



## **AGENDA**

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

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

Regular Meeting  
Wednesday, June 26, 2024

11:30 A.M.

#### **BOARD TO RECONVENE**

Board Members: Berjis, Martinez, McLaughlin, Merz, Neal, Pelz, Pollard  
Roll Call:

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

STAFF RECOMMENDATION SHOWN IN CAPS

#### RECOGNITION

- 1) Presentation by the Chief Executive Officer recognizing Russell E. Bigler for his service on the Kern County Hospital Authority Board of Governors –  
MAKE PRESENTATION
- 2) Presentation by the Chief Executive Officer recognizing Rick A. McPheeters, D.O., for his outstanding leadership and service as President of Staff of the Medical Staff of Kern Medical Center from July 1, 2022 through June 30, 2024 –  
MAKE PRESENTATION

PUBLIC PRESENTATIONS

- 3) 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!

MEMBER ANNOUNCEMENTS OR REPORTS

- 4) 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

- 5) Minutes for the Kern County Hospital Authority Board of Governors regular meeting May 15, 2024 –  
APPROVE

CA

- 6) Proposed renewal and binding of insurance coverages for hospital professional liability, general liability and umbrella/excess liability, workers' compensation and employers liability, automobile liability, heliport and non-owned aircraft liability, directors and officers liability, employment practices liability, healthcare regulatory liability, crime, privacy and security (cyber) liability, premises pollution liability, underground storage tank liability, employed lawyers professional liability, fiduciary liability and Kern Medical Surgery Center fiduciary liability from July 1, 2024 through June 30, 2025, with option to finance selected premiums through PRISM and BankDirect Capital Finance in an amount not to exceed \$1,785,467 –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN COMMERCIAL INSURANCE PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE WITH BANKDIRECT CAPITAL FINANCE

CA

- 7) Proposed Amendment No. 1 to Agreement 19721 with BSK Associates, an independent contractor, for inspection services related to construction projects for the period July 1, 2021 through June 30, 2024, extending the term for three years from July 1, 2024 through June 30, 2027, and increasing the maximum payable by \$250,000, from \$250,000 to \$500,000, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 2 to Professional Services Agreement 102-2023 with Aspen Street Architects, an independent contractor, for architectural design services for the period August 16, 2023 through August 15, 2026, increasing the maximum payable by \$2,000,000, from \$800,000 to \$2,800,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Agreement with Patton Sheet Metal Works, Inc., dba Patton Air Conditioning, an independent contractor, for repair of air handlers in the B and C wings, effective June 26, 2024, in an amount not to exceed \$1,842,455 –  
MAKE A FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 5% OF THE TOTAL CONTRACT PRICE

CA

- 10) Proposed Change Order No. 2 to Agreement 090-2023 with Mountain West Builders, Inc., an independent contractor, for electrical modifications for laboratory equipment upgrades, increasing the maximum payable by \$22,887, from \$161,312 to \$184,199, to cover the cost of the project –  
MAKE A FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Change Order No. 2 to Agreement 103-2023 with McMurtrey Lince, Inc., an independent contractor, for structural modifications related to the air conditioning unit metal deck, increasing the maximum payable by \$6,659, from \$382,265 to \$388,924, to cover the cost of the project –  
MAKE FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed Amendment No. 1 to Agreement 41021 with CBCM Services, Inc., an independent contractor, for general contracting, maintenance, and repair services for the period August 1, 2021 through July 31, 2024, extending the term for three years from August 1, 2024 through July 31, 2027 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Amendment No. 1 to Agreement 100-2022 with Trans-West Security Services, Inc., an independent contractor, for security services for the period July 1, 2022 through June 30, 2025, increasing the billable rate for site supervisor, and increasing the maximum payable by \$7,488, from \$9,818,826 to \$9,826,314, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed Amendment No. 6 to Agreement 718-2016 with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department, for the provision of correctional medicine services to in-custody inmates and juvenile wards, for the period July 1, 2016 through June 30, 2024, extending the term for two years, from July 1, 2024 through June 30, 2026 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 15) Proposed retroactive Amendment No. 2 to Agreement 554-2021 with the County of Kern, as represented by the Administrative Office and Kern County Sheriff's Office, for the provision of health care services to in-custody inmates housed in the Kern Justice Facility, for the period July 1, 2021 through June 30, 2024, extending the term for two years from July 1, 2024 through June 30, 2026 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 16) Proposed Terms and Conditions with Fenwal, Inc., A Fresenius Kabi Company, an independent contractor, containing non-standard terms and conditions, for purchase of pharmaceuticals, from June 26, 2024 through June 25, 2027, in an amount not to exceed \$15,000 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 17) Proposed Resolution affirming commitment of the Board of Governors to patient safety at Kern Medical Center –  
APPROVE; ADOPT RESOLUTION

CA

- 18) Proposed Amendment No. 1 to Agreement 133-2022 with Igor Garcia-Pacheco, M.D., a contract employee, for professional medical services in the Department of Medicine for the period December 2, 2022 through December 1, 2025, adding compensation for 12-hour night call, and increasing the maximum payable by \$100,000, from \$1,860,000 to \$1,960,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 19) Proposed Amendment No. 1 to Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology for the period April 1, 2024 through March 31, 2026, adding compensation for services as Director of Minimally Invasive Surgery, and increasing the maximum payable by \$48,000, from \$750,000 to \$798,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 20) Proposed Amendment No. 7 to Agreement 2016-030 with Valley Neurosurgery and Neurorestoration Center, A Professional Corporation, an independent contractor, for professional medical services in the Department of Surgery for the period July 1, 2016 through June 30, 2024, extending the term for three years from July 1, 2024 through June 30, 2027, and increasing the maximum payable by \$1,127,920, from \$6,622,080 to \$7,750,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 21) Proposed Amendment No. 2 to Agreement 022-2021 with Acute Care Surgery Medical Group, Inc., an independent contractor, for the provision of general surgery and residency program development and management in the Department of Surgery for the period July 1, 2021 through June 30, 2025, extending the term for two years from July 1, 2025 through June 30, 2027, adding compensation for clinic, OR and call coverage, and increasing the maximum payable by \$8,500,000, from \$18,394,210 to \$26,894,210, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN



CA

- 22) Proposed Amendment No. 1 to Agreement 033-2021 with Acute Care Surgery Medical Group, Inc., an independent contractor, for the provision of non-urgent general surgery services in the Department of Surgery for the period July 1, 2021 through June 30, 2024, extending the term three years from July 1, 2024 through June 30, 2027, and increasing the maximum payable by \$750,000, from \$750,000 to \$1,500,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 23) Proposed Agreement with Abbas S. Ali, M.D., a contract employee, for professional medical services in the Department of Medicine, from August 24, 2024 through August 23, 2027, in an amount not to exceed \$2,350,000, plus applicable benefits –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 24) Proposed Amendment No. 4 to Agreement 871-2015 with Shahab Hillyer, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery for the period January 1, 2016 through December 31, 2025, increasing the per shift rate for dual hospital call coverage –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 25) Proposed Amendment No. 5 to Agreement 873-2015 with Jeffrey G. Nalesnik, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery for the period January 1, 2016 through December 31, 2025, increasing the per shift rate for dual hospital call coverage –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 26) Proposed Amendment No. 1 to Agreement 077-2022 with Danny Long Huynh, M.D., a contract employee, for professional medical services in the Department of Surgery for the period August 8, 2022 through August 7, 2027, increasing the per shift rate for dual hospital call coverage –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 27) Proposed Amendment No. 2 to Agreement 103-2022 with Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery for the period September 22, 2022 through September 21, 2024, extending the term for one year from September 22, 2024 through September 21, 2025, increasing the per shift rate for dual hospital call coverage, and increasing the maximum payable by \$900,000, from \$1,780,000 to \$2,680,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 28) Proposed Amendment No. 1 to Agreement 121-2022 with Soroush Bazargani, M.D., a contract employee, for professional medical services in the Department of Surgery for the period August 1, 2023 through July 31, 2028, increasing the per shift rate for dual hospital call coverage –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 29) Proposed Ordering Document CPQ-3385154 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for professional consulting and technical services for the upgrade of the Cerner Millennium electronic health record, from June 26, 2024 through November 30, 2024, in an amount not to exceed \$470,932 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 30) Proposed Ordering Document CPQ-3315738 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, to secure equipment, sublicensed software, and ongoing support for the management of vital signs devices, from June 26, 2024 through December 31, 2027, in an amount not to exceed \$3,948, plus applicable fees and taxes –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 31) Proposed Grant Administration Agreement with Kern Medical Center Foundation for the provision of grant administration services to Kern Medical Center, effective July 1, 2024 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 32) Proposed Affiliation Agreement with Ross University School of Medicine and American University of the Caribbean School of Medicine, for clinical training of third- and fourth-year medical students from July 1, 2024 through June 30, 2025 –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 33) Proposed Amendment No. 1 to Agreement 095-2022 with Sarah G. Gonzalez, M.D., a contract employee, for professional medical services in the Department of Medicine for the period August 1, 2022 through July 31, 2028, adding compensation for services as Program Director for the Addiction Medicine Fellowship and after-hours phone coverage, and increasing the maximum payable by \$430,000, from \$1,970,000 to \$2,400,000, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 34) Proposed Change Order to Agreement 039-2021 with Healthcare Performance Group, Inc., an independent contractor, for professional consulting services for Cerner application support for the period October 1, 2022 through September 30, 2024, increasing the maximum payable by \$67,880, from \$247,480 to \$315,360, to cover the term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 35) Proposed retroactive acceptance of donation of travel and related expenses from Intuitive Surgical, Inc., for one Kern Medical Center employee to attend the 2024 Intuitive Executive Summit, from June 6-7, 2024, in San Diego, California –  
APPROVE; ADOPT RESOLUTION

- 36) Proposed retroactive Third Amendment to Agreement 074-2021 with Adventist Health Physicians Network, an independent contractor, for professional medical services of Kern Medical Center physicians for the period January 1, 2022 through December 31, 2031, increasing the per shift rate for dual hospital call coverage, effective June 1, 2024 –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- 37) Proposed retroactive Staffing Agreement with Kern Medical Center Foundation for the provision of administrative management services to the Foundation, effective July 31, 2023 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- 38) Proposed election of officers to the Kern County Hospital Authority Board of Governors – DISCUSS; PROVIDE DIRECTION
- 39) Kern County Hospital Authority Chief Financial Officer report – RECEIVE AND FILE
- 40) Kern County Hospital Authority Chief Executive Officer report – RECEIVE AND FILE
- CA
- 41) Monthly report on What's Happening at Kern Medical Center – RECEIVE AND FILE
- CA
- 42) Claims and Lawsuits Filed as of May 31, 2024 – RECEIVE AND FILE

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

- C-43) Kern Medical Surgery Center, LLC, Administrative Report – RECEIVE AND FILE
- C-44) Proposed Quote CPKUSVL011162 with Alcon Vision, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of sterile ophthalmology surgery packs, from June 26, 2024 through June 25, 2029, in amount not to exceed \$186,780 – APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- C-45) Proposed credentialing recommendations – APPROVE

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

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 46) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 47) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff – Employee Organizations: Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6) –

- 48) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Melissa Perry, individually and as successor-in-interest of Decedent Kimberly Morrissey-Scalia, Plaintiff, v. County of Kern, a municipal corporation, Kern County Hospital Authority, et al., United States District Court, Eastern District of California, Case No. 1:17-cv-01097-KES-CDB –
- 49) 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 –
- 50) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, JULY 17, 2024 AT 11:30 A.M.

#### **SUPPORTING DOCUMENTATION FOR AGENDA ITEMS**

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

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

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

CA

42) CLAIMS AND LAWSUITS FILED AS OF MAY 31, 2024 –  
RECEIVE AND FILE

- A) Petition for Order for Relief from Claim Statute in the matter of Ricardo Montillano, Petitioner v. Kern County Hospital Authority, Respondent
- B) Claim in the matter of Farmers Insurance Exchange ASO Jacqueline Laws
- C) Claim in the matter of Rudhel Baniaga
- D) Claim in the matter of Iliana Peralta



## **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, May 15, 2024

11:30 A.M.

#### **BOARD RECONVENED**

Board Members: Berjis, Martinez, McLaughlin, Neal, Pelz, Pollard  
Roll Call: 4 Present; 2 Absent - Neal, Pollard

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

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

#### **BOARD ACTION SHOWN IN CAPS**

#### RECOGNITION

- 1) Presentation by the Chief Executive Officer recognizing Kern Medical Center employees from the Addiction Medicine Fellowship, General Surgery Residency and Medical Education Department –  
**DIRECTOR BERJIS MADE PRESENTATION**



PUBLIC PRESENTATIONS

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

MEMBER ANNOUNCEMENTS OR REPORTS

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

**DIRECTOR BERJIS REPORTED ON THE UPCOMING 5TH ANNUAL SOUTHERN SAN JOAQUIN VALLEY REGIONAL RESEARCH FORUM ON MAY 23, 2024 AT BAKERSFIELD COLLEGE AND RECOGNITION DINNER FOR GRADUATING RESIDENTS AND FELLOWS ON JUNE 6, 2024**

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors regular meeting April 17, 2024 –  
APPROVED  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 5) Proposed Resolution in the matter of revising the extension of excess medical professional liability coverage for Kern Medical Center employed and independent contractor physicians, effective May 15, 2024 –  
APPROVED; ADOPTED RESOLUTION 2024-016  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 6) Proposed First Amendment to Bylaws of the Medical Staff of Kern Medical Center, amending the election procedures for President of Staff and President of Staff Elect, effective May 15, 2024 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 078-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 7) Proposed acceptance of donation of travel and related expenses from Safety National for one Kern Medical Center employee to attend the AVADE® Workplace Violence Prevention Certification Training conference in Las Vegas, Nevada, from June 17-21, 2024 –  
APPROVED; ADOPTED RESOLUTION 2024-017  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 8) Proposed Amendment No. 3 to Personal/Professional Services Agreement 057-2020 with Thyssenkrupp Elevator Corporation, an independent contractor, for design and construction upgrades to the D Wing elevators, increasing the maximum payable by \$24,750, from \$2,494,554 to \$2,519,304, to cover the term –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 079-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 9) Proposed Agreement with Bracco Diagnostics, Inc., an independent contractor, containing nonstandard terms and conditions, for placement of two contrast injectors from May 15, 2024 through May 14, 2029, in an amount not to exceed \$55,400 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 080-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 10) Proposed Amendment No. 2 to Agreement 14228 with Viper Trailer Repair, LLC, an independent contractor, for maintenance of the MRI trailer and Mobile Clinic vehicles for the period March 15, 2021 through March 14, 2027, increasing the maximum payable by \$150,000, from \$178,375 to \$328,375, to cover the term –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 081-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 11) Proposed Quotation 7000385465 with Acist Medical Systems, Inc., an independent contractor, containing nonstandard terms and conditions, for repair of a contrast injector and loaner, in an amount not to exceed \$28,882, plus applicable taxes and fees, effective May 15, 2024 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 082-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 12) Proposed Schedule 7 to Master Agreement 388-2016 with Elsevier Inc., an independent contractor, for the period April 26, 2016 through December 12, 2026, for purchase of a diagnostic decision support system for the Department of Radiology, for a Schedule 7 term of two years May 15, 2024 through May 14, 2026, in an amount not to exceed \$46,691 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 083-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 13) Proposed Amendment No. 2 to Master Agreement 388-2016 with Elsevier Inc., an independent contractor, for the period April 26, 2016 through December 12, 2026, to align the expiration date of all schedules to the expiration date of the Master Agreement –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 084-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 14) Proposed Service Contract with Sciton, Inc., an independent contractor, containing nonstandard terms and conditions, for laser device maintenance from June 3, 2024 through June 2, 2025, in an amount not to exceed \$22,454 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 085-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 15) Proposed RetinaVue Network Software Plan Only Agreement with Welch Allyn, Inc., an independent contractor, containing nonstandard terms and conditions, for access to cloud-based software for the provision of optical services from May 15, 2024 through May 14, 2026, in an amount not to exceed \$4,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 086-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 16) Proposed Quotation 60419303 with Welch Allyn, Inc., a subsidiary of Baxter International Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of a RetinaVue fundus camera, in an amount not to exceed \$3,720 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 087-2024  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

- 17) Proposed recommendation to Kern County Board of Supervisors to appoint 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 Russell E. Bigler, term to expire June 30, 2025 –  
DISCUSSED; MADE RECOMMENDATION TO APPOINT ERIC MERZ TO FILL THE COMMUNITY AT LARGE MEMBER VACANCY CREATED BY THE RESIGNATION OF RUSSELL E. BIGLER, TERM TO EXPIRE JUNE 30, 2025; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT  
**Martinez-Pelz; 4 Ayes; 2 Absent - Neal, Pollard**

- 18) Kern County Hospital Authority Chief Financial Officer report –  
RECEIVED AND FILED  
**Berjis-Pelz; 4 Ayes; 2 Absent - Neal, Pollard**

- 19) Proposed Kern County Hospital Authority operating and capital budget for Fiscal Year 2024-2025 –  
APPROVED; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL  
**Martinez-Pelz; 4 Ayes; 2 Absent - Neal, Pollard**

- 20) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED  
**Berjis-Martinez; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 21) Monthly report on What's Happening at Kern Medical Center –  
RECEIVED AND FILED  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

CA

- 22) Claims and Lawsuits Filed as of April 30, 2024 –  
RECEIVED AND FILED  
**Pelz-Berjis; 4 Ayes; 2 Absent - Neal, Pollard**

ADJOURNED TO CLOSED SESSION  
**Pelz-Berjis**

CLOSED SESSION

- 23) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 24) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee Organizations: Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6) – SEE RESULTS BELOW
- 25) 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 – SEE RESULTS BELOW
- 26) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(e)(3)) Number of cases: Three (3) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – SEE RESULTS BELOW
- 27) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

**Pelz-Berjis**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 23 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 PELZ); 2 ABSENT - DIRECTORS NEAL AND POLLARD), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING, REQUEST FOR CHANGE IN STAFF STATUS, AND VOLUNTARY RESIGNATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item 24 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee Organizations: Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item 25 concerning 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 – HEARD; NO REPORTABLE ACTION TAKEN

NOTE: CHIEF EXECUTIVE OFFICER SCOTT THYGERSON LEFT THE ROOM PRIOR TO THE DISCUSSION ON AGENDA ITEM 26

Item 26 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(e)(3)) Number of cases: Three (3) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – HEARD; NO REPORTABLE ACTION TAKEN

NOTE: CHIEF EXECUTIVE OFFICER SCOTT THYGERSON RETURNED TO THE MEETING FOLLOWING THE DISCUSSION ON AGENDA ITEM 26

Item 27 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, JUNE 19, 2024 AT 11:30 A.M.

**Martinez**

/s/ Mona A. Allen  
Authority Board Coordinator

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



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

June 26, 2024

**Subject:** Proposed renewal and binding of insurance coverages in an amount not to exceed of \$1,785,467, effective July 1, 2024.

**Recommended Action:** Approve; Authorize Chief Executive Officer to sign the Commercial Insurance Premium Finance Agreement – Promissory Note with BankDirect Capital Finance

**Summary:**

Kern Medical requests your Board's approval to renew and bind the following insurance coverages effective July 1, 2024, following an extensive marketing effort to multiple carriers to ensure the most competitive terms, conditions, and pricing:

- Hospital Professional Liability, General Liability and Umbrella/Excess Liability
- Workers' Compensation and Employers Liability
- Automobile Liability
- Heliport & Non-Owned Aircraft Liability
- Directors & Officers Liability
- Employment Practices Liability
- Healthcare Regulatory Liability
- Crime
- Privacy and Security (Cyber) Liability
- Premises Pollution Liability
- Underground Storage Tanks (UST) Liability
- Employed Lawyers Professional Liability
- Fiduciary Liability
- KMSC Fiduciary Liability

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

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

- Insurance Carriers: Professional Security Insurance Company (MagMutual) and National Fire & Marine Insurance Company (MedPro)
- A.M. Best Rating: MagMutual (A [Excellent] XII); MedPro (A++ [Superior] XV)
- Term: July 1, 2024 – July 1, 2025



- Coverage: Hospital Professional Liability insurance protects the organization, physicians and other licensed health care professionals from liability associated with wrongful practices resulting in bodily injury, medical expenses, and the cost of defending lawsuits related to such claims. General Liability insures against losses from bodily injury, personal injury and property damage related to non-medical practices. Umbrella/Excess Liability provides additional limits in excess of self-insured retentions and underlying coverages
- Limit per Medical Incident or per Occurrence and Aggregate: \$25,000,000
- Self-insured Retention (SIR):
  - \$2,000,000 per Professional Liability Claim / \$6,000,000 Aggregate
  - \$1,000,000 per General Liability Occurrence
- Underlying Coverages: Automobile Liability, Employers Liability and Heliport Liability
- Combined Annual Premium: \$816,367 (**0.49% increase** over last year [\$812,383] in total)

#### **Workers' Compensation and Employers Liability \***

Kern Medical recommends renewing coverage for Workers' Compensation and Employers Liability with Safety National Casualty Corporation.

- Insurance Carrier: Safety National Casualty Corporation
- A.M. Best Rating: A+ (Superior) XV
- Term: July 1, 2024 – July 1, 2025
- Coverage: This policy insures against losses from work-related bodily injury or disease and the common law liability of an employer for injuries sustained by employees
- Limit per Occurrence:
  - Workers' Compensation - Statutory
  - Employers Liability - \$5,000,000 and Aggregate
- SIR: \$1,000,000
- Annual Premium: \$164,309 (**2.73% increase** over last year [\$159,947])

#### **Automobile Liability \***

Kern Medical recommends renewing coverage for Automobile Liability with Philadelphia Indemnity Insurance Company to cover 11 vehicles, two RVs (used as mobile clinics) and three trailers (one cargo trailer and two security camera trailers) with specific coverages as expiring.

- Insurance Carrier: Philadelphia Indemnity Insurance Company
- A.M. Best Rating: A++ (Superior) XV
- Term: July 1, 2024 – July 1, 2025
- Coverage: This policy insures against losses from automobile accident-related injuries and property damage, including Owned, Non-Owned and Hired Automobiles
- Limit per Occurrence: \$1,000,000
- Deductible: \$1,000 for both comprehensive and collision (where coverage applies); \$5,000 for liability
- Annual Premium: \$24,610 (**12.95% increase** over last year [\$21,789] in total)

#### **Heliport Liability \***

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

- Insurance Carrier: National Union Fire Insurance Company of Pittsburgh, PA
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2024 – July 1, 2025

- Coverage: This policy insures against losses for injury to a third party or their property arising from the operation and maintenance of the hospital's helipad (e.g., damage caused to a vehicle from debris). The policy also protects the hospital against losses associated with non-owned aircraft (e.g., patient transport by helicopter)
- Limit per Occurrence and Aggregate: \$10,000,000
- Deductible: \$0
- Annual Premium: \$8,512 (**7.50% increase** over last year [\$7,918] in total)

#### **Directors and Officers Liability \***

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

- Insurance Carrier: Lloyd's Syndicate 2623/623 (Beazley)
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2024 – July 1, 2025
- Coverage: This policy provides financial protection for managers against the consequences of actual or "wrongful acts" when acting within the scope of their managerial duties
- Limit Each Wrongful Act Claim and Aggregate: \$5,000,000
- SIR: \$200,000 / \$0 Non-Indemnifiable Claims
- Annual Premium: \$68,497 (**8.47% increase** over last year [\$63,146])

#### **Employment Practices Liability \***

Kern Medical recommends renewing Employment Practices Liability coverage through Lloyd's of London (Beazley Syndicate).

- Insurance Carrier: Lloyd's Syndicate 2623/623 (Beazley)
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2024 – July 1, 2025
- Coverage: This policy insures against losses for wrongful acts, including wrongful termination, sexual harassment, discrimination, invasion of privacy, false imprisonment, breach of contract, and emotional distress
- Limit Each Wrongful Act Claim and Aggregate: \$5,000,000
- SIR: \$500,000; \$750,000 for High Wage Earner/Physician (>=/\$250K) & Mass/Class Action
- Annual Premium: \$102,746 (8.47% increase over last year [\$94,719])

#### **Healthcare Regulatory Coverage \***

Kern Medical recommends the purchase of regulatory coverage through Certain Underwriters at Lloyds of London.

- Insurance Carrier: Certain Underwriters at Lloyds of London
- A.M. Best Rating: A [Excellent] XV
- Term: July 1, 2024 – July 1, 2025
- Coverage: This policy insures against billing errors and omissions, including but not limited to Medicare/Medicaid audits, whistleblower (Qui Tam) actions, commercial payer audit defense coverage, HIPAA investigations originating from Office for Civil Rights, and incidents arising from alleged EMTALA violations.
- Limit per Occurrence: \$5,000,000 (sublimit of \$2,500,000 for Qui Tam actions)
- Deductible: \$250,000
- Annual Premium: \$93,560 (**2.85% increase** over last year [\$90,969])

## Crime

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

- Insurance Carrier: National Union Fire Insurance Company of Pittsburgh, PA (AIG), Berkley Insurance Company and Great American Insurance Company
- A.M. Best Rating: National Union (A [Excellent] XV); Berkley (A [Excellent] XV); Great American (A+ [Superior] XV)
- Term: June 30, 2024 – June 30, 2025
- Coverage: This policy insures against employee theft, robbery, forgery, extortion, and computer fraud
- Includes increased Impersonation Fraud sublimit to \$500k (was \$250k) for \$7,500
- Increased Limit per Occurrence: \$25,000,000 (was \$20M)
- Deductible: \$25,000
- Annual Premium: \$27,212. (**48.65% increase** over last year [\$18,306]; **7.73% increase** before increase in Impersonation Fraud sublimit)

## Privacy and Security (Cyber) Liability

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

- Insurance Carrier: Primary program layer and breach notification through Lloyd's Syndicate 2623/623 (Beazley) and excess program layers through Lloyd's of London Syndicate 1686 (AXIS), Liberty Surplus Insurance Corporation (Ironshore), Houston Casualty Company (Tokio Marine), Indian Harbor Insurance Company (AXA XL), Lloyd's of London Syndicate 1856 (Zurich Insurance Plc and IQUW), Safety Specialty Insurance Company (Safety National), and Munich Re Lloyd's Cyber Consortium 7729 (Much Re Syndicate 457, Nephila Syndicate, and Ren Re Syndicate)
- A.M. Best Rating: Lloyd's/Beazley (A [Excellent] XV); AXIS (A [Excellent] XV); Ironshore (A [Excellent] XV); Tokio Marine (A++ [Superior] XV); AXA XL (A+ [Superior] XV); Zurich (A+ [Superior] XV); IQUW (A [Excellent] XV); Safety National (A++ [Superior] XV); Much Re Lloyd's Cyber Consortium (A+ [Superior] XV)
- Term: July 1, 2024 – July 1, 2025
- Coverage: This policy insures against website media content liability (including cyber extortion, first party data protection and first party network business interruption) and privacy notification costs from data breaches in which patient and employee personal information, such as names, dates of birth, Social Security Numbers, credit card information, etc., is exposed and/or misappropriated
- Limit per Incident and Aggregate: \$18,000,000; \$750,000 for Business Interruption resulting from Security Breach, Cyber Extortion and Data Recovery Costs; and provides coverage for up to 100,000 Notified Individuals for Breach Response
- SIR: \$100,000 and/or 100 Notified Individuals
- Annual Premium: \$427,514 (**17.74% decrease** over last year [\$519,686])

## Premises Pollution Liability \*

Kern Medical recommends renewing Premises Pollution Liability coverage through Ascot Specialty Insurance Company (Ascot).

- Insurance Carrier: Ascot Specialty Insurance Company
- A.M. Best Rating: A (Superior) XIV
- Term: July 1, 2024 – July 1, 2026 (**2-year policy term**)

- Coverage: Coverage for first-party claims arising from a pollution condition from premises, including clean-up, emergency response and business interruption; coverage for third-party bodily injury and property damage; coverage for transport of hazardous materials and non-owned disposal sites
- Limit per Pollution or Indoor Environmental Condition and Aggregate: \$1,000,000
- Deductible: \$25,000; \$100,000 for mold
- Term Premium: \$26,615 (**16.52% decrease** over last year if annualized [\$15,941])

#### **Underground Storage Tank Liability \***

Kern Medical recommends renewing Underground Storage Tank Liability insurance through Liberty Surplus Insurance Corporation for one underground storage tank containing 10,000 gallons of diesel fuel. Great American non-renewed coverage due to the tank's age, making it challenging to find an alternative, but Liberty Mutual/Ironshore is one of the few carriers willing to provide UST coverage for such an old tank, with the pricing below reflecting the minimum premium. However, as the tank is scheduled for removal within the next year, this issue should not affect the 2025 renewal.

- Insurance Carrier: Liberty Surplus Insurance Corporation
- A.M. Best Rating: A (Excellent) XV
- Term: July 1, 2024 – July 1, 2025
- Coverage: Bodily Injury or Property Damage caused by a storage tank incident, incl. Corrective Action Costs and Legal Defense Expenses; satisfies Financial Responsibility
- Limit per Occurrence and Aggregate: \$1,000,000 / \$2,000,000
- Deductible: \$250,000
- Annual Premium: \$13,042 (**409.64% increase** over last year [\$2,559])

#### **Employed Lawyers \***

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

- Insurance Carrier: National Fire & Marine Insurance Company (Berkshire)
- A.M. Best Rating: A++ (Superior) XV
- Term: 7/1/2024 – 7/1/2025
- Coverage: This policy provides professional liability coverage for three (3) employed lawyers and support staff from claims arising from their professional legal services
- Limit per Occurrence/Aggregate: \$1,000,000
- SIR: \$0 Non-Indemnified Person; \$5,000 Organization
- Annual Premium: \$2,580 (**0.67% decrease** over last year)

#### **Fiduciary Liability \***

Kern Medical recommends renewing Fiduciary Liability coverage through Hudson Insurance Company.

- Insurance Carrier: Hudson Insurance Company
- A.M. Best Rating: A (Excellent) XV
- Term: 7/1/2024 – 7/1/2025
- Coverage: This policy provides coverage for the Defined Contribution Plan fiduciaries, as they can be held personally liable for losses to a benefit plan incurred because of their alleged errors or omissions or breach of their fiduciary duties
- Limit per Occurrence/Aggregate: \$3,000,000
- SIR: \$0 Non-Indemnifiable Losses of Covered Penalties; \$250,000 Class Action or Derivative Claim; \$50,000 All other Losses
- Annual Premium: \$8,879 (**0% increase** over last year [\$8,879])

### **Kern Medical Surgery Center Fiduciary Liability \***

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

- Insurance Carrier: Travelers Casualty and Surety Company of America
- A.M. Best Rating: A++ (Superior) XV
- Term: 7/1/2024 – 7/1/2025
- Coverage: This policy provides coverage for the Defined Contribution Plan fiduciaries, as they can be held personally liable for losses to a benefit plan incurred because of their alleged errors or omissions or breach of their fiduciary duties
- Limit per Occurrence/Aggregate: \$1,000,000
- SIR: \$0 Non-Indemnifiable Losses of Covered Penalties
- Annual Premium: \$1,174 (**new placement for 2024**)

**Total Annual Premiums:** \$1,785,467 (as recommended; **1.87% decrease** over last year)

The reduction in the total costs of premiums reflect the competitive process undertaken by the Legal, Risk Management, and Alliant staff. Staff held several informational sessions comparing the benefits, costs and overall coverage of several competitive quotes. This months-long process resulted in not only an overall savings to the Authority but also an increase in coverage in many areas such as additional fraud and business interruption protection.

### **Premium Financing**

Kern Medical recommends financing the premiums as follows:

1. **PRISM** will provide in-house financing of Crime and Privacy and Security (Cyber) coverages for an additional fee of up to \$9,881 with the cost of coverage and financing split between 12 equal payments; and
2. **BankDirect Capital Finance** will finance those coverages identified with an \* symbol. Financing will be split between 12 equal, monthly payments (\$114,340), plus finance charges at a rate of 6.71% (up to \$41,195), for total payments not to exceed \$1,257,744 as set forth below:

Total Premium	\$1,330,889
1st Monthly/Down Payment	\$114,340
Amount financed	\$1,216,549
Finance charges (6.71%)	\$41,195
<b>Total payments</b>	<b>\$1,257,744</b>

Financing through BankDirect Capital Finance requires the signing of a separate Commercial Insurance Premium Finance Agreement – Promissory Note.

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

Therefore, it is recommended that your Board approve the renewal and binding of insurance coverages effective July 1, 2024, with the option to finance selected premiums through PRISM and BankDirect Capital Finance, in an amount not to exceed \$1,836,543, and authorize the Chief Executive Officer to sign the Commercial Insurance Premium Finance Agreement – Promissory Note with BankDirect Capital Finance.

**Program Summary**  
**7/1/2024 to 7/1/2025 - PROPOSED**

**PROPERTY PROGRAM**

**Graph is not to scale**

LIABILITY	PROGRAM
TOTAL	TOTAL

LIABILITY	PROGRAM
TOTAL	TOTAL

LIABILITY	PROGRAM
TOTAL	TOTAL

	\$711,621	
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Line of Coverage	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 223/24	FY 24/25	23/24 to 24/25
1 HPL/GL/UMB/Excess	\$ 692,447	\$ 726,649	\$ 754,108	\$ 778,979	\$ 812,383	\$ 816,367	0.49%
2 Auto	\$ 15,983	\$ 18,362	\$ 20,819	\$ 20,667	\$ 21,789	\$ 24,610	12.95%
3 Heliport	\$ 6,441	\$ 7,403	\$ 8,143	\$ 6,960	\$ 7,918	\$ 8,512	7.50%
4 Premises Pollution	\$ 12,548	\$ 12,688	\$ 13,932	\$ 14,463	\$ 15,941	\$ 26,615	66.96%
5 UST	\$ 841	\$ 1,375	\$ 2,453	\$ 2,478	\$ 2,559	\$ 13,042	409.65%
6 D&O	\$ 29,408	\$ 39,197	\$ 46,405	\$ 59,230	\$ 63,146	\$ 68,497	8.47%
7 EPL	\$ 63,886	\$ 74,219	\$ 88,109	\$ 88,844	\$ 94,719	\$ 102,746	8.47%
8 EWC	\$ 126,533	\$ 132,988	\$ 162,138	\$ 175,572	\$ 159,947	\$ 164,309	2.73%
9 Crime	\$ 13,203	\$ 15,690	\$ 15,629	\$ 16,905	\$ 19,500	\$ 27,062	38.78%
10 Cyber/Excess/CEO	\$ 19,993	\$ 31,190	\$ 164,425	\$ 430,506	\$ 519,686	\$ 427,514	-17.74%
11 Employed Lawyers	\$ 1,764	\$ 2,594	\$ 2,597	\$ 2,597	\$ 2,597	\$ 2,580	-0.65%
12 Fiduciary Liability	\$ 6,518	\$ 6,518	\$ 7,921	\$ 8,703	\$ 8,879	\$ 8,879	0.00%
13 KMSC Fiduciary Liability						\$ 1,174	
14 Regulatory Liability				\$ 80,180	\$ 90,969	\$ 93,560	2.85%
<b>Total</b>	<b>\$ 989,565</b>	<b>\$ 1,068,873</b>	<b>\$ 1,286,679</b>	<b>\$ 1,686,084</b>	<b>\$ 1,820,033</b>	<b>\$ 1,785,467</b>	<b>Total % Change -1.87%</b>

#### Summary of Significant Changes Per Policy Year

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

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

For **FY 24/25**, PRISM offered an additional \$5M in coverage for a modest increase.  
Larger premium increase is due to optional sublimit increase for Impersonation Fraud (\$250k to \$500k)

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10 <b>Cyber/Excess/CEO</b>	<p>For <b>FY 19/20</b>, higher limits and multiple broadening of coverages occurred</p> <p>For <b>FY 20/21</b>, overall limits increased with additional excess layers of coverage resulting in a premium increase also due to the presentation of a claim in FY 19/20</p> <p>For <b>FY 21/22</b>, a significant premium increase occurred as a result of both KCHA's cyber claim as well as the claims of other program members, market conditions, and claims within the public sector. Additionally, while total limits remained the same, many changes to sublimits became applicable including \$750k for cyber extortion, business interruption for security breach, and data recovery costs. Bricking sublimit increased from \$75k to \$100k. Primary retention increased from \$50k to \$100k. Extensive efforts were made to find a comparable program with more competitive pricing; however, both claims activity and market hardening provided no viable options.</p> <p>For <b>FY 22/23</b>, cyber market remained extremely hard; however, coverages were placed timely. Extensive marketing of the Cyber Risk revealed placement in the PRISM program provided the greatest amount of coverage and the best pricing.</p> <p>For <b>FY 23/24</b>, PRISM continues to negotiate renewal coverages and terms. It is believed that total coverage may increase to \$16 million per member. Member entities advised to budget high with the premium reflected above as a not-to-exceed. Current market conditions and capacity severely restricts, if not eliminates, KCHA's ability to obtain standalone coverage with similar coverages, limits and terms. PRISM program details are not expected to be released before KCHA's June Board meeting or finalized until after July 1.</p> <p>For <b>FY 24/25</b>, higher limits and multiple broadening of coverages occurred with a premium decrease.</p>
11 <b>Employed Lawyers</b>	<p>No changes had been made to this coverage since <b>FY 16/17</b>.</p> <p>For <b>FY 20/21</b>, the addition of an employed lawyer resulted in a modest increase in premium.</p> <p>For <b>FY 21/22</b>, there were no significant changes in terms or coverages with the exception of an increase in retention from \$5k to \$25k for regulatory defense costs.</p> <p>For <b>FY 22/23</b>, coverages and deductibles remain essentially the same.</p> <p>For <b>FY 23/24</b>, coverages and deductibles remain essentially the same.</p> <p>For <b>FY 24/25</b>, coverages and deductibles remain essentially the same with a new carrier.</p>
12 <b>Fiduciary Liability</b>	<p>For <b>FY 18/19</b>, added 401(A) Plan though there was no charge until next term.</p> <p>For <b>FY 19/20</b>, Post Employment Health Plan added which increased premium along with 401(A) by \$500.</p> <p>For <b>FY 20/21</b>, coverages and deductibles remain essentially the same.</p> <p>For <b>FY 21/22</b>, carrier instituted a new sublimit of \$3M for class action and derivative and a new separate retention of \$250k for class action or derivative claims.</p> <p>For <b>FY 22/23</b>, coverages and deductibles remain essentially the same.</p> <p>For <b>FY 23/24</b>, coverages and deductibles remain essentially the same.</p> <p>For <b>FY 24/25</b>, coverages and deductibles remain essentially the same.</p>
13 <b>KMSC Fiduciary Liability</b>	<p>For <b>FY 24/15</b>, new placement for 2024.</p>
14 <b>Regulatory Liability</b>	<p>For <b>FY 22/23</b>, coverage was recommended as a new placement with no prior stand-alone coverage in existence.</p> <p>For <b>FY 23/24</b>, coverages and deductibles remain essentially the same.</p> <p>For <b>FY 24/25</b>, coverages and deductibles remain essentially the same.</p>

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

# PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE

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

Quote Number  
2664537.1

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

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

Creditor: AFCO Acceptance Corporation			Federal Truth In Lending Disclosures		
(A) Total Premiums	(B) Down Payment	(C) Amount Financed (The amount of credit provided to you or on your behalf)	(D) <b>FINANCE CHARGE</b> (The dollar amount the credit will cost you)	(E) Total of Payments (The amount you will have paid after you have made all payments as scheduled)	(F) <b>ANNUAL PERCENTAGE RATE</b> (The cost of your credit as a yearly rate)
\$1,330,889.29	\$114,340.32	\$1,216,548.97	* \$41,194.55	\$1,257,743.52	6.71%
Your PAYMENT SCHEDULE will be: Monthly			*Includes a minimum finance charge of \$25.00	If the borrower under this Agreement is a consumer, you will receive an Itemization of the Amount Financed.	
No. of Payments		Amount of Payments	When Payments are Due		
11		\$114,340.32	On the 1st day of the month, beginning 8/1/2024		
<b>Security:</b> You are giving a security interest in any and all unearned or return premium(s) and dividends which may become due under the policy(ies) being purchased. <b>Late Charge:</b> You will be charged 5% of the payment, subject to a minimum charge of \$1.00 on any payment received more than 10 days after the due date. <b>Prepayment:</b> If you voluntarily prepay in full prior to the last installment due date you will not be charged a prepayment fee and you may be entitled to a refund of part of the finance charge in the manner provided by Section 18637 of the Financial Code. <b>See Above</b> and on the last page of this document for any additional information about non-payment default, any repayment in full before the scheduled date, and prepayment refunds and penalties.					

## SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
Audit= N Min Ernd= 25% AddCxlDays= 10	7/1/2024	MAG Mutual Insurance Company PO Box 52979 Atlanta, GA 30355	PROFESSIONAL LIABILITY	12	\$611,207.00
	Insured acknowledges that upon satisfactory completion of this Agreement the undersigned Agent will receive from AFCO \$0.00 for the origination and administration of this Agreement.		Ref. Tax/Fee:		\$18,336.00
			Non-Ref. Tax/Fee:		\$1,100.00

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

- PROMISE OF PAYMENT:** Promises to pay to the order of AFCO at the above address or any address AFCO may designate, the Total of Payments in accordance with the Payment Schedule set forth in the above Truth-in-Lending Disclosures as well as any other sums due pursuant to this Agreement. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. AFCO may, at its option, pay loan proceeds to any agent, broker, general agent, managing general agent or insurer set forth herein. Payments to AFCO are deemed made only upon receipt in good funds. Checks are accepted, subject to collection.
- SECURITY INTEREST AND POWER OF ATTORNEY:** Irrevocably appoints AFCO as Attorney-In-Fact with full authority to affect cancellation of the policies covered hereby or any substitution, rewrite or renewal thereof in accordance with the provisions herein, to receive all sums assigned to AFCO or in which it has granted AFCO a security interest. AFCO may execute and deliver on behalf of the Insured all documents, forms and notices relating to the policies covered hereby in furtherance of this Agreement. The Power of Attorney is coupled with an interest and the powers given herein may be exercised by the Attorney-In-Fact, or its successors and assigns.
- RECEIPT OF AGREEMENT AND PRIVACY NOTICE:** Acknowledges that it has received a copy of all pages of this Agreement and if the borrower is a consumer, the Insured acknowledges that he has received a copy of AFCO's Privacy Statement.

**NOTICE: 1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS AGREEMENT. 3. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE SERVICE CHARGE.**

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

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

## AGENT/BROKER/PRODUCER WARRANTIES AND REPRESENTATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# ADDENDUM TO PREMIUM FINANCE AGREEMENT – PROMISSORY NOTE

## SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	MedPro RRG Risk Retention Group PO Box 28300 New York, NY 10087	EXCESS LIABILITY  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$180,000.00  \$5,400.00 \$324.00
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Philadelphia Indemnity Insurance Company One Bala Plaza Ste 100 Bala Cynwyd, PA 19004	AUTO LIABILITY  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$24,610.00  \$0.00 \$0.00
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	AIG Property Casualty Company 175 Water St 18th Fl New York, NY 10038	HELIPAD LIABILITY  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$8,512.00  \$0.00 \$0.00
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Safety National Casualty Corp 1832 Schuetz Rd St. Louis, MO 63146	EXCESS WORKERS COMPENSATION  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$164,309.00  \$0.00 \$0.00
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Beazley Insurance Company Inc AmWins Brokerage 444 S. Flower St. 45th Fl Los Angeles, CA 90071	DIRECTORS & OFFICERS  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$165,965.00  \$4,978.95 \$298.74
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Lloyds of London AmWins Brokerage 444 S. Flower St. 45th Fl Los Angeles, CA 90071	LIABILITY  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$90,676.00  \$2,720.28 \$163.22
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Berkshire Hathaway Homestate Ins Co 1314 Douglas St Ste 1300 Omaha, NE 68102	EMPLOYMENT PRACTICES LIABILITY INS. (EPLI)  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$2,500.00  \$75.00 \$4.50
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Hudson Insurance Company AmWins Brokerage 444 S. Flower St. 45th Fl Los Angeles, CA 90071	FIDUCIARY  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$8,879.00  \$0.00 \$0.00
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	The Travelers Casualty Company Premium Finance Unit Po Box 2953 Hartford, CT 06104	FIDUCIARY  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$1,174.00  \$0.00 \$0.00



# ADDENDUM TO PREMIUM FINANCE AGREEMENT – PROMISSORY NOTE

## SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
Audit= N Min Ernd= 25% AddCxlDays= 10	7/1/2024	Ascot Specialty Insurance Company 33 S Wood Avenue Iselin, NJ 08830	POLLUTION  Ref. Tax/Fee: Non-Ref. Tax/Fee:	24	\$26,615.00  \$0.00 \$0.00
Audit= N Min Ernd= 0% AddCxlDays= 10	7/1/2024	Ironshore Specialty Insurance Company 175 Berkley St Boston, MA 02116	UNDERGROUND STORAGE TANK  Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$12,000.00  \$681.60 \$360.00
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
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## Recurring ACH Debit Authorization Form

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

Name: Kern County Hospital Authority  
Address: 1700 Mount Vernon Ave Bakersfield, CA 93306  
Phone: 661-326-2000  
Quote or Account # 2664537.1

Account Holder Name: \_\_\_\_\_

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

Account Type: Checking ☐ Savings ☐

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Holder Email Address: \_\_\_\_\_



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

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

### Authorized & Agreed to by:

BY: \_\_\_\_\_  
Authorized Signatory of Account Holder Printed Name & Title Date



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Engineering Services Agreement No. 19721 with BSK Associates to provide construction testing and inspection for off-site clinics and main campus

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

**Summary:**

Kern Medical requests your Board approve proposed Amendment No. 1 to Engineering Services Agreement with BSK Associates to provide construction testing and inspection for budgeted construction projects at off-site clinics and the Kern Medical campus. Agreement No. 19721 was executed by your Board on July 1, 2021 in the amount of \$250,000 for a term of three (3) years. This proposed Amendment will increase the contract value by \$250,000 to a new not to exceed amount of \$500,000 and extend the expiration date from June 30, 2024 to June 30, 2027 to cover the costs of services for additional projects.

Budgeted construction projects for this Fiscal Year Include, but are not limited to:

- Seismic NPC 4
- Fire Panel Upgrades
- D Wing Elevator
- Philips Network Cabling
- Tot Guard
- B Wing Central Supply HVAC
- New Above Ground Fuel Tank
- ED Isolation
- Nitrogen Panel
- Peds New ED
- New CT
- Hot Room to Central Plant
- D Pent House AC
- Pharmacy AC Unit

Payment for Services	Previous Year Agreement	Proposed Agreement	Variance
Original Agreement	\$250,000		
Amendment No. 1		\$500,000	\$250,000

Therefore, it is recommended that your Board approve the proposed Amendment No. 1 to provide construction testing and inspection for budgeted construction projects at off-site clinics and main campus increasing the not to exceed amount to \$500,000, and increase of \$250,000, and extending the term through June 2027, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
ENGINEERING SERVICES AGREEMENT  
(Kern County Hospital Authority–BSK ASSOCIATES)**

THIS AMENDMENT TO AGREEMENT, effective June 19, 2024, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and BSK Associates ("Consultant") with its principal place of business located at 700 22<sup>nd</sup> Street Bakersfield, California 93301.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into an Engineering Services Agreement dated May 21, 2021 (Agt. #19721) ("Agreement"), for the period July 1, 2021 through June 30, 2024; and

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

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

- X   **Term.** The Agreement shall be extended from July 1, 2024 to June 30, 2027, unless sooner terminated as provided for in the Agreement.
- X   **Fees** payable by KCHA under the Agreement shall increase by \$250,000, from \$250,000 to \$500,000.
- Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
- Services.** See Exhibits A-1 and B-1, attached hereto and incorporated herein by this reference, for revised Services.
- X   **Other :** Exhibit C shall be deleted in its entirety and superseded by Exhibit C-1 attached hereto and incorporated herein by this reference,

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

IN WITNESS WHEREOF, this Amendment No. 1 to the Agreement has been executed as of the date indicated above.

**KERN COUNTY HOSPITAL AUTHORITY**

By \_\_\_\_\_  
Chairman, Board of Governors  
"KCHA"

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


**APPROVED AS TO CONTENT:**

Responsible KCHA Department

By \_\_\_\_\_  
Scott Thygerson, Chief Executive Officer

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

**BSK ASSOCIATES**

By  \_\_\_\_\_  
Name: Adam Terronez, PE, GE  
Title: Bakersfield Branch Manager  
"Consultant"

Date: May 3, 2024.

**APPROVED AS TO FORM:**

Legal Services Department

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

Date: 5/6/24.



# BSK Associates - Schedule of Fees - effective June 19, 2024

## PERSONNEL RATES

*Escalation: The prices noted below are subject to an increase of 5% annually, effective July 1 of each year following the initiation of a services agreement.*

### PROFESSIONAL STAFF

Principal	\$	271.00	Seismic GIS	\$	209.00
Senior Professional	\$	238.00	GIS Specialist	\$	181.00
Project Professional II	\$	223.00	Information Specialist II	\$	171.00
Project Professional I	\$	190.00	Information Specialist I	\$	152.00
Staff Professional II	\$	166.00	CAD	\$	114.00
Staff Professional I	\$	147.00	Litigation support		1.5x standard rate
Project Administrator	\$	105.00	Deposition / Trial		2.0x standard rate
Administrative Assistant / Clerical	\$	95.00			

### TECHNICAL STAFF - FIELD AND LABORATORY (NON-PREVAILING WAGE)

Non-Destructive Inspection/Testing	\$	157.00	<u>BASIS OF CHARGES FOR FIELD TECHNICIAN SERVICES</u>		
Special Inspector	\$	133.00	Field Work from 0 to 4 hours		Bill 4 hours
Engineering Technician	\$	128.00	Field Work from 4 to 8 hours		Bill 8 hours
Technician	\$	124.00	Field Work over 8 hours / Saturdays		Bill time and a half
Ground Penetrating Radar Scanning Technician	\$	299.00	Sundays, holidays and over 12 hours		Bill double time
Core Drilling Technician	\$	233.00	Night Shift (Shift commencing after 2pm / before 4am)		Base Rate x 12.5%
Floor Flatness Testing Technician	\$	200.00	Show-up time (no work performed)		Bill 2 hours
Sample Pickup / Transportation / Delivery	\$	114.00	Sampling or cylinder pickup, minimum charge		Bill 2 hours
Laboratory Technician	\$	124.00			

### NORTHERN CA PREVAILING WAGE LABOR RATES

Group 1 - Special Inspector	\$	162.00	<u>BASIS OF CHARGES FOR FIELD TECHNICIAN SERVICES</u>		
Group 2 - Special Inspector	\$	157.00	Field Work from 0 to 4 hours		Bill 4 hours
Group 3 - Engineering Technician	\$	139.00	Field Work from 4 to 8 hours		Bill 8 hours
Group 3 - Geotechnical Professional	\$	176.00	Field Work over 8 hours / Saturdays		Bill time and a half
Group 3 - Environmental Professional	\$	176.00	Sundays, holidays and over 12 hours		Bill double time
Group 4 - Technician	\$	124.00	Night Shift (Shift commencing after 2pm / before 4am)		Base Rate x 12.5%
			Show-up time (no work performed)		Bill 2 hours
			Sampling or cylinder pickup, minimum charge		Bill 2 hours

### SOUTHERN CA PREVAILING WAGE LABOR RATES

Group 1 - Geotechnical Professional	\$	176.00	<u>BASIS OF CHARGES FOR FIELD TECHNICIAN SERVICES</u>		
Group 1 - Environmental Professional	\$	176.00	Field Work from 0 to 4 hours		Bill 4 hours
Group 1 - Technician	\$	157.00	Field Work from 4 to 8 hours		Bill 8 hours
Group 2 - Special Inspector	\$	162.00	Field Work over 8 hours / Saturdays		Bill time and a half
Group 3 - Non-Destructive Testing (NDT)	\$	171.00	Sundays, holidays and over 12 hours		Bill double time
			Premium Shift (Weekday work before 6am / after 5pm)		Bill time and a half
			Show-up time (no work performed)		Bill 2 hours
			Sampling or cylinder pickup, minimum charge		Bill 2 hours

### REIMBURSABLES

Project Administration Fees	7% of Invoice	DIR Administration Fees	3% of Invoice
Mileage - 2x4 (Portal to Portal)	\$ 1.00	Certified Payroll / DIR Upload (Monthly)	\$ 300.00
Mileage - 4x4 (Portal to Portal)	\$ 2.00	Non-Performance Certified Payroll / DIR Upload (Monthly)	\$ 100.00
Bridge Toll	Cost + 15%	Subcontractor Management / Compliance Forms (Monthly)	\$ 100.00
Parking Fees	Cost + 15%	Additional LCP Tracker or Other Compliance Software (Monthly)	\$ 200.00
Per Diem (as required)	Quote / \$250 min.	Additional Special Forms, as required (Monthly)	\$ 150.00
Subconsultant Services	Cost + 15%	Project Setup (Project)	\$ 525.00

# BSK Associates - Schedule of Fees - effective June 19, 2024

## MATERIALS LABORATORY TESTS

**Escalation:** The prices noted below are subject to an increase of 5% annually, effective July 1 of each year following the initiation of a services agreement.  
Standard Rate Applies to Normal Testing Schedule. Rush Order Turnaround Time Charged at 1.5 x Standard Unit Rates.

### SOILS & AGGREGATES

Modified or Standard Proctor - 4" or 6" Mold (ASTM / AASHTC	\$ 320.00	% Crushed Particles / Fractured Particles (CT 205/AASHTO T335)	\$ 208.00
Proctor with Oversize Material (ASTM / AASHTO)	\$ 400.00	% Flat & Elongated (ASTM D4791)	\$ 159.00
Proctor Check Point (All Methods)	\$ 171.00	Minus 200 Wash/Aggregate (ASTM C117)	\$ 105.00
Caltrans Maximum Wet Density (CT 216)	\$ 270.00	Sieve Analysis w/ Wash (ASTM C136 / CT 202 / AASHTO T27)	\$ 215.00
Minus 200 Wash Soil (ASTM D1140)	\$ 105.00	Sieve Analysis - Coarse Only (ASTM C136 / CT 202 / AASHTO T27)	\$ 105.00
Moisture Content of Soils (ASTM D2216)	\$ 45.00	Coarse Specific Gravity / Absorption (ASTM C127/CT 206/AASHTO T85)	\$ 200.00
Plasticity Index (ASTM D4318)	\$ 276.00	Fine Specific Gravity / Absorption (ASTM C128/CT 207/AASHTO T84)	\$ 200.00
Expansion Index of Soils (UBC No. 29)	\$ 296.00	Sand Equivalent (ASTM D2419 / CT 217 / AASHTO T176)	\$ 159.00
Collapse Potential of Soils (ASTM D2435)	\$ 257.00	Durability Index (CT 229)	\$ 315.00
Organic Impurities (ASTM C40 / CT 213)	\$ 105.00	Abrasion by LA Rattler, Large Size (ASTM C131/CT 211/AASHTO T96)	\$ 360.00
Tube Density & Moisture Content of Soil (ASTM D2216, D293	\$ 54.00	Abrasion by LA Rattler, Small Size (ASTM C131/CT 211/AASHTO T96)	\$ 296.00
Visual Classification (ASTM D2488)	\$ 54.00	Cleaness Value of Aggregate (CT 227)	\$ 227.00
Hydrometer (ASTM D422 / CT 203)	\$ 300.00	Aggregate Wt pcf Compacted (ASTM C 29)	\$ 111.00
Double Hydrometer (ASTM D4221)	\$ 394.00	Gradation-Rip Rap - Per Sieve (D5519-Method A)	\$ 284.00
Uncompacted Void Content (CT 234 / AASHTO T304)	\$ 140.00	Sodium Sulfate Soundness-Min. Charge (ASTM C88/CT 214/AASHTO T104)	\$ 440.00
Sand Density Calibration (ASTM D1566)	\$ 220.00	Sodium Sulfate Soundness-Per Sieve (ASTM C88/CT 214/AASHTO T104)	\$ 140.00
Minimum Resistivity of Soils (CT 643)	\$ 177.00	R-Value of Soils (CT 301)	\$ 450.00
Consolidation (ASTM D2435) w/ 2 Time Rates	\$ 527.00	Soil Cement Compression - Set (ASTM D1633)	\$ 300.00
Consolidation (ASTM D2435) w/ No Time Rates	\$ 350.00	CIR / FDR Compressive Strength Testing - Set	\$ 300.00
Unconfined Compressive Strength, Soil (ASTM D2166)	\$ 140.00	CIR / FDR Sample Preparation / Compaction	\$ 275.00
Remolded Consolidation (ASTM D2435)	\$ 446.00	CBR (ASTM D1883/AASHTO T-180)	\$1,250.00
Minimum Index Density Soils (ASTM D4254)	\$ 87.00	Preparation of Soil-Cement Samples	\$ 947.00
Direct Shear Remolded (ASTM D3080)	\$ 330.00	Soluble Sulfate Chloride & Sulfide	\$ 164.00
Direct Shear (ASTM D3080)	\$ 276.00	pH Sulfate & Chloride	\$ 83.00
Remolded Direct Shear (ASTM D3080)	\$ 330.00	% Lumps/Friable Particles (ASTM C142)	\$ 102.00
Remolded Flexwall Perm (ASTM D5084)	\$ 704.00	% Organics in Soil (ASTM D2974)	\$ 172.00

### HOT MIX ASPHALT

JMF Mix Design, Superpave / Caltrans	\$11,274.00	Bitumen Content - Ignition (ASTM D6307 / CT382 / AASHTO T308)	\$ 282.00
JMF Verification - HMA - Superpave / Caltrans	\$6,533.00	Oil Content Correction Factor (ASTM D6307 / CT 382 / AASHTO T308)	\$ 656.00
JMF Production Startup - Superpave / Caltrans	\$6,078.00	Gradation from Extraction (ASTM D5444 / AASHTO T30)	\$ 171.00
RAP Material Testing - Additional Fee	\$ 790.00	Bulk Specific Gravity (CT308 / AASHTO T275 / ASTM D2726)	\$ 80.00
Rubberized RHMA Material - Additional Fee	\$1,824.00	HMA Theo. Max Density Rice Method (ASTM D2041 / CT 309 / AASHTO T205)	\$ 315.00
JMF Mix Design, HVEEM	\$3,900.00	Volumetric Calculations (VMA, VFA, DP, AV, Eff. Calcs)	\$ 67.00
JMF Mix Design, Marshall	\$4,627.00	Moisture Content of Asphalt (CT 370 / AASHTO T329)	\$ 83.00
Open Graded Asphalt Optimum Bitumen Content (CT 368)	\$2,785.00	Film Stripping	\$ 111.00
Gyratory Compaction - Set of 3 (AASHTO T312)	\$ 421.00	Compaction/Preparation of HMA Briquette (CT 304)	\$ 276.00
Hamburg Wheel Track (AASHTO T324)	\$2,500.00	Stabilometer Value - Set of 3 (CT366)	\$ 350.00
Tensile Strength Ratio (CT 371 / AASHTO T283)	\$1,380.00	Lab Mixed TSR - Moisture Induced Damage (AASHTO T283 / CT 371)	\$1,850.00
Marshall Maximum Density (ASTM D6926)	\$ 368.00	Calculated AC Maximum Density (CT 367)	\$ 125.00
Marshall Stability & Flow (ASTM D6927)	\$ 315.00	Thickness Determination of AC Cores	\$ 27.00

### CONCRETE & MASONRY

Compression Test Concrete - Per Cylinder (ASTM C39)	\$ 35.00	Flexural Test per Beam (ASTM C78 / CT 523)	\$ 112.00
Compression Test Concrete - Set of 4/5 (ASTM C39)	\$ 171.00	Linear Shrinkage - Set of 3 (ASTM C157)	\$ 500.00
Compression Test of Core (ASTM C42)	\$ 76.00	Unit Weight Lt Wt Concrete (ASTM C567)	\$ 70.00
Compressive Strength of Shotcrete Panel	\$ 400.00	Splitting Tensile Strength of Concrete (ASTM C496)	\$ 150.00
Compression Test Composite CMU Prism (1)	\$ 208.00	Compressive Strength CMU Block (ASTM C140)	\$ 240.00
Compression Test Grout (Set of 4)	\$ 151.00	Comp. Strength, SG, & Abs. of CMU - Per Block (ASTM C140)	\$ 276.00
Compression Test Mortar (Set of 3)	\$ 138.00	Masonry Linear Shrinkage (ASTM C426)	\$ 507.00

### METALS & FIREPROOFING

Tensile & Bend of Rebar #3-11	\$ 186.00	Brinell Hardness of Steel (ASTM E10)	\$ 125.00
Slip and Tensile Rebar Couplers (CT 670)	\$ 270.00	Rockwell Hardness of Steel (ASTM E18)	\$ 125.00
Bolt Proof & Ultimate Load	\$ 178.00	Face Bend of Steel Coupon	\$ 76.00
Bolt Hardness - Set of 3	\$ 125.00	Root Bend of Weld Coupon	\$ 76.00
Nut Proof Load - Set of 3	\$ 178.00	Side Bend of Weld Coupon	\$ 76.00
Nut Hardness - Set of 3	\$ 125.00	Tensile Test of Steel Coupon	\$ 105.00
Washer Hardness - Set of 3	\$ 125.00	Bend Test of Steel Coupon	\$ 90.00
Dry Density Fireproofing (ASTM E605)	\$ 119.00	Adhesion / Cohesion Fireproofing Materials	\$ 159.00





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

June 26, 2024

**Subject:** Proposed Amendment No. 2 to Professional Services Agreement 102-2023 with Aspen Street Architects, for architectural design services

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

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 2 to Professional Services Agreement No. 102-2023 with Aspen Street Architects to provide additional design services for construction projects at the main campus and clinical spaces. On August 16, 2023, your Board approved the Agreement with Aspen for design services for a three-year term, ending on August 15, 2026, for an amount not to exceed \$550,000. Amendment No. 1 was executed by your Board on December 13, 2023 increasing the not exceed amount by \$250,000, for a total of \$800,000.

