



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, May 17, 2023

11:30 A.M.

BOARD TO RECONVENE

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

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

STAFF RECOMMENDATION SHOWN IN CAPS



PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on April 19, 2023 –
APPROVE

CA

- 4) Proposed reappointment of Director Stephen Pelz to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2026 –
REFER TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT

CA

- 5) Proposed Amendment No. 3 to Agreement 06222 with Tri M. Ngo, M.D., an independent contractor, for professional medical services in the Department of Radiology, for the period January 3, 2022 through January 2, 2024, increasing the maximum payable by \$1,000,000, from \$750,000 to \$1,750,000, to cover the term –
REFER TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT

CA

- 6) Proposed Engagement Letter and Professional Services Agreement with Moss Adams LLP, an independent contractor, regarding the audit of Kern County Hospital Authority Deferred Compensation Plan for Physician Employees financial statements and net assets available for benefits as of December 31, 2021 and 2022, in an amount not to exceed \$55,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Non-State Entity Service Policy and Agreement for California Network and Telecommunications Program (CALNET) with the California Department of Technology, an independent contractor, for continued participation in the NextGen CALNET program, from May 17, 2023 through May 16, 2027, in an amount estimated not to exceed \$2,000,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN ANY NECESSARY SUBCONTRACT DOCUMENTS

CA

- 8) Proposed retroactive Master Agreement with FinThrive Revenue Systems, LLC, an independent contractor, containing nonstandard terms and conditions, for professional services providing revenue cycle proof of concept from July 1, 2021 through June 30, 2027 – APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 9) Proposed Amendment No. 1 to Master Software and Services Agreement 025-2023 with 3M Health Information Systems, Inc., an independent contractor, for the period August 28, 2023 through August 27, 2028, adding a case management interface to the Electronic Health Record, as required by the state of California, increasing the maximum payable by \$163,473, from \$3,546,763 to \$3,710,236, to cover the term – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Service Contract with Sciton, Inc., an independent contractor, containing nonstandard terms and conditions, for laser device repairs, in an amount not to exceed \$22,454 for a term of one-year, effective May 17, 2023 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed appointments of Kristi Brownfield as Director of Infection Prevention and Tuesday Ochoa as Infection Preventionist – MAKE APPOINTMENTS

CA

- 12) Proposed Mayfield 2 Cranial Stabilization System IntegraLink Protection Service Agreement with Integra LifeSciences Sales, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of a Mayfield headrest for craniotomy procedures, effective May 17, 2023, in an amount not to exceed \$35,532 plus applicable tax – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 13) Report on Kern Medical Center Nurse Staffing and Recruitment – RECEIVE AND FILE

- 14) Report on Kern Medical Center Information Technology – RECEIVE AND FILE

- 15) Kern County Hospital Authority Chief Financial Officer report – RECEIVE AND FILE

- 16) Proposed Kern County Hospital Authority operating and capital budget for Fiscal Year 2023-2024 – APPROVE; REFER TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL

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

- CA
18) Monthly report on What's Happening at Kern Medical Center –
RECEIVE AND FILE
- CA
19) Miscellaneous Correspondence –
RECEIVE AND FILE
- CA
20) Claims and Lawsuits Filed as of April 30, 2023 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 21) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 22) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 23) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –
- 24) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –
- 25) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1633-M –
- 26) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521 Plaintiff/Petitioner, v. Kern County Hospital Authority, Kern Medical Surgery Center, LLC, and DOES 1-25, Defendants/ Respondents, Kern County Superior Court Case No. BCV-22-101782 JEB –
- 27) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) –
- 28) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Financial Officer (Government Code Section 54957.6) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, JUNE 21, 2023 AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

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

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

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

19) MISCELLANEOUS CORRESPONDENCE AS OF MAY 9, 2023 –

- A) Correspondence dated May 9, 2023, received from Kathleen Krause, Clerk of the Board, Kern County Board of Supervisors, concerning appointment of Cynthia (Cindy) Pollard to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2024
- B) Correspondence dated May 9, 2023, received from Kathleen Krause, Clerk of the Board, Kern County Board of Supervisors, concerning reappointment of Amir Berjis, M.D., to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2026
- C) Correspondence dated April 18, 2023, received from Chris Harkins concerning questions and comments related to Agenda Items 22 and 23 for the April 19, 2023 Board meeting (letter dated April 3, 2023, from 3C staff; undated letter from 3D staff; undated letter from Emergency Department staff)

20) CLAIMS AND LAWSUITS FILED AS OF APRIL 30, 2023 –
RECEIVE AND FILE

- A) First Amended Unfair Practice Charge in the matter of Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1633-M
- B) Claim in the matter of Christopher Harkins (dated April 10, 2023)
- C) Claim in the matter of Christopher Harkins (dated April 19, 2023)
- D) Claim in the matter of Marc Richard Radcliffe
- E) Claim in the matter of Elizabeth Gutierrez
- F) Claim in the matter of Estate of Richard Guzman; Annamaria Guzman; Rianna Gacho; Jenna Guzman; Senella Guzman
- G) Claim in the matter of Dyann Lynn Harris (dated April 10, 2023)
- H) Summons and Complaint in the matter of Alain Deveroux, Individually, and as Co-successor in Interest, and Jennifer Valle, Individually, and as Co-successor in interest of Julien Deveroux, Deceased, Plaintiffs, v. Kern County Sheriff Donny Youngblood, County of Kern, Kern County Hospital Authority, John Doe, Jane Roe, Richard Roe, Kern County Sheriff's Detention Deputy Austin McRoberts, Nurse Doe, Does 1-20 inclusive, Jointly and Severally, Defendants, United States District Court, Eastern District of California Case No. 1:23-cv-00239-JLT-CDB



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, April 19, 2023

11:30 A.M.

BOARD RECONVENED

Board Members: Alsop, Berjis, Bigler, Brar, McLaughlin, Pelz
Roll Call: 5 Present; 1 Absent - Alsop

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

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

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

MELISSA COTERA, RN, HEARD REGARDING THE TOXIC CULTURE OF NURSING LEADERSHIP, HOSTILE WORK ENVIRONMENT, AND RETALIATION, AND HER REQUEST TO THE BOARD TO MITIGATE THESE FACTORS AND HOLD NURSING LEADERSHIP ACCOUNTABLE; CHRISTOPHER OGDEN HARKINS, CLINICAL NURSE LEADER, SEIU 521 MEMBER, AND UNION STEWARD, HEARD REGARDING STAFFING, VACANT POSITIONS, AND PATIENT SAFETY ISSUES IN THE EMERGENCY DEPARTMENT, HIS TRANSFER FROM THE EMERGENCY DEPARTMENT TO AN OUTPATIENT CLINIC, AND HIS REQUEST FOR ACTION TO MITIGATE STAFFING CONCERNS; ANA PLACIO, CLINICAL NURSE LEADER IN THE EMERGENCY DEPARTMENT AND UNION MEMBER, HEARD REGARDING QUALITY OF CARE AND PATIENT SAFETY ISSUES IN THE EMERGENCY DEPARTMENT, STAFF TURNOVER THROUGHOUT THE HOSPITAL, THE ONGOING USE OF TRAVELERS, THE INABILITY TO ATTRACT QUALIFIED CANDIDATES FOR CLINICAL LEADERSHIP POSITIONS, AND STAFF COMPLAINTS OF HARASSMENT, INTIMIDATION, AND RETALIATION; NYDIA MADERA HEARD REGARDING STAFFING AND QUALITY OF CARE ISSUES ON THE 3D NURSING UNIT; PATRICIA BALDIVIA HEARD REGARDING STAFFING ISSUES, STAFF RETENTION, LACK OF RESOURCES, WORKING CONDITIONS, AND QUALITY OF CARE; TODD CAREY, SENIOR FOOD SERVICE WORKER AND SEIU 521 MEMBER, HEARD REGARDING ALLEGATIONS OF OVERPAYMENTS OF \$23 MILLION TO MERIDIAN HEALTHCARE PARTNERS AND CANTU MANAGEMENT GROUP AND HIS REQUEST TO THE BOARD TO EXERCISE ITS FIDUCIARY RESPONSIBILITY OVER BILLING, STAFFING, AND PATIENT SAFETY

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

DIRECTOR BERJIS REPORTED ON THE FIRST CAREER PATHWAYS CONFERENCE AT BAKERSFIELD COLLEGE, AND REMINDED THE BOARD OF THE 4TH ANNUAL SOUTHERN SAN JOAQUIN VALLEY REGIONAL RESEARCH FORUM AT BAKERSFIELD COLLEGE ON THURSDAY, MAY 25, 2023 AT 5:00 P.M., AND THE 67TH RECOGNITION DINNER FOR GRADUATING RESIDENTS AND FELLOWS AT THE IRON LILY ON THURSDAY, JUNE 8, 2023 AT 5:00 P.M.

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on March 15, 2023 –
APPROVED
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 4) Proposed reappointment of Director Amir Berjis, M.D., to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2026 –
REFERRED TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 5) Proposed Engagement Letter from Moss Adams LLP, an independent contractor, regarding the audit of Kern Medical Center financial statements for the fiscal year ending June 30, 2023, in an amount not to exceed \$211,350 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 6) Proposed Amendment No. 3 to Personal/Professional Services Agreement 17018 with NLeader Group, LLC, an independent contractor, for consulting services for the Medi-Cal Administrative Activities program, for the period July 1, 2018 through June 30, 2023, extending the term for two years from July 1, 2023 through June 30, 2025, and increasing the maximum payable by \$70,000, from \$105,000 to \$175,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 045-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 7) Proposed Master Services Agreement with Lenovo (United States) Inc., an independent contractor, containing nonstandard terms and conditions, for contingency purchase of computers, hardware and software from April 19, 2023 through April 18, 2026, in an estimated amount not to exceed \$1,500,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 046-2023; AUTHORIZED CHIEF EXECUTIVE OFFICER TO APPROVE FUTURE PURCHASE ORDERS
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 8) Proposed Telecommunications Services Request to Agreement 013-2028 with Charter Communications Operating, LLC, an independent contractor, for the connection of a new network circuit for the testing and education center from April 19, 2023 through April 18, 2028, in an amount not to exceed \$42,900 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 047-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 9) Proposed 85Order Form with Inmar Rx Solutions, Inc., an independent contractor, containing nonstandard terms and conditions, for pharmaceutical compliance software from April 19, 2023 through April 18, 2024, in an amount not to exceed \$10,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 048-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 10) Proposed Amendment No. 1 to Agreement 034-2022 with Antony Minasaghian, M.D., a contract employee, for professional medical services in the Department of Radiology, for the period June 8, 2022 through June 7, 2027, increasing the annual salary for a period of one year by \$75,000, and increasing the maximum payable by \$75,000, from \$4,050,000 to \$4,125,000, to cover the term, effective May 1, 2023 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 049-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 11) Proposed Master Services and License Agreement with Vendor Credentialing Service LLC, doing business as symplr, an independent contractor, containing nonstandard terms and conditions, for use of clinical and quality measuring compliance software from April 19, 2023 through April 18, 2026, in an amount not to exceed \$146,000, plus applicable taxes and travel expenses –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 050-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 12) Proposed acceptance of donation of travel and related expenses from Health Connect Partners for one Kern Medical Center employee to attend HCP23 Hospital Pharmacy Spring Conference in Indianapolis, Indiana, from May 22-24, 2023 –
APPROVED; ADOPTED RESOLUTION 2023-006
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 13) Proposed Agreement with Arturo Gomez, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery, Division of Orthopedic Surgery from April 22, 2023 through April 21, 2026, in an amount not to exceed \$4,500,000, plus applicable benefits –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 051-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 14) Proposed Agreement with Ralph Garcia-Pacheco Suarez, M.D., a contract employee, for professional medical and administrative services in the Department of Medicine from April 22, 2023 through April 21, 2026, in an amount not to exceed \$2,100,000, plus applicable benefits –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 052-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 15) Proposed Agreement with Ayham Aboeed, M.D., a contract employee, for professional medical services in the Department of Medicine, from April 22, 2023 through April 21, 2026, in an amount not to exceed \$2,000,000, plus applicable benefits –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 053-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 16) Proposed Amendment No. 2 to Agreement 07820 with Paola A. Rosa, D.O., a contract employee, for professional services in the Department of Obstetrics and Gynecology, for the period June 6, 2020 through June 5, 2023, extending the term from June 6, 2023 through July 7, 2023, and increasing the maximum payable by \$40,000, from \$1,300,000 to \$1,340,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 054-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

- CA
17) Proposed Agreement with Mark Wattenbarger Construction, Inc., an independent contractor, for modifications in the Laboratory Department to accommodate new equipment, effective April 19, 2023, in an estimated amount not to exceed \$75,053 –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 1502 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 055-2023; AUTHORIZED CHIEF EXECUTIVE OFFICER TO APPROVE ANY FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF \$68,230
Pelz-Brar: 5 Ayes; 1 Absent - Alsop
- CA
18) Proposed Master Agreement with TELCOR Inc, an independent contractor, containing nonstandard terms and conditions, for purchase of an interface system for point of care devices, effective April 19, 2023, in an amount not to exceed \$82,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 056-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop
- CA
19) Proposed Amendment No. 4 to Master Service Agreement 30718 with JDM Solutions Inc., an independent contractor, for professional consulting services related to the Cerner Millennium project, for the period November 21, 2018 through April 30, 2024, increasing the maximum payable by \$358,200, from \$3,235,180 to \$3,593,380, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 057-2023
Pelz-Brar: 5 Ayes; 1 Absent - Alsop
- CA
20) Proposed recommendation to Kern County Board of Supervisors to appoint Cynthia D. Pollard, a qualified candidate, to the Kern County Hospital Authority Board of Governors to fill the community at large member vacancy created by the resignation of Jacqui Kitchen, term to expire June 30, 2024 –
MADE RECOMMENDATION; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT
Pelz-Brar: 5 Ayes; 1 Absent - Alsop
- CA
21) Kern County Hospital Authority Chief Financial Officer report –
RECEIVED AND FILED
Pelz-Brar: 5 Ayes; 1 Absent - Alsop
- CA
22) Kern County Hospital Authority Chief Executive Officer report –
RECEIVED AND FILED
Pelz-Brar: 5 Ayes; 1 Absent - Alsop
- CA
23) Monthly report on What's Happening at Kern Medical Center –
RECEIVED AND FILED
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

CA

- 24) Claims and Lawsuits Filed as of March 31, 2023 –
RECEIVED AND FILED
Pelz-Brar: 5 Ayes; 1 Absent - Alsop

ADJOURNED TO CLOSED SESSION

Pelz-Berjis

CLOSED SESSION

- 25) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 26) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: United States ex rel. Collado, Plaintiff v. Bracco, U.S.A., Inc., et al., Defendants, United States District Court, District of New Jersey, Case No. 2:20-cv-08719-EP-JSA – SEE RESULTS BELOW
- 27) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1633-M – SEE RESULTS BELOW
- 28) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) – SEE RESULTS BELOW
- 29) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW
- 30) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW
- 31) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – SEE RESULTS BELOW
- 32) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Financial Officer (Government Code Section 54957.6) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Berjis-Brar

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 25 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR BERJIS, SECOND BY DIRECTOR MCLAUGHLIN; 1 ABSENT - ALSOP) THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING, REQUEST ADDITIONAL PRIVILEGES, AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 26 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: United States ex rel. Collado, Plaintiff v. Bracco, U.S.A., Inc., et al., Defendants, United States District Court, District of New Jersey, Case No. 2:20-cv-08719-EP-JSA – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 27 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1633-M – NOT HEARD

Item No. 28 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 29 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 30 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 31 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 32 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Financial Officer (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, MAY 17, 2023 AT 11:30 A.M.

Pelz

/s/ Mona A. Allen
Authority Board Coordinator

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



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

May 17, 2023

Subject: Proposed reappointment of Stephen Pelz to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2026

Recommended Action: Refer to Kern County Board of Supervisors to make appointment

Summary:

On June 2, 2020, Director Stephen Pelz was reappointed to the Board of Governors for a term of three years. His current term expires June 30, 2023. Members may serve an unlimited number of terms if reappointed by the Kern County Board of Supervisors.

Director Pelz, as required by the authority's Bylaws for Governance, has notified your Board Chairman in writing (attached) of his intent to seek reappointment to the Board of Governors. He is not required to submit a new application for reappointment. The Bylaws requires your Board to notify the Board of Supervisors of a member's intent to continue to serve on the Board of Governors.

Therefore, it is recommended that your Board refer this item to the Kern County Board of Supervisors to make the reappointment of Director Pelz for a three-year term expiring June 30, 2026.



May 11, 2023

Russell E. Bigler, Chairman
Board of Governors
Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306

Re: Reappointment to Kern County Hospital Authority Board of Governors

Dear Mr. Bigler:

As you may know, my term of office on the Kern County Hospital Authority Board of Governors expires June 30, 2023. Please accept this letter as notice of my intent to seek reappointment to the Board of Governors, term to expire June 30, 2026. Such notice is provided pursuant to Section 2.05 of the Kern County Hospital Authority Bylaws for Governance. Please take appropriate measures to ensure the Kern County Board of Supervisors is notified timely of my intent to continue to serve on the Board of Governors, as required by the Bylaws for Governance.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen Pelz".

Stephen Pelz



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

May 17, 2023

SUBJECT: Proposed Amendment No. 3 to Agreement #06222 with Tri M. Ngo, M.D., an Independent Contractor, for Professional Medical Services in the Department of Radiology

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting that your Board approve Amendment No. 3 to Agreement #06222 with Tri M. Ngo, M.D., for professional medical services in the Department of Radiology. Dr. Ngo has provided services as an independent contractor with Kern Medical since January 3, 2022.

As a result of turnover within the Department of Radiology, the volume and workload per physician has increased. As an independent contractor, Dr. Ngo is paid for each shift that he works and because of the turnover within the department, has worked more shifts than originally contemplated. This amendment increases the maximum payable by \$1,000,000 to \$1,750,000. The contracted rates are based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents reasonable and fair market value compensation for the services provided by Dr. Ngo.

Therefore, it is recommended that your Board approve Amendment No. 3 to Agreement #06222 with Tri M. Ngo, M.D., for professional medical services in the Department of Radiology, increasing the maximum payable by \$1,000,000, from \$750,000 to \$1,750,000, to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 3
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Tri M. Ngo, M.D.)**

This Amendment No. 3 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2023, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Tri M. Ngo, M.D., a sole proprietor (“Contractor”), whose principal place of business is located at 10321 Finchley Avenue, Westminster, California 92683.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #06222, dated February 14, 2022), Amendment No. 1 (Agt. #47122, dated August 1, 2022), and Amendment No. 2 (Agt. #078-2022, dated July 20, 2022) (“Agreement”), for the period January 3, 2022 through January 2, 2024, for professional medical services in the Department of Radiology at KMC; and

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

(c) The Agreement is amended effective May 17, 2023;

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

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

“4.2 Maximum Payable. The maximum payable under this Agreement shall not exceed \$1,750,000 over the two (2) year term of this Agreement.”

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

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

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

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

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

CONTRACTOR

By 
Tri M. Ngo, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

Amend3.Ngo.051023



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

May 17, 2023

Subject: Proposed Engagement Letter and Professional Services Agreement with Moss Adams LLC to audit the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The Authority sponsors the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees (the "Plan"), an Internal Revenue Code Section 401(a) defined contribution, money purchase retirement plan, for eligible physician employees of Kern Medical Center.

The Plan provides that a Pension Committee appointed by your Board shall oversee administration of the Plan. The Pension Committee has the sole and exclusive fiduciary responsibility over the assets of the Plan, and is responsible to administer the Plan in a manner that will assure prompt delivery of benefits and to hold the Plan's assets for the exclusive purposes of providing benefits to the Plan participants and their beneficiaries.

Section 8.3 of the Plan states the Pension Committee has all of the powers and duties necessary to accomplish these purposes including recommending to your Board the appointment of any service provider that the Pension Committee determines is necessary or desirable in connection with administration of the Plan, including auditors.

Historically the Kern County Auditor-Controller audited the Plan every two years. The last audit was in 2021, for the Plans year ending December 31, 2020, 2019, 2018, 2017 and 2016. The Pension Committee recommends that your Board engage Moss Adams LLC to audit the financial statements of the Plan, which comprise the statements of net assets available for benefits as of December 31, 2021 and 2022.

Fees for the audit services are estimated at \$45,000. In addition to the audit fees, we will be charged for expenses including a flat expense charge, calculated as 5% of the audit fees (\$5,000), to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel and related expenses, estimated not to exceed \$5,000, will be billed separately and are not included in the 5% charge.

Therefore, it is recommended that your Board approve the Engagement Letter and Professional Services Agreement with Moss Adams LLC to audit the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees, effective May 17, 2023, in an amount not to exceed \$55,000, and authorize the Chairman to sign.

May 17, 2023

Kern County Hospital Authority Deferred Compensation Plan for Physician Employees
1700 Mount Vernon Avenue
Bakersfield, CA 93306

Re: Audit and Nonattest Services

This engagement letter (“Engagement Letter”) and the attached Professional Services Agreement, which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP (“Moss Adams,” “we,” “us,” and “our”) will provide to Kern County Hospital Authority Deferred Compensation Plan for Physician Employees (“you,” “your,” and “Plan”).

Scope of Services – Audit

You have requested that we audit the financial statements of the Plan, which comprise the statements of net assets available for benefits as of December 31, 2021 and 2022, and the related statements of changes in net assets available for benefits for the years then ended (respectively), and the related notes to the financial statements.

Scope of Services and Limitations – Nonattest

We will assist you in drafting the financial statements and related footnotes, including proposing adjustments to year-end accruals, if applicable, as of December 31, 2021 and 2022, and for the years then ended (respectively).

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

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

It is our understanding that Andrew Cantu, CFO and Pension Plan Committee Secretary has been designated by the Plan to oversee the nonattest services and that in the opinion of the Plan is qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area

arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

Timing

Stephen Redmond is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin our audits on July 10, 2023, complete fieldwork on July 28, 2023. As we reach the conclusion of the audits, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors, and (4) you will provide a draft of the Form 5500 that is substantially complete prior to the date of the report of independent auditors.

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

Fees

We estimate that our fees for the services will not exceed \$45,000 for the audits as described above.

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, estimated not to exceed \$5,000, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals, estimated not to exceed \$5,000, will be billed separately and are not included in the 5% charge.

Reporting

We will issue a written report upon completion of our audits of the Plan's financial statements as of and for the years ended December 31, 2021 and 2022. Our report will be addressed to the Board of Governors of the Plan. We will report on whether the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the audits. Depending on the nature of these circumstances it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the years ending December 31, 2021 and 2022.

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

Very truly yours,



Stephen Redmond, for
Moss Adams LLP

Enclosures

Accepted and Agreed:

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of Kern County Hospital Authority Deferred Compensation Plan for Physician Employees with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: _____

Print Name: _____

Title: _____

Date: _____

PROFESSIONAL SERVICES AGREEMENT

Non Section 103(a)(3)(C) Benefit Plan Audit and Nonattest Services

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services that Moss Adams will provide to the Plan. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

Objectives of the Audit

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The Auditor's Responsibility

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we are independent of the Plan and that we meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

As part of our audit, we will perform certain procedures, as required by U.S. GAAS, directed at considering the Plan's compliance with applicable Internal Revenue Code ("IRC") requirements for tax-exempt status, including whether management has performed relevant IRC compliance tests, and has corrected or intends to correct failures. As we conduct our audit, we will be aware of the possibility that events affecting the Plan's tax status may have occurred.

If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, direct confirmation of certain investments, plan obligations, and certain other assets and liabilities by correspondence with financial institutions, actuaries, and other third parties. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws or regulations that are attributable to the Plan or to acts by management or employees acting on behalf of the Plan that may have a direct financial statement impact. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws or

regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, noncompliance with the provisions of laws or regulations, or instances of tax noncompliance that come to our attention during the course of our audit, unless clearly inconsequential. You should understand, however, that our audit is not designed to, nor is it intended to determine the Plan's overall compliance with the applicable provisions of the IRC. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

In conjunction with obtaining an understanding of the Plan's internal control, we will request reports on internal control ("System and Organization Control for Service Organizations reports") from the Plan's third party service providers. The Plan's use of service providers who do not have System and Organization Control for Service Organizations reports for the period under audit, have inadequate reports, or have control exceptions documented in their reports may impact the estimated fees of the engagement. Service providers are not required to furnish System and Organization Control for Service Organizations reports. However, our inability to obtain information regarding the Plan's processes and controls from third party providers would be considered a scope limitation and may affect our ability to provide an opinion on the financial statements. If we are unable to issue an opinion on the financial statements, we will notify you immediately.

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

Management's Responsibility for Financial Statements

As a condition of our engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America which includes the determination of the appropriate value of investments. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, but management remains responsible for the financial statements.

Management also acknowledges and understands that management is responsible for:

- the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, the safeguarding of assets, and if applicable, the acceptance of the actuarial methods and assumptions used by the actuary. Informing us about all known or suspected fraud affecting the Plan involving: (a) Plan management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, regulators or others.
- adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- maintaining a current plan instrument, including all plan amendments.
- administering the Plan and determining that the Plan's transactions that are presented and disclosed in the Plan's financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.
- identifying and determining that the Plan complies with the laws and regulations applicable to its activities.
- informing us about related party transactions, including transactions with parties in interest,
- evaluating whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for the time period set by the applicable financial reporting framework.
- making all financial records and related information available to us, and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement, management will provide us with:
 - access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, whether obtained from within or outside of the general and

subsidiary ledgers (including all information relevant to the preparation and fair presentation of disclosures), such as records, documentation, and other matters;

- a draft of Form 5500 that is substantially complete prior to the date of our auditor's report;
- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the Plan from whom we determine it necessary to obtain audit evidence.

Management's Responsibility to Notify Us of Affiliates (EBP)

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

- the sponsor of a single employer employee benefit plan;
- an entity with a direct financial interest in the Plan Sponsor when that entity has significant influence over the Plan Sponsor, and the Plan is material to such entity;
- any employer participating in a multiple employer employee benefit plan;
- an entity, such as a union or a group association of employers, that has significant influence over a multiemployer employee benefit plan, if the plan is material to the entity;
- A participating employer who is the plan administrator of a multiple employer employee benefit plan

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

Other Information Included in an Annual Report

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

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

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. You have not engaged us to report on key audit matters, and the Agreement does not contemplate Moss Adams providing any such services. You agree we are under no obligation to communicate key audit matters in the auditor's report.

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

Dissemination of Financial Statements

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

Changes in Professional or Accounting Standards

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

Representations of Management

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

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

Fees and Expenses

The Plan acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;
- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Limitation on Liability

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Regulatory Access to Documentation

The documents created or incorporated into our documentation for this engagement are the property of Moss Adams and constitute confidential information. However, we may also be requested to make certain engagement related documents available to the DOL pursuant to authority given to it by law or regulation. If requested and in our opinion a response is required by law, access to such engagement related documents will be provided under the supervision of Moss Adams personnel. Furthermore, upon request, we may provide photocopies of selected engagement related documents to the DOL. The DOL may intend, or decide, to distribute the photocopies of information contained therein to others, including other government agencies.

Document Retention Policy

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your Plan records are the primary records for your operations and comprise the backup and support for the Plan's financial reports and tax returns. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Electronic Communication

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

Enforceability

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Plan. The Plan agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which Moss Adams provides services to the Plan, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written Agreement or terminate their relationship, whichever occurs first.

Use of Moss Adams' Name

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

Use of Nonlicensed Personnel

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

Use of Subcontractor and Affiliate

We may retain subcontractors and/or our affiliate, Moss Adams (India) LLP, to assist us in providing our services to you. These entities may collect, use, transfer, store, or otherwise process information provided by you or on your behalf ("Client information") in the domestic and foreign jurisdictions in which they operate. All of these entities are required to protect the confidentiality of any Client information to which they have access in the course of their work. We will be responsible for their performance in accordance with the terms of this Agreement.

Dispute Resolution Procedure, Venue and Limitation Period

This Agreement shall be governed by the laws of the state of California, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

Each party hereby irrevocably consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in Kern County, state of California, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Termination

This Agreement may be terminated by either party, with or without cause, upon thirty (30) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination, (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute access letters satisfactory to Moss Adams prior to reviewing our files.

Hiring of Employees

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

Mutual Waiver of COVID-19 Claims

This provision addresses issues regarding the novel coronavirus ("COVID-19"). The Parties acknowledge their respective understanding of the hazards of COVID-19, including, but not limited to, its highly contagious nature and the corresponding health risks associated with being exposed to or infected by COVID-19. Each Party agrees to waive, release, discharge, and covenants not to sue the other Party or its affiliates and its and their respective officers, directors, partners, principals, employees, agents, or subcontractors from any and all claims, damages, expense, liability, illness or losses that may occur from exposure to or infection by COVID-19 arising out of, related to, or in any way connected with the professional services provided by Moss Adams.

Liability of Kern County Hospital Authority

The liabilities or obligations of Kern County Hospital Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Kern County Hospital Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. (Health & Saf. Code, § 101853, subd. (g).)



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

May 17, 2023

Subject: Proposed Non-State Entity Service Policy and Agreement (NESPA) for California Network and Telecommunications Program (CALNET) with the California Department of Technology.

Recommended Action: Approve; Authorize Chief Executive Officer to sign Agreement and any other necessary subcontract documents.

Summary:

Kern Medical requests your Board approve the new NextGen NESPA to continue participating in the CALNET program. Kern Medical is currently part of a CALNET3 agreement that offered through a variety of vendors including AT&T, T-Mobile, and Verizon. AT&T is the current vendor providing the services through the CALNET program. Participating in the CALNET program provides the hospital with significant wireless and internet service discounts. In order to continue to receive these discounts, the Board must certify that Kern Medical qualifies to participate by approving the NESPA.

Solution Description	Term	Estimated Yearly Cost	Estimated Total
NextGen CALNET	48 months	\$500,000	\$2,000,000

Therefore, it is recommended that your Board approve the proposed NESPA to allow Kern Medical to continue in the NextGen CALNET program, for a term of forty-eight (48) months, effective May 17, 2023 through May 16, 2027, with an estimated maximum payable of \$2,000,000, authorize the Chairman to sign, and authorize the Chief Executive Officer to sign any necessary subcontract documents.

**DEPARTMENT OF TECHNOLOGY
NON-STATE ENTITY SERVICE POLICY AND AGREEMENT (NESPA)**

The California Network and Telecommunications Program (CALNET) service offerings are primarily intended to meet State entity requirements. However, CALNET services may be purchased by qualified non-State entities. To use the CALNET next generation of contracts, non-State entities are required to self-certify that their organization qualifies for one of the CALNET eligibility criteria below.

Authorized Entity Criteria

Please select one of the following:

- Local government entities are defined as "any city, county, city and county, district or other governmental body empowered to expend public funds for the acquisition of goods" per Public Contract Code Chapter 2, Paragraph 10298 (a) (b). While the State makes this contract available to local governmental entities, each local governmental entity should determine whether this contract is consistent with its procurement policies and regulations.
- Entirely 100% tax supported entity
- A governmental entity with a Joint Powers Agreement (JPA)
- Federally recognized Indian Tribe

NON-STATE ENTITY INFORMATION

REQUESTING NON-STATE ENTITY ORGANIZATION NAME

Kern County Hospital Authority

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE SIGNING ON BEHALF OF NON-STATE ENTITY

Scott Thygerson, Chief Executive Officer

STREET ADDRESS

1700 Mount Vernon Avenue

CITY, STATE, ZIP CODE

Bakersfield, CA 93306

CONTACT PHONE NUMBER

661-326-2102

EMAIL ADDRESS

contracts@kernmedical.com

I certify under penalty of perjury the requesting entity meets the NESPA "Authorized Entity Criteria" selected above.

NON-STATE ENTITY SIGNATURE

DATE

CDT/CALNET PROGRAM

CUSTOMER CODE:

Approved As To Form:
Legal Services


Revised 03/12/20



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

May 17, 2023

Subject: Proposed retroactive Master Agreement for Professional Services with FinThrive Revenue Systems, LLC (“FinThrive”).

Recommended Action: Approve; Authorize the Chief Executive Officer to sign.

Summary:

Kern Medical requests your Board approve the proposed retroactive Master Agreement for Professional Services with FinThrive, as the former company, SSG that Kern Medical was receiving these services from, SSG Sub, LLC, split into two separate companies. FinThrive is requiring that we enter into this proposed agreement to cover the original term. The total cost is \$0 over the term of the contract.

FinThrive will provide a proof-of-concept that will include services to implement Insurance Discovery Solutions that will help find additional coverage for patients that standard eligibility services miss. The Solution leverages patented data mining technology to query and deliver automated reports that identify billable coverage for accounts that are not, in some cases, captured on the front end.

This proposed retroactive Master Agreement is for a Proof of Concept implementation only. The implementation will include up to 1,000 referred accounts including Medicaid, Medicare, TRICARE, and Commercial Primary Coverage, Secondary Coverage, and Commercial Coordination of Benefits Coverage. FinThrive will prepare test demographics, historical demographics, and an initial summary overview report that should show the capacity for increased revenue that we are unable to capture on the front end. This data is integrated with Cerner data with 3rd party systems and will provide a proof of concept for the effectiveness of the reports that will identify billable coverage for accounts not captured on the front end, increasing net revenue. Kern Medical staff will review the proof of concept and have 90-days to evaluate the effectiveness and whether or not it meets Kern Medical’s expectations.

Counsel is unable to approve as to form due to non-standard terms which include the limitation of liability to the amounts paid pursuant to the Agreement which includes the Business Associates Agreement. Efforts were made to negotiate with the vendor, but to no avail.

Therefore, it is recommended that your Board approve the proposed retroactive Master Agreement for Professional Services with FinThrive Revenue Systems, LLC providing proof of concept in the Kern Medical’s Revenue Cycle from July 1, 2021, to June 30, 2027, with a maximum payable of \$0, and authorize the Chief Executive Officer to sign.

**MASTER AGREEMENT BETWEEN
KERN COUNTY HOSPITAL AUTHORITY AND FINTHRIVE REVENUE SYSTEMS, LLC**

This MASTER AGREEMENT (the "Agreement") between FinThrive Revenue Systems, LLC ("FinThrive"), a Delaware limited liability company, and Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC") (collectively shall be named "Client"), is effective July 1, 2021 (the "Effective Date"). The Agreement shall be in effect commencing on the Effective Date and shall remain in effect until every Statement of Work ("SOW") duly entered into hereunder expires or is terminated (the "Term").

FinThrive and its affiliates, including but not limited to FinThrive Healthcare, Inc. and Pelitas, LLC (collectively, shall be deemed "Vendor") offer products and services which assist customers in improving business processes, operating margin, and cash flow. Vendor and Client are deemed a "Party" and collectively, the "Parties". In the event a Vendor affiliate enters into a binding SOW with Client pursuant to the terms of this Agreement, such entity shall also be deemed a "Party" hereunder.

Client (i) owns healthcare facilities and wishes to enter into an agreement for the Vendor Service(s) described in the SOW(s), and (ii) represents that it has authority to bind each Client to this Agreement and that this Agreement is binding on each Client.

The Parties agree as follows:

1. Definitions.

"Client" means those entities participating under any SOW which are listed as Clients in such SOW.

"Client Data" means any data or information transmitted by Client, to Vendor in connection with the Vendor Service(s).

"Deliverable(s)" means any report or other output that Vendor delivers to Client as set forth in the applicable SOW. Deliverable(s) do not include any Vendor Technology or any Vendor Proprietary Information.

"Intellectual Property Rights" means the patent rights, copyright rights (including, but not limited to, moral rights), trademarks, trade secret rights, and any other intellectual property rights recognized by the law of any applicable jurisdiction.

"Vendor Service(s)" means Vendor's professional, consulting, or contracting services, and any Vendor Technology or Deliverable(s) identified under any SOW.

"Vendor Technology" means any software or software-as-a-service applications that Vendor provides to Client under any SOW including all documentation. Vendor Technology also include any technology required for the applications to function, including but not limited to any tangible or intangible aspects such as processes, logic, techniques, algorithms, content, protocols, or business processes.

"Proprietary Information" means: (i) the terms of this Agreement and its Exhibits, Schedules and SOW(s); (ii) each Party's business processes and plans; (iii) Client Data provided to Vendor; (iv) Vendor Technology; and (v) any other information which is disclosed to another Party which by its nature should reasonably be considered as confidential or proprietary.

"SOW" or "Statement of Work" means any document(s) Vendor and Client have executed pursuant to this Agreement that describes any of the Vendor Service(s) which are provided to Client.

2. Agreement Attachments. The following attachments, and any future documents executed by the Parties pursuant to the terms hereof, are an integral part of this Agreement and are incorporated by reference:

- Exhibit A: Business Associate Agreement
- Exhibit B: POC Insurance Discovery for Providers

3. Compensation.

3.1 Payment for Vendor Service(s). Client shall pay Vendor the fees set forth in the SOW(s) as consideration for the Vendor Service(s). The Parties acknowledge that any modification to the "Clients" set forth in any SOW may require

a change in fees charged, and that any change in fees not otherwise provided for in any SOW shall be mutually agreed to by the Parties in writing.

3.2 Taxes Excluded. Unless otherwise stated, Vendor fees do not include any local, state, federal or foreign taxes, levies or duties of any nature ("Taxes"). Client is responsible for paying all Taxes, excluding only Taxes based upon Vendor's net income. If Vendor has the legal obligation to pay or collect Taxes for which Client is responsible under this section, the appropriate amount shall be invoiced to and paid by Client unless Client provides Vendor with a valid tax exemption certificate authorized by the appropriate taxing authority.

3.3 Terms of Payment. Vendor shall submit invoices for the services set forth in any SOW entered into pursuant to the terms of this Agreement. Client shall remit payment within 30 days from the invoice date via electronic payment or Automated Clearing House ("ACH") direct to Vendor. Client agrees that it shall not use a third-party payer for any such payment. Vendor reserves the right to suspend the services set forth in any SOW in the event Client has any unpaid past-due invoices with Vendor or any of Vendor's affiliates.

3.4 Expenses. Client shall reimburse Vendor for all pre-approved reasonable travel and lodging expenses Vendor incurs in performing the services set forth in any SOW.

3.5 Consumer Price Index ("CPI"). Vendor, in its sole discretion, may annually increase the fees set forth in any SOW by an amount equal to the lesser of: (i) the Annual CPI; or (ii) 5%. "Annual CPI" means average CPI for the previous 12-month Period in the Professional Services Component of the Medical Index of the "All cities-All urban consumers" index of the Consumer Price Index prepared by the Bureau of Labor Statistics of the United States Department of Labor. Notwithstanding the foregoing, Vendor will not apply the CPI annual increase to any contingency fees for services set forth in a SOW.

3.6 Third-Party Pass-Through Fees. Vendor shall pass through to Client any third-party licensing fees applicable to the services set forth in any SOW. Any third-party licensing fees shall be set forth in a SOW or through written notice prior to any such fee becoming due and owing.

3.7 Third-Party Access to the Vendor Technology. Access to Vendor Technology is only for the listed number of Client users. Users must be employees of Client. No third-party access is permitted to Vendor Technology, without Vendor's prior written consent. Vendor may, in its sole discretion, permit third-party access to consultants or other service providers of Client's on a case-by-case basis and such third-party access may require additional licensing fees. Vendor reserves the right to deny access to any third party that competes with Vendor. Client must not permit or attempt to permit any Vendor competitor or any unauthorized third-party to access, view, interact with, evaluate, or otherwise use Vendor Technology without Vendor's prior written consent. Vendor may immediately disable any unauthorized access from its systems.

4. Change Requests and Cooperation.

4.1 Project Changes. All statements concerning the estimated time to perform the Vendor Service(s) are good faith estimates based upon information available at the time made. Each SOW is subject to equitable adjustment upon any material change in such information, the occurrence of an excusable delay (as provided in Section 4.2), or upon any modification of the scope, timing or level of Vendor Service(s) that the Parties agree to in writing. Any change in scope that modifies the fees or the project schedule must be agreed to in writing by the Parties.

4.2 Failure to Cooperate. If Client impedes or delays completion of the Vendor Service(s) by: (i) failing or delaying to provide necessary information, equipment or access to facilities to Vendor; (ii) failing to complete required tasks or perform its obligations under this Agreement, for any reason; or (iii) providing materially untrue or incorrect information; then Vendor's failure or delay in completion shall be excused.

4.3 Support Exclusions. Vendor has no obligation to provide ongoing support services for: (i) any professional service provided by Vendor outside of the scope of any SOW; (ii) any third-party computer program, technology, or hardware; (iii) any customized services, other than as specifically set forth in any SOW; (iv) any customized services arising out of or relating to a change in Client's systems or data; or (v) any Vendor Solution that is not the most recent version or release and Client has been notified of the update.

5. Client Commitments. Client shall: (i) be available to assist Vendor's personnel by answering questions and promptly providing requested documents; (ii) participate in Vendor Service related meetings; (iii) contribute to system and data integrity testing; and (iv) assist Vendor with any activities or tasks required to complete the Vendor Service(s).

Client represents and warrants that it has the lawful right to disclose to Vendor any information, ideas, suggestions or other feedback being provided to Vendor in the course of this Agreement, regardless of whether written or oral (collectively, the "Feedback"). Further, Client agrees that Vendor is the exclusive owner of the Feedback; and Client irrevocably and unconditionally assigns to Vendor and its successors, and assigns, all right (including, without limitation, sublicensing rights), title, and interest in and to all Feedback.

