



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Regular Meeting
Wednesday, March 19, 2025

11:30 A.M.

BOARD TO RECONVENE

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard, Stout
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 Kern Medical Center employees from the Simulation Center Department –
MAKE 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!

BOARD 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)) –

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors special meeting on February 18, 2025 –
APPROVE

CA

- 5) Proposed renewal and binding of all-risk property insurance through PRISM and earth movement coverage through Specialty Risk Underwriters and Evanston Insurance Company from March 31, 2025 through March 31, 2026, with an option to finance property premiums through PRISM and earth movement premiums through AFCODirect, in an amount not to exceed \$864,597 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN PREMIUM FINANCE AGREEMENT-PROMISSORY AND RELATED DOCUMENTS

CA

- 6) Proposed acceptance of donation of travel and related expenses from Safety National and PRISM, for one Kern Medical Center employee to attend the HCCA 29th Annual Compliance Institute in Las Vegas, Nevada, from April 28-May 1, 2025 –
APPROVE; ADOPT RESOLUTION

CA

- 7) Proposed acceptance of donation of travel and related expenses from Teachers Insurance and Annuity Association of America, for one Kern Medical Center employee to attend TIAA TMRW 2025 in Hollywood, Florida, from March 30-April 2, 2025 –
APPROVE; ADOPT RESOLUTION

CA

- 8) Proposed acceptance of donation of travel and related expenses from CME Corp, for two Kern Medical Center employees to attend the MTMC Southern California Product Showcase trade-show style event in Costa Mesa, California, on April 1, 2025 –
APPROVE; ADOPT RESOLUTION

CA

- 9) Proposed Amendment No. 5 to Agreement 06816 with Health Advocates, LLC, an independent contractor, for accounts receivable and financial services for the period July 1, 2016 through September 30, 2025, increasing the maximum payable by \$2,800,000, from \$26,650,000 to \$29,450,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Change Order No. 2 to Agreement 148-2024 with CBCM Services, Inc., an independent contractor, for emergency sewer line repair, increasing the maximum payable by \$71,796, from \$314,378 to \$424,791, 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; AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10%, FOR A NOT TO EXCEED AMOUNT OF \$424,791

CA

- 11) Proposed change in the maximum payable to Agreement 140-2023 from \$140,579 to \$590,579, an increase of \$450,000 plus taxes and fees to cover the term, with Sysmex America Inc., an independent contractor, for the purchase of laboratory reagents –
APPROVE

CA

- 12) Proposed Schedule A-4 to Agreement 29824 with Healthcare Performance Group, Inc., an independent contractor, for consulting services to support laboratory information systems, effective March 19, 2025, increasing the maximum payable by \$60,000, from \$207,620 to \$267,620, to cover the project –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Ordering Document CPQ-3743599 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of software integration services from March 20, 2025 through March 19, 2026, in an amount not to exceed \$1,050 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed approval of Kern County Hospital Authority Community Health Center Budget for the period January 1, 2025 through June 30, 2025 –
APPROVE

CA

- 15) Proposed approval of Kern County Hospital Authority Community Health Center Board of Directors Bylaws for Governance –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 16) Proposed Sales Agreement with CT Coachworks, LLC, an independent contractor, for purchase of a Mobile Medical Clinic vehicle in an amount not to exceed \$500,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- CA
17) Proposed approval of Kern County Hospital Authority Organizational Chart, effective March 19, 2025 –
APPROVE –
- 18) Proposed retroactive acceptance of donation of travel and related expenses from San Joaquin Valley College, for one Kern Medical Center employee to the Capitol Hill Advocacy Day 2025 in Washington, D.C, from March 4-5, 2025 –
APPROVE; ADOPT RESOLUTION
- 19) Proposed retroactive acceptance of donation of travel and related expenses from Stryker Corporation, for two Kern Medical Center employees to attend product demonstrations of operating room equipment in Irving, Texas, from March 4-5, 2025 –
APPROVE; ADOPT RESOLUTION
- 20) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE
- 21) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE
- CA
22) Monthly report on What's Happening at Kern Medical Center –
RECEIVE AND FILE
- CA
23) Miscellaneous Correspondence as of February 28, 2025 –
- CA
24) Claims and Lawsuits Filed as of February 28, 2025 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 25) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 26) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 27) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Jeffry Huffman, an individual, Plaintiff, v. Kern County Hospital Authority, a California Public Entity; and DOES 1-25, inclusive, Defendants, Kern County Superior Court Case No. BCV-23-103540 –

- 28) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Maria Elena Lopez-Rodriguez, v. Kern County Hospital Authority (an organization form unknown) and DOES 3-100, inclusive, Defendants, Kern County Superior Court Case No. BCV-20-100510 BCB –
- 29) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –
- 30) 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, et al., 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 –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, APRIL 16, 2025 AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

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

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority 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

23) MISCELLANEOUS CORRESPONDENCE AS OF FEBRUARY 28, 2025 –
RECEIVE AND FILE

- A) Correspondence received February 18, 2025, from Kern County Board of Supervisors concerning approval of the revised Kern County Hospital Authority Conflict of Interest Policy and Code

CA

24) CLAIMS AND LAWSUITS FILED AS OF FEBRUARY 28, 2025 –
RECEIVE AND FILE

- A) Summons and Complaint in the matter of Maurice Johnson, Plaintiff v. Kern County Hospital Authority; and DOES 1 to 100, Inclusive, Defendants, Kern County Superior Court Case No. BCV-25-100087 BCB
- B) Application for Leave to Present Late Claim in the matter of Melinda M. Jackson



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

Special Meeting
Tuesday, February 18, 2025

11:30 A.M.

BOARD RECONVENED

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard
Roll Call: 6 Present

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 Information Technology Department –
CHIEF EXECUTIVE OFFICER SCOTT THYGERSON 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

BOARD 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)) –
NO ONE HEARD

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on January 15, 2025 –
APPROVED
Pollard-Anderson: 6 Ayes

CA

- 5) Proposed First Amendment to Second Amended and Restated Credit Agreement with PNC Bank, National Association (PNC Bank) for a revolving Line of Credit, extending the maturity date of the Line of Credit to a date not later than May 29, 2025, amending the Amended and Restated Credit Agreement (as previously approved by the Board of Governors) to extend the maturity date of the Line of Credit to May 29, 2035, provided that the Line of Credit shall otherwise be substantially on the same terms set out in the Amended and Restated Credit Agreement and that any indebtedness incurred thereunder at any time shall be secured only by personal property, substantially the same as the personal property described in the previously executed General Security and Pledge Agreement, in favor of PNC Bank, and delegating authority to certain officers –
APPROVED; ADOPTED RESOLUTION 2025-004; AUTHORIZED AND DIRECTED ANY TWO OF THE FOLLOWING OFFICERS (EACH, AN “AUTHORIZED OFFICER”), FOR AND IN THE NAME OF AND ON BEHALF OF THE AUTHORITY, TO EXECUTE THE FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT 013-2025, AS THE AUTHORIZED OFFICERS EXECUTING THE SAME, TOGETHER WITH THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, SHALL APPROVE: CHAIRMAN OF THIS BOARD, VICE-CHAIRMAN OF THIS BOARD, CHIEF EXECUTIVE OFFICER OF THE AUTHORITY OR CHIEF FINANCIAL OFFICER OF THE AUTHORITY
Pollard-Anderson: 6 Ayes

CA

- 6) Proposed Medicare Advantage Provider Agreement with Blue Cross of California, doing business as Anthem Blue Cross and Affiliates, an independent contractor, and Business Associate Agreement containing nonstandard terms and conditions, for the provision of primary and specialty provider services to Medicare beneficiaries enrolled in Anthem’s Medicare Advantage Program for an initial term of three years from May 1, 2025 through April 30, 2028 (Rates Confidential per Health and Safety Code section 101855(f)) –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 014-2025
Pollard-Anderson: 6 Ayes

CA

- 7) Proposed acceptance of donation of travel and related expenses from Arjo Inc., for one Kern Medical Center employee to attend the 2025 Association of Safe Patient Handling Professionals National Safe Patient Handling and Mobility Education Conference in Atlanta, Georgia, from March 9-13, 2025 –
APPROVED; ADOPTED RESOLUTION 2025-005
Pollard-Anderson: 6 Ayes

CA

- 8) Proposed acceptance of donation of travel and related expenses from Alliant Insurance Services, Inc., for three Kern Medical Center employees to attend the 2025 Alliant Healthcare Education Forum in Dallas, Texas, from February 20-21, 2025 –
APPROVED; ADOPTED RESOLUTION 2025-006
Pollard-Anderson: 6 Ayes

CA

- 9) Proposed acceptance of donation of travel and related expenses from MagMutual and PRISM, for one Kern Medical Center employee to attend the American Society for Health Care Risk Management Academy 2025, in Orlando, Florida, from March 17-18, 2025 –
APPROVED; ADOPTED RESOLUTION 2025-007
Pollard-Anderson: 6 Ayes

CA

- 10) Proposed Agreement with Trans-West Security Services, Inc., an independent contractor, for security services from February 18, 2025 through December 31, 2027, in an amount not to exceed \$8,350,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 015-2025
Pollard-Anderson: 6 Ayes

CA

- 11) Proposed On Demand Quotation with GE HealthCare, an independent contractor, containing nonstandard terms and conditions, for Echo Ultrasound repair services, in an amount not to exceed \$2,204, plus taxes and fees –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 016-2025; AUTHORIZED CHIEF EXECUTIVE OFFICER TO APPROVE FUTURE QUOTATIONS WITH GE HEALTHCARE SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Pollard-Anderson: 6 Ayes

CA

- 12) Proposed On Demand Services and Price Quote with GE HealthCare, an independent contractor, containing nonstandard terms and conditions, for repair and purchase of parts for BiliSoft Phototherapy 2.0 System Device, in an amount not to exceed \$3,203, plus taxes and fees –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 017-2025; AUTHORIZED CHIEF EXECUTIVE OFFICER TO APPROVE FUTURE QUOTATIONS WITH GE HEALTHCARE SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Pollard-Anderson: 6 Ayes

CA

- 13) Proposed Repair Quotation 11034811 and Terms and Conditions of Sale with deSoutter Medical USA, Inc., an independent contractor, containing nonstandard terms and conditions, for repair of a cast saw, in an amount not to exceed \$552, plus taxes and fees – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 018-2025
Pollard-Anderson: 6 Ayes

CA

- 14) Proposed Master Subscription Agreement with Payscale, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of a subscription compensation data platform from February 18, 2025 through February 17, 2028, in an amount not to exceed \$79,440, plus taxes and fees – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 019-2025
Pollard-Anderson: 6 Ayes

- 15) Proposed recommendation to Kern County Board of Supervisors to appoint Tina K. Stout, 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 Candace B. Neal, term to expire June 30, 2027 – DISCUSSED; MADE RECOMMENDATION TO APPOINT TINA K. STOUT TO FILL THE COMMUNITY AT LARGE MEMBER VACANCY, TERM TO EXPIRE JUNE 30, 2027; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT
Pollard-Anderson: 6 Ayes

- 16) Proposed retroactive Amendment No. 1 to Agreement 145-2024 with Frank W. Sabatelli, M.D., a contract employee, for professional medical services in the Department of Radiology for the period August 28, 2024 through August 27, 2027, revising the compensation section to include payment for holiday coverage, effective November 1, 2024 – CHIEF OPERATING OFFICER TYLER WHITEZELL HEARD REGARDING RETROACTIVITY OF ITEM 16; DIRECTOR BERJIS INQUIRED IF THIS SITUATION WAS UNIQUE; MR. WHITEZELL RESPONDED APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 020-2025
Pelz-Berjis: 6 Ayes

- 17) Proposed retroactive Amendment No. 5 to Agreement 20117 with LocumTenens.com, an independent contractor, for temporary physician staffing services for the period May 22, 2017 through May 21, 2023, extending the term for two years from May 22, 2023 through May 21, 2025, and increasing the maximum payable by \$1,500,000, from \$3,000,000 to \$4,500,000, to cover the term – VICE PRESIDENT OF STRATEGIC DEVELOPMENT NATALEE GARRETT HEARD REGARDING RETROACTIVITY OF ITEM 17; DIRECTOR POLLARD INQUIRED IF THERE WOULD BE A NEW AGREEMENT SINCE THE CURRENT AGREEMENT EXPIRES IN MAY; MS. GARRETT RESPONDED; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 021-2025
Pollard-Pelz: 6 Ayes

- 18) Report on referral to staff to address retroactive contracts and develop a process to minimize the placement of such contracts on future agendas (follow-up from November 20, 2024) – CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; CHAIRMAN MCLAUGHLIN REQUESTED STAFF TO REPORT BACK ON A PROCESS TO AVOID RETROACTIVE CONTRACTS; DIRECTOR POLLARD INQUIRED IF THERE IS A PROCESS THAT CAN BE

BUILT INTO THE PAYROLL SYSTEM AND PEOPLESOFT TO ALERT STAFF TO MAXIMUM PAYABLE LIMITS AND UPCOMING CONTRACT EXPIRATION DATES; CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD; RECEIVED AND FILED

Berjis-Pelz: 6 Ayes

- 19) Kern County Hospital Authority Chief Financial Officer report – CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; DIRECTOR BERJIS HEARD REGARDING THE IMPACT IN GOVERNMENT FUNDING WITH THE CREATION OF THE DEPARTMENT OF GOVERNMENT EFFICIENCY; DIRECTOR ANDERSON HEARD REGARDING POSITIONS; RECEIVED AND FILED

Berjis-Pelz: 6 Ayes

- 20) Kern County Hospital Authority Chief Executive Officer report – CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD; DIRECTOR BERJIS SUGGESTED THAT MR. THYGERSON COMMUNICATE THE IMPORTANCE OF FEDERAL FUNDING FOR THE SAFETY NET PROVIDERS TO ELECTED OFFICIALS; DIRECTOR ANDERSON REQUESTED AN UPDATE ON THE STATUS OF THE FQHC; MR. THYGERSON RESPONDED TO BOTH INQUIRES; RECEIVED AND FILED

Pelz-Pollard: 6 Ayes

CA

- 21) Monthly report on What's Happening at Kern Medical Center – RECEIVED AND FILED

Pollard-Anderson: 6 Ayes

CA

- 22) Claims and Lawsuits Filed as of January 31, 2025 – RECEIVED AND FILED

Pollard-Anderson: 6 Ayes

ADJOURNED AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNERS; RECONVENED AS KERN MEDICAL SURGERY CENTER, LLC BOARD OF MANAGERS

Pelz-Pollard

- C-23) Kern Medical Surgery Center, LLC, Administrative Report – RECEIVED AND FILED

Pollard-Berjis: 6 Ayes

- C-24) Proposed credentialing recommendations – APPROVED

Pollard-Berjis: 6 Ayes

- C-25) Proposed Agreement and Engagement Letter with Moss Adams LLP, an independent contractor, for financial auditing services of Kern Medical Surgery Center for the fiscal year ended June 24, 2024, from February 18, 2025 through March 31, 2026, in an amount not to exceed \$54,000 –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 022-2025

Pollard-Berjis: 6 Ayes

C-26) Proposed Incentive Compensation payable to the Kern Medical Surgery Center Business Office Manager in an amount not to exceed \$35,000, less all applicable federal and state taxes and withholdings, based on total collections of \$5,315,593.53 for calendar year ended December 31, 2024 –
APPROVED

Pollard-Berjis: 6 Ayes

C-27) Proposed Kern Medical Surgery Center Business Office Manager Incentive Compensation Schedule for calendar year ending December 31, 2025 –
APPROVED

Pollard-Berjis: 6 Ayes

ADJOURNED AS KERN MEDICAL SURGERY CENTER, LLC BOARD OF MANAGERS;
RECONVENED AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNERS

Anderson-Pelz

ADJOURNED TO CLOSED SESSION

Pelz-Pollard

CLOSED SESSION

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

29) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Sylvia Glenn Stevens, Applicant v. Kern County Hospital Authority, Permissibly Self-Insured, Administered by Adminsure, Inc., Defendants, Workers' Compensation Appeals Board, Case Numbers ADJ3208861; ADJ1552389; ADJ3235687; ADJ4399887 – SEE RESULTS BELOW

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

RECONVENED FROM CLOSED SESSION

Pollard-Pelz

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 28 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE (MOTION BY DIRECTOR PELZ, SECOND BY DIRECTOR POLLARD), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING, REQUEST FOR ADDITIONAL PRIVILEGES, VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item 29 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Sylvia Glenn Stevens, Applicant v. Kern County Hospital Authority, Permissibly Self-Insured, Administered by Admisure, Inc., Defendants, Workers' Compensation Appeals Board, Case Numbers ADJ3208861; ADJ1552389; ADJ3235687; ADJ4399887 – HEARD; NO REPORTABLE ACTION TAKEN

Item 30 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, MARCH 19, 2025 AT 11:30 A.M.

Pollard

/s/ Mona A. Allen
Authority Board Coordinator

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



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

March 19, 2025

Subject: Proposed renewal and binding of all-risk property insurance through PRISM and earth movement coverage through Specialty Risk Underwriters and Evanston Insurance Company

Recommended Action: Approve renewal and binding of all-risk property insurance and earth movement coverage from March 31, 2025 through March 31, 2026, in an amount not to exceed \$864,823, which includes administrative and financing fees; and Authorize the Chief Executive Officer to sign the Premium Finance Agreement-Promissory Note with AFCODirect

Summary:

The Authority requests your Board approve the renewal and binding of the following insurance coverages for the period March 31, 2025 through March 31, 2026:

- Property
- Earth Movement

Property

The Authority recommends renewing property coverage through PRISM for all-risk coverage protecting buildings, contents, equipment, business interruption and flood.

- Insurance Carriers: Various Carriers within Tower I of the PRISM Program
- A.M. Best Rating: Pursuant to PRISM's minimum financial rating specifications
- Term: March 31, 2025 – March 31, 2026
- Coverage: Provides the Authority and its named-insureds with all-risk property coverage, through various carriers in a group policy procured and through a Joint Powers Authority, to include coverage for buildings, contents, equipment, business interruption and flood
- Limits: \$600,000,000 per Occurrence All Risk; \$200,000,000 per Occurrence and Annual Aggregate Flood
- Deductible: \$100,000
- Annual Premium: \$445,000 (Not yet finalized; refer to included summary)

Earth Movement

The Authority recommends renewing earth movement coverage through Special Risk Underwriters and Evanston Insurance Company for coverage protecting buildings, contents, equipment and business interruption against the peril of earthquake.

- Insurance Carriers: Specialty Risk Underwriters (with Lloyd's syndicates and other insurers) and Evanston Insurance Company
- A.M. Best Rating:
 - Special Risk Underwriters, All syndicates and other insurers with a minimum of (A- (Excellent) IX)
 - Evanston Insurance Company (A (Excellent) XV)

- Term: March 31, 2025 – March 31, 2026
- Coverage: Provides the Authority and its named-insureds with dedicated limits of coverage against the peril of earthquake, through various underwriters/syndicates and insurance companies for buildings, contents, equipment, and business interruption
- Limit: \$25,000,000 per Occurrence and Annual Aggregate
- Deductible: 5% per unit / \$100,000 minimum
- Annual Premium: \$399,823

Total Annual Premiums: \$844,823 (as recommended)

Summary Regarding Variance in Property Premiums:

The Authority presently insures its property, including contents, via a member-directed insurance risk sharing pool administered by Public Risk, Innovation, Solutions, and Management (PRISM). PRISM, a Joint Powers Authority, provides to its members an ultra-competitively priced all-risk policy, including business interruption. Coverage is for damage to real and personal property from all risk perils, including flood.

For the renewing term starting March 31, 2025, the combined cost for all-risk property coverage (excluding earth movement) has yet to be finalized due to a continuing volatile market and the recent wildfire losses. However, the latest premium estimate (version 2) provided by PRISM to the Authority reflects a preliminary not-to-exceed premium of \$445,000 versus last year's final premium of \$408,829. This represents an increase of up to \$38,171 with a final premium allocation to be determined and disclosed by PRISM following its March board meeting, which occurs after your Board's March meeting. This represents an increase of up to 9.3% over the prior year with rates expected to moderate in the near future. This situation is not unique to the Authority. Despite the increase, the coverage and premium are very competitive.

Summary Regarding Variance in Earth Movement Premiums:

For the term renewing March 31, 2025, Special Risk Underwriters and Evanston, the incumbent carrier/underwriter, has offered to renew the policy with the same policy limits as expiring with an 8% decrease in premium and no material changes to coverage. This was primarily the result of a stabilizing insurance market and a slight reduction in property and business interruption values. The renewing policy period premium of \$399,823, when compared to the expiring period premium of \$434,077, represents a decrease of 8% for a total savings of \$34,254 over last year.

Premium Financing

PRISM provides in-house premium financing for the property insurance coverage referenced above. Financing rates ranged from 4.5% to 4.75% for the 2024-2025 renewal and have not been finalized for 2025-2026. We expect the rates to remain equal to or less than last year. As such, we are advising a not to exceed finance charge of \$9,115.00.

Following negotiations, AFCODirect has agreed to offer premium financing for the earth movement policy at 5.96%, a rate lower than the previous 6.65%, and more competitive than an alternative financing quote of 7.98%.

The Authority recommends financing the referenced premiums as follows:

1. PRISM will provide in-house financing of the property coverage for an additional fee not to exceed \$9,115 (or less, depending on the final premium allocation) with the cost of coverage and financing split between 12 equal monthly payments; and
2. AFCODirect will finance the earth movement coverage. Financing terms include 12 equal monthly payments of \$34,233.92, which includes finance charges at a rate of 5.96% (up to \$10,984.54), with total payments not to exceed \$376,573.12, as set forth below:

Total Premium	\$399,822.50
1st Month (Cash Down Payment)	\$ 34,233.92
Amount Financed	\$365,588.58
Finance charges (6.65%)	\$ 10,958.54
Total Payments (Excluding Cash Down Payment/1st Month)	\$376,573.12

3. Financing through AFCODirect requires the signing of a separate Premium Finance Agreement-Promissory Note.

Attached for your ease of reference is a Summary of Changes Per Policy Year from July 1, 2020 to the present.

Therefore, it is recommended that your Board approve the renewal and binding of property and earth movement insurance coverage from March 31, 2025 through March 31, 2026, with the option to finance property premiums through PRISM and earth movement premiums through AFCODirect, in an amount not to exceed \$864,597, which includes all administrative and finance fees; and authorize the Chief Executive Officer to sign the Premium Finance Agreement-Promissory Note with AFCODirect.

Kern County Hospital Authority

RENEWAL PROPOSAL

EARTH MOVEMENT ONLY

March 31, 2025 to March 31, 2026

Alliant Insurance Services, Inc.
560 Mission Street, 6th Floor
San Francisco, CA 94105
License #0C36861



This proposal is for informational purposes only and does not amend, extend or alter the policies in any way. Please refer to the policy forms for complete coverage and exclusion information.

Kern County Hospital Authority

Your Alliant Service Team

Alliant Insurance Services, Inc.

560 Mission Street, 6th Floor
San Francisco, CA 94105
Main Phone: (415) 403-1400
Main Fax: (415) 402-0773

CORE SERVICE TEAM

Blaine Trunnell, CPCU, ARM

Executive Vice President
Team Oversight/Strategy/Direction
Claims Oversight

btrunnell@alliant.com

Phone: (415) 403-1476
Cell: (415) 613-3408

Charlotte E. Cooper

Vice President
Account Executive

ccooper@alliant.com

Phone: (415) 403-1475
Cell: (415) 713-6204

Jacob Cooper

Account Manager- Lead
Account Servicing

jacob.cooper@alliant.com

Phone: (628) 502-2851
Cell: (415) 218-7690

Kern County Hospital Authority 2025-2026 Earth Movement Premium Summary

	Expiring	Renewal
Line of Coverage	<i>March 31, 2024 to March 31, 2025</i>	<i>March 31, 2025 to March 31, 2026</i>
Earth Movement		
<i>SRU</i>	\$252,000	\$232,200
<i>Evanston</i>	\$168,000	\$154,800
<i>Carrier Fees</i>	\$699	\$500
<i>Surplus Lines Taxes and Fees</i>	\$13,378	\$12,323
Total Premium	\$434,077	\$399,823
<i>Premium Difference</i>		-\$34,254
<i>% Change</i>		-8%

Kern County Hospital Authority

NAMED INSUREDS

FIRST NAMED INSURED: Kern County Hospital Authority

ADDITIONAL NAMED INSUREDS: None

NAMED INSURED DISCLOSURES: The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.

Are ALL entities listed as named insureds? Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.

Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).

Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

	A	B	C
1	Kern County Hospital Authority		
2	EARTH MOVEMENT COVERAGE ONLY		
3	3/31/2024 to 3/31/2025		
4	Agreement with Kern County requires A. M. Best Rating of minimum A-:VII		
5		3/31/2024 - 3/31/2025	3/31/2025 - 3/31/2026
6		\$25M	\$25M
7	LINE OF COVERAGE		
8	EARTH MOVEMENT	\$25,000,000 Dedicated Total Limit	\$25,000,000 Dedicated Total Limit
9	\$15M part of \$25M	Special Risk Underwriters	Special Risk Underwriters
10	Carriers	<p style="text-align: center;">\$15M part of \$25M</p> <p><i>Underwriters at Lloyds - 6 Syndicates as below - 31.50%</i></p> <ul style="list-style-type: none"> - Tokio Marine Kiln Syndicates Ltd. (0510 KLN) - 52.2606% - Tokio Marine Kiln Syndicates Ltd. (1880 TMK) - 13.5651% - Talbot Underwriting Limited (1183 TAL) - 21.2620% - Beazley Furlonge Limited (2623 AFB) - 4.8988% - Beazley Furlonge Limited (0623 AFB) - 1.9051% - AEGIS Managing Agency Limited (1225 AES) - 1.5570% - Canopus Managing Agency Limited (4444 CNP) - 2.5514% <p><i>Underwriters at Lloyds - 6 Syndicates as below - 8.00%</i></p> <ul style="list-style-type: none"> - Tokio Marine Kiln Syndicates Ltd. (0510 KLN) - 80.00% - Tokio Marine Kiln Syndicates Ltd. (1880 TMK) - 20.00% <ul style="list-style-type: none"> - RenaissanceRe Syndicate Management Limited - 18.50% <ul style="list-style-type: none"> - HDI Global Specialty SE - 1.00% - Partner Re Insurance Solutions of Bermuda - 5.50% - Covington Speciality Insurance Company - 4.00% - Superior Speciality Insurance Company - 15.00% - Western World Insurance Company - 11.50% - Evanston Insurance Company - 2.50% - Gotham Insurance Company - 2.50% 	<p style="text-align: center;">\$15M part of \$25M</p> <p><i>Underwriters at Lloyds - 6 Syndicates as below - 25.00% (B123025AWS1637)</i></p> <ul style="list-style-type: none"> - Tokio Marine Kiln Syndicates Ltd. (0510 KLN) - 65.1286% - Talbot Underwriting Limited (1183 TAL) - 20.4165% - Beazley Furlonge Limited (2623 AFB) - 4.7824% - Beazley Furlonge Limited (0623 AFB) - 1.7509% - AEGIS Managing Agency Limited (1225 AES) - 3.0216% - Canopus Managing Agency Limited (4444 CNP) - 4.9000% <p><i>Underwriters at Lloyds - 2 Syndicates as below - 3.50% (B123024AWS1646)</i></p> <ul style="list-style-type: none"> - Tokio Marine Kiln Syndicates Ltd. (0510 KLN) - 80.00% - Tokio Marine Kiln Syndicates Ltd. (1880 TMK) - 20.00% <ul style="list-style-type: none"> - Ki Digital Services Ltd. (9029 KII) - 2.00% - RenaissanceRe Syndicate Mgmt. (1458 RNR) - 20.00% - Hiscox Syndicates Ltd. (0033) - 9.00% - HDI Global Specialty SE - 1.00% - Partner Re Insurance Solutions of Bermuda - 2.00% - Covington Speciality Insurance Company - 15.00% - Superior Speciality Insurance Company - 4.50% - Western World Insurance Company - 6.50% - Evanston Insurance Company - 7.50% - Obsidian Specialty Insurance Company - 2.00% - Ironshore Specialty Insurance Company - 1.00% - Dellwood Specialty Insurance Company - 1.00%
11	AM Best's Rating	<p style="text-align: center;">\$15M part of \$25M</p> <p><i>Underwriters at Lloyds - Overall - A (Excellent) XV (\$2B or Greater) eff. 7/27/23;</i></p> <p><i>Individual Syndicate ratings below, if any shown</i></p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 07/27/2023</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 07/27/2023</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>A+ (Superior) XV (\$2B or Greater) - Eff 12/20/2023</p> <p>NR (Not Rated)</p> <p>A++ (Superior) XIV (\$1.5B to \$2B) - Eff 1/10/2023</p> <p>A (Excellent) X (\$500M-\$750M) - Eff 01/31/2023</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 12/16/2022</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 10/27/2023</p> <p>A- (Excellent) X (\$500M-\$750M) - Eff 02/10/2023</p>	<p style="text-align: center;">\$15M part of \$25M</p> <p><i>Underwriters at Lloyds - Overall - A (Excellent) XV (\$2B or Greater) eff. 8/7/2024;</i></p> <p><i>Individual Syndicate ratings below, if any shown</i></p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 8/7/2024</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>NR (Not Rated)</p> <p>A+ (Superior) XV (\$2B or Greater) - Eff 12/4/2024</p> <p>NR (Not Rated)</p> <p>A++ (Superior) XIV (\$1.5B to \$2B) - Eff 2/1/2024</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 11/22/2024</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 12/6/2024</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 11/22/2024</p> <p>A- (Excellent) VII (\$50M to \$100M) - Eff 12/7/2023</p> <p>A (Excellent) X (\$500M-\$750M) - Eff 01/31/2023</p> <p>A (Excellent) XV (\$2B or Greater) - Eff 8/2/2024</p> <p>A- (Excellent) VIII (\$100M to 250M) - Eff 6/24/2024</p>
12	S&P Rating	<p style="text-align: center;">\$15M part of \$25M</p> <p>All Lloyds' syndicates, incl Renaissance Re A+ (Strong)</p> <p>pulled as of 02/12/2024</p> <p>A+ (Strong) pulled as of 02/12/2024</p> <p>Not Found as of 02/12/2024</p> <p>AA+ (Strong) as of 02/12/2024</p> <p>Not Found as of 02/12/2024</p> <p>A+ (Strong) pulled as of 02/12/2024</p> <p>A (Strong) pulled as of 02/12/2024</p> <p>Not Found as of 02/12/2024</p>	<p style="text-align: center;">\$15M part of \$25M</p> <p>All Lloyds' syndicates, incl Renaissance Re A+ (Strong)</p> <p>pulled as of 2/2/2025</p> <p>A+ (Strong)</p> <p>Not Found</p> <p>A++ (Superior)</p> <p>Not Found</p> <p>A (Strong)</p> <p>A (Strong)</p> <p>Not Found</p> <p>A (Strong)</p> <p>Not Found</p> <p>Not Found</p>
13			
14	\$10M part of \$25M	Evanston Insurance Company	Evanston Insurance Company
15	Carrier	Evanston Insurance Company	Evanston Insurance Company
16	AM Best's Rating	A (Excellent) XV (\$2B or Greater) - Eff 10/27/2023	A (Excellent) XV (\$2B or Greater) - Eff 11/22/2024
17	S&P Rating	A (Strong) pulled as of 02/12/2024	A (Strong) pulled as of 2/2/2025
18	Admitted/Non-Admitted (All Carriers)	<i>Non-Admitted</i>	<i>Non-Admitted</i>
19			
20	TOTAL INSURED VALUE (TIV):		
21	Earthquake TIV	\$591,061,327	\$588,461,200
22	<i>Percentage change in TIV</i>		-0.44%
23	<i>Breakdown in Values as Reported</i>		
24	Building	\$351,051,044	\$347,337,306
25	Contents	\$118,707,394	\$119,660,005
26	Business Income	\$121,302,889	\$121,463,889
27			
28	POLICY RATE:		
29	Premium Rate (full placement) - per \$100 of TIV	0.0711	0.0658
30	<i>% Change</i>		-7.45%
31	POLICY LIMIT (Per Occurrence & Aggregate):		
32	All Policies Combined	\$25,000,000 Aggregate Limit	\$25,000,000 Aggregate Limit

	A	B	C
7		3/31/2024 - 3/31/2025	3/31/2025 - 3/31/2026
8	LINE OF COVERAGE	\$25M	\$25M
9	EARTH MOVEMENT	\$25,000,000 Dedicated Total Limit	\$25,000,000 Dedicated Total Limit
37	PREMIUM:		
38	Premium	\$420,000	\$387,000
39			-7.86%
40	Carrier Fees	\$699	\$500
41	CA Surplus Lines Taxes & Fees (3.25% 22-23; 3.18% 23-24)	\$13,378	\$12,323
42	Premium (including Taxes & Fees)	\$434,077	\$399,823
43	% Change		-8%
44	Terrorism (TRIA) Premium - Optional (Not including T&F)	\$168,000	\$154,800
46	DEDUCTIBLES (Per Occurrence):		
47	Earth Movement	5% per unit / \$100,000 Minimum	5% per unit / \$100,000 Minimum
49	SUB-LIMITS - per Occurrence unless noted):		
50	Accounts Receivable	\$5,000,000	\$5,000,000
51	Business Income	Included	Included
52	Ordinance and Law:		
53	- Coverage I - Undamaged Portion	Included	Included
54	- Coverage II & III - Demolition & Increased Cost of Construction	\$6,500,000	\$6,500,000
55	- Coverage IV - Increase in Business Interruption	No coverage	No coverage
56	Debris Removal	25% of physical damage loss	25% of physical damage loss
57	EDP Equipment and Media	No coverage	No coverage
58	Extra Expense	Included	Included
59	Expediting Expense	\$10,000,000	\$10,000,000
60	Fine Arts	\$10,000	\$10,000
61	Fire Department Service Charge	\$1,000,000	\$1,000,000
62	Miscellaneous Unnamed Locations	No coverage	No coverage
63	Newly Acquired Property	\$100,000	\$100,000
64		(\$10,000 for Time Element) (30 day reporting)	(\$10,000 for Time Element) (30 day reporting)
65	Preservation of Property	\$25,000	\$25,000
66	Property Damage from Utility Service Interruption	\$25,000	\$25,000
67	Professional Fees / Loss Adjustment Expenses	\$2,500,000	\$2,500,000
68	Property off Premises	\$25,000	\$25,000
69	Property in Transit	\$100,000	\$100,000
70	Rental Value	\$10,000	\$10,000
71	Utility Service Interruption - Business Interruption - Damaged equipment must be within 1,500 feet of insured location	\$10,000	\$10,000
72	Utility Service Interruption - Property Damage	\$25,000	\$25,000
73	Valuable Papers	\$5,000,000	\$5,000,000
75	VALUATION:		
76	Real and Personal Property Damage	Replacement Cost	Replacement Cost
77	Time Element	Actual Loss Sustained	Actual Loss Sustained
79	KEY COVERAGE TERMS, ENDORSEMENTS, AND EXTENSIONS - INCLUDING BUT NOT LIMITED TO:		
80	Property Coverage Form	SRU: SRU-003 0124 Evanston: Follow Form Wording	SRU: SRU-003 0125 Evanston: Follow Form Wording
81	Agreed Value/No Coinsurance	Yes	Yes
82	Business Interruption due to Civil Authority - within 1 statute mile	90 days after 72 hour wait	90 days after 72 hour wait
83	Business Interruption due to prevention of Ingress/Egress - within 1 statute mile	90 days after 72 hour wait	90 days after 72 hour wait
84	Cancellation Clause	30 / 10 days for non-payment (SRU) 90 / 10 days for non-payment (Evanston)	30 / 10 days for non-payment (SRU) 90 / 10 days for non-payment (Evanston)
85	Debris Removal	Expenses must be reported within 180 days of loss	Expenses must be reported within 180 days of loss
86	Drop Down Provisions	N/A	N/A
87	Extended period of Indemnity for Business Interruption	365 days	365 days
88	Minimum Earned Premium	35%; Any Fees fully earned (SRU) 25%; Any Fees fully earned (Evanston)	35%; Any Fees fully earned (SRU) 25%; Any Fees fully earned (Evanston)
89	Mortgagees, Loss Payees, Additional Insureds	Must be Scheduled - if Any	Must be Scheduled - if Any
90	Newly Acquired Property	Must be reported within 30 days from acquisition date	Must be reported within 30 days from acquisition date
91	Occurrence definition for Earth Movement -Time Period	72 hours	72 hours
92	Occurrence Limit of Liability Provisions	Limitation to values on SOV deleted	Limitation to values on SOV deleted
93	Unit of Insurance Definition (applicable at each covered location)	a) each separate building or structure; b) contents of each separate building or structure; c) property in each stock or storage yard; d) time element coverage (business income, rent, extra expense, etc.)	a) each separate building or structure; b) contents of each separate building or structure; c) property in each stock or storage yard; d) time element coverage (business income, rent, extra expense, etc.)

	A	B	C
7		3/31/2024 - 3/31/2025	3/31/2025 - 3/31/2026
8	LINE OF COVERAGE	\$25M	\$25M
9	EARTH MOVEMENT	\$25,000,000 Dedicated Total Limit	\$25,000,000 Dedicated Total Limit
95	KEY EXCLUSIONS / LIMITATIONS - INCLUDING BUT NOT LIMITED TO:		
	<i>NOTE: Perils other than Earthquake, including Flood and Earthquake Sprinkler Leakage, are or will be covered by the PRISM "All Risks" Property coverage</i>		
96	Perils other than Earthquake/Earth Movement	Excluded	Excluded
97	Asbestos	Excluded	Excluded
98	Bridges, Roads, Walks, other Paved Surfaces	Excluded	Excluded
99	Communicable Disease	Excluded	Excluded
100	Contingent Business Interruption	Excluded	Excluded
101	Cyber and EDP Property	Excluded	Excluded
102	Cost of Excavations, Grading, Filling	Excluded	Excluded
103	Flood	Excluded	Excluded
104	Foundations if below lowest basement floor, or below ground surface if	Excluded	Excluded
105	Earthquake Sprinkler Leakage	Excluded	Excluded
106	Equipment Breakdown	Excluded	Excluded
107	Mold/Fungi	Excluded	Excluded
108	Nuclear Hazard & Biological/Chemical	Excluded	Excluded
109	Outdoor Property	Excluded	Excluded
110	Pollution	Excluded	Excluded
111	Pre-existing damage	Excluded	Excluded
112	Underground pipes, flues, or drains	Excluded	Excluded
113	War, Terrorism	Excluded	Excluded
	Claims Reporting Notice	Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.	Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.
114			
115	Quote Valid Until		March 31, 2025 - SRU March 31, 2025 - Evanston
116	QUOTE SUBJECTIVITIES		- Signed D1 Form - Signed TRIA Election Form - Signed Flood Notice - Signed Fraud Warning Notice - Inspection Contact
117	THIS PROPOSAL IS FOR INFORMATION PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICIES IN ANY WAY. PLEASE REFER TO THE POLICY FORMS FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.		

Kern County Hospital Authority
2025-2026 EARTH MOVEMENT
REQUEST TO BIND COVERAGE

FIRST NAMED INSURED: Kern County Hospital Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

COVERAGE	EFFECTIVE DATE
Earth Movement <input type="checkbox"/> \$25M: \$15M p/o \$25M -Specialty Risk Underwriters + \$10M p/o \$25M - Evanston Ins. Co.	3/31/2025

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval.
The actual terms and conditions of the policy will prevail.

Kern County Hospital Authority
2025-2026 EARTH MOVEMENT
ELECTRONIC DELIVERY OPTION FORM

Alliant Insurance Services, Inc. may be required by law to obtain consent from insureds prior to providing electronic delivery of documents, including the policy.

You currently have selected Option 1 2 3 4

Please note you may change your option at any time. If you have not previously selected an option, please select one of the following:

- ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I elect to receive all my documents electronically and acknowledge I may no longer receive paper copies unless I sign a new form requesting both electronic and paper copies or specifically request them.
- ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY AND PAPER DELIVERY**
I elect to receive both electronic and paper copies of my insurance policy and supporting documents.
- REJECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I reject the option to receive my insurance policy and supporting documents electronically. I will receive paper copies of such documents.
- ELECTION TO WITHDRAW CONSENT OF ELECTRONIC DELIVERY**
I withdraw my previous consent of electronic delivery of my insurance policy and supporting documents. I elect to receive paper copies of such document going forward.

KERN COUNTY HOSPITAL AUTHORITY

Named Insured: ACCOUNT NAME

Print Name of Authorized Representative and Title

Signature of Authorized Representative

Date Signed

*If you have selected electronic document delivery, please provide the email address for the individual(s) who should receive these documents. If this information changes, please provide updated details to your service team. Documents will also be uploaded to your **AlliantConnect** portal.*

This selection remains intact until revised by you.

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures/Disclaimers

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Other Disclosures/Disclaimers (continued)

Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances, which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures/Disclaimers (continued)

Certificates of Liability Insurance / Evidence of Property Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the recipient. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evidence of insurance, you may be required to name your landlord, client or customer on your policy as loss payee on property insurance or as an additional insured on liability insurance. Adding a party as an additional insured is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the Certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE

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

Quote Number
2766693.1

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) FINANCE CHARGE (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) ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate)
\$399,822.50	\$34,233.92	\$365,588.58	* \$10,984.54	\$376,573.12	5.96%
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		\$34,233.92	On the 30th day of the month, beginning 4/30/2025		
<p>Security: 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.</p> <p>Late Charge: 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.</p> <p>Prepayment: 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.</p> <p>See Above 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.</p>					

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 \$
TBD	3/31/2025	Underwriters at Lloyds London (IL) Amwins 725 S Figueroa St 19th Fl Los Angeles, CA 90017	DIFFERENCE IN CONDITIONS	12	\$232,200.00
Audit= N Min Ernd= 35% AddCxlDays= 10	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: Non-Ref. Tax/Fee:		\$7,399.86 \$500.00

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	TITLE	DATE
_____	_____	_____	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____

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 A	_____	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 \$
TBD Audit= N Min Ernd= 25% AddCxlDays= 10	3/31/2025	Evanston Insurance Company Amwins 725 S Figueroa St 19th Fl Los Angeles, CA 90017	DIFFERENCE IN CONDITIONS Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$154,800.00 \$4,922.64 \$0.00
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:		
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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Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		



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. 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 # 2766693.1

Account Holder Name: _____


Bank Name: _____

Account Type: Checking Savings

Routing Number: _____

Account Number: _____

Payment Confirmation 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

Line of Coverage	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	% Change from 24/25 to 25/26
1 Property	\$ 170,448	\$ 221,226	\$ 251,322	\$ 313,900	\$ 408,829	\$ 447,000	9.34%
2 Earth Movement	\$ 294,970	\$ 329,573	\$ 353,493	\$ 397,721	\$ 434,598	\$ 399,823	-8.00%
Total	\$ 465,418	\$ 550,799	\$ 604,815	\$ 711,621	\$ 843,427	\$ 846,823	Average % 0.67%

Summary of Significant Changes Per Policy Year

1 Property

In **FY 20/21**, KCHA opted not to include the peril of earthquake within the property policy due to a significant increase in costs, the inability to choose alternate coverage amounts nor an option for dedicated vs. shared limits.

For **FY 21/22**, the incumbent carrier eliminated Communicable Disease Coverage in response to the present pandemic as well as reduced coverage for acts of terror from \$200M to \$100M.

For **FY 22/23**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 23/24**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 24/25**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 25/26**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

Premium shown above is represented as PRISM's 'Not to Exceed'

2 Earth Movement

In **FY 20/21**, KCHA opted to purchase a stand-alone earthquake policy with dedicated limits of \$25M resulting in a reduced annual premium.

For **FY 21/22**, the incumbent carrier, Specialty Risk Underwriters, has declined to write or offer the same policy limits of \$25M. Instead, Specialty Risk Underwriters has offered to write \$15M at an increased premium per dollar of coverage. Alliant, KCHA's broker, sourced another carrier, Evanston Insurance Company, for the remaining \$10M in coverage for a total combined limit of \$25M.

For **FY 22/23**, the incumbent carrier, both Specialty Risk Underwriters and Evanston have agreed to renew the same coverages, with no material changes, for a nominal change in premium due in large part to an increase in total insured values.

For **FY 23/24**, both existing carriers have agreed to renew the same coverages, with no material changes.

For **FY 24/25**, both existing carriers have agreed to renew the same coverages, with no material changes.

For **FY 25/26**, both existing carriers have agreed to renew the same coverages, with no material changes.

Beginning FY 20/21, property and earthquake coverage was presented to the Board separately from the annual renewal of all other coverages. This was partly due to all other coverages renewing on 07/01/2021 but primarily due to the placement of earthquake separately with a standalone carrier as opposed to a covered peril within the property policy.



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

March 19, 2025

Subject: Proposed acceptance of donation of travel and related expenses from Safety National and PRISM for HCCA's 29th Annual Compliance Institute

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.

Safety National covers the Authority's workers' compensation program; Public Risk Innovation, Solution, and Management ("PRISM") provides insurance coverage for the Authority's liability program. Safety National and PRISM have offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend HCCA's 29th Annual Compliance Institute from April 28-May 1, 2025, in Las Vegas, Nevada. This training session is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Safety National and PRISM 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**

In the matter of:

Resolution No. 2025-____

**ACCEPTANCE OF DONATION OF TRAVEL
AND RELATED EXPENSES SAFETY NATIONAL
AND PRISM FOR THE HCCA 29TH ANNUAL
COMPLIANCE INSTITUTE**

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 19th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

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) Safety National provides coverage for the Authority's self-insured workers' compensation program; and

(c) Public Risk Innovation, Solution, and Management ("PRISM") provides insurance coverage for the Authority's liability program; and

(d) Safety National and PRISM have offered to donate to the Authority all travel and related expenses for one Authority employee to attend HCCA's 29th Annual Compliance Institute in Las Vegas, Nevada, from April 28-May 1, 2025; and

(e) The training session is necessary in connection with official Authority business; and

(f) The Authority desires to obtain the donation of travel and related expenses from Safety National and PRISM to the Authority and will retain full control over the use of the donation; and

(g) Neither Safety National nor PRISM has made any 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 Safety National and PRISM the donation of travel and related expenses to cover all costs for one Authority employee to travel to Las Vegas, Nevada, to attend HCCA's 28th Annual Compliance Institute from April 28-May 1, 2025.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend HCCA's 28th Annual Compliance Institute from April 28-May 1, 2025, in Las Vegas, Nevada.

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**

March 19, 2025

Subject: Proposed acceptance of donation of travel and related expenses from Teachers Insurance and Annuity Association of America for TIAA TMRW 2025

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.

The Authority is the sponsor of the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"); Teachers Insurance and Annuity Association of America ("TIAA") is the administrator of the Plan. TIAA has offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend TIAA TMRW 2025 from March 30-April 2, 2025, in Hollywood, Florida. This training session is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Teachers Insurance and Annuity Association of America 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**

In the matter of:

Resolution No. 2025-____

**ACCEPTANCE OF DONATION OF TRAVEL
AND RELATED EXPENSES FROM TEACHERS
INSURANCE AND ANNUITY ASSOCIATION
OF AMERICA FOR ATTENDANCE AT TIAA
TMRW 2025**

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 19th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

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) The Authority is the sponsor of the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the “Plan”); Teachers Insurance and Annuity Association of America (“TIAA”) is the administrator of the Plan; and

(c) TIAA has offered to donate to the Authority all travel and related expenses for one Authority employee to attend TIAA TMRW 2025 from March 30-April 2, 2025, in Hollywood, Florida; 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 TIAA 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 TIAA the donation of travel and related expenses to cover all costs for one Authority employee to travel to Hollywood, Florida, to attend TIAA TMRW 2025 from March 30-April 2, 2025.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend TIAA TMRW 2025 from March 30-April 2, 2025, in Hollywood, Florida.

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**

March 19, 2025

Subject: Proposed acceptance of donation of travel and related expenses from CME Corp

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.

The Authority contracts with CME Corp for the purchase of healthcare equipment and related services. CME Corp has offered to donate to the Authority all travel and related expenses for two Kern Medical employees to travel to Costa Mesa, California, on April 1, 2025, to attend the MTMC Southern California Product Showcase trade-show style event. This event is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board approve and adopt the attached proposed resolution to accept the travel donation from CME Corp for travel and related expenses and authorize the Chief Executive Officer to designate two employees to attend this important event.

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

In the matter of:

Resolution No. 2025-____

**ACCEPTANCE OF DONATION OF
TRAVEL AND RELATED EXPENSES
FROM CME CORP**

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 19th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

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) The Authority contracts with CME Corp for the purchase of healthcare equipment and related services; and

(c) CME Corp has offered to donate to the Authority all travel and related expenses for two Authority employees to attend the MTMC Southern California Product Showcase trade-show style event on April 1, 2025, in Costa Mesa, California; and

(d) This event is necessary in connection with official Authority business; and

(e) The Authority desires to obtain the donation of travel and related expenses from CME Corp 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 CME Corp the donation of travel and related expenses to cover all costs for two Authority employees to travel to Costa Mesa, California, on April 1, 2025, to attend the MTMC Southern California Product Showcase trade-show style event.

3. This Board authorizes the Chief Executive Officer to designate two Authority employees to attend the MTMC Southern California Product Showcase trade-show style event on April 1, 2025, in Costa Mesa, California.

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**

March 19, 2025

Subject: Proposed Amendment No. 5 to the Financial Services Agreement with Health Advocates, LLC

Recommended Action: Approve; Authorize Chairman to sign

Summary: Kern Medical requests your Board approve an Amendment No. 5 to the Financial Services Agreement (#06816PA) with Health Advocates. The initial term of the agreement was for a two (2) year period, extended for another four (4) years in subsequent amendments. Amendment No. 4 extended the term of the Agreement from October 1, 2022 through September 30, 2025 (“New Term”). The extended term was estimated at a cost of \$350,000 per month, but due to a change in the pricing structure in the Medi-Cal Administrative Activities, the estimated cost per month is now in the \$400,000 to \$500,000 range. The proposed Amendment No. 5 adds additional monies of \$2,800,000 for this variance in fees, with a maximum payable of \$29,450,000 for the entire agreement.

Agreement	Term	Purpose	Cost
Financial Services 06816PA	07/01/2016 - 06/30/2018	Provide Eligibility and Third-Party Recovery Services	\$3,000,000
Amendment No. 1 058-2017	07/01/2018 – 06/30/2019	Extended term and maximum payable	\$1,000,000
Amendment No. 2 042-2019	07/01/2019 – 06/30/2022	Extended term, defined “accounts”, and updated the fee schedule and maximum payable	\$10,800,000
Amendment No. 3 065-2022	07/01/2022 – 09/30/2022	Extends the term and the maximum payable	\$1,050,000
Amendment No. 4 101-2022	10/01/2022 – 09/30/2025	Extends the term and the maximum payable	\$10,800,000
Proposed Amendment No. 5	10/01/2022 – 09/30/2025	Extends the maximum payable of the current term	\$2,800,000
Total Cost			\$29,450,000

Therefore, it is recommended that your Board approve the proposed Amendment No. 5 with Health Advocates, LLC for services in the Departments of Financial Counseling, increasing the maximum payable by \$2,800,000, from \$26,650,000 to \$29,450,000, and authorize the Chairman to sign.

AMENDMENT NO. 5 TO
FINANCIAL SERVICES AGREEMENT
BETWEEN KERN COUNTY HOSPITAL AUTHORITY AND HEALTH ADVOCATES, LLC

The Financial Services Agreement ("Agreement") effective July 1, 2016, by and between **Kern County Hospital Authority**, a local unit of government, that owns and operates **Kern Medical Center** ("Client") and **Health Advocates, LLC** ("Health Advocates"), to provide Account Receivable/Financial Services is hereby amended as set forth below ("Amendment No. 5").

The purpose of Amendment No. 5 is to update the Maximum Payable under the existing term . This Amendment No. 5 is effective as of April 1, 2025.

1. Section **PAYMENT OF FEES AND EXPENSES** subsection 1 of the Agreement will be deleted in its entirety and replaced with the following:

"1. Maximum Payable. The maximum payable under the Agreement will not exceed \$15,850,000 dollars for the period of July 1, 2016 to September 30, 2022 and will not exceed \$13,600,000 dollars for the extended term of October 1, 2022 through September 30, 2025 for a total maximum payable of \$29,450,000 dollars."

2. The Agreement, as amended by Amendment No. 5 constitutes the entire agreement of the parties concerning its subject matter and supersedes all prior oral and written agreements, representations and understandings between the parties concerning such subject matter.

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. 4 as of the day and year first written above.

Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306

Health Advocates, LLC
21540 Plummer Street, Suite B
Chatsworth, CA 91311

By: _____

By: Steve Levine

Name: Phil McLaughlin

Name: Steve Levine

Title: Chairman, Board of Governors

Title: CEO

Date: March 19, 2025

Date: 3/12/25

Phone #: _____

Phone #: (818) 995-9500

Fax #: _____

Fax #: (818) 995-9599

Email: _____

Email: SteveL@HealthAdvocates.com

**EXHIBIT A – 3
FEE SCHEDULE**

Replace only the following captioned categories in **Exhibit A – Fee Schedule; Section A – Eligibility and Enrollment Services**. These changes to the fee categories below are made to facilitate the Client’s claiming of Health Advocate qualifying fees for reimbursement under the Medi-Cal Administrative Activities Program.

Add the general provision as follows:

Client acknowledges that Health Advocates reviews and rescreens every referral for all potential sources of third-party coverage and recovery in an attempt to maximize benefits for the patient and to maximize compensation for Client. Should Health Advocates receive a referral intended for one service (e.g. to pursue Medi-Cal) but discover an opportunity to pursue another third-party source (e.g. to reinstate Commercial coverage via COBRA or to invoice a Workers’ Compensation carrier), Health Advocates will be permitted to retain the account for processing and earn the related fee in this Exhibit. Should Health Advocates identify third-party sources solely using the Client’s provided demographics as described in Section D below or from a review of notes by Client’s staff on existing coverage not acted upon, these accounts with existing coverage will be returned to the Client with no fee assessed.

