



AGENDA FOR FINANCE COMMITTEE MEETING
Administrative Conference Room
Thursday, August 28, 2025 – 10:00 a.m.
www.kvhd.org

Remote Participation – Microsoft Teams
Meeting ID: 246 156 715 244 6 Password: jD6nf6Av

- A. CALL TO ORDER:**
- B. CHANGES TO AGENDA:** *(pages 1-2)*
If there are no changes, the agenda is approved as distributed.
- C. APPROVAL OF MINUTES:** *(pages 3-5)*
If no corrections, the minutes of July 30, 2025 meeting are approved as distributed.
- D. PUBLIC COMMENT:** This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda. They may ask a question for clarification, make a referral to staff for factual information, or request staff to report back to the committee at a later meeting. Speakers are limited to three minutes. Please state your name before making your comment.
- E. FINANCIAL STATEMENTS:**
- Unaudited Financial Statement – July 2025 *(pages 6-16)*
 - Narrative Summary *(page 17)*
 - 13-Month Statistics *(pgs 18-19)*
 - Local Vendor Aging Report *(page 20)*
- F. OLD BUSINESS:** None
- G. NEW BUSINESS:**
- 1. Contract Reviews** *(page 21)*
Sally Emery, Compliance Officer
 - a. Clinicians Telemed Medical Group – Telemedicine Specialties
 - b. CPSI – EHR
 - c. Digi International (Smart Sense) – Asset Monitoring by Device
 - d. Go Daddy (VPN) – Secure Certificates VPN (kvhd.org)
 - e. Managed Care Advisory Group (MCAG) – Dispute Resolution (Hospital Council)
 - f. MCG Healthcare – Interqual Criteria
 - g. RLDatix (Quantros) – Safety and Risk Program
 - h. Serenity Med Search – Professional Services
 - i. TeleHealth Docs – Specialty Providers

2. **Capital Expenditure Request – Maxi-Move Lift (SNF)**
Sally Markman, SNF Director of Nursing *(pgs 22-25)*
3. **Medical Director Services Agreement – Gary Finstad, MD**
Tim McGlew, Chief Executive Officer *(pgs 26-31)*
4. **Podiatric Physician Services Agreement – Holly Spohn-Gross, DPM**
Tim McGlew, Chief Executive Officer *(pgs 32-39)*
5. **Rural Health Clinic Medical Director Agreement – Samantha Mongar, DO**
Tim McGlew, Chief Executive Officer *(pgs 40-45)*
6. **Advertising Budget**
Gene Parks, Treasurer

H. ADJOURNMENT



**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

One Month Ending July 31, 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
One Month Ending July 31, 2025**

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Patient Statistics

**KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
One Month Ending July 31, 2025**

	Current Month				STATISTICS	Year-To-Date			
	Actual 07/31/25	Budget 07/31/25	Positive/ (Negative) Variance	Prior Year 07/31/24		Actual 07/31/25	Budget 07/31/25	Positive/ (Negative) Variance	Prior Year 07/31/24
Discharges									
[1]	27	30	(3)	25	Acute	27	30	(3)	25
[2]	4	2	2	4	Swing Beds	4	2	2	4
[3]	0	0	0	0	Psychiatric/Rehab	0	0	0	0
[4]	0	0	0	0	Respite	0	0	0	0
[5]	31	32	(1)	29	Total Adult Discharges	31	32	(1)	29
[6]	0	0	0	0	Newborn	0	0	0	0
[7]	31	32	(1)	29	Total Discharges	31	32	(1)	29
Patient Days:									
[8]	109	98	11	72	Acute	109	98	11	72
[9]	39	46	(7)	58	Swing Beds	39	46	(7)	58
[10]	0	0	0	0	Psychiatric/Rehab	0	0	0	0
[11]	0	0	0	0	Respite	0	0	0	0
[12]	148	144	4	130	Total Adult Patient Days	148	144	4	130
[13]	0	0	0	0	Newborn	0	0	0	0
[14]	148	144	4	130	Total Patient Days	148	144	4	130
Average Length of Stay (ALOS)									
[15]	4.0	3.3	(0.7)	2.9	Acute	4.04	3.3	(0.7)	2.9
[16]	9.8	20.8	11.1	14.5	Swing Bed	9.8	20.8	11.1	14.5
[17]	0.0	0.0	0.0	0.0	Psychiatric/Rehab	0.0	0.0	0.0	0.0
[18]	4.8	4.5	(0.3)	4.5	Total Adult ALOS	4.8	4.5	(0.3)	4.5
[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]	3.5	3.2	0.4	2.3	Acute	3.5	3.2	0.4	2.3
[21]	1.3	1.5	(0.2)	1.9	Swing Beds	1.3	1.5	(0.2)	1.9
[22]	0.0	0.0	0.0	0.0	All Other Adult	0.0	0.0	0.0	0.0
[23]	4.8	4.6	0.1	4.2	Total Adult ADC	4.8	4.6	0.1	4.2
[24]	0.0	0.0	0.0	0.0	Newborn	0.0	0.0	0.0	0.0
[1]									
Long Term Care:									
[25]	1,662	1,637	25	1,421	SNF/ECF Resident Days	1,662	1,637	25	1,421
[26]	0	3	(3)	6	SNF/ECF Resident Discharges	0	3	(3)	6
[27]	0	0	0	0	CBRF/Assisted Living Days	0	0	0	0
[28]	53.6	52.8	0.8	45.8	Average Daily Census	53.6	52.8	0.8	45.8
Emergency Room Statistics									
[29]	27	26	1	25	ER Visits - Admitted	27	26	1	25
[30]	381	290	91	408	ER Visits - Discharged	381	290	91	408
[31]	316	355	(39)	306	ER - Urgent Care Visits	316	355	(39)	306
[32]	724	671	53	739	Total ER Visits	724	671	53	739
[33]	3.73%	3.92%		3.38%	% of ER Visits Admitted	3.73%	3.92%		3.38%
[34]	87.10%	88.71%		100.00%	ER Admissions as a % of Total	100.00%	88.71%		100.00%
[1]									
Outpatient Statistics:									
[35]	1,135	931	204	927	Total Outpatients Visits	1,135	931	204	927
[36]	17	17	0	20	Observation Bed Days	17	17	0	20
[37]	1,168	1,260	(92)	1,390	Clinic Visits - Primary Care	1,168	1,260	(92)	1,390
[38]	264	270	(6)	265	Clinic Visits - Specialty Clinics	264	270	(6)	265
[39]	0	0	0	0	IP Surgeries	0	0	0	0
[40]	0	0	0	0	OP Surgeries	0	0	0	0
[41]	0	0	0	0	Outpatient Scopes	0	0	0	0
[42]	7,799	6,489	1,310	3,989	Retail Pharmacy Scripts	7,799	6,489	1,310	3,989
[43]	0	0	0	0	Clinic Visits-Mobile Van	0	0	0	0
[1]									
Productivity Statistics:									
[44]	220.73	209.97	(10.76)	204.38	FTE's - Worked	220.73	209.97	(10.76)	204.38
[45]	248.21	239.06	(9.15)	233.51	FTE's - Paid	248.21	239.06	(9.15)	233.51
[46]	0.9978	1.0550	0.06	1.1386	Case Mix Index -Medicare	0.9978	1.0550	0.06	1.1386
[47]	1.0036	0.9968	(0.01)	1.1197	Case Mix Index - All payers	1.0036	0.9968	(0.01)	1.1197

KERN VALLEY HEALTHCARE DISTRICT

EXECUTIVE FINANCIAL SUMMARY

One Month Ending July 31, 2025

BALANCE SHEET		
	7/31/2025	6/30/2025
ASSETS		
Current Assets	7,596,467	7,584,064
Assets Whose Use is Limited	15,820,432	15,669,268
Property, Plant and Equipment (Net)	11,777,495	11,735,542
Other Assets	624,276	624,276
Total Unrestricted Assets	35,818,671	35,613,150
Restricted Assets	0	0
Total Assets	35,818,671	35,613,150
LIABILITIES AND NET ASSETS		
Current Liabilities	5,846,337	5,508,276
Long-Term Debt	9,681,318	9,790,571
Other Long-Term Liabilities	2,707,088	2,677,318
Total Liabilities	18,234,743	17,976,165
Net Assets	17,583,927	17,636,985
Total Liabilities and Net Assets	35,818,671	35,613,150
STATEMENT OF REVENUE AND EXPENSES - YTD		
	ACTUAL	BUDGET
Revenue:		
Gross Patient Revenues	12,666,849	11,607,809
Deductions From Revenue	(8,998,392)	(8,066,002)
Net Patient Revenues	3,668,456	3,541,807
Other Operating Revenue	75,849	28,836
Total Operating Revenues	3,744,306	3,570,643
Expenses:		
Salaries, Benefits & Contract Labor	2,174,951	2,046,204
Purchased Services & Physician Fees	527,087	543,573
Supply Expenses	801,965	654,821
Other Operating Expenses	295,974	309,588
Bad Debt Expense	0	0
Depreciation & Interest Expense	57,774	81,614
Total Expenses	3,857,750	3,635,800
NET OPERATING SURPLUS	(113,445)	(65,157)
Non-Operating Revenue/(Expenses)	60,387	102,553
TOTAL NET SURPLUS	(53,058)	37,397
KEY STATISTICS AND RATIOS - YTD		
	ACTUAL	BUDGET
Total Acute Patient Days	109	98
Average Acute Length of Stay	4.0	3.3
Total Emergency Room Visits	724	671
Outpatient Visits	1,135	931
Total Surgeries	0	0
Total Worked FTE's	220.73	209.97
Total Paid FTE's	248.21	239.06
Productivity Index	0.9631	1.0000
EBITDA - YTD	-2.05%	-0.14%
Current Ratio		
Days Expense in Accounts Payable	29.16	

