



**PUBLIC NOTICE**  
**KERN VALLEY HEALTHCARE DISTRICT**  
**AGENDA FOR BOARD OF DIRECTORS**  
**October 9, 2025 – 2:00 p.m.**  
**Location: Administrative Conference Room**  
**[www.kvhd.org](http://www.kvhd.org)**

**REMOTE PARTICIPATION: Microsoft Teams**  
**Meeting ID: 236 488 593 528 3      Passcode: h2KY3vf7**

**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 – September 11, 2025**

*(pages 5-9)*

*Recommendation – Approve minutes as presented*

**2. Special Board of Directors (Ethics) – September 11, 2025**

*(page 10)*

*Recommendation – Approve minutes as presented*

**3. Board Governance Meeting Minutes – September 23, 2025**

*(pages 11-12)*

*Recommendation – Accept minutes pending committee approval*

- 4. Building & Planning Meeting Minutes – September 23, 2025** (pages 13-14)  
*Recommendation – Accept minutes pending committee approval*
- 5. Finance Committee Meeting Minutes – September 24, 2025** (pages 15-16)  
*Recommendation – Accept minutes pending committee approval*
- 6. Unaudited Financial Statement – August 2025** (pages 17-27)  
*Recommendation – Accept financial statement as presented*
- 7. 13-Month Patient Statistics – August 2025** (pages 28-29)  
*Recommendation – Accept report as presented*
- 8. Financial Report Narrative Summary – August 2025** (page 30)  
*Recommendation - Accept report as presented*
- 9. Contracts:** (page 31)  
*Recommendation – Continue with contracts*
  - a. Advanced Data Storage – Pick-Up and Destroy PHI
  - b. Bayer Healthcare – Stellant SX (CT Injector)
  - c. Comp Health – MVHC Recruitment
  - d. Delta Liquid Energy – Propane Delivery
  - e. Paul Giem, MD – ER Service
  - f. Fangluo Liu, MD – Medical Director Lab
  - g. Mesa Winds Apartments – 6400 Lynch Canyon, Units 3,4,7
  - h. Nave Law Office, PC – Legal Counsel
  - i. Register.com – Website/Email/Domain – KVHD
  - j. Relias Learning – Employee Learning/Training
  - k. Zixcorp Systems – Email Encryption/Large File Transfer
- 10. Board Personnel & Policy Meeting Minutes – September 22, 2025** (pages 32-34)  
*Recommendation – Accept minutes pending committee approval*
- 11. Human Resources Report – August 2025** (page 35)  
*Recommendation – Accept report as presented*
- 12. Policies:**  
*Recommendation – Approve policies as presented*
  - Collections:
    - Charity Care and Financial Assistance
    - Deposits – Discounts
    - Outside Collection Agency
  - Emergency Department:
    - AMA – Patient Leaving the Hospital AMA
    - Nursing Intervention Protocols
  - Human Resources:
    - Personal Calls and Cell Phone Use
  - Infection Control – SNF:
    - Surveillance Program Plan
    - Vaccination Standing Orders