Due to emergent infrastructure needs and added projects, this Amendment will increase the contract value by \$2,000,000 for a revised not to exceed amount \$2,800,000 to allow for additional design services. Construction project design services under this Agreement include, but are not limited to:

- Emergency Sewer Line at C Wing
- Emergency OR Dedicated Power
- New Phone System – Fire/Structural Penetrations
- Medical Mobile Unit Parking - Investigations
- HIM Relocation
- Seismic Compliance Reporting/Posting
- D Wing Postpartum Phase III
- New Above Ground Fuel Tank
- Emergency Install – Philips Network Cabling
- New IT Hub at Main Campus
- Lab Space Saver Investigations
- New Mobile MRI – Investigations
- Nurse Call – Various Locations
- Main Fire Panel Replacement
- Demo UG Fuel Tank
- NICU Medical Air Skid

Agreement	Agreement Budget	Variance
Original Agreement	\$550,000	
Amendment No. 1	\$800,000	\$250,000
Amendment No. 2	\$2,800,000	\$2,000,000

Therefore, it is recommended that your Board approve the proposed Amendment No. 2 to Professional Services Agreement with Aspen Street Architects to increase the not-to-exceed Agreement amount from \$800,000 to \$2,800,000, an increase of \$2,000,000, for additional architectural services and authorize the Chairman to sign.

**AMENDMENT NO. 2  
TO  
PERSONAL/PROFESSIONAL SERVICES AGREEMENT  
(Kern County Hospital Authority–Aspen Street Architects, Inc.)**

THIS AMENDMENT TO AGREEMENT, effective June 19, 2024, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and Aspen Street Architects, Inc. ("Consultant") with its principal place of business located at 494 N. Main Street, Angels Camp, California 95222.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated August 16, 2023 (KCHA Agt. #102-2023) and Amendment No. 1 (KCHA Agt. #161-2023) ("Agreement"), for the period August 16, 2023 through August 15, 2026; and

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

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

\_\_\_\_ **Term.** The Agreement shall be extended from \_\_\_\_ to \_\_\_\_, unless sooner terminated as provided for in the Agreement.  
  X   **Fees** payable by KCHA under the Agreement shall increase by \$2,000,000, from \$800,000 to \$2,800,000.  
\_\_\_\_ **Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.  
\_\_\_\_ **Services.** See Exhibits A-1 and B-1, attached hereto and incorporated herein by this reference, for revised Services.  
\_\_\_\_ **Other**

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

IN WITNESS WHEREOF, this Amendment No. 2 to the Agreement has been executed as of the date indicated above.

**KERN COUNTY HOSPITAL AUTHORITY**

**APPROVED AS TO CONTENT:**  
Responsible KCHA Department

By \_\_\_\_\_  
Chairman, Board of Governors  
"KCHA"

By \_\_\_\_\_  
Scott Thygerson, Chief Executive Officer

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

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

**ASPEN STREET ARCHITECTS, INC.**

**APPROVED AS TO FORM:**  
Legal Services Department

By Nathan Morgan  
Nathan Morgan  
Title:  
"Consultant"

By Relij [Signature]  
Hospital Counsel  
Kern County Hospital Authority

Date: 05/08/2024

Date: 5/24/24





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

June 26, 2024

**Subject:** Proposed Professional Services Agreement with Patton Sheet Metal Works, Inc. dba Patton Air Conditioning, for the repair of three air handlers in the B and C Wings

**Recommended Action:** Make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines; Approve; Authorize Chairman to sign; Authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 5% of the total contract price

**Summary:**

Kern Medical is requesting your Board approve the proposed Agreement with Patton Air Conditioning, for the repair of air handlers S1 & S7 that provide tempered air to Labor and Delivery at B Wing; and S2 that provide tempered air to C Wing floors 2 through 4.

The Agreement is effective as of June 26, 2024, with anticipated completion within two (2) months of commencement. The projected cost for this project is \$1,842,455, which includes future change orders up to 5% of the original contract price of \$1,754,719.

Therefore, it is recommended that your Board make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines, approve the Purchase Order, authorize the Chairman to sign, and authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 5% of the total contract price of \$1,754,719.

**KERN COUNTY HOSPITAL AUTHORITY  
PERSONAL/PROFESSIONAL SERVICES AGREEMENT  
SCHEDULE TO MASTER TERMS AND CONDITIONS: PPSA**

THIS SCHEDULE shall be effective on: June 26, 2024 ("Effective Date") and shall terminate upon project completion. Kern County Hospital Authority Department: Construction ("Responsible KCHA Department")  
Located at: 1700 Mt. Vernon Avenue, Bakersfield, CA 93306.

Service Provider: Patton Sheet Metal Works, Inc. dba Patton Air Conditioning ("Consultant")

Located at: 272 N. Palm Avenue, Fresno California 93701.

Consultant is (select one):  
☐ Sole Proprietorship  
☒ Incorporated in the State of California.  
☐ Other (specify) \_\_\_\_\_.

Consultant shall provide those services described in Exhibit "A" which is attached hereto and incorporated herein by this reference.

Kern County Hospital Authority ("KCHA") shall compensate Consultant for all services to be provided hereunder, including any reimbursement of travel expenses and other costs incurred by Consultant under this Agreement, in an aggregate sum not to exceed \$1,754,719. Consultant will quote each project and a Purchase Order will be used under this Agreement for each approved Project.

(Select one of the following two)

☒ KCHA shall not reimburse Consultant for any costs or travel expenses incurred by Consultant hereunder.  
☐ KCHA shall reimburse Consultant for all necessary and reasonable actual costs or travel expenses incurred on behalf of KCHA. If the reimbursable expenses include travel, the travel expenses must be reasonable and necessary, approved in advance by the Responsible KCHA Department, and shall not exceed the following KCHA per diems: Lodging, \$116.00 per night plus tax; breakfast, \$14.00; lunch, \$16.00; dinner, \$26.00; economy rental car; and mileage, if by private automobile, at \$.56 per mile; and by common carrier at actual fare charged for economy or coach class.

Consultant shall be required to have the following Insurance coverages, as described in the Master Terms and Conditions, in the minimum amounts indicated: (select all that apply)

<input checked="" type="checkbox"/> Workers' Compensation: As required by California Labor Code Section 3700	
<input checked="" type="checkbox"/> Commercial General Liability (\$1,000,000/Occurrence & \$3,000,000/Aggregate)	or other amounts _____ & _____.
<input checked="" type="checkbox"/> Automobile Liability (\$1,000,000/Occurrence)	or other amounts _____ & _____.
<input type="checkbox"/> Professional Liability (\$1,000,000/Occurrence & \$2,000,000/Aggregate)	or other amounts _____ & _____.

**Note:** If a lesser amount is shown, the Responsible KCHA Department must obtain the prior written approval of KCHA's Risk Manager.

Should any conflicts arise between this Schedule and the Master Terms and Conditions attached hereto and incorporated herein by this reference, the Schedule shall control.

IN WITNESS WHEREOF, each party has signed this Schedule upon the date indicated, and agrees, for itself, its employees, officers, partners and successors, to be fully bound by all terms and conditions of this Agreement.

**KERN COUNTY HOSPITAL AUTHORITY**

**APPROVED AS TO CONTENT:**  
Responsible KCHA Department

By: \_\_\_\_\_  
Chairman, Board of Governors  
"KCHA"

By: \_\_\_\_\_  
Scott Thygerson, Chief Executive Officer

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

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

**PATTON SHEET METAL WORKS, INC.  
dba PATTON AIR CONDITIONING**

**APPROVED AS TO FORM:**  
Legal Services Department

By:  \_\_\_\_\_  
Name: Justin Fortmeyer Title: Vice President  
"Consultant"

By:  \_\_\_\_\_  
Hospital Counsel, Kern County Hospital Authority

Date: 05/06/2024

Date: 5/16/24

**KERN COUNTY HOSPITAL AUTHORITY  
PERSONAL/PROFESSIONAL SERVICES AGREEMENT  
MASTER TERMS AND CONDITIONS  
PPSA-STANDARD**

THIS AGREEMENT ("Agreement") is entered into on the Effective Date shown on the attached Schedule, by and between the KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and operates Kern Medical Center, as represented by the Chief Executive Officer ("KCHA"), with its principal location at 1700 Mount Vernon Avenue, Bakersfield, CA 93306, and CONSULTANT identified on the Schedule ("Consultant"). KCHA and Consultant are individually referred to as a "Party" and collectively as the "Parties."

**RECITALS**

- A. KCHA is authorized, pursuant to Section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and
- B. The KCHA Department identified on the Schedule as the Responsible KCHA Department requires those services which are specified in **Exhibit A**.
- C. KCHA desires to engage Consultant to provide the services and Consultant, by reason of its qualifications, experience, and facilities for doing this type of work, has offered to provide the required services on the terms set forth in this Agreement.
- D. The Chief Executive Officer ("CEO") has been authorized by the Board of Governors to contract for personal/professional services in an amount not to exceed \$250,000 per year of a three (3) year agreement.

**AGREEMENT**

- 1. **Services to be Rendered.** Consultant shall provide the services and products described in **Exhibit A** ("Services").
- 2. **Compensation to Consultant.** KCHA shall compensate Consultant in accordance with the compensation selection(s) shown on the Schedule. No additional compensation shall be paid for secretarial, clerical support staff, overhead or any other costs incurred by Consultant by providing the Services to KCHA.
- 3. **Reimbursement Policy and Billing Requirements.** All invoices for payment shall be submitted in a form approved by KCHA based upon the payment schedule selected on Schedule, shall contain an itemization of all costs and fees broken down monthly (including an itemization of all reimbursable expenses incurred, including travel if applicable) and shall be stated as a cumulative total. Invoices shall be sent for review and processing to the Responsible KCHA Department. Consultant shall also provide an informational copy to the CEO. Payment shall be made to Consultant within 30 days of receipt and approval of the invoice by the Responsible KCHA Department.
- 4. **Term.** This term of this Agreement ("Term") shall start on the Effective Date and shall terminate on the Termination Date, unless sooner terminated as provided in this Agreement.
- 5. **Assignment.** Consultant shall not assign, transfer or encumber this Agreement, or any part, and Consultant shall not assign any monies due or which become due to Consultant under this Agreement, without the prior written consent of the CEO.
- 6. **Audit, Inspection and Retention of Records.** Consultant shall maintain and make available to KCHA accurate books and records relative to the Services under this Agreement. Consultant shall permit KCHA to audit, examine and make excerpts and transcripts from its records and to conduct audits of all invoices, materials, records of personnel or other data related to the Services under this Agreement. Consultant shall maintain its data and records in an accessible location and condition for a period of not less than three years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last. The State of California and/or any federal agency having an interest in the subject of this Agreement shall have the same rights as KCHA.
- 7. **Authority to Bind KCHA.** It is understood that Consultant, in Consultant's performance of any Services under this Agreement, except as otherwise provided in this Agreement, has no authority to bind KCHA to any agreements or undertakings.
- 8. **Indemnification.**
  - a. **General.** Consultant shall defend, indemnify, and hold harmless KCHA and KCHA's board members, elected and appointed officials, officers, employees, agents, volunteers and authorized representatives ("KCHA Indemnified Parties") from any losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs (including attorneys' fees of in-

house and outside counsel, expert fees, costs of staff time, and investigation costs) ("Claims") which arise out of or relate to any act or omission of Consultant or Consultant's officers, employees, agents and subcontractors of any tier hired by Consultant to perform the Services ("Consultant Representatives"). This indemnification obligation shall include bodily and personal injury or death to any person; damage to any property, regardless of where located, including the property of KCHA; and any workers' compensation Claim arising from or relating to any Services.

b. **Immigration Reform and Control Act.** Consultant acknowledges that Consultant and Consultant Representatives are aware of and understand the Immigration Reform and Control Act ("IRCA"). Consultant is and shall remain in compliance with the IRCA and shall ensure that any Consultant Representatives are and shall remain in compliance with the IRCA. In addition, Consultant shall defend, indemnify and hold harmless KCHA and KCHA Indemnified Parties from any Claims which arise out of or relate to any allegations that Consultant and Consultant Representatives are not authorized to work in the United States and/or any other allegations based upon alleged IRCA violations committed by Consultant or Consultant Representatives.

c. **Infringement Claim.** If any Claim is asserted or action or proceeding brought against KCHA or KCHA Indemnified Parties which alleges that all or any part of the Services in the form supplied by Consultant or KCHA's use, infringes or misappropriates any United States or foreign patent or copyright, or any trade secret or other proprietary right, KCHA shall give Consultant prompt written notice. Consultant shall defend any Claim with counsel of Consultant's choice and at Consultant's sole cost and shall indemnify KCHA for any costs, including attorney's fees and damages actually incurred by KCHA, including steps KCHA may take to avoid entry of any default judgment or other waiver of KCHA's rights. KCHA shall cooperate fully with and may monitor Consultant in the defense of any claim, action or proceeding and shall make employees available as Consultant may reasonably request with regard to the defense, subject to reimbursement by Consultant of all costs incurred by KCHA's cooperation in the defense.

d. **Remedy of Infringement Claim.** If the Services are, in Consultant's opinion, likely to become or do become the subject of a claim of infringement or misappropriation of a United States or foreign patent, copyright, trade secret or other proprietary right, or if a temporary restraining order or other injunctive relief is entered against the use of part or all of the Services, Consultant shall within 90 days:

1. **Replace.** Promptly replace the Services with compatible, functionally equivalent and non-infringing Services;
2. **Modify.** Promptly modify the Services to make them non-infringing without materially impairing KCHA's ability to use the Services as intended;
3. **Procure Rights.** Promptly procure the right of KCHA to continue using the Services; or
4. **Refund.** As a last resort, if none of these alternatives is reasonably available to Consultant, and KCHA is enjoined or otherwise precluded legally from using the Services, Consultant shall, within 120 days of the judgment or other court action, promptly refund to KCHA all fees and costs paid for the Services, and this Agreement shall terminate. All licensed products will be disposed of as ordered by the governing court at the sole cost of Consultant or as determined by KCHA if the court does not so direct.

e. **Modification of Services.** This indemnification does not extend to modifications or additions to the Services made by KCHA or any third party without the prior written consent of Consultant, or to any unauthorized use of the Services by KCHA.

f. **Survival of Indemnification Obligations.** Upon completion of this Agreement, the provisions of this Section 8 shall survive.

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

10. **Consultant Representations.** Consultant makes the following representations, which the Parties agree are material to and form a part of the inducement for this Agreement:

a. **Expertise and Staff.** Consultant has the expertise, support staff and facilities necessary to provide the Services; and

b. **No Adverse Interests.** Consultant does not have any actual or potential interests adverse to KCHA, nor does Consultant represent a person or firm with an interest adverse to KCHA relating to the subject of this Agreement; and

c. **Timeliness.** Consultant shall diligently provide the Services in a timely and professional manner in accordance with the terms and conditions in this Agreement.

11. **Ownership of Documents.** All reports, documents and other items generated or gathered in the course of providing the Services are and shall remain the property of KCHA, and shall be returned to KCHA upon full completion of the Services or termination of this Agreement, whichever first occurs.

12. **Rights to Contracted Products.**

a. **Belong to KCHA.** For no additional fee or charge, products developed, prepared, generated or gathered by Consultant or Consultant's Representatives under this Agreement, shall be considered creative works for hire and shall be delivered to and become the exclusive property of KCHA and may be used by KCHA in any way it may deem appropriate. Consultant shall have no rights in the products, except the right to use the products for the exclusive purpose of providing the Services, and Consultant shall not copy or disclose to any third party any product, except as is expressly set forth in this Agreement or by separate written agreement between the Parties. These provisions do not apply to Consultant's original licensed software or administrative communications and records, which shall remain the exclusive property of Consultant,

b. **Use by KCHA.** The ideas, concepts, know-how, and techniques developed during the course of this Agreement may be used by KCHA in any way it may deem appropriate, so long as that use does not violate any term in this Agreement or any Applicable Law.

c. **No Publication.** Consultant or Consultant's Representatives shall not publish or disseminate information gained through participation in this Agreement without the specific prior review and written consent by KCHA.

d. **Delivery to KCHA.** Upon termination or expiration of this Agreement, Consultant shall immediately deliver to KCHA all KCHA-owned programs and documentation developed under this Agreement. In addition, Consultant grants to KCHA a perpetual, royalty-free, non-exclusive, irrevocable, and non-transferable license to use, solely for KCHA purposes, any Consultant-owned program, including system software, utilized by Consultant in performance of the Services.

e. **Survival of Covenants.** Upon completion of this Agreement, the provisions of this Section 12 shall survive.

13. **Termination.** The CEO may at his or her election, without cause, terminate this Agreement by written notice ("Notice of Termination"). The Notice of Termination will be deemed effective 15 days after personal delivery, or 20 days after mailing by regular U.S. Mail, postage prepaid. In addition, either Party may immediately terminate this Agreement if the other Party fails to substantially perform in accordance with the terms and conditions of this Agreement through no fault of the Party initiating the termination. In the event this Agreement is terminated by either Consultant or the CEO, Consultant shall submit to the Responsible KCHA Department all files, memoranda, documents, correspondence and other items generated in the course of performing the Services, within 15 days after the effective date of the Notice of Termination. If either Party terminates this Agreement as provided in this Section 13, KCHA shall pay Consultant for all satisfactory Services rendered by Consultant prior to the effective date of Notice of Termination in an amount not to exceed the maximum dollar amount shown on the Schedule.

14. **Choice of Law/Venue.** The Parties agree that the provisions of this Agreement shall be construed under the laws of the State of California. This Agreement has been entered into and is to be performed in the County of Kern. Accordingly, the Parties agree that the venue of any action relating to this Agreement shall be in the County of Kern.

15. **Compliance with Applicable Law.** Consultant shall observe and comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or later enacted ("Applicable Law"), each of which is made a part of this Agreement. While on KCHA property, Consultant will also follow all applicable policies and any direction of staff.

16. **Confidentiality.** Consultant shall not, without the prior written consent of the CEO, communicate confidential information, designated in writing or identified in this Agreement as confidential, to any third party and shall protect confidential information from inadvertent disclosure to any third party in the same manner that it protects its own confidential information, unless disclosure is required in response to a validly issued subpoena or other process of law. Upon completion of this Agreement, the provisions of this Section 16 shall continue to survive.

17. **Conflict of Interest.** Consultant has read and is aware of the provisions of Government Code Section 1090 et seq. and Section 87100 et seq. relating to conflict of interest of public officers and employees. Consultant acknowledges that it is unaware of any financial or economic interest of any public officer or employee of KCHA relating to this Agreement. If it is further understood and agreed that a financial interest does exist at the inception of this Agreement, KCHA may immediately terminate this Agreement by giving written notice. Consultant shall comply with the requirements of Government Code Section 1090 et seq. and 87100 et seq. during the Term.

18. **Cooperation with KCHA Compliance Obligations.** Consultant shall cooperate with the compliance program maintained by KCHA and KMC (the "Compliance Program") to the extent that such requirements are (i) applicable to the operation of KCHA or KMC and Consultant's provision of services under this Agreement, (ii) consistent with applicable industry standards and laws, and (iii) communicated to Consultant, so that KCHA may meet all requirements imposed by laws and any governing or advisory body

having authority to set standards governing the operation of KCHA and KMC.

19. **Disqualified Persons.** Consultant represents and warrants that no person providing goods and/or services under the terms of this Agreement (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 KCHA), (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. Consultant agrees that if any individuals providing goods and/or services under the terms of this Agreement 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"), Consultant shall immediately notify KCHA and such individual shall be immediately removed by Consultant from any functions, provided, however, that if Consultant is directly involved in the Enforcement Action, any agreement between KCHA and Consultant shall terminate immediately.

20. **Enforcement of Remedies.** No right or remedy conferred on or reserved to a Party is exclusive of any other right or remedy under law, equity or statute, but each shall be cumulative of every other right or remedy now or in the future existing under law, equity or statute, and may be enforced concurrently or from time to time.

21. **Health Insurance Portability and Accountability Act-HITECH.** Consultant understands that KCHA is a Covered Entity that provides medical and mental health services and that Consultant has no authorization to obtain access to any Protected Health Information ("PHI") in any form while performing services for KCHA. If, in the course of performing services, Consultant 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 KCHA. The privacy and confidentiality of KCHA's patients are protected by KCHA policies and procedures, state laws and regulations and Federal HIPAA Regulations. If appropriate Consultant agrees to execute a business associate agreement with KCHA to supplement this Agreement if requested, to be incorporated herein as Exhibit D if so required.

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

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

24. **Non-collusion Covenant.** Consultant represents and agrees that (i) it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Agreement with KCHA and (ii) it has received from KCHA no incentive or special payments and no considerations not related to the provision of the Services.

25. **Non-discrimination.** Neither Consultant, nor any Consultant Representative, shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, or any other classification protected by Applicable Law, either directly, indirectly or through contractual or other arrangements.

26. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of KCHA. Forbearance or indulgence by KCHA shall not constitute a waiver of the covenant or condition to be performed by Consultant. KCHA shall be entitled to invoke any remedy available to KCHA under this Agreement or by Applicable Law despite the forbearance or indulgence.

27. **Notices.** All notices under this Agreement shall be provided to the KCHA CEO at the address indicated in the opening section of this Agreement and to the Consultant and Responsible KCHA Department at the addresses shown on the Schedule. Delivery shall be by personal delivery or deposit in the U.S. Mail, postage prepaid, registered or certified mail, addressed as specified above. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received five days after deposit. A Party may change the address to which notice is to be given by giving notice as provided above. Nothing in this Agreement shall be construed to prevent or render ineffective delivery of notices under this Agreement by leaving the notice with the receptionist or other person of like capacity employed in Consultant's office, or the CEO.

28. **Captions and Interpretation.** Section headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a Party because that Party or its legal representative drafted the provision. This Agreement is the product of negotiation and both Parties are equally responsible for its authorship. California Civil Code Section 1654 shall not apply to the interpretation of this Agreement.

29. **Counterparts.** This Agreement 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 document.

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

31. **Regulatory Compliance.** In compliance with title 22, California Code of Regulations, section 70713 KMC will retain professional and administrative responsibility for services rendered under this Agreement. Consultant shall apprise Kern Medical of recommendations, plans for implementation and continuing assessment through dated and signed reports which shall be retained by Kern Medical for follow-up action and evaluation of performance.

32. **Access to Books and Records.** Until the expiration of four years after the expiration or termination of this Agreement, Kern Medical and Consultant shall make available, upon written request of the Secretary of the United States Secretary of Health and Human Services ("Secretary") or the Comptroller General of the United States General Accounting Office ("Comptroller General"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records of either party as are necessary to certify the nature and extent of costs of the services Consultant provided under this Agreement.

33. **Severability.** If any term or provision of this Agreement is determined by a court to be in conflict with any Applicable Law, or otherwise be unenforceable or ineffectual, the validity of the remaining terms or provisions shall be deemed severable and shall not be affected, provided that the remaining terms or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into on the Effective Date.

34. **Signature Authority.** Each Party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement.

35. **Sole Agreement.** This Agreement, including the Schedule and Exhibits, contains the entire agreement of the Parties relating to the Services, rights, obligations and covenants contained in this Agreement and assumed by the Parties. No inducements, representations or promises have been made, other than those stated in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

36. **Time of Essence.** Time is expressly declared to be of the essence of this Agreement and of each provision, and each provision is declared to be a material, necessary and essential part of this Agreement.

37. **No Third Party Beneficiaries.** The Parties understand and agree that the enforcement of these terms and conditions and all rights of action relating to enforcement, shall be strictly reserved to KCHA and Consultant. Nothing contained in this Agreement shall give or allow any claim or right of action by any other third person. It is the express intention of KCHA and Consultant that any person or entity, other than KCHA or Consultant, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

38. **Gender/Plural.** References to feminine, masculine or neutral include the other, and references to the singular or plural include the other.

39. **Recitals.** Each of the recitals is incorporated in this Agreement, is deemed to be the agreement and a reflection of the intent of the Parties, and is relied upon by the Parties in agreeing to the provisions of this Agreement and in interpreting its provisions.

40. **Exhibits.** The below exhibits attached to this Agreement are incorporated into this Agreement by reference.  
Exhibit A: Services  
Exhibit A-1: IRS Form W-9  
Exhibit B: Intentionally Omitted  
Exhibit C: Insurance  
Exhibit D: Intentionally Omitted  
Exhibit E: Additional Engineering Terms

**EXHIBIT A**  
**SERVICES**



# Patton Build. Trust.

Exhibit "A"

272 N Palm Avenue • Fresno, CA 93701 • (559) 486-5222 • Fax (559) 486-1807 • pattonac.com  
Serving California since 1921

To: Kern Medical Hospital  
Attn: Nanette Crawford  
e-mail: [Nanette.Crawford@kernmedical.com](mailto:Nanette.Crawford@kernmedical.com)  
Re: S1 Air Handler  
Date: April 22, 2024 amended  
Pages: 2-page (s) total, including this sheet

Dear Nanette,

Patton has developed a scope of work and estimate to replace the air handler S1 fan and coil system. New fanwall system will provide N+1 redundancy.

## Scope of Work

- Remove existing equipment:
  - Supply Fan
  - Hot water coil
  - Chilled water coil
  - Domestic pre-cool coil
- Provide new Fan Wall fan assembly, sized per current Table 4A
- Provide new chilled water coil, sized to match current Table 4A airflow
- Provide new low pressure steam coil for hot deck
- New chilled water 2-way control valve
- Reuse and reinstall existing low pressure steam control valve
- New filter racks
- Insulated service access doors
- Abatement of insulation and piping at applicable unit connection piping
- New insulated chilled water and low-pressure steam piping connections
- New piping for steam condensate returns and condensate for chilled water coil
- Permanently cap off the domestic water to the old pre-cooling coil section
- Reconnect to existing controls
- Startup of fan wall
- Test and adjust utilizing existing speed control output
- Engineering, including review of temporary HVAC units on roof
- Pre and Post system air verification (3<sup>rd</sup> party, required per OSHPD/HCAI)
- Scope of Work to be performed during a scheduled weekend (Friday thru Sunday)

Current Contract (Including CO#1)	\$ 439,239
Fanwall & Coils per Current Table 4A	\$ 51,079
Temporary HVAC during shutdown	\$ 125,921
Escalation from December 2023	\$7,986

<b>Total Revised Cost</b>	<b>\$ 624,225</b>
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Kern Medical Hospital – AH S1, cont.

**Clarification**

- The above scope of work is based on a site survey and best available information on the date of this estimate. Items discovered after the start of design and/or construction work, including items resulting from the HCAI permitting process, are outside the scope of this estimate. The owner is carrying design and construction contingency for unforeseen items, including the aforementioned.

**Exclusions**

- Final air test and balance of all air inlets and outlets
- Controls, except as noted above
- Carpentry, hole cutting, hole framing, and patching
- Fire alarm work of any kind
- Painting
- Formed and/or poured concrete
- Asbestos / lead paint / hazardous materials removal (except for what is specifically stated)
- Dust controls
- Construction barriers (None anticipated)
- Permits and fees
- 3<sup>rd</sup>-Party inspections

If you need additional information or have any questions, please feel free to call.

From the desk of...

***Scott Likins***

HVAC Operations Manager

Patton Air Conditioning

272 North Palm Avenue

Fresno, CA. 93701-1436

License # 256026

Phone: (559) 486-5222

Fax: (559) 486-5596

E-mail: [slikins@pattonac.com](mailto:slikins@pattonac.com)

Website: [www.pattonac.com](http://www.pattonac.com)

Exhibit "A"

## Patton Build. Trust.

272 N Palm Avenue • Fresno, CA 93701 • (559) 486-5222 • Fax (559) 486-1807 • pattonac.com

Serving California since 1919

**To:** Kern Medical Center  
**Attn:** Nanette Crawford  
**e-mail:** [Nanette.Crawford@kernmedical.com](mailto:Nanette.Crawford@kernmedical.com)  
**Re:** S7 Air Handler Upgrade  
**Date:** January 19, 2024  
**Pages:** 2-page (s) total, including this sheet

Dear Nanette,

Patton has developed a scope of work and estimate to replace the air handler S7 fan and coil system and replace the exhaust system that serves AH - S7. New fanwall system will provide N+1 redundancy.

### Scope of Work

- Remove existing equipment:
  - (1) Supply Fan
  - (1) Low Pressure Steam (LPS) coil
  - (1) Chilled water (CHW) coil
  - (1) Domestic pre-cool coil
  - (2) Exhaust fans
- Provide new pre-manufactured air handling unit with OSP.
- Provide (2) new exhaust fans.
- New LPS coil and control valve.
- New CHW coil and 2-way control valve.
- New pre1 (MERV-8), pre2 (MERV-13), final (MERV-14) filters and racks.
- New insulated CHW and LPS piping connections.
  - Freeze of existing piping prior to install, as needed.
- New piping for steam condensate returns and condensate for CHW coil.
- New exterior louver, 60x80 to accommodate rigging of new air handling unit components.
- Clean (3) existing LPS heating coils.
- Replace (4) total sidewall grilles in two OR's with new ceiling-mounted laminar flow grilles.
  - Plastic zipper barrier and negative air between OR's and adjacent area.
- Tie-in of 'KMC' direct digital controls for CHW and LPS control valves.
- Engineering for HCAI Permit.
- Coordinate with 3<sup>rd</sup> party Air Test & Balancer (Air Control Services)
- Scope of Work to be performed during normal business hours (Monday-Friday).
- Startup, Test and One-year Warranty.

Sub-Total	\$ 581,354
Performance / Payment Bonds	\$ 9,795
<b>Total Cost</b>	<b>\$ 591,149</b>

Kern Medical Center – AH S7, cont.

**Alternate - Temporary HVAC during shutdown:**

**\$ 125,921**

**Other Subcontractors to be Hired by Kern Medical:**

**\$ To Follow**

- Air Control Services:
  - Pre and Post system air verification (3<sup>rd</sup> party, required per HCAI)

**Duration:**

- 7 Working Days

**Clarification**

- The above scope of work is based on a site survey and best available information on the date of this estimate. Items discovered after the start of design and/or construction work, including items resulting from the HCAI permitting process, are outside the scope of this estimate. The owner is carrying design and construction contingency for unforeseen items, including the aforementioned.

**Exclusions**

- Carpentry, hole cutting, hole framing, and patching, except as noted.
- Fire alarm work of any kind.
- Painting, except for ceiling repair.
- Formed and/or poured concrete.
- Asbestos / lead paint / hazardous materials removal or abatement.
- Dust controls.
- Construction barriers, except as noted.
- Permits and fees.
- 3<sup>rd</sup>-Party inspections.

If you need additional information or have any questions, please feel free to call.

From the desk of...

***Scott Likins***

HVAC Operations Manager  
Patton Air Conditioning  
272 North Palm Avenue  
Fresno, CA. 93701-1436  
License # 256026  
Phone: (559) 486-5222  
Fax: (559) 486-5596  
E-mail: [slikins@pattonac.com](mailto:slikins@pattonac.com)  
Website: [www.pattonac.com](http://www.pattonac.com)

# Patton Build. Trust.

Exhibit "A"

272 N Palm Avenue • Fresno, CA 93701 • (559) 486-5222 • Fax (559) 486-1807 • pattonac.com  
Serving California since 1921

To: Kern Medical Hospital  
Attn: Nanette Crawford  
e-mail: [Nanette.Crawford@kernmedical.com](mailto:Nanette.Crawford@kernmedical.com)  
Re: S2 Air Handler  
Date: April 22, 2024 amended  
Pages: 2-page (s) total, including this sheet

Dear Nanette,

Patton has developed a scope of work and estimate to replace the air handler S2 fan system. The new fanwall system will provide N+1 redundancy.

## Scope of Work

- Remove existing equipment:
  - Supply Fan
  - Domestic pre-cool coil
  - Steam coil
- Provide new Fan Wall fan assembly, sized per current Table 4A
- Provide new chilled water coil, sized to match current Table 4A airflow
- Provide new low pressure steam coil for hot deck
- New chilled water 2-way control valve and new steam control valve
- New filter racks
- Insulated service access doors
- Permanently cap off the domestic water to the old pre-cooling coil section
- Remove abandoned electronic air filter grid
- Reconnect to existing controls
- Startup of fan wall
- Test and adjust utilizing existing speed control output
- Engineering, including review of temporary HVAC units on roof
- Pre and Post system air verification (3<sup>rd</sup> party, required per OSHPD/HCAI)
- Scope of Work to be performed during a scheduled weekend (Friday thru Sunday)

Current Contract	\$ 321,886
Fanwall & Coils per Current Table 4A	\$83,697
Temporary HVAC during shutdown	\$ 125,921
Escalation from December 2023	\$7,841
<b>Total Revised Cost</b>	<b>\$ 539,345</b>

## Clarification

- The above scope of work is based on a site survey and best available information on the date of this estimate. Items discovered after the start of design and/or construction work, including



Kern Medical Hospital – AH S2, cont.

items resulting from the HCAI permitting process, are outside the scope of this estimate. The owner is carrying design and construction contingency for unforeseen items, including the aforementioned.

**Exclusions**

- Final air test and balance of all air inlets and outlets
- Controls, except as noted above
- Carpentry, hole cutting, hole framing, and patching
- Fire alarm work of any kind
- Painting
- Formed and/or poured concrete
- Asbestos / lead paint / hazardous materials removal (except for what is specifically stated)
- Dust controls
- Construction barriers (None anticipated)
- Permits and fees
- 3<sup>rd</sup>-Party inspections

If you need additional information or have any questions, please feel free to call.

From the desk of...

***Scott Likins***

HVAC Operations Manger

Patton Air Conditioning

272 North Palm Avenue

Fresno, CA. 93701-1436

License # 256026

Phone: (559) 486-5222

Fax: (559) 486-5596

E-mail: [slikins@pattonac.com](mailto:slikins@pattonac.com)

Website: [www.pattonac.com](http://www.pattonac.com)

**EXHIBIT A-1**  
**IRS FORM W-9**

**EXHIBIT B**  
**FEE SCHEDULE**



## **Exhibit B – Fee Schedule**

- Contractor shall invoice \$624,225 upon completion of work associated with Air Handler S-1
- Contractor shall invoice \$591,149 upon completion of work associated with Air Handler S-1
- Contractor shall invoice \$539,345 upon completion of work associated with Air Handler S-2

## **EXHIBIT "C"**

### **Insurance**

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

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

1. Workers' Compensation and Employers Liability Insurance:

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

2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, KCHA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
- (c) If Consultant has no Owned automobiles, the General Liability policy shall include Non-Owned and Hired Automobile Liability in the amount of \$1,000,000 combined single limit per accident.
- (d) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by KCHA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon KCHA's written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving KCHA.
- (e) KCHA shall be named as an additional insured for liability arising out of operations by or on behalf of Consultant in the performance of this Agreement. See section 6 below for full Additional Insured wording.
- (f) The insurance provided to KCHA as an additional insured shall be primary to and non-contributory with any insurance or self-insurance program maintained by KCHA.
- (g) The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- (h) The policy shall cover inter-insured suits between KCHA and Consultant and include a "separation of insureds" or "severability" clause, which treats each insured separately.
- (i) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (b) Insurance shall apply to all Owned autos. If Consultant currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions thereof.
- (c) Insurance shall include coverage for Non-Owned and Hired autos. (See requirements in section 1(c) above if there is no separate Automobile Liability coverage.)
- (d) KCHA shall be named as an additional insured for liability arising out of operations by or on behalf of Consultant in the performance of this Agreement. See section 6 for full Additional Insured wording.
- (e) Required Evidence of Insurance: Certificate of Insurance.

4. Professional Liability Insurance (Errors and Omissions):

- (a) Professional Liability Insurance (Errors and Omissions) appropriate to Consultant's profession.
  - (b) Minimum Limits: \$1,000,000 per Occurrence or Claim; \$3,000,000 Annual Aggregate. If Consultant maintains higher limits than the specified minimum limits, KCHA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
  - (c) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by KCHA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon KCHA's written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving KCHA.
  - (d) Required Evidence of Coverage: Certificate of Insurance.
5. Standards for Insurance Companies: Insurers shall have an A.M. Best's rating of at least A;VII.
6. Additional Insured Wording: "Kern County Hospital Authority, its officers, officials, employees and volunteers" are to be named as Additional Insureds as per each section where noted above.
7. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:
- (a) The Retroactive Date must be shown and must be before the Effective Date of the Agreement or the beginning of contract work.
  - (b) Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract work.*
  - (c) If coverage is canceled or non-renewed, and *not replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, Consultant must purchase "extended reporting" coverage for a minimum of *five (5) years* after completion of the contract work.
8. Documentation:
- (a) The Certificate of Insurance must include the following reference: "**Agreement for Professional Services – Master Facility Plan.**"
  - (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Evidence of Insurance on file with KCHA for the entire term of this Agreement and any additional periods if specified in sections 1, 2, 3 or 4 above.
  - (c) The name and address for the Certificates of Insurance and Additional Insured endorsements is: Kern County Hospital Authority, c/o Kern Medical Center, 1700 Mount Vernon Avenue, Bakersfield, California 93306.
  - (d) Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.
  - (e) Consultant shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
  - (f) Upon written request, certified copies of required insurance policies must be provided to KCHA within 30 days.
9. Policy Obligations: Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
10. Primary Coverage: For any claims related to this Agreement, Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects KCHA, its officers, directors, officials, employees, and volunteers. Any insurance or self-insurance maintained by KCHA, its officers, directors, officials, employees, or volunteers shall be excess of Consultant's insurance and shall not contribute with it.
11. Waiver of Subrogation: Consultant hereby grants to KCHA a waiver of any right to subrogation, which any insurer of said Consultant may acquire against KCHA by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not KCHA has received a waiver of subrogation endorsement from the insurer.
12. Material Breach: If Consultant fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement. KCHA, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, KCHA may purchase the required insurance, and without further notice to Consultant, KCHA may deduct from sums due to Consultant any premium costs advanced by KCHA for such insurance. These remedies shall be in addition to any other remedies available to KCHA.

[Intentionally left blank]

**EXHIBIT E**  
**ADDITIONAL TERMS APPLICABLE TO CONSTRUCTION/ENGINEERING AGREEMENTS**

The Kern County Hospital Authority (KCHA), a public agency that is a local unit of government, which owns and operates Kern Medical Center, is subject to a variety of statutes (e.g. codes) and regulations that now apply to you as a Consultant/Contractor of KCHA. This Exhibit E outlines some, but not necessarily all of the requirements that you may now be required to meet as a Consultant/Contractor of a public entity.

**I. COMPLIANCE WITH LABOR STANDARDS**

1. KCHA has determined that the work contemplated by this Agreement falls within the definitions of "Public Works" set forth in the California Labor Code. Contractor acknowledges that Contractor is fully aware of prevailing wage requirements for public works projects as set forth in Article 2 (commencing with section 1770) of Chapter 1, Part 7 of the California Labor Code ("Prevailing Wage Requirements") and Contractor agrees to comply with the provisions of that Article to the extent the Prevailing Wage Requirements are applicable to the work conducted under this Agreement. Contractor further agrees that to the extent applicable, Contractor shall require any subcontractor it contracts with to comply with the Prevailing Wage Requirements. Contractor also agrees to indemnify, defend (upon request of KCHA) and hold, its officers, agents and employees, harmless from all claims, costs, causes of action, attorney fees, damages or liability from the failure of Contractor or Contractor's subcontractors to comply with the Prevailing Wage Requirements.

The Department of Industrial Relations of the State of California has determined the general prevailing rate of wages for each craft, classification or type of workers needed in the execution of contracts under the jurisdiction of Kern County. The schedule of rates can be obtained from or are on file with the Engineering Department at Kern Medical Center, located at 1700 Mt. Vernon Avenue, Bakersfield, CA 93305 and is hereby incorporated herein by this reference.

**II. APPRENTICESHIP PROGRAM**

**1. Compliance Required**

Contractor and Subcontractors shall comply with the requirements of California Labor Code §§1776, 1777.5, and 1777.6 concerning the employment of apprentices by Contractor or Subcontractors. Willful failure to comply may result in penalties, including loss of the right to Bid on or receive public works contracts.

**2. Certification of Approval**

California Labor Code §1777.5, as amended, requires a Contractor or Subcontractor employing tradespersons in any apprenticeable occupation to apply to the joint apprenticeship committee nearest the site of a public works project and which administers the apprenticeship program in that trade for a certification of approval. The certificate shall also fix the ratio of apprentices to journeypersons that will be used in performance of the Contract. The ratio of work performed by apprentices to journeypersons in such cases shall not be less than one hour of apprentices work for every five hours of labor performed by journeypersons (the minimum ratio for the land surveyor classification shall not be less than one apprentice for each five journeypersons), except:

- A. When unemployment for the previous three month period in the area exceeds an average of 15 percent;
- B. When the number of apprentices in training in the area exceeds a ratio of one to five;
- C. When a trade can show that it is replacing at least 1/30 of its membership through apprenticeship training on an annual basis state-wide or locally; or
- D. Assignment of an apprentice to any work performed under a public works contract would create a condition which would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

**3. Fund Contributions**

Contractor is required to make contributions to funds established for administration of apprenticeship programs if Contractor employs registered apprentices or journeypersons in any apprenticeable trade on such contracts and if other contractors on the public works site are making such contributions.

**4. Apprenticeship Standards**

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of the California Department of Industrial Relations, or from the Division of Apprenticeship Standards and its branch offices.

**III. SUPPLEMENTARY CONDITIONS – INSURANCE AND INDEMNIFICATION**

**1. INSURANCE**

- A. In addition to the Insurance requirements in Exhibit C, Contractor, in order to protect the KCHA and its board members, officials, agents, officers, employees and volunteers against all claims and liability for death, injury, loss and damage as a result of

Contractor's actions in connection with the performance of Contractor's obligations, as required in the Contract Documents, shall secure and maintain insurance as described below. Contractor shall not perform any work under the Contract Documents until Contractor has obtained all insurance required under this section and the required certificates of insurance and all required endorsements have been filed with KCHA's authorized insurance representative, Exigis.

**1) Workers' Compensation and Employers Liability Insurance Requirement** -- In the event Contractor has employees who may perform any services pursuant to the Contract Documents, Contractor shall submit written proof that Contractor is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.

By signing the Agreement, Contractor makes the following certification, required by section 1861 of the Labor Code:

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work pursuant to the Contract Documents.

2) If injury occurs to any employee of Contractor, Subcontractor or sub-subcontractor for which the employee, or the employee's dependents in the event of employee's death, is entitled to compensation from KCHA under provisions of the Workers' Compensation Insurance and Safety Act, as amended, or for which compensation is claimed from KCHA, KCHA may retain out of sums due Contractor under the Contract Documents, an amount sufficient to cover such compensation, as fixed by the Workers' Compensation Insurance and Safety Act, as amended, until such compensation is paid, or until it is determined that no compensation is due. If KCHA is compelled to pay compensation, KCHA may, in its discretion, either deduct and retain from the Contract Sum the amount so paid, or require Contractor to reimburse KCHA.

3) Nothing herein shall be construed as limiting in any way the extent to which Contractor or any Subcontractor may be held responsible for payment of damages resulting from their operations.

4) All Subcontractors shall maintain the same insurance required to be maintained by Contractor with respect to their portions of the Work unless otherwise indicated in the Contract Documents, and Contractor shall cause the Subcontractors to furnish proof thereof to KCHA within ten Days of KCHA's request.

## 2. INDEMNIFICATION

- A. In addition to the Indemnification requirements in the Agreement, KCHA and each of its officers, employees, consultants and agents including, but not limited to, its Board, Project Manager and any Representative, shall not be liable or accountable in any manner for loss or damage that may happen to any part of the Work; loss or damage to materials or other things used or employed in performing the Work; injury, sickness, disease, or death of any person; or damage to property resulting from any cause whatsoever except their sole negligence, willful misconduct or active negligence, attributable to performance or character of the Work, and Contractor releases all of the foregoing persons and entities from any and all such claims.
- B. To the furthest extent permitted by law (including without limitation California Civil Code §2782), Contractor shall assume defense of, and indemnify and hold harmless, KCHA in accordance with the Agreement and with respect to third-party claims against Contractor, Contractor waives any and all rights to any type of express or implied indemnity against KCHA and each of its officers, employees, consultants and agents including, but not limited to KCHA, the Board, Project Manager and any Representative. KCHA shall provide timely notice to Contractor of any third-party claim relating to the Contract Documents, in accordance with Section 9201 of the California Public Contract Code.
- 1) Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Contractor, its Subcontractors of any tier, or the officers or agents of any of them.
  - 2) To the furthest extent permitted by law (including, without limitation, Civil Code §2782), the indemnities, releases of liability and limitations of liability, claims procedures, and limitations of remedy expressed throughout the Contract Documents shall apply even in the event of breach of Contract, negligence (active or passive), fault or strict liability of the party(ies) indemnified, released, or limited in liability, and shall survive the termination, rescission, breach, abandonment, or completion of the Work or the terms of the Contract Documents. If Contractor fails to perform any of these defense or indemnity obligations, KCHA may in its discretion back charge Contractor for KCHA's costs and damages resulting therefrom and withhold such sums from progress payments or other Contract moneys which may become due.
  - 3) The indemnities in the Contract Documents shall not apply to any indemnified party to the extent of its sole negligence or willful misconduct; nor shall they apply to KCHA or other indemnified party to the extent of its active negligence.



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

June 26, 2024

**Subject:** Proposed Change Order No. 2 to Agreement 090-2023 with Mountain West Builders, Inc.

**Recommended Action:** Make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of State CEQA Guidelines; Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed Change Order No. 2 to the Agreement with Mountain West Builders, Inc., in the amount of \$22,887, to provide electrical modifications to accommodate new lab equipment.

On July 19, 2023, your Board approved an agreement with Mountain West Builders, Inc., in the amount of \$134,564, with authorization for the Chief Executive Officer to execute future change orders in an amount not to exceed 10% the total contract price, to provide modifications to the Lab to accommodate equipment upgrades.

On February 24, 2024, your Board approved Change Order No. 1 in the amount of \$26,748 to provide additional demolition, electrical, door hardware changes at the Lab to accommodate equipment upgrades.

This proposed Change Order No. 2, in the amount of \$22,887 compensates the contractor for electrical modifications, door modifications and an air gab for the floor sink.

Therefore, it is recommended that your Board make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of State CEQA Guidelines; approve the Change Order with Mt. West Builders in the amount of \$22,887 for a new total of \$184,199; and authorize Chairman to sign.

## CHANGE ORDER

**PROJECT:**

Lab Equipment Replacement  
1700 Mt. Vernon Avenue  
Bakersfield, CA 93306

**PROJECT NO.:** 10104  
**CONTRACT NO.:** 090-2023

**CONTRACTOR:**

Mountain West Builders, Inc.  
31500 Sierra Drive  
Exeter, CA 93221

**CHANGE ORDER NO.:** Two (2)

**Date:** June 28, 2024

DESCRIPTION OF CHANGE	ADD	DEDUCT
1. Provide all labor, material and equipment to install a power pole for the new Sysmex equipment.	\$1,774.29	
2. Provide all labor, material and equipment to fab and install the table for the Sysmex.	\$6,669.19	
3. Provide all labor, material and equipment to install fire protection around the door.	\$1,213.57	
4. Provide all labor, material and equipment to relocate the new power pole and modify the sockets to a single outlet.	\$9,337.25	
5. Provide all labor, material and equipment to modify electrical circuits to meet the equipment needs per the manufacturer.	\$3,892.50	
<b>CHANGE ORDER NO. 2 TOTAL (ADD)</b>	<b>\$22,886.80</b>	
<b>ORIGINAL CONTRACT PRICE</b>	<b>\$134,564.00</b>	
<b>CHANGE ORDER NO. 1 TOTAL (ADD)</b>	<b>\$26,747.33</b>	
<b>NEW CONTRACT AMOUNT</b>	<b>\$184,198.13</b>	

**REASON FOR CHANGE**

1. Temporary power is required for the new Sysmex equipment temporary location
2. A temporary table was required for the Sysmex until the new counter top can be installed under Phase III
3. The cracks between the door frame and the door exceed 1/8 inch requiring fire stripping to be installed at the door frame.
4. The electrical power pole had to be moved to accommodate the new equipment install.
5. The manufacturer required a different circuit type once the equipment was delivered to the site.

Funds are available in the contract budget to cover this increase in cost.

**CONFORMANCE WITH SPECIFICATIONS:**

All work shall be done in conformance with the specifications as applied to work of a similar nature.

If the contractor refuses to sign this document, the work listed herein shall be performed on a force account basis.

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**SUBMITTED BY:**

Mountain West Builders

BY: \_\_\_\_\_

John Roos, President

**APPROVED AS TO CONTENT:**

By: \_\_\_\_\_

Scott Thygeron, CEO

**APPROVED AS TO FORM:**

Legal Services Department

BY: \_\_\_\_\_

Phillip Jenkins  
Hospital Counsel

**KERN COUNTY HOSPITAL AUTHORITY**

BY \_\_\_\_\_

Chairman, Board of Governors

"KCHA"





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

June 26, 2024

**Subject:** Proposed Change Order No. 2 to Agreement 103-2023 with McMurtrey Lince, Inc.

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

**Summary**

Kern Medical requests your Board approve proposed Change Order No. 2 to the Agreement with McMurtrey Lince, Inc., in the amount of \$6,659, to provide modifications to the metal deck for the AC Unit.

On August 16, 2023, your Board approved an agreement with McMurtrey Lince, Inc., in the amount of \$350,384, with authorization for the Chief Executive Officer to execute future change orders in an amount not to exceed 10% of the total contract price, to install a new AC Unit at the B/C Wing Central Supply.

Change Order No. 1 was approved on February 19, 2024 by the Chief Executive Officer, in the amount of \$31,881 to install standardized controls.

This proposed Change Order No. 2 compensates the contractor for modifications needed to the metal deck.

Therefore, it is recommended that your Board make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of State CEQA Guidelines; approve the Change Order No. 2 with McMurtrey Lince, Inc., in the amount of \$6,659 for a new total of \$388,924; authorize the Chief Executive Officer to sign future Change Orders up to 10% of the contract amount, for a new potential not to exceed amount of \$427,817, and authorize Chairman to sign.

## CHANGE ORDER

**PROJECT:**

B/C Wing AC Unit Replacement  
1700 Mt. Vernon Avenue  
Bakersfield, CA 93306

**PROJECT NO.:** 10111  
**CONTRACT NO.:** 103-2023

**CONTRACTOR:**

McMurtrey Lince, Inc.  
1025 Espee Street  
Bakersfield, CA 93301

**CHANGE ORDER NO.:** Two (2)

**DATE:** June 26, 2024

DESCRIPTION OF CHANGE	ADD	DEDUCT
-----------------------	-----	--------

- |   |            |  |
|---|------------|--|
| 1. Provide all labor, material and equipmen to modify metal deck rail and paint modified construction | \$6,659.00 |  |
|---|------------|--|

CHANGE ORDER NO. 2	TOTAL (ADD)	\$6,659.00
CHANGE ORDER NO. 1	TOTAL (ADD)	\$31,881.00
ORIGINAL CONTRACT PRICE		\$350,384.00
NEW CONTRACT AMOUNT		\$388,924.00

### REASON FOR CHANGE

1. It was determined after the new AC Unit arrived that the railles at the metal deck need to be extended for future maintenance access.

Funds are available in the contract budget to cover this increase in cost.

### CONFORMANCE WITH SPECIFICATIONS:

All work shall be done in conformance with the specifications as applied to work of a similar nature.

If the contractor refuses to sign this document, the work listed herein shall be performed on a force account basis.

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**SUBMITTED BY:**

McMurtrey Lince, Inc.

**APPROVED AS TO CONTENT:**

**BY:**  \_\_\_\_\_  
Jim McMurtrey, Vice President & CFO

**BY:** \_\_\_\_\_  
Scott Thygerson, CEO

**APPROVED AS TO FORM:**  
**Legal Services Department**

**BY:**  \_\_\_\_\_  
Phillip Jenkins  
Hospital Counsel

**KERN COUNTY HOSPITAL AUTHORITY**

**BY:** \_\_\_\_\_  
Chairman, Board of Governors  
"KCHA"



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to the Professional Services Agreement #41021 with CBCM Services, Inc., to provide general contracting, maintenance, and repair services.

**Recommended Action:** Make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines; Approve; Authorize Chairman to sign

**Summary:**

Kern Medical is requesting your Board approve the proposed Amendment No. 1 for Professional Services with CBCM Services, Inc., to provide general contracting, maintenance and repair services at Kern Medical and the outpatient clinic spaces. On August 21, 2021, you Board entered into a three (3) year Agreement with CBCM with an expiration date of July 31, 2024. This proposed Amendment would extend the term of the Agreement for an additional three (3) years with the new term expiring on July 31, 2027.

Therefore, it is recommended that your Board a make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines, approve the proposed Amendment no. 1 to the Professional Services Agreement with CBCM Services, Inc., extending the term by three (3) years with a new expiration date of July 31, 2027; and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
PERSONAL/PROFESSIONAL SERVICES AGREEMENT  
(Kern County Hospital Authority– CBCM Services)**

THIS AMENDMENT TO AGREEMENT, effective June 26, 2024, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and CBCM Services ("Consultant") with its principal place of business located at 3232 Chester Lane, Bakersfield, California 93304.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated August 1, 2021 (KCHA Agt. #41021) with a three (3) year term scheduled to expire on July 31, 2024; and

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

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

  X   **Term.** The Agreement shall be extended from August 1, 2024 to July 31, 2027, unless sooner terminated as provided for in the Agreement.

       **Fees** payable by KCHA under the Agreement shall increase by from to

       **Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.

       **Services.** See Exhibits A-1 and B-1, attached hereto and incorporated herein by this reference, for revised Services.

       **Other**

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

IN WITNESS WHEREOF, this Amendment No. 1 to the Agreement has been executed as of the date indicated above.

**KERN COUNTY HOSPITAL AUTHORITY**

**APPROVED AS TO CONTENT:**  
Responsible KCHA Department

By \_\_\_\_\_  
Chairman, Board of Governors  
"KCHA"

By \_\_\_\_\_  
Scott Thygerson, Chief Executive Officer

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

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

**CBCM SERVICES, INC.**

**APPROVED AS TO FORM:**  
Legal Services Department

By Chris Bruff  
Name: Chris Bruff  
Title: President  
"Consultant"

By Philip J. [Signature]  
Hospital Counsel  
Kern County Hospital Authority

Date: 6-7-2024.

Date: 6/10/24.



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Professional Services Agreement 100-2022 with Trans-West Security Services

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

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 1 to the Professional Services Agreement with Trans-West Security for safety and security services. On September 1, 2022, your Board approved a three (3) year agreement with Trans-West in an amount not to exceed \$9,818,826. The proposed Amendment would increase the billable amount to Trans-West for the services of a Site Supervisor from \$38.42 to \$40.22 which will result in an increase of the contract not to exceed amount by \$7,488 through June 30, 2025.

Agreement	Previous Agreements	Proposed Agreement	Variance
Original Agreement	\$9,818,826		
Amendment No. 1		\$9,826,314	\$7,488

Therefore, it is recommended that your Board approve the proposed Amendment No. 1 to Professional Services Agreement with Trans-West Security Services to increase the total contract value from \$9,818,826 to \$9,826,314, an increase of \$7,488, through June 30, 2025; and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Trans West Security Services.)**

THIS AMENDMENT TO AGREEMENT, effective June 26, 2024, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and Trans – West Security Services, Inc. ("Contractor") with its principal place of business located at 8503 Crippen Street, Bakersfield, California 93311.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into an Agreement for Professional Services dated September 21, 2022 (KCHA Agt. #100-2022) ("Agreement"), for the period of September 21, 2022 through June 30, 2025; and

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

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

- \_\_\_ **Term.** The Agreement shall be extended from \_\_\_ to \_\_\_, unless sooner terminated as provided for in the Agreement.
- X **Fees** payable by KCHA under the Agreement for the position of Site Supervisor shall increase from 38.42 to 40.22 an increase of 1.80 an hour for the period from July 1, 2024 through the remainder of the term. For a total increase not to exceed \$7,488.00 for the remainder of the term.
- \_\_\_ **Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
- \_\_\_ **Services.**
- \_\_\_ **Other**

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

IN WITNESS WHEREOF, this Amendment No. 1 to the Agreement has been executed as of the date indicated above.

**KERN COUNTY HOSPITAL AUTHORITY**

**APPROVED AS TO CONTENT:**

Responsible KCHA Department

By \_\_\_\_\_  
Chairman, Board of Governors  
"KCHA"

By \_\_\_\_\_  
Scott Thygerson, Chief Executive Officer

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

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

**TRANS – WEST SECURITY, INC.**

**APPROVED AS TO FORM:**

Legal Services Department

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
"Consultant"

By Phillip Jenkins  
Hospital Counsel  
Kern County Hospital Authority

Date: 6/11/24

Date: June 14, 2024





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

June 26, 2024

**Subject:** Proposed Amendment No. 6 to Correctional Medicine Agreement 718-2016 with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department

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

**Summary:**

Kern Medical is requesting that your Board approve proposed Amendment No. 6 to the Correctional Medicine Agreement with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department, for the provision of medical services to adult inmates and juvenile detainees at county-owned and -operated jail facilities. The Authority, through Kern Medical has provided these services since July 1, 2016. The Agreement is set to expire by its terms on June 30, 2024.

Kern Medical provides correctional medical services on behalf of the Kern County Sheriff's Department and the Kern County Probation Department, to meet the county's obligation to provide healthcare services under Titles 15 and 24 of the California Code of Regulations. The County reimburses the Authority for such services based on a mutually agreed upon annual budget. The proposed Amendment extends the term of the Agreement for two years from July 1, 2024 through June 30 2026, unless the Board of Supervisors selects a replacement provider during that time frame.

Therefore, it is recommended that your Board approve Amendment No. 6 to Correctional Medicine Agreement 718-2016, extending the term for two years from July 1, 2024 through June 30, 2026, and authorize the Chairman to sign.

