine	166
OB/GYN	125
MED Specialty	28
Other	453



3. MRN

1249
Responses

Latest Responses
"20815214"
"20938989"
"21416692"

4. Date of Service

902
Responses

Latest Responses
"3/12/2025"
"3/2/2025"
"3/1/2025"

5. Was the patients medication list updated during this visit?

Yes	1166
No	72
N/A	1
Other	6



6. Was the patients medication reconciliation completed by the provider?

Yes	531
No	713



Infection Prevention and Staff Education

- Hand hygiene
 - A key strategy involves strict adherence to hand hygiene protocols. Hand hygiene is the simplest yet most effective method to curb the transmission of infections.
 - Hand washing - Healthcare workers are trained in proper handwashing techniques, using soap and water
 - Gel in – Gel out using alcohol-based hand sanitizer
- Staff Training
 - New employee orientation
 - Mandatory annual Elsevier training

Monitoring Compliance

Date / Shift Observed: _____

Unit: _____

Hand Hygiene Observation

Observer: _____

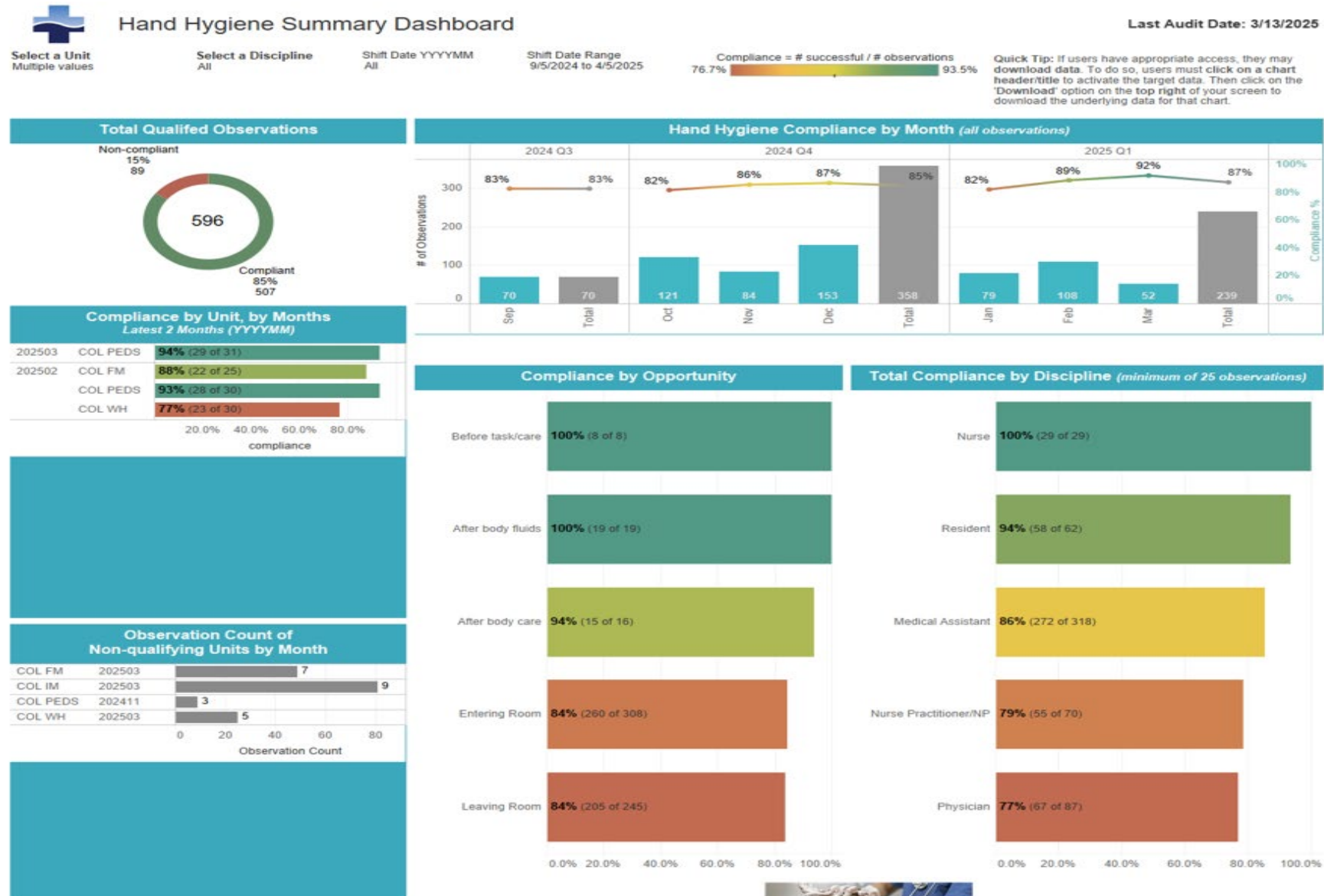
HH Opportunity	Discipline	HH opportunity observed? (select 1 HH observation per line) Hand Hygiene is performed correctly by washing hands with soap and water for at least 15 seconds or using hand sanitizer and rubbing until hands are dry. <u>HH should be performed before and after glove use.</u> Observe at least 10 HH opportunities per unit.	Artificial Nails Y/N/U(Unknown)	HH performed for opportunity observed? ✓ or Ø	Comments: (details concerning HH observation, pertinent information, out of compliance fingernails, coaching, etc.)
Example	N	<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input checked="" type="checkbox"/> after care <input type="checkbox"/> leaving room	N	Ø	HH not performed after removal of gloves
HH1.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH2.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH3.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH4.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH5.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH6.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH7.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH8.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH9.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
HH10.		<input type="checkbox"/> entering room <input type="checkbox"/> before task/care <input type="checkbox"/> after body fluids <input type="checkbox"/> after care <input type="checkbox"/> leaving room			
Disciplines: MA= Medical Assistant/MA S/EMT-P=Student,EMT/Paramedic D= Dietary N = Nurse OTH = Other, specify PHAR = Pharmacy Staff RAD = Radiology S/SRNA/CRNA=Student SRNA/CRNA		P = Physician RES = Resident S/MA=Student, MA RT = Respiratory therapist S = Student, specify SEC = Security TRAN = Transporter CM= Case Management	PCT=Patient Care Technician VOL = Volunteer S/Rad=Student, Rad SW = Social worker REG = Registration PA = Physician Assistant NS = Nursing Student/ Specify BME=BioMed/Engineering TECH=Tech (OB, Endo, OR, Ortho, EEG)	NA=Nurse Assistant/CNA PT=Physical Therapy S/RT=Student, RT LAB= Lab/phlebotomy EVS = Housekeeping/POA MEDS = Medical Student/ Specify NP = Nurse Practitioner EM= EMT/Paramedic	SRNA/CRNA Opportunities: ✓ = Opportunity successful Ø = Opportunity missed