Balance Sheet - Assets

KERN VALLEY HEALTHCARE DISTRICT

LAKE ISABELLA, CALIFORNIA

One Month Ending July 31, 2025

		ASSETS				
[1]	Net to Gross AR %	37.6%	34.5%		34.5%	
[2]	CASH -ALL SOURCES	19,402,700	20,764,508	-1,361,808	20,764,508	
		Current Month	Prior Month	Positive/ (Negative) Variance	Percentage Variance	Prior YR. UNAUDITED 6/30/2025
		7/31/2025	6/30/2025			
Current Assets						
[3]	Cash and Cash Equivalents	4,764,178	6,160,678	(1,396,500)	-22.67%	6,160,678
[4]	Gross Patient Accounts Receivable	25,979,798	25,088,793	891,004	3.55%	25,088,793
[5]	Less: Bad Debt and Allowance Reserves	(16,216,942)	(16,444,711)	227,768	1.39%	(16,444,711)
[6]	Net Patient Accounts Receivable	9,762,855	8,644,083	1,118,773	12.94%	8,644,083
[7]	Interest Receivable	0	0	0	0.00%	0
[8]	Other Receivables	(4,727,063)	(4,756,524)	29,461	-0.62%	(4,756,524)
[9]	Inventories	393,513	388,816	4,696	1.21%	388,816
[10]	Prepaid Expenses	709,244	453,271	255,973	56.47%	453,271
[11]	Due From Third Party Payers	(3,306,260)	(3,306,260)	0	0.00%	(3,306,260)
[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	7,596,467	7,584,064	12,403	0.16%	7,584,064
Assets Whose Use is Limited						
[15]	Auxillary Cash	513,569	498,591	14,979	3.00%	498,591
[16]	Investments -LAIF	286,699	286,699	0	0.00%	286,699
[17]	Debt Payment Fund	668,341	566,847	101,494	17.90%	566,847
[18]	UBS Funds	11,151,887	11,126,887	25,000	0.22%	11,126,887
[19]	Cash Westamerica	52,606	52,605	1	0.00%	52,605
[20]	Project Fund	3,147,330	3,137,639	9,691	0.31%	3,137,639
[21]	Covid Stimulus Cash Assets	0	0	0	0.00%	0
[22]	Total Limited Use Assets	15,820,432	15,669,268	151,164	0.96%	15,669,268
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%	14,947,912
[25]	Equipment	23,573,935	23,478,028	95,907	0.41%	23,478,028
[26]	Construction In Progress	7,470,096	7,466,276	3,820	0.05%	7,466,276
[27]	Capitalized Interest	0	0	0	0.00%	0
[28]	Gross Property, Plant, and Equipment	46,375,742	46,276,015	99,727	0.22%	46,276,015
[29]	Less: Accumulated Depreciation	(34,598,247)	(34,540,473)	(57,774)	-0.17%	(34,540,473)
[30]	Net Property, Plant, and Equipment	11,777,495	11,735,542	41,953	0.36%	11,735,542
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	35,818,671	35,613,150	205,521	0.58%	35,613,150
Restricted Assets						
[34]	TOTAL ASSETS	35,818,671	35,613,150	205,521	0.58%	35,613,150

Balance Sheet - Liabilities and Net Assets

**KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
One Month Ending July 31, 2025**

	LIABILITIES AND FUND BALANCE				Prior Yr. UNAUDITED 6/30/2025
	Current Month 7/31/2025	Prior Month 6/30/2025	Positive/ (Negative) Variance	Percentage Variance	
Current Liabilities					
[1] Accounts Payable	1,722,926	1,688,097	(34,829)	-2.06%	1,688,097
[2] Notes and Loans Payable	0	0	0	0.00%	0
[3] Accrued Payroll	1,081,015	881,879	(199,136)	-22.58%	881,879
[4] Accrued Payroll Taxes	232,833	211,249	(21,584)	-10.22%	211,249
[5] Accrued Benefits	1,351,708	1,342,995	(8,712)	-0.65%	1,342,995
[6] Accrued Pension Expense (Current Portion)	(28,569)	(1,089)	27,480	-2522.71%	(1,089)
[7] Other Accrued Expenses	318,497	295,335	(23,162)	-7.84%	295,335
[8] Patient Refunds Payable	833,334	828,636	(4,698)	-0.57%	828,636
[9] Property Tax Payable	0	0	0	0.00%	0
[10] Due to Third Party Payers	(683,422)	(652,210)	31,212	-4.79%	(652,210)
[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%	910,000
[13] Current Portion of LTD (Leases)	108,016	3,384	(104,632)	-3092.28%	3,384
[14] Other Current Liabilities	0	0	0	0.00%	0
Total Current Liabilities	5,846,337	5,508,276	(338,062)	-6.14%	5,508,276
Long Term Debt					
[15] Bonds/Mortgages Payable	9,164,000	9,164,000	0	0.00%	9,164,000
[16] Leases/Notes Payable	1,535,334	1,539,955	4,621	0.30%	1,539,955
[17] Less: Current Portion Of Long Term Debt	1,018,016	913,384	(104,632)	-11.46%	913,384
Total Long Term Debt (Net of Current)	9,681,318	9,790,571	109,253	1.12%	9,790,571
Other Long Term Liabilities					
[18] Deferred Revenue	0	0	0	0.00%	0
[19] Accrued Pension Expense (Net of Current)	178,619	148,849	(29,770)	-20.00%	148,849
[20] Long Term Settlements	2,528,469	2,528,469	0	0.00%	2,528,469
Total Other Long Term Liabilities	2,707,088	2,677,318	(29,770)	-1.11%	2,677,318
[21] TOTAL LIABILITIES	18,234,743	17,976,165	(258,578)	-1.44%	17,976,165
Net Assets:					
[22] Unrestricted Fund Balance	16,640,302	16,640,302	0	0.00%	16,640,302
[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)	943,626	996,683	(53,058)	-5.32%	996,683
[26] TOTAL NET ASSETS	17,583,927	17,636,985	53,058	0.30%	17,636,985
[27] TOTAL LIABILITIES AND NET ASSETS	35,818,671	35,613,150	(205,521)	(0)	35,613,150

Statement of Revenue and Expense
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
One Month Ending July 31, 2025

	CURRENT MONTH				
	Actual 07/31/25	Budget 07/31/25	Positive (Negative) Variance	Percentage Variance	Prior Year 07/31/24
Gross Patient Revenue					
[1] Inpatient Revenue	1,412,918	1,197,198	215,720	18.02%	1,052,797
[2] Clinic Revenue	1,614,079	1,530,341	83,738	5.47%	1,535,213
[3] Outpatient Revenue	5,958,538	5,509,427	449,111	8.15%	5,622,346
[4] Long Term Care Revenue	2,962,842	2,803,508	159,334	5.68%	2,560,370
[5] Retail Pharmacy Revenue	718,471	567,335	151,136	26.64%	339,070
[6] Total Gross Patient Revenue	<u>12,666,849</u>	<u>11,607,809</u>	<u>1,059,039</u>	<u>9.12%</u>	<u>11,109,796</u>
Deductions From Revenue	71%	69%			70%
[7] Discounts and Allowances (incl IGTs)	(8,846,846)	(7,903,428)	(943,419)	-11.94%	(7,506,862)
[8] Bad Debt Expense (Governmental Providers Only)	(151,546)	(162,575)	11,029	6.78%	(227,141)
	0	0	0	0.00%	0
[9] Charity Care	0	0	0	0.00%	0
[10] Total Deductions From Revenue	<u>(8,998,392)</u>	<u>(8,066,002)</u>	<u>(932,390)</u>	<u>-11.56%</u>	<u>(7,734,003)</u>
[11] Net Patient Revenue	<u>3,668,456</u>	<u>3,541,807</u>	<u>126,649</u>	<u>3.58%</u>	<u>3,375,793</u>
[12] Other Operating Rev (Incl HHS Stimulus)	75,849	28,836	47,013	163.04%	24,621
[13] Total Operating Revenue	<u>3,744,306</u>	<u>3,570,643</u>	<u>173,663</u>	<u>4.86%</u>	<u>3,400,414</u>
Operating Expenses					
[14] Salaries and Wages	1,763,370	1,661,664	(101,706)	-6.12%	1,550,270
[15] Fringe Benefits	346,415	321,810	(24,605)	-7.65%	256,789
[16] Contract Labor	65,166	62,730	(2,436)	-3.88%	113,177
[17] Professional & Physician Fees	377,397	400,464	23,067	5.76%	352,314
[18] Purchased Services	149,690	143,109	(6,581)	-4.60%	135,516
[19] Supply Expense	801,965	654,821	(147,144)	-22.47%	525,406
[20] Utilities	66,288	78,379	12,091	15.43%	80,412
[21] Repairs and Maintenance	10,855	5,843	(5,011)	-85.76%	9,818
[22] Insurance Expense	67,428	87,559	20,131	22.99%	102,017
[23] All Other Operating Expenses	114,613	103,722	(10,891)	-10.50%	80,537
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[25] Leases and Rentals	36,790	34,084	(2,706)	-7.94%	24,455
[26] Depreciation and Amortization	57,774	81,614	23,840	29.21%	62,498
[27] Interest Expense (Non-Governmental Providers)	0	0.00	0	0.00%	0
[28] Total Operating Expenses	<u>3,857,750</u>	<u>3,635,800</u>	<u>(221,951)</u>	<u>-6.10%</u>	<u>3,293,208</u>
Net Operating Surplus/(Loss)	<u>(113,445)</u>	<u>(65,157)</u>	<u>(48,288)</u>	<u>74.11%</u>	<u>107,206</u>
Non-Operating Revenue:					
[29] Contributions/Grants/PPP/ERC	0	14,007	(14,007)	-100.00%	0
[30] Investment Income	36,594	79,434	(42,839)	-53.93%	96,261
[31] Income Derived from Property Taxes	29,931	28,511	1,421	4.98%	27,974
[32] Interest Expense (Governmental Providers Only)	(21,117)	(21,403)	(286)	1.33%	(23,717)
[33] Other Non-Operating Revenue/(Expenses)	14,979	2,005	12,974	647.21%	9,516
[34] Total Non Operating Revenue/(Expense)	<u>60,387</u>	<u>102,553</u>	<u>(42,166)</u>	<u>-41.12%</u>	<u>110,034</u>
Total Net Surplus/(Loss)	<u>(53,058)</u>	<u>37,397</u>	<u>(90,454)</u>	<u>-241.88%</u>	<u>217,240</u>
[35] Operating Margin	-3.03%	-1.82%			3.15%
[36] Total Profit Margin	-1.42%	1.05%			6.39%
[37] EBITDA	-2.05%	-0.14%			4.29%
[38] Cash Flow Margin	0.69%	3.93%			8.92%