**AMENDMENT NO. 6  
TO  
CORRECTIONAL MEDICINE AGREEMENT  
(County of Kern – Kern County Hospital Authority)**

This Amendment No. 6 to the Correctional Medicine Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between County of Kern, a political subdivision of the state of California (“County”), on behalf of County Administrative Office (“CAO”), Kern County Sheriff’s Office and Kern County Probation Department (collectively “Responsible County Departments”), and Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”).

**RECITALS**

(a) County and Authority have heretofore entered into a Correctional Medicine Agreement (Kern County Agt. #718-2016, dated June 22, 2016), Amendment No. 1 (Kern County Agt. #148-2019, dated March 26, 2019), Amendment No. 2 (Kern County Agt. #446-2020, dated July 14, 2020), Amendment No. 3 (Kern County Agt. #553-2021, dated September 14, 2021), Amendment No. 4 (Kern County Agt. #347-2022, dated June 14, 2022), and Amendment No. 5 (Kern County Agt. #333-2023, dated June 13, 2023) (the “Agreement”), for the period July 1, 2016 through June 30, 2024, whereby Authority through KMC provides health care services to adult inmates and juvenile wards under the responsibility of Responsible County Departments; and

(b) The Agreement relates solely to services provided by KMC at County-owned and -operated Adult Jail Facilities, which include Central Receiving Facility, Lerdo Pre-Trial Facility, Male Minimum Facility, Female Minimum Facility, and Maximum-Medium; and Juvenile Detention Facilities and Programs, which include Kern Crossroads Facility, Youth Detention Center and incorporated rehabilitative programs, and Camp Erwin Owen; and

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

(d) The Agreement is amended effective July 1, 2024;

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

1. Section 1, Term of Agreement and Records at Termination of Agreement, paragraph 1.1 shall be deleted in its entirety and replaced with the following:

“1.1 Term of Agreement. This Agreement shall be effective as of July 1, 2016, and remain in effect through June 30, 2026, unless the Kern County Board of Supervisors has selected a replacement provider of healthcare services to adult inmates and juvenile wards under the responsibility of Responsible County Departments.”

2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 6 as of the day and year first written above.

COUNTY OF KERN

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Supervisors

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

APPROVED AS TO CONTENT:  
ADMINISTRATIVE OFFICE

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Elsa Martinez  
Interim Chief Administrative Officer

By \_\_\_\_\_  
Scott Thygerson  
Chief Executive Officer

SHERIFF'S OFFICE

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
Donny Youngblood  
Sheriff

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

PROBATION DEPARTMENT

By \_\_\_\_\_  
Bill Dickinson  
Chief Probation Officer

APPROVED AS TO FORM:  
OFFICE OF COUNTY COUNSEL

By \_\_\_\_\_  
Assistant County Counsel



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

June 26, 2024

**Subject:** Proposed Amendment No. 2 to Agreement 554-2021 Medical Services with the County of Kern for Health Care Services at Kern Justice Facility

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

**Summary:**

Kern Medical is requesting that your Board approve the proposed Amendment No. 2 to Agreement 554-2021 for Medical Services with the County of Kern, as represented by the Administrative Office and Kern County Sheriff's Office, for the provision of health care services to adult inmates detained in the Kern Justice Facility, effective July 1, 2024.

Kern Medical provides health care services on behalf of the Kern County Sheriff's Department, to meet the County's obligation to provide health care services under Titles 15 and 24 of the California Code of Regulations to in-custody adult inmates housed in the Kern Justice Facility. The County reimburses the Authority for such services based on a mutually agreed upon annual budget.

The Agreement requires the consent of the California Department of Corrections and Rehabilitation (CDCR) due to the Facility Sublease between the CDCR and the County and the County's certificate of the Tax Certification referenced therein. In order to allow for additional time in the coming years, the Amendment extends the terms of the Agreement for a period of two years from July 1, 2024 through June 30, 2026, unless the Board of Supervisors selects a replacement provider during that time frame. This will allow sufficient time for future amendments to obtain approval prior to the termination date of the amendment. As required by the CDCR, the subordination provision of the Agreement has been amended.

Therefore, it is recommended that your Board approve Amendment No. 2 to Agreement 554-2021 Medical Services for the provision of health care services to in-custody adult inmates at Kern Justice Facility from July 1, 2024 through June 30, 2026, and authorize Chairman to sign.

**AMENDMENT NO. 2  
TO  
KERN COUNTY JUSTICE FACILITY MEDICAL SERVICES AGREEMENT  
(County of Kern – Kern County Hospital Authority)**

This Amendment No. 2 to the Kern County Justice Facility Medical Services Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority (“Authority”), a local unit of government, which owns and operates Kern Medical Center (“KMC”), and County of Kern, a political subdivision of the state of California (“County”), on behalf of County Administrative Office (“CAO”) and Kern County Sheriff’s Office (“Sheriff”).

**RECITALS**

(a) County and Authority have heretofore entered into the Kern County Justice Facility Medical Services Agreement (Kern County Agt. #554-2021, dated September 14, 2021) and Amendment No. 1 (Kern County Agt. #599-2022, dated October 25, 2022) (“Agreement”), for the period July 1, 2021 through June 30, 2024, whereby Authority through KMC provides health care services to in-custody adult inmates housed in the Kern County Justice Facility (“Facility”); and

(b) The Agreement relates solely to services provided by KMC to in-custody adult inmates housed in Facility; and

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

(d) The Agreement is amended effective July 1, 2024;

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

1. Section 1, Term of Agreement and Records at Termination of Agreement, paragraph 1.1 shall be deleted in its entirety and replaced with the following:

“1.1 Term of Agreement. This Agreement will be effective as of July 1, 2021, and remain in effect through June 30, 2026, unless the Kern County Board of Supervisors has selected a replacement provider of healthcare services to adult inmates under the responsibility of Sheriff.”

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

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

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]



IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 2 as of the day and year first written above.

COUNTY OF KERN

By \_\_\_\_\_  
Chairman  
Board of Supervisors

APPROVED AS TO CONTENT:  
ADMINISTRATIVE OFFICE

By \_\_\_\_\_  
Elsa Martinez  
Interim Chief Administrative Officer

SHERIFF'S OFFICE

By \_\_\_\_\_  
Donny Youngblood  
Sheriff

APPROVED AS TO FORM:  
OFFICE OF COUNTY COUNSEL

By \_\_\_\_\_  
Assistant County Counsel

CONSENTED TO (Pursuant to a Facility  
Sublease Dated April 1, 2018, between the  
Department of Corrections and Rehabilitation of  
the state of California and the County of Kern and  
the County certificate to the Tax Certification  
referenced therein)

STATE PUBLIC WORKS BOARD OF THE  
STATE OF CALIFORNIA

By \_\_\_\_\_  
Koreen H. van Ravenhorst  
Deputy Director

DEPARTMENT OF CORRECTIONS AND  
REHABILITATION OF THE STATE OF  
CALIFORNIA

By \_\_\_\_\_  
Chris Lief  
Deputy Director

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

By \_\_\_\_\_  
Scott Thygerson  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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



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

June 26, 2024

**Subject:** Proposed Terms and Conditions with Fenwal, Inc., A Fresenius Kabi Company

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

**Summary:**

Kern Medical is requesting that your Board retroactively approve the attached terms and conditions with Fenwal, Inc., A Fresenius Kabi Company, for the purchase of Anticoagulant Citrate Dextrose Solution (ACD) Formula A for patients who are undergoing Continuous Renal Replacement Therapy (CRRT). The medication is unavailable through alternative providers.

Kern Medical anticipates the cost of the medications to be approximately \$1,500 per year, however, this number will fluctuate depending on the volume of CRRT patients. In order to allow for growth, Kern Medical is requesting approval to purchase up to \$5,000 of medication per year for three years.

This Agreement includes the unchanged non-standard terms of the vendor. Although Counsel attempted to negotiate the terms, the vendor was unwilling to negotiate given the dollar value of the Agreement. Counsel is unable to approve this agreement as to form as it is not governed by California law. In addition, the terms provide for limited indemnification and other provisions which counsel is unable to approve.

Therefore, it is recommended that your Board approve the Terms and Conditions with Fenwal, Inc., A Fresenius Kabi Company for the pharmaceuticals, containing non-standard terms and conditions, in an amount not to exceed \$15,000 from June 26, 2024 to June 25, 2027; and authorize the Chairman to sign.



May 23, 2024

Kern Medical Center  
1700 Mount Vernon Ave.  
Bakersfield, CA 93306**Valid through December 31, 2024**

Dear Sir or Madam:

Fenwal, Inc., a Fresenius Kabi Company ("Fresenius Kabi") is pleased to offer the following price quotation to Kern Medical Center ("Customer").

Product Code	Pack Factor	Description	2024 List Price (Each)	Customer Purchase Price (Each)
4B7891X	14	ACD-A IN 1000ML PLASTICCONTAINER	\$192.78	\$183.88

**General Terms**

Please note Fenwal, Inc. is a Fresenius Kabi company; purchase orders and payments should be addressed directly to Fenwal. Pricing on purchase orders must reflect the pricing above to ensure prompt processing of orders. All prices are subject to change.

Standard Terms and Conditions apply to all purchases and transactions and can be found on the following website:

[https://www.fresenius-kabi.com/us/documents/Terms\\_and\\_Conditions\\_Fenwal\\_Inc.pdf](https://www.fresenius-kabi.com/us/documents/Terms_and_Conditions_Fenwal_Inc.pdf)

**Contact Information**

<b>Sales Contact</b>	Alvaro Esparza Sr. Marketing Analyst 847-550-2713 <a href="mailto:Alvaro.Esparza@fresenius-kabi.com">Alvaro.Esparza@fresenius-kabi.com</a>
<b>Customer Service Inquiries</b> <i>(order placement, order status, product availability)</i>	(800) 333-6925 <a href="mailto:mdservice.usa@fresenius-kabi.com">mdservice.usa@fresenius-kabi.com</a>
<b>Purchase Order Address</b>	Fenwal, Inc. Three Corporate Drive Lake Zurich, IL 60047
<b>Remittance Address and Payment Inquiries</b> <i>(send payment to)</i>	Fenwal, Inc. 26762 Network Place Chicago, IL 60673-1267 <a href="mailto:Remittance.NA@Fresenius-Kabi.com">Remittance.NA@Fresenius-Kabi.com</a>

Thank you for the opportunity to supply you with our quality products and services.

Sincerely,



Sabrina Quitno  
Commercial Operations Analyst

**FENWAL, INC.**  
A Fresenius Kabi Company  
Terms and Conditions

These Terms and Conditions are incorporated by reference and form an integral part of each proposal or agreement between Fenwal, Inc., a Fresenius Kabi Company, and its affiliates ("Fresenius Kabi") and Customer.

1. **ACCEPTANCE.** Fresenius Kabi's acceptance of Customer's purchase order for Fresenius Kabi products ("Products") is subject to these Terms and Conditions ("Terms") and attachments hereto (collectively referred to as "Order"). Any shipment of goods, ordering of supplies or performance of services shall constitute acceptance of these Terms. These Terms and any attachments hereto represent the entire agreement between the parties and no changes are binding unless they are in writing and signed by an authorized representative of Fresenius Kabi. Any references to or attachment of Customer's terms and conditions, or any over stamping on the acknowledgement or invoicing of this Order shall not alter the Terms and shall be expressly objected to by Fresenius Kabi.
2. **OWN USE.** Customer's purchase of Products from Fresenius Kabi under these Terms must be for its "own use" as defined by the United States Supreme Court in the case of Abbott Laboratories, et al., v. Portland Retail Druggist Assoc., Inc., 425 U.S.1 (1976). Fresenius Kabi shall have the right to suspend sales of Products to Customer if Fresenius Kabi suspects a violation of this "own use" provision by Customer.
3. **DELIVERY.** Fresenius Kabi's delivery dates are provided for information purposes only and are non-binding. Fresenius Kabi shall not be liable for late delivery, unless late delivery would be such as to amount to Fresenius Kabi being freed from its obligations to deliver Title to the Products. Risk of loss or damage during shipment passes from Fresenius Kabi to Customer ex works Fresenius Kabi's designated location (then current Incoterms). To the extent permitted by law, Fresenius Kabi shall retain a security interest in the Products until Fresenius Kabi receives payment in full. Customer will be responsible for all shipping and related charges, including expedited shipping and additional charges required in connection with disruptions to shipping lanes and/or changes in fuel prices. To the extent applicable, Fresenius Kabi will ship Products with an expiration date of at least ninety (90) days at the time of shipment unless otherwise approved by Customer. Fresenius Kabi cannot guarantee maximum Product expiration dating on any Products upon delivery. Fresenius Kabi shall not be held accountable for failure or delay of performance under this contract if it is due to force majeure, as described in Section 13, or to any occurrence other than Fresenius Kabi's negligence.
4. **DELIVERY COMPLAINTS.** Customer shall immediately take possession of the Products and inspect them upon delivery. In the event of visible defects or nonconforming orders, Customer shall ensure that this is recorded at the time of delivery. No complaints shall be accepted more than seven (7) days after delivery. Fresenius Kabi will be responsible for hidden defects only if Customer has used reasonable due diligence to detect such defect, and Customer has informed Fresenius Kabi of such defect in writing within seven (7) days of detection, Fresenius Kabi's liability in any case shall be limited to the warranty provided in Section 6.
5. **PRODUCT COMPLAINTS; RECALLS.** In the event of a complaint for non-conforming Products Customer shall notify Fresenius Kabi Quality Assurance: (i) via telephone at 1-800-933-6925; (ii) by emailing a performance report form to [mdpmqa.usa@fresenius-kabi.com](mailto:mdpmqa.usa@fresenius-kabi.com); (iii) faxing a performance report form to 1-888-858-2983; or (iv) submitting an online product performance report at [productperformance.FreseniusKabiUSA.com](http://productperformance.FreseniusKabiUSA.com) (requires membership). If Fresenius Kabi recalls or withdraws from the market a Product shipped to Customer, Customer shall be reimbursed for any monies paid to purchase the Product returned and the direct out-of-pocket costs for performing recall services specifically requested by Fresenius Kabi in writing.
6. **WARRANTIES AND EXCLUSIVE REMEDY.** Fresenius Kabi warrants that all Products furnished hereunder will conform to the applicable specifications, drawings or descriptions and will not be adulterated or misbranded within the meaning of the United States Federal Food, Drug and Cosmetic Act. FRESENIUS KABI HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, RELATED TO PRODUCTS SOLD OR SERVICES PROVIDED BY FRESENIUS KABI, THIRD PARTIES OR AFFILIATES OF FRESENIUS KABI, AS WELL AS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTY OF NON-INFRINGEMENT. If any Products are found and reported within one (1) year (for spare parts, within three (3) months) from date of delivery to have been defective when delivered (any shortcoming which prevent performance to specified standards, if any, set forth in the specifications being deemed a defect) and provided immediate notification in writing is given to Fresenius Kabi, Fresenius Kabi will replace or repair such defects (defects caused by normal wear are excluded from warranty replacement). During repair, risk of loss will remain with Customer. Replacement of Products or parts thereof manufactured or supplied by others is subject to that manufacturer's or supplier's consent. No Products can be returned without Fresenius Kabi's prior written consent. The



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A Fresenius Kabi Company  
Terms and Conditions

remedies of Customer set forth herein are exclusive and the total liability of Fresenius Kabi with respect to the performance or breach of this contract in connection with the manufacture, sale, delivery, installation or repair of the Products hereunder. The technical direction covered by or furnished under this contract is limited to making within the time period set forth above such modifications as may be necessary to achieve performance to specified standards, if any, and to repairing any defective Products that have been identified by Customer. If Fresenius Kabi and Customer are unable to correct a defective or non-conforming Product, Fresenius Kabi's sole liability shall be to repay any portion of the purchase price paid for it upon Customer returning it to Fresenius Kabi. Any modifications to Products without Fresenius Kabi's prior written approval, improper use of Products, whether intentional or unintentional, operation beyond capacity, failure to report to Fresenius Kabi within the warranty period, substitution or addition of components or parts, lack of proper maintenance, abuse, improper installation, or abnormal conditions of temperature, moisture or corrosive matter, or alteration or repair by others in such manner which in Fresenius Kabi's judgment affects the Product materially and adversely shall void the foregoing warranty.

7. **LIMITATION OF LIABILITY.** FRESENIUS KABI WILL NOT BE LIABLE FOR LOST PROFITS, LOSS OF BUSINESS OR OTHER CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY THIRD PARTY. FRESENIUS KABI SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT OR WARRANTIES, ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS, INCLUDING NEGLIGENCE AND STRICT LIABILITY, OR ARISING UNDER ANY OTHER THEORIES OF LAW. FRESENIUS KABI WILL NOT BE LIABLE FOR PRODUCTS NOT BEING AVAILABLE FOR USE OR FOR LOST OR CORRUPTED DATA OR SOFTWARE OR THE PROVISION OF SERVICES BY THIRD PARTIES. FRESENIUS KABI HAS NOT AUTHORIZED ANYONE TO MAKE ANY REPRESENTATIONS OR WARRANTIES ON FRESENIUS KABI'S BEHALF OTHER THAN AS PROVIDED ABOVE. CUSTOMER AGREES THAT FOR ANY LIABILITY RELATED TO THE PURCHASE OF PRODUCTS OR SERVICES PROVIDED DIRECTLY BY FRESENIUS KABI, FRESENIUS KABI WILL NOT BE LIABLE OR RESPONSIBLE FOR ANY AMOUNT OF DAMAGE, LOSS OR CLAIM IN EXCESS OF THE DOLLAR AMOUNT PAID BY CUSTOMER TO FRESENIUS KABI DURING THE SIX (6) MONTHS PRECEDING THE EVENT GIVING RISE TO SUCH LIABILITY. THE FOREGOING WILL NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW.
8. **PRICES.** Prices do not include, and Customer is responsible for, any applicable sales, use, transaction, excise or other similar taxes, and from any federal, state or local fees or charges (including, but not limited to, environmental or similar fees), imposed on, in respect of, or otherwise associated with an Order. Customer must provide Fresenius Kabi with any exemption documentation at or before the time of purchase.
9. **PAYMENT.** Customer shall pay for the Products (including applicable taxes and other charges) within thirty (30) days from the invoice date. Customer agrees to participate in the ACH trade payment programs within the operating guidelines of the National Automated Clearing House Association ("NACHA"). Remittance detail will accompany the actual funds transfer and be processed through the banking system in accordance with the provisions of the NACHA's ACH Rules, Corporate Exchange Format (CTX). Fresenius Kabi will invoice Customer for Products on the date of shipment. Fresenius Kabi reserves the right to charge Customer interest on all past due invoices, one-point five percent (1.5%) per month or the highest rate allowed by law, whichever is less. In addition to any other remedies available to Fresenius Kabi under applicable law or otherwise, in the event of payment default, Customer will be responsible for Fresenius Kabi's reasonable costs of collection, including court costs, filing fees and attorney's fees and Fresenius Kabi reserves the right to place Customer on a credit hold, suspending further shipment of Products or other products until full payment is received or Customer provides payment in advance or payment assurance acceptable to Fresenius Kabi. Customer may not deduct or offset any disputed amounts from Fresenius Kabi's invoice.
10. **TERMINATION OF ORDERS.** In the event Customer terminates an Order accepted by Fresenius Kabi prior to delivery, Customer shall pay Fresenius Kabi twenty percent (20%) of the Order price to cover Fresenius Kabi's fixed and variable costs incurred. Fresenius Kabi may terminate the Order without cause upon thirty (30) days prior written notice to the Customer. Customer shall pay for all Products ordered prior to the date of termination.
11. **RETURN OF PRODUCTS (EXCLUDING DEVICES).** Customer shall obtain return authorization prior to returning Products by calling Fresenius Kabi Customer Service at 1-800-333-6925. If the return is due to a Fresenius Kabi error a credit will be issued to the Customer at one hundred percent (100%) of the original price provided that the Product is returned in new, unused, saleable condition within sixty (60) days of the original shipment date. All other Product returns

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Terms and Conditions

are subject to a restocking fee with Customer responsible for all shipping and freight charges and a credit will be issued to the Customer at eighty percent (80%) of the original price provided that the Product is returned in new, unused, saleable condition within sixty (60) days of original shipment date. Returned Products will not receive a credit under the following conditions: (i) more than sixty (60) days have elapsed since the original shipment date; (ii) Customer excess stock; (iii) Products have expired or are within one hundred twenty (120) days of expiration; (iv) marked, opened or partially used cases; (v) Products that have been discontinued; and/or (vi) Product complaints over sixty (60) days from the date of incidence.

12. **MINIMUM ORDERS.** All Product Orders of less than two hundred fifty dollars (\$250.00) (excluding taxes) shall be subject to a forty-dollar (\$40.00) charge, representing the additional costs of processing, preparing and delivering such Order.
13. **FORCE MAJEURE.** Fresenius Kabi shall be excused from any delay or failure in performance hereunder arising out of causes beyond its reasonable control or without its fault or negligence. Such causes may include, but are not limited to fires, strikes, embargoes, pandemics, epidemics, shortages or unavailability of supplies or raw materials or components from customary sources at customary prices, acts of God, production or delivery problems, labor problems, acts of government, war, sabotage, acts of Customer's inability to secure transportation, national disasters or discontinuance of a product line. Customer agrees that the consequences of the spread of Coronavirus (COVID-19) are outside of Fresenius Kabi's reasonable control, and Fresenius Kabi shall be excused from any delay or failure in performance arising therefrom even if foreseeable.
14. **COMPLIANCE WITH LAWS.** Customer agrees to perform its obligations hereunder in compliance with all applicable laws, rules and regulations. In accordance with applicable law, Customer agrees to report prices paid for Orders (inclusive of any discounts, rebates, and other reductions in price) under any state or federal program that provides cost or charge based reimbursement for Products ordered by Customer. Customer acknowledges and agrees that Products sold under these Terms are solely intended for use within the United States. Customer shall not ship, divert, transship, transfer, export, or re-export any goods, or any component thereof (either by itself or as a part of other goods), outside of the United States in violation of any applicable economic sanctions, (re)export or anti-boycott laws or regulations.
15. **ASSIGNMENT.** Fresenius Kabi shall have the right to assign its rights and obligations under any agreement that is subject to these Terms to a successor, affiliate, or unrelated third party without the consent of any other party. Neither these Terms nor any agreement subject to these Terms or any rights or obligations thereunder may be assigned or transferred by Customer, including by way of merger, consolidation or similar transaction, without the prior written consent of Fresenius Kabi. Subject to the foregoing, these Terms and any agreement subject to these Terms shall be binding upon, enforceable by, and inure to the benefit of such party's respective successors and permitted assigns.
16. **ANTI-BRIBERY; ANTI-CORRUPTION.** Neither party nor its directors, employees, agents or representatives have, directly or indirectly, provided or paid and will not provide or pay commissions, payments, kickbacks, lavish or extensive entertainment or gift, or other inducements of more than minimal value to any employee or agent of the other party in connection with this Agreement. Neither party has, directly or indirectly, provided or paid and neither party will provide or pay any monies or other items of value in violation of, or which may cause either party or their respective affiliates to be in violation of the U.S. Foreign Corrupt Practices Act of 1977, as amended (including the anti-bribery provision thereof) or any similar laws. No officer, director, employee, agent or representative of a party is or shall be an official of the government of any country or political subdivision thereof or regulating agency, and no part of the purchase price, fees or charges hereunder have accrued or shall accrue, in whatever form, for the benefit of any such official.
17. **PROPRIETARY DISCLOSURES.** Customer agrees that quotes, pricing, devices, drawings, data, design, reports and other technical information or any information contained therein, supplied by Fresenius Kabi and relating to this Order are the proprietary property of Fresenius Kabi and such information shall be held in confidence by Customer. Such information shall only be used for the purposes of this Order, and shall not be reproduced, used or disclosed to others without Fresenius Kabi's prior written consent, except as necessary for the performance of this Order. Except with Fresenius Kabi's prior written consent, information which Customer shall have disclosed or may hereafter disclose to Fresenius Kabi in connection with the placement and performance of this Order shall be deemed non-confidential and non-proprietary and Customer agrees not to assert any claims by reason of the use, duplication or disclosure thereof by Fresenius Kabi and/or its successors, assigns or customers. Upon completion of this Order, Customer shall, at Fresenius Kabi's request, either dispose of or return all such quotes, pricing, devices, drawings, data, design, reports



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A Fresenius Kabi Company  
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and other technical information, and all copies, which have been made thereof to Fresenius Kabi. Title to and the right of immediate possession of all property furnished by Fresenius Kabi to Customer for use hereunder, including but not restricted to tooling, designs, patterns, drawings and materials, shall be and remain the property of Fresenius Kabi in all stages of production. Such property shall not be used in the production, manufacture or design of any other articles for Customer or for any other purchases or for manufacture or production of larger quantities than those specified herein, except with the express written consent of Fresenius Kabi. All such property supplied by Fresenius Kabi shall be segregated by Customer in Customer's plant and, wherever possible, clearly marked so as to be easily identified as Fresenius Kabi's property. Customer shall be fully responsible for all such property upon delivery to Customer until redelivery thereof to Fresenius Kabi and shall protect, preserve and maintain such property in accordance with sound industrial practices. Customer shall keep an inventory of all such property in its possession which is furnished by Fresenius Kabi or which becomes the property of Fresenius Kabi and shall furnish copies of such inventories to Fresenius Kabi as may be required. At the completion or termination of this Order all such property, together with all excess materials, shall be returned to Fresenius Kabi or disposed of as Fresenius Kabi shall direct. In the event such property is damaged or made unfit for its intended use, except for reasonable wear and tear or for the authorized use of the property in accordance with the provisions of this Order, Fresenius Kabi's cost of replacement thereof is to be paid by Customer. Customer acknowledges that the Products and other Fresenius Kabi product designs represent Fresenius Kabi's confidential and proprietary intellectual property, and as such, Customer shall not use any images or videos of Fresenius Kabi's Products or other products or any images or videos owned by Fresenius Kabi, including without limitation, for promotional or commercial advertising purposes, without Fresenius Kabi's prior written consent. In addition, Customer may not reverse engineer, disassemble or decompile any Product, software or other products provided by Fresenius Kabi that embody Fresenius Kabi's confidential information without Fresenius Kabi's prior written consent.

18. **INSURANCE.** Customer shall obtain and maintain comprehensive general liability insurance covering each occurrence of bodily injury and property damage in an amount not less than the equivalent of one million dollars (\$1,000,000.00) (or such higher limits as Fresenius Kabi shall reasonably request) with endorsements for Products/completed operations, blanket contractual liability and vendor's liability.
19. **DISCOUNTS.** The parties acknowledge and agree that for purposes of 42 U.S.C. § 1320a-7b(b)(3)(A) and 42 C.F.R. § 1001.952(h), any reduction in the amount Fresenius Kabi charges Customer for the Products pursuant to this contract will constitute a "discount or other reduction in price" to Customer on those Products. With respect to such discounts or other reductions in price, Customer will comply with the "safe harbor" regulation regarding discounts or other reductions in price set forth at 42 C.F.R § 1001.952(h) and/or the requirements of the discount statutory exception at 42 U.S.C. § 1320a-7b(b)(3)(A), including: (i) fully and accurately reporting the specified dollar value of such discounts or reductions in price on the Products in the applicable cost report submitted to any state or federal program; and (ii) providing to the Secretary of the Department of Health and Human Services or a State agency, upon request, certain information and documentation required to be provided relative to the discounts on the Products. If the value of any discount or reduction in price is unknown at the time of sale, Fresenius Kabi will provide such documentation of the discount when it is known which identifies the items purchased to which it applies.
20. **NOTICE.** All notices to Fresenius Kabi must be sent via registered mail to: Fenwal, Inc., a Fresenius Kabi Company, Attention General Counsel, Three Corporate Drive, Lake Zurich, Illinois 60047.
21. **JURISDICTION.** All agreements subject to these Terms shall be deemed to have been entered into in the State of Delaware and their interpretation, construction and enforcement shall be determined pursuant to the laws of that state without giving effect to conflict of laws principles.

KERN COUNTY HOSPITAL AUTHORITY

KERN COUNTY HOSPITAL AUTHORITY

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

By: \_\_\_\_\_  
Scott Thygerson  
Chief Executive Officer

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

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



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

June 26, 2024

**Subject:** Proposed resolution reaffirming commitment of the Board of Governors to patient safety at Kern Medical Center

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

Operations of healthcare providers are high-risk by their nature. Kern Medical Center is determined to achieve consistently safe operations and to create a safe environment for patients, staff and visitors. Studies show a link between a positive safety culture and improved patient safety within a healthcare organization. The Joint Commission defines safety culture as the product of individual and group beliefs, values, attitudes, perceptions, competencies, and patterns of behavior that determine the organization's commitment to quality and patient safety.

On March 18, 2020, your Board adopted Resolution No. 2020-004 affirming its commitment to patient safety at Kern Medical Center. This resolution, among other things, directed staff to develop a Safety Plan including tactics to implement the following safety strategies: Just Culture; Engage Leadership; Increase Communication; Encourage Reporting; and Employee Engagement. This commitment was reaffirmed by your Board on March 17, 2021, by way of Resolution No. 2021-004 and directed staff to resume the development and implementation of a Safety Plan. The attached proposed resolution allows your Board to reaffirm its commitment to patient safety at Kern Medical Center and directs staff to continue implementing a Safety Plan that includes tactics to execute these five identified safety strategies.

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

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In the matter of:

Resolution No. 2024-\_\_\_\_

**REAFFIRMING COMMITMENT OF THE  
BOARD OF GOVERNORS TO PATIENT  
SAFETY AT KERN MEDICAL CENTER**

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I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 26th day of June, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

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

---

Mona A. Allen

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**RESOLUTION**

Section 1. WHEREAS:

(a) The Board of Governors of the Kern County Hospital Authority is the body in whom the final authority and responsibility is vested for the conduct of Kern Medical Center (see Cal. Code Regs., tit. 22, § 70035); and

(b) The quality and safety of care provided by Kern Medical Center staff depends on many factors, including a culture that fosters safety and quality; and

(c) The Joint Commission defines Safety Culture as the sum of what an organization is and does in the pursuit of safety and the product of individual and group beliefs, values, attitudes, perceptions, competencies, and patterns of behavior that determine the organization's commitment to quality and patient safety; and

(d) The Board of Governors acknowledges the high-risk nature of Kern Medical Center's activities and is determined to achieve consistently safe operations and create a safe environment for patients, staff and visitors; and

(e) The Board of Governors acknowledges that in order to be successful, the culture of safety must create a transparent, non-punitive approach to reporting and learning from adverse events, close calls and unsafe conditions; and

(f) The Board of Governors has determined that clear, just and transparent risk-based processes are critical for recognizing and distinguishing human errors and system errors from unsafe, blameworthy actions; and

(g) The Board of Governors acknowledges that collaboration across ranks and disciplines is paramount in finding solutions to safety concerns; and

(h) The Board of Governors recognizes that its body is responsible for facilitating a culture of safety within the organization and is committed to addressing safety concerns and creating a safe environment; and

(i) The Board of Governors is committed to provide a consistent and sustained message about safety throughout the organization; and

(j) On March 18, 2020, the Board of Governors adopted Resolution No. 2020-004 affirming its commitment to patient safety at Kern Medical Center and directed staff to develop a Safety Plan including tactics to implement the following safety strategies: Just Culture; Engage Leadership; Increase Communication; Encourage Reporting; and Employee Engagement, but due to the COVID-19 pandemic such development was placed on hold to allow staff to direct their attention to caring for patients; and

(k) On March 17, 2021, the Board of Governors adopted Resolution No. 2021-004 to reaffirm its commitment to patient safety at Kern Medical Center and directed staff to resume the development and implementation of a Safety Plan; and

(l) The Board of Governors desires to reaffirm its commitment to patient safety at Kern Medical Center.

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

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

2. This Board hereby reaffirms its commitment to patient safety at Kern Medical Center.

3. This Board hereby reaffirms the philosophy that Kern Medical Center strives to be a highly reliable organization and provide a safe environment for patients, staff and visitors.

4. This Board hereby directs staff to continue implementing a Safety Plan that includes tactics to execute the following safety strategies: Just Culture; Engage Leadership; Increase Communication; Encourage Reporting; and Employee Engagement.

5. This Board hereby declares that its commitment to patient safety at Kern Medical Center shall be an ongoing commitment.

6. The provisions of this Resolution shall be effective, in force, and operative as of the 26th day of June, 2024.

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

Kern Medical Center  
Legal Services Department



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Agreement 133-2022 with Igor Garcia-Pacheco, M.D., a contract employee

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

**Summary:**

Kern Medical requests your Board approve Amendment No. 1 to Agreement 133-2022 with Igor Garcia-Pacheco, M.D., for professional medical and administrative services in the Department of Medicine. Dr. Garcia-Pacheco has been employed by Kern Medical since 2019, and serves as the Chief of Inpatient Hospitalist Services. He is board certified in internal medicine with subspecialty certification in critical care medicine.

The proposed Amendment adds Hospitalist Shift Call Coverage compensation to the Agreement. Dr. Garcia-Pacheco will be paid \$500 for 12-hour night call from 7:00 p.m. to 7:00 a.m. An adjustment to the maximum payable of \$100,000 increase has also been made to account for this Hospitalist Shift Call Coverage compensation. The maximum payable will not exceed \$1,960,000 over the three-year term of the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement #133-2022 with Igor Garcia-Pacheco, M.D., for professional medical and administrative services in the Department of Medicine for the period December 2, 2022 through December 1, 2025, adding compensation \$500 for 12-hour night call, increasing the maximum payable by \$100,000, from \$1,860,000 to \$1,960,000, to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Igor Garcia-Pacheco, M.D.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Igor Garcia-Pacheco, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. #133-2022, dated November 16, 2022) (the “Agreement”), for the period December 2, 2022 through December 1, 2025, whereby Physician provides professional medical services in the Department of Medicine and teaching services to resident physicians employed by Authority; and

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

(c) The Agreement is amended effective June 26, 2024;

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

1. Section 5, Compensation Package, paragraph 5.7, Hospitalist Shift Call Coverage, shall be made part of the Agreement as follows:

“5.7 Hospitalist Shift Call Coverage. Authority shall pay Physician a fixed fee in the amount of \$500, less all applicable federal and state taxes and withholdings, for each nighttime, twelve (12) hour scheduled call shift, Monday through Sunday, 7:00 p.m.-7:00 a.m.”

2. Section 5, Compensation Package, paragraph 5.6, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.6 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,960,000 over the three (3) year Term of this Agreement.”

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



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

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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


PHYSICIAN

By   
Igor Garcia-Pacheco, 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

Amend I. Garcia-Pacheco.052924



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology

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

**Summary:**

Kern Medical recommends your Board approve the proposed Amendment No. 1 with Soorena Fatehchehr, M.D., for professional medical services in the Department of Obstetrics and Gynecology. Dr. Fatehchehr, who specializes in urogynecology, serves as faculty in Kern Medical's Division of Urogynecology. Dr. Fatehchehr has provided services at Kern Medical since 2020.

The proposed Amendment appoints Dr. Fatehchehr as the Director of Minimally Invasive Surgery (MIS) for the Department, with an associated stipend of \$24,000 annually. The Amendment is effective June 26, 2024. The maximum payable will increase by \$48,000 and will not exceed \$798,000 over the two-year term.

Therefore, it is recommended that your Board approve Amendment No. 1 Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., for professional medical services in the Department of Obstetrics and Gynecology, effective June 26, 2024, increasing the maximum payable by \$48,000, from \$750,000 to \$798,000, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Soorena Fatehchehr, M.D., Inc.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Soorena Fatehchehr, M.D., Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 4250 Glencoe Avenue, Unit 1114, Marina del Rey, California 90292-5660.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #039-2024, dated March 20, 2024) (“Agreement”), for the period April 1, 2024 through March 31, 2026, for professional medical services in the Department of Obstetrics and Gynecology at KMC and teaching services to resident physicians employed by Authority; and

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

(c) The Agreement is amended effective June 26, 2024;

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 4.8, MIS Director Stipend, shall be made part of the Agreement as follows:

“4.8 MIS Director Stipend. Authority shall pay Contractor a monthly stipend of \$2,000 per month not to exceed \$24,000 annually for services as Minimally Invasive Surgery (MIS) Director for the Department. Payment of the monthly stipend is subject to proration for a partial month.”

2. Section 4, Payment for Services, paragraph 4.3, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.3 Maximum Payable. The maximum payable under this Agreement shall not exceed \$798,000 over the two (2) year term of this Agreement.”


3. Exhibit “A,” Description of Services, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “A,” Description of Services, attached hereto and incorporated herein by this reference.

4. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
5. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
6. 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.
7. Except as provided herein, all other terms, conditions, and covenants of the Agreement shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

SOORENA FATEHCHEHR, M.D., INC.

By   
Soorena Fatehchehr, M.D.  
Its President

KERN COUNTY HOSPITAL AUTHORITY

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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

Amend1.Fatehchehr.052824

**AMENDMENT NO. 1**  
**TO**  
**EXHIBIT “A”**  
**DESCRIPTION OF SERVICES**  
**Soorena Fatehchehr, M.D., Inc.**

Contractor through Group Physicians shall provide clinical, administrative, and teaching services in the Department as follows:

1. **Position Description.** Contractor shall report to the Department Chair; Soorena Fatehchehr, M.D. (“Fatehchehr”), shall serve in the Division of Urogynecology and Pelvic Reconstructive Surgery; Fatehchehr shall serve as faculty in the Department.
2. **Responsibilities.** Contractor shall provide urogynecology services including surgical and nonsurgical management of the full range of urogynecologic conditions. Responsibilities include teaching medical students and resident physicians, and the clinical care of patients with urogynecologic conditions in need of pelvic reconstructive surgery and other gynecologic disorders. Responsibilities may also include appropriate mentorship of new faculty under the direction of the Department Chair.
3. **Coverage.** Contractor shall provide services in the inpatient and outpatient settings, which services shall include, without limitation, mutually agreed upon days comprised of no fewer than eight (8) hours per day of clinic time, procedures, surgery, hospital rounds, teaching activities, and administrative responsibilities.
4. **Medical Education.** Contractor shall provide medical education including (i) didactic lectures and (ii) education, evaluation and mentoring of medical students and resident physicians in the clinic setting. Contractor shall coordinate and cooperate with educational activities through the Department Chair and/or residency Program Director.
5. **Didactic Teaching.** Contractor shall provide didactic lectures as mutually agreed upon between Contractor and the Department Chair and/or residency Program Director.
6. **Administrative Duties.** Contractor shall participate in Department and hospital quality improvement program and research activities as required by the KMC Medical Staff Bylaws, Rules, Regulations, and policies.
7. **Director, Minimally Invasive Surgery (MIS) Responsibilities (effective May 1, 2024).**
  - Develops, maintains and monitors the growth of the MIS program for the Department
  - Directs and implements the Department MIS objectives and initiatives
  - Develops infrastructure and monitors all MIS efforts of the Department and academic training program standards
  - Develops and executes MIS operational strategies in compliance with applicable laws and regulations
  - Develops and maintains an internal and external network to facilitate collaboration and successful MIS execution
  - Presents and discusses MIS program-related information (e.g., reports, functional strategies, etc.) in Department meetings

- Undertakes Director responsibilities in coordination with the Department Chair and Program Director

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

June 26, 2024

**Subject:** Proposed Amendment No. 7 to Agreement 2016-030 with Valley Neurosurgery and Neurorestoration Center, A Professional Corporation

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

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 7 to Agreement 2016-030 with Valley Neurosurgery and Neurorestoration Center, A Professional Corporation, an independent contractor, for neurological surgery services. Valley Neurosurgery has provided services at Kern Medical since 2016.

The proposed Amendment extends the term of the Agreement for an additional three years from July 1, 2024 through June 30, 2027. Extending the term will require an increase to the maximum payable by \$1,127,920, from \$6,622,080 to \$7,750,000, to cover the term.

Therefore, it is recommended that your Board approve Amendment No. 7 to Agreement 2016-030 with Valley Neurosurgery and Neurorestoration Center, A Professional Corporation, for neurological surgery services for the period July 1, 2016 through June 30, 2024, extending the term for three years from July 1, 2024 through June 30, 2027, increasing the maximum payable by \$1,127,920, from \$6,622,080 to \$7,750,000, and authorize the Chairman to sign.

**AMENDMENT NO. 7  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Valley Neurosurgery)**

This Amendment No. 7 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Valley Neurosurgery and Neurorestoration Center, A Medical Corporation, a California professional medical corporation (“Contractor”), with its principal place of business located at 309 Grand Avenue, South Pasadena, California 91030.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #2016-030, dated June 22, 2016), Amendment No. 1 (Agt. #2017-048, dated July 19, 2017), Amendment No. 2 (Agt. #072-2017, dated October 18, 2017), Amendment No. 3 (Agt. #44819, dated October 8, 2019), Amendment No. 4 (Agt. #005-2020, dated February 12, 2020), Amendment No. 5 (Agt. #023-2021, dated April 21, 2021), and Amendment No. 6 (Agt. #082-2023, dated June 21, 2023) (collectively, the “Agreement”), for the period July 1, 2016 through June 30, 2024, whereby Contractor provides professional medical services in the Department of Surgery at KMC and teaching services to resident physicians employed by Authority; and

(b) Pursuant to Section 1 of the Agreement, the Agreement shall renew automatically for successive three (3) year periods (each, a “Renewal Term”); and

(c) The Renewal Term shall commence as of July 1, 2024, and shall end June 30, 2027, unless earlier terminated pursuant to other provisions of the Agreement as stated therein; and

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

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

(f) The Agreement is amended effective July 1, 2024;

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 4.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$7,750,000 over the period of the Renewal Term from July 1, 2024 through June 30, 2027.”

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

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

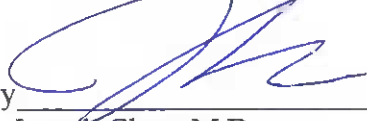
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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

VALLEY NEUROSURGERY AND  
NEURORESTORATION CENTER,  
A MEDICAL CORPORATION

By   
\_\_\_\_\_  
Joseph Chen, M.D.  
Its President

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

Amend7.Valley Neurosurgery.052824



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

June 26, 2024

**Subject:** Proposed Amendment No. 2 to Agreement 022-2021 with Acute Care Surgery Medical Group, Inc.

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

**Summary:**

Kern Medical requests your Board approve Amendment No. 2 to Agreement 022-2021 with Acute Care Surgery Medical Group, Inc. ("Group"), an independent contractor, for the provision of clinical and administrative services in the Department of Surgery required to develop and manage the General Surgery Program and establish the Residency Program in the Department of Surgery.

The proposed Amendment extends the term of the Agreement by two years from July 1, 2025 through June 30, 2027; incorporates compensation to include a daily rate of \$2,600 per 24 hours for services in the outpatient clinic, OR and weeknight call, an hourly rate of \$250 per hour for unscheduled clinic or OR coverage, \$250 per 12 hours for weekday call coverage, and \$350 per 24 hours of weekend call coverage; includes changes to the insurance and indemnification requirements; and increases the maximum payable under the Agreement by \$8,500,000, from \$18,394,210 to \$26,894,210, to cover the term.

Therefore, it is recommended that your Board approve Amendment No. 2 to Agreement 022-2021 with Acute Care Surgery Medical Group, Inc., for the provision of clinical and administrative services in the Department of Surgery for the period July 1, 2021 through June 30, 2025, extending the term for two years from July 1, 2025 through June 30, 2027, adding compensation for outpatient clinic, OR, weekday, weeknight, and weekend coverage, revising the insurance and indemnification requirements, increasing the maximum payable by \$8,500,000, from \$18,394,210 to \$26,894,210, to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 2  
TO  
GENERAL SURGERY AND RESIDENCY PROGRAM DEVELOPMENT AND  
MANAGEMENT AGREEMENT**

This Amendment No. 2 to the General Surgery and Residency Program Development and Management Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Acute Care Surgery Medical Group, Inc. (“Medical Group”).

**RECITALS**

(a) Authority and Medical Group have heretofore entered into the General Surgery and Residency Program Development and Management Agreement (Agt. #022-2021, dated April 21, 2021) (“Agreement”), for the period July 1, 2021 through June 30, 2025, for the provision of clinical and administrative services required to develop and manage the General Surgery Program and establish the Residency Program in the Department of Surgery at KMC; and

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

(c) The Agreement is amended effective June 26, 2024;

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

1. Section 1, Summary of Terms, paragraph 1.2, Expiration Date, shall be deleted in its entirety and replaced with the following:

**“1.2 Expiration Date.** This Agreement shall expire on June 30, 2027.”

2. Section 2, Medical Group’s Services, paragraph 2.14, Expenses, shall be deleted in its entirety and replaced with the following:

**“2.14 Expenses.** Neither Medical Group nor any Physician shall incur any financial obligation on behalf of Hospital without Hospital’s prior written consent, which consent shall be in Hospital’s sole and absolute discretion. Except as otherwise specifically provided in this Agreement, Hospital shall have no responsibility for the following: (a) Physician compensation and benefits; (b) professional license fees and professional association membership fees and dues; (c) professional conventions and meetings; (d) professional liability insurance; or (e) any compensation attributable to any employees, subcontractors, or back-up physicians engaged by Medical Group or a Physician.”

3. Section 5, Compensation and Billing, paragraph 5.1, Compensation, subparagraph (a), Compensation for General Surgery Program Services, Administrative Services, and Residency Program Director Services, shall be deleted in its entirety and replaced with the following:

**“5.1 Compensation.** As payment for the General Surgery Program Services, Administrative Services, and Residency Program Director Services provided pursuant to this Agreement, Hospital shall pay to Medical Group the following compensation:

**(a) Compensation for General Surgery Program Services, Administrative Services, and Residency Program Director Services.**

(1) In exchange for the performance of the General Surgery Program Services, Administrative Services, and Residency Program Director Services described in this Agreement, Hospital shall pay to Medical Group the following sums:

- ***Fifty-Eight Thousand Two Hundred Fifty-Eight Dollars (\$58,258.00)*** per month for each Physician full-time equivalent (“Physician FTE”) that provides General Surgery Program Services pursuant to this Agreement;
- ***Fifty-Eight Thousand Two Hundred Fifty-Eight Dollars (\$58,258.00)*** per month for the Residency Program Director; and
- ***Fifteen Thousand Nine Hundred Eighty-Four Dollars (\$15,984.00)*** per month for each APP full-time equivalent (“APP FTE”) that provides General Surgery Program Services pursuant to this Agreement.
- ***Two Thousand Six Hundred Dollars (\$2,600)*** (“Daily Rate”) per twenty-four (24) hours of General Surgery Program Services that includes outpatient clinic, OR, and weeknight call coverage.
- ***Two Hundred Fifty Dollars (\$250)*** per hour for unscheduled clinic or OR coverage when a Physician FTE is not scheduled to provide General Surgery Program Services.
- ***Two Hundred Fifty Dollars (\$250)*** per twelve (12) hours for weekday night (Monday-Friday) call coverage when a Physician FTE is not scheduled to provide General Surgery Program Services.
- ***Three Hundred Fifty Dollars (\$350)*** per twenty-four (24) hours of weekend (Saturday and Sunday) call coverage.

For purposes of this Agreement, a Physician FTE shall be equal to 46 weeks of availability per year, and an APP FTE shall be equal to one thousand seven hundred seventeen (1,717) hours per year. Compensation for each Physician, APP, and the Residency Program Director shall commence on each provider’s first day providing services pursuant to this Agreement, and shall be subject to pro-ration for both partial months and partial FTEs. On each anniversary of the Effective Date, the Monthly Stipend shall be increased by Three Percent (3%) for the subsequent year.

(2) If Medical Group engages a Physician to provide General Surgery Program Services pursuant to this Agreement who was introduced to Medical Group by Hospital, then Medical Group shall credit Hospital the amount of Twenty-Two Thousand Dollars (\$22,000.00) per year for each such Physician. This amount shall be credited to Hospital by reducing the monthly amount payable to Medical Group for each such Physician by One Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three Cents (\$1,833.33) per month for each month such Physician provides services on behalf of Medical Group pursuant to this Agreement. Physicians shall be considered to have been introduced to Medical Group by Hospital if Medical Group has not contacted the Physician about providing services at Hospital prior to Hospital's provision of the Physician's name and contact information to Medical Group.

(3) Neither Medical Group nor any Physician shall receive compensation for providing services to Hospital not contemplated in this Agreement, unless such services are the subject of a separate agreement between the parties.

(4) During the term of this Agreement, Medical Group shall record the actual number of days worked by Physicians on an invoice ("General Surgery Program Invoice"). On a monthly basis, Medical Group shall deliver to Hospital completed and signed copies of the General Surgery Program Invoice within fifteen (15) days after the end of each calendar month during the term of this Agreement. Each General Surgery Program Invoice shall contain, at a minimum, the names of Physicians who provided services and the dates each Physician provided services during the prior month. The compensation described in this Article 5 shall be due and payable upon Hospital's receipt of the General Surgery Program Invoice."

4. Section 5, Compensation and Billing, paragraph 5.10, Maximum Payable, shall be deleted in its entirety and replaced with the following:

**"5.10 Maximum Payable.** The maximum payable under this Agreement shall not exceed twenty-six million eight hundred ninety-four thousand two hundred ten dollars (\$26,894,210) over the six (6) year term of this Agreement."

5. Section 6, Term and Termination, paragraph 6.2, Early Termination, paragraph (a), Immediate Termination by Hospital, shall be deleted in its entirety and replaced with the following:

**"(a) Immediate Termination by Hospital.** Hospital may terminate this Agreement immediately by written notice to Medical Group upon the occurrence of any of the following events:

(1) Medical Group's misrepresentation of any material fact referenced in Section 2.7 of this Agreement (Representations and Warranties);

(2) Failure of Medical Group to remove a Physician after requested by Hospital pursuant to Section 7 (Removal of a Physician);



(3) Medical Group's unauthorized disclosure of Patient Information or Hospital Information, as defined in Section 12 (Confidentiality);

(4) Medical Group's failure to obtain or maintain professional liability insurance for Medical Group, Physicians or APPs, as required in Section 14 (Insurance and Indemnification);

(5) Loss or restriction of Hospital's license or accreditation, or destruction of Hospital or the portion(s) thereof dedicated to the operation of the General Surgery Program, such that Hospital is not able to continue the uninterrupted operation of the General Surgery Program;

(6) Either party becomes insolvent or declares bankruptcy;

(7) Closure of the Hospital's Surgical Services or sale or closure of Hospital, so long as Hospital provides Medical Group with at least thirty (30) days' advanced notice of such sale or closure; or

(8) The dissolution or discontinuance of the operations of Medical Group."

6. Section 14, Insurance and Indemnification, shall be deleted in its entirety and replaced with the following:

#### **"SECTION 14. INSURANCE AND INDEMNIFICATION**

**14.1 Professional Liability Insurance.** Medical Group shall maintain, at its sole expense, a policy or policies of professional liability insurance that covers any acts of Physicians' and APPs' professional negligence. The limits of liability for Medical Group and each Physician shall be at least \$1,000,000 per claim/\$3,000,000 annual aggregate, and the limits of liability for all APPs shall be at least \$1,000,000 per claim/\$3,000,000 annual aggregate. If coverage is provided on a claims-made policy, Medical Group further agrees to maintain continuous coverage, by either obtaining "tail" insurance from the preceding carrier, or "nose" coverage from the subsequent carrier, through the term of this Agreement, as well as any extensions or renewals, and for a period thereafter of not less than five (5) years. In addition, with respect to any Physician or APP who terminates employment or other association with Medical Group for any reason, Medical Group shall secure tail coverage for a period of not less than five (5) years for claims and losses in connection with services rendered by any such Physician or APP prior to such termination. Medical Group may satisfy this requirement by assuring that the terminating Physician or APP maintains insurance with a retroactive date prior to or coinciding with the first date of employment or other association with Medical Group; provided, however, that upon termination of any such insurance for any reason, Medical Group shall procure its own tail coverage. Hospital shall not have any responsibility to pay, or reimburse Medical Group for such tail insurance coverage that is the obligation of Medical Group, or the departing Physician or APP. Medical Group shall provide proof of

current insurance and will, in the event of modification, termination, expiration or cancellation of any of the required policies of insurance, give Hospital written notice within five (5) business days.

**14.2 Business Insurance.** With respect to performance of work under this Agreement, Medical Group shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in **Exhibit 14.1**, attached hereto.

**14.3 Insurance Related to Administrative Services.** With respect to Administrative Services provided under this Agreement, Medical Director and Residency Program Director shall be included in Hospital's standard policy of insurance or self-insurance in amounts not less than \$1,000,000 per claim/\$3,000,000 annual aggregate. This insurance shall be applicable only to Administrative Services and not to any professional services provided by Medical Director or Residency Program Director.

**14.4 Indemnification Generally.** Each party (the "Indemnifying Party") agrees to defend, indemnify, and hold harmless the other party (the "Indemnified Party") and its directors, trustees, members, shareholders, partners, officers, employees and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense or claim for injury or damages is caused by or results from the negligence or intentional acts or omissions of the Indemnifying Party or its directors, trustees, members, shareholders, partners, officers, employees or agents.

**14.5 Indemnification Related to PHI.** Each party agrees to indemnify and defend, and hold harmless the other party, its affiliates, and any of its or their officers, directors, attorneys, agents or employees, from all claims, costs (including costs of settlement and attorneys' fees), losses, damages, liabilities and penalties arising from or connected with the breach by the Indemnifying Party, or any of its officers, directors, agents, subcontractors or employees, of its obligations under the Agreement with respect to PHI. The foregoing sentence shall not apply to (i) any Civil Monetary Penalties (or any other claims, costs, losses, damages, liabilities, fines or penalties which are derivative of a Civil Monetary Penalty) levied by the Office of the Inspector General, the Department of Health and Human Services, or any other agency or governing body possessing the power to levy such penalties, nor to (ii) any claims, costs, losses, damages, liabilities, fines or penalties levied by the state of California for violations of state law."

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

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

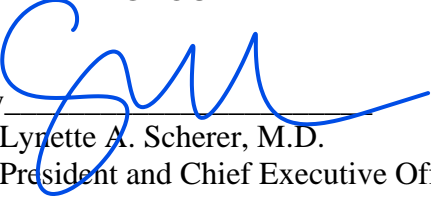
9. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 2  
as of the day and year first written above.

MEDICAL GROUP

By   
Lynette A. Scherer, M.D.  
President and Chief Executive Officer  
Acute Care Surgery Medical Group, Inc.

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Scott Thygerson  
Chief Executive Officer  
Kern County Hospital Authority

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Agreement 033-2021 with Acute Care Surgery Medical Group, Inc., an independent contractor, for the provision of non-urgent general surgery services in the Department of Surgery

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

**Summary:**

Kern Medical requests your Board approve Amendment No. 1 to Agreement 033-2021 with Acute Care Surgery Medical Group, Inc. ("Group"), for the provision of non-urgent general surgery services in the Department of Surgery.

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The proposed Amendment extends the term by three years from July 1, 2024 through June 30, 2027, includes changes to the insurance and indemnification requirements, and increases the maximum payable by \$750,000, from \$750,000 to \$1,500,000, to cover the extended term.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 033-2021 with Acute Care Surgery Medical Group, Inc., for the provision of non-urgent general surgery services in the Department of Surgery for the period July 1, 2021 through June 30, 2024, extending the term by three years from July 1, 2024 through June 30, 2027, revising the insurance and indemnification requirements, increasing the maximum payable by \$750,000, from \$750,000 to \$1,500,000, to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
NON-URGENT GENERAL SURGERY COVERAGE AGREEMENT**

This Amendment No. 1 to the Non-Urgent General Surgery Coverage Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Acute Care Surgery Medical Group, Inc. (“Medical Group”).

**RECITALS**

(a) Authority and Medical Group have heretofore entered into the Non-Urgent General Surgery Coverage Agreement (Agt. #033-2021, dated June 16, 2021) (“Agreement”), for the period July 1, 2021 through June 30, 2024, for the provision of non-urgent general surgery services in the Department of Surgery at KMC; and

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

(c) The Agreement is amended effective July 1, 2024;

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

1. Section 1, Summary of Terms, paragraph 1.2, Expiration Date, shall be deleted in its entirety and replaced with the following:

**“1.2 Expiration Date.** This Agreement shall expire on June 30, 2027.”

2. Section 2, Medical Group’s Services, paragraph 2.10, Expenses, shall be deleted in its entirety and replaced with the following:

**“2.10 Expenses.** Neither Medical Group nor any Physician shall incur any financial obligation on behalf of Hospital without Hospital’s prior written consent, which consent shall be in Hospital’s sole and absolute discretion. Except as otherwise specifically provided in this Agreement, Hospital shall have no responsibility for the following: (a) Physician compensation and benefits; (b) professional license fees and professional association membership fees and dues; (c) professional conventions and meetings; (d) professional liability insurance; or (e) any compensation attributable to any employees, subcontractors, or back-up physicians engaged by Medical Group or a Physician.”

3. Section 5, Compensation and Billing, paragraph 5.10, Maximum Payable, shall be deleted in its entirety and replaced with the following:

**“5.10 Maximum Payable.** The maximum payable under this Agreement shall not exceed one million five hundred thousand dollars (\$1,500,000) over the six (6) year term of this Agreement.”

4. Section 6, Term and Termination, paragraph 6.2, Early Termination, paragraph (a), Immediate Termination by Hospital, shall be deleted in its entirety and replaced with the following:

“(a) **Immediate Termination by Hospital.** Hospital may terminate this Agreement immediately by written notice to Medical Group upon the occurrence of any of the following events:

(1) Medical Group’s misrepresentation of any material fact referenced in Section 2.3 of this Agreement (Representations and Warranties);

(2) Failure of Medical Group to remove a Physician after requested by Hospital pursuant to Section 7 (Removal of a Physician);

(3) Medical Group’s unauthorized disclosure of Patient Information or Hospital Information, as defined in Section 12 (Confidentiality);

(4) Medical Group’s failure to obtain or maintain professional liability insurance for Medical Group or Physicians, as required in Section 14 (Insurance and Indemnification);

(5) Loss or restriction of Hospital’s license or accreditation, or destruction of Hospital or the portion(s) thereof dedicated to the operation of the General Surgery Program, such that Hospital is not able to continue the uninterrupted operation of the General Surgery Program;

(6) Either party becomes insolvent or declares bankruptcy;

(7) Closure of the Hospital’s Surgical Services or sale or closure of Hospital, so long as Hospital provides Medical Group with at least thirty (30) days’ advanced notice of such sale or closure; or

(8) The dissolution or discontinuance of the operations of Medical Group.”

5. Section 14, Insurance and Indemnification, shall be deleted in its entirety and replaced with the following:

**“SECTION 14. INSURANCE AND INDEMNIFICATION**

**14.1 Professional Liability Insurance.** Medical Group shall maintain, at its sole expense, a policy or policies of professional liability insurance that covers any acts of Physicians' and APPs' professional negligence. The limits of liability for Medical Group and each Physician shall be at least \$1,000,000 per claim/\$3,000,000 annual aggregate, and the limits of liability for all APPs shall be at least \$1,000,000 per claim/\$3,000,000 annual aggregate. If coverage is provided on a claims-made policy, Medical Group further agrees to maintain continuous coverage, by either obtaining "tail" insurance from the preceding carrier, or "nose" coverage from the subsequent carrier, through the term of this Agreement, as well as any extensions or renewals, and for a period thereafter of not less than five (5) years. In addition, with respect to any Physician or APP who terminates employment or other association with Medical Group for any reason, Medical Group shall secure tail coverage for a period of not less than five (5) years for claims and losses in connection with services rendered by any such Physician or APP prior to such termination. Medical Group may satisfy this requirement by assuring that the terminating Physician or APP maintains insurance with a retroactive date prior to or coinciding with the first date of employment or other association with Medical Group; provided, however, that upon termination of any such insurance for any reason, Medical Group shall procure its own tail coverage. Hospital shall not have any responsibility to pay, or reimburse Medical Group for such tail insurance coverage that is the obligation of Medical Group, or the departing Physician or APP. Medical Group shall provide proof of current insurance and will, in the event of modification, termination, expiration or cancellation of any of the required policies of insurance, give Hospital written notice within five (5) business days.