Total # HH Successful (#✓): _____

Total # HH Opportunities Observed: _____

Adherence: _____ %
(Total HH Successful ÷ Total HH observed x 100)

Hand Hygiene Compliance Dashboard



Questions ?



March 19, 2025

Kern County Hospital Authority
Community Health Center
Attention: Mona A. Allen
Mona.Allen@kernmedical.com

Re: Approval of the Kern County Hospital Authority Community Health Center Board of
Directors Bylaws for Governance

A copy of the approved Bylaws of Kern County Hospital Authority Community Health Center Board
of Directors is attached along with the Tracking Page.

Sincerely,

A handwritten signature in blue ink that reads "Mona A. Allen".

Mona A. Allen
Kern County Hospital Authority
Board Coordinator

Kern County Hospital Authority
Board of Governors

TRACKING PAGE

11:30 A.M.
Wednesday, March 19, 2025

BOARD COORDINATOR

CA-15)

Proposed approval of Kern County Hospital Authority Community Health Center Board of Directors
Bylaws for Governance –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN

Pollard-Pelz: 6 Ayes; 1 Absent - McLaughlin

**BYLAWS OF
KERN COUNTY HOSPITAL AUTHORITY
COMMUNITY HEALTH CENTER BOARD OF DIRECTORS**

ARTICLE I: Mission and Purpose

Section 1.01 Mission Statement

The Kern County Hospital Authority Community Health Center (“Health Center”) was created by the Kern County Hospital Authority Board of Governors to provide access to affordable, high-quality health care services and to preserve and strengthen the viability of the health care safety net in its service area in order to maintain and improve the health status of its patients through an operational structure that facilitates and improves the ability of Kern Medical Center to function.