Delete and replace the following categories:

- Inpatient – (Pre-Legal)
- Outpatient and ER Treat and Release – (Pre-Legal)
- Support/Secondary Fee Structure (Pre-Legal)
- Eligibility Services (Legal)

Replace with the following Per Approval Fees:

	A1 Inpatient Acute Screening & Applications	A2 Inpatient and Outpatient Acute Fair Hearing & Appeals	B1 Inpatient Mental Health Screening & Applications	B2 Inpatient and Outpatient Mental Health Fair Hearing & Appeals	C1 Outpatient Acute and Mental Health Screenings and Applications
POE on or After 10/1/22	\$ 2,500	\$ 2,800	\$ 2,500	\$ 2,800	\$ 1,575
POE on or After 10/1/23	\$ 2,550	\$ 2,856	\$ 2,550	\$ 2,856	\$ 1,607
POE on or After 10/1/24	\$ 2,601	\$ 2,913	\$ 2,601	\$ 2,913	\$ 1,639

Annual 2% price increase for each of the flat fees A1/B1, A2/B2, C1 at each contract anniversary.

Definitions:

A1 – Acute Medi-Cal (Inpatient) – Screen patients, Medi-Cal application filed, all processing support, and approval.

A2 – Acute Fair Hearing/Appeals (Inpatient and Outpatient) – Screen patients, Medi-Cal applications filed, all processing support, and approved through Fair Hearing/Appeals.

B1 – Mental Health (Inpatient) – Screen patients, Medi-Cal applications filed, all processing support, and approval.

B2 – Mental Health Fair Hearing/Appeals (Inpatient and Outpatient) - Screen patients, Medi-Cal applications filed, all processing support, and approved through Fair Hearing/Appeals.

C1 – Acute and Mental Health (Outpatient) - Screen patients, Medi-Cal application filed, all processing support, and approval.

- These rates are based upon Proof of Eligibility (POE) Approvals (not Referrals or Payments) and apply to each discharge. This is a comprehensive fee invoiced upon Approval and includes all screening, applications, processing, and follow-up resulting in Medi-Cal Approval.
- These fees apply to Inpatient and Outpatient Eligibility Services referrals as indicated. They also apply to Medi-Cal coverage obtained as Primary or Secondary coverage with the exception of LTC applications and PRUCOL (via routine processing) noted below.
- A single fee per individual patient will be assessed even if there are multiple referred accounts for the patient that are encompassed by the retro Approval with the exception for Approvals obtained via a Fair Hearing/Appeals process. When a Fair Hearing/Appeals process is required to obtain coverage for an individual, all referred accounts encompassed by the retro Fair Hearing/Appeals process will receive separate payment according to fee A2 or B2 in the above table. Should an individual patient have both Inpatient and Outpatient referral(s) encompassed by the retro Approval (not obtained by a Fair Hearing/Appeals process), the Inpatient fee in A1 or B1 will apply rather than the Outpatient fee in C1.
- The fees will be adjusted and effective for Approvals on or after the date indicated in the table above.

Update the remaining fees for all other services as follows:

SECTION A - Eligibility and Enrollment Services	
<p><u>Baby Medi-Cal Applications (coverage extensions)</u> – Upon request, this fee specifically applies to referrals of a baby for the sole purpose of obtaining ongoing Medi-Cal benefits for the baby. It applies when the mother has existing Medi-Cal coverage (full or restricted), and the baby’s file is referred to assist in adding the baby to the Medi-Cal case. It does not apply when obtaining coverage for the baby results in invoicing for additional reimbursement for the baby (e.g. baby’s length of stay exceeds the mother’s). Any activities performed to establish eligibility/coverage for the mother, including PRUCOL or establishing eligibility via a new application are covered under other applicable fee sections.</p>	<ul style="list-style-type: none"> • Pre-Discharge Referrals - \$125 • Post-Discharge Referrals - \$125
<p><u>Long Term Care (SNF/LTC), PRUCOL, and Medi-Cal Safety-Net Coverage</u> – These referrals are made to facilitate patient’s discharge to SNF/LTC (i.e. Medi-Cal as Secondary coverage), to improve/continue coverage for anticipated future visits (updated Aid Codes), or to provide back-up coverage should Primary coverage be questionable or exhaust.</p>	<ul style="list-style-type: none"> • If a referral results in a payment on the account, the applicable fee in the Per Approval Table above applies. • If a referral does not result in a payment on the account a Flat Fee of \$500 will apply for routine processing and Fair Hearing fee in the Per Approval Table above when applicable.
<p><u>Out-of-State Medicaid Applications</u> – Upon request and with Client information support, Health Advocates will provide eligibility application/agreement processing (if a prerequisite to payment), treatment authorization, billing and follow-up for out-of-state accounts. This service is offered for all inpatient accounts and for outpatient accounts with “expected reimbursement” of \$2,000 or greater.</p>	<ul style="list-style-type: none"> • Provider Application - \$1,000, if applicable, <u>plus</u> • 20% x ASR
<p><u>TAR/Billing (without appeals)</u> – Upon request, Health Advocates will provide TAR and/or Billing support on “inpatient” accounts referred with existing Medi-Cal approval:</p> <ol style="list-style-type: none"> a. Client agrees to timely provide medical records, certifications, and a copy of any TARs processed by Client within five (5) business days of a TAR submission and/or approval by the Medi-Cal Field Office. b. These fees are subject to Client’s provision of any required clinical/nursing documentation support for InterQual processing as per state guidelines. 	<ul style="list-style-type: none"> • <u>Acute Admissions</u> – TAR & Billing <u>each</u> 1% x ASR • <u>Mental Health Admissions</u> – TAR 3% x ASR and Billing 1% ASR

<p>Medicare Eligibility Services – Fee earned during the “Upgrade Coverage Period” defined in (a) and (b) below:</p> <p>a. When “retroactive” Medicare is awarded - begins on the Medicare Effective Date and ends twelve months following the Approval Date</p> <p>b. When “prospective” Medicare is awarded – begins on the Medicare Effective Date and ends twelve months following the Medicare Effective Date</p> <p>For this service, Client will include referrals for all affiliated entities of Client (i.e. clinics, sub-acute, long-term care, etc.) to maximize the identification of qualifying patients.</p>	<p>25% x ASR from Medicare on accounts falling within the Upgrade Coverage Period</p>
<p>Medi-Cal Secondary, Safety-Net, and Disproportionate Share Services (DSH) – This service is performed on patients that have existing primary coverage. Various DSH and account specific payments to Client may result from services under this program as described below. Health Advocates is entitled to compensation for each fee that may apply to any specific referral.</p>	
<p>a. Approved DSH “Days” (on non - Medicare Patients) - Health Advocates will be compensated for each day of approved Medi-Cal Title XIX coverage secured.</p>	<p>\$100 per Approved Medi-Cal Day</p>
<p>b. Fee for Primary or Secondary Medi-Cal Payments - Health Advocates will be compensated according to the applicable Eligibility Services fee for any additional payments that Client receives pursuant to billing Medi-Cal as the <u>Secondary</u> payor or <u>Primary</u> payor (should Medi-Cal become primary due to patient’s non-payment of policy premiums, exhaustion of benefits, or termination of coverage).</p>	<p>Applicable per Approval Fee noted in table above (i.e. A1, A2, B1, or B2)</p>
<p>SECTION B - Third Party Recovery Services Fees</p>	
<p>Third Party Liability (TPL), Workers' Compensation Lien (Pre-Legal and Legal):</p> <p>a. Out-of-Pocket costs include lien/action filing fees, court costs, etc. that will be advanced by Health Advocates</p> <p>b. Legal fees apply to dispute resolution (e.g. arbitration, mediation, probate court, and hearing officers) on <u>authorized</u> legal actions</p> <p>c. These fees apply to direct referrals for Third Party Recovery Services or referrals initially made for Eligibility Services but where Third Party Recovery was identified.</p>	<ul style="list-style-type: none"> • <u>Pre-Legal</u> - 18% x ASR, plus, if incurred, Out-of-pocket costs • <u>Legal</u> – 25%, <u>plus</u>, if incurred, Out-of-Pocket costs
<p>SECTION C - Insurance Collection Service Fees</p>	
<p>HMO/PPO, Managed Care Claims Appeals/Denials, Workers' Compensation (Non-Lien Collections), Veterans, and COBRA (Pre-Legal and Legal):</p> <p>a. Out-of-Pocket costs include filing fees, court costs, etc. that will be advanced by Health Advocates.</p> <p>b. Legal fees apply in these circumstances;</p> <ol style="list-style-type: none"> 1. Accounts requiring Legal action or Attorney Intervention for recovery 2. Accounts that are a Zero-Balance (i.e. closed status upon referral date to Health Advocates) 	<ul style="list-style-type: none"> • <u>Pre-Legal</u> - 18% x ASR, plus, if incurred, Out-of-pocket costs • <u>Legal</u> – 25%, <u>plus</u>, if incurred, Out-of-Pocket costs

<p>3. Accounts that are aged 365 days or more from discharge upon referral date to Health Advocates</p> <p>4. Accounts returned after rejection or closure by another vendor</p> <p>c. These fees apply to direct referrals for Insurance Collection Services or referrals initially made for Eligibility Services but where Insurance Collection was identified.</p>	
SECTION D - Electronic Verification and Existing Coverage	
<p>a. Electronic Verification of Coverage - Health Advocates electronically verifies <u>already existing coverage</u> (Medi-Cal, Medicare, or Commercial), without any patient/applicant contact to correct demographics, no coordination of completion or submission of any documents, no use of skip-tracing or field services to locate patient/applicant, etc. - <u>solely using the demographic information provided by the Client.</u></p> <p>b. Post Account Closure Services – Upon Client authorization, all closed/returned accounts will be routinely scrubbed electronically for active retro-coverage for twelve (12) months from the date closed.</p>	<ul style="list-style-type: none"> • \$0 Per Account - Outpatients • \$0 Per Account - Inpatients



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

March 19, 2025

Subject: Proposed Change Order No. 2 to Agreement 148-2024 with CBCM Services, 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; Authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10%, for a not to exceed amount of \$424,791

Summary:

Kern Medical requests your Board approve Change Order No. 2 to the Agreement with CBCM Services, Inc., in the amount of \$71,796 to repair the branch sewer line in C Wing that runs East and West under Medical Records.

On August 21, 2024, your Board approved an agreement with CBCM Services, Inc., in the amount of \$308,859 to make repairs to the C Wing sewer lines that run from the kitchen, under medical records and outside the building.

On November 20, 2024, your Board approved Change Order No. 1 in the amount of \$33,598, with authorization for the Chief Executive Officer to execute future change orders in an amount not to exceed 10% of the total contract price totaling \$314,378, to make emergency repair to the C Wing lateral sewer line that flows through the kitchen.

This proposed Change Order No. 2 is necessary to cover the costs of repairing the branch sewer line in the C Wing.

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 CBCM Services, Inc., in the amount of \$71,796 for a new total of \$386,174; authorize the Chief Executive Officer to sign future Change Orders up to 10% of the contract amount, for a new not to exceed amount of \$424,791; approve and authorize Chairman to sign.

CHANGE ORDER

PROJECT:

C Wing Sewer Line Repairs - Emergency Project
 1700 Mt. Vernon Avenue
 Bakersfield, CA 93306

PROJECT NO.: 10138
CONTRACT NO.: 148-2024

CONTRACTOR:

CBCM Services, Inc.
 3232 Chester Lane
 Bakersfield, CA 93306

CHANGE ORDER NO.: Two (2)

DATE:

	ADD	DEDUCT
1 Provide all labor, material and equipment to paint all spaces inside the HIM and ROI rooms.	\$50,995.20	
2 Provide all labor, material and equipment to install flooring at rooms 1202A and 1202B.	\$5,598.00	
3 Provide all labor, material and equipment to replace two (2) windows at Room 1202	\$3,480.00	
4 branch line running E/W from the main line at the tunnel.	\$11,722.07	
CHANGE ORDER NO. 2 TOTAL (ADD)	\$71,795.27	
CHANGE ORDER NO. 1 TOTAL (ADD)	\$33,597.56	
ORIGINAL CONTRACT PRICE	\$280,780.20	
NEW CONTRACT AMOUNT	\$386,173.03	

REASON FOR CHANGE

1. After removing all of the furniture and equipment from the space to repair the sewer line, it was determined that the space should be painted prior to moving staff into the space.
2. It's been determined that the carpet in Rooms 1202A and 1202B should be replaced prior to moving staff back into the space.
3. It was discovered, while removing the existing windows for infection control exhaust, that they are damaged and must be replaced to meet code.
4. While pulling the spoils from the trench a new leak was found a the branch line running East/West.

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.

SUBMITTED BY:

CBCM Services, Inc.

BY: Chris Bruff 2-27-2025
Chris Bruff

APPROVED AS TO CONTENT:

BY: NAM
Aspen Street Architects, Nate Morgan

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

BY: Phillip Jenkins
Phillip Jenkins
Hospital Counsel

BY: _____
Tyler Whitezell, COO

BY: _____
Scott Thygerson, CEO

KERN COUNTY HOSPITAL AUTHORITY

BY: _____
Board of Governors, Chairman
"KCHA"



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

March 19, 2025

Subject: Proposed increase to the maximum payable of Agreement No. 140-2023 between Sysmex America Inc. and Kern County Hospital Authority by \$450,000 to \$590,579 plus applicable taxes and fees over the term of the agreement

Recommended Action: Approve

Summary:

On October 18, 2023, your Board approved Agreement No. 140-2023 with Sysmex America Inc. (Sysmex) for the purchase of a Urine Chemistry Analyzer and a four-year service agreement. Kern Medical processes over 45,000 urines tests annually and a lack of automation would impair the hospital's ability to provide results accurately and efficiently. The purchase agreement for the equipment also included a product list of associated reagents.

On June 14, 2024, Kern Medical executed Amendment No. 1 to this Agreement updating the product list of associated reagents.

Kern Medical now requests your Board approve an increase in the maximum payable to ensure a sufficient supply of reagents for the term of the Agreement.

Therefore, it is recommended that your Board increase the maximum payable of Agreement No. 140-2023 with Sysmex by \$450,000 to \$590,579, plus applicable taxes and fees, over the term of the agreement.



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

March 19, 2025

Subject: Proposed Schedule A-4 to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board approve the proposed Schedule A-4 to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc (HPG), in the amount of \$60,000 for consulting services to train two individuals to support the laboratory information systems (LIS).

Kern Medical's laboratory has not been able to fill the position of LIS Coordinator and has been back filling the position with consulting services and the services of their director. This is not sustainable practice with the current budget so to fix this issue, Kern Medical is proposing a plan to train two individuals to support the laboratory and create training materials in order to train future staff. This plan would fix the current staffing issue in the laboratory at a much lower cost than sustaining the current consulting services.

The Agreement for Professional Consulting Services has three existing schedules for consulting services for staff augmentation and adding this additional schedule will exceed the maximum payable of \$250,000 per year of the agreement.

Therefore, it is recommended that your Board approve the proposed Schedule A-4 to the Agreement for Professional Consulting Services with Healthcare Performance Group, Inc (HPG), for consulting services to train two individuals to support the laboratory information systems, increasing the maximum payable by in the amount of \$60,000 from \$207,620 to \$267,620, for a project term of 400 hours to begin as of March 19, 2025, and authorize the Chairman to sign.

Schedule "A-4", to be attached to the

Kern Medical (Customer) – HPG Agreement, dated September 3, 2024

Kern Medical (CUSTOMER) and Healthcare Performance Group, Inc (HPG), wish to attach this Schedule as an addendum to the Agreement between the parties in order to define the services to be provided by HPG to CUSTOMER.

Project Background

CUSTOMER has licensed Oracle Health applications and is in the process of implementing these applications and associated functionality. CUSTOMER requires additional support in the capacity of HPG's Learning Development Services. Key responsibilities of this project engagement are as follows:

- CUSTOMER's associate(s) will participate in the curriculum and educational course for PathNet Modules and Applications (Anatomic Pathology, Blood Bank, General Lab, Microbiology, Specimen Management, Discern Explorer/DA2, MDI/iBus/Phoenix)
- Educational curriculum includes the following:
 - PathNet Core
 - Location Hierarchy, Building a Service Resource
 - Bedrock Wizards applicable to PathNet applications
 - Collection Requirements
 - Work Routing
 - Orders, Results and Assays
 - Specimen Collection Types
 - Interpretations
 - Blood Products
 - Antigens, Antibodies, Type and Screens, and ABORh orders
 - Modifications
 - Inventory Management
 - Computer Crossmatch and Blood Bank Preferences
 - Designing Specimens and Sources
 - Groups and Prefixes
 - Processing Orders and Groups
 - Word Processing Templates
 - Reflexive Orders
 - Blood Cultures
 - Urine Cultures
 - Worklists
 - Lot Maintenance
 - Results Review/Flowsheet
 - Reports
 - TAT Monitor
 - Quality Control
 - Additional Features as time permits
- Evaluation of Associate by course exam
- Evaluation and report of associate progress and attendance
- Course dates and timing decided upon by both parties
- Organize and conduct meeting events as they pertain to the delivery of the course

Engagement Scope and Approach

HPG Learning Development Services will perform the above-mentioned scope for the educational sessions. Services will be in a remote environment. HPG's Learning Development

Services includes training for an estimated nine (9) week period, consisting of at least one (1) daily class, up to six (6) hours per class, plus instructor time. Time will be allocated for the instructor to create curriculum, assess attendees, provide documentation and feedback and complete an evaluation on each associate attending the course. Exact course dates will be determined by availability of resources.

Fees, Terms & Payment:

CUSTOMER will be invoiced in the amount of \$60,000 consisting of 400 total hours, to include preparation for the class, educational sessions, and training materials. Education rates are based upon two (2) CUSTOMER Associates. Should CUSTOMER request to have additional resources or additional modules to be trained upon in the sessions,, additional hours are required to provide supplemental training for users and to allocate time appropriately for education. Should this engagement extend beyond 12 consecutive months, HPG may adjust the rate based upon agreement by both parties, but no more than 5%. The Invoice will be sent to the attention of **Ms. Sandra Bakich** – via email at Sandra.Bakich@kernmedical.com. A designated PO# will be noted on each invoice if requested by Customer.

HPG Associates are required to submit a weekly status report to a designated contact for timely signatory approval of services performed. Customer agrees to review and approve all status reports within four (4) days of receipt, or the status report will be considered approved. CUSTOMER is responsible for full payment of any undisputed timely submitted status reports.

Payment is expected by either () electronic payment* or by () check and is due within 30 days of the Invoice Date. Any unpaid balances still due 30 days from the Invoice Date will accrue a late charge at a rate of 1.0% per month. HPG does not accept credit card payments.

All other terms and conditions of the original Agreement remain unchanged.

ACCEPTED by:

CUSTOMER:

SIGNATURE: _____ DATE: 03/19/2025

HPG:

SIGNATURE:  DATE: 1/23/2025 | 11:03 CST

*ABA routing number: 10110045; *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**

March 19, 2025

Subject: Proposed Ordering Document CPQ-3743599 with Oracle America, Inc. to the Cerner Business Agreement (2016-36) for the purchase of Corepoint software integration services

Recommended Action: Approve; Authorize Chairman to sign

Summary: Kern Medical requests your Board approve an Agreement for Professional Services with Oracle America, Inc. for the provision of Corepoint Integration Engine Test System - Domain services. This service supports HL7 ADT data integration between Clairvia and the patient registration system for testing, affecting only the Non-Prod instance. Rhapsody now requires the purchase of an annual Non-Prod Corepoint license.

Payment for Services	Previous Agreements	Proposed Agreement	Variance
The proposed agreement includes a recurring monthly fee of \$87.50, totaling \$1,050 annually. Payment is due annually in advance, beginning when access is issued.	This Order Document is subject to the Cerner Business Agreement (2016-36)	This agreement is for a term of 12 months, allowing Kern Medical to utilize the Corepoint Integration Engine Test System - Domain from Oracle America, Inc.	The annual cost of \$1,050 is within an expected range for services of this nature. The cost aligns with industry standards for integration engine test systems.

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.

Therefore, it is recommended that your Board approve the proposed Ordering Document CPQ-3743599 with Oracle America, Inc. to the Cerner Business Agreement (2016-36) for the purchase of Corepoint software integration services, with a one (1) year term from March 20, 2025, through March 19, 2026, in an amount not to exceed \$1,050, 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

Brock Beeney
661-326-2000
brock.beeney@kernmedical.com

Fee Summary

Fee Description	Net Fees	Monthly Fees	Annual Fees
Recurring Services	--	87.50	--
Total Fees	0.00	87.50	0.00

Billing Frequency

Description	% of Total Due	Payment Due
Recurring Services	100%	Annually in advance, beginning when access issued

Ordered Items

Recurring Services

Part Number	Description	Term	Pass-Through Code	Quantity	Unit Net Price	Extended Monthly Fees
B109634	Corepoint Integration Engine Test System - Domain [Mfg Part Num: LF-NIAENONPROD]	12 mo	6000_NEO	1	87.50	87.50
Subtotal						87.50

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 or Customer 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 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.

e. 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 v121524 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. Solution Descriptions.

Solution Descriptions applicable to each Ordered Item identified as Licensed Software, Recurring Services or Transaction Services in the table(s) above are available on <http://www.oracle.com/contracts> on the Oracle Health tab. The Solution Description is identifiable by the Part Number in the table(s) above. These Solution Descriptions are incorporated into this order by reference.

c. 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.

d. 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.

e. 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. Recurring Services

a. The services term for all Ordered Items identified as Recurring Services in the table(s) above begins as set forth in the Billing Frequency table above.

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 online, the effective date of this order is the date You submit the order. Otherwise, the effective date is the last signed date stated below.

7. Offer Validity

a. This offer is valid through 31-Mar-2025 and shall become binding upon execution by You and acceptance by Oracle.

B. Additional Order Terms

1. Credit Card or PayPal Payments

Please note that if the pre-tax value of this order is USD 2,000 or less, the Ordered Items listed on this order must be purchased by credit card or PayPal. Purchase orders and checks are no longer accepted for transactions of this size. If this order is an expansion or renewal of the Ordered Items, the preceding provision does not apply.

If the pre-tax value of this order is USD 99,999 or less and You opt to purchase the Ordered Items listed on this order by credit card or PayPal, the payment will be charged upon invoice generation with immediate payment terms.

Consulting/Professional Services may not be purchased by credit card or PayPal irrespective of the transaction size.

Kern County Hospital Authority	
Signature	_____
Name	<u>Phil McLaughlin</u>
Title	<u>Chairman, Board of Directors</u>
Signature Date	<u>March 20, 2025</u>

Oracle America, Inc.	
Signature	<i>Jessica King</i>
Name	Jessica King
Title	Senior Director, NA Customer Deal Desk
Signature Date	13-Jan-2025 05:57 AM PDT

REVIEWED ONLY
NOT APPROVED AS TO FORM
REVIEWED ONLY
NOT APPROVED AS TO FORM
By *Shannon Hochstein*
Kern County Hospital Authority
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	Brock Beeney 661-326-2000 brock.beeney@kernmedical.com

Ship To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	1830 Flower St Bakersfield, CA US 93305	Brock Beeney 661-326-2000 brock.beeney@kernmedical.com



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

March 19, 2025

Subject: Proposed approval of the budget for the Kern County Hospital Authority Community Health Center for the period January 1-June 30, 2025

Recommended Action: Approve

Summary:

The Health Center Program requirements of an FQHC Look-Alike set forth in the HRSA Health Center Program Compliance Manual ("Compliance Manual") require that your Board review and approve the annual Health Center Program budget. The following is the recommended budget for the period January 1-June 30, 2025. As an aside, the health center fiscal year runs July 1 through June 30. In May, your Board will be presented with a recommended budget for the upcoming fiscal year commencing July 1, 2025.

The recommended budget for the period January 1-June 30, 2025 for operations is based on actual clinic operations through the first six months of the fiscal year. The health center will closely monitor economic and operational conditions in the organization, the local market, the state, and nationally, and will adjust operations as necessary throughout the year to ensure that adequate supplies and staffing levels are maintained to provide safe and quality patient care.

Net Revenues

The health center budgeted \$30.3 million of total operating revenue for the period of January 1-June 30, 2025. Total revenue includes \$25.3 million from patient revenue. Budgeted patient revenue is based on the approximate number of total clinic visits expected and a conservative per visit reimbursement rate. An increased reimbursement rate and a corresponding increase in net patient revenue is expected after the transition to the Look-Alike format has been completed. Total operating revenue also includes \$5.0 million of state and federal indigent funding.

Operating and Other Expenses

Budgeted operating and other expenses total \$33.7 million for the period of January 1-June 30, 2025. Staffing costs, including nurse registry, accounts for \$26.7 million, which is the health center's largest expense. The remaining \$7.0 million of operating expenses are comprised primarily of medical supplies, contracted physician fees, purchased medical services, insurance, utilities, and repairs and maintenance. Other expenses include recruiting, legal expenses, and lease expenses for office space and information technology equipment. In addition, a percentage of overhead expenses from Kern Medical services and support departments such as housekeeping, engineering, and information systems has been allocated to the health center clinics and is included in total operating expense.

Staffing and Authorized Positions

The proposed budget provides funding for all authorized positions. Although all recommended positions are funded for the current fiscal year, it is important to note that the health center budgets for staffing based on patient clinic visits and full-time equivalents (FTEs), not authorized positions. The appropriate allocation of FTEs drives staffing costs, as is customary in the healthcare industry.

Therefore, it is recommended that your Board approve the Health Center Program project budget for the period January 1-June 30, 2025.