**14.2 Business Insurance.** With respect to performance of work under this Agreement, Medical Group shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in **Exhibit 14.1**, attached hereto.

**14.3 Indemnification Generally.** Each party (the "Indemnifying Party") agrees to defend, indemnify, and hold harmless the other party (the "Indemnified Party") and its directors, trustees, members, shareholders, partners, officers, employees and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense or claim for injury or damages is caused by or results from the negligence or intentional acts or omissions of the Indemnifying Party or its directors, trustees, members, shareholders, partners, officers, employees or agents.

**14.4 Indemnification Related to PHI.** Each party agrees to indemnify and defend, and hold harmless the other party, its affiliates, and any of its or their officers, directors, attorneys, agents or employees, from all claims, costs (including costs of settlement and attorneys' fees), losses, damages, liabilities and penalties arising from or connected with the breach by the Indemnifying Party, or any of its officers, directors, agents, subcontractors or employees, of its obligations under the Agreement with respect to PHI. The foregoing sentence shall not apply to (i) any Civil Monetary Penalties (or any other claims, costs, losses, damages, liabilities, fines or penalties which are derivative



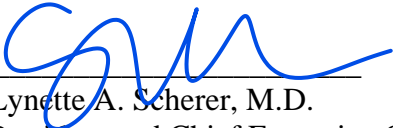
of a Civil Monetary Penalty) levied by the Office of the Inspector General, the Department of Health and Human Services, or any other agency or governing body possessing the power to levy such penalties, nor to (ii) any claims, costs, losses, damages, liabilities, fines or penalties levied by the state of California for violations of state law.”

6. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
7. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
8. 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.
9. Except as provided herein, all other terms, conditions, and covenants of the Agreement shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

MEDICAL GROUP

By   
Lynette A. Scherer, M.D.  
President and Chief Executive Officer  
Acute Care Surgery Medical Group, Inc.

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Scott Thygerson  
Chief Executive Officer  
Kern County Hospital Authority

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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



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

June 26, 2024

**Subject:** Proposed Agreement with Abbas S. Ali, M.D., a contract employee

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

**Summary:**

Kern Medical requests that your Board approve the proposed Agreement with Abbas S. Ali, M.D., a contract employee, for professional medical services in the Department of Medicine, Division of Cardiology. Dr. Ali is fellowship trained and board certified as an invasive cardiologist.

The proposed Agreement is for a term of three years from August 24, 2024 through August 23, 2027. Dr. Ali's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided by Dr. Ali. In addition to his annual salary of \$530,000, Dr. Ali will receive compensation for his worked RVU productivity incentive at a rate of \$66.89 for any RVUs generated in excess of 7,923 per employment year, excess 1:4 call coverage at a rate of \$250 per 24-hour day (Monday-Friday) and \$500 per 24-hour day (Saturday and Sunday) as well as after-hours clinic coverage hours at a rate of \$150 per hour. Dr. Ali will receive the same complement of benefits as all employed physicians, including participation in the physicians' pension plan, health care coverage, vacation and sick leave, education days and CME reimbursement, and the option to elect voluntary benefits at no cost to Kern Medical.

Therefore, it is recommended that your Board approve the Agreement with Abbas S. Ali, M.D., for professional medical services in the Department of Medicine from August 24, 2024 through August 23, 2027, in an amount not to exceed \$2,350,000, plus applicable benefits, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Abbas S. Ali, M.D.)**

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Abbas S. Ali, M.D. (“Physician”).

**I.  
RECITALS**

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

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

(c) Physician is specially trained, experienced, expert, and competent to perform such services;

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

**II.  
TERMS AND CONDITIONS**

1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of three (3) years, commencing as of August 24, 2024 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

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

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

4. **Obligations of Physician.**

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

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

4.3 **Qualifications.**

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

4.3.2 **Board Certification.** Physician shall be board certified by the American Board of Internal Medicine in internal medicine-general and cardiovascular disease-subspecialty, and maintain such certifications at all times during the Term of this Agreement.

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

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

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

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

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC Medical Staff Bylaws, Rules, Regulations, and policies, the standards for physicians established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

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

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

time to time and to otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC Medical Staff Bylaws, Rules, Regulations, and Policies. Documentation by Physician shall conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

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

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

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

provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

## **5. Compensation Package.**

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

5.1.1 Annual Salary. Authority shall pay Physician an Annual Salary of \$20,384.61 biweekly not to exceed \$530,000 annually.<sup>2</sup> The Annual Salary shall be comprised of (i) a base salary for teaching and administrative services and (ii) payment for care of KMC patients. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey (“MGMA Survey”) for specialty and (ii) Physician will maintain a median level (50th percentile) of worked relative value units (“Worked RVU”) based on the current MGMA Survey and fulfill all the duties set forth in Exhibit “A” during the Term of this Agreement.

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

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

5.2 Worked RVU Productivity Incentive. Physician shall be compensated for each Worked RVU at the rate of \$66.89 (“RVU Effort”), less all applicable federal and state taxes and withholdings, for each Worked RVU in excess of 7,923 generated per Employment Year.

5.3 Excess Call Coverage. Authority shall pay Physician for diagnostic cardiology excess call coverage as follows: (i) Physician shall be paid a fixed fee of \$500, less all applicable federal and state taxes and withholding requirements, per twenty-four (24) hour day for every weekend and holiday of call coverage assigned that exceeds one in four (1:4) days (Saturday and Sunday; designated Authority holidays only); and (ii) Physician shall be paid a fixed fee of \$250, less all applicable federal and state taxes and withholding requirements, for every weekday night of call coverage assigned that exceeds one in four (1:4) days (Monday-Friday).

5.4 After-hours Clinic Coverage. Authority shall pay Physician an hourly rate of \$150 per hour, less all applicable federal and state taxes and withholdings, for after-hours clinic coverage (defined as scheduled appointments in the outpatient clinics on weekends or after 5:00 p.m. on weekdays).

5.5 Starting Bonus.

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<sup>2</sup> The Annual Salary of \$530,000 set forth in subparagraph 5.1.1 is inclusive of one in four (1:4) call coverage.



5.5.1 Bonus. Physician shall receive a starting bonus in the amount of \$25,000, less all applicable federal and state taxes and withholdings, payable within ten (10) business days of the Commencement Date. Physician shall forfeit the starting bonus if he fails to report to work on the Commencement Date.

5.5.2 Repayment. In the event that Physician voluntarily terminates his employment with Authority for any reason whatsoever before the first anniversary of this Agreement, Physician will repay to Authority an amount equal to \$25,000 multiplied by the fraction, the numerator of which is 365 less the number of days during which Physician was employed by Authority, and the denominator of which is 365. Such repayment shall be made by Physician in full within thirty (30) days of the effective date of her termination of employment with Authority.

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

## 5.6 Professional Fee Billing.

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

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

5.7 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$2,350,000 over the three (3) year Initial Term of this Agreement.

## 6. Benefits Package.

6.1 Retirement. Physician shall participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been

established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

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

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

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

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

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

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

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

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

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

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

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

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

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

6.15 Relocation Reimbursement. Authority shall reimburse Physician for actual relocation expenses (defined as the packing, moving and unpacking of household goods and vehicles) and travel expenses (defined as lodging, meals, mileage and incidental expenses) associated in moving to Bakersfield, California, in an amount not to exceed \$25,000, payable in arrears, in accordance with Authority policy (no later than 90 days from the Commencement Date). Reimbursement of travel expenses will include per mile reimbursement for one (1) personal vehicle at the current privately owned vehicle (POV) mileage reimbursement rate established by the U.S. General Services Administration, meals and incidental expenses for Physician only at the current domestic per diem rates established by the U.S. General Services Administration for Kern County, and reasonable hotel accommodations not to exceed the maximum allowable reimbursement rate including taxes established by Authority. Physician shall be deemed vested in reimbursement of relocation expenses in the amount of \$694.45 per month beginning on the last day of the month in which the relocation expenses are reimbursed to Physician. In the event Physician's employment is terminated by either party, with or without cause, then, on the effective date of such termination, Physician shall repay to Authority all amounts received in which Physician has not yet become vested.<sup>3</sup>

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

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<sup>3</sup> By way of example only, in the event Physician terminates his employment after eighteen (18) months then Physician will be vested to the extent of \$12,500 in the relocation expenses described herein and will be obligated to repay Authority the amount of \$12,500. **In the event Physician fails to pay such amount to Authority, Physician expressly grants to Authority the right to offset any amounts owed to Authority against any payments made to Physician by Authority.**

7. **Assignment.** Physician shall not assign or transfer this Agreement or his obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.
8. **Assistance in Litigation.** Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.
9. **Authority to Incur Financial Obligation.** It is understood that Physician, in his performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.
10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.
11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.
12. **Compliance with Law.** Physician shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.
13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that he receives in the course of his employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.
14. **Conflict of Interest.** Physician covenants that he has no interest and that he will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of his services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.
15. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
16. **[Reserved.]**
17. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or

permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than the Practice Sites without approval by the Kern County Hospital Authority Board of Governors, including, without limitation, activities outside KMC or beyond the scope of this Agreement, and, provided further, that Authority shall have no duty or obligation to defend, indemnify, or hold Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

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

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

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

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

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

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

Notice to Physician:

Abbas S. Ali, M.D.  
626 Jones Avenue  
Morgantown, West Virginia 26505

Notice to Authority:

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

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

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

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

28. **Termination.**

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

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving

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

29. **Effect of Termination.**

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

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

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

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

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

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

PHYSICIAN

By Ali  
Abbas S. Ali, M.D.

KERN COUNTY HOSPITAL AUTHORITY

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

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Scott Thygeron  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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

Agreement.Ali.051624



**EXHIBIT “A”**  
**JOB DESCRIPTION**  
**Abbas S. Ali, M.D.**

**Position Summary:** Reports to Chair, Department of Medicine and Chief, Division of Cardiology; serves as a full-time faculty member in the Department providing no fewer than eighty (80) hours per biweekly pay period; works collaboratively with clinic and surgery staff as well as hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

**Essential Functions:**

1. Clinical Responsibilities and Assignments:
  - Supervise residents and medical students assigned to the cardiology service while on service
  - Provide weekday professional staffing on medical/surgical and ICU patients
  - Provide mutually agreed upon weeknight and weekend/holiday after hours call coverage
  - Supervise procedures performed by residents and mid-levels while on service
  - Perform therapeutic and diagnostic procedures within the scope of practice for an invasive cardiologist
  - Provide coverage for outpatient clinic services a minimum of three (3) half days per week
  - Provide interpretation of diagnostic examinations (echocardiogram, stress test, Holter monitor, etc.)
  - Other duties as assigned
2. Administrative Responsibilities:
  - Attend Department staff meetings and the annual medical staff meeting
  - Participate in medical staff committees as assigned by the President of the Medical Staff
  - Participate in clinical and administrative integration efforts across that hospital as appropriate for cardiology, ensuring proper program planning, resource allocation, analysis, communication, and assessment
  - Gather data through best practices and collaborate with other members of the Department and Division to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality patient care
  - Participate in the preparation, monitoring, review, and performance of Division clinical activity
  - Support the Department Chair and Division Chief in developing monitoring tools to measure financial, access, quality, and satisfaction outcomes
  - Complete medical records in a timely fashion and work to improve the quality, accuracy, and completeness of documentation
  - Work collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services
  - Follow and comply with the Medical Staff Bylaws, Rules, Regulations, and policies
  - Follow and comply with Authority and KMC policies and procedures
3. Teaching Responsibilities:

- Establish and maintain appointment at the David Geffen School of Medicine at University of California, Los Angeles
- Provide medical education including didactic lectures, education and mentoring of resident physicians and medical students during rounds and in the clinic setting
- Prepare residents for oral boards and review case logs
- Provide didactic lectures based on standard curriculum, as assigned by the Department Chair and/or Program Director
- Participate in EKG conferences
- Provide cardiology board review sessions, as assigned by the Department Program Director
- Attend monthly morbidity and mortality conference and Journal Club, as assigned by the Department Chair, or designee, when cardiology cases are discussed

**Employment Standards:**

Completion of an accredited residency program in internal medicine; completion of a fellowship in cardiology; one (1) year of post-residency experience in non-invasive cardiology desirable

AND

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

AND

Certification by the American Board of Internal Medicine in internal medicine-general and cardiovascular disease-subspecialty

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

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**EXHIBIT “B”**  
**AUTHORIZATION TO RELEASE INFORMATION**


**[To Be Attached]**

## AUTHORIZATION TO RELEASE INFORMATION

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

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

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

  
\_\_\_\_\_  
Physician

5/31/2024  
\_\_\_\_\_  
Date



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

June 26, 2024

**Subject:** Proposed Amendment No. 4 to Agreement 871-2015 with Shahab Hillyer, M.D.

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

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 4 with Shahab Hillyer, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery. Dr. Hillyer, a fellowship trained urologist, has been employed by Kern Medical since January 1, 2016 and serves as the Chief, Division of Urology.

The proposed Amendment increases Dr. Hillyer's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 4 to Agreement 871-2015 with Shahab Hillyer, M.D., for professional medical and administrative services in the Department of Surgery, for the period January 1, 2016 through December 31, 2025, increasing Dr. Hillyer's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024. and authorize the Chairman to sign.

**AMENDMENT NO. 4  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Shahab Hillyer, M.D.)**

This Amendment No. 4 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Shahab Hillyer, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Kern County Agt. #871-2015, dated December 8, 2015), Amendment No. 1 (Agt. #055-2021, dated September 15, 2021), Amendment No. 2 (Agt. #067-2022, dated June 15, 2022), and Amendment No. 3 (Agt. #015-2023, dated January 18, 2023 (the “Agreement”), for the period January 1, 2016 through December 31, 2025, whereby Physician provides professional medical and administrative services in the Department of Surgery at KMC; and

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

(c) The Agreement is amended effective June 26, 2024;

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. Exhibit “C,” Dual Hospital Coverage Compensation Schedule, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “C,” Dual Hospital Coverage Compensation Schedule, attached hereto and incorporated herein by this reference.
2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 4  
as of the day and year first written above.

PHYSICIAN

By   
Shahab Hillyer, 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

Amend4.Hillyer.061724

**AMENDMENT NO. 1  
TO  
EXHIBIT “C”  
DUAL HOSPITAL COVERAGE COMPENSATION SCHEDULE  
Shahab Hillyer, M.D.**

Compensation for dual hospital coverage (KMC and Adventist Health Bakersfield) shall be in accordance with the following schedule, depending on the number of urology panel members:

<b>Number of Panel Members</b>	<b>Weekday Rate (Monday – Friday)</b>	<b>Weekend Rate Saturday and Sunday</b>
<b>4 (1:4 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>5 (1:5 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>6 (1:6 call ratio)</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>7 (1:7 call ratio)</b>	<b>\$500</b>	<b>\$600</b>

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

June 26, 2024

**Subject:** Proposed Amendment No. 5 to Agreement 873-2015 with Jeffrey G. Nalesnik, M.D.

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

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 5 with Jeffrey G. Nalesnik, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery. Dr. Nalesnik, a fellowship trained urologist, has been employed by Kern Medical since January 1, 2016, and serves as the Chair of the Department of Surgery.

The proposed Amendment increases Dr. Nalesnik's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 5 to Agreement 873-2015 with Jeffrey G. Nalesnik, M.D., for professional medical and administrative services in the Department of Surgery, for the period January 1, 2016 through December 31, 2025, increasing Dr. Nalesnik's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024, and authorize the Chairman to sign.

**AMENDMENT NO. 5  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Jeffrey G. Nalesnik, M.D.)**

This Amendment No. 5 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Jeffrey G. Nalesnik, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Kern County Agt. #873-2015, dated December 8, 2015), Amendment No. 1 (Agt. #045-2021, dated August 18, 2021), Amendment No. 2 (Agt. #076-2022, dated July 20, 2022), Amendment No. 3 (Agt. #122-2022, dated October 19, 2022), and Amendment No. 4 (Agt. #037-2023, dated March 15, 2023) (the “Agreement”), for the period January 1, 2016 through December 31, 2025, whereby Physician provides professional medical and administrative services in the Department of Surgery at KMC; and

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

(c) The Agreement is amended effective June 26, 2024;

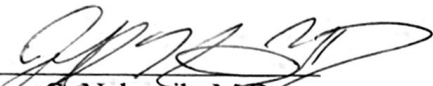
NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Exhibit “C,” Dual Hospital Coverage Compensation Schedule, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “C,” Dual Hospital Coverage Compensation Schedule, attached hereto and incorporated herein by this reference.
2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 5  
as of the day and year first written above.

PHYSICIAN

By   
Jeffrey G. Nalesnik, 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

Amend5.Nalesnik.061724

**AMENDMENT NO. 1  
TO  
EXHIBIT “C”  
DUAL HOSPITAL COVERAGE COMPENSATION SCHEDULE  
Jeffery G. Nalesnik, M.D.**

Compensation for dual hospital coverage (KMC and Adventist Health Bakersfield) shall be in accordance with the following schedule, depending on the number of urology panel members:

<b>Number of Panel Members</b>	<b>Weekday Rate (Monday – Friday)</b>	<b>Weekend Rate Saturday and Sunday</b>
<b>4 (1:4 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>5 (1:5 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>6 (1:6 call ratio)</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>7 (1:7 call ratio)</b>	<b>\$500</b>	<b>\$600</b>

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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Agreement 077-2022 with Danny Long Huynh, M.D.

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

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 1 to Agreement 077-2022 with Danny Long Huynh, M.D., a contract employee, for professional medical services in the Department of Surgery. Dr. Huynh is a fellowship trained, board certified urologist. Dr. Huynh has been employed by Kern Medical since August 8, 2022.

The proposed Amendment increases Dr. Huynh's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 077-2022 with Danny Long Huynh, M.D., for professional medical services in the Department of Surgery for the period August 8, 2022 through August 7, 2027, increasing Dr. Huynh's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Danny Long Huynh, M.D.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Danny Long Huynh, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. #077-2022, dated July 20, 2022) (the “Agreement”), for the period August 8, 2022 through August 7, 2027, whereby Physician provides professional medical services in the Department of Surgery and teaching services to resident physicians employed by Authority; and

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

(c) The Agreement is amended effective June 26, 2024;

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. Exhibit “C,” Dual Hospital Coverage Compensation Schedule, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “C,” Dual Hospital Coverage Compensation Schedule, attached hereto and incorporated herein by this reference.
2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

PHYSICIAN

By   
\_\_\_\_\_  
Danny Long Huynh, 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

Amend1.Huynh.061724

**AMENDMENT NO. 1  
TO  
EXHIBIT “C”  
DUAL HOSPITAL COVERAGE COMPENSATION SCHEDULE  
Danny Long Huynh, M.D.**

Compensation for dual hospital coverage (KMC and Adventist Health Bakersfield) shall be in accordance with the following schedule, depending on the number of urology panel members:

<b>Number of Panel Members</b>	<b>Weekday Rate (Monday – Friday)</b>	<b>Weekend Rate Saturday and Sunday</b>
<b>4 (1:4 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>5 (1:5 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>6 (1:6 call ratio)</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>7 (1:7 call ratio)</b>	<b>\$500</b>	<b>\$600</b>

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

June 26, 2024

**Subject:** Proposed Amendment No. 2 to Agreement 103-2022 with Jack C. Hou, M.D.

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

**Summary:**

Kern Medical requests your Board approve the Amendment No. 2 to the Agreement for Professional Services with Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery. Dr. Hou, a fellowship trained urologist, has been employed by Kern Medical since September 22, 2022.

The proposed Amendment extends the term of the Agreement for one year from September 22, 2024 through September 21, 2025, and increases the maximum payable by \$900,000, from \$1,780,000 to \$2,680,000, to cover the term. Additionally, the proposed amendment increases Dr. Hou's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 2 to Agreement 103-2022 with Jack C. Hou, M.D., for professional medical services in the Department of Surgery for the period September 22, 2022 through September 21, 2023, extending the term for one year from September 22, 2024 through September 21, 2025, increasing Dr. Hou's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, increasing the maximum payable by \$900,000, from \$1,780,000 to \$2,680,000, to cover the term, effective June 26, 2024, and authorize the Chairman to sign.

**AMENDMENT NO. 2  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Jack C. Hou, M.D.)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Jack C. Hou, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. #103-2022, dated September 21, 2022) and Amendment No. 1 (Agt. #127-2023, dated September 20, 2023) (the “Agreement”), for the period September 22, 2022 through September 21, 2024, whereby Physician provides professional medical services in the Department of Surgery and teaching services to resident physicians employed by Authority; and

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

(c) The Agreement is amended effective June 26, 2024;

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

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

“1. **Term.** The term of this Agreement shall commence as of September 22, 2022 (the “Commencement Date”), and shall end September 21, 2025 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms of two (2) years each, but only upon mutual written agreement of the parties. As used herein, and “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.”

2. Section 5, Compensation Package, paragraph 5.6, Maximum Payable, shall be deleted in its entirety and replaced with the following:

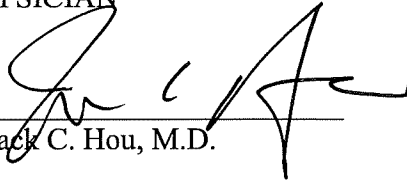
“5.6 **Maximum Payable.** The maximum compensation payable under this Agreement shall not exceed \$2,680,000 over the Term of this Agreement.”

3. Exhibit "C," Dual Hospital Coverage Compensation Schedule, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit "C," Dual Hospital Coverage Compensation Schedule, attached hereto and incorporated herein by this reference.
4. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
5. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
7. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 2  
as of the day and year first written above.

PHYSICIAN

By   
Jack C. Hou, 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

Amend2.Hou.061724

**AMENDMENT NO. 1  
TO  
EXHIBIT “C”  
DUAL HOSPITAL COVERAGE COMPENSATION SCHEDULE  
Jack C. Hou, M.D.**

Compensation for dual hospital coverage (KMC and Adventist Health Bakersfield) shall be in accordance with the following schedule, depending on the number of urology panel members:

<b>Number of Panel Members</b>	<b>Weekday Rate (Monday – Friday)</b>	<b>Weekend Rate Saturday and Sunday</b>
<b>4 (1:4 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>5 (1:5 call ratio)</b>	<b>\$2,500</b>	<b>\$2,500</b>
<b>6 (1:6 call ratio)</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>7 (1:7 call ratio)</b>	<b>\$500</b>	<b>\$600</b>

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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Agreement 121-2022 with Soroush Bazargani, M.D.

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

**Summary:**

Kern Medical requests your Board approve Amendment No. 1 to Agreement 121-2022 with Soroush Bazargani, M.D., a contract employee, for professional medical services in the Department of Surgery. Dr. Bazargani is a fellowship trained, board certified urologist. Dr. Bazargani has been employed by Kern Medical since August 1, 2023.

The proposed Amendment increases Dr. Bazargani's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 121-2022 with Soroush Bazargani, M.D., for professional medical services in the Department of Surgery for the period August 1, 2023 through July 31, 2028, increasing Dr. Bazargani's dual hospital call coverage rate for coverage at Adventist Health to \$2,500 per shift, effective June 26, 2024, and authorize the Chairman to sign.

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

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Soroush Bazargani, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. #121-2022, dated October 19, 2022) (the “Agreement”), for the period August 1, 2023 through July 31, 2028, whereby Physician provides professional medical services in the Department of Surgery and teaching services to resident physicians employed by Authority; and

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

(c) The Agreement is amended effective June 26, 2024;

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. Exhibit “C,” Dual Hospital Coverage Compensation Schedule, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “C,” Dual Hospital Coverage Compensation Schedule, attached hereto and incorporated herein by this reference.
2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.
5. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

PHYSICIAN

By   
Soroush Bazargani, 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

Amend1.Bazargani.061724





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

June 26, 2024

**Subject:** Proposed Ordering Document CPQ-3385154 with Oracle America, Inc. to upgrade Oracle Health applications to the most current code levels to support required regulatory changes set to take effect in early 2025

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

**Summary:**

Kern Medical requests that your Board approve the proposed Ordering Document CPQ-3385154 with Oracle America, Inc., for a not to exceed of \$470,932 and a term beginning on June 26, 2024 through November 30, 2024. The contract estimates a travel expense in the amount of \$61,500, however, no travel is expected to be incurred with this contract as all services will be performed remotely.

Oracle will provide professional consulting and technical services for the upgrade; including testing, and remediation of 2018.20.01 code or the latest code available at the time of upgrade. Upgrade applications will include Cerner Millennium, mPages, and Clairvia. The upgrade will provide Kern Medical with the appropriate code level to build and implement regulatory requirements associated with the promoting interoperability program, which must be in place by January of 2025.

Counsel is unable to approve due to non-standard terms which include third party products and services with pass-through provisions, which are accepted without Counsel approval, and changes to costs with little to no negotiation.

Even with the non-standard terms, the proposed upgrade will allow Kern Medical Information Technology staff to continue to work on current projects and daily operations, while Oracle performs the bulk of the upgrade work, therefore, it is recommended that your Board approve the proposed Ordering Document CPQ-3385154 with Oracle America, Inc. for the purchase of professional upgrade services, with a maximum payable of \$470,932, effective June 26, 2024 through November 30, 2024, and authorize the Chairman to sign.



# Ordering Document

CPQ-3385154

**Kern County Hospital Authority**  
1830 Flower St  
Bakersfield CA, 93305  
US

**Oracle America, Inc.**  
500 Oracle Parkway  
Redwood Shores, CA  
94065

**Contact**  
Sandra Bakich  
+1 (661) 862-8110  
sandy.bakich@kernmedical.com

## Fee Summary

Fee Description	Net Fees	Monthly Fees	Annual Fees
Professional Services -- Estimated Expenses	61,500.00	0.00	0.00
Professional Services -- Fixed Price	409,431.04	0.00	0.00
Total Fees	470,931.04	0.00	0.00

# Billing Frequency

Description	% of Total Due	Payment Due
Professional Services -- Estimated Expenses	100%	Monthly in arrears
Professional Services -- Fixed Price	50%	project kickoff
	50%	On first productive use

# Ordered Items

## Professional Services

### Professional Services -- Estimated Expenses

Part Number	Description	Estimated Fees
B102173	Oracle Health Travel and Expenses for Commercial Estimate - Each	61,500.00
Subtotal		61,500.00

### Professional Services -- Fixed Price

Part Number	Description	Service Descriptions	Pass-Through Code	Net Fees
B102359	Oracle Health Custom Professional Services	Attached	--	391,019.64
B105780	Release Package Upgrade Consulting for Clairvia	Attached	--	10,520.80
B102359	Oracle Health Custom Professional Services	Attached	--	7,890.60
Subtotal				409,431.04

# Permitted Facilities

Name	Street Address	City
Kern County Hospital Authority	1830 Flower St	Bakersfield, CA, 93305 US

## A. Terms of Your Order

### 1. Applicable Agreement

a. This order incorporates by reference the terms of the Cerner Business Agreement No. 1-3H7XXBV (Client Reference HA # 2016-36) LA-0000010943 and all amendments and addenda thereto (the "Agreement"). The defined terms in the Agreement shall have the same meaning in this order unless otherwise specified herein.

Oracle America, Inc. is acting as ordering and invoicing agent for Cerner Corporation. Your order remains between You and Cerner Corporation. All references to "Oracle", "we", "us", or "our" shall refer to Cerner Corporation. We may refer to Client as "You".

### 2. Fees and Payments

a. Listed above is a summary of net fees due under this order. All fees on this order are in US Dollars.

b. Fees will be invoiced in accordance with the Billing Frequency table above.

c. You agree to pay any sales, value-added or other similar taxes imposed by applicable law that Oracle must pay based on the items You ordered, except for taxes based on Oracle's income. If You will be claiming an exemption from these taxes, You will provide to Oracle a valid certificate of tax exemption in advance of, or at the time of, the execution of this order. You are responsible to ensure that You provide Oracle with timely notification of any tax exemption status changes and to timely provide updated exemption certificates in the event any previously provided exemption certificate expires during the term of this order.

d. Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the Agreement and this order.

### 3. Terms Applicable to Ordered Items

#### a. Scope of Use.

You will use the Ordered Items in this order in accordance with the Documentation and subject to the quantity of the item specified in the Ordered Items table(s) above. This order incorporates by reference the scope of use metric, definition, and any rules applicable to the Ordered Item as described in the Oracle Health Definitions and Rules Booklet v031524 which may be viewed at <http://www.oracle.com/contracts> on the Oracle Health tab.

If the quantity of an Ordered Item is exceeded, You agree to execute a new order setting forth the additional quantity of the item.

Where applicable, scope of use will be measured periodically by Oracle's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g., FTEs or locations), You will provide the relevant information (including records to verify the information) to Oracle at least once per year. You agree that if an event occurs that will affect Your scope of use (such as the acquisition of a new hospital or other new facility), You will notify Oracle in writing of such event no later than 30 days following the effective date of such event so that Your scope of use can be reviewed. Any additional fees due under this section will be payable within 30 days following Your receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded and shall be paid annually (pro-rated for any partial month).

#### b. Shared Computing Services.

You understand that Oracle may deliver the products and services on this order in a Shared Computing Services model. The policies that govern the Shared Computing Services model are available at <http://www.oracle.com/contracts> on the Oracle Health tab and are incorporated into this order by reference.

#### c. Permitted Facilities.

The Ordered Items in this order are for use by the facilities listed in the Permitted Facilities table(s) above. You may add or substitute Permitted Facilities by amending this order.

### 4. Professional Services

#### a. Oracle Health Professional Services Delivery Policies.

The Oracle Health Professional Services Delivery Policies ("Health PSDP") available at <http://oracle.com/contracts> on the Oracle Health tab apply to and are incorporated into this order.

#### b. Service Descriptions.

Service Descriptions applicable to each Ordered Item identified as Professional Services in the table(s) above may be found (i) at <http://www.oracle.com/contracts> on the Oracle Health Tab (where identified as "Online" in the Professional Services table(s)), or (ii) as an attachment to this order (where identified as "Attached" in the Professional Services table(s)). These Service Descriptions are incorporated into this order by reference.

#### c. Estimated Fees.

Fees for Professional Services identified in this order as "Professional Services -- Time and Materials" and "Professional Services -- Estimated Expenses" are estimates intended only to be for Your budgeting and Oracle's resource scheduling purposes and may exceed the estimated totals; these estimates do not include taxes. For Professional Services performed on a time and materials (T&M) basis, You shall pay Oracle for all of the time spent performing such services at the rate specified in the Ordered Items table(s) above, plus materials, taxes and expenses. Actual expenses shall be invoiced as incurred, in accordance with the Billing Frequency table. Once fees for Professional Services reach the estimate and upon amendment to this order, Oracle will cooperate with You to provide continuing Professional Services on a T&M basis.

d. As required by U.S. Department of Labor regulations (20 CRF 655.734), You will allow Oracle to post a notice regarding Oracle H-1B employee(s) at the work site prior to the employee's arrival on site.

### 5. Order of Precedence

a. In the event of inconsistencies between the terms contained in this order and the Agreement, this order shall take precedence. This order will control over the terms contained in any purchase order.

#### 6. Effective Date

a. If accepting this order electronically, the effective date of this order is the date You click to accept the order. If accepting this order via E-sign, the effective date of this order is the date You adopt and sign. If accepting this order via Download and Sign, the effective date is the date You return the document to Oracle. Otherwise, the effective date is the last signed date stated below.

#### 7. Offer Validity

a. This offer is valid through 31-Aug-2024 and shall become binding upon execution by You and acceptance by Oracle.

Kern County Hospital Authority		Oracle America, Inc.	
Signature		Signature	<div><div>DocuSigned by:</div><div>Teresa Waller</div></div>
Name		Name	7D50F6617665411... Teresa Waller
Title	Chairman, Board of Governors	Title	Sr Director, Contract Mgmt
Signature Date	June 19, 2024	Signature Date	10-Jun-2024   7:26 AM PDT

REVIEWED ONLY  
NOT APPROVED AS TO FORM

By Shannon Hochstein  
Kern County Hospital Authority

# Oracle Health Custom Professional Services (B102359): Service Package Upgrade Services

Part #: B102359

Cerner Legacy Part #: N/A

Service Overview	<ul style="list-style-type: none"><li>The Oracle Health Service Package Upgrade project (Service Package Upgrade) is intended to update Your current application functionality to the latest monthly service packages available for code level 2018 at the time the project begins. It is not within this scope to modify or build new application functionality, with the exception of selected Upgrade Center Quick Wins.</li><li>The Service Package Upgrade project will focus on testing the majority of functionality; however, it will not test every user and every build tool. Testing will consist of two major end user positions identified by You for each solution. Testing will be based on a set of detailed test scripts developed by Oracle based upon recommended approach and Your input gathered from solution assessments and Your provided test scripts.</li><li>This scope covers only the items set forth herein and does not include product or solution upgrades not explicitly documented within the scope (for example., Oracle Health SkyVue Imaging upgrades require a new Ordering Document if You request additional tasks beyond those set forth in this scope.</li><li>This scope will be considered complete on the date the Service Package Upgrade is moved to production.</li><li>Oracle will perform all work remotely unless the parties have agreed otherwise prior to execution of this Oracle Health Ordering Document. When needed, as defined by the project plan, Oracle associates will work from Your facility.</li><li>The fees set forth in this Oracle Health Ordering Document do not include travel, lodging, per diem, or other out-of-pocket expenses incurred by Oracle personnel during key project events or subsequent visits. Such expenses must be pre-approved by You and will be billed to You monthly, as incurred. Any estimate of expenses can change based on variables such as airfare and location of Your facility(s).</li></ul>																																				
Work Effort	<ul style="list-style-type: none"><li>The Service Package Upgrade project is primarily composed of technical and testing events. Oracle will complete the majority of the activities as defined in the detailed work effort below and the detailed project plan that will be defined during project planning. However, You will be required to engage in certain events or tasks that are specific to Your domain or environment. The grids below reflect tasks that will be included in the Service Package Upgrade and the responsible party for each. The estimated duration of this scope is based on 70 days, which begins with code installation in the first domain and ends with the Service Package Upgrade installation in Your production domain.</li></ul>																																				
Project Management Work Effort	<table><tr><th>(P = Primary, R = Review, A = Assist)</th><th>Oracle Resource</th><th>Your Resource</th></tr><tr><td>Manage the Service Package Upgrade project.</td><td>P</td><td></td></tr><tr><td>Create and maintain the application and technical assessments.</td><td>P</td><td></td></tr><tr><td>Review and update communications plan. Coordinate Service Package Upgrade calls with Your and Oracle's teams. Produce weekly project status reports.</td><td>P</td><td></td></tr><tr><td>Create and maintain Service Package Upgrade project plan.</td><td>P</td><td></td></tr><tr><td>Work with You to ensure that Oracle-written custom CCL scripts are identified, modified, and repackaged as necessary. Modifications are limited to 100 hours. If additional hours are required, You must execute a new Ordering Document.</td><td>P</td><td>A</td></tr><tr><td>Establish scope and domain strategy based on current recommended practice.</td><td>P</td><td>R</td></tr><tr><td>Identify and secure resources.</td><td>P</td><td>A</td></tr><tr><td>Determine and document initial package requirements, identify and resolve potential stray code that You have currently installed.</td><td>P</td><td></td></tr><tr><td>Collaboratively work with You to define database build and testing requirements.</td><td>P</td><td>R</td></tr><tr><td>Engage appropriate resources to complete the build and testing. Establish the testing strategy. Ensure appropriate testers are identified.</td><td>P</td><td></td></tr><tr><td>Review training resources and strategies. Communicate strategy for relaying continuing education information to the appropriate education liaisons. Verify You have SOPs and supplies.</td><td></td><td>P</td></tr></table>	(P = Primary, R = Review, A = Assist)	Oracle Resource	Your Resource	Manage the Service Package Upgrade project.	P		Create and maintain the application and technical assessments.	P		Review and update communications plan. Coordinate Service Package Upgrade calls with Your and Oracle's teams. Produce weekly project status reports.	P		Create and maintain Service Package Upgrade project plan.	P		Work with You to ensure that Oracle-written custom CCL scripts are identified, modified, and repackaged as necessary. Modifications are limited to 100 hours. If additional hours are required, You must execute a new Ordering Document.	P	A	Establish scope and domain strategy based on current recommended practice.	P	R	Identify and secure resources.	P	A	Determine and document initial package requirements, identify and resolve potential stray code that You have currently installed.	P		Collaboratively work with You to define database build and testing requirements.	P	R	Engage appropriate resources to complete the build and testing. Establish the testing strategy. Ensure appropriate testers are identified.	P		Review training resources and strategies. Communicate strategy for relaying continuing education information to the appropriate education liaisons. Verify You have SOPs and supplies.		P
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Oracle Health Consulting/Professional Services – Service Descriptions

	Identify and mitigate risks.	P	
	Coordinate testing per project plan and domain strategy. Gain appropriate sign offs.	P	
	Ensure end user training has been communicated or conducted prior to cut over to new release.		P
	Prepare cut-over plan. Ensure Your and Oracle's appropriate resources are scheduled for Service Package Upgrade and post Service Package Upgrade support.	P	A
	Update to new service packages and manage post Service Package Upgrade issues.	P	A
<b>Application Work Effort</b>	<b>Module Name</b>	<b>Test and Upgrade</b>	<b>Testing Only</b>
	Acute Case Management	X	
	Oracle Health Anesthesia (Anesthesia Management)	X	
	Oracle Behavioral Health		X
	Oracle Health Direct Secure Messaging (Cerner Direct)	X	
	Oracle Health HIM (ProFile)	X	
	Cerner Patient Accounting (ProFit)	X	
	Cerner ProVision Document Imaging (CPDI)		X
	Clinical Reporting/RRD	X	
	Clinical Supply Chain (ProCure)	X	
	Connect Nursing (replacement for MillenniumMobile)		X
	Digital Objects	X	
	Eligibility Management	X	
	Enterprise Master Person Index	X	
	Oracle Health Emergency Medicine (FirstNet)	X	
	Oracle Health Care Management (HealtheCare)		X
	Oracle Health Patient Portal (HealtheLife)(IQHealth)(Member Portal)(Patient Portal)		X
	Oracle Health Infection Control	X	
	Oracle Health Millennium Mobile (CareMobile and Specimen Collections)	X	
	MPages	X	
	Nursing Documentation	X	
	Oracle Health Oncology	X	
	Oracle Health Anatomic Pathology (PathNet Anatomic Pathology)	X	
	Oracle Health Blood Bank (PathNet Blood Bank Transfusion)	X	
	Oracle Health General Laboratory (PathNet General Laboratory)	X	
	Helix (PathNet Helix)	X	
	Oracle Health Microbiology (PathNet Microbiology)	X	
	Oracle Health Outreach Services (PathNet Outreach Services)	X	
	Oracle Health Inpatient Pharmacy (PharmNet Inpatient)	X	
	Physician Documentation	X	
	PowerChart Ambulatory	X	
	Oracle Health Maternity (PowerChart Maternity)	X	
	Oracle Health EHR Operational and Clinical Reporting (PowerInsight)		X
	PowerOrders and Plans (Order Management)	X	
	Oracle Health Radiology (Radiology Management) (RadNet)	X	
	Oracle Health Registration Management	X	
	Oracle Health Scheduling Management	X	
	Oracle Health Perioperative (Surgical Management) (SurgiNet)	X	
	<b>CareAware Solutions</b>	<b>Test and Maintain</b>	<b>Testing Only</b>
	Oracle Health Bedside Medical Device Integration (BMDI) includes up to five (5) unique BMDI device types		X
	Oracle Health Laboratory Medical Device Integration (MDI) includes up to fifteen (15) MDI devices		X
	Capacity Management		X
	Oracle Health Mobile Vitals Collection (CareAware VitalsLink)		X
	Oracle Health CareAware Auto-Programming		X
	Oracle Health CareAware Critical Care		X
	Oracle Health Infusion Suite (CareAware Infusion Management)		X
	Oracle Health EHR Nursing Mobility (CareAware Connect)		X

Oracle Health Consulting/Professional Services – Service Descriptions

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Technical Work Effort	<table><tr><th>Oracle Health Remote Hosted</th><th>Per Remote Hosting Agreement</th></tr><tr><td>Review technical readiness assessment with You and discuss hardware and software requirements. Review system capacity for both production and non-production environments.</td><td>X</td></tr><tr><td>Oracle technical engagement leader and You create the technical project plan and determine domain strategy in conjunction with Oracle and Your project manager and architect.</td><td>X</td></tr><tr><td>Manage all other necessary technical activities and escalation activities.</td><td>X</td></tr><tr><td>Prepare environment for release (for example, ensure Lights On Network has the latest package installation history information, identify if custom scripts/custom indexes exist that may be disrupted with the Oracle Health Millennium Upgrade).</td><td>X</td></tr><tr><td>Create non-production domain(s) per domain strategy and project plan.</td><td>X</td></tr><tr><td>Install and configure Lights On in production and non-production domains per domain strategy and project plan (if applicable).</td><td>X</td></tr><tr><td>Upgrade non-production domains per domain strategy and project plan. This includes loading front end code warehouse and configuring Your servers (Oracle Health Multum Drug Database, RRD, charting as per the domain strategy).</td><td>X</td></tr><tr><td>Assist with all necessary technical issue troubleshooting and issue resolution.</td><td>X</td></tr><tr><td>Configure interfaces for non-production domains per domain strategy and project plan.</td><td>X</td></tr><tr><td>Upgrade the training domain.</td><td>X</td></tr><tr><td>Upgrade the production domain.</td><td>X</td></tr><tr><td>Upgrade front end devices in the production domain (Citrix, Oracle Health Multum Drug Database, charting, RRD and any other additional servers, etc).</td><td>X</td></tr><tr><td>Support production upgrade to new release.</td><td>X</td></tr><tr><td>Refresh Your certification domain.</td><td>X</td></tr></table>	Oracle Health Remote Hosted	Per Remote Hosting Agreement	Review technical readiness assessment with You and discuss hardware and software requirements. Review system capacity for both production and non-production environments.	X	Oracle technical engagement leader and You create the technical project plan and determine domain strategy in conjunction with Oracle and Your project manager and architect.	X	Manage all other necessary technical activities and escalation activities.	X	Prepare environment for release (for example, ensure Lights On Network has the latest package installation history information, identify if custom scripts/custom indexes exist that may be disrupted with the Oracle Health Millennium Upgrade).	X	Create non-production domain(s) per domain strategy and project plan.	X	Install and configure Lights On in production and non-production domains per domain strategy and project plan (if applicable).	X	Upgrade non-production domains per domain strategy and project plan. This includes loading front end code warehouse and configuring Your servers (Oracle Health Multum Drug Database, RRD, charting as per the domain strategy).	X	Assist with all necessary technical issue troubleshooting and issue resolution.	X	Configure interfaces for non-production domains per domain strategy and project plan.	X	Upgrade the training domain.	X	Upgrade the production domain.	X	Upgrade front end devices in the production domain (Citrix, Oracle Health Multum Drug Database, charting, RRD and any other additional servers, etc).	X	Support production upgrade to new release.	X	Refresh Your certification domain.	X										
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Knowledge Transfer	<ul style="list-style-type: none"><li>Oracle will provide knowledge transfer throughout this project. This knowledge is supplemented by documentation found at cerner.com or uCern Wiki:<ul style="list-style-type: none"><li>Reference Pages</li><li>Upgrade Guides</li></ul></li></ul>																																								

Oracle Health Consulting/Professional Services – Service Descriptions



	<ul style="list-style-type: none"> <li>o Package Reports</li> <li>o Release Details</li> <li>o Illuminations sessions</li> <li>o Additional education and training information is available at cerner.com and may have additional cost.</li> </ul>
<b>Your Obligations</b>	<ul style="list-style-type: none"> <li>• Oracle shall perform the services provided hereunder in accordance with industry practices and standards generally applicable to such services; however, You must determine, based on Your standard operating procedures, accrediting body standards, governing regulatory bodies, patient population, employees, and tools, how best to validate all aspects of the system. You acknowledge and agree that You will (i) provide the test plans, (ii) perform or supervise the testing activities, (iii) provide additional training and information to end users regarding the changes made, and (iv) approve the content and completion of the testing activities. Oracle accepts no responsibility or liability for any claims, actions, losses, or damages incurred by You or any third party arising from or out of Your failure to adequately test and/or validate the changes requested hereunder.</li> <li>• You agree to: <ul style="list-style-type: none"> <li>o Provide documentation and support phone numbers for all relevant hardware and software providers.</li> <li>o Provide a security officer to define and monitor user access.</li> <li>o Remain actively engaged in the Service Package Upgrade until completion.</li> <li>o Ensure change control is followed, and no updates are made to the production environment during the Service Package Upgrade.</li> <li>o Provide access to all domains that will be affected during the Service Package Upgrade via a Citrix connection. The preferred method is a Citrix or similar connection allowing multiple users access to the same environment at the same time via one connection.</li> </ul> </li> </ul>
<b>Your Project Management Obligations</b>	<ul style="list-style-type: none"> <li>• Provide liaison to work with Oracle Service Package Upgrade project manager. Typically, Your application manager or equivalent.</li> <li>• Collaboratively work with Oracle while reviewing, editing, and approving appropriate test scripts.</li> <li>• Approve the content and completion of the testing.</li> <li>• Provide Service Package Upgrade support coverage for all departmental areas affected.</li> <li>• Schedule downtime with the users.</li> <li>• Perform the responsibilities as designated in the project plan.</li> </ul>
<b>Your Application Obligations</b>	<ul style="list-style-type: none"> <li>• Provide specified contacts to work with Oracle on application-specific testing and issue resolution. He/she will be the focal point for the Oracle associates relative to the fulfillment of the request and will have the authority to act on Your behalf in matters regarding the requests.</li> <li>• Review, edit and approve appropriate test scripts.</li> <li>• Provide Service Package Upgrade support coverage for all departmental areas affected.</li> <li>• Test all site-specific custom programs e.g., CCLs In-lab indicator on Flow Sheet, Requisition Forms</li> <li>• Define printer routings</li> <li>• Test local devices such as, interfaces, printers, MDIs, scanners, etc.</li> <li>• Perform the responsibilities as designated in the project plan.</li> </ul>
<b>Your Technical Obligations</b>	<ul style="list-style-type: none"> <li>• Provide Service Package Upgrade support coverage for all departmental areas affected. Provide someone who could assist with interfaces, printers, network team and the monitoring of operations. Provide someone to test any custom scripts.</li> <li>• Perform the responsibilities as designated in the project plan.</li> <li>• Ensure hardware and software required for the Service Package Upgrade or installation is available and operational - this includes: <ul style="list-style-type: none"> <li>o Updating layered products (i.e., front-end operating systems, Oracle, MQSeries, JRE (Java Runtime Environment), Oracle Health Multum Drug Database, CPDI, PACS and any other third-party solutions and IP stack, etc.) to meet the minimum requirements for the new release. These tasks (if needed) should be documented in the Service Package Upgrade Project Plan for reference. A new Ordering Document must be executed by You if there is a requirement to upgrade layered products and You would like Oracle assistance. This work is outside the scope of this engagement.</li> <li>o Ensuring hardware is available to test Your servers if located on-site.</li> <li>o Ensuring end user devices meet minimum specification requirements as published by Oracle for the current code release.</li> </ul> </li> <li>• Ensure all testing is completed that is not specifically indicated in the Work Effort as an Oracle responsibility.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Provide all necessary documentation of requested configurations.</li> <li>• Provide documentation and support phone numbers for all relevant contact people including Your contacts for hardware and software suppliers.</li> <li>• Provide host interface information, including, but not limited to destination address, local adapter address, exchange ID, and remote and local LU names, etc.</li> <li>• Provide operator guides for any requested equipment that will be used in the configuration and connection process.</li> <li>• Verify/Define/Set up of printers for non-production domains.</li> <li>• Set up and configure interfaces into non-production domains used for testing.</li> </ul>
<b>Trademarks</b>	<ul style="list-style-type: none"> <li>• Citrix is a trademark of Citrix Systems, Inc. and/or one or more of its subsidiaries, and may be registered in the United States Patent and Trademark Office and in other countries.</li> </ul>

## Release Package Upgrade Consulting for Clairvia

Part #: B105780

Cerner Legacy Part #: N/A

Services Overview	<ul style="list-style-type: none"><li>The Clairvia upgrade project is intended to update Your current production Clairvia solutions to the latest Clairvia release available at the time the project begins. This Scope does not include modifying or building new application functionality.</li><li>This Scope covers only the items set forth herein and does not include product or solution upgrades not explicitly documented within the scope. For example, SkyVue Imaging upgrades require a new Ordering Document if You request additional tasks beyond those set forth in this Scope.</li></ul>		
Work Effort	<ul style="list-style-type: none"><li>The Clairvia upgrade project is primarily composed of technical and testing events. Oracle will complete the majority of the activities as defined in the detailed work effort below and the detailed project plan that will be defined during project planning. However, You will be required to engage in certain events or tasks that are specific to Your server or environment. The grids below reflect tasks that will be included in the Clairvia upgrade and the responsible party for each. The estimated duration of this project is based on 90 days, which begins with code installation in Your non-production server and ends with the Clairvia upgrade installation in Your production server.</li></ul>		
Project Management Work Effort	(P = Primary, R = Review, A = Assist)	Oracle Resource	Your Resource
	Manage the Clairvia project.	P	
	Review and update communication plans. Coordinate Clairvia upgrade calls with Your and Oracle's teams. Produce weekly project status reports.	P	
	Create and maintain Clairvia upgrade project plan.	P	
	Establish scope and server strategy based on current recommended practice.	P	R
	Identify and secure resources.	P	A
	Determine and document initial package requirements.	P	
	Engage appropriate resources to complete testing. Establish the testing strategy. Ensure appropriate testers are identified.	P	A
	Review training resources and strategies. Communicate strategy for relaying continuing education information to the appropriate education liaisons. Verify You have standard operating procedures (SOPs) and supplies.		P
	Identify and mitigate risks.	P	
	Coordinate testing per project plan and server strategy. Gain appropriate sign offs.		P
	Ensure end user training has been communicated or conducted prior to cut over to new release.		P
	Prepare cut-over plan. Ensure Your and Oracle's appropriate resources are scheduled for Clairvia upgrade and post Clairvia upgrade support.	P	A
Manage post Clairvia upgrade issues for 30 days, post go live.	P	A	
Application Work Effort	(P = Primary, R = Review, A = Assist)	Oracle Resource	Your Resource
	Evaluate solution changes and impact to production environment.	P	

	Identify and execute database changes that are required to maintain current solution functionality.	A	P
	Validate non-production upgrade database.	P	A
	Perform regression testing per project plan. Your resources will be needed to assist with areas that cannot be accessed remotely by Oracle.	P	A
	Perform integration testing (interfaces) per project plan.		P
	Provide education updates to Your trainers.		P
	Manage issues list. Work with You and Oracle to achieve issue resolution until code is moved to production.	P	A
	Support production conversion event.	P	A
<b>Technical Work Effort</b>	<ul style="list-style-type: none"> <li>Technical services will be performed by Cerner as outlined per the remote hosting services (RHO) scope of services.</li> </ul>		
<b>Project Completion</b>	<ul style="list-style-type: none"> <li>This scope will be considered complete on the date the Clairvia updates are moved into the production domain.</li> </ul>		
<b>Knowledge Transfer</b>	<ul style="list-style-type: none"> <li>Oracle will provide knowledge transfer throughout this project. This knowledge is supplemented by Documentation found at <a href="http://cerner.com">cerner.com</a> or uCern Wiki: <ul style="list-style-type: none"> <li>Reference Pages</li> <li>About Documentation</li> <li>Illuminations sessions</li> <li>Additional education and training information is available at <a href="http://cerner.com">cerner.com</a> and may have additional cost</li> </ul> </li> </ul>		
<b>Your Obligations</b>	<ul style="list-style-type: none"> <li>Oracle shall perform the services provided hereunder in accordance with industry practices and standards generally applicable to such services, but You must determine, based on Your SOPs, accrediting body standards, governing regulatory bodies, patient population, employees, and tools, how best to validate all aspects of the system. You acknowledge and agree that You will (i) provide the test plans, (ii) perform or supervise the testing activities, (iii) provide additional training and information to end users regarding the changes made, and (iv) approve the content and completion of the testing activities. Oracle accepts no responsibility or liability for any claims, actions, losses, or damages incurred by You or any third party arising from or out of Your failure to adequately test and/or validate the changes requested hereunder.</li> <li>You agree to: <ul style="list-style-type: none"> <li>Provide documentation and support phone numbers for all relevant hardware and software providers.</li> <li>Provide a security officer to define and monitor user access.</li> <li>Remain actively engaged in the Clairvia upgrade until completion.</li> <li>Ensure change control is followed, and no updates are made to the production environment during the Clairvia upgrade.</li> <li>Provide access to all domains that will be affected during the Clairvia upgrade via a Citrix connection and/or a direct connection. The preferred method is a Citrix or similar connection allowing multiple users access to the same environment at the same time via one connection.</li> </ul> </li> </ul>		
<b>Your Application Obligations</b>	<ul style="list-style-type: none"> <li>Provide specified contacts to work with Oracle on application specific testing and issue resolution; these contacts will be the focal point for the Oracle associates relative to the fulfillment of the request and will have the authority to act on Your behalf in matters regarding the requests</li> <li>Provide Clairvia upgrade support coverage for all departmental areas affected</li> <li>Test interface feeds.</li> <li>Perform the responsibilities as designated in the project plan.</li> </ul>		
<b>Points of Presence</b>	<ul style="list-style-type: none"> <li>Oracle will perform all work remotely unless previously agreed upon prior to the execution of this Oracle Health Ordering Document. When needed, as defined by the project plan, Oracle associates will work from Your facility.</li> </ul>		
<b>Travel Expenses</b>	<ul style="list-style-type: none"> <li>The fees set forth in this Oracle Health Ordering Document do not include travel, lodging, per diem, or other out-of-pocket expenses incurred by Oracle personnel during key project events or subsequent visits. Such expenses must be pre-approved by You and will be billed to You monthly, as incurred pursuant to the underlying agreement. Any estimate of expenses can change based on variables such as airfare and location of Your facility(s).</li> </ul>		
<b>Trademarks</b>	<ul style="list-style-type: none"> <li>Citrix is a trademark of Citrix Systems, Inc. and/or one or more of its subsidiaries, and may be registered in the United States Patent and Trademark Office and in other countries.</li> </ul>		

Oracle Health Consulting/Professional Services – Service Descriptions

## Oracle Health Custom Professional Services (B102359): Clairvia upgrade FSI support

Part #: B102359

Cerner Legacy Part #: N/A

<b>Service Overview</b>	<ul style="list-style-type: none"><li>The Foreign Systems Interfaces (FSI) team will be engaged in the upgrade project as needed by the Upgrade Center in order to complete Your Clairvia upgrade. The FSI work will follow the same project approach as the Upgrade Center and will be integrated into the Upgrade Center project timeline.</li></ul>
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## Bill To / Ship To Contact Information

### Bill To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	1830 Flower St Bakersfield, CA US 93305	Sandra Bakich +1 (661) 862-8110 sandy.bakich@kernmedical.com

### Ship To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	1830 Flower St Bakersfield, CA US 93305	Sandra Bakich +1 (661) 862-8110 sandy.bakich@kernmedical.com



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

June 26, 2024

**Subject:** Proposed Ordering Document CPQ-3315738 with Oracle America, Inc., an independent contractor

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

**Summary:**

Kern Medical requests that your Board approve the proposed Ordering Document CPQ-3315738 with Oracle America, Inc., an independent contractor, in an amount not to exceed \$3,948 plus taxes and fees, beginning on June 26, 2024 through the end of the underlying Cerner business contract, December 31, 2027.

Oracle will provide licensed software, bidirectional interfaces, and implementation services for the installation and operation of management of vital signs devices at the Columbus clinics.

Counsel is unable to approve due to non-standard terms which include third party products and services with pass-through provisions, which are accepted without Counsel approval, and changes to costs with little to no negotiation.

The proposed software will integrate a currently manual process into the electronic health record, reducing human error and creating a safer environment for our patients, therefore, it is recommended that your Board approve the proposed Ordering Document CPQ-3315738 with Oracle America, Inc. for the purchase of equipment, equipment support, sublicensed software, and sublicensed software support, with a maximum payable of \$3,948 plus taxes and fees, for the remainder of the term of the underlying Cerner Business Agreement, and authorize the Chairman to sign.

**Kern County Hospital Authority**  
1830 Flower St  
Bakersfield CA, 93305  
US

**Oracle America, Inc.**  
500 Oracle Parkway  
Redwood Shores, CA  
94065

**Contact**  
Adriana Cadena  
661-326-5652  
Adriana.Cadena@kernmedical.com

Fee Summary

Fee Description	Net Fees	Monthly Fees	Annual Fees
Equipment and Equipment Support	3,396.75	--	0.00
Sublicensed Software and Sublicensed Software Support	550.41	--	0.00
Total Fees	3,947.16	0.00	0.00

## Billing Frequency

Description	% of Total Due	Payment Due
Equipment	100%	Upon delivery
Sublicensed Software	100%	Upon shipment

## Ordered Items

### Equipment and Equipment Support

Part Number	Description	Term	Pass-Through Code	Quantity	Unit Net Price	Extended Net Fees	Annual Fees
7607595	Connex Accessory Cable Management Stand. Includes Welch Allyn 1-year Standard Equipment Warranty [Mfg Part Num: 4800-60]	--	3rd Party	1	296.53	296.53	--
7607642	CVSM 6800, Sp02 (Masimo), SureTemp, NIBP. Includes Welch Allyn 2-year Standard Equipment Warranty [Mfg Part Num: 68MXTX-B]	--	3rd Party	1	2,687.72	2,687.72	--
7607943	HS1-M 2D, Gen 6 Barcode Scanner for W_A CVSM. Includes Welch Allyn 3-month Standard Equipment Warranty [Mfg Part Num: 6000-916HS]	--	3rd Party	1	412.50	412.50	--
B59411	Hardware Freight Fee	--	--	1	--	0.00	--
Subtotal						3,396.75	0.00

### Sublicensed Software and Sublicensed Software Support

Part Number	Description	Term	Pass-Through Code	Quantity	Unit Net Price	Extended Net Fees	Annual Fees
L121171	Oracle Health Connectivity Software Suite - Acute - Each Perpetual [Mfg Part Num: 1000510]	--	3rd Party	1	550.41	550.41	--
Subtotal						550.41	0.00

## Permitted Facilities

Name	Street Address	City
Kern County Hospital Authority	1830 Flower St	Bakersfield, CA, 93305 US
Kern Medical	1700 Mount Vernon Ave	BAKERSFIELD, CA, 93306 US



## **A. Terms of Your Order**

### **1. Applicable Agreement**

a. This order incorporates by reference the terms of the Cerner Business Agreement No. 1-3H7XXBV (Client Reference HA # 2016-36) LA-0000010943 and all amendments and addenda thereto (the "Agreement"). The defined terms in the Agreement shall have the same meaning in this order unless otherwise specified herein.

Oracle America, Inc. is acting as ordering and invoicing agent for Cerner Corporation. Your order remains between You and Cerner Corporation. All references to "Oracle", "we", "us", or "our" shall refer to Cerner Corporation. We may refer to Client as "You".

### **2. Fees and Payments**

a. Listed above is a summary of net fees due under this order. All fees on this order are in US Dollars.

b. Fees will be invoiced in accordance with the Billing Frequency table above.

c. Oracle may increase the monthly fee for each Ordered Item identified as Licensed Software Support, Equipment support, Sublicensed Software support, Recurring Services, Transaction Services, Professional Services -- Recurring, Application Management Services, and Managed Services in the table(s) above any time following the initial 12 month term after such recurring service fees begin (but not more frequently than once in any 12 month period) by giving You 60 days prior notice of the price increase. The amount of such annual increase will equal 8%. Oracle may also increase the fees at any time during the term if an Oracle third party increases the fees to be paid by Oracle, with such increase being limited to the amount of increase in Oracle's fee to the third party.

d. You are responsible for all shipping and handling fees.

e. You agree to pay any sales, value-added or other similar taxes imposed by applicable law that Oracle must pay based on the items You ordered, except for taxes based on Oracle's income.

f. Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the Agreement and this order.

