



PUBLIC NOTICE
KERN VALLEY HEALTHCARE DISTRICT
AGENDA FOR BOARD OF DIRECTORS
August 14, 2025 – 2:00 p.m.
Location: Administrative Conference Room
www.kvhd.org

REMOTE PARTICIPATION: Microsoft Teams
Meeting ID: 240 692 442 371 4 Passcode: yA9PK69s

A. CALL TO ORDER

B. APPROVAL OF AGENDA

(pages 1-4)

1. Flag Salute

2. Invocation

3. Mission Statement: We will provide high quality, efficient patient-care services that respond to community and provider needs. We will provide leadership in health promotion and education for our patients, residents, medical staff, employees and community throughout the district.

C. PUBLIC COMMENT: 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. 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. The Board cannot take action on items not listed on the agenda for action. Speakers are limited to three minutes. Please state your name before making your comment.

D. CONSENT AGENDA: The following items are considered routine and non-controversial by Hospital Staff. Consent items are listed as **ACTION** items 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, the item will be removed from the Consent Agenda and will be considered separately.

1. Board of Directors Meeting Minutes – July 10, 2025

(pages 5-8)

Recommendation – Approve minutes as presented

2. Board Governance Meeting Minutes – July 29, 2025

(pages 9-10)

Recommendation – Accept minutes pending committee approval

3. Board Compliance Meeting Minutes – July 29, 2025

(pages 11-12)

Recommendation – Accept minutes pending committee approval

4. **Building & Planning Meeting Minutes – July 29, 2025** (pages 13-15)
Recommendation – Accept minutes pending committee approval
5. **Finance Committee Meeting Minutes – July 30, 2025** (pages 16-18)
Recommendation – Accept minutes pending committee approval
6. **Unaudited Financial Statement – June 2025** (pages 19-29)
Recommendation – Accept financial statement as presented
7. **13-Month Patient Statistics – June 2025** (pages 30-31)
Recommendation – Accept report as presented
8. **Financial Report Narrative Summary – June 2025** (page 32)
Recommendation - Accept report as presented
9. **Contracts:** (page 33)
Recommendation – Continue with contracts
 - a. Autoremind – RHC Messaging
 - b. Kevin J. Chamas, MD – Emergency Service
 - c. Diagnostica Stago – Stago Lease Agreement
 - d. eRad – RIS/PACS/Teleradiology
 - e. Gary Finstad, MD – Critical Access/Medical Staff
 - f. Jaime and Doris LeeHo Trust – 4308 Birch Rental
 - g. Kern River Propane – Gas for 18,000 Gallon Tank
 - h. Sarah Lopez, DO – Supervisory Agreement RHC
 - i. MSDS Online – Material Safety Data Sheets
 - j. Peter Newell, MD – Emergency Service
 - k. Qliq Soft – Secure Messaging Subscription
 - l. Time Clock Plus (TCP) – Schedule Anywhere
 - m. Trane Building Services – Service for Chiller 19
 - n. T-Systems (Corro Health) – EHR in Emergency Department
 - o. Andy Werking – Health Plan Contract Consulting
 - p. Kris Hall, MD – Medical Director ED (held over from last month)
10. **Board Personnel & Policy Meeting Minutes – July 28, 2025** (pages 34-36)
Recommendation – Accept minutes pending committee approval
11. **Human Resources Report – June 2025** (pages 37-38)
Recommendation – Accept report as presented
12. **Policies:**
Recommendation – Approve policies as presented

Administration:
Non-Discrimination Policy

Central Service:
Lint-Free Towels, Preparation of

Emergency Department:
Nursing Staffing Plan – Emergency Department

Infection Control:
Hand Hygiene Program

- Mesa Clinical Pharmacy:
 Duty to Consult – Outpatient
- Nursing:
 Staff Nursing Competency
- Radiology:
 Code Brown Disaster Event Recall Roster
- Respiratory:
 Replacement Schedule of Disposable RT Equipment and Supplies
 Scope of Services
 Ventilator Set-Up and Management
- Skilled Nursing Facility:
 Resident Representative
 Staffing Sufficient and Competent Nursing
- 13. Manuals:**
Recommendation – Approve manuals as presented
 Housekeeping
 Radiology
 Skilled Nursing
 SNF Social Services
 SNF Pharmacy
- 14. Medical Appointments and Reappointments:** None
- 15. Chief of Medical Staff Report** *(page 39)*
Recommendation – Review report
- 16. Chief Nursing Officer Report** *(page 40)*
Recommendation – Review report
- 17. Chief Information Officer Report** *(page 41)*
Recommendation - Review report
- 18. Foundation/Auxiliary Report** *(page 42)*
Recommendation – Review report
- 19. Capital Expenditure Request – Baxter Smart Pumps** *(pages 43-45)*
Recommendation – Approve CER as presented
- 20. Employee Pension Contributions** *(page 46-50)*
Recommendation – Approve continued matching at up to 4%
- 21. Nurse Practitioner Agreement for ED Services – T. Rowland** *(pages 51-56)*
Recommendation – Approve agreement as presented
- E. REPORTS:**
- 1. Chief Executive Officer**
 Tim McGlew, Chief Executive Officer *Information*
Recommendation – Hear report

- F. OLD BUSINESS:** None
- G. NEW BUSINESS:**
- 1. Resolution 25-06 – Resolution Declaring Surplus Property** *Action*
Tim McGlew, Chief Executive Officer *(pages 57-58)*
Recommendation – Adopt resolution to surplus property as presented
 - 2. Resolution 25-07 – Resolution Affirming Its Investment Policy and Approving a Budget for the Fiscal Year Commencing July 1, 2025** *Action*
John Lovrich, Chief Financial Officer *(pages 59-72)*
Recommendation – Adopt resolution as presented
 - 3. Concerns About Medicaid Cuts (HR1) and its impact on Kern Valley Healthcare District** *Discussion*
Ross Elliott, Board Secretary *(pages 73-78)*
Recommendation – Hear concerns
- H. DIRECTORS COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**
- I. CLOSED SESSION:**
- Existing Litigation – Benson/Lao v. KVHD
 - Existing Litigation – Volkava v. KVHD
 - Existing Litigation – Rostad v. KVHD
- J. CLOSED SESSION REPORT**
Scott Nave, Legal Counsel
- K. ADJOURNMENT**



**KERN VALLEY HEALTHCARE DISTRICT
MINUTES FOR BOARD OF DIRECTORS MEETING**

Location: Administrative Conference Room/Teams
Thursday, July 10, 2025 – 2:00pm

PRESENT: John Blythe, Board Chair (remote)
Katheryn Elconin, 1st Vice Chair (chaired meeting)
Fred Clark, 2nd Vice Chair
Ross Elliott, Secretary (remote)
Gene Parks, Treasurer
Tim McGlew, Chief Executive Officer
John Lovrich, Chief Financial Officer
Mark Gordon, Chief Nursing Officer
Cary Zuber, Chief Information Officer
Amy Smith, Controller
Scott Nave, Legal Counsel
Dena Griffith, Risk Manager
Deb Hess, Marketing/Public Relations
Greg Davis, Director of Population Health

- A. CALL TO ORDER:** The meeting was called to order at 2:00pm by Director Elconin.
- B. APPROVAL OF THE AGENDA:** A motion was made by Director Clark to approve the agenda as presented. The motion was seconded by Director Parks. Using a roll-call vote, the motion passed unanimously.
1. **FLAG SALUTE:** Director Clark
 2. **INVOCATION:** Director Elconin
 3. **MISSION STATEMENT:** We will provide high quality, efficient patient-care services that respond to community and provider needs. We will provide leadership in health promotion and education for our patients, residents, medical staff, employees and community throughout the district.
- C. PUBLIC COMMENT:** None
- D. CONSENT AGENDA:**
1. Board of Directors Meeting Minutes –June 12, 2025
 2. Governance Committee Meeting Minutes – June 24, 2025
 3. Building & Planning Committee Meeting Minutes – June 24, 2025
 4. Finance Committee Meeting Minutes – June 25, 2025
 5. Unaudited Financial Statement – May 2025
 6. 13-Month Patient Statistic – May 2025
 7. Financial Report Narrative Summary – May 2025

8. Contracts:
 - a. Byron Carcelen, MD – Emergency Service
 - b. Cosmetologist (J. Injaian) – SNF Beautician
 - c. Craneware – 340B Module Subscription
 - d. Go Staffing – RHC Contingency Recruiting
 - e. Kris Hall, MD – Medical Director ED – *Pulled by Director Elliott*
 - f. PrimePay (SyncHR) – Software Programs
 - g. CAHHS – Unemployment Insurance
 - h. Women’s Center High Desert – Victims of Domestic Violence Assistance
9. Board Personnel & Policy Meeting Minutes – June 23, 2025
10. Human Resources Report – May 2025
11. Policies:
 - Administration:
 - Interpreters, Language and Hearing
 - Materials Management:
 - Ordering Protocol for Equipment and Supplies
 - Human Resources:
 - Accidents: Employee Injuries/Illness While on Duty
 - Meals and Rest Periods
12. Manuals:
 - General Accounting
 - Patient Accounting
 - Admissions
 - Credit and Collections
 - Information Systems
 - Plant Operations
 - GI Lab
13. Medical Appointments: None
14. Medical Reappointments:
 - Albert Cook, II, MD – Radiology – Telemedicine
 - Albert Cook, Sr. – Radiology – Telemedicine
 - Rand Cuthbertson, MD – Radiology – Telemedicine
15. Chief of Medical Staff Report
16. Chief Nursing Officer Report
17. Chief Information Officer Report
18. Foundation/Auxiliary Report
19. Capital Expenditure Request – SNF Bed Upgrade (Umano)
20. Capital Expenditure Request – Server Refresh (Insight)

Director Elliot requested that item 8E, Medical Director Agreement for Kris Hall, be pulled from consent for further discussion. This item will be placed under Old Business as item F1. A motion was made by Director Parks to approve the consent agenda as amended. The motion was seconded by Director Clark. Using a roll-call vote, the motion passed unanimously.

E. REPORTS:

1. **Chief Executive Officer:** Mr. McGlew reported that the District is continuing to work on the wage range adjustments while also addressing the minimum wage increase that took effect July 1st. Mr. McGlew participated in the CHA meeting last week where they discussed the effects of the new state budget and how it may impact the District. The PSPS started again

yesterday. It was a short outage, but there is another predicted for today. Mr. McGlew had a call with Senator Adam Schiff's office. They indicated they want to help us with the FEMA grant. The new Lab Manager, Jun Talampas, started last week. Retail pharmacy continues to experience increased volumes due to the recent closure of Rite Aid. The pharmacy is actively hiring additional staff to deal with the volume, as well as expanding hours to cover weekends and the lunch hour.

F. OLD BUSINESS:

- 1. Contract Review – Kris Hall, MD – Medical Director ED:** Director Elliott pulled this item from the consent agenda for further discussion. Director Elliott asked if this was the same amendment that was presented at last month's Board meeting. Mr. McGlew stated this is the existing Medical Director agreement that will be rolling over. Mr. McGlew stated there are no changes, but he would like to hold it over one more month.

G. NEW BUSINESS:

- 1. FY2026 Budget:** The FY2026 Budget was presented by John Lovrich, CFO. Mr. Lovrich briefly discussed the proposed changes for the next fiscal year. Legal Counsel stated this item will be tabled and brought back next month to be approved by resolution.
- 2. Resolution 25-05 – Resolution Declaring Surplus Property:** The resolution declaring surplus property was presented by Mr. McGlew. The resolution would surplus two microscopes and a BiPAP unit. After brief discussion, a motion was made by Director Clark to adopt the resolution as presented. The motion was seconded by Director Parks. Using a roll-call vote, the motion passed unanimously.
- 3. ER Physician Services Agreement – Michael Green, MD:** The ER Physician Services Agreement was presented by Mr. McGlew. This item was tabled from last month. Mr. McGlew requested approval of this agreement to avoid the use of costly locum tenens. Director Clark asked about the effective date. The date will be changed to today's date. Director Elliott expressed concern about the hourly rate and asked about the status of the RFP. Mr. Lovrich stated that the RFP should be going out next week. Director Elliott suggested a short-term agreement until the RFP process is complete. There was a motion made by Director Parks to approve the agreement. The motion was seconded by Director Elliott. Before the vote, there was additional conversation about EMTALA penalties and whether or not the District can financially penalize physicians for EMTALA violations. The Board requested Legal Counsel research the legalities of imposing penalties. The conversation prompted Director Parks to revise his motion to approve the agreement and include EMTALA penalties if permissible by law. The revised motion was seconded by Director Elliott. Using a roll-call vote, the motion passed with a vote of 4/1 with Director Elliott voting No based on the rate.

H. DIRECTOR'S COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA:

Director Blythe: Director Blythe thanked Director Elconin for filling in today.

Director Parks: Director Parks thanked Director Elconin for doing a great job today, and that he is happy to have Mr. Lovrich here.

Director Elliott: Director Elliott thanked Director Elconin for chairing. Director Elliott expressed his concerns with long-term viability of our revenue streams, particularly IGT's and the

Skilled Nursing Facility, and appreciates Administration continuing to monitor the situation. Director Elliott also appreciates everyone’s efforts in getting Mesa Clinical Pharmacy squared away.

Director Clark: Director Clark thanked everyone for coming today.

Director Elconin: Director Elconin appreciates the good discussions today, and appreciates that this Board represents a facility that is capable of taking care of our community.

I. CLOSED SESSION: The Board went into closed session at 3:22pm.

- Medical Quality Report
- Existing Litigation – Benson/Lao v. KVHD
- Existing Litigation – Volkava v. KVHD
- Public Employee Discipline/Grievance (Govt. Code 54957)

The Board came out of closed session at 4:57pm.

J. CLOSED SESSION REPORT: The closed session report was given by Scott Nave, Legal Counsel. In closed session, Ms. Griffith gave the Medical Quality Report and the Board briefly discussed the Benson matter. There was no update on Volkava. The Board considered a personnel grievance. No action was taken, and no other items were discussed.

K. ADJOURNMENT: The meeting was adjourned at 4:58pm by Director Elconin.

Approved by:

Ross Elliott, Secretary

John Blythe, Chair



**BOARD OF DIRECTORS
GOVERNANCE MEETING
MINUTES**

Tuesday, July 29, 2025 – 9:00a.m.

Location: Administrative Conference Room

In Attendance: John Blythe, Committee Chair
Katheryn Elconin, Committee Member
Tim McGlew, Chief Executive Officer
John Lovrich, Chief Financial Officer
Cary Zuber, Chief Information Officer

- A. CALL TO ORDER:** The meeting was called to order at 9:00am by Director Blythe.
- B. APPROVAL OF AGENDA:** The agenda was approved as distributed.
- C. APPROVAL OF MINUTES:**
1. Governance Committee – April 29, 2025
 2. Special Governance Committee – May 5, 2025
 3. Special Governance Committee – May 22, 2025
 4. Governance Committee – June 24, 2025
- All minutes were approved as distributed.
- D. PUBLIC COMMENT:** No public comment this morning.
- E. REPORTS:**
- 1. Chairman’s Report:** Director Blythe commented on some potential changes to the Brown Act regarding posting timeframes and posting in different languages. We will be discussing these potential changes with Legal Counsel. There was also discussion about recent social media postings and steps taken to counteract them. Director Blythe suggested Legal Counsel do some in-person training for the Board.
 - 2. CEO Report:** Mr. McGlew reported that retail pharmacy is continuing to see increased volumes but are doing their best to deal with that. Mr. McGlew updated the committee on the recent minimum wage increase to \$18.63 which took effect July 1st. The District entered into an externship agreement with CBD College for physical therapy assistant students. The annual inspection of the inpatient pharmacy occurred last week. There was an issue identified with a dehumidifier in the department, and that is being addressed. The Hazard Mitigation Grant Program (HMGP) application is going to the County Board of Supervisors meeting on August 5th. We were informed that Tehachapi District Hospital has two generators that they would like to donate to KVHD. This will be going to their Board for approval.

- 3. **CIO Marketing Report:** Mr. Zuber updated the committee on the marketing efforts for the last month, both internally and externally. The River Rhythms concert in the park series begins this Friday and continues every Friday for the month of August. CrabFest is scheduled for September 13th. The Foundation is also working on a membership drive. The recent Health Fair received positive feedback and increased interest in next year’s event. The “Patient Stories” project is moving forward and some of those stories should be going up soon. We are in the process of updating our website. Mr. Zuber announced that Deb Hess will be retiring on September 19th. Her position has been posted, and we received several applications. The pool has been narrowed down to six, which have all been scheduled for interviews next week.

- 4. **Strategic Plan Update:** Mr. McGlew gave a brief update on implementation of the strategic plan. Mr. McGlew stated the District continues to work on increasing the census in the Skilled Nursing Facility. The District is moving forward with exploring a wound care program. Work continues on suites D and E of the new building in preparation for retail pharmacy. Mr. Lovrich is working with USPS on mail delivery for retail pharmacy. Mr. Gordon continues to participate with the Kern County Behavioral Health Group. The District is working with the VA on a pharmacy agreement. Mr. Lovrich stated the District will likely wait until after the audit in October before we begin looking for another CFO. The HMGP grant is going to the County Board of Supervisors August 5th. Work on these initiatives will continue.

F. **OLD BUSINESS:** None

G. **NEW BUSINESS:** None

H. **ADJOURNMENT:** The meeting was adjourned at 9:51am.

Submitted By: _____

Approved By: _____



**BOARD OF DIRECTORS
COMPLIANCE MEETING**

MINUTES

Tuesday, July 29, 2025 – 10:00 a.m.

Location: Administrative Conference Room

In Attendance: John Blythe, Committee Chair
Ross Elliott, Committee Member
Sally Emery, Compliance Officer
Tim McGlew, Chief Executive Officer
John Lovrich, Chief Financial Officer
Mark Gordon, Chief Nursing Officer
Cary Zuber, Chief Information Officer
Dena Griffith, Risk Manager
Brenda Pettijohn, Privacy Officer
Cassandra Coleman, HR Manager
Heidi Sage, Executive Assistant

- A. CALL TO ORDER:** The meeting was called to order at 10:01am by Director Blythe.
- B. APPROVAL OF AGENDA:** The agenda was approved as distributed.
- C. APPROVAL OF MINUTES:** The minutes of April 29, 2025 were approved as distributed.
- D. REPORTS:**
 - 1. Risk Management Report:** Ms. Griffith reported that there were 15 feedback tickets during the 2nd quarter. No major concerns, complaints, or quality of care issues to report. The physicians have been doing a great job on the problem lists. Ms. Griffith also reported on the social determinants of health statistics. These stats will begin going to HCAI at the end of September. HCAI just opened the portal yesterday so Ms. Griffith will report back on the process at the next meeting. Ms. Griffith expressed concern with the lack of utilization with the i2i program. Ms. Griffith is beginning to work with program and will report back at the next meeting. Ms. Griffith will also be meeting with Greg Davis to discuss this issue.
 - 2. Privacy Officer Report:** Ms. Pettijohn reported that there was a total of 7 incidents for the second quarter (April – 2, May – 3, and June – 2). All incidents were investigated, reported to Compliance Oversight (COC), with recommendations from COC completed and recorded in RL Datix. There was lengthy discussion on a couple of the incidents. Ms. Pettijohn stated she will report back on the progress to improve the ER to AC admission/handover process, but suggested this item go to the Process Improvement committee for discussion and action.

- 3. **Security Officer Report:** Mr. Zuber reported the phishing campaign stats for the second quarter. Since switching vendors, we have seen fewer staff members opening those emails. Mr. Zuber stated he will be investigating increasing the difficulty of the simulated attacks next quarter. Mr. Zuber provided the risk summary for the 2nd quarter. Our current risk score is 6.5. The benchmark is 6.9, so we are doing well. There were 9 systems audits run in the second quarter. Mr. Zuber presented the statistics for policy read compliance as well as manager/policy author compliance. We still have some work to do in this area.
- 4. **Compliance Officer Report:** Mrs. Emery reported the chargemaster review is almost complete. Still finishing up on Pharmacy, Central Supply and Respiratory. Market-based pricing was completed, and we implemented almost all Corro Health’s suggestions. The outpatient claims review came out really well. The next step is the professional fees review. There will be some reports from the project going to Compliance Oversight, and then they will be presented to this committee. Mr. Lovrich stated that Corro Health has done a great job and he is very happy with this whole project.
- 5. **Legal Counsel Report:** Nothing to report at this time.

E. **NEW BUSINESS:** None

F. **ADJOURNMENT:** The meeting adjourned at 10:52am.

Submitted By: _____

Approved By: _____



**BUILDING AND PLANNING COMMITTEE
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES
Tuesday, July 29, 2025 – 1:00pm
Administrative Conference Room**

In Attendance: John Blythe, Chairman
Katheryn Elconin, 1st Vice Chair
Fred Clark, 2nd Vice Chair
Gene Parks, Treasurer (remote)
Ross Elliott, Secretary
Tim McGlew, Chief Executive Officer
John Lovrich, Chief Financial Officer
Mark Gordon, Chief Nursing Officer
Cary Zuber, Chief Information Officer
Bob Easterday, Plant Operations Manager
Monica Alexander, Plant Operations Office Assistant
Greg Davis, MVHC Manager

- A. **Call to Order:** The meeting was called to order at 1:01pm by Director Blythe. Citing emergency circumstances, Director Parks requested to participate remotely today. A motion was made by Director Elliott to approve the remote participation. The motion was seconded by Director Clark. Using a roll-call vote, the motion passed with a vote of 4/0.
- B. **Approval of Agenda:** The agenda was approved as distributed. FC, RE 5/0 (roll-call).
- C. **Public Comment:** None
- D. **Approval of Minutes from June 24, 2025 Meeting:** The minutes of the June 24, 2025 meeting were approved as distributed. RE, FC, 5/0 (roll-call).
- E. **Project Update:** The project update summary was given by Mr. Easterday.
 - 1. **Master Plan:** We are working with the staff of Kern County to get the documents signed in order to go to the Board of Supervisors for approval to submit our grant. We are on the agenda for the August 5th Board of Supervisors meeting. Mr. Easterday stated he has pretty high hopes as we are in a grant cycle that most facilities have not had time to get the necessary paperwork together. Mr. Easterday stated he will be attending the Board of Supervisors meeting along with Mr. McGlew and Mr. Lovrich.
 - 2. **New Administration Building:** Work continues on Suites D and E in preparation for retail pharmacy. Mr. Easterday is hoping to wrap up this project in the next two months. Mr. Easterday reported that he is concerned about the cabinets arriving timely.