**Kern County Hospital Authority
Community Health Center – February 2025**

Proposed Budget January – June 2025

**KERN MEDICAL OUTPATIENT HEALTH
COMMUNITY HEALTH CENTER
CLINIC VISITS
JULY 2024 - DECEMBER 2024**

DEPARTMENT	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
OB/GYN CLINIC	2,239	2,712	2,721	2,823	2,341	2,367	15,203
PEDIATRICS CLINIC	1,378	1,695	2,087	2,524	1,656	1,487	10,827
FAMILY PRACTICE CLINIC	1,905	1,915	2,364	2,370	1,843	2,006	12,403
INTERNAL MEDICINE CLINIC	3,619	3,499	4,058	4,563	3,945	3,572	23,256
STOCKDALE ORTHOPEDICS CLINIC	471	456	426	468	421	524	2,766
STOCKDALE FAMILY MEDICINE CLINIC	752	773	913	1,146	778	763	5,125
34TH STREET REACH & GROW CLINIC	303	277	351	394	342	340	2,007
COLUMBUS BEHAVIORAL HEALTH CLINIC	63	84	150	105	110	54	566
TOTAL	10,730	11,411	13,070	14,393	11,436	11,113	72,153

**KERN MEDICAL OUTPATIENT HEALTH
COMMUNITY HEALTH CENTER
INCOME STATEMENT - BUDGET
JANUARY 2025 - JUNE 2025**

Net Patient Revenue	\$ 25,253,550
Indigent Funding	<u>5,000,000</u>
Total Operating Revenue	30,253,550
Operating Expenses	
Salaries	16,761,290
Benefits	<u>9,937,096</u>
Salaries and Benefits	26,698,385
Registry Nurses	47,406
Medical Fees	2,047,972
Supplies	1,933,984
Purchased Services	1,029,738
Other Expenses	<u>679,490</u>
Total Operating Expenses	32,436,975
Rent	920,220
Interest Expense	330,740
Net Income (Loss)	<u><u>\$ (3,434,385)</u></u>
Total FTEs	<u><u>318</u></u>
Total Clinic Visits	<u><u>72,153</u></u>



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

March 19, 2025

Subject: Proposed approval of the Kern County Hospital Authority Community Health Center Board of Directors Bylaws for Governance

Recommended Action: Approve; Authorize Chairman to sign

Summary:

On January 15, 2025, your Board adopted a resolution (subsequently ratified by your Board on January 16, 2025) to establish the Community Health Center Board of Directors (CHC) that has specific responsibility for oversight of the Health Center Program project, to meet the Health Center Program requirements of an FQHC Look-Alike set forth in the Health Resources and Services Administration (HRSA) Health Center Program Compliance Manual (“Compliance Manual”).

HRSA requires that public entities applying for FQHC certification with a co-applicant define the relationship between the two boards in a co-applicant agreement. This co-applicant agreement, approved by your Board on January 15, 2025, outlines the role of each governing body in relation to the CHC, including your Board’s responsibility to provide oversight to the CHC Board.

The Compliance Manual requires that the CHC Board, as the health center governing body, develop bylaws which specify the responsibilities of the CHC Board. Consistent with the Compliance Manual and Co-Applicant Agreement, approved by your Board on January 15, 2025 and the CHC Board on January 16, 2025, the proposed CHC Bylaws provide for the delineated responsibilities of the CHC Board detailed in the Co-Applicant Agreement, including, but not limited to, the operation of the community health center.

On February 26, 2025, the CHC Board, by unanimous vote of those Directors present, approved the proposed Kern County Hospital Authority Community Health Center Board of Directors Bylaws for Governance and referred the Bylaws to your Board for approval.

Therefore, it is recommended that your Board approve the proposed Bylaws of the Kern County Hospital Authority Community Health Center Board of Directors and authorize the Chairman to sign.

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

ARTICLE I: Mission and Purpose

Section 1.01 Mission Statement

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

Section 1.02 Purpose

The purpose of the Health Center is to act as the Co-Applicant organization in support of the Kern County Hospital Authority's (“Authority”) efforts to qualify as a Federally Qualified Health Center Look-Alike (“FQHC”) as defined in Section 330 of the Public Health Services Act or Section 186l(aa)(4) and Section 1905(1)(2)(B) of the Social Security Act, respectively, each as amended and interpreted by statute and governing regulations (collectively, the “Act”) as supervised and implemented by the Health Resources and Services Administration (“HRSA”). It is the intent of the Health Center to enter into a Co-Applicant Agreement with the Authority to establish the details of the relationship between the Health Center and the Authority.

ARTICLE II: Governing Body

Section 2.01 Definition

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

Section 2.02 Composition

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

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

Section 2.03 Qualifications

(a) **Desired Qualifications**

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

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

(b) **Disqualified Persons**

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

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

Section 2.04 Reappointment and End of Term of the CHC Board

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

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

Section 2.05 Manner of Appointment for Vacancies on the CHC Board

(a) Recruitment

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

(b) Applications

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

(c) Selection

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

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

Section 2.06 Term of Office

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

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

Section 2.07 Vacancies; Removal

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

Section 2.08 Reimbursement and Compensation

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

Section 2.09 Conflict of Interest

(a) Conflict of Interest Code

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

(b) Code of Conduct and Business Ethics

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

Section 2.10 Confidentiality: Public Statements

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

Section 2.11 Role of the Authority Board of Governors

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

Notwithstanding the foregoing, the Authority Board of Governors shall:

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

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

Section 2.12 Powers and Duties of the CHC Board

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

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

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

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

Section 2.13 Open and Public Meetings

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

Article III: CHC Board Officers

Section 3.01 List of Officers

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

Section 3.02 Appointment; Terms of Office

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

Section 3.03 Duties of the Officers

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

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

Section 3.03 Vacancies and Removal of Officers

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

Article IV: Executive Director of the Health Center

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

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

Section 4.02 Powers and Duties

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

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

Section 4.03 Performance Monitoring

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

Article V: Medical Staff

Section 5.01 Medical Staff; Provider Credentialing

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

Article VI: Quality Assessment and Performance Improvement

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

Article VII: Fiscal Year

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

Article VIII: Indemnification and Insurance

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

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

Article X: Adoption of and Amendment to Bylaws

Section 9.01 Amendment of Bylaws

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

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

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman, Board of Governors

KERN COUNTY HOSPITAL AUTHORITY
COMMUNITY HEALTH CENTER BOARD

By _____
Chairman, Board of Directors

APPROVED AS TO CONTENT:
KERN COUNTY HOSPITAL AUTHORITY

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO CONTENT:
COMMUNITY HEALTH CENTER

By _____
Renee Villanueva
Executive Director

APPROVED AS TO FORM:

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



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

March 19, 2025

Subject: Proposed Sales Agreement with CT Coachworks, LLC., to purchase a Mobile Medical Clinic Vehicle

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed agreement with CT Coachworks, LLC., to purchase a Mobile Medical Clinic vehicle in an amount not to exceed \$500,000.00.

This purchase will be made from existing grant funds which must be used or otherwise forfeited. Mobile clinics continue to play a crucial role in patient care for rural, outlying, and underserved communities. The addition of this mobile clinic gives Kern Medical the opportunity to expand critical services to more communities.

Therefore, it is recommended that your Board approve the proposed Sales Agreement with CT Coachworks, LLC for the purchase of the Mobile Medical Clinic vehicle, in an amount not to exceed \$500,000.00, and authorize the Chairman to sign.



SALES AGREEMENT

THIS SALES AGREEMENT, (hereinafter referred to as the "Agreement"), is made and entered into this 19th day of March 2025, by and between **CT COACHWORKS, LLC.**, (hereinafter "CT") a California limited liability corporation with headquarters located at 9700 Indiana Avenue, Riverside, California 92503, and **KERN COUNTY HOSPITAL AUTHORITY**, a local unit of government which owns and operates Kern Medical Center, located at 1700 Mt. Vernon Avenue, Bakersfield, California 93306 (hereinafter "Purchaser"):

1. **OBLIGATION TO PURCHASE AND SCOPE OF SERVICES.** The Purchaser hereby agrees to purchase (1) one Custom Built 38' Mobile Medical Clinic Vehicle (hereinafter the " Mobile Medical Clinic Vehicle ") for the sum of **Four Hundred Seventy-Nine Thousand, Three Hundred Fifty-Two and .00/100 dollars.** (\$479,352.00) This obligation to purchase shall be referred to herein as the "Order."

CT shall manufacture the Mobile Medical Clinic Vehicle in accordance with the plans and specifications set forth in Attachment A of this agreement. CT disclaims any intent to warrant the merchantability or fitness for particular purpose or use of the Mobile Medical Clinic Vehicle and disclaims warranties of merchantability and all other warranties except as specifically set forth in Attachment A and B hereto.

2. **DELIVERY.** The Custom-Built Mobile Medical Clinic Vehicle will be deemed received by the Purchaser when Purchaser takes possession of the Mobile Medical Clinic Vehicle at CT's manufacturing facility. This pick-up shall occur on a weekday (Monday through Friday) between 7am and 3pm. The estimated date of delivery is 180 days after receipt of the deposit under this agreement and acquisition of the chassis.

3. **PAYMENT.** Purchaser shall make an initial 50% down payment of \$239,676.00 due in cash upon execution of this agreement to secure chassis. Any check should be made payable to "CT Coachworks, LLC." The remaining balance of \$239,676.00 (includes sales tax and DMV registration fees) is due upon completion after Purchaser has inspected and reasonably accepted the Mobile Medical Clinic Vehicle. Such inspection shall take place at CT's manufacturing location. In the event Purchaser fails to timely or reasonable accept delivery of the Mobile Medical Clinic Vehicle, interest shall accrue at

the rate of 12 per cent per annum on any unpaid balance of the purchase price stated above.

4. **WARRANTY.** CT warrants the Mobile Medical Clinic Vehicle in accordance with Attachment A and B to this agreement. Except as expressly set forth in such warranty, CT disclaims any other representation or warranty regarding the Mobile Medical Clinic Vehicle.

5. **CHANGE ORDERS.** In the event Purchaser desires prior to delivery to make changes in the specifications for the Mobile Medical Clinic Vehicle, the Purchaser shall notify CT of the proposed changes and a proposed amount that Purchaser proposes to pay for such changes. If such changes are acceptable to CT, then CT shall prepare an amendment to this agreement providing for such changes and the increased amount. If the changes are not acceptable to CT, then the parties shall meet and confer to resolve such issue.

6. **TERMINATION.** Purchaser may terminate this agreement at any time upon written notice to CT; provided, however, that CT shall have no obligation to refund any amounts paid by Purchaser hereunder and Purchaser shall continue to be responsible for reimbursing CT for the value of any (a) work performed by CT and (b) materials relating to the Mobile Medical Clinic Vehicle that have previously been ordered by CT. Upon payment of such further amounts, Purchaser shall be released from its obligations under this agreement.

7. **TITLE AND REGISTRATION.** Title to the Mobile Medical Clinic Vehicle shall remain with CT until acceptance and final payment by Purchaser. All California Department of Motor Vehicle documentation will be processed by CT and the appropriate documents sent to Kern County Hospital Authority located at 1700 Mt. Vernon Avenue Bakersfield, California 93306 for appropriate signature. Temporary title will be issued until permanent title is received by CT and sent to Kern County Hospital Authority 1700 Mt. Vernon Avenue Bakersfield, California 93306. Purchaser shall pay in advance for these costs of registration.

8. **MISCELLANEOUS PROVISIONS.**

(a) **Notices.** Any notice required or contemplated hereunder shall be in writing and shall be effective upon personal delivery or five days after deposit in the United States mail, registered or certified, return receipt requested, addressed as set forth below or to such other addresses as may be specified in like manner.

(b) **Dispute Resolution.** Any dispute arising hereunder shall be subject to binding arbitration in Bakersfield, California accordance with the commercial rules of the American Arbitration Association and judgment upon the arbitrator(s) award may be entered by any court of competent jurisdiction.

(c) Entire Agreement. This agreement constitutes the entire agreement between the parties relating to the subject matter hereof and may not be amended, supplemented, or varied except in a writing executed by the party to be bound. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. The Parties agree that this Agreement, any Amendment thereto or any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act (“E-Sign Act”), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act (“UETA”) as adopted in California (Civil Code section 1633.1 et seq). Any document accepted, executed, or agreed to in conformity with such laws will be binding on both Parties the same as if it were physically executed. The intentional action in electronically signing this Agreement shall be evidence of consent to be legally bound by this Agreement.

9. The liabilities or obligations of purchaser with respect to its activities pursuant to this agreement shall be the liabilities or obligations solely of purchaser and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.

10. CT agrees to indemnify, defend and hold harmless purchaser and purchaser’s agents, board members, elected and appointed officials and officers, employees, volunteers and authorized representatives from any and all third party losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, and expenses (including, but not limited to, reasonable attorneys’ fees of counsel, expert fees, costs of staff time, and investigation costs) of whatever kind or nature, which arise out of or are in any way connected with any act or omission of CT or CT’s officers, agents, employees, independent contractors, sub-contractors of any tier, or authorized representatives. Without limiting the generality of the foregoing, the same shall include bodily and personal injury or death to any person or persons, damage to any property, regardless of where located, including the property of KCHA; and any workers’ compensation claim or suit arising from or connected with any services performed by or on behalf of CT by any person or entity. Further, CT shall indemnify, defend and hold KCHA, its officers, agents, servants and employees harmless from liability of any nature or kind as a result of KCHA’s use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, or articles or appliances furnished or used under any agreement. This provision shall apply to the delivery and any services or property covered by the warranty contained in exhibit B.

11. Both parties agree to comply with all state, federal, and local laws during the duration and performance of this agreement.

12. During the duration of the performance of the contract and any warranty services CT shall maintain: (a) Workers' Compensation Insurance in accordance with the provisions of section 3700 of the California Labor Code. This policy shall include employer's liability insurance with limits of at least one million dollars (\$1,000,000). Include a cover sheet stating the business is a sole proprietorship, if applicable.

(b) Commercial General Liability Insurance in the minimum amounts indicated below or such additional amounts as may be determined by the KCHA Risk Manager, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of any agreement/quote/order with KCHA), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of vendor's performance of work hereunder. The amount of said insurance coverage required hereunder shall be the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.

(c) The Commercial General Liability Insurance shall include an endorsement naming PURCHASER and PURCHASER's board members, officials, officers, agents and employees as additional insureds. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-;VII. All insurance provided by CT hereunder shall be primary to and not contributing to any other insurance maintained by PURCHASER. Any exception to these requirements must be approved by PURCHASER's Risk Manager. PURCHASER's Risk Manager may require higher limits depending on the nature of the goods and/or services being provided. All insurance coverage requirements shall be maintained by CT until completion of all of CT's obligations to PURCHASER, and shall not be reduced, modified or canceled without 30 days prior written notice to the Chief Executive Officer ("CEO").

13. Audits, Inspection and Retention of Records. CT agrees to maintain and make available to PURCHASER, accurate books and records relative to all its activities under this agreement. CT shall permit PURCHASER to audit, examine and make excerpts and transcripts from such records, and to conduct audits or reviews of all invoices, materials, records or personnel or other data related to all other matters covered by this agreement. CT shall maintain such data and records in an accessible location and condition for a period of not less than four (4) years from the date of final payment under this agreement, or until after the conclusion of any audit, whichever occurs last. The state of California or any federal agency having an interest in the subject of this agreement shall have the same rights conferred upon PURCHASER herein.

14. Disqualified Persons. 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 PURCHASER), (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. CT 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”), CT shall immediately notify KMC and such individual shall be immediately removed by CT from any functions involving (i) the claims development and submission process, and (ii) any healthcare provider contact related to KMC patients; provided, however, that if CT is directly involved in the Enforcement Action, any agreement between PURCHASER and CT shall terminate immediately.

15. Non-collusion Covenant. CT represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this agreement with PURCHASER. CT has received no incentive or special payments, nor considerations, not related to the provision of services under this agreement from PURCHASER.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

KERN COUNTY HOSPITAL AUTHORITY

By _____

Name: _____

Title: _____

APPROVED AS TO FORM:
Legal Services Department

By Phillip Jenkins
Kern County Hospital Authority

Address for Notices:
CT COACHWORKS, LLC.

By  _____

Name: Steve Thomas
Title: President/CEO
Address for Notices:

CT Coachworks, LLC.
9700 Indiana Avenue, Riverside, Ca. 92503
Ph. (951) 343-8787, www.ctcoachworks.com



CT Coachworks, LLC.
 9700 Indiana Avenue Riverside, CA. 92503
 Telephone (951) 343-8787
www.ctcoachworks.com

Gasoline Quotation

Quotation For: Kern Medical Address: 1700 Mt. Vernon Avenue Bakersfield, California 93306 Contact: Tyler Whitezell, Chief Operating Officer Phone: (661) 326-2000 (661) 326-2142 Email: Tyler.Whitezell@kernmedical.com	Date: 2.7.2025 Model: 38' CT 2025 Mobile Medical Clinic w/ two slide out rooms. Terms: 50% Down to start and order chassis and Remaining balance due upon completion and transfer of title. F.O.B. Factory
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Item	Description	Qty.	Retail	Comments
1	FORD F-53 Motorhome Chassis 2025 Model	1	\$76,250.00	Chassis: FORD Model: F-53 7.3 L V8 Gasoline engine 26,000 LBS GVWR, Rear Axle: 6.7 350 HP, 6 Speed transmission 9,000 LB Front 17,500 LB Rear "252" Wheel Base 80 Gallon Fuel tank 22.5 Tires - Aluminum Wheels
2	2025 CT Coachworks, LLC. Commercial Vehicle Shell	1	\$ 140,000.00	38' Mobile Medical Clinic. Vacuum bonded exterior shell with smooth fiberglass.
3	Power Slide Out Rooms	2	\$ 28,000.00	One flush floor slide out room for front exam room. One flush floor slide out room for curbside laboratory.
4	RADCO Inspections	1	\$ 2,500.00	Required in state of California for licensing.
5	Driver/Passenger Seats	2	\$ 4,950.00	With ultraleather upholstery, swivel, slide, recline. Seats rotate 180 degrees, three point seat belts. 5 year limited warranty on electrical components, 1 year warranty on upholstery materials.
6	Air Conditioner- 15,000 BTU w/ Heat Pumps	4	\$ 10,400.00	Roof mounted, 15,000 BTU Air Conditioners with Heat Pumps-Roof Mounted- Includes standard six A/C vents per A/C unit. Powerful and quiet unit that delivers high performance and efficiency. Easy maintenance, includes analog thermostat Warranty 2 years on parts and freight, 2 years warranty on labor.
7	Cabinet-Laminated	1	\$ 22,500.00	Interior cabinetry with SouthCo self latching and lockable door pulls. European hidden hinges, easy lift gasstruts. 7 ply high grade wood with laminate doors and cabinet face. Wilsonart Solid Surface Countertops. Two exterior pull out desks for reception on the exterior. Mock up to be created for customer to approve.
8	HWH Steps	1	\$ 8,500.00	
9	Electrical, 50 amp service	1	\$ 8,800.00	50 amp panel with circuit breakers, 55 amp charger / converter
10	Electrical, 12/VDC panel with breakers	1	\$ 3,450.00	

Item	Description	Qty.	Retail	Comments
11	Electrical - 110 VAC interior outlets	10	\$ 5,800.00	Duplex Outlets.Includes three Power/USB combination outlets.
12	Electrical - Auto Transfer Switch	1	\$ 1,650.00	
13	Flooring - Commercial	1	\$ 3,800.00	Includes 4 inch cove base throughout.
14	PowerTech 12KW Gasoline Generator	1	\$ 22,500.00	Installed.
15	HWH Heavy Duty Leveling Jacks	1	\$ 4,850.00	Automatic Leveling System (installed).
16	LED Overhead Lighting	5	\$ 3,000.00	
17	Light, 12VDC interior LED	12	\$ 2,300.00	Ceiling mounted
18	Light, 12V Exterior Porch light	2	\$ 230.00	
19	Window (1 Egress) Insulated Window 33x33	1	\$ 1,350.00	Includes day/night shades and laminate valance. Warranty Day/Night Shades-1 year limited warranty. HEHR International Egress window includes flushed frame for minimal drag, total exterior protection, double sealed to reduce thermal transfer through the air space, second level water/air leakage protection.
20	Stainless Steel Sink	3	\$ 2,950.00	To be installed in the front exam room and rear exam room. One sink to have designated eyewash station with cold water only. Customer to designate which sink will include eyewash station. One sink near lab area.
21	ADA Accessible Restroom	1	\$11,000.00	Restroom includes porcelain toilet, stainless steel sink, Mirror, waste dispenser, paper towel dispenser, toilet paper dispenser, safety handrails, ceiling mounted fan with vent. Includes accordion door.
22	Water System	1	\$ 5,400.00	Includes: (1) fresh (1) grey tank, water heater, water pump, water heater and monitor. Each tank is approximately 44 gallons.
23	Interior speakers throughout	6	\$ 650.00	Ceiling mounted and hard wired to dash radio.
24	AM/FM CD Stereo	1	\$ 650.00	
25	Voyager TriView Back-up Camera System	1	\$ 2,872.00	Includes one 7" LCD monitor mounted at dash and three exterior body cameras mounted on the street side, curb side and rear wall of the vehicle. High performance, PAL/NTSC compatible backlit control buttons, built-in audio speaker, manual day/night display brightness mode. Warranty 12 month limited warranty.
26	Back-up Buzzer Alarm	1	\$ 450.00	
27	Girard Exterior Power Awning 20'	1	\$ 8,250.00	With remote and awning wind sensor. Mounted Roof top on curb side.
28	Braun Underfloor Wheelchair Lift	1	\$ 18,740.00	Model No. NUVL855RM24, includes scissor arm design for smooth straight up and down motion, interlocking handrail belt, handrail covers for safety and NHTSA 403 Compliant. Includes Morryde entry steps.
29	Wheelchair Lift Steps System	1	\$ 850.00	

Item	Description	Qty.	Retail	Comments
30	Platinum Exterior Graphics Package Wrap Only. Large format custom design, up to three full color scale proofs (via email or paper). This large format graphics package is upgraded to meet specific specialized needs. There is flexibility in materials used, area coverage and custom design with resolution stock photography and/or illustration. Specialty Vinyls are used to give a unique look or quality to the finished product. Graphic wrap to not exceed \$13,500.00. Paint and wrap combination not to exceed \$15,000.00.	1	\$ 13,500.00	
31	Follett REF-4-ADA Undercounter Medical Grade Refrigerator	3	\$14,538.00	3.9 cu.ft.
32	Follet Medical Grade Freezer Large	1	\$ 1,650.00	
33	Voice /Data System	6	\$ 5,850.00	Includes CAT 6 Cable, RJ-45 , faceplates, patch panel, all cables to home run to patch panel, labeled and documented.
34	HDTV's with BluRay	3	\$ 1,650.00	Includes one 32" monitor for front exam room to use as a telehealth monitor.
35	Fire Extinguisher	2	Included	One fire extinguisher included by driver seat in the cab room. An additional fire extinguisher is placed in the rear exam room. Exact location to be determined with customer.
36	Carbon Monoxide Detector	2	Included	
37	Operational Training	1	Included	Will be provided in the use and functionality of the vehicle systems at CT Coachworks location for up to eight people within two weeks of vehicle delivery. Travel expenses to be borne by customer.
38	Warranty	1	Included	3-Year Warranty for Walls, Floor, Roof Systems. See Attached Document.
39	Owners Manuals	1	Included	
40	Vehicle Keys	2	Included	Two sets included.
41	Cradle Point WiFi System	1	Customer to supply	
42	Computers/Printers	1	Customer to supply	
43	Medical Equipment	1	Customer to supply	Includes centrifuge, audiometer, diagnostic systems, sanitizers, soap, paper towel, oxygen tank, mayo stands, etc.

Sub-Total	\$439,830.00
Sales Tax @ 8.25%	\$ 36,286.00
DMV Fees	\$ 3,236.00
Total Cost Per Vehicle	\$479,352.00

Prices estimated are valid for 30 days from original date of quotation. Firm Prices and product delivery schedule will be provided upon receipt
TERMS: 50% down to start and order chassis. Remaining balance is due upon completion and transfer of title.

Prices estimated are valid for 30 days from original date of quotation. Firm Prices and product delivery schedule will be provided upon receipt of a valid purchase order, signed accepted floorplan and deposit. Current production time is approximately 180-210 working days, from receipt date of signed floor plan, purchase order and acquisition of the chassis. Sales tax and license fees are due upon completion. For out of state customers, sales and use taxes along with vehicle registration fees will be due when vehicle is registered in users state. Customer is responsible for out of state registration. CT will provide the customer with the Manufacturer Certificate of Origin, certified weight certificate and invoice.

CT Coachworks, LLC. reserves the right to change specifications without notice. Any changes will be made to equal or better quality.

CT Coachworks, LLC. project scope does not include certain tasks or costs that are the responsibility of the customer. These items include, but are not limited to: radio and telephone system programming, activation and service fees for cellular phones, satellite phones, satellite TV, satellite internet service or other related subscriptions.


In the event of a discrepancy between the drawing and the specifications, the specifications will supercede.

Operational Training provided by manufacturer. Quote does not include driver training, this is an optional item.

Accepted By

Offered By

Kern Medical
 By: _____
 Name: _____
 Title: _____

CT Coachworks, LLC.
 By: 
 Name: Steve Thomas
 Title: President/CEO

APPROVED AS TO FORM:
 Legal Services Department

By Phillip Jenkins
 Kern County Hospital Authority



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

March 19, 2025

Subject: Kern County Hospital Authority Organizational Chart effective March 19, 2025

Recommended Action: Approve

Summary:

Kern Medical requests your Board approve the Kern County Hospital Authority Organizational Chart effective March 19, 2025.



ORGANIZATIONAL CHART

**Kern County
Hospital Authority
BOARD OF
GOVERNORS**

**CHIEF EXECUTIVE
OFFICER**
Scott Thygerson

**President of the
Medical Staff**
Medical Executive Committee
Medical Staff

**Vice President
General Counsel**
Karen S. Barnes

Chief Financial Officer
Andy Cantu

Compliance
Contracting
Legal
Risk Management

Admitting
Ancillary Registration
Budget/Decision Support
CalAIM
Cancer Registry
Case Management
Central Supply
Finance Administration
General Accounting
Health Information Mgmt.
Managed Care Contracting
Materials Management
Patient Accounting
Patient Financial Counseling
Payroll
Physician Enterprise
Treasury

Scott Thygerson
Chief Executive Officer

March 19, 2025

Chief Nursing Officer provides clinical oversight to all RN's in the organization.

Chief Nursing Officer
Tonya Barraza

Diagnostic Treatment Center
DOU
Emergency Care
Emergency Fast Track
ICU
Infection Control
Inpatient Psychiatric Unit
Labor & Delivery
Med/Surg
Neonate High Risk Clinic
Neonatal ICU
Nursery Acute
Nursing Administration
PACU
Palliative Care
Pediatrics
Post Partum
Social Services
Staff Development
Surgical Services
Trauma Services
Wound Care
Vascular Access

Chief Operating Officer
Tyler Whitezell

BioMed
Cardiac Diagnostic Lab
Cardiopulmonary Services/
EKG
Central Transportation
Construction
Dietary/Nutrition Service
Engineering
Environmental Services
Grounds
Hospital Operators
Laboratory-Clinical
Performance Improvement
Pharmacy Departments:
• Clinical Pharmacy
• Inpatient Pharmacy
Physical Therapy
Public Policy Programs
Pulmonary Function Lab
Quality
Radiology Services
Security
Space Planning

**Chief Medical Officer/
CMIO**
Glenn Goldis, MD

Institutional Review Board
Medical Education
Medical Library
Medical Staff Office
Medical Staff Departments:
• Anesthesiology
• Emergency Medicine
• Family Medicine
• Internal Medicine
• OB-GYN
• Pathology
• Pediatrics
• Psychiatry
• Radiology
• Surgery

**Chief Ambulatory &
Outreach Officer**
Renee Villanueva

Ambulatory Care
Clinic Registration
Community Health Center
Correctional Medicine
Employee Health
Jamison Clinics
Juvenile Hall
Marketing/Communications
Medical Education Support
NST Clinic
Outpatient Clinics
Outpatient Surgery Center
Recuperative Care
Wellness Program

**Co-Chief Information
Officers (Interim)**
Sandy Bakich
Ezzat Khalil

Information Systems
Applications
Asset Management
Data Intelligence
Data Security
Help Desk
Infrastructure
IT Imaging
IT Informatics
IT PMO

**Chief Human Resources
& Transformation Officer**
Roby Hunt

Human Resources
Labor Relations
Light Duty
Professional Development

**VP Strategic
Development**
Natalee Garrett

Auxiliary
Business Development
Physician Contracting
Physician Recruitment
Physician Services
Simulation Center
Strategic Planning



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

March 19, 2025

Subject: Proposed retroactive acceptance of donation of travel and related expenses from San Joaquin Valley College for Capitol Hill Advocacy Day 2025

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.