6. Confidentiality.

6.1 Treatment of Proprietary Information. Each Party, as a recipient of Proprietary Information (a "Recipient"), shall: (i) hold all Proprietary Information in confidence; (ii) not disclose any Proprietary Information to any person outside of the Recipient's business organization (except to Recipient's contractors and consultants in connection with the Recipient performing its obligations under this Agreement and only if the Recipient's contractors and consultants are subject to appropriate nondisclosure obligations consistent with the obligations in this Section 6); (iii) only disclose Proprietary Information within its organization on a "need-to-know" basis to individuals who understand the confidential nature of the Proprietary Information; and (iv) treat the Proprietary Information with the same degree of care regarding its secrecy and confidentiality as Recipient treats confidential information within its business organization, but in no event, less than a reasonable degree of care. Proprietary Information remains the property of the disclosing Party, and its disclosure to the Recipient creates only a limited right for the Recipient to use the Proprietary Information in furtherance of its obligations under this Agreement or as otherwise provided for herein.

6.2 Exceptions. Recipient's confidentiality and nondisclosure obligations do not apply to any information that:

- (i) is or becomes publicly available (other than by a breach of this Agreement), including any information filed with any governmental agency and available to the public;
- (ii) is obtained from a third party that to its knowledge is legally entitled to disclose the information;
- (iii) Recipient can document it knew before the disclosing party disclosed the information; or
- (iv) Recipient can document it developed independently of any disclosure made by the disclosing party.

6.3 Legal Obligations to Disclose. If Recipient is requested or required by a subpoena, court order, or other legal or regulatory requirement to disclose any Proprietary Information, then Recipient may disclose any portion of the Proprietary Information that its counsel recommends is required to be disclosed. The Recipient shall promptly notify the disclosing Party in writing of the obligation to disclose so that the disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. Vendor is aware that Client is a government entity and is subject to the California Public Records Act, *Cal. Govt. Code §6250 et seq.*, the Brown Act, *Cal. Govt. Code §54950 et seq.*, and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

6.4 Client Data. All Client Data is Proprietary Information of Client. Client represent and warrant that it will only provide to Vendor the data that it owns, or has the right and license to use. Client grants to Vendor and any current or future Vendor affiliate, a non-exclusive, fully-paid, royalty-free, and irrevocable right and license to use and modify Client Data. The use and modification of any such Client Data that is subject to the Department of Justice Guidelines on aggregation of pricing data will be in compliance with these Guidelines if applicable. From time-to-time, Vendor may deploy Client Data into its performance lab for purposes of testing updates, upgrades, or new functionality.

Additionally, any use of Protected Health Information must be in full compliance with: (i) HIPAA; (ii) the HITECH Act; (iii) corresponding California privacy laws, and (iv) any Business Associates Agreement entered into by the Parties during the Term.

6.5 HIPAA. The Parties agree to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Confidentiality of Medical Information Act as set forth in Exhibit A.

6.6 Information Security Incidents. In the event either Party experiences an Information Security Incident, it shall promptly notify the other Party. For the purposes of this paragraph, an "Information Security Incident" means any actions or omissions including but not limited to ransomware, malware, and data breach incidents that compromise the security, confidentiality, or integrity of any safeguards put in place that relate to or impact data and systems of the Parties that interact. Upon receiving such notice, such Party may immediately suspend access to its systems, services and products until such time as it reasonably determines there is no longer a security risk.

6.7 Duration of Obligations. This Section 6 governs any disclosure of Proprietary Information made during the Term. The nondisclosure obligations of the Recipient under Section 6.1 remain in effect for a period of 36 months following the expiration or termination of this Agreement provided, however, that the nondisclosure obligations for Vendor Technology shall survive in perpetuity.

6.8 Regardless of any provision in this Agreement that conflicts or may appear to conflict:

- (i) Nothing in this Agreement prohibits Client from disclosing information in order to comply with a court order, subpoena, or similar legal process, or from providing truthful testimony in connection with a legal proceeding, including any proceeding conducted by a state or federal agency, provided that any confidential information disclosed is designated and otherwise treated as confidential; and
- (ii) Client shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Accordingly, Client may disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. may also disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

7. **Warranty.**

7.1 Warranties of Vendor. Vendor represents and warrants that: (i) the Vendor Service(s) will be performed in a professional manner; (ii) any Vendor Technology provided under this Agreement will reasonably conform in all material respects to the specifications agreed to by the Parties during the term of the applicable SOW (the "Warranty Period").

7.2 Sole and Exclusive Remedy. Client's sole and exclusive remedy, and Vendor's sole and exclusive liability, for a breach of the representations and warranties in Section 7.1 are: (i) the specific support services in the applicable SOW; (ii) repeating or reprocessing of the Vendor Service(s) (if possible) by Vendor at no additional charge; or (iii) termination pursuant to the terms of Section 10.2.

7.3 Disclaimers. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS AGREEMENT, VENDOR EXPLICITLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED BY LAW, USAGE OF TRADE, COURSE OF DEALING OR OTHERWISE, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE TECHNOLOGY IS PROVIDED "AS IS." CLIENT UNDERSTANDS AND AGREES THAT NEITHER VENDOR NOR ITS SUPPLIERS IS ENGAGED IN THE PRACTICE OF MEDICINE. THE SERVICES ARE NOT A SUBSTITUTE FOR PROFESSIONAL MEDICAL REVIEW AND JUDGMENT. CLIENT IS RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL PATIENT, VISIT AND OTHER INFORMATION AND/OR DATA IN OR GENERATED BY THE TECHNOLOGY OR THE SERVICES BEFORE ACTING ON OR ALLOWING IT TO BE USED FOR CLINICAL PURPOSES. VENDOR IS NOT RESPONSIBLE FOR AND SHALL HAVE NO LIABILITY FOR CLAIMS BY KERN OR OTHERS RELATING TO: (I) THE ACCURACY OF DATA ORIGINATING FROM THIRD PARTY CONTENT DATABASES OR SYSTEMS THAT HAVE BEEN INTEGRATED WITH VENDOR TECHNOLOGY, (II) ANY DATA ENTERED OR PROVIDED BY CLIENT OR ANY USER OF TECHNOLOGY, INCLUDING THE ACCURACY OF CODES, (III) ANY BODILY INJURY OR DEATH RESULTING FROM CLIENT'S OR ANY HEALTHCARE PROVIDER'S RELIANCE ON THE PATIENT INFORMATION IN OR GENERATED BY THE TECHNOLOGY OR THE SERVICES, OR (IV) BACKUP AND RECOVERY OF ANY DATABASE AND ANY STORED DATA.

7.4 Third-Party Providers' Warranties. Vendor Technology may contain content provided by third-parties (each, a "Third-Party Provider"). To the extent permitted or required by a Third-Party Provider, Vendor will pass through all terms and conditions from Third-Party Providers directly to Client including any warranties.

8. **Indemnification, Insurance and Limitation of Liability.**

8.1 General Indemnification. Each Party shall defend, indemnify, and hold the other harmless against all claims, losses, damages and costs, including reasonable attorneys' fees and expenses, arising out of any action brought by any third-party in connection with any negligent act, omission or breach of any obligation under this Agreement by the

indemnifying party or by any of that party's employees, officers or agents. Neither Party is responsible for losses incurred by reason of the other Party's negligence or willful misconduct.

8.2 Intellectual Property Indemnification.

- 8.2.1 Exclusive Remedy. The provisions of this Section 8.2 state the sole and exclusive obligations and liability of Vendor and its licensors and suppliers (including Third-Party Providers) for any patent, copyright, trademark, trade secret or other intellectual property rights infringement arising out of or relating to the Vendor Technology.
- 8.2.2 Indemnity. Except as set forth in Section 8.2, Vendor agrees to defend at its expense and pay any final judgment or settlement in connection with any third-party claim based on infringement or misappropriation of U.S. copyrights, U.S. patents, trade secrets, or other proprietary rights of any third party arising out of the Vendor Technology. Vendor's indemnification obligations are contingent upon: (i) Client promptly notifying Vendor of the claim; (ii) Vendor having the sole authority to defend or settle the claim; and (iii) Client providing reasonable assistance in connection with the defense of the claim at Vendor's expense.
- 8.2.3 Indemnity Exclusions. Vendor has no obligation with respect to any claim of infringement that is based upon or arises out of: (i) Client's unauthorized use or combination of the Vendor Technology with any hardware, software, products, data, or other materials not provided by Vendor; (ii) Client's use of the Vendor Technology other than in accordance with Vendor's written directions or policies given to Client; or (iii) any components or content provided by any Third-Party Provider.
- 8.2.4 Right to Procure or Modify. If a claim of infringement under this Section 8.2 occurs, or if Vendor determines that a claim is likely to occur, then Vendor has the right, in its sole discretion, to either: (i) procure for Client the right or license to continue to use the Vendor Technology free of the infringement claim; or (ii) modify the Vendor Technology to make it non-infringing. If these remedies are not reasonably available to Vendor, then Vendor may, at its option, terminate the applicable SOW and return any prepaid fees for Vendor Service(s) not yet rendered.

8.3 Insurance. Vendor shall maintain the below coverage with coverage underwritten by an insurance carrier with an A.M. Best KCHA rating of no less than "A-". All insurance coverages shall not be cancelled or materially amended with less than 30 days' prior written notice to Client.

- 8.3.1 Commercial General Liability Insurance. Vendor shall maintain on occurrence basis forms: (i) primary commercial general liability insurance to cover Vendor and its employees for bodily injury and property damage to third parties in an amount not less than \$1 million per occurrence and \$2 million general aggregate; (ii) products-completed operations in an amount not less than \$2 million aggregate; (iii) blanket contractual liability in an amount of not less than \$1 million per occurrence; and (iv) personal and advertising injury in an amount not less than \$1 million per occurrence.
- 8.3.2 Workers' Compensation/Employer's Liability Insurance. Vendor shall maintain workers' compensation coverage as required by statute, which (unless otherwise agreed to by Vendor and Client) shall be in the form of a workers' compensation insurance policy. Vendor shall maintain employer's liability insurance in an amount not less than: (i) \$1 million per accident; (ii) \$1 million for disease policy limit; and (iii) \$1 million disease coverage per employee.
- 8.3.3 Commercial Automobile Liability Insurance. Vendor shall maintain primary commercial automobile liability insurance to cover Vendor and its employees for bodily injury and property damage to third parties arising from the ownership, maintenance, or use of an owned, non-owned, or hired vehicle in an amount not less than \$1 million combined single limit.
- 8.3.4 Umbrella Liability Insurance. Vendor shall maintain an umbrella liability or excess liability insurance policy of not less than \$5 million per occurrence and \$5 million aggregate, in addition to the required commercial general liability, employer's liability, and commercial automobile liability coverages.
- 8.3.5 Professional Liability Insurance. Vendor shall maintain professional liability insurance covering financial loss resulting from:

- (i) any negligence or error or omission involving Vendor's technology utilized in the rendering of professional services under the Agreement, as applicable, in an amount not less than \$5,000,000 per occurrence and \$5,000,000 annual aggregate; and
- (ii) any security or privacy incident or breach, network security failure, data damage, destruction or corruption, unauthorized access, unauthorized use, virus transmission, denial of service, unauthorized disclosure of nonpublic personal or corporate information, or loss of income from, in the rendering professional services under the Agreement, as applicable, in an amount not less than \$5,000,000 per occurrence and \$5,000,000 annual aggregate.

8.4 Limitation of Liability. Client acknowledges that Vendor's consulting services are advisory in nature and that should Client desire to implement any recommendations made, Client is solely responsible for the results therefrom. Client is solely responsible for its compliance with state and federal statutes, laws, regulations, policies or other governmental regulations including Medicare reimbursement, and accurate and complete code assignment. Vendor is not liable for claims attributable to any errors, omissions, or other inaccuracies in the information or material contained in the Client Data or data Vendor receives from third-parties. EXCEPT FOR CLIENT'S FAILURE TO PAY FOR THE VENDOR SERVICE(S), THE MAXIMUM LIABILITY OF EITHER PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT, REGARDLESS OF LEGAL THEORY (WHETHER IN CONTRACT, TORT OR OTHERWISE), SHALL NOT EXCEED THE SUM OF \$500,000. THE FOREGOING LIMITATION DOES NOT APPLY TO A PARTY'S BREACH OF THE BUSINESS ASSOCIATE AGREEMENT. EXCEPT FOR GROSS NEGLIGENCE OR WILFULL MISCONDUCT, THE MAXIMUM LIABILITY OF EITHER PARTY ARISING OUT OF OR RELATED TO A BREACH OF THE BUSINESS ASSOCIATE AGREEMENT, REGARDLESS OF LEGAL THEORY (WHETHER IN CONTRACT, TORT OR OTHERWISE), SHALL NOT EXCEED THE SUM OF \$1,000,000.

IN NO EVENT SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE FOR INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE VENDOR SERVICE(S) (including, without limitation, any damages for lost or damaged files or data, lost profits, lost savings, or loss of business opportunity or goodwill), EVEN IF INFORMED OF THE POSSIBILITY IN ADVANCE.

The liabilities or obligations of Client with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Client and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)

This limitation of liability is fundamental to this Agreement. The Parties reviewed and bargained these terms and neither Party would be willing to enter into this Agreement without this limitation.

9. General Licensing Terms for Vendor Technology.

9.1 Ownership. The Vendor Technology is (are) the exclusive property of Vendor. Vendor retains all right, title, and interest in its intellectual property rights related to the Vendor Technology. The Vendor Technology are licensed and not sold. Each SOW may further define specific licensing terms related to the use and access to the Vendor Technology and corresponding Deliverable(s).

9.2 Limited License Grant. These licensing terms apply only to Client accessing the Vendor Technology under each applicable SOW. Subject to the payment of all fees due, and Client's compliance with the licensing terms. Vendor grants to Client, and Client accepts, a non-transferable, non-exclusive, limited license to access and use any Vendor Technology provided under any SOW for Client's internal business purposes for the Term of the applicable SOW (the "License"). The License is only valid in the United States and its territories. Upon first access to the Vendor Technology, Client may be presented with additional terms and conditions related to the particular Vendor Technology (the "Clickwrap"). Client acknowledges that access to the Vendor Technology by one of its representatives (as evidenced by the associated username and password) is sufficient to bind Client to any terms and conditions contained in any Clickwrap. Except for the express licenses granted in this Agreement or an applicable Clickwrap, no other licenses or rights are granted by Vendor to Client in the Vendor Technology. Notwithstanding the foregoing, Sections 7, 8, 9, nor the fees due under any SOW may be modified by the Clickwrap agreement.

9.3 License Restrictions. Except as otherwise provided for in this Agreement, or an applicable SOW, Client shall not and shall not permit a third-party to: (i) use the Vendor Technology, or any portion of the Vendor Technology, for any unlawful purpose; (ii) market, sublicense, publish, distribute, lend, transfer, or otherwise make the Vendor Technology, or any components or output from the Vendor Technology, available to any third-party; (iii) alter, maintain, enhance, modify, or create derivatives of the Vendor Technology; (iv) remove any trademark, copyright, or proprietary notices; (v) copy, decompile, disassemble, or otherwise reverse engineer the Vendor Technology or perform any similar

means or actions to discover the source code or trade secrets in the Vendor Technology; (vi) use the Vendor Technology as a substitute for the medical judgment of a physician or qualified healthcare provider; (vii) use the Vendor Technology to provide service bureau, time sharing, or other computer services to third-parties; (viii) circumvent any technological measures that control access to the Vendor Technology; or (ix) use the Vendor Technology to benefit any party other than Client.

9.4 Third-Party Intellectual Property Rights. Third-Party Providers may retain independent intellectual property rights in any content they provide which is contained in the Vendor Technology, and may provide additional terms and conditions related to their provided content.

10. Termination.

10.1 Termination of Agreement for Breach. If any Party breaches any material provision of this Agreement (excluding any SOW), then the non-breaching Party shall provide written notice of the breach to the other Party. If the breaching Party fails to cure the breach within 30 days after receiving written notice, then the non-breaching Party may terminate the Agreement, and all attached SOWs, in its sole discretion, by providing a letter of termination to the breaching Party specifying the exact date of termination.

10.2 Termination of any SOW for Breach. If any Party breaches any material provision of any SOW, then the non-breaching Party to the SOW shall provide written notice of the breach to the other Party to the SOW. If the breaching Party fails to timely cure the breach within 30 days after receiving written notice, then the non-breaching Party may terminate only the applicable SOW, in its sole discretion, by providing a letter of termination to the breaching Party specifying the exact date of termination of the SOW.

10.3 Effect of SOW Expiration or Termination. Expiration of any SOW's term, or termination of any SOW, does not terminate this Agreement, or any remaining SOWs, unless the terminating or expiring SOW is the last-remaining SOW in effect, in which case its termination or expiration will terminate the Agreement.

11. General Provisions.

11.1 Statutory Audit Rights for Services. In connection with 42 U.S.C. § 1395x(v)(1)(I) (and the implementing regulations set forth at 42 C.F.R. §§ 420.300-.304), and until the expiration of four years after the furnishing of the Vendor Service(s), Vendor shall grant to the Secretary of the Department of Health and Human Services, the Secretary's duly-authorized representative, the Comptroller General of the United States, or the Comptroller General's duly-authorized representative, the right to review any and all books, documents, and records as may be necessary to certify the nature and extent of the costs of the services in excess of \$10,000 per year. If Vendor performs any of its duties under this Agreement by way of a subcontract with a related organization, and the value or cost of those subcontracted duties is \$10,000 or more over a 12-month period, then that subcontract shall contain a clause to the same effect as this Section 11.1.

11.2 Compliance with Law. Throughout the Term each Party's respective performance under this Agreement shall comply with all applicable federal, state, and local laws and regulations.

11.3 Staffing. Vendor shall have sole discretion to utilize Vendor's global colleagues to assist in any provision of Vendor Services.

11.4 Subcontractors. Vendor may use subcontractors as necessary to provide the Vendor Services.

11.5 Force Majeure. The performance of any obligations to be performed under this Agreement (other than an obligation to pay money or issue credit) is excused to the extent that performance is prevented or delayed by an act of God or the public enemy, terrorism, insurrections, riots, fire, explosion, flood, government order, or other reasonably unforeseeable causes beyond the control and without fault or negligence of the Party so affected and if, by the exercise of due diligence, the Party is unable to prevent or overcome the event. The Party so affected must give prompt written notice to the other Party of the cause and take whatever reasonable steps are necessary to relieve the effect of the cause as rapidly as possible.

11.6 Facsimile/Electronic Mail. All documents pertaining to this Agreement may be executed by the exchange of faxed executed copies, certified electronic signatures or copies delivered by electronic mail in Adobe Portable Document Format or similar format. Any signature transmitted by those shall be deemed an "original signature". All

documents pertaining to this Agreement may be executed in two or more counterparts, but all of which, taken together, shall constitute one and the same instrument.

11.7 Governing Law. This Agreement will be governed by, and construed and interpreted according to, the substantive laws of the State of California.

11.8 Independent Contractor. The relationship of Vendor to Client created by this Agreement is that of an independent contractor; there is no relationship of agency, partnership, joint venture, employment, or franchise between the Parties.

11.9 Non-Solicitation. No Party may knowingly, directly or indirectly, solicit, recruit, or otherwise encourage any employee of the other Party to leave his or her employment with that other Party for any reason. This restriction applies during the Term and for a period of 12 months after the termination or expiration of this Agreement. The preceding sentence does not, however, prohibit either Party from: (i) soliciting employment by placement of general advertisements for employees on any internet site, in newspapers, or via other media of general circulation not specifically directed at the employees of the other Party; or (ii) soliciting persons identified through employment search firms that are not specifically directed at the employees of the other Party.

11.10 Notices. Any notices or other communications required or permitted to be given under this Agreement shall be in writing and delivered by personal delivery, overnight courier service, or registered or certified mail (return receipt requested, postage prepaid). Notices are deemed to have been given on the later of: (i) the date when personally delivered; (ii) the date which immediately follows the date of delivery to an overnight courier service; or (iii) the date which is 7 days from the date of deposit in the United States Postal Service in the manner described in this Section 11.9. Notices shall be addressed as indicated below, and either Party may change its address in accordance with this Section 11.9.

If to Vendor:

Attn: Legal/Contracting
FinThrive Revenue Systems, LLC
200 North Point Center East, Suite 400
Alpharetta, GA 30022

If to Client:

Attn: Legal/Contracting
Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA, 93306

11.11 Publicity/Use of Marks. Vendor may include Client in its listing of clients and may announce Client's selection of Vendor to perform the Vendor Service(s) in its marketing communications. Except as otherwise agreed to by the Parties in writing, neither Party may: (i) use each other's trademarks or service marks; or (ii) make any press release or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement without the other Party's prior written consent, except as required under applicable law or by any governmental agency, in which case the Party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the press release or public disclosure prior to issuing the press release or making the public disclosure.

11.12 Severability. In the event that any provision of this Agreement is held to be illegal, or otherwise unenforceable, that provision shall be severed and the remainder of the Agreement shall continue in full force and effect; provided, however, that if the severing of that provision results in a material alteration of this Agreement, the Parties shall equitably adjust the remaining provisions of this Agreement so that no Party benefits disproportionately.

11.13 Assignment. Vendor shall not assign this Agreement without Client's consent, except that it may freely assign, in whole or in part, this Agreement and any rights or obligations thereunder, and any SOW thereunder, to Vendor's parent or any affiliate thereof, or as part of a direct or indirect change of control transaction. Kern shall not assign this Agreement without Vendor's consent. except that it may freely assign, in whole or in part, this Agreement and any rights or obligations thereunder, and any SOW thereunder, to Client's parent or any affiliate thereof, or as part of a direct or indirect change of control transaction Any attempt to assign this Agreement without proper consent will be of no effect. Subject to the foregoing, this Agreement is for the benefit of, and will be binding upon, the Parties' respective successors and permitted assigns.

11.14 Survival. The provisions of Sections 6 (Confidentiality), 7 (Warranty), 8 (Indemnification and Limitation of Liability 9.1 (Ownership) and 11 (General Provisions) survive the termination or expiration of this Agreement. Additionally, undisputed obligations to pay for goods or services provided prior to the expiration or termination of this Agreement, or expiration or termination of any SOW, survive and are payable within 30 days of the effective date of the expiration or termination.

11.15 Waiver. The waiver of any breach of any term or condition of this Agreement does not waive any other breach of that term or condition or of any other term or condition, unless agreed to in a writing signed by the Parties.

11.16 Entire Agreement and Amendment. This Agreement, together with all attached Exhibits, Schedules, and SOWs, contains the entire understanding between the Parties with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect to the subject matter of this Agreement including, but not limited to, the Agreement for Professional Services between Kern County Hospital Authority and FinThrive Revenue Systems, LLC (successor-in-interest to nThrive Solutions, Inc.) dated October 8, 2002. The express terms of this Agreement, together with all attached Exhibits, Schedules, and SOWs, control and supersede any course of performance or usage of the trade inconsistent with any of the terms of this Agreement. This Agreement, any Exhibit, any Schedule, or any SOW may not be modified or amended other than by an agreement in writing signed by both Parties. In the event of a conflict between the terms of this Agreement and the terms of any SOW, then the terms of the SOW will control.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives as of the Effective Date.

FINTHRIVE REVENUE SYSTEMS, LLC

KERN COUNTY HOSPITAL AUTHORITY

Dan Mulligan
 Signature
 Dan Mulligan
 Printed Name
 Chief Legal Officer
 Title
 4/21/2023
 Date

 Signature
 Scott Thygeron
 Printed Name
 Chief Executive Officer
 Title

 Date

**APPROVED AS TO CONTENT
KERN MEDICAL CENTER**

 Signature
 Andrew Cantu
 Printed Name
 Chief Financial Officer
 Title

 Date

**APPROVED AS TO FORM
Legal Services Department**

REVIEWED ONLY

 Signature

 Printed Name
 Legal Services Department
 Title

 Date

EXHIBIT A TO THE MASTER AGREEMENT BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**BAA**”) is entered into by and between the Kern County Hospital Authority on behalf of Kern Medical Center (“**Covered Entity**”) and FinThrive Revenue Systems, LLC and its affiliates (collectively “**Business Associate**”) (each a “**Party**” and collectively the “**Parties**”), effective as of the Effective Date (the “**Effective Date**”).

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.

AGREEMENT

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 I 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 Agreement**”), 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 Agreement 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 e-PHI 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 three (3) business 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) business 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, reasonable 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 out-of-pocket 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 those Individuals whose unencrypted social security numbers were disclosed as the result of a Breach) 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) business 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) business 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, to the extent applicable, 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) business 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. Business Associate shall maintain appropriate auditing and monitoring procedures to evaluate its facilities and processes for compliance with applicable industry standards, laws and government regulations. Once per contract year during the term of Underlying Agreement, Covered Entity may request completion of a security questionnaire or similar survey-type assessment to evaluate Business Associate's compliance with the provisions in this Section. Completion of the questionnaire/survey-type assessment will not include provision of any internal audit work papers or proprietary documentation. In addition, Business Associate shall provide any readily available third party attestation report (e.g. SOC 2 report) or certification documentation that was produced for the purpose of distribution to external parties, such as Business Associate's customers, upon request. The products and data centers included in the scope of such reports or certifications are determined by Business Associate in its sole discretion.

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 Agreement and shall provide grounds for immediate termination of the Underlying Agreement, any provision in the Underlying Agreement to the contrary notwithstanding.

4.2.2 Covered Entity may terminate the Underlying Agreement, 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 HIPAA 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 any Underlying Agreement, 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 fifteen (15) 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 any Underlying Agreement 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 any Underlying Agreement 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 consistent with industry standard.

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 HIPAA, 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 Agreement Provisions. In the event that a provision of this BAA is contrary to a provision of an Underlying Agreement, the provision of this BAA shall control to the extent required for the Parties to comply with HIPAA, the HIPAA Rules, or the HITECH Act. Otherwise, this BAA shall be construed under, and in accordance with, the terms of such Underlying Agreement, and shall be considered an amendment of and supplement to such Underlying Agreement.

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. 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.

Covered Entity's Notice Address:

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

Business Associate's Notice Address:

FinThrive Revenue Systems, LLC
200 North Point Center East, Suite 400
Alpharetta, GA 30022
Attn: Legal/Contracting

5.13 Relationship of Parties. Notwithstanding anything to the contrary in any Underlying Agreement, Business Associate is an independent Consultant 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 any Underlying Agreement.

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 of 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 Consultants may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures, and records, as may be necessary for such agents or Consultants 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 agreement, binding on both Parties hereto.

**EXHIBIT B TO THE MASTER AGREEMENT
POC INSURANCE DISCOVERY FOR PROVIDERS**

1. Insurance Discovery Project Implementation & Services Scope

1.1. Detail Implementation Services Scope. FinThrive shall provide services to implement the identified solutions as listed:

Scope of Service	
Insurance Discovery	
<u>Insurance Discovery solutions to be implemented:</u>	
INCLUDED	<p>Insurance Discovery for KCHA FinThrive's Insurance Discovery solution is a post-service insurance discovery solution that helps healthcare organizations find additional coverage that standard eligibility services miss. The solution leverages patented data mining technology with hundreds of query permutations to deliver a series of automated, customizable reports that identify billable coverage for accounts that are not, and in some cases, cannot be captured on the front end.</p>
<u>Insurance Discovery Implementation Scope:</u>	
Implementation Scope Details	<p>Implementation will include the following:</p> <p>Accounts to be referred</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Up to 1,000 referred accounts <p>Product Suite to be Reported</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Medicaid, Medicare, TRICARE, and Commercial Primary Coverage <input checked="" type="checkbox"/> Medicaid and TRICARE Secondary Coverage <input checked="" type="checkbox"/> Medicare and Commercial Coordination of Benefits Coverage <p>Delivery Method to be Implemented</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> TBD post Proof of Concept
Standard Reporting Delivery Model	<p>Standard delivery model has been listed below. Any additional request will be considered out of scope and require additional time to be added to the project timeline.</p> <ul style="list-style-type: none"> • One file per facility will be provided.

1.2. Project Methodology. FinThrive project methodology consists of 4 major phases and related milestones:

- (i) Planning Phase. Involves information gathering, review, and validation. This process varies depending upon KCHA resource availability, data quality, and uniqueness. ***Project/Go-Live timeline will be determined upon completion of the Readiness Phase.***
 - a) Kick-off and KCHA resources identified;
 - b) Project planning;
 - c) KCHA provision of data and information per FinThrive implementation Specification; and
 - d) EDI and KCHA set up documentation completion.
- (ii) Implementation Phase. The implementation phase entails the following:
 - a) File load/validation;
 - b) EDI processing; and
 - c) Initial findings delivery.

- (iii) Evaluation Phase. KCHA validates the success of this pilot:
 - a) KCHA will have 90-days to evaluate the effectiveness; and
 - b) KCHA will engage with FinThrive on valuating the per transaction price for an on-going basis.
- (iv) Rollout Phase. The rollout phase entails the following:
 - Automation of data file delivery

FinThrive will prepare and distribute a detailed project plan containing all tasks at the beginning of the project following an initial kick-off and joint planning discussions. FinThrive and KCHA project managers will mutually agree on project dates.

1.3. Major Project Deliverables. The following table outlines the key activities and deliverables to be produced during the implementation period. Project milestones that are missed by KCHA may result in project schedule delays and Go-Live date. "Go Live" occurs upon KCHA's production access, which shall be defined as the KCHA's receipt of user credentials and confirmation of connectivity to the production database. Such confirmation shall be effective as of the date of the confirmation email sent by FinThrive to KCHA.

Key Deliverable	Phase	Deliverable Description	Primary Owner	
			FinThrive	KCHA
Insurance Discovery Project				
Project Plan	Readiness	Jointly develop a detailed project plan with target milestone due dates and resource owners.	✓	✓
FinThrive Implementation Specification	Readiness	KCHA to prepare the following files per the FinThrive specification: <ul style="list-style-type: none"> • Test Demographic file • 		✓
Review and Validate Data	Readiness	FinThrive to validate the test files and provide approval to KCHA.	✓	
Coverage Discovery and Coverage Validation	Implementation	KCHA to provide historical demographic	✓	✓
Intentionally Omitted				
Initial Summary	Implementation	FinThrive to schedule and provide Initial Summary overview report.	✓	
KCHA Evaluation Period to Determine Success				
Go Live	Roll Out	FinThrive to configure weekly reporting and KCHA to configure ongoing demographic delivery.	✓	✓

2. **KCHA Required Resources & Responsibilities.** The proper implementation of the FinThrive solution is dependent upon KCHA resources providing timely and quality deliverables. Any resource constraints or delays in meeting deliverable dates and requirements may result in an overall delay in Go-Live date (or other key milestones) and may require an amendment to this SOW.

2.1 KCHA Resource Requirements. KCHA agrees to provide the following resources:

Role	Responsibilities	Involvement	
		Implementation	On-going Post Implementation

Project Sponsor	Provide oversight, governance, decision making and escalation resolution.	Yes	Limited – as needed
Project Manager	Primary point of contact, coordinate tasks, schedules, deliverables, issues, and facilitate key KCHA-side decisions.	Yes	Limited
IT Resource	Data resource to pull test and historic files and to automate data files.	Yes	Limited- as needed
Subject matter experts (Business Office)	May include <ul style="list-style-type: none"> • Billing office manager/lead • EDI Paperwork contact • Remote access request contact • Medicare 835 (Remit) Contact 	Yes	Limited – as needed
Business Office FTE Resources	Primary users that will review, load, and bill coverage delivered back by FinThrive	Yes	Yes

2.2 KCHA Responsibilities. KCHA shall:

- (i) Allocate resources as required by the project plan.
- (ii) Provide FinThrive and its representatives access to facilities and department personnel as needed.
- (iii) All documents requiring KCHA signoff will be reviewed and approved by the authorized KCHA personnel in a timely manner.
- (iv) KCHA must use FinThrive sFTP site for the submission of demographic, payment, notes, and Medicare 835 files.



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

May 17, 2023

Subject: Proposed Amendment No. 1 to the Master Software and Services Agreement (025-2023) with 3M Health Information Systems Inc., an independent contractor for coding software, reimbursement logic and an encoder for additional integration with the electronic health record.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment to the Master Software and Services Agreement with 3M Health Information Systems, Inc. to send data through an interface into the electronic health record (EHR) to populate the working Diagnosis Grouper data for inpatient length of stay management for all payers.

Regulatory requirements will require that California's public hospitals move to a payment by Diagnosis Related Groupers for Medi-Cal payers from the current model of contracted rates. This will require a close monitoring of the patient's length of stay. The interface to the EHR will populate the case management module and the expected length of stay can be monitored and reported.

Encoders are software programs that help guide the coder through the various coding conventions and rules to arrive at a correct diagnosis, procedural, or service code. The encoder and APR/DRG grouping software is a vital piece of the revenue cycle. It aids in accuracy, compliance, coding productivity, and reimbursement functions. Coding is required for claims to be submitted for payment.

Therefore, it is recommended that your Board approve the proposed Amendment No. 1 to the Master Software and Services Agreement with 3M Health Information Systems Inc., to run concurrent with the current term of August 28, 2023 to August 27, 2028, to increase the maximum payable by \$163,473 for the additional services increasing the maximum payable \$3,546,763 to \$3,710,236, and authorize the Chairman to sign.



AMENDMENT 1 TO THE MASTER SOFTWARE AND SERVICES AGREEMENT

THIS AMENDMENT to the Master Software and Services Agreement, dated **March 15, 2023** (the "Agreement") between **3M Health Information Systems, Inc.** ("3M") having an office at 575 West Murray Boulevard, Murray, Utah 84123-4611 and **Kern County Hospital Authority** ("Client") with offices at **1700 Mount vernon Avenue, Bakersfield, CA 93306** is effective on the date last signed ("Effective Date").

Client and 3M agree that the above referenced Agreement is amended as follows:

1. Except as provided in this Amendment, all terms and conditions of the above referenced Agreement will remain in full force and effect.
2. AMEND Schedule 1-1, the Annuity Products Fee Schedule, with the actions contained on the Schedule attached below.

Client has read this Amendment, and when applicable, each Exhibit, and Attachment hereto. To indicate the parties' acceptance and agreement to be bound by the terms and conditions of this Amendment, 3M and Client have executed this Amendment on the date(s) indicated below, to be effective as of the date first indicated above.

KERN COUNTY HOSPITAL AUTHORITY

3M HEALTH INFORMATION SYSTEMS, INC.

BY:	BY:
NAME: Russell Bigler	NAME: <u>John C Mathison</u> ^{SK}
TITLE: Chairman, Board of Governors	TITLE: HIS Operations
DATE:	DATE: May 10, 2023

PLEASE EMAIL OR FAX YOUR PURCHASE ORDER IN THE AMOUNT OF **\$44,945.00** AND THE SIGNED AMENDMENT TO:
HISILVERSPRINGCONTRACTREQUESTS@MMM.COM OR (651) 732-8469

ISSUE DATE / BY:	GPO:	BATCH NUMBER:	CLIENT SITE ID:	AGREEMENT NUMBER:	CLIENT EMR:
4/28/2023 EM	*****	Q29391	2930294	O39391-23	Cerner - Millennium
	VERSION: MSSA				

APPROVED AS TO FORM
Legal Services Department

By [Signature]
Kern County Hospital Authority

PROPRIETARY 3M CONFIDENTIAL TRADE SECRET, COMMERCIAL OR FINANCIAL INFORMATION.

Do not release or disclose any information in this document under any Open Records Act, Freedom of Information Act, or equivalent law. Release or disclosure is prohibited without 3M consent. Immediately report any request to 3M.

SCHEDULE 1-1

S/O ITEM	CPU ACTION	SKU	AUTHORIZED SITE PRODUCT DESCRIPTION	SITE TYPE LIST PRICE	TOTAL 1 ST YR ANNUAL & ONE TIME FEE
--	WEB	----	KERN MEDICAL CENTER--1700 MT. VERNON AVE, BAKERSFIELD, CA 6007598	Install/Access Site	
1.	Add	CDIS WKCODEIF-A	CDIS Working Codes Outbound Interface A	\$13,564.00	\$13,564.00
2.	Add	CDIS WKCODEIF-A I&T	CDIS Working Codes Outbound Interface A I&T*	\$7,743.00	\$7,743.00
3.	Add	CDI A-S OB INTFC	Clinical Documentation Integrity Auto-Suggested Data Outbound Interface	\$16,068.00	\$16,068.00
4.	Add	CDI A-S OB INTFC I&T	Clinical Documentation Integrity Auto-Suggested Data Outbound Interface I&T*	\$7,570.00	\$7,570.00
SITE SUBTOTAL:					\$44,945.00

FEE SUMMARY:

ANNUAL SOFTWARE LICENSE & SUPPORT FEES:	\$29,632.00
*TOTAL ONE TIME, IMPLEMENTATION & TRAINING FEES:	\$15,313.00
**CONSULTING SERVICE FEES:	\$0.00
TOTAL THIS SCHEDULE:	\$44,945.00

The fees stated above are guaranteed for a period of sixty (60) days from the Issue Date of this Schedule or December 31, 2023, whichever occurs first, unless this Schedule is fully executed prior to such date. Client acknowledges and agrees the fees shown above include discounts for Client's commitment to a term. 3M reserves the right to rescind the multi-year discount and re-price the 3M Product(s) on this Schedule in the event Client elects a term less than stated above.

In the event Client delays implementation of any module of Software or scheduling of Services, at no fault of 3M, for more than one hundred fifty (150) days from the execution date of being added to this Schedule, 3M may, at its option, increase the price of such 3M Product(s) to the then-current list price or 3M may terminate any such 3M Product(s) from this Schedule.

I&T = Implementation and Training PI = Phone Installed CI = Customer Installed

1. **The Software and Services** for the CDIS Working Codes Outbound Interface A and the Clinical Documentation Integrity Auto-Suggested Data Outbound Interface are to be provided to Client by 3M in accordance with the terms and conditions of the Agreement, the attached Statement of Work, and the additional terms and conditions set forth below:

A. Payment Schedule.

1. **Implementation and Training, and Services.** The first year's Implementation and Training, and Services fees shall be invoiced as follows:

Milestone	Description	Invoice Code
50% upon Effective Date (non-refundable fee)	Bill upon Effective Date of Agreement/Amendment	EFFECTDATE
50% upon Go-Live	Bill upon Go-Live/Installation/Implementation/Delivery	GOLIVE

2. **Software.** The first year's software fees shall be invoiced as follows:

Milestone	Description	Invoice Code
100% upon Go-Live	Bill upon Go-Live/Installation/Implementation/Delivery	GOLIVE

2. **Attachment 1, CDI Auto-Suggested Outbound Interface and CDIS Working Codes Outbound Interface A, 3M Authorized Use Cases, Destination Systems, Licenses, and General Scope and Objectives, attached below.**

PROPRIETARY 3M CONFIDENTIAL TRADE SECRET, COMMERCIAL OR FINANCIAL INFORMATION.

Do not release or disclose any information in this document under any Open Records Act, Freedom of Information Act, or equivalent law. Release or disclosure is prohibited without 3M consent. Immediately report any request to 3M.

**ATTACHMENT 1
 CDI AUTO-SUGGESTED OUTBOUND INTERFACE
 AND
 CDIS WORKING CODES OUTBOUND INTERFACE A
 3M AUTHORIZED USE CASES, DESTINATION SYSTEMS, LICENSES, AND GENERAL SCOPE AND OBJECTIVES**

The Scope of Work that 3M Health Information Systems (“HIS”) will provide to Client includes the installation of and training for the following products and services as outlined in the above Amendment:

Background

3M includes within the 360 Encompass System license the necessary license and approval for Client to use the 3M proprietary APRDRG methodology to create (“Standardized Data”), as well as the associated length of stay data derived from the use of the APRDRG methodology, along with other licensed 3M content, interfaces, and materials for the 3M use case of Billing exclusively within the Clients EMR, and billing systems. Any additional use cases and destinations require advance 3M approval and an additional license for each approved use case, destination, or third party.

Restrictions

Client’s data that has been standardized using 3M Clinical Documentation Integrity System (“Standardized Data”). The Standardized Data may not be sent to any other system (owed by Client or a third party) and many not be leveraged for any other use-case (e.g., Data Warehouse, Case Management, Performance management, Analytics or Reporting, Audits, or related services), and any other use not expressly authorized herein is strictly prohibited. 3M expressly forbids Client to use, permit to use, or transfer to a third party for use of Standardized Data in or with any deep learning, artificial intelligence, public cloud service, or data lake(s) or for any use which would potentially reverse engineer, assess or leverage machine learning, analytics, or related artificial intelligence technologies for any reason. For clarity this restriction includes client, subcontractor, partner, consultants, and external parties regardless of 3M licenses and use cases approved and acquired by client.

3M Approved System Destinations, Use Cases, and Licenses

The following licensed and Additional Use Case(s), destinations and systems are granted by this addendum:

System Destination	Use Case	Data Elements Requested	3M License Required for requested use case
Cerner Millennium CDI Module	Clinical Documentation Improvement only within Cerner Millennium	MSDRG, MSDRG based GLOS and/or APRDRG, APRDRG based GLOS	APRDRG for Cerner Millennium CDI module
Cerner Millennium Acute Case Management module	Patient Acute Case Management within Cerner Millennium to support discharge planning	MSDRG, MSDRG based GLOS and/or APRDRG, APRDRG based GLOS	APRDRG for Cerner Millennium Case Management module

Interface License and Scope

Subject to the terms of the Client Master Agreement and 3M Software Interface License Agreement, the annual Interface license will send to CERNER MILLENIUM Systems for use exclusively for use-cases (purposes) of: Billing, Case management and CDI within Cerner Millenium’s modules, via 3M’s interface subject to 3M’s approved use and restrictions.