Director Parks asked about parking. Mr. Easterday stated he will be looking into the cost of paving the dirt lot between our building and the Red Rooster. This will also need to be discussed with Legal Counsel. Mr. Easterday also reported that he is working with Tehachapi Hospital as they have two generators that they would like to gift to KVHD. This will allow us to return the two rental units we currently have for the clinic and retail pharmacy. Suite C for Medical Records is almost ready – just need to finish building the cubicles.

3. **Emergency Generator:** Mr. Easterday reported that the architect is getting ready to resubmit the plans for the bracing of conduits in the chiller room. The contractor is proceeding with the ADC to run power to the Maintenance shop. After these two items are complete, we can close this project with HCAI.
 4. **NPC Seismic Upgrade of Dietary, Surgery, and Central Plant Buildings:** The District received a quote from the fire sprinkler company on the cost to draw the plans for the corrective work. The cost is \$11,800. As the contractor cannot stamp or submit the plans, there will be an additional cost from the mechanical engineer and architect for that portion. We are moving slowly on this project and will only go forward if the seismic project proceeds.
 5. **Skilled Nursing Building Reclassification:** Next step is to draw plans. The proposal appears later on the agenda.
 6. **Dietary Area Cosmetic Work:** This item has taken a backseat to the pharmacy project. No progress to report.
 7. **Acute Care Restrooms:** This item has taken a backseat to the pharmacy project. No progress to report.
- F. **RLH Fire Sprinklers – Design Services Proposal – NPC 4 Seismic Compliance:** This proposal is to bring the sprinkler system into compliance with NPC 4. After brief discussion, the Board decided to table this item until we determine what is happening with the rest of the seismic project.
- G. **Fire Damper Inspection Agreement – Remediation:** Mr. Easterday stated this is a required inspection that must occur every six years. This is the company that completed our last inspection. Ours needs to be completed in early 2026. Director Clark asked if this needed to go out for bid considering the cost of the contract. Mr. Easterday said he would clarify this with Legal Counsel. A motion was made by Director Clark to approve the proposal provided that Legal Counsel approves. The motion was seconded by Director Elliott. Using a roll-call vote, the motion passed with a vote of 5/0.
- H. **Greenbough Design – SNF Reclassification Proposal Phase 2:** This is the proposal for phase 2 of this project. After brief discussion, a motion was made by Director Clark to approve the proposal as presented. The motion was seconded by Director Elconin. Using a roll-call vote, the motion passed with a vote of 5/0.
- I. **Mesa Clinical Pharmacy Upgrade:** This item was covered under the project update.
- J. **Rolling Shutters for Retail Pharmacy:** Mr. Easterday presented four proposals for rolling shutters for the new retail pharmacy for security purposes. There was lengthy

discussion about the different options, costs, and how these will look on the building. The Board requested Mr. Easterday inquire about lead times for the various options as well as explore interior mounted options for cosmetic purposes. Mr. Easterday will research options and bring them back to a future meeting for further discussion.

- K. Invoice Review/Approval:** The invoices were reviewed and discussed. A motion was made by Director Clark to approve the two invoices for payment. The motion was seconded by Director Elliott. Using a roll call vote, the motion passed with a vote of 5/0.
1. Greenbough Design – Inv.# 987 – Seismic Upgrade - \$6,343.00
 2. Greenbough Design – Inv.# 988 – Seismic Upgrade - \$1,462.50
- L. Adjournment:** The meeting was adjourned at approximately 1:58pm by Director Blythe.

Submitted By: _____

Approved By: _____



**MINUTES FOR FINANCE COMMITTEE MEETING
ADMINISTRATIVE CONFERENCE ROOM
Wednesday, July 30, 2025 – 1:00pm**

A. CALLED TO ORDER: The meeting was called to order by Director Clark at 1:00p.m. Citing the emergency circumstances for remote participation, the committee approved Director Parks participating remotely today.

PRESENT: Gene Parks, Committee Chair (remote)
Fred Clark, Committee Member
Tim McGlew, Chief Executive Officer
John Lovrich, Chief Financial Officer
Mark Gordon, Chief Nursing Officer
Cary Zuber, Chief Information Officer
Amy Smith, Controller
Sally Emery, Compliance Officer
Greg Davis, Director of Population Health
Cassandra Coleman, Human Resources Manager
Sherry Jordan, Revenue Cycle Manager

B. CHANGES TO AGENDA: The agenda was approved as distributed.

C. APPROVAL OF MINUTES: The minutes of the June 25, 2025 meeting were approved as distributed.

D. PUBLIC COMMENT: No public comment.

E. FINANCIAL STATEMENT – June 2025:

Unaudited Financial Statements: Mr. Lovrich presented the financial report for June. For the month, the District had a net surplus of \$13,935, leaving a YTD surplus of \$992,636.

Narrative Summary:

Positive takeaways for the month:

- Long Term Care revenue was over budget.
- Net patient revenue was over budget.
- Retail Pharmacy revenue was over budget.
- Gross days in AR are decreasing. Decreased by three days in June. (68 days)
- Outpatient revenue was over budget.

Negative takeaways for the month:

- Inpatient revenue and volumes were under budget.
- Operating expenses were over budget.
- Clinic revenue was under budget.

13-Month Statistics: Reviewed and discussed.

Local Vendor Aging Report: The Local Vendor Aging Report was presented by Ms. Smith. As of 6/18/25, the balance was \$6,279.49, with none over 30 days.

F. OLD BUSINESS: None

G. NEW BUSINESS:

1. Contract Review/Renewal Summary:

Sally Emery, Compliance Officer

- a. Autoremind – RHC Messaging
- b. Kevin J. Chamas, MD – Emergency Service
- c. Diagnostica Stago – Stago Lease Agreement
- d. eRad – RIS/PACS/Teleradiology
- e. Gary Finstad, MD – Critical Access/Medical Staff
- f. Jaime and Doris LeeHo Trust – 4308 Birch Rental
- g. Kern River Propane – Gas for 18,000 Gallon Tank
- h. Sarah Lopez, DO – Supervisory Agreement RHC
- i. MSDS Online – Medical Safety Data Sheets
- j. Peter Newell, MD – Emergency Service
- k. Qliq Soft – Secure Messaging Subscription
- l. Time Clock Puls (TCP) – Schedule Anywhere
- m. Trane Building Services – Service for Chiller 19
- n. T-System (Corro Health) – EHR for Emergency Department
- o. Andy Werking – Health Plan Consulting

The contracts were reviewed, discussed and approved by this committee and will be placed on the Board consent agenda for full Board consideration.

2. Capital Expenditure Request – Baxter Smart Pumps: The capital expenditure request for 10 Baxter Smart Pumps was presented by Mark Gordon, CNO. Mr. Gordon stated this request would provide a second pump in each Med/Surg patient room. This has become necessary due to recent changes in antibiotic therapies with extended infusion times. If approved, a request will be made to the Auxiliary for funding. The request was approved by this committee and will be placed on the Board of Directors consent agenda for full Board consideration.

3. Employee Pension Contributions: This is for the employee matching portion contributions. If approved, the bi-weekly contribution from the District will be \$15,446 for the next six months. The committee approved maintaining the 4% matching threshold. This item will be placed on the Board of Directors consent agenda for full Board consideration.

4. Nurse Practitioner Agreement for ED Services – T. Rowland: The ED Services agreement for Todd Rowland, NP, was presented by Tim McGlew, CEO. This agreement is to provide shift coverage in the Emergency Department. After brief discussion, the committee approved the agreement. The agreement will be placed on the Board of Directors consent agenda for full Board consideration.

5. Credit Card Machine for Thrift Store: Ms. Smith updated the committee on the status of the credit card machine. Some of the volunteers are resistant to the change, so

we care trying to implement the machine without scaring some of them off. Perhaps with some training, we can get them comfortable with the change.

H. ADJOURNMENT: The meeting was adjourned at 1:30p.m.

Submitted by:

Heidi Sage, Executive Assistant

Approved By:

Gene Parks, Treasurer



Unaudited Financial Statements
for
Twelve Months Ending June 30, 2025

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Certified by:

Amy Smith
Controller

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**KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Twelve Months Ending June 30, 2025**

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Patient Statistics

**KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Twelve Months Ending June 30, 2025**

| | Current Month | | | | STATISTICS | Year-To-Date | | | |
|--------------------------------------|--------------------|--------------------|-------------------------------------|---------------------------|-----------------------------------|--------------------|--------------------|-------------------------------------|---------------------------|
| | Actual 06/30/25 | Budget 06/30/25 | Positive/ (Negative) Variance | Prior Year 06/30/24 | | Actual 06/30/25 | Budget 06/30/25 | Positive/ (Negative) Variance | Prior Year 06/30/24 |
| Discharges | | | | | | | | | |
| [1] | 23 | 29 | (6) | 30 | Acute | 310 | 349 | (39) | 286 |
| [2] | 0 | 2 | (2) | 2 | Swing Beds | 20 | 26 | (6) | 29 |
| [3] | 0 | 0 | 0 | 0 | Psychiatric/Rehab | 0 | 0 | 0 | 0 |
| [4] | 0 | 0 | 0 | 0 | Respite | 0 | 0 | 0 | 0 |
| [5] | 23 | 31 | (8) | 32 | Total Adult Discharges | 330 | 375 | (45) | 315 |
| [6] | 0 | 0 | 0 | 0 | Newborn | 0 | 0 | 0 | 0 |
| [7] | 23 | 31 | (8) | 32 | Total Discharges | 330 | 375 | (45) | 315 |
| Patient Days: | | | | | | | | | |
| [8] | 79 | 95 | (16) | 83 | Acute | 1,043 | 1,161 | (118) | 1,159 |
| [9] | 0 | 44 | (44) | 66 | Swing Beds | 374 | 542 | (168) | 544 |
| [10] | 0 | 0 | 0 | 0 | Psychiatric/Rehab | 0 | 0 | 0 | 0 |
| [11] | 0 | 0 | 0 | 0 | Respite | 0 | 0 | 0 | 0 |
| [12] | 79 | 139 | (60) | 149 | Total Adult Patient Days | 1,417 | 1,703 | (286) | 1,703 |
| [13] | 0 | 0 | 0 | 0 | Newborn | 0 | 0 | 0 | 0 |
| [14] | 79 | 139 | (60) | 149 | Total Patient Days | 1,417 | 1,703 | (286) | 1,703 |
| Average Length of Stay (ALOS) | | | | | | | | | |
| [15] | 3.4 | 3.3 | (0.1) | 2.8 | Acute | 3.36 | 3.3 | (0.0) | 4.1 |
| [16] | 0.0 | 20.6 | 0.0 | 33.0 | Swing Bed | 18.7 | 20.8 | 2.1 | 18.8 |
| [17] | 0.0 | 0.0 | 0.0 | 0.0 | Psychiatric/Rehab | 0.0 | 0.0 | 0.0 | 0.0 |
| [18] | 3.4 | 4.5 | 1.1 | 4.7 | Total Adult ALOS | 4.3 | 4.5 | 0.2 | 5.4 |
| [19] | 0.0 | 0.0 | 0.0 | 0.0 | Newborn ALOS | 0.0 | 0.0 | 0.0 | 0.0 |
| [1] | | | | | | | | | |
| Average Daily Census (ADC) | | | | | | | | | |
| [20] | 2.6 | 3.2 | (0.5) | 2.8 | Acute | 2.9 | 3.2 | (0.3) | 3.2 |
| [21] | 0.0 | 1.5 | (1.5) | 2.2 | Swing Beds | 1.0 | 1.5 | (0.5) | 1.5 |
| [22] | 0.0 | 0.0 | 0.0 | 0.0 | All Other Adult | 0.0 | 0.0 | 0.0 | 0.0 |
| [23] | 2.6 | 4.6 | (2.0) | 5.0 | Total Adult ADC | 3.9 | 4.7 | (0.8) | 4.7 |
| [24] | 0.0 | 0.0 | 0.0 | 0.0 | Newborn | 0.0 | 0.0 | 0.0 | 0.0 |
| [25] | 1,573 | 1,417 | 156 | 1,399 | SNF/ECF Resident Days | 17,638 | 17,047 | 591 | 15,668 |
| [26] | 1 | 2 | (1) | 1 | SNF/ECF Resident Discharges | 24 | 30 | (6) | 19 |
| [27] | 0 | 0 | 0 | 0 | CBRF/Assisted Living Days | 0 | 0 | 0 | 0 |
| [28] | 52.4 | 47.2 | 5.2 | 46.6 | Average Daily Census | 48.3 | 46.7 | 1.6 | 42.9 |
| Emergency Room Statistics | | | | | | | | | |
| [29] | 22 | 25 | (3) | 21 | ER Visits - Admitted | 287 | 310 | (23) | 264 |
| [30] | 344 | 290 | 54 | 407 | ER Visits - Discharged | 4,149 | 3,531 | 618 | 3,829 |
| [31] | 312 | 344 | (32) | 294 | ER - Urgent Care Visits | 3,438 | 4,181 | (743) | 3,617 |
| [32] | 678 | 659 | 19 | 722 | Total ER Visits | 7,874 | 8,022 | (148) | 7,710 |
| [33] | 3.24% | 3.86% | | 2.91% | % of ER Visits Admitted | 3.64% | 3.86% | | 3.42% |
| [34] | 95.65% | 88.71% | | 70.00% | ER Admissions as a % of Total | 92.58% | 88.76% | | 92.31% |
| Outpatient Statistics: | | | | | | | | | |
| [35] | 1,055 | 901 | 154 | 892 | Total Outpatients Visits | 11,624 | 11,052 | 572 | 11,172 |
| [36] | 25 | 24 | 1 | 12 | Observation Bed Days | 228 | 297 | (69) | 164 |
| [37] | 976 | 1,219 | (243) | 918 | Clinic Visits - Primary Care | 14,308 | 14,956 | (648) | 14,175 |
| [38] | 261 | 260 | 1 | 206 | Clinic Visits - Specialty Clinics | 2,882 | 3,201 | (319) | 2,511 |
| [39] | 0 | 0 | 0 | 0 | IP Surgeries | 0 | 0 | 0 | 2 |
| [40] | 0 | 11 | (11) | 0 | OP Surgeries | 0 | 132 | (132) | 13 |
| [41] | 0 | 0 | 0 | 0 | Outpatient Scopes | 0 | 0 | 0 | 0 |
| [42] | 6,654 | 3,465 | 3,189 | 3,337 | Retail Pharmacy Scripts | 63,135 | 41,685 | 21,450 | 36,659 |
| [43] | 0 | 11 | (11) | 0 | Clinic Visits-Mobile Van | 29 | 132 | (103) | 134 |
| Productivity Statistics: | | | | | | | | | |
| [44] | 216.58 | 209.97 | (6.61) | 211.34 | FTE's - Worked | 214.26 | 210.42 | (3.84) | 206.52 |
| [45] | 242.25 | 239.06 | (3.19) | 233.43 | FTE's - Paid | 238.17 | 239.51 | 1.34 | 228.31 |
| [46] | 1.0734 | 1.1050 | 0.03 | 0.9117 | Case Mix Index -Medicare | 1.0550 | 1.1050 | 0.05 | 1.1050 |
| [47] | 0.9517 | 1.0277 | 0.08 | 0.8642 | Case Mix Index - All payers | 0.9968 | 1.0277 | 0.03 | 1.0277 |

KERN VALLEY HEALTHCARE DISTRICT

EXECUTIVE FINANCIAL SUMMARY

Twelve Months Ending June 30, 2025

| BALANCE SHEET | | |
|---|-------------------|-------------------|
| | 6/30/2025 | 6/30/2024 |
| ASSETS | | |
| Current Assets | 7,584,064 | 12,327,478 |
| Assets Whose Use is Limited | 15,669,268 | 11,877,504 |
| Property, Plant and Equipment (Net) | 11,735,542 | 10,252,129 |
| Other Assets | 624,276 | 624,276 |
| Total Unrestricted Assets | 35,613,150 | 35,081,387 |
| Restricted Assets | 0 | 0 |
| Total Assets | 35,613,150 | 35,081,387 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | 5,508,276 | 5,745,237 |
| Long-Term Debt | 9,790,571 | 10,875,750 |
| Other Long-Term Liabilities | 2,677,318 | 1,820,098 |
| Total Liabilities | 17,976,165 | 18,441,086 |
| Net Assets | 17,636,985 | 16,640,302 |
| Total Liabilities and Net Assets | 35,613,150 | 35,081,387 |
| STATEMENT OF REVENUE AND EXPENSES - YTD | | |
| | ACTUAL | BUDGET |
| Revenue: | | |
| Gross Patient Revenues | 131,423,523 | 129,350,934 |
| Deductions From Revenue | (90,519,595) | (93,930,440) |
| Net Patient Revenues | 40,903,929 | 35,420,494 |
| Other Operating Revenue | 284,158 | 3,024,723 |
| Total Operating Revenues | 41,188,086 | 38,445,217 |
| Expenses: | | |
| Salaries, Benefits & Contract Labor | 23,729,254 | 24,129,758 |
| Purchased Services & Physician Fees | 6,096,581 | 6,478,273 |
| Supply Expenses | 7,311,229 | 4,763,255 |
| Other Operating Expenses | 3,505,092 | 3,272,924 |
| Bad Debt Expense | 0 | 0 |
| Depreciation & Interest Expense | 746,712 | 726,131 |
| Total Expenses | 41,388,867 | 39,370,340 |
| NET OPERATING SURPLUS | (200,781) | (925,123) |
| Non-Operating Revenue/(Expenses) | 1,193,416 | 973,025 |
| TOTAL NET SURPLUS | 992,636 | 47,902 |
| KEY STATISTICS AND RATIOS - YTD | | |
| | ACTUAL | BUDGET |
| Total Acute Patient Days | 1,043 | 1,161 |
| Average Acute Length of Stay | 3.4 | 3.3 |
| Total Emergency Room Visits | 7,874 | 8,022 |
| Outpatient Visits | 11,624 | 11,052 |
| Total Surgeries | 0 | 132 |
| Total Worked FTE's | 214.26 | 210.42 |
| Total Paid FTE's | 238.17 | 239.51 |
| Productivity Index | 1.0056 | 1.0000 |
| EBITDA - YTD | 0.64% | -1.41% |
| Current Ratio | | |
| Days Expense in Accounts Payable | 28.85 | |

Balance Sheet - Assets

KERN VALLEY HEALTHCARE DISTRICT

LAKE ISABELLA, CALIFORNIA

Twelve Months Ending June 30, 2025

ASSETS

| | 34.5% | 30.2% | | | 19.7% |
|--|----------------------------|--------------------------|-------------------------------------|------------------------|-----------------------------------|
| [1] Net to Gross AR % | | | | | |
| [2] CASH -ALL SOURCES | 20,764,508 | 21,119,035 | (354,527) | | 20,720,440 |
| | Current Month 6/30/2025 | Prior Month 5/31/2025 | Positive/ (Negative) Variance | Percentage Variance | Prior YR. AUDITED 6/30/2024 |
| Current Assets | | | | | |
| [3] Cash and Cash Equivalents | 6,160,678 | 8,537,978 | (2,377,301) | -27.84% | 9,936,199 |
| [4] Gross Patient Accounts Receivable | 25,088,793 | 25,315,060 | (226,266) | -0.89% | 35,975,239 |
| [5] Less: Bad Debt and Allowance Reserves | (16,444,711) | (17,674,563) | 1,229,852 | 6.96% | (28,883,748) |
| [6] Net Patient Accounts Receivable | 8,644,083 | 7,640,497 | 1,003,586 | 13.14% | 7,091,491 |
| [7] Interest Receivable | 0 | 0 | 0 | 0.00% | 0 |
| [8] Other Receivables | (4,756,524) | (4,221,301) | (535,223) | 12.68% | 14,574 |
| [9] Inventories | 388,816 | 396,520 | (7,704) | -1.94% | 387,086 |
| [10] Prepaid Expenses | 453,271 | 484,565 | (31,293) | -6.46% | 348,302 |
| [11] Due From Third Party Payers | (3,306,260) | (3,306,260) | 0 | 0.00% | (5,450,173) |
| [12] Due From Affiliates/Related Organizations | 0 | 0 | 0 | 0.00% | 0 |
| [13] Other Current Assets | 0 | 0 | 0 | 0.00% | 0 |
| [14] Total Current Assets | 7,584,064 | 9,531,998 | (1,947,934) | -20.44% | 12,327,478 |
| Assets Whose Use is Limited | | | | | |
| [15] Auxillary Cash | 498,591 | 498,406 | 185 | 0.04% | 486,057 |
| [16] Investments -LAIF | 286,699 | 273,938 | 12,761 | 4.66% | 273,938 |
| [17] Debt Payment Fund | 566,847 | 465,565 | 101,282 | 21.75% | 607,207 |
| [18] UBS Funds | 11,126,887 | 9,126,887 | 2,000,000 | 21.91% | 7,448,554 |
| [19] Cash Westamerica | 52,605 | 52,604 | 1 | 0.00% | 52,594 |
| [20] Project Fund | 3,137,639 | 3,127,627 | 10,012 | 0.32% | 3,009,154 |
| [21] Covid Stimulus Cash Assets | 0 | 0 | 0 | 0.00% | 0 |
| [22] Total Limited Use Assets | 15,669,268 | 13,545,027 | 2,124,241 | 15.68% | 11,877,504 |
| Property, Plant, and Equipment | | | | | |
| [23] Land and Land Improvements | 383,800 | 383,800 | 0 | 0.00% | 383,800 |
| [24] Building and Building Improvements | 14,947,912 | 14,947,912 | 0 | 0.00% | 14,930,002 |
| [25] Equipment | 23,478,028 | 23,473,803 | 4,225 | 0.02% | 23,542,659 |
| [26] Construction In Progress | 7,466,276 | 7,425,810 | 40,465 | 0.54% | 5,315,638 |
| [27] Capitalized Interest | 0 | 0 | 0 | 0.00% | 0 |
| [28] Gross Property, Plant, and Equipment | 46,276,015 | 46,231,325 | 44,690 | 0.10% | 44,172,099 |
| [29] Less: Accumulated Depreciation | (34,540,473) | (34,481,125) | (59,348) | -0.17% | (33,919,970) |
| [30] Net Property, Plant, and Equipment | 11,735,542 | 11,750,200 | (14,658) | -0.12% | 10,252,129 |
| Other Assets | | | | | |
| Unamortized Loan Costs | 0 | 0 | 0 | 0.00% | 0 |
| [31] Assets Held for Future Use | 0 | 0 | 0 | 0.00% | 0 |
| Investments in Subsidiary/Affiliated Org. | 0 | 0 | 0 | 0.00% | 0 |
| Other | 624,276 | 624,276 | 0 | 0.00% | 624,276 |
| [32] Total Other Assets | 624,276 | 624,276 | 0 | 0.00% | 624,276 |
| [33] TOTAL UNRESTRICTED ASSETS | 35,613,150 | 35,451,501 | 161,649 | 0.46% | 35,081,387 |
| Restricted Assets | | | | | |
| [34] TOTAL ASSETS | 35,613,150 | 35,451,501 | 161,649 | 0.46% | 35,081,387 |