San Joaquin Valley College ("SJVC"), a privately owned college located in Bakersfield, offers accelerated programs for students interested in the medical, dental, business, industrial or technical fields, and collaborates with Kern Medical to place qualified graduates into vacant positions in the hospital and clinics. SJVC has offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend the Capitol Hill Advocacy Day 2025 from March 4-5, 2025, in Washington, D.C., with the opportunity for this employee to meet with selected members of the Congress. This event is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board retroactively approve and adopt the attached proposed resolution to accept the travel donation from San Joaquin Valley College for travel and related expenses and authorize the Chief Executive Officer to designate one employee to attend this important event.

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

In the matter of:

Resolution No. 2025-____

**ACCEPTANCE OF DONATION OF TRAVEL
AND RELATED EXPENSES FROM SAN
JOAQUIN VALLEY COLLEGE TO ATTEND
CAPITOL HILL ADVOCACY DAY 2025**

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 19th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

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) San Joaquin Valley College (“SJVC”), a privately owned college located in Bakersfield, offers accelerated programs for students interested in the medical, dental, business, industrial or technical fields, and collaborates with Kern Medical to place qualified graduates into vacant positions in the hospital and clinics; and

(c) SJVC has offered to donate to the Authority all travel and related expenses for one Authority employee to attend the Capitol Hill Advocacy Day 2025 from March 4-5, 2025, in Washington, D.C., with the opportunity for this employee to meet with selected members of the Congress; and

(d) This event is necessary in connection with official Authority business; and

(e) The Authority desires to obtain the donation of travel and related expenses from SJVC 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 SJVC the donation of travel and related expenses to cover all costs for one Authority employee to travel to Washington, D.C., to attend the Capitol Hill Advocacy Day 2025 from March 4-5, 2025.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the Capitol Hill Advocacy Day 2025 from March 4-5, 2025, in Washington, D.C.

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**

March 19, 2025

Subject: Proposed retroactive acceptance of donation of travel and related expenses from Stryker Corporation

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.

Stryker Corporation ("Stryker") is a global technology company and a supplier of medical and surgical equipment to Kern Medical, including the hospital and clinics. Stryker has offered to donate to the Authority all travel and related expenses for two Kern Medical employees to travel to Irving, Texas, from March 4-5, 2025, to attend product demonstrations of state-of-the-art OR equipment for potential purchase by the Authority. This product viewing is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board retroactively approve and adopt the attached proposed resolution to accept the travel donation from Stryker Corporation for travel and related expenses and authorize the Chief Executive Officer to designate two employees to attend this important occasion.

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

In the matter of:

Resolution No. 2025-____

**ACCEPTANCE OF DONATION OF
TRAVEL AND RELATED EXPENSES
FROM STRYKER CORPORATION**

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 19th day of March, 2025, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

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) Stryker Corporation (“Stryker”) is a global technology company and a supplier of medical and surgical equipment to Kern Medical Center, including the hospital and clinics; and

(c) Stryker has offered to donate to the Authority all travel and related expenses for two Authority employees to travel to Irving, Texas, from March 4-5, 2025, to attend product demonstrations of operating room equipment for potential purchase by the Authority; and

(d) This product viewing is necessary in connection with official Authority business; and

(e) The Authority desires to obtain the donation of travel and related expenses from Stryker 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 Stryker the donation of travel and related expenses to cover all costs for two Authority employees to travel to Irving, Texas, from March 4-5, 2025, to attend product demonstrations at a Stryker facility.

3. This Board authorizes the Chief Executive Officer to designate two Authority employees to attend product demonstrations at a Stryker facility in Irving, Texas, from March 4-5, 2025.

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**

March 19, 2025

Subject: Kern County Hospital Authority Chief Financial Officer Report – January 2025

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$357,644 for January is \$330,794 more than the January budget of \$26,850 and \$54,575 less than the \$412,219 average over the last three months
- EBIDA of \$1,746,550 for January is \$37,851 more than the January budget of \$1,708,699 and \$406,490 less than the \$2,153,040 average over the last three months
- Average Daily Census of 184 for January is 19 more than the January budget of 165 and 6 more than the 178 average over the last three months
- Admissions of 875 for January are 16 more than the January budget of 859 and 16 more than the 859 average over the last three months
- Total Surgeries of 533 for January are 27 more than the January budget of 506 and 7 more than the 526 average over the last three months
- Clinic Visits of 20,443 for January are 2,549 more than the January budget of 17,894 and 459 more than the 19,984 average over the last three months

The following items have budget variances for the month of January 2025:

Patient Revenue:

Gross patient revenue has an 8% favorable budget variance for the month and a 6% favorable budget variance on a year-to-date basis. The variance is mainly due to a 3.5% charge description master (CDM) price increase that became effective on July 1, 2024 and to a lesser extent, patient volumes. Kern Medical expects strong patient census levels and consistently high gross patient revenue for FY 2025.

Indigent Funding Revenue:

Indigent funding has a favorable budget variance for the month and on a year-to-date basis. Additional revenue has been recognized based on favorable changes in estimates for the Enhanced Payment Program (EPP) from increased payments by the California Department of Health Care Services (DHCS) recognizing cost increases and certain structural payment deficits for the state's designated public healthcare systems. The EPP program received an increase for calendar year (CY) 2024.

Other Operating Revenue:

Other operating revenue is under budget for the month due to a less than average amount of Proposition 56 funding received for the month. On a year-to-date basis, items such as medical education funding, other grant funding, and Proposition 56 funding are received quarterly or otherwise periodically. Therefore, actual month-to-date and year-to-date revenue compared to the budget fluctuates throughout the year.

Other Non-Operating Revenue:

Other non-operating revenue is under budget for the month and year-to-date. Revenue received for miscellaneous items such as providing out-of-network physician services is not received consistently throughout the year. Therefore, the actual dollar amount recorded for this line item may fluctuate versus budget on a monthly basis but should align with budget on a year-to-date basis by year-end.

Salaries Expense:

Salaries expense is 4% over budget for the month and 3% over budget on a year-to-date basis.

Benefits Expense:

Benefits expense is 8% over budget for the month and 2% over budget on a year-to-date basis.

Nurse Registry Expense:

Nurse registry expense is 12% under budget for the month. The use of nurses under contract was reduced with the intent to hire more nurses as Kern Medical employees. Registry expense is at the budgeted dollar amount on a year-to-date basis.

Medical Fees:

Medical fees are 28% over budget for the month and 8% over budget on a year-to-date basis because of higher-than-average monthly fees paid to the Acute Care Surgery Medical Group, the LocumTenens.com physician staffing agency, and various physicians. The Acute Care Surgery Medical Group has been engaged to support trauma services at Kern Medical since November 2018.

Other Professional Fees:

Other professional fees have an unfavorable budget variance for the month and on a year-to-date basis due to higher-than-average legal fees, physician recruiting expenses, and fees for various other consultants.

Supplies Expense:

Supplies expense is over budget for the month and year-to-date primarily due to higher-than-average patient volumes and corresponding increases in medical supplies and pharmaceuticals expenses.

Purchased Services:

Purchased services are over budget for the month and on a year-to-date basis because of higher-than-expected software maintenance costs, ambulance fees, out of network patient services expenses, Health Advocates patient financial counseling fees, and fees paid to Signature Performance, Inc. Signature Performance consultants are engaged to support patient health record coding.

Other Expenses:

Other expenses are over budget for the month and on a year-to-date basis due to higher-than-average advertising costs, electricity costs, and repairs and maintenance expenses.

Interest Expense:

Interest expense is over budget month-to-date and year-to-date due to higher than anticipated pension obligation bond (POB) 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.

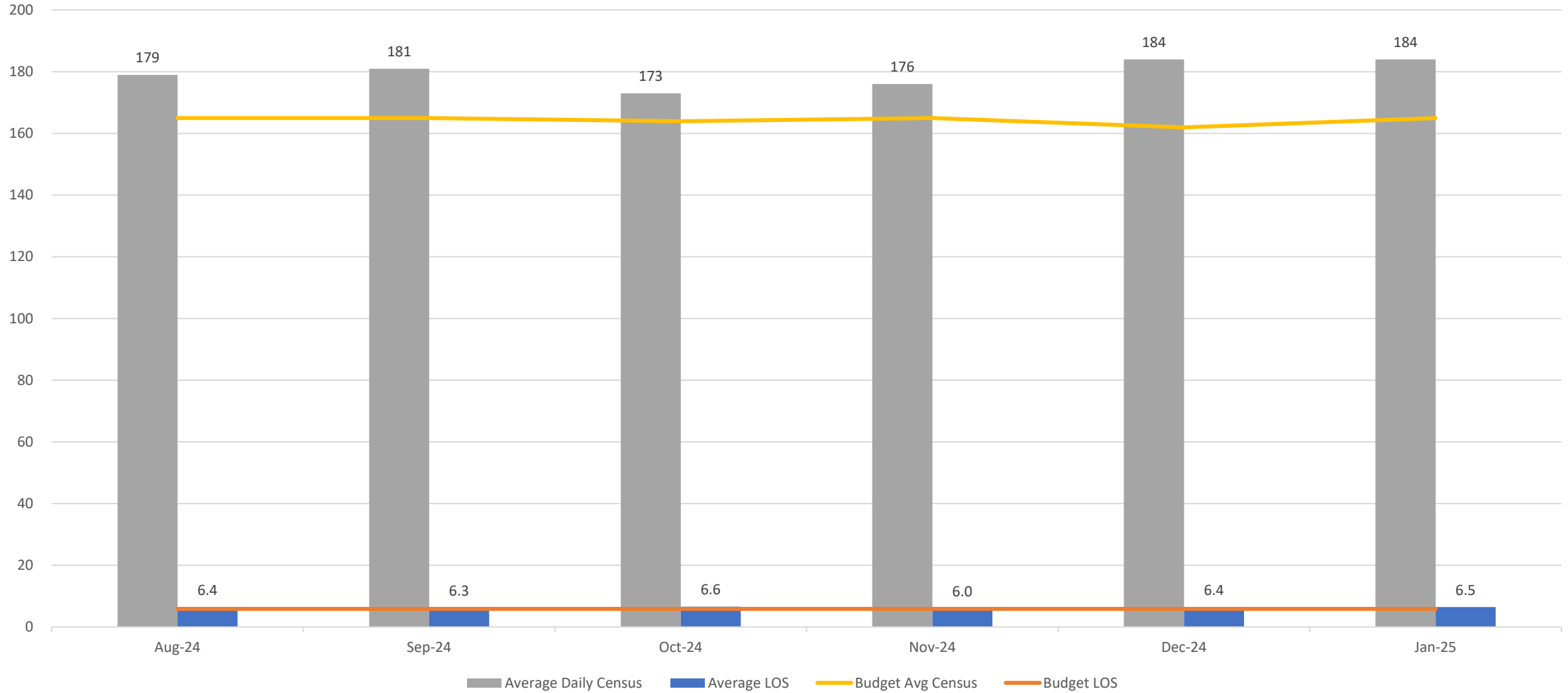
Depreciation and Amortization Expense:

Depreciation and amortization expenses are under budget for the month and on a year-to-date basis. The variance is due to the closure of purchase orders for equipment during previous months and the subsequent reduction in the depreciation accrual.