### **3. Terms Applicable to Ordered Items**

#### **a. Scope of Use.**

You will use the Ordered Items in this order in accordance with the Documentation and subject to the quantity of the item specified in the Ordered Items table(s) above. This order incorporates by reference the scope of use metric, definition, and any rules applicable to the Ordered Item as described in the Oracle Health Definitions and Rules Booklet v121523 which may be viewed at <http://www.oracle.com/contracts> on the Oracle Health tab.

If the quantity of an Ordered Item is exceeded, You agree to execute a new order setting forth the additional quantity of the item.

Where applicable, scope of use will be measured periodically by Oracle's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g., FTEs or locations), You will provide the relevant information (including records to verify the information) to Oracle at least once per year. You agree that if an event occurs that will affect Your scope of use (such as the acquisition of a new hospital or other new facility), You will notify Oracle in writing of such event no later than 30 days following the effective date of such event so that Your scope of use can be reviewed. Any additional fees due under this section will be payable within 30 days following Your receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded and shall be paid annually (pro-rated for any partial month).

#### **b. Third-Party Products and Services and Pass-Through Provisions.**

Certain products and services are provided by third-party suppliers (the "Third-Party Offerings"). Third-Party Offerings You have ordered, if any, are identified with pass-through code(s) in the Ordered Items table(s) above and will be provided under the applicable terms required by the third-party supplier. Applicable pass-through terms for each supplier are available at <http://www.oracle.com/contracts> on the Oracle Health tab and are incorporated into this order by reference.

Oracle is not liable under this order for any damages of any kind or nature related to or arising out of the Third-Party Offerings. Oracle does not warrant or provide any indemnities on Third-Party Offerings. To the extent that any third-party pass-through provisions contain liability limitations with respect to the Third-Party Offerings, such limitations state the total maximum liability of Oracle (and then only to the extent that Oracle can collect from supplier for Your benefit) and each supplier with respect to the Third-Party Offerings.

#### **c. Shared Computing Services.**

You understand that Oracle may deliver the products and services on this order in a Shared Computing Services model. The policies that govern the Shared Computing Services model are available at <http://www.oracle.com/contracts> on the Oracle Health tab and are incorporated into this order by reference.

#### **d. Permitted Facilities.**

The Ordered Items in this order are for use by the facilities listed in the Permitted Facilities table(s) above. You may add or substitute Permitted Facilities by amending this order.

## **4. Equipment and Equipment Support**

### **a. Delivery, Installation and Acceptance of Equipment.**

(i) You are responsible for installation of the Ordered Items identified as Equipment in the table(s) above unless You purchase installation services from Oracle for that Equipment.

(ii) Oracle will deliver the Equipment in accordance with Oracle's Order and Delivery Policies which are in effect at the time of Your order, and which are available at <http://www.oracle.com/contracts> on the Oracle Health tab. Oracle will use the delivery address specified by You on Your purchasing document or when Your purchasing document does not indicate a ship to address the location specified on this order.

- (iii) The Equipment You have ordered will be delivered: DDP; Freight prepaid and charged back via delivery method HARDWARE - STANDARD.
- (iv) Acceptance of the Equipment is deemed to occur on delivery.
- (v) Oracle may make and invoice You for partial deliveries.
- (vi) Oracle may make substitutions and modifications to the Equipment and Equipment Support based on availability or technological advancements.
- (vii) Oracle will use its reasonable commercial efforts to deliver the Equipment within the timeframes specified in this order.

**b. Transfer of Title.**

Title to the Equipment will transfer upon delivery.

**c. Warranty.**

In the event that a warranty is provided by Oracle or a third-party, such warranty will be identified in the description of the Equipment ordered and details of the warranty will be available in the Oracle Health Equipment Warranty Policies which are available at <http://www.oracle.com/contracts> on the Oracle Health tab.

**d. Equipment Support.**

If ordered, support for Your Equipment will be provided in accordance with the Oracle Health Technical Support Policies which are available at <http://www.oracle.com/contracts> on the Oracle Health tab.

**5. Sublicensed Software and Sublicensed Software Support**

a. Ordered Items in the Sublicensed Software and Sublicensed Software Support table(s) above are Third-Party Offerings and will be provided in accordance with the Third-Party Products and Services and Pass-Through Provisions section above.

**6. Order of Precedence**


a. In the event of inconsistencies between the terms contained in this order and the Agreement, this order shall take precedence. This order will control over the terms contained in any purchase order.

**7. Effective Date**

a. If accepting this order electronically, the effective date of this order is the date You click to accept the order. If accepting this order via E-sign, the effective date of this order is the date You adopt and sign. If accepting this order via Download and Sign, the effective date is the date You return the document to Oracle. Otherwise, the effective date is the last signed date stated below.

**8. Offer Validity**

a. This offer is valid through 31-May-2024 and shall become binding upon execution by You and acceptance by Oracle.

Kern County Hospital Authority		Oracle America, Inc.	
Signature	_____	Signature	
Name	_____	Name	<u>Teresa Waller</u>
Title	<u>Chairman, Board of Governors</u>	Title	<u>Sr Director, Contract Management</u>
Signature Date	<u>06.26.2024</u>	Signature Date	<u>6-13-2024</u>

REVIEWED ONLY  
NOT APPROVED AS TO FORM

By Shannon Hochstein  
Kern County Hospital Authority

## Bill To / Ship To Contact Information

### Bill To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	1830 Flower St Bakersfield, CA, US 93305	Adriana Cadena 661-326-5652 Adriana.Cadena@kernmedical.com

### Ship To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	Kern Medical Center 1700 Mount Vernon Ave Bakersfield, CA, US 93306	Adriana Cadena 661-326-5652 Adriana.Cadena@kernmedical.com



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

June 26, 2024

**Subject:** Proposed Grant Administration Agreement with the Kern Medical Center Foundation to provide grant administration services

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

**Summary:**

Kern Medical requests that your Board approve the proposed Grant Administration Agreement with the Kern Medical Center Foundation ("Foundation") for grant administration services. The Foundation is a public benefit corporation organized for the procurement and extension of financial aid toward the operation, maintenance, and modernization of the healthcare facilities, programs, and services at Kern Medical Center. The Foundation has been actively acting on Kern Medical's behalf on the procurement of grants and grant funds and Kern Medical requires administration of these grants and grant funds. The Kern County Hospital Authority is authorized, pursuant to Section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services on behalf of Kern Medical and Kern Medical requires the assistance of Foundation to provide grant procurement and administration services, as such services are unavailable from Kern Medical resources; and Foundation, by reason of its qualifications and experience, agrees to provide such services for a fee as outlined below.

**Administration Fee Calculation:**

Grant Fee = 5% - 10%

Private Donation Fee = 1% - 2.5% applies to donations more than \$10,000

The administration fee is essential for ensuring efficient and effective fund management, compliance with regulatory requirements, and the successful implementation of the grant funding program.

Therefore, it is recommended that your Board approve the proposed Grant Administration Agreement with the Kern Medical Center Foundation for the purchase of grant administration services, with a maximum payable dependent on the grants/donations collected, effective July 1, 2024 until terminated, and authorize the Chairman to sign.

**GRANT ADMINISTRATION AGREEMENT  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Kern Medical Center Foundation)**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government ("KCHA"), and Kern Medical Center Foundation, a California nonprofit public benefit corporation ("Foundation"), with its principal place of business located at 900 Truxtun Avenue, Suite 330, Bakersfield, California 93306. Foundation and KCHA may be individually referred to as "Party" and collectively as "Parties."

**I.  
RECITALS**

- (a) Foundation is organized for the procurement and extension of financial aid toward the operation, maintenance, and modernization of the healthcare facilities, programs and services at Kern Medical Center; and
- (b) Foundation is actively acting on KCHA's behalf on the procurement of grants and grant funds; and
- (c) KCHA requires administration of grants and grant funds and Foundation has agreed to provide these administration services; and
- (d) KCHA agrees to provide Foundation with an administration fee under the terms and conditions described below;

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

**II.  
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall commence as of July 1, 2024 (the "Commencement Date"), unless earlier terminated pursuant to other provisions of this Agreement as herein stated.

2. **Obligations of Foundation.**

2.1 **Foundation Staff.** Foundation shall engage or employ such qualified personnel as required for the administration of all grants and grant monies as required by KCHA and/or the individual grant requirements.

2.2 **Assigned Personnel.**

2.2.1 Foundation shall assign only competent personnel to perform work hereunder. In the event that at any time KCHA, in its sole discretion, desires the removal of any person or persons assigned by Foundation to perform work hereunder, Foundation shall remove such person or persons immediately upon receiving written notice from KCHA.

2.2.2 In the event that any of Foundation's personnel assigned to perform services under this Agreement becomes unavailable due to resignation, sickness or other factors outside of Foundation's control, Foundation shall be responsible for timely provision of adequately qualified replacements.

2.2.3 Foundation understands and agrees that Foundation's assigned personnel will perform the services required of KCHA under this Agreement on a full-time basis, and includes any other hours in excess thereof that are necessary for Foundation's assigned personnel to perform the services as set forth in this Agreement.

2.3 Representations. Foundation makes the following representations, which are agreed to be material to and form a part of the inducement for this Agreement: (a) Foundation has the expertise and support staff necessary to provide the services described in this Agreement; and (b) Foundation shall diligently provide all required services in a timely and professional manner in accordance with the terms and conditions set forth in this Agreement.

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

3. Payment for Services. As consideration for the services provided by Foundation hereunder, KCHA shall pay Foundation in accordance with the fiscal provisions set forth in paragraph 3.1. All services are payable in arrears.

3.1 Administrative Fee. KCHA shall pay Foundation as set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

3.2 Invoices; Direct Deposit Account. Invoices for payment shall be submitted in a form approved by KCHA. Invoices shall be sent to KCHA for review and processing on or before the 1st day of each month. Foundation shall establish and maintain a direct deposit account with KCHA. KCHA shall direct deposit the amount of each approved invoice on or before the 30th day of each month.

3.3 Taxpayer Identification. To ensure proper tax reporting of the compensation paid under this Agreement, Foundation shall complete, execute and deliver to KCHA an IRS Form W-9, attached hereto and incorporated herein as Exhibit "B," which sets forth the correct

taxpayer identification number for Foundation. To the extent required by law, KCHA shall report all payments to Foundation on IRS Form 1099 and its state law counterpart.

4. **Assignment.** Neither party shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written approval of other party.

5. **Authority to Incur Financial Obligation.** It is understood that Foundation has no right, power or authority to bind KCHA to any agreements or undertakings.

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

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

8. **Compliance with Rules and Laws.** The parties agree to observe and comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

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

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

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

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

13. **Governing Law; Venue.** This Agreement, and all transactions contemplated by this Agreement, shall in all respects be governed by, and construed and interpreted in accordance with, the laws of the state of California without giving effect to any conflicts of law principles of such state that might refer the governance, construction or interpretation of this Agreement to the laws of another jurisdiction. Any dispute between the parties shall be brought before the Superior Court, County of Kern, California, which shall have jurisdiction over all such claims.

14. **Litigation Cooperation.** Each party shall reasonably cooperate with the other party in furnishing information, testimony and other assistance in connection with any litigation, audits, proceedings or disputes relating to this Agreement or the services, other than proceedings or disputes between the parties to this Agreement. Such cooperation between the parties shall not operate as a waiver of the attorney-client privilege or the attorney work-product doctrine.

15. **Immigration Compliance.** Foundation shall comply with all provisions of immigration law with respect to hiring, recruiting or referring for employment persons whose authorization for employment in the United States has been verified, and shall provide KCHA with a copy of such verification (8 U.S.C. § 1324). Foundation agrees to indemnify, defend, and hold harmless KCHA, its officers, directors, employees and agents, from any liability, damages, or causes of action arising out of Foundation's failure to comply with this section.

16. **Indemnification and Hold Harmless.** Each party (the "Indemnifying Party") agrees to defend, indemnify, and hold harmless the other party (the "Indemnified Party") and its directors, officers, members, shareholders, partners, employees and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense or claim for injury or damages is caused by or results from the negligence or intentional acts or omissions of the Indemnifying Party or its directors, officers, members, shareholders, partners, employees or agents.

17. **Independent Contractor.** In the performance of the services under this Agreement, Foundation shall be in fact and law an independent contractor and not an agent or employee of KCHA. Foundation has and retains the right to exercise full supervision and control over the manner and methods of providing services to KCHA under this Agreement. Foundation retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Foundation in the provision of services under this Agreement. With respect to Foundation's employees, if any, Foundation shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil



rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any and all other laws regulating employment.

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

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

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

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

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

23. **Non-collusion Covenant.** Foundation represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning this Agreement with KCHA. Foundation has received from KCHA no incentive or special payments, nor considerations, not related to the provision of services under this Agreement.

24. **Nondiscrimination.** Neither party shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, ancestry, national origin, religion, sex, actual or perceived sexual orientation, marital status, age, pregnancy, medical condition, handicap or other prohibited basis, either directly, indirectly or through contractual or other arrangements.

3252. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of the parties.

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

Notice to Foundation:

Kern Medical Center Foundation  
900 Truxtun Avenue, Suite 330  
Bakersfield, California 93301  
Attn: Executive Director

Notice to KCHA:

Kern County Hospital Authority  
c/o Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306  
Attn: Chief Executive Officer

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

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

29. **Termination.**

29.1 **Termination with Mutual Agreement.** The parties may terminate this Agreement upon mutual written consent with notice of not less than ninety (90) days.

29.2 **Immediate Termination.** KCHA shall have the right to terminate this Agreement at any time upon the occurrence of any one or more of the following events:

- A) Breach of this Agreement by either party where such breach is not cured within thirty (30) calendar days after the party not in default gives written notice of such breach to the other party;

- B) Foundation ceases operations;
- C) Foundation is unable to obtain or maintain sufficient insurance, as required under this Agreement, for any reason;
- D) Foundation is rendered unable to comply with the terms of this Agreement for any reason;
- E) Any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body, or any notice of a decision, finding, interpretation or action by any governmental, court or other third party which, in the opinion of KCHA, if or when implemented, would result in the arrangement between the parties under this Agreement to subject KCHA or any of its employees or agents, to civil or criminal prosecution or monetary penalties on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement;
- F) Violation of any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which KCHA is subject; or
- G) Commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty by either party against the other party.

30. **Effect of Termination.** Except as otherwise provided in this section, upon expiration or other termination of this Agreement, the parties shall be relieved and released from any further duties and obligations under this Agreement. Notwithstanding the foregoing, each party understands and agrees that termination of this Agreement shall not release or discharge the parties from any obligation, debt or liability, which shall have previously accrued and remains to be performed upon the date of termination.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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

KERN COUNTY HOSPITAL AUTHORITY

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

KERN MEDICAL CENTER FOUNDATION

By  \_\_\_\_\_  
Chairman  
Board of Directors

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Scott Thygerson  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

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

**EXHIBIT A**  
**GRANT AND PRIVATE FUNDING ADMINISTRATIVE SERVICES**

This exhibit outlines the administration fee for managing grants and private funding. The purpose of this exhibit is to communicate the costs associated with administering funds as a fiscal intermediary.

**Administration Fee Calculation:**

Grant Fee = 5% - 10%

Private Donation Fee = 1% - 2.5% applies to donations more than \$10,000.

**Use of Administration Fee:**

The administration fee covers the costs associated with managing and overseeing funding provided, including but not limited to:

1. Administrative staff salaries and benefits
2. Office supplies and equipment
3. Technology infrastructure (e.g., software, databases)
4. Communication and outreach expenses
5. Reporting and compliance activities
6. Audit and monitoring costs
7. Overhead and operational expenses

The administration fee is essential for ensuring efficient and effective fund management, compliance with regulatory requirements, and the successful implementation of the funding program. We are committed to utilizing these funds responsibly and transparently to support the objectives outlined in the grant proposal.

This exhibit is designed to provide a clear breakdown of the administration fee associated with managing grants and private donations while ensuring transparency and accountability in financial matters.

**EXHIBIT "B"**

**IRS FORM W-9**

## **EXHIBIT "C"**

### **INSURANCE**

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

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

1. Workers' Compensation and Employers Liability Insurance:

- (a) Required if KCHA has employees. If KCHA engages any employees during the term of this Agreement or any extensions thereof, KCHA agrees to obtain the specified Workers' Compensation and Employers Liability insurance.
- (b) Workers' Compensation insurance with statutory limits as required by the California Labor Code.
- (c) Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- (d) Waiver of Subrogation: The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Foundation for all work performed by KCHA, its employees, agents and subcontractors.
- (e) Required Evidence of Insurance: Certificate of Insurance.

2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance.
- (c) If KCHA has no Owned automobiles, the General Liability policy shall include Non-Owned and Hired Automobile Liability in the amount of \$1,000,000 combined single limit per accident.
- (d) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. KCHA is responsible for any deductible or self-insured retention.

- (e) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.
3. Automobile Liability Insurance:
- (a) Minimum Limits: \$1,000,000 combined single limit per accident for bodily injury and property damage.
  - (b) Insurance shall apply to all Owned autos.
  - (c) Insurance shall include coverage for Non-Owned and Hired autos.
  - (d) Required Evidence of Insurance: Certificate of Insurance.
4. Standards for Insurance Companies: Insurers shall have an A.M. Best's rating of at least A;VII.
5. Additional Insured Wording: "**Kern Medical Center Foundation, its officers, officials, employees and volunteers**" are to be named as Additional Insureds as per each section where noted above.
6. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:
- (a) The Retroactive Date must be shown and must be before the Effective Date of the Agreement or the beginning of contract work.
  - (b) Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract work.*
  - (c) If coverage is canceled or non-renewed, and *not replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, Contractor must purchase "extended reporting" coverage for a minimum of *five (5) years* after completion of the contract work.
7. Documentation:
- (a) The Certificate of Insurance must include the following reference: "**Staffing Agreement.**"
  - (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. KCHA agrees to maintain current Evidence of Insurance on file with Foundation for the entire term of this Agreement and any additional periods if specified in sections 1, 2 or 3 above.
  - (c) The name and address for the Certificates of Insurance and Additional Insured endorsements is Kern Medical Center Foundation, 900 Truxtun Avenue, Suite 330, Bakersfield, California 93301.
  - (d) Required Evidence of Insurance shall be submitted for any renewal or replacement



of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.

- (e) KCHA shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
  - (f) Upon written request, certified copies of required insurance policies must be provided to Foundation within 30 days.
8. Policy Obligations: KCHA's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
9. Primary Coverage: For any claims related to this Agreement, KCHA's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects KCHA, its officers, directors, officials, employees, and volunteers. Any insurance or self-insurance maintained by Foundation, its officers, directors, officials, employees, or volunteers shall be excess of KCHA's insurance and shall not contribute with it.
10. Material Breach: If KCHA fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement.

[INTENTIONALLY LEFT BLANK]



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

June 26, 2024

**Subject:** Proposed Affiliation Agreement with Ross University School of Medicine and American University of the Caribbean School of Medicine

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

**Summary:**

Kern Medical requests your Board approve the proposed Affiliation Agreement with Ross University School of Medicine ("Ross") and American University of the Caribbean School of Medicine ("AUC"), for clinical training of third- and fourth-year medical students at Kern Medical.

Kern Medical initially partnered with Ross and AUC in 2012, becoming a core site for third-year medical student clerkships and fourth year medical student electives. Both schools of medicine are under the corporate umbrella of Adtalem Global Education and represent for-profit health professions universities, located in Barbados, W.I. and St. Maarten, respectively.

All parties share a common goal to recruit and retain the most qualified students into our residency programs who, in turn, will remain in our community. Since partnering with Ross and AUC in 2012, approximately one quarter of our matched applicants into our residency programs have been former students from these two universities, many of whom either decide to stay at Kern Medical as faculty or practice within our community after graduation.

Over the past decade, our affiliation with Ross and AUC has provided extra benefits for both parties, including the creation of a dedicated Student Union on campus, integrated student advisors, and the promotion of faculty development sessions fostering medical student teaching and feedback.

The term of the Agreement is one year from July 1, 2024 through June 30, 2025. During that time Kern Medical will continue to provide faculty and staff to develop and implement the clinical experience, including core and elective clerkships, for Ross's and AUC's third- and fourth-year medical students. In exchange for these services, Ross and AUC will compensate Kern Medical based on a rotation rate of \$760 per week per student for each core and elective clinical rotation. Neither Ross nor AUC is obliged to pay for unfilled rotations.

Therefore, it is recommended that your Board approve the Affiliation Agreement with Ross University School of Medicine and American University of the Caribbean School of Medicine for a term of one year from July 1, 2024 through June 30, 2025, and authorize the Chief Executive Officer to sign.

## AFFILIATION AGREEMENT

This Clinical Education Affiliation Agreement ("Agreement") is entered into on July 1, 2024 ("Effective Date"), by and between AUC School of Medicine B.V. d/b/a American University of the Caribbean School of Medicine ("AUC"), with administrative offices at 10315 USA Today Way, Miramar, Florida 33025 USA, Ross University School of Medicine ("RUSM"), with administrative offices at 10315 USA Today Way, Miramar, Florida 33025 USA ("RUSM" and "AUC" are also each referred to herein as "Institution" and collectively referred to herein as "Institutions"), and Kern County Hospital Authority, a local unit of government ("Authority"), which owns and operates Kern Medical Center ("Hospital"), located at 1700 Mount Vernon Avenue, Bakersfield, CA 93306. Institution and Hospital are each a "Party," and collectively, the "Parties".

### RECITALS

**WHEREAS**, AUC is a medical educational institution maintaining a campus in St. Maarten, and offering a Doctor of Medicine degree; and

**WHEREAS**, RUSM is a medical educational institution maintaining a campus in Barbados, W.I., and offering a Doctor of Medicine degree; and

**WHEREAS**, Hospital is an acute care teaching hospital serving the communities of Kern County, California; and

**WHEREAS**, Institutions and Hospital share a mutual goal of ensuring optimum patient care and excellence in undergraduate medical education; and

**WHEREAS**, the Parties are interested in establishing a program through which a certain number of Institutions' third and fourth-year students will obtain some or all of their clinical training at Hospital ("Program");

**NOW, THEREFORE**, in consideration of the mutual covenants and promises to set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Institutions and Authority hereby agree as follows:

### ARTICLE I.

#### Term

**Term.** Subject to the termination provisions of Section 1.2 below, the term of this Agreement shall be for a period of fourteen (14) months, beginning July 1, 2024 and ending on September 30, 2025 ("Term"). Any prior agreements between the Parties shall be superseded by this Agreement.

1.1 **Termination for Breach.** Any Party may terminate this Agreement by reason of a Material Breach, as that term is defined below, by the other Party provided that written notice containing

a detailed description of the alleged breach is delivered to the alleged breaching party, and the breaching party does not remedy the breach within thirty (30) days following its receipt of said notice. For the purpose of this Agreement, a Material Breach shall, without limitation, include:

- a. Any failure by Hospital to operate the Program in a manner consistent with the standards set forth below in Sections 3.1 (a), and (b) and (c);
- b. Any failure by Hospital to allocate at least the number of clinical slots in the core clinical rotations specified below in Section 3.1 (d);
- c. Hospital is the subject of any voluntary or involuntary bankruptcy, insolvency, receivership, and assignment for the benefit of creditors or any similar court proceeding;
- d. Any failure by Institutions to pay to Hospital for the financial considerations specified under Exhibit "A"; and
- e. Loss of accreditation, licensure, or certification.

1.2 **Termination Without Cause.** Any Party may terminate this Agreement at any time on expiration of ninety (90) days' advance written notice, provided that students who are then in rotation at Hospital are to complete then current rotation(s). All Parties agree to extend the termination or expiration date of this Agreement to be coterminous with the last date of the last rotation completed by the last Institutions' student and all Parties agree to sign an Amendment for this purpose.

1.3 **Effect of Termination.** In event of a termination pursuant to Section 1.2, Hospital shall allow Institutions' students to complete their clerkships, to the extent those students had scheduled their clerkships to begin on or before the effective termination date and provided that any payments required hereunder have been made by Institutions and received by Hospital for the period of time through the completion of the clerkships. Additionally, all Parties agree to extend the termination or expiration date of this Agreement to be coterminous with the last date of the last rotation completed by the last Institutions' student and all Parties agree to sign an Amendment for this purpose.

## **ARTICLE II.**

### **Institutions' Rights and Responsibilities**

2.1 **Rights and Responsibilities.** Institutions hereby assume the following obligations and acquire the following rights with respect to the Program:

- a. Institutions shall appoint for clinical clerkships at Hospital only those students who have satisfied all academic requirements in the pre-clinical sciences and who are qualified to begin their clinical clerkship experiences;
- b. The Deans of each Institution and/or their representatives will visit Hospital at regular intervals to maintain an active liaison between Institutions and Hospital;

c. Institutions shall pay to Hospital in an amount and manner consistent with the terms set forth in Exhibit "A," attached hereto and incorporated by reference herein;

d. Institutions shall pay Hospitals for the student core and elective rotations scheduled and used, as specified under Exhibit "A." Institutions will not pay for any clinical core or elective rotations that are not filled by students;

e. Institutions shall assume and maintain throughout the Term full responsibility for the planning and execution of the educational programming, administration and curriculum content for those Institutions students participating in the Program;

f. Institutions shall have the sole and final right to evaluate its students' total academic accomplishments and make all determinations as to whether to advance a student participating in the Program to the next level within the medical school or to grant a student the Doctor of Medicine degree;

g. Institutions shall take all reasonable steps to ensure that students participating in the Program abide by the policies, rules and regulations of Hospital as they apply to its medical staff;

h. Institutions shall consider for faculty appointments those physicians participating in the Program who are identified by Hospital as candidates for such appointments, said appointments to be for a minimum term of one year from the commencement of the Program;

i. Institutions' students shall be responsible for their own costs incurred for lodging, meals, transportation, uniforms, health insurance and incidental expenses;

j. Institutions shall be solely responsible for scheduling its students in the core and elective rotations listed in Section 3.1(d) and Section 3.1(f);

k. Institutions shall provide to Hospital a roster of students for the 2024 cohort and if feasible within thirty (30) days prior to the start of the rotations or as mutually agreed upon between the Parties to accommodate the starts in a timely manner;

l. Institutions shall maintain professional liability insurance covering the acts and omissions of Institutions' students participating in the Program of not less than two million dollars (\$2,000,000) per incident or occurrence and four million dollars (\$4,000,000) in the aggregate. Institutions shall provide Hospital with certificates of insurance evidencing such coverage prior to Institutions' students beginning the Program. Further, Institutions shall upon reasonable request provide confirmation of health insurance for students of Institutions while they are formally enrolled in clerkships at Hospital;

m. Institutions shall require that all students provide Hospital a current medical examination (not more than six (6) months old) and up to date immunizations and TB testing. These documents will be sent to Hospital no later than two (2) weeks prior to the starting date of the student's rotation;

n. Institutions shall ensure that each student assigned to Hospital complies with the onboarding requirements set forth in Exhibit "B," attached hereto and incorporated herein by this reference, as amended from time-to-time, at no cost to Authority or Hospital. Hospital may from time-to-

time contact Institutions to request current information to validate presence of documentation, to meet regulatory requests, or any time a student may not be in compliance;

o. Institutions shall ensure that each student assigned to Hospital receives basic information regarding the Occupational Exposure to Bloodborne Pathogens regulations ("Regulations") issued by the Department of Labor (29 C.F.R. § 1910.1030) prior to any student being assigned to Hospital. Institutions agree to maintain records evidencing compliance with the Regulations. Hospital shall contact Institutions to request current information in order to validate presence of documentation, to meet regulatory requests;

p. Institutions shall notify its students participating in the Program that they are responsible for:

- i. complying with Hospital's clinical and administrative policies, procedures, rules and regulations, including without limitation, standards of The Joint Commission and regulations pertaining to general acute care hospitals set forth in Title 22, California Code of Regulations, as may be amended from time to time;
- ii. costs incurred for lodging, meals, transportation, uniforms, and health insurance;
- iii. assuming responsibility for their personal illnesses, necessary immunizations, tuberculin tests, and annual health examinations;
- iv. maintaining the confidentiality of patient information;
- v. complying with Hospital's dress code and wearing name badges provided by Hospital, identifying themselves as students;
- vi. attending an orientation to be provided by Hospital;
- vii. notifying Hospital immediately of any violation of state or federal laws by any student; and
- viii. providing services to patients only under the direct supervision of Hospital's professional staff; and

q. Institutions represent and certify that to their knowledge no Institution's student participating in the Program at Hospital under the terms of this Agreement:

- 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 and provided proof of such reinstatement to Institutions and Hospital);
- 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.

### **ARTICLE III.**

#### **Hospital's Rights and Responsibilities**

3.1 **Rights and Responsibilities.** Hospital hereby assumes the following obligations and acquires the following rights with respect to the Program:

a. Hospital acknowledges that it has received and reviewed Institutions' current Clinical Curriculum Guide (the "Guide"), a copy of which is attached hereto as Exhibit "C," and incorporated herein by reference. Future revisions of the Guide will be provided by Institutions to keep participating Hospital teaching faculty current and updated. Hospital shall provide clinical medical education under this Agreement in a manner consistent with the Guide, as a minimum standard. Upon receiving notice from Institutions of any substantive changes in the Guide, Hospital shall promptly incorporate such changes into its clinical medical education curriculum;

b. Hospital shall, throughout the Term, maintain sponsored or affiliated residency training programs accredited by the Accreditation Council for Graduate Medical Education ("ACGME") and shall provide Institutions' students with core and elective clinical training in the areas covered in Table No. 1 under Section 3.1(d) and Table No. 2 under Section 3.1(f). Hospital shall notify Institutions within thirty (30) days of any loss, citations, or change in accreditation from the ACGME;

c. It is expressly understood and agreed by Hospital that, as of the Effective Date, each residency training program referred to in Section 3.1(b) must be specifically listed as an accredited sponsor or affiliated participant program on the ACGME website(s);

d. Hospital agrees to provide sufficient rotations to Institutions' students so students can sequentially complete the required core rotations listed in Table No. 1 below, which shall be for a minimum annual combined cohort of twelve (12) students. Beginning on July 1, 2024, the minimum combined cohort of twelve (12) students shall be allowed to complete a full track of the six core specialties within the Term of the Agreement, which is an annual fifty-two (52) weeks in each year period. Furthermore, Hospital agrees to allow the specified students under Exhibit "D," attached hereto and incorporated herein by this reference, to complete their remaining core track rotations as specified in Exhibit "D" and under the terms of this Agreement. Each core rotation shall begin on or around the first Monday of the scheduled month;

[CONTINUED ON NEXT PAGE]

<b>TABLE NO. 1: CORE ROTATION</b>		
<b>ACGME#</b>	<b>CORE SPECIALTIES</b>	<b>ROTATION WEEKS REQUIRED PER STUDENT</b>
1200500738	Family Medicine (FM)	6 weeks per student per core rotation
2200531027	Obstetrics and Gynecology	6 weeks core per student per rotation
1200500738	Pediatrics under FM Umbrella	6 weeks core per student per rotation
4000522298	Psychiatry	6 weeks core per student per rotation
1400531031	Internal Medicine (IM)	12 weeks core per student per rotation
4400500006	Surgery	12 weeks core per student per rotation

e. Hospital shall make available to Institutions a minimum of twenty (20) elective rotations per month in the specialties listed in Table No. 2 below. Hospital, in its sole discretion, may offer to Institutions additional elective rotations each month. Hospital will provide Institutions with advance notification of Hospital's available elective subspecialties within the specialties listed in the following Table No. 2;

[CONTINUED ON NEXT PAGE]



<b>TABLE NO. 2 - ELECTIVE ROTATIONS</b>		
<b>ACGME#</b>	<b>HOSPITAL CLINICAL CLERKSHIP SPECIALTIES FOR ELECTIVES</b>	<b>ROTATION WEEKS REQUIRED PER STUDENT</b>
1200500738	Family Medicine (FM)	a minimum of 4 weeks per student per elective rotation
2200531027	Obstetrics and Gynecology	a minimum of 4 weeks per student per rotation for electives
1200500738	Anesthesia under FM Umbrella	a minimum of 4 weeks per student per rotation for electives
4000522298	Psychiatry	a minimum of 4 weeks per student per rotation for electives
4400500006	Surgery	a minimum of 4 weeks per student per rotation for electives
1400531031	Internal Medicine (IM)	a minimum of 4 weeks per student per rotation for electives
1200500738	Pathology under FM umbrella	a minimum of 4 weeks per student per rotation for electives
4050531191	Child and Adolescent Psychiatry	a minimum of 4 weeks per student per rotation for electives
1200500738	Radiology under FM Umbrella	a minimum of 4 weeks per student per rotation for electives
1460514214	Infectious Disease	a minimum of 4 weeks per student per rotation for electives
1100512001	Emergency Medicine	a minimum of 4 weeks per student per rotation for electives

- f. Hospital shall designate a member of its staff to serve as Program Coordinator;
- g. Hospital shall designate a member of its staff to supervise the core clerkship as Clinical Site Director for Clinical Education;
- h. Hospital shall collaborate with Institutions to appoint a member of its staff to serve as Clinical Site Director for each of the core clerkships listed in Sections 3.1(d) of the Agreement and allow said Clinical Site Director to orient Institutions' participating students on the first day of their clerkship to the rules, regulations, policies, and procedures of Hospital as well as Hospital's facilities, operations, and emergency protocols;
- i. All clinical faculty members teaching Institutions' students at Hospital must receive Institutions' faculty appointments, be assigned a faculty rank and title, and are considered Institutions' clinical faculty;
- j. Hospital shall allocate adequate clerical/administrative support staff to ensure the needs of Institutions' students participating in the Program are met;
- k. Hospital shall ensure that residents who are part of either sponsored or participant ACGME programs, as provided for in Sections 3.1(b), supervise Institutions' students participating in core and elective rotations at Hospital at a maximum ratio of four (4) students per resident (although it is expressly understood and agreed that a 2:1 ratio is preferred) and that attending physicians supervise those residents;
- l. Hospital shall permit students from Institutions with the appropriate access to patients at Hospital's facilities while they are formally enrolled in clerkships;
- m. Hospital shall provide Institutions timely notice of any substantially inappropriate behavior on the part of any Institution's student, which may indicate the need for sustained counseling or correction;
- n. Hospital shall provide Institutions' students with regular, appropriate, and timely feedback concerning their performance and behavior in relation to the assigned rotation(s);
- o. Upon request, Hospital shall provide to Institutions accurate and current data concerning student clinical activities, including, but not limited to, patient census (i.e. average daily census) for each course area of clinical instruction;
- p. Hospital shall make available the following health services to Institutions' students while they are assigned to clerkships at Hospital provided Institutions' students assume the usual fees and costs for such services:
  - i. medical referrals through Hospital's referral services;

- ii. emergency services provided by the emergency department;
- iii. basic health services as required by regulatory agencies from time to time; and
- iv. In the event an Institution's student is exposed to an infectious or environmental hazard or other occupational injury (e.g., needle stick) while at Hospital, Hospital, upon notice of such incident from the student, will provide such emergency care as is provided its employees, including, where applicable: examination and evaluation by Hospital's emergency department or other appropriate facility as soon as possible after the injury; emergency medical care immediately following the injury as necessary; initiation of the HBV, Hepatitis C (HCV), and/or HIV protocol as necessary; and HIV counseling and appropriate testing as necessary. In the event that Hospital does not have the resources to provide such emergency care, Hospital will refer such student to the nearest emergency facility. The student bears the financial responsibility for any charges generated;

q. Hospital shall provide the following support services to Institutions' students while they are assigned to clerkships at Hospital's facilities:

- i. Housing referrals, if available;
- ii. Hospital Wi-Fi and Internet access;
- iii. Medical library access including on-line computer medical data base access and other learning resources;
- iv. In-house accommodations for Institutions' on-call students, including call rooms, lockers, and scrubs at no additional charge; and
- v. Cafeteria access, study space and parking, if available;

r. Hospital shall maintain commercial general liability, workers' compensation, and professional malpractice liability insurance, as applicable, that provide coverage for the negligent acts or omissions of its officers, directors, employees or agents. Coverage limits shall not be less than two (2) million dollars (\$2,000,000) per claim and five (5) million dollars (\$5,000,000) in the aggregate for each policy year per policy type;

s. Hospital's Medical Education Director shall have the authority to immediately suspend any Institution student whose behavior does not conform to the expectations provided in orientation by Hospital, refuses to follow Hospital's administrative policies, procedures, rules and regulations, or violates any federal or state law or regulation, provided the student's Institution is given immediate (i.e., within twenty-four (24) hours) written notice of such action;

t. Hospital shall complete a formative mid-clerkship assessment form for each student at the mid-point of each clerkship;

u. Hospital shall submit, in a timely and appropriate manner, a written clinical evaluation of each student at the completion of each clerkship rotation by the supervising physician, and countersigned by the Director of Medical Education, said evaluation to be delivered to Institutions within two (2) weeks, but not later than thirty (30) days of completion of the clerkship;

v. Except as otherwise required by law, Hospital shall maintain the confidentiality of student information in accordance with applicable state and federal laws. The foregoing confidentiality obligations shall survive the termination or expiration of this Agreement for any reason;

w. Hospital acknowledges that Institutions will conduct site visits for the purposes of maintaining accreditation and evaluating the quality of the educational Program provided to students. Hospital agrees to cooperate with Institutions' Clinical Deans or other appointed Institutions' administration with scheduling, arranging meetings with Hospital Leadership, students and others as may be required by Institution's accreditors. Hospital agrees to cooperate with Institutions to address and remedy any conditions for approval of the clinical Program at Hospital as stipulated by Institutions' accreditors;

x. Institutions' students participating in the Program, as trainees, shall be considered members of Hospital's "workforce," as that term is defined by the HIPAA regulations at 45 C.F.R. § 160.103, and shall be subject to Hospital's policies respecting confidentiality of medical information. In order to ensure that students comply with such policies, Hospital shall provide students with substantially the same HIPAA training that it provides to its regular employees;

y. Hospital may request that Institutions remediate any student who Hospital determines, in its sole discretion, is not performing satisfactorily according to the ACGME core competencies. Such requests must be in writing and must include a statement as to the reason or reasons for Hospital's request; and

z. In compliance with Title 22, California Code of Regulations, Section 70713, Hospital shall retain professional and administrative responsibility for the services rendered under this Agreement.

## **ARTICLE IV.**

### **Confidentiality**

4.1 **Confidential Information.** As used herein, the term "Confidential Information" shall mean all information provided by one Party to the other(s) in connection with the Program or this Agreement, whether said information is communicated orally, in writing or in electronic format and regardless of whether it was disclosed before or after the Parties' formal execution of this Agreement. Confidential Information shall include, without limitation, information regarding a Party's financial affairs, business operations, business plans or business strategies. Further, Confidential Information shall

include all information directly or indirectly derived from, based on or containing, in whole or in part, any Confidential Information, regardless of who actually prepared such information.

4.2 **Use and Disclosure.** Each Party shall maintain the Confidential Information in strict confidence and use same only for purposes of facilitating the Program. In no event and under no circumstances will any Party use any of the Confidential Information for any purpose other than facilitating the Program. Without in any way limiting the generality of the foregoing, each Party further agrees that:

a. it will disclose the Confidential Information only to those of its employees, officers, directors, agents, and professional advisors (collectively, "Representatives") who require such Confidential Information to facilitate the Program;

b. it will advise its Representatives who receive any of the Confidential Information of the confidential nature of said information, and will secure affirmative assurances from all such Representatives that they will abide by the terms and conditions of this Agreement as if they were parties hereto;

c. it will undertake all reasonable and necessary steps to preserve the confidentiality of the Confidential Information; and

d. it shall be responsible for any breach by its Representatives of the terms of this Agreement.

4.3 **No Disclosure to Third Parties.** No Party, either through its acts or omissions, shall permit the disclosure of Confidential Information to any third party other than its Representatives as provided for in Section 4.2 above. In the event that a Party becomes aware of the disclosure of any Confidential Information to a third party, that Party shall promptly notify the other Parties of such disclosure so as to afford the other Parties a reasonable opportunity (but not the obligation) to compel the return of said information and/or preclude the further dissemination of such information.

4.4 **Legal Process.** Nothing set forth herein is intended to restrict a Party's ability to comply with its obligation to respond to any subpoena, court order or other valid legal process seeking the disclosure of Confidential Information. In the event a Party receives a subpoena, court order or other valid legal or regulatory process purporting to compel the disclosure of Confidential Information, including any request made pursuant to the California Public Records Act, that Party shall promptly notify the other Parties to afford the other Parties a reasonable opportunity (but not the obligation) to object to and/or oppose such disclosure. Further, the Party receiving such a subpoena, court order or other valid legal process, including any request made pursuant to the California Public Records Act, will cooperate with the other Parties, at the other Parties' expense, in objecting to or opposing such disclosure.

4.5 **Ownership and Return of Information.** With respect to the ownership and disposition of any Confidential Information disclosed either during the course of the Parties' negotiation of this Agreement or the duration of the Term, or any extension thereof, the Parties agree as follows:

a. **Institutions' Obligations.** Institutions acknowledge and agree that all Confidential Information coming into its possession, custody or control from Hospital is the exclusive property of Hospital. Institutions further acknowledge that they have not been granted by this Agreement any license, copyright, or similar right with respect to any of the Confidential Information provided to them by Hospital. Institutions expressly acknowledge that Hospital does not represent or warrant (expressly or by implication) the accuracy or completeness of such Confidential Information. Institutions also agree that they are not entitled to rely on the accuracy or completeness of any Confidential Information and that they shall be entitled to rely solely on such representations and warranties regarding Confidential Information as may be made herein. Upon the request of Hospital, Institutions shall return or destroy all copies of Confidential Information provided by Hospital and will destroy all documents in their respective possession or control which contain any of the Confidential Information (including all documents, summaries, analyses, forecasts, extracts, memoranda, notes, and other materials whatsoever prepared based in whole or in part on any Confidential Information). Upon the request of Hospital, such destruction shall be certified in writing to the requesting Party by any authorized officer or agent supervising such destruction. Notwithstanding the return or destruction of any Confidential Information or any such other materials based in whole or in part on any Confidential Information, Institutions shall continue to be bound by their obligations under this Agreement. Any Confidential Information and other materials that are not returned or destroyed shall remain subject to the confidentiality obligations set forth herein.

b. **Hospital's Obligations.** Hospital acknowledges and agrees that all Confidential Information coming into its possession, custody or control from Institutions is the exclusive property of Institutions. Hospital acknowledges that it has not been granted by this Agreement any license, copyright, or similar right with respect to any of the Confidential Information provided to it. Hospital expressly acknowledges that Institutions does not represent or warrant (expressly or by implication) the accuracy or completeness of such Confidential Information. Hospital also agrees that it is not entitled to rely on the accuracy or completeness of any Confidential Information and that it shall be entitled to rely solely on such representations and warranties regarding Confidential Information as may be made herein. Upon the request of Institutions, Hospital shall return or destroy all copies of Confidential Information provided by Institutions and will destroy all documents in its possession or control which contain any of the Confidential Information (including all documents, summaries, analyses, forecasts, extracts, memoranda, notes, and other materials whatsoever prepared based in whole or in part on any Confidential Information). Upon the request of Institutions, such destruction shall be certified in writing to the requesting Party by any authorized officer or agent supervising such destruction. Notwithstanding the return or destruction of any Confidential Information or any such other materials based in whole or in part on any Confidential Information, Hospital shall continue to be bound by its obligations under this Agreement. Any Confidential Information and other materials that are not returned or destroyed shall remain subject to the confidentiality obligations set forth herein.

4.7 **Remedy.** It is expressly understood and agreed that a Party's breach or threatened breach of its obligations with respect to Confidential Information as set forth in this Article IV shall pose an immediate threat to the other Parties of irreparable harm for which monetary damages shall be an inadequate remedy, thus entitling the other Party or Parties to injunctive relief enjoining such breach or threatened breach.

4.8 **Continuing Obligation.** The Parties' obligations with respect to Confidential Information as set forth in this Article IV shall be deemed to survive the termination or expiration of this Agreement.

## **ARTICLE V.**

### **Miscellaneous**

5.1 **Entire Agreement.** This Agreement, and all exhibit hereto, sets forth the entire agreement between the Parties with respect to the subject matter hereof. It supersedes any and all prior oral or written agreements relating thereto. There are no other understandings or agreements between or among the Parties with respect to the subject matter hereof except as set forth herein.

5.2 **No Oral Modification.** No condition or provision of this Agreement may be modified, waived, or revised in any way except in writing executed by the Parties and referring specifically to this Agreement.

5.3 **Binding Effect.** This Agreement and all rights and duties set forth herein shall be binding upon and inure to the benefit of the Parties hereto, as well as their respective successors and assigns.

5.4 **Governing Law.** This Agreement and its interpretation and performance shall be governed by the laws of the state of California, without giving effect to the conflict of law rules of that state.

5.5 **Venue.** Any action arising in any way out of the terms of this Agreement, or a Party's performance or non-performance thereof, shall be brought to the state court of competent jurisdiction located in Kern County, California, and the Parties expressly consent to the exercise by those courts of personal jurisdiction over them with respect to any such action.

5.6 **Partial Invalidity.** In the event any provision of this Agreement is held to be contrary to or invalid under the laws of any country, state, municipality or other jurisdiction, such illegality or invalidity shall not affect in any way any of the other provisions hereof, all of which shall continue in full force and effect.

5.7 **Captions.** The captions set forth in this Agreement are intended solely for the Parties' convenience and ease of reference and are not intended to modify, limit, describe or affect in any way the scope, content, or intent of this Agreement.

5.8 **Signatures.** This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. The Parties agree that signatures by facsimile or PDF shall be deemed original signatures.

5.9 **Authorizations.** The Parties hereby represent that their respective representatives identified below are fully authorized to execute this Agreement on their behalf.

5.10 **Acknowledgement.** The Parties hereto acknowledge and agree that they have entered into this Agreement and have executed it without duress or coercion and have done so with the full advice of counsel. Each Party further acknowledges and agrees that no other Party has made any representations, warranties, promises, or agreements not set forth herein and no Party relies in any way on any representation, warranty, statement of fact or opinion, understanding, disclosure or non-disclosure not set forth herein in entering into this Agreement and executing it, and that no Party has been induced in any way, except for the consideration, representations, warranties, statements and covenants recited herein, to enter into this Agreement.

5.11 **Construction and Enforcement.** The terms of this Agreement are the product of negotiations between the Parties through their respective counsel, if any, and the Parties agree that those terms shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

5.12 **No Waiver.** The failure of any Party to this Agreement to exercise and/or delay in exercising any power or right hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise of any other power or right hereunder. Furthermore, the waiver by any Party to this Agreement of any right or remedy hereunder on any occasion shall not be construed as a waiver of any such right or remedy on any future occasion.

5.13 **Notices.** All notices, requests, demands or other communications required or contemplated hereunder or relating hereto shall be in writing and forwarded by overnight delivery and/or facsimile as follows:

**If to American University of the Caribbean School of Medicine:**

Administrative Office  
10315 USA Today Way  
Miramar, Florida, 33025 USA  
Attention: Interim Dean and the VP of Operations

With a copy to:

Adtalem Global Education  
500 West Monroe Street, Suite 13  
Chicago, IL 60661  
Attention: General Counsel  
Email: ATGELegalNotices@adtalem.com

**If to Ross University School of Medicine:**

Administrative Office  
10315 USA Today Way,  
Miramar, Florida, 33025 USA  
Attention: Dean and VP of Operations



With a copy to:

Adtalem Global Education  
500 West Monroe Street, Suite 13  
Chicago, IL 60661  
Attention: General Counsel  
Email: ATGELegalNotices@adtalem.com

**If to Hospital:**

Kern County Hospital Authority c/o Kern Medical Center  
1700 Mount Vernon Avenue Bakersfield, CA 93306  
Attention: Chief Executive Officer

With a copy to:  
Vice President & General Counsel  
Kern County Hospital Authority  
4520 California Avenue, Suite 100  
Bakersfield, CA 93309  
Email: Karen.Barnes@kernmedical.com

5.14 **Status of the Parties.** The Parties are independent contractors under this Agreement, and no Party shall have the authority to bind, represent or commit the other. Nothing in this Agreement shall be deemed or construed to create a joint venture, partnership, or agency relationship between the Parties for any purpose. The Parties acknowledge that students are not employees or agents of any Party to this Agreement.

5.15 **Indemnification.**

5.15.1 **Authority Indemnification.** Authority agrees to protect, defend, hold harmless and indemnify Institutions, its respective successors and assigns, officers, directors, employees, or agents (all foregoing parties hereinafter collectively referred to as "Indemnitees"), from and against all claims, actions, liabilities, damages, losses, costs, and expenses, including attorneys' fees, of whatever nature arising out of or resulting from:

- a. the negligent acts or omissions of Hospital or any employee or agent of Hospital in the performance of Hospital's obligations under this Agreement;
- b. the negligent acts or omissions of Institutions' students while under the supervision of Hospital;
- c. Hospital's failure to comply with the terms of this Agreement.

In the event of any such claim, the Indemnatee shall notify Hospital and reasonably cooperate with Hospital in the defense thereof. Hospital shall permit Indemnatee to participate in the selection of

defense counsel, and Hospital shall keep the Indemnitee informed on a periodic basis as to the status of Hospital's efforts and consult with the Indemnitee concerning Hospital's efforts.

**5.15.2 AUC's Indemnification.** AUC agrees to protect, defend, hold harmless and indemnify Authority and Hospital, their respective successors and assigns, employees, officers, directors, employees or agents (all of the forgoing parties hereinafter collectively referred to as "Indemnitees"), from and against all claims, actions, liabilities, damages, losses, costs and expenses, including attorneys' fees, of whatever nature arising out of or resulting from:

- a. The negligent acts or omissions of AUC or any employee, student or agent of AUC in the performance of AUC's obligations under this Agreement; and/or
- b. AUC's failure to comply with the terms of this Agreement.

In the event of any such claim, the Indemnitees shall notify AUC and reasonably cooperate with AUC in the defense thereof. AUC shall permit the Indemnitees to participate in the selection of defense counsel, and AUC shall keep the Indemnitees informed on a periodic basis as to the status of AUC's efforts and consult with the Indemnitees concerning Institution efforts.

**5.15.3 Ross's Indemnification.** Ross agrees to protect, defend, hold harmless and indemnify Authority and Hospital, their respective successors and assigns, employees, officers, directors, employees or agents (all of the forgoing parties hereinafter collectively referred to as "Indemnitees"), from and against all claims, actions, liabilities, damages, losses, costs and expenses, including attorneys' fees, of whatever nature arising out of or resulting from:

- a. The negligent acts or omissions of Ross or any employee, student or agent of Ross in the performance of Ross's obligations under this Agreement; and/or
- b. Ross' failure to comply with the terms of this Agreement.

In the event of any such claim, the Indemnitees shall notify Ross and reasonably cooperate with Ross in the defense thereof. Ross shall permit the Indemnitees to participate in the selection of defense counsel, and Ross shall keep the Indemnitees informed on a periodic basis as to the status of Ross's efforts and consult with the Indemnitees concerning Ross's efforts.

EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, NO PARTY SHALL BE LIABLE TO THE OTHER PARTY IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, BREACH OF STATUTORY DUTY OR OTHERWISE DUE TO, UNDER AND/OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT TO THE EXTENT SUCH LOSS OR DAMAGE IS CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE, WHETHER OR NOT SUCH PARTY HAD BEEN ADVISED OF THE LIKELIHOOD OF ANY SUCH LOSS OR DAMAGE.

This entire Section 5.15 shall survive expiration or termination of this Agreement for any reason.

5.16 **Force Majeure.** Any delay or failure in the performance by any Party hereunder shall be excused if and to the extent caused by the occurrence of a Force Majeure. For purposes of this Agreement, Force Majeure shall mean a cause or event that is not reasonably foreseeable or otherwise caused by or under the control of the Party claiming Force Majeure, including acts of God, fires, floods, explosions, riots, wars, hurricane, sabotage terrorism, vandalism, accident, restraint of government, governmental acts, injunctions, pandemics, labor strikes and other like events that are beyond the reasonable anticipation and control of the Party affected thereby, despite such Party's reasonable efforts to prevent, avoid, delay, or mitigate the effect of such acts, events or occurrences, and which events or the effects thereof are not attributable to a Party's failure to perform its obligations under this Agreement.

5.17 **Right to Investigate.** Each Party shall notify the other Parties of any complaints or internal or external investigations pertaining to a student during the course of the Program, including, but not limited to, sexual harassment investigations and ethics investigations. If a student notifies a Party of sexual misconduct by an employee of Hospital or another student in the program, pursuant to Title IX of the Education Amendments of 1972 ("Title IX"), each Party will have the right to investigate per such Party's policies and procedures.

5.18 **Accommodations.** The Parties shall comply with the Americans with Disabilities Act of 1990, as amended by the ADA Amendments Act of 2008 ("ADA"), effective as of January 1, 2009, Section 504 of the Rehabilitation Act of 1973 ("Section 504"), and Title IX, and shall cooperate to ensure that applicable student(s) receive reasonable accommodations.

5.19 **Use of Name; Press Releases.** No Party shall use the name of the other in any other manner without the prior written consent of the other Party. Institutions and Hospital shall not make any public announcement or issue any press release regarding this Agreement, or any activities performed hereunder without the prior mutual written consent of the Parties.

5.20 **Nondiscrimination.** All Parties agree to abide by applicable federal and state laws prohibiting discrimination against any employee, applicant for employment, student or patient because of race, color, religion, national origin, ancestry, disability, marital status, gender, gender identity, sexual orientation, age or veteran status.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Affiliation Agreement effective as of the Effective Date first set forth above.

AMERICAN UNIVERSITY OF THE CARIBBEAN SCHOOL OF MEDICINE

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Signature By:

Name: Alejandro Carrasco, JD, MEd

Title: Interim Dean

VP of Operations

Date:

ROSS UNIVERSITY SCHOOL OF MEDICINE

DocuSigned by:



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6/18/2024 | 11:44:37 AM CDT

Signature By:

Name: Heidi Chumley, MD, MBA

Title: Dean

Date:

KERN COUNTY HOSPITAL AUTHORITY

Signature By:

Name: Scott Thygerson

Title: Chief Executive Officer

Date:

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

Signature By:

Name: Karen S. Barnes

Title: Vice President & General Counsel, Kern County Hospital Authority

Date:

EXHIBIT "A" FINANCIAL CONSIDERATION

Institutions hereby agree to pay Hospital a rotation rate of seven hundred sixty (\$760.00) US dollars per week per student, for each Hospital core and elective clinical clerkship rotation used by Institutions at Hospital. The first clinical clerkship rotation shall begin on July 1, 2024. Institutions will not pay for any clinical core or elective rotations that are not filled by students.

All clinical clerkship fees will be due and payable to Hospital within sixty (60) days after Institutions receive an original completed end of clerkship clinical evaluation and an invoice from Hospital indicating the amount owed.

IN WITNESS WHEREOF, the Parties have executed the Financial Considerations under Exhibit A as set forth above.

AMERICAN UNIVERSITY OF THE CARIBBEAN SCHOOL OF MEDICINE

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Signature By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Alejandro Carrasco, JD, MEd  
Title: Interim Dean  
VP of Operations

ROSS UNIVERSITY SCHOOL OF MEDICINE

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Signature By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Heidi Chumley, MD, MBA  
Title: Dean

KERN COUNTY HOSPITAL AUTHORITY

Signature By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Scott Thygerson  
Title: Chief Executive Officer

[SIGNATURES CONTINUE ON NEXT PAGE]

**APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT**

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

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

Name: Karen S. Barnes

Title: Vice President & General Counsel, Kern County Hospital Authority

**EXHIBIT "B"**

**ONBOARDING REQUIREMENTS**





**EXHIBIT "C"**

**CLINICAL CURRICULUM GUIDES:**

**AMERICAN UNIVERSITY OF THE CARIBBEAN SCHOOL OF MEDICINE**

**ROSS UNIVERSITY SCHOOL OF MEDICINE**

**EXHIBIT “D”**

**LIST OF INSTITUTIONS’ STUDENTS COMPLETING CORE TRACKS FROM 2023-  
2024,  
WHICH SHALL CARRY FORWARD TO COMPLETE THEIR FULL TRACK INTO  
THE 2024-2025 AGREEMENT**

**AUC Students**

- 1. D20031915 Michael Ibrahim**  
07/29/24 – 09/06/24: Family Medicine

**RUSM Students**

- 2. D00294856 Tejasvi Ayyagari**  
07/29/24 – 09/06/24: Family Medicine
- 3. D00293941 Cameron Carlisle**  
07/29/24 – 09/06/24: Ob/Gyn
- 4. D00281581 Yen Granat**  
07/29/24 – 09/06/24: Psychiatry  
09/09/24 – 10/18/24: Family Medicine  
10/21/24 – 11/29/24: Pediatrics  
12/02/24 – 01/10/25: Ob/Gyn
- 5. D00300297 Sabrina Hawatmeh**  
07/29/24 – 09/06/24: Ob/Gyn
- 6. D0029948 Shivam Patel**  
07/29/24 – 09/06/24: Psychiatry
- 7. D00299791 Luz Perez Montes**  
07/29/24 – 09/06/24: Pediatrics



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

June 26, 2024

**Subject:** Proposed Amendment No. 1 to Agreement 095-2022 with Sarah G. Gonzalez, M.D.

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

**Summary:**

Kern Medical requests your Board Amendment No. 1 to Agreement 095-2022 with Dr. Sarah G. Gonzalez, a contract employee, for professional medical services in the Department of Medicine. Dr. Gonzalez joined Kern Medical on September 10, 2016, after completing an emergency medicine residency at Kern Medical. She is board certified in emergency medicine and addiction medicine.

Dr. Gonzalez's focus is on Primary Care-Based Addiction Medicine, Correctional Medicine and Enhanced Care Management (formerly Whole Person Care). Dr. Gonzalez has always had a passion for providing exceptional care to the most vulnerable populations, specifically the homeless and post-incarcerated. Her passion for these underserved populations has triggered a new-found interest in Addiction Medicine, as her populations of focus have an overwhelming need for addiction medicine treatment. Dr. Gonzalez, who returned to full-time work from her fellowship in addiction medicine in August of 2023, has been successful in applying for and receiving ACGME accreditation for the Addiction Medicine fellowship at Kern Medical beginning July 1, 2024.

The proposed Amendment appoints Dr. Gonzalez as the Program Director for the ACGME-accredited Addiction Medicine fellowship which includes an annual stipend of \$24,000, adds after-hours phone coverage compensation at a rate of \$50 per night, and adds emergency medicine shift coverage so that she can maintain her emergency medicine privileges. The maximum compensation payable under this six-year Agreement will increase by \$430,000 to \$1,970,000.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 095-2022 for professional medical services with Sarah G. Gonzalez, M.D., for the period August 1, 2022 through July 31, 2028, increasing the maximum payable by \$430,000, from \$1,970,000 to \$2,400,000 to cover the term, and authorize the Chairman to sign.

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

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Sarah G. Gonzalez, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. #095-2022, dated August 17, 2022) (the “Agreement”), for the period August 1, 2022 through July 31, 2028, whereby Physician provides professional medical services in the Department of Medicine and teaching services to resident physicians employed by Authority; and

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

(c) The Agreement is amended effective June 26, 2024;

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, Obligations of Physician, paragraph 4.3, Qualifications, subparagraph 4.3.2, Board Certification, shall be deleted in its entirety and replaced with the following:

“4.3.2 Board Certification. Physician shall be board certified by the American Board of Emergency Medicine in emergency medicine-general and the American Board of Preventive Medicine in addition medicine-subspecialty, maintain such certifications at all times during the Term of this Agreement.”