Balance Sheet - Liabilities and Net Assets

**KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Twelve Months Ending June 30, 2025**

| | LIABILITIES AND FUND BALANCE | | | | Prior Yr. AUDITED 6/30/2024 |
|---|--|--------------------------------------|--|--------------------------------|--|
| | Current Month 6/30/2025 | Prior Month 5/31/2025 | Positive/ (Negative) Variance | Percentage Variance | |
| Current Liabilities | | | | | |
| [1] Accounts Payable | 1,688,097 | 1,556,041 | (132,056) | -8.49% | 1,479,091 |
| [2] Notes and Loans Payable | 0 | 0 | 0 | 0.00% | 0 |
| [3] Accrued Payroll | 881,879 | 767,384 | (114,495) | -14.92% | 722,962 |
| [4] Accrued Payroll Taxes | 211,249 | 229,308 | 18,059 | 7.88% | 392,197 |
| [5] Accrued Benefits | 1,342,995 | 1,271,135 | (71,861) | -5.65% | 1,188,369 |
| [6] Accrued Pension Expense (Current Portion) | (1,089) | 12,651 | 13,740 | 108.61% | 36,760 |
| [7] Other Accrued Expenses | 295,335 | 281,689 | (13,646) | -4.84% | 284,701 |
| [8] Patient Refunds Payable | 828,636 | 905,096 | 76,460 | 8.45% | 992,510 |
| [9] Property Tax Payable | 0 | 0 | 0 | 0.00% | 0 |
| [10] Due to Third Party Payers | (652,210) | (622,428) | 29,781 | -4.78% | (238,782) |
| [11] Advances From Third Party Payers | 0 | 0 | 0 | 0.00% | 0 |
| [12] Current Portion of LTD (Bonds/Mortgages) | 910,000 | 910,000 | 0 | 0.00% | 886,000 |
| [13] Current Portion of LTD (Leases) | 3,384 | 62,226 | 58,842 | 94.56% | 1,429 |
| [14] Other Current Liabilities | 0 | 0 | 0 | 0.00% | 0 |
| Total Current Liabilities | 5,508,276 | 5,373,101 | (135,174) | -2.52% | 5,745,237 |
| Long Term Debt | | | | | |
| [15] Bonds/Mortgages Payable | 9,164,000 | 9,164,000 | 0 | 0.00% | 10,050,000 |
| [16] Leases/Notes Payable | 1,539,955 | 1,598,797 | 58,842 | 3.68% | 1,713,183 |
| [17] Less: Current Portion Of Long Term Debt | 913,384 | 972,226 | 58,842 | 6.05% | 887,433 |
| Total Long Term Debt (Net of Current) | 9,790,571 | 9,790,571 | 0 | 0.00% | 10,875,750 |
| Other Long Term Liabilities | | | | | |
| [18] Deferred Revenue | 0 | 0 | 0 | 0.00% | 0 |
| [19] Accrued Pension Expense (Net of Current) | 148,849 | 119,079 | (29,770) | -25.00% | 111,153 |
| [20] Long Term Settlements | 2,528,469 | 2,545,699 | 17,230 | 0.68% | 1,708,946 |
| Total Other Long Term Liabilities | 2,677,318 | 2,664,778 | (12,540) | -0.47% | 1,820,098 |
| [21] TOTAL LIABILITIES | 17,976,165 | 17,828,451 | (147,714) | -0.83% | 18,441,086 |
| Net Assets: | | | | | |
| [22] Unrestricted Fund Balance | 16,640,302 | 13,882,876 | (2757425) | -19.86% | 13,882,876 |
| [23] Inter-Departmental Transfer (DSH) | 0 | 0 | 0 | 0.00% | 0 |
| [24] Restricted Fund Balance | 0 | 0 | 0 | 0.00% | 0 |
| [25] Net Revenue/(Expenses) | 996,683 | 3,740,174 | (2,743,491) | -73.35% | 2,757,425 |
| [26] TOTAL NET ASSETS | 17,636,985 | 17,623,050 | (13,935) | -0.08% | 16,640,302 |
| [27] TOTAL LIABILITIES AND NET ASSETS | 35,613,150 | 35,451,501 | (161,649) | (0) | 35,081,387 |

Statement of Revenue and Expense
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Twelve Months Ending June 30, 2025

| | CURRENT MONTH | | | | |
|---|----------------------------|----------------------------|---|--------------------------------|------------------------------------|
| | Actual 06/30/25 | Budget 06/30/25 | Positive (Negative) Variance | Percentage Variance | Prior Year 06/30/24 |
| Gross Patient Revenue | | | | | |
| [1] Inpatient Revenue | 878,031 | 1,250,744 | (372,713) | -29.80% | 1,249,075 |
| [2] Clinic Revenue | 1,443,923 | 1,543,837 | (99,913) | -6.47% | 1,365,111 |
| [3] Outpatient Revenue | 5,822,291 | 5,037,580 | 784,712 | 15.58% | 5,307,292 |
| [4] Long Term Care Revenue | 2,813,800 | 2,523,542 | 290,258 | 11.50% | 2,385,633 |
| [5] Retail Pharmacy Revenue | 716,476 | 275,881 | 440,594 | 159.70% | 257,065 |
| [6] Total Gross Patient Revenue | <u>11,674,521</u> | <u>10,631,584</u> | <u>1,042,937</u> | <u>9.81%</u> | <u>10,564,176</u> |
| Deductions From Revenue | 69% | 73% | | | 70% |
| [7] Discounts and Allowances (incl IGTs) | (7,964,781) | (7,597,673) | (367,108) | -4.83% | (7,142,408) |
| [8] Bad Debt Expense (Governmental Providers Only) | (95,513) | (121,808) | 26,295 | 21.59% | (227,228) |
| | 0 | 0 | 0 | 0.00% | 0 |
| [9] Charity Care | 0 | (829) | 829 | 100.00% | 0 |
| [10] Total Deductions From Revenue | <u>(8,060,294)</u> | <u>(7,720,310)</u> | <u>(339,984)</u> | <u>-4.40%</u> | <u>(7,369,636)</u> |
| [11] Net Patient Revenue | <u>3,614,226</u> | <u>2,911,273</u> | <u>702,953</u> | <u>24.15%</u> | <u>3,194,540</u> |
| [12] Other Operating Rev (Incl HHS Stimulus) | 12,398 | 274,975 | (262,577) | -95.49% | 14,910 |
| [13] Total Operating Revenue | <u>3,626,624</u> | <u>3,186,248</u> | <u>440,376</u> | <u>13.82%</u> | <u>3,209,450</u> |
| Operating Expenses | | | | | |
| [14] Salaries and Wages | 1,656,279 | 1,563,681 | (92,597) | -5.92% | 1,463,109 |
| [15] Fringe Benefits | 326,522 | 303,498 | (23,024) | -7.59% | 294,380 |
| [16] Contract Labor | 78,264 | 116,088 | 37,825 | 32.58% | 61,937 |
| [17] Professional & Physician Fees | 354,404 | 357,685 | 3,280 | 0.92% | 344,024 |
| [18] Purchased Services | 119,935 | 174,776 | 54,841 | 31.38% | 152,080 |
| [19] Supply Expense | 785,215 | 391,500 | (393,715) | -100.57% | 420,270 |
| [20] Utilities | 61,519 | 76,245 | 14,726 | 19.31% | 69,192 |
| [21] Repairs and Maintenance | 11,241 | 8,664 | (2,577) | -29.75% | 11,992 |
| [22] Insurance Expense | 106,726 | 69,670 | (37,056) | -53.19% | 63,059 |
| [23] All Other Operating Expenses | 93,575 | 88,663 | (4,912) | -5.54% | 98,980 |
| [24] Bad Debt Expense (Non-Governmental Providers) | 0 | 0 | 0 | 0.00% | 0 |
| [25] Leases and Rentals | 24,052 | 25,766 | 1,714 | 6.65% | 24,964 |
| [26] Depreciation and Amortization | 59,348 | 59,682 | 334 | 0.56% | 62,951 |
| [27] Interest Expense (Non-Governmental Providers) | 0 | 0.00 | 0 | 0.00% | 0 |
| [28] Total Operating Expenses | <u>3,677,079</u> | <u>3,235,918</u> | <u>(441,161)</u> | <u>-13.63%</u> | <u>3,066,937</u> |
| Net Operating Surplus/(Loss) | <u>(50,455)</u> | <u>(49,670)</u> | <u>(785)</u> | <u>1.58%</u> | <u>142,513</u> |
| Non-Operating Revenue: | | | | | |
| [29] Contributions/Grants/PPP/ERC | 11,335 | 0 | 11,335 | 0.00% | 0 |
| [30] Investment Income | 24,384 | 77,476 | (53,092) | -68.53% | 77,287 |
| [31] Income Derived from Property Taxes | 57,491 | 27,591 | 29,901 | 108.37% | 27,974 |
| [32] Interest Expense (Governmental Providers Only) | (29,005) | (28,321) | 683 | -2.41% | (31,982) |
| [33] Other Non-Operating Revenue/(Expenses) | 185 | 3,230 | (3,045) | -94.28% | 11,231 |
| [34] Total Non Operating Revenue/(Expense) | <u>64,390</u> | <u>79,975</u> | <u>(15,585)</u> | <u>-19.49%</u> | <u>84,510</u> |
| Total Net Surplus/(Loss) | <u>13,935</u> | <u>30,305</u> | <u>(16,370)</u> | <u>-54.02%</u> | <u>227,023</u> |
| [35] Operating Margin | -1.39% | -1.56% | | | 4.44% |
| [36] Total Profit Margin | 0.38% | 0.95% | | | 7.07% |
| [37] EBITDA | -0.55% | -0.57% | | | 5.41% |
| [38] Cash Flow Margin | 2.82% | 3.71% | | | 10.03% |

Statement of Revenue and Expense
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Twelve Months Ending June 30, 2025

| | YEAR-TO-DATE | | | | |
|---|--------------------|--------------------|------------------------------------|------------------------|---------------------------|
| | Actual 06/30/25 | Budget 06/30/25 | Positive (Negative) Variance | Percentage Variance | Prior Year 06/30/24 |
| Gross Patient Revenue | | | | | |
| [1] Inpatient Revenue | 13,402,722 | 15,217,386 | (\$1,814,664) | -11.92% | 15,028,377 |
| [2] Clinic Revenue | 17,794,013 | 18,783,345 | (989,332) | -5.27% | 16,294,474 |
| [3] Outpatient Revenue | 62,756,331 | 61,290,551 | 1,465,780 | 2.39% | 58,562,244 |
| [4] Long Term Care Revenue | 31,542,771 | 30,703,097 | 839,675 | 2.73% | 26,932,833 |
| [5] Retail Pharmacy Revenue | 5,927,686 | 3,356,555 | 2,571,131 | 76.60% | 2,917,124 |
| [6] Total Gross Patient Revenue | 131,423,523 | 129,350,934 | 2,072,590 | 1.60% | 119,735,052 |
| Deductions From Revenue | 69% | 73% | | | 71% |
| [7] Discounts and Allowances (incl IGTs) | (88,788,724) | (92,438,357) | 3,649,634 | 3.95% | (83,921,959) |
| [8] Bad Debt Expense (Governmental Providers Only) | (1,730,871) | (1,482,002) | (248,870) | -16.79% | (1,361,459) |
| | 0 | 0 | 0 | 0.00% | 0 |
| [9] Charity Care | 0 | (10,081) | 10,081 | 100.00% | 0 |
| [10] Total Deductions From Revenue | (90,519,595) | (93,930,440) | 3,410,845 | 3.63% | (85,283,418) |
| [11] Net Patient Revenue | 40,903,929 | 35,420,494 | 5,483,435 | 15.48% | 34,451,633 |
| [12] Other Operating Rev (Incl HHS Stimulus) | 284,158 | 3,024,723 | (2,740,565) | -90.61% | 1,789,578 |
| [13] Total Operating Revenue | 41,188,086 | 38,445,217 | 2,742,869 | 7.13% | 36,241,212 |
| Operating Expenses | | | | | |
| [14] Salaries and Wages | 18,789,611 | 19,024,790 | 235,179 | 1.24% | 17,545,822 |
| [15] Fringe Benefits | 3,763,620 | 3,692,560 | (71,060) | -1.92% | 4,070,955 |
| [16] Contract Labor | 1,176,023 | 1,412,408 | 236,385 | 16.74% | 1,144,056 |
| [17] Professional & Physician Fees | 4,358,608 | 4,351,828 | (6,780) | -0.16% | 3,990,804 |
| [18] Purchased Services | 1,737,973 | 2,126,445 | 388,472 | 18.27% | 1,895,055 |
| [19] Supply Expense | 7,311,229 | 4,763,255 | (2,547,974) | -53.49% | 4,599,861 |
| [20] Utilities | 890,952 | 927,646 | 36,694 | 3.96% | 863,206 |
| [21] Repairs and Maintenance | 92,526 | 105,407 | 12,881 | 12.22% | 116,003 |
| [22] Insurance Expense | 969,944 | 847,656 | (122,289) | -14.43% | 807,285 |
| [23] All Other Operating Expenses | 1,191,680 | 1,078,735 | (112,945) | -10.47% | 996,213 |
| [24] Bad Debt Expense (Non-Governmental Providers) | 0 | 0 | 0 | 0.00% | 0 |
| [25] Leases and Rentals | 359,990 | 313,480 | (46,509) | -14.84% | 313,333 |
| [26] Depreciation and Amortization | 746,712 | 726,131 | (20,581) | -2.83% | 724,839 |
| [27] Interest Expense (Non-Governmental Providers) | 0 | 0.00 | 0 | 0.00% | 0 |
| [28] Total Operating Expenses | 41,388,867 | 39,370,340 | (2,018,527) | -5.13% | 37,067,433 |
| Net Operating Surplus/(Loss) | (200,781) | (925,123) | 724,343 | -78.30% | (826,222) |
| Non-Operating Revenue: | | | | | |
| [29] Contributions/Grants/PPP/ERC | 237,542 | 0 | 237,542 | 0.00% | 0 |
| [30] Investment Income | 861,202 | 942,620 | (81,418) | -8.64% | 942,620 |
| [31] Income Derived from Property Taxes | 365,207 | 335,689 | 29,518 | 8.79% | 335,689 |
| [32] Interest Expense (Governmental Providers Only) | (283,069) | (344,577) | 61,509 | -17.85% | (328,108) |
| [33] Other Non-Operating Revenue/(Expenses) | 12,534 | 39,293 | (26,759) | -68.10% | 38,961 |
| [34] Total Non Operating Revenue/(Expense) | 1,193,416 | 973,025 | 220,392 | 22.65% | 989,162 |
| Total Net Surplus/(Loss) | 992,636 | 47,902 | 944,734 | 1972.24% | 162,940 |
| | ACTUAL YTD | BUD YTD | ACT FYE 24 | PROJ FYE 25 | Prior YTD |
| [35] Operating Margin | -0.49% | -2.41% | | | -2.28% |
| [36] Total Profit Margin | 2.41% | 0.12% | | | 0.45% |
| [37] EBITDA | 0.64% | -1.41% | | | -1.19% |
| [38] Cash Flow Margin | 4.91% | 2.91% | | | 3.35% |

Statement of Revenue and Expense - 13 Month Trend

KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA

PAGE 8

| | 30 | 31 | 30 | 31 | 28 | 31 | 31 | 30 | 31 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| | 06/30/25 | 05/31/25 | 04/30/25 | 03/31/25 | 02/28/25 | 01/31/25 | 12/31/24 | 11/30/24 | 10/31/24 |
| Gross Patient Revenue | | | | | | | | | |
| [1] Inpatient Revenue | 878,031 | 919,766 | 1,178,765 | 1,284,233 | 1,211,376 | 1,135,510 | 1,306,206 | 988,923 | 1,270,022 |
| [2] Clinic Revenue | 1,443,923 | 1,506,100 | 1,454,900 | 1,455,217 | 1,337,711 | 1,539,352 | 1,464,884 | 1,450,778 | 1,507,298 |
| [3] Outpatient Revenue | 5,822,291 | 5,131,157 | 4,937,503 | 5,087,083 | 4,787,593 | 5,179,894 | 4,968,077 | 4,910,316 | 5,196,913 |
| [4] Long Term Care Revenue | 2,813,800 | 2,794,698 | 2,657,872 | 2,731,394 | 2,484,620 | 2,678,085 | 2,622,111 | 2,545,925 | 2,941,872 |
| [5] Retail Pharmacy Revenue | 716,476 | 594,645 | 528,898 | 488,497 | 494,336 | 512,293 | 485,298 | 428,228 | 471,467 |
| [6] Total Gross Patient Revenue | 11,674,521 | 10,946,365 | 10,757,938 | 11,046,425 | 10,315,637 | 11,045,134 | 10,846,577 | 10,324,169 | 11,387,573 |
| Deductions From Revenue | | | | | | | | | |
| [7] Discounts and Allowances (incl IGTs) | 69% (7,964,781) | 68% (7,294,455) | 68% (7,225,317) | 68% (7,333,013) | 68% (6,828,153) | 68% (7,373,039) | 68% (7,153,760) | 68% (6,875,691) | 70% (7,866,012) |
| [8] Bad Debt Expense (Governmental Providers Only) | (95,513) | (108,897) | (140,024) | (133,860) | (141,973) | (129,120) | (237,723) | (148,462) | (125,840) |
| [7B] Medi-Cal Deductions due to IGTs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [9] Charity Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [10] Total Deductions From Revenue | (8,060,294) | (7,403,352) | (7,365,340) | (7,466,872) | (6,970,126) | (7,502,159) | (7,391,483) | (7,024,153) | (7,991,852) |
| [11] Net Patient Revenue | 3,614,226 | 3,543,013 | 3,392,597 | 3,579,553 | 3,345,511 | 3,542,974 | 3,455,094 | 3,300,016 | 3,395,721 |
| [12] Other Operating Rev (Incl HHS Stimulus) | 12,398 | 13,869 | 15,316 | 14,822 | 13,026 | 37,551 | 16,291 | 18,404 | 50,999 |
| [13] Total Operating Revenue | 3,626,624 | 3,556,882 | 3,407,913 | 3,594,375 | 3,358,537 | 3,580,525 | 3,471,386 | 3,318,420 | 3,446,720 |
| Operating Expenses | | | | | | | | | |
| [14] Salaries and Wages | 1,656,279 | 1,648,035 | 1,654,167 | 1,702,621 | 1,449,506 | 1,596,692 | 1,528,996 | 1,502,965 | 1,522,753 |
| [15] Fringe Benefits | 326,522 | 326,902 | 332,810 | 338,337 | 309,541 | 333,485 | 305,656 | 303,150 | 305,569 |
| [16] Contract Labor | 78,264 | 79,951 | 95,657 | 92,401 | 92,061 | 90,138 | 120,093 | 121,450 | 91,485 |
| [17] Professional & Physician Fees | 354,404 | 384,120 | 377,024 | 381,284 | 345,689 | 346,313 | 382,994 | 361,950 | 361,819 |
| [18] Purchased Services | 119,935 | 169,025 | 150,363 | 136,423 | 144,838 | 177,262 | 97,464 | 135,518 | 195,948 |
| [19] Supply Expense | 785,215 | 677,345 | 583,304 | 610,130 | 657,134 | 587,830 | 604,025 | 549,141 | 610,698 |
| [20] Utilities | 61,519 | 92,322 | 67,955 | 71,311 | 87,258 | 69,307 | 83,915 | 61,188 | 82,582 |
| [21] Repairs and Maintenance | 11,241 | (1,411) | 20,186 | 13,905 | 2,474 | 3,498 | 6,888 | 6,771 | 13,906 |
| [22] Insurance Expense | 106,726 | 67,043 | 39,371 | 102,241 | 67,042 | 143,408 | 66,818 | 66,818 | 74,824 |
| [23] All Other Operating Expenses | 93,575 | 125,211 | 89,736 | 126,676 | 122,447 | 116,907 | 102,655 | 92,438 | 73,727 |
| [24] Bad Debt Expense (Non-Governmental Providers) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [25] Leases and Rentals | 24,052 | 21,687 | 33,523 | 19,438 | 48,534 | 30,076 | 35,006 | 33,070 | 35,178 |
| [26] Depreciation and Amortization | 59,348 | 60,983 | 61,216 | 62,599 | 62,511 | 63,250 | 63,250 | 63,250 | 62,882 |
| [27] Interest Expense (Non-Governmental Providers) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [28] Total Operating Expenses | 3,677,079 | 3,651,213 | 3,505,312 | 3,657,368 | 3,389,037 | 3,558,166 | 3,397,761 | 3,297,709 | 3,431,371 |
| Net Operating Surplus/(Loss) | -50,455 | -94,331 | -97,399 | -62,992 | (30,499) | 22,359 | 73,624.62 | 20,711 | 15,350 |
| Non-Operating Revenue: | | | | | | | | | |
| [29] Contributions/Grants/PPP/ERC | 11,335 | 50,000 | 35,372 | 0 | 0 | 60,239 | 67,285 | 0 | 0 |
| [30] Investment Income | 24,384 | 73,241 | 71,937 | 71,922 | 75,712 | 76,592 | 72,436 | 72,573 | 75,310 |
| [31] Income Derived from Property Taxes | 57,491 | 27,974 | 27,974 | 27,974 | 27,974 | 27,974 | 27,974 | 27,974 | 27,974 |
| [32] Interest Expense (Governmental Providers Only) | (29,005) | (23,657) | (21,252) | (21,219) | (21,357) | (22,295) | (30,435) | (22,342) | (22,821) |
| [33] Other Non-Operating Revenue/(Expenses) | 185 | (26,297) | 10,157 | 12,755 | 10,214 | 10,738 | (56,167) | 10,315 | 9,862 |
| [34] Total Non Operating Revenue/(Expense) | 64,390 | 101,261 | 124,187 | 91,431 | 92,543 | 153,247 | 81,093 | 88,520 | 90,326 |
| Total Net Surplus/(Loss) | 13,935 | 6,930 | 26,789 | 28,439 | 62,043 | 175,606 | 154,718 | 109,231 | 105,676 |
| [35] Operating Margin | -1.39% | -2.65% | -2.86% | -1.75% | -0.91% | 0.62% | 2.12% | 0.62% | 0.45% |
| [36] Total Profit Margin | 0.38% | 0.19% | 0.79% | 0.79% | 1.85% | 4.90% | 4.46% | 3.29% | 3.07% |
| [37] EBITDA | -0.55% | -1.60% | -1.69% | -0.60% | 0.32% | 1.77% | 3.07% | 1.86% | 1.61% |
| [38] Cash Flow Margin | 2.82% | 2.57% | 3.21% | 3.12% | 4.34% | 7.29% | 7.16% | 5.87% | 5.55% |
| | 0 | | | | | | | | |