Statement of Revenue and Expense
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
One Month Ending July 31, 2025

	YEAR-TO-DATE				
	Actual 07/31/25	Budget 07/31/25	Positive (Negative) Variance	Percentage Variance	Prior Year 07/31/24
Gross Patient Revenue					
[1] Inpatient Revenue	1,412,918	1,197,198	215,720	18.02%	1,052,797
[2] Clinic Revenue	1,614,079	1,530,341	83,738	5.47%	1,535,213
[3] Outpatient Revenue	5,958,538	5,509,427	449,111	8.15%	5,622,346
[4] Long Term Care Revenue	2,962,842	2,803,508	159,334	5.68%	2,560,370
[5] Retail Pharmacy Revenue	718,471	567,335	151,136	26.64%	339,070
[6] Total Gross Patient Revenue	<u>12,666,849</u>	<u>11,607,809</u>	<u>1,059,039</u>	<u>9.12%</u>	<u>11,109,796</u>
Deductions From Revenue	71%	69%			70%
[7] Discounts and Allowances (incl IGTs)	(8,846,846)	(7,903,428)	(943,419)	-11.94%	(7,506,862)
[8] Bad Debt Expense (Governmental Providers Only)	(151,546)	(162,575)	11,029	6.78%	(227,141)
[9] Charity Care	0	0	0	0.00%	0
[10] Total Deductions From Revenue	<u>(8,998,392)</u>	<u>(8,066,002)</u>	<u>(932,390)</u>	<u>-11.56%</u>	<u>(7,734,003)</u>
[11] Net Patient Revenue	<u>3,668,456</u>	<u>3,541,807</u>	<u>126,649</u>	<u>3.58%</u>	<u>3,375,793</u>
[12] Other Operating Rev (Incl HHS Stimulus)	<u>75,849</u>	<u>28,836</u>	<u>47,013</u>	<u>163.04%</u>	<u>24,621</u>
[13] Total Operating Revenue	<u>3,744,306</u>	<u>3,570,643</u>	<u>173,663</u>	<u>4.86%</u>	<u>3,400,414</u>
Operating Expenses					
[14] Salaries and Wages	1,763,370	1,661,664	(101,706)	-6.12%	1,550,270
[15] Fringe Benefits	346,415	321,810	(24,605)	-7.65%	256,789
[16] Contract Labor	65,166	62,730	(2,436)	-3.88%	113,177
[17] Professional & Physician Fees	377,397	400,464	23,067	5.76%	352,314
[18] Purchased Services	149,690	143,109	(6,581)	-4.60%	135,516
[19] Supply Expense	801,965	654,821	(147,144)	-22.47%	525,406
[20] Utilities	66,288	78,379	12,091	15.43%	80,412
[21] Repairs and Maintenance	10,855	5,843	(5,011)	-85.76%	9,818
[22] Insurance Expense	67,428	87,559	20,131	22.99%	102,017
[23] All Other Operating Expenses	114,613	103,722	(10,891)	-10.50%	80,537
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[25] Leases and Rentals	36,790	34,084	(2,706)	-7.94%	24,455
[26] Depreciation and Amortization	57,774	81,614	23,840	29.21%	62,498
[27] Interest Expense (Non-Governmental Providers)	0	0.00	0	0.00%	0
[28] Total Operating Expenses	<u>3,857,750</u>	<u>3,635,800</u>	<u>(221,951)</u>	<u>-6.10%</u>	<u>3,293,208</u>
Net Operating Surplus/(Loss)	<u>(113,445)</u>	<u>(65,157)</u>	<u>(48,288)</u>	<u>74.11%</u>	<u>107,206</u>
Non-Operating Revenue:					
[29] Contributions/Grants/PPP/ERC	0	14,007	(14,007)	-100.00%	0
[30] Investment Income	36,594	79,434	(42,839)	-53.93%	96,261
[31] Income Derived from Property Taxes	29,931	28,511	1,421	4.98%	27,974
[32] Interest Expense (Governmental Providers Only)	(21,117)	(21,403)	286	-1.33%	(23,717)
[33] Other Non-Operating Revenue/(Expenses)	14,979	2,005	12,974	647.21%	9,516
[34] Total Non Operating Revenue/(Expense)	<u>60,387</u>	<u>102,553</u>	<u>(42,166)</u>	<u>-41.12%</u>	<u>110,034</u>
Total Net Surplus/(Loss)	<u>(53,058)</u>	<u>37,397</u>	<u>(90,454)</u>	<u>-241.88%</u>	<u>217,240</u>
	ACTUAL YTD	BUD YTD	ACT FYE 24	PROJ FYE 25	Prior YTD
[35] Operating Margin	-3.03%	-1.82%			3.15%
[36] Total Profit Margin	-1.42%	1.05%			6.39%
[37] EBITDA	-2.05%	-0.14%			4.29%
[38] Cash Flow Margin	0.69%	3.93%			8.92%

Statement of Revenue and Expense - 13 Month Trend

KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA

	31	30	31	30	31	28	31	31	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	07/31/25	06/30/25	05/31/25	04/30/25	03/31/25	02/28/25	01/31/25	12/31/24	11/30/24
Gross Patient Revenue									
[1] Inpatient Revenue	1,412,918	878,031	919,766	1,178,765	1,284,233	1,211,376	1,135,510	1,306,206	988,923
[2] Clinic Revenue	1,614,079	1,443,923	1,506,100	1,454,900	1,455,217	1,337,711	1,539,352	1,464,884	1,450,778
[3] Outpatient Revenue	5,958,538	5,822,291	5,131,157	4,937,503	5,087,083	4,787,593	5,179,894	4,968,077	4,910,316
[4] Long Term Care Revenue	2,962,842	2,813,800	2,794,698	2,657,872	2,731,394	2,484,620	2,678,085	2,622,111	2,545,925
[5] Retail Pharmacy Revenue	718,471	716,476	594,645	528,898	488,497	494,336	512,293	485,298	428,228
[6] Total Gross Patient Revenue	12,666,849	11,674,521	10,946,365	10,757,938	11,046,425	10,315,637	11,045,134	10,846,577	10,324,169
Deductions From Revenue									
[7] Discounts and Allowances (incl IGTs)	(8,846,846)	(7,964,781)	(7,294,455)	(7,225,317)	(7,333,013)	(6,828,153)	(7,373,039)	(7,153,760)	(6,875,691)
[8] Bad Debt Expense (Governmental Providers Only)	(151,546)	(95,513)	(108,897)	(140,024)	(133,860)	(141,973)	(129,120)	(237,723)	(148,462)
[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	(8,998,392)	(8,060,294)	(7,403,352)	(7,365,340)	(7,466,872)	(6,970,126)	(7,502,159)	(7,391,483)	(7,024,153)
[11] Net Patient Revenue	3,668,456	3,614,226	3,543,013	3,392,597	3,579,553	3,345,511	3,542,974	3,455,094	3,300,016
[12] Other Operating Rev (Incl HHS Stimulus)	75,849	12,398	13,869	15,316	14,822	13,026	37,551	16,291	18,404
[13] Total Operating Revenue	3,744,306	3,626,624	3,556,882	3,407,913	3,594,375	3,358,537	3,580,525	3,471,386	3,318,420
Operating Expenses									
[14] Salaries and Wages	1,763,370	1,656,279	1,648,035	1,654,167	1,702,621	1,449,506	1,596,692	1,528,996	1,502,965
[15] Fringe Benefits	346,415	326,522	326,902	332,810	338,337	309,541	333,485	305,656	303,150
[16] Contract Labor	65,166	78,264	79,951	95,657	92,401	92,061	90,138	120,093	121,450
[17] Professional & Physician Fees	377,397	354,404	384,120	377,024	381,284	345,689	346,313	382,994	361,950
[18] Purchased Services	149,690	119,935	169,025	150,363	136,423	144,838	177,262	97,464	135,518
[19] Supply Expense	801,965	785,215	677,345	583,304	610,130	657,134	587,830	604,025	549,141
[20] Utilities	66,288	61,519	92,322	67,955	71,311	87,258	69,307	83,915	61,188
[21] Repairs and Maintenance	10,855	11,241	(1,411)	20,186	13,905	2,474	3,498	6,888	6,771
[22] Insurance Expense	67,428	106,726	67,043	39,371	102,241	67,042	143,408	66,818	66,818
[23] All Other Operating Expenses	114,613	93,575	125,211	89,736	126,676	122,447	116,907	102,655	92,438
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0	0	0	0	0	0
[25] Leases and Rentals	36,790	24,052	21,687	33,523	19,438	48,534	30,076	35,006	33,070
[26] Depreciation and Amortization	57,774	59,348	60,983	61,216	62,599	62,511	63,250	63,250	63,250
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0	0	0	0	0	0
[28] Total Operating Expenses	3,857,750	3,677,079	3,651,213	3,505,312	3,657,368	3,389,037	3,558,166	3,397,761	3,297,709
Net Operating Surplus/(Loss)	(113,445)	(50,455)	(94,331)	(97,399)	(62,992)	(30,499)	22,359	73,625	20,711
Non-Operating Revenue:									
[29] Contributions/Grants/PPP/ERC	0	11,335	50,000	35,372	0	0	60,239	67,285	0
[30] Investment Income	36,594	24,384	73,241	71,937	71,922	75,712	76,592	72,436	72,573
[31] Income Derived from Property Taxes	29,931	57,491	27,974	27,974	27,974	27,974	27,974	27,974	27,974
[32] Interest Expense (Governmental Providers Only)	(21,117)	(29,005)	(23,657)	(21,252)	(21,219)	(21,357)	(22,295)	(30,435)	(22,342)
[33] Other Non-Operating Revenue/(Expenses)	14,979	185	(26,297)	10,157	12,755	10,214	10,738	(56,167)	10,315
[34] Total Non Operating Revenue/(Expense)	60,387	64,390	101,261	124,187	91,431	92,543	153,247	81,093	88,520
Total Net Surplus/(Loss)	(53,058)	13,935	6,930	26,789	28,439	62,043	175,606	\$154,718	\$109,231
[35] Operating Margin	-3.03%	-1.39%	-2.65%	-2.86%	-1.75%	-0.91%	0.62%	2.12%	0.62%
[36] Total Profit Margin	-1.42%	0.38%	0.19%	0.79%	0.79%	1.85%	4.90%	4.46%	3.29%
[37] EBITDA	-2.05%	-0.55%	-1.60%	-1.69%	-0.60%	0.32%	1.77%	3.07%	1.86%
[38] Cash Flow Margin	0.69%	2.82%	2.57%	3.21%	3.12%	4.34%	7.29%	7.16%	5.87%
	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
	10/31/24	09/30/24	08/31/24	07/31/24
Gross Patient Revenue				
[1] Inpatient Revenue	1,270,022	1,036,009	1,141,085	1,052,797
[2] Clinic Revenue	1,507,298	1,435,735	1,662,901	1,535,213
[3] Outpatient Revenue	5,196,913	5,140,305	5,972,852	5,622,346
[4] Long Term Care Revenue	2,941,872	2,110,792	2,601,232	2,560,370
[5] Retail Pharmacy Revenue	471,467	448,086	420,392	339,070
[6] Total Gross Patient Revenue	11,387,573	10,170,927	11,798,462	11,109,796
Deductions From Revenue	70%	70%	72%	70%
[7] Discounts and Allowances (incl IGTs)	(7,866,012)	(7,026,774)	(8,340,866)	(7,506,862)
[8] Bad Debt Expense (Governmental Providers Only)	(125,840)	(130,120)	(112,199)	(227,141)
[7B] Medi-Cal Deductions due to IGTs	0	0	0	0
[9] Charity Care	0	0	0	0
[10] Total Deductions From Revenue	(7,991,852)	(7,156,895)	(8,453,065)	(7,734,003)
[11] Net Patient Revenue	3,395,721	3,014,032	3,345,397	3,375,793
[12] Other Operating Rev (Incl HHS Stimulus)	50,999	38,944	27,916	24,621
[13] Total Operating Revenue	3,446,720	3,052,977	3,373,313	3,400,414
Operating Expenses				
[14] Salaries and Wages	1,522,753	1,466,275	1,511,053	1,550,270
[15] Fringe Benefits	305,569	307,619	317,239	256,789
[16] Contract Labor	91,485	93,817	107,531	113,177
[17] Professional & Physician Fees	361,819	361,856	348,842	352,314
[18] Purchased Services	195,948	153,417	122,262	135,516
[19] Supply Expense	610,698	501,058	619,942	525,406
[20] Utilities	82,582	72,185	106,849	80,412
[21] Repairs and Maintenance	13,906	3,278	1,970	9,818
[22] Insurance Expense	74,824	66,818	66,818	102,017
[23] All Other Operating Expenses	73,727	97,345	70,425	80,537
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0
[25] Leases and Rentals	35,178	30,572	24,400	24,455
[26] Depreciation and Amortization	62,882	62,487	62,437	62,498
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0
[28] Total Operating Expenses	3,431,371	3,216,728	3,359,768	3,293,208
Net Operating Surplus/(Loss)	15,350	(163,751)	13,545	107,206
Non-Operating Revenue:				
[29] Contributions/Grants/PPP/ERC	0	0	13,312	0
[30] Investment Income	75,310	74,289	76,545	96,261
[31] Income Derived from Property Taxes	27,974	27,974	27,974	27,974
[32] Interest Expense (Governmental Providers Only)	(22,821)	(22,492)	(22,476)	(23,717)
[33] Other Non-Operating Revenue/(Expenses)	9,862	9,373	11,884	9,516
[34] Total Non Operating Revenue/(Expense)	90,326	89,144	107,239	110,034
Total Net Surplus/(Loss)	\$105,676	(74,607)	120,784	217,240
[35] Operating Margin	0.45%	-5.36%	0.40%	3.15%
[36] Total Profit Margin	3.07%	-2.44%	3.58%	6.39%
[37] EBITDA	1.61%	-4.05%	1.59%	4.29%
[38] Cash Flow Margin	5.55%	0.34%	6.10%	8.92%

