SUMMARY OF PROCEEDINGS

BOARD OF DIRECTORS

KERN HEALTH SYSTEMS
5701 Truxtun Avenue, Suite 201
Bakersfield, California 93309

Regular Meeting
Thursday, June 11, 2015

8:00 A.M.

BOARD RECONVENED AT 8:00 A.M.

Directors present: Rhoades, Hoffmann, Brar, Casas, Hinojosa, Judd, McGlew, Melendez, Nyitray, Stewart

Directors absent: Patrick, Deats

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

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

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

NO ONE HEARD
BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

VICE CHAIRMAN RHOADES INTRODUCED AND WELCOMED DIRECTOR RAJI BRAR TO THE BOARD

CA-3) Minutes for KHS Board of Directors meeting on May 14, 2015 (Fiscal Impact: None) – APPROVED

Judd-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

4) Proposed approval of safety net provider and non-safety net provider grant agreements for recruitment and retention grant program from July 1, 2015 through June 30, 2016 (Fiscal Impact: $5,499,875; Budgeted) –

NOTE: DIRECTOR JUDD ANNOUNCED THAT, DUE TO HIS CONTRACTUAL RELATIONSHIP WITH THE COUNTY OF KERN AND HIS APPOINTMENT AS CHIEF EXECUTIVE OFFICER OF KERN MEDICAL CENTER, HE WOULD RECUSE HIMSELF FROM THE DISCUSSION AND VOTE ON ITEM A AND LEFT THE DAIS AT 8:10 A.M.

a) Kern Medical Center, in an amount not to exceed $1,800,000 – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL FORM BY COUNSEL

McGlew-Stewart: 9 Ayes; 1 Abstention - Judd; 2 Absent - Patrick, Deats

NOTE: DIRECTOR JUDD RETURNED TO THE DAIS AT 8:11 A.M. AFTER THE DISCUSSION AND VOTE ON ITEM A

NOTE: DIRECTOR STEWART ANNOUNCED THAT, DUE TO HER EMPLOYMENT WITH CLINICA SIERRA VISTA, SHE WOULD RECUSE HERSELF FROM THE DISCUSSION AND VOTE ON ITEM B AND LEFT THE DAIS AT 8:11 A.M.

b) Clínica Sierra Vista, in an amount not to exceed $1,700,000 – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL FORM BY COUNSEL

Casas-McGlew: 9 Ayes; 1 Abstention - Stewart; 2 Absent - Patrick, Deats

NOTE: DIRECTOR STEWART RETURNED TO THE DAIS AT 8:12 A.M. AFTER THE DISCUSSION AND VOTE ON ITEM B
c) Omni Family Health, in an amount not to exceed $1,300,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Hinojosa-Casas: 10 Ayes; 2 Absent - Patrick, Deats

d) Ashok Parmar, M.D., Inc., in an amount not to exceed $107,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Hoffmann-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

e) Bakersfield Pediatrics, in an amount not to exceed $22,500 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Hinojosa-Stewart: 10 Ayes; 2 Absent - Patrick, Deats

f) Delano Pediatric Group, Inc., in an amount not to exceed $131,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Hinojosa-Nyitray: 10 Ayes; 2 Absent - Patrick, Deats

g) PolyClinic Medical Center, Inc., in an amount not to exceed $65,375 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Nyitray-Hoffmann: 10 Ayes; 2 Absent - Patrick, Deats

h) Premier Valley Medical Group, Inc., in an amount not to exceed $115,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Judd-Nyitray: 10 Ayes; 2 Absent - Patrick, Deats

i) Riverwalk Pediatric Clinic, Inc., in an amount not to exceed $109,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Stewart-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

j) Sharma Medical Clinic, Inc., in an amount not to exceed $150,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO DEVELOP
AND SIGN GRANT AGREEMENT SUBJECT TO APPROVAL AS TO FINAL
FORM BY COUNSEL
Nyitray-Judd: 10 Ayes; 2 Absent - Patrick, Deats
5) Report on status of 2012 Kern Health Systems excess reserves distribution to Kern Medical Center (Fiscal Impact: None) – RECEIVED AND FILED Casas-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