Statement of Revenue and Expense - 13 Month
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA

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| | 30 | 31 | 31 | 30 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Actual | Actual | Actual | Actual |
| | 09/30/24 | 08/31/24 | 07/31/24 | 06/30/24 |
| Gross Patient Revenue | | | | |
| [1] Inpatient Revenue | 1,036,009 | 1,141,085 | 1,052,797 | 1,249,075 |
| [2] Clinic Revenue | 1,435,735 | 1,662,901 | 1,535,213 | 1,365,111 |
| [3] Outpatient Revenue | 5,140,305 | 5,972,852 | 5,622,346 | 5,307,292 |
| [4] Long Term Care Revenue | 2,110,792 | 2,601,232 | 2,560,370 | 2,385,633 |
| [5] Retail Pharmacy Revenue | 448,086 | 420,392 | 339,070 | 257,065 |
| [6] Total Gross Patient Revenue | <u>10,170,927</u> | <u>11,798,462</u> | <u>11,109,796</u> | <u>10,564,176</u> |
| Deductions From Revenue | | | | |
| [7] Discounts and Allowances (incl IGTs) | 70% (7,026,774) | 72% (8,340,866) | 70% (7,506,862) | 70% (7,142,408) |
| [8] Bad Debt Expense (Governmental Providers Only) | (130,120) | (112,199) | (227,141) | (227,228) |
| [7B] Medi-Cal Deductions due to IGTs | 0 | 0 | 0 | 0 |
| [9] Charity Care | 0 | 0 | 0 | 0 |
| [10] Total Deductions From Revenue | <u>(7,156,895)</u> | <u>(8,453,065)</u> | <u>(7,734,003)</u> | <u>(7,369,636)</u> |
| [11] Net Patient Revenue | <u>3,014,032</u> | <u>3,345,397</u> | <u>3,375,793</u> | <u>3,194,540</u> |
| [12] Other Operating Rev (Incl HHS Stimulus) | <u>38,944</u> | <u>27,916</u> | <u>24,621</u> | <u>14,910</u> |
| [13] Total Operating Revenue | <u>3,052,977</u> | <u>3,373,313</u> | <u>3,400,414</u> | <u>3,209,450</u> |
| Operating Expenses | | | | |
| [14] Salaries and Wages | 1,466,275 | 1,511,053 | 1,550,270 | 1,463,109 |
| [15] Fringe Benefits | 307,619 | 317,239 | 256,789 | 294,380 |
| [16] Contract Labor | 93,817 | 107,531 | 113,177 | 61,937 |
| [17] Professional & Physician Fees | 361,856 | 348,842 | 352,314 | 344,024 |
| [18] Purchased Services | 153,417 | 122,262 | 135,516 | 152,080 |
| [19] Supply Expense | 501,058 | 619,942 | 525,406 | 420,270 |
| [20] Utilities | 72,185 | 106,849 | 80,412 | 69,192 |
| [21] Repairs and Maintenance | 3,278 | 1,970 | 9,818 | 11,992 |
| [22] Insurance Expense | 66,818 | 66,818 | 102,017 | 63,059 |
| [23] All Other Operating Expenses | 97,345 | 70,425 | 80,537 | 98,980 |
| [24] Bad Debt Expense (Non-Governmental Providers) | 0 | 0 | 0 | 0 |
| [25] Leases and Rentals | 30,572 | 24,400 | 24,455 | 24,964 |
| [26] Depreciation and Amortization | 62,487 | 62,437 | 62,498 | 62,951 |
| [27] Interest Expense (Non-Governmental Providers) | 0 | 0 | 0 | 0 |
| [28] Total Operating Expenses | <u>3,216,728</u> | <u>3,359,768</u> | <u>3,293,208</u> | <u>3,066,937</u> |
| Net Operating Surplus/(Loss) | <u>(163,751)</u> | <u>13,545</u> | <u>107,206</u> | <u>142,513</u> |
| Non-Operating Revenue: | | | | |
| [29] Contributions/Grants/PPP/ERC | 0 | 13,312 | 0 | 0 |
| [30] Investment Income | 74,289 | 76,545 | 96,261 | 77,287 |
| [31] Income Derived from Property Taxes | 27,974 | 27,974 | 27,974 | 27,974 |
| [32] Interest Expense (Governmental Providers Only) | (22,492) | (22,476) | (23,717) | (31,982) |
| [33] Other Non-Operating Revenue/(Expenses) | 9,373 | 11,884 | 9,516 | 11,231 |
| [34] Total Non Operating Revenue/(Expense) | <u>89,144</u> | <u>107,239</u> | <u>110,034</u> | <u>84,510</u> |
| Total Net Surplus/(Loss) | <u>(74,607)</u> | <u>120,784</u> | <u>217,240</u> | <u>227,023</u> |
| [35] Operating Margin | -5.36% | 0.40% | 3.15% | 4.44% |
| [36] Total Profit Margin | -2.44% | 3.58% | 6.39% | 7.07% |
| [37] EBITDA | -4.05% | 1.59% | 4.29% | 5.41% |
| [38] Cash Flow Margin | 0.34% | 6.10% | 8.92% | 10.03% |

Statement of Cash Flows

KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA Twelve Months Ending June 30, 2025

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| | CASH FLOW | |
|--|-------------------------------|--------------------------------------|
| | Current Month 6/30/2025 | Current Year-To-Date 6/30/2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| [1] Net Income (Loss) | 13,935 | 992,636 |
| [2] Adjustments to Reconcile Net Income to Net Cash | | |
| [3] Provided by Operating Activities: | | |
| [4] Depreciation | 59,348 | 746,712 |
| [5] (Increase)/Decrease in Net Patient Accounts Receivable | (1,003,586) | (1,548,796) |
| [6] (Increase)/Decrease in Other Receivables | 535,223 | 4,771,098 |
| [7] (Increase)/Decrease in Inventories | 7,704 | (1,730) |
| [8] (Increase)/Decrease in Pre-Paid Expenses | 31,293 | (104,970) |
| [9] (Increase)/Decrease in Other Current Assets | 0 | 0 |
| [10] Increase/(Decrease) in Accounts Payable | 132,056 | 209,005 |
| [11] Increase/(Decrease) in Notes and Loans Payable | 0 | 0 |
| [12] Increase/(Decrease) in Accrued Payroll and Benefits | 154,556 | 94,998 |
| [13] Increase/(Decrease) in Accrued Expenses | 13,646 | 10,633 |
| [14] Increase/(Decrease) in Patient Refunds Payable | (76,460) | (163,875) |
| [15] Increase/(Decrease) in Third Party Advances/Liabilities | (29,781) | (2,557,341) |
| [16] Increase/(Decrease) in Other Current Liabilities | 0 | 0 |
| [17] Net Cash Provided by Operating Activities: | (162,067) | 2,448,371 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| [18] Purchase of Property, Plant and Equipment | (44,690) | (2,230,124) |
| [19] (Increase)/Decrease in Limited Use Cash and Investments | (12,946) | (25,295) |
| [20] (Increase)/Decrease in Other Limited Use Assets | (2,111,295) | (3,766,469) |
| [21] (Increase)/Decrease in Other Assets | 0 | 0 |
| [22] Net Cash Used by Investing Activities | (2,168,931) | (6,021,888) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| [23] Increase/(Decrease) in Bond/Mortgage Debt | 0 | (886,000) |
| [24] Increase/(Decrease) in Capital Lease Debt | (58,842) | (173,228) |
| [25] Increase/(Decrease) in Other Long Term Liabilities | 12,540 | 857,220 |
| [26] Net Cash Used for Financing Activities | (46,303) | (202,008) |
| (INCREASE)/DECREASE IN RESTRICTED ASSETS | 0 | 0 |
| [27] Net Increase/(Decrease) in Cash | (2,377,301) | (3,775,526) |
| [28] Cash, Beginning of Period | 8,537,978 | 9,936,203 |
| [29] Cash, End of Period | 6,160,678 | 6,160,678 |

KVHD
Patient Statistics
Thirteen Months Ended June 30, 2025

| STATISTICS | Actual 6/30/2024 | Actual 7/31/2024 | Actual 8/31/2024 | Actual 9/30/2024 | Actual 10/31/24 | Actual 11/31/24 | Actual 12/31/2024 | Actual 1/31/2025 | Actual 2/28/2025 | Actual 3/31/2025 | Actual 4/30/2025 | Actual 5/31/2025 | Actual 6/30/2025 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Discharges | | | | | | | | | | | | | |
| [1] Acute | 30 | 25 | 32 | 22 | 27 | 18 | 26 | 31 | 27 | 28 | 29 | 24 | 22 |
| [2] Swing Beds | 2 | 4 | 3 | 2 | 3 | 1 | 4 | 1 | 2 | 1 | 1 | 0 | 0 |
| [3] Psychiatric/Rehab | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [4] Respite | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [5] Total Adult Discharges | 32 | 29 | 35 | 24 | 30 | 19 | 30 | 32 | 29 | 29 | 30 | 24 | 22 |
| [6] Newborn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [7] Total Discharges | 32 | 29 | 35 | 24 | 30 | 19 | 30 | 32 | 29 | 29 | 30 | 24 | 22 |
| Patient Days: | | | | | | | | | | | | | |
| [8] Acute | 83 | 72 | 92 | 80 | 98 | 76 | 102 | 90 | 84 | 103 | 93 | 73 | 79 |
| [9] Swing Beds | 66 | 58 | 52 | 44 | 51 | 24 | 54 | 24 | 20 | 34 | 13 | 0 | 0 |
| [10] Psychiatric/Rehab | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [11] Respite | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [12] Total Adult Patient Days | 149 | 130 | 144 | 124 | 149 | 100 | 156 | 114 | 104 | 137 | 106 | 73 | 79 |
| [13] Newborn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [14] Total Patient Days | 149 | 130 | 144 | 124 | 149 | 100 | 156 | 114 | 104 | 137 | 106 | 73 | 79 |
| Average Length of Stay (ALOS) | | | | | | | | | | | | | |
| [15] Acute | 2.8 | 2.9 | 2.9 | 3.6 | 3.6 | 4.2 | 3.8 | 2.9 | 3.1 | 3.7 | 3.2 | 3.0 | 3.6 |
| [16] Swing Bed | 33.0 | 14.5 | 17.3 | 22.0 | 17.0 | 24.0 | 13.5 | 24.0 | 10.0 | 34.0 | 13.0 | 0.0 | 0.0 |
| [17] Psychiatric/Rehab | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [18] Total Adult ALOS | 4.7 | 4.5 | 4.1 | 5.2 | 5.0 | 5.3 | 5.2 | 3.6 | 3.6 | 4.7 | 3.5 | 3.0 | 3.6 |
| [19] Newborn ALOS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [1] | | | | | | | | | | | | | |
| Average Daily Census (ADC) | | | | | | | | | | | | | |
| [20] Acute | 2.8 | 2.3 | 3 | 2.7 | 3.16 | 2.5 | 3.3 | 2.9 | 3.0 | 3.3 | 3.1 | 2.4 | 2.6 |
| [21] Swing Beds | 2.2 | 1.9 | 1.7 | 1.5 | 1.64 | 0.8 | 1.7 | 0.8 | 0.7 | 1.1 | 0.4 | 0.0 | 0.0 |
| [22] All Other Adult | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [23] Total Adult ADC | 5.0 | 4.2 | 4.6 | 4.1 | 4.8 | 3.3 | 5.0 | 3.7 | 3.7 | 4.4 | 3.5 | 2.4 | 2.6 |
| [24] Newborn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long Term Care: | | | | | | | | | | | | | |
| [25] SNF/ECF Resident Days | 1399 | 1421 | 1456 | 1390 | 1441 | 1425 | 1463 | 1487 | 1393 | 1531 | 1487 | 1571 | 1573 |
| [26] SNF/ECF Resident Discharges | 1 | 6 | 4 | 4 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| [27] CBRF/Assisted Living Days | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [28] Average Daily Census | 46.6 | 45.8 | 47.0 | 46.3 | 46.5 | 47.5 | 47.2 | 48.0 | 49.8 | 49.4 | 49.6 | 50.7 | 52.4 |
| Emergency Room Statistics | | | | | | | | | | | | | |
| [29] ER Visits - Admitted | 21 | 25 | 27 | 23 | 24 | 17 | 22 | 29 | 22 | 28 | 25 | 23 | 22 |
| [30] ER Visits - Discharged | 407 | 408 | 414 | 358 | 352 | 330 | 355 | 308 | 302 | 343 | 311 | 324 | 344 |
| [31] ER - Urgent Care Visits | 294 | 306 | 287 | 261 | 264 | 277 | 299 | 330 | 288 | 310 | 322 | 310 | 312 |
| [32] Total ER Visits | 722 | 739 | 728 | 642 | 640 | 624 | 676 | 667 | 612 | 681 | 658 | 657 | 678 |
| [33] % of ER Visits Admitted | 2.91% | 3.38% | 3.71% | 3.58% | 3.75% | 2.72% | 3.36% | 4.35% | 3.59% | 4.11% | 3.80% | 3.50% | 3.24% |
| [34] ER Admissions as a % of Total | 65.63% | 86.21% | 77.14% | 95.83% | 80.00% | 89.47% | 70.97% | 85.29% | 75.86% | 87.50% | 86.21% | 79.31% | 75.86% |
| Outpatient Statistics: | | | | | | | | | | | | | |
| [35] Total Outpatients Visits | 892 | 927 | 1054 | 945 | 1047 | 935 | 874 | 1001 | 846 | 868 | 1047 | 1025 | 1055 |
| [36] Observation Bed Days | 12 | 20 | 19 | 16 | 21 | 14 | 16 | 22 | 18 | 11 | 27 | 19 | 25 |
| [37] Clinic Visits - Primary Care | 918 | 1390 | 1244 | 1146 | 301342 | 1199 | 1145 | 1276 | 1138 | 1253 | 1054 | 1145 | 976 |

KVHD
Patient Statistics
Thirteen Months Ended June 30, 2025

| STATISTICS | Actual 6/30/2024 | Actual 7/31/2024 | Actual 8/31/2024 | Actual 9/30/2024 | Actual 10/31/24 | Actual 11/31/24 | Actual 12/31/2024 | Actual 1/31/2025 | Actual 2/28/2025 | Actual 3/31/2025 | Actual 4/30/2025 | Actual 5/31/2025 | Actual 6/30/2025 |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| [38] Clinic Visits - Specialty Clinics | 206 | 265 | 266 | 199 | 256 | 222 | 228 | 223 | 228 | 248 | 264 | 222 | 261 |
| [39] IP Surgeries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [40] OP Surgeries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [41] Outpatient Scopes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [42] Retail Pharmacy Scripts | 3337 | 3989 | 4926 | 4710 | 5340 | 4871 | 5360 | 5620 | 5167 | 5101 | 5541 | 5858 | 6654 |
| [43] Clinic Visits-Mobile Van | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [44] FTE's - Worked | 211.34 | 204.38 | 213.21 | 211.50 | 212.15 | 211.24 | 211.30 | 221.42 | 217.79 | 222.25 | 223.42 | 220.81 | 216.58 |
| [45] FTE's - Paid | 233.43 | 233.51 | 237.06 | 235.46 | 234.5 | 234.03 | 234.69 | 240.10 | 239.27 | 241.63 | 247.25 | 246.07 | 242.25 |
| [46] Case Mix Index -Medicare | 0.9117 | 1.1386 | 0.9526 | 0.9464 | 1.1602 | 1.0987 | 0.9632 | 0.8510 | 0.9070 | 1.0770 | 1.1230 | 1.3689 | 1.0734 |
| [47] Case Mix Index - All payers | 0.8642 | 1.1197 | 0.9707 | 0.9893 | 0.9767 | 1.0204 | 0.9527 | 0.9030 | 0.9520 | 1.0170 | 0.9990 | 1.1085 | 0.9517 |

**Kern Valley Healthcare District
Financial Report**

For the month of June 2025 (12th month in FY 25)

Profit/Loss Summary

Net income in June was \$ 13,935, a .38% total profit margin, and \$16,370 below budget. YTD net income is \$992,636 a 2.41% total profit margin.

Net Patient Revenue- MTD positive-YTD Positive

Month-The Net patient Revenue in June was \$3,614,226 (24.15%) above budget. The volume was higher in the acute areas where patient days were up by 6 from May but under budget (60 days below budget), Gross Inpatient Revenues were below budget (\$372,713). Skilled Nursing revenues increased in June (\$19,102 above prior month) (days were up by 2, but census was up by 1.7 days (1 less day in June)) and revenues were over budget by \$290,258. Outpatient revenues were \$784,712 above budget (15.58%) Outpatient visits were over budget by 154 and ER Visits were over budget by 19. Retail Pharmacy revenue was 159.70 % over budget for the month (prescriptions were 3,189 over budget, and 796 above prior month).

YTD-Net patient revenue was \$40,903,929 (15.48%) over budget, primarily due to ER, outpatient and retail pharmacy gross revenue being over budget.

Operating Expenses- MTD Negative YTD Negative

Month-Operating Expenses in June were \$441,161(13.63%) above budget (unfavorable). Labor expenses were over budget with salaries and wages and fringe benefits above budget by \$115,621 and contract labor \$37,825 below budget. Supply expense was over budget by \$393,715 primarily due to the increase in retail pharmacy drug expenses related to the increase in prescriptions filled.

YTD-Operating expenses were over budget YTD by \$ 2,018,527 primarily due to supply expense being over budget by \$2,547,974, primarily due to the increase in retail pharmacy drug expenses related to the increase in prescriptions filled.

Balance Sheet/Cash Flow

Patient cash collections in June were up from \$2,344,657 in May to \$2,613,000 in June. The Gross AR Days showed a decrease from 71 days last month to 68 days in June. Gross AR decreased by \$226,266 due primarily to a decrease in SNF AR. We are still reviewing all of the accounts to get the AR days down. Cash Balances (all sources) decreased to \$20,764,508 compared to \$21,119,035 in May.

The Accounts Payable balances increased by \$132,056 in June.

Concluding Summary

Positive takeaways for the month:

- 1) Long Term Care revenue was over budget
- 2) Net patient revenue was over budget.
- 3) Retail pharmacy revenue was over budget.
- 4) Gross days in AR are decreasing. They decreased by 3 in June.
- 5) Outpatient Revenue was over budget.

Negative takeaways for the month:

- 1) Inpatient revenue and volumes were under budget.
- 2) Operating expenses were over budget.
- 3) Clinic revenue was under budget.

Prepared by John Lovrich, CFO
July 25, 2025

**KERN VALLEY
HEALTHCARE DISTRICT**

Jul-25

| CONTRACT | VEN # | CONTRACT TYPE | DESCRIPTION | COST | BEGIN | RENEW | FINANCE REVIEW | TERMS | DEPT | MANAGER |
|------------------------------|-------|----------------|------------------------------------|---|------------|----------|----------------|----------|----------------------|-----------|
| AUTOREMIND | 53270 | SOFTWARE | RHC MESSAGING | \$ 719.00 | MO | 10/01/24 | 09/30/27 | 07/01/25 | MVHC | DAVIS |
| CHAMAS, KEVIN J. M.D. | 52114 | PHYSICIAN | EMERGENCY SERVICE | 75.00 PER VISIT 70.00 STANDBY MIN 250.00 | HR | 10/01/23 | 09/30/26 | 07/01/25 | ADMINISTRATION | MCGLEW |
| DIAGNOSTICA STAGO | 52996 | REAGENT'S | STAGO LEASE AGREEMENT | \$ 1,000.00 | MO | 10/24/19 | 10/23/26 | 07/01/25 | LABORATORY | TALAMPAS |
| eRAD | 05236 | SERVICE | RIS/PACS/Teleradiology | \$ 2.50 | PER STUDY | 10/15/18 | OPEN | 07/01/25 | RADIOLOGY | CLINE |
| FINSTAD, GARY M.D. | 02313 | PHYSICIAN | CRITICAL ACCESS/MEDICAL STAFF | 100.00 AN HOUR NOT TO EXCEED 2,000.00 | MO | 10/01/20 | 10/01/26 | 07/01/25 | ADMINISTRATION | MCGLEW |
| JAIME AND DORIS LEE HO TRUST | | RENTAL | 4308 BIRCH STREET | \$ 4,000.00 | MO | 11/01/24 | 10/31/25 | 07/01/25 | ADMINISTRATION | MCGLEW |
| KERN RIVER PROPANE | 53191 | LP-GAS SERVICE | GAS FOR 18,000 GAL TANK | SUPPLIER PRICE +.40 PER GAL | DELIVERED | 10/01/21 | OPEN | 07/01/25 | PLANT OPERATIONS | EASTERDAY |
| LOPEZ, SARAH D.O. | 52859 | PHYSICIAN | PHYSICIAN AGREEMENT RHC | \$ 500.00 | MO | 10/01/22 | 09/30/25 | 07/01/25 | ADMINISTRATION | MCGLEW |
| MSDS ONLINE | 51926 | SERVICE | MEDICAL SAFETY DATA SHEETS | \$ 2,205.00 | ANN | 10/19/23 | 10/18/26 | 07/01/25 | PLANT MAINTENANCE | EASTERDAY |
| NEWELL, PETER M.D. | 52850 | | ED PHYSICIAN | 75.00 per pt visit / 70.00 per stand by hr. Minimum pay 220.00 per hour | MONTHLY | 10/01/23 | 09/30/26 | 07/01/25 | ADMINISTRATION | MCGLEW |
| QLIQ SOFT | 52374 | SERVICE | SECURE MESSAGING SUBSCRIPTION | \$ 648.00 | QRTLY | 10/01/24 | 09/30/27 | 07/01/25 | IS | ZUBER |
| TIME CLOCK PLUS (TCP) | 53378 | SERVICE | SCHEDULE ANYWHERE | \$ 3,132.00 | ANN | 10/29/24 | 10/28/25 | 07/01/25 | NURSING | GORDON |
| TRANE BUILDING SERVICES | 52633 | SERVICE | SERVICE FOR CHILLER 19 | \$ 3,687.00 | QTRLY | 10/02/21 | 09/30/25 | 07/01/25 | OPERATIONS | EASTERDAY |
| T-SYSTEM (CORRO HEALTH) | 03555 | SOFTWARE | EHR IN EMERGENCY DEPT | \$ 3,096.00 | MO | 09/01/13 | OPEN | 07/01/25 | NURSING | GORDON |
| WERKING, Andy | | SERVICE | HEALTH PLAN CONTRACT CONSULTING | \$ 1,400.00 | PER SER MO | 10/01/24 | OPEN | 07/01/25 | ADMINISTRATION | MCGLEW |



**MINUTES FOR
BOARD PERSONNEL AND POLICY COMMITTEE
Monday, July 28, 2025 – 9:00 A.M.**

1. **CALL TO ORDER:** The meeting was called to order by Fred Clark, Committee Chair, at 9:00am in the Administrative Conference Room.