Section 1.02 Purpose

The purpose of the Health Center is to act as the Co-Applicant organization in support of the Kern County Hospital Authority's (“Authority”) efforts to qualify as a Federally Qualified Health Center Look-Alike (“FQHC”) as defined in Section 330 of the Public Health Services Act or Section 1861(aa)(4) and Section 1905(1)(2)(B) of the Social Security Act, respectively, each as amended and interpreted by statute and governing regulations (collectively, the “Act”) as supervised and implemented by the Health Resources and Services Administration (“HRSA”). It is the intent of the Health Center to enter into a Co-Applicant Agreement with the Authority to establish the details of the relationship between the Health Center and the Authority.

ARTICLE II: Governing Body

Section 2.01 Definition

The governing body of the Health Center shall be known as the Kern County Hospital Authority Community Health Center Board of Directors (“CHC Board”).

Section 2.02 Composition

The CHC Board shall consist of nine (9) voting members, as follows:

- (a) At least five (5) of the members of the CHC Board (“Members”) shall be patients served by the Health Center. These five Members shall, to the extent possible, represent individuals served by the Health Center based on race, ethnicity, gender and age. For purposes of board composition, a patient is an individual who has received at least one (1) in-scope service at the Health Center in the past twenty-four (24) months;
- (b) Non-patient members of the CHC Board shall be representative of the community served by the Health Center and shall be selected for their expertise in relevant subject areas;
- (c) No more than one-half of the non-patient members of the CHC Board may derive more than ten percent (10%) of their annual income from the health care industry;
- (d) The Health Center Executive Director shall serve as staff the CHC Board.

Section 2.03 Qualifications

(a) **Desired Qualifications**

The CHC Board shall be composed of Members with the expertise necessary to enable the Health Center to achieve the highest quality of care and appropriate scope of services, including insights from patients of the Health Center. Members shall be full-time residents of the County of Kern, at least 18 years of age and representative of the Health Center patient population. To the extent feasible, non-patient members are selected to provide their collective relevant experience and skills including:

- (1) Knowledge of health care delivery systems;
- (2) An understanding of finance and banking;
- (3) Experience in advocating for safety net populations including, but not limited to, the pursuit of public funding for the delivery of health care services;
- (4) An understanding of local government and needs of the community;
- (5) Experience with social services and community-based organizations.

(b) **Disqualified Persons**

The following types of persons may not serve as Members of the CHC Board:

- (1) An employee of the Health Center or the Authority, or spouse or child, parent, brother or sister by blood marriage or adoption of such an employee of the Health Center or the Authority;
- (2) Persons who are or may be in competition with, or otherwise have a conflict of interest with the Health Center or Authority;
- (3) Any persons excluded from participation in a federal or state health care programs, or is currently suspended from participation in any such program;
- (4) Any person who has been convicted of a felony, or has been convicted or subject to discipline for any crime involving moral turpitude;
- (5) Any person who holds an incompatible office;
- (6) Any person whose service as a Member would constitute having an interest in a contract as provided by Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code.

Section 2.04 Reappointment and End of Term of the CHC Board

- (a) A Member whose term is expiring and who is eligible for reappointment shall not be required to submit a new application for reappointment if such Member notifies the Chair of the CHC Board in writing of his or her intent to seek reappointment.

- (b) For a Member appointed by the Authority Board of Governors, the CHC Board shall notify the Board of Governors of the Member's intent to continue to serve on the CHC Board and the Board of Governors may reappoint the Member or may deny the reappointment and create a vacancy.
- (c) For a Member appointed by the CHC Board, the CHC Board may reappoint the Member or may deny the reappointment and create a vacancy.