Statement of Cash Flows

KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA One Month Ending July 31, 2025

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	CASH FLOW	
	Current Month 7/31/2025	Current Year-To-Date 7/31/2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
[1] Net Income (Loss)	(53,058)	(53,058)
[2] Adjustments to Reconcile Net Income to Net Cash		
[3] Provided by Operating Activities:		
[4] Depreciation	57,774	57,774
[5] (Increase)/Decrease in Net Patient Accounts Receivable	(1,118,773)	(1,118,773)
[6] (Increase)/Decrease in Other Receivables	(29,461)	(29,461)
[7] (Increase)/Decrease in Inventories	(4,696)	(4,696)
[8] (Increase)/Decrease in Pre-Paid Expenses	(255,973)	(255,973)
[9] (Increase)/Decrease in Other Current Assets	0	0
[10] Increase/(Decrease) in Accounts Payable	34,829	34,829
[11] Increase/(Decrease) in Notes and Loans Payable	0	0
[12] Increase/(Decrease) in Accrued Payroll and Benefits	201,952	201,952
[13] Increase/(Decrease) in Accrued Expenses	23,162	23,162
[14] Increase/(Decrease) in Patient Refunds Payable	4,698	4,698
[15] Increase/(Decrease) in Third Party Advances/Liabilities	(31,212)	(31,212)
[16] Increase/(Decrease) in Other Current Liabilities	0	0
[17] Net Cash Provided by Operating Activities:	(1,170,758)	(1,170,758)
CASH FLOWS FROM INVESTING ACTIVITIES:		
[18] Purchase of Property, Plant and Equipment	(99,727)	(99,727)
[19] (Increase)/Decrease in Limited Use Cash and Investments	(14,979)	(14,979)
[20] (Increase)/Decrease in Other Limited Use Assets	(136,186)	(136,186)
[21] (Increase)/Decrease in Other Assets	0	0
[22] Net Cash Used by Investing Activities	(250,891)	(250,891)
CASH FLOWS FROM FINANCING ACTIVITIES:		
[23] Increase/(Decrease) in Bond/Mortgage Debt	0	0
[24] Increase/(Decrease) in Capital Lease Debt	(4,621)	(4,621)
[25] Increase/(Decrease) in Other Long Term Liabilities	29,770	29,770
[26] Net Cash Used for Financing Activities	25,149	25,149
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0
[27] Net Increase/(Decrease) in Cash	(1,396,500)	(1,396,500)
[28] Cash, Beginning of Period	6,160,678	6,160,678
[29] Cash, End of Period	4,764,178	4,764,178

**Kern Valley Healthcare District
Financial Report**

For the month of July 2025 (1st month in FY 26)

Profit/Loss Summary

Net loss in July was \$ 53,058, a (1.42%) total profit margin, and \$90,454 below budget.

Net Patient Revenue- MTD positive-

Month-The Net patient Revenue in July was \$3,668,456 (3.58%) above budget. The volume was higher in the acute areas where patient days were up by 69 from June and over budget (4 days above budget), Gross Inpatient Revenues were above budget (\$215,720). Skilled Nursing revenues increased in June (\$149,042 above prior month) (days were up by 89, and census was up by 1.2 days and revenues were over budget by \$159,334. Outpatient revenues were \$449,111 above budget (8.15%) Outpatient visits were over budget by 204 and ER Visits were over budget by 53. Retail Pharmacy revenue was 26.64% over budget for the month (prescriptions were 1,310 over budget, and 1,145 above prior month).

Operating Expenses- MTD Negative

Month-Operating Expenses in July were \$221,951(6.1%) above budget (unfavorable). Labor expenses were over budget with salaries and wages and fringe benefits above budget by \$126,311 and contract labor was \$2,436 above budget. Supply expense was over budget by \$147,144 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 down from \$2,613,000 in June to \$2,518,690 in July. The Gross AR Days remained at 68 days in July. Gross AR increased by \$891,004 due primarily to an increase in revenue We are still reviewing all of the accounts to get the AR days down. Cash Balances (all sources) decreased to \$19,402,700 compared to \$20,764,508 in June.

The Accounts Payable balances increased by \$34,829 in July.

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) Clinic Revenue was over budget.
- 5) Outpatient Revenue was over budget.
- 6) Most volumes were over budget.

Negative takeaways for the month:

- 1) There was a net loss for the month.
- 2) Operating expenses were over budget.
- 3) Clinic volumes were under budget.