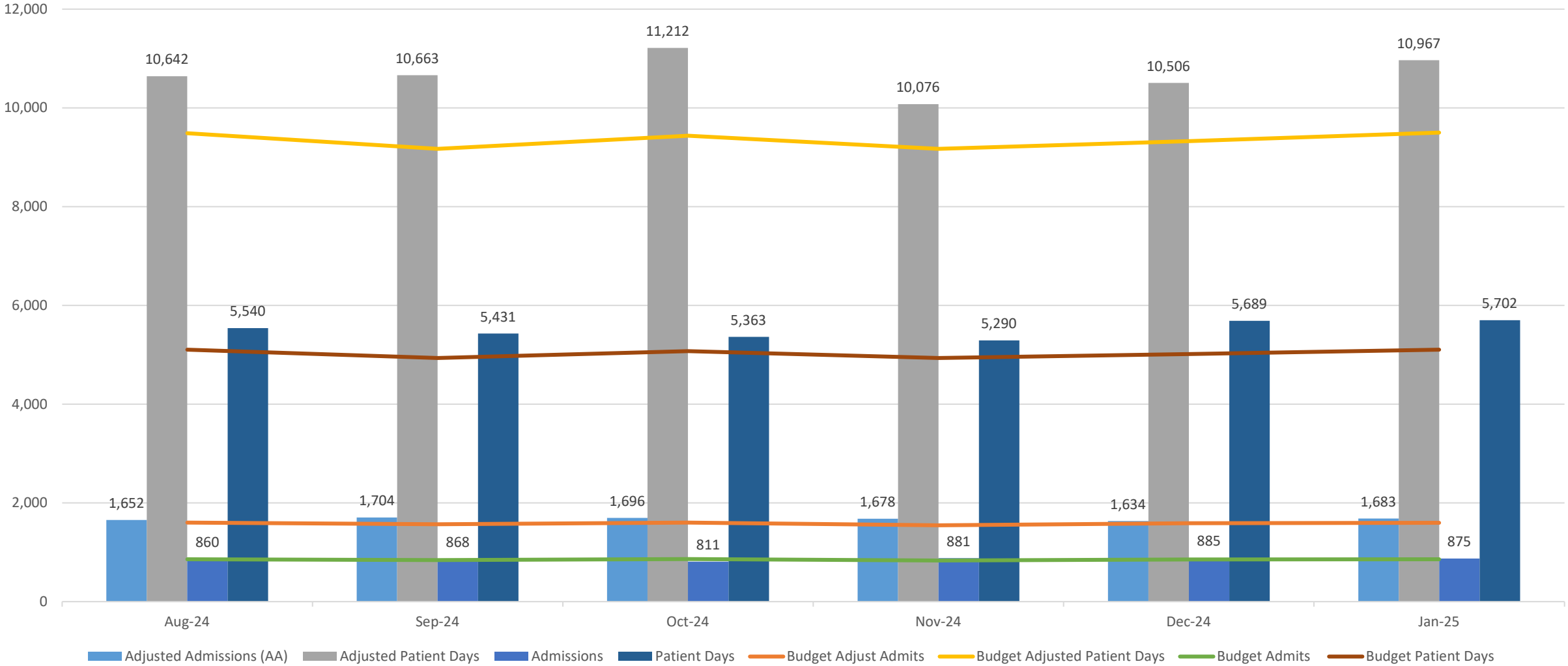


Board of Governors' Report
Kern Medical – January 2025

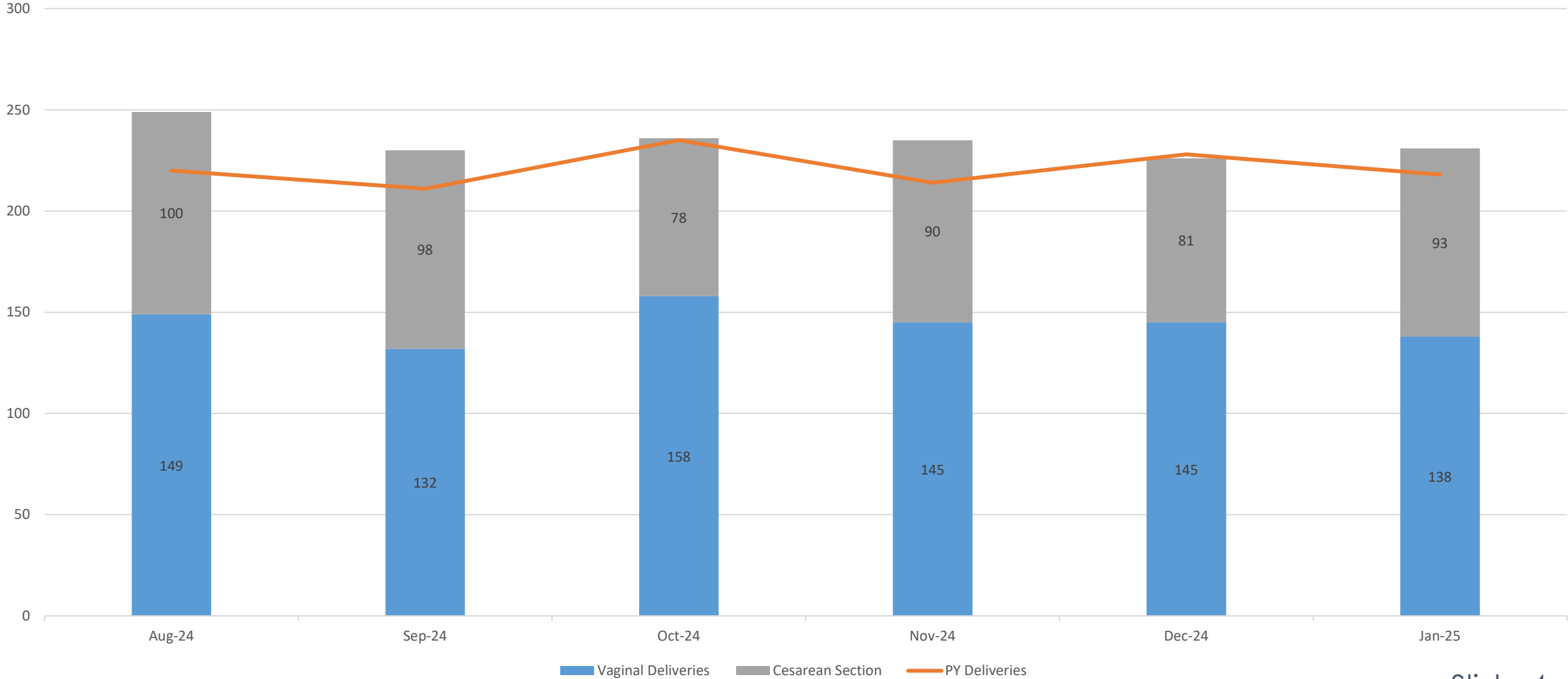
Census & ALOS



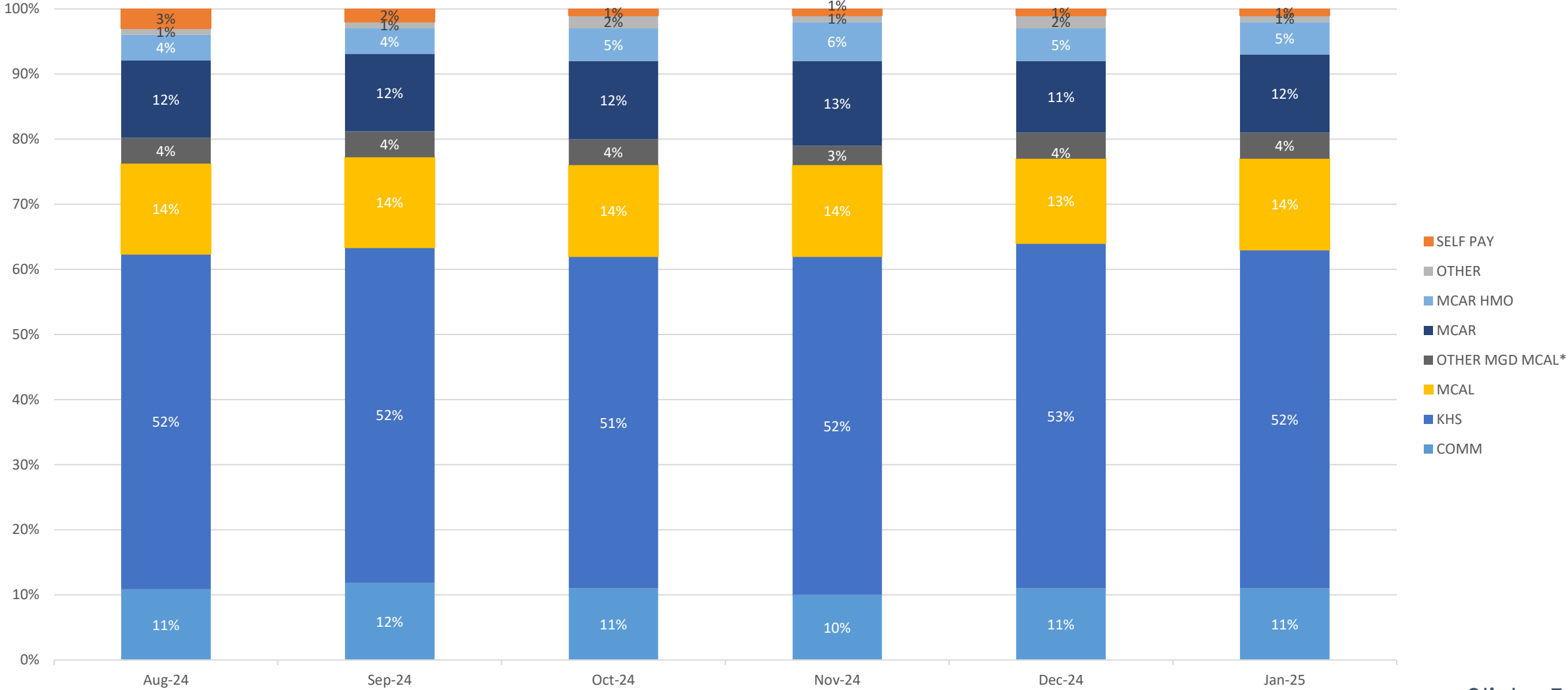
Hospital Volumes



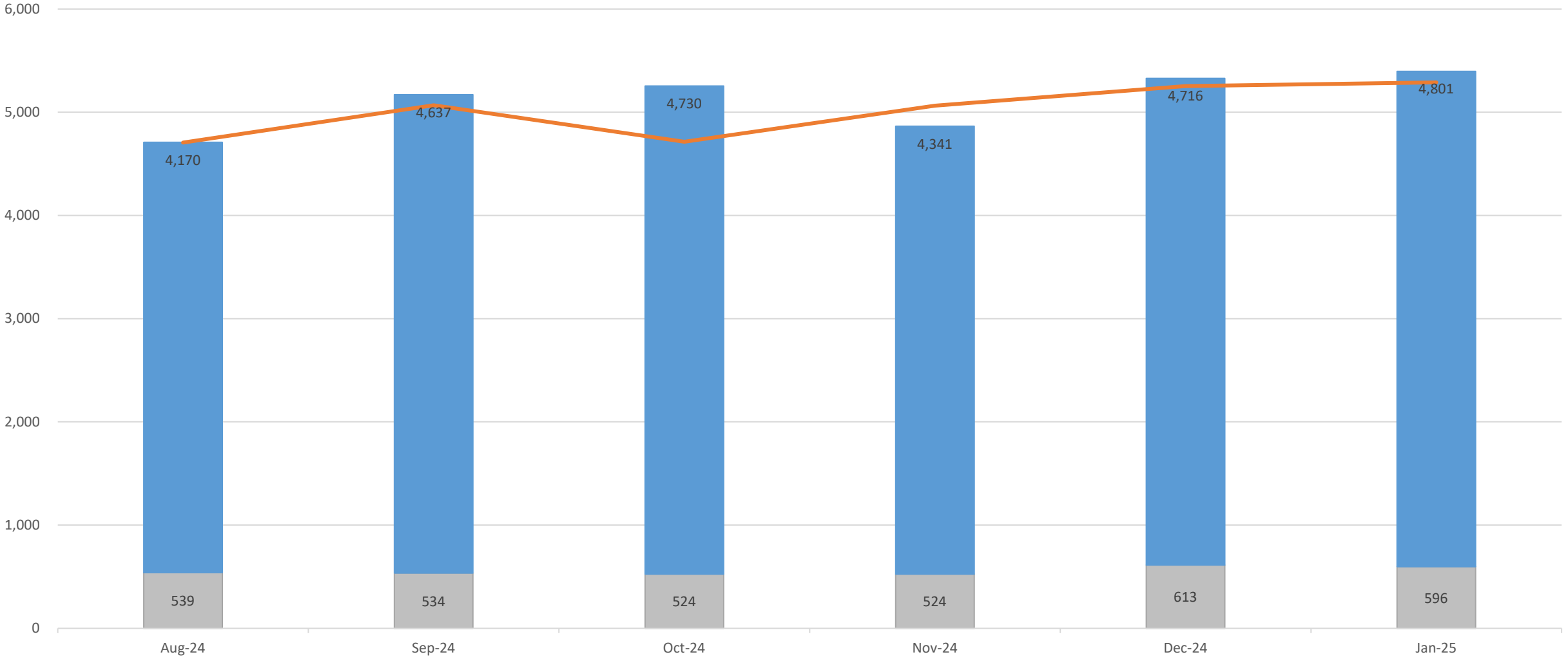
Deliveries



PAYER MIX



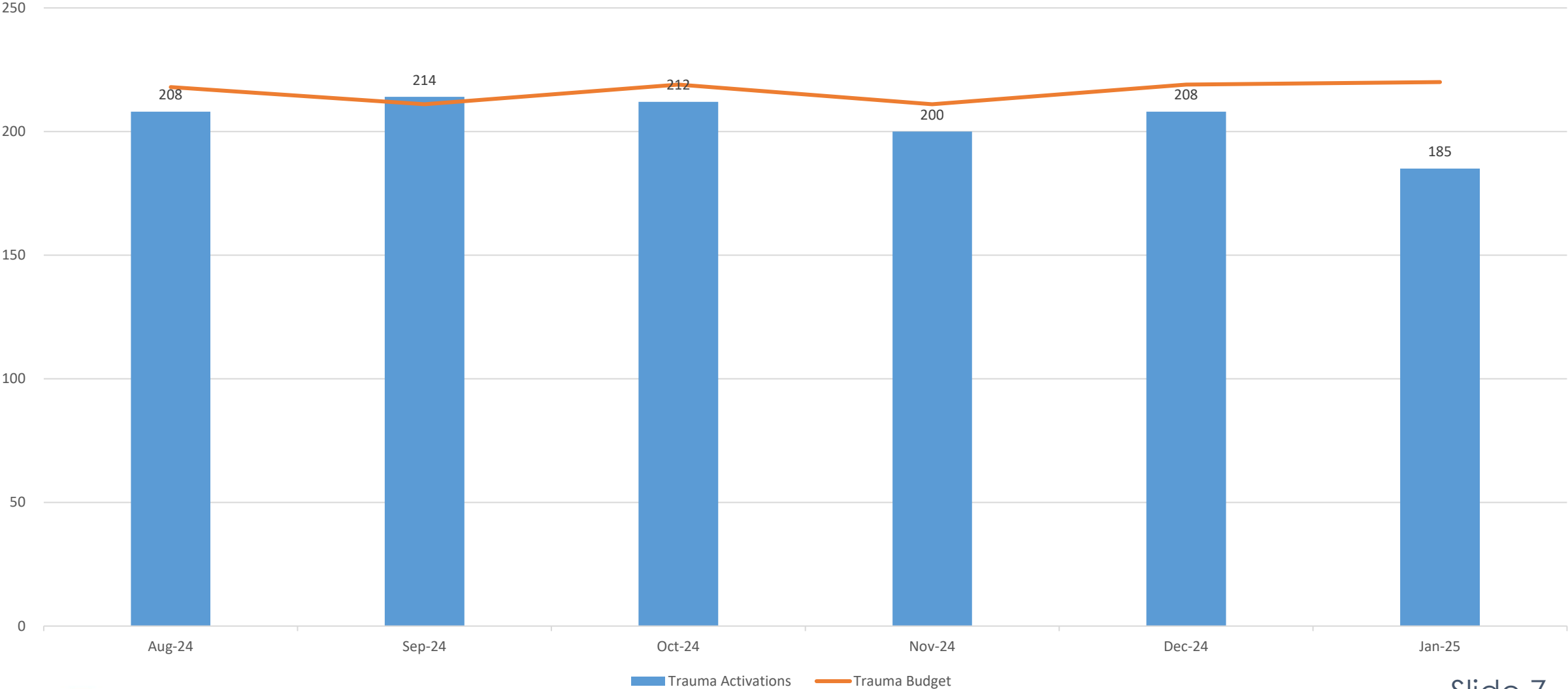
Emergency Room Volume



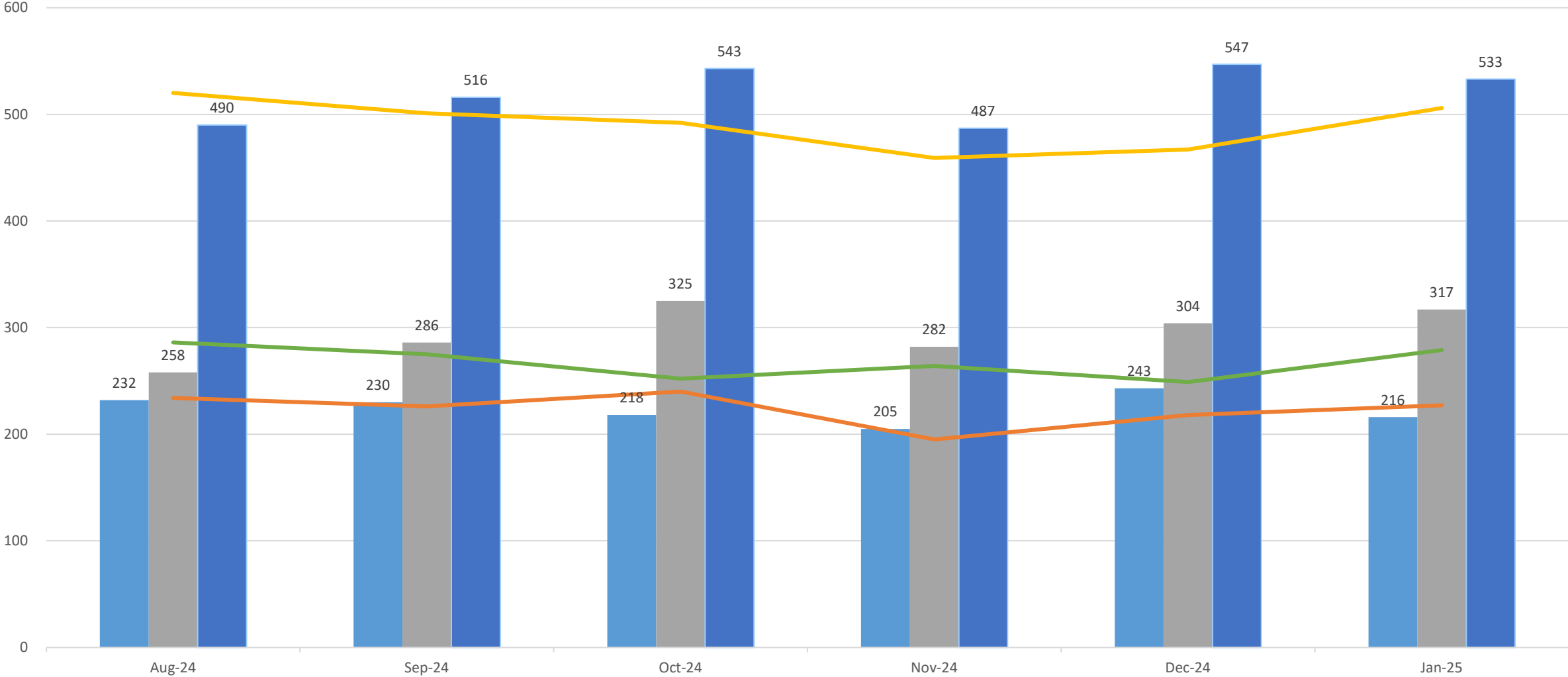
Health for Life.