PRESENT: Fred Clark, Committee Chair
Ross Elliott, Committee Member
Tim McGlew, Chief Executive Officer
Mark Gordon, Chief Nursing Officer
Cary Zuber, Chief Information Officer
Cassandra Coleman, Human Resources Manager
Heidi Sage, Executive Assistant

2. **APPROVAL OF AGENDA:** The agenda was approved as distributed.
3. **APPROVAL OF MINUTES:** The minutes of the June 23, 2025 meeting were approved as distributed.

4. **REPORTS:**

- A. Human Resources Report:** The HR report for June 2025 was presented by Cassandra Coleman. Ms. Coleman updated the committee on hires and terminations for the month. There was discussion about removing the total number of positions from the report. There was also some confusion about the variances between months listed in the report. Ms. Coleman stated there were a couple of errors that she would correct on the report before it goes to the Board. Ms. Coleman also provide termination trending report.
- B. FTE Report:** The FTE reports for pay periods ending 6/28/25 and 7/12/25 were reviewed and discussed. For PPE 6/28/25, the District was 3.89 FTEs under target based on actual volume. For PPE 7/12/25, the District was 19.36 FTEs under target based on actual volume.
- C. Chief Nursing Officer Report:** Mr. Gordon reported that he was planning to add another FTE to the Emergency Department to add another RN at night. This will help with volume, coverage for sick calls, and lunch coverage. Mr. Gordon state he implemented a continuing education program for nursing staff. The District is currently training 3 new grad RN's. Mr. Gordon is continuing to work on the nursing float pool policy. Due to the increase in volume at Mesa Clinical Pharmacy, the security officer has been moved down there for the time being. Director Elliott stated hopefully having security at MCP is a short-term issue.
- D. Chief Executive Officer Report:** Mr. McGlew reported that retail pharmacy volumes continue to be high, almost three times their normal volume. Mr. Easterday helped redesign one of the offices to allow more workspace for the new hires at MCP. Work continues on suites D and E for the new pharmacy. It looks like we are about 8 weeks out from completion. The new minimum wage increase went into effect July 1st which brought our minimum up to \$18.63/hr. The SNF received a deficiency for a resident-to-resident altercation. The plan of corrections for the deficiency has been submitted. The District entered into an externship program for PTA students. The inpatient pharmacy inspection occurred earlier this month. There was an issue with a dehumidifier, which is being dealt with. The Hazard Mitigation grant is going to the County Board

of Supervisors on August 5th. Tehachapi has two generators that they are considering gifting to KVHD. This would allow us to return the two generators that were rented to keep the pharmacy and clinic up during power outages.

5. POLICY/PROCEDURES FOR REVIEW:

Manuals:

Housekeeping – The Housekeeping manual was approved by this committee and will be placed on the Board of Directors consent agenda for final approval.

Radiology – The Radiology manual was approved by this committee and will be placed on the Board of Directors consent agenda for final approval.

Skilled Nursing – The Skilled Nursing manual was approved by this committee and will be placed on the Board of Directors consent agenda for final approval.

SNF Social Services – The SNF Social Services manual was approved by this committee and will be placed on the Board of Directors consent agenda for final approval.

SNF Pharmacy – The SNF Pharmacy manual was approved by this committee and will be placed on the Board of Directors consent agenda for final approval.

Policies:

Administration:

- Non-Discrimination Policy Approved – Will place on consent agenda

Central Service:

- Lint-Free Towels, Preparation of Approved – Will place on consent agenda

Emergency Department:

- Nursing Staffing Plan – Emergency Department Approved – Will place on consent agenda

Human Resources:

- Criminal Records Verification Return to manager for changes
- Drug and Alcohol Testing Return to manager for changes
- Employee Annual Physical Requirements Return to manager for changes
- Employee Pre-Placement Medical Screening Return to manager for changes
- Immigration Law Compliance Return to manager for changes
- Internal Promotions and Transfers Return to manager for changes
- Introductory Period Return to manager for changes
- Social Media, Networking, and Other Web-Based Com. Return to manager for changes
- Work Rule Guidelines – Rules of Conduct Return to manager for changes

Infection Control:

- Hand Hygiene Program Approved – Will place on consent agenda

Mesa Clinical Pharmacy:

- Duty to Consult – Outpatient Approved – Will place on consent agenda

Nursing Administration:

- Staff Nursing Competency (change to Nursing) Approved – Will place on consent agenda

Radiology:

- Code Brown Disaster Event Recall Roster Approved – Will place on consent agenda

Rehabilitation:

- Rehabilitation Department Patient and Visitor Standards Approved – Will place on consent agenda

Respiratory:

- Replacement Schedule of Disposable RT Supplies Approved – Will place on consent agenda
- Scope of Services Approved – Will place on consent agenda
- Ventilator Set-Up and Management Approved – Will place on consent agenda

Skilled Nursing Facility:

- Resident Representative Approved – Will place on consent agenda
- Staffing, Sufficient and Competent Nursing Facility Approved – Will place on consent agenda

Policy Tracking Form: The tracking forms for both clinical and non-clinical policies were briefly reviewed.

6. OLD BUSINESS:

A. Review of Evaluation Tracking Form: The evaluation tracking form was reviewed and discussed. HR has begun sending out the paperwork again for the TB and N95 fit testing again.

7. NEW BUSINESS:

A. Termination Trending Detail: This was discussed under the HR report.

B. Nectar Usage Report: Mr. Zuber updated the committee on Nectar Usage for the last 30 days. In addition, Mr. Zuber provided a quarterly report on manager usage.

C. Job Description Revision Project: Mr. McGlew updated the committee on the job description revision project. The job descriptions are being reformatted to remove the 5-tier scoring as this document is no longer used for evaluations. The job descriptions are being sent to the respective department managers for updating for current practices, terminology, etc. Once the job descriptions are complete, they will be reissued to the staff members in those positions. There may also be some title changes to bring them more in line with industry standards.

8. ADJOURNMENT: The meeting was adjourned at 10:28am.

Submitted by: _____
Heidi Sage, Executive Assistant

Approved by: _____
Fred Clark, Committee Chair

**Kern Valley Healthcare District
HUMAN RESOURCES REPORT
Jun 2025 – FY 25**

| | May '25 | Apr '25 | Apr '25 | Jun '24 | |
|---------------------------------------|------------------|---------------|-------------------|--------------------|---------------|
| TOTAL NUMBER OF POSITIONS: | 302 | 470 | 469 | 443 | |
| Full Time: | 210 | 275 | 274 | 266 | |
| Part Time: | 18 | 41 | 41 | 36 | |
| Part Time w/o Benefits: | 8 | 27 | 27 | 26 | |
| Per Diem: | 37 | 94 | 94 | 86 | |
| Temporary: | 24 | 33 | 33 | 29 | |
| | | | | | |
| Headcount: | 276 | 277 | 277 | 268 | |
| Turnover Rate: | 4% | 1.8% | 1.8% | 1.87% | |
| POSITIONS OPEN: 17 | | | Department | Position | Status |
| | 2 | | SKILLED NURSING | CNA | FT |
| | 2 | | SKILLED NURSING | LVN | PT |
| | 3 | | SKILLED NURSING | RN/CHARGE NURSE | FT |
| | 1 | | SKILLED NURSING | RESIDENT MONTIOR | TEMP |
| | 1 | | ACUTE | LVN | FT |
| | 1 | | ACUTE | TELEMETRY TECH | FT |
| | 1 | | MVHC | CLINICAL PHYSICIAN | PT |
| | 1 | | RADIOLOGY | RAD TECH | PD |
| | 1 | | REHAB | PTA | PT |
| | 1 | | RETAIL | PHARMACIST | PT |
| | 2 | | RETAIL | PHARM TECH | PT |
| NEW HIRES: 10 | New | | | | |
| | 1 | | PLANT OPERATIONS | OFFICE ASSISTANT | FT |
| | 1 | | PATIENT SERVICES | REPRESENTATIVE | FT |
| | 1 | | NURSING ADMIN | RN | FT |
| | 1 | | SKILLED NURSING | RESIDENT MONITOR | TEMP |
| | 1 | | SKILLED NURSING | CNA | FT |
| | 1 | | SKILLED NURSING | CNA | PD |
| | 1 | | LAB | LAB TECH | PD |
| | 1 | | ACUTE | RN | PD |
| | 1 | | NUTRITION | DIETARY TECH | PW |
| | 1 | | NUTRITION | DIETARY TECH | TEMP |
| SEPARATION FROM EMPLOYMENT: 11 | Voluntary | Invol. | Department | | |
| | 1 | | NUTRITION | DIETARY TECH | PW |
| | 1 | | NUTRITION | DIETARY TECH | FT |
| | | 1 | SKILLED NURSING | CNA | FT |
| | 1 | | EMERGENCY | RN | PD |
| | 1 | | NUTRITION | DIETARY TECH | PW |
| | 1 | | NURSING ADMIN | RH/HOUSE SUP | FT |
| | 1 | | SKILLED NURSING | RESIDENT MONITOR | TEMP |
| | | 1 | RETAIL | PHARM CLERK | PT |
| | | 1 | SKILLED NURSING | ACTIVITIES SUP | FT |
| | 1 | | STAFF DEVELOPMENT | CNA STRUDENT | TEMP |
| | 1 | | SKILLED NURSING | RN | FT |
| | | | | | |
| | | | | | |

| WORKERS' COMPENSATION NEW CLAIMS: | | | Department | Lost Time? | Returned to work? |
|--|--------------------------------|----------------------------------|---|---------------------------------|------------------------------|
| | | | SKILLED NURSING | YES | YES |
| | | | SKILLED NURSING | NO | YES |
| | | | PT FINANCIAL SERV | NO | YES |
| | | | NUTRITION | NO | YES |
| | | | MVHC | NO | YES |
| | | | MVHC | NO | YES |
| | | | NUTRITION | NO | YES |
| Workers Compensation Total Open/CLOSED: | Open FY18-24 26 | Closed FY18-24 75 | Total Claims FY18-24 101 | Total Open Claims 26 | |
| (FY18) 7/1/17 – 6/30/18 | 1 | 15 | 16 | | |
| (FY19) 7/1/18 – 6/30/19 | 0 | 5 | 5 | | |
| (FY20) 7/1/19 – 6/30/20 | 0 | 11 | 11 | | |
| (FY21) 7/1/20 – 6/30/21 | 4 | 7 | 11 | | |
| (FY22) 7/1/21 – 6/30/22 | 5 | 22 | 27 | | |
| (FY23) 7/1/22 – 6/30/23 | 4 | 4 | 8 | | |
| (FY24) 7/1/23 – 6/30/24 | 2 | 4 | 6 | | |
| (FY24) 7/1/24 – 6/30/25 | 10 | 7 | 17 | | |



Chief of Staff Report – August 14, 2025 Board Meeting

Medication Error Reduction Program Committee – July 17, 2025

- Mountain View Health Center and Mesa Clinical Pharmacy gave verbal reports.
- Committee reviewed and discussed regular reports (Medication Events by Area, Category, and Severity Level, Medication Incidents and Near Misses, Top 3 Error Tracking Reports, Medication Events Report, Medication Pass Audit Overview, Med Verify Report)
- Also reviewed were the ISMP Medication Safety Alert newsletters for June 19 and July 3, 2025.

Antimicrobial Stewardship Committee – July 29, 2025

- Committee reviewed the current antibiogram, and related report showing changes in susceptibilities. Recommendations were given and discussed.
- Committee reviewed regular reports. (Acute ABX Usage Reports for PNA/LRI, UTI, and Wound/GI; EOC Rounds for Pharmacy, HAI Reports Acute/SNF, SNF ABX Usage for UTI, Wound/Respiratory/GI)

CHIEF NURSING OFFICER REPORT

Board Report 08/14/2025

It is my goal to reduce or even eliminate the need for travelling nurses of any kind. In another effort to increase the quality of nursing care and to elevate the staffing resources to Basic ER levels, I have had discussions with John and Tim regarding increasing our nursing coverage in the ER. There are many solid reasons to do this, and we feel the benefit outweighs the cost. If there are any questions, I am available for comment.

I have implemented a continuing education program every other month for all licensed nurses in acute care and in the emergency room. We are also developing a nursing skills lab that can be made available to nurses to become familiar with the latest hands-on procedure materials and techniques. Such as Assisting the physician with chest tube insertion, assisting with peritoneal drainage, NG tube insertion among other things.

Due to the increase in prescriptions and activity, we have had to post security at the pharmacy for crowd control and to keep the peace when agitation occurs. The crowds are dwindling and we may be able to bring security back in-house in the near future.



KVHD CIO Report 08/14/2025

- The Radiology PACs server update has begun. The new virtual servers are in place; migration of data will begin in the coming weeks. The purpose of the update is to ensure we can patch vulnerabilities as they arise and to move the Radiology Department to the latest version of the software they utilize to conduct studies.
- Windows 10 is reaching end-of-life in October, we must migrate all PCs to Windows 11 by then. So far, we have upgraded 197 out of 234 workstations. Our goal is to be completed by the end of August.
- Our new HPE servers that will run our VMware hosts are in-house. We are working through the configuration and any additional products that will be needed to move them to production.
- Additional iPads have been purchased for the SNF. Nursing staff will be able to use the iPads to perform their documentation in a more mobile manner. The iPads will also allow for us to obtain signatures for residents and patients to move towards reducing paper usage in the SNF.
- “Our Patients Stories” marketing campaign is starting to see an increase in interest from the public, we have a few stories ready to post. We will continue to advertise this in hopes of obtaining as many positive stories as possible.
- Deb Hess has announced her retirement. She will retire on September 19th. Her position was posted at the end of July, and we have selected her replacement. Nicolas Carver will start on 8/18 and will work alongside Deb while she trains him and introduces him to various individuals and organizations in the Kern River Valley. Nicolas has many years of marketing management experience from a variety of well-known organizations. We look forward to having him join the team.
- A management luncheon and training will be held on August 27th at Ewings. The event is to roll out of Just Culture. Just Culture is aimed to improve fairness across department lines for how employees are expected to conduct themselves in the workplace and also provide Managers the tools to coach and provide corrective action when needed.

FOUNDATION/AUXILIARY REPORT – August 2025

Foundation:

River Rhythms is in full swing. Our first Friday went off without any hiccups. We received many positive comments from the band and others on our new stage. Beginning this year, we are required to cover the cost of electricity, which was unexpected. In the past Kernville Chamber did not charge but since the park renovation Kern County has now taken over the utilities and charges a flat fee per hour. Our staff member Billie Bob is our new announcer, and he is doing a fabulous job. We have also been able to have the young men at Camp Owens come out and assist with setting up the stage.

In partnership with Houchin Blood Bank we were able to register 22 donors and five of those were first time donors. Houchin was able to collect 21 units and Kern Valley Hospital collectively saved a total of 63 lives in our local community.

We are currently working on our 7th Annual Crabfest. Tickets can be purchased from Public Relations at our HR office or OnPoint Gym. We accept cash or checks made out to Kern Valley Hospital Foundation. Table sponsors are available for \$500.00 which include a reserved table for 6, tickets for our door prize and two bottles of wine.

Auxiliary:

July was another successful month. We are looking to accept debit/credit cards in the near future. To add that service the cashiers and day leaders will need training, and my understanding is Sherry Jordan is willing to do the training. In the near future we are looking to make some changes within the Auxiliary and perhaps reinstate Auxiliary volunteers in the hospital.

3. Comparable Services Analysis

(Provide a breakdown of costs from comparable vendors Please attach quotes)

| Vendor | Recommended Vendor (Y/N) | Amount \$ |
|--------------------|--------------------------|---------------------|
| Baxter | Y | 3,100 x 10 = 31,000 |
| annual license fee | | x 950 |
| | | \$ 31,950 |
| | | |

4. Authorization

Involves Facilities: Yes* No Involves Nursing: Yes* No Involves Technology: Yes* No

** Yes to either of the above requires Plant Operations Manager, CNO, and/or CIO approval.*

Signatures:

| | |
|--|--|
| <i>Legal Counsel</i> | <i>Date</i> |
| <i>Plant Operations Manager (if required)</i> | <i>Date</i> |
| <i>CIO (if required)</i> | <i>Date</i> |
| <i>CFO</i> | <i>Date</i> |
| <div style="text-align: center;"><i>Mark R Gordon</i></div> <i>CNO (If required)</i> | <div style="text-align: center;">July 16, 2025</div> <i>Date</i> |
| <i>CEO</i> | <i>Date</i> |
| <i>Department Manager</i> | <i>Date</i> |

5. Administration Use Only

Finance Committee Approval Date: _____

Board of Directors Approval Date: _____

Notes:

Quotation Sheet



Baxter Healthcare Corporation
One Baxter Parkway
Deerfield, IL 60015

to:
address:
city/state/zip:
JDE account #:
attention:
e-mail:
date:

Shipping Information
 Kern Valley Medical Center
 4300 Birch Street
 Lake Isabella, CA 93240
 34174745
 Mark Gordon
 markgordon@kvhd.org
 7/16/2025

Invoice Information
 0
 0
 0
 0
 Mark Gordon
 markgordon@kvhd.org
 7/16/2025

| Product & Description | Item Code. | Quantity | Unit Price | Price Extended |
|--|--------------------------------------|----------|-------------------|--------------------|
| Spectrum LVP Pump and Battery: | | | | |
| Spectrum IQ Infusion Pump | (includes 1 yr. of warranty) 3570009 | 10 | \$2,400.00 | \$24,000.00 |
| Spectrum Wireless Battery Module (A/B/G/N) | 36010 | 10 | \$700.00 | \$7,000.00 |
| Subtotal Spectrum LVP Pump and Battery: | | | \$3,100.00 | \$31,000.00 |
| | | | | |
| Spectrum License Fees: | | | | |
| Safety Mgmt System License (1YR) - Cloud | 290816 - Cloud | 10 | \$95.00 | \$950.00 |
| Cloud Based Gateway Subscription Pricing | IQCE700300 | 10 | Inc Above | Inc Above |
| Subtotal Spectrum License Fees: | | | \$95.00 | \$950.00 |
| Quotation Total Costs | | | | \$31,950.00 |

Spectrum Safety Mgmt System License Fee will be billed "Annually" beginning Year 2 \$950.00

*This quote is for budgetary purposes only. Pricing is subject to change after 60 days.
 Due to supply constraints, Baxter cannot guarantee shipment timing or delivery date of equipment
CONFIDENTIAL – This Quotation and the information contained within are strictly confidential and proprietary to Baxter and solely for the use
 of the recipient identified above. The contents, including the pricing, may not be reproduced or distributed without Baxter's prior written consent.*

Quote Prepared By:
Richard Metz
Infusion Systems Specialist
 Baxter Healthcare Corporation
 916.517.3594
 richard_metz@baxter.com