Prepared by John Lovrich, CFO
August 23, 2025

KVHD
Patient Statistics
Thirteen Months Ended July 31, 2025

STATISTICS	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	Actual 7/31/2025
Discharges													
[1] Acute	25	32	22	27	18	26	31	27	28	29	24	22	27
[2] Swing Beds	4	3	2	3	1	4	1	2	1	1	0	0	4
[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	29	35	24	30	19	30	32	29	29	30	24	22	31
[6] Newborn	0	0	0	0	0	0	0	0	0	0	0	0	0
[7] Total Discharges	29	35	24	30	19	30	32	29	29	30	24	22	31
Patient Days:													
[8] Acute	72	92	80	98	76	102	90	84	103	93	73	79	109
[9] Swing Beds	58	52	44	51	24	54	24	20	34	13	0	0	39
[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	130	144	124	149	100	156	114	104	137	106	73	79	148
[13] Newborn	0	0	0	0	0	0	0	0	0	0	0	0	0
[14] Total Patient Days	130	144	124	149	100	156	114	104	137	106	73	79	148
Average Length of Stay (ALOS)													
[15] Acute	2.9	2.9	3.6	3.6	4.2	3.8	2.9	3.1	3.7	3.2	3.0	3.6	4.0
[16] Swing Bed	14.5	17.3	22.0	17.0	24.0	13.5	24.0	10.0	34.0	13.0	0.0	0.0	9.8
[17] Psychiatric/Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0
[18] Total Adult ALOS	4.5	4.1	5.2	5.0	5.3	5.2	3.6	3.6	4.7	3.5	3.0	3.6	4.8
[19] Newborn ALOS	0	0	0	0	0	0	0	0	0	0	0	0	0
[1]													
Average Daily Census (ADC)													
[20] Acute	2.3	3	2.7	3.16	2.5	3.3	2.9	3.0	3.3	3.1	2.4	2.6	3.5
[21] Swing Beds	1.9	1.7	1.5	1.64	0.8	1.7	0.8	0.7	1.1	0.4	0.0	0.0	1.3
[22] All Other Adult	0	0	0	0	0	0	0	0	0	0	0	0	0
[23] Total Adult ADC	4.2	4.6	4.1	4.8	3.3	5.0	3.7	3.7	4.4	3.5	2.4	2.6	4.8
[24] Newborn	0	0	0	0	0	0	0	0	0	0	0	0	0
Long Term Care:													
[25] SNF/ECF Resident Days	1421	1456	1390	1441	1425	1463	1487	1393	1531	1487	1571	1573	1662
[26] SNF/ECF Resident Discharges	6	4	4	1	0	1	1	1	1	1	2	1	0
[27] CBRF/Assisted Living Days	0	0	0	0	0	0	0	0	0	0	0	0	0
[28] Average Daily Census	45.8	47.0	46.3	46.5	47.5	47.2	48.0	49.8	49.4	49.6	50.7	52.4	53.6
Emergency Room Statistics													
[29] ER Visits - Admitted	25	27	23	24	17	22	29	22	28	25	23	22	27
[30] ER Visits - Discharged	408	414	358	352	330	355	308	302	343	311	324	344	381
[31] ER - Urgent Care Visits	306	287	261	264	277	299	330	288	310	322	310	312	316
[32] Total ER Visits	739	728	642	640	624	676	667	612	681	658	657	678	724
[33] % of ER Visits Admitted	3.38%	3.71%	3.58%	3.75%	2.72%	3.36%	4.35%	3.59%	4.11%	3.80%	3.50%	3.24%	3.73%
[34] ER Admissions as a % of Total	86.21%	77.14%	95.83%	80.00%	89.47%	70.97%	85.29%	75.86%	87.50%	86.21%	79.31%	75.86%	96.43%
Outpatient Statistics:													
[35] Total Outpatients Visits	927	1054	945	1047	935	874	1001	846	868	1047	1025	1055	1135
[36] Observation Bed Days	20	19	16	21	14	16	22	18	11	27	19	25	17
[37] Clinic Visits - Primary Care	1390	1244	1146	1342	1199	1145	1276	1138	1253	1054	1145	976	1168
[38] Clinic Visits - Specialty Clinics	265	266	199	256	222	228	223	228	248	264	222	261	264

KVHD
Patient Statistics
Thirteen Months Ended July 31, 2025

STATISTICS	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	Actual 7/31/2025
[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	3989	4926	4710	5340	4871	5360	5620	5167	5101	5541	5858	6654	7799
[43] Clinic Visits-Mobile Van	0	0	0	11	0	0	0	0	0	0	0	0	0
[44] FTE's - Worked	204.38	213.21	211.50	212.15	211.24	211.30	221.42	217.79	222.25	223.42	220.81	216.58	220.73
[45] FTE's - Paid	233.51	237.06	235.46	234.5	234.03	234.69	240.10	239.27	241.63	247.25	246.07	242.25	248.21
[46] Case Mix Index -Medicare	1.1386	0.9526	0.9464	1.1602	1.0987	0.9632	0.8510	0.9070	1.0770	1.1230	1.3689	1.0734	0.9978
[47] Case Mix Index - All payers	1.1197	0.9707	0.9893	0.9767	1.0204	0.9527	0.9030	0.9520	1.0170	0.9990	1.1085	0.9517	1.0036

KERN VALLEY HEALTHCARE DISTRICT
 AP LOCAL VENDOR AGING AS OF 08/20/2025

VENDOR NAME	VEND#	CURRENT	OVER	OVER	OVER	OVER	BALANCE
			30 DAYS	60 DAYS	90 DAYS	120 DAYS	
BUILDERS MART	01367	3,074.32	0.00	0.00	0.00	0.00	3,074.32
GENERAL PLUMBING JOHN STIVERS	52329	3,127.00	0.00	0.00	0.00	0.00	3,127.00
KERN RIVER VALLEY CHAMBER	02878	100.00	0.00	0.00	0.00	0.00	100.00
KERN VALLEY EXCHANGE CLUB MG	52291	45.00	0.00	0.00	0.00	0.00	45.00
MT MESA AUTOMOTIVE	52766	94.87	0.00	0.00	0.00	0.00	94.87
MT MESA MARKET	01196	22.22	0.00	0.00	0.00	0.00	22.22
MT MESA SHELL	02343	1,659.50	0.00	0.00	0.00	0.00	1,659.50
THOMAS REFUSE SERVICE 123195	52815	265.38	0.00	0.00	0.00	0.00	265.38
THOMAS REFUSE SERVICE 123623	02118	3,784.47	0.00	0.00	0.00	0.00	3,784.47
THOMAS REFUSE SERVICE 123624	52817	341.61	0.00	0.00	0.00	0.00	341.61
THOMAS REFUSE SERVICE 125578	52816	167.08	0.00	0.00	0.00	0.00	167.08
		12,681.45	0.00	0.00	0.00	0.00	12,681.45

**KERN VALLEY
HEALTHCARE DISTRICT**

Aug-25

CONTRACT	VEN #	CONTRACT TYPE	DESCRIPTION	COST		BEGIN	RENEW	NEXT FINANCE REVIEW	TERMS	DEPT	MANAGER
CLINICIANS TELEMED MEDICAL GROUP INC		PHYSICIAN	TELEMEDICINE SPECIALITIES	\$ 275.00	HR	11/01/24	11/01/27	08/01/25	AMENDMENT EXTENDS TERM OF AGREEMENT	MVHC	DAVIS
CPSI		SOFTWARE	EHR			10/31/11	OPEN	08/01/25		IS	ZUBER
DIGI INTERNATIONAL - SMART SENSE	52771	SERVICE	ASSET MONITORING BY DEVICE	\$ 2,550.00	ANN	11/01/24	10/31/25	08/01/25	30 DAY WRITTEN NOTICE	IS	ZUBER
GO DADDY-VPN	51827	SERVICE	SECURE CERTIFICATES VPN KVHD.ORG	\$ 199.98	2YRS	11/03/24	11/02/26	08/01/25		IS	ZUBER
MANAGED CARE ADVISORY GROUP (MCAG)		SERVICE	DISPUTE RESOLUTIONS IN CONJUNCTION WITH HOSPITAL COUNCIL OF NORTHERN AND CENTRAL CALIF	0 RETAIN 20% OF ANY SETTLEMENT		11/01/16	OPEN	08/01/25		ADMINISTRATION	MCGLEW
MCG HEALTHCARE	52473	SERVICE	INTERQUAL CRITERIA	\$ 17,787.73	RATE INCREASE ANNUALLY	11/05/20	11/14/25	08/01/25	INITIAL 5 YEAR TERM WILL THEN RENEW ANNUALLY FOR 1 YEAR TERMS	UTILIZATION REVIEW	GRAY
RLDATIX NORTH AMERICA INC (QUANTROS)	53142	SOFTWARE	SAFETY AND RISK PROGRAM	\$ 15,472.17	ANN	11/01/24	10/31/25	08/01/25	ANNUAL AUTO RENEWAL UNLESS GIVEN 30 DAY WRITTEN NOTICE	RISK MANAGEMENT	GRIFFITH
SERENITY MED SEARCH		REGISTRY	PROFESSIONAL SERVICES	VARIOUS RATES		10/27/24	10/27/25	08/01/25	TERM WITH 60 DAY PRIOR WRITTEN NOTICE.	ADMINISTRATION	MCGLEW
TELE HEALTH DOCS	52386	PHYSICIAN	SPECIALITY PROVIDERS	VARIOUS RATES		11/01/14	OPEN	08/01/25	EITHER PARTY MAY TERMINATE AT ANY TIME WITH 10 DAY WRITTEN NOTICE	MVHC	DAVIS

3. Comparable Services Analysis

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

Vendor	Recommended Vendor (Y/N)	Amount \$

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:

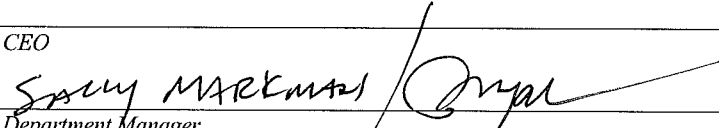
Legal Counsel _____
Date

Plant Operations Manager (if required) _____
Date

CIO (if required) _____
Date

CFO _____
Date

CNO (if required) _____
Date

CEO _____
Date

 Department Manager 8/21/2015
Date

5. Administration Use Only

Finance Committee Approval Date: _____

Board of Directors Approval Date: _____

Notes:

Quote date: August 15, 2025

Quote number: Q-231370

Purchase order:

Contact: Christine Pulido

Location: 6412 Laurel Ave
Lake Isabella CA 93240
United States

Quotation overview

BILLING INFORMATION

KERN VALLEY HEALTH CARE
PO BOX 1628
LAKE ISABELLA, CA, 93240-1628

Attention: Christine Pulido
Email: pulidoch@kvhd.org
Phone: (760) 379-2681


SHIPPING INFORMATION

KERN VALLEY HEALTH CARE
6412 LAUREL AVE
LAKE ISABELLA, CA, 93240-9529

Sales Contact: James Thompson
Email: james.thompson@arjo.com
Phone: (650) 339-0944

QUOTE DETAILS

Customer#: 2042663
Validity Date: 11/13/2025
Delivery Terms: FOB - SHIPPING POINT
Payment Terms: net 30 days

PRODUCT #	PRODUCT DESCRIPTION	CONTRACT	NET UNIT PRICE	QTY	NET TOTAL
KMESLU-0-D-01 	Maxi Move 5, 500 lbs SWL, Low Base, Scale, Med-PDPS	PREMIER PHD PP-NS-2000	\$7,480.28	1	\$7,480.28

Grand Total: \$ 7,480.28

Disclaimer: All products are subject to availability. Shipping and tax to be added on later and are an approximation and subject to change.
IN WITNESS WHEREOF, the undersigned have executed this quote and attached terms and conditions agreeing to be bound upon the date below.