2. Section 4, Obligations of Physician, paragraph 4.9, Physician Private Practice, shall be deleted in its entirety and replaced with the following:

“4.9 Physician Private Practice. Physician understands and agrees that he shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine during the Term of this Agreement or any extensions thereof. Notwithstanding the foregoing or the exclusivity provision set forth in paragraph 4.1, Physician shall be permitted to provide professional medical services as an independent contractor to other organizations during the Term of this Agreement. Physician

understands and agrees that she shall not provide services to other organizations during Authority workdays (except on scheduled days off), or at any time when Physician has not completed the pre-determined clinic and work schedule assignments for Authority. Physician acknowledges that she is not covered by the professional liability insurance provided by Authority under this Agreement while engaged in services or activities outside the scope of this Agreement, and Authority shall have no duty or obligation to indemnify, defend or hold Physician harmless for such services or activities. If Physician engages in services or activities beyond the scope of this Agreement, Physician hereby agrees to indemnify, defend and hold harmless Authority, its affiliates, and their respective officers, directors, members, managers, employees or agents from and against any and all liability arising therefrom. Physician understands and agrees that the provision of services as an independent contractor shall be subordinate to her obligations and duties under this Agreement.”

3. Section 5, Compensation Package, shall be deleted in its entirety and replaced with the following:

“5. **Compensation Package.**

5.1 **Annual Compensation (commencing June 26, 2024).** Physician shall work full time, which is a minimum of eighty (80) hours per biweekly pay period, and will be compensated with cash and other value as described below in this paragraph 5.1 (“Annual Salary”).

5.1.1 **Annual Salary.** Authority shall pay Physician an Annual Salary of \$13,076.92 biweekly not to exceed \$340,000 annually. The Annual Salary shall be comprised of (i) a base salary for teaching and administrative services and (ii) payment for care of KMC patients. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey (“MGMA Survey”) for specialty and (ii) Physician will maintain a median level (50th percentile) of worked relative value units (“Worked RVU”) based on the current MGMA Survey and fulfill all the duties set forth in Exhibit “A” during the Term of this Agreement.

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

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

5.2 Excess Clinic Coverage. Authority shall pay Physician an hourly rate of \$150 per hour, less all applicable federal and state taxes and withholdings, for excess clinic coverage (defined as any clinic appointment on weekends, holidays or after 5:00 p.m. on weekdays).

5.3 After-hours Phone Coverage.<sup>2</sup> Authority shall pay Physician a fixed fee in the amount of \$50 per day, less all applicable federal and state taxes and withholdings, for after-hours phone call coverage (after 5:00 p.m., Monday through Sunday, including holidays).

5.4 Emergency Medicine Shift Coverage. Authority shall pay Physician a shift rate of \$2,500 per nine (9) hour shift, less all applicable federal and state taxes and withholdings, for coverage that exceeds forty (40) hours per week of service in the Department.

5.5 Responsible Physician Stipend. Authority shall pay Physician an annual stipend of \$961.53 biweekly, less all applicable federal and state taxes and withholdings, not to exceed \$25,000 annually for services as Responsible Physician for Correctional Medicine Services. Physician understands and agrees that she must remain in the position of Responsible Physician for Correctional Medicine Services as of each biweekly payout date in order to earn and receive the stipend.

5.6 Program Director Stipend. Authority shall pay Physician an annual stipend of \$923.07.53 biweekly, less all applicable federal and state taxes and withholdings, not to exceed \$24,000 annually for services as Program Director for the Addiction Medicine Fellowship. Physician understands and agrees that she must remain in the position of Program Director as of each biweekly payout date in order to earn and receive the stipend.

5.7 Retention Bonus.

5.7.1 Bonus. Physician shall be paid an annual retention bonus in the amount of \$20,000, less all applicable federal and state taxes and withholdings, payable within thirty (30) days of the end of each Employment Year. If the conditions for Physician to receive the retention bonus are met, the retention bonus would become payable to Physician on August 1, 2024, for the previous Employment Year, and each August 1 thereafter.

5.7.2 Repayment. In the event that Physician voluntarily terminates her employment with Authority for any reason whatsoever during an Employment Year in which a retention bonus is paid, Physician will repay to Authority an amount equal to \$20,000 multiplied by the fraction, the numerator of which is 365 less the number of days during which Physician was employed by Authority, and

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<sup>2</sup> Applicable to correctional medicine only if Physician is no longer serving as the Responsible Physician for Correctional Medicine Services.

the denominator of which is 365. Such repayment shall be made by Physician in full within thirty (30) days of the effective date of her termination of employment with Authority.

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

5.8 Professional Fee Billing.

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

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

5.9 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$2,400,000 over the six (6) year Term of this Agreement."

4. Exhibit "A," Job Description, shall be deleted in entirety and replaced with Amendment No. 1 to Exhibit "A," Job Description, attached hereto and incorporated herein by this reference.
5. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
6. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

[SIGNATURES FOLLOW ON NEXT PAGE]



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

PHYSICIAN

By   
Sarah G. Gonzalez, 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

Amend1.Gonzalez.061124

**AMENDMENT NO. 1  
TO  
EXHIBIT “A”  
JOB DESCRIPTION  
Sarah G. Gonzalez, M.D.  
(Effective June 26, 2024)**

**Position Summary:** Reports to Chair, Department of Medicine; serves as Responsible Physician for Correctional Medicine Services for correctional facilities owned and operated by County of Kern (“County”); serves as Program Director for the Addiction Medicine Fellowship; provides no fewer than eighty (80) hours of service per biweekly pay period; serves as a full-time staff physician providing medical services to inmates in County-owned and -operated correctional facilities and KMC outpatient clinics to patients assigned to the Whole Person Care/Enhanced Care Management clinic.

**County Jail Clinics<sup>1</sup>:**

- Provides services no fewer than one (1) day per week at the various County-owned and -operated correctional facilities, including Lerdo, Central Receiving Facility (CRF) and Juvenile Hall (collectively “County Jail Facilities”)
- Provides urgent and basic medical care to inmates at the County Jail Facilities
- Refers inmate patients to KMC when medical care cannot be adequately provided at the County Jail Facilities
- Provides after hours and weekend nurse call coverage
- Supervises mid-level practitioners

**Responsible Physician at County Jail Clinics<sup>2</sup>:**

- Coordinates with the KMC Clinical Director responsible for nursing services at the County Jail Facilities
- Assists and reviews policies for medical services at the County Jail Facilities
- Reviews and signs 10% of mid-level patient records or as otherwise required by law
- Attends and participates in pertinent scheduled committee meetings
- Participates in KMC quality improvement programs at the County Jail Facilities
- Participates in the development and approval of policies and procedures
- Assists the Clinical Director at KMC responsible for nursing services at the County Jail Facilities to develop standardized procedures for the provision of inmate health care
- Participates in correctional medicine nursing update

**Staff Physician, Whole Person Care/Enhanced Care Management (“WPC/ECM”):**

- Provides services no fewer than two (2) days per week for the WPC/ECM program at KMC-designated Practice Sites (as defined in Section 2 of the Agreement)
- Provides urgent and basic medical care to WPC/ECM patients
- Refers WPC/ECM patients to KMC when medical care cannot be adequately provided in the clinic setting

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<sup>1</sup> Applicable while providing services as the Responsible Physician for Correctional Medicine Services.

<sup>2</sup> Id.

- Supervises mid-level practitioners
- Coordinates with the KMC Clinical Director responsible for WPC/ECM outpatient clinics
- Assists and reviews policies for WPC/ECM medical services
- Reviews and signs ten percent (10%) of mid-level patient records or as otherwise required by law
- Attends and participates in pertinent scheduled committee meetings
- Participates in KMC quality improvement programs related to WPC/ECM and KMC
- Participates in the development and approval of policies and procedures
- Assists the KMC Clinical Director responsible for WPC/ECM outpatient clinic services to develop standardized procedures for the provision of medical care
- Participates in the ongoing growth and development of WPC/ECM services

**Supervision of Resident Physicians:**

- Physician shall supervise resident physicians during all assigned clinical activity

**Medical Education:**

- Physician shall provide medical education including didactic lectures and education and mentoring of medical students and resident physicians during rounds and in the clinic setting

**Didactic Teaching:**

- Physician shall provide didactic lectures as mutually agreed upon between Physician and the Department Chair or Program Director

**Other KMC Services:**

- Attends Medical Staff meetings as requested
- Participates in Medical Staff and hospital committee meetings assigned by the Department Chair or President of the Medical Staff

**Program Director, Addiction Medicine Fellowship:**

- Assumes responsibility and accountability for operation of the addiction medicine fellowship
- Administers and maintains an environment conducive to educating addiction medicine fellows, which includes responsibility to:
  - 1) Oversee and ensure the quality of didactic and clinical education;
  - 2) Evaluate program faculty;
  - 3) Monitor fellow supervision;
  - 4) Prepare and submit information required and requested by the ACGME;
  - 5) Ensure compliance with grievance and due process procedures as set forth in the Institutional Requirements and in accordance with KMC policies and procedures;
  - 6) Provide verification of fellow education;
  - 7) Implement policies and procedures consistent with KMC and program requirements for fellow duty hours and the working environment, including moonlighting;

- 8) Comply with KMC written policies and procedures, including those specified in the Institutional Requirements for selection, evaluation and promotion of fellows, disciplinary action, and supervision of fellows;
- 9) Be familiar with and comply with ACGME and Resident Review Committee policies and procedures as outlined in the ACGME Manual of Policies and Procedures; and
- 10) Dedicate a minimum of eight (8) hours of nonclinical time per week for administration of the addiction medicine fellowship.

**Employment Standards:**

Completion of an accredited residency program in internal medicine or emergency medicine; one (1) year of post-residency experience in internal medicine or emergency medicine

AND

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

AND

Certification by the American Board of Internal Medicine in internal medicine-general OR the American Board of Emergency Medicine in emergency medicine-general AND the American Board of Preventive Medicine in addiction medicine-subspecialty

**Knowledge of:** The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to internal medicine, emergency medicine and addiction medicine; principles of effective supervision and program development.

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

June 26, 2024

**Subject:** Proposed Change Order to Agreement 039-2021 with Healthcare Performance Group, Inc.

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

**Summary:**

Kern Medical requests that your Board approve the proposed change order to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc. (HPG), in the amount of \$67,880 for consulting services support to assist with current staffing shortages.

HPG is currently providing services under three existing Schedules that needed to include additional travel costs of \$67, 880. These additional project costs will exceed the initial estimated annual spend of \$250,000 in the contract year. Additional funding of \$67,880 is requested to complete the Schedules which provide services for IT backfill support and laboratory IT support for a large Cerner integration project currently in progress.

Therefore, it is recommended that your Board approve the proposed Change Order with Healthcare Performance Group, Inc. for additional costs for consulting services under the Agreement for Professional Consulting Services to assist with Cerner application support, within the original term October 1, 2022 to September 30, 2024, increasing the maximum payable by \$67,880, from \$247,480 to \$315,360, and authorize the Chairman to sign.

## **Change Order**

This Change Order is entered into as of June 26, 2024, by and between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (**Customer**) and Healthcare Performance Group, Inc. (HPG), pursuant to the Master Agreement, signed September 27, 2022, and is subject to the terms and conditions of the Master Agreement, the Customer Order, and previous Change Orders unless otherwise noted herein.

### **Changes to Scope of Services**

No changes to the original scope of services.

### **Fees, Terms and Payment**

The Customer requests documentation to continue utilizing the funds denoted in the projects for the following signed contracts, in addition to estimated expenses for consultant travel: (total \$67,880)

<b>Contract</b>		<b>Details</b>	<b>Not-to-Exceed</b>	<b>Remaining Funds:</b>	<b>Notes</b>
A-4	Project A	Backfill Support Scheduling/Clinical	\$37,800.00	\$4,410.00	<i>Project is Closed</i>
	Project B	CCL/DA2/EDW Reporting	\$71,760.00	\$15,935.00	
A-7	PathNet/MDI/LIS Support	Michael Siefert	\$156,800.00	\$15,680.00	Adding expenses for travel the week of 6/24 (\$2520)
A-8	Backfill Support for Oracle		\$49,000.00	\$36,435.00	
			\$315,360.00	\$72,460.00	\$2,520
<b>Estimated Total Amount of Services for Projects and Expenses</b>					<b>\$67,880</b>

**(SIGNATURE PAGE TO FOLLOW)**

**ACCEPTED by:**

**CUSTOMER:**

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**HPG:**

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

\*ABA routing number: 101100045; \*Account number: 005048626030; Address: Healthcare Performance Group, Inc., P.O. Box 588, Spring Hill, KS 66083

APPROVED AS TO FORM:  
Legal Services Department

By Shannon Hochstein  
Kern County Hospital Authority



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

June 26, 2024

**Subject:** Proposed retroactive acceptance of donation of travel and related expenses from Intuitive Surgical, Inc., for the 2024 Intuitive Executive Summit

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

The Authority's conflict of interest policy prohibits employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment.

Intuitive Surgical, Inc. is an American biotechnology company that develops, manufactures, and markets robotic products designed to improve clinical outcomes of patients through minimally invasive surgery, most notably with the da Vinci Surgical System. Intuitive Surgical, Inc. has offered to donate to the Authority travel and related expenses (hotel expense only) for one Authority employee to attend the 2024 Intuitive Executive Summit on da Vinci program optimization in San Diego, California, from June 6-7, 2024. This training session is necessary in connection with official Authority business.

Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Intuitive Surgical, Inc. for travel and related expenses and authorize the Chief Executive Officer to designate one employee to attend this important conference.



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

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In the matter of:

Resolution No. 2024-\_\_\_\_

**ACCEPTANCE OF DONATION OF TRAVEL  
AND RELATED EXPENSES FROM INTUITIVE  
SURGICAL, INC. FOR THE 2024 INTUITIVE  
EXECUTIVE SUMMIT**

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I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 26th day of September, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

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

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Mona A. Allen

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**RESOLUTION**

Section 1. WHEREAS:

(a) The conflict of interest policy for the Kern County Hospital Authority (“Authority”) prohibits Authority employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment; and

(b) Intuitive Surgical, Inc. is an American biotechnology company that develops, manufactures, and markets robotic products designed to improve clinical outcomes of patients through minimally invasive surgery, most notably with the da Vinci Surgical System utilized by the surgeons at Kern Medical Center; and

(c) Intuitive Surgical, Inc. has offered to donate to the Authority travel and related expenses (hotel expense only) for one Authority employee to attend the 2024 Intuitive Executive Summit on da Vinci program optimization in San Diego, California, from June 6-7, 2024; and

(d) The training session is necessary in connection with official Authority business; and

(e) The Authority desires to obtain the donation of travel and related expenses from Intuitive Surgical, Inc. to the Authority and will retain full control over the use of the donation; and

(f) There are no restrictions as to how the donation may be used.

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

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

2. This Board hereby accepts from Intuitive Surgical, Inc. the donation of travel and related expenses (hotel expense only) for one Authority employee to travel to San Diego, California, to attend the 2024 Intuitive Executive Summit from June 6-7, 2024.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the 2024 Intuitive Executive Summit in San Diego, California, from June 6-7, 2024.

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

Chief Financial Officer  
Legal Services Department  
Human Resources Department



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

June 26, 2024

**Subject:** Proposed Retroactive Third Amendment to Agreement 074-2021 with Adventist Health Physicians Network for professional services

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

**Summary:**

Kern Medical requests your Board retroactively approve the proposed Third Amendment to Agreement 074-2021 with Adventist Health Physicians Network (AHPN) for professional services. The underlying Agreement was approved by your Board on December 15, 2021, as part of Kern Medical and Adventist Health Bakersfield partnering to enhance access to physician care in our community.

The underlying Agreement with AHPN is for a term of 10 years from January 1, 2022 through December 31, 2031. During the term of the Agreement, Kern Medical will provide the professional medical services of certain Kern Medical physicians who specialize in various clinical specialties. Initially Kern Medical employed physicians in the clinical specialties of urology and plastic surgery to provide clinic coverage at AHPN Clinics and call coverage at Adventist Health Bakersfield. Endocrinology and gastroenterology were added by way of amendment, and future specialties may also be added as mutually agreed upon.

AHPN will compensate Kern Medical monthly on a pass-through basis for the services provided by Kern Medical physicians in accordance with the fee schedule set forth in the revised Exhibit 2.1 of the Amendment. Specifically, AHPN will pay Kern Medical an increased rate of \$2,500 per 24-hour call for urology services to cover the expanded hospital network at Adventist Health. Estimated compensation to be paid to Kern Medical totals \$3,543,628 annually. AHPN will have the exclusive right to bill and collect all professional fees for services provided by the Kern Medical physicians in the AHPN Clinics and at Adventist Health Bakersfield.

Therefore, it is recommended that your Board retroactively approve the Third Amendment to Agreement 074-2021 with Adventist Health Physicians Network for professional services, increasing the 24-hour call rate for urology services to \$2,500 per hour, effective June 1, 2024, and authorize the Chief Executive Officer to sign.

### **THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT**

This THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the “**Amendment**”) is made and entered into, effective as of June 1, 2024, by and between ADVENTIST HEALTH PHYSICIANS NETWORK, a California nonprofit religious corporation (“**AHPN**”), and KERN COUNTY HOSPITAL AUTHORITY, a public agency that is a local unit of government (“**Kern Medical**”) with respect to the following:

#### **RECITALS**

A. AHPN and Kern Medical have entered into that certain Professional Services Agreement, effective January 1, 2022, as amended effective September 21, 2022; and February 15, 2023 (collectively, the “**Agreement**”) pursuant to which Kern Medical provides the services of certain Kern Medical Physicians to provide professional services in certain specialties at AHPN Clinics.

B. AHPN and Kern Medical desire to amend the Agreement.

#### **AGREEMENT**

IN CONSIDERATION of the foregoing recitals and the mutual promises and covenants contained herein, AHPN and Kern Medical agree as follows:

1. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. **Exhibit 2.1.** Section 1.A.ii. of Exhibit 2.1 to the Agreement is hereby amended and restated in its entirety to provide as follows:

“ii. **Call Coverage:** Compensation for AHPN Clinic Coverage and Hospital Call Coverage shall be in accordance with the following, depending on the number of Panel Members in the specialty of urology (“**Urology Panel Members**”):

# Panel Members	Weekday Rate (Monday - Friday)	Weekend Rate (Saturday/Sunday)
4 (1:4 call ratio)	\$2,500/day	\$2,500/day
5 (1:5 call ratio)		
6 (1:6 call ratio)	\$1,000/day	\$1,200/day
7 (1:7 call ratio)	\$500/day	\$600/day

In the event that there are eight (8) or more Urology Panel Members, there shall be no additional compensation paid to Kern Medical by AHPN for call coverage.”

3. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

4. **Continuing Effect of Agreement.** Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect.

5. **Reference.** After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

IN WITNESS WHEREOF, AHPN and Kern Medical have executed this Amendment effective as of the day and year first written above.

**AHPN**

ADVENTIST HEALTH PHYSICIANS  
NETWORK, a California nonprofit religious  
corporation

 *Arby Nahapetian*  
\_\_\_\_\_  
By: Arby Nahapetian, M.D.  
Its: President

**KERN MEDICAL**

KERN COUNTY HOSPITAL AUTHORITY

\_\_\_\_\_  
By: Scott Thygerson  
Its: Chief Executive Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
By: Karen S. Barnes  
Its: Vice President and General Counsel



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

June 26, 2024

**Subject:** Proposed retroactive Staffing Agreement with Kern Medical Center Foundation

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

**Summary:**

The Authority recommends your Board retroactively approve a Staffing Agreement with Kern Medical Center Foundation for administrative management of the Foundation. The Foundation is a 501(c)(3) public benefit corporation and is organized exclusively for charitable purposes. The primary purpose of the Foundation is to raise, gather and collect donations and other funding to support the operation, maintenance modernization of the health facilities, programs and services at Kern Medical. The Foundation has no employees.

The Foundation requires the assistance of the Authority to provide administrative management of the Foundation, with general and active supervision over the business, affairs, policies and programs of Foundation, as directed by the Foundation Board of Directors. The Foundation Board of Directors has approved an action to reimburse the Authority for the salary and benefits associated with staffing of the Foundation, including the hiring of an Executive Director and support staff. The Agreement is effective July 31, 2023 and will remain in effect unless terminated.

As consideration for the services provided by Authority, the Foundation will pay the Authority a monthly staffing fee for staff engaged or employed by the Authority pursuant to the terms of the Agreement, based on the hourly rate for the position plus costs (benefits and expenses). The Foundation has no obligation to pay the staffing fee set until the Authority incurs such expenses. The staffing fee will be calculated on a prorated basis as positions are filled and/or vacated. The fiscal provisions of the staffing fee are set forth in Exhibit "A" to the Agreement. The maximum payable by the Foundation will not exceed \$640,449 for the period July 31, 2023 through July 31, 2024.

Therefore, it is recommended that your Board retroactively approve the Staffing Agreement with Kern Medical Center Foundation for administrative management services, effective July 31, 2023, and authorize the Chairman to sign.

**STAFFING AGREEMENT  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – Kern Medical Center FOUNDATION)**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between Kern County Hospital Authority, a local unit of government ("Authority"), and Kern Medical Center Foundation, a California nonprofit public benefit corporation ("Foundation"), with its principal place of business located at 900 Truxtun Avenue, Suite 330, Bakersfield, California 93306.

**I.  
RECITALS**

(a) Foundation requires the assistance of Authority to provide administrative management of Foundation, with general and active supervision over the business, affairs, policies and programs of Foundation, and perform duties as directed by the Board of Directors of Foundation; and

(b) The Board of Directors of Foundation approved an action to reimburse Authority for the salary and benefits associated with the for the proper and efficient staffing of Foundation, including the hiring of an Executive Director and support staff;

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

**II.  
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall commence as of August 1, 2023 (the "Commencement Date"), unless earlier terminated pursuant to other provisions of this Agreement as herein stated.

2. **Obligations of Contractor.**

2.1 **Authority Staff.** Authority shall engage or employ such qualified personnel as may be requested by Foundation for the proper and efficient staffing of Foundation. All personnel provided by Authority shall be compensated by Authority and shall be employees or independent contractors of Authority. Authority shall be responsible for compensating all such engaged or employed persons, including, as applicable, payroll taxes, benefits, and workers' compensation insurance.

2.2 **Assigned Personnel.**

2.2.1 Authority shall assign only competent personnel to perform work hereunder. In the event that at any time Foundation, in its sole discretion, desires the removal of any person or persons assigned by Authority to perform work hereunder, Authority shall remove such person or persons immediately upon receiving written notice from Foundation.

2.2.2 In the event that any of Authority's personnel assigned to perform services under this Agreement becomes unavailable due to resignation, sickness or other factors outside of Authority's control, Authority shall be responsible for timely provision of adequately qualified replacements.

2.2.3 Authority understands and agrees that Authority's assigned personnel will perform the services required of Authority under this Agreement on a full-time basis, and includes any other hours in excess thereof that are necessary for Authority's assigned personnel to perform the services as set forth in this Agreement.

2.3 Representations. Authority makes the following representations, which are agreed to be material to and form a part of the inducement for this Agreement: (a) Authority has the expertise and support staff necessary to provide the services described in this Agreement; and (b) Authority shall diligently provide all required services in a timely and professional manner in accordance with the terms and conditions set forth in this Agreement.

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

3. Payment for Services. As consideration for the services provided by Authority hereunder, Foundation shall pay Authority in accordance with the fiscal provisions set forth in paragraph 3.1. All services are payable in arrears.

3.1 Staffing Fee. Foundation shall pay Authority a monthly staffing fee for staff engaged or employed by Authority pursuant to paragraph 2.1 (the "Staffing Fee"), based on the hourly rate for the position plus costs (benefits and expenses). Foundation shall have no obligation to pay the Staffing Fee set forth in this paragraph until Authority has incurred such expenses. The Staffing Fee shall be calculated on a prorated basis as positions are filled and/or vacated. The fiscal provisions of the Staffing Fee are set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

3.2 Invoices; Direct Deposit Account. Invoices for payment shall be submitted in a form approved by Foundation. Invoices shall be sent to Foundation for review and processing on or before the 1st day and 16th day of each month. Authority shall establish and maintain a direct deposit account with Foundation. Foundation shall direct deposit the amount of each approved invoice on or before the 5th day and 20th day of each month.



3.3 **Taxpayer Identification.** To ensure proper tax reporting of the compensation paid under this Agreement, Authority shall complete, execute and deliver to Foundation an IRS Form W-9, attached hereto and incorporated herein as Exhibit "B," which sets forth the correct taxpayer identification number for Authority. To the extent required by law, Foundation shall report all payments to Authority on IRS Form 1099 and its state law counterpart.

3.4 **Maximum Payable.** The maximum payable by Foundation under this Agreement shall not exceed \$640,449 for the period August 1, 2023 through July 31, 2024.

4. **Assignment.** Neither party shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written approval of other party.

5. **Authority to Incur Financial Obligation.** It is understood that Foundation has no right, power or authority to bind Authority to any agreements or undertakings.

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

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

8. **Compliance with Rules and Laws.** The parties agree to observe and comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

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

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

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

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

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

13. **Governing Law; Venue.** This Agreement, and all transactions contemplated by this Agreement, shall in all respects be governed by, and construed and interpreted in accordance with, the laws of the state of California without giving effect to any conflicts of law principles of such state that might refer the governance, construction or interpretation of this Agreement to the laws of another jurisdiction. Any dispute between the parties shall be brought before the Superior Court, County of Kern, California, which shall have jurisdiction over all such claims.

14. **Litigation Cooperation.** Each party shall reasonably cooperate with the other party in furnishing information, testimony and other assistance in connection with any litigation, audits, proceedings or disputes relating to this Agreement or the services, other than proceedings or disputes between the parties to this Agreement. Such cooperation between the parties shall not operate as a waiver of the attorney-client privilege or the attorney work-product doctrine.

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

16. **Indemnification and Hold Harmless.** Each party (the "Indemnifying Party") agrees to defend, indemnify, and hold harmless the other party (the "Indemnified Party") and its directors, officers, members, shareholders, partners, employees and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense or claim for injury or damages is caused by or results from the negligence or intentional acts or omissions of the Indemnifying Party or its directors, officers, members, shareholders, partners, employees or agents.

17. **Independent Contractor.** In the performance of the services under this Agreement, Authority shall be in fact and law an independent contractor and not an agent or employee of

Authority. Contractor has and retains the right to exercise full supervision and control over the manner and methods of providing services to Foundation under this Agreement. Contractor retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Authority in the provision of services under this Agreement. With respect to Authority's employees, if any, Authority shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employment taxes whether federal, state or local, and compliance with any and all other laws regulating employment.

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

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

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

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

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

23. **Non-collusion Covenant.** Foundation represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the letting of this Agreement with Authority. Foundation has received from Authority no incentive or special payments, nor considerations, not related to the provision of services under this Agreement.

24. **Nondiscrimination.** Neither party shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, ancestry, national origin,

religion, sex, actual or perceived sexual orientation, marital status, age, pregnancy, medical condition, handicap or other prohibited basis, either directly, indirectly or through contractual or other arrangements.

3252. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of the parties.

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

Notice to Foundation:

Kern Medical Center Foundation  
900 Truxtun Avenue, Suite 330  
Bakersfield, California 93301  
Attn: Executive Director

Notice to Authority:

Kern County Hospital Authority  
c/o Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306  
Attn: Chief Executive Officer

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

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

29. **Termination.**

29.1 **Termination with Mutual Agreement.** The parties may terminate this Agreement upon mutual written consent with notice of not less than ninety (90) days.

29.2 **Immediate Termination.** Authority shall have the right to terminate this Agreement at any time upon the occurrence of any one or more of the following events:

- A) Breach of this Agreement by either party where such breach is not cured within thirty (30) calendar days after the party not in default gives written notice of such breach to the other party;

- B) Authority ceases operations;
- C) Authority is unable to obtain or maintain sufficient insurance, as required under this Agreement, for any reason;
- D) Authority makes an assignment for the benefit of creditors, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, dissolution, liquidation or other similar law of any jurisdiction;
- E) Authority is rendered unable to comply with the terms of this Agreement for any reason;
- F) Any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body, or any notice of a decision, finding, interpretation or action by any governmental, court or other third party which, in the opinion of Authority, if or when implemented, would result in the arrangement between the parties under this Agreement to subject Authority or any of its employees or agents, to civil or criminal prosecution or monetary penalties on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement;
- G) Violation of any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority is subject; or
- H) Commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty by either party against the other party.

30. **Effect of Termination.** Except as otherwise provided in this section, upon expiration or other termination of this Agreement, the parties shall be relieved and released from any further duties and obligations under this Agreement. Notwithstanding the foregoing, each party understands and agrees that termination of this Agreement shall not release or discharge the parties from any obligation, debt or liability, which shall have previously accrued and remains to be performed upon the date of termination.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

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

KERN COUNTY HOSPITAL AUTHORITY

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

KERN MEDICAL CENTER FOUNDATION

By  \_\_\_\_\_  
Chairman  
Board of Directors

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

**EXHIBIT "A"**  
**STAFFING FEE**

**[SEE ATTACHED]**

**EXHIBIT "B"**

**IRS FORM W-9**



## **EXHIBIT "C"**

### **INSURANCE**

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

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

1. Workers' Compensation and Employers Liability Insurance:

- (a) Required if Authority has employees. If Authority engages any employees during the term of this Agreement or any extensions thereof, Authority agrees to obtain the specified Workers' Compensation and Employers Liability insurance.
- (b) Workers' Compensation insurance with statutory limits as required by the California Labor Code.
- (c) Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- (d) Waiver of Subrogation: The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Foundation for all work performed by Authority, its employees, agents and subcontractors.
- (e) Required Evidence of Insurance: Certificate of Insurance.

2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance.
- (c) If Authority has no Owned automobiles, the General Liability policy shall include Non-Owned and Hired Automobile Liability in the amount of \$1,000,000 combined single limit per accident.
- (d) Any deductible or self-insured retention shall be shown on the Certificate of

- Insurance. Authority is responsible for any deductible or self-insured retention.
- (e) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (b) Insurance shall apply to all Owned autos.
- (c) Insurance shall include coverage for Non-Owned and Hired autos.
- (d) Required Evidence of Insurance: Certificate of Insurance.

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

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

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

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

7. Documentation:

- (a) The Certificate of Insurance must include the following reference: **"Staffing Agreement."**
- (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Authority agrees to maintain current Evidence of Insurance on file with Foundation for the entire term of this Agreement and any additional periods if specified in sections 1, 2 or 3 above.
- (c) The name and address for the Certificates of Insurance and Additional Insured endorsements is Kern Medical Center Foundation, 900 Truxtun Avenue, Suite 330, Bakersfield, California 93301.

- (d) Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.
  - (e) Authority shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
  - (f) Upon written request, certified copies of required insurance policies must be provided to Foundation within 30 days.
8. Policy Obligations: Authority's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
9. Primary Coverage: For any claims related to this Agreement, Authority's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects Authority, its officers, directors, officials, employees, and volunteers. Any insurance or self-insurance maintained by Foundation, its officers, directors, officials, employees, or volunteers shall be excess of Authority's insurance and shall not contribute with it.
10. Material Breach: If Authority fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement.

[INTENTIONALLY LEFT BLANK]



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

June 26, 2024

**Subject:** Proposed election of officers to the Kern County Hospital Authority Board of Governors

**Recommended Action:** Discuss; Provide Direction

**Summary:**

The Authority's Bylaws for Governance provide that officers shall be elected by your Board each odd-numbered fiscal year. With the resignation of Russell Bigler as Chair due to health reasons, the Authority is recommending that your Board discuss the process to select a new Chair and any resulting changes in Board officer positions among existing members and provide direction for any such election at an upcoming Board meeting.



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

June 26, 2024

**Subject:** Kern County Hospital Authority Chief Financial Officer Report – April 2024

**Recommended Action:** Receive and File

**Summary:**

**Kern Medical Operations:**

Kern Medical key performance indicators:

- Operating gain of \$115,837 for April is \$104,300 more than the April budget of \$11,537 and \$1,813 less than the \$117,650 average over the last three months
- EBIDA of \$1,658,453 for April is \$543,546 more than the April budget of \$1,114,907 and \$42,106 less than the \$1,700,589 average over the last three months
- Average Daily Census of 158 for April is 2 less than the April budget of 160 and 11 less than the 169 average over the last three months
- Admissions of 816 for April are 18 more than the April budget of 798 and 6 more than the 810 average over the last three months
- Total Surgeries of 514 for April are 34 more than the April budget of 480 and 17 more than the 497 average over the last three months
- Clinic Visits of 20,370 for April are 4,556 more than the April budget of 15,814 and 1,842 more than the 18,528 average over the last three months. The total includes 32 COVID-19 vaccination visits

The following items have budget variances for the month of April 2024:

**Patient Revenue:**

Gross patient revenue has an 13% favorable budget variance for the month and an 9% favorable variance on a year-to-date basis. The large variance is mainly due to a 3.2% charge master price increase that became effective on July 1, 2023. Kern Medical expects strong patient census levels and consistently high gross patient revenue for FY 2024.

**Indigent Funding Revenue:**

Indigent funding has a favorable budget variance for the month and on a year-to-date basis. Adjustments have been posted to true-up FY 2024 Rate Range Intergovernmental Transfer (IGT) funding based on favorable changes in estimates for this program. In addition, additional revenue has been recognized based on a favorable change in estimate for the FY 2015 Medi-Cal waiver settlement. The year-to-date favorable variance is also due to adjustments posted to true-up FY 2023 Correctional Medicine revenue and to adjust FY 2024 Correctional Medicine revenue based on a reconciliation of costs for these services.

**Other Operating Revenue:**

Other operating revenue is reported at the budgeted dollar amount for the month. On a year-to-date basis, other operating revenue is under budget. Items such as medical education funding, grants, and Proposition 56 funding are received quarterly or otherwise periodically. Therefore, actual month-to-date and year-to-date revenue compared to the budget will fluctuate throughout the year.

**Other Non-Operating Revenue:**

Other non-operating revenue is reported at the budgeted dollar amount for the month. On a year-to-date basis, there is a favorable budget variance due to the receipt of \$64 thousand of COVID-19 employee retention funds in July 2023. The COVID-19 retention bonuses were paid out to employees in July and were included in salaries expense.

**Salaries Expense:**

Salaries expense is \$20.2 million over budget on a year-to-date basis, or 11%, because of several factors including:

- A decrease in nurse registry expense corresponds with an increase in salary expense for nursing.
- Management and administrative positions previously filled by Meridian Healthcare Partners and by Cantu Management were hired by Kern Medical and became full-time employees of the hospital. These staff members fill the same administrative and management positions as before, but now as salaried employees of Kern Medical. A corresponding decrease in other professional fees contracted services offsets this shift in personnel.

**Nurse Registry Expense:**

Nurse registry expense is 4% under budget for the month and 10% under budget year-to-date. 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. Staffing agencies were charging higher-than-average costs per hour due to high demand for nursing staff 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 29% over budget for the month and 13% over budget on a year-to-date basis because of higher-than-average monthly fees paid to Regional Anesthesia Associates, Acute Care Surgery Medical Group, and to Locum Tenens.

**Other Professional Fees:**

Other professional fees have a favorable budget variance for the month and on a year-to-date basis. Prior to September 2023, Kern Medical administrative and management positions were filled by Meridian Healthcare Partners and by Cantu Management Group. These Meridian and Cantu positions were hired by Kern Medical and became full-time employees of the hospital. These staff members fill the same administrative and management positions as before, but now as salaried employees of Kern Medical. Therefore, throughout FY 2024 other professional fees will be under budget. However, this favorable budget variance will be offset by a corresponding increase in salaries and benefits expenses.

**Supplies Expense:**

Supplies expense is under budget for the month and on a year-to-date basis due to lower-than-average costs for pharmaceuticals and for general medical supplies.

**Purchased Services:**

Purchased services are over budget for the month and on a year-to-date basis because of higher-than-average resident education expenses and higher than average security expenses. On a year-to-date basis, high ambulance fees also contribute to the unfavorable budget variance.

**Other Expenses:**

Other expenses are over budget for the month and on a year-to-date basis due to higher-than-average repairs and maintenance costs and higher than average utilities costs.

**Interest Expense:**

Interest expense is over budget month-to-date and year-to-date due to higher than anticipated certificate of participation (COP) bond interest. In addition, a change in the treatment of accounting for leases under 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.

**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 interest expense 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 2023 financial statements audit was completed in January 2024 and the FY 2023 reporting period was closed. The resulting adjustments for long-term liabilities made after fiscal year-ended June 30, 2023 are now reflected in the monthly balance sheet reporting for FY 2024. Among the entries is a \$61.2 million unfavorable 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 accounting adjustment does not alter financial profitability or cash position.

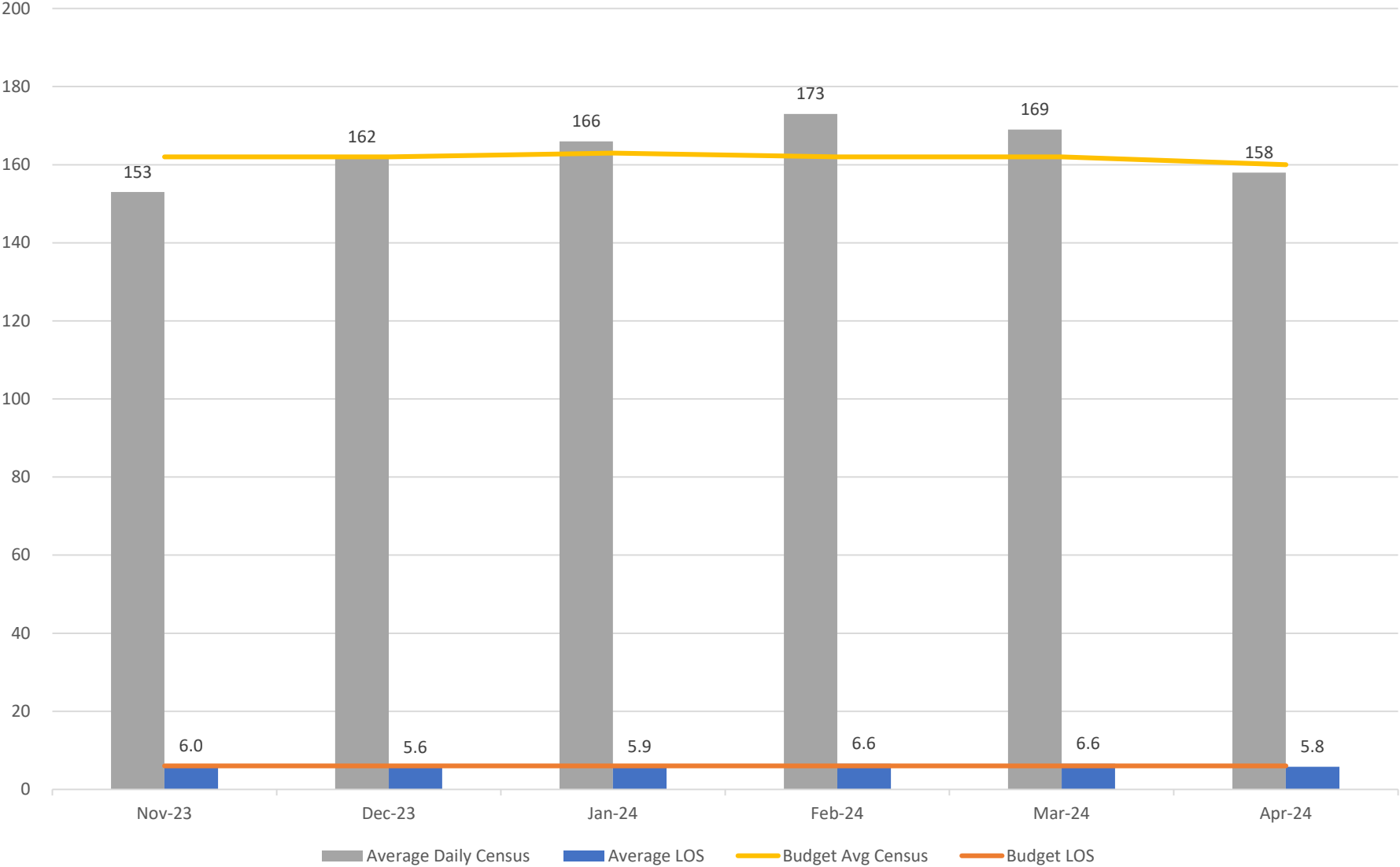
In addition to the unfavorable change for the unfunded pension liability, other-long term liabilities reported for February 2024 total \$81,830,738, up from the prior year amount of \$76,191,211. The unfavorable change is due in part to an \$4.9 million unfavorable change in right-of-use liabilities to comply with the new GASB 87 rules for lease accounting referenced under the interest expense section of this memo.



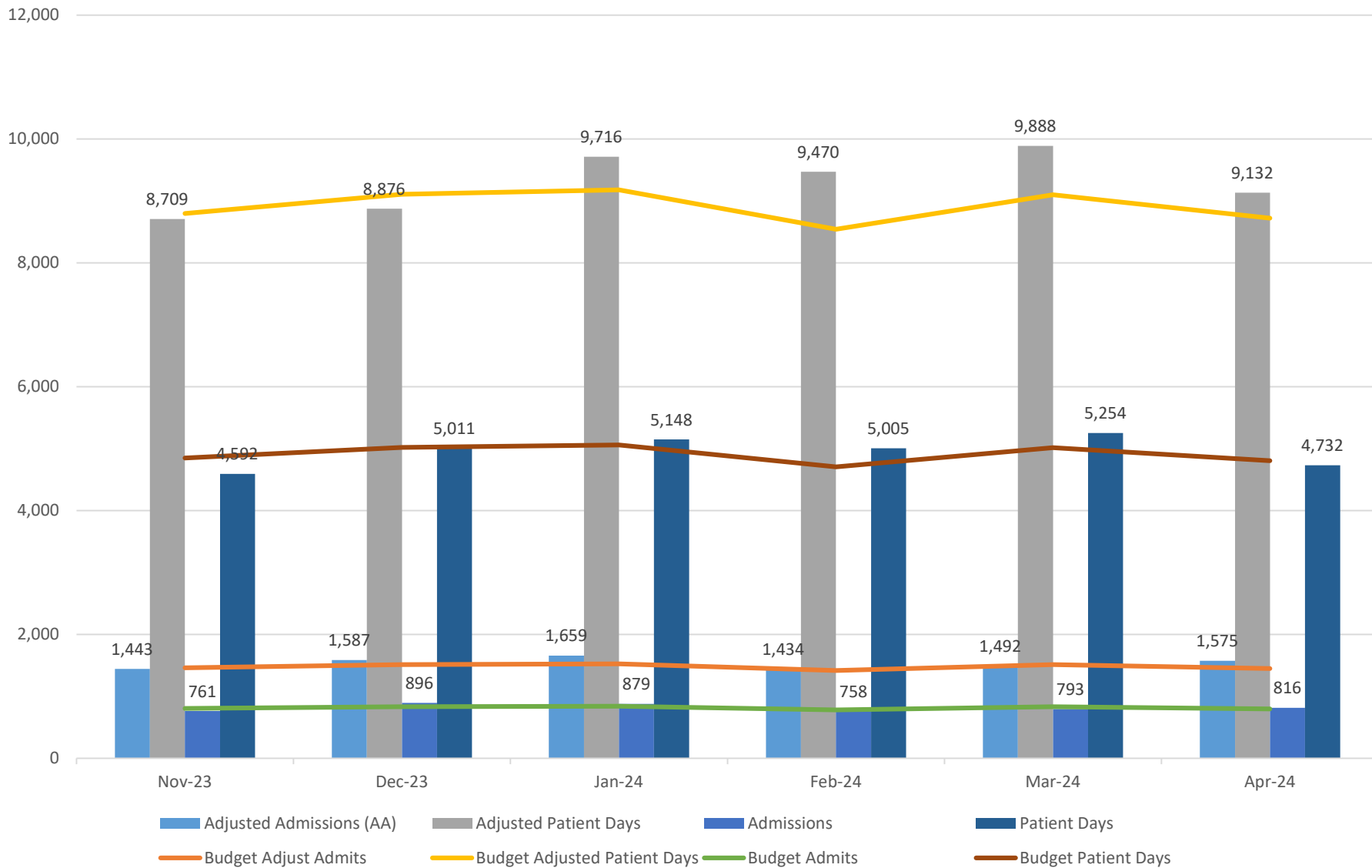
**BOARD OF GOVERNORS' REPORT  
KERN MEDICAL – APRIL 2024**



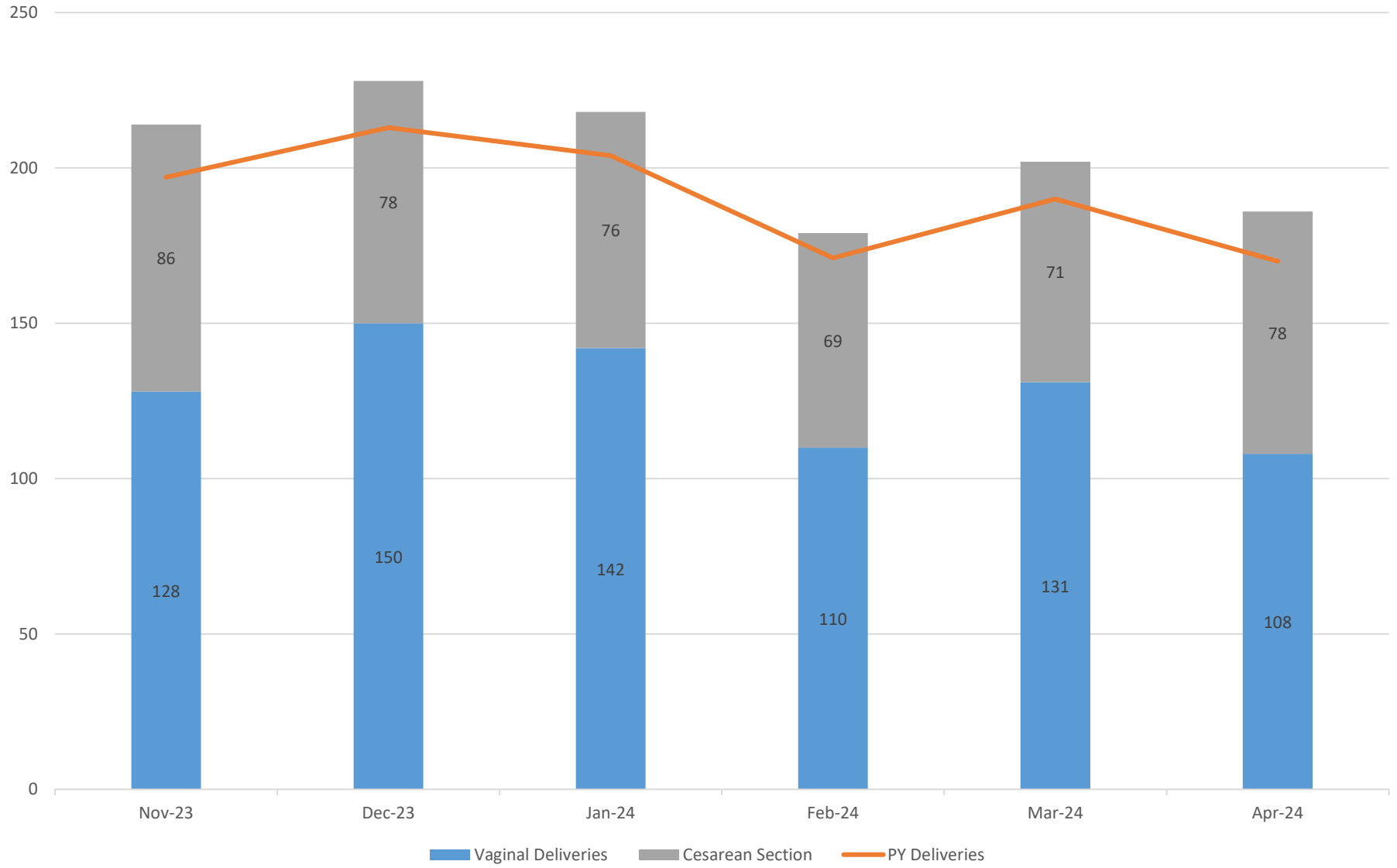
Census & ALOS



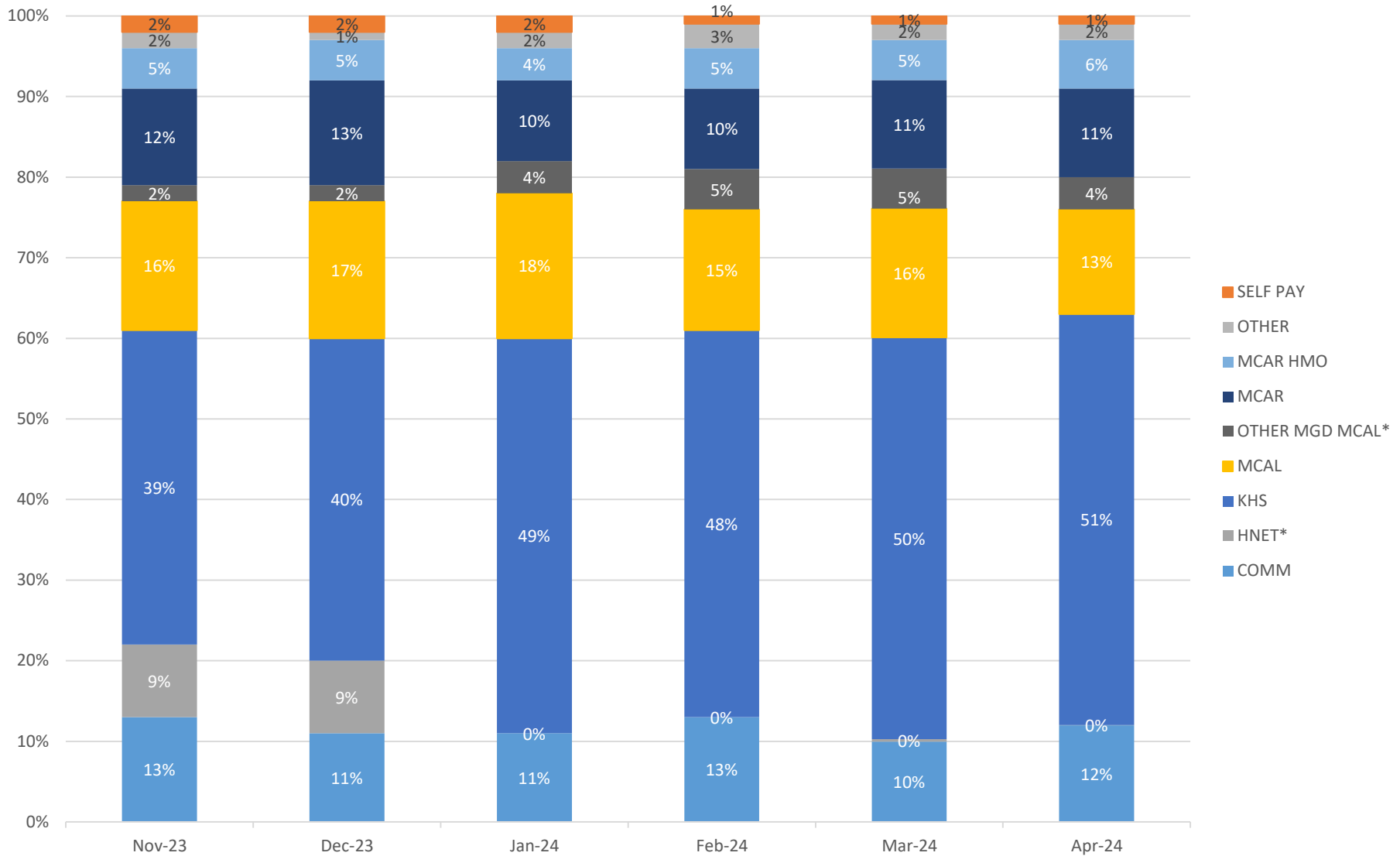
## Hospital Volumes



## Deliveries

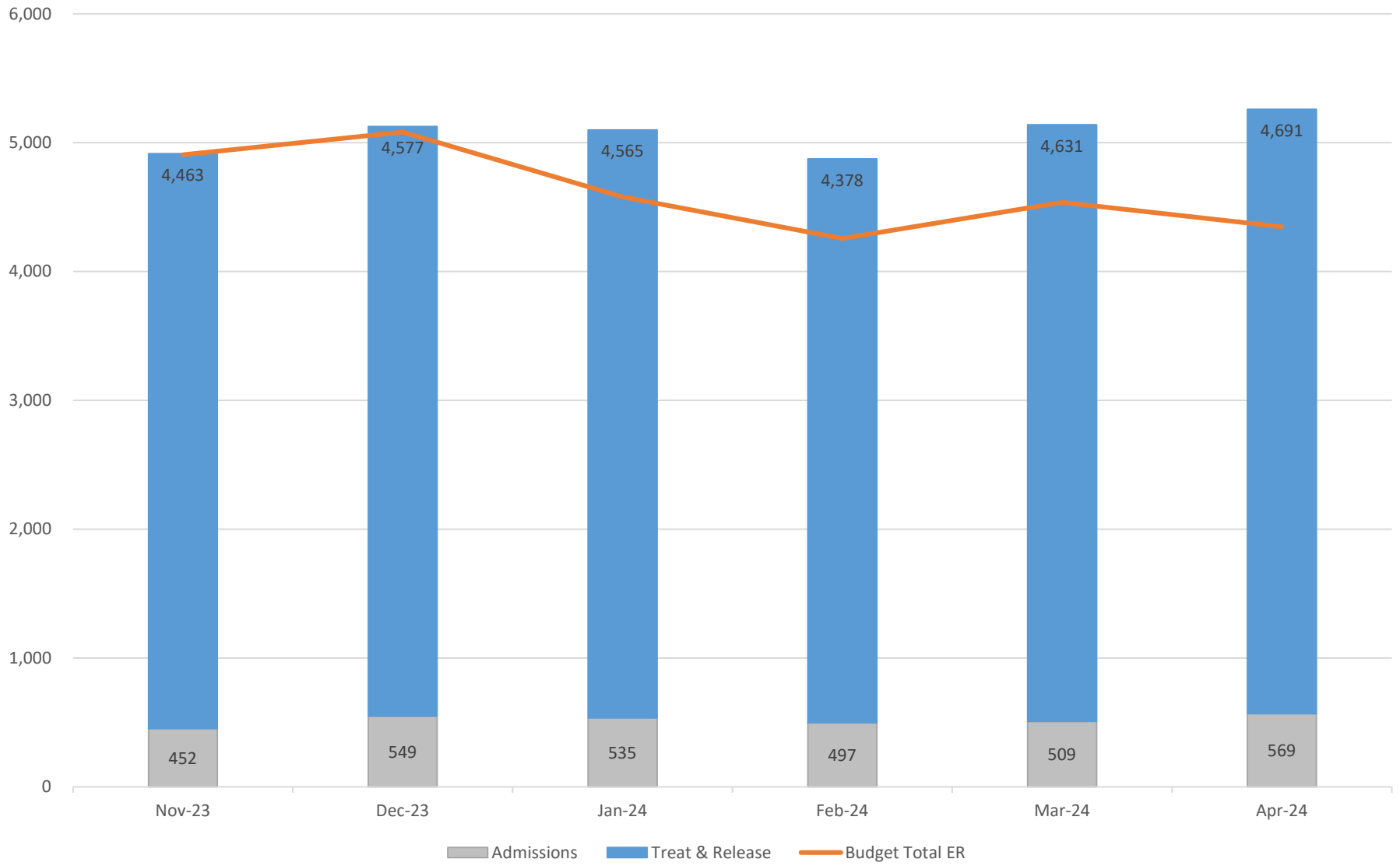


## PAYER MIX

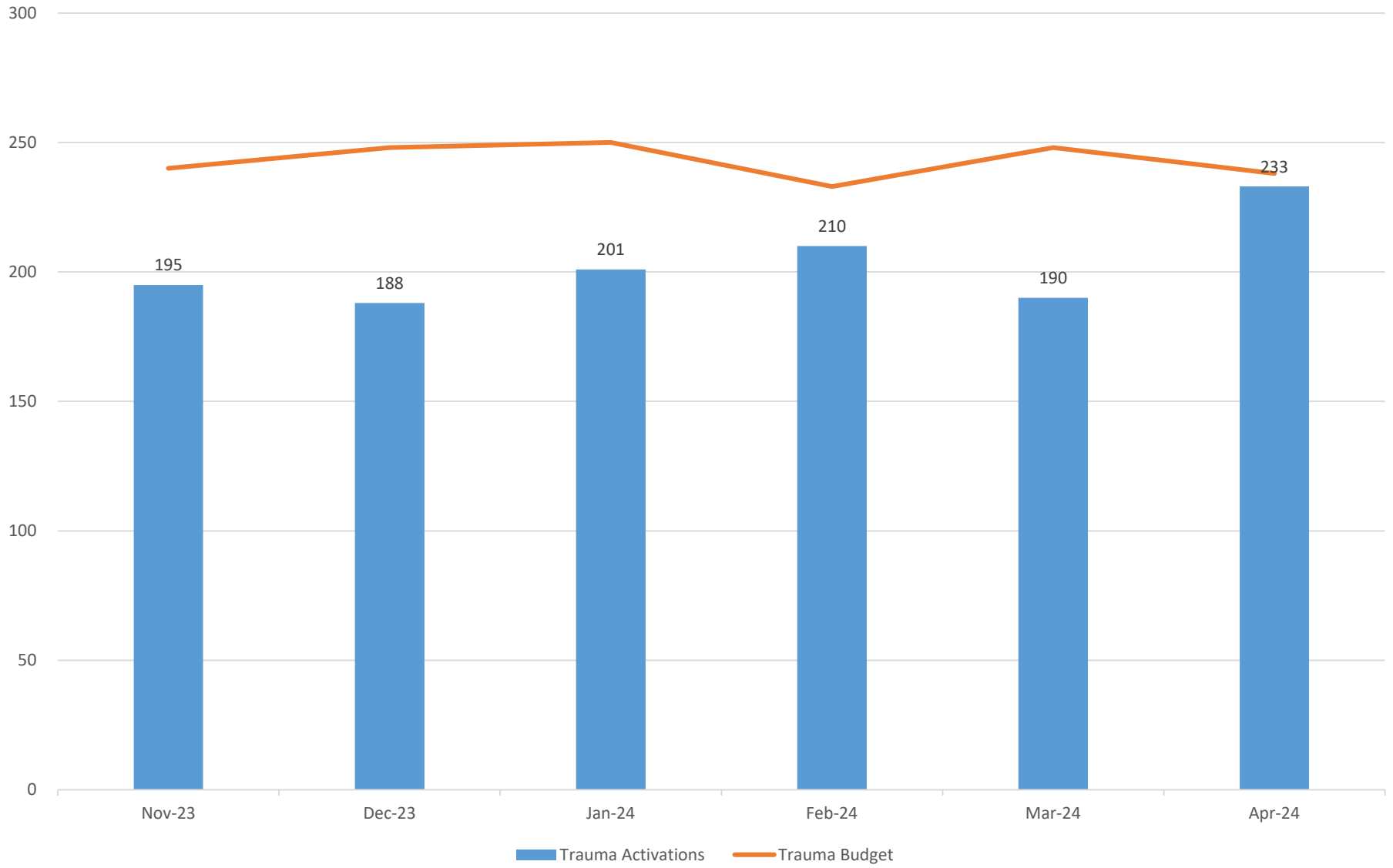


*\*Indicates commercial managed Medi-Cal plans transitioning to Other commercial managed Medi-Cal plans starting Jan 1, 2024*