Section 2.05 Manner of Appointment for Vacancies on the CHC Board

(a) Recruitment

Announcement of CHC Board vacancies shall be posted on the Authority and Health Center websites and at the Health Center locations. The announcement shall include minimum qualifications, submission deadline and, if applicable the CHC Board interview date.

(b) Applications

- (1) All applicants shall complete the application process by submitting by the submission deadline (1) a complete an approved application and (2) a security clearance consent form. The application and the security consent form may be modified from time to time.
- (2) The Health Center Executive Director shall post the required notice that applications are being accepted.
- (3) Applications shall be accepted from all eligible persons.
- (4) Applications to serve on the CHC Board may be made by submitting a completed application to: Kern County Hospital Authority Community Health Center, 1700 Mount Vernon Avenue, Bakersfield, CA 93306, Attn.: Executive Director.
- (5) The completed applications of all qualified candidates for Members appointed by the CHC Board shall be submitted to the CHC Board at least thirty (30) days prior to the scheduled meeting of the CHC Board to consider appointment of an individual to fill any Majority vacancy of the CHC Board.
- (6) The completed applications of all qualified candidates for Members appointed by the Authority Board of Governors shall be considered at a regularly scheduled meeting of the Board of Governors to fill any Minority vacancy of the CHC Board.

(c) Selection

- (1) Selection of Vacant CHC Board Positions:
 - a. The CHC Board shall appoint five (5) Members (a "Majority") to the CHC Board:
 - 1. The Authority shall forward to the CHC Board all applications received by all qualified applicants to fill any vacancy to be appointed by the CHC Board. The CHC Board may consider any such application to fill a vacancy
 - b. The Authority Board of Governors shall appoint four (4) Members (a "Minority") to the CHC Board:

1. The Authority shall forward to the Board of Governors all applications received by all qualified applicants to fill any vacancy to be appointed by the Board of Governors. The Board of Governors may consider any such application to fill a vacancy. Notwithstanding the foregoing, the Authority shall appoint only one (1) non-patient board member.
 - c. A qualified applicant shall remain in the pool of qualified applicants to serve on the CHC Board for a period of three (3) years and may be considered for appointment to any vacancy occurring during that time period for which he or she is qualified. A qualified applicant may withdraw his or her name from consideration to serve on the CHC Board at any time.
 - d. The Authority Board of Governors and the CHC Board shall consider qualified applicants for appointment, but shall not be bound to appoint any such individual. Only qualified individuals who have formally applied for membership on the CHC Board and have passed security clearance may be appointed to the CHC Board. Depending on whether the vacancy is a Majority or Minority appointment, the Board of Governors or the CHC Board may make an appointment from the pool of qualified applicants or request the submission of additional candidates to fill the vacancy, within thirty (30) days of receiving the list of qualified applicants.
- (2) Selection of Members for Midterm Vacancies
- a. In the event of a vacancy occurring before the expiration of a Member's term, all applications from qualified applicants shall be forwarded to the Authority Board of Governors if a Minority appointment or to the CHC Board if a Majority appointment. The list of qualified candidates and copies of their applications shall be submitted within sixty (60) days after the vacancy occurs.
 - b. Within thirty (30) days of receiving the names of qualified candidates to fill a midterm vacancy, or at its next regularly scheduled meeting, if such meeting occurs later than thirty (30) days after receiving candidates' names, the Authority Board of Governors or CHC Board, as the case may be, shall act to either: (a) appoint an individual to serve the remaining term of a Member; or (b) ask for additional qualified applicants.

Section 2.06 Term of Office

- (a) The Term of Office for appointed Members shall conform to the following:
 - (1) Each Member shall hold office for a term of three years, except the Members initially appointed shall have staggered terms of one, two, and three years. The Authority Board of Governors shall determine which Members shall be appointed to terms of one, two, or three years when making the initial appointments.
 - (2) The first term for the initial appointed Members of the CHC Board shall commence on the date of the initial CHC Board meeting and shall end at midnight on June 30 of the year in which the Member has served his or her initial term of office of one, two, or three years, as the case may be.