KERN VALLEY HEALTH CARE

Signature: _____
Printed Name: _____
Title: _____
Date: _____

By signing this quote, customer agree to be bound by Arjo's Standard Terms and Conditions located at: <https://www.arjo.com/en-us/order/terms-and-conditions/> Arjo may change the Terms and Conditions at any time. In the event a customer is a GPO customer, the GPO Terms and Conditions ("GPO T&Cs") shall govern the applicable sale

At Arjo, we believe that empowering movement within healthcare environments is essential to quality care. Our products & solutions are designed to promote a safe & dignified experience through patient handling, medical beds, personal hygiene, disinfection, diagnostics, & the prevention of pressure injuries & venous thromboembolism.

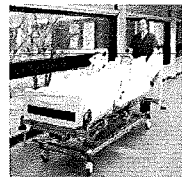
Products



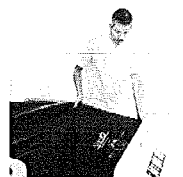
Patient mobility and falls prevention



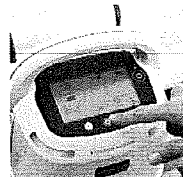
Hygiene and wellness



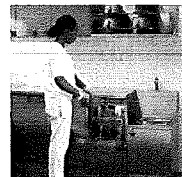
Medical beds



Pressure injury prevention



VTE prevention



Disinfection



Diagnostics

Clinical solutions



Arjo MOVE[®] Clinical Consulting



Pressure injury and bariatric care



Early mobility for ICU and critical care



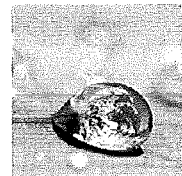
Anxiety and dementia care



Arjo Rental



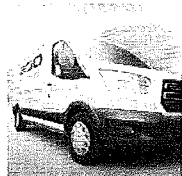
Financial services



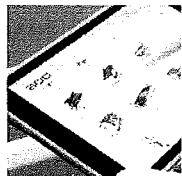
Arjo ReNu[™]

Financial solutions

Operational solutions



Equipment services



Arjo Express



Facility planning

Confidential and proprietary information of Arjo. All pricing shall be considered confidential.

Only Arjo designed parts, which are designed specifically for the purpose, should be used on the equipment and products supplied by Arjo. As our policy is one of continuous development we reserve the right to modify designs and specifications without prior notice. ® and ™ are trademarks belonging to the Arjo group of companies. Copyright, trademarks and logos are the intellectual property of Bruin Biometrics LLC, this includes the following: Provio[®] SEM Scanner and SEM Scanner[®]. Bruin Biometrics LLC's copyright materials cannot be used or reproduced without Bruin Biometrics LLC's written consent. © Arjo, 2022

MEDICAL DIRECTOR SERVICES AGREEMENT

This Medical Director Services Agreement (“Agreement”) is entered into by Kern Valley Healthcare District (“District”), a California public entity, and Gary A. Finstad, M.D. (“Provider”) as of October 1, 2025.

Section 1. Engagement of Provider.

District hereby agrees to engage Provider, and Provider consents so to be engaged, as its Critical Access Hospital Medical Director and Chief of Staff for the services described in Attachment “A”, attached hereto and incorporated herein as though set forth in full during the Term (the “Services”).

Section 2. Compensation.

In consideration of the Provider’s agreement to be engaged by District and in further consideration of the time, expense and effort undertaken by Provider to provide the Services, District agrees to pay Provider in accordance with Section 6 of this agreement.

Section 3. Initial Term and Extensions.

The initial term of this Agreement is one year commencing October 1, 2025, and expiring September 30, 2026 (the “Initial Term”). Upon completion of the Initial Term, this Agreement shall become renewable for two one-year terms (the “Renewal Term”) upon written agreement of the parties. (The Initial Term and Renewal Term, if any, are together the “Term”.)

Section 4. Termination of Agreement Without Cause.

This Agreement may be terminated by either party, without cause, upon sixty days’ advance, written notice to the other party.

Section 5. Termination of this Agreement With Cause.

Either party may terminate this Agreement with for cause if the other party is in “material default” under the terms and conditions of this Agreement and the default is not cured within seven (7) days of receipt of written notice specifying the material default.

Section 6. Consideration.

District agrees to pay Provider a fee of \$100.00 per hour not to exceed \$2,000 (two thousand and no/100 dollars) in consideration for the services. The fee shall be due and payable by the fifteenth day of the month following service after submission by the Provider of a signed attestation of the administrative hours provided.

Section 7. Medical Director Duties.

In addition to the Services stated in Attachment “A”, the Medical Director shall implement and provide the following services:

7.1 Hours of service. The Services shall be provided at least twenty hours per month at the DISTRICT facility. The hours provided to be at the discretion of the Provider.

7.2 Licensure. Medical Director will have all appropriate and necessary licensure with the State of California and be in good standing.

7.3 Medical Staff Committee participation. Medical Director will be required to participate in designated committees, including the annual medical staff meetings, and shall be a member of the Medical Executive Committee.

7.4 Continuing Medical Education. Medical Director is required to fulfill, at his sole cost, the continuing medical education requirements necessary to maintain active state licensure.

7.5 Reports and Medical Records. Medical Director shall complete all medical records and other documentation as may be reasonably required by DISTRICT in a timely fashion.

Section 8. Compliance With Laws

8.1. General Compliance. Medical Director and DISTRICT shall comply with all applicable provisions of law, and other valid rules and regulations of all governmental agencies having jurisdiction over: (i) the Hospital; (ii) the licensing of health care practitioners; and (iii) the delivery of services to patients of governmentally regulated third party payers whose members/beneficiaries receive services at the Hospital. This shall specifically include, but not by way of limitation: (i) compliance with applicable provisions of Title 22, California Administrative Code; (ii) compliance with Medicare billing, time allocation, record keeping, and record access requirements; and HIPAA and the HITECH Act.

8.2. DISTRICT Ethics and Compliance Program. Medical Director understands and acknowledges that DISTRICT has implemented an Ethics and Compliance Program for the Hospital in order to ensure compliance with laws, rules and regulations, including without limitation: Department of Health & Human Services regulations to prevent financial fraud, abuse and conflicts of interest and quality of patient care, and similar state laws; the Stark Law and similar state law; the Anti-Kickback Statute and similar state laws; and CMS Conditions of Participation. Medical Director agrees to abide by the Ethics and Compliance Program, and to alert the DISTRICT'S Compliance Officer immediately in the event Medical Director becomes aware of a violation of any applicable law, regulation or rule.

Section 9. Appointment of the Medical Director.

The parties intend that an independent contract and not an employer/employee relationship be created by this Agreement. The Medical Director is not considered to be an agent or employee of the District for any purpose, but rather is an appointed official whose capacity as an appointed Medical Director may be revoked by the District at any time.

Section 10. Relationship of the Parties.

It is understood the Medical Director is in no way vicariously liable for the conduct of the District employees. It is also understood that the District is in no way vicariously liable for the conduct of the Medical Director. It is understood that the District may use other medical advisors from time to time. It is further understood that Provider and Medical Director are free to contract for similar services to be formed for other entities while under contract with the District.

Section 11. Insurance and Liability.

The District's general liability insurance shall be limited to the medical and administrative services provided by the Medical Director and Provider exclusively for the District.

Section 12. Method and Delivery of Written Notice.

All notices permitted or required under this Agreement shall be made by personal delivery or via U. S. certified mail, postage prepaid to the other party at their address set out on the signature page hereto.

Section 13. Amendment or Modification.

This Agreement may be amended or modified from time to time only by a written instrument adopted by the parties hereto.

Section 14. Severability.

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement, and the illegal or invalid provision shall be enforced to the maximum extent possible to still be legal and valid.

Section 15. Governing Law and Venue.

This Agreement is governed by and shall be construed in accordance with the laws of the State of California, without regard to its conflict of law provisions. The parties understand and agree that this Agreement is made, and Provider will be performing this contract, in Kern County, California.

Section 16. Counterparts.

This Agreement may be executed in any number of counterparts with the same effect as if the Members had all signed the same document. All counterparts shall be construed together and shall constitute one instrument.

Section 17. Successors and Assigns.

Each and every covenant, term, provision, and agreement herein contained shall be binding upon each of the parties and their respective legal representatives, successors, and assigns, and shall inure to the benefit of each of the parties. Neither party may assign or transfer this Agreement without the express written approval of the other party.

Section 18. Entire Agreement.

This Agreement sets forth the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior arrangements and understandings, if any, related hereto.

**KERN VALLEY HEALTHCARE
DISTRICT**

PROVIDER

By _____
John Lovrich, CEO

By _____
Gary A. Finstad, M.D.

Schedule A

Medical Director/Chief of Staff

Administrative Responsibilities of the Medical Director:

Medical Director shall devote sufficient time and his or her best abilities to the responsibility of that office in accordance with the normal and customary hours of operation of the critical access hospital services as heretofore conducted or as hereinafter established by the Administration of the District in consultation with the medical staff, such as to permit ample time for the performance of all of the duties usually and normally associated with the conduct of the critical access hospital services, including but not limited to the performance of services described below so as to meet the needs of the patients of the District. Without restricting or limiting the Medical Director's general responsibilities, the Medical Director shall be obliged to assure performance of the following specific responsibilities:

1. Medical Director shall ensure that quality physician services are provided, shall establish procedures to evaluate the consistency and quality of all services provided in the Hospital, and shall actively and effectively assist the District in the performance of utilization review and cost containment functions.
2. Medical Director shall participate in the development and review of a system for providing a care plan for each patient.
3. Medical Director will supervise any mid-level practitioner employees or contractors if not assigned to a physician providing services at the Hospital.
4. Medical Director shall develop liaison with all primary care physicians in order to ensure effective medical care to all patients of the critical access hospital. If necessary, the Medical Director will provide direct patient care.
5. Medical Director shall participate in the medical development and annual review of written policies and procedures governing the medical, nursing, and related health services in the critical access hospital.
6. Medical Director shall participate in the development and implementation of an effective program of utilization review.
7. Medical Director shall participate in the development and implementation of an effective program of quality assurance. This shall include preparing and presenting quality assurance reports to the Hospital Administration or elsewhere, as appropriate.
8. Medical Director shall be available for consultation on the development and maintenance of an adequate medical record system for critical access hospital services. This shall include assuring that the appropriate medical record entries are made by all physicians concerning all procedures and other services performed.
9. Medical Director shall advise the Administrator of the Hospital concerning the adequacy of the patient care services and medical equipment.