Interface Use Restrictions

Client agrees that by enabling this working codes interface that Client agrees not to permit the use of the working code data by any third party or for an unapproved use cases (including by Cerner Millenium or by Client) and will direct any internal or third parties that may wish to use the “Standardized Data” via this feed, that use is prohibited without an appropriate license, and Client agrees to notify 3M and the third party that they must contact 3M to enter into an appropriate license agreement with 3M directly to support their data and/or use-case needs. If Client allows the Standardized Data to be passed to a third party directly or indirectly, or if the Standardized Data is in any way used for a use-case not specifically authorized in this agreement, 3M has the right to terminate this agreement, and disable the interface with 30 days written notice to Client. Client also acknowledges that 3M also would have the right to pursue an appropriate license, and potential legal remedies, for the use by Client and/or the third party which may include retrospective payments or other penalties associated with the unlicensed usage. 3M reserves the right to decline any use-case request, or third party based on its sole judgement and/or ability to reach terms for an appropriate license.

Standardized Data accuracy or completeness

3M does not guarantee the accuracy or completeness of the Standardized Data or of the Standardized Data received by CERNER MILLENIUM. The CDIS Working Codes Outbound Interface outputs many data elements, including both MS-DRG and APR-DRG values, via an HL7 interface from the 360 Encompass System (360) to Cerner Millennium's CDIS module. This interface includes all data elements as specified on the 'Working Codes Outbound' tab inside the latest '3M 360 Encompass Working Codes Outbound Interface' specifications document.

This interface includes Autosuggested Working DRG data for the content and use cases approved by 3M and licensed above on a periodic interval. Autosuggested Working DRG data will be sent from 3M to the approved destination systems once per day. Client is responsible to work with approved systems and use cases to ensure that receiving systems correctly update and manage the updates to leverage the Autosuggested Working DRG data appropriately (including not overwriting more accurate or complete data).

This interface, by design, does not include all aspects of the 3M content including the methodologies and documentation as to the rational, determination methods or criteria, subjective assessment, or the ability to regroup or re-calculate, or clinical evidence associated with the normalization. These, and other aspects of the methodologies are reserved for use within the 3M solution(s) and/or require a license for an additional product or solution from 3M. This is listed as informational purposes to ensure the limitations associated with interfaced data are understood and that 3M technologies are required for more advanced use of the methodologies, structured data, and clinical AI.

Detailed Scope of Work

This Amendment provides for 3M services to update the existing 360 Encompass configuration to send an additional 3M standard outbound feed of human reviewed Working DRG normalized data, including 3M proprietary data, exclusively for the approved and licensed use cases, destination systems, and users. No other use within the approved systems, or transfer of this data to any 3rd parties is permitted.

During the build of Client's 360 Encompass system the 360 CDIS Working Codes Outbound Interface will be built, configured, and tested together with other HL7 inbound and outbound interfaces. 3M Project management for this interface and other 3M resources required to support the project tasks associated with this interface will be provided by the current 3M 360 Encompass implementation team.

Included Services

The following represents the scope elements and services that 3M will provide to enable the interface to meet the scoped requirements.

- Creation of the 360 CDIS Working Codes Outbound Interface in the 360 Encompass Pre-Production and Test environments.
- Implementation and configuration required within the 360 CAC application and HealthShare to support the new interface in the Pre-Production environment.
- Integrated testing of the 360 CDIS application and interface in the Pre-Production environment.
- Implementation and configuration required within the 360 CAC application and HealthShare to support the new interface in the Test environment.
- Integrated testing of the 360 CDIS application and interface in the Test environment.
- The 360 CDIS Working Codes Outbound Interface will go live as part of the 360 Encompass Go Live as the 360 Pre-Production system is converted to Production utilization.

Assumptions

3M Personnel from the 360 Encompass Project will implement this interface as an integrated part of the 360 Project plan.

- Tasks to implement this interface will be assimilated into the 3M 360 project plan.
- 360 Encompass deliverables will include results of the installation, configuration, and testing of this interface.
- The 360 Client Validation Training will include tasks related to this interface for Client to confirm proper operation and output of data.
- 360 CDIS management training will include this interface as a training topic.
- Resources from the Client 360 Encompass project team will support the installation of this interface alongside previously contracted 360 Encompass HL7 interfaces.
- Client will provide appropriate interface specialists to ensure that outbound results from this interface are properly routed from 360 to the enterprise interface engine or destination systems/modules bridges.
- Client and client approved system vendor resources will be responsible for ingesting and routing the data from the interface engine and/or to the bridges to the Cerner Millennium CDIS module.



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

May 17, 2023

Subject: Proposed Service Contract with Sciton, Inc.

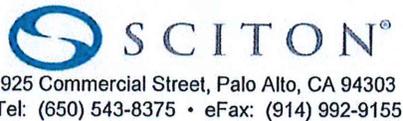
Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Service Contract with Sciton, Inc. for repairs on a laser device located at an ambulatory clinic. The current device is entirely out of commission and has been leaking and needs repair. This is a one-time payment in the amount of \$22,454 for a one (1) year service agreement with no additional fees or charges for this agreement.

Counsel is unable to approve as to form due to non-standard terms which include the limitation of liability to the amounts paid pursuant to the Agreement, interest on late payments, indemnification only of vendor, no insurance obligations of vendor, and no right to cancel. Efforts were made to negotiate with the vendor, but to no avail.

Therefore, it is recommended that your Board approve the proposed Service Contract with Sciton, Inc. for professional services, for a term of one (year) beginning on the signature date, in an amount not to exceed \$22,454, and authorize the Chairman to sign.



925 Commercial Street, Palo Alto, CA 94303
Tel: (650) 543-8375 • eFax: (914) 992-9155

Kern Medical
1700 Mt. Vernon Ave
United States

Service Coverage Renewal for System Serial: 14590
Expiration Date 3/1/2023

Dear Valued Customer,

The Service Contract coverage on your Sciton system will be expiring on the date as referenced above. We believe you will make a wise investment in your valuable equipment by extending this maintenance contract. Your system is a complex instrument that provides the superior performance necessary to take your practice of medicine into tomorrow. However, this system ages with time and usage. We believe that our service program provides several important benefits:

1. It will reduce the probability of unexpected system failure which may force you to reschedule your patients, resulting in costly delay and frustration.
2. It will assist you with support of proper maintenance records to bolster your case should you become exposed to any unplanned medical litigation.
3. It will protect you from large unplanned service costs and preserve your exposure to a predictable budget.

Sciton offers a choice of coverages; **Premium** or **Basic**.

Premium Contract - Maximum coverage

- Includes all travel and labor
- 100% coverage for parts
- Includes one free Preventive Maintenance (PM). This PM is conducted at your request and convenience. The PM will include services necessary to ensure the proper performance of your system. These services include software update, full optical alignment, complete power calibration, filters/cartridges replacement, optical clean-up, mechanical integrity check, high/low voltage testing and inspection of all accessories.

Basic Contract - Limited coverage

- 25% discount from the Premium Plan
- \$1,500 deductible for travel and labor per service call
- 100% coverage for parts + \$50 shipping charge for each shipment of part(s)
- Does not include PM

Sciton offers the flexibility of monthly and quarterly payment with a processing fee of \$25 per payment. Please see the enclosed quotation, and payment schedule for more details. Systems that are out of warranty or not under service contract will need to complete a \$1,950 inspection service call and pass the inspection to qualify for this program.

To move forward, please select the coverage option you prefer and return the signed Service Contract Quotation and Payment Authorization Form via one of following methods:

Email: joshua.tatro@sciton.com
EFax: (914) 992-9155

Mail:
Joshua Tatro
Sciton Inc.
925 Commercial Street
Palo Alto, CA 94303

Please do not hesitate to contact me if you have any questions or concerns.

Best,

Joshua Tatro
Sciton Service
Phone: (650) 543-8363
EFax: (914) 992-9155
joshua.tatro@sciton.com

Service Contract Quotation

To: **Kem Medical**
 1700 Mt. Vernon Ave
 Bakersfield, CA 93303
 United States

Phone: 661-331-1121

Fax:

Date: December 28, 2022
 Quotation No: 122822
 Customer No: 13761
 Serial No.: 14590
 Coverage Period: 1 Year
 Start Date: May 17, 2023
 End Date: April 16, 2024
 Quote Valid Until: June 16, 2023

Qty	Premium Coverage		Description	
Please Select a Payment Term	1	Full Payment	<ul style="list-style-type: none"> • Covers all travel, labor and parts for the coverage period as indicated above. • Includes one preventive maintenance visit per year. • This contract excludes misuse, abuse, and accidents. • Goods or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates and wear surfaces will be billed an additional nominal repair charge. • Payment plans are available for a fee of \$25 per installment are available for a fee of \$25 per installment. • First payment is due upon signing the contract • Contract is not valid until the first payment is made • This Contract is for the Coverage period noted above. It is non-cancellable, non-refundable and non-transferrable • Direct phone number and que priority for support, service calls, and parts • Auto renews for successive 1-year periods 	
		1 payment		
		Contract Amount		\$22,453.18
		X _____		
		Initial selected option		
		Quarterly Payment		\$5,613.30
		4 payments		
		Processing fee		\$25.00
		Per Quarter		\$5,638.30
		Contract Amount		\$22,563.10
	X _____			
	Initial selected option			
	Monthly Payment	\$2,245.32		
	10 payments			
	Processing fee	\$25.00		
	Per Month	\$2,270.32		
	Contract Amount	\$22,703.18		
	X _____			
	Initial selected option			
Basic Coverage				
Please Select a Payment Term	1	Full Payment	<ul style="list-style-type: none"> • \$1,500.00 deductible for each service call (with a 90 day warranty on replaced parts and labor) • After deductible, covers all travel, labor and parts for the coverage period as indicated above. • \$50.00 additional shipping and handling fee per parts shipment • This contract excludes misuse, abuse, and accidents. • Goods or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates and wear surfaces will be billed an additional, nominal repair charge. • This agreement is an <u>annual contract</u>, payment plans are available for a fee of \$25 per installment. • First payment is due upon signing the contract • Contract is not valid until the first payment is made • This Contract is for the Coverage period noted above. It is non-cancellable, non-refundable and non-transferrable • Auto renews for successive 1-year periods 	
		1 payment		
		Contract Amount		\$16,839.89
		X _____		
		Initial selected option		
		Quarterly Payment		\$4,209.97
		4 payments		
		Processing fee		\$25.00
		Per Quarter		\$4,234.97
		Contract Amount		\$16,939.89
	X _____			
	Initial selected option			
	Monthly Payment	\$1,683.99		
	10 payments			
	Processing fee	\$25.00		
	Per Month	\$1,708.99		
	Contract Amount	\$17,089.89		
	X _____			
	Initial selected option			
Payment Options		Payment Terms		
Select Payment Option	<input type="checkbox"/> Credit Card <input type="checkbox"/> Wire Transfer <input type="checkbox"/> Purchase Order <input type="checkbox"/> Check		Once established all quarterly or monthly payments will be automatically process on the dates indicated on "Payment Schedule." Payment Promissory Options are automatic Credit Card or automatic debit of bank account. Sciton is required by law to collect applicable state sales tax. Payment Terms: Remit 1st payment, including applicable tax, as indicated on "Payment Schedule." No periodic payments by Check and / or P.O. paid by check	
	Sciton Representative <u>J.D. Tatro</u>		Date: <u>5/5/2023</u>	
	I accept the attached "Terms and Conditions of Service Contract" and agree to make the payment(s) as acknowledged above.			
	_____ Customer Approval		_____ Date	

REVIEWED ONLY
 NOT APPROVED AS TO FORM
 By [Signature]
 Legal Services Department

Payment Options and Schedule

Customer Kern Medical

Quotation # 122822

Serial Number 14590

Term 1

	Premium Coverage		Basic Coverage	
	Contract Amount	Amount Due	Contract Amount	Amount Due
Full Payment				
Contracted Amount (after applicable tax)	\$22,453.18	\$22,453.18	\$16,839.89	\$16,839.89
Quarterly Payment Schedule				
1st Payment March 2, 2023	\$5,638.30	\$5,638.30	\$4,234.97	\$4,234.97
2nd Payment June 2, 2023	\$5,638.30	\$5,638.30	\$4,234.97	\$4,234.97
3rd Payment September 2, 2023	\$5,638.30	\$5,638.30	\$4,234.97	\$4,234.97
4th Payment December 2, 2023	\$5,638.30	\$5,638.30	\$4,234.97	\$4,234.97
Monthly Payment Schedule				
1st Payment March 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
2nd Payment April 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
3rd Payment May 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
4th Payment June 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
5th Payment July 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
6th Payment August 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
7th Payment September 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
8th Payment October 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
9th Payment November 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99
10th Payment December 2, 2023	\$2,270.32	\$2,270.32	\$1,708.99	\$1,708.99

Once the Service Contract is established, all payments will be automatically processed on the dates indicated on the Payment Schedule. This payment schedule is for a one year contract coverage period. Multiyears contract payment schedule will be processed depending upon the time period specified in the Service Contract Quotation.

TERMS AND CONDITIONS OF SERVICE CONTRACT

1. **Nature of this Agreement and Definitions.** The terms and conditions of this Agreement (the "Agreement") are for the maintenance by Sciton, Inc. ("Sciton") of the equipment or products described on the Service Contract for the period as indicated on the front page, including parts and accessories (the "Equipment"), or the servicing of any Equipment, including travel and labor ("Services") determined by plan type. The following information is found on the Service Contract: the customer ("Customer"), the job site where the Equipment may be delivered or used (the "Site"), the type of payment plan, (One Time v. Periodic), and the type of Service Contract (Premium v. Basic). "The term "in writing," "written," and/or any other derivatives of the word "write" that are used in this Agreement mean any communication that is in writing either handwritten, typed, printed, and/or electronically delivered to the other party as provided herein and as permitted by applicable law."

2. **Priority of this Agreement.** Customer agrees that its receipt of Services for its Equipment is conditioned upon complying with these terms and conditions. Customer agrees that this Agreement supersedes and controls over all other communications or agreements with Sciton concerning the Service Contract. Any written or oral terms of conditions or other provisions different from or varying these terms and conditions, wherever found, are rejected and not binding on Sciton.

3. **Parts and Labor.** Sciton may provide both parts and labor. In servicing your product, Sciton may use parts or products that are new or refurbished parts, at its sole discretion. Refurbished parts are equivalent to new in performance and reliability. Sciton will retain the replaced part or product that is exchanged during service as its property, and the replacement part or product will become your property.

4. **Services.** If Sciton provides Services to Customer, including repair or maintenance, it will use professional skill and judgment in accordance with normally accepted industry standards. If Sciton fails to do so, and as its only obligation to Customer for defective Services, Sciton will perform those Services again at Sciton's expense.

5. **Availability of Services.** Commercially reasonable efforts will be made to provide prompt and efficient service; however, Sciton reserves the right to prioritize its service assignments due to the nature of the work required, location, weather, work load conditions, and other factors.

6. **What is Covered.** Except as otherwise expressly provided in this Agreement, Sciton will provide to Customer all of the necessary Services required including parts, labor, and travel to maintain proper operation of the Equipment under normal operation and service for the duration of the Service Contract. Parts for third party items are not included under this Agreement unless covered by the original manufacturer's warranty. Goods or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates, wear surfaces and flashlamps, will be billed an additional, nominal repair charge. Customer will be billed for defective parts which have not been returned in a timely manner. Premium Service Contracts include one (1) free preventative maintenance visit per contract year. The duty to schedule this one (1) free preventative maintenance visit per Service Contract year is the Customer's.

7. **What is Not Covered.** IN NO EVENT WILL SCITON BE LIABLE FOR COSTS OR PROCUREMENT OF SUBSTITUTED EQUIPMENT BY CUSTOMER OR ANY DAMAGE (WHETHER PUNITIVE, INCIDENTAL, SPECIAL, BUSINESS INTERRUPTION, CONSEQUENTIAL, OR OTHER DAMAGES (INCLUDING WITHOUT LIMITATION LOST OF PROFIT OR REVENUE) ARISING FROM ANY DELAY IN RENDERING SERVICES INCLUDING DIFFICULTIES IN SECURING PARTS, LABOR, TRANSPORTATION, OR MATERIALS AND/OR INVOLVING A FORCE MAJEURE EVENT (AN EVENT OF FORCE MAJEURE IS AN EVENT OR CIRCUMSTANCE WHICH IS BEYOND THE CONTROL AND WITHOUT THE FAULT OR NEGLIGENCE OF SCITON AND WHICH BY THE EXERCISE OF REASONABLE DILIGENCE SCITON WAS UNABLE TO PREVENT PROVIDED THAT EVENT OR CIRCUMSTANCE INCLUDES THE FOLLOWING, BUT IS NOT LIMITED TO: A WIDESPREAD EPIDEMIC, PANDEMIC, A PUBLIC HEALTH EMERGENCY, ACTS OF GOD, LABOR UNREST, FIRE, FLOOD, EXPLOSION, EARTHQUAKE, RIOT, WAR, INVASION, ACTS OF TERRORISM, CIVIL OR MILITARY DISTURBANCES, OR BUSINESS INTERRUPTIONS EXPERIENCED BY CUSTOMER OR SCITON RELATED TO ANY FORCE MAJEURE EVENT, OR ANY CHANGED CIRCUMSTANCES EXPERIENCED BY SCITON THAT

RENDERS ITS PERFORMANCE COMMERCIALY UNREASONABLE OR IMPOSSIBLE) ("FORCE MAJEURE EVENT"). THE PURPOSE OF PARAGRAPH 7 IS TO LIMIT THE POTENTIAL LIABILITY OF SCITON ARISING OUT OF THIS AGREEMENT AND SERVICE CONTRACT. CUSTOMER FURTHER AGREES THAT ANY DAMAGES CLAIMED PURSUANT TO SERVICE RENDERED UNDER THIS SERVICE CONTRACT SHALL NOT EXCEED THE TOTAL COST PAID BY HIM OR HER FOR THE SERVICE CONTRACT, IN ANY EVENT.

8. **Payment Terms.** Interest accrues on overdue payments at the rate of not less than one and one-half percent (1.5%) per month, but not more than the amount allowed by law, on the unpaid balance from the original due date. An additional late fee of One Hundred Dollars (\$100.00) will accrue for each month past the due date until the entire balance is paid. Payment shall not be withheld for any delay in Services. Under a Basic Plan, if shipping is necessary, Customer is responsible for payment of delivery of Equipment to Sciton's Corporate Service Center in California (or elsewhere if so directed by Sciton) and shipping of any parts, goods, and/or materials necessary for Sciton to provide Services. A shipping and handling fee of Fifty Dollars (\$50) will be applied for each shipment under such circumstances. Customer is authorized to use his/her/its credit card in order to complete Payment under this Agreement. Customer acknowledges that Sciton will impose a surcharge of 3.0% on Customer for credit card charges above \$10,000 (USD)— to the extent consistent with applicable California law. A surcharge is an additional amount imposed at the time of the transaction by Sciton that increases the charge to Customer for using a credit card. The surcharge is intended to reimburse Sciton for the processing fees incurred by Customer's credit card company.

One Time Payment Plan – Payment is due in full at the time of acceptance of this Agreement. The Service Contract is valid when paid in full.

Periodic Payment Plan – The payment schedule for the Periodic Payment Plan is the payment schedule included in the promissory note attached to the Service Contract. Such Plan is only available upon approved credit by Sciton and a Twenty Five Dollar (\$25.00) processing fee for processing each payment. Customer consents to Sciton's check of his/her/its credit. Customer authorizes Sciton to charge his/her/its credit card and/or debit his/her/its bank account in payment of the Periodic Payment Plan. The Service Contract is valid when Sciton receives the first payment. Failure to make such Periodic payments will result in the suspension of services under this Agreement, but Sciton maintains the right to collect all unpaid installments.

Customer is required to remit all applicable sales taxes as invoiced. Customer acknowledges that unless and until the Service Contract is paid in full, Sciton has no obligation to service the Equipment and will not do so. Equipment sent to Sciton by Customer will not be serviced if Customer has not paid the Service Contract in full. In such circumstances, if Customer refuses to pay the Service Contract in full within seven (7) days of Sciton's demand of same, and further insists that Sciton return the Equipment, then Customer acknowledges herein: 1) that Customer will pay all shipping costs outbound from Sciton for the return of the Equipment; 2) that any unserviced Equipment poses a risk to patients who are treated with the unserviced Equipment; 3) an obligation to disclose the unserviced condition of the Equipment before using it to treat a patient; 4) an assumption of all responsibility and liabilities for the use of the equipment;

5) an assumption of all responsibility and liabilities for any extraordinary repairs and maintenance necessitated by Customer's failure to pay the Service Contract such that regular service could not be rendered by Sciton; and 6) a forfeiture of any partial payments made.

9. **Deductible.** A One Thousand, Five Hundred (\$1,500.00) deductible payment is required for each service call under a Basic Service Contract. This payment is due prior to dispatch of a service technician and is not refundable. No deductible is required under a Premium Service Contract.

10. **Bankruptcy or Insolvency of Buyer.** If the financial condition of the Customer at any time is such as to give Sciton, in its judgment, reasonable grounds for insecurity concerning Customer's ability to perform its obligations under this Agreement, Sciton may (a) by notice in writing to Customer, cancel this Agreement, without judicial intervention or declaration of default of Customer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to Customer, or (b) require full or partial payment in advance and suspend continuance of the work, to be performed by Sciton, until such payment has been received.

TERMS AND CONDITIONS OF SERVICE CONTRACT

11. Customer's Indemnification Each Party will indemnify, defend and hold harmless the other Party and its affiliates from any and all costs, expenses, damages, and liability, including reasonable attorneys' fees, to the extent arising from or pertaining to any negligence or intentional misconduct, breach of any law or regulation, willful misconduct, or breach of this Agreement by either Party – whether the claim arises between them or involves a third-party. If the party seeking indemnification (“moving party”) also acted (or is claimed to have acted) negligently or engaged in intentional misconduct, there is no duty to indemnify between the parties. This clause applies to claims between the parties and claims brought by third parties against the Customer and/or Sciton hereto. The indemnity will survive expiration or termination of this Agreement.

12. Maintenance and Repairs: Only factory-certified Sciton service engineers are authorized to perform maintenance and repairs on Sciton systems. Using a third-party service entity to perform repairs or maintenance on the Sciton system will void any existing warranty on the system. Sciton permits only Sciton factory-specified parts, available solely through Sciton, be used for repairs. Using non-certified parts may cause damage to other assemblies and components within the system and could cause injury to the user and the user's patients. Using non-certified parts will void any existing warranty on the system. During a service intervention, if the Sciton engineer identifies evidence that a repair or maintenance was performed by a third party, e.g., someone other than a certified Sciton engineer, the Sciton engineer will terminate the service immediately due to safety concerns. By signing these terms and conditions and agreeing to this warranty, you also agree to defend and indemnify Sciton for any damage to the system and/or injury to users (and users' patients) of the device.

13. Customer's Insurance Obligations. Customer agrees to maintain appropriate insurance protecting Sciton from all loss, damage, expense, or penalties arising from or related to the use, maintenance, and/or service of the Equipment during the Service Contract period. Sciton does not provide, extend or afford any insurance coverage to Customer, or any operator of the Equipment. The insurance coverage provided for above will not act to limit Customer's liability under this Agreement, and Customer will be responsible for any loss or damage to the Equipment until, and if, it is returned to Sciton.

14. Returns. Prior to return of any Products to SCITON for any reason, Customer shall first request a return material authorization (“RMA”) from SCITON and provide SCITON the following information about the Product(s) being returned: (a) quantity, (b) part number, (c) RMA number, and (d) a detailed reason for Product return. SCITON shall accept returns only after it has issued a RMA number authorizing the return of such Product(s). Customer shall promptly ship all such authorized returns to SCITON freight prepaid. Such return shipment must be in the proper package and display the appropriate reference to the RMA including the RMA Number on boxes in which the returned Product is shipped. Unauthorized returns, or returns which fail to display the appropriate reference, will be subject to rejection of shipment and subsequent return to Customer at Customer's expense. In all cases of returns, final approval by SCITON as to credit, or replacement in the case of Products returned under a SCITON Warranty, may be withheld pending inspection and/or testing of the returned Product by SCITON and verification of the pertinent facts. If SCITON determines after inspection that a warranty claim is invalid, SCITON may charge Customer for the costs incurred by SCITON related to such inspection and shipping/insurance. All returned parts must be marked new or used when returned to SCITON. Customer must return alleged defective parts within thirty (30) days of receiving replacement part or additional charges will apply. Additionally all returned parts must reference the proper RMA number as assigned by SCITON. If the return part is serialized, and Customer returns the part, then SCITON expects that the serial number on the returned part will match the serial number identified by Customer at the time the part is requested for replacement. No other serialized part can be substituted at the time of the return of the alleged defective part. If SCITON determines that a unit has parts or components that do not match its list of original manufacturer equipment in terms of serialized parts, then SCITON reserves the right to reject the return and Customer must pay to have the unit inspected and brought back to SCITON specifications and also pay retail price for the replacement part, as SCITON does not service units that have been serviced by non-SCITON certified service technicians due, in part, to the risk that such repairs pose to unit

buyers and patients undergoing treatment with said units.

15. Limited Warranty – Limitation of Remedies. (a) Except as otherwise specified herein, Sciton only warrants its Services commencing after full payment has been received by the Customer: (i) To be free from defects in material and workmanship, in the manner and under the conditions as specified in Sciton's warranty for the individual Equipment, for the period of the Service Contract under a Premium Service Contract and for ninety (90) days from the date of Service under a Basic Service Contract (including parts and labor), unless the deal paperwork (including but not limited to the invoice and/or quote) specifies a different warranty term in this regard; (ii) Wholly new and unrelated Services to the Equipment within 90 days from the date of Service under a Basic Service Contract require the payment of a new deductible, unless the deal paperwork (including but not limited to the invoice and/or quote) specifies a different warranty term in this regard; (b) No representative or person is authorized to bind Sciton for any obligations or liabilities beyond this warranty in connection with Sciton's Services. This warranty is made to the Customer only at the Site and is non-transferable to other equipment or to other owners of the equipment, and may only be modified or amended by a written instrument signed by a duly authorized officer of Sciton. (c) (i) Goods, material, or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates, wear surfaces, and flashlamps are warranted on a monthly pro rated basis only for the remaining portion of the Sales Contract as credit toward new replacement goods or parts; (ii) Optical coatings, filters, lenses, and mirrors will be repaired or replaced under this warranty if kept clean according to manufacturer's instructions. Dirt or debris on the surface of such an item during usage may cause thermal damage and void the warranty for such item; and (iii) Third party items are warranted by their manufacturers and are not covered by Sciton. (d) These remedies are available only if Customer notifies Sciton in writing promptly upon discovery of the defect, and in any event within the warranty period for the Individual Equipment. The warranty shall be null and void (i) where the goods are unpacked, worked on, altered, serviced, modified, and/or repaired by person(s) not authorized by Sciton so as, in Sciton's sole judgment, to injure the stability, reliability, or proper operation of such goods; (ii) where service is required due to the Customer's failure to operate or maintain the goods in a manner consistent with the specifications and guidelines set forth in the Equipment's operator manual; (iii) if the goods are subject to misuse, negligence or accident; and/or (iv) where the goods are connected, installed, dismantled, disassembled, used or adjusted otherwise than in accordance with the instructions furnished by Sciton. (e) This warranty only applies to devices and components sold by Sciton to the Customer and is expressly voided to the extent any component and device is purchased by a Customer from a third party used laser broker. Any component part purchased from Sciton that malfunctions due to a part or device purchased by the Customer from a third party used laser broker will void the warranty in that component part. (f) THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES (EXCEPT FOR SPECIFIC WRITTEN PRODUCT PERFORMANCE GUARANTEES) WHETHER WRITTEN, ORAL, OR IMPLIED, AND SHALL BE THE CUSTOMER'S SOLE REMEDY AND SCITON'S SOLE LIABILITY ON CONTRACT OR WARRANTY OR OTHERWISE FOR ITS SERVICES.

16. Equipment Recertification. In the event that Customer wishes to transfer ownership of the Equipment, Customer will be responsible for obtaining an Inspection and Equipment Recertification from Sciton. The Inspection Fee at this time is \$5,000 (USD), but is subject to change on a yearly basis or at Sciton's discretion. The Transfer of Ownership Fee price varies based on configuration of the system. Customer may request a quote based on his/her/it's configuration from Sciton Service. The Transfer of Ownership Fee includes the cost of 1-year service contract for the current configuration of the system, clinical in-service training, the ability to upgrade the system in the future if desired, marketing material customized to the configuration of the system, access to marketing and clinical support material on Sciton Pro, and complete transfer of account to a new name and address. The fee will be paid in advance prior to any transfer of ownership. Customer will be responsible for the cost of any repairs needed to obtain recertification from Sciton. Sciton will not honor any requests to service Sciton systems that were not purchased directly from Sciton and for which Sciton has no record of recertification or transfer of ownership. Sciton reserves the right to deny a transfer of ownership request for any reason, including, but not limited to, if the Equipment has been purchased from a

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non-Sciton customer or other third party, if the Equipment contains non-Sciton certified component parts, if the Equipment is being transferred to a party who resides in a country other than where the original Sciton Customer resides, and/or if Sciton has reason to believe that the Equipment has either been altered, modified or repaired by a third party. Sciton's Transfer of Ownership Policy, including all applicable fees, is available to Customer upon request and subject to revisions at Sciton's discretion. Customer acknowledges that Sciton's Equipment Recertification policy is intended to protect customers and purchasers from receiving poorly maintained and/or dangerous equipment, equipment that has been subject to unauthorized repairs from persons/entities other than Sciton, or is otherwise non-compliant with FDA regulations.

17. **Sciton's Rights to Subcontract.** Sciton may subcontract any portion of the Services, but Sciton's obligations and rights hereunder shall not thereby be limited or affected.

18. **Errors.** Stenographic and clerical errors are subject to correction.

19. **Applicable Law; Jurisdiction and Venue.** [Intentionally Omitted]

20. **Substitutions and Modifications.** Sciton will have the right to make substitutions and modifications in the specifications of Equipment serviced by Sciton, provided that such substitutions or modifications will not materially affect overall product performance. Sciton reserves the right, at its sole discretion, to use new or fully factory refurbished parts when performing Services.

21. **Miscellaneous.** This Agreement constitutes the complete and exclusive statement of the terms and conditions between the parties, and may be modified only by a writing executed by both of them. This Agreement and the related pricing are limited to the Site as listed on the Contract, applicable solely to this deal, and are neither transferable nor assignable to third parties without Sciton's prior written consent. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and effective for all purposes. In accordance with the U.S. federal E-SIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.), and any other applicable law or regulation of any kind concerning the use of electronic signatures, the parties expressly agree to the use of electronic signatures to execute this agreement. An electronic signature includes any symbol or series of symbols, including an individual's initials, that has been executed, adopted, or authorized by an individual to be the legally binding equivalent of the individual's handwritten signature. Each person executing this Agreement represents and warrants that he or she is the person stated and has full and legal authority to execute this Agreement for and on behalf of the respective party for which he or she is executing this Agreement and to bind that party in accordance with this Agreement. Each party further represents and warrants that it has not altered or modified this Agreement in any way from the agreement to which the parties agreed.

22. **Acceptance.** The terms and conditions of this Agreement will be deemed accepted upon the signature by Customer of the Service Contract and/or at the time of payment. Upon acceptance, Customer authorizes Sciton to perform the services set forth above and agrees to all the terms and conditions stated within.

23. **Survival.** Any rights and obligations under this Agreement, which by their nature should survive, shall survive the expiration or termination of this Agreement.

24. **Divisibility.** If any provision of this Agreement becomes or is declared illegal, invalid, or unenforceable, such provision will be divisible from this Agreement and will be deemed to be deleted from this Agreement. The remainder of this Agreement shall remain in full force and effect.

25. **Right to Counsel.** Customer acknowledges Customer's right to have separate counsel, at Customer's expense, review this Agreement and provide advice. By executing this Agreement, Customer acknowledges that Customer has read, reviewed and understood the terms and conditions herein.

26. **Compliance with State Law Regarding Laser Devices.** Owners of lasers and laser-based devices in Illinois (IL), Arizona (AZ), Texas (TX), Georgia (GA), Florida (FL), Massachusetts (MA), and New York (NY) may be required to register certain lasers and laser-based devices with the applicable state agency. Responsibility for compliance with any state-

specific requirements pertaining to laser ownership, including but not limited to, laser registration, rests exclusively with the device owner and not with SCITON.

27. **No Rights to Cancel.** This Agreement shall commence when deemed valid and shall continue in full force in effect for a minimum period of one (1) year or longer depending upon the time period specified in the Service Contract. The Service Contract cannot be canceled mid-term and no partial refunds will be allowed.

28. **Sciton Professional Website.** In connection with this purchase, Customer is authorized to access the educational materials contained on the Sciton Professional Website, www.Scitonpro.com. Use of the Sciton Professional Website is governed by the ScitonPro Terms of Use, found on the Sciton Professional Website. This website is for physician use and education only. Customer may not share Customer's username or password with third parties.

29. **Data Privacy.**

General. SCITON is committed to protecting the privacy of your personally identifiable information to the extent possible. SCITON maintains reasonable security measures to protect sensitive personally identifying information and only uses/collects personal information in a lawful and fair manner. You represent that you are in compliance with any relevant data protection laws.

Personal Information. SCITON collects personal information from agreements, e-mails, faxes, telephone inquiries, correspondence, web forms, surveys, and other means of communication. SCITON collects such information when you agree to purchase or order or avail yourself of goods or services, registration for a service (e.g. user groups, seminars, and tradeshows), to track warranty rights and obligations, to provide product information, and other lawful purposes. "Personal Information" means information that can be used to identify a specific individual, such as your name, address, e-mail address, phone number, birth date, credit card information, etc.

Consent. SCITON collects and stores data as it pertains to the Agreement signed by you. We maintain records of your Agreement and the services related to the Agreement. As part of your interactions with SCITON, and by entering into the Agreement, you consent to SCITON collecting all data collected in connection with the Agreement, in compliance with the GDPR opt-in requirement. We will not share your information with any third party outside of our organization other than as necessary to fulfill your requests, e.g., to ship a product to you, to provide your name and contact information to Sciton's third party vendors in conjunction with Sciton services like Sciton Pro, Sciton's Success Builder Program, and The Concierge Service and Subscription Program, or as required by law. Except when otherwise permitted by law, we will only use the information for the purpose for which it was given. We will obtain your additional express consent prior to collecting, using, or disclosing sensitive information for any purpose outside of acting in accordance with the Agreement. SCITON's Privacy Policy is located on its website, www.SCITON.com. SCITON may update its Privacy Policy from time to time, please periodically review the Privacy Policy for updates.

Withdrawing Consent/Data Deletion Request. You may opt to withdraw consent at any time. If you wish to review, modify, delete, or otherwise express your concerns about any personally identifying information that you previously provided, you can do so at any time by contacting:

SCITON, Inc.
925 Commercial Street
Palo Alto, CA 94303
United States
Phone:
+1.650.493.9155
Toll Free:
+1.888.646.6999
info@SCITON.com

Third-Party Service Providers. To build a great product for you and provide exceptional customer service, we need partners. We utilize third party vendors like Google Analytics and Marketo to handle your data, who have confirmed are GDPR-compliant. Except for the disclosure of Customer's name and contact information to Sciton's third party vendors in conjunction with Sciton services like Sciton Pro, Sciton's Success Builder Program, and The Concierge Service and Subscription Program, Sciton does not disclose

TERMS AND CONDITIONS OF SERVICE CONTRACT

or sell personal information to third parties; however, should this policy change, Sciton will notify you of same prior to disclosing any information to third parties. If Sciton must disclose personal information to a third-party, Sciton will require by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.

Disposal of Data. SCITON will take all reasonable steps to erase or arrange for the destruction of all sensitive personally identifying information contained in records when the records are no longer to be retained pursuant to applicable law, regulations, or business needs.

Breach of Security. In the event there has been a breach of security in relation to your personally identifying information, and the state in which you reside requires notice upon discovery of the breach, SCITON, without delay and as soon as reasonably practicable, and in accordance with any applicable law, will notify you, in writing, and conduct an investigation of same, and report to the appropriate authorities/agencies, if applicable.

E-mail Scams. There are various scams designed to steal your personal information. If you receive an e-mail that looks like it is from SCITON asking you for your personal information, please notify us as provided in this section.

Usage Data. Sciton reserves the right to collect system usage data from time to time for the purpose of running diagnostics and improving usability and performance of the system. Data collected will not contain any patient identification information.

CUSTOMER

SCITON, INC.

Name: Russell Bigler
Title: Chairman, Board of Governors
Date/Time:

Name:
Title:
Date/Time



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

May 17, 2023

Subject: Proposed appointments of Tuesday Ochoa as Infection Preventionist and Kristi Brownfield as Director of Infection Prevention

Requested Action: Make Appointments

Summary:

Kern Medical is requesting that your Board ratify the appointments of Tuesday Ochoa as Infection Preventionist and Kristi Brownfield as Director of Infection Prevention.

Kern Medical is accredited by The Joint Commission. The Joint Commission accreditation process requires the following: An individual(s) who is qualified through education, training, experience, or certification in infection prevention and control is appointed by the governing body to be responsible for the infection prevention and control program. The appointment is based on recommendations of medical staff leadership and nursing leadership.

Tuesday Ochoa has completed a Bachelor's Degree in Science, a Masters Degree in Public Health, and has received National Certification as an Associate in Infection Prevention (a-IPC) in March 2023.

Kristi Brownfield is a registered nurse who has completed a Master's Degree in Nursing and received National Certification in Infection Prevention and Control (CIC) in 2014 with recertification completed every five years.

The Medical Executive Committee and Dawn C. LeRoy, RN, MSN, CEN-BC, Chief Nursing Officer, recommend Ms. Ochoa and Ms. Brownfield be appointed to these positions, as required by The Joint Commission.

Therefore, it is recommended that your Board appoint Tuesday Ochoa as Infection Preventionist and Kristi Brownfield as Director of Infection Prevention.



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

May 17, 2023

Subject: Proposed Mayfield 2 Cranial Stabilization System IntegraLink Protection (ILP) Service Agreement with Integra LifeSciences Sales, LLC for the purchase of a Mayfield headrest for craniotomy surgeries.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board approve the proposed Mayfield 2 Cranial Stabilization System IntegraLink Protection (ILP) Service Agreement with Integra LifeSciences Sales, LLC Purchase Agreement with Integra Life Sciences that includes Quote #Q-101767 for the purchase is for a secondary (back-up) headrest required for compliance.

This Purchase Agreement is a one-time purchase for \$35,532 plus tax.

Counsel is unable to approve as to form due to non-standard terms which include indemnification only of infringement and no right to cancel. Efforts were made to negotiate with the vendor, but to no avail.

Therefore, it is recommended that your Board approve the proposed Mayfield 2 Cranial Stabilization System IntegraLink Protection (ILP) Service Agreement with Integra LifeSciences Sales, LLC, effective May 17, 2023 for a one-time purchase, not to exceed \$36,000, and authorize the Chairman to sign.

**MAYFIELD® 2 Cranial Stabilization System
IntegralLink™ Protection (ILP) Service Agreement**

This service agreement (the "Agreement") is dated as of date of last signature, and is between Integra LifeSciences Sales LLC, a Delaware Corporation with a principal address of 1100 Campus Road, Princeton, NJ 08540 ("Integra" or "Seller") and the customer whose name is printed on the signature line set forth below ("Customer").

Intending to be legally bound hereby, the parties therefore agree as follows:

1. Coverage and Exclusions.

- (a) During the term of this Agreement, Seller shall provide service and maintenance to the system equipment installed on the Customer's site ("Equipment"), as explained further herein. All exclusions from coverage and the limitation of liabilities under the Integra LifeSciences Warranty for the applicable system ("Standard Warranty") are incorporated by reference into this Agreement. Any repairs that arise or result from Customer's misuse or abuse of any Equipment, including but not limited to allowing third parties to service the Equipment, are not covered by this Agreement and, if repaired, shall be charged to the Customer at Integra's standard rate. A "System" includes the Equipment listed on Schedule A and described in Schedule B. Services included under this Agreement are listed and described in Schedule B attached hereto.
- (b) In the event Customer's equipment is out-of-warranty or is not covered by an existing Extended Service Agreement on the Effective Date (as defined below) of this Agreement, Customer agrees it shall have Preventative Maintenance performed on the Equipment prior to Seller's performance of any Services hereunder, and that Customer shall be responsible for the cost of any parts and/or labor required.

2. Term. The term of this Agreement starts as of the date of last signature, or from the expiration of the Standard Warranty, whichever occurs later ("Effective Date"), and continues from the Effective Date for the number of years described on Schedule A, unless earlier terminated ("Initial Term").