**Laboratory:**

ESR MiniiSED Analyzer SOP

**Mesa Clinical Pharmacy:**

Controlled Substances, Ordering and Receiving

**Nursing:**

Competency Assessment, Clinical Nursing Staff

Crash Cart Equipment and Locations – AC

Electrical Cardioversion

**Nutrition Services:**

Food Storage, Labeling, and Dating

**Pharmacy:**

340B Program

Medication Security and Storage

Patient's Home Medication Use and Storage

**Rehabilitation Services:**

Admissions – Processing of Outpatients

Rehabilitation Department Patient and Visitor Standards

**Respiratory Therapy:**

Electrocardiogram (EKG), Performing An

Vapotherm

**Skilled Nursing:**

Activity Department Staff

Activity Program

Controlled Substances Count/Storage

**Utilization Review:**

Medicare Beneficiary Liability Notices

Personnel Responsible for the Provision of Social Services

**To Be Retired:**

PHA – Patient's Home Medications

PHA – Storage and Use of Patient's Own Medication

PHA – Medication Storage

PHA – Medication Security

SNF IC – Resident Immunization/Vaccination – Pneumovax/Prevnar

SNF IC – Resident Immunization/Vaccination - Influenza

**13. Manuals:**

*Recommendation – Approve manuals as presented*

Health Information Management

Medical Staff

Compliance

**14. Medical Appointments: None****15. Medical Reappointments: None****16. Chief of Medical Staff Report**

*Recommendation – Review report*

*(page 36)*

**17. Chief Nursing Officer Report**

*Recommendation – Review report*

*(page 37)*

- 18. Chief Information Officer Report** *(pages 38-42)*  
*Recommendation - Review report*
- 19. Foundation/Auxiliary Report** *(pages 43-45)*  
*Recommendation – Review report*
- 20. HPSA Designation Renewal – Facktor** *(pages 46-50)*  
*Recommendation – Approve proposal as presented*
- E. REPORTS:**
- 1. Chief Executive Officer**  
John Lovrich, Chief Executive Officer *Information*  
*Recommendation – Hear report*
- F. OLD BUSINESS:** None
- G. NEW BUSINESS:**
- 1. Triscend CAP-Ex Index Allocation Change Opportunity** *Action*  
John Lovrich, Chief Executive Officer *(handout)*  
*Recommendation – View options and select funds*
- H. DIRECTORS COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**
- I. CLOSED SESSION:**
- Medical Quality Report
  - 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, September 11, 2025 – 2:00pm

**PRESENT:** John Blythe, Board Chair  
Katheryn Elconin, 1st Vice Chair  
Fred Clark, 2<sup>nd</sup> Vice Chair  
Ross Elliott, Secretary  
Gene Parks, Treasurer  
John Lovrich, Chief Executive 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  
Nicolas Caver, Incoming Marketing Manager  
Greg Davis, Director of Population Health

- A. CALL TO ORDER:** The meeting was called to order at 2:00pm by Director Blythe.
- B. APPROVAL OF THE AGENDA:** A motion was made by Director Clark to approve the agenda as presented. The motion was seconded by Director Elliott. 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 – August 14, 2025
  2. Governance Committee Meeting Minutes – August 26, 2025
  3. Building & Planning Committee Meeting Minutes – August 26, 2025
  4. Finance Committee Meeting Minutes – August 28, 2025
  5. Unaudited Financial Statement – July 2025
  6. 13-Month Patient Statistic – July 2025
  7. Financial Report Narrative Summary – July 2025

8. Contracts:
  - a. Clinicians Telemed Medical Group – Telemedicine Services
  - 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
  - f. MCG Healthcare – Interqual Criteria
  - g. RLDatix (Quantros) – Safety and Risk Program
  - h. Serenity Med Search – Professional Services
  - i. TeleHealth Docs – Specialty Providers
9. Board Personnel & Policy Meeting Minutes – August 25, 2025
10. Human Resources Report – July 2025
11. Policies:
  - Administration:
    - Grievances/Complaints
    - Just Culture
  - General Accounting:
    - Contracts
  - Housekeeping:
    - Cubicle Curtain and Shower Curtain Cleaning
  - Human Resources:
    - Bereavement Leave (Death in the Family)
    - Criminal Records Verification
    - Employee Pre-Placement Medical Screening
    - Immigration Law Compliance
    - Introductory Period
    - Social Media, Networking, and Other Web-Based Communications
    - Work Rule Guidelines – Rules of Conduct
  - Infection Control:
    - IC Surveillance Program - AC
  - Materials Management:
    - Purchase Orders
    - Purchasing Policy
    - Shipping Services
    - Back Orders
    - Delivery of Items
12. Manuals:
  - Administration
  - Nursing
  - Safety
13. Medical Appointments: - *Pulled by Director Elliott*
  - Michael Green, MD – Provisional – Emergency Services
  - Benjamin Mati, MD – Locum Tenens – Emergency Service
14. Medical Reappointments: None
15. Chief of Medical Staff Report
16. Chief Nursing Officer Report – *Pulled by Director Elliott*
17. Chief Information Officer Report
18. Foundation/Auxiliary Report

19. Capital Expenditure Request – Maxi-Move Lift (SNF)
20. Medical Director Agreement – Gary Finstad, MD
21. Podiatric Physician Services Agreement – Holly Spohn, DPM
22. RHC Medical Director Agreement – Samantha Mongar, DO

Director Elliott requested that items 13, Medical Appointments and 16, the Chief Nursing Officer Report, be pulled from consent for further discussion. These items will be placed under New Business as item G6 and G7. A motion was made by Director Elliott to approve the consent agenda as amended. The motion was seconded by Director Elconin. The motion passed unanimously.