- (3) Terms for Members other than the initial Members shall commence on July 1, or the date of the first scheduled CHC Board meeting subsequent to his or her appointment if the Member is appointed to fill a vacancy.
 - (4) An individual who is appointed to fill a vacancy mid-term shall have the balance of that term as his or her initial term.
- (b) Reappointment
- (1) Members may serve an unlimited number of terms if reappointed by either the CHC Board or the Authority Board of Governors.
 - (2) Each Member, whether serving an initial term or reappointed to a subsequent term, shall serve continuously until the expiration of his or her then-current term, or until a replacement is appointed, whichever occurs last.

Section 2.07 Vacancies; Removal

- (a) Attendance
- (1) A Member shall automatically be removed from office, and said office shall become vacant, if within a one-year period of time, he or she fails to attend any combination of three (3) properly noticed regular and/or special meetings of the CHC Board without having secured, either in advance of or promptly after the missed meeting, approval from majority of the other Members of the CHC Board, or from the Chair of the CHC Board, to miss the meeting.
 - (2) The CHC Board shall advise in writing the Member of the pending removal under this section and shall recite facts forming the basis for such removal. The removal shall become effective forty-five (45) days after the Member has been notified, without further action, unless action is taken to reinstate the Member for the balance of his or her term within the forty-five (45) day period.
- (b) Removal
- (1) A Member appointed by the CHC Board may be removed by the CHC Board during his or her term with or without cause, on its own initiative.
 - (2) A Member appointed by the Authority Board of Governors may be removed from the CHC Board during his or her term with or without cause, on its own initiative.
- (c) Resignation
- A Member may resign by submitting a letter of resignation to the Chair of the CHC Board.
- (d) Vacancies
- Vacancies shall be filled pursuant section 2.05.

Section 2.08 Reimbursement and Compensation

Members may be reimbursed for actual and reasonable expenses incurred in the performance of official business of the Health Center as assigned by the CHC Board. Members shall not receive any other compensation for their service on the CHC Board or committees.

Section 2.09 Conflict of Interest

(a) Conflict of Interest Code

The CHC Board and officers shall be subject to the Authority's Conflict of Interest Policy and Code.

(b) Code of Conduct and Business Ethics

The CHC Board and officers shall (1) be subject to the Authority's Code of Conduct and Business Ethics policy, (2) conduct their activities in conformity with the applicable laws and regulations related to impartiality in the conduct of Health Center business, and (3) disclose any actual or potential conflict of interest and refrain from voting on approval, participation in discussion, taking any action, or attempting to influence decisions on any matters having a material effect on his/her personal or private interest. Neither Members nor officers of the Health Center may act in a manner that creates the appearance of a conflict with the objective exercise of his or her official duties.

Section 2.10 Confidentiality: Public Statements

In the course of carrying out his or her duties or responsibilities, each Member shall receive or have access to confidential information, including, without limitation, patient information, confidential financial, operational, business and planning information, trade secrets, personal information about employees or staff, information and data related to or derived from provider credentialing, discipline, governance and appeals processes or quality assessment and performance improvement processes (collectively, "Proprietary Information"). Subject to the Brown Act, the Public Records Act, or other applicable laws regarding disclosure, each Member is required (a) to keep and maintain such Proprietary Information solely for the purpose of carrying out his or her responsibilities as a Member, (b) to use and disclose such Proprietary Information solely for the purpose of carrying out his or her responsibilities as a Member, and (c) not to directly or indirectly disclose such Proprietary Information to any third person without the prior written approval of the CHC Board, following a vote of the CHC Board approving such disclosure. No Member shall make a public statement on behalf of the CHC Board, or in a manner that appears to be on behalf of the CHC Board, unless a majority of the CHC Board has given prior authorization for the public statement by a motion duly adopted.

Section 2.11 Role of the Authority Board of Governors

The Authority Board of Governors has all powers relative to the Health Center set forth in the Co-Applicant Agreement, which may be modified from time to time subject to a formal written amendment signed by authorized representatives of the Board of Governors and the CHC Board.