- (a) This Agreement may be extended upon mutual written consent of the parties. Unless the parties negotiate and agree otherwise, the term of this Agreement upon renewal shall be identical to the Initial Term, unless earlier terminated ("Renewal Term"). The cost of coverage during the Renewal Term shall be Customer's list price for such coverage at the beginning of the Renewal Term. Nothing in this Agreement shall be construed to obligate either party to renew this Agreement.
- (b) All payments are non-refundable, unless Customer terminates this Agreement due to Seller's breach of a material provision of this Agreement which has not been cured within sixty (60) days after notification of such breach. If terminated due to Seller's breach, Seller shall provide a credit to Customer, representing the amount prepaid by Customer, but pro-rated for the amount of time remaining on the Agreement, and less the costs of any services provided to Customer by Seller during the contract year in which the notice is received.
- (c) If Customer fails to pay any invoice as provided herein, or otherwise perform its obligations, in addition to any other remedies that it may have, Seller may terminate the Agreement by notifying Customer of such termination with five (5) business days' prior written notice.

3. Service Price. The price of services under this Agreement is described on the attached Schedule A, payable within thirty (30) days of the payment schedule described on Schedule A.

4. Customer Responsibilities.

- (a) Customer shall report immediately any condition that may indicate the need for repair before the next regular examination. Customer agrees to shut down the Equipment immediately upon manifestation of any irregularities in operation or appearance of the Equipment and notify Seller at once.

- (b) Customer is responsible for scheduling annual maintenance during the term of this Agreement. Integra shall have no obligation to perform annual maintenance after the expiration of this Agreement.
- (c) Customer shall not permit others, except Seller, to make alterations, additions, adjustment, or repairs, or replace any component or part of the Equipment during the term of this Agreement, nor shall Customer move the Equipment from the address specified below.
- (d) If service is performed on-site, Customer shall make equipment available and provide an adequate work area per the agreed upon schedule with Integra.

5. Miscellaneous.

- (a) Confidentiality. Customer agrees not to disclose the terms of this Agreement, including the pricing arrangements, services, technologies, or any other proprietary information relating to Seller or its affiliates (“Confidential Information”), to any third party, except that Customer may disclose the terms of this Agreement, pricing arrangements and any other Confidential Information (i) as required by law and (ii) to federal and state health care payors (including without limitation, Medicare and Medicaid payors) and to other health care regulators.
- (b) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of California, without giving effect to choice of law principles.
- (c) Assignment and Binding Effect. This Agreement is personal and Customer may not assign, transfer (including transfers by operation of law) or otherwise dispose of all or any portion of its rights under this Agreement without the prior written consent of Seller, and any such purported assignment will be void. Notwithstanding the foregoing, Customer may assign this Agreement in the event of a merger, consolidation or divestiture of Customer. Seller may assign this Agreement to any entity or person without Customer’s consent. This Agreement shall be binding on the respective successors and permitted assigns of the parties hereto.
- (d) Force Majeure. Neither party shall be liable to the other for any loss or damage suffered by the other if such loss or damage is attributable to an event of force majeure which shall mean circumstances beyond the reasonable control of the party seeking to rely on this provision including war, riot, civil commotion, strikes (excluding strikes, shut-downs or other industrial action by that party’s employees), lock-out (excluding lock-out by that party), Acts of God, restrictions imposed by Government or other competent authority which shall prevent or materially affect that party’s ability to perform its obligations.
- (e) Seller is required to provide proof of insurance for the following types of insurance coverages:
 - (i) Workers’ Compensation Insurance in accordance with the provisions of section 3700 of the California Labor Code. This policy shall include employer’s liability insurance with limits of at least one million dollars (\$1,000,000).
 - (ii) Commercial General Liability Insurance – Seller shall carry General Liability Insurance covering all operations performed by or on behalf of Seller providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:
 - i. Premises operations and mobile equipment.
 - ii. Products and completed operations.
 - iii. Broad form property damage (including completed operations).
 - iv. Explosion, collapse and underground hazards.
 - v. Personal injury.
 - vi. Contractual liability.
 - vii. \$2,000,000 general aggregate limit.
- (f) Indemnification and Insurance. Seller will indemnify, defend, and hold harmless Customer and its officers, employees, agents and volunteers, from any and all third party claims, costs (including without limitation reasonable attorneys’ fees), and losses for infringement of any United States patent, copyright, trademark or trade secret (Intellectual Property Rights) by any Equipment or Services. If a credible claim is made or threatened, including without limitation

the filing of a lawsuit against Customer, or Customer receives a demand or notice claiming actual or potential infringement or misappropriation of any Intellectual Property Rights, Customer will use reasonable efforts to notify Seller promptly of such lawsuit, claim or election. However, Customer's failure to provide or delay in providing such notice will relieve Seller of its obligations only if and to the extent that such delay or failure materially prejudices Seller's ability to defend such lawsuit or claim. Customer will give Seller sole control of the defense (with counsel reasonably acceptable to Customer) and settlement of such claim; provided that Seller may not settle the claim or suit absent the written consent of Customer unless such settlement (a) includes a release of all claims pending against Customer, (b) contains no admission of liability or wrongdoing by Customer, and (c) imposes no obligations upon Customer other than an obligation to stop using the Equipment or Services that are the subject of the claim. In the event that Seller fails to or elects not to defend Customer against any claim for which Customer is entitled to indemnity by Seller, then Seller shall reimburse Customer for all reasonable attorneys' fees and expenses within thirty (30) days from date of invoice or debit memo from Customer. After thirty (30) days, Customer will be entitled to deduct any unpaid invoice or debit memo amount from any amounts owed by Customer to Seller. This shall not apply to any judgment or settlement amount, which amounts Customer shall be entitled to notify, invoice or debit Seller's account at any time; and Customer, at its sole discretion, may settle the claim or suit. Without in any way affecting any indemnity obligations provided and in addition thereto, Seller shall secure and maintain throughout the Term insurance in accordance with the requirements as set forth above.

- (g) Seller shall comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference. While on Customer property, Seller agrees to conform to Customer polices and any direction given to them by Customer staff.
- (h) Health Insurance Portability and Accountability Act-HITECH. Seller understands that Customer is a Covered Entity that provides medical and mental health services and that Seller has no authorization to obtain access to any Protected Health Information ("PHI") in any form. If, in the course of Seller's services, Seller sees or hears any PHI, this PHI is to be treated as private and confidential, including the fact that a person has visited this facility(ies) or receives (or previously received) services from Customer. The privacy and confidentiality of Customer's patients are protected by Customer policies and procedures, state laws and regulations and Federal HIPAA Regulations. If appropriate, Seller agrees to execute a business associate agreement with Customer to supplement this Contract.
- (i) The liabilities or obligations of Customer with respect to its activities pursuant to this Contract shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.
- (j) Disqualified Persons. Seller represents and warrants that no person providing goods and/or services under the terms of this agreement/quote/order (i) has been convicted of a criminal offense related to healthcare (unless such individual has been officially reinstated into the federal healthcare programs by the Office of Inspector General ("OIG") and provided proof of such reinstatement to Customer), (ii) is currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation, or (iii) is currently listed on the General Services Administration List of Parties Excluded from the Federal Procurement and Non-Procurement Programs. Vendor agrees that if any individuals providing goods and/or services under the terms of this agreement/quote/order becomes involved in a pending criminal action or proposed civil debarment, exclusion or other sanctioning action related to any federal or state healthcare program (each, an "Enforcement Action"), Seller shall immediately notify Customer and such individual shall be immediately removed by Seller from any functions; provided, however, that if Seller is directly involved in the Enforcement Action, any agreement between Customer and Seller shall terminate immediately.
- (k) Non-collusion Covenant. Seller represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this agreement/quote/order with Customer. Seller has received no

incentive or special payments, nor considerations, not related to the provision of services under this agreement/quote/order from Customer.

This Agreement constitutes the entire agreement between Seller and Customer with respect to the services being provided by Seller hereunder, and supersedes all prior communications, whether written or oral, and prior agreements related thereto. In the event Customer issues a purchase order for any service and maintenance to be provided hereunder, the terms of such purchase order shall not be binding on the parties except for the following: description of the service and maintenance to be provided, description and quantity of Equipment to be covered, and Customer address. No modification of, addition to, or waiver of, any of the provisions of this Agreement shall be effected by the acknowledgement or acceptance of any purchase order or other form containing additional or different terms or conditions to those contained herein, whether or not signed by an authorized representative of either party.

The parties are signing this Agreement on the date below.

INTEGRA LIFESCIENCES SALES LLC

CUSTOMER NAME

Kern County Hospital Authority

Signature _____

Signature _____

Name _____

Name **Russell Bigler**

Title _____

Title **Chairman, Board of Governors**

Date _____

Date **May 17, 2023**

CUSTOMER BILLING INFORMATION

CUSTOMER SHIPPING INFORMATION

Account Name _____

Account Name _____

Account Number _____

Account Number _____

Address _____

Address _____

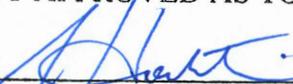
Address 2 _____

Address 2 _____

City, State, Zip _____

City, State, Zip _____

**REVIEWED ONLY
 NOT APPROVED AS TO FORM**

By 
 Legal Services Department

SCHEDULE A [MAYFIELD® System]

SERVICE & MAINTENANCE, PRICING & TERMS. Any excise or other taxes (except for taxes based on the net income of Seller), customs duties, or other levies or charges arising under this Agreement shall be paid by Customer, when levied under Federal, state or local law.

IntegraLink Protection (ILP) (entire system) 3 Year \$ Up Front

Items Covered. Product(s), Product Code(s) and Serial/Lot Number(s) covered under the terms of this Agreement:

Product name

Product Code

Serial/Lot Number

SCHEDULE B [MAYFIELD® 2 System]

IntegraLink™ Protection (ILP) Service Agreement

- Annual preventive maintenance (one (1) per year)
 - Thorough inspection of the system for any possible wear that will degrade the system performance or operation including material defects
 - Re-calibration of service base unit handle tension
 - Inspection and replacement of critical components as required
 - Verification of all latching and locking mechanisms
 - Verification of starburst teeth condition and function
- Technical service phone support available twenty-four (24) hour a day, seven (7) days a week
- Genuine Integra OEM parts on all repairs
- Priority Repairs
 - One (1) minor repair per year
 - One (1) major repair per year
- Priority loaner service – no Service Fee if loaner required
 - If available, MF2 equipment or loaner for a maximum of thirty (30) days if Customer' MF2 equipment requires repair service. A rental fee per item will be applied if the loaner equipment is not returned within five (5) days of receipt by Customer of the repaired equipment. In the event the loaner or equipment is not returned within thirty (30) days of receipt by Customer of the repaired equipment, Integra shall invoice customer for the full fair market value of any unreturned loaner equipment and such invoice shall be payable within thirty (30) days of the date of such invoice.
- Any repairs that arise from or as a result of Customer's misuse or abuse of equipment are not covered by this agreement
- Shipping included



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

May 17, 2023

Subject: Report on Kern Medical Nurse Staffing and Human Resources Recruitment

Recommended Action: Receive and File

Summary:

Kern Medical, as a licensed general acute care hospital in California, follows regulatory requirements regarding nurse staffing ratio requirements. The staffing of a hospital is the most important part of providing high quality, safe, and effective care to our patients. A strategic focus of Nursing and Human Resources leadership is to support nursing as well as all other caregivers through effective management that also aligns with the Centers for Medicare and Medicaid Services (CMS) “Triple Aim” to improve the patient experience, reduce health care costs, and improve the health of our population overall.

The COVID-19 pandemic has had serious impacts on the healthcare environment locally and across the country, including burnout, resignations, inflation, and more. Major industry news and analysts project continuing shortages of nurses and other health care personnel. These challenges are also evident at Kern Medical. Nursing and Human Resources leadership intensely focuses on staffing, recruitment efforts.

Therefore, it is recommended that your Board receive and file this report on Nurse Staffing and Human Resources Recruitment at Kern Medical.



Nurse Staffing and Recruitment

May 17, 2023

Nursing in the Headlines

US faces 'perfect storm' nurse staffing crisis: About a third plan to leave, survey finds

Two surveys show the the nation's nursing shortage widened during the pandemic

News: 67% of nurses plan to exit current role in 3 years, survey shows

January 12, 2023 - [CDI Strategies - Volume 17, Issue 2](#)

Nurses Flock Back to Hospitals After Leaving in the Pandemic

The return of so-called boomerang nurses has helped ease staffing shortages and hospital crowding

Dignity Health workers to protest staffing levels at 26 California facilities

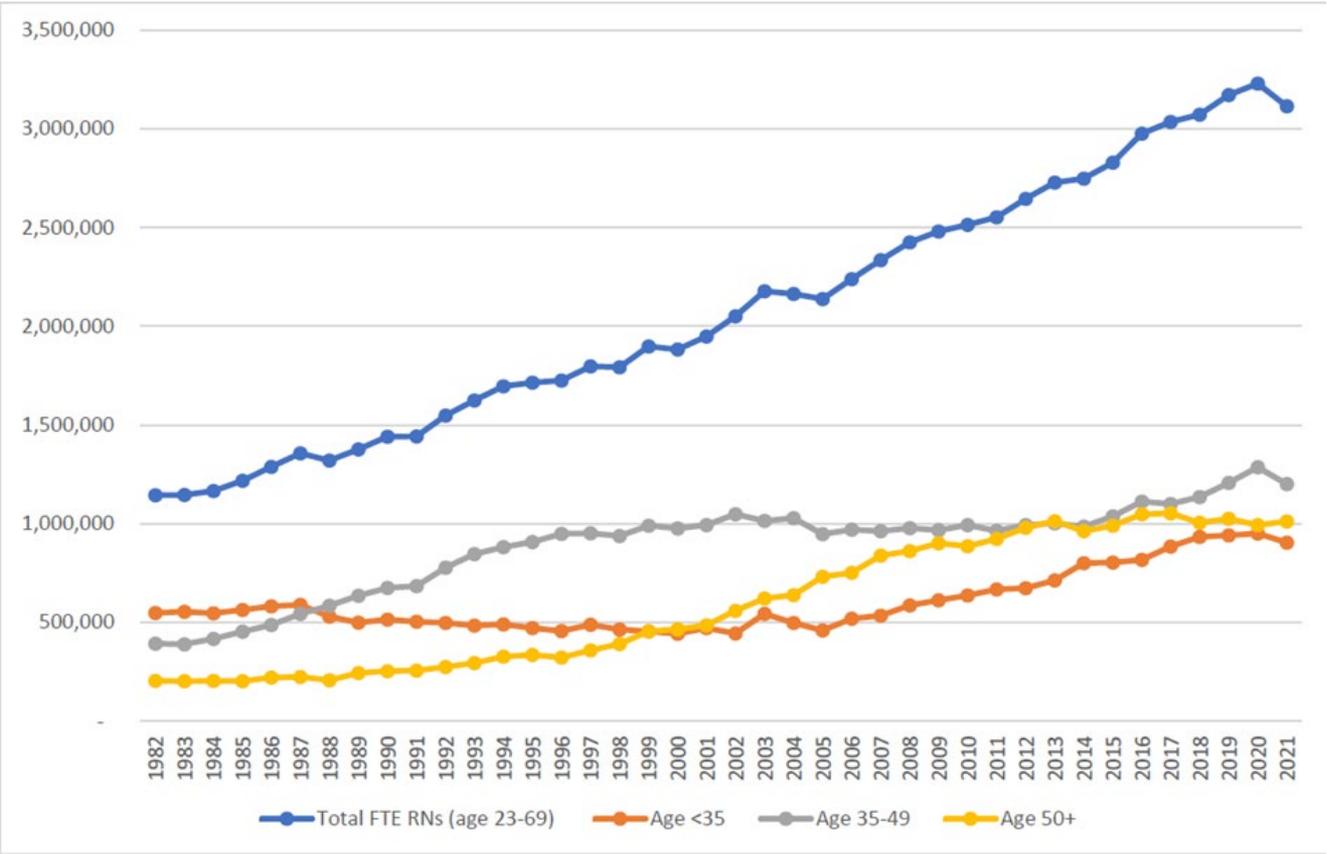
Kelly Gooch - Wednesday, March 15th, 2023

California nurses sound alarm on staffing: 6 recent cases

Alexis Kayser ([Email](#)) - Monday, March 20th, 2023

Nursing Supply – A National View

- 100,000 fewer nurses working today than before the pandemic (Health Affairs, April 2022)
- Chart: RN FTEs Ages 23-69 (1982-2021)

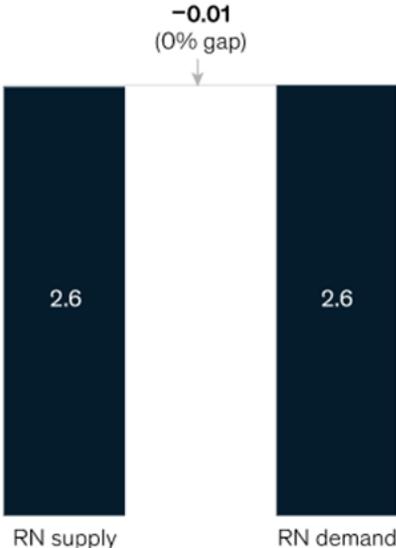


Nursing Supply – A National View

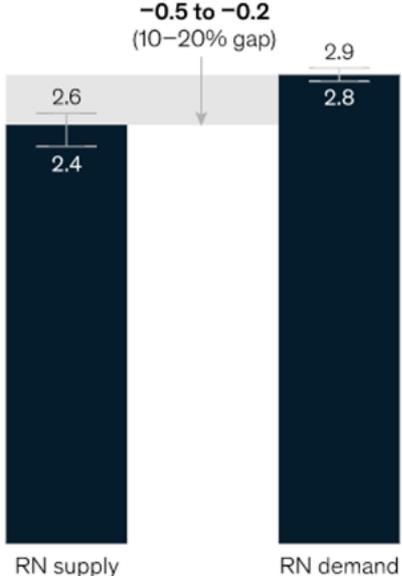
- A worsening nursing shortage nationally of 200,000 to 450,000 by 2025 (McKinsey & Co, May 2022)
- Chart: RN Nursing Gap

There may be up to a 10–20 percent gap between supply and demand of registered nurses by 2025.

US registered nurses (RNs) in direct patient care in 2019, million



Potential US registered nurses in direct patient care in 2025, million¹



Nurse Shift Manager – Shift Report

Shift Report from the Nursing Shift Manager

Date:	5/9/2023	Time:	0600			
In Patient Census:	155	ED 24hr Census:	190			
NEDOC Score:	53	Normal Operations		Consider early activation of Surge Policy	Activate Surge Policy	
Total COVID	0	NEDOC 0-60 Not Busy to Busy IP Capacity < 80%	NEDOC 61-100 Very Busy IP Capacity 80-89%	NEDOC 101-140 Overcrowded IP Capacity 90-99%	NEDOC 141-180 Severely Overcrowded IP Capacity 100-119%	NEDOC 181-200 System Overloaded IP Capacity > 120%

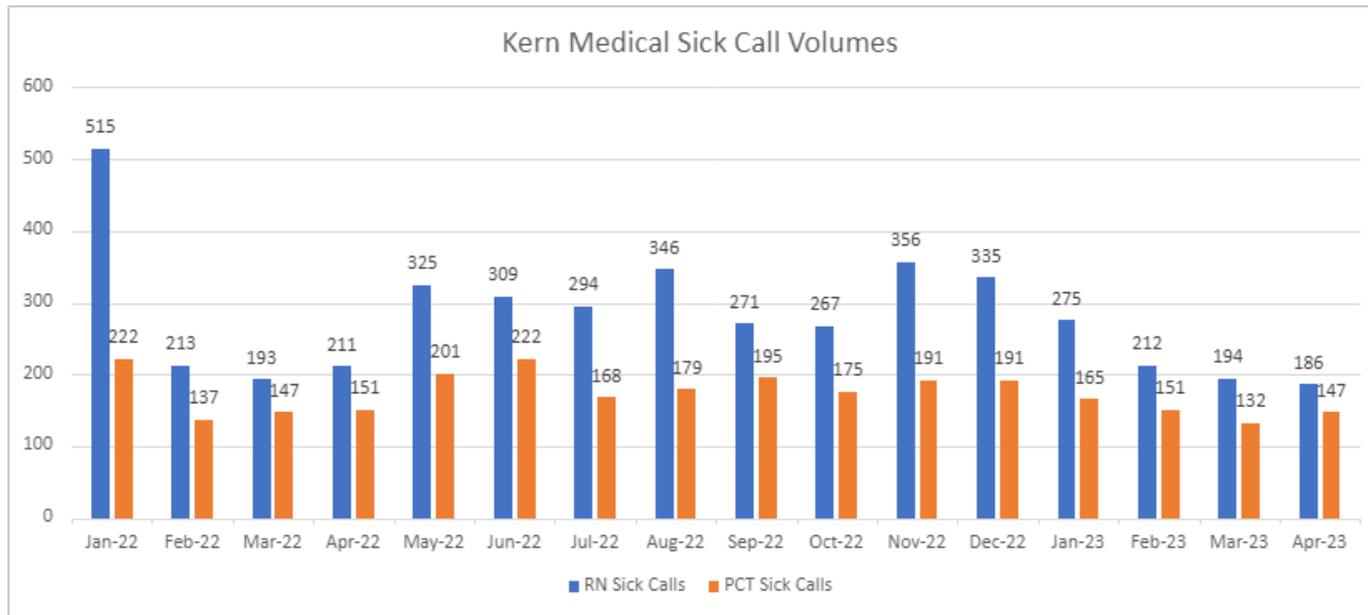
CENSUS										STAFFING											
Units:	Total Beds	Staffed Beds	Current Census	Pr's on 1:1	Restraints	RN's	RN Midshift 900-1100-100	LVN's	Techs	Stems	MST	Acuity/Labor Comments									
ICU	12	10	9			8					1	2 rooms closed									
DOU	10	10	9+1			6			1			icu admit will be placed on CRRT									
2C	42	25	20+1			6			2		1										
3C	49	34	30+2			9			3	3	1										
3D	26	23	22+1			6			2	1	1										
L&D	12	12	6m+1b			5			1		1										
4C																					
PPE	11	11	12a+9b			5			2		1										
PEDS	11	8	4			2															
NICU	28	18	17			10															
BHU	25	22	20			5			2	1	1										
ED	-	-	23			14	4	2	2	2	1										

ER Walk-Outs Past 24 hours	LWBS: 16	AMA: 5	Total: 21		
Operative Cases & Procedures					
Scheduled OR Cases			22		
Scheduled L&D OR Cases			0		
Scheduled Cath Lab Cases			0		
Scheduled DTC Cases			0		
Total Cases Scheduled			22		
ED Admits Holding					
ICU	1	PEDS	0	5150's	5
DOU	2	BHU	0	5250's	3
TELE	3	OB	0	CM Issues	4
MS	0	-	-	PEC Packets	5
Total	6				

Other Events or Safety Issues			
FIN #	Dept	Room	Description of Event

Transfer Center Report														
Date & Time	Transfer RN	PT. Initials	Insurance	Requesting Facility	Specialty Requested	HLOC Medical Condition	Type of Transfer	Level of Care Requested	Result of Transfer	Cancel Reason	Accepting MD Declining MD MD aware of Cancel	Date & Time Accepted	Encounters	Notes
5/8/23 1728	Maria Soto	g.l.b	medical	pcc	Psychology	unspecified	Direct Admit	BHU	Accepted	None	ahmad	5/8/23 0100	no	2
5/8/23 0200	Maria Soto	m.a	universal ipa	Adventist Bak	GI	upper gi	ER to ER	ER	Accepted	None	quesada	5/8/23 0340	no	2

Sick Calls



**RN Sick Call % improvement = 515 (January 2022) – 186 (April 2023) = 329 sick calls
329 sick calls (difference) / 515 (January 2022) - .639 x 100 = **63.9% improvement****

**PCT Sick Call % improvement = 222 (January 2022) – 147 (April 2023) = 75 sick calls
75 sick calls (difference) / 222 (January 2022) - .337 x 100 = **33.7% improvement****

Interventions:

Professional Accountability
Daily JBDEV Sick Call Audits

February Patient to Nurse Ratio by Hour

	Time of Day																							
	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000	0100	0200	0300	0400	0500	0600
1-Feb	2.46	2.38	2.06	2.31	2.12	2.47	2.78	2.78	2.61	2.39	2.72	2.67	2.72	2.79	3.25	3.44	3.53	3.07	2.71	2.50	2.36	2.23	2.23	2.15
2-Feb	2.17	2.00	2.07	2.50	2.50	2.56	1.72	1.61	1.83	1.78	2.06	2.61	2.43	2.57	2.89	2.89	2.82	2.41	2.73	2.20	2.07	1.73	1.67	1.53
3-Feb	1.83	2.08	1.50	1.50	1.56	1.72	1.68	2.00	1.95	2.00	2.16	2.21	1.85	2.05	2.35	2.53	2.60	2.60	2.57	2.36	2.54	2.31	2.00	1.92
4-Feb	1.77	1.92	1.87	2.07	2.33	1.93	1.75	2.00	1.94	2.12	2.18	1.72	1.61	1.89	2.38	2.50	2.69	2.50	2.67	2.73	3.07	3.00	2.57	2.14
5-Feb	1.86	1.93	1.41	1.82	1.76	1.65	1.61	2.22	2.11	2.16	2.21	2.00	2.17	2.56	2.93	2.73	2.73	2.40	2.64	2.50	2.85	2.46	2.31	2.08
6-Feb	2.45	2.55	1.93	2.36	2.50	3.29	3.40	3.07	3.19	3.25	3.31	3.44	2.63	2.58	3.38	2.88	2.69	2.50	2.47	2.13	2.36	2.00	1.71	1.64
7-Feb	1.92	1.83	1.56	1.88	2.19	2.13	2.47	2.94	2.61	2.61	2.39	1.94	2.37	2.26	2.87	2.80	2.73	2.93	2.93	2.43	2.38	2.15	2.08	1.92
8-Feb	2.08	2.25	1.93	2.36	2.79	3.07	3.00	3.20	3.00	3.00	2.73	3.00	3.35	3.35	3.27	2.47	2.07	2.27	2.43	2.43	2.43	2.36	2.29	1.93
9-Feb	2.31	2.31	1.88	2.25	2.94	2.88	2.53	2.76	2.00	1.94	2.00	2.06	2.26	2.63	3.19	3.19	3.19	2.94	2.80	2.60	2.29	2.21	1.79	1.57
10-Feb	1.62	1.69	1.60	1.80	2.47	3.47	3.31	3.13	3.13	2.69	3.06	3.50	3.29	3.22	3.56	3.35	3.28	3.22	3.12	3.12	3.29	3.31	3.40	3.27
11-Feb	3.38	2.92	2.31	2.63	3.31	3.19	2.82	3.00	3.12	3.65	3.35	3.41	3.11	3.21	4.38	4.63	4.50	4.25	4.20	3.87	3.53	3.60	3.47	3.20
12-Feb	3.14	3.21	2.29	2.29	2.41	2.47	2.33	2.67	2.63	2.74	2.32	2.11	2.26	2.32	3.00	3.25	3.29	3.41	3.69	3.75	3.67	3.47	3.13	3.07
13-Feb	3.31	3.38	2.50	2.06	2.06	2.24	2.56	3.00	3.00	3.42	3.74	3.68	3.30	3.65	4.12	3.76	3.88	3.63	3.67	3.33	3.00	2.57	2.36	2.50
14-Feb	2.23	2.38	2.33	2.53	2.53	2.73	2.56	2.38	2.12	2.29	2.53	2.47	2.26	2.37	2.47	2.65	2.76	2.47	2.19	1.69	1.67	1.47	1.33	1.33
15-Feb	1.43	1.71	1.60	2.33	2.00	2.29	2.18	2.41	2.71	2.53	2.41	3.06	2.76	3.29	3.18	2.94	3.13	2.87	2.36	1.93	1.92	1.77	1.46	1.15
16-Feb	1.42	1.67	1.31	1.50	1.61	1.94	2.16	2.11	2.32	2.16	2.21	2.37	2.32	2.59	2.78	2.50	2.88	3.13	2.80	2.60	2.14	1.86	1.57	1.43
17-Feb	1.23	1.54	1.13	1.44	1.17	1.39	1.61	1.72	2.00	2.22	2.33	2.44	2.10	1.95	2.53	2.35	2.73	2.87	2.87	2.60	2.64	2.36	1.79	1.36
18-Feb	1.67	1.67	1.31	1.44	1.41	1.59	1.59	1.29	1.50	1.72	1.83	1.89	1.84	2.26	2.27	2.53	2.50	2.14	2.36	2.07	2.46	2.69	2.62	2.46
19-Feb	1.71	1.50	1.53	1.59	1.74	1.84	2.05	1.47	1.45	1.55	1.70	1.65	1.79	1.84	2.25	1.94	1.79	1.86	1.93	1.93	1.92	2.00	1.83	1.67
20-Feb	1.43	1.07	1.12	1.41	1.68	2.11	2.05	2.45	2.29	2.33	2.10	2.33	2.50	2.39	2.38	2.44	2.79	2.79	3.23	3.42	3.55	3.70	3.70	3.40
21-Feb	2.50	2.42	2.36	2.50	2.79	3.21	2.75	2.88	3.00	2.94	3.41	3.12	3.21	2.95	3.06	3.06	3.00	2.82	3.07	2.73	2.57	2.43	2.29	2.14
22-Feb	2.21	2.07	1.82	1.76	2.11	2.28	2.33	2.50	2.83	2.83	2.89	2.56	2.83	2.56	2.75	2.44	2.27	2.27	2.13	2.00	1.93	1.64	1.64	1.71
23-Feb	2.00	2.07	2.19	2.38	2.44	3.06	3.26	3.53	3.55	3.20	3.35	3.35	3.29	3.19	3.25	3.61	3.63	3.44	3.47	3.27	2.93	2.36	2.29	2.36
24-Feb	2.58	2.50	1.60	2.00	2.27	2.40	2.38	2.63	2.94	3.13	3.19	3.06	2.44	2.11	2.40	2.13	1.50	1.56	1.80	1.47	1.33	1.50	1.43	1.36
25-Feb	1.46	1.54	1.27	1.20	1.60	1.80	1.88	1.75	1.88	2.19	2.31	2.13	2.00	2.24	2.33	1.93	2.00	1.87	2.14	1.86	1.92	1.85	1.92	1.85
26-Feb	1.46	1.62	1.60	1.87	1.65	1.65	1.33	1.61	2.05	1.79	2.05	1.95	2.11	2.21	2.53	2.65	2.87	2.60	2.64	2.43	2.00	1.69	1.92	1.85
27-Feb	2.45	2.45	2.07	2.36	2.44	3.00	3.35	3.65	3.83	4.06	4.11	3.56	2.95	3.33	3.72	3.28	3.25	3.19	3.27	3.00	3.07	2.86	2.64	2.21
28-Feb	1.86	2.00	1.50	1.81	2.06	2.44	3.00	3.06	2.94	2.89	3.11	3.39	3.50	3.61	3.88	3.63	3.06	3.00	2.87	2.73	2.79	2.71	2.14	2.07

February 11

Census and Staffing by Hour

2/11/2023	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000	0100	0200	0300	0400	0500	0600
PATIENTS	44	38	37	42	53	51	48	51	53	62	57	58	59	61	70	74	72	68	63	58	53	54	52	48
NURSES	13	13	16	16	16	16	17	17	17	17	17	17	19	19	16	16	16	16	15	15	15	15	15	15
Ratio	3.38	2.92	2.31	2.63	3.31	3.19	2.82	3.00	3.12	3.65	3.35	3.41	3.11	3.21	4.38	4.63	4.50	4.25	4.20	3.87	3.53	3.60	3.47	3.20

Scheduled Staffing

	7A Shift	Mid Shift 900-1100-1300-1500	7P Shift	Volume	Staffing
11-Feb	13	4	15	143	0 / 1 / 0

March Patient to Nurse Ratio by Hour

Time of Day

	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000	0100	0200	0300	0400	0500	0600
1-Mar	2.15	2.31	2.24	2.65	2.61	2.83	3.06	2.89	2.83	2.72	3.17	3.22	3.00	3.40	3.82	3.88	4.33	4.53	4.71	4.29	3.86	3.36	3.21	3.14
2-Mar	3.50	3.50	2.88	2.94	2.68	2.84	2.80	2.75	2.90	3.30	3.05	3.10	3.05	3.00	3.47	3.06	3.27	3.53	3.47	3.40	3.07	2.73	2.47	2.07
3-Mar	2.33	2.17	2.00	2.19	2.18	2.41	2.50	2.39	2.11	2.39	2.44	2.61	2.56	3.00	3.79	4.14	4.46	4.77	4.25	3.33	2.50	2.92	2.75	1.92
4-Mar	1.85	1.85	1.69	2.06	2.24	2.35	2.39	2.56	2.72	2.72	2.72	2.78	3.06	3.24	3.93	3.43	3.29	3.14	3.46	2.85	2.69	2.54	2.54	2.46
5-Mar	2.25	2.58	2.33	2.07	2.00	2.00	1.72	1.67	1.44	1.56	1.67	2.00	1.84	1.89	2.29	2.29	2.73	2.93	2.79	2.69	2.69	2.23	1.92	2.15
6-Mar	2.25	2.50	2.67	3.17	2.59	2.41	2.67	2.94	2.84	2.89	2.74	2.68	2.45	2.55	2.95	2.89	2.82	2.82	2.39	2.33	2.27	2.36	2.14	2.00
7-Mar	2.42	2.42	2.20	2.20	2.07	2.53	2.56	3.00	2.88	3.00	3.56	3.81	3.10	3.00	3.67	3.56	3.00	3.00	2.67	2.67	2.88	2.44	2.44	2.00
8-Mar	2.82	3.00	2.43	2.57	2.13	2.13	2.18	2.24	2.35	2.53	2.94	3.29	3.05	3.24	3.83	3.28	3.44	3.38	3.33	3.73	3.20	2.87	2.60	2.47
9-Mar	2.42	2.33	1.60	1.73	1.83	1.89	1.78	2.00	1.79	1.68	1.89	2.05	2.00	1.75	2.53	2.18	2.20	2.07	2.07	1.93	1.69	1.69	1.54	1.62
10-Mar	1.62	1.69	1.93	2.47	2.75	3.06	3.41	3.59	3.06	2.82	2.59	2.88	2.89	2.79	3.06	3.06	2.59	2.35	2.31	2.13	2.20	2.00	2.07	2.27
11-Mar	2.07	2.00	1.88	1.88	1.79	2.00	2.10	2.15	2.15	2.00	2.05	2.15	2.32	2.21	3.50	3.38	3.43	3.64	3.85	3.31	2.85	2.85	2.54	2.23
12-Mar	2.23	2.38	1.76	1.53	1.47	1.84	1.90	1.71	2.05	2.29	2.19	2.52	2.73	2.68	3.50	3.89	4.00	3.94	3.57	3.29	3.36	2.93	2.86	2.57
13-Mar	2.77	2.85	2.31	2.75	2.88	3.29	2.78	3.17	3.11	3.53	3.53	3.68	4.22	4.67	5.25	5.13	5.33	5.00	5.21	4.36	3.62	3.38	3.08	2.69
14-Mar	2.64	2.64	2.17	2.28	2.26	2.37	2.20	1.95	2.00	1.95	2.14	2.29	2.80	2.95	3.29	2.71	2.76	2.82	2.63	2.38	2.60	2.40	2.13	1.87
15-Mar	1.85	1.54	1.44	1.83	2.05	2.05	2.25	2.50	2.10	2.45	2.40	2.20	2.35	2.35	3.13	2.94	3.00	3.14	2.71	2.29	2.08	1.69	1.92	1.77
16-Mar	1.57	1.36	1.17	1.39	1.84	1.74	1.75	1.90	2.25	2.35	2.60	2.90	3.00	3.29	3.71	3.56	3.44	3.28	2.88	2.29	2.25	2.00	1.88	2.00
17-Mar	2.38	2.38	2.33	2.20	3.07	3.07	3.00	2.94	2.88	2.88	2.81	3.25	3.41	3.47	3.67	4.07	3.60	3.47	3.43	3.29	3.43	3.29	2.21	2.00
18-Mar	3.27	2.91	2.46	2.38	2.50	2.43	2.13	2.13	1.53	1.87	2.20	2.20	1.88	2.12	2.20	2.07	1.50	1.79	2.08	1.85	1.62	1.38	1.38	1.38
19-Mar	1.33	1.17	1.07	1.57	1.81	2.06	1.88	1.76	2.00	1.88	1.59	1.47	1.33	1.39	2.19	2.19	2.57	2.50	2.23	2.23	1.77	1.62	1.31	1.38
20-Mar	1.46	1.46	1.47	1.87	1.94	2.06	2.28	2.28	2.47	2.79	3.05	3.11	3.26	3.11	3.12	2.94	3.13	3.07	2.93	2.71	2.46	2.38	2.23	2.08
21-Mar	1.53	1.87	1.72	1.94	1.95	2.38	2.36	2.41	2.32	2.18	2.50	2.36	2.43	2.76	3.11	3.00	3.50	3.00	2.87	2.80	2.64	2.43	2.21	2.07
22-Mar	2.00	2.15	2.06	2.24	2.16	2.26	2.42	2.63	2.79	3.00	2.79	2.84	3.29	2.94	3.13	3.27	3.77	3.38	3.54	3.54	3.46	2.69	2.38	2.23
23-Mar	1.85	1.85	1.75	2.13	2.22	2.22	2.05	2.32	2.15	2.20	2.55	2.95	2.95	3.19	3.22	3.17	2.94	2.88	2.87	2.07	2.21	1.79	1.50	1.57
24-Mar	1.46	1.54	1.50	1.63	2.06	2.33	2.60	2.60	2.75	2.75	2.75	2.80	3.05	3.05	2.89	2.83	2.67	2.67	2.63	2.63	2.60	2.42	2.17	1.92
25-Mar	1.83	1.92	1.71	1.86	2.00	2.06	2.18	2.12	2.47	2.65	2.82	2.82	3.19	2.50	2.87	3.13	2.77	2.46	2.75	2.33	2.82	2.82	2.91	2.73
26-Mar	2.29	2.29	1.94	1.75	1.78	2.06	2.16	2.16	2.58	2.47	2.53	2.74	2.35	2.60	2.89	2.78	2.88	2.94	3.07	2.73	2.80	2.80	3.00	2.73
27-Mar	4.30	4.60	3.29	3.64	3.38	3.69	3.29	3.12	3.11	3.06	2.83	2.39	2.25	2.40	2.82	3.00	3.80	3.20	2.57	2.00	1.92	1.92	1.54	1.46
28-Mar	1.31	1.46	1.35	1.47	1.68	2.35	2.28	2.11	2.21	2.21	2.05	2.26	2.50	2.60	2.94	2.71	3.27	3.07	2.86	2.29	1.85	1.46	1.38	1.46
29-Mar	1.31	1.08	0.88	1.29	1.67	2.22	2.32	2.53	2.56	2.39	2.94	3.06	2.80	2.95	3.11	3.17	2.88	2.53	2.75	2.31	2.27	1.93	1.93	1.93
30-Mar	1.79	1.71	1.63	2.06	2.53	2.59	2.56	2.28	2.67	2.50	2.78	2.89	3.12	3.24	3.19	2.69	2.53	2.20	2.00	1.86	1.86	1.64	1.43	1.14
31-Mar	1.70	2.20	1.63	2.00	2.44	2.69	2.41	2.94	3.18	3.29	3.29	3.65	2.95	2.95	3.87	3.73	3.80	3.73	3.21	2.86	2.85	2.54	2.31	2.08

March 18

Scheduled Staffing

	7A Shift	Mid Shift 0900-1100-1300-1500	7P Shift	Volume	Staffing
3/18/2023	11	5	13	119	2 / 0 / 0

Census and Staffing by Hour

3/18/2023	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000	0100	0200	0300	0400	0500	0600
PATIENTS	36	32	32	31	35	34	32	32	23	28	33	33	32	36	33	31	21	25	27	24	21	18	18	18
NURSES	11	11	13	13	14	14	15	15	15	15	15	15	17	17	15	15	14	14	13	13	13	13	13	13
Ratio	3.27	2.91	2.46	2.38	2.50	2.43	2.13	2.13	1.53	1.87	2.20	2.20	1.88	2.12	2.20	2.07	1.50	1.79	2.08	1.85	1.62	1.38	1.38	1.38