**E. REPORTS:**

1. **Chief Executive Officer:** The CEO Report was given by John Lovrich. Mr. Lovrich reported that work continues on the new retail pharmacy. We are approximately 45 days away from the completion of the renovations. The cabinets and counters have all arrived. The volumes in August were down by 300 prescriptions. There have been rumors circulating about Vons potentially opening a pharmacy in the local store. That may also have an impact on volumes. The District is actively working with a company called BioWound to try to establish a wound care program. Mr. Lovrich will be speaking with some of their references before we proceed. Mr. Lovrich recently had a meeting with key players in the SNF to discuss the census. The goal is to get to 60 by the end of the year. The marketing department will be working with Irina Diaz to begin marketing our SNF to Bakersfield hospitals. The District is also developing key performance indicators for each department. Mr. Lovrich also met with department managers to discuss potential cuts in reimbursement that may be coming down the road. In an effort to be prepared for these potential cuts, Mr. Lovrich requested a 3% reduction in expenses from each department. The Bakersfield American Indian Health Project reached out to us to work on a potential agreement. The District recently implemented a Just Culture program. Manager training on Just Culture was provided by BETA Healthcare Group. Mr. Lovrich is in the process of scheduling interviews for the CFO position. The annual CPSI Client Advisory Committee meeting is scheduled for October in Texas. Cary Zuber and Ben Torres will be attending. Participation in this meeting is important for the District as we receive a monthly discount on portions of our EHR as a result of attending.

**F. OLD BUSINESS:** None.

**G. NEW BUSINESS:**

1. **Resolution 25-08 – Resolution Authorizing and Accepting the Purchase of Surplus Generators:** The resolution for the generators was presented by Mr. Lovrich. The resolution provides for the purchase of two surplus generators from Tehachapi Hospital for \$1. With little discussion, a motion was made by Director Parks to adopt the resolution as presented. The motion was seconded by Director Elliott. The motion passed with a vote of 5/0.
2. **Resolution 25-09 – Resolution Appointing the Chief Executive Officer as District Representative to Execute and Submit an Application to the California State Board of Pharmacy for Relocation of the Retail Pharmacy:** The resolution authorizing the CEO to sign the application for the Board of Pharmacy was presented by Mr. Lovrich. After brief discussion, a motion was made by Director Parks to adopt the resolution as presented. The motion was seconded by Director Clark. Using a roll call vote, the motion passed with a vote of 5/0.

3. **Revenue Cycle Services Agreement – PMNagle Consulting, LLC:** This agreement is to work insurance denials as well as provider training for staff to use the system to address denials. After brief discussion, a motion was made by Director Parks to approve the agreement as presented. The motion was seconded by Director Elconin. The motion passed with a vote of 5/0. Director Elliott requested a progress report in 3 months to keep the Board informed of how the service is performing.
4. **Voluntary Rate Range IGT Consulting Agreement – SCA Consulting:** This agreement would be for IGT consulting. The cost is a percentage of any increase we see. Director Elliott asked what the base would be on this agreement. Mr. Lovrich stated he would be setting a base before we agree to anything. This contract also has a 30-day out clause. After brief discussion, a motion was made by Director Elliott to approve the agreement. The motion was seconded by Director Elconin. The motion passed with a vote of 5/0.
5. **District Hospital Directed Payment Program – SCA Consulting:** Mr. Lovrich requested to table this agreement for further discussion. No action was taken.
6. **Medical Appointments:** This item was pulled from the consent agenda by Director Elliott. Director Elliott asked if these were for contracts for these providers. After clarification that these were for the approval of medical staff privileges only, a motion was made by Director Elliott to approve the appointments as presented. The motion was seconded by Director Parks. Motion passed unanimously.
7. **Chief Nursing Officer Report:** This item was also pulled from the consent agenda by Director Elliott. Director Elliott asked how the mentorship program was going. Mr. Gordon stated he is having one of the nurses help establish the criteria as well as identify the other staff who may be mentors. A motion was made by Director Elliott to accept the report as presented. The motion was seconded by Director Clark. The motion passed unanimously.