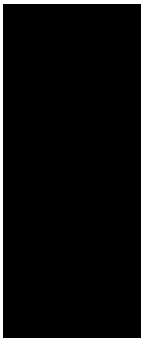
VALIC RETIREMENT PLAN
 PAY DATE 12/28/24-06/14/25
 TO BE PAID AUGUST 2025 - JANUARY 2026

| EMPLOYEE NUMBER | TOTAL GROSS WAGES | TOTAL CONTRIBUTION | 4.00% | | % OF CONTRIBUTION ALLOWED | CONTRIBUTION |
|-----------------|-------------------|--------------------|---|-------------------------------------|---------------------------|--------------|
| | | | TOTAL CONTRIBUTION PERCENT BASED ON GROSS WAGES | MATCH 1.00 FOR 1.00 MAXIMUM ALLOWED | | |
| | | | | | | 15446.02 |
| | 37,602.26 | | 1,504.09 | 1,504.09 | 0.75% | 115.70 |
| | 0.00 | 1,504.10 | 0.00 | | | |
| | 29,447.17 | | 1,177.89 | 689.00 | 0.34% | 53.00 |
| | 0.00 | 689.00 | 0.00 | | | |
| | 48,845.70 | | 1,953.83 | 1,953.83 | 0.97% | 150.29 |
| | 0.00 | 2,930.74 | 0.00 | | | |
| | 19,645.94 | | 785.84 | 785.84 | 0.39% | 60.45 |
| | 0.00 | 1,178.76 | 0.00 | | | |
| | 86,699.27 | | 3,467.97 | 3,467.97 | 1.73% | 266.77 |
| | 0.00 | 8,669.94 | 0.00 | | | |
| | 72,773.61 | | 2,910.94 | 2,910.94 | 1.45% | 223.92 |
| | 0.00 | 2,910.95 | 0.00 | | | |
| | 23,416.83 | | 936.67 | 936.67 | 0.47% | 72.05 |
| | 0.00 | 1,300.00 | 0.00 | | | |
| | 21,087.52 | | 843.50 | 715.00 | 0.36% | 55.00 |
| | 0.00 | 715.00 | 0.00 | | | |
| | 112,559.45 | | 4,502.38 | 4,502.38 | 2.24% | 346.34 |
| | 0.00 | 4,502.38 | 0.00 | | | |
| | 22,473.38 | | 898.94 | 898.94 | 0.45% | 69.15 |
| | 0.00 | 2,247.33 | 0.00 | | | |
| | 47,561.43 | | 1,902.46 | 1,902.46 | 0.95% | 146.34 |
| | 0.00 | 5,695.40 | 0.00 | | | |
| | 68,910.35 | | 2,756.41 | 2,756.41 | 1.37% | 212.03 |
| | 0.00 | 23,500.00 | 0.00 | | | |
| | 80,759.30 | | 3,230.37 | 3,230.37 | 1.61% | 248.49 |
| | 0.00 | 9,015.34 | 0.00 | | | |
| | 25,541.92 | | 1,021.68 | 1,021.68 | 0.51% | 78.59 |
| | 0.00 | 3,816.29 | 0.00 | | | |
| | 83,799.28 | | 3,351.97 | 3,351.97 | 1.67% | 257.84 |
| | 0.00 | 6,000.00 | 0.00 | | | |
| | 42,329.50 | | 1,693.18 | 1,693.18 | 0.84% | 130.24 |
| | 0.00 | 3,946.55 | 0.00 | | | |
| | 50,531.63 | | 2,021.27 | 2,021.27 | 1.01% | 155.48 |
| | 0.00 | 2,526.56 | 0.00 | | | |
| | 50,751.36 | | 2,030.05 | 0.00 | 0.00% | 0.00 |
| | 0.00 | 0.00 | 0.00 | | | |
| | 39,030.97 | | 1,561.24 | 1,561.24 | 0.78% | 120.10 |
| | 0.00 | 1,561.24 | 0.00 | | | |
| | 31,488.33 | | 1,259.53 | 1,259.53 | 0.63% | 96.89 |
| | 0.00 | 2,838.35 | 0.00 | | | |
| | 24,859.52 | | 994.38 | 650.00 | 0.32% | 50.00 |
| | 0.00 | 650.00 | 0.00 | | | |
| | 111,218.02 | | 4,448.72 | 4,448.72 | 2.22% | 342.21 |
| | 0.00 | 15,249.00 | 0.00 | | | |
| | 24,552.03 | | 982.08 | 390.00 | 0.19% | 30.00 |
| | 0.00 | 390.00 | 0.00 | | | |
| | 28,412.20 | | 1,136.49 | 1,136.49 | 0.57% | 87.42 |
| | 0.00 | 2,841.22 | 0.00 | | | |

| | | | | | |
|------------|-----------|----------|----------|-------|--------|
| 25,156.26 | | 1,006.25 | 1,006.25 | 0.50% | 77.40 |
| 0.00 | 1,132.03 | 0.00 | | | |
| 21,154.32 | | 846.17 | 846.17 | 0.42% | 65.09 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 11,405.73 | | 456.23 | 0.00 | 0.00% | 0.00 |
| 0.00 | 0.00 | 0.00 | | | |
| 52,418.80 | | 2,096.75 | 2,096.75 | 1.04% | 161.29 |
| 0.00 | 10,463.76 | 0.00 | | | |
| 70,394.69 | | 2,815.79 | 2,815.79 | 1.40% | 216.60 |
| 0.00 | 4,217.67 | 0.00 | | | |
| 24,098.58 | | 963.94 | 963.94 | 0.48% | 74.15 |
| 0.00 | 999.29 | 0.00 | | | |
| 79,650.10 | | 3,186.00 | 3,186.00 | 1.59% | 245.08 |
| 0.00 | 6,500.00 | 0.00 | | | |
| 23,020.16 | | 920.81 | 920.81 | 0.46% | 70.83 |
| 0.00 | 2,050.00 | 0.00 | | | |
| 45,221.85 | | 1,808.87 | 1,808.87 | 0.90% | 139.14 |
| 0.00 | 13,000.00 | 0.00 | | | |
| 45,446.82 | | 1,817.87 | 1,817.87 | 0.91% | 139.84 |
| 0.00 | 2,272.35 | 0.00 | | | |
| 103,761.66 | | 4,150.47 | 4,150.47 | 2.07% | 319.27 |
| 0.00 | 11,700.00 | 0.00 | | | |
| 60,445.77 | | 2,417.83 | 2,417.83 | 1.20% | 185.99 |
| 0.00 | 3,022.28 | 0.00 | | | |
| 78,653.32 | | 3,146.13 | 3,146.13 | 1.57% | 242.01 |
| 0.00 | 3,927.68 | 0.00 | | | |
| 25,270.85 | | 1,010.83 | 325.00 | 0.16% | 25.00 |
| 0.00 | 325.00 | 0.00 | | | |
| 103,866.25 | | 4,154.65 | 4,154.65 | 2.07% | 319.59 |
| 0.00 | 7,800.00 | 0.00 | | | |
| 34,086.32 | | 1,363.45 | 1,363.45 | 0.68% | 104.88 |
| 0.00 | 2,600.00 | 0.00 | | | |
| 29,197.54 | | 1,167.90 | 650.00 | 0.32% | 50.00 |
| 0.00 | 650.00 | 0.00 | | | |
| 21,588.91 | | 863.56 | 650.00 | 0.32% | 50.00 |
| 0.00 | 650.00 | 0.00 | | | |
| 65,967.27 | | 2,638.69 | 2,638.69 | 1.31% | 202.98 |
| 0.00 | 3,250.00 | 0.00 | | | |
| 25,205.78 | | 1,008.23 | 780.00 | 0.39% | 60.00 |
| 0.00 | 780.00 | 0.00 | | | |
| 24,502.02 | | 980.08 | 980.08 | 0.49% | 75.39 |
| 0.00 | 1,068.21 | 0.00 | | | |
| 26,870.55 | | 1,074.82 | 1,074.82 | 0.54% | 82.68 |
| 0.00 | 3,500.00 | 0.00 | | | |
| 51,601.76 | | 2,064.07 | 1,300.00 | 0.65% | 100.00 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 14,429.01 | | 577.16 | 390.00 | 0.19% | 30.00 |
| 0.00 | 390.00 | 0.00 | | | |
| 27,559.56 | | 1,102.38 | 1,102.38 | 0.55% | 84.80 |
| 0.00 | 1,950.00 | 0.00 | | | |
| 44,553.87 | | 1,782.15 | 1,782.15 | 0.89% | 137.09 |
| 0.00 | 2,673.23 | 0.00 | | | |
| 31,617.98 | | 1,264.72 | 1,264.72 | 0.63% | 97.29 |
| 0.00 | 1,897.09 | 0.00 | | | |
| 47,152.16 | | 1,886.09 | 1,886.09 | 0.94% | 145.08 |
| 0.00 | 9,430.41 | 0.00 | | | |
| 72,799.23 | | 2,911.97 | 2,911.97 | 1.45% | 224.00 |
| 0.00 | 3,640.02 | 0.00 | | | |
| 16,277.20 | | 651.09 | 0.00 | 0.00% | 0.00 |

| | | | | | |
|------------|-----------|----------|----------|-------|--------|
| 0.00 | 0.00 | 0.00 | | | |
| 44,927.71 | | 1,797.11 | 1,797.10 | 0.89% | 138.24 |
| 0.00 | 1,797.10 | 0.00 | | | |
| 43,270.69 | | 1,730.83 | 1,730.83 | 0.86% | 133.14 |
| 0.00 | 6,350.54 | 0.00 | | | |
| 94,506.65 | | 3,780.27 | 3,780.27 | 1.88% | 290.79 |
| 0.00 | 11,653.50 | 0.00 | | | |
| 32,294.64 | | 1,291.79 | 1,291.79 | 0.64% | 99.37 |
| 0.00 | 3,229.48 | 0.00 | | | |
| 96,002.31 | | 3,840.09 | 3,840.09 | 1.91% | 295.39 |
| 0.00 | 11,730.69 | 0.00 | | | |
| 24,454.26 | | 978.17 | 650.00 | 0.32% | 50.00 |
| 0.00 | 650.00 | 0.00 | | | |
| 23,977.83 | | 959.11 | 955.09 | 0.48% | 73.47 |
| 0.00 | 955.09 | 0.00 | | | |
| 66,735.58 | | 2,669.42 | 2,669.42 | 1.33% | 205.34 |
| 0.00 | 3,250.00 | 0.00 | | | |
| 23,840.10 | | 953.60 | 953.60 | 0.47% | 73.35 |
| 0.00 | 1,668.81 | 0.00 | | | |
| 107,218.77 | | 4,288.75 | 4,288.75 | 2.14% | 329.90 |
| 0.00 | 6,000.00 | 0.00 | | | |
| 16,790.11 | | 671.60 | 200.00 | 0.10% | 15.38 |
| 0.00 | 200.00 | 0.00 | | | |
| 79,858.42 | | 3,194.34 | 3,194.34 | 1.59% | 245.72 |
| 0.00 | 13,575.98 | 0.00 | | | |
| 54,266.81 | | 2,170.67 | 2,170.67 | 1.08% | 166.97 |
| 0.00 | 5,200.00 | 0.00 | | | |
| 30,581.98 | | 1,223.28 | 1,223.28 | 0.61% | 94.10 |
| 0.00 | 1,767.94 | 0.00 | | | |
| 42,303.89 | | 1,692.16 | 1,692.14 | 0.84% | 130.16 |
| 0.00 | 1,692.14 | 0.00 | | | |
| 123,862.64 | | 4,954.51 | 4,954.51 | 2.47% | 381.12 |
| 0.00 | 11,000.00 | 0.00 | | | |
| 27,807.59 | | 1,112.30 | 1,112.30 | 0.55% | 85.56 |
| 0.00 | 1,390.39 | 0.00 | | | |
| 29,243.60 | | 1,169.74 | 1,169.74 | 0.58% | 89.98 |
| 0.00 | 2,924.37 | 0.00 | | | |
| 162,737.95 | | 6,509.52 | 6,509.52 | 3.24% | 500.73 |
| 0.00 | 16,521.05 | 0.00 | | | |
| 13,533.85 | | 541.35 | 541.33 | 0.27% | 41.64 |
| 0.00 | 541.33 | 0.00 | | | |
| 79.05 | | 3.16 | 3.16 | 0.00% | 0.24 |
| 0.00 | 50.00 | 0.00 | | | |
| 17,023.69 | | 680.95 | 680.95 | 0.34% | 52.38 |
| 0.00 | 1,702.37 | 0.00 | | | |
| 19,358.55 | | 774.34 | 770.34 | 0.38% | 59.26 |
| 0.00 | 770.34 | 0.00 | | | |
| 26,397.40 | | 1,055.90 | 1,055.90 | 0.53% | 81.22 |
| 0.00 | 1,577.85 | 0.00 | | | |
| 24,768.00 | | 990.72 | 590.00 | 0.29% | 45.38 |
| 0.00 | 590.00 | 0.00 | | | |
| 61,057.86 | | 2,442.31 | 2,442.31 | 1.22% | 187.87 |
| 0.00 | 3,052.87 | 0.00 | | | |
| 21,442.59 | | 857.70 | 857.70 | 0.43% | 65.98 |
| 0.00 | 1,072.15 | 0.00 | | | |
| 22,477.96 | | 899.12 | 899.12 | 0.45% | 69.16 |
| 0.00 | 1,123.90 | 0.00 | | | |
| 50,257.02 | | 2,010.28 | 2,010.28 | 1.00% | 154.64 |
| 0.00 | 9,100.00 | 0.00 | | | |

| | | | | | |
|------------|-----------|----------|----------|-------|--------|
| 42,150.29 | | 1,686.01 | 1,686.01 | 0.84% | 129.69 |
| 0.00 | 2,529.04 | 0.00 | | | |
| 26,734.47 | | 1,069.38 | 1,069.38 | 0.53% | 82.26 |
| 0.00 | 1,069.38 | 0.00 | | | |
| 34,492.58 | | 1,379.70 | 1,379.70 | 0.69% | 106.13 |
| 0.00 | 3,900.00 | 0.00 | | | |
| 30,880.58 | | 1,235.22 | 1,235.22 | 0.62% | 95.02 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 23,772.34 | | 950.89 | 950.89 | 0.47% | 73.15 |
| 0.00 | 1,420.33 | 0.00 | | | |
| 106,149.11 | | 4,245.96 | 4,245.96 | 2.11% | 326.61 |
| 0.00 | 9,797.00 | 0.00 | | | |
| 50,916.39 | | 2,036.66 | 2,036.66 | 1.01% | 156.67 |
| 0.00 | 6,500.00 | 0.00 | | | |
| 25,133.58 | | 1,005.34 | 1,005.34 | 0.50% | 77.33 |
| 0.00 | 1,256.69 | 0.00 | | | |
| 36,261.50 | | 1,450.46 | 1,450.46 | 0.72% | 111.57 |
| 0.00 | 1,450.47 | 0.00 | | | |
| 55,092.80 | | 2,203.71 | 1,300.00 | 0.65% | 100.00 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 8,018.16 | | 320.73 | 0.00 | 0.00% | 0.00 |
| 0.00 | 0.00 | 0.00 | | | |
| 57,278.25 | | 2,291.13 | 2,291.13 | 1.14% | 176.24 |
| 0.00 | 5,850.00 | 0.00 | | | |
| 25,075.01 | | 1,003.00 | 1,003.00 | 0.50% | 77.15 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 30,270.86 | | 1,210.83 | 1,210.83 | 0.60% | 93.14 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 61,572.88 | | 2,462.92 | 0.00 | 0.00% | 0.00 |
| 0.00 | 0.00 | 0.00 | | | |
| 36,108.11 | | 1,444.32 | 325.00 | 0.16% | 25.00 |
| 0.00 | 325.00 | 0.00 | | | |
| 29,770.47 | | 1,190.82 | 1,190.82 | 0.59% | 91.60 |
| 0.00 | 2,600.00 | 0.00 | | | |
| 38,933.29 | | 1,557.33 | 1,557.33 | 0.78% | 119.79 |
| 0.00 | 1,557.34 | 0.00 | | | |
| 116,644.03 | | 4,665.76 | 4,665.76 | 2.32% | 358.90 |
| 0.00 | 23,500.00 | 0.00 | | | |
| 41,182.31 | | 1,647.29 | 1,647.29 | 0.82% | 126.71 |
| 0.00 | 1,950.00 | 0.00 | | | |
| 34,052.83 | | 1,362.11 | 1,300.00 | 0.65% | 100.00 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 55,436.32 | | 2,217.45 | 1,300.00 | 0.65% | 100.00 |
| 0.00 | 1,300.00 | 0.00 | | | |
| 24,899.36 | | 995.97 | 698.02 | 0.35% | 53.69 |
| 0.00 | 698.02 | 0.00 | | | |
| 41,377.99 | | 1,655.12 | 1,655.12 | 0.82% | 127.32 |
| 0.00 | 1,655.12 | 0.00 | | | |
| 28,273.25 | | 1,130.93 | 1,130.93 | 0.56% | 86.99 |
| 0.00 | 1,696.39 | 0.00 | | | |
| 20,399.84 | | 815.99 | 260.00 | 0.13% | 20.00 |
| 0.00 | 260.00 | 0.00 | | | |
| 66,815.07 | | 2,672.60 | 2,672.60 | 1.33% | 205.58 |
| 0.00 | 6,500.00 | 0.00 | | | |
| 69,382.01 | | 2,775.28 | 2,775.28 | 1.38% | 213.48 |
| 0.00 | 6,933.19 | 0.00 | | | |
| 17,908.13 | | 716.33 | 716.31 | 0.36% | 55.10 |
| 0.00 | 716.31 | 0.00 | | | |
| 70,480.47 | | 2,819.22 | 2,819.22 | 1.40% | 216.86 |



| | | | | | |
|---------------------|-------------------|-------------------|-------------------|-----------------------|-----------------|
| 0.00 | 3,524.01 | 0.00 | | | |
| 16,978.97 | | 679.16 | 509.34 | 0.25% | 39.18 |
| 0.00 | 509.34 | 0.00 | | | |
| 38,232.00 | | 1,529.28 | 1,529.28 | 0.76% | 117.64 |
| 0.00 | 2,600.00 | 0.00 | | | |
| 47,865.15 | | 1,914.61 | 1,675.28 | 0.83% | 128.87 |
| 0.00 | 1,675.28 | 0.00 | | | |
| 57,092.74 | | 2,283.71 | 2,283.71 | 1.14% | 175.67 |
| 0.00 | 2,797.60 | 0.00 | | | |
| 74,224.99 | | 2,969.00 | 2,969.00 | 1.48% | 228.38 |
| 0.00 | 4,110.18 | 0.00 | | | |
| 5,408,604.92 | 433,485.75 | 216,344.20 | 200,798.30 | 100.00% | 15446.02 |
| 5,842,090.67 | 8.01% | | 3.71% | | |
| | | | 15,446.02 | PER PAY PERIOD AMOUNT | |

**NURSE PRACTITIONER AGREEMENT
FOR EMERGENCY DEPARTMENT SERVICES**

This Agreement is entered into as of August 15, 2025, by Kern Valley Healthcare District, a California health care district organized under Health & Safety Code section 32000, *et seq.* (“District”), and Todd Rowland, a nurse practitioner certified pursuant to the California Business and Professions Code.

RECITALS

1. District owns and operates Kern Valley Hospital (“Hospital”) located in Mountain Mesa, California, a Critical Access Hospital, and desires to retain Rowland to provide emergency medicine services in Hospital’s Emergency Department (“ED”).

2. Rowland is a nurse practitioner duly certified in California with a background and experience in providing emergency department services, and desires to be retained by District.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Scope of Services

Rowland shall provide advanced practice nursing services in the Hospital’s Emergency Department consistent with Business & Professions Code section 2837.100, *et seq.* (the “Act”), including advanced assessment, ordering and interpretation of diagnostic tests, prescribing pharmacological and non-pharmacological therapies, certifying disability, and delegating tasks to medical assistants, as permitted by law. Rowland shall exercise independent clinical judgment and adhere to the standards of care consistent with their certification and experience.

2. Compensation

District shall compensate Rowland at the rate of \$200 per hour. Payment shall be made on the 15th day of the next month following that month in which the services are rendered.

3. Scheduling

Rowland will provide emergency coverage in the ED as scheduled by HOSPITAL and MEDICAL DIRECTOR. However, ROWLAND will cover four twelve-hour shifts per month.

4. Term and Termination

4.1 Term. This Agreement shall be effective as of August 15, 2025, and shall terminate on August 14, 2026 . Upon mutual agreement, not later than 90 days prior to expiration of the current term, the District and Rowland may extend this Agreement for two additional one-year terms.

4.2 Termination without cause Either party may, without cause, terminate this Agreement with 60-days written notice to the other party. This agreement may be terminated at any time by the mutual consent of both parties.

4.3 Termination for cause. Either party may terminate this Agreement for cause if the other party is in material breach of this Agreement and the default is not cured within seven days of receipt of written notice specifying the material breach.

4.4 Change in Law. In the event that any federal, state or local law or regulation, or any final, non-appealable interpretation of law or regulations by a court of law or governmental agency, makes or will make substantial performance of this Agreement illegal or renders any provision hereof illegal or unenforceable, the parties shall meet and negotiate and use best efforts to modify the Agreement to resolve the concern. If the parties are unable to resolve the issue within ten (10) days after it arose, either party may elect to terminate this Agreement on ten (10) days prior written notice.

4.5 Rights on Expiration or Termination. Custody of all District records, including patient medical records, equipment, and supplies shall be turned over to District upon termination for any reason. Duplicate copies of records may be retained by ROWLAND, at its own expense.

5. Independent Contractor Status

Rowland is an independent contractor and not an employee of Hospital. Rowland shall be responsible for all required taxes and benefits. This Agreement does not create an employment, partnership, or joint venture relationship between the parties.

6. Rowland's Representations and Warranties

Rowland represents and warrants at the time of signing this Agreement, and at all times during the term of this Agreement, that:

6.1 Rowland is duly certified and in good standing under the laws of the State of California, to engage as a nurse practitioner in the Hospital's emergency department, and that said certification has not been suspended, revoked, or restricted in any manner.

6.2 Rowland is qualified for and has applied for or will apply for within a reasonable time after the signing of this Agreement, and has obtained, or will obtain within a reasonable time after the signing of this Agreement, membership (including appropriate clinical privileges) in good standing with the Medical Staff of District.

6.3 Rowland has disclosed and will at all times during the term of this Agreement promptly disclose to the District: (a) the existence and basis of any legal, regulatory, professional or other proceeding against Rowland instituted by any person, organization, governmental agency, health care facility, peer review organization, or professional society which involves any allegation of substandard care or professional misconduct raised against Rowland and (b) any allegation of substandard care or professional misconduct raised against Rowland by any person, organization, governmental agency, health care facility, peer review organization, or professional society;

6.4 Rowland shall at all times render the Services in a competent, professional, and ethical manner, in accordance with prevailing standards of care, and all applicable statutes, regulations, rules, orders, and directives of any and all applicable governmental and regulatory bodies having competent jurisdiction.

6.5 In connection with the provision of the Services, Rowland shall use the equipment, instruments, electronic medical record documentation system and supplies of the District for the purposes for which they are intended and, in a manner, consistent with sound medical practice and District policies and procedures.

6.6 Rowland shall complete and maintain, in a timely manner, adequate, legible and proper medical records, claims and correspondence with respect to the Services.

6.7 Rowland shall participate in Medicare, Medi-Cal and other federal and state reimbursement programs, commercial insurance reimbursement programs, health maintenance organization, preferred provider organizations, self-insured employer reimbursement programs and any other health benefit program with which the District may contract for the provision of professional medical services.

6.8 Rowland shall abide by the Medical Staff Bylaws, rules, regulations, and policies.

6.9 Rowland shall participate in continuing medical education and training programs required to maintain skills comparable with the standards of care in emergency medicine in the District's service area.

6.10 Rowland shall satisfy all qualifications of insurability for professional liability policy or policies required, maintained, or reimbursed by the District.

6.11 Rowland shall deliver to the District promptly upon request copies of all certificates and other evidence of Rowland's compliance with the foregoing as reasonably requested by the District.

7. Licensure and Certification

Rowland shall maintain an active California NP certification, a valid furnishing number under Business & Professions Code section 2836.3, and, if applicable, DEA registration. Rowland must meet all requirements under Business & Professions Code section 2837.103 and 2837.104, including completion of transition to practice (minimum 4,600 hours or 3 full-time years), and must provide proof thereof.