6) Proposed Agreement with PaySpan, Inc., for provider payment services from June 11, 2015 through June 10, 2018, in an amount not to exceed $284,677 (Fiscal Impact: $284,677; Budgeted) APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN SUBJECT TO APPROVAL AS TO FINAL FORM BY COUNSEL Hinojosa-McGlew: 9 Ayes; 1 No - Casas; 2 Absent - Patrick, Deats

CA-7) Proposed renewal and binding of insurance coverage for crime, property, general liability, malpractice/professional liability, and workers’ compensation from July 1, 2015 through June 30, 2016 (Fiscal Impact: $343,813 Estimated; Budgeted) – APPROVED Judd-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

CA-8) Report on the status of Kern Health Systems core computer conversion (Fiscal Impact: None) – RECEIVED AND FILED Judd-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

9) Response to May 14, 2015 referral regarding compliance with Department of Managed Health Care requirements for notice of action letters to Kern Health Systems members (Fiscal Impact: None) – AMANDA LASPROGATO, STAFF ATTORNEY, GREATER BAKERSFIELD LEGAL ASSISTANCE, INC., HEARD; RECEIVED AND FILED Casas-Judd: 10 Ayes; 2 Absent - Patrick, Deats

CA-10) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN Judd-McGlew: 10 Ayes; 2 Absent - Patrick, Deats

11) Report on Kern Health Systems and Kern Health Systems Group Health Plan financial statements for April 2015 (Fiscal Impact: None) – RECEIVED AND FILED McGlew-Casas: 10 Ayes; 2 Absent - Patrick, Deats

CA-12) Report on Kern Health Systems Accounts Payable Vendor Report and non-claims paid through MHC system for April 2015 (Fiscal Impact: None) – RECEIVED AND FILED Judd-McGlew: 10 Ayes; 2 Absent - Patrick, Deats
13) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED
   Stewart-Nylitray: 10 Ayes; 2 Absent - Patrick, Deats

14) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVED AND FILED
   McGlew-Judd: 10 Ayes; 2 Absent - Patrick, Deats

CA-15) Miscellaneous Documents – RECEIVED AND FILED
   Judd-McGlew: 10 Ayes; 2 Absent - Patrick, Deats
   A) Minutes for KHS QI/UM Committee meeting on February 26, 2015
   B) Minutes for KHS PAC Committee meeting on April 1, 2015
   C) Minutes for KHS PAC Committee meeting on May 6, 2015

ADJOURNED TO CLOSED SESSION
   Hinojosa-Casas

CLOSED SESSION

16) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
   (Government Code Section 54956.9(d)(1)) Kern Health Systems v. Allied Management Group Special Investigation Unit, Inc., et al. – SEE RESULTS BELOW

17) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW

18) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

BOARD RECONVENED AT 9:53 A.M.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION –

Item No. 16 concerning a CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Kern Health Systems v. Allied Management Group Special Investigation Unit, Inc., et al. – HEARD; NO REPORTABLE ACTION TAKEN
Item No. 17 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (2 ABSENT – PATRICK, DEATS), THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR CREDENTIALING AND RECREDENTIALING; DIRECTOR JUDD ABSTAINED FROM VOTING ON GARCIA-PACHECO, LEE, AND LAWRENCE; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON HOFFMANN HOMECARE/IV INFUSION; DIRECTOR STEWART ABSTAINED FROM VOTING ON BARBER, GUICE, HERNANDEZ, KANKAR, AND ONGOCO

Item No. 18 concerning a PUBLIC EMPLOYEE PERFORMANCE EVALUATION Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO THURSDAY, AUGUST 13, 2015

Casas

/s/ Kimberly Hoffmann, Pharm.D., BCPP
Secretary, Board of Directors
Kern Health Systems