10. Medical Director shall be available for consultation with the Administrator of the Hospital on all issues regarding the health care program of the critical access hospital.
11. Medical Director shall be available to respond to administrative questions regarding clinical services.
12. Medical Director shall be available to assist with nursing questions.
13. Medical Director shall be available for consultations with other physicians at reasonable times and with reasonable promptness.
14. Medical Director shall evaluate the critical access hospital clinical services to insure that they are provided in a manner consistent with the standard of care required by this Agreement, the medical staff by-laws and subject to budgetary systems and constraints established by the Hospital, otherwise assist the Hospital Administration in containing service costs (e.g., demonstrating the reduction of expenses through standardization of drugs, implants and supplies).
15. Medical Director shall maintain and provide the Hospital with an adequate time record to allow for the appropriate allocation of the administrative services furnished under this contract and any other services furnished by the Provider under other agreements with the Hospital. In addition, the Provider shall submit a monthly time record listing time spent on administrative services.

PODIATRIC PHYSICIAN AGREEMENT

This Rural Health Clinic Physician Agreement (“Agreement”) is entered into by and between Kern Valley Healthcare District (“District”) and Holly Spohn-Gross, D.P.M. (“PHYSICIAN”), as of September 1, 2025.

RECITALS

A. District owns and operates Kern Valley Hospital (“Hospital”) located in Mountain Mesa, California, a Critical Access Hospital, and desires to retain Physician to provide rural health clinic podiatry services in Hospital’s Skilled Nursing Unit (“SNF”) and Rural Health Clinic (“RHC”).

B. Physician is duly licensed in California with a background and experience in providing podiatric medical services, and desires to be retained by District.

NOW, THEREFORE, the parties agree as follows:

TERMS

1. SCOPE OF SERVICES

District retains Physician, and Physician agrees to provide those services identified in Exhibit A, attached hereto and incorporated by reference (the “Services”).

2. PHYSICIAN’S REPRESENTATIONS AND WARRANTIES

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

2.1 Physician is duly licensed, registered and in good standing, or will become duly licensed, registered and in good standing under the laws of the State of California, to engage in the practice of medicine, and that said license and registration have not been suspended, revoked, or restricted in any manner.

2.2 Physician 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.

2.3 Physician 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 Physician 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 Physician and (b) any allegation of substandard care or professional misconduct raised against Physician by any person, organization, governmental agency, health care facility, peer review organization or professional society;

2.4 Physician is board certified, or board qualified in podiatry medicine, or possesses knowledge and skill in podiatric medicine comparable to other physicians practicing podiatric medicine in the District's service area.

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

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

2.7 Physician shall complete and maintain, in a timely manner and on the electronic medical record system, adequate, legible and proper medical records, claims and correspondence with respect to the Services.

2.8 Physician 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.

2.9 Physician shall abide by the Medical Staff Bylaws, rules, regulations and policies.

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

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

2.12 Physician shall deliver to the District promptly upon request copies of all certificates, registrations, certificates of insurance and other evidence of Physician's compliance with the foregoing as reasonably requested by the District.

3. RESPONSIBILITIES OF HOSPITAL

3.1 HOSPITAL shall provide appropriate space and necessary equipment within the rural health clinic and SNF for the use of Physician in the performance of the Services under this Agreement.

3.2 HOSPITAL shall make all reasonable efforts to make available ancillary services necessary for effective operation of the RHC and SNF, including laboratory, imaging, pharmacy, etc.

3.3 HOSPITAL shall not involve itself in those aspects of Physician's professional practice of medicine for which a license to practice medicine is required.

4. COVERAGE.

PHYSICIAN will provide podiatry physician coverage in the RHC and SNF as scheduled by the SNF Director of Nursing and RHC Manager.

5. COMPLIANCE WITH LAWS

PHYSICIAN shall comply with all applicable provisions of law, and other valid rules and regulations of all governmental agencies having jurisdiction over: (i) the operation of the SNF and RHC; (ii) the licensing of health care practitioners; and (iii) the delivery of services to patients of governmentally regulated third party payers whose members/beneficiaries receive services at HOSPITAL. This shall specifically include, but not by way of limitation: (i) compliance with applicable provisions of Title 22, California Administrative Code; and (ii) compliance with Medicare billing, time allocation, record keeping, and record access requirements.

6. PHYSICIAN COMPENSATION.

6.1 District agrees to pay the following fees to Physician:

6.1.1 Patient Visits. District will bill patients and their payors for services provided by PHYSICIAN to those patients. Such charges shall be consistent with prevailing community charges.

6.1.2 Patient Visit Fees. District will pay PHYSICIAN \$65.00 per visit for all SNF or rural health clinic patients treated.

6.1.3 HOSPITAL is responsible for the payments due to PHYSICIAN. Therefore, physician should only look to the HOSPITAL for amounts due.

6.2 Timing of Payment. HOSPITAL will pay PHYSICIAN monthly by the 15th day of the next month following that month in which the services are rendered.

6.3 Holiday Minimum. The Rural Health Clinic is closed on all observed holidays.

7. INDEPENDENT CONTRACTOR

7.1 PHYSICIAN is an independent contractor, and is not, by virtue of this Agreement, an employee, partner of, or joint venturer with District.

7.2 Physician may not make any claim against District under this Agreement for social security benefits, worker's compensation benefits, unemployment insurance benefits, health benefits, vacation pay, sick leave, or any other employee benefits of any kind.

7.3 District shall not exercise any direct control over any medical decisions made by Physician in the course of performing the Services at the Rural Health Clinic or SNF.

8. INSURANCE AND INDEMNIFICATION

8.1. Coverage. PHYSICIAN will be covered by the District's Professional and Liability Insurance through BETA Healthcare Group ("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, except the coverage is limited to claims made and reported against the provider for Services provided during the term of this Agreement. PHYSICIAN may, at their own discretion, use their personal professional liability insurance coverage for the provision of the Services rendered under this agreement.

8.2. Indemnification. Each party ("Indemnitor") agrees to defend, indemnify and hold the other party ("Indemnitee") 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 Indemnitee 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 Indemnitee, its representatives, servants or agents.

9. 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. Physician shall not refuse to provide services to any patient at the Hospital, regardless of ability to pay.

10. TERM AND TERMINATION

10.1 Term. This Agreement shall be effective as of September 1, 2025, and shall terminate on August 31, 2026. Upon mutual agreement, not later than 90 days prior to expiration of the current term, the District and Physician may extend this Agreement for two additional one-year terms.

10.2 Termination without cause. During the initial 120 days of this Agreement, either party may, without cause, terminate this Agreement with 30-days written notice to the other party. Thereafter, this Agreement may be terminated upon 60-days written notice to the other party. This agreement may be terminated at any time by the mutual consent of both parties.

10.3 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.

10.4 Other grounds for termination. This Agreement may be terminated immediately for the following reasons:

10.4.1 Physician's loss or restriction of their license for any reason.

10.4.2 Physician becomes legally incompetent; is convicted of a felony; or uses, possesses, or is found under the influence of alcohol, drugs, or other controlled substances while performing his duties under this Agreement.

10.4.3 Physician fails to maintain a professional standard of conduct in accordance with District policies.

10.4.4 Physician becomes ineligible to participate in the Medi-cal or Medicare programs for any reason.

10.4.5 A fraud control unit of a state or federal agency determines Physician has or may be placing the health and safety of a patient at risk.

10.4.6 Loss or restriction of DISTRICT'S license to operate the Hospital.

10.5 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.

10.6 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 PHYSICIAN, at their own expense.

11. GENERAL PROVISIONS

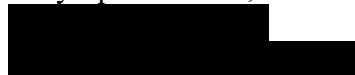
11.1. Other Agreements. No other agreements between the parties exist at this time.

11.2. 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.

11.3. 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 PHYSICIAN:

Holy Spohn-Gross, D.P.M.



IF TO DISTRICT:

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

11.4. Records. Until the expiration of four (4) years after the furnishing of any service pursuant to this Agreement, PHYSICIAN 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 Physician that are necessary to certify the nature and extent of the reasonable costs of services.

11.5. 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.

11.6. 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.

11.7 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.

11.8 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.

11.9 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.

11.10 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.

11.11 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.

11.12 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.

11.13 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.

Kern Valley Healthcare District

Holly Spohn-Gross, D.P.M.

By _____
Tim McGlew, CEO

Holly Spohn-Gross, D.P.M.

EXHIBIT A

SCOPE OF SERVICES

PHYSICIAN shall devote sufficient time and his or her best abilities to the responsibility of treating patients in the normal and customary hours of operation of the Rural Health Clinic and SNF.

Patient Referrals. PHYSICIAN shall make referrals of Rural Health Clinic and SNF patients in accordance with patient's insurance and established Rural Health Clinic and SNF networks in place.

Medical Care Plan System. PHYSICIAN shall participate in the development and review of a system for providing a medical care plan for RHC or SNF patient covering medications, nursing care, ancillary services, admission, discharge or transfer planning, and other relevant services related to podiatric care.

Medical Records. PHYSICIAN shall be responsible for the development and maintenance of an adequate medical record in the RHC and SNF. This shall include assuring that the appropriate medical record entries are made by PHYSICIAN, including using the existing electronic medical system in the RHC concerning all medical procedures and other services performed in the RHC and SNF.

Service and Equipment Adequacy. PHYSICIAN shall ensure the adequacy of the patient care services and medical equipment.

Responses to Administrative Questions. PHYSICIAN shall be available to respond to administrative questions regarding patients, referral problems, and patient status.

Responses to Nursing Questions. PHYSICIAN shall be available to assist with nursing or mid-level practitioner questions at the RHC, including questions regarding patient referrals and patient clinical status.

Responses to Patient Problems. PHYSICIAN, when consulted, shall be available to respond to patient podiatry problems in the RHC and SNF by means of chart review and patient visits, as appropriate, and respond to all patient emergencies when required.