8. Practice Standards and Collaboration

Rowland shall practice within the scope of his clinical and professional education and refer patients to a physician or specialist when cases exceed his scope or expertise per Business & Professions Code section 2837.104(c). Rowland must inform all new patients that he is not a physician, post public disclosures regarding Board of Registered Nursing oversight, and comply with mandatory patient notification and signage requirements per Business & Professions Code section 2837.103(d)-(f).

9. Insurance and Indemnification

9.1. Coverage. District carries Professional and Liability Insurance through BETA Risk Management Authority ("BETA") for a minimum of \$1,000,000 per occurrence, \$3,000,000

aggregate, for the Services rendered under this Agreement. It is understood and agreed that BETA provides Continuous Coverage for departed providers.

9.2. Indemnification. Each party (“Indemnitor”) agrees to defend, indemnify and hold the other party (“Indemnatee”) and its representatives, agents, successors and assigns harmless from any and all damages, claims, judgments, losses, costs and expenses, including attorney’s fees, which may hereinafter at any time be incurred, suffered, sustained by or imposed upon Indemnatee or its representatives, agents, successors or assigns, which may be due or required to be paid or performed by reason of, arising out of, by virtue of, or incident to the performance or the rendering of any of the obligations of Indemnitor hereunder, including but not limited to, any such damages, claims, judgments, losses, costs or expenses attributable to bodily injury, sickness, disease or death or injury or to destruction of tangible property which is caused in whole or in part by the negligent act or omission of Indemnitor, or anyone directly employed by or acting on behalf of Indemnitor but not as a result of the negligence of Indemnatee, its representatives, servants or agents.

10. Nondiscrimination

Services are to be available to all patients, in accordance with District’s nondiscrimination policies, and in accordance with any established policies relating to free or charity care. Rowland shall not refuse to provide services to any patient at the Hospital, regardless of ability to pay.

11. Confidentiality

Rowland shall maintain strict confidentiality regarding all patient and proprietary Hospital information both during and after the term of this Agreement.

12. General Provisions

12.1. Other Agreements. No other agreements between the parties exist at this time.

12.2. Assignment. Neither party may assign, delegate or transfer any rights, obligations, or duties hereunder without the express written approval of the other party, which approval shall not be unreasonably withheld.

12.3. Notice. All notices required by this Agreement shall be in writing, and shall be deemed effective when personally delivered; when mailed by certified or registered mail, return receipt requested; or when deposited with a comparably reliable postage delivery service (such as Federal Express); addressed to the other party as follows:

IF TO ROWLAND:



If TO DISTRICT:

Kern Valley Healthcare District
Attn: Chief Executive Officer
P.O. Box 1628
Lake Isabella, CA 93240

12.4. Records. Until the expiration of four (4) years after the furnishing of any service pursuant to this Agreement, Rowland shall make available upon written request, to the Secretary of the United States Department of Health and Human Services, or upon written request to the United States Comptroller, or any of their duly authorized representatives, under 42 C.F.R. & 420.300 et seq., or the California Department of Health Services, this Agreement, and such books, documents and records of the Rowland that are necessary to certify the nature and extent of the reasonable costs of services.

12.5. No Third-Party Beneficiaries. Nothing contained in this Agreement is intended, nor shall it be construed, to create rights running to the benefit of third parties.

12.6. Attorney's Fees. In the event of a legal action or proceeding between the parties arising from this Agreement, the prevailing party shall be entitled to receive reasonable attorney's fees, costs, and other expenses, including those incurred on appeal and in the enforcement of a judgment, in addition to whatever other relief may be awarded.

12.7 Force Majeure. Neither party shall be liable or deemed in default of this Agreement for any delay or failure to perform caused by acts of God, war, disasters, strikes, or any cause reasonably beyond the control of the non-performing party.

12.8 Severability. In the event any portion of this Agreement is declared invalid or void by a court or arbitrator, such portion shall be severed from this Agreement, and the remaining provisions shall remain in effect, unless the effect of such severance would be to substantially alter the agreement or obligations of the parties, or would place either party in violation of its articles of in District or its bylaws, in which case the Agreement may be immediately terminated.

12.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles, and is made and to be performed in the County of Kern, California.

12.10 No Referrals. Nothing in this Agreement is intended to obligate, and shall not obligate, any party to this Agreement to refer patients to any other party.

12.11 Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking or condition. To be effective, a waiver must be in writing, signed and dated by the parties.

12.12 Entire Agreement; Modification. This Agreement contains the entire agreement of the parties relating to this subject matter. The Agreement may only be modified in writing, signed by both parties, effective on the date set forth therein.

12.13 Execution. By their signatures below, each of the following represent that they have authority to execute this Agreement and to bind the party on whose behalf their execution is made.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Kern Valley Healthcare District

Todd Rowland, NP

By _____
Timothy McGlew, CEO

RESOLUTION NO. 25-06

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
KERN VALLEY HEALTHCARE DISTRICT
DECLARING CERTAIN PROPERTY SURPLUS TO
THE NEEDS OF THE DISTRICT AND AUTHORIZING
DISPOSITION OF THE PROPERTY**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF KERN VALLEY
HEALTHCARE DISTRICT** as follows:

1. Purpose.

This resolution declares certain property surplus to the needs of the District and authorizes the Chief Executive Officer to dispose of such property.

2. Disposition of Property.

The Board finds and declares:

(a) The Board of Directors hereby finds and declares the property identified in Exhibit 1 attached hereto, and incorporated herein by reference, (the “Surplus Property”) to be surplus property and no longer suitable to the District’s needs.

(b) The District’s Chief Executive Officer is directed to dispose of the Surplus Property in a manner in the best interests of the District.

(c) The Chief Executive Officer is authorized to determine which offer to acquire the Surplus Property is in the best interests of the District.

(d) If no offers are received the Chief Executive Officer is authorized to dispose of the Surplus Property in a manner that is in the best interests of the District and in accordance with law.

(e) The District’s Chief Executive Officer shall report the results of the disposal of the property to the Board of Directors.

PASSED, APPROVED AND ADOPTED on August 14, 2025.

John Blythe, President

ATTEST:

Ross Elliott, Secretary

EXHIBIT 1

DESCRIPTION OF SURPLUS PROPERTY

2-V.92 US Robotics Modems Model# 5686G 1MCWX8PV0600 – 1MCWX8PV0732

1-Drbo MultiTech Modem Rack for 12 Ports SN#11573 Model# ZOXRACK

1-Digi Port Server II 16 SN# W14428390

1-Dell Precision R5500 Server SN# CN-OY7283-42940-315-002X-A02

1-Sophos Firewall SG 310 S/N #30006F4A6335A3

1-CISCO Firewall S/N # FGL193170WH Model ASA 5515-X

1-Frontier Router CAN ICES-3 A/NMB-3A

RESOLUTION NO. 25-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
KERN VALLEY HEALTHCARE DISTRICT AFFIRMING
ITS INVESTMENT POLICY AND APPROVING A BUDGET
FOR THE FISCAL YEAR COMMENCING JULY 1, 2025**

WHEREAS, the Kern Valley Healthcare District Investment Policy, attached as Exhibit A, and the annual budget for fiscal year 2025-2026, attached as Exhibit B, have been presented to the Board of Directors for review and revision;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kern Valley Healthcare District as follows:

1. Investment Policy.

The Investment Policy attached as Exhibit A, adopted on January 9, 2023, as amended, is affirmed and readopted in full.

2. Budget.

The budget attached as Exhibit B, as presented by the Chief Financial Officer at a duly noticed Board meeting on July 10, 2023, is adopted as the District's budget for the 2025-2026 fiscal year.

PASSED, APPROVED AND ADOPTED on August 14, 2025.

Aye:

No:

Abstain:

Absent:

President

ATTEST

Secretary

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

PAGE 1 OF 7

SCOPE: Board of Directors, Chief Executive Officer (CEO), Chief Financial Officer (CFO)

POLICY: The Board of Directors will oversee all investment and financial reporting in accordance with generally accepted accounting principals.

A. GENERAL FINANCE

1. Establishment of Budget

- a. The CEO shall present a proposed budget to the Board prior to June 1 of each year.
- b. The Board shall approve a budget by July 1 of each year.
- c. The CEO shall recommend modifications of the budget to the Board if the approved budget is inadequate due to events occurring subsequent to the approval of the budget.
- d. The CEO shall implement the approved or revised budget. Expenditures shall be made in accordance with applicable law and District policy..

2. Financial Reports

- a. The District shall establish an appropriations limit by July 1 of each year.
- b. The District shall establish an operating and capital budget by July 1 of each year.
- c. The District shall request the board of supervisors and county auditor to levy and collect *ad valorem* taxes, other taxes and assessments by the third Monday in August of each year.
- d. An annual or biannual audit shall be filed with the board of supervisors by September 1 of each year.
- e. An annual financial statement shall be filed with the State Controller by September 1 of each year.
- f. Voter approved indebtedness shall be reported to the State Controller by October 1 of each year.

3. Taxes

The District shall not levy general taxes. The District may levy special taxes in accordance with law.

4. General Assessments

District may levy assessments for operation and maintenance or to pay for capital improvements in accordance with the law.

B. INVESTMENTS

1. General

The District may invest or deposit monies only as set forth in this Article. Investments shall be approved by the Board in accordance with the District Law and Government Code.

2. Basic Policy and Statement of Objectives

In order of importance, the following criteria shall be followed in the investment program:

- a. Safety - Investments shall be made in a manner that ensures the preservation of principal and accrued interest. Diversification in types of investments is required to meet this goal.
- b. Return on Investment - Investments shall be made to produce an acceptable rate of return after first considering safety and liquidity.
- c. Liquidity - Investments shall be made whose maturity date is compatible with cash flow requirements to permit rapid conversion into cash without a substantial loss of value.

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

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3. Prudent Person

Investments shall be made as if by a prudent person using the same discretion and intelligence a person would use in managing personal affairs and certainly not for speculation.

4. Auditor

An independent auditor shall perform an annual audit of the District's financial statements.

5. Permitted Investments

Permitted investments shall include:

a. U.S. Treasuries

These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Government securities include:

- 1) Treasury Bills: U.S. government Securities issued and traded at a discount.
- 2) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. government which guarantees interest and principal payments.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book- entry record-keeping system.

Treasury Inflation Protected (TIPs) securities: Special Treasury notes or bonds that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation as measured by the consumer price index (CPI).

U. S. Treasury coupon and principal STRIPS as well as TIPs are not considered to be derivatives for the purpose of this Investment Policy and are, therefore, permitted investments pursuant to the Investment Policy.

Maximum term: Five Years

b. Federal Agencies and U.S. Government Sponsored Enterprises

These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a United States government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:

- Federal Home Loan Banks (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (fNMA)

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

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- Federal Farm Credit Banks (FFCB)
- Student Loan Marketing’s Association (SLMA)
- Government National Mortgage Association (GNMA)
- Small Business Administration (SBA)
- Export-Import Bank of the United States
- U.S. Maritime Administration
- Washington Metro Area Transit
- U.S. Department of Housing & Urban Development
- Tennessee Valley Authority
- Federal Agricultural Mortgage Company (FAMC)
- Temporary Liquidity Guarantee (TLG) Program securities
- Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

Maximum Term: Five years

c. Commercial Paper

Commercial paper (CP) is unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable (marketable or transferable), although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days. Commercial paper must meet the following criteria:

- 1) Rated P-1 by Moody’s and A-1 or better by Standard & Poor’s, and
- 2) Have an A or higher rating for the issuer’s debt, other than commercial paper, if any, as provided by for Moody’s and Standard & Poor’s, and
- 3) Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000), and
- 4) May not represent more than ten percent (10%) of the outstanding commercial paper of the issuing.

Maximum Term: 270 days

d. Negotiable Certificates of Deposit

A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate. Negotiable Certificates of Deposit must be issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated FI or better by Fitch Ratings, or are rated A-1 for short-term deposits by Standard & Poor’s and P-1 for short-term deposits by Moody’s, or are comparably rated by a nationally recognized rating agency. Principal amounts and accrued interest shall not exceed the FDIC Insurance maximum amount at the time of purchase.

Maximum Term: Five years

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

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e. Money Market Funds

Shares of beneficial interest issues by diversified management companies (commonly called money market funds):

- 1) Which are rated AA (or equivalent highest ranking) by two of the three largest nationally recognized rating services, and
- 2) Such investment may not represent more than five percent (5%) of the money market fund's assets.

f. Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund ("LAIF") is a voluntary program created by statute (Section 16429.1 et seq.) as an investment alternative for California's local governments and special districts managed by the State Treasurer. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. All securities are purchased under the authority of Government Code section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third-party custodian. All investments are purchased at market and a market valuation is conducted monthly. The investment objective of LAIF mirrors those of KVHD with preservation of capital being the primary objective and liquidity second. Any agency with funds on deposit with LAIF can withdraw those funds within 24 hours' notice.

Maximum Term: Five Years

g. Corporate Debt Securities

Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

- 1) For the purposes of this Investment Policy, corporate securities that are rated A or better by both Moody's and Standard & Poor's, or by one of either Moody's or Standard & Poor's and with a comparable rating by a nationally recognized rating service on longer term debt.
- 2) Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state operating within the United States and have total assets in excess of five hundred million dollars (\$500,000,000), and
- 3) May not represent more than five percent (5%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e., medium term notes ("MTNs"). Under no circumstances can the MTNs or any other corporate security of any one corporate issuer represent more than 5% of the portfolio.

Maximum Term: Five years

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

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| <i>INSTRUMENTS</i> | RECOMMENDED % OF PORTFOLIO AT TIME OF PURCHASE |
|--|---|
| A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs) | 100% |
| B. Federal Agencies and U.S. Government Sponsored Enterprises | 100% |
| C. Commercial Paper | 20% |
| D. Negotiable Certificates of Deposit | 20% |
| E. Money Market Securities | 40% |
| F. LAIF funds | 50% |
| G. Corporate Securities | 5% |

6. Investment Procedure

- a. In making investments the District shall observe the limitations contained in the Government Code, including section 53601, and stated herein.
- b. The Board is responsible for selecting the proper mix of investments taking into account limits imposed by law and the need for liquidity. When deposits or investments owned by the District mature or when other monies are available for investment or deposit, the monies may be deposited or invested in the Local Agency Investment Fund or other permitted investments.
- c. Investments shall be held in the name of the District. Investment documents shall be held for safekeeping in the District’s locked files or in a depository approved by the Board. The Board shall execute such documents necessary to provide evidence of the Treasurer’s trading authority as set forth herein.

7. Reports

- a. The CFO shall present annual reports on investments to the CEO and Board. The report shall show: the type of investment, how title is held, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, rate of interest, the relationship of each investment to this investment policy, information showing that expenditure requirements can be met in the following quarter and specify investments made pursuant to Government Code sections 53601(i), 53601.1 and 53635(i).
- b. The finance committee shall review investments held by the District annually. The Treasurer shall make an annual report and recommendation to the Board concerning implementation or changes in this policy.
- c. This investment policy shall be reviewed annually or more often, as necessary.

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

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C. SAVINGS, DEPOSIT AND CHECKING ACCOUNTS**1. Deposits**

- a. The District shall establish one or more deposit accounts with State or national banks or savings associations upon such terms and conditions as may be agreed upon. The Chair and Treasurer shall establish such accounts in the name of the District for general fund and bond interest and redemption fund expenditures.
- b. Upon maturity, investments shall be deposited into the District's checking or savings accounts on the approval of one of the following officers: Chair or Treasurer.

2. Safe Deposit Boxes

The CFO may obtain safe deposit boxes at State or national banks or savings associations for use of the District. Two of the following must authorize access: CEO, CFO and a Director.

3. Petty Cash Account

The Chair and Treasurer shall create, and the District shall maintain, one or more impress funds, known as the petty cash accounts, in amounts reasonable for the purpose and not to exceed \$1,000. Disbursements shall be accompanied by paid receipts. The CFO shall report to the Board on disbursements from the petty cash accounts as part of the normal financial monthly reporting.

4. Accounting Practices

- a. The District shall maintain books of account in accordance with generally accepted accounting practices as promulgated by governmental accounting standards board showing the status of monies received and disbursed.
- b. Funds and accounts shall be maintained as necessary to accomplish this purpose, as follows:
 - 1) General (may be used for any lawful purpose):
 - a) Checking
 - b) Payroll
 - c) Savings
 - 2) Special (may be used only for specified purposes):
 - a) Bond proceeds (construction)
 - b) Tax proceeds (intergovernmental transfers)
 - c) Funded Depreciation
 - d) Reserve for Medicare and Medi-Cal Overpayments
 - e) Operating Reserve

5. Check Register

- a. A check register showing the check number, payee, amount, the fund upon which it is drawn and the purpose of each check, shall be prepared by the CFO, and made available to the Finance Committee at regular meetings. Invoices and other supporting documents will be available for inspection by any Director. The CEO and CFO are authorized to disburse checks in the normal course of business, provided the check register is made available to the Finance Committee at its next regular meeting.
- b. Checks to pay utility bills, postage, emergencies and invoices subject to discount and inter-fund transfers may be disbursed prior to the Finance Committee review. Such items shall be set forth on a supplemental check register or included on the next regular check register and presented to the Board dependent on timing of actual check delivery.
- c. Checks drawn to pay demands that have been approved by the Board shall be signed by the CEO, CFO, Controller or members of the Board. Two signatures are required on every check drawn.

TITLE: INVESTMENT POLICY

DEPARTMENT: Board of Directors

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6. Other

- a. Transactions described herein, including opening or closing checking accounts, shall be accomplished by the designated officer in the name of the District. Action by the Board is required for each transaction unless otherwise indicated herein. Withdrawals shall be supported by receipts indicating the purpose of the withdrawal, the amount and the employee responsible for the withdrawal.
- b. An officer may receive non-negotiable instruments on behalf of the District but such instruments shall be forthwith remitted to the CFO or Controller for handling.

| APPROVAL | DATE | APPROVAL | DATE |
|---|-------|---------------------------------------|---------|
| Department/Division Manager | 12/22 | Interdisciplinary Team | N/A |
| Unit Medical Director (if applicable) | N/A | Governing Board | 1/09/23 |
| Medical Staff Committee (if applicable) | N/A | Administration / Governance Committee | 1/09/23 |
| Reviewed By: | | Reviewed By: | |
| Reviewed By: | | Reviewed By: | |

Budget 2026 PRESENTATION

CONTENTS:

1) ASSUMPTIONS

Summary

Presentation Finance Committee

Only

Wednesday, June 25, 2025

1) ASSUMPTIONS

2) STATISTICS

3) PROFIT/LOSS STATEMENT

Presentation Full Board Meeting

4) BALANCE SHEET

5) CAPITAL BUDGETS

KERN VALLEY HEALTHCARE DISTRICT

FYE 06/30/2026

BUDGET 26

Budget Assumptions
12 month period
Ending 6/30/2026

| KEY ASSUMPTIONS | | Projected | | | | BUDGET | PAGE 1 |
|---|---|---|--------------|--------------|--------------|--------------|-------------------------|
| ASSUME | DEPARTMENT | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Comment |
| 1 | SERVICE EXPANSION | | | | | | |
| | SNF | Assume increase in Average Daily Census(ADC) from 48 in FY 25 to 52.8 in FY 26 or a 10 % Increase | | | | | Adds \$830K in Net Revs |
| | CLINICS | Visits Remain Flat | | | | | Flat |
| | EMERGENCY VISITS | Increase 5% | | | | | Up 5% |
| | Retail Pharmacy | Continued Improvement due to closure of competing pharmacy | | | | | Up 26% |
| 2 | OPERATING PERFORMANCE | | | | | | |
| | OPERATING PROFIT | (\$769,639) | \$4,145,692 | \$1,768,263 | (\$163,233) | (\$167,522) | |
| | NET INCOME | \$2,346,869 | \$4,547,197 | \$2,757,425 | \$1,018,645 | \$1,039,959 | |
| 3 | INFLATION -RATES | | | | | | |
| | PRICE (RATE INCREASE) | 7.0% | 7.0% | 7.0% | 4.0% | 0.0% | |
| 4 | EXPENSE INFLATION | | | | | | |
| | MEDICAL SUPPLIES , FOOD & DRUGS(ave) | | | | | | |
| 5 | EMPLOYEE COMPENSATION | | | | | | |
| | AVERAGE WAGE PER HOUR INCREASE-RN's | | | | | | 12.0% in BUDGET 26 |
| | AVERAGE WAGE PER HOUR INCREASE | | | | | | 4.0% in BUDGET 26 |
| 6 | IGTS (INTERGOVERNMENTAL TRANSFERS and OTHER SUPPLEMENTAL INCOME) | | | | | | FY26 VS FY25 INCREASE |
| | Over-all IGT Cash Collections Each Year | \$13,480,819 | \$9,058,169 | \$8,424,054 | \$10,000,000 | \$10,000,000 | \$0 |
| 7 | CAPITAL SPENDING | \$1,785,867 | \$1,822,031 | \$917,307 | \$2,338,208 | \$2,718,834 | TOTALS |
| ASSUME FEMA GRANT FY 24 =\$0 post to P&L as Revenue (not to be paid back) | EQUIPMENT | \$558,960 | \$306,398 | \$372,361 | \$223,398 | \$295,093 | See Detail Page 6 |
| | MISC CONSTRUCTION | \$338,943 | \$763,304 | \$0 | \$0 | \$50,000 | Misc repairs , etc |
| | COMMITTED BUILDING & PLANNING | \$465,455 | \$0 | \$255,904 | \$2,114,810 | \$684,651 | See Detail Page 6 |
| | MASTER IMPROVEMENT PROJECT | \$422,509 | \$752,330 | \$289,042 | \$0 | \$1,689,090 | See Detail Page 6 |
| 8 | STAFFING TRENDS | | | | | | |
| | Paid FTEs (includes Registry FTEs) | 209.77 | 216.18 | 227.84 | 243.29 | 244.49 | .03% increase |
| | Worked FTEs (includes Registry FTEs) | 188.30 | 193.59 | 206.08 | 218.00 | 219.20 | 0.55% |
| | Paid FTES per adjusted occupied bed | 4.94 | 8.86 | 6.30 | 5.23 | 5.29 | 1.2% |
| | Worked FTES per adjusted occupied bed | 4.44 | 7.93 | 5.70 | 4.71 | 4.74 | 0.55% |
| 9 | CASH -ALL SOURCES ENDING BALANCES | \$29,439,252 | \$25,424,933 | \$20,720,440 | \$21,119,035 | \$22,000,000 | |