Notwithstanding the foregoing, the Authority Board of Governors shall:

- (1) Approve the Health Center's annual budget after the budget is approved by the CHC Board. The Board of Governors may either approve or reject the Health Center's budget in its entirety or approve or reject individual line items in the budget. If the Health Center fails to provide a budget, the Board of Governors shall adopt an annual budget for the Health Center.

- (2) Maintain policymaking authority over financial management and accounting systems for the Health Center.
- (3) Employ the Health Center Executive Director and all staff of the Health Center and maintain policymaking authority over all personnel matters related to the Health Center.
- (4) Conduct all business pertaining to the exclusive bargaining unit(s) of the Authority.
- (5) Provide all other services to the Health Center, as agreed to in writing between the Authority Board of Governors and the CHC Board.
- (6) Arrange for and provide legal services to the Health Center and shall bill the Health Center accordingly.
- (7) Maintain organization of the physicians, dentists, podiatrists, and other health professionals expressly granted clinical privileges in the Medical Staff of Kern Medical Center.

Section 2.12 Powers and Duties of the CHC Board

The Health Center shall have the authority for oversight of the Health Center Program project, as set forth in the HRSA Health Center Program Compliance Manual, most recently updated August 20, 2018, and the Co-Applicant Agreement, including the following required authorities and responsibilities:

- (a) Holding monthly meetings where a quorum is present to ensure the Health Center has the ability to exercise its required authorities and functions;
- (b) Approving the selection, evaluation and, if necessary, the termination or dismissal of the Health Center's Executive Director;
- (c) Establishing and/or approving policies that govern the operations of the Health Center, including evaluating and approving updates to policies regarding the sliding fee discount program, quality improvement and assessment, and billing and collections;
- (d) Approving the annual Health Center Program project budget and applications;
- (e) Evaluating the performance of the Health Center based on quality assurance/quality improvement assessments and ensuring appropriate follow-up actions are taken regarding achievement of project objectives, service utilization patterns, quality of care, efficiency and effectiveness of the Health Center, and patient satisfaction, including addressing any patient grievances;
- (f) Monitoring the financial status of the Health Center, including reviewing the results of the annual audit, and ensuring appropriate follow-up actions are taken;
- (g) Conducting long-range/strategic planning;
- (h) Assuring that the Health Center operates in compliance with applicable federal, state and local laws and regulations;

- (i) Approve the Health Center services and the location and hours of operation of the Health Center sites;
- (j) Evaluating the performance of the Health Center Executive Director annually.

The CHC Board may not adopt any policy or practice, or take any action, which is inconsistent with the Authority's enabling statute or ordinance or which alters the scope of any rights and authorities retained by the Authority and its Board of Governors, as set forth in the Co-Applicant Agreement.

Section 2.13 Open and Public Meetings

All meetings of the CHC Board and all standing committees that have continuing subject matter jurisdiction shall be conducted in accordance with the Ralph M. Brown Act and shall have legal counsel present. Each meeting shall have an agenda, structured and posted as required by law. A written record of proceedings of all meetings of the CHC Board and of committees of the CHC Board shall be kept on file. A quorum is required to conduct business and make recommendations. A quorum shall be constituted by the presence of a majority of the authorized number of Members of the CHC Board. A majority vote of those Members present and voting is required to take any action. No Member may vote on or participate in any matter that materially affects his or her personal financial interest within the meaning of the Political Reform Act. Each Member shall be entitled to one vote. Voting must be in person; no telephonic, virtual or proxy votes will be accepted. All meetings shall be conducted in Bakersfield, California, at the administrative offices of the Health Center, or at such other location within the County of Kern designated by the CHC Board as permitted under the Brown Act.

Article III: CHC Board Officers

Section 3.01 List of Officers

- (a) Chair
- (b) Vice-Chair
- (c) Secretary/Treasurer
- (d) Executive Director (ex-officio)
- (e) Chief Financial Officer (ex-officio)
- (f) Other officers deemed necessary by the CHC Board Section

Section 3.02 Appointment; Terms of Office

- (a) Officers, except for ex-officio officers, are elected by the CHC Board at the first meeting of each fiscal year commencing July 1, 2026 from among its own Members.
- (b) Officers, except for ex-officio officers, are elected for a period of one (1) year and shall serve until a successor has been duly elected. A Member of the CHC Board may hold an office for any number of terms, whether or not consecutive
- (c) A Member shall not simultaneously hold more than one CHC Board office.