Admissions Treat & Release Budget Total ER

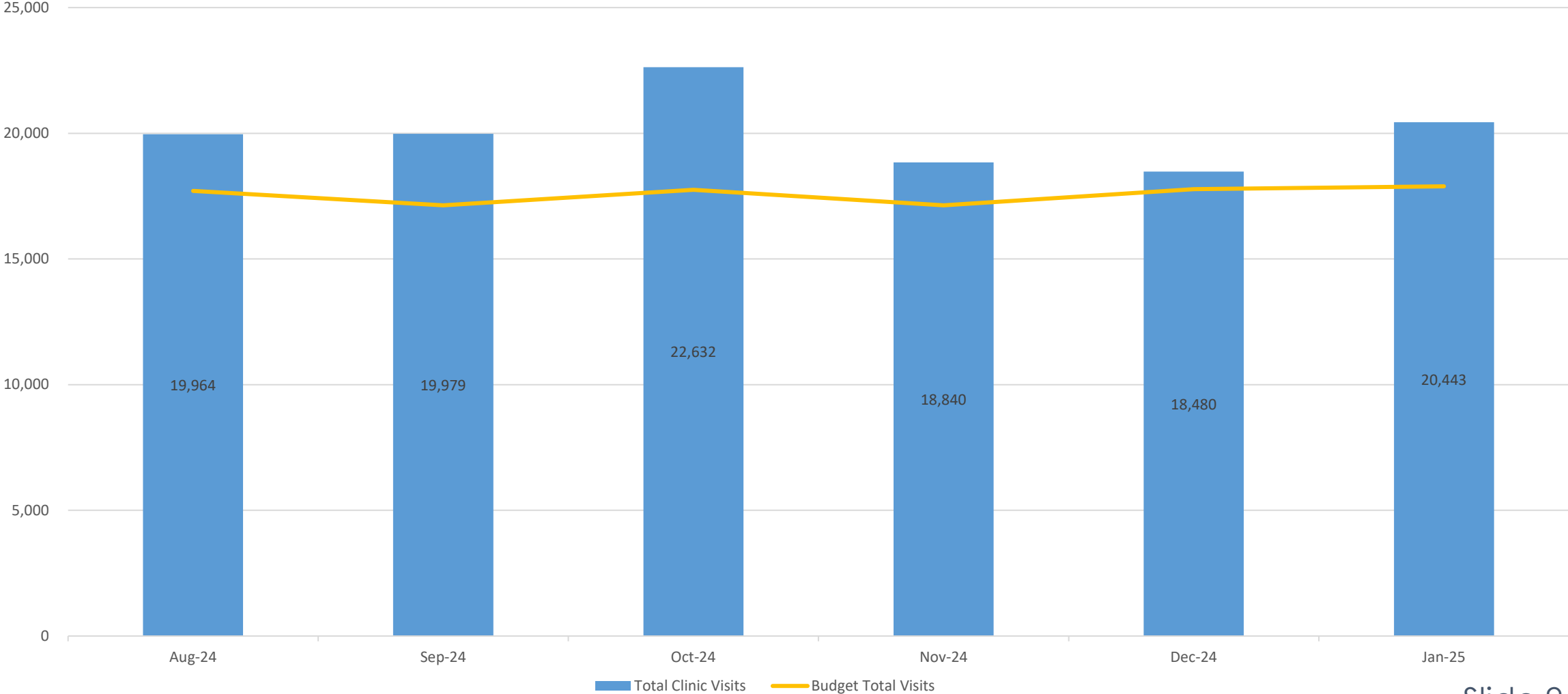
Trauma Activations



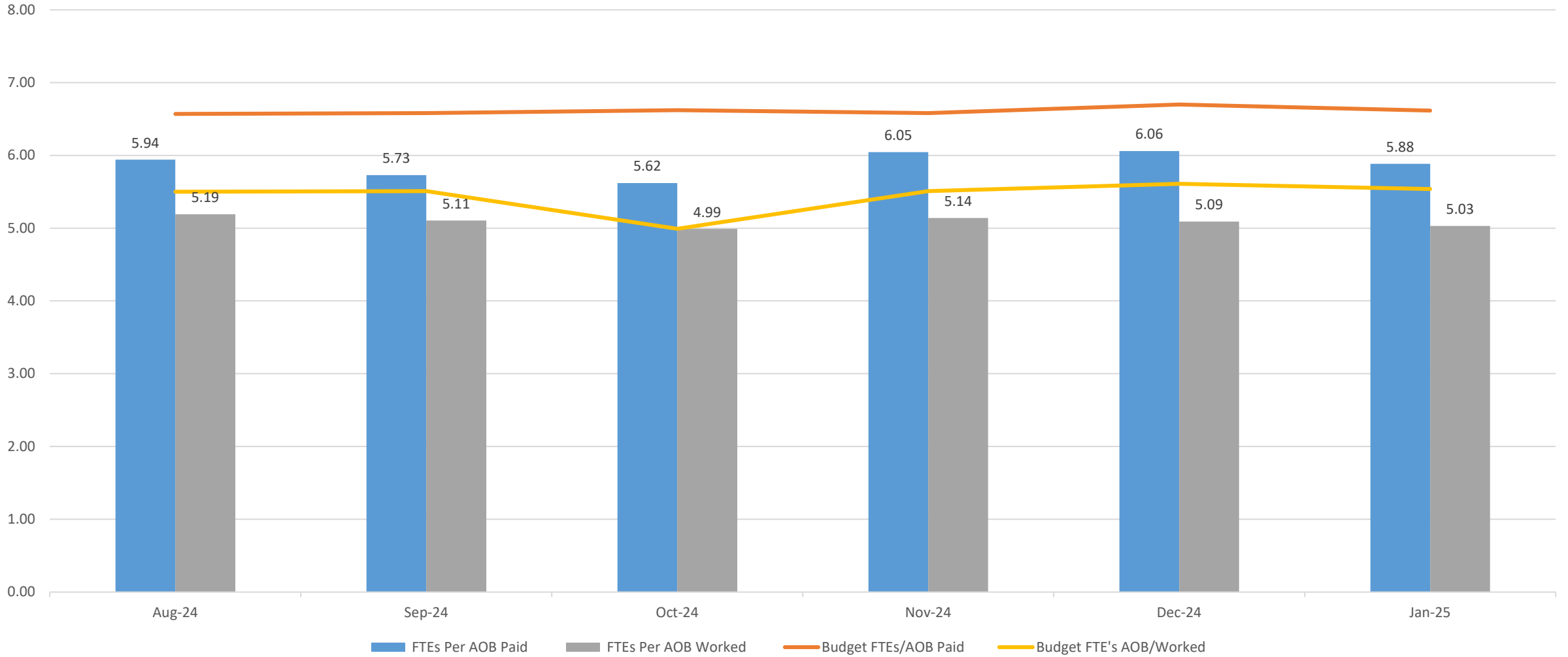
Surgical Volume



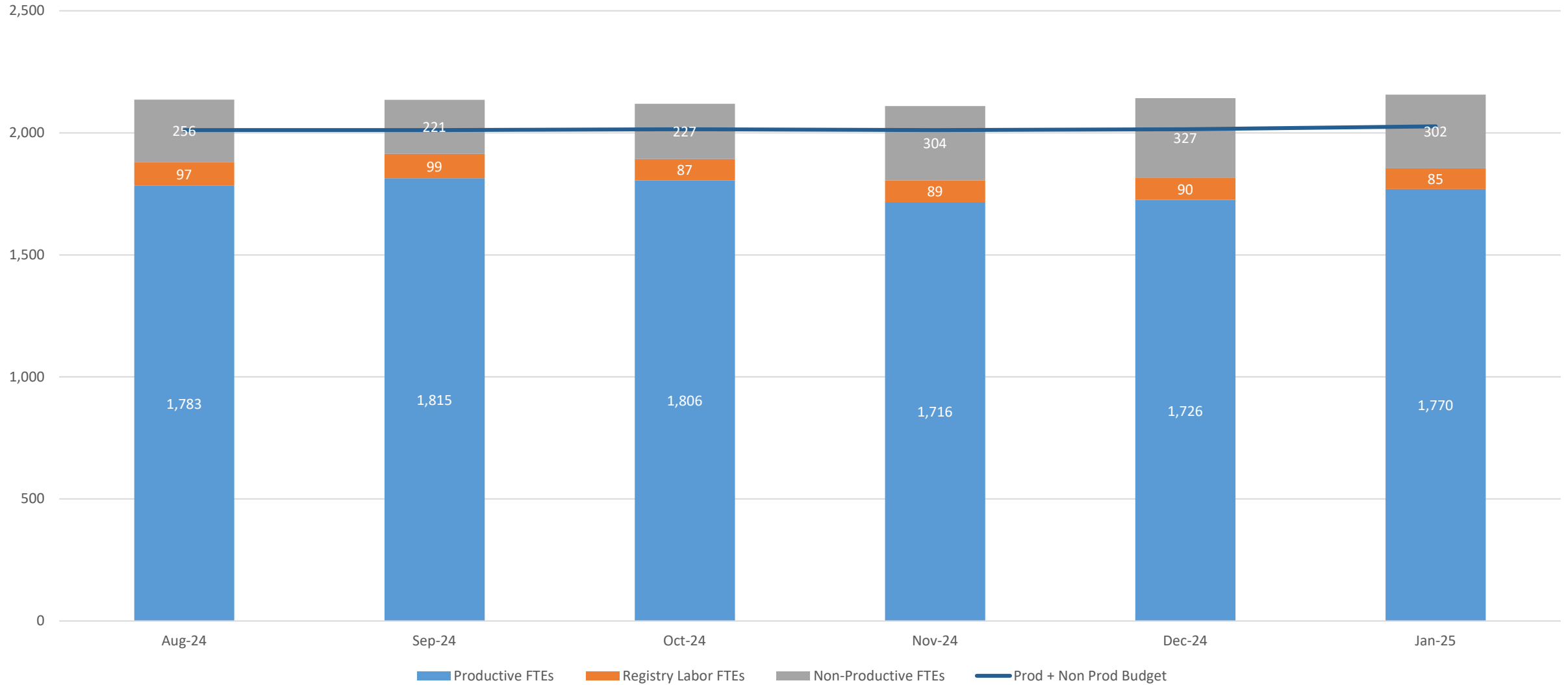
Clinic Visits



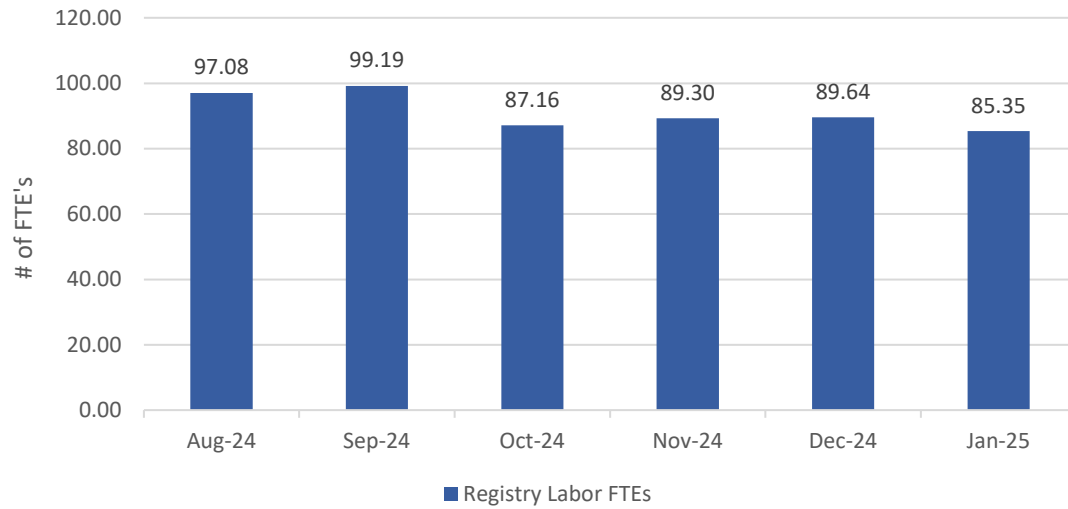
Labor Metrics



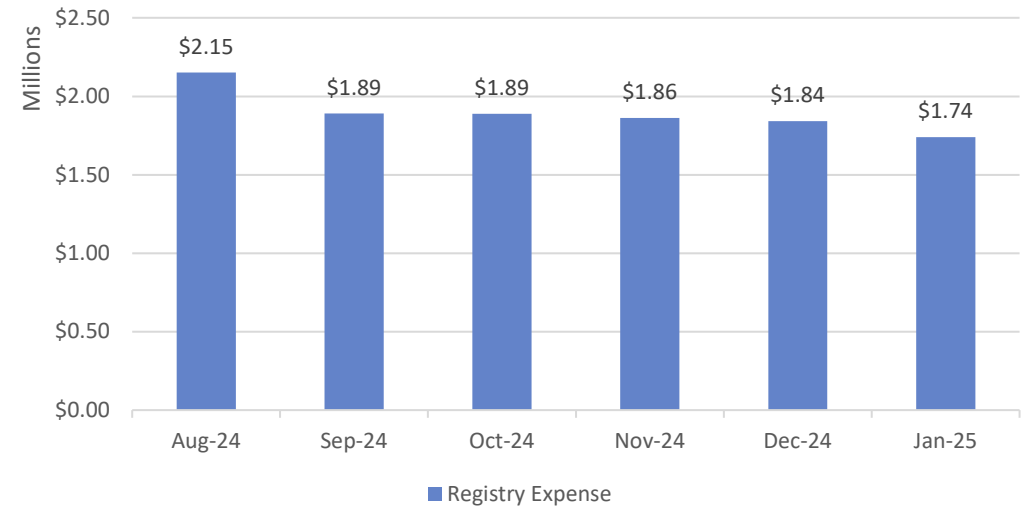
Productivity



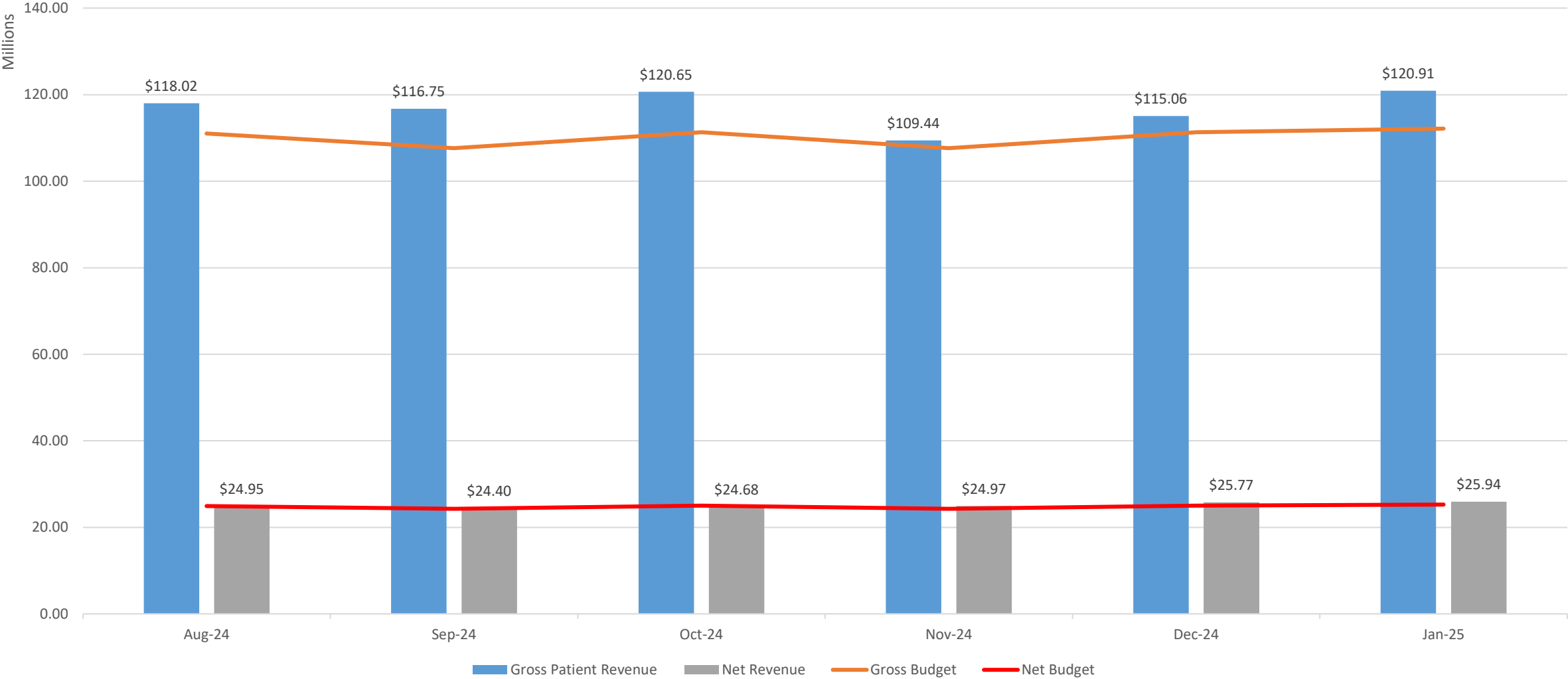
Registry FTE's



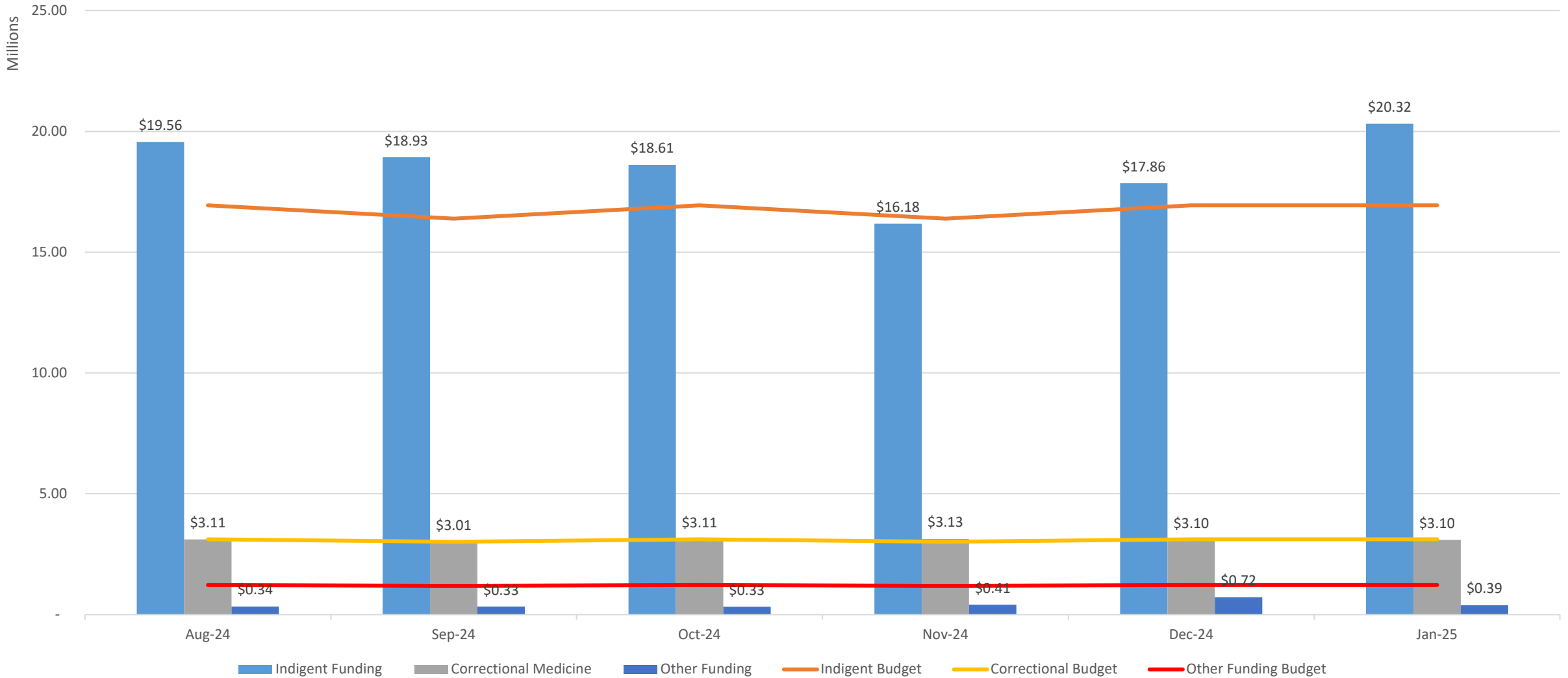
Registry Expense



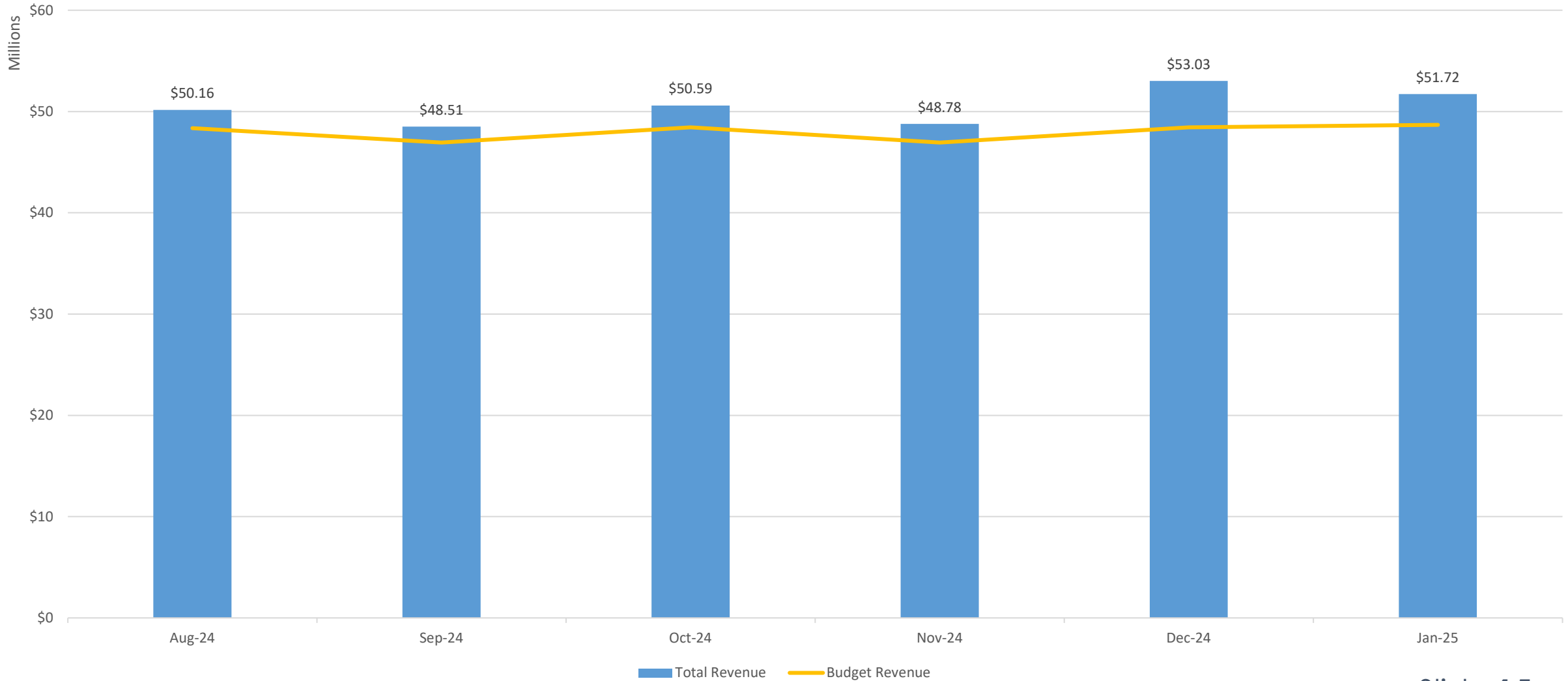
Patient Revenue



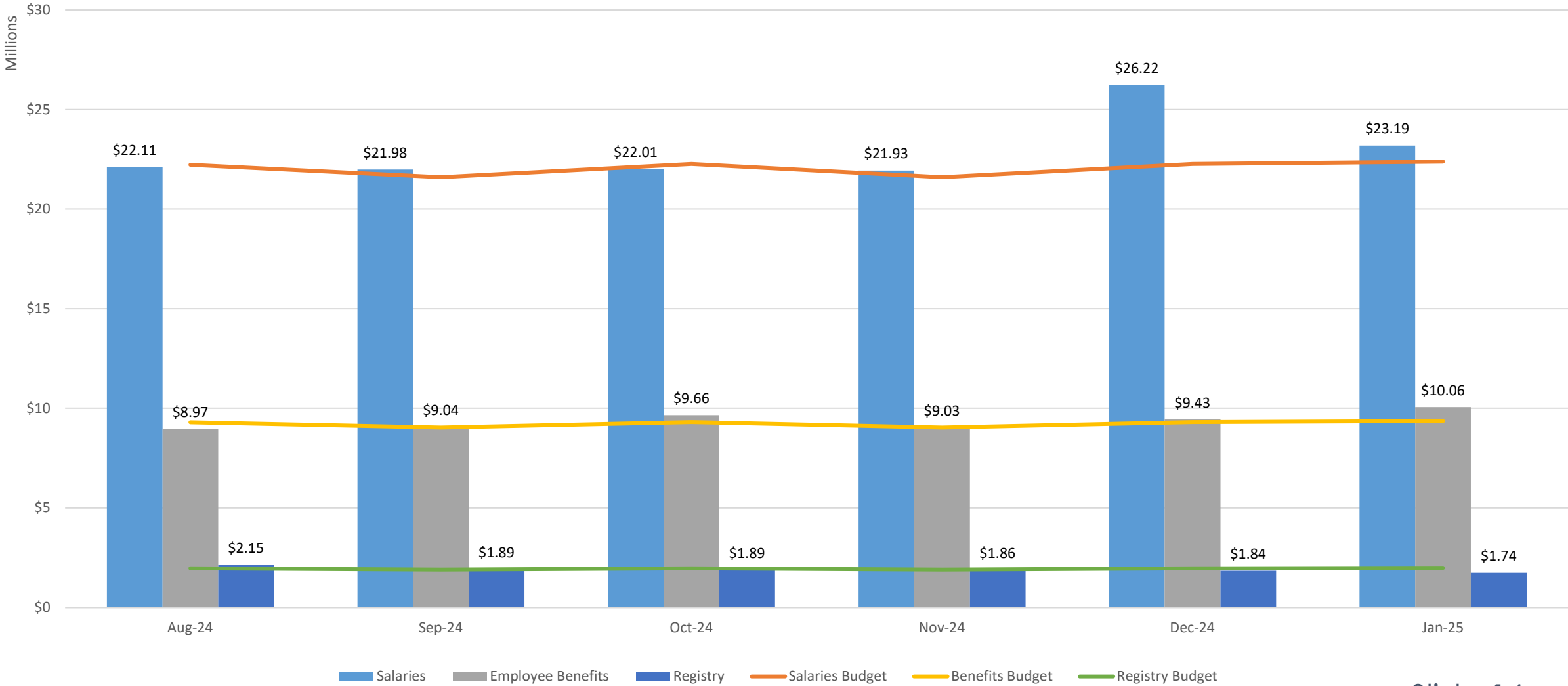
Indigent & Correctional Revenue



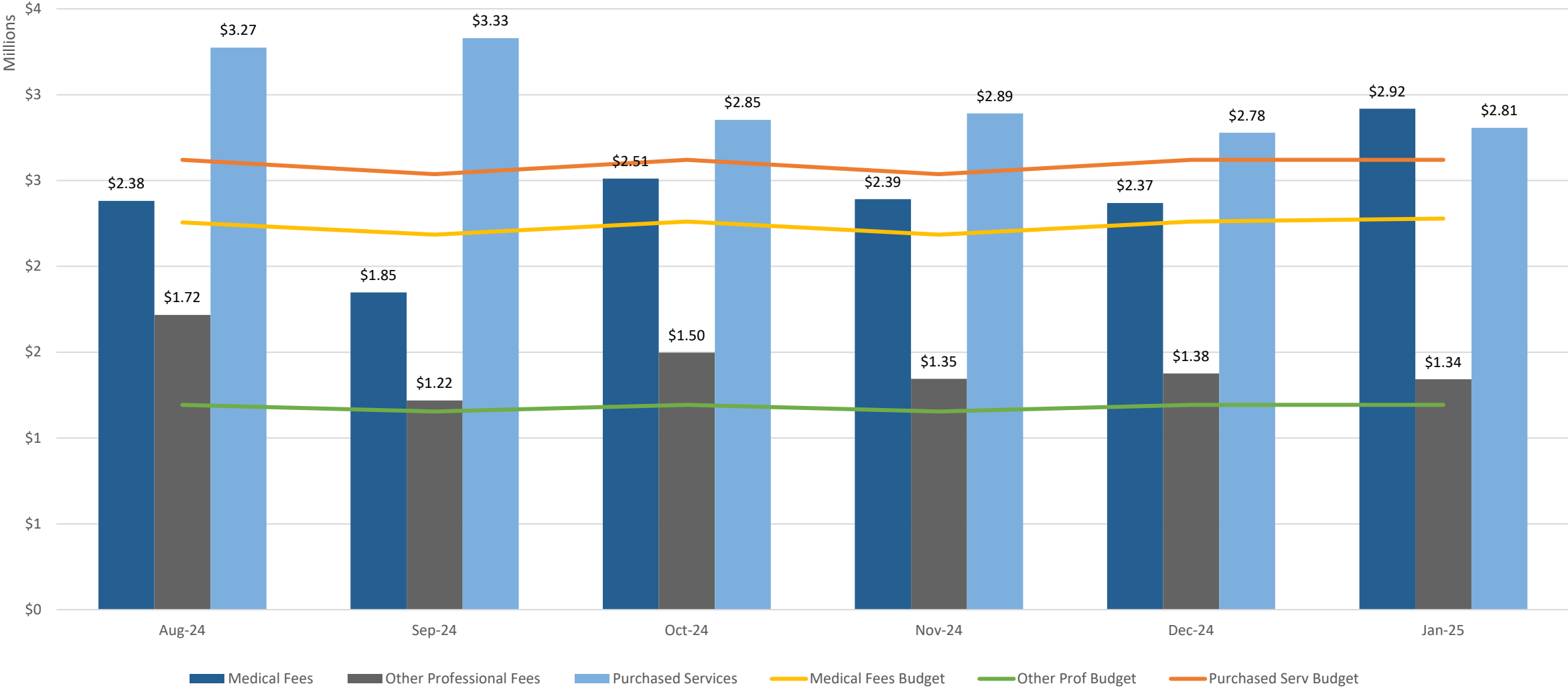
Total Revenue



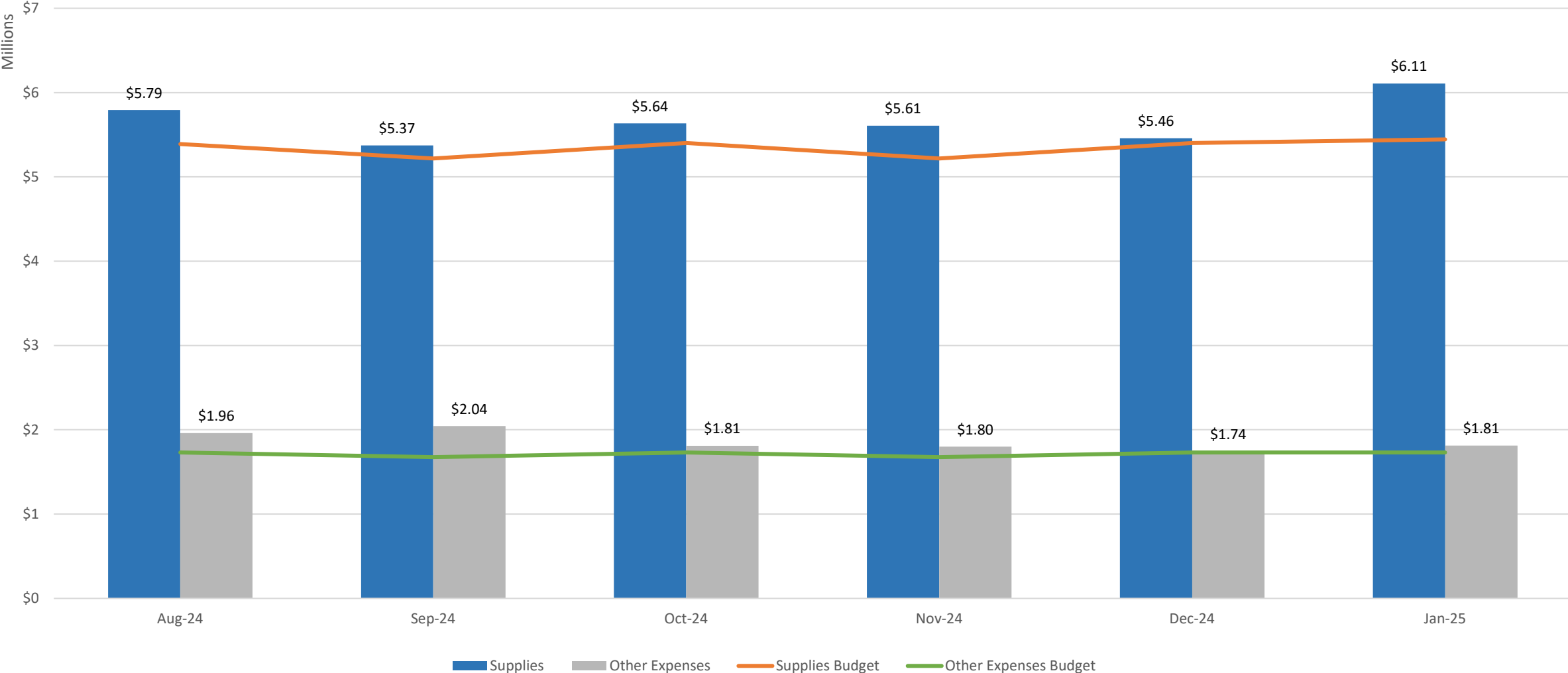
Expenses



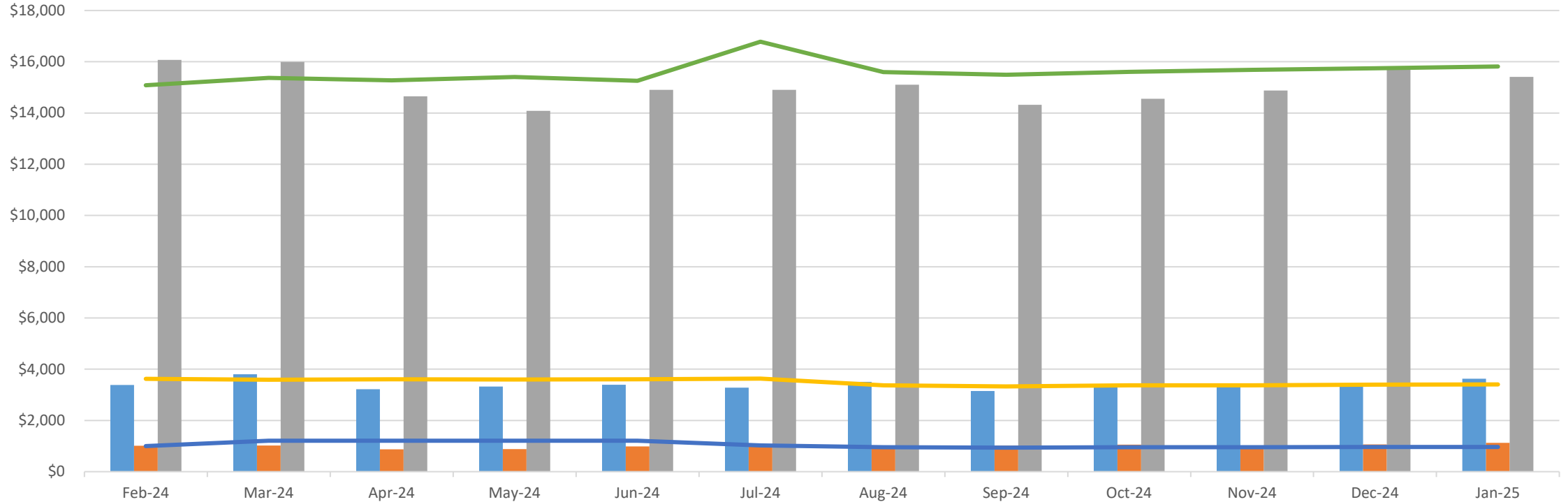
Expenses



Expenses

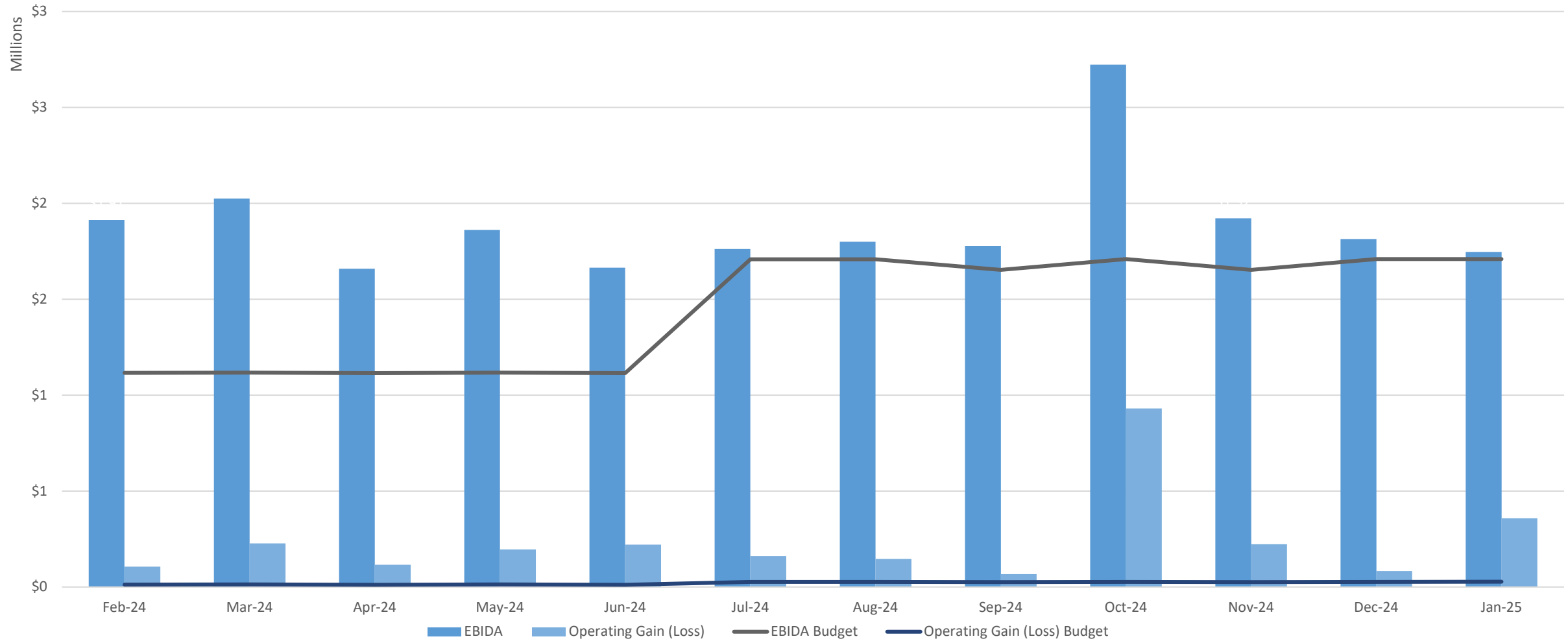


Operating Metrics

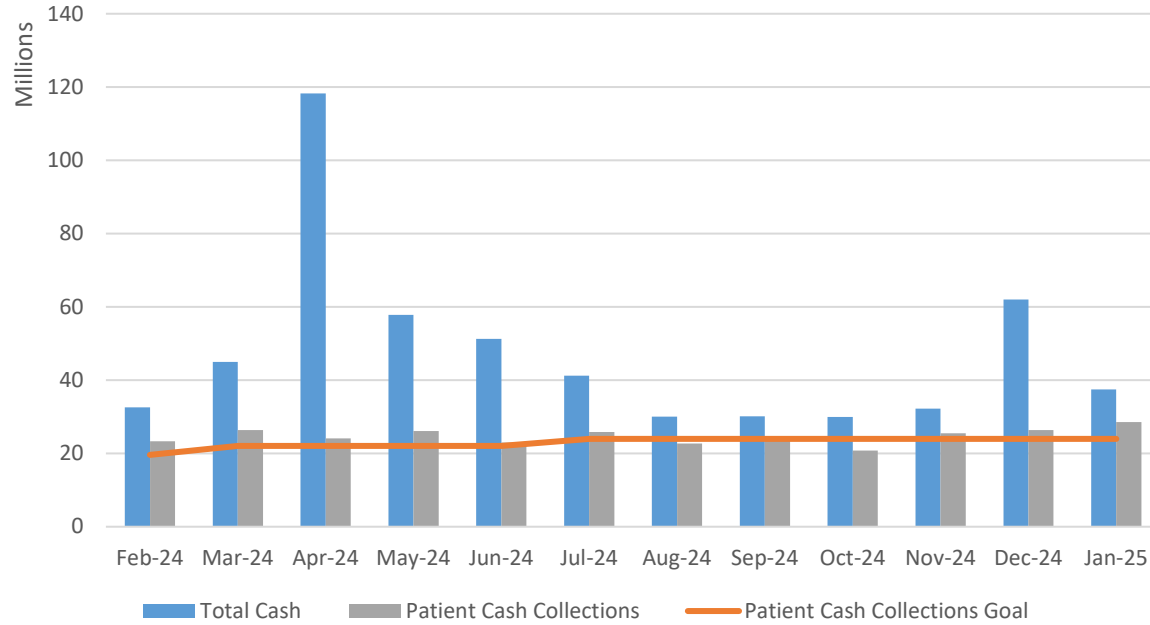


	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Supply Expense per AA	\$3,383	\$3,803	\$3,223	\$3,327	\$3,394	\$3,284	\$3,506	\$3,152	\$3,323	\$3,342	\$3,339	\$3,629
Pharm Cost per AA	\$1,011	\$1,023	\$877	\$885	\$986	\$1,006	\$982	\$1,023	\$1,057	\$980	\$1,070	\$1,125
Net Revenue Per AA	\$16,073	\$15,992	\$14,649	\$14,086	\$14,898	\$14,906	\$15,102	\$14,315	\$14,556	\$14,878	\$15,768	\$15,411
Budget Supp/AA	\$3,621	\$3,590	\$3,610	\$3,596	\$3,608	\$3,630	\$3,369	\$3,331	\$3,369	\$3,371	\$3,401	\$3,407
Budget Pharm/AA	\$999	\$1,210	\$1,210	\$1,211	\$1,210	\$1,027	\$953	\$942	\$953	\$953	\$962	\$964
Budget Net Rev/AA	\$15,077	\$15,368	\$15,272	\$15,407	\$15,252	\$16,780	\$15,593	\$15,495	\$15,601	\$15,681	\$15,748	\$15,811

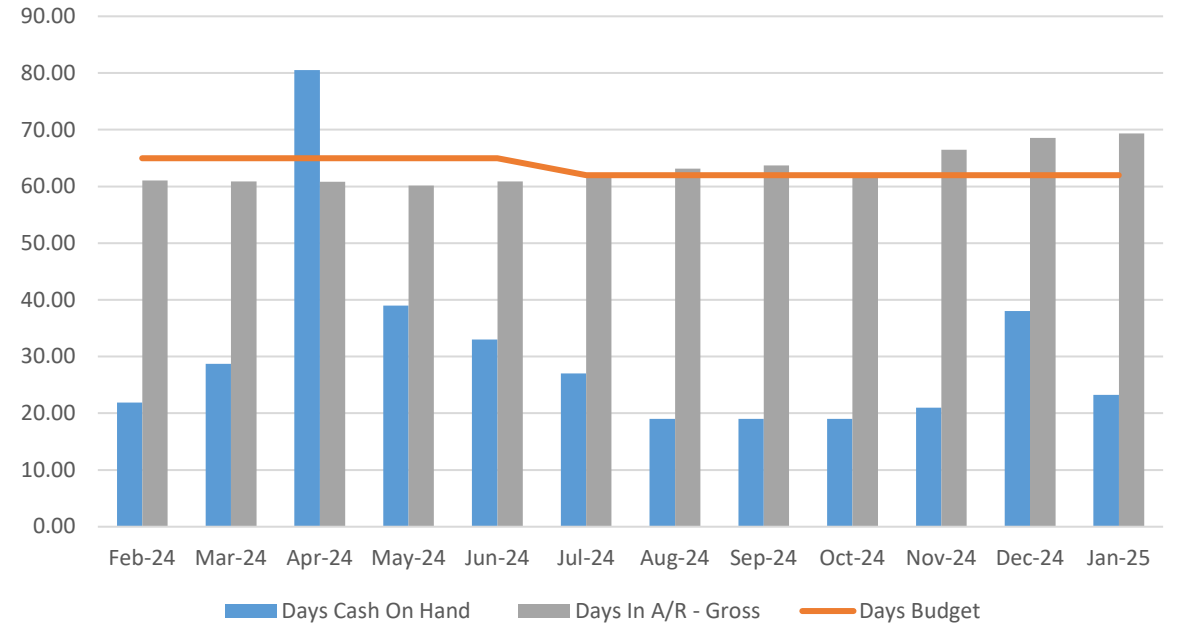
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
January 31, 2025

	NOVEMBER	DECEMBER	JANUARY	BUDGET JANUARY	VARIANCE POS (NEG)	PY JANUARY
Gross Patient Revenue	\$ 109,440,063	\$ 115,064,775	\$ 120,905,961	\$ 112,146,171	8%	\$ 110,832,224
Contractual Deductions	(84,472,508)	(89,294,475)	(94,969,841)	(86,876,935)	9%	(86,425,190)
Net Revenue	24,967,555	25,770,300	25,936,120	25,269,236	3%	24,407,033
Indigent Funding	16,180,634	17,855,210	20,318,527	16,935,500	20%	12,331,016
Correctional Medicine	3,130,417	3,097,714	3,097,714	3,114,656	(1%)	2,847,714
County Contribution	285,211	574,550	285,210	290,681	(2%)	285,211
Incentive Funding	122,868	142,625	101,384	934,247	(89%)	0
Net Patient Revenue	44,686,684	47,440,398	49,738,954	46,544,320	7%	39,870,973
Other Operating Revenue	4,076,974	5,574,663	1,973,575	2,133,502	(7%)	1,847,302
Other Non-Operating Revenue	11,636	13,608	10,830	18,997	(43%)	11,005
Total Revenue	48,775,294	53,028,669	51,723,359	48,696,819	6%	41,729,280
Expenses						
Salaries	21,925,800	26,217,896	23,186,713	22,381,595	4%	20,805,089
Employee Benefits	9,028,772	9,434,091	10,060,738	9,358,221	8%	(1,499,376)
Registry	1,862,751	1,842,771	1,740,893	1,980,712	(12%)	2,795,394
Medical Fees	2,390,988	2,368,950	2,918,625	2,278,805	28%	2,398,660
Other Professional Fees	1,345,411	1,376,560	1,342,129	1,192,702	13%	1,109,150
Supplies	5,607,705	5,457,749	6,107,943	5,444,651	12%	4,853,105
Purchased Services	2,891,077	2,778,587	2,806,856	2,621,054	7%	3,024,432
Other Expenses	1,800,582	1,738,131	1,812,912	1,730,380	5%	2,457,279
Operating Expenses	46,853,086	51,214,735	49,976,809	46,988,120	6%	35,943,732
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,922,208	\$ 1,813,934	\$ 1,746,550	\$ 1,708,699	2%	\$ 5,785,548
EBIDA Margin	4%	3%	3%	4%	(4%)	14%
Interest	387,618	389,440	348,169	259,646	34%	216,746
Depreciation	720,181	753,057	454,840	738,089	(38%)	673,318
Amortization	591,194	588,661	585,896	684,113	(14%)	279,467
Total Expenses	48,552,079	52,945,892	51,365,715	48,669,969	6%	37,113,264
Operating Gain (Loss)	\$ 223,215	\$ 82,777	\$ 357,644	\$ 26,850	1,232%	\$ 4,616,016
Operating Margin	0.46%	0.16%	0.69%	0.06%	1,154.1%	11.1%