KERN VALLEY HEALTHCARE DISTRICT

FYE 06/30/2026

BUDGET 26

STATISTICS

| | | Patient Volume Trends | | | | | PAGE 2 |
|------------|--|-----------------------|---------|---------|-----------|---------|---------|
| | | ACTUAL | ACTUAL | Actual | Projected | BUDGET | |
| DEPARTMENT | | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | % VAR |
| 1 | Acute Patient Days | 1,452 | 601 | 1,160 | 1,052 | 1,083 | 3.0% |
| 1b | Swing Bed Days | 624 | 601 | 544 | 491 | 505 | 2.9% |
| 2 | SNF Days | 18,086 | 16,962 | 15,668 | 17,525 | 19,272 | 10.0% |
| 3 | Acute Admits | 335 | 339 | 288 | 313 | 322 | 3.0% |
| 4 | ER Visits | 6,001 | 6,956 | 7,600 | 7,850 | 8,243 | 5.0% |
| 5 | Clinic Visits | 21,448 | 21,147 | 16,976 | 15,953 | 15,953 | 0.0% |
| 6 | Retail Pharmacy Scripts (recalibrated) | 40,114 | 41,925 | 36,736 | 61,616 | 76,404 | 24.0% |
| 7 | Total Outpatients Visits | 13,069 | 11,512 | 11,068 | 11,530 | 11,876 | 3.0% |
| 8 | OP Surgeries | 20 | 12 | 13 | 13 | 0 | -100.0% |
| 9 | Outpatient Scopes | 57 | 0 | 0 | 0 | 0 | 0.0% |
| 10 | Observation Bed Days | 123 | 123 | 164 | 179 | 197 | 10.0% |
| 11 | AVE LENGTH OF STAY- ACUTE | 4.33 | 1.77 | 4.06 | 2.90 | 3.36 | 15.8% |

KERN VALLEY HEALTHCARE DISTRICT

FYE 06/30/2026

BUDGET 26

INCOME STATEMENT

| | | ACTUAL | ACTUAL | Actual | Projected | BUDGET | PAGE 3 |
|-------------------------------|---|-------------|-------------|-------------|-------------|-------------|--------|
| | | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | % VAR |
| Revenues | | | | | | | |
| [1] | Gross Patient Revenue | 112,189,828 | 116,736,040 | 119,735,048 | 130,635,274 | 137,967,533 | 5.6% |
| [2] | Deductions From Revenue | 83,002,580 | 81,611,921 | 82,379,509 | 89,954,509 | 94,970,674 | 5.6% |
| [3] | Net Patient Revenue | 29,187,248 | 35,124,120 | 37,355,539 | 40,680,765 | 42,996,860 | 5.7% |
| [4] | Other Operating Rev (Incl HHS Stimulus) | 550,188 | 416,428 | 1,789,578 | 296,464 | 346,031 | 16.7% |
| [5] | Total Operating Revenue | 29,737,436 | 35,540,547 | 39,145,117 | 40,977,229 | 43,342,891 | 5.8% |
| Operating Expenses | | | | | | | |
| [6A] | FULL TIME EQUIVALENTS (FTEs) | 209.8 | 216.2 | 206.0 | 214.1 | 216.0 | 0.9% |
| [6] | Salaries/Benefits | 16,308,385 | 17,260,901 | 21,846,452 | 22,440,466 | 23,697,132 | 5.6% |
| [7] | Professional Fees | 7,043,637 | 6,581,773 | 5,199,858 | 5,562,446 | 5,626,084 | 1.1% |
| [8] | Medical Supplies | 3,847,178 | 4,270,033 | 4,599,860 | 7,062,888 | 7,723,989 | 9.4% |
| [9] | Other operating exp (incl ERC Bonus FY23) | 2,759,314 | 2,573,188 | 5,005,845 | 5,317,156 | 5,493,297 | 3.3% |
| [10] | Depreciation/Amortization | 548,561 | 708,961 | 724,839 | 753,848 | 969,910 | 28.7% |
| [11] | Total Operating Expenses | 30,507,075 | 31,394,855 | 37,376,854 | 41,136,804 | 43,510,413 | 5.8% |
| [12] | Net Operating Surplus (Loss) | -769,639 | 4,145,692 | 1,768,263 | -159,575 | -167,522 | 5.0% |
| Non-Operating Revenue: | | | | | | | |
| [13] | Contributions/Grants/PPP/ERC | 2,885,139 | 232,753 | 0 | 211,253 | 164,927 | -21.9% |
| [14] | Interest Expense | (489,369) | (378,538) | (329,108) | (281,204) | (252,004) | -10.4% |
| [15] | Other Non-Operating Revenue/(Expenses) | 720,737 | 547,290 | 1,318,270 | 1,248,171 | 1,294,558 | 3.7% |
| [16] | Total Non Operating Income (Loss) | 3,116,508 | 401,505 | 989,162 | 1,178,220 | 1,207,481 | 2.5% |
| [17] | Total Net Income (Loss) | 2,346,869 | 4,547,197 | 2,757,425 | 1,018,645 | 1,039,959 | 2.1% |

BUDGET 25

| | ACTUAL | ACTUAL | Actual | Projected | BUDGET #2 | | |
|-----------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | % VAR | |
| BALANCE SHEET | | | | | | | |
| 1 | CASH-ALL SOURCES | \$29,439,252 | \$25,424,933 | \$20,720,440 | \$21,119,035 | \$22,000,000 | 4.2% |
| ASSETS | | | | | | | |
| 2 | Current Assets | 6,089,587 | 8,065,579 | 12,327,478 | 9,531,998 | 9,426,601 | -23.5% |
| 3 | Assets Whose Use is Limited | 22,559,696 | 23,097,060 | 11,877,504 | 13,545,027 | 12,055,623 | 1.5% |
| 4 | Property, Plant & Equipment | 7,955,886 | 7,972,268 | 10,252,129 | 11,750,200 | 14,180,290 | 38.3% |
| 5 | Other Assets | 0 | 687,148 | 624,276 | 624,276 | 700,000 | 12.1% |
| 6 | Total Unrestricted Assets | 36,605,169 | 39,822,055 | 35,081,387 | 35,451,501 | 36,362,514 | 3.7% |
| | Restricted Assets | 0 | 0 | 0 | 0 | 0 | |
| 7 | TOTAL ASSETS | 36,605,169 | 39,822,056 | 35,081,387 | 35,451,501 | 36,362,513 | 3.7% |
| LIABILITIES AND NET ASSETS | | | | | | | |
| 8 | Current Liabilities | 5,169,752 | 4,889,781 | 5,745,237 | 5,373,101 | 5,373,101 | -6.5% |
| 9 | Long Term Debt | 12,970,705 | 12,799,141 | 10,875,750 | 9,790,571 | 9,661,625 | -11.2% |
| 10 | Other Long Term Liabilities | 9,366,263 | 6,316,563 | 1,820,098 | 2,664,778 | 2,664,778 | 46.4% |
| 11 | TOTAL LIABILITIES | 27,506,720 | 24,005,486 | 18,441,085 | 17,828,450 | 17,699,504 | -4.0% |
| 12 | Net Assets | 9,098,449 | 15,816,570 | 16,640,301 | 17,623,050 | 18,663,009 | 12.2% |
| 13 | Total Liabilities and Net Assets | 36,605,169 | 39,822,056 | 35,081,387 | 35,451,501 | 36,362,513 | 3.7% |

Concerns About Medicaid Cuts (HR1) and its impact on Kern Valley Healthcare District By Ross Elliott

I have expressed deep concern about the passing of HR1 and its future impacts on Kern Valley Healthcare District. HR1 cuts over \$1 trillion dollars from Medicaid over 10 years, and the bill signed into law on July 4, 2025 by Donald Trump will eliminate health insurance coverage for millions of Americans.

The other members of the Board of Directors do not seem to share my concerns. The CEO and the CFO have stated that their “sources”, presumably colleagues from other District hospitals or associated hospital advocacy groups, do not believe HR1 will not have dire impacts on our financial position nor lead to the closure of Kern Valley Hospital. I hope they are right, but I fear they are not. I think they are either in denial as to HR1’s impact on our local operation, or perhaps, they have not looked at all the facts, yet.

When I expressed my concerns at a recent Board meeting, my opinions were largely dismissed, and some suggested that I am listening to the wrong news outlets for my information. The implication here is that information being broadcast by Fox news channel is factual and that anyone (like me) not believing its information is wrong and misinformed.

Fox news is in fact entertainment, as stated by its owners/managers. Fox news is not news at all. Rather, it is propaganda. The channel perpetuates lies and slanted opinions propagated by the Republican Party. This entertainment outlet makes no effort to report facts or unbiased news. This organization does not reply upon professional journalistic ethics in its reporting. Its sole purpose is to be a political echo chamber to further the Republican Party and Trump administration agenda.

Fox news intentionally blurs the line between news and opinion programming by making opinion shows look like news programs and incorporating opinion content into news programs, furthering a perception that some of its content is not based in fact. Please review citation below:

“What we know now is that Fox News isn’t a news organization in any true sense of the word. (We had an inkling in 2020 when Carlson was sued for slander, and Fox News lawyers argued in court that a reasonable person would understand that the host’s statements were “[loose, figurative or hyperbolic.](#)”) From top executives and well-paid primetime hosts to supposed objective news anchors, the Dominion lawsuit has exposed the network as an entertainment network masquerading as a news outlet.”

*Source: **Journalists Once Defended Fox as a News Outlet. But That Was Then; The Dominion lawsuit has exposed the network as an entertainment channel, by [Issac J. Bailey](#); March 28, 2023; Nieman Reports; <https://niemanreports.org/fox-dominion-lawsuit/>***

If the CEO, CFO, and other Board members are primarily getting their information from Fox or similar outlets, then perhaps that explains our differing opinions on the potential impacts of HR1 on the District.

Kern Valley Healthcare Districts Financial Status

At present, KVHD runs a profitable operation. Revenue exceeds expenses, on average, by about \$120,000 per month. Over the course of a year, the District is in the black by about \$1.4 million annually.

There are three main revenue streams that keep the District afloat financially: 1) revenue from the Skilled Nursing Facility (SNF); 2) revenue from Intergovernmental Transfers (IGTs); and 3) revenue from patient's health insurance plans (payors). Each will be explained in more detail, below.

It is important to understand that the daily services provided by the hospital, such as emergency care, acute care services, laboratory and radiology services, are not profitable. It costs more to provide these services than the hospital gets back in reimbursement/ insurance payments. These services are vital and important to offer to our community, but they do not pay for themselves. Rather, these services are subsidized by the revenue the District gets from SNF and IGTs.

1) SNF Revenue – KVHD operates a 79-bed skilled nursing facility. At present, about 50 beds are occupied. Nearly every patient in the SNF has health insurance provided by Medi-Cal. Medi-Cal is essentially the State's safety net system to provide health care to the poor. Medi-Cal money mostly comes from federal Medicaid money. Now that the federal government has cut \$1 trillion from Medicaid, there will be a negative impact on California's Medi-Cal program. A recent posting by a SNF advocacy group warns:

- “Long-term care hospitals (LTCHs): LTCHs are already facing rising costs, e.g., high-cost outlier thresholds, and significant staffing pressures. ...
- Skilled nursing facilities (SNFs) and home-health agencies (HHAs): Could face funding shortfalls from Medicaid cuts and reduced Medicaid reimbursements, amplifying ongoing pressures.”

*Source: **The "One Big Beautiful Bill" and Its Impact on Medicaid, Medicare, and Long-Term Care, POLICY SNAPSHOT; July 7, 2025; Post-Acute and Long-Term Care Medical Association; <https://paltmed.org/news-media/one-big-beautiful-bill-and-its-impact-medicare-and-long-term-care>***

Medicaid ...covers 100 percent of SNF care, including costs associated with room and board, meals, skilled nursing care, medications and rehabilitation services... Researchers from a Brown University School of Public Health study identified 579 U.S. nursing homes at high risk of closure in light of the OBBB's changes (HR1). Most high-risk facilities were concentrated in urban areas and states such as Illinois (93 high-risk facilities), Texas (66), Ohio (41), Missouri (39) and Georgia (37).

*Source: **Considering the One Big Beautiful Bill Act's Impact on Skilled Nursing Facilities;** by Abbey Mansfield & Jane Elizabeth Feist; July 9, 2025; Holland & Knight Healthcare Blog; <https://www.hklaw.com/en/insights/publications/2025/07/considering-the-one-big-beautiful-bill-acts-impact-on-skilled-nursing>*

- 2) IGT Revenue – Reimbursements for medical care provided to patients by KVHD, for those patient’s covered by Medi-Cal and Medicare, are insufficient to cover the District’s actual costs. The reimbursement rates are too low.

“The Medicaid reimbursements the federal government provides to the states have historically been lower than the actual cost of health care services. In Texas, Medicaid reimburses hospitals for about 72% of the cost of inpatient care and about 75% of the cost of outpatient care, according to the Texas Hospital Association.”

*Source: **What the 'big, beautiful bill' means for health coverage**; by Evan Macdonald, The Jasper Newsboy; July 30, 2025; Insurance Newsnet;*

<https://insurancenewsnet.com/oarticle/what-the-big-beautiful-bill-means-for-health-coverage>

KVHD gets periodic payments to supplement these underpayments/shortfalls and make the District whole financially. Without these supplemental payments (IGTs) the District would operate at a deficit. The IGT payments make the hospital profitable; without the payments the District would go bankrupt. HR1 changes and threatens these IGT payments.

“... the legislation changes how states can [finance their share of the Medicaid program](#) by restricting where funds states use to support their Medicaid programs can come from. This bill limits how states can tax and charge fees to hospitals, managed care organizations and other health care providers, and how they can use such taxes and fees in the future to pay higher rates to providers under Medicaid. These limitations will [reduce payments to rural hospitals](#) that depend upon Medicaid to keep their doors open.”

*Source: **Rural hospitals will be hit hard by Trump’s signature spending package***

Published: July 6, 2025; The Conversation – Academic Rigor, Journalistic Flair;

<https://theconversation.com/rural-hospitals-will-be-hit-hard-by-trumps-signature-spending-package-260164>

“...rural hospitals will lose 21 cents out of every dollar they receive in Medicaid funding due to the One Big Beautiful Bill Act. Total cuts in Medicaid reimbursement for rural hospitals—including both federal and state funds—over the ten-year period outlined in the bill would reach almost \$70 billion for hospitals in rural areas. Reductions in Medicaid funding of this magnitude would likely accelerate rural hospital closures and reduce access to care for rural residents, exacerbating economic hardship in communities where hospitals are major employers. As a key insurer in rural communities, Medicaid provides a financial lifeline for rural health care providers — including hospitals, rural health clinics, community health centers, and nursing homes—that are already facing significant financial distress. These cuts may lead to more hospitals and other rural facility closures, and for those rural hospitals that remain open, lead to the elimination or curtailment of critical services, such as obstetrics. Medicaid is a substantial source of federal funds in rural communities across the country. The proposed changes to Medicaid will result in significant coverage losses, reduce access to care for rural patients, and threaten the viability of rural facilities... It’s very clear that Medicaid cuts will result in

rural hospital closures resulting in loss of access to care for those living in rural America.”

*Source: **New report: Federal Medicaid cuts imperil rural hospitals and residents**; by Carrie Cochran-McClain; 6/23/25; NRHA;*

<https://www.ruralhealth.us/blogs/2025/06/federal-medicaid-cuts-imperil-rural-hospitals-and-residents-new-report-finds>

The article below details impending cuts to IGTs. Over the next couple of years, IGTs will be limited to the same amount that Medi-Cal reimburses and nothing extra. Without the extra revenue, we cannot survive; there will be no way to close the gap.

“Cuts to state-directed payments: Texas also uses what are known as state-directed payment programs to steer additional Medicaid dollars to a variety of providers, including children's hospitals, urban and rural hospitals and rural health clinics. The programs are designed to improve health care access and quality. "Medicaid does not even come close to covering the cost of care," Porsa said. "The direct payment program is really meant to close the gap." The law reduces state directed payments by 10% annually beginning in 2028. They will eventually be capped at 100% of Medicare rates in states that expanded Medicaid access, and 110% in non-expansion states such as Texas. The CBO estimates the law will reduce state-directed payments by \$149 billion over 10 years. Most states will be unable to replace that funding, Altman said during the KFF media briefing.”

*Source: **What the 'big, beautiful bill' means for health coverage**; by Evan Macdonald, The Jasper Newsboy; July 30, 2025; Insurance Newsnet;*

<https://insurancenewsnet.com/oarticle/what-the-big-beautiful-bill-means-for-health-coverage>

Provider Taxes - Freezes provider taxes at current levels by disallowing increases in any new provider taxes or increases on current tax amounts. Amends the hold harmless “safe harbor” threshold, which is currently 6%....**In expansion states:** Phases down hold harmless threshold from 6% to 3.5% by 0.5% annually starting in FY 2028....Exempts long-term care facilities.

State Directed Payments - Caps state directed payments for expansion states at 100% and non-expansion states at 110% of the Medicare rate. This may limit a state’s future options to incentivize high-quality care or improve access to care.”

*Source: **One Big Beautiful Bill Law Summary**; JULY 09, 2025; ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICIALS;*

<https://www.astho.org/advocacy/federal-government-affairs/leg-alerts/2025/one-big-beautiful-bill-law-summary/>

- 3) Revenue from patient’s health insurance plans (payors) - A high percentage of revenue from payors at KVHD comes from Medi-Cal and Medicare sources and plans. HR1 will result in lower reimbursement rates from both Medi-Cal and Medicare. Today’s reimbursement rates do not cover KVHD’s expenses. Lower reimbursement rates will only make the problems worse

Further, HR1 will result in millions of Americans losing their healthcare insurance. How many of those millions that live in the Kern River Valley is unknown at this time. But, almost assuredly it will impact many families in our Valley. People without health insurance still get sick and have accidents. Those people will still be presenting themselves to our Emergency Department for care. Most will be unable to pay for their services, which will further exacerbate the District’s financial position.

Today, many patients in the Valley obtain their health insurance through the Kern Health Systems (aka Kern Family Healthcare). Kern Health Systems just issued a notice to all providers to inform them that reimbursement rates will be reduced in the near future.

“Recent federal changes are poised to reshape the health financing system in the United States drastically. The reduction of special provider taxes, which fund our Medicaid programs, will be significant. California is expected to experience shifts in funding for Medi-Cal due to these changes, and we are currently analyzing their potential impacts on our healthcare providers. Additionally, State Directed Payments – including supplemental funding are under review to determine how they may change under new federal guidelines. This will require careful attention as we look to understand the financial dynamics for California hospitals and healthcare facilities. ...Estimates suggest that consumers may face increased costs for care and longer wait times for services. While these changes require adjustments, they also serve as an opportunity for our community to rethink healthcare delivery and find innovative solutions together.”

*Source: **Essential Update on Recent Medi-Cal/Medicaid Changes**; by Emily Duran; August 5, 2025; Kern Health Systems Provider Bulletin*

“The OBBB (HR1) makes significant changes to Medicaid, Medicare and the Affordable Care Act (ACA). The nonpartisan Congressional Budget Office (CBO) estimated that a previous iteration of the bill would result in cuts of nearly \$1 trillion from Medicaid spending over the next 10 years and that 11.8 million Americans are projected to lose coverage by 2034 as new requirements take effect.”

*Source: **Considering the One Big Beautiful Bill Act's Impact on Skilled Nursing Facilities**; by Abbey Mansfield & Jane Elizabeth Feist; July 9, 2025; Holland & Knight Healthcare Blog; <https://www.hklaw.com/en/insights/publications/2025/07/considering-the-one-big-beautiful-bill-acts-impact-on-skilled-nursing>*

The Congressional Budget Office (CBO) estimates the bill’s health provisions will result in 11.8 million people losing health coverage by 2034. The CBO also estimates that an additional 5.1 million people would lose health coverage due to two policy changes outside the bill including: 1) the final 2025 CMS marketplace rule implementing

eligibility changes and 2) the expiration of the ACA expanded premium tax credits. In total, CBO estimates 16.9 million people could lose coverage.

Source: **One Big Beautiful Bill Law Summary**; JULY 09, 2025; ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICIALS;

<https://www.astho.org/advocacy/federal-government-affairs/leg-alerts/2025/one-big-beautiful-bill-law-summary/>

“Rural areas are particularly at risk from losses of hospital revenues - Using [national estimates](#) on changes in provider revenue under the reconciliation bill, we find that rural areas would lose \$87 billion in hospital revenue between 2025 and 2034, including \$66 billion in lost revenue because of the reconciliation bill and \$22 billion in lost revenue because of expiration of the enhanced PTCs (total does not equal sum of parts due to rounding).”

Source: **Rural Hospital Revenue Could Drop by \$87 Billion over 10 Years Because of the Reconciliation Bill and Expiring Enhanced Tax Credits**; by Fredric Blavin, Michael Simpson, Laura Skopec; June 30, 2025; Urban Wire;

<https://www.urban.org/urban-wire/rural-hospital-revenue-could-drop-87-billion-over-10-years-because-reconciliation-bill>

“The [final package](#) incrementally lowers the allowable state provider tax rates in Medicaid expansion states, starting in FY 2027. **These changes are expected to reduce federal Medicaid payments over time, with particularly significant effects in rural areas**, where more than 16 million [Medicaid beneficiaries live](#). Estimates suggest that these and other provisions could reduce federal Medicaid spending in rural areas by [\\$155 billion over 10 years](#). In addition to the direct effects on Medicaid beneficiaries, these changes could produce ripple effects for rural hospitals that would affect other rural health care consumers.”

Source: **Rural Hospitals and the Rural Health Transformation Program: What Comes Next**; By Emma Sheffert & Maya Sandalow; Jul 10, 2025; Bipartisan Policy Center;

<https://bipartisanpolicy.org/blog/rural-hospitals-rural-health-transformation-program-what-comes-next/>

Actions by the Board of Directors and KVHD Administration

Regardless of what information or garbage that may be being disseminated by Fox news or other unreliable outlets, we face some steep financial challenges in the coming years. Most of these will hit us after the midterm election in November 2026. Several organizations, subject matter experts, and other are sounding the alarm. As a rural hospital, our very existence is at risk.

It is incumbent upon this Board and the administration to recognize the threat, take it seriously, begin immediately to take strategic actions to address the impacts. Some actions may include: reduce our costs; increase our efficiency (do more with less); identify new services and new revenue streams (if possible); and take whatever creative steps that are necessary to ensure the hospital’s financial viability into the future.