Section 3.03 Duties of the Officers

- (a) The Chair shall:
 - (1) Preside at all meetings of the CHC Board;
 - (2) Be an ex-officio, non-voting member of all committees;
 - (3) Execute correspondence, contracts, conveyances, and other written instruments as properly authorized by the CHC Board;
 - (4) Perform such other duties as authorized by the CHC Board.
- (b) The Vice-Chair shall:
 - (1) In the absence of the Chair assume the duties of the Chair;
 - (2) Perform such reasonable duties as may be required by the Members of the CHC Board, or by the Chair of the CHC Board acting within the scope of his or her authority.
- (c) The Secretary/Treasurer shall:
 - (1) Keep, or cause to be kept, accurate and complete minutes of all meetings, call meetings on order of the Chair, attend to all correspondence of the CHC Board, and perform such other duties as ordinarily pertain to his or her office;
 - (2) Perform all duties related to record keeping as assigned by the CHC Board.
- (d) The Health Center Executive Director (see Article V).
- (e) The Health Center Chief Financial Officer.

The Health Center Financial Officer shall be appointed by the Health Center Executive Director, and employed, contracted with, or otherwise engaged by the Authority, and shall not be a Member of the CHC Board. The Chief Financial Officer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the business transactions of the Health Center, including (without limitation) accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall at all times be open to inspection by any Member of the CHC Board or any member of the Authority Board of Governors or their designees. The Chief Financial Officer shall have such other powers and perform other such duties as may be prescribed by the CHC Board from time to time.

Section 3.03 Vacancies and Removal of Officers

- (a) A vacancy in any office shall be filled by nomination and election by the CHC Board as soon as is reasonably possible. The Health Center Executive Director shall be appointed as provided in Article V.
- (b) Officers may resign at any time by providing written notice to the Chair with a copy to the Health Center Executive Director, or be removed by a majority vote of the CHC Board at a scheduled meeting where a quorum is present.

Article IV: Executive Director of the Health Center

Section 4.01 Selection; Authority to Act; Relationship to CHC Board and Authority Board of Governors

- (a) The CHC Board shall appoint a competent and experienced Health Center Executive Director to have responsibility for the general management of the Health Center. Subject to the rights of the CHC Board, the Health Center Executive Director shall be employed, contracted with, or otherwise engaged by the Authority.
- (b) The Health Center Executive Director shall be given necessary authority to operate the Health Center in all its activities and departments and shall be held responsible for the administration of the Health Center, subject to these Bylaws, and to the direction, policies, or orders of the CHC Board or by any of the committees to which the CHC Board has lawfully delegated authority for such action.
- (c) Subject to the control of the CHC Board and the scope of his or her lawful authority as it may be defined from time to time by the CHC Board, the Health Center Executive Director shall act as the duly authorized representative of the Health Center in all matters in which the CHC Board has not formally designated some other person to so act.
- (d) Subject to the approval of the CHC Board, the Health Center Executive Director shall designate a member of the Health Center staff to serve as an interim Executive Director during periods of absence of more than three (3) working days where the Executive Director is unable to substantially perform his or her duties. In the event of the absence of both the Executive Director and the interim Executive Director, the duties of the Administrator shall be assumed by a standby Executive Director designated by the Executive Director, subject to the approval by the CHC Board.

Section 4.02 Powers and Duties

The Health Center Executive Director shall be the general manager of the Health Center, and shall have the authority to exercise supervision over the general business and affairs of the Health Center in accordance with the statement of duties and responsibilities adopted by the CHC Board, including, but not limited, to the following:

- (a) Establish and implement rules, regulations, policies and procedures necessary to carry out the objectives and goals of the Health Center;
- (b) Plan for outpatient services and facilities, and other medical services to promote population health in the County of Kern;
- (c) Prepare and recommend budgets;
- (d) Coordinate with Authority departments in promoting community health efforts;
- (e) Ensure compliance with all laws, policies and requirements of governmental and legal bodies relevant to the operation of the Health Center;
- (f) Perform such duties assigned by the CHC Board and required by these Bylaws or applicable law.