April Patient to Nurse Ratio by Hour

Time of Day

	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000	0100	0200	0300	0400	0500	0600
1-Apr	1.92	1.83	1.57	1.79	1.41	1.82	1.53	1.00	1.06	1.35	1.59	1.71	1.83	1.94	2.38	2.38	2.92	2.69	2.38	1.69	1.54	1.77	1.38	1.54
2-Apr	1.54	1.23	1.07	1.00	1.19	1.25	1.71	2.29	2.53	2.65	2.59	2.24	2.32	2.37	3.00	2.59	2.63	2.38	2.47	2.27	2.36	2.21	1.93	1.93
3-Apr	2.55	2.64	1.87	2.20	2.13	2.19	2.29	2.76	2.72	2.56	2.50	2.67	2.89	2.61	3.07	3.00	3.08	2.69	2.58	2.17	1.91	1.73	1.55	1.55
4-Apr	1.36	1.57	1.39	1.39	0.95	0.90	0.73	0.68	0.67	0.92	1.33	1.38	1.43	1.48	1.85	1.70	1.71	1.47	1.44	1.25	1.21	1.14	0.93	0.71
5-Apr	0.77	0.85	1.23	1.31	1.54	1.92	1.77	2.08	2.31	2.92	3.38	3.46	2.71	2.94	2.59	2.35	2.59	2.18	2.18	1.59	1.35	1.18	0.82	0.65
6-Apr	1.17	1.25	1.36	1.14	1.67	2.13	2.31	3.00	2.82	3.00	3.12	3.18	2.64	2.77	3.25	3.30	3.26	2.37	2.78	2.67	2.87	2.80	2.87	2.33
7-Apr	2.46	2.46	2.21	2.36	2.60	2.60	2.63	2.19	2.44	2.75	2.69	2.63	2.44	2.88	3.07	3.33	3.57	3.07	3.08	2.62	2.38	2.00	2.00	1.54
8-Apr	1.33	1.75	2.00	2.31	2.64	2.86	3.67	4.00	4.00	3.67	3.73	3.27	2.75	2.44	2.53	2.93	2.64	2.57	3.08	2.85	2.85	2.92	3.08	2.77
9-Apr	2.77	2.38	1.80	1.67	1.75	2.06	1.94	1.81	2.19	2.31	2.50	2.75	2.94	2.94	3.36	3.86	3.54	3.62	3.92	3.92	4.08	3.92	3.92	3.77
10-Apr	4.18	4.27	3.33	3.40	3.19	4.00	4.12	4.06	3.78	3.72	3.50	3.44	3.50	3.35	4.12	4.12	5.00	4.94	4.80	4.73	4.86	4.43	4.57	4.07
11-Apr	4.38	4.46	3.38	3.38	3.06	3.59	3.22	3.17	2.65	2.70	2.85	2.95	3.10	3.19	3.61	3.00	3.24	3.41	3.00	2.50	2.50	2.21	2.00	1.57
12-Apr	1.77	1.92	1.75	1.88	2.50	2.43	2.60	3.20	3.47	3.73	4.53	4.80	3.55	3.85	4.47	4.18	4.44	4.38	4.07	3.40	3.53	3.07	2.67	2.33
13-Apr	2.62	3.00	2.53	3.00	3.22	3.83	3.63	3.47	3.20	3.80	3.30	2.90	3.42	3.47	4.13	4.27	4.07	3.67	3.57	3.36	3.38	2.62	2.46	2.38
14-Apr	2.20	2.67	2.21	2.58	2.68	2.68	2.55	3.00	3.35	3.55	3.50	3.55	3.36	3.50	4.32	4.00	3.84	3.32	3.33	3.17	2.76	2.29	2.35	2.24
15-Apr	2.36	2.57	0.31	2.31	2.25	2.19	2.47	2.65	2.82	2.82	2.76	2.71	2.78	2.83	3.50	3.38	3.50	3.75	4.00	3.80	2.86	2.71	2.29	2.29
16-Apr	2.29	2.71	2.38	2.63	3.31	3.25	3.18	2.71	2.50	2.56	2.67	2.61	2.30	2.15	2.83	2.78	2.83	2.83	3.00	3.06	3.29	3.29	3.29	3.00
17-Apr	3.23	3.00	2.47	2.65	2.20	2.40	2.71	2.67	2.68	2.50	2.91	3.14	3.08	3.29	3.68	3.27	3.32	3.21	3.39	2.83	2.88	2.31	2.13	1.94
18-Apr	2.07	2.00	1.83	1.72	1.71	2.14	2.23	2.55	2.58	2.50	2.21	2.29	2.67	2.75	3.33	3.10	3.28	3.06	2.59	2.53	2.87	2.73	2.73	2.33
19-Apr	2.43	2.50	2.28	2.67	2.94	2.39	2.89	3.32	3.26	3.16	3.37	3.47	3.56	3.56	3.93	3.73	3.60	3.13	3.21	2.86	2.86	2.93	2.86	2.71
20-Apr	2.50	2.29	2.12	2.35	2.32	2.42	2.26	2.26	1.95	2.05	2.25	2.10	2.16	2.42	2.81	2.94	2.86	3.14	3.14	2.64	2.77	2.46	2.23	2.31
21-Apr	2.00	1.77	1.69	1.69	1.80	1.85	1.90	2.38	2.29	2.05	2.24	2.38	2.33	2.57	3.06	3.06	2.94	2.81	2.87	2.67	2.80	2.93	2.80	2.60
22-Apr	2.92	3.00	3.15	3.38	2.80	3.13	3.00	3.00	3.19	3.31	3.50	2.94	2.33	2.33	1.88	2.06	2.40	2.53	2.79	2.71	2.71	2.64	2.43	2.57
23-Apr	3.09	2.91	2.38	2.08	2.20	1.93	1.76	2.00	1.83	2.06	2.17	2.11	1.95	2.00	2.26	2.42	2.94	3.06	3.60	3.53	3.62	3.54	3.08	2.85
24-Apr	2.69	3.08	2.56	2.50	2.59	2.59	2.11	2.17	2.06	2.28	2.78	3.00	3.05	2.95	3.53	3.41	3.69	3.56	3.67	3.20	3.00	3.00	2.64	2.79
25-Apr	2.57	2.79	2.29	2.47	2.33	2.78	2.47	2.84	2.45	2.65	2.70	2.55	2.89	2.95	3.13	3.00	3.40	3.33	3.29	2.71	2.15	2.38	2.08	2.08
26-Apr	1.87	2.00	1.89	2.00	1.95	1.95	1.95	2.10	2.35	2.40	2.45	2.50	2.67	3.00	3.61	3.33	3.53	3.35	3.13	2.63	2.13	1.75	1.81	1.69
27-Apr	2.00	2.29	1.71	2.00	2.24	2.76	2.56	2.72	2.53	2.84	2.74	2.89	3.06	3.11	3.93	4.07	3.60	3.87	3.71	3.36	2.85	2.85	2.46	2.23
28-Apr	1.80	1.80	1.63	2.06	2.17	2.39	2.32	2.16	2.00	1.74	1.89	2.21	2.71	3.00	3.38	3.38	3.64	3.29	3.46	3.46	3.08	2.46	2.23	2.08
29-Apr	2.07	2.00	2.00	1.67	2.00	2.00	2.06	1.78	1.89	2.28	2.61	2.33	2.19	2.19	2.87	3.13	3.38	3.62	3.83	4.50	4.50	4.25	3.75	3.67
30-Apr	3.36	3.36	2.77	3.15	3.69	4.08	3.93	3.86	3.93	3.93	3.93	4.00	3.22	3.16	3.47	3.47	3.06	3.63	3.67	3.67	3.40	3.53	3.64	3.00

ED Operational Opportunities for Improvement

- No front end process for immediate pt MSE and initiating care
 - Rapid Medical Evaluation (RME) / Split Flow (Provider in Triage)
 - Standardized Orders
- Throughput to inpatient beds
 - Availability
- PEC Diversion
 - All Law Enforcement, Mobile Evaluation Team (MET) transports and walk-ins at PEC are redirected to KMC Emergency Department
 - No KMC pts can be discharged to PEC for psychiatric evaluations

Admission Throughput Enhancements

- Median Time - Patient Status Order (PSO) to Arrival on Unit

Year	# of Admissions	Min	Hours	Days
2021	6187	315	5.25	.21
2022	6245	338	5.6	.23
2023	1553	296	4.9	.2

Discharge Process Improvement: Overview

Background

- Approved: March 2021

Inclusion

- All inpatient status
- Units: 2C, 3C, 3D
- Timeframe: Jan 1, 2021 to present

Exclusion

- Any units outside of 2C, 3C, 3D
- Incomplete/missing data
- Negative data value
- Duplicates
- Certain DC Dispositions

Interventions

- IDT (5/2021)
- Pilot DC Plan (6/2021)
- Discontinued MTB (10/2021)
- Huddle in 2C (3/2022)
- Sticky Notes (5/2022)
- DME Proposal (6/2022)
- MED DC Power Plan Updated (11/2022)
- Huddle in 3C & 3D (2/2023)
- Physicians in Huddle (4/2023)
- IDT Discontinued (4/2023)

Discharge Process Improvement: Overview

MEDIAN DISCHARGE TIME: Reduce median discharge time from 3.5 hours to 2 hours

- Overall: 3.2 to 2.4

% DISCHARGES \leq 2 HOURS: Increase % of discharges within 2 hours or less to 60%

- Overall: 21.5% to 39.5%

% DISCHARGE ORDERS BY 11 AM: Increase % of discharge orders written by 11 AM to 60%

- Overall: 27.1% to 28.2%

% DISCHARGES BY 1PM: Increase % of discharges by 1PM to 60%

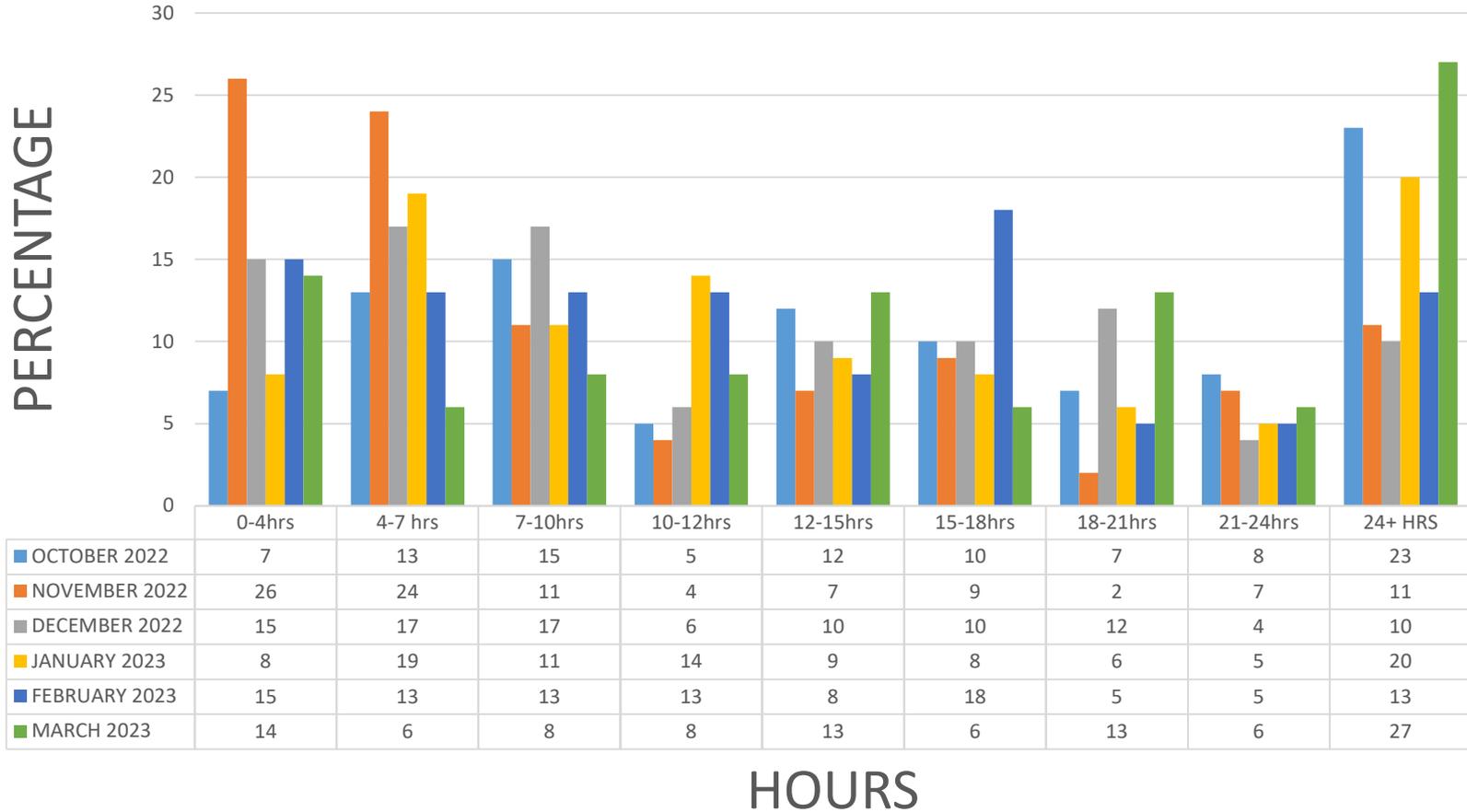
- Overall: 12.6% to 16.8%

ED / Psychiatric Evaluation Center (PEC) Collaboration Team

- Began 12 months ago to remove barriers to better care and throughput
- Team comprised of:
 - KMC ED Director & Supervisor
 - KMC BHU Director & Supervisor
 - KMC ED Physicians
 - KMC BHU Psychiatrists
 - PEC Behavioral Health & Recovery Unit Administrator
 - PEC Psychiatrist
 - PEC Unit Manager

PEC Packet Sent to PEC Accepting Pt.

COMPARISON - PEC PACKET SENT TO ACCEPT FOR TRANSFER



ED / PEC Collaboration Team Accomplishments

- Partnership between PEC & KMC
- 10:30am Collaborative Team meeting:
 - Participants: KMC ED CM&SW, KMC Psychiatrists and resident team, KMC ED Operations Manager, Kern County Youth Wrap Around, Kern County Crisis Navigators
 - Collaborate on all current BH pts in ED and identify needs with goal of meeting their needs appropriately ensuring safety, e.g. breaking holds with resources, transfer to BBHH, transfer to PEC, admit
- Escalation process with PEC Leadership for addressing crisis situations

Professional Development

Centralized Education Department

- Generational Awareness
- Competency Fairs
- Collaboration with SIM Center / Dr. Sage Wexner:
 - Escape Room
 - Kahoot
 - EKG Recognition
 - Trauma SIM
 - Post Partum Hemorrhage SIM
 - Shoulder Dystocia

LVN's at Kern Medical

We currently have 20 active LVNs located in:

- Emergency Department
- Acute Care
- Post Partum
- Family Practice and Medicine Clinics
- Peri Anesthesia
- Quality Performance

Nurse Residency

- Vizient
- 1 Year Program
- Monthly 4 Hour Seminar
- Each Seminar Consists of:
 - 1 Hour Guest Lecture
 - 1 Hours Skills/Collaboration with SIM Lab
 - 1.5 Hours Evidence Based PI Project/Collaboration with the Quality Team
 - .5 Hours Breakout Session with Department Team
- Surveys are Conducted at the Start of Residency, 6 months and at 1 year

To Summarize

- Kern Medical is committed to providing quality care for the patients we serve in our community.
- Kern Medical will continue to build to the CMS “Triple Aim”
 - Improve patient care
 - Reduce healthcare costs
 - Improve the health of our patient population

To achieve this will require renewed focus with our staff on care and efficiencies driven by upcoming changing payment dynamics

Recruitment

Labor Market Overview

IMMEDIATE CHALLENGE: Pandemic resulted in burnout for healthcare workers

Those who stayed worked hard; many hours

- The Great Resignation
- High COVID-related absences
- Continuous high census

CURRENT: Recovery efforts

- Post COVID recruiting efforts
- Review operational efficiencies
- Modify staffing models
 - LVNs hired to support care team
 - Part-Time nurse positions created
 - Flexibility is a key hiring trend
 - Addition of Operations Managers & clerical staff positions
 - Frees clinical nurse leaders for elbow-to-elbow clinical nurse support

Labor Market Overview (con't)

FUTURE: Healthcare Staffing Trends

- Continued limited funding for public hospitals will require continuous improvement initiatives be explored and implemented
- Recruitment will continue to evolve/innovate
 - Virtual nursing
 - Gig-work
 - Internal float pool

HR Metrics – Organization Wide

- FTE count at year end (based on hrs worked)
 - 2021 = 1,761
 - 2022 = 1,729
 - 2023 = 1,709*
- Turnover rate
 - 2021 = 26.7%
 - 2022 = 28.7%
 - 2023 = 30.4% (7.6%* annualized)

Benchmark for hospitals = 25.9%

Source: 2022 NSI National Healthcare Retention Report

*through March 2023

HR Metrics - Nursing

- Average nurse count at year end
 - 2021 = 488
 - 2022 = 418
 - 2023 = 413
- Increased utilization of travelers and per diem staff to augment staffing shortages during the pandemic
- Open Hospital Staff Nurse Positions
 - March 15, 2022 = 167 (151.8 FTE)
 - March 15, 2023 = 126 (117.81 FTE)
- Turnover rate
 - 2021 = 34.5%
 - 2022 = 41.7%
 - 2023 = 18.08% (4.52%* annualized)
- New grads hired
 - 2021 = 60
 - 2022 = 53
 - 2023 = 62 YTD

HR Metrics - Emergency Dept

- Turnover Rate
 - 2021 = 31.8%
 - 2022 = 43.18%
 - 2023 = 23.16% (5.79% annualized)*
- ED Overtime Hours
 - 2021 = 6,506.50 (3.12 FTEs)
 - 2022 = 9,772.30 (4.70 FTEs)
 - 2023 = 1,516.20* (2.92 FTEs)

*through March 2023

General Recruiting Efforts Post Pandemic

- Kern County Career Fair - Fairgrounds
- Job Fest - Lamont
- Job Fest - Mechanic Bank Arena
- Job Fest - Taft
- Job Fest - Shafter
- Career Expo - Mechanics Bank Arena
- Medical Career Fair - Main Campus
- North West College Fair - School Campus
- Career Fair - Unitek
- Walk-in Wednesdays - Main Campus
- Movie theater spots
- News coverage – periodic and ongoing spots

Nurse Recruiting Efforts Post Pandemic

- Committee addressing nurse recruiting, retention and registry use
- Campus Recruitment Events - BC & CSUB
- Experienced Nurse Events - Main Campus & The Blvd
- Promotional banners - “We’re Hiring Nurses”
- Promotional mailings to experienced RNs (x3)
- Monthly promotional newsletter sent to Kern Medical current and alum nurses
- Traveler conversion project (3 conversions)
- Re-established nurse extern program
- Career Paths - LVN to RN roadmap

Nurse Leadership Recruiting

- Engaged with specialized recruiting agency for hard-to-fill leadership roles
 - ER Director
 - Maternal Child Director

Summary

- These are unprecedented times
- We continue to engage in efforts to recruit and retain staff
- Been a lot of negative headlines about healthcare stress and burnout
- We need everyone to band together to ensure Kern Medical can be an employer of choice and provide the best possible healthcare to the residents of Kern County



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

May 17, 2023

Subject: Report on Kern Medical Information Technology

Recommended Action: Receive and File

Summary:

The delivery of patient care has become integrated and dependent upon information technology, including data management, patient confidentiality, and cybersecurity. Kern Medical has made significant investments in the infrastructure and expertise to move our organization forward since forming the Hospital Authority. Kern Medical, similar to all other hospital and health care entities, will require ongoing investments to support information technology infrastructure, data management, programs, and cybersecurity.

Therefore, it is recommended that your Board receive and file the report on Kern Medical Information Technology.



Information Technology
Rey Lopez, Chief Information Officer

Agenda

- IT Review
- Current State
- The IT Road Ahead

2017 Where we started

- **Infrastructure**
 - Aged desktops, Servers, Security Appliances, and processes
 - Unsupported, end of life hardware
 - Begin the infrastructure transition
 - Deploy enterprise storage and backup solutions
- **Applications**
 - Legacy Apps, MEDSPHERE, HPP, Star, I2I, segregated databases, lacked integration and ease of use.
 - GroupWise email to Office 365
 - Financial System Install – PeopleSoft
 - Electronic Medical Record Project Kick Off Feb 2018
- **IT Staff** = 18 increased to 51 to support legacy operations and new project work.
- Create a culture for the future, invest in IT
- Operational budget under \$9MM

What has changed?

Item	2017	2023	Growth
User Accounts	2200	3842	74%
Computers	1899	2752	45%
Servers	189	220	16.4%
Virtual Machines	218	367	68%
Network Switches	143	202	41%
Mobile Devices	67	324	383%*

*Laptops, tablets, mobile phones, translation devices

Additional Clinical Services

- Q. Street MOB
- Camp Owens
- CRF
- Brundage Lane Nav Ctr.
- Mobile Clinics
- 19th Street
- Oswell Test Center
- Interoperability
- Remote Access

What has changed with Applications and Data?

Star	2017	2023
Clinical	Medsphere, HBO, HPP, Star, i2i	Cerner <small>(45+ modules)</small>
Financial	Star, Excel	PeopleSoft, Strata, DA2
Core	Groupwise	Office 365, MS Teams
Legacy Data*	<i>*2019- 2022 Migrated data to the Kern Medical Enterprise Data Warehouse</i>	

Our Data Model has changed

- **Data Infrastructure**

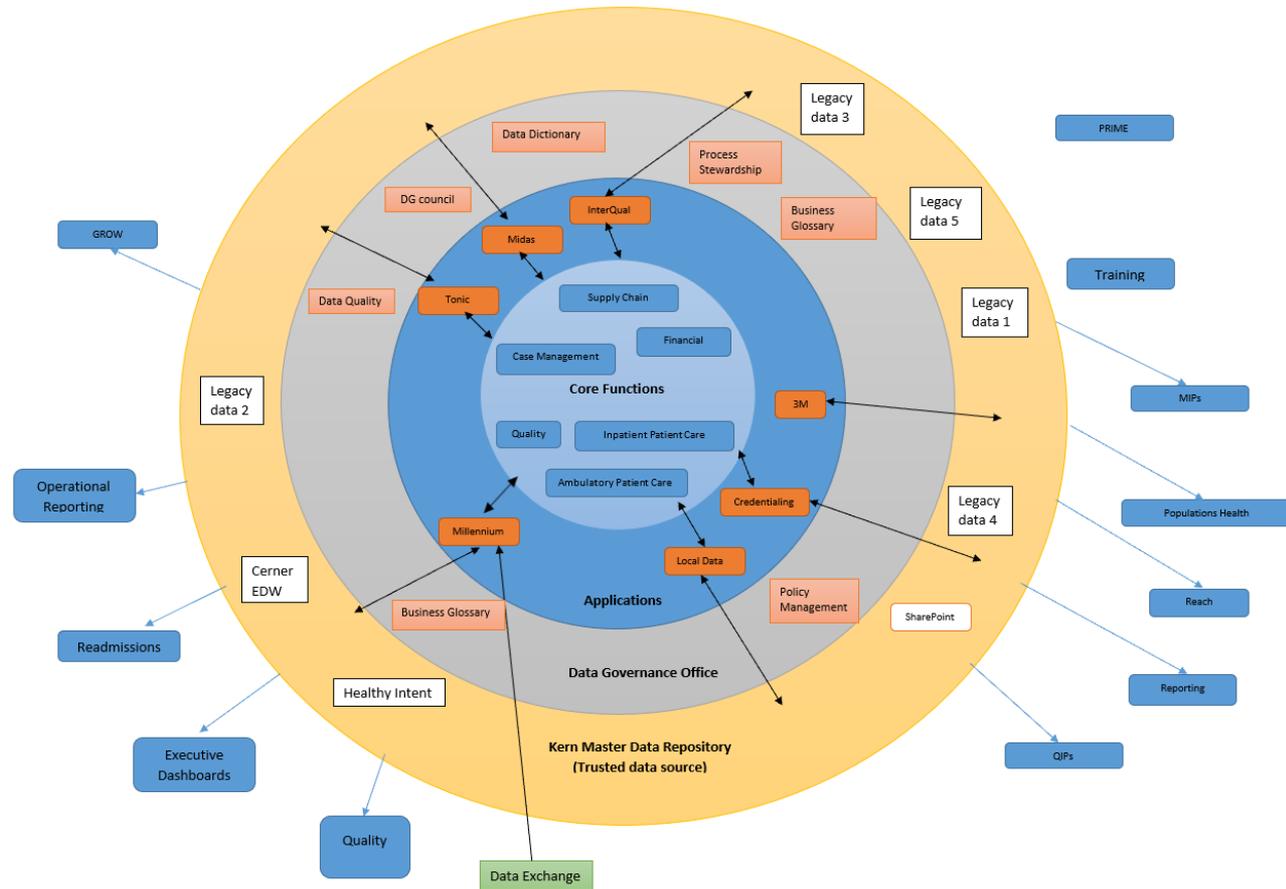
- Kerns Data warehouse
- Master Data Management (MDM, MPM)
- Data Universe(s) Maintenance

- **Data analytics & Data Science**

- Manage data for All regulatory measure (Pop health, Meaning use, eCQMs, etc.) & Programs
- Analyze data (Data Science) – Discover discrepancies and business stewards manages them
- Reporting, include self-service
- Dashboard

- **Data Governance**

- Data dictionary
- Business glossary
- Process improvement and data expectations
- Report intake process
- Stewardship Management



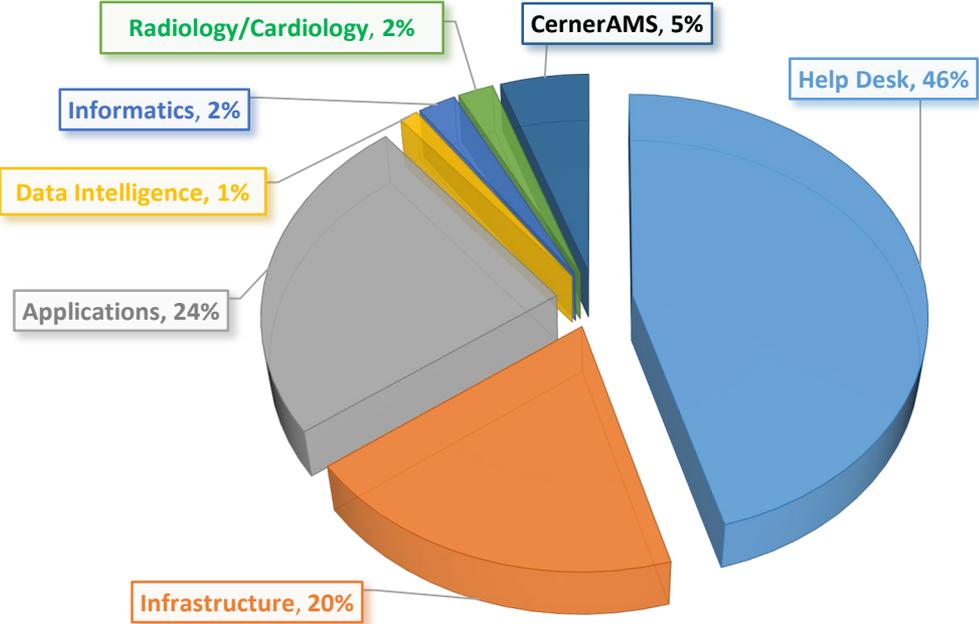
Service Tickets Per Year

	2017	2018	2019	2020	2021	2022
IT Created	13,947	19,329	21,801	24,993	25,668	25,367
IT Resolved	13,958	18,282	21,091	23,234	24,780	25,165
Cerner AMS Closed	NA	NA	150	1,760	1,178	982

Application Management Services (AMS) is the front-line Cerner support organization that provides 24x7x365 remote application management for, issue resolution of, Managed Solutions.

IT Resolved Service Request

IT RESOLVED SERVICE REQUESTS



Work Breakdown

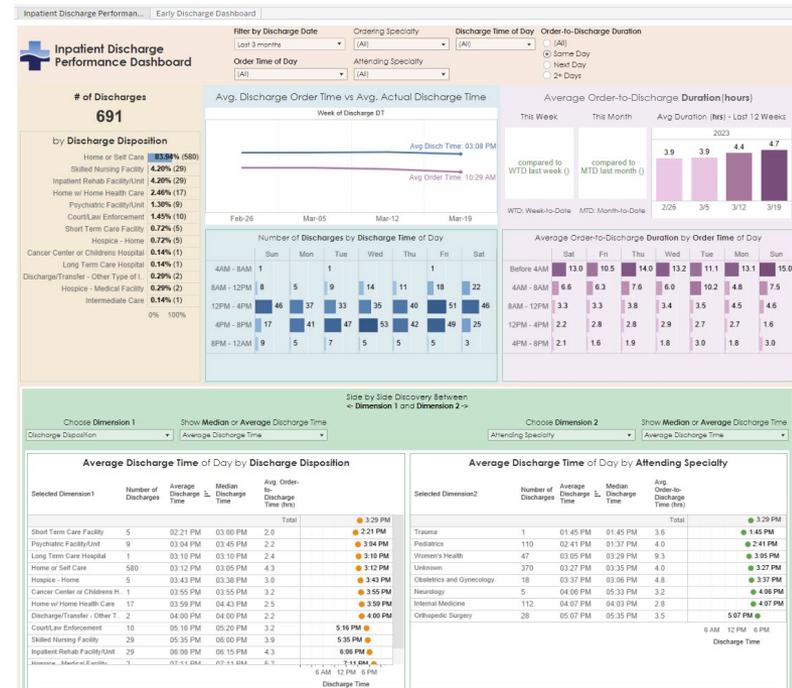
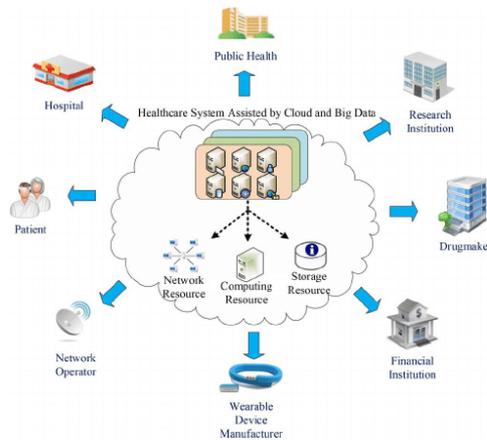
- 11.8 tickets per work hour is closed by IT
- .85 tickets per work hours closed by AMS
- 293 Package installs
- Closed 75 projects (S,M,L)

IT Department Operational Expense

	2017	2018	2019	2020	2021	2022
IT Expense	< \$9M	\$9.2M	\$10.2M	\$14.2M	\$14.5M	\$15.1M
Total Revenue	\$361M	\$411M	\$461M	\$479M	\$508M	\$599M

Opportunities & Roadmap

- Cybersecurity Health position
- Unified communication workflow for staff and patients
- Expansion of Hybrid Cloud Strategy
- Increase Data Analytics through active dashboards
- Interoperability
- Artificial Intelligence
- Infrastructure Lifecycle



Cybersecurity position today

- Synoptek Security Health Check
- SECURES model to review
 - Policies, procedures, appliances
 - Security Preparedness
 - Vulnerabilities & Remediation

Average Rating	E - Lots of Opportunities (3.3)
Maturity Rating	A - Mature (4.7)
Weighted Maturity Rating	B - Mostly Mature (4.3)



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

May 17, 2023

Subject: Kern County Hospital Authority Chief Financial Officer Report – March 2023

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$133,495 for March is \$28,959 more than the March budget of \$104,536 and \$120,342 less than the \$253,837 average over the last three months
- EBIDA of \$1,786,525 for March is \$612,023 more than the March budget of \$1,174,502 and \$199,734 more than the \$1,586,791 average over the last three months
- Average Daily Census of 157 for March is 9 more than the March budget of 148 and 6 less than the 163 average over the last three months
- Admissions of 725 for March are 293 less than the March budget of 1,018 and 51 less than the 776 average over the last three months
- Total Surgeries of 514 for March are 31 more than the March budget of 483 and 75 more than the 439 average over the last three months
- Clinic Visits of 19,363 for March are 4,093 more than the March budget of 15,270 and 3,809 more than the 15,554 average over the last three months. The total includes 52 COVID-19 vaccination visits

The following items have budget variances for the month of March 2023:

Patient Revenue:

Kern Medical operated at budget for gross patient revenue for the month of March. On a year-to-date basis there is a small unfavorable budget variance of 3%.

Indigent Funding Revenue:

Indigent funding has a favorable budget variance for the month and on a year-to-date basis due to the recognition of additional Medi-Cal Graduate Medical Education (GME) funding. This program started in FY 2017 and has been paid at pre-Affordable Care Act (ACA) rates. Therefore, the payments that hospitals have been receiving for the GME program have not been calculated using the current Federal Medical Assistance Percentage (FMAP) rate which is more favorable. The Centers for Medicare and Medicaid Services (CMS) recently approved the proposed methodology to apply the current FMAP rate to the GME program retroactively back to FY 2017 through FY 2022 and pay hospitals for the difference.

Other Operating Revenue:

Other operating revenue has a favorable budget variance for March due to the receipt of more than the average monthly dollar amount of medical postgraduate education funds from Adtalem Global Education Company. On a year-to-date basis, revenue for items such as medical education funding, grants, and Proposition 56 are received quarterly or otherwise periodically. Therefore, actual monthly revenue compared to the budget will fluctuate throughout the year, but should agree with the planned budgeted dollar amount on a year-to-date basis at year-end.

Other Non-Operating Revenue:

Other non-operating revenue has an unfavorable budget variance for the month and on a year-to-date basis because federal and state COVID-19 related funding is budgeted evenly throughout FY 2023 as other non-operating revenue; however, COVID-19 funding is not received consistently. Therefore, the actual dollar amount recorded for this line item may fluctuate vs. budget on a monthly basis but should align with budget on a year-to-date basis by year-end.

Nurse Registry Expense:

Nurse registry expense is under budget for the month and on a year-to-date basis. Kern Medical has substantially decreased its usage of contract nurse services. In addition, the hourly rates charged by the staffing agencies that provide registry nurse services are significantly lower than at various COVID-related peaks. During the past two years, staffing agencies were charging higher than average costs per hour due to nurse shortages during the pandemic. Kern Medical plans to continue its need for registry services as appropriate to staff for patient needs.

Medical Fees:

Medical fees are over budget for the month and on a year-to-date basis because of an increase in coverage for trauma services provided by the Acute Care Medical Surgery Group. The monthly fees for Regional Anesthesia Associates have also increased. In addition, the budget for this line item was reduced for FY 2023 with the expectation of less usage of contract physician services.

Other Professional Fees:

Other professional fees are over budget for the month and on a year-to-date basis because of monthly per-member-per-month (PMPM) payments for Universal Healthcare's Enhanced Care Management (ECM) services. These fees are offset by additional gross patient revenue for ECM services billed by Kern Medical. In addition, other professional fees were incurred for Nash Healthcare Consulting. Nash was engaged to conduct mock surveys in preparation for the Joint Commission hospital accreditation process. Also, contract labor expense for the Information Systems department is higher than average for the month and on a year-to-date basis.

Supplies Expense:

Kern Medical operated at budget for supplies expense for the month of March. On a year-to-date basis, supplies expense is under budget because of lower-than-average costs for pharmaceuticals and for general medical supplies.

Purchased Services:

Purchased services are over budget for the month because of higher-than-average costs for out-of-network health services provided from outside of Kern Medical. On a year-to-date basis, purchased services are over budget mainly because of additional revenue cycle support services provided by Signature Performance and by Health Advocates. Health Advocates helps to qualify patients for Medi-Cal coverage. However, Health Advocates' expenses are offset by additional Medi-Cal patient revenue. In addition, computer software maintenance fees have increased compared to prior year. There was also an increase in cost for security.

Other Expenses:

Other expenses are under budget for the month due to a change in the treatment of accounting for leases. GASB 87 was implemented in 2022 and requires leases to be set up as assets at fair market value and amortized over time. Corresponding right-of-use liabilities are also set up for leases with applicable interest expense accrued. The net effect of the implementation of GASB 87 is minimal. The decrease in lease expense under the other expenses section of the income statement is offset by increases in amortization expense and in interest expense. On a year-to-date basis, the unfavorable budget variance is primarily because of clinic lease expense, higher-than-average costs for repairs and maintenance, and for utilities.

Interest Expense:

Interest expense is over budget for the month because of the implementation GASB 87. Please see the other expenses section of this memo for an explanation of how leases are accounted for under GASB 87 and how it may affect interest expense. On a year-to-date basis, in addition to GASB 87 interest expense is over budget due to higher than anticipated certificate of participation (COP) bond interest.

Depreciation and Amortization Expense:

Depreciation and amortization expenses are over budget for the month and on a year-to-date basis because of the implementation of GASB 87. Please see the other expenses section of this memo for an explanation of how leases are accounted for under GASB 87 and how it may affect amortization expense.

Balance Sheet: Long-Term Liabilities

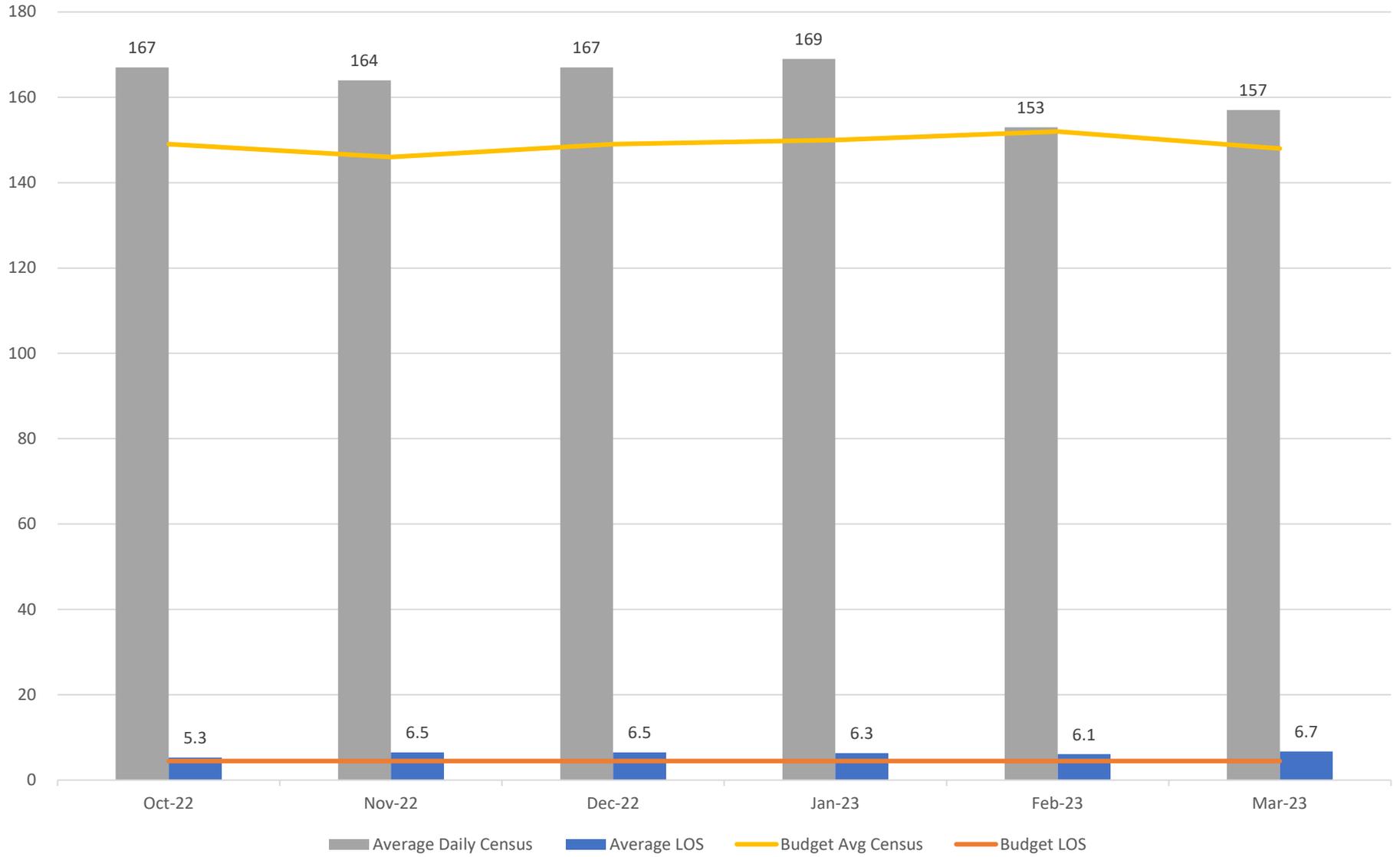
Kern Medical's FY 2022 financial audit was completed in February 2023 and the FY 2022 reporting period was closed. The resulting adjustments for long-term liabilities made after fiscal year-ended June 30, 2022 are now reflected in the monthly balance sheet reporting for FY 2023. Among the entries is a \$96.9 million favorable accounting adjustment for the unfunded pension obligation. The adjustment is supported by the year-end actuarial report received from KCERA that was based on market conditions at the time the report was compiled. This adjustment also has a favorable effect on retained earnings and the total fund balance. This accounting adjustment does not alter financial profitability or cash position.

In addition to the favorable change for the unfunded pension liability, other-long term liabilities reported for March 2023 total \$130,256,249, up from the prior year amount of \$64,286,919. The unfavorable change is due in large part to a \$49.1 million unfavorable increase in deferred inflows from the pension. This adjustment for deferred inflows is also supported by the KCERA actuarial report previously referenced. In addition, a separate actuarial report from Segal supports a \$5.6 million unfavorable adjustment for the other post-employment benefits (OPEB) liability. A \$5.2 million long-term liability was also added as part of the implementation of the new GASB 87 accounting treatment for leases. Please see the other expenses section of this memo for details about the implementation of GASB 87.