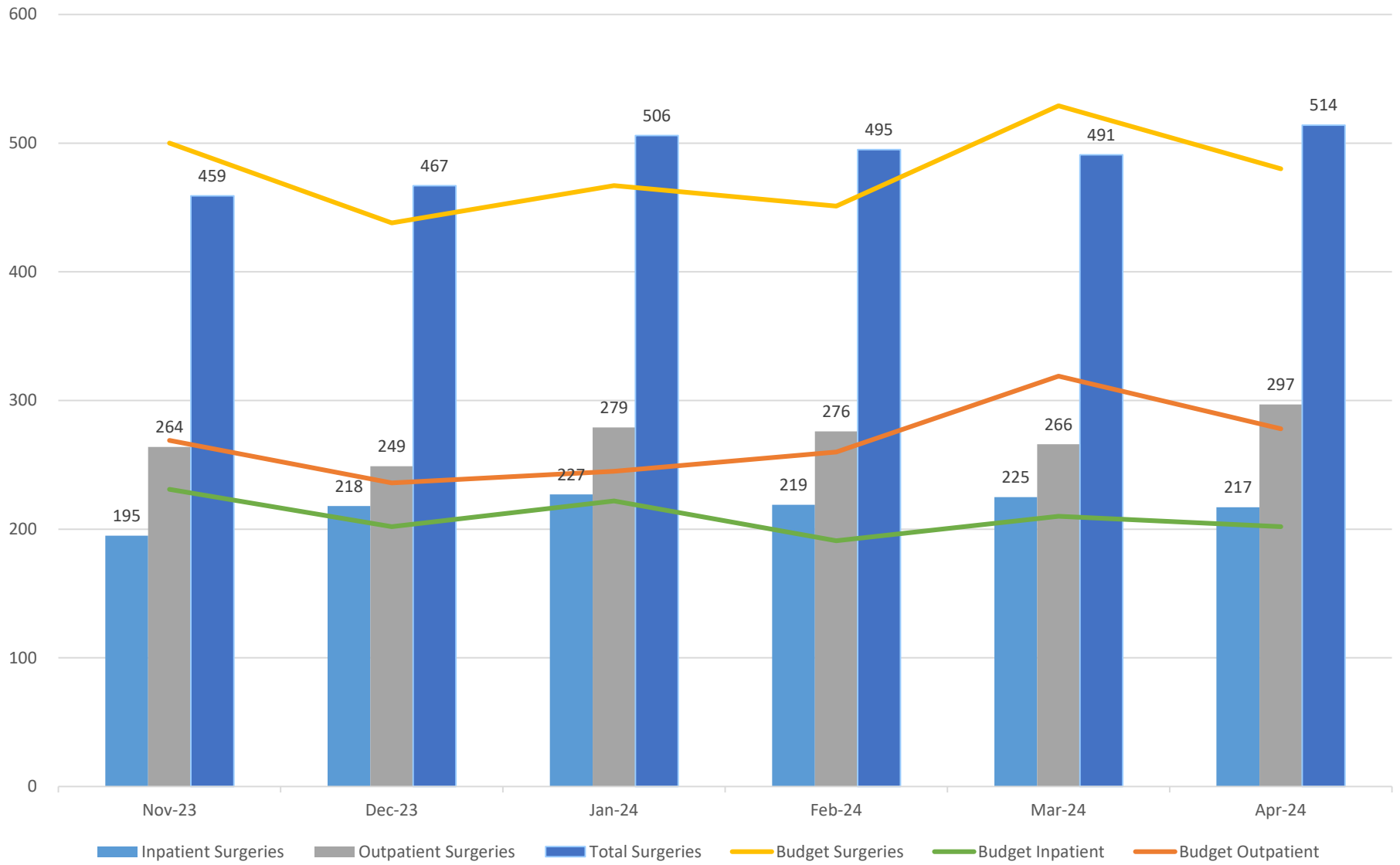
## Emergency Room Volume



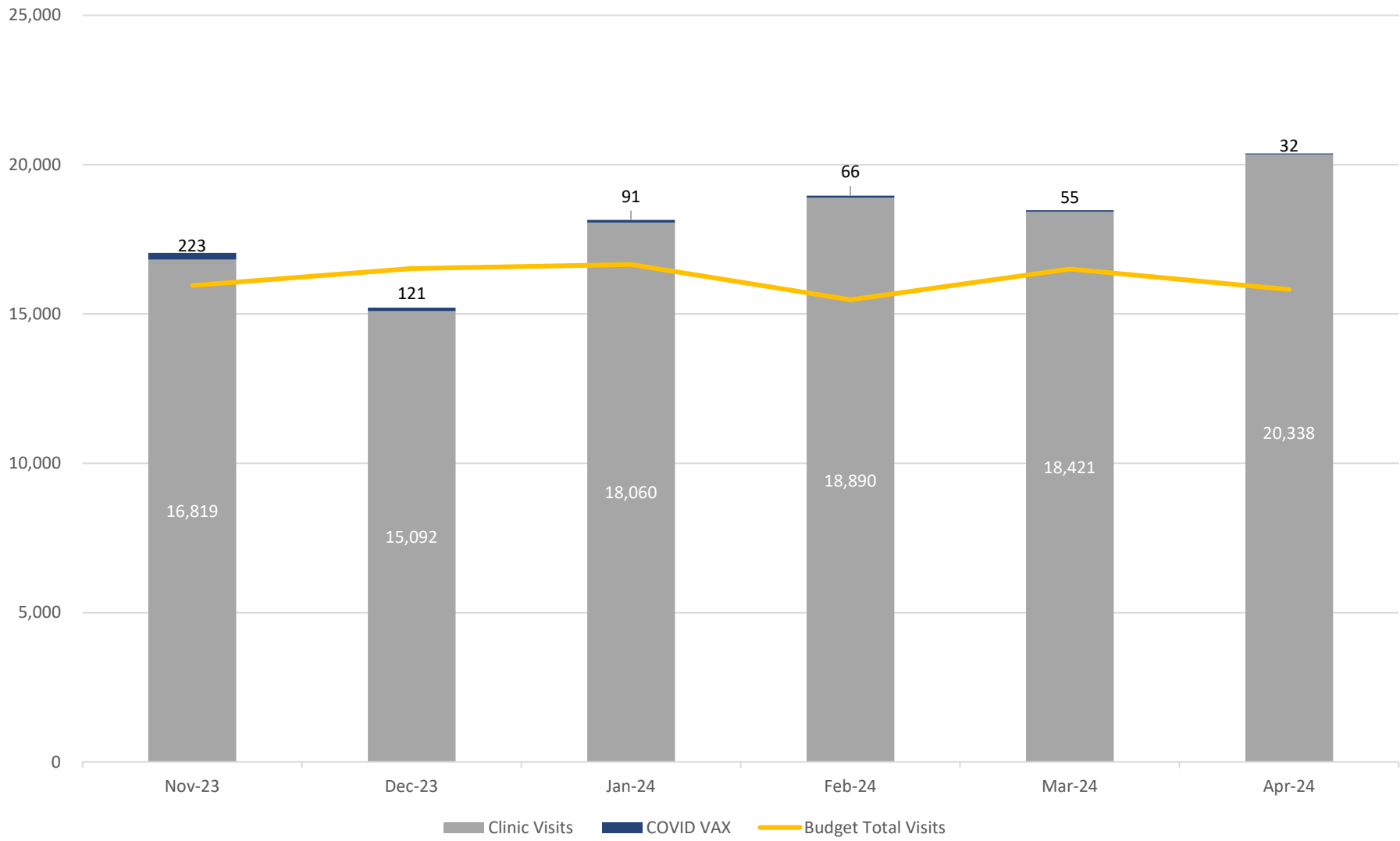
## Trauma Activations



## Surgical Volume

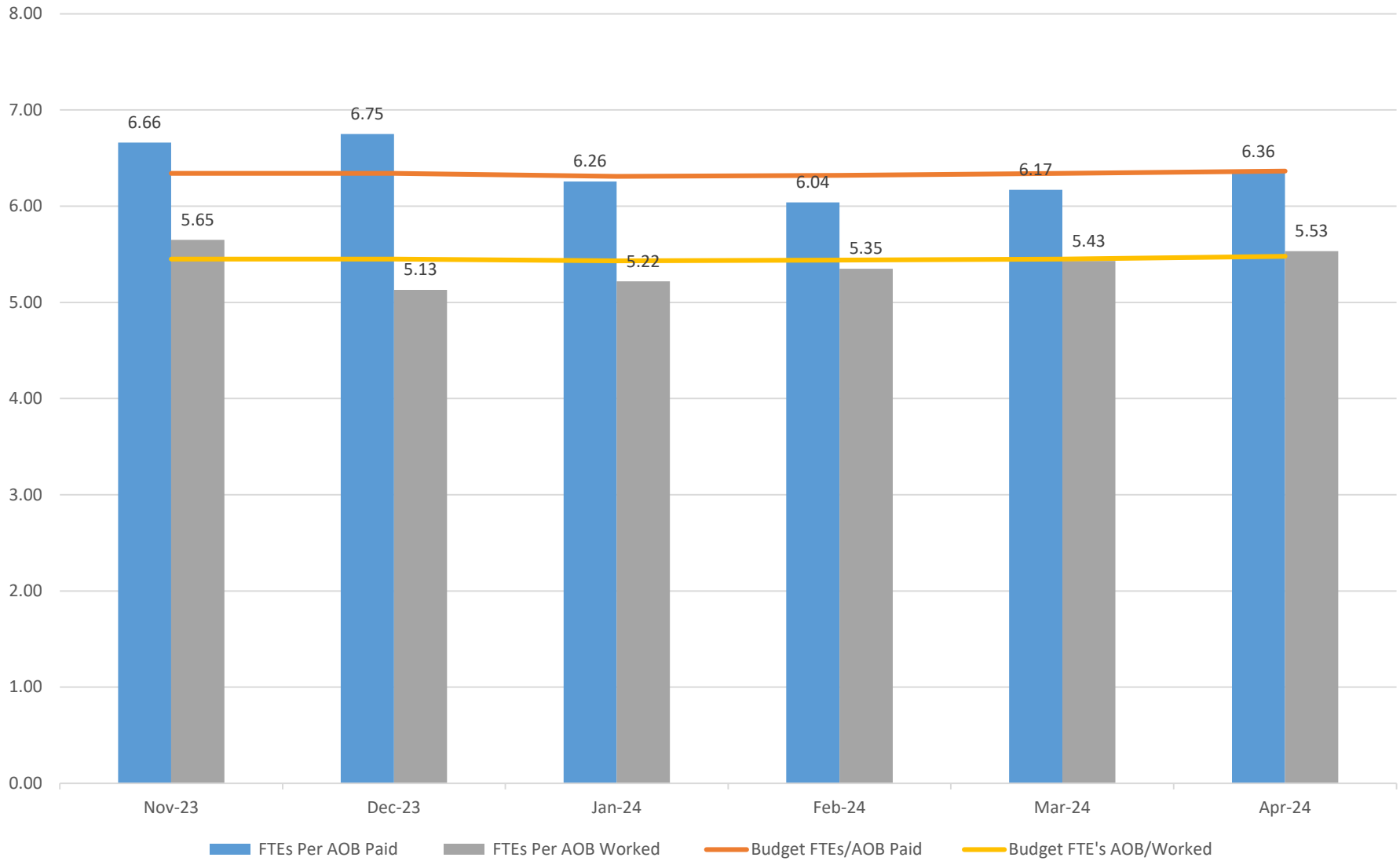


## Clinic Visits

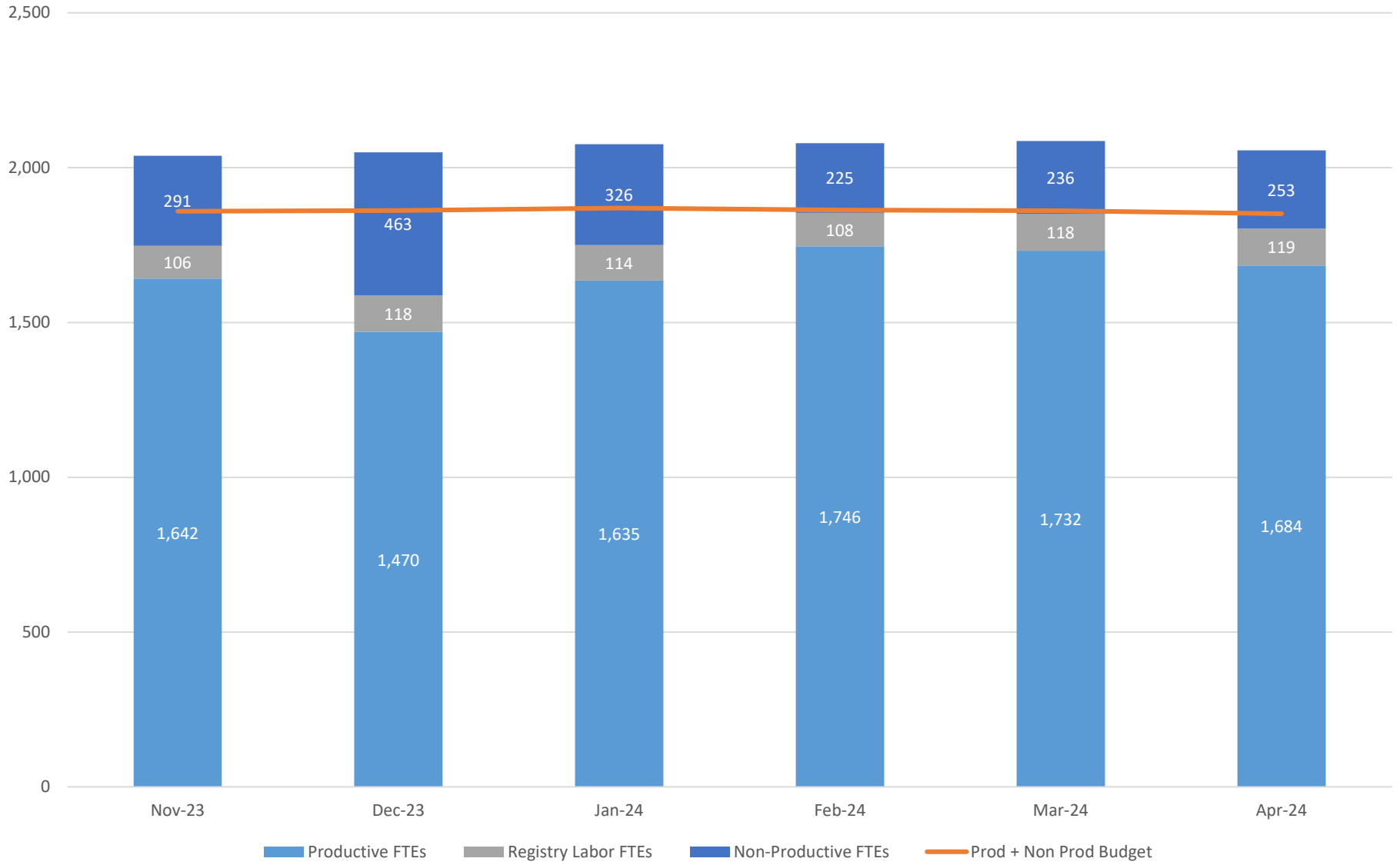




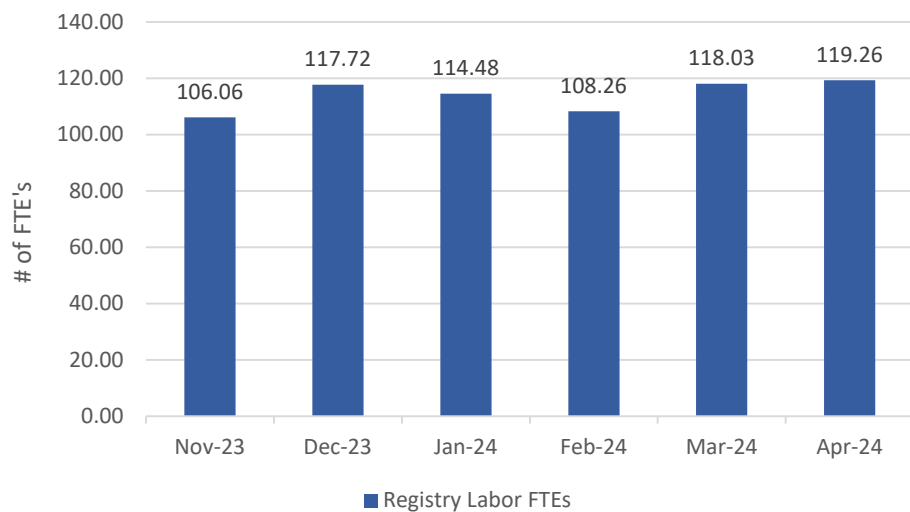
## Labor Metrics



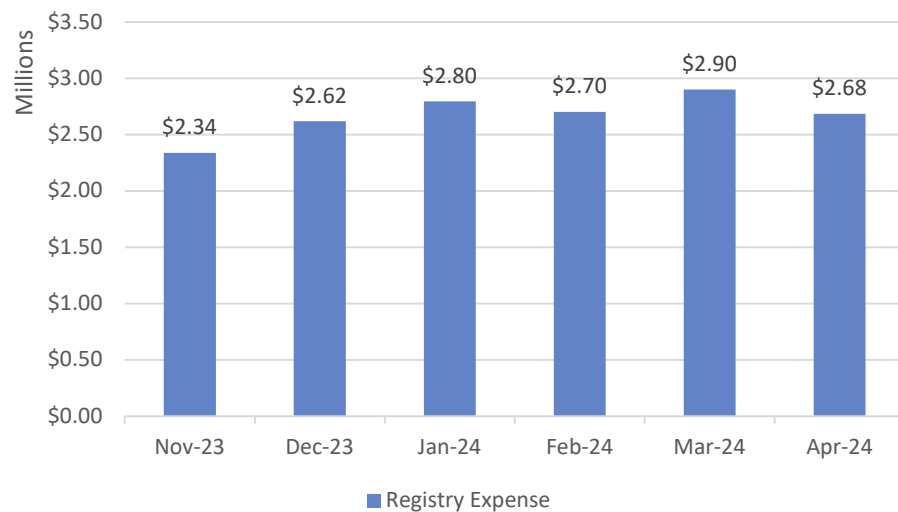
## Productivity



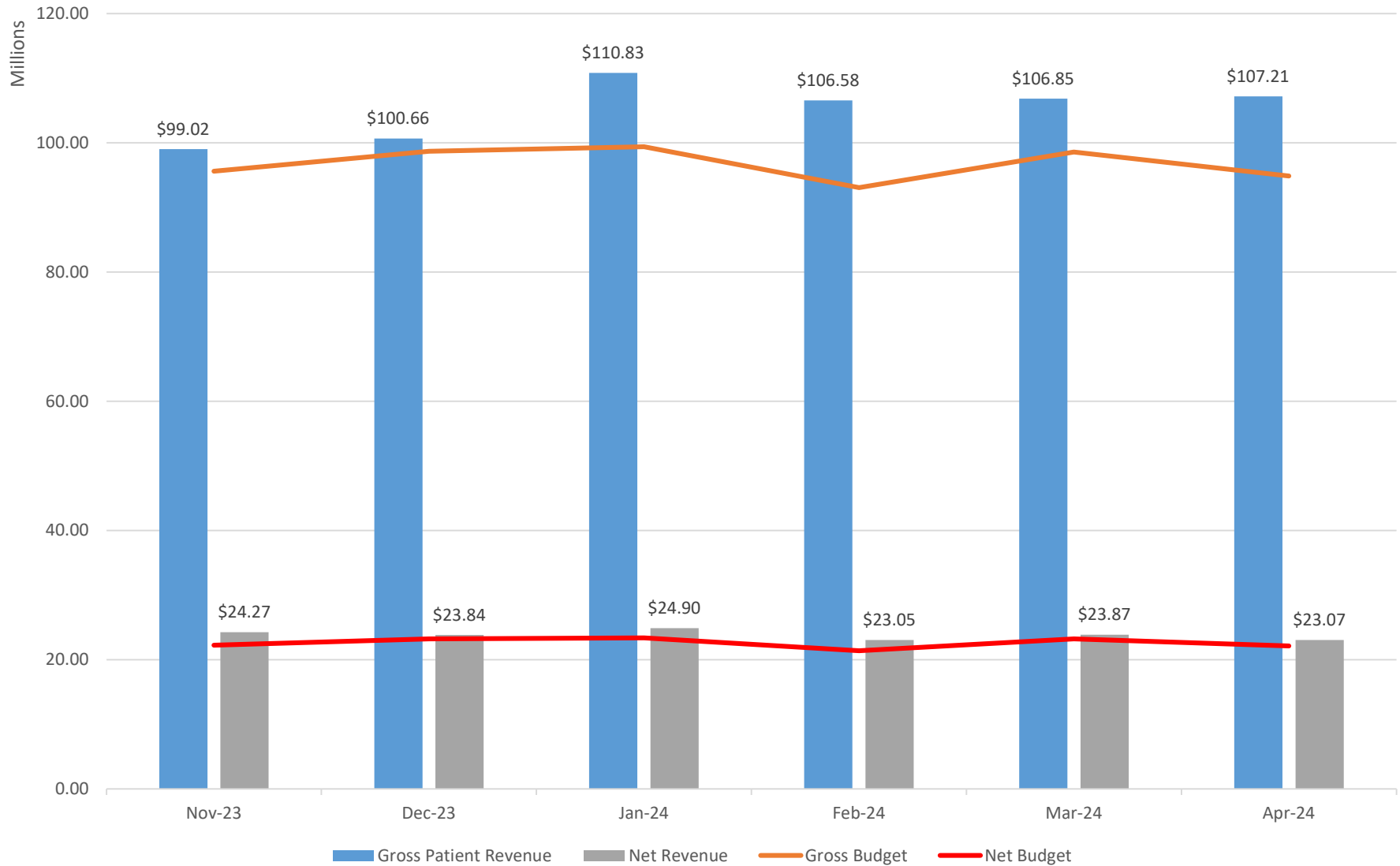
Registry FTE's



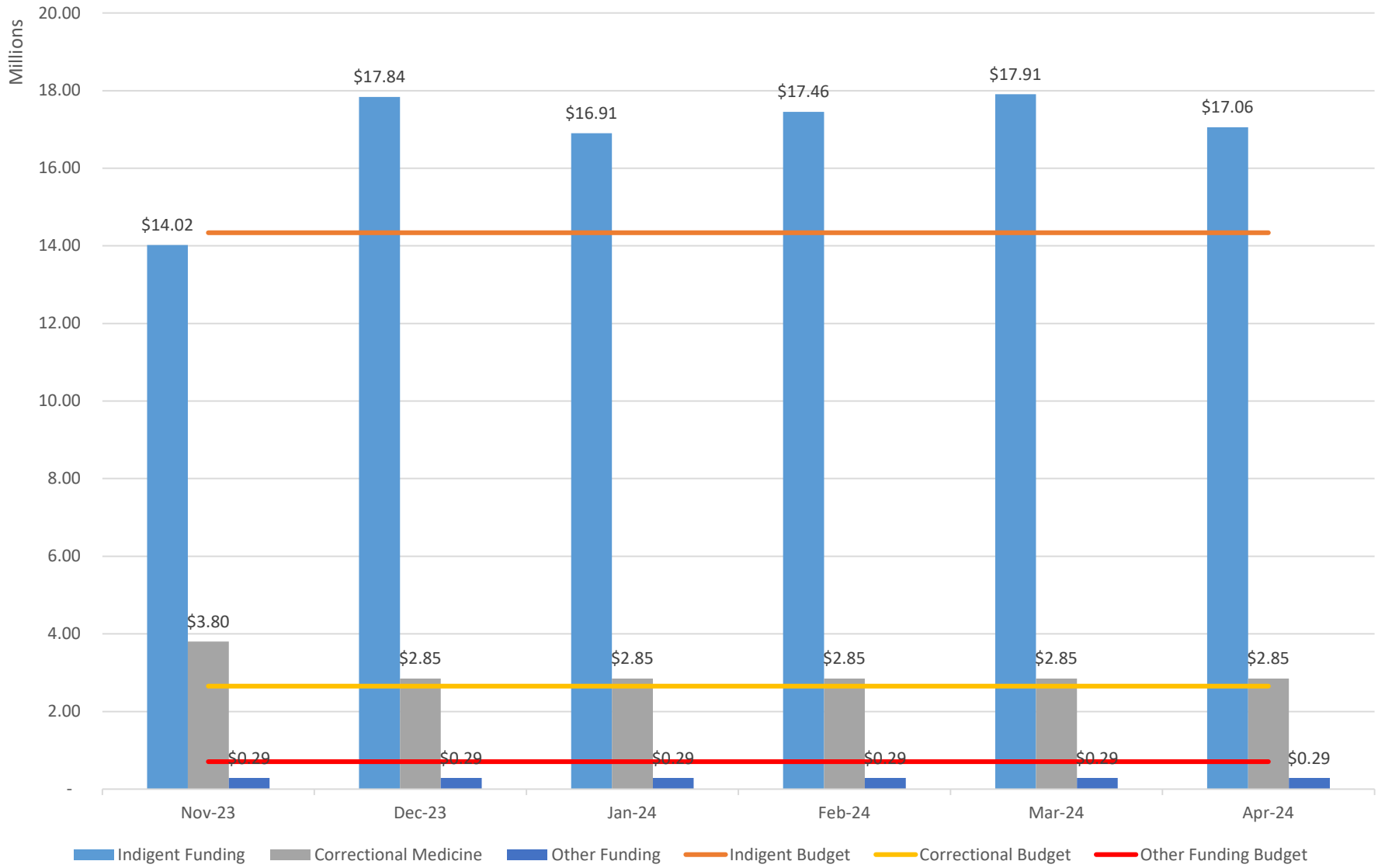
Registry Expense



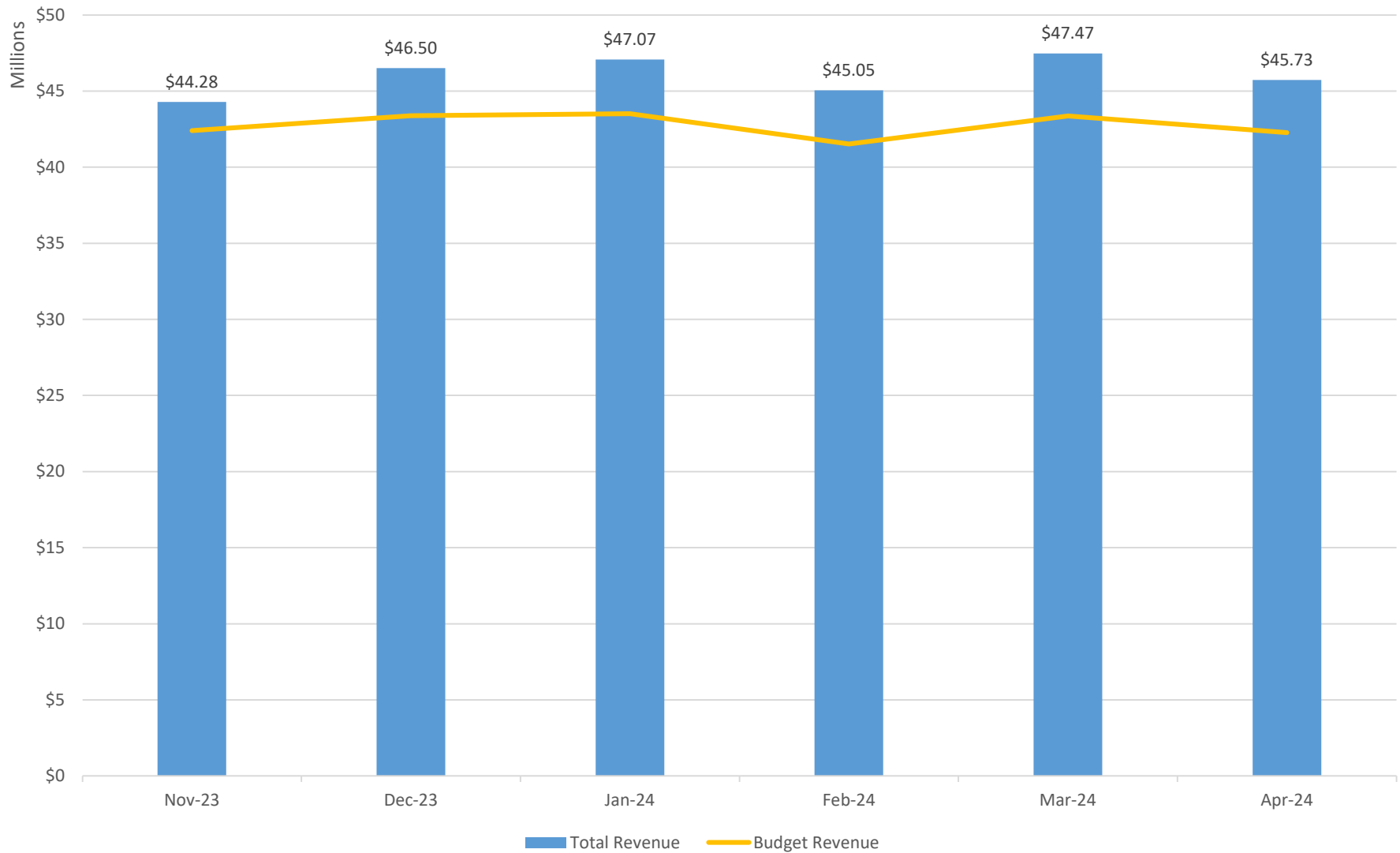
## Patient Revenue



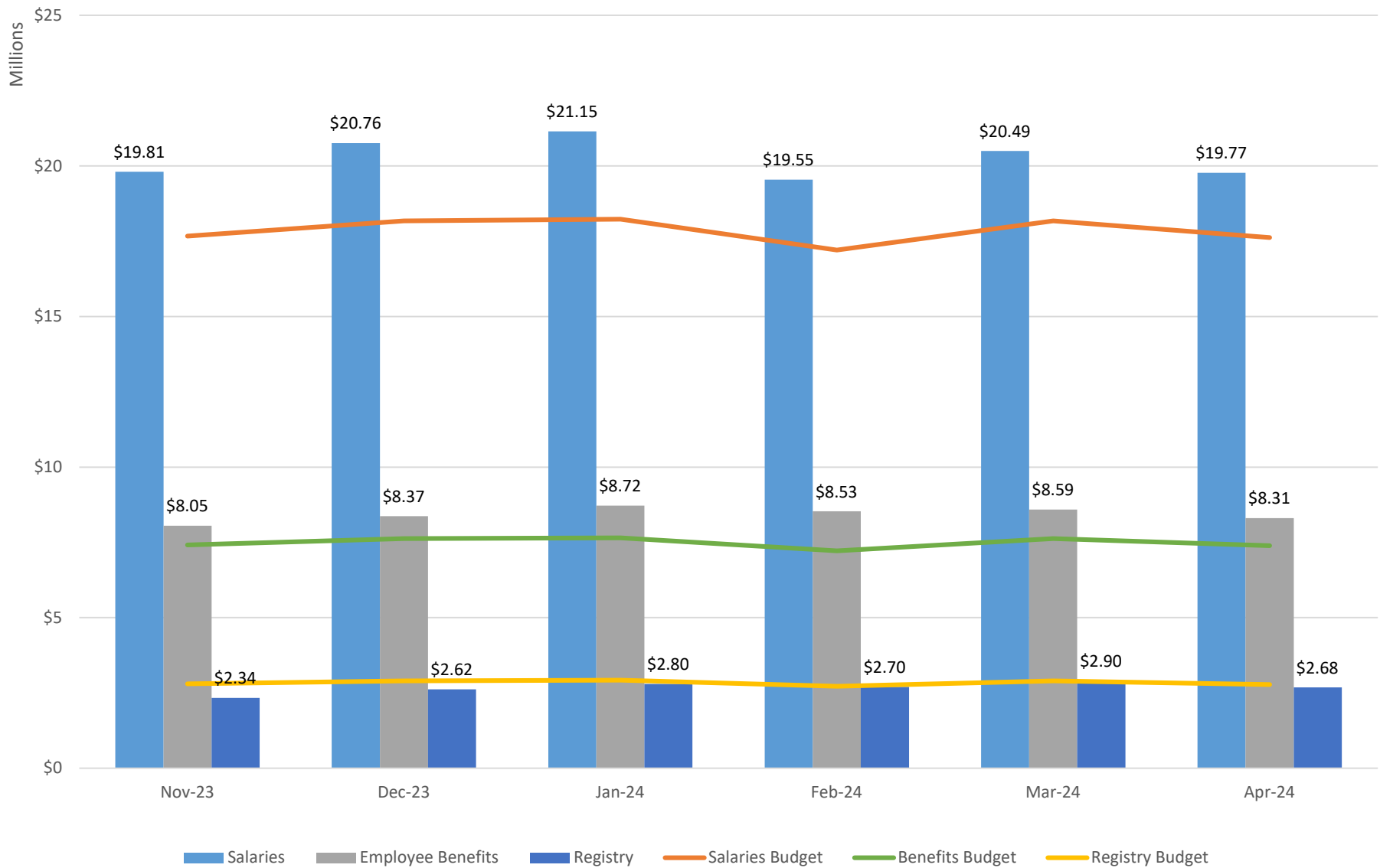
## Indigent & Correctional Revenue



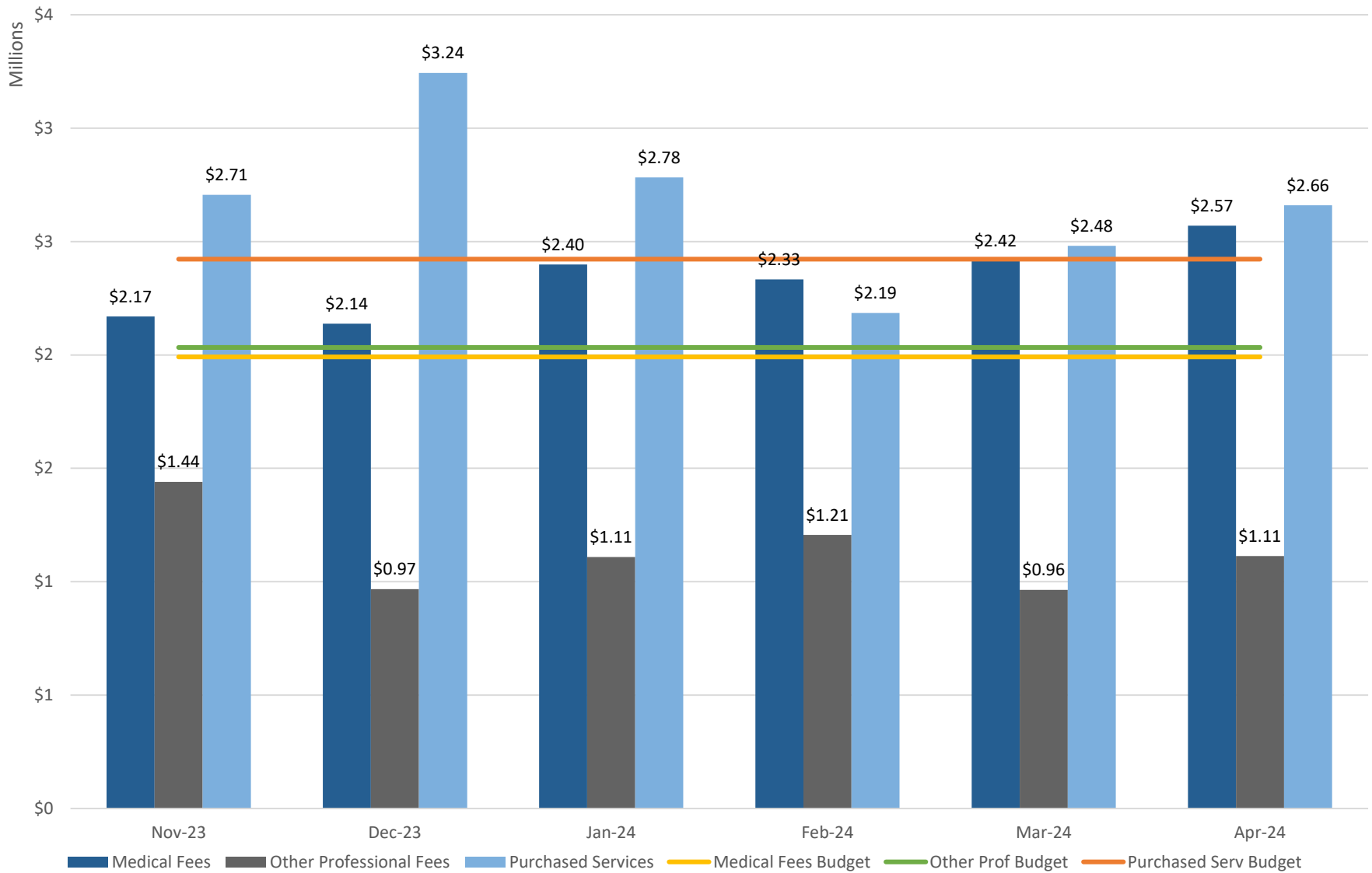
## Total Revenue



## Expenses

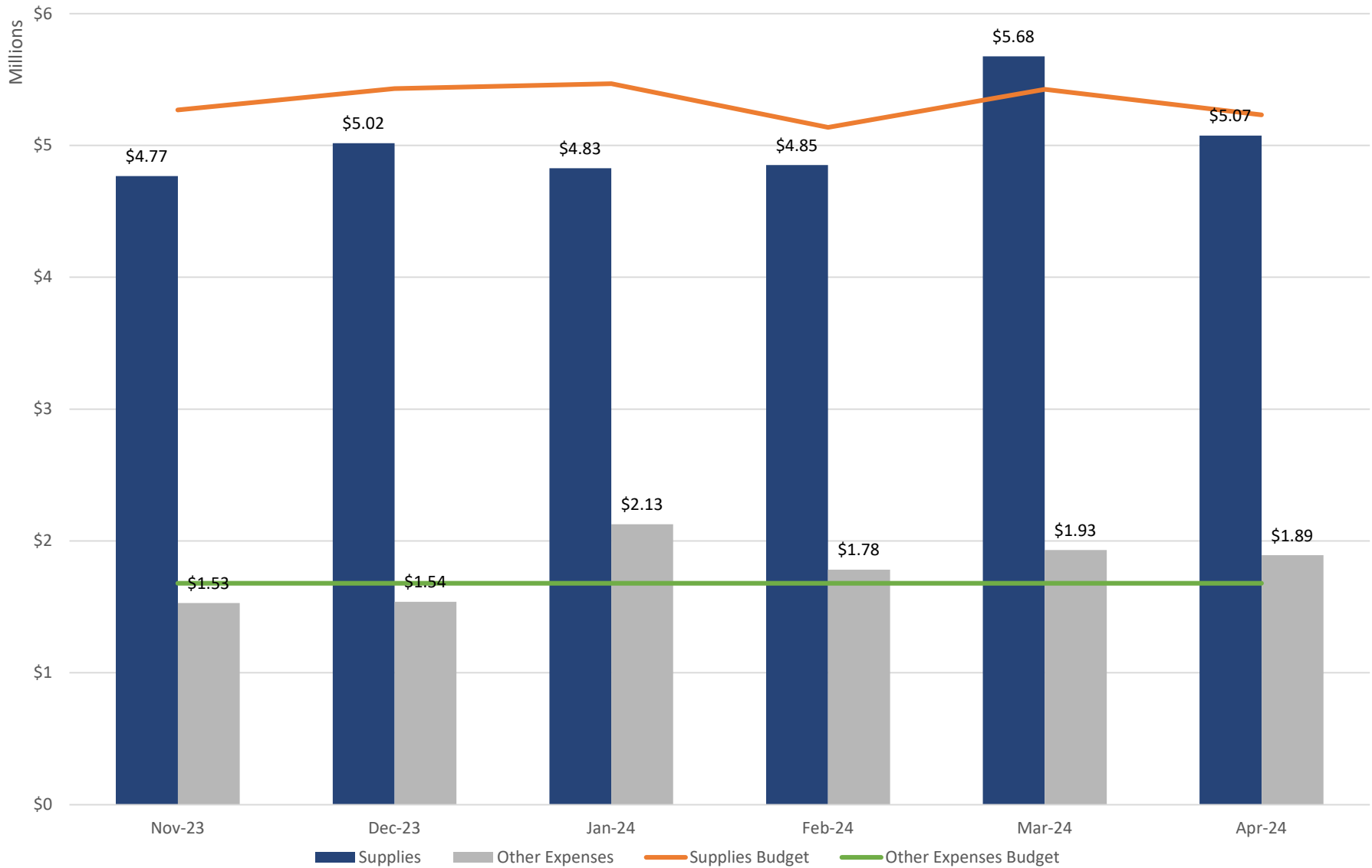


## Expenses

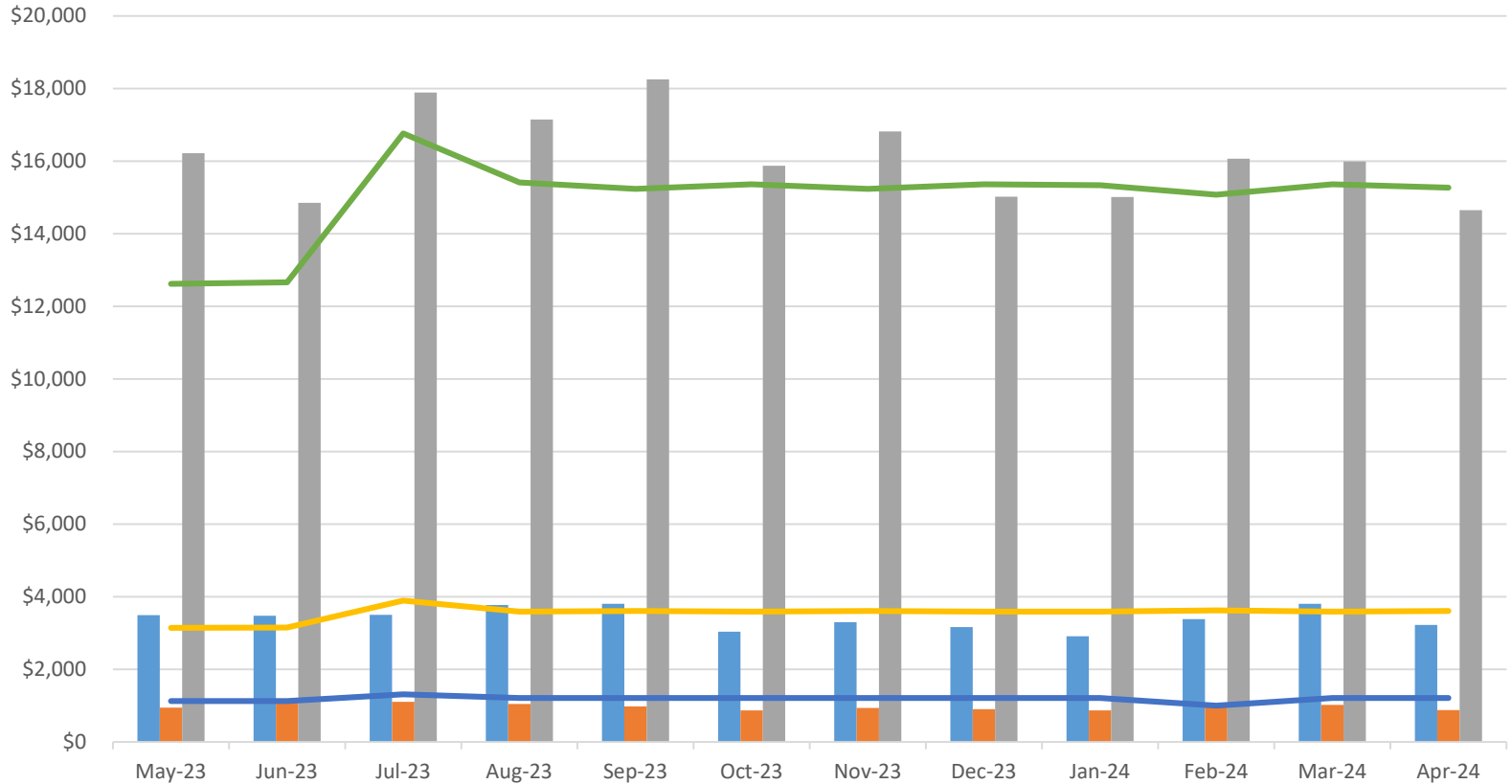




## Expenses

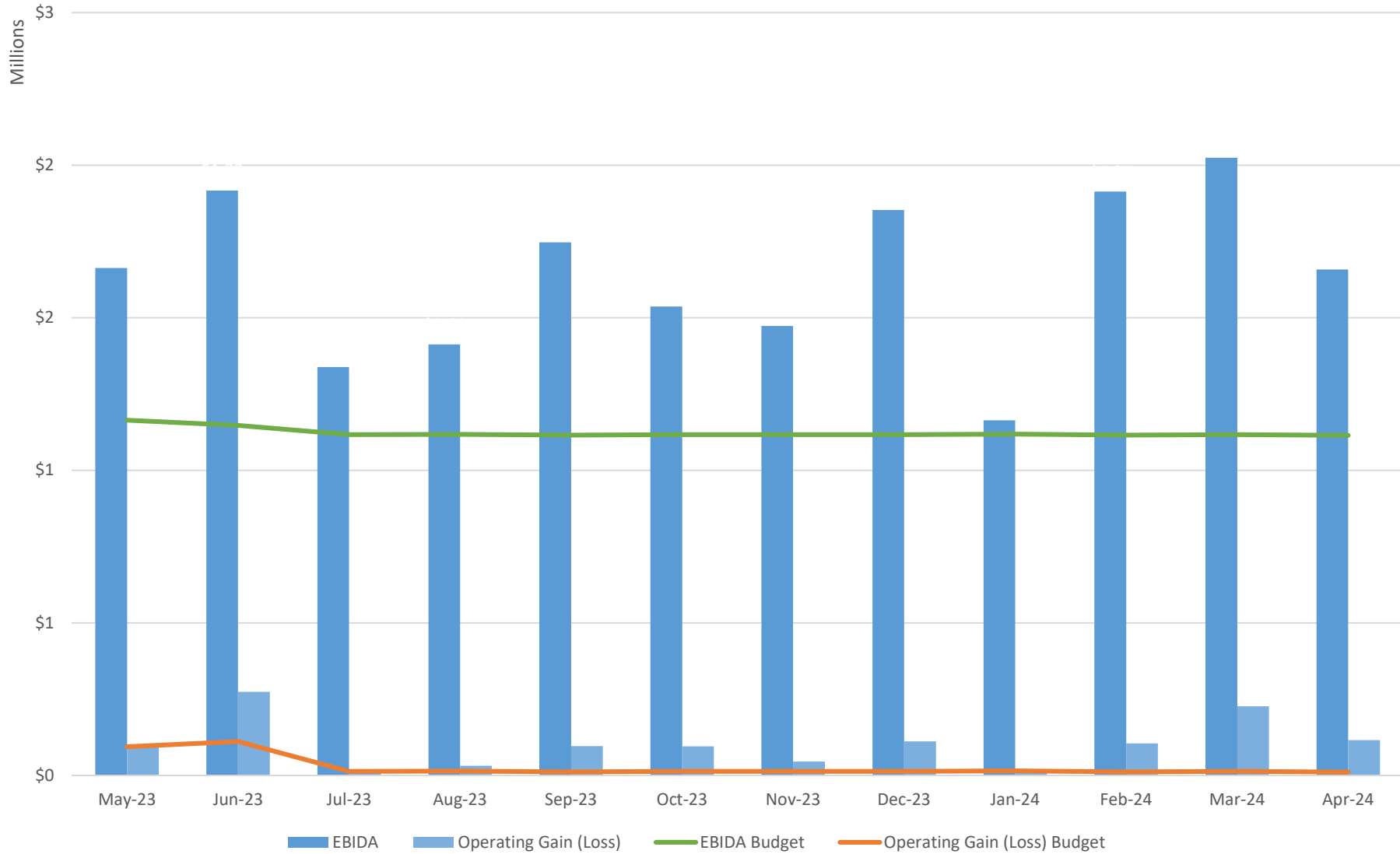


## Operating Metrics

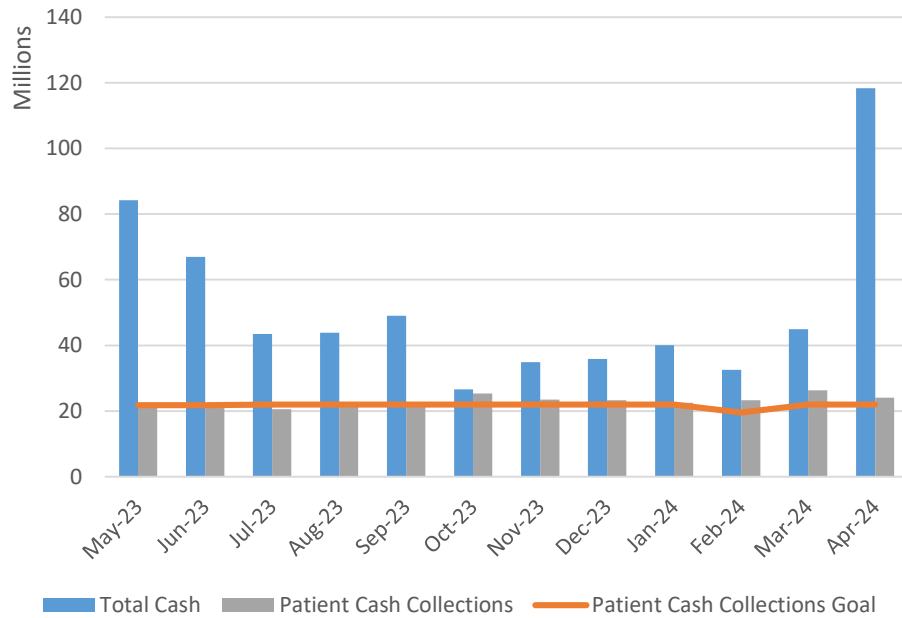


	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
Supply Expense per AA	\$3,497	\$3,473	\$3,502	\$3,775	\$3,809	\$3,038	\$3,303	\$3,161	\$2,910	\$3,383	\$3,803	\$3,223
Pharm Cost per AA	\$948	\$1,115	\$1,104	\$1,047	\$978	\$866	\$932	\$904	\$865	\$1,011	\$1,023	\$877
Net Revenue Per AA	\$16,224	\$14,857	\$17,893	\$17,150	\$18,258	\$15,875	\$16,817	\$15,020	\$15,012	\$16,073	\$15,992	\$14,649
Budget Supp/AA	\$3,145	\$3,153	\$3,891	\$3,590	\$3,606	\$3,589	\$3,606	\$3,589	\$3,589	\$3,621	\$3,590	\$3,610
Budget Pharm/AA	\$1,126	\$1,127	\$1,310	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,211	\$999	\$1,210	\$1,210
Budget Net Rev/AA	\$12,624	\$12,661	\$16,765	\$15,413	\$15,234	\$15,361	\$15,235	\$15,361	\$15,341	\$15,077	\$15,368	\$15,272

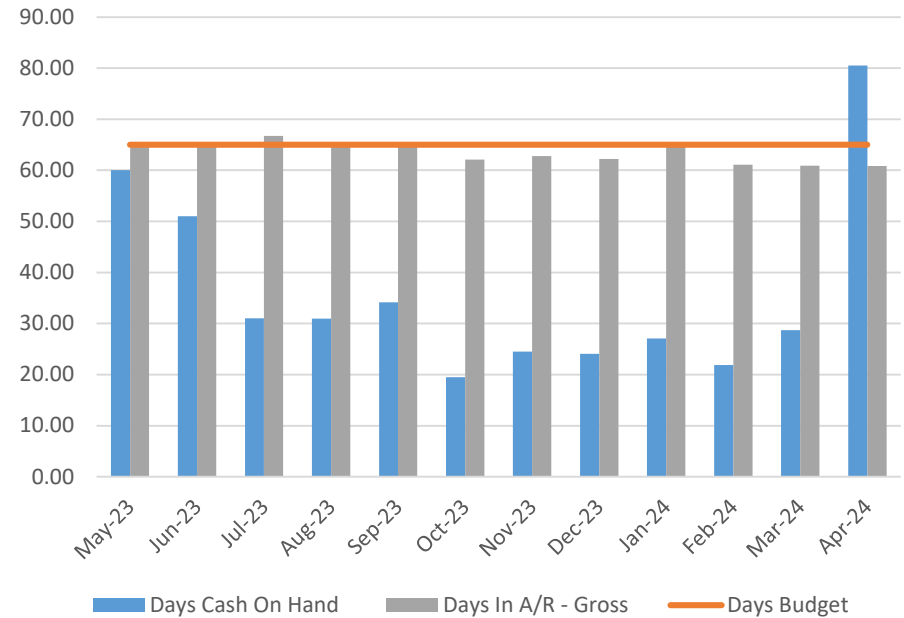
## EBIDA Rolling Year



### Cash Rolling Year



### AR Days Rolling Year



**KERN MEDICAL**  
**3-Month Trend Analysis: Revenue & Expense**  
April 30, 2024

				BUDGET	VARIANCE	PY
	FEBRUARY	MARCH	APRIL	MARCH	POS (NEG)	APRIL
<b>Gross Patient Revenue</b>	\$ 106,581,614	\$ 106,848,155	\$ 107,205,718	\$ 94,866,185	13%	\$ 91,861,816
Contractual Deductions	(83,529,937)	(82,982,438)	(84,138,267)	(72,739,607)	16%	(73,257,197)
<b>Net Revenue</b>	23,051,677	23,865,717	23,067,451	22,126,578	4%	18,604,618
Indigent Funding	17,455,758	17,905,758	17,055,758	14,338,567	19%	13,208,613
Correctional Medicine	2,847,714	2,847,714	2,847,714	2,651,620	7%	2,608,481
County Contribution	285,211	285,211	285,677	282,447	1%	285,211
Incentive Funding	0	0	0	425,000	(100%)	0
<b>Net Patient Revenue</b>	43,640,360	44,904,400	43,256,599	39,824,212	9%	34,706,923
Other Operating Revenue	1,397,777	2,559,086	2,458,814	2,428,863	1%	5,905,366
Other Non-Operating Revenue	11,379	9,568	11,076	13,060	(15%)	12,929
<b>Total Revenue</b>	45,049,515	47,473,054	45,726,489	42,266,136	8%	40,625,217
<b>Expenses</b>						
Salaries	19,547,347	20,494,366	19,770,883	17,621,430	12%	17,806,622
Employee Benefits	8,529,071	8,588,794	8,305,515	7,392,074	12%	5,451,241
Registry	2,701,171	2,897,840	2,681,965	2,780,991	(3.6%)	2,543,355
Medical Fees	2,333,226	2,415,587	2,570,621	1,991,696	29%	2,178,445
Other Professional Fees	1,206,164	963,743	1,112,762	2,033,569	(45%)	2,018,576
Supplies	4,851,734	5,675,359	5,074,477	5,230,934	(3%)	4,656,681
Purchased Services	2,185,515	2,481,536	2,660,121	2,422,027	10%	2,802,492
Other Expenses	1,781,942	1,931,575	1,891,663	1,678,508	13%	1,802,883
Operating Expenses	43,136,171	45,448,801	44,068,006	41,151,228	7.1%	39,260,295
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,913,344	\$ 2,024,253	\$ 1,658,483	\$ 1,114,907	49%	\$ 1,364,923
EBIDA Margin	4%	4%	4%	3%	37%	3%
Interest	384,252	360,189	200,050	117,423	70%	336,884
Depreciation	725,583	738,996	644,627	699,368	(8%)	824,011
Amortization	697,970	697,970	697,970	286,579	144%	1,234,592
Total Expenses	44,943,976	47,245,955	45,610,653	42,254,598	8%	41,655,782
<b>Operating Gain (Loss)</b>	\$ 105,539	\$ 227,099	\$ 115,837	\$ 11,537	904%	\$ (1,030,565)
<b>Operating Margin</b>	0.23%	0.48%	0.25%	0.03%	828.0%	(2.5%)

**KERN MEDICAL**  
**Year to Date Analysis: Revenue & Expense**  
April 30, 2024

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
<b>Gross Patient Revenue</b>	\$ 1,056,090,705	\$ 971,084,683	9%	\$ 947,241,241	11%
Contractual Deductions	(815,065,433)	(743,420,961)	10%	(724,639,708)	12%
<b>Net Revenue</b>	241,025,272	227,663,722	6%	222,601,533	
Indigent Funding	163,197,831	143,385,671	13.8%	140,872,198	16%
Correctional Medicine	28,477,137	26,516,198	7%	25,799,133	10%
County Contribution	2,852,575	2,824,472	1%	2,852,109	0%
Incentive Funding	0	4,250,000	(100%)	1,404,200	0%
<b>Net Patient Revenue</b>	435,552,815	404,640,063	8%	393,529,172	11%
Other Operating Revenue	19,243,896	24,288,634	(21%)	27,785,100	(31%)
Other Non-Operating Revenue	178,067	130,600	36%	132,725	34%
<b>Total Revenue</b>	454,974,778	429,059,298	6%	421,446,997	8%
<b>Expenses</b>					
Salaries	199,478,587	179,238,339	11.3%	172,318,828	16%
Employee Benefits	83,452,117	75,190,576	11.0%	70,296,217	19%
Registry	25,774,067	28,522,865	(10%)	29,444,095	(12%)
Medical Fees	22,557,302	19,916,958	13%	21,112,548	7%
Other Professional Fees	14,122,900	20,335,688	(31%)	20,757,191	(32%)
Supplies	50,209,544	53,482,039	(6%)	50,685,581	(1%)
Purchased Services	25,805,706	24,419,828	6%	25,137,151	3%
Other Expenses	17,453,322	16,785,076	4%	16,829,706	4%
Operating Expenses	438,853,545	417,891,370	5%	406,581,317	8%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 16,121,233	\$ 11,167,928	44%	\$ 14,865,680	8%
EBIDA Margin	4%	3%	36%	4%	0%
Interest	2,492,892	1,174,231	112%	1,654,071	51%
Depreciation	7,031,179	6,993,677	1%	7,120,348	(1%)
Amortization	5,726,267	2,865,789	100%	4,830,087	19%
Total Expenses	454,103,883	428,925,067	6%	420,185,823	8%
<b>Operating Gain (Loss)</b>	\$ 870,895	\$ 134,231	549%	\$ 1,261,174	(31%)
<b>Operating Margin</b>	0.2%	0.0%	511.8%	0.3%	(36%)

# KERN MEDICAL BALANCE SHEET

	APRIL 2024	APRIL 2023
<b>ASSETS:</b>		
<i><b>Total Cash</b></i>	<b>\$ 118,283,174</b>	<b>\$ 108,891,003</b>
Patient Receivables Subtotal	231,688,774	237,324,329
Contractual Subtotal	(180,450,902)	(180,586,979)
<i><b>Net Patient Receivable</b></i>	<b>51,237,872</b>	<b>56,737,350</b>
Total Indigent Receivable	168,517,736	177,013,039
Total Other Receivable	13,346,568	10,329,186
Total Prepaid Expenses	7,210,158	5,837,992
Total Inventory	5,644,427	5,201,643
<i><b>Total Current Assets</b></i>	<b>364,239,935</b>	<b>364,010,213</b>
Deferred Outflows of Resources	112,536,013	105,241,458
Total Land, Equipment, Buildings and Intangibles	267,848,075	243,031,611
Total Construction in Progress	8,685,629	10,735,260
<i><b>Total Property, Plant &amp; Equipment</b></i>	<b>276,533,704</b>	<b>253,766,871</b>
Total Accumulated Depr & Amortization	(167,217,556)	(152,509,211)
<i><b>Net Property, Plant, and Equipment</b></i>	<b>109,316,148</b>	<b>101,257,660</b>
<i><b>Total Long Term Assets</b></i>	<b>112,536,013</b>	<b>105,241,458</b>
<i><b>Total Assets</b></i>	<b>\$ 586,092,095</b>	<b>\$ 570,509,331</b>

## KERN MEDICAL BALANCE SHEET

	APRIL 2024	APRIL 2023
<b>LIABILITIES &amp; EQUITY:</b>		
Total Accounts Payable	\$ 9,144,330	\$ 14,247,844
Total Accrued Compensation	25,679,326	31,702,097
Total Due Government Agencies	3,663,959	14,611,925
Total Other Accrued Liabilities	53,612,466	28,013,065
<b><i>Total Current Liabilities</i></b>	<b>92,100,081</b>	<b>88,574,931</b>
Unfunded Pension Liability	345,399,109	284,243,193
Other Long-Term Liabilities	81,058,102	130,256,249
<b><i>Total Long-Term Liabilities</i></b>	<b>426,457,211</b>	<b>414,499,442</b>
<b><i>Total Liabilities</i></b>	<b>518,557,292</b>	<b>503,074,373</b>
Fund Balance	36,714,022	36,714,022
Retained Earnings	30,820,782	30,720,936
<b><i>Total Fund Balance</i></b>	<b>67,534,803</b>	<b>67,434,958</b>
<b><i>Total Liabilities and Fund Balance</i></b>	<b>\$ 586,092,095</b>	<b>\$ 570,509,331</b>



**KERN MEDICAL  
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date April 2024	Fiscal Year-End June 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for patient/current services	\$ 243,203,044	\$ 264,388,064
Cash received for other operations	233,643,859	236,708,950
Cash paid for salaries and benefits	(277,943,279)	(202,912,375)
Cash paid for services and supplies	(153,860,186)	(292,069,170)
Net cash (used in) provided by operating activities	<u>45,043,438</u>	<u>6,115,469</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash (provided to) received from various County funds	-	2,070,094
Interest paid - pension obligation bond	-	(365,334)
Principal paid - pension obligation bond	-	(2,938,587)
Interest paid - line of credit	-	(262,368)
Line of credit payment	<u>20,000,000</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>20,000,000</u>	<u>(1,496,195)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition or construction of capital assets	(17,571,703)	(12,141,601)
Payments on right-of-usage lease liability	4,356,675	(3,034,901)
Interest paid - right-of-usage lease liability	32,676	
Payments on SBITA liability	(501,433)	(782,410)
Interest paid - SBITA	<u>2,217</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(13,681,568)</u>	<u>(15,958,912)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on bank deposits and investments	<u>-</u>	<u>181,109</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	51,361,870	(11,158,529)
CASH AND CASH EQUIVALENTS, beginning of year	<u>66,921,303</u>	<u>78,079,832</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 118,283,174</u>	<u>\$ 66,921,303</u>



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

June 26, 2024

**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.



*What's Happening?*



# Nurses Week : May 6-12



# Diversity Day : May 10, 2024



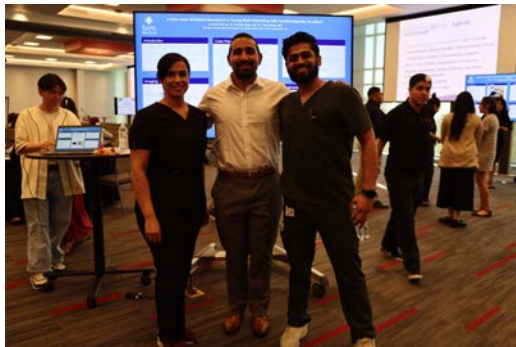
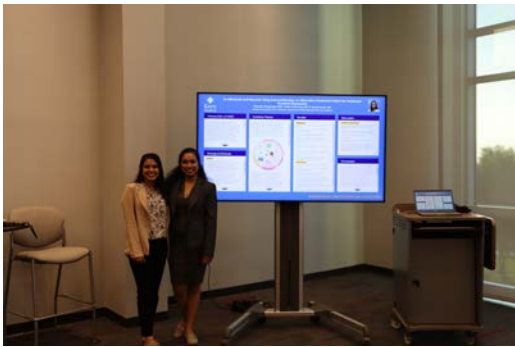
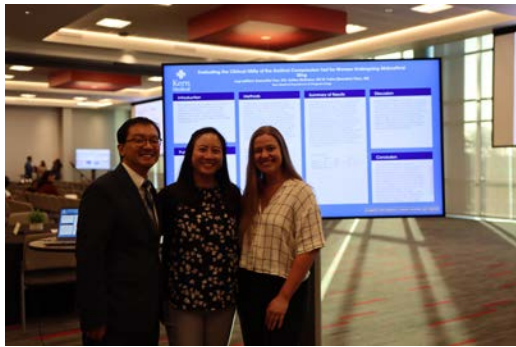
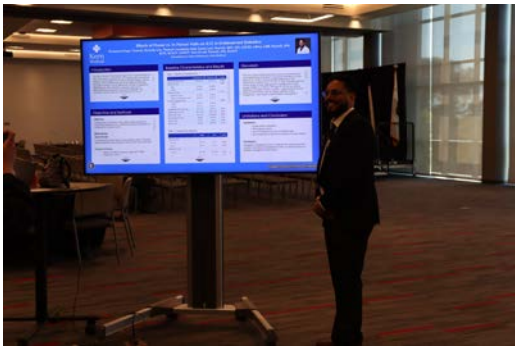


# Hospital Week: May 13-17





# Research Forum : May 23



# Safety Catch Winners : April and May



**Gabino Perez**



**Kayanna Bell**



**Kamaljeet Kaur**



**Lizy Joseph**



**Natasha Jones**



**Gizel Aguilar & Marcella Mendoza**

Brenda Lopez – Columbus Internal Medicine  
Cecilia Lazaga– Columbus Internal Medicine  
Daisy Garcia– Columbus Internal Medicine  
Joanna Gateb – ICU  
Sukphreet Dhillon – 3D  
Cheung Chea- IT  
Tyler Whitzell – Exec Team  
Laura Morales – Pre-op  
Arendis Gomez – ICU  
Vanessa Borskey – Acute Care Transitions

## Blood Drive- June 25

**blood drive**

ALL  
SUCCESSFUL  
DONATIONS WILL BE  
ENTERED TO WIN A  
FAMILY 4 PKCK  
SEASON PASSES TO  
SIX FLAGS MAGIC  
MOUNTAIN

**TUESDAY, JUNE 25• 10:00 AM -3:30 PM**

**KERN MEDICAL**  
1700 MT VERNON AVENUE • BAKERSFIELD, CA 93306

TO MAKE AN APPOINTMENT, SCAN THE CODE TO THE RIGHT WITH YOUR  
PHONE'S CAMERA OR VISIT [HCCB.COM/SCHEDULE](https://hccb.com/schedule)

*when you give, people live*

**HOUCHIN**  
COMMUNITY BLOOD BANK



# NCQA Certificate of Recognition



## Certificate of Recognition

National Committee for Quality Assurance commends

***Kern Medical REACH & GROW Clinics***

***Recognized with Distinction in Behavioral Health Integration***

on Achievement of Recognition for  
Delivering High-Quality, Patient-Centered Care

Recognition Date: June 7, 2024

Anniversary Date: June 18, 2025



A handwritten signature in black ink, appearing to read "Margaret E. O'Kane".