Section 4.03 Performance Monitoring

The CHC Board shall conduct a formal performance evaluation of the Health Center Executive Director at least annually. In the event the CHC Board determines that the Executive Director's performance requires improvement, the CHC Board may develop a written performance improvement plan indicating areas of concern. The CHC Board may remove the Executive Director from his or her position within the Health Center. Decisions regarding the employment status of the Executive Director are retained by the Authority.

Article V: Medical Staff

Section 5.01 Medical Staff; Provider Credentialing

- (a) The organization and oversight of the Health Center medical staff shall be provided by the Authority.
- (b) The CHC Board delegates its authority to the Executive Director of the Health Center to determine if a licensed or certified health care practitioner meets credentialing requirements based on approved policies and procedure. The Executive Director shall review policies and procedures annually to ensure compliance with HRSA Primary Care regulations.

Article VI: Quality Assessment and Performance Improvement

The CHC Board shall ensure that the Health Center has an ongoing, health center-wide, data-driven program for quality assessment and performance improvement ("QAPI Program"), which reflects the complexity of the Health Center's organization and services. The QAPI Program shall involve all the Health Center services and focus on indicators related to improved health outcomes and the prevention and reduction of medical errors. The CHC Board shall ensure that the QAPI Program is defined, implemented, and maintained and that the Health Center maintain and be able to demonstrate evidence of its QAPI program for review. The Health Center shall use the data collected to (a) monitor the effectiveness and safety of services and quality of care, (b) identify opportunities for improvement and changes that will lead to improvement, and (c) ensure that a process is developed for hearing and resolving patient grievances. The CHC Board shall ensure that the QAPI Program operates in accordance with applicable law, regulations, and accreditation requirements.

Article VII: Fiscal Year

The fiscal year of the Health Center shall commence on July 1 and end on June 30.

Article VIII: Indemnification and Insurance

Directors, officers, employees, and contractors of the Health Center shall have such immunity from liability as provided by law for individuals serving in such capacity, and shall be indemnified for any loss, cost, or expense related to any claim for liability in connection with the Health Center including, without limitation, the cost of legal defense, to the extent provided by law.

The Authority shall arrange for and maintain appropriate insurance coverage for the Health Center, its officers, directors, agents, and employees. All officers, directors, agents, and employees shall be properly bonded.

Article X: Adoption of and Amendment to Bylaws

Section 9.01 Amendment of Bylaws


These Bylaws may be amended by a majority vote of the Authority Board of Governors.

APPROVED by the Kern County Hospital Authority Board of Governors on this 19 day of March, 2025.

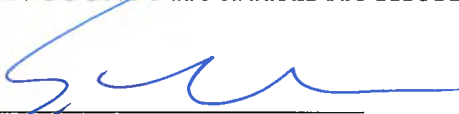
KERN COUNTY HOSPITAL AUTHORITY

By 
Chairman, Board of Governors


KERN COUNTY HOSPITAL AUTHORITY
COMMUNITY HEALTH CENTER BOARD

By 
Chairman, Board of Directors


APPROVED AS TO CONTENT:
KERN COUNTY HOSPITAL AUTHORITY

By 
Scott Thygerson
Chief Executive Officer

APPROVED AS TO CONTENT:
COMMUNITY HEALTH CENTER

By 
Renee Villanueva
Executive Director

APPROVED AS TO FORM:

By 
Karen S. Barnes
Vice President & General Counsel
Kern County Hospital Authority

**KERN COUNTY HOSPITAL AUTHORITY
COMMUNITY HEALTH CENTER
BOARD OF DIRECTORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

The Board of Directors will hold a closed session on March 26, 2025, to consider:

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Community Health Center Executive Director (Government Code Section 54957) –