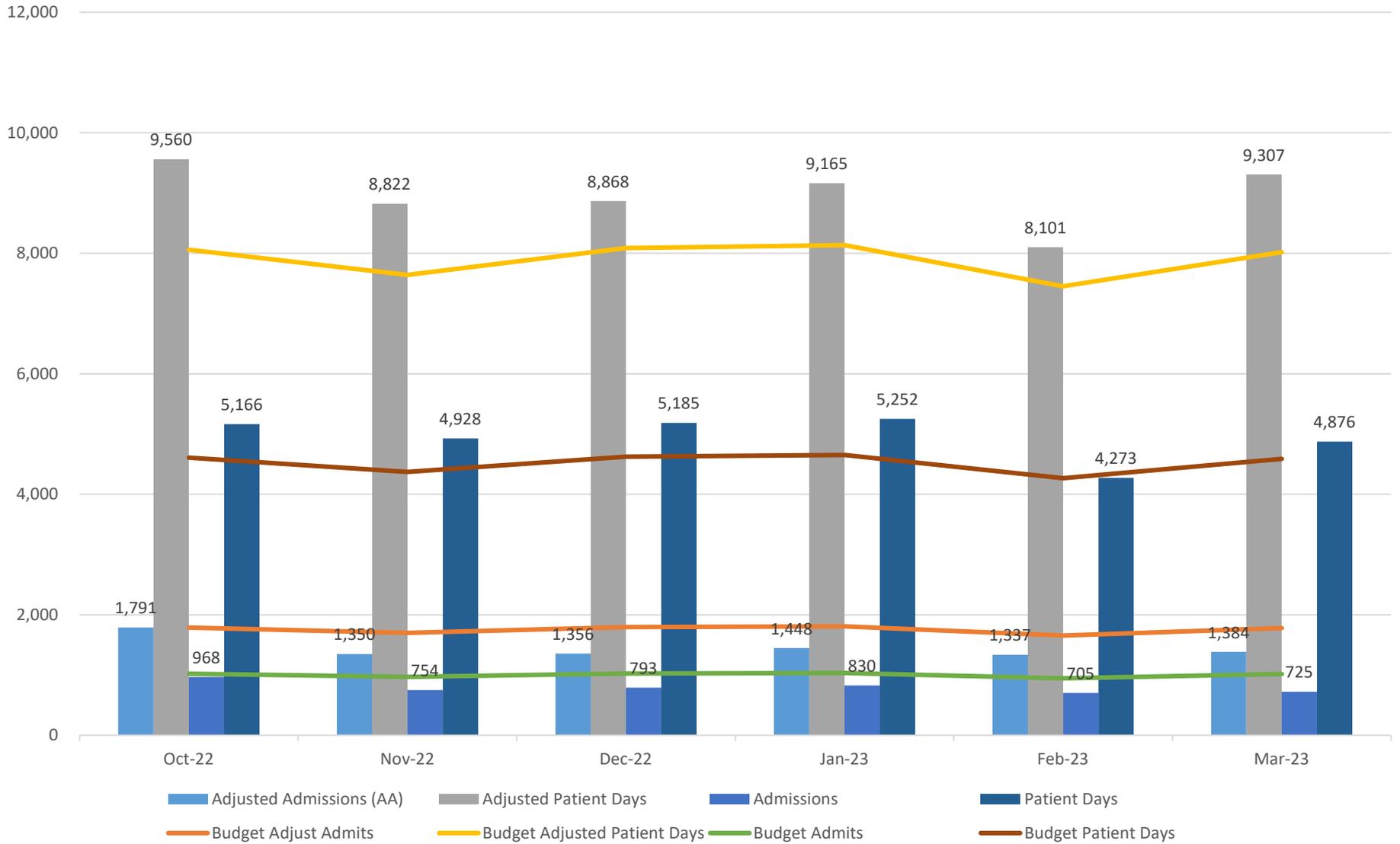


**BOARD OF GOVERNORS' REPORT
KERN MEDICAL – MARCH 2023**

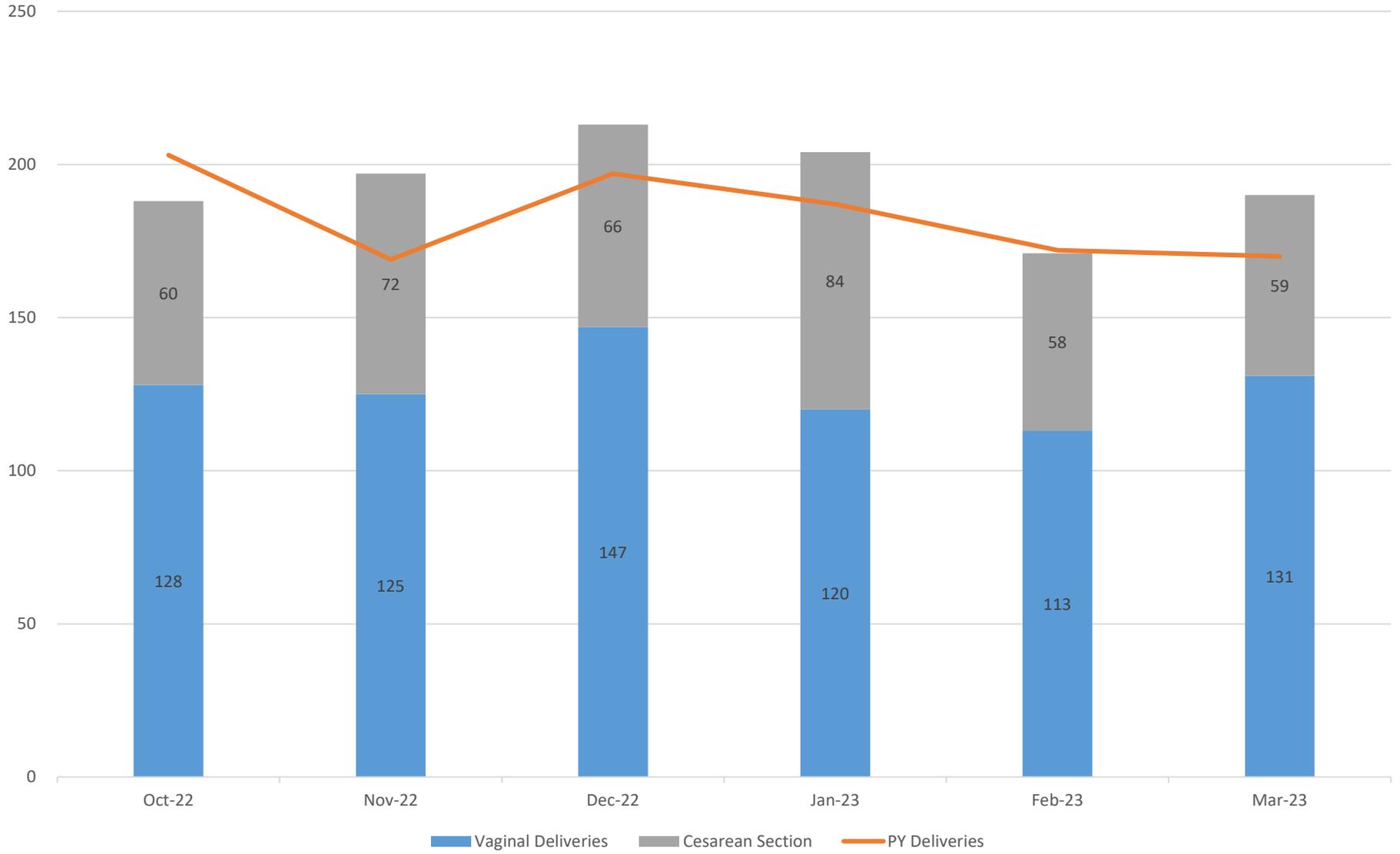
Census & ALOS



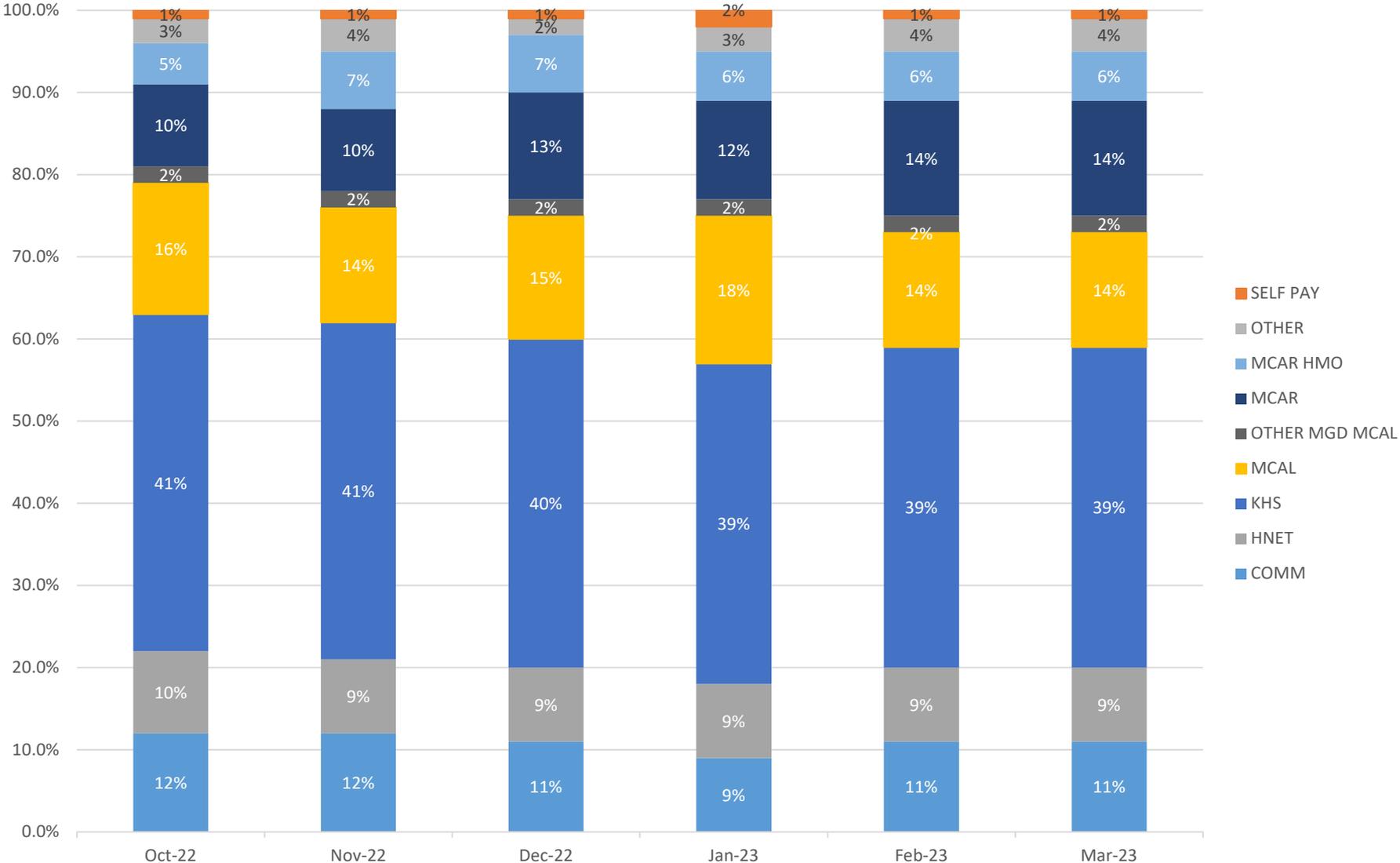
Hospital Volumes



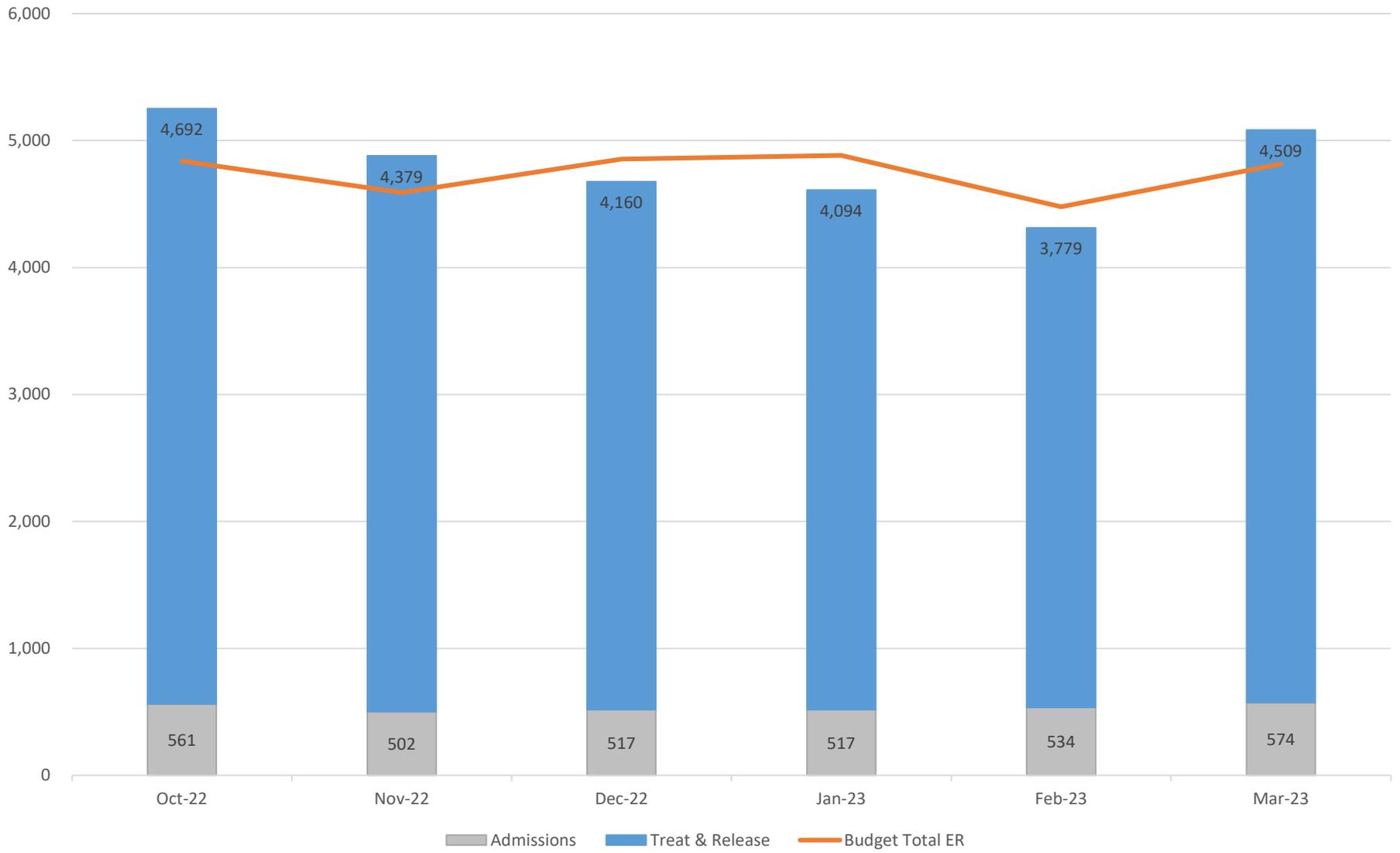
Deliveries



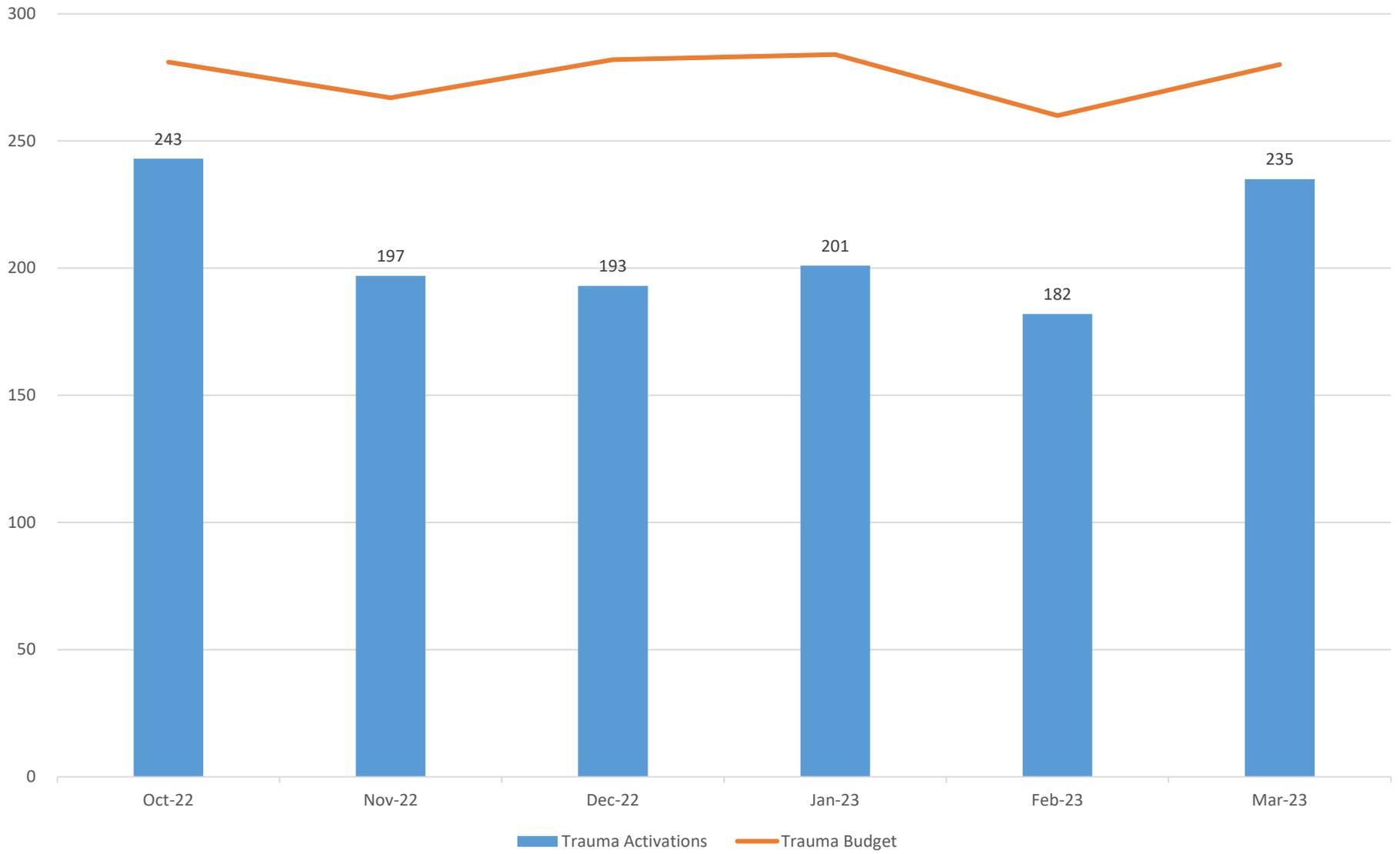
PAYER MIX



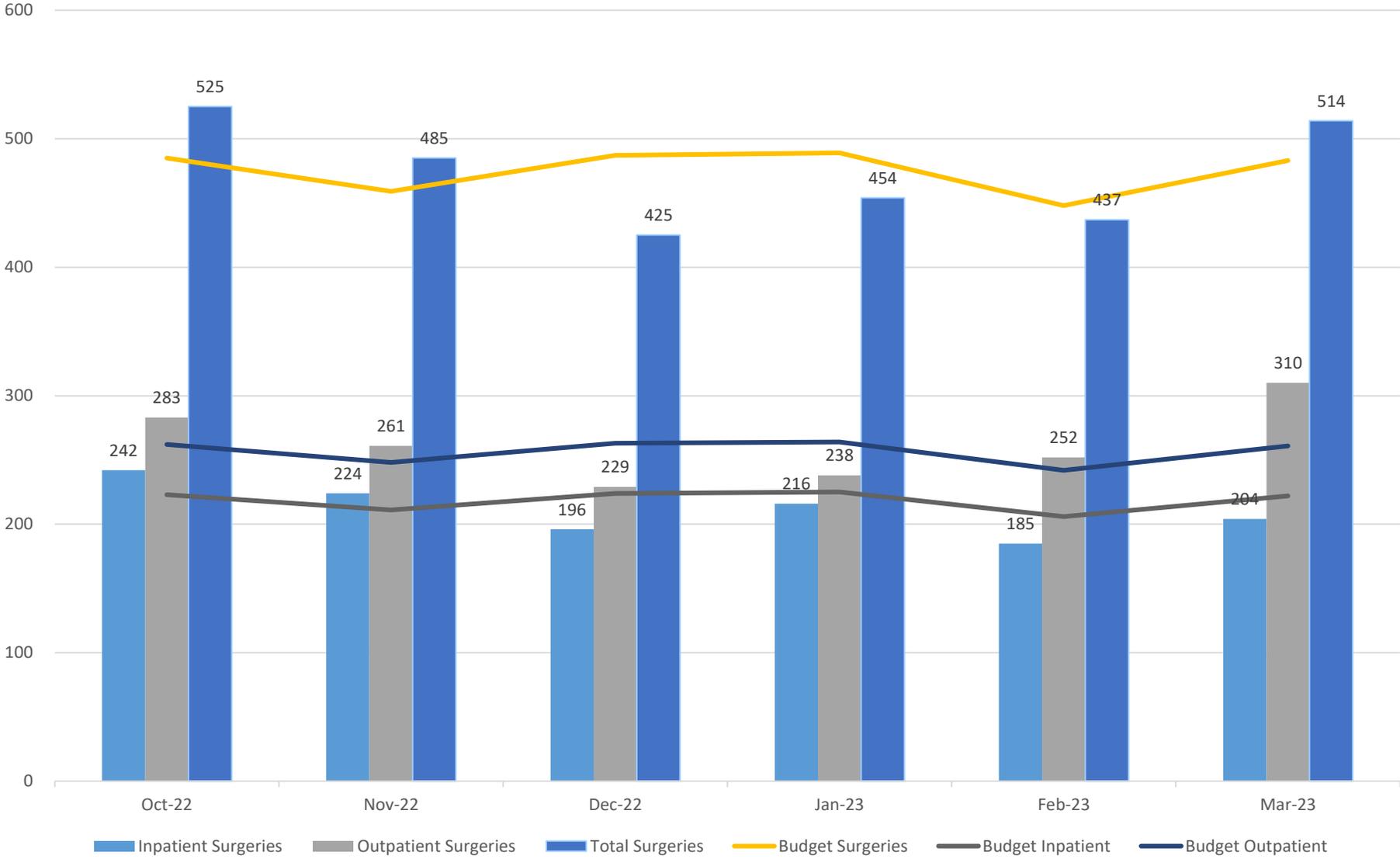
Emergency Room Volume



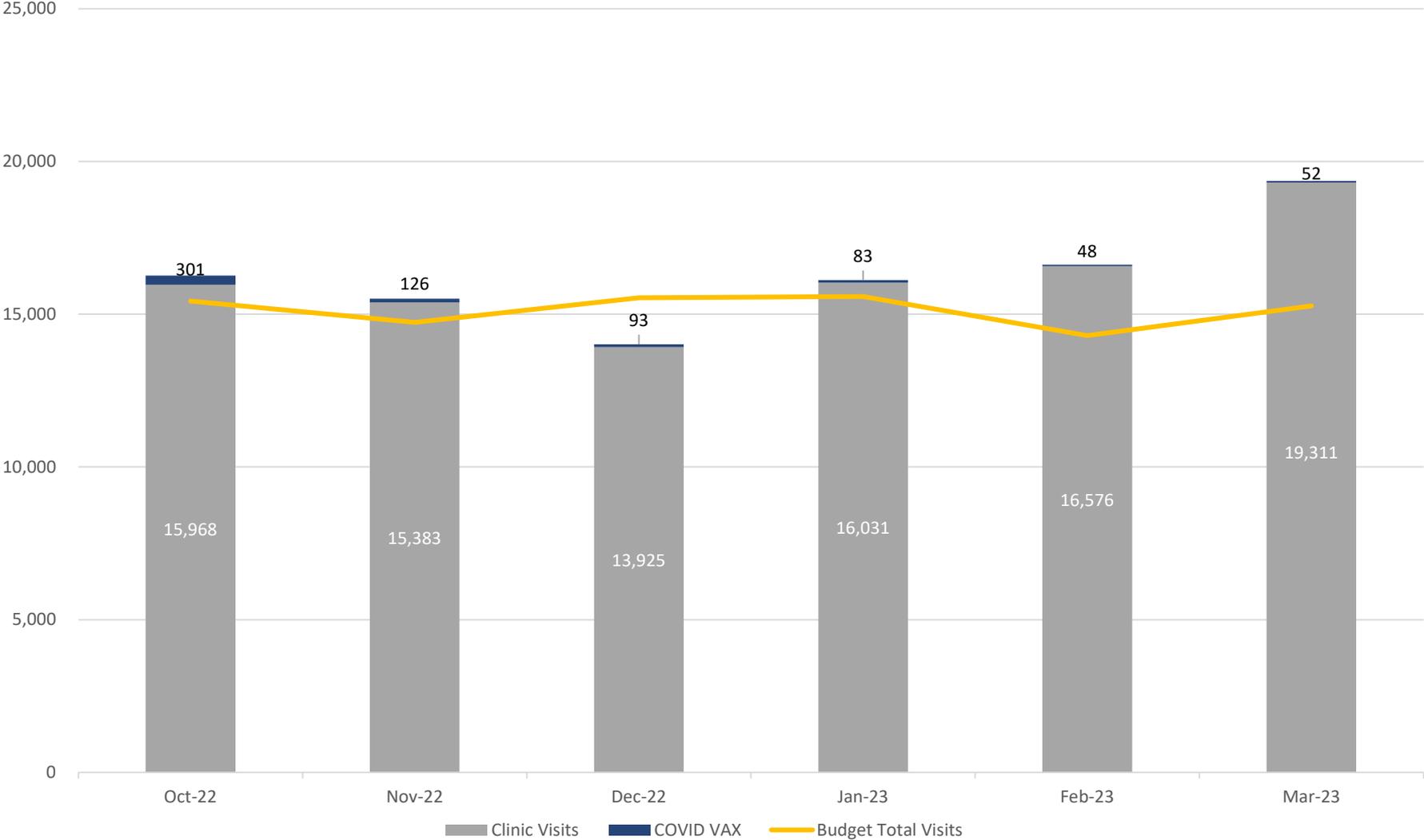
Trauma Activations



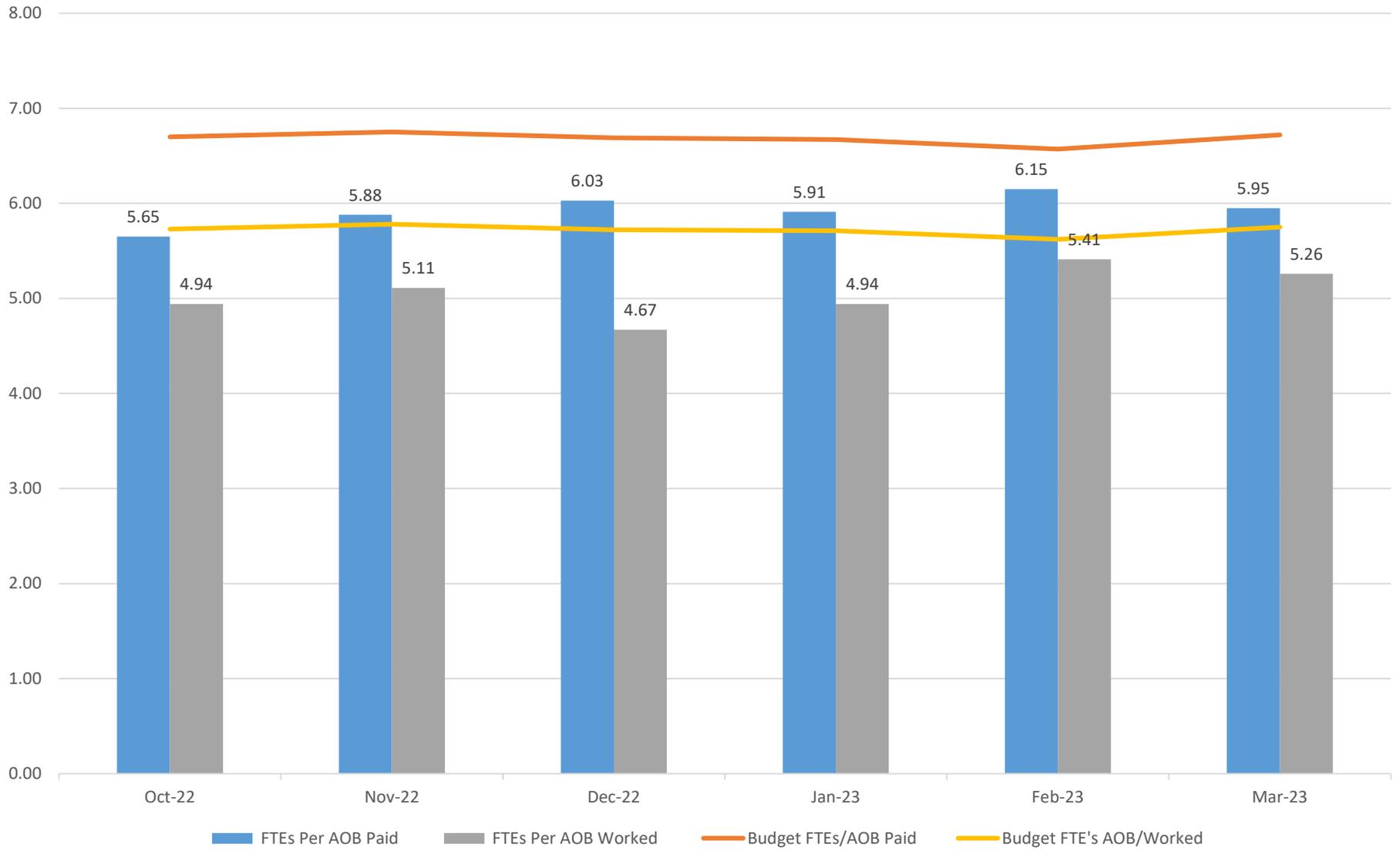
Surgical Volume



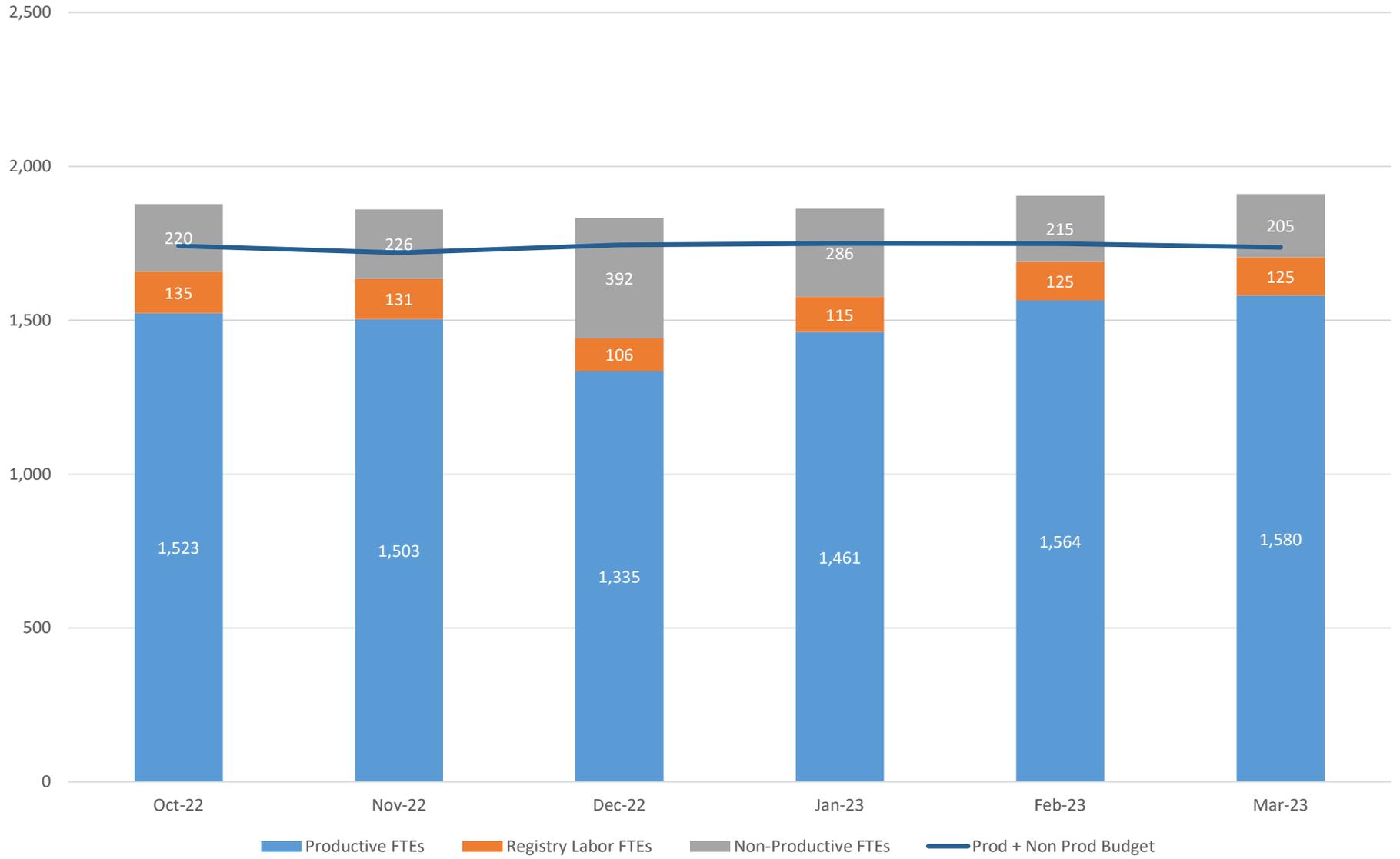
Clinic Visits



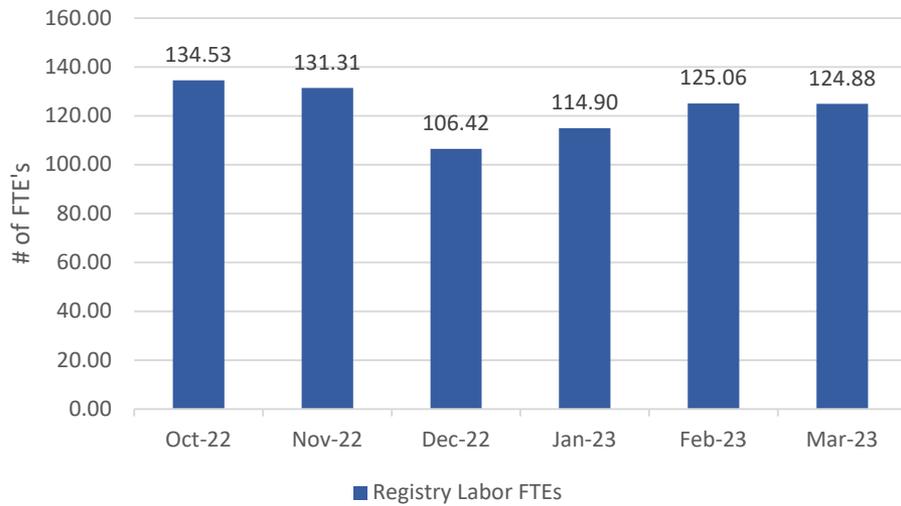
Labor Metrics



Productivity



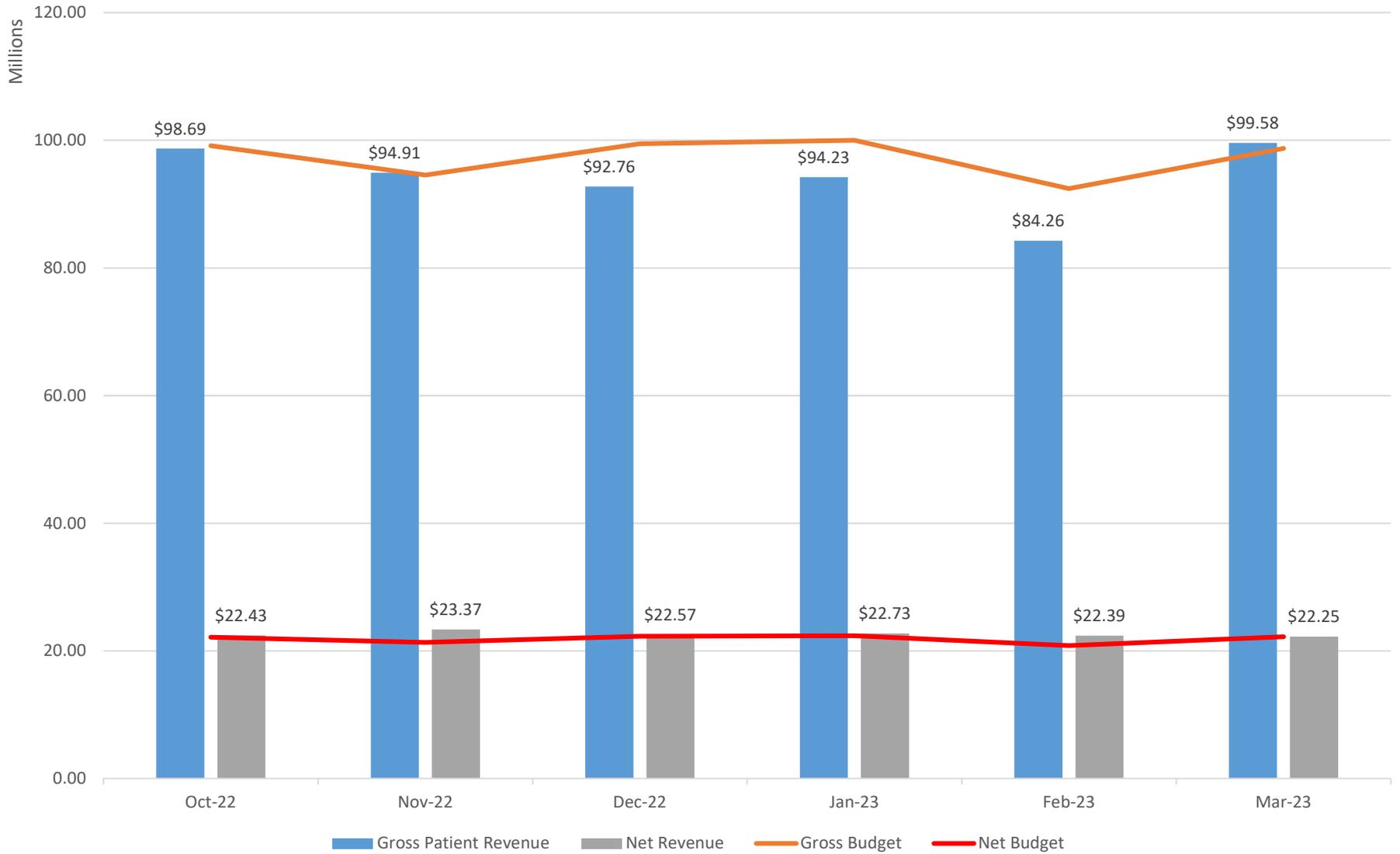
Registry FTE's



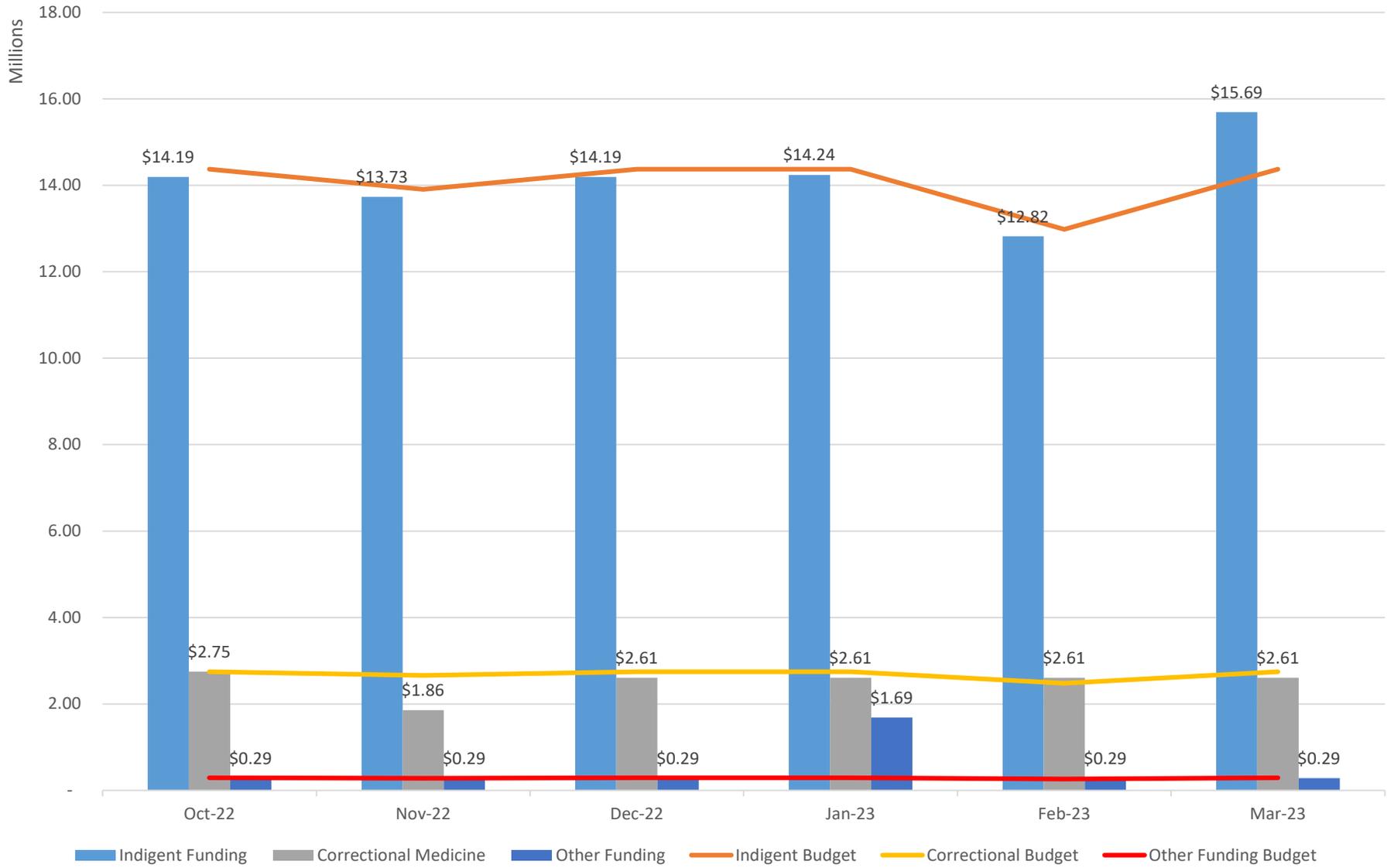
Registry Expense



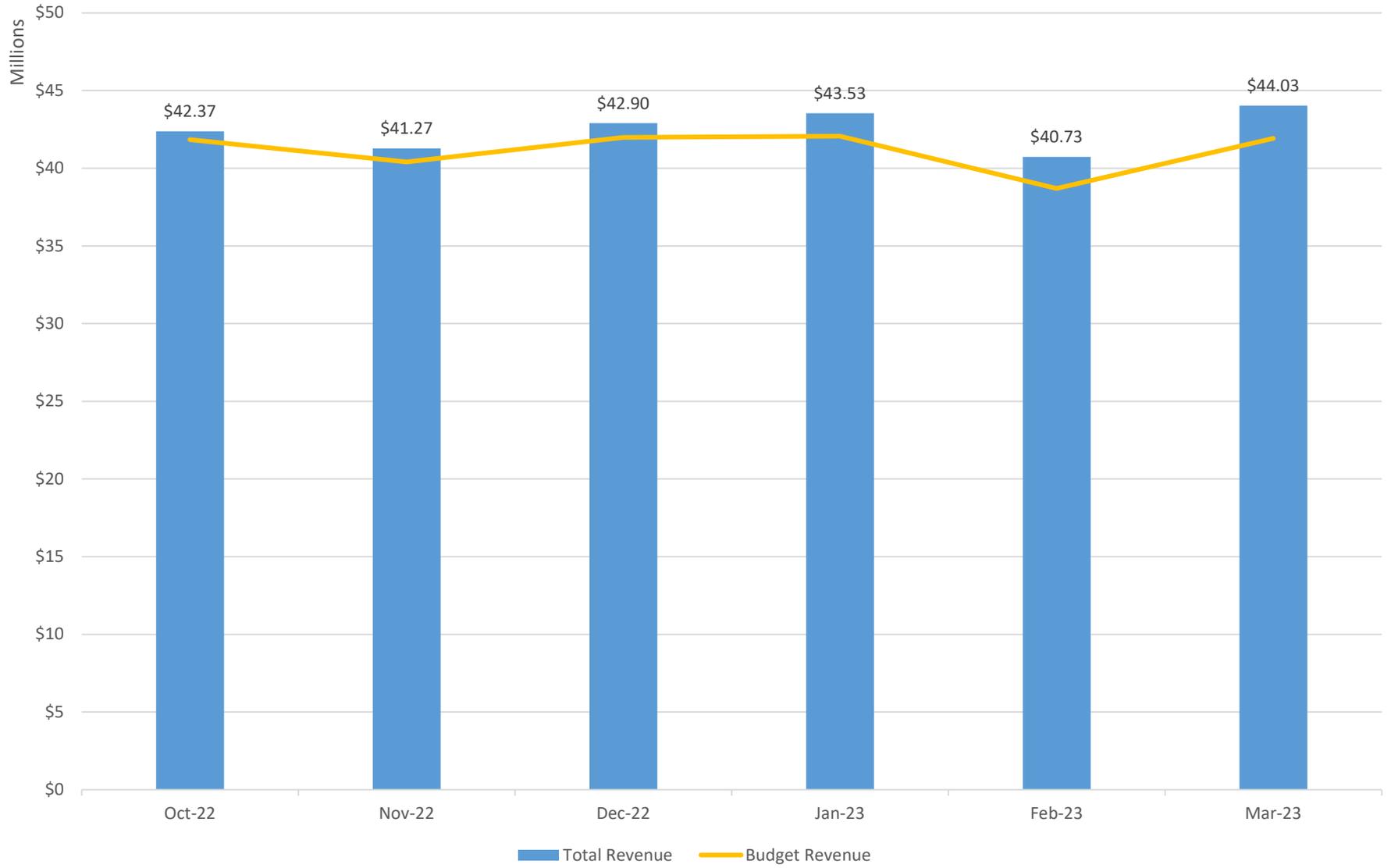
Patient Revenue



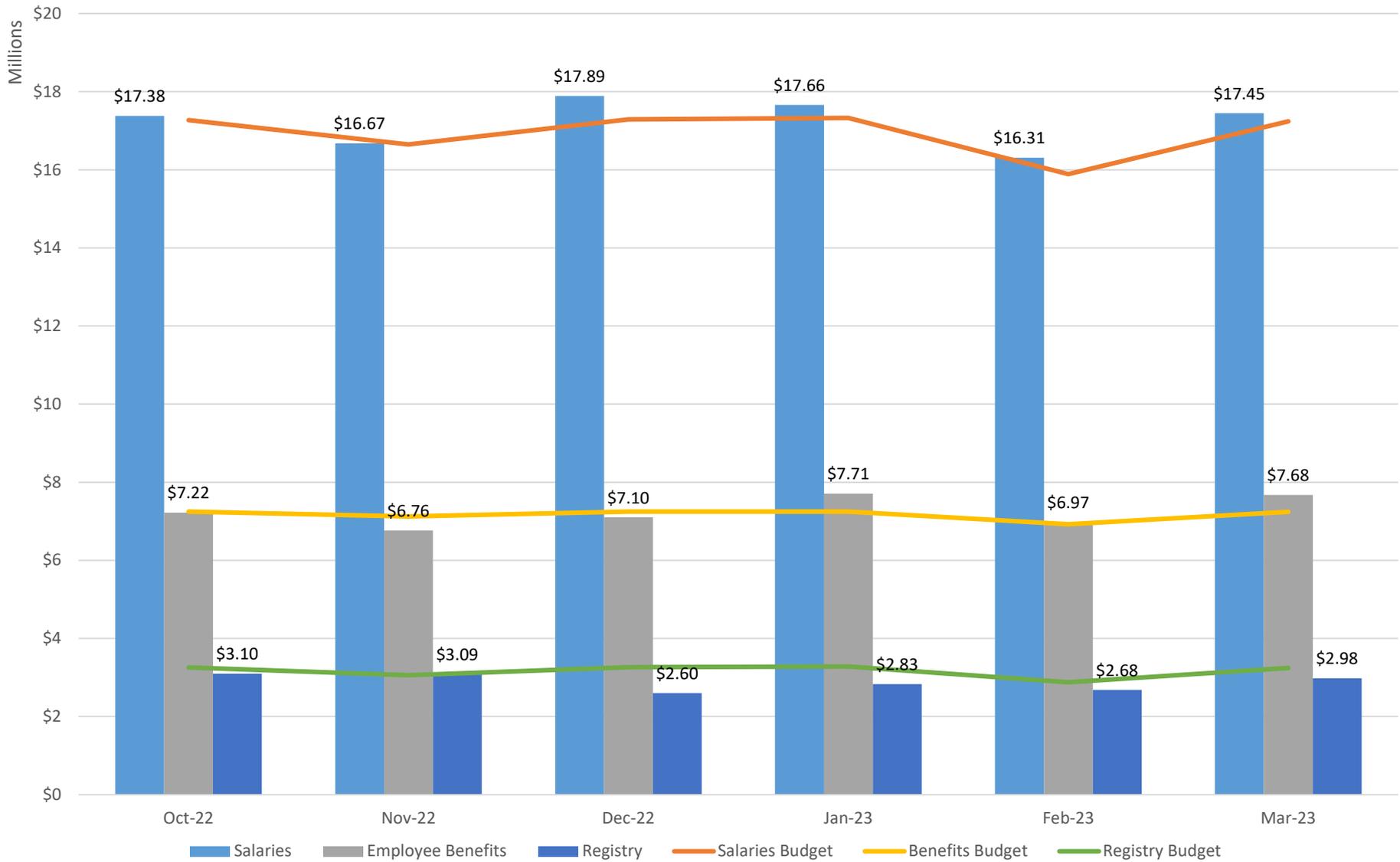
Indigent & Correctional Revenue



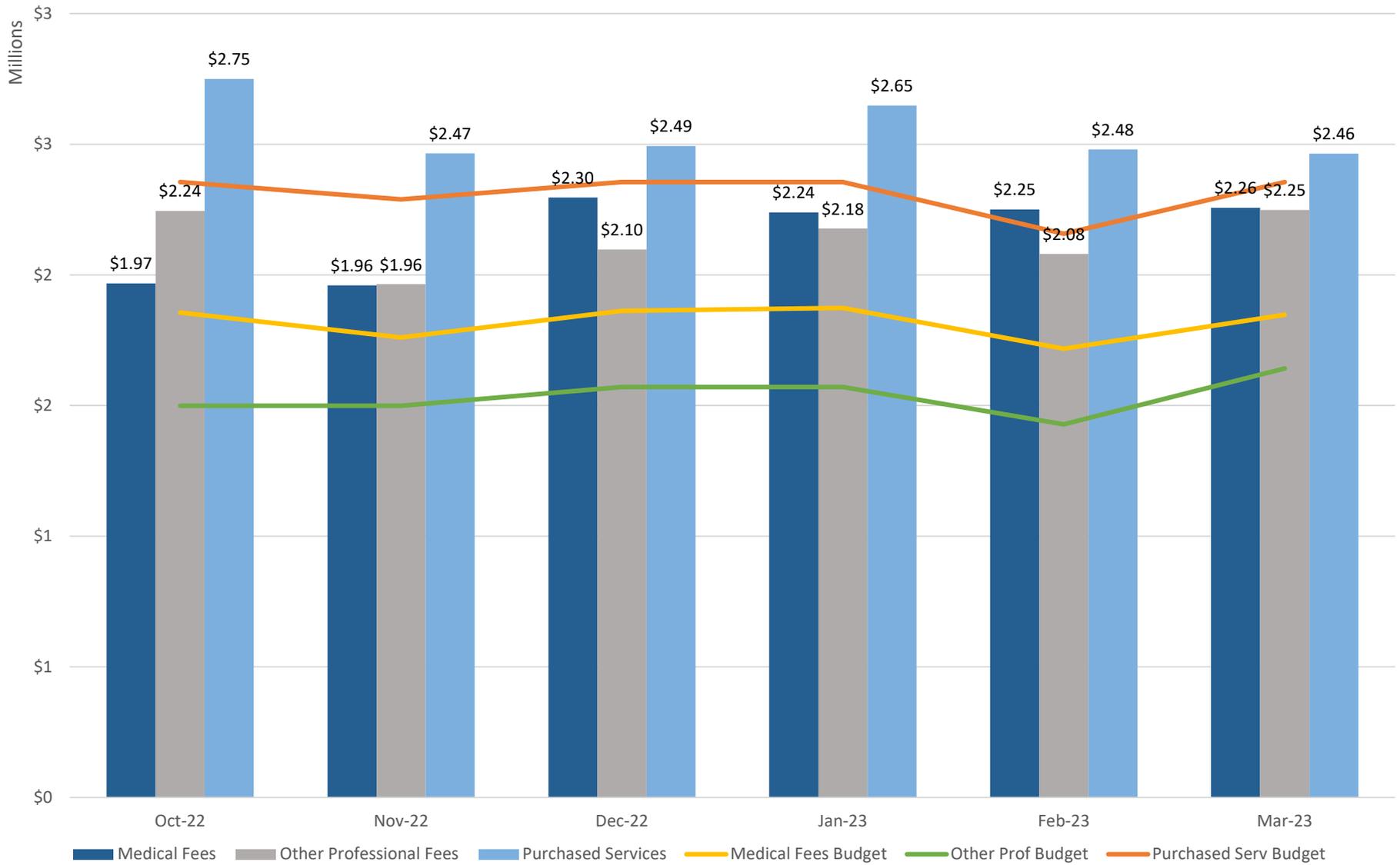
Total Revenue



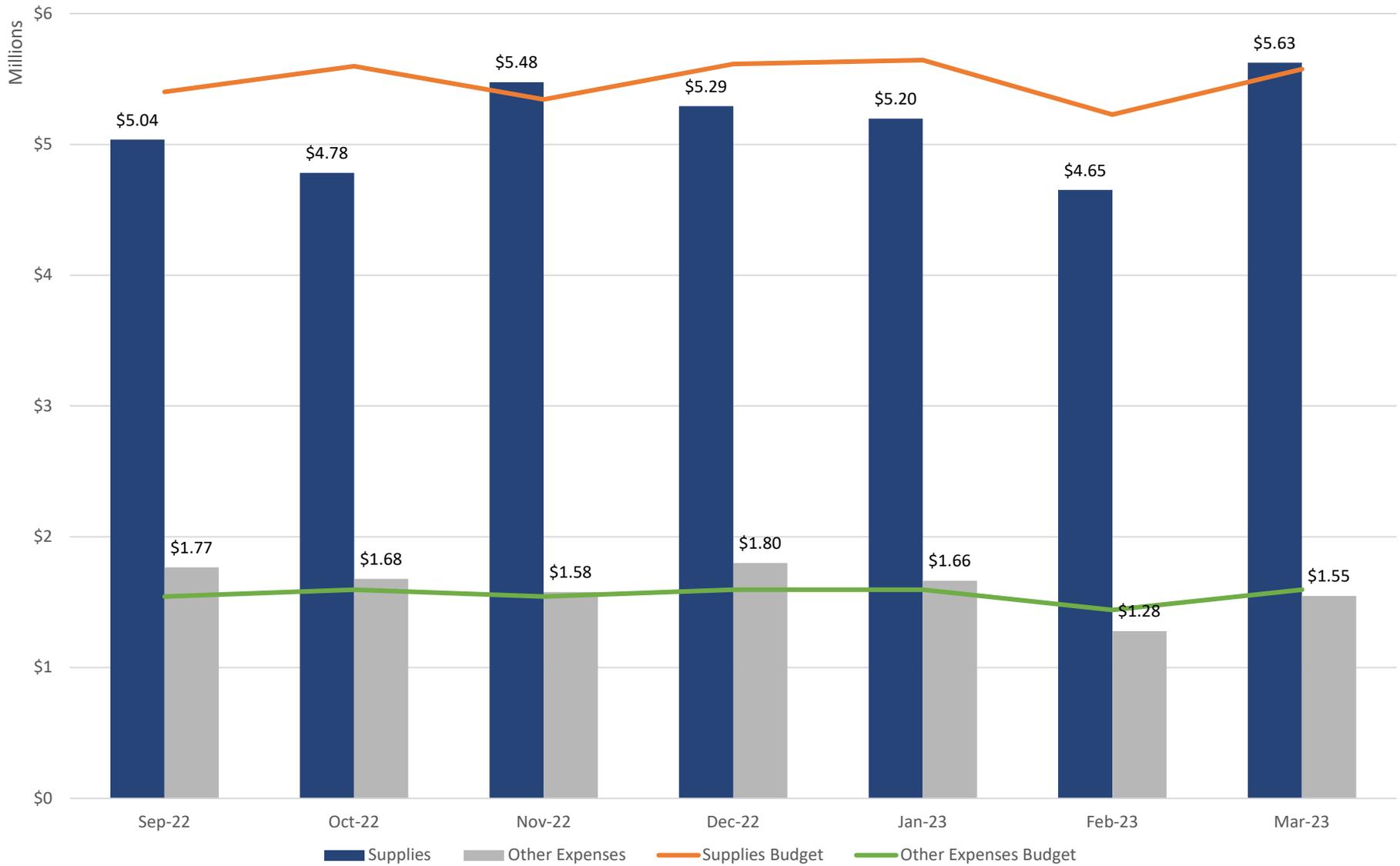
Expenses



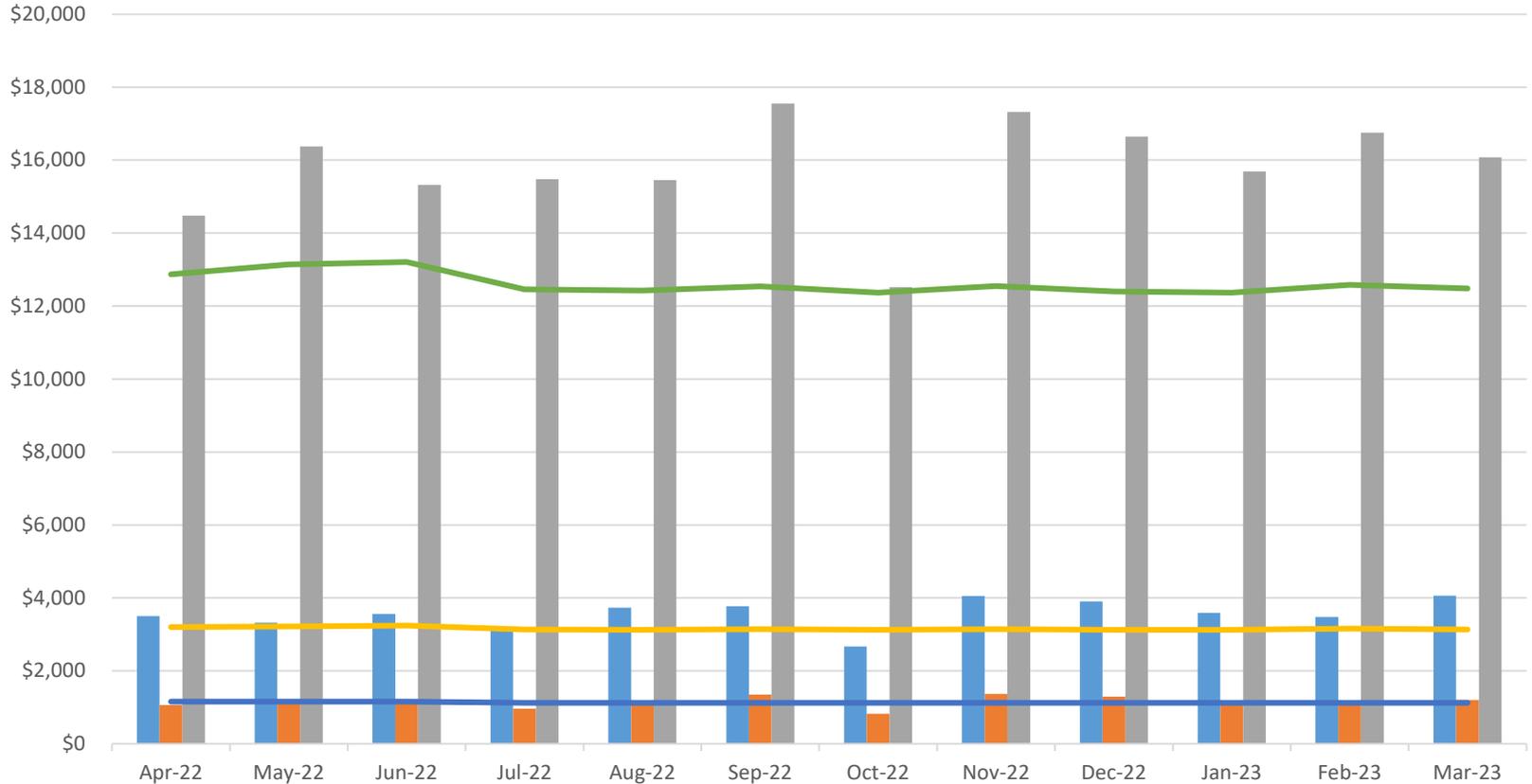
Expenses



Expenses

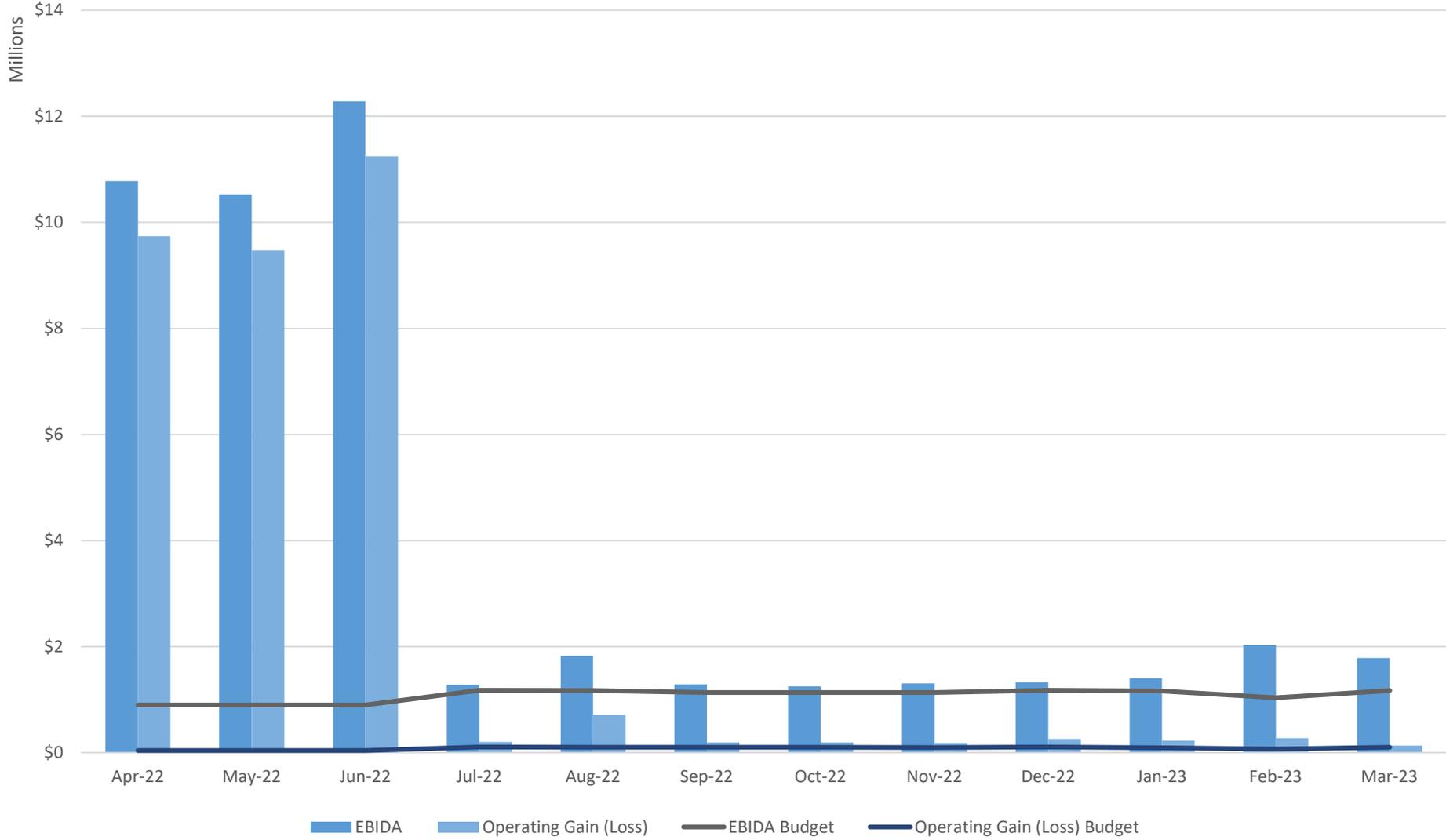


Operating Metrics

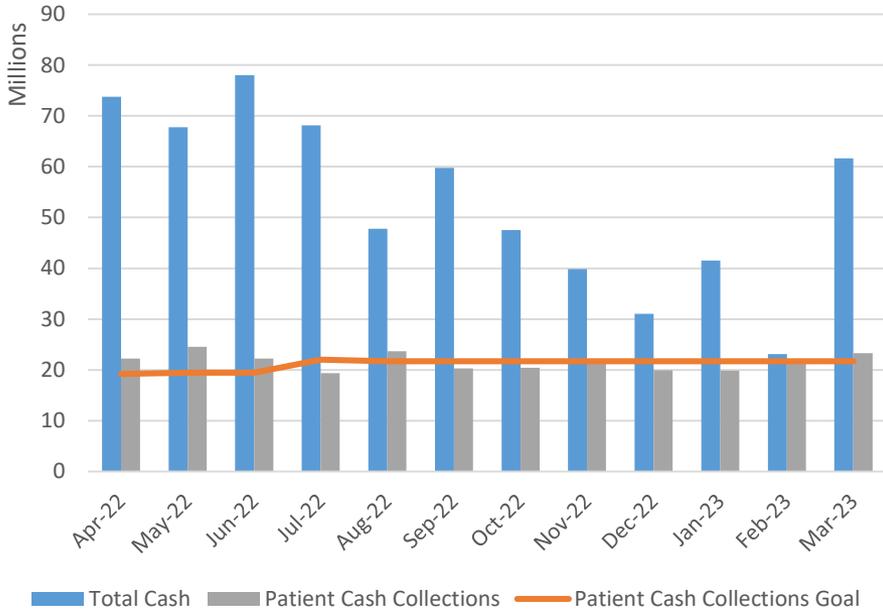


	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Supply Expense per AA	\$3,501	\$3,323	\$3,555	\$3,195	\$3,728	\$3,773	\$2,670	\$4,056	\$3,902	\$3,588	\$3,480	\$4,065
Pharm Cost per AA	\$1,062	\$1,097	\$1,218	\$966	\$1,101	\$1,349	\$826	\$1,368	\$1,293	\$1,153	\$1,094	\$1,199
Net Revenue Per AA	\$14,480	\$16,374	\$15,318	\$15,476	\$15,451	\$17,552	\$12,523	\$17,317	\$16,642	\$15,694	\$16,749	\$16,078
Budget Supp/AA	\$3,202	\$3,220	\$3,242	\$3,136	\$3,125	\$3,140	\$3,127	\$3,145	\$3,124	\$3,122	\$3,156	\$3,133
Budget Pharm/AA	\$1,154	\$1,156	\$1,156	\$1,126	\$1,126	\$1,126	\$1,126	\$1,126	\$1,126	\$1,126	\$1,127	\$1,128
Budget Net Rev/AA	\$12,868	\$13,141	\$13,206	\$12,461	\$12,428	\$12,543	\$12,368	\$12,545	\$12,398	\$12,368	\$12,579	\$12,483

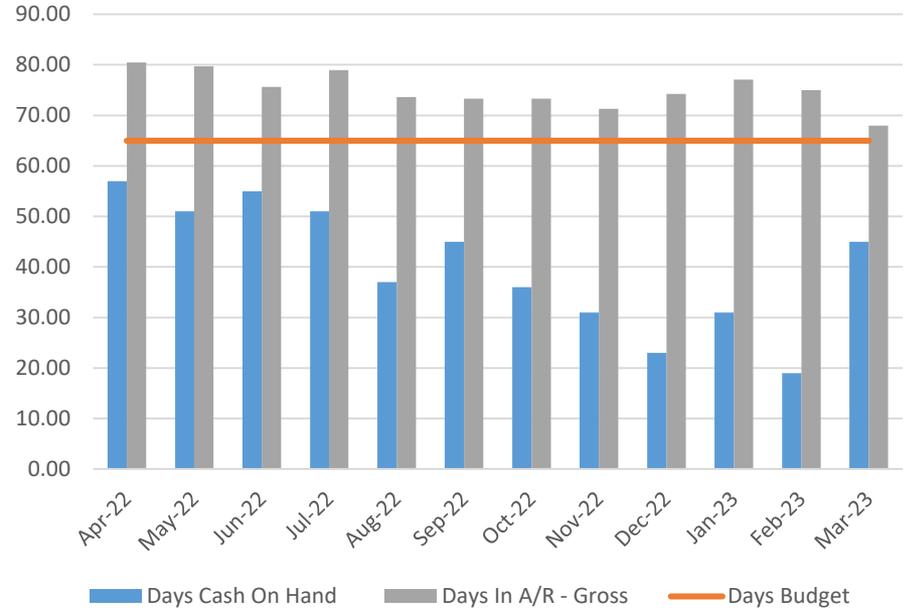
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenue & Expense
 March 31, 2023

				BUDGET	VARIANCE	PY
	JANUARY	FEBRUARY	MARCH	MARCH	POS (NEG)	MARCH
Gross Patient Revenue	\$ 94,229,366	\$ 84,259,605	\$ 99,584,324	\$ 98,737,928	1%	\$ 97,607,248
Contractual Deductions	(71,498,539)	(61,872,968)	(77,334,591)	(76,521,894)	1%	(75,262,541)
Net Revenue	22,730,827	22,386,637	22,249,734	22,216,034	0.2%	22,344,708
Indigent Funding	14,241,868	12,818,480	15,691,888	14,370,622	9%	95,557,749
Correctional Medicine	2,608,481	2,608,481	2,608,481	2,746,855	(5%)	2,583,481
County Contribution	285,211	285,211	285,211	291,120	(2%)	285,211
Incentive Funding	1,404,200	0	0	0	0%	0
Net Patient Revenue	41,270,587	38,098,808	40,835,313	39,624,631	3%	120,771,149
Other Operating Revenue	2,242,396	2,620,823	3,184,996	2,243,837	42%	3,640,750
Other Non-Operating Revenue	18,353	13,485	13,996	49,452	(72%)	2,011,230
Total Revenue	43,531,336	40,733,116	44,034,306	41,917,919	5%	126,423,129
Expenses						
Salaries	17,661,435	16,309,458	17,447,973	17,241,660	1%	15,913,542
Employee Benefits	7,707,456	6,967,974	7,675,317	7,243,913	6%	(14,134,322)
Registry	2,833,340	2,684,308	2,981,647	3,242,906	(8%)	6,274,104
Medical Fees	2,239,065	2,250,226	2,256,951	1,847,312	22%	1,799,557
Other Professional Fees	2,177,254	2,080,624	2,248,224	1,642,185	37%	1,620,441
Supplies	5,196,818	4,651,711	5,625,080	5,574,817	1%	4,573,859
Purchased Services	2,648,107	2,479,872	2,463,854	2,355,395	5%	2,141,234
Other Expenses	1,663,634	1,278,834	1,548,735	1,595,229	(3%)	(485,056)
Operating Expenses	42,127,109	38,703,006	42,247,781	40,743,417	4%	17,703,358
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,404,227	\$ 2,030,109	\$ 1,786,525	\$ 1,174,502	52%	\$ 108,719,771
EBIDA Margin	3%	5%	4%	3%	45%	86%
Interest	157,018	244,463	242,720	86,199	182%	345,872
Depreciation	737,458	697,339	655,522	682,877	(4%)	670,027
Amortization	283,345	815,025	754,789	300,890	151%	2,728,165
Total Expenses	43,304,929	40,459,833	43,900,811	41,813,383	5%	21,447,422
Operating Gain (Loss)	\$ 226,406	\$ 273,283	\$ 133,495	\$ 104,536	28%	\$ 104,975,707
Operating Margin	0.5%	0.7%	0.3%	0.2%	21.6%	83.0%

KERN MEDICAL
Year to Date: Revenue & Expense

March 31, 2023

	ACTUAL	BUDGET	VARIANCE		PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)		FYTD	POS (NEG)
Gross Patient Revenue	\$ 855,379,425	\$ 876,352,199	(2%)	\$	883,946,920	(3%)
Contractual Deductions	(651,382,511)	(679,537,954)	(4%)		(675,528,868)	(4%)
Net Revenue	203,996,914	196,814,245	4%		208,418,052	
Indigent Funding	127,663,585	127,017,757	0.5%		203,215,943	(37%)
Correctional Medicine	23,190,652	24,278,655	(4%)		23,109,136	0%
County Contribution	2,566,898	2,573,122	(0%)		2,567,213	(0%)
Incentive Funding	1,404,200	0	0%		0	0%
Net Patient Revenue	358,822,250	350,683,779	2%		437,310,344	(18%)
Other Operating Revenue	21,879,734	19,945,068	10%		21,567,543	1%
Other Non-Operating Revenue	119,796	437,088	(73%)		6,393,375	(98%)
Total Revenue	380,821,780	371,065,935	3%		465,271,261	(18%)
Expenses						
Salaries	154,512,206	152,800,088	1.1%		146,161,468	6%
Employee Benefits	64,844,976	64,647,065	0%		41,367,800	57%
Registry	26,900,740	28,522,661	(6%)		42,193,450	(36%)
Medical Fees	18,934,103	16,373,017	16%		15,806,001	20%
Other Professional Fees	18,738,616	13,922,869	35%		13,985,746	34%
Supplies	46,028,900	49,495,685	(7%)		52,692,265	(13%)
Purchased Services	22,334,659	20,869,348	7%		18,097,907	23%
Other Expenses	15,026,823	14,099,765	7%		12,065,979	25%
Operating Expenses	367,321,023	360,730,497	2%		342,370,616	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 13,500,757	\$ 10,335,438	31%	\$	122,900,645	(89%)
EBIDA Margin	4%	3%	27%		26%	(87%)
Interest	1,317,187	761,892	73%		1,021,564	29%
Depreciation	6,296,336	6,035,752	4%		6,033,679	4%
Amortization	3,595,495	2,659,476	35%		4,808,661	(25%)
Total Expenses	378,530,041	370,187,616	2%		354,234,520	7%
Operating Gain (Loss)	\$ 2,291,739	\$ 878,319	161%	\$	111,036,741	(98%)
Operating Margin	0.6%	0.2%	154.2%		23.9%	(97%)

**KERN MEDICAL
BALANCE SHEET**

	MARCH 2023	MARCH 2022
ASSETS:		
<i>Total Cash</i>	\$ 61,623,824	\$ 74,299,542
Patient Receivables Subtotal	234,804,105	291,206,221
Contractual Subtotal	(182,939,978)	(240,148,240)
<i>Net Patient Receivable</i>	51,864,127	51,057,980
Total Indigent Receivable	220,768,008	136,436,994
Total Other Receivable	9,098,733	8,495,347
Total Prepaid Expenses	6,474,388	5,230,304
Total Inventory	5,212,274	4,107,661
<i>Total Current Assets</i>	355,041,354	279,627,827
Deferred Outflows of Resources	105,241,458	127,290,855
Total Land, Equipment, Buildings and Intangibles	241,844,730	223,365,539
Total Construction in Progress	10,292,272	3,909,125
<i>Total Property, Plant & Equipment</i>	252,137,002	227,274,664
Total Accumulated Depr & Amortization	(151,092,242)	(133,792,212)
<i>Net Property, Plant, and Equipment</i>	101,044,759	93,482,452
<i>Total Long Term Assets</i>	105,241,458	127,290,855
<i>Total Assets</i>	\$ 561,327,571	\$ 500,401,134

**KERN MEDICAL
BALANCE SHEET**

	MARCH 2023	MARCH 2022
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 12,048,491	\$ 18,341,419
Total Accrued Compensation	28,218,256	34,744,023
Total Due Government Agencies	14,497,073	15,950,983
Total Other Accrued Liabilities	24,718,744	46,934,705
<i>Total Current Liabilities</i>	79,482,564	115,971,130
Unfunded Pension Liability	284,243,193	381,152,811
Other Long-Term Liabilities	130,256,249	64,286,919
<i>Total Long-Term Liabilities</i>	414,499,442	445,439,730
<i>Total Liabilities</i>	493,982,006	561,410,860
Fund Balance	36,714,022	36,714,022