Medical Staff Commitments. Physician shall serve on such committees of Medical Staff of the District as may be appropriate after consultation with the Chief of Staff and Hospital CEO.

Utilization Review Services. Physician shall, as requested by the District, assist in the RHC and SNF utilization review program of the District.

RURAL HEALTH CLINIC MEDICAL DIRECTOR SERVICES AGREEMENT

This Medical Director Services Agreement (“Agreement”) is entered into by Kern Valley Healthcare District (“District”), a California public entity, and Samantha Mongar, D.O. (“Provider”) as of September 1, 2025.

Section 1. Engagement of Provider.

District hereby agrees to engage Provider, and Provider consents so to be engaged, as its Medical Director for the services described in Attachment “A”, attached hereto and incorporated herein as though set forth in full during the Term (the “Services”).

Section 2. Compensation.

In consideration for Provider’s agreement to be engaged by District and in further consideration of the time, expense and effort undertaken by Provider to provide the Services, District agrees to pay Provider in accordance with Section 6 of this agreement.

Section 3. Initial Term and Extensions.

The term of this Agreement is one year commencing September 1, 2025, and expiring August 31, 2026 (the “Initial Term”). Upon completion of the Initial Term, this Agreement shall become renewable for two one year terms (the “Renewal Term”) upon written agreement of the parties. (The Initial Term and Renewal Term, if any, are together the “Term”).

Section 4. Termination of Agreement Without Cause.

This Agreement may be terminated by either party, without cause, upon thirty days’ advance, written notice to the other party.

Section 5. Termination of this Agreement With Cause.

Either party may terminate this Agreement for cause if the other party is in “material default” under the terms and conditions of this Agreement and the default is not cured within seven (7) days of receipt of written notice specifying the material default.

5.1 “Material Default” encompasses the following:

5.1.1 Medical Director’s loss or restriction of (his/her) license for any reason.

5.1.2 Medical Director becomes legally incompetent, is convicted of a felony; or uses, possesses, or is found under the influence of alcohol, drugs, or other controlled substances while performing her duties under this Agreement.

5.1.3 Medical Director fails to maintain a professional standard of conduct in accordance with DISTRICT policies.

5.1.4 Medical Director becomes ineligible to participate in the Medical or Medicare programs for any reason.

5.1.5 A fraud control unit of a state or federal agency determines Medical Director has or may be placing the health and safety of a patient at risk.

5.1.6 Loss or restriction of DISTRICT’S license to operate the Hospital.

Section 6. Consideration.

6.1 District agrees to pay Provider a fee of \$167.00 per hour not to exceed \$5,000 (five thousand and no/100 dollars) per month in consideration for the services. The fee shall be due and payable by the fifteen day of the month following service after submission by the Provider of a signed attestation of the administrative hours provided.

6.2 PHYSICIAN may participate in the District employee group health plan at the same premium rate as other District employees.

Section 7. Medical Director Duties.

In addition to the Services stated in Attachment “A”, the Medical Director shall implement and provide the following services:

7.1 Hours of service. The Administrative Services shall be provided at least twenty hours per month at a DISTRICT facility. The hours provided to be at the discretion of the Provider.

7.2 Licensure. Medical Director will have all appropriate and necessary licensure with the State of California and be in good standing.

7.3 Medical Staff Committee participation. Medical Director will be required to participate in designated committees, including quarterly medical staff meetings.

7.4 Continuing Medical Education. Medical Director is required to fulfill the continuing medical education requirements necessary to maintain active state licensure.

7.5 Reports and Medical Records. Medical Director shall complete all medical records and other documentation as may be reasonably required by DISTRICT in a timely fashion.

7.6 Compliance with Clinic Policy. Medical Director with fulfill other duties as outlined in RHC policy “MEDICAL DIRECTOR / SUPERVISING PHYSICIAN”

Section 8. Compliance With Laws

8.1. General Compliance. Medical Director and DISTRICT shall comply with all applicable provisions of law, and other valid rules and regulations of all governmental agencies having jurisdiction over: (i) the Hospital; (ii) the licensing of health care practitioners; and (iii) the delivery of services to patients of governmentally regulated third party payers whose members/beneficiaries receive services at the Hospital. This shall specifically include, but not by way of limitation: (i) compliance with applicable provisions of Title 22, California Administrative Code; (ii) compliance with Medicare billing, time allocation, record keeping, and record access requirements; and HIPAA and the HITECH Act.

8.2. DISTRICT Ethics and Compliance Program. Medical Director understands and acknowledges that DISTRICT has implemented an Ethics and Compliance Program for the Hospital in order to ensure compliance with laws, rules and

regulations, including without limitation: Department of Health & Human Services regulations to prevent financial fraud, abuse and conflicts of interest and quality of patient care, and similar state laws; the Stark Law and similar state law; the Anti-Kickback Statute and similar state laws; and CMS Conditions of Participation. Medical Director agrees to abide by the Ethics and Compliance Program, and to alert the DISTRICT'S Compliance Officer immediately in the event Medical Director becomes aware of a violation of any applicable law, regulation or rule.

Section 9. Appointment of the Medical Director.

The parties intend that an independent contract and not an employer/employee relationship be created by this Agreement. The Medical Director is not considered to be an agent or employee of the District for any purpose, but rather is an appointed official whose capacity as an appointed Medical Director may be revoked by the District at any time.

Section 10. Relationship of the Parties.

It is understood the Medical Director is in no way vicariously liable for the conduct of the District employees. It is also understood that the District is in no way vicariously liable for the conduct of the Medical Director. It is understood that the District may use other medical advisors from time to time. It is further understood that Provider and Medical Director are free to contract for similar services to be formed for other entities while under contract with the District.

Section 11. Insurance and Liability.

The District's general liability insurance shall be limited to the medical and administrative services provided by the Medical Director and Provider exclusively for the District.

Section 12. Method and Delivery of Written Notice.

All notices permitted or required under this Agreement shall be made by personal delivery or via U. S. certified mail, postage prepaid to the other party at their address et out on the signature page hereto.

Section 13. Amendment or Modification.

This Agreement may be amended or modified from time to time only by a written instrument adopted by the parties hereto.

Section 14. Severability.

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement and the illegal or invalid provision shall be enforced to the maximum extent possible to still be legal and valid.

Section 15. Governing Law and Venue.

This Agreement is governed by and shall be construed in accordance with the laws of the State of California, without regard to its conflict of law provisions. The parties understand and

agree that this Agreement is made, and Provider will be performing this contract, in Kern County, California.

Section 16. Counterparts.

This Agreement may be executed in any number of counterparts with the same effect as if the Members had all signed the same document. All counterparts shall be construed together and shall constitute one instrument.

Section 17. Successors and Assigns.

Each and every covenant, term, provision, and agreement herein contained shall be binding upon each of the parties and their respective legal representatives, successors, and assigns, and shall inure to the benefit of each of the parties. Neither party may assign or transfer this Agreement without the express written approval of the other party.

Section 18. Entire Agreement.

This Agreement sets forth the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior arrangements and understandings, if any, related hereto.

**KERN VALLEY HEALTHCARE
DISTRICT**

PHYSICIAN

By _____
John Lovrich, CEO
P.O. Box 1628
Lake Isabella, CA 93240

By _____
Samantha Monar, D.O.
[REDACTED]

Schedule A

Medical Director

Administrative Responsibilities of the Medical Director:

Medical Director shall devote sufficient time and his or her best abilities to the responsibility of that office in accordance with the normal and customary hours of operation of the rural health clinic services as heretofore conducted or as hereinafter established by the Administration of the District in consultation with the medical staff, such as to permit ample time for the performance of all of the duties usually and normally associated with the conduct of rural health clinic services, including but not limited to the performance of services described below so as to meet the needs of the patients of the District. Without restricting or limiting the Medical Director's general responsibilities, the Medical Director shall be obliged to assure performance of the following specific responsibilities:

1. Medical Director shall ensure that quality rural health clinic services are provided, shall establish procedures to evaluate the consistency and quality of all services provided in the rural health clinic, and shall actively and effectively assist the District in the performance of utilization review and cost containment functions.
2. Medical Director shall participate in the development and review of a system for providing a care plan for each rural health clinic patient.
3. Medical Director will supervise rural health clinic physicians and any mid-level practitioner employees of the rural health clinic, including PA-Cs or NPs.
4. Medical Director shall develop liaison with all specialist physicians in order to ensure effective medical care to all patients of the rural health clinic. If necessary, the Medical Director will provide direct patient care and will perform electronic medical record documentation for his services to rural health clinic patients.
5. Medical Director shall participate in the medical development and annual review of written policies and procedures governing the medical, nursing, and related health services in the rural health clinic.
6. Medical Director shall participate in the development and implementation of an effective program of utilization review for the rural health clinic.
7. Medical Director shall participate in the development and implementation of an effective program of quality assurance for the rural health clinic. This shall include preparing and presenting quality assurance reports to the Hospital Administration or elsewhere, as appropriate.
8. Medical Director shall be available for consultation on the development and maintenance of an adequate electronic medical record system for rural health clinic services. This shall include assuring that the appropriate electronic medical record entries are made by all providers concerning all rural health clinic procedures.
9. Medical Director shall advise the Administrator of the Hospital concerning the adequacy of the patient care services and medical equipment in the rural health clinic.
10. Medical Director shall be available for consultation with the Administrator of the Hospital on all issues regarding the health care program in the rural health clinic.

11. Medical Director shall be available to respond to administrative questions regarding rural health clinic services.
12. Medical Director shall be available to assist with nursing questions on rural health clinic services.
13. Medical Director shall be available for consultations with other physicians at reasonable times and with reasonable promptness.
14. Medical Director shall conduct the rural health clinic services in a cost-efficient and effective manner, consistent with the standard of care required by this Agreement and subject to budgetary systems and constraints established by the Hospital, and otherwise assist the Hospital Administration in containing rural health clinic service costs (e.g., demonstrating the reduction of expenses through standardization of drugs and supplies).
15. Medical Director shall maintain and provide the Hospital with an adequate time record to allow for the appropriate allocation of the administrative services furnished under this contract and any other services furnished by the Provider under other agreements with the Hospital. In addition, the Provider shall submit a monthly time record listing time spent on administrative services.