Margaret E. O'Kane  
President



# National Recognitions - May

- ALS Awareness Month
- Brain Cancer Awareness Month
- Stroke Awareness Month
- Lupus Awareness Month
- Mental Health Awareness Month
- Trauma Awareness Month
- Women's Health Month
- Air Quality Awareness Week (May 1-6)
- Nurses Week (May 6-12)
- Hospital Week (May 12-18)
- Respiratory Care Week (May 22-28)
- Hand Hygiene Day (May 5)

# National Recognitions - June

- Alzheimer's and Brain Awareness Month
- National CPR and AED Awareness Week (June 1-7)
- National Cancer Survivors Day (June 2)
- World Brain Tumor Day (June 8)
- World Blood Donor Day (June 14)
- World Sickle Cell Day (June 19)
- National HIV Testing Day (June 27)
- National PTSD Awareness Day (June 27)
- PTSD Awareness Month
- Rare Chromosome Disorder Awareness Day (June 29)
- Men's Mental Health Awareness Month
- National Men's Health Month
- National Migraine & Headache Awareness Month
- National Safety Month
- National Scoliosis Awareness Month

# MAKING THE ROUNDS



## KERN MEDICAL YEAR IN REVIEW: *GROWTH AND EXPANSION*

By Amir Berjis, MD, MACM, FACS, FCCP  
Director of Medical Education

Medical education at Kern Medical is thriving! Our institution remains the premier academic teaching center, tertiary referral center, and public safety-net hospital in Kern County. For over 67 years, we have matriculated medical students, residents, and fellows through well-developed, robust clerkships and fully accredited

residency and fellowship programs. We remain the single highest recruiter of physicians into Kern County and the southern San Joaquin Valley, producing the next generation of physicians for a medically underserved and vulnerable patient population base.



**Amir Berjis, MD, MACM,  
FACS, FCCP**

Director of  
Medical Education

 **KernMedical**  
Alumni





*"This June we will graduate our 67th class of resident and fellows, our largest class ever!"*

Over the past three years, an average of a third of our graduating residents and fellows have chosen to start their medical practice in our community, with several of the most qualified joining us as faculty.

Our mission remains simple: recruit and retain future physicians into our community. Over the last several years, we have been able to recruit a diverse and specialized faculty base who serve as outstanding clinical educators for our trainees. Despite the hardships of the pandemic, our residency programs continue to thrive with the addition of new trainee complements and accredited programs. Scholarly activity remains a prime component of our sponsored programs as witnessed with the 94 digital abstracts submitted to our annual regional Research Forum. This June we will graduate our 67th class of resident and fellows, our largest class ever!

This past year Kern Medical also received accreditation for new training programs from the Accreditation Council for Graduate Medical Education (ACGME).

I am proud to announce the addition of a new ACGME-accredited Addiction Medicine Fellowship Program under the direction of Dr. Sarah Gonzalez, a former graduate of our program. Dr. Gonzalez and her team will be providing a vital resource to our community by addressing the rising epidemic of opioid addiction through a multi-disciplinary approach in the treatment of substance use disorders.



Dr. Amber Jones, also a graduate of our program, will lead our newly ACGME-accredited General Surgery Residency Program. Over the last four decades, half of the general surgeons that practiced in our community trained at our institution. With the re-accreditation of this program, we will once again provide a vital resource to the community by recruiting outstanding and well-qualified surgical residents, who, in turn, will choose to practice in Bakersfield and Kern County.



Since the conclusion of the pandemic, our philosophy towards medical education has also evolved. Graduate medical education represents a period of transition within the continuum of medical education. To identify the best residents, we need to recognize the most motivated medical students. Led by the efforts of our Associate DIO, Ms. Marina Avalos-Kegley, we have collaborated with our partners, including Bakersfield College, California State University, Bakersfield, and Western University of Health Sciences to create linkage agreements that provide well-defined pathways for local area students to seek a career in medicine. Our recruitment efforts will identify students who can achieve their undergraduate studies locally, apply to and be accepted to Western University for medical education through the linkage agreements, complete clinical clerkships at Kern Medical, and then competitively match into our residency programs. Such a pathway



allows our local students to remain in our community and complete both their undergraduate and graduate medical education within the state. These efforts will only bolster our ability to further recruit and retain local talent into the community.

In addition to our ongoing collaboration with Western University, we continue to host medical students from the David Geffen School of Medicine at UCLA. Starting this summer, we will also host medical students from the Keck School of Medicine of USC. We will have a diverse and rich clinical learning environment that includes nearly 125 rotating medical students and over 110 residents and fellows. Indeed the future of medical education at Kern Medical remains bright! Please join me by supporting our efforts through our Alumni Association.



## 240+ Medical Students, Residents and Fellows



36

Internal  
Medicine



28

Emergency  
Medicine



28

Psychiatry



16

Obstetrics &  
Gynecology



3

Clinical  
Pharmacy



6

Child &  
Adolescent  
Psychiatry  
Fellows



2

Infectious  
Disease  
Fellows



2

Addiction  
Psychiatry  
Fellows



12

General  
Surgery  
Residency



1

Addiction  
Medicine  
Fellowship



# HOMEGROWN HEALER

Dr. Valerie Espinoza, a native of Shafter, has journeyed far and wide to achieve her medical aspirations. She completed her undergraduate degree in biology at Pepperdine University and earned her medical degree from the American University of the Caribbean School of Medicine. During her time in medical school, Hurricane Irma significantly altered her educational path, leading her to continue her studies in the United Kingdom.

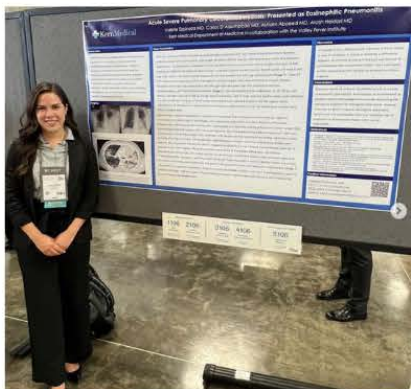
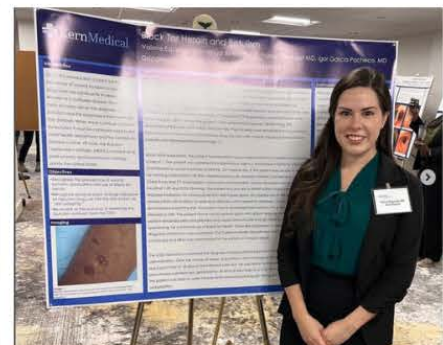
Dr. Espinoza's experiences span from Sint Maarten to the UK, Florida, Maryland, and back to California, where she has honed her skills and deepened her dedication to healthcare. She is a distinguished physician committed to making a profound impact on the field through her expertise, compassion, and unwavering dedication to serving the Kern County community.



**Valerie Espinoza, MD**

Shafter, CA

Her journey is a testament to the transformative power of representation and the significant impact individuals can have when driven by a sense of purpose and a commitment to service and education. Upon graduating from Kern Medical, Dr. Espinoza will embark on a three-year Pulmonary Critical Care Medicine Fellowship at Kaiser Los Angeles Medical Center, continuing her mission to improve healthcare outcomes and serve her community with distinction.



# Congratulations

## 2024 Resident & Fellow Graduates



Bianca Arechiga, DO  
Emergency Medicine



Cecilia Jimenez, MD  
Emergency Medicine



Edward McCrink, DO  
Emergency Medicine



Afomia Mesfin, MD  
Emergency Medicine



Edward Pak, MD  
Emergency Medicine



Carol Tang, MD  
Emergency Medicine



Angela Tseng, DO  
Emergency Medicine



Michael Valdez, MD  
Infectious Disease  
Fellowship



Shatha Aboaid, MD  
Internal Medicine



Jesslin Abraham, MD  
Internal Medicine



Akriti Chaudhry, MD  
Internal Medicine



Elaine Deemer, DO  
Internal Medicine



Valerie Espinoza, MD  
Internal Medicine



Haidar Hajeh, MD  
Internal Medicine



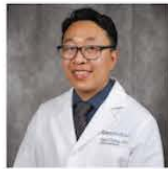
Tatum Jestila, MD  
Internal Medicine



Jigar Patel, MD  
Internal Medicine



Gurpal Singh, MD  
Internal Medicine



Ngon Trang, MD  
Internal Medicine



Yanni Timothy, DO  
Internal Medicine



Maggie Jiang, DO  
Obstetrics & Gynecology



Emma Motl, MD  
Obstetrics & Gynecology



Anthony Poles, MD  
Obstetrics & Gynecology



Samantha Tran, DO  
Obstetrics & Gynecology



Shadee Giurgius, MD  
Psychiatry



Parisa Hashemi, DO  
Psychiatry



Nicholas Kotsyubko, MD  
Psychiatry



Zershana Khan, MD  
Child and Adolescent  
Psychiatry Fellowship



Michael Ntim, MD  
Child and Adolescent  
Psychiatry Fellowship



Nazila Sharbaf Shoor, MD  
Addiction Psychiatry Fellowship



Winny Guan, PharmD  
Clinical Pharmacy



Kiranpreet Singh, PharmD  
Clinical Pharmacy



Calynn Diones, PharmD  
Clinical Pharmacy





# Resident & Fellow Chiefs

2024-2025



**Leah Dlugolecki, DO**  
*Child & Adolescent  
Psychiatry Fellowship PGY 5*  
Clinical Chief



**Brian Lu, MD**  
*Child & Adolescent  
Psychiatry Fellowship PGY 5*  
Academic Chief



**Charles Anderson, DO**  
*Emergency Medicine PGY 4*  
Chief



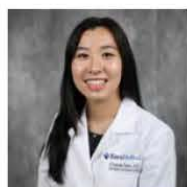
**Cesar Aranguri, MD**  
*Internal Medicine PGY 3*  
Chief



**Rohini Bilagi, MD**  
*Internal Medicine PGY 3*  
Chief



**Mahum Zahid, MD**  
*Internal Medicine PGY 3*  
Chief



**Christie Tran, DO**  
*Obstetrics & Gynecology PGY 4*  
Chief



**Shelbie Walters, DO**  
*Obstetrics & Gynecology PGY 4*  
Chief



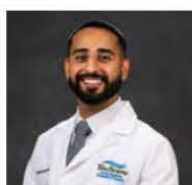
**Snehpreet Kaur, MD**  
*Psychiatry PGY 4*  
Administrative and Academic Chief



**Colleen Reyes, MD**  
*Psychiatry PGY 4*  
QI, Research, and Wellness Chief



**Eric Zamora, MD**  
*Rio Bravo Family Medicine PGY 3*  
Administrative Chief



**Gagan Kooner, MD**  
*Rio Bravo Family Medicine PGY 3*  
Didactics Chief



**Carol Avila Hernandez, MD**  
*Rio Bravo Family Medicine PGY 3*  
Schedule Chief



# Resident Advisory Council

## 2024-2025

### *Elected Chair and Co-Chairs*



**Geocel-Grace Castanares, DO**  
*Emergency Medicine PGY4*  
*Resident Advisory Council Chair*



**Rohini Bilagi, MD**  
*Internal Medicine PGY3*  
*Resident Advisory Council Co-Chair*



**Spencer Hart, MD**  
*Psychiatry PGY2*  
*Resident Advisory Council Co-Chair*

### *Elected Department Representatives*



**Leah Dlugolecki, DO**  
*Child & Adolescent Psychiatry*  
*Fellowship PGY5*



**Shikha Mishra, MD**  
*Infectious Disease Fellowship PGY5*



**Jairo Garcia, MD**  
*Emergency Medicine PGY4*



**Kelsey Schrage, DO**  
*Emergency Medicine PGY4*



**Lawrence Liu, MD**  
*Emergency Medicine PGY3*



**Rupam Sharma, MD**  
*Internal Medicine PGY3*



**Amrit Dhillon, MD**  
*Internal Medicine PGY2*



**Tanya Eftekhari, MD**  
*Internal Medicine PGY2*



**Eneti Tagaloa, MD**  
*Obstetrics & Gynecology PGY3*



**Megan Haugland, MD**  
*Obstetrics & Gynecology PGY2*



**Snehpreet Kaur, MD**  
*Psychiatry PGY4*



**Parveen Dhillon, MD**  
*Psychiatry PGY2*



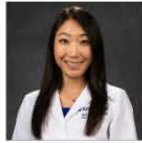
**Loren Wines, DO**  
*Psychiatry PGY2*

# NEWLY MATCHED RESIDENTS AND FELLOWS

## Child and Adolescent Psychiatry Fellows



Yoness  
Darouichi, MD



Hyun Lee, MD



Seyed Alireza  
Hosseini, MD

## Clinical Pharmacy Residents



Kiranjit Rai,  
PharmD



Reeha Kim,  
PharmD

## Internal Medicine Residents



Shahab  
Alnagar, DO



Gurtej  
Bindra, DO



Shravya  
Dharambhat, MD



Konni  
Granma, MD



Hina  
Khanzada, MD



Navpreet  
Mann, MD



Reshma Mikky  
Shaji, MD



Xochitl Moreno  
Gonzalez, MD



Sanjana  
Murdande, MD



Ayesha  
Rehman, MD



Vindhya Kowshik  
Sridhar, MD



Anna Vajda,  
MD

## Infectious Disease Fellow

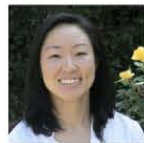


Jigar Patel, MD

## Emergency Medicine Residents



Ramandeep  
Bains, DO



Miranda  
Wakimoto, DO



Yuxin Ouyang,  
MD



Jason Phan,  
DO



Dina Shakran,  
DO



Charlotte  
Smith, MD



Karena  
Fassett, MD

## Obstetrics & Gynecology Residents



Vaana John, DO



Susan La, DO



Polian Mac, MD



Jessica  
Roestenburg, DO

## Psychiatry Residents



Prempal  
Athwal, DO



Anthony  
Diomino, MD



Manraj  
Garewal, DO



Savanna  
Gharibian, DO



Ivan Lee, DO

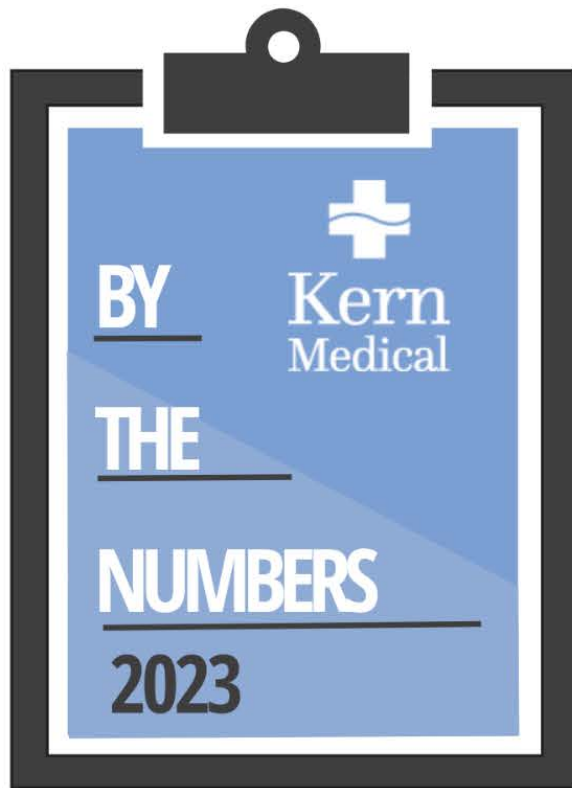


Angela Tun,  
DO



Tam Doan, MD  
(PSYCH/CAPF)





52,920



EMERGENCY  
ROOM VISITS

2,272



BIRTHS

5,788



SURGERIES

196,021



OUTPATIENT  
CLINIC VISITS

9,364



INPATIENT  
ADMISSIONS

2,825



TRAUMA  
ACTIVATIONS

COMING SOON

## *Pediatrics Emergency Department*



Construction is underway for Kern Medical's brand new, state-of-the-art Pediatrics Emergency Department, thanks to a grant from California Health Facilities Financing Authority.

# Post Grad Destinations

## Addiction Psychiatry Fellowship

**Dr. Nazila Sharbaf Shoar:** Kern Behavioral Health and Recovery Services, Bakersfield CA

## Child & Adolescent Psychiatry Fellowship

**Dr. Zershana Khan:** San Joaquin County Behavioral Health Services, Stockton CA

**Dr. Michael Ntim:** Kern Behavioral Health and Recovery Services, Bakersfield CA

## Infectious Disease Fellowship

**Dr. Michael Valdez:** Pending Offers

## Emergency Medicine

**Dr. Carol Tang:** San Gabriel Valley Medical Center & Pomona Valley Medical Center

**Dr. Afomia Mesfin:** UCLA West Valley Medical Center

**Dr. Bianca Arechiga:** San Antonio Baptist Medical Center, TX

**Dr. Edward McCrink:** Mercy Hospital, Bakersfield CA

**Dr. Edward Pak:** McKenzie Willamette Medical Center, Eugene OR

**Dr. Angela Tseng:** Corona Regional & Redlands Community Hospital, San Diego CA

**Dr. Cecilia Jimenez:** Adventist Health Hospital, Bakersfield CA

## Internal Medicine

**Dr. Shatha Aboaid:** Vanderbilt University Medical Center, Nashville TN

**Dr. Jesslin Abraham:** UT Hypertension Fellowship, Dallas TX

**Dr. Akriti Chaudhry:** Chicago

**Dr. Elaine Deemer:** UCLA Geriatrics Fellowship

**Dr. Valerie Espinoza:** Pulmonary Critical Care Medicine Fellowship at Kaiser Los Angeles

**Dr. Haidar Hajeh:** Cardiology Fellowship UC Riverside

**Dr. Tatum Jestila:** Adventist Health Hospital, Bakersfield CA

**Dr. Jigar Patel:** Infectious Disease Fellowship at Kern Medical, Bakersfield CA

**Dr. Gurpal Singh:** Pending Offers

**Dr. Ngon Trang:** Kaiser Permanente, Sacramento CA

**Dr. Timothy Yanni:** Optum, Laguna Hills CA

## Obstetrics & Gynecology

**Dr. Maggie Jiang:** MIGS Fellowship, Henry Ford Health, Detroit MI

**Dr. Emma Motl:** Sanford Bemidji, Minnesota

**Dr. Anthony Poles:** Kaiser Permanente, Bakersfield CA

**Dr. Samantha Tran:** Billings Clinic, Montana

## Psychiatry

**Dr. Shadee Giurgius:** Geriatric Fellowship at UCSF

**Dr. Parisa Hashemi:** Mind Path, Irvine, CA

**Dr. Nicholas Kotsyubko:** Kern Medical, Bakersfield CA

## Clinical Pharmacy

**Dr. Kiranpreet Singh:** Pending Offers

**Dr. Calynn Diones:** South Carolina

**Dr. Winny Guan:** Pending Offers



# KERN MEDICAL RECEIVES ACCREDITATION FOR NEW RESIDENCY AND FELLOWSHIP PROGRAMS



**Amber Jones, DO,  
MPH, FACS, FCCP**

General Surgery  
Program Director



**Sarah Gonzalez, MD,  
FASAM**

Addiction Medicine  
Program Director

Kern Medical is proud to be accredited to start a General Surgery Residency and an Addiction Medicine Fellowship to train physicians in these specialties by the Accreditation Council for Graduate Medical Education (ACGME). The General Surgery Residency Program is five years in duration, and will have 12 resident physicians. The first class will graduate in June 2030. The program is led by Amber Jones, DO, MPH, FACS, FCCP Program Director. Dr. Jones started at Kern Medical as a 3rd year medical student and returned to Kern Medical to lead the General Surgery residency as its Program Director. Dr. Jones also serves as the Director of the Surgical Intensive Care Unit and performs Trauma and Acute Care operations in both pediatric and adult patients.

This residency program has been several years in the making. Kern Medical is dedicated to excellence in clinical practice, continuous quality improvement, medical education and research. Our faculty and residents are committed to the highest standards of professionalism, integrity, and compassion in their treatment of the most vulnerable and underserved members of our community. The program aims to produce highly-trained, well-rounded, and

empathetic surgeons who will continue to serve upon graduation. We will accomplish this by working in close partnership with our trainees, colleagues, patients, and our community.

In addition, our Addiction Medicine Fellowship will see its first fellow on July 1, 2024. This fellowship seeks to train physicians that will increase awareness, treatment, and access to care for those who suffer from substance and alcohol use disorders as well as behavioral addictions. It is a one-year program led by Sarah Gonzalez, MD, FASAM, who serves as its Program Director. Dr. Gonzalez is a Bakersfield native and a graduate of our Emergency Medicine residency program.

In addition to the general surgery program and addiction medicine fellowship, Kern Medical has a total of 110 residents and fellows. An additional 125 medical students are also in training at Kern Medical as part of their third- and fourth-year clinical rotations. These are all part of our major advancements as a teaching hospital to train and bring more physicians to serve our Kern County community.

# Welcome Kern Medical Alumni!



## Benefits of Membership

- » All funds raised will support Medical Students & Resident Education at Kern Medical
- » Learning opportunities that include CME credit lectures & events
- » Invitations to Alumni Society social events
- » Stay up to date on Kern Medical news
- » Membership fee is 100% tax deductible

*All Graduating Residents & Fellows will receive  
the first year of membership FREE!*

*Yes! I want to join the Kern Medical Alumni Society.*

Name \_\_\_\_\_

Specialty \_\_\_\_\_ Phone \_\_\_\_\_

Email Address \_\_\_\_\_

Home Address \_\_\_\_\_

Questions – please contact Micaela Albiar at (661) 321-7464 or [Micaela.Albiar@KernMedical.com](mailto:Micaela.Albiar@KernMedical.com)



Kern Medical Surgery Center, LLC  
9300 Stockdale Hwy, Suite 200  
Bakersfield, CA. 93311  
661-964-2470

## **BOARD OF MANAGERS KERN MEDICAL SURGERY CENTER, LLC REGULAR MEETING**

June 26, 2024

**Subject:** Administrative Report for Two-Months Ended April 30, 2024

**Recommended Action:** Receive and File

### **Summary:**

#### **Kern Medical Surgery Center Operations**

##### **Key Performance Indicators:**

- The Surgery Center budgets to financially breakeven on operations each month. March resulted in an operating loss of \$219,480.
- March volumes of 172 surgeries are 73 below the March budget of 245 due to surgeon leave time.
- April resulted in an operating gain of \$15,262
- Total surgeries of 227 for April are 3 below the April budget of 230

##### **The following items have budget variances for the months of March and April 2024:**

###### **Patient Revenue:**

For March, gross patient revenue was 27% unfavorable to budget for the month, with the budget at \$1,728,465 and the actual gross patient revenue at \$1,267,556. March net revenue of \$322,273 is \$194,265 less than the March budgeted net revenue of \$516,538.

For April gross patient revenue had a 16.5% favorable budget variance with actual gross of \$1,889,879 compared to the budget of \$1,622,641. April net revenue of \$496,944 is \$12,031 more than the budget of \$484,913 due to higher paying case volume.

On a fiscal year-to-date basis, gross patient revenue of \$3,696,153 is 19% below the budget of \$4,587,700.

**Supplies Expense:** Supplies were under budget for March. April supplies were over budget in direct relationship with higher case cost on type of surgeries performed.

**Salary and Benefit Expense:**

Salary expenses for March were \$211,907. This was \$39,454 over the budgeted amount of \$172,453 due to three pay periods in the month. April salary expenses were \$135,560 which were \$26,364 under the April budget of \$161,924. Benefit expenses for March were \$31,169 which were \$7,451 below the budget of \$38,620. Benefit expenses for April were \$19,821 which were \$16,434 below the budget of \$36,255

**Purchased Services:**

March purchased services in the amount of \$87,185 was over budget by \$19,778 because of implementation of the new anesthesia agreement between KMSC and Regional Anesthesia Associates. April purchased services of \$83,999 was over budget by \$18,699 as a result of the implementation of the new anesthesia agreement between KMSC and Regional Anesthesia Associates effective February 2024.

**Initiatives for Marketing and Growth:**

The DON has recently met with a community orthopedic surgeon who has applied for privileges with an anticipated late June start date. The ASC has also added ophthalmology services with a targeted start date of July 8<sup>th</sup>.

We are currently having ongoing discussions with an otolaryngologist candidate and a facility tour is scheduled for June 14th.

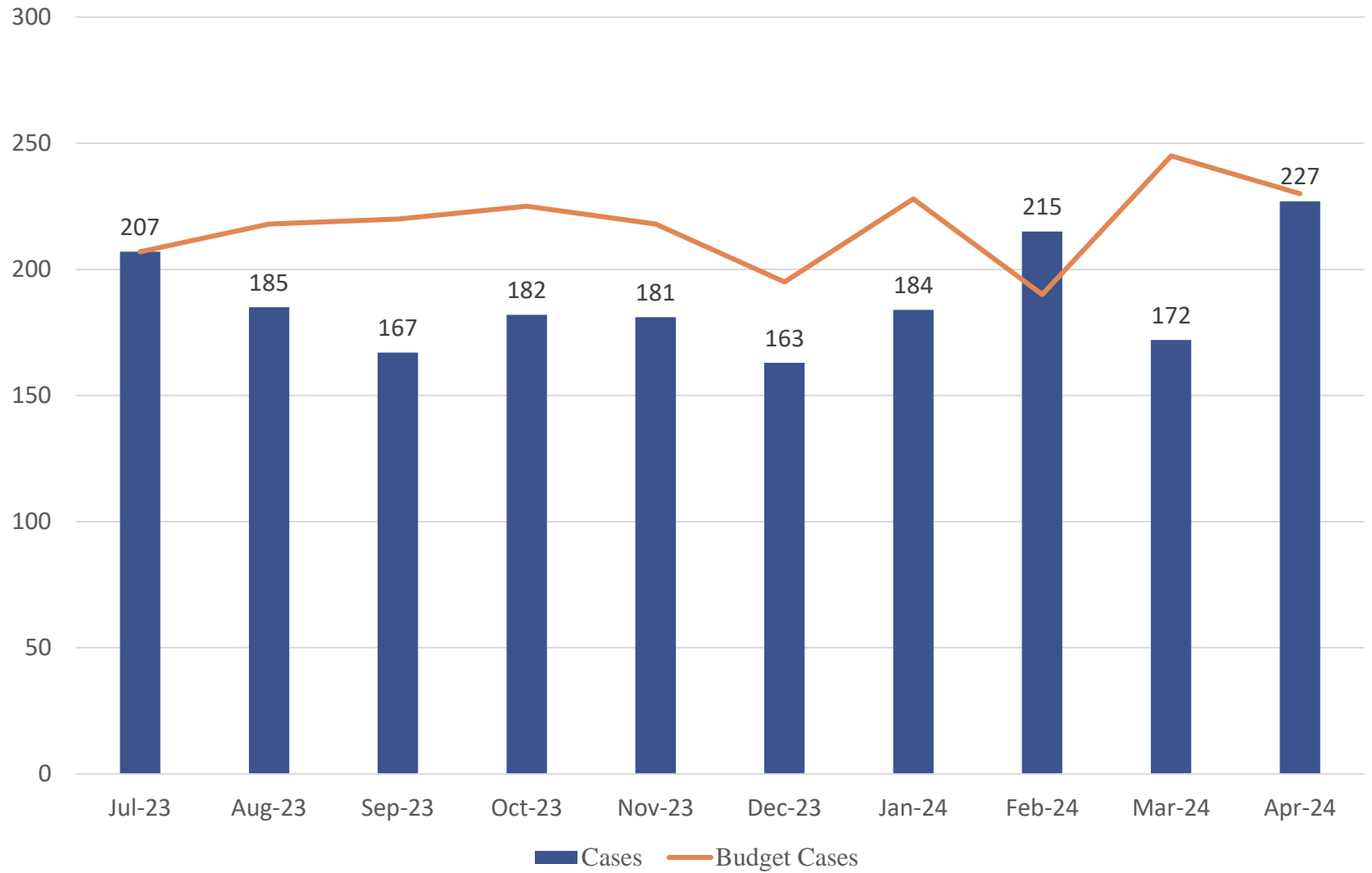
The Surgery Center staff are participating in an anonymous Ambulatory Surgery Center Survey on Patient Safety, as recommended by AAAHC. The purpose of this survey is to ensure that we are providing the highest quality of care, in a safe and comfortable environment for our staff, providers and patients.



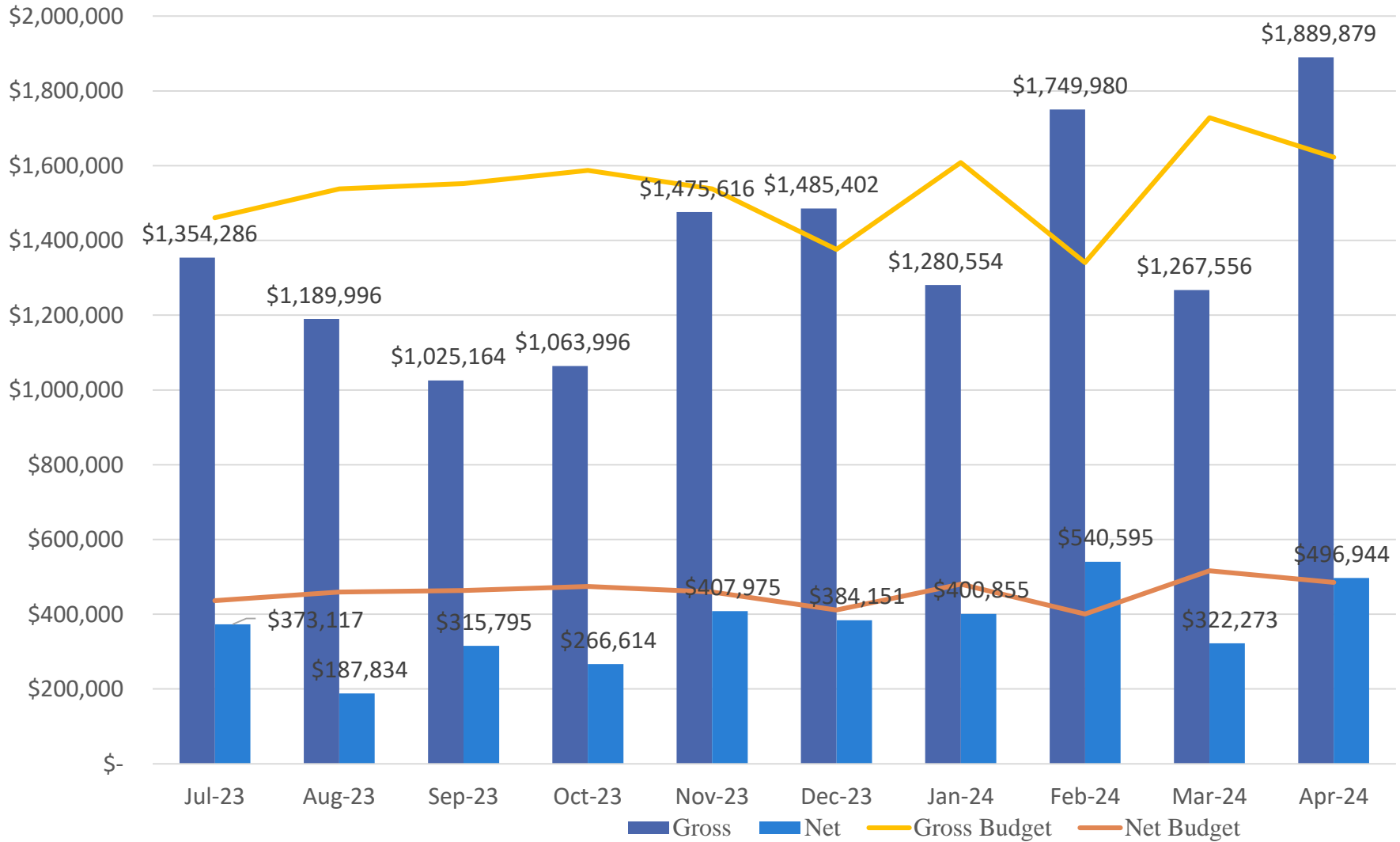


**BOARD OF MANAGERS' REPORT  
JULY 2023 – APRIL 2024**

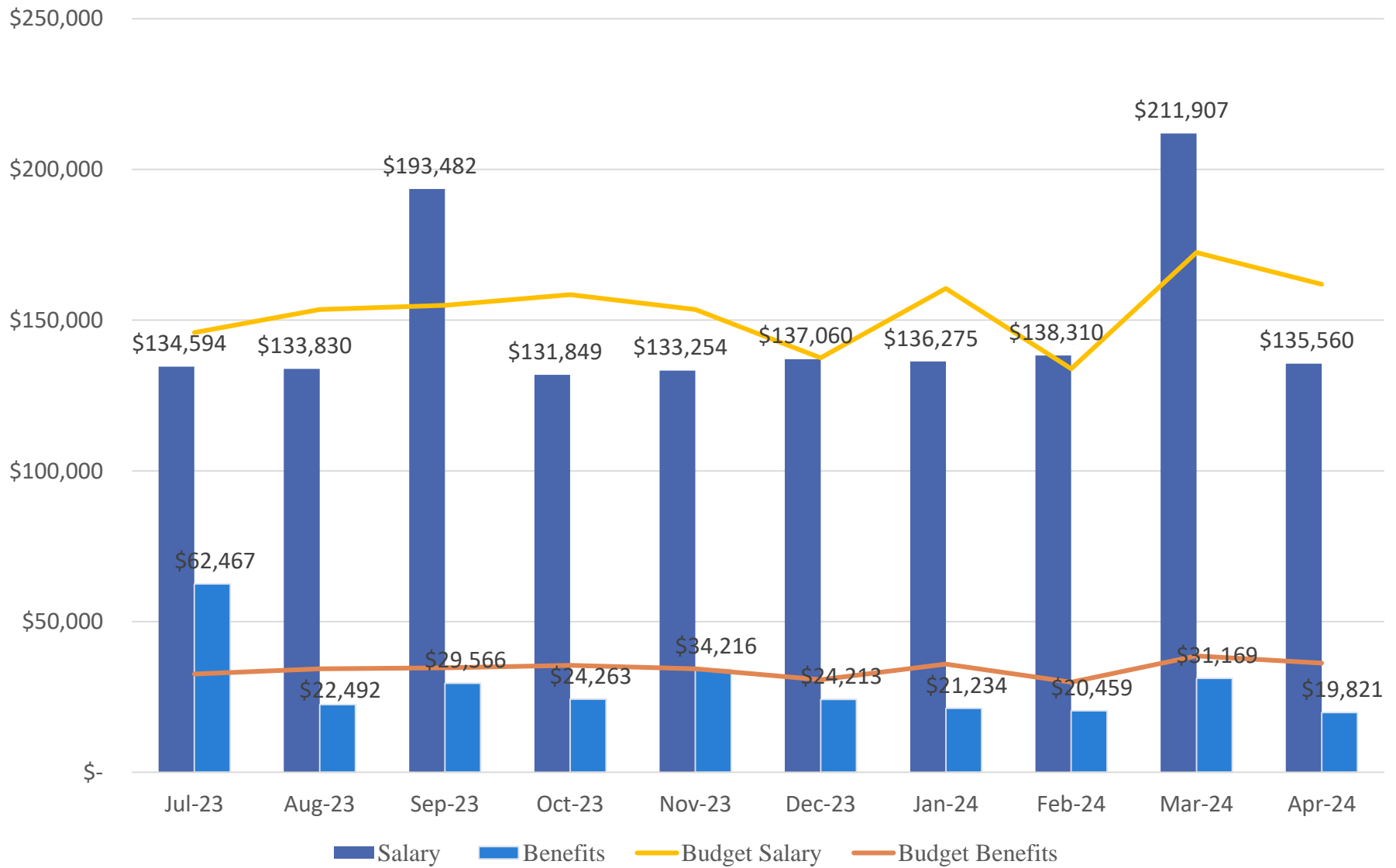
## Case Volume



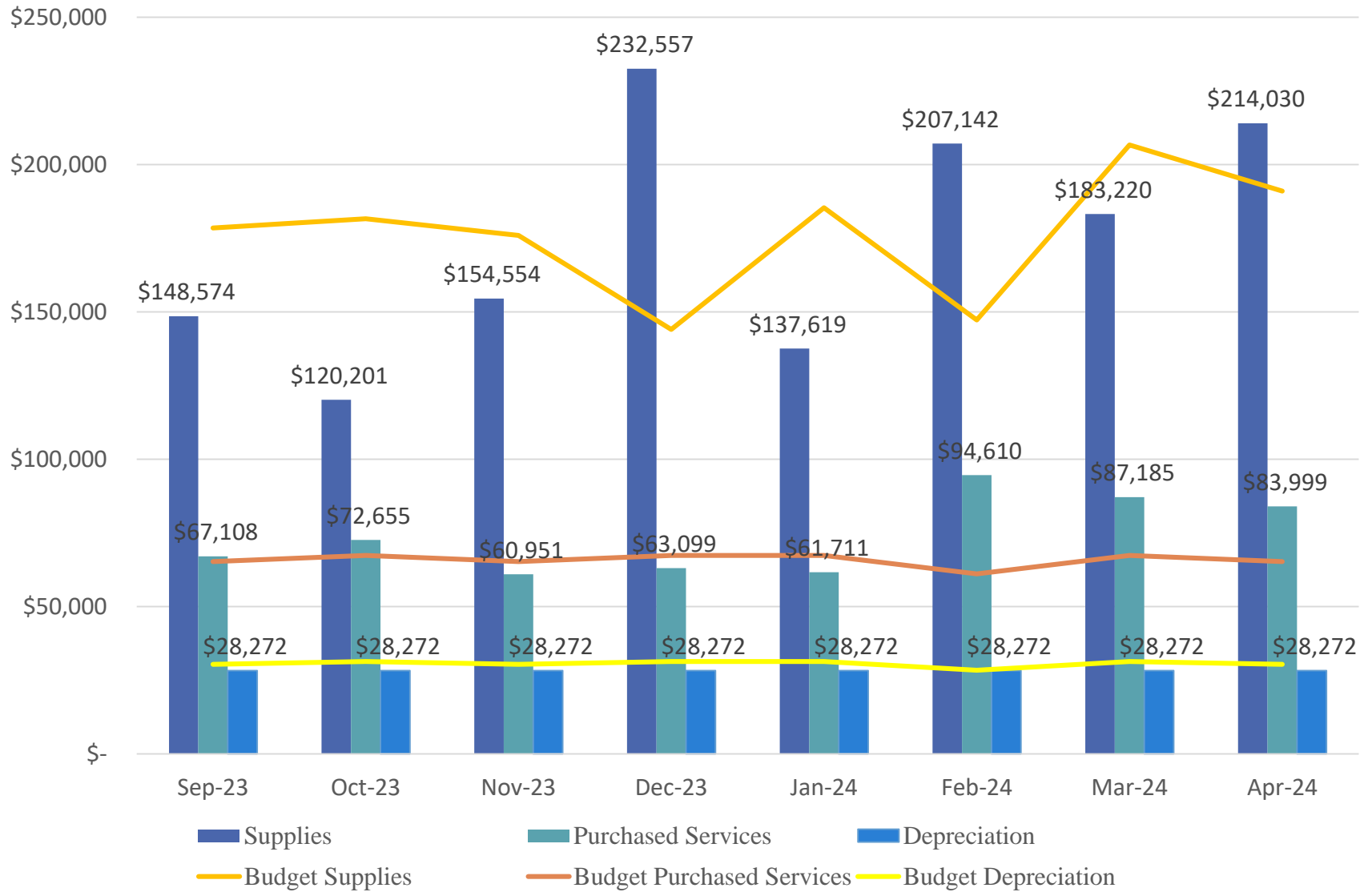
## Total Revenue



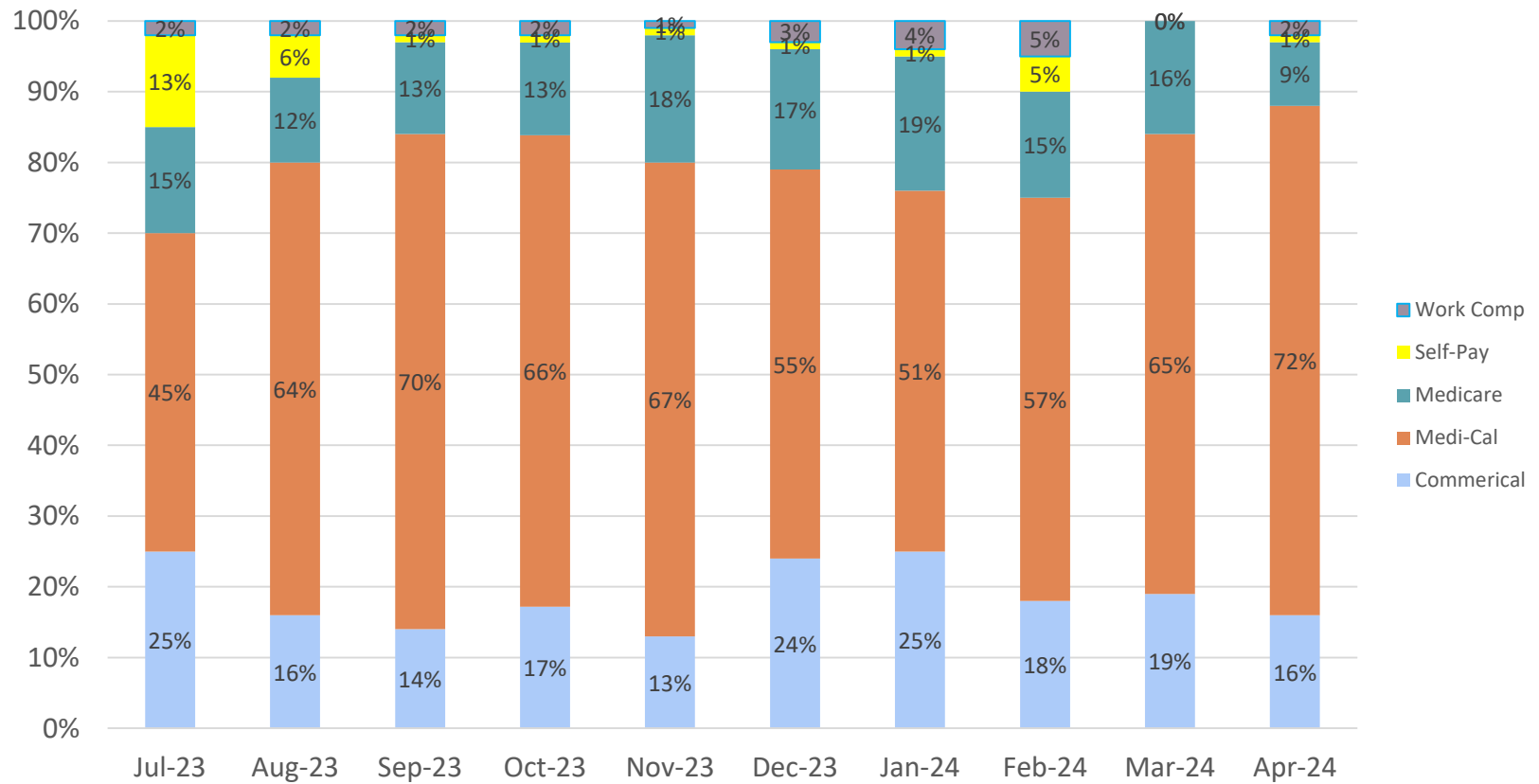
## Expenses



# Expenses



## PAYER MIX



**Kern Medical Surgery Center, LLC.  
Profit and Loss**

	<b>Mar-24</b>	<b>Apr-24</b>	<b>Budget Apr-24</b>	<b>Variance</b>
<b>Gross Revenue</b>	<b>\$ 1,267,556</b>	<b>\$ 1,889,879</b>	<b>\$ 1,622,641</b>	<b>\$ (267,238)</b>
<b>Net Revenue</b>	<b>322,273</b>	<b>496,944</b>	<b>484,913</b>	<b>12,031</b>
<b>Salaries</b>	211,907	135,560	161,924	<b>(26,364)</b>
<b>Benefits</b>	31,169	19,821	36,255	<b>(16,434)</b>
<b>Supplies</b>	183,220	214,030	191,022	<b>23,008</b>
<b>Purchased Services</b>	87,185	83,999	65,300	<b>18,699</b>
<b>Depreciation</b>	28,272	28,272	30,411	<b>(2,139)</b>
<b>Total Expenses</b>	<b>541,753</b>	<b>481,682</b>	<b>484,912</b>	<b>(3,230)</b>
<b>Net Operating Gain (Loss)</b>	<b>\$ (219,480)</b>	<b>\$ 15,262</b>	<b>\$ -</b>	<b>\$ 15,262</b>

**Kern Medical Surgery Center, LLC.**  
**Profit and Loss**  
**Fiscal Year to Date**

	<b>Actual FYTD</b>		<b>Budget FTYD</b>
<b>Gross Revenue</b>	\$ 13,782,429	\$	15,351,591
<b>Net Revenue</b>	3,696,153		4,587,696
<b>Salaries</b>	1,486,121		1,532,607
<b>Benefits</b>	289,900		343,007
<b>Supplies</b>	1,668,399		1,742,493
<b>Purchased Services</b>	756,921		661,428
<b>Depreciation</b>	282,898		308,161
<b>Total Expenses</b>	\$ 4,484,239	\$	4,587,696
<b>Net Operating Gain (Loss)</b>	\$ (788,086)	\$	-



**Balance Sheet**  
**As of April 30,2024**

	<b>Mar-24</b>	<b>Apr-24</b>
<b>ASSETS</b>		
<b>Total Cash on Hand</b>	<b>\$ 252,087</b>	<b>\$ 138,672</b>
<b>Gross Patient Receivables</b>	<b>1,695,841</b>	<b>1,961,880</b>
<b>Contractual Reserve</b>	<b>(1,204,047)</b>	<b>(1,371,380)</b>
<b>Net Patient Receivables</b>	<b>491,794</b>	<b>590,499</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>
<b>Total Accounts Receivable</b>	<b>540,796</b>	<b>653,097</b>
<b>Total Other Current Assets</b>	<b>-</b>	<b>12,271</b>
<b>Total Current Assets</b>	<b>792,883</b>	<b>804,040</b>
<b>Total Fixed Assets</b>	<b>781,740</b>	<b>781,740</b>
<b>TOTAL ASSETS</b>	<b>1,574,623</b>	<b>1,585,780</b>
<b>Liabilities and Equity</b>		
<b>Total Accounts Payable</b>	<b>2,627,633</b>	<b>2,559,182</b>
<b>TOTAL LIABILITIES</b>	<b>2,627,633</b>	<b>2,559,182</b>
<b>Total Equity</b>	<b>(1,053,010)</b>	<b>(973,402)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,574,623</b>	<b>\$ 1,585,780</b>



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

June 26, 2024

**Subject:** Proposed Quote CPKUSVL011162 with Alcon Vision, LLC for the purchase of sterile surgery packs

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

**Summary:**

Kern Medical Surgery Center, LLC requests that your Board approve the proposed Quote CPKUSVL011162 with Alcon Vision, LLC for custom sterile surgery packs to be built for ophthalmology procedures.

Ophthalmology services are a new addition to the procedures completed at Kern Medical Surgery Center, LLC and these packs are necessary for performing these procedures. The cost of each pack will be \$157 with an estimated maximum payable of \$37,356 per year.

Counsel cannot approve the Quote as to form due to non-standard terms and conditions which include venue and governing law in Texas. Efforts were made to negotiate this term to no avail.

Even with these non-standard terms and conditions, Kern Medical Surgery Center, LLC is requesting approval of the proposed Quote CPKUSVL011162 with Alcon Vision, LLC, as they are the authorized vendor to manufacture the packs the surgeon is requesting.

Therefore, it is recommended that your Board approve the proposed Quote CPKUSVL011162 with Alcon Vision, LLC with a total per pack cost of \$157 plus tax and shipping, effective June 26, 2024 to June 25, 2029, and authorize the Chairman to sign.

**Custom Pak® / PikPak®  
Order Agreement**

**Customer Information:**

Customer Name: KERN MEDICAL SURGERY CENTER Account Number: 0100588659

This Order Agreement is for (check one): ☒ Custom Pak® ☐ PikPak®

Quote Number: CPKUSVL011162 Quoted Price: 156.67 First Shipment Date:

Catalog Number (Alcon Houston Office to complete upon receipt of signed Agreement): Estimated Monthly Usage: 20 packs

Are these shipments to be automatic shipments: ("Standing Order")? ☐ Yes ☒ No

If yes, list quantities and dates of month on which Custom Pak®/PikPak® are to be delivered:

Custom Pak®/PikPak® Quantity per Shipment

Day/Dates

Purchase Order Number (PO#)

This Order Agreement (this "Agreement") is entered into between the above-referenced customer ("Customer") and Alcon Vision, LLC ("Alcon") as of \_\_\_\_\_ (the "Effective Date").

- 1) **Scope.** This Agreement is intended to facilitate ordering of Custom Pak® or PikPak® products ("Custom Pak®/PikPak®") between Customer and Alcon by creation of catalog number(s) for Customer's requested Custom Pak®/PikPak® configuration.
- 2) **Custom Pak®/PikPak® Configuration.** The configuration of the Custom Pak®/PikPak® components will be mutually agreed to between Alcon and Customer based on information provided to Alcon by Customer (e.g., verbal descriptions, approved sequencing notes, drawing or prototype furnished by Alcon, etc.). Customer may request modifications to the Custom Pak®/PikPak® configuration or to the Custom Pak®/PikPak® quantity for Standing Orders by contacting its Alcon account manager or Customer Service at (800) 862-5266. Alcon will make reasonable efforts to accommodate such requests; provided, however, that, before a Custom Pak®/PikPak® configuration revision is completed, Alcon may require that Customer depletes existing inventory for prior Custom Pak®/PikPak® configurations. Individual components within the Custom Pak®/PikPak® are subject to inventory availability and may be substituted by Alcon at any time.
- 3) **General Terms.** This Agreement is subject to Alcon's then-current standard shipping and handling policies. Payment terms are Net 30 Days from the date of invoice or as reflected on the face of the invoice.
- 4) **Pricing and Availability.** Custom Pak®/PikPak® pricing provided hereunder, including for any revised Custom Pak®/PikPak® agreed upon in accordance with this Agreement, is subject to change at Alcon's sole discretion. Prices quoted do not include applicable sales or use taxes. Customer will be responsible for any applicable federal, state, and local taxes on products purchased hereunder.
- 5) **Own Use.** Custom Pak®/PikPak® purchased by Customer are solely for its "own use" as that term is defined by the United States Supreme Court in Abbott Laboratories et al v. Portland Retail Druggist Association, Inc., and Customer agrees not to sell, trade, or lend products purchased hereunder. Alcon shall have the right to immediately restrict or deny additional product purchases by Customer in the event of any product diversion or other violation of this "own use" provision. Such measures by Alcon shall not limit Alcon's ability to seek and recover any damages incurred by Alcon as a result of a violation of this "own use" provision by Customer.
- 6) **Term and Termination.** The term of this Agreement is for a period of one year beginning on the Effective Date and will be automatically extended in one-year increments until terminated by either party (the "Term"). Either Alcon or Customer may terminate this Agreement with or without cause upon 60 days' prior written notice. If Customer terminates this Agreement without cause, Customer agrees to either (a) purchase the existing remaining Custom Pak®/PikPak® inventory; or (b) pay a restocking/breakdown fee of 15% of the then-current contracted Custom Pak®/PikPak® price for each Custom Pak®/PikPak® remaining in inventory.
- 7) **Confidentiality.** All pricing and terms are confidential and shall not be disclosed without Alcon's prior written consent.
- 8) **Miscellaneous.** All matters arising out of or relating to this Agreement shall be governed by the laws of the State of ~~California~~Texas (without regard to conflict of law principles). This Agreement constitutes the final entire agreement of the parties hereto with respect to the terms herein and shall supersede any other agreements or proposals, whether oral or written, pertaining to the subject matter hereof, including, without limitation, any terms and conditions contained in Customer's purchase order forms (regardless of when such purchase order is issued by the Customer). Customer may not assign this Agreement to any other party without the prior written consent of Alcon. Alcon may assign this Agreement upon written notice to Customer.

Customer Signature

Date

Printed Name

Title

Houston Home Office Signature

Date

Printed Name

Title

**CREDENTIALING RECOMMENDATIONS TO BOARD OF MANAGERS**  
**June 26, 2024**

**Initial Appointments:** The following practitioner(s) are recommended for initial appointment and clinical privileges as delineated by the respective department chair:

*Adam Ahmadi, MD, Ophthalmology*  
*Karan Srivastava, MD, Orthopedics*

**APP Initial Appointments:**

*None*

**Reappointments:** The following practitioner(s) are recommended for reappointment and clinical privileges as delineated by the respective department chair:

*Hargun Oberai, Podiatric Medical Resident*

**APP Reappointments:**

*Bryan Elrod, CRNA, Anesthesiology*

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

(Government Code Section 54957.7)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on June 26, 2024, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

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

Government Code Section 54957.7

The Board of Governors will hold a closed session on June 26, 2024, to consider:

- X   CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff – Employee Organizations: Committee of Interns and Residents/Service Employees International Union, Local 1957 (Government Code Section 54957.6) –

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

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on June 26, 2024, 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: Melissa Perry,  
individually and as successor-in-interest of Decedent Kimberly Morrissey-Scalia,  
Plaintiff, v. County of Kern, a municipal corporation, Kern County Hospital  
Authority, et al., United States District Court, Eastern District of California, Case  
No. 1:17-cv-01097-KES-CDB –

**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 June 26, 2024, 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**

The Board of Governors will hold a closed session on June 26, 2024, to consider:

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