Retained Earnings	30,631,544	(97,723,748)
<i>Total Fund Balance</i>	67,345,566	(61,009,726)
<i>Total Liabilities and Fund Balance</i>	\$ 561,327,571	\$ 500,401,134



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

May 17, 2023

Subject: Proposed Kern County Hospital Authority Operating and Capital Budgets for Fiscal Year 2023-2024

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

Summary:

Continuing COVID-19 Ramifications:

The onset of the COVID-19 virus in early calendar year 2020, and its official designation as a pandemic, has continued to create unprecedented uncertainty for health care providers both locally and on a worldwide basis. The subsequent macroeconomic and operational impacts from the pandemic have created challenges to determine the ongoing effects that the pandemic will have on key performance indicators of the hospital and clinics including patient volumes, revenues, expenses and the staffing levels needed. These challenges include the documented nationwide effects of expense inflation outpacing revenue growth resulting in projections that over half the hospitals in the United States incurred 2022 financial losses as well as faced significant recruitment and retention issues. The recommended budgets for operations and capital are based on the best available information at this time. The Kern County Hospital Authority, which owns and operates Kern Medical Center (and referred to herein as “Kern Medical”) will closely monitor economic and operational conditions in our organization, our local market, and our nation, as well as potential COVID-19 activity and will adjust operations as necessary throughout FY 2023-24 to ensure that adequate supplies and staffing levels are maintained to provide safe patient care.

Summary of FY 2023-24 Recommended Budgets

Kern Medical budgeted \$514.7 million total revenue from all sources and \$514.5 million in expenses with EBIDA of \$13.4 million and net income of \$159.0 thousand. Kern Medical is also planning on \$16.3 million in capital expenditures with the funds provided by operations and grants.

Net Revenues

Kern Medical budgeted \$514.7 million for total revenue for FY 2023-24. Budgeted operating revenue includes \$273.0 million from patient revenue net of contractual adjustments and bad debt from services to Medicare, Medi-Cal, private pay patients, and commercial insurance. Total revenue also includes \$172.1 million in net state and federal funding and \$3.4 million in county funding to reimburse Kern Medical for providing services for indigent and certain government-funded patients. Other operating revenue includes cafeteria sales, reimbursement from medical education, and services provided for other county departments. The budget also includes reimbursement of \$32.0 million from the County for Kern Medical to provide inpatient and outpatient services for adult inmates and juvenile detainees.

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

1700 Mount Vernon Avenue | Bakersfield, CA 93306 | (661) 326-2000 | KernMedical.com

State and Federal Funding Program Changes

Kern Medical will continue to participate in various indigent funding programs including the Global Payment Program (GPP), the Quality Incentive Program (QIP), and the Enhanced Payment Program (EPP). The five-year Medi-Cal 1115 waiver programs that were scheduled to end in 2020 were extended due to the COVID-19 crisis. As the previous waiver ended, the process to reorganize the programs started during FY 2021-22 with the State's announcement of the Medi-Cal 1115 waiver renewal. The Whole Person Care (WPC) program has ended but a similar program titled Enhanced Care Management and Community Supports (ECM) has replaced it for FY 2023-24 as part of the State's CalAIM initiative. The largest program in the prior waiver, the Public Hospital Redesign and Incentive in Medi-Cal (PRIME) program, was reorganized as part of the Quality Improvement Program (QIP). QIP is a pay-for-performance program. It is anticipated that the overall total funding amounts for all of these supplemental programs should be about the same as prior year. For FY 2023-24 Kern Medical has budgeted \$31.7 million for GPP and \$10.4 million for the ECM program. QIP is a quality incentive-based program that ties payments to designated performance metrics in primary care, specialty care, in-patient care, and resource utilization. The EPP program is based on overall utilization of contracted services with Medi-Cal managed care plans. In FY 2019-20 these two programs replaced the SPD-IGT and MCE to Cost programs funding streams. For FY 2023-24 net QIP revenue is estimated at \$54.9 million and net EPP revenue is estimated at \$31.4 million. Estimates for all indigent funding streams are subject to change at the discretion of the State.

The FY 2023-24 budget includes approximately \$150 million in Intergovernmental Transfers (IGTs) paid to the state that will be used to draw down federal funding. The IGT amounts represent the non-federal share of the indigent programs. Matching contributions to the State, as well as the return of the initial IGT investments, are reported in the budget under other charges and intergovernmental revenue, respectively.

As part of Kern Medical's priorities to both develop an integrated delivery system and meet certain regulatory requirements in primary care as a public hospital, Kern Medical will continue to pursue alternative payment models in FY 2023-24.

Operating and Other Expenses

Budgeted operating expenses total \$514.5 million for FY 2023-24. Staffing cost accounts for \$339.4 million, which is Kern Medical's largest expense. The remaining \$175.1 million in operating expenses are comprised primarily of medical supplies, contracted physician fees, purchased medical services, external provider care services, insurance, utilities, and equipment rental and maintenance. Other expenses include recruiting, outreach, and legal expenses. The following specified annual obligations and amounts are included in the operating and other expenses: \$510,000 US Bank lease for copy machines and printers; Pension Obligation bonds that total 6.0% of payroll; and approximately \$13,000 per covered employee for health and retiree health benefits.

Staffing and Authorized Positions

The proposed budget provides funding for all authorized positions. Although all recommended positions are funded for FY 2023-24, it is important to note that Kern Medical budgets for staffing based on patient census and full-time equivalents (FTEs), not authorized positions. Mandated staff-to-patient ratios and the appropriate allocation of FTEs drive staffing costs, as is customary in the hospital industry.

Kern Medical has 2,560 authorized positions for FY 2023-24. At this point in time, 2,133 of these positions have been filled and 428 are vacant. We anticipate a 10% vacancy rate due to staff turnover and recruiting issues.

Planned Capital Expenditures

Kern Medical is budgeting \$16.3 million in capital expenditures for FY 2023-24 funded by operations and grants. Of the \$16.3 million, \$3.0 million is for the replacement or upgrade of existing operating equipment. It is anticipated that \$1.0 million will be used to upgrade and modernize IT systems and infrastructure. The hospital remains committed to significant capital investment to address deficiencies in the buildings and patient care areas with \$12.3 million budgeted for major capital and construction projects to address areas of immediate concern.