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

**Director Parks:** Director Parks thanked everyone that is concerned about him and is looking forward to the future with our new CEO.

**Director Elconin:** Director Elconin thanked those who were involved in 9/11.

**Director Elliott:** Director Elliott had no additional comments today.

**Director Clark:** Director Clark thanked everyone for being here.

**Director Blythe:** Director Blythe thanked everyone for coming and for everyone’s work for the District. Director Blythe welcomed Mr. Lovrich and wished Mr. McGlew well in his retirement.

**I. CLOSED SESSION:** The Board went into closed session at 2:45pm.

- Medical Quality Report
- Existing Litigation – Benson/Lao v. KVHD
- Existing Litigation – Volkava v. KVHD
- Existing Litigation – Rostad v. KVHD

The Board came out of closed session at 2:53pm.



- J. CLOSED SESSION REPORT:** Closed session was cancelled as there were no legal updates and the Risk Manager was unavailable to give the Medical Quality Report. The Medical Quality Report will be tabled to the next meeting.
- K. ADJOURNMENT:** The meeting was adjourned at 2:53pm by Director Blythe.

Approved by:

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Ross Elliott, Secretary

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John Blythe, Chair



**KERN VALLEY HEALTHCARE DISTRICT  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
MINUTES**

**Thursday, September 11, 2025 – 1:00 p.m.  
Location: Administrative Conference Room**

**IN ATTENDANCE:**

John Blythe, Chairman  
Katheryn Elconin, 1<sup>st</sup> Vice Chair  
Fred Clark, 2<sup>nd</sup> Vice Chair  
Ross Elliott, Secretary  
Gene Parks, Treasurer  
Scott Nave, Legal Counsel

- A. CALL TO ORDER:** The special Board of Directors meeting was called to order at 1:00pm by Director Blythe.
- B. APPROVAL OF THE AGENDA:** The agenda was approved as distributed.
- C. ETHICS TRAINING:** District Counsel, Scott Nave, provided one hour Ethics Training for the Board of Directors.
- D. ADJOURNMENT:** The meeting was adjourned at 1:59pm.

Submitted by:

\_\_\_\_\_  
Ross Elliott, Secretary

Approved by:

\_\_\_\_\_  
John Blythe, Chairman



## **BOARD OF DIRECTORS GOVERNANCE MEETING MINUTES**

**Tuesday, September 23, 2025 – 9:00a.m.  
Location: Administrative Conference Room**

**In Attendance:** John Blythe, Committee Chair  
Katheryn Elconin, Committee Member  
John Lovrich, Chief Executive 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:** The minutes of the August 26, 2025 meeting were approved as distributed.
- D. PUBLIC COMMENT:** No public comment this morning.
- E. REPORTS:**
  - 1. Chairman's Report:** Director Blythe reported that Congressman Vince Fong's visit to the valley to participate in the Exchange Club meeting was postponed to the first week in October. Director Blythe is still waiting to hear back from Fong's office assistant regarding a potential visit to KVHD.
  - 2. CEO Report:** Mr. Lovrich reported that we have a meeting on Thursday with the wound care group. The service looks very promising. The annual clinic review was conducted last week and discussed opportunities for improvement. The biggest focus is securing providers. There was also discussions about increasing mental health services. The SNF census is currently 52. The COVID outbreak in the SNF impacted our ability to admit for a short period of time, but that has been resolved. Mr. Lovrich completed a walk-through of the Skilled Nursing unit to identify cosmetic issues that can be addressed to improve the overall look of the facility. The new marketing manager, Nicolas Caver, will be working with Irina Diaz to market our SNF to Bakersfield facilities. Mr. Lovrich is working with Human Resources to review exit interviews for departed SNF staff to see if there are any trends we need to be aware of. Mr. Lovrich is in the process of interviewing CFO candidates. The District is currently working on the audit and cost report. Mr. Lovrich is beginning to focus on the salary reviews. We have seen a significant increase in salaries in the last three years. The District needs to focus on expenses in light of potential changes coming down the road.