KERN MEDICAL
Year to Date Analysis: Revenues & Expenses
 January 31, 2025

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 814,514,738	\$ 771,633,820	6%	\$ 735,455,218	11%
Contractual Deductions	(639,185,747)	(598,043,703)	7%	(564,912,193)	13%
Net Revenue	175,328,991	173,590,117	1%	170,543,025	
Indigent Funding	130,073,513	117,455,887	11%	106,205,815	22%
Correctional Medicine	21,683,996	21,601,647	0%	19,933,996	9%
County Contribution	2,285,814	2,016,011	13%	1,996,476	14.49%
Incentive Funding	569,208	6,479,452	(91%)	0	0.0%
Net Patient Revenue	329,941,521	321,143,115	3%	298,679,311	10%
Other Operating Revenue	21,260,400	14,796,871	44%	12,563,369	69%
Other Non-Operating Revenue	86,782	131,753	(34%)	146,045	(41%)
Total Revenue	351,288,704	336,071,739	5%	311,388,726	13%
Expenses					
Salaries	158,263,044	154,466,291	2.5%	139,324,913	14%
Employee Benefits	65,788,130	64,573,919	1.9%	47,812,947	38%
Registry	13,676,591	13,618,151	0%	17,493,092	(22%)
Medical Fees	16,929,057	15,673,801	8%	15,237,867	11%
Other Professional Fees	9,877,203	8,271,964	19%	10,840,231	(9%)
Supplies	39,373,494	37,439,200	5%	34,633,275	14%
Purchased Services	20,488,532	18,178,277	13%	18,720,343	9%
Other Expenses	13,075,381	12,001,020	9%	12,179,526	7%
Operating Expenses	337,471,433	324,222,624	4%	296,242,194	14%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 13,817,271	\$ 11,849,115	17%	\$ 15,146,532	(9%)
EBIDA Margin	4%	4%	12%	5%	(19%)
Interest	2,527,518	1,800,772	40%	1,582,572	60%
Depreciation	4,738,582	5,119,007	(7%)	4,921,974	(4%)
Amortization	4,310,064	4,744,656	(9%)	3,623,861	19%
Total Expenses	349,047,597	335,887,059	4%	306,370,600	14%
Operating Gain (Loss)	\$ 2,241,107	\$ 184,680	1,114%	\$ 5,018,126	(55%)
Operating Margin	0.6%	0.1%	1,060.9%	1.6%	(60%)

**KERN MEDICAL
BALANCE SHEET**

	JANUARY 2025	JANUARY 2024
ASSETS:		
<i>Total Cash</i>	\$ 37,476,849	\$ 40,109,481
Patient Receivables Subtotal	274,895,266	249,168,343
Contractual Subtotal	(234,622,092)	(192,905,696)
<i>Net Patient Receivable</i>	40,273,174	56,262,647
Total Indigent Receivable	262,275,327	252,788,691
Total Other Receivable	16,227,302	12,496,842
Total Prepaid Expenses	5,994,568	6,871,247
Total Inventory	4,839,038	5,637,454
<i>Total Current Assets</i>	367,086,259	374,166,361
Deferred Outflows of Resources	124,532,718	112,536,013
Total Land, Equipment, Buildings and Intangibles	270,273,007	266,604,016
Total Construction in Progress	12,281,117	7,061,338
<i>Total Property, Plant & Equipment</i>	282,554,124	273,665,354
Total Accumulated Depr & Amortization	(177,037,008)	(163,004,306)
<i>Net Property, Plant, and Equipment</i>	105,517,116	110,661,047
<i>Total Long Term Assets</i>	124,532,718	112,536,013
<i>Total Assets</i>	\$ 597,136,092	\$ 597,363,421

**KERN MEDICAL
BALANCE SHEET**

	JANUARY 2025	JANUARY 2024
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 6,565,791	\$ 13,410,915
Total Accrued Compensation	33,634,115	31,949,423
Total Due Government Agencies	5,312,016	3,217,093
Total Other Accrued Liabilities	51,059,521	54,100,892
<i>Total Current Liabilities</i>	96,571,443	102,678,323
Unfunded Pension Liability	344,447,058	345,399,109
Other Long-Term Liabilities	81,330,526	82,199,660
<i>Total Long-Term Liabilities</i>	425,777,584	427,598,769
<i>Total Liabilities</i>	522,349,027	530,277,092
<i>Total Net Position</i>	74,787,066	67,086,329
<i>Total Liabilities and Net Position</i>	\$ 597,136,092	\$ 597,363,421

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date January 2025	Fiscal Year-End June 2024	Fiscal Year-to-Date January 2024	Fiscal Year-End June 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 183,931,847	\$ 292,533,084	\$ 168,193,423	\$ 264,388,064
Cash received for other operations	127,243,556	233,602,712	81,856,218	236,708,950
Cash paid for salaries and benefits	(216,400,372)	(339,411,493)	(186,437,204)	(202,912,375)
Cash paid for services and supplies	(110,705,485)	(186,981,598)	(100,794,132)	(292,069,170)
Net cash (used in) provided by operating activities	<u>(15,930,454)</u>	<u>(257,296)</u>	<u>(37,181,695)</u>	<u>6,115,469</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	-	-	2,070,094
Interest paid - pension obligation bond	-	420,331	-	(365,334)
Principal paid - pension obligation bond	-	(1,062,281)	-	(2,938,587)
Interest paid - line of credit	-	-	-	(262,368)
Line of credit payment	10,000,000	-	20,000,000	-
Net cash provided by (used in) noncapital financing activities	<u>10,000,000</u>	<u>(641,950)</u>	<u>20,000,000</u>	<u>(1,496,195)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(4,720,746)	(18,896,864)	(14,703,353)	(12,141,601)
Payments on right-of-usage lease liability	(1,727,182)	3,896,089	5,122,158	(3,034,901)
Interest paid - right-of-usage lease liability	(5,015)	31,211	34,924	-
Payments on SBITA liability	(441,760)	(752,150)	(125,358)	(782,410)
Interest paid - SBITA	(352)	2,013	2,524	-
Net cash used by capital and related financing activities	<u>(6,895,055)</u>	<u>(15,719,700)</u>	<u>(9,669,107)</u>	<u>(15,958,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	-	-	181,109
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(12,825,509)</u>	<u>(16,618,946)</u>	<u>(26,850,801)</u>	<u>(11,158,529)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>50,302,358</u>	<u>66,921,303</u>	<u>66,960,282</u>	<u>78,079,832</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 37,476,849</u>	<u>\$ 50,302,358</u>	<u>\$ 40,109,481</u>	<u>\$ 66,921,303</u>



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

March 19 2025

Subject: Kern County Hospital Authority Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

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



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

March 19, 2025

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

Recommended Action: Receive and File

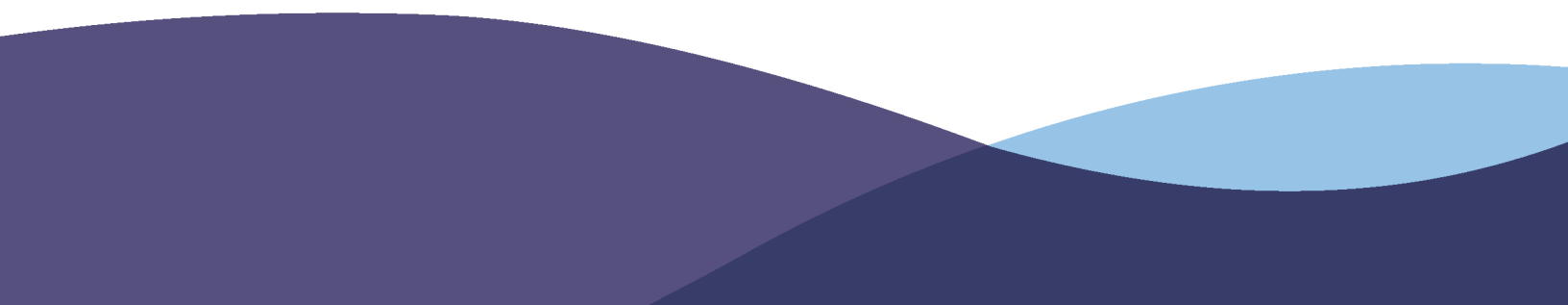
Summary:

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

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



What's Happening?



NEW PODCAST EPISODE

Search "Kern Medical - Health for Life"

EPISODE TWO - Valley Fever w/ Dr. Johnson



Available now on major streaming platforms

To Listen, Scan the QR Codes:



Apple

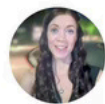


Spotify

Valentine Grams



The Kern Medical Foundation offered 'Valentine Grams' to staff for Valentine's Day this year. All Kern Medical employees were invited to purchase a rose with a customized note and have it send to a coworker. Overall, 550 Valentine Grams were sold and delivered to Kern Medical employees.



Jenny W. · 2nd
Philanthropist | Leader | Registered Nurse | Professor
20h · 🌐

Kern Medical Center Foundation had the greatest idea this Valentine's Day. All employees could purchase one rose and a telegram to be delivered to their coworker. We got to select from several standard team centered messages. It was only \$25 to send 12 roses/telegrams. There was so much love and appreciation shown amongst all disciplines today at work. When I tell people the workplace culture at Kern Medical is different...special...it is so true!

  Cindy Rasmussen and 7 others



 Like

 Comment

 Repost

 Send

Patient Safety Awareness Week

9-15 MARCH

PSAW

Together, we are
MOVING THE NEEDLE

PSAW 2025
MOVING THE NEEDLE FOR SAFER CARE

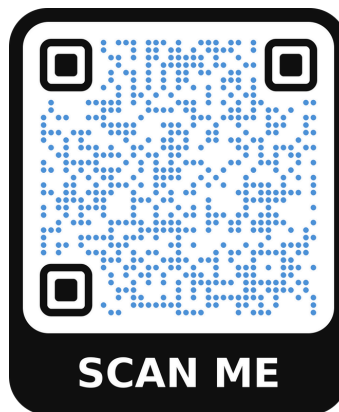
PATIENT SAFETY AWARENESS WEEK (PSAW)

Center for Patient Safety
centerforpatientsafety.org

TURNING AWARENESS INTO ACTION FOR SAFER PATIENTS AND CARE TEAMS

Join us in celebrating Patient Safety Awareness Week (PSAW) with the theme 'Moving the Needle' – turning awareness into action for safer patients and care teams.

Scan to watch: CEO Scott Thygerson discusses the importance of Patient Safety Awareness Week.



Spartan Race



SPARTAN STADIUM RACE ROUND TWO!

SATURDAY, APRIL 5TH
9:30 AM AT DODGER STADIUM

COST:
MINIMUM \$50 DONATION TO THE KERN MEDICAL FOUNDATION.
SCAN THE QR CODE OR VISIT
KERNMEDICALFOUNDATION.COM
(DOES NOT INCLUDE THE MANDATORY REGISTRATION FEE)

WHEN MAKING YOUR DONATION, SELECT THE 'SPARTAN RACE' BOX.
YOUR RACE CODE WILL BE EMAILED TO YOU WITHIN A FEW DAYS!



 KernMedical
Foundation

National Recognitions - February

- Age-Related Macular Degeneration / Low Vision Awareness Month
- American Heart Month
- Cancer Prevention Month
- Cholangiocarcinoma Awareness Month
- Gallbladder and Bile Duct Cancer Awareness Month
- Kids ENT Health Month
- Marfan Syndrome Awareness Month
- Prenatal Infection Prevention Month (International)
- Teen Dating Violence Awareness Month
- Turner Syndrome Awareness Month
- Feb. 2-8 – Burn Awareness Week
- Feb. 3-9 – Perianesthesia Nurse Awareness Week
- Feb. 7-13 – African Heritage and Health Week
- Feb. 7-14 – Congenital Heart Defect Awareness Week
- Feb. 9-15 – Cardiovascular Professionals Week, Cardiac Rehabilitation Week (National), Heart Failure Awareness Week
- Feb. 10-14 – Phlebotomists Recognition Week
- Feb. 24-March 2 – Eating Disorder Awareness Week (National)

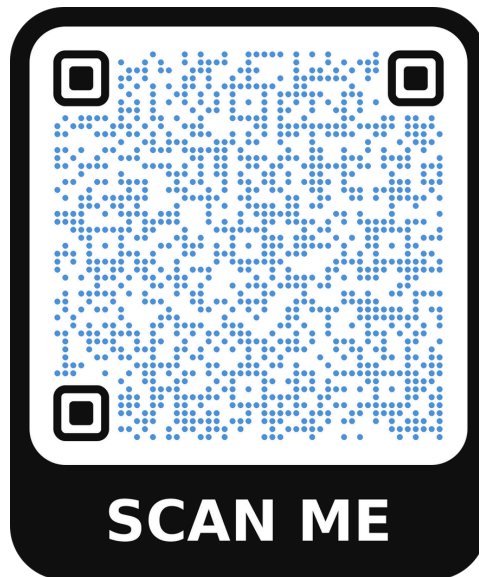
National Recognitions - March

- Multiple Sclerosis Awareness Month
- National Bleeding Disorders Awareness Month
- National Kidney Month
- National Traumatic Brain Injury Awareness Month
- World Kidney Day (March 11)
- Purple Day for epilepsy awareness (March 26)
- National Doctors Day

Did You Know - Human Trafficking Task Force

Kern Medical has established a Human Trafficking Taskforce to develop a comprehensive approach to combating this crisis in Kern County.

Learn more about the task force by watching this video:



**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

**PHILLIP PETERS
CHRIS PARLIER
JEFF FLORES
DAVID COUCH
LETICIA PEREZ**

District 1
District 2
District 3
District 4
District 5



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

February 11, 2025

Kern County Hospital Authority
Attention: Mona Allen
Mona.allen@kernmedical.com

Re: Amended Conflict of Interest Code for Kern County Hospital Authority

As the code reviewing body for Kern County agencies, special districts and County departments, and pursuant to Government Code Section 87303, the Board of Supervisors took action on February 11, 2025, and approved the Amended Conflict of Interest Code for Kern County Hospital Authority.

A copy of the approved code is attached for your information along with the Tracking Page. If you have any questions, or if we can be of further assistance, please let us know.

Sincerely,

KATHLEEN KRAUSE
Clerk of the Board of Supervisors



By: Susan Rodriguez
Deputy Clerk

Enclosure
KK/sr

**BOARD OF SUPERVISORS
COUNTY OF KERN**

TRACKING PAGE

9:00 A.M.

TUESDAY - February 11, 2025

CLERK OF THE BOARD

CA-19) Amended Conflict of Interest Code for Kern County Hospital Authority (Fiscal Impact: None) - APPROVED

Couch-Peters: All Ayes



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

January 15, 2025

SUBJECT: Proposed Conflict of Interest Code for Kern County Hospital Authority

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

Summary:

The enabling county ordinance at section 2.170.102 requires the Hospital Authority and its officers and directors to conduct activities in a manner this is in conformity with the laws of the state of California as they pertain to conflicts of interest, including, but not limited to the Political Reform Act (Gov. Code, § 81000 et seq.), financial interests involving contracts (Gov. Code, § 1090), common law conflicts of interest,¹ and incompatible activities.²


The purposes of this policy are: (1) to preserve the integrity of the decision-making process of the Hospital Authority, (2) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (3) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (4) to prevent violations of state conflict of interest laws.

The attached conflict of interest code has been revised to include the Chairman and Members of the Community Health Center Board of Directors and the Executive Director of the Community Health Center to reflect the current list of designated covered individuals. The proposed changes have been reviewed and approved as to legal form by Counsel.

Therefore, it is recommended that your Board approve the conflict of interest policy for the Kern County Hospital Authority and refer to the Kern County Board of Supervisors for approval.

¹ Each member of the Hospital Authority Board of Governors and officers shall discharge his or her duties with integrity and fidelity and may not let private interests influence public decisions.

² In accordance with Section 101855(o) of the Health and Safety Code, a member of the Hospital Authority's administrative staff shall not be considered to hold an incompatible office or to be engaged in activities inconsistent and incompatible with his or her duties as a result of his or her employment or affiliation with the County of Kern or an agency of the County.

	Department: Administration			
	Policy No. ADM-LD-700	Effective Date: January 2025	Review Date: August 2026	Page 1 of 6 (with addendum)
Title: Conflict of Interest				

POLICY STATEMENT:

It is the policy of Kern County Hospital Authority (“Hospital Authority”) to provide for a process for the disclosure and management of conflicts of interest which may exist for persons with positions of trust and responsibility in the governance and management of the Hospital Authority, and to assure that state law provisions¹ relating to such conflicts are followed. In order to safeguard independent judgment and action in business decisions, each person entrusted with a key position of responsibility in the Hospital Authority has a duty to disclose actual or potential conflicts of interest, to avoid acting out of any actual or apparent conflict of interest which may arise from personal financial interests in entities which may conflict with the Hospital Authority’s best interests. The purposes of this policy are: (i) to preserve the integrity of the decision-making process of the Hospital Authority, (ii) to prevent intentional or inadvertent participation in the decision-making process by persons having an actual or apparent conflict of interest, (iii) to promote compliance with the process by which conflicts of interest are disclosed and managed in accordance with state laws, and (iv) to prevent violations of state conflict of interest laws.

DEFINITIONS:

- A. “Covered Individual” means those individuals identified in the attached Appendix A.
- B. “Financial interest” means for purposes of this policy a Covered Individual has a “financial interest” in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the employee or an immediate family member or on: (1) any business entity in which the Covered Individual has a direct or indirect investment worth \$2,000 or more; (2) any real property in which the Covered Individual has a direct or indirect interest worth \$2,000 or more; (3) any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$630² or more in value provided to, received by or promised to the Covered Individual within 12 months prior to the time when the decision is made; (4) any business or entity in which the Covered Individual is a director, officer, partner, trustee, employee, or holds any position of management; and (5) any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$590 or more in value provided to, received by or promised to the Covered Individual within 12 months prior to the time when the decision is made.
- C. “Immediate family member” means the Covered Individual’s spouse; natural or adoptive parent, child or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, brother-in-law or sister-in-law; grandparent or grandchild; or spouse of a grandparent or grandchild.

¹ Government Code section 1090; Government Code section 81000 et seq.

² California Fair Political Practices Commission gift limit effective January 1, 2025 - December 31, 2026.

- D. "Indirect investment or interest" means any investment or interest owned by the spouse or dependent child of the Covered Individual, by an agent on behalf of the Covered Individual, or by a business entity or trust in which the Covered Individual, or Covered Individual's agent, spouse, and dependent children own directly, indirectly, or beneficially a 10% interest or greater.

1.0 ACTS CONSTITUTING CONFLICT OF INTEREST

- A. No Covered Individual shall engage in any employment, activity or enterprise that results in any of the following:
1. Using the prestige or influence of a Hospital Authority office or employment for private gain or advantage, or the private gain or advantage of another;
 2. Using Hospital Authority time, facilities, equipment or supplies for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
 3. Using confidential information acquired by virtue of Hospital Authority office or employment for the Covered Individual's private gain or advantage, or the private gain or advantage of another;
 4. Receiving or accepting money or any other consideration from anyone other than the Hospital Authority for the performance of an act which the Covered Individual would be required or expected to render in the regular course or hours of office or employment or as part of duties as a Covered Individual;
 5. Performance of an act in other than the Covered Individual's capacity knowing that such act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by the Covered Individual or by the Hospital Authority;
 6. Make, participate in making or in any way attempt to use the Covered Individual's position to influence a governmental decision (other than a decision affecting an employee's wages, hours, or working conditions) in which the Covered Individual knows or has reason to know that the Covered Individual has a financial interest; or
 7. Non-Hospital Authority employment or self-employment outside of regular working hours which involves such time demands or services of such a character as to impair effectiveness of Hospital Authority employment.
- B. Any violation of the provisions contained in the aforementioned section shall constitute sufficient grounds for disciplinary action up to and including termination of employment.

2.0 EXEMPTION FOR CERTAIN PHYSICIAN SERVICES

Those physicians rendering professional services to Kern Medical Center or other Hospital Authority businesses under contract authorizing billing for services to non-indigent patients shall not be deemed to be in violation of the provisions of Section 1.0 of this policy in billing for such services so rendered.

3.0 POST-EMPLOYMENT RESTRICTIONS REGARDING REPRESENTATION, APPEARANCE OR COMMUNICATION

- A. Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to the Hospital Authority or a present member of the Board of Governors or any officer or employee of the Hospital Authority if the appearance or communication is made for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

- B. Subsection A shall not apply to any individual who is, at the time of the appearance or communication, a board member, officer, or employee of a local government agency or an employee or representative of any other public agency and is appearing or communicating on behalf of that agency.
- C. The following definitions shall apply for purposes of Sections 3.0 and 4.0 only:
 - 1. "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment, or defeat by the Hospital Authority of any matter, including any rule, regulation, or other action in any regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include any action that is solely ministerial.
 - 2. "Legislative action" means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the Board of Governors or by any committee or subcommittee thereof, or by a member of the Board of Governors acting in his or her official capacity.
 - 3. "Person" shall mean an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.
- D. This Section and Section 4.0 are adopted in accordance with Government Code section 87406.3(c).

4.0 POST-EMPLOYMENT RESTRICTIONS REGARDING AID, ADVICE OR COUNSEL

Employees classified as management, mid-management or confidential, shall not, for a period of one year after leaving that office or employment, for compensation, aid, advise, counsel, consult or assist any other person regarding an appearance or communication which the official or employee would be prohibited from making under Section 3.0.

5.0 CONFLICT OF INTEREST CODE

- A. The Political Reform Act requires state and local government agencies, which includes the Hospital Authority to adopt and promulgate conflict of interest codes. (Gov. Code, § 81000 et seq.) The Fair Political Practices Commission has adopted a regulation, which contains the terms of a standard conflict of interest code. (Cal. Code Regs., tit. 2, § 18730.) Incorporation by reference of the terms of the regulation along with the designation of employees and the formulation of disclosure categories set forth in the attached Appendix A constitute the adoption and promulgation of the conflict of interest code of the Hospital Authority. The requirements of this conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.
- B. Designated Covered Individuals identified in the attached Appendix A shall file statements of economic interests with the Hospital Authority, who will make the statements available for public inspection and reproduction. (Gov. Code, § 81008.) Upon receipt of the statements of the Chairman and Members of the Board of Governors of the Hospital Authority, the Hospital Authority shall make and retain a copy and forward the original of these statements to the Board of Supervisors of the County of Kern. Statements for all other designated Covered Individuals shall be retained by the Hospital Authority.

C. Government Code Section 87306.5 requires local agencies, which includes the Hospital Authority to submit to their code reviewing body, which, in the case of the Hospital Authority is the Kern County Board of Supervisors, a biennial report identifying changes in its conflict of interest code, or a statement that their code is not in need of amendment. An amendment is required to: (1) include new positions (including consultants) that must be designated; (2) revise the titles of existing positions; (3) deleted titles of positions that have been abolished; (4) deleted positions that manage public investments from the list of designated positions; (5) revise disclosure categories; and (6) other. No amendment is required if the Hospital Authority's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property and sources of income that may foreseeably be affected materially by the decisions made by those designated positions; and the code includes all other provisions required by Government Code Section 87302. Such report shall be submitted no later than October 1 of each even-numbered year (Gov. Code, § 87306.5(a).) When completed, the report must be mailed to the Clerk of the Board of Supervisors.

KEY WORDS: conflict of interest

OWNERSHIP (Committee/Department/Team)		Administration
ORIGINAL		
REVIEWED NO REVISIONS		Jun 2020
REVISED	Jan. 2025 Aug 2024, Sept 2022 Dec. 2019 Oct 2018, Oct 2016	
APPROVED BY COMMITTEE		Kern County Board of Supervisors
DISTRIBUTION		Administrative Manual
REQUIRES REVIEW		Aug 2026
Administrative Signature of Approval		Signature of Approval
January 2025 Date		January 2025 Date

APPENDIX A

CONFLICT OF INTEREST CODE KERN COUNTY HOSPITAL AUTHORITY DESIGNATED COVERED INDIVIDUALS

Accountant (all)
Associate Director of Medical Education
Authority Board Coordinator
Chairman and Members of the Board of Governors (appointed by Board of Supervisors)
Chairman and Members of the Community Health Center Board of Directors
Chief Ambulatory and Outreach Officer
Chief Executive Officer
Chief Financial Officer
Chief Information Officer
Chief Medical Officer
Chief Nursing Officer
Chief Operating Officer
Chief Transformation Officer (new position)
Clinical Directors (all)
Consultants *
Contracts Compliance Specialist
Credit Card Holders (all)
Decision Support Consultant
Director, Care Coordination
Director, Communications
Director, Human Resources (formerly Director, Employee and Labor Relations)
Director, Outpatient Integration
Director, Patient Access
Director, Patient Accounting
Director, Performance Improvement
Director, Pharmacy Programs and Education
Director, Pharmacy Services
Director, Physician Recruitment
Director, Population Health
Director, Radiology and Imaging Studies (formerly Manager, Radiology)
Director, Security and Emergency Management
Director, Whole Person Care
EVS Director
Executive Director, Community Health Center
Fiscal Support Supervisor (assigned to General Accounting or Accounts Payable)
Fiscal Support Technician (assigned to Materials Management)
Front End Revenue Cycle Manager – EMR
Front End Revenue Cycle Manager – Inpatient and Emergency Department
Front End Revenue Cycle Manager – Patient Financial Counseling and Outpatient Clinics
Front End Revenue Cycle Manager – Pre-registration and Authorization
Hospital Counsel
Hospital Materials Director
Hospital Materials Manager
Hospital Payroll Manager
Managed Care Consultant (contract service)
Manager of Reimbursement
Materials Management Operations Manager
Medical Staff Department Chairs (all)

Medical Staff Division Chiefs (all)
Medical Staff Officers (elected officers only)
Patient Access Services Supervisor
Physician Enterprise Manager
Physician Enterprise Consultant
Revenue Cycle AR Administration Manager
Revenue Cycle AR Inventory Manager
Revenue Cycle Systems Support Manager
Revenue Integrity Manager
Risk Manager (Non-clinical) (formerly Workers' Compensation and Liability Manager)
Senior Paralegal
Senior Director, Facilities
Senior Director, Finance (formerly Director, Finance)
Senior Director, Health Information Services (formerly Health Information Services Director)
Special Projects Manager
Therapy Services Manager
Vice President & General Counsel
Vice President, Human Resources
Vice President, Strategic Development

*Consultants shall be included in the list of designated Covered Individuals and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in the Kern County Hospital Authority Conflict of Interest Code. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

DISCLOSURE CATEGORY

Designated Covered Individuals shall report all sources of income, interests in real property, and investments and business positions in business entities.

**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 March 19, 2025, 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)) –

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**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 March 15, 2025, 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: Jeffry Huffman, an individual, Plaintiff, v. Kern County Hospital Authority, a California Public Entity; and DOES 1-25, inclusive, Defendants, Kern County Superior Court Case No. BCV-23-103540 –

**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 March 15, 2025, 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: Maria Elena Lopez-Rodriguez, v. Kern County Hospital Authority (an organization form unknown) and DOES 3-100, inclusive, Defendants, Kern County Superior Court Case No. BCV-20-100510 BCB –

**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 March 19, 2025, to consider:

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

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

Government Code Section 54956.9

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 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, et al., 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 –