Summary of Changes in Net Position

Kern Medical is projected to have a net position of \$30.9 million as of June 30, 2023. Long-term liabilities primarily related to pension obligations incurred prior to the formation of the Kern County Hospital Authority reduce the net position by \$414.5 million. Adjusting for the effect of these liabilities leaves a budgetary net position of \$445.4 million. With a budgeted \$514.7 million in revenues from operations and total expenses of \$514.5 million, along with \$7.9 million in grant revenue and \$16.3 million in capital expenditures, the planned change in net position is a decrease of \$8.2 million with an estimated budgetary balance of \$437.2 million.

Pandemic-related Services

Kern Medical, along with many other health care organizations in our community and across the nation, drastically pivoted these past three years to confront the pandemic and meet the needs of society. Many of these services were collaboratively carried out with government agencies and other providers. At the heart of our organization's efforts were heroic individuals tirelessly laboring to provide care, source supplies and medications, find alternative COVID care locations, and stand-up community testing and vaccination sites. Kern Medical also treated the unseen impacts of COVID on society. As the area's only trauma center and hospital with an inpatient behavioral health unit, our organization saw an onslaught of trauma that started almost at the outset of the Governor's quarantine order in March 2020 and averaged nearly 60 additional trauma cases each month above the then budgeted monthly 235 patients from violence, suicide, and motor vehicle accidents. Trauma volume remained high through much of 2022. The number and acuity of behavioral health patients also significantly increased. Kern Medical will continue its focus to treat and be prepared for COVID-19.

Kern Medical has a vital role and mission to serve our community as the area's only teaching hospital, trauma center, and designated public hospital while continuing to expand and strengthen relationships with local health plans and community providers. Through these efforts, Kern Medical seeks to demonstrate its value, experience, and outcomes.



**KERN COUNTY HOSPITAL AUTHORITY
Operating and Capital Budget
Fiscal Year 2023-2024**

KERN MEDICAL

Hospital Operations Indicator Report

Revenue

Volume	Actual 2021	Actual 2022	Project 2023	Budget 2024	Financial Overview	Actual 2021	Actual 2022	Project 2023	Budget 2024
Admits - Acute	9,763	10,459	9,610	9,754	EBIDA	63,037	57,984	19,169	13,400
Patient Days - Acute	52,825	65,932	60,225	59,130	EBIDA - SCRUBBED	12,925	24,139	16,001	
LOS - Acute	5.4	6.3	6.3	6.1					
Adjusted Admissions	17,647	18,538	17,450	17,712	NOI	51,323	45,684	5,929	159
		<i>Change in Adj. Admissions:</i>		1.5%	NOI - SCRUBBED	1,081	11,821	4,429	
Births	2,321	2,206	2,200	2,233	Operating Margin % - SCRUBBED	0.1%	1.0%	0.4%	0.01%
Surgeries - Inpatient	2,614	2,567	2,594	2,646	EBIDA Margin % - SCRUBBED	1.2%	2.1%	1.4%	1.2%
Surgeries - Outpatient	3,119	3,131	3,048	3,109	Debt Coverage Ratio	12.96	23.81	4.28	2.56
ER Visits	54,725	60,726	58,975	59,860	Gross Revenue per APD	11,089	9,829	10,288	10,845
Outpatient Visits	203,069	201,362	189,143	193,872	Outpatient Revenue %	44.7%	43.6%	44.9%	44.9%
Reimbursement	Actual 2021	Actual 2022	Project 2023	Budget 2024	Payor Mix	Actual 2021	Actual 2022	Project 2023	Budget 2024
Net Patient Rev	251,739	272,680	267,268	272,989	COMM FFS/HMO/PPO	13%	13%	11%	11%
Indigent Funding	192,122	185,869	172,063	172,063	MEDI-CAL	19%	24%	17%	17%
County Contribution	3,423	3,423	3,389	3,389	MEDI-CAL HMO - KERN HEALTH SYSTEMS	34%	38%	39%	39%
Correctional Medicine	30,896	30,860	30,893	31,819	MEDI-CAL HMO - HEALTH NET	8%	9%	9%	9%
Capitation Revenue	5,052	0	1,404	5,100	MEDI-CAL HMO - OTHER	2%	2%	2%	2%
Ambulatory Surgery Center	0	0	0	0	MEDICARE	10%	9%	12%	12%
Other Operating Revenue	24,731	31,488	29,146	29,146	MEDICARE HMO	3%	4%	6%	6%
Net Rev	507,963	524,319	504,164	514,506	OTHER GOVERNMENT	9%	0%	3%	3%
					SELF-PAY	2%	1%	1%	1%
Net Patient Rev Yield	23.8%	23.7%	23.8%	23.4%					
Net Patient Rev Per AA	14,265	14,709	15,316	15,413					
		<i>Change In Net Revenue per AA:</i>		0.6%					

KERN MEDICAL

Hospital Operations Indicator Report

Expenses

Labor*	Actual 2021	Actual 2022	Project 2023	Budget 2024	Supplies	Actual 2021	Actual 2022	Project 2023	Budget 2024
Labor Costs including Benefits	275,265	277,894	291,046	305,223	Supply Costs	69,039	68,333	60,316	64,132
Productive FTE's (Excl. Contract Labor)	1,697	1,664	1,766	1,792	Supplies as a % of Net Pt Rev	13.6%	13.0%	12.0%	12.5%
Non-Productive FTE's	252	278	287	294	Supplies per AA	3,912	3,686	3,456	3,621
Contract Labor % of Total Prod	6.8%	9.7%	7.0%	7.1%	<i>Change in Supply Cost per AA:</i>				<i>4.8%</i>
Overtime % of Prod HRs (Excl CL)	3.6%	4.1%	4.5%	4.0%	Pharmaceutical Cost per AA	1,701	1,387	1,182	1,230
Total FTE's per AOB	7.47	6.07	6.85	7.09					
Labor Cost per FTE (Inc Benefits)	141,245	143,084	141,771	146,317					
		<i>Change in Labor Cost per FTE:</i>		<i>3.2%</i>					
Lbr Cost (Inc Ben) % of Total Exp	61.4%	57.0%	60.0%	60.9%					
Pur Ser & Other Expenses	Actual 2021	Actual 2022	Project 2023	Budget 2024	Other Key Statistics	Actual 2021	Actual 2022	Project 2023	Budget 2024
Medical Fees	20,783	21,392	24,222	23,900	Adjusted patient Days	95,486	116,859	109,358	107,370
Other Professional Fees	17,333	19,696	24,962	24,403	Adjusted Occupied Beds	260.9	320.2	299.6	294.2
Purchased Services	23,271	24,011	29,752	29,264	Gross Days in AR, Excl Cap	110	72	67	65
Other Expenses	20,907	20,199	20,017	20,142					
Depreciation and Amortization	10,114	11,287	11,831	11,831					
Capital Expenses	Budget 2024								
Funded through operations									
Routine Equipment	3,000								
Information Technology	1,000								
Projects	4,390								
Funded through grants									
Projects	7,900								

Kern County Hospital Authority
Budget for Fiscal Year 2024
Exhibit A - Projected Income Statement

	ACTUAL-FY23 JUL - MAR	PROJECTION FY23	BUDGET FY24
Total Gross Charges	\$ 855,379,425	\$ 1,125,027,857	\$ 1,164,403,832
Total Patient Revenue Deductions	(651,382,511)	(857,759,432)	(891,415,313)
Net Patient Revenue	203,996,914	267,268,425	272,988,519
Indigent Funding			
Correctional Medicine	23,190,652	30,892,657	31,819,437
County Indigent Funding	2,566,898	3,389,367	3,389,367
State and Federal Indigent Funding	127,663,585	172,062,805	172,062,805
Total Indigent Funding	153,421,135	206,344,829	207,271,608
Capitation Premium Revenue	1,404,200	1,404,200	5,100,000
Other Operating Revenue	21,879,734	29,146,361	29,146,361
Total Operating Revenue	380,701,983	504,163,815	514,506,488
Expenses			
Salaries	154,512,206	204,828,304	215,021,436
Benefits	64,844,976	86,217,806	90,201,492
Registry Nurses	26,900,740	34,834,927	34,200,131
Medical Fees	18,934,103	24,222,436	23,900,350
Purchased Services	22,334,659	29,752,374	29,263,883
Supplies	46,028,900	60,315,870	64,131,557
Other Professional Fees	18,738,616	24,962,025	24,402,826
Other Expenses	15,026,823	20,017,483	20,142,092
Operating Expenses	367,321,023	485,151,226	501,263,767
Gain/(Loss) From Operations	13,380,960	19,012,588	13,242,721
Interest Expense	(357,101)	(141,366)	(141,366)
Interest-COP	(960,086)	(1,267,710)	(1,267,710)
Interest Expense	(1,317,187)	(1,409,076)	(1,409,077)
Depreciation Expense	(6,296,336)	(8,392,413)	(8,392,413)
Amortization	(3,595,495)	(3,438,947)	(3,438,947)
Other Non-Operating Revenue	119,796	156,720	156,720
Net Non-Operating Revenue and Expense	(11,089,222)	(13,083,715)	(13,083,716)
Net Income/(Loss)	\$ 2,291,738	\$ 5,928,873	\$ 159,005
EBIDA	\$ 13,500,756	\$ 19,169,309	\$ 13,399,442

Kern County Hospital Authority

Budget for Fiscal Year 2024

Exhibit B - Projected Change in Net Position

Projected Year end Retained Earnings for FY23-24

Estimated Ending Fund Balance Available as of June 30 **30,925,507**

Long Term Accounts

22400274	LONG TERM DEBT-CAP LEASES	-
22500271	LONG TERM L-POB 2003	4,812,301
22500273	LONG TERM L-POB 2008	5,392,893
22700000	NET PENSION LIABILITY	284,243,193
22701000	DEFERRED INFLOW-PENSIONS	79,254,798
22750271	LT INTEREST L-POB 2003	6,218,422
22760000	OTHER POST EMPLOYMENT BENEFITS	7,216,964
22761000	ACCRUED COMP ABSENCES LT	12,724,721
22762000	WORKERS COMP PAYABLE LT	4,314,780
22763000	PROFESSIONAL LIABILITY LT	4,977,378
22764000	RIGHT-OF-USAGE LIABILITY LT	<u>5,343,992</u>

Budgetary Retained Earnings \$ 445,424,949

BUDGET FY 23-24

Estimated Budgetary Retained Earnings Balance	445,424,949
<u>Sources and uses</u>	
Total FY 23-24 Estimated Revenues	514,663,209
Total FY 23-24 Estimated Expenses	(514,504,204)
Total FY 23-24 Estimated Grant Revenue	7,900,000
Total FY 23-24 Estimated Capital Expenditures	<u>(16,290,000)</u>
Total Estimated Change in Net Position	(8,230,995)

Estimated Ending Balance \$ 437,193,954

Kern County Hospital Authority
 Budget for Fiscal Year 2024
 Exhibit C - Summary of Capital Expenditures

Uses of Capital				
Operating Equipment	IT Capital Projects	Capital Building and Construction	Grant Funding	Total
\$ 3,000,000	\$ 1,000,000	\$ 4,390,000	\$ 7,900,000	\$ 16,290,000

Sources of Capital	Total
Operations	8,390,000
Grant Revenue	7,900,000
	\$ 16,290,000

Kern County Hospital Authority
Budget for Fiscal Year 2024
Exhibit D - Position Summary

<u>Division</u>	<u>Authorized</u>	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Kern Medical	2,560	2,133	428	2,560



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

May 17, 2023

Subject: Kern County Hospital Authority Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

The Chief Executive Officer of the Kern County Hospital Authority will provide your Board with a hospital-wide update.



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

May 17, 2023

Subject: Monthly report on What's Happening at Kern Medical Center

Recommended Action: Receive and File

Summary:

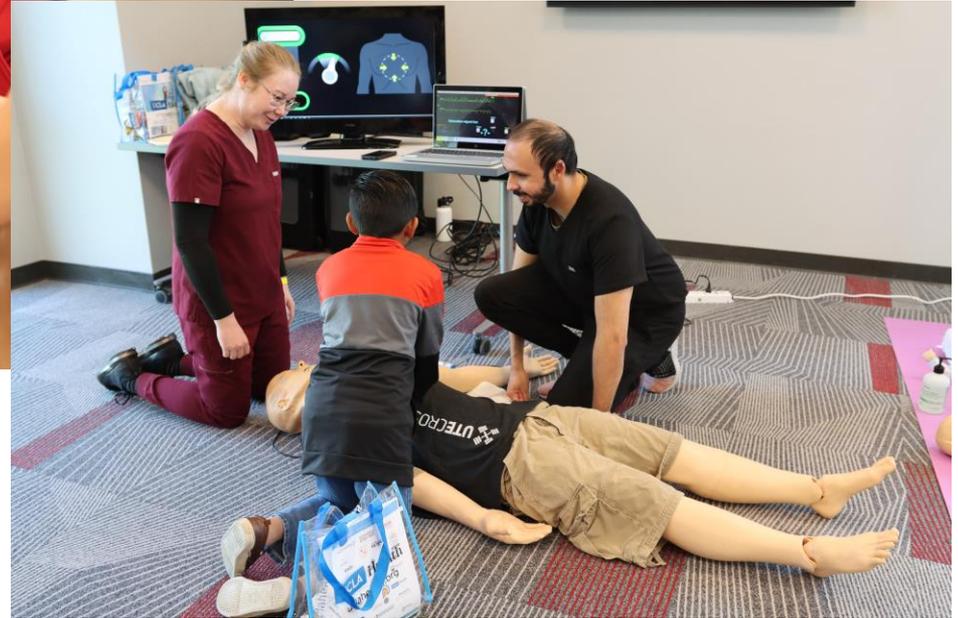
Each month Kern Medical will be sharing a report with your Board on "What's Happening" in and around Kern Medical.

Therefore, it is recommended that your Board receive and file the attached report on What's Happening at Kern Medical.



What's Happening?

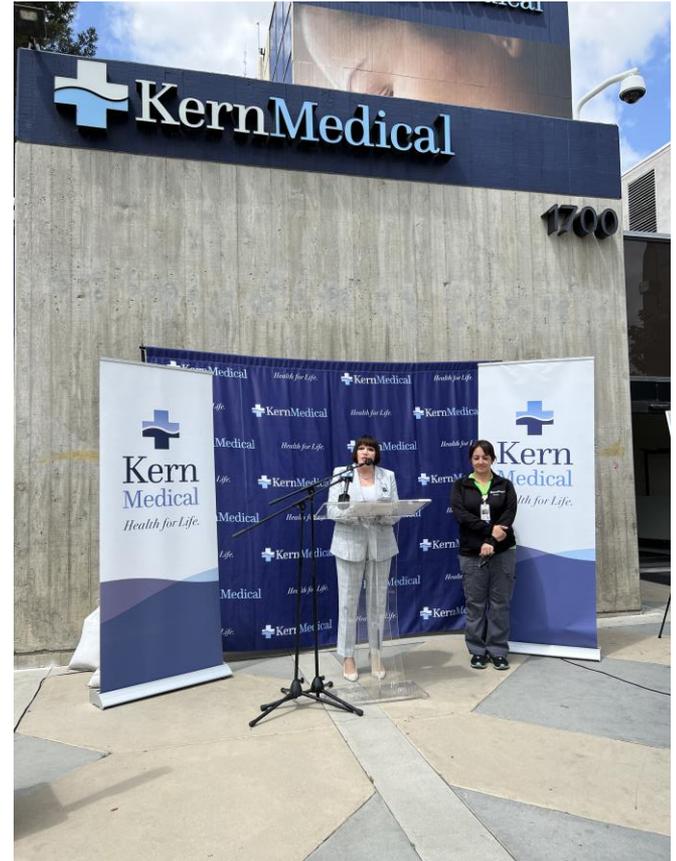
MESA STEM and Pre-Health Conference



No Mask Monday



Donate Life Month



JJ's Legacy



Kern Medical & PAL



Houchin Blood Drive

WIN A
BIG HORN
PIZZA OVEN

blood drive

THURSDAY, APRIL 27 • 9:00 AM - 2:00 PM

KERN MEDICAL
1700 MT. VERNON AVE. • BAKERSFIELD, CA. 93306

TO MAKE AN APPOINTMENT, SCAN THE CODE
TO THE RIGHT WITH YOUR PHONE'S CAMERA





SATURDAY
MAY 6,
2023

Kern County Fairgrounds
1142 P St
Bakersfield, CA 93307

 KernMedical +  Adventist Health



CAREER FAIR

Kern Medical Campus
1700 Mount Vernon Ave, Bakersfield, CA 93306, Room 1058

We are hiring in the following areas:

- + Clinical Pharmacist
- + Medical Assistant
- + Medical Social Worker I/II
- + Office Services Technician
- + Patient Care Technician
- + Per Diem Nurse Information Technology - Informatics Project Manager (Pharmacy License Required)
- + Program Specialist
- + Registered Nurse
- + Respiratory Therapist
- + Vocational Nurse
- + X-Ray Technician

Meet with us on May 9th!

- + Chat with our hiring managers
- + Open to all healthcare professionals and students
- + Learn about what makes Kern Medical a great place to work
- + Start your career with Kern Medical!

Bring your resume on the day of the event, our staff is ready to interview!

MAY 9TH
1 PM - 5 PM



Health for Life.

Hospital Week!

A blue banner with a dark blue background. At the top, a light blue ribbon contains the text "KERN MEDICAL CELEBRATES". Below this, the words "HOSPITAL WEEK" are written in large, bold, light blue letters. Underneath, "MAY 8-12" is written in white. At the bottom, a white line of text reads "A week of special recognition and events for Kern Medical's hard-working staff!". The banner is decorated with various medical icons: a stethoscope, a heart with an ECG line, a syringe, a bandage, and an ambulance.

KERN MEDICAL CELEBRATES

HOSPITAL WEEK

MAY 8-12

A week of special recognition and events for Kern Medical's hard-working staff!

Kern Medical in the News

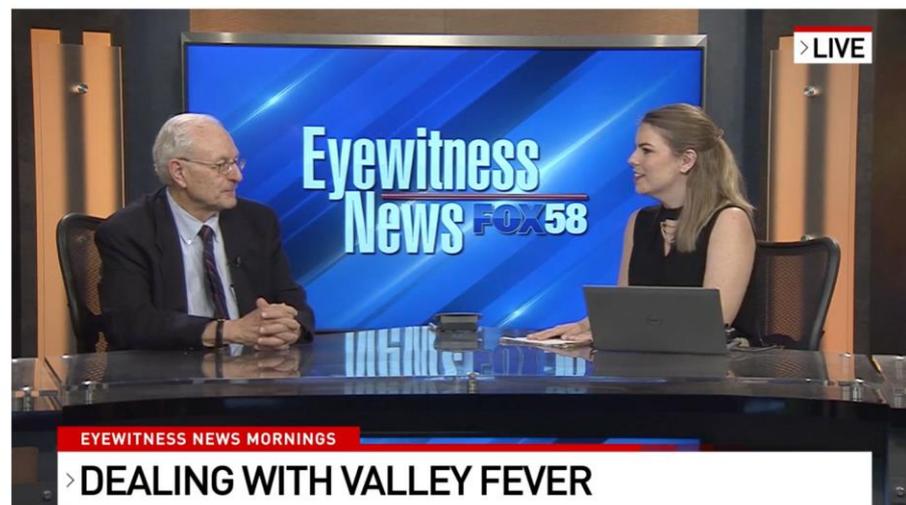
Doctor gives tips on keeping skin safe during the summertime

by BakersfieldNow Staff | Wed, April 12th 2023, 10:51 AM PDT



Doctor talks about how to treat valley fever

by BakersfieldNow Staff | Wed, April 12th 2023, 10:44 AM PDT



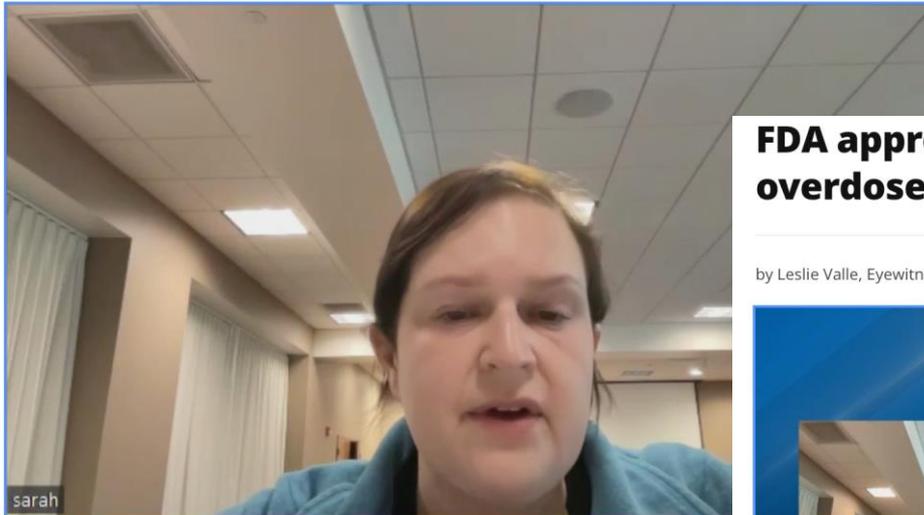
Kern Medical in the News



Kern Medical in the News

Leaders take action towards Fentanyl crisis, members announce plans to move forward

by Mary Paronyan, Eyewitness News | Wed, March 22nd 2023, 9:47 PM PDT



sarah

FILE

FDA approves first ever over the counter opioid overdose treatment

by Leslie Valle, Eyewitness News | Wed, March 29th 2023, 6:23 PM PDT



Naloxone commonly known as Narcan is becoming more accessible as it will now be sold without the need for a prescription. (KBAK/FOX58)

Kern Medical is in movie theaters!

Visit any of the following locations between now and
October to see our featured ad during the previews:

Studio Movie Grill
Maya Bakersfield
Valley Plaza



 KernMedical

National Recognitions in April

- Alcohol Awareness Month
- STI Awareness Month
- Autism Awareness Month
- Minority Health Month
- National Donate Life Month
- National Occupational Therapy Month
- Oral Cancer Awareness Month
- Youth Sports Safety Month
- Public Health Week (April 3-9)
- Health Information and Privacy Week (April 18-24)
- Pediatric Transplant Week (April 23-29)
- World Immunization Week (April 24-30)
- World Health Day (April 7)
- Prescription Drug Take Back Day (April 22)

National Recognitions in May

- National Physical Fitness and Sports Month
- Older Americans Month
- Mental Health Awareness Month
- Stroke Awareness Month
- Melanoma Awareness Month
- Hospital Week (May 7-13)
- Nurses Week (May 7-13)
- National Women's Health Week (May 14-20)
- National Emergency Medical Services Week (May 21-27)
- National Nurses Day (May 6)
- National Women's Check-Up Day (May 8)
- National Save Your Hearing Day (May 31)

**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

PHILLIP PETERS	District 1
ZACK SCRIVNER	District 2
JEFF FLORES	District 3
DAVID COUCH	District 4
LETICIA PEREZ	District 5



KATHLEEN KRAUSE
CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

May 9, 2023

Ms. Cynthia Pollard
13220 Arboretum Avenue
Bakersfield, CA 93314

Dear Ms. Pollard:

Congratulations on your appointment to the Kern County Hospital Authority Board of Governors.

Enclosed please find the Oath of Office for your appointment as Community Member at Large to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2024. You may take the Oath of Office in the office of the Clerk of the Board located in the Kern County Administrative Center, 1115 Truxtun Avenue, Fifth Floor, Bakersfield, or you may take it before a Notary Public in your vicinity. If the Oath is taken before a Notary Public, please ask the Notary to attach a Jurat. **The Oath must be administered and received by the Clerk of the Board before you can participate on the Kern County Hospital Authority Board of Governors.**

To serve on the Kern County Hospital Authority Board of Governors, you are required to fill out a Form 700, Statement of Economic Interests. Please complete, sign and return the Form 700 (cover page and any applicable schedules) to the **Clerk of the Board's Office no later than thirty (30) days from your date of appointment.** For your convenience, a Form 700 packet is enclosed. The form is also available at <http://www.fppc.ca.gov/Form700.html>.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training within one year of your appointment and every two years thereafter. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern County Hospital Authority Board of Governors. If my office can ever be of assistance to you, please call on us.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Krause".

KATHLEEN KRAUSE

Clerk of the Board

Enclosure

cc: Kern County Hospital Authority
c/o Kern Medical
1700 Mount Vernon Avenue
Bakersfield, CA 93306

OFFICIAL APPOINTMENT
BOARD OF SUPERVISORS

STATE OF CALIFORNIA } ss.

I, KATHLEEN KRAUSE, Clerk of the Board of Supervisors of the County of Kern, State of California, do hereby certify that at a regular session of said Board held in and for said County, on May 9, 2023, Cynthia Pollard was duly appointed as Community Member at Large to the Kern County Hospital Authority Board of Governors, in and for Kern County, State of California, as appears in the Official Records of said Board in my office.



IN WITNESS WHEREOF, I have hereunto affixed my hand and Seal of the Board of Supervisors of the County of Kern, State of California on May 9, 2023

Kathleen Krause

Clerk of the Board of Supervisors

STATE OF CALIFORNIA } ss.

OATH

For the Office of Kern County Hospital Authority Board of Governors Member, term to expire June 30, 2024.

I, Cynthia Pollard, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Cynthia Pollard

(Signature of Appointee)

Subscribed and sworn to before me on

May 9, 2023

(SEAL)



KATHLEEN KRAUSE

Clerk of the Board of Supervisors

Sharon M. Mucic

(Signature of Person Administering Oath) (Notary Public)

Assistant Clerk of the Board

(Title)

(Title)

**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

**PHILLIP PETERS
ZACK SCRIVNER
JEFF FLORES
DAVID COUCH
LETICIA PEREZ**

District 1
District 2
District 3
District 4
District 5



KATHLEEN KRAUSE
CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

May 9, 2023

Amir Berjis, M.D.
c/o Kern Medical
1700 Mount Vernon Ave.
Bakersfield, CA 93306

Dear Dr. Berjis:

Congratulations on your re-appointment to the Kern County Hospital Authority Board of Governors.

Enclosed is the Official Appointment covering your re-appointment as At-Large Medical Staff Member to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2026.

Pursuant to State law, you are required to complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. You must receive the required training within one year of your appointment and every two years thereafter. Your Agency's Manager will provide information regarding training opportunities.

On behalf of the Kern County Board of Supervisors, I would like to extend our sincere appreciation for your commitment to serve on the Kern County Hospital Authority Board of Governors. If my office can ever be of assistance to you, please call on us.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Krause".

KATHLEEN KRAUSE
Clerk of the Board

Enclosure

cc: Kern County Hospital Authority
c/o Kern Medical
1700 Mount Vernon Avenue
Bakersfield, CA 93306

**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

**PHILLIP PETERS
ZACK SCRIVNER
JEFF FLORES
DAVID COUCH
LETICIA PEREZ**

District 1
District 2
District 3
District 4
District 5



KATHLEEN KRAUSE
CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

**OFFICIAL APPOINTMENT
BOARD OF SUPERVISORS**

STATE OF CALIFORNIA)
) ss.
County of Kern)

I, KATHLEEN KRAUSE, Clerk of the Board of Supervisors, County of Kern, State of California, do hereby certify that at a regular session of said Board held in and for said County of Kern, on May 9, 2023, Amir Berjis M.D. was duly re-appointed as At-Large Medical Staff Member to the Kern County Hospital Authority Board of Governors for the term expiring June 30, 2026, in and for Kern County, State of California, as appears by the Official Records of said Board in my office.

IN WITNESS WHEREOF, I have hereunto affixed my hand and Seal of the Board of Supervisors of the County of Kern, State of California on May 9, 2023.



A handwritten signature in cursive script that reads "Kathleen Krause".

KATHLEEN KRAUSE
Clerk of the Board of Supervisors

From: [Chris Harkins](#)
To: [Public Comment](#)
Subject: Complaint Letters
Date: Tuesday, April 18, 2023 2:26:35 PM
Attachments: [3C Staff Complaint.pdf](#)
[ER Staff Complaint.docx](#)
[Enough is Enough.pdf](#)

Some people who received this message don't often get email from chrisharkins17@yahoo.com. [Learn why this is important](#)

CAUTION: This message originated from outside the Kern Medical email system. **DO NOT** click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

Please see attached documents and view them as public comment/complaint to be added to the minutes of the Board of Governors meeting and dispersed accordingly. They can be related to agenda items #22 and #23.

04/03/2023

To whom it may Concern,

This letter is to try and voice some concerns that staff as a whole have. Concerns and frustrations that have been taken to our collective supervisors. These issues have also been brought up to Administration, and yet these issues persist.

One big issue is the staff nurse ratios. As nurses, since the ratio law came into effect, never have we had to work out of ratio so often. While NSO is aware of how many nurses are working for the shifts, and always having to take in account potential sick calls, patients are pushed onto the floors regardless of what staffing is for the next shift. When NSO is questioned, it's always the same answer, things are being done per administration's orders. Not to mention the lack of break coverage for our mandatory 30mins. As staff we are not really concerned with covered 15min breaks. We do however want and deserve to have a covered 30min uninterrupted meal break.

Another concern is the Charge Nurse being charge in. The charge nurses have been told by NSO that per Admin, they do "not want the Charge Nurse to be Charge Out". There could not be any patients waiting in the ER, or any unit downgrades, with multiple open beds on different floors, and the charge nurse still has a full load of patients. Because the charge nurse has patients, there are things on the units that are not being done, along with safety issues that arise. The charge nurse is supposed to know what is going on, on the floor they are in charge of. When the charge nurse has patients, this is not so. The charge nurses priority is the patients she is taking care of. The charge nurses are generally nurses with more experience, and knowledge of how things are done. With so many new hires and new grads, the charge nurse is not readily available for anyone or anything else happening on the floor. And the list of duties that the charge nurse has to do is not decreased because they have patients.

Which brings us to the next issue. The charge nurses, when having patients must provide patient care first and foremost. Multiple complaints have been voiced to supervisors about how some house supervisors treat and act towards the charge nurses. Sometimes its management and administration themselves filling in for house supervisor position when this happens. The charge nurses are constantly being called for bed control. The charge nurses at times feel bullied, and do not appreciate the lack of respect and intimidation tactics that are used. For example, coming to the units to "confirm" amount of beds, to ask why an assignment is "mixed", management calling from home to talk to the charge in regards to why beds are not being given, calling charge nurses during code blues and rapid response for bed assignments, amongst other things. ¹

Another issue is the supervisor on 3 center not having an office or "space". This is completely inappropriate and unprofessional. Right now the supervisor is working out of a corner in the nurse's

station. Employees cannot go to the supervisor to speak in confidence about anything. If other supervisors or admins want to talk to her, their conversation is completely audible to everyone else in the nurse's station. Her phone calls, her online meetings, are all being heard by other employees. EPRs can't not be done in this specific setting.

Like it's been mentioned before, all of these concerns have been brought to our supervisor's attention. Emails have also been sent, with management ccd, with no response from management. We as staff, some who have been here for over 15yrs are disappointed and hurt in how higher level management and admin have treated staff. We hope to hear from our Union representative in regards to our concerns.

Sincerely,

Kern Medical Staff

Anne^{RN}
Arnel Sabragon

Alan

Pamela A.

Ruth G

Priscilla Macias

Andrew
Schmitt

Sharon RN

Yawnelle Walker
Chomper

[Signature]

J Anderson, RN
K. Lopez

Yvonne Maldonado

Shableneh

M Garcia

[Signature]

Chay R.

Martinez, RN
Diana
[Signature]

To whom it may concern,

The staff on 3D is facing extreme challenges with the drastic changes in administration and the lack of support in prioritizing patient safety. Due to the insufficient staffing, charge nurses have been taking on more responsibilities than they can handle. Our charge nurses have been charge in with their own patient assignment while trying to maintain patient and family complaints, bed assignments, staffing, rapid responses, patient care, clerk, and much more. In addition, our staff has consistently missed lunch and rest breaks, causing a toll on our staff. Such an insufficient work environment has an impact providing swift care to patients.

Administration cares more about the profit that is associated with the flow of patients from the ER to acute care areas rather than the actual patient outcome. There are days when patients are inappropriately brought up to the floor or inappropriately discharged. This fast tracked flow of patients coupled with the immense staffing shortages resonating from the ER to acute care areas calls for inadequate patient outcomes. We want safe discharges and patients that are appropriate for the floor in addition to staff that is indicative of the number of patients present.

Patient ratios matter for all staff present- PCTs and nurses. Currently there is no ratio for PCTs but the amount of patients a PCT has greatly impacts patient satisfaction. It affects both patient safety and quality of care. In addition, PCT's are the eyes and ears of nurses. We see and hear what the nurses may not when the nurse has to move on to another patient.

Having staff that is over ratio with a high patient acuity is hazardous for a patient's prognosis and makes for an unsafe nursing practice putting our jobs at stake. With a noted increase in rapid responses, code blues, falls, and other safety issues on 3D.

Veteran nurses on 3D have reached the consensus that there has never been an incident of not complying with California state patient to nurse ratios until now. This is a modern day crisis. It is appalling and does not even come close to being able to compare to what we faced during the pandemic- its worse. It's a nightmare.

Whenever issues, such as this, have been brought up in concern for both patient and staff safety, management has threatened write ups. One other method of retaliation has been in the form of threatening administrative leave and blind siding HR meetings. How will we ever be able to speak freely knowing that our jobs could be at stake?

How is it ethically appropriate to provide the care we are currently providing to patients?

To make matters worse, our licensed direct supervisor is expected to be replaced by an unlicensed individual. Duties that have been under her direction are now being handed off to other individuals. She is expected to move into another office with other individuals that will offer less privacy than her current office. Our licensed direct supervisor must be readily available at all times to help with the needs of our unit and provide a safe place where staff can communicate their issues, provide feedback, and be evaluated in privacy without the fear that others are listening.

Most of all- how are we going to expect a new unlicensed supervisor with no background in being on a hospital floor or direct patient care experience to stand up for the staff on 3D?

We know what's best for our patients. We know what works best for our team. We trust the licensed direct supervisor we have had in place. These are lives at stake. Patients are not a number- they are the underprivileged, they are your father, mother, sister, brother, child -they are human!

Signed,
Concerned 3D staff

Laura
~~Went~~ ~~Went~~
Hydria Maclella
of range

Maria Maldonado
Donnie Capuchino RN
Lena Lorenzo RN

Daphne

Daphne
Silvia Bar

Amy Garay
Mhalqun

Nadia Barrow
Jill Paprup.

~~Went~~

Went

Danny Certe

Silvia Gil Carrasco

This email is being sent anonymously on behalf of many of us ER staff. It is anonymous because of fear for retaliation and unfair treatments. We have seen how many others who spoke about issues have been treated and because of that we are in fear to be the next one to stand out. Our staff meeting was the final straw for many of us. A co-worker asked for union to be present and Bridget denied. Why deny, what is there to be afraid of? This proves she is trying to abuse her Director job and silence her staff. Then she told staff they MUST turn on their zoom camera to get credit for attendance or they won't be paid. Is that allowed, is that in a policy or even legal? Bridget never even turned on her own camera until the last 2 minutes of the meeting. She spews out whatever she wants in an intimidating way and expects people to cooperate because we are afraid if not. She spoke about bullying which was such a coincidence considering her staff view her and Dawn as the bully and you can see everyone's faces rolling their eyes and smirking because we all knew how contradictory it was. The topic of LVN's came up and we have brought up this concern previously with no answers. Bridget told us LVN's will have their own 4 patients. A co-worker spoke up how that breaks the law and our own policy and Bridget continued to say that LVN's will absolutely have their own assignment of 4 patients. This co-worker stated she felt unsafe and will not attach her name to patients that she does not see just because she is the RN working side by side the LVN, there is no such thing as a buddy system. Please look at the meeting agenda where you can see she said even with your own patient load ratio of 1:4, you will be expected to perform other tasks on other patients. That defeats the purpose of ratios, Bridget. She even said that if LVN's make a mistake, it's not the responsibility of the RN. So, whose responsibility is the patient? Every patient receiving treatment MUST be assigned an RN. Bridget and Dawn should familiarize themselves with California ratios and rules since they are from Ohio and Texas and speak untruths. They are directing nurses to work out of scope and jeopardize their license and patient safety. Would The Joint Commission agree with nurses being told this? The BRN should be made aware.

The purpose of this email is try and get someone to help. It has been way too long now with the emergency room deteriorating. We have lost experienced staff in high numbers and continue to because of how Bridget and Dawn are managing our department. There is no more morale and it is not a place people want to work in anymore. We are so upset that we lost our CNL's Allison, Chris, Melissa, Mary Joyce and Ana is about to seek alternatives as well. Nobody has listened to all 5 of their concerns for some time now. We witnessed how Dawn spoke and treated Melissa for answering survey questions and it was horrible. Everyone knows what happened to Chris and we continue to wear his sticker to bring him back. Allison had to transfer to avoid going home crying after each shift and Mary Joyce resigned from the facility after over a decade of service because of how things are. We have nurses being forced to be charge nurse and threatened with discipline if they refuse the assignment. Vilma and Bridget on more than one occasion told our nurses that they cannot refuse charge nurse because it's in their scope and it's an assignment. Since when do we have to force staff to be in charge? Christina Gutierrez and George Bratton have been assigned charge nurse and neither even had their MICN license. Nobody wants to be in charge when we are limited on our resources, get no official training and have to work under the stress of Bridget and Dawn and are directed to do unlawful things. Those being assigned charge nurse are setup for failure and extreme stress.

Bridget is never of any help and Vilma does her best but is not always available. Vilma has a second job and is hard to get a hold of when she is at Mercy. Cassandra, the new manager, has no clinical background and cannot help clinically. Please look at clairvia and see how short staffed we are through the end of the posted schedule. How come Bridget and Vilma are not giving breaks or taking an assignment? Bridget came in to help in ICC once and she ended up crying because of how busy she was. She even violated EMTALA by sending patients out because she was overwhelmed yet that's what she expects us to deal with every day. A CT tech

told Bridget how they needed IV insertions for patients and Bridget told the CT tech she couldn't because she is too busy, the CT tech had to remind her that the rest of the staff have to do it why can't she? Since then Bridget has not come in to help.

Jayne Moretti was assigned charge nurse, without proper training and had 2 STEMI patients. She asked Bridget for help and Bridget told her she doesn't know what to do and that Bridget needed to leave for the day anyway. Jayne cried because its patients' lives at risk and our director offered no help. Bridget continues to source out her duties or when we ask for help to others. We asked for help taking care of patients and she told us to call Santa in trauma to come help. It's Bridget's department and she can't even lend some help but wants other directors to help? It's unacceptable how she treats her staff, registration staff, radiology staff and any other departments that come into the ER. We have more traveling/per diem staff than full time staff usually on any given shift, it's so hard to run a trauma ER without full time skilled staff. Evaluate the ER today, there are only 4 full time staff working. 4!!! That is illegal in California, no more than 49% of your staff working can be traveler/registry/LVN's and need the proper skill mix. The charge nurse today is a per diem nurse who barely works in the ER once a month if that. We have not been able to use both trauma rooms consistently because we have no staff. We are even feeling the pressure from physicians. Dr. Panag recently was upset because trauma 1 was not open and we explained why, he said it was unacceptable and needed to be open. Again, being setup for failure but we agree with Dr. Panag, it is unacceptable. Trauma surgeons, residents, mid-levels and attending's all feel the consequences of the mismanagement and verbalize it daily and we need to know when something will be done. We don't have enough or skilled people available when the physicians are ready for conscious sedation for example. We are causing delays in care and the physicians are affected as well.

We have patients waiting in the waiting room for countless hours. We are expected to draw blood, give medications, do interventions and even discharge patients in the waiting room. This is unsafe, not practical and violates many infection control, HIPPA and safety issues. We have had so many errors including medication errors that are happening because of such situations and are going unreported out of fear. There are so many new grads that have no resource or support to go to for help because all of our CNL's and experienced staff are gone. The ones left, are way too busy with their own work to be able to help or are just purely burned out. The amount of insulin drip and heparin drip errors happening is scary. We need help and need this to stop. It's been over a year of raising concerns and it seems to go nowhere or it seems to be swept under the rug with punishment. The last option we have is to report Bridget's and Dawn's RN license to the California BRN for professional misconduct violating the Nursing Practice Act and its implementing regulations.

We want to avoid a picket or strike but are leading towards asking the union to help us do so. We also want to know how to file a formal group grievance as a department. Maybe a survey or meeting without management and having union representation would be best to hear from many people and their concerns

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

(Government Code Section 54957.7)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on May 17, 2023, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

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

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on May 17, 2023, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

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

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

(Government Code Section 54957.7)

The Board of Governors will hold a closed session on May 17, 2023, to consider:

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

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

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on May 17, 2023, to consider:

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on May 17, 2023, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Service Employees
International Union, Local 521, Charging Party, v. Kern County Hospital Authority,
Respondent, Public Employment Relations Board Case No. LA-CE-1633-M –

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on May 17, 2023, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Service Employees
International Union, Local 521 Plaintiff/Petitioner, v. Kern County Hospital
Authority, Kern Medical Surgery Center, LLC, and DOES 1-25, Defendants/
Respondents, Kern County Superior Court Case No. BCV-22-101782 JEB –

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

Government Code Section 54957.7

The Board of Governors will hold a closed session on May 17, 2023, to consider:

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

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

Government Code Section 54957.7

The Board of Governors will hold a closed session on May 17, 2023, to consider:

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