- 3. **CIO Marketing Report:** Mr. Zuber updated the committee on the marketing efforts for the last month, both internally and externally. Highlights included an update on “Our Patient Stories”. Should have stories going up on social media shortly.
- 4. **Strategic Plan Update:** Mr. Lovrich reported that he will be working on revamping and reevaluating the initiatives in the near future.

- F.    **OLD BUSINESS:** None
- G.    **NEW BUSINESS:** None
- H.    **ADJOURNMENT:** The meeting was adjourned at 9:48am.

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

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



**BUILDING AND PLANNING COMMITTEE  
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES  
Tuesday, September 23, 2025 – 1:00pm  
Administrative Conference Room**

**In Attendance:** John Blythe, Chairman  
Katheryn Elconin, 1<sup>st</sup> Vice Chair  
Fred Clark, 2<sup>nd</sup> Vice Chair  
Ross Elliott, Secretary (remote)  
John Lovrich, Chief Executive Officer  
Mark Gordon, Chief Nursing Officer  
Cary Zuber, Chief Information Officer  
Bob Easterday, Plant Operations Manager  
Greg Davis, MVHC Manager

**Absent:** Gene Parks, Treasurer

- A. **Call to Order:** The meeting was called to order at 1:00pm by Director Blythe.
- B. **Approval of Agenda:** The agenda was approved as distributed. FC, KE – Roll call vote - 4/0 (Parks absent).
- C. **Public Comment:** There was no public comment today.
- D. **Approval of Minutes from August 26, 2025 Meeting:** The minutes of the August 26, 2025 meeting were approved with minor corrections. FC, KE – Roll call vote - 4/0.
- E. **Project Update:** The project update summary was given by Mr. Easterday.
  - 1. **Master Plan:** Mr. Easterday reported that the grant was submitted, and review of the application is underway. The amount requested was reduced to \$34.5 million to put it in a more approvable category.
  - 2. **New Administration Building:** Work is proceeding on suites D and E for retail pharmacy. Still aiming to complete the project by the end of October. Medical Records is ready to move as soon as the workstations are assembled, but the pharmacy project is priority.
  - 3. **Emergency Generator:** The final drawings for the approval of the minor bracing of the conduits in the chiller room were submitted to HCAI for approval but were unfortunately kicked back. Mr. Easterday is working to resolve the issues. Once they are approved, the contractor will proceed with installation of the bracing and with the ADC to run power to the maintenance shop.
  - 4. **NPC Seismic Upgrade of Dietary, Surgery, and Central Plant Buildings:** The drawings are in progress. The plans will be completed and submitted by the deadline.

5. **Skilled Nursing Building Reclassification:** The architects and engineers are currently drawing plans for seismic joints on the domestic water and heating/cooling water.
  6. **Dietary Area Cosmetic Work:** This project has been placed on hold due to the priority completion of the retail pharmacy project.
  7. **Acute Care Restrooms:** This project has been placed on hold due to the priority completion of the retail pharmacy project.
- F. **Mesa Clinical Pharmacy Upgrade:** This item was covered under the project update.
- G. **Radian Design – Proposed Architectural/Engineering Services for Kern Valley Healthcare District to Install an Emergency Generator System for Mountain View Health Center Located at 4300 Birch Street:** This proposal is to install the generator we just received from Tehachapi for Mountain View Health Center. The sooner we can get this project done, the sooner we can return the rental generator we are currently using. Mr. Easterday stated that he is currently working on renewing the permits with the air pollution control district. Mr. Easterday is also working on getting the units licensed as stationary units rather than portables. After brief discussion, a motion was made by Director Clark to approve the proposal. The motion was seconded by Director Elconin. Using a roll call vote, the motion passed with a vote of 4/0 (Parks absent).
- H. **Radian Design – Proposed Architectural/Engineering Services for Kern Valley Healthcare District to Install an Emergency Generator System for Administration Building Located at 12424 Mt. Mesa Road:** Mr. Easterday also presented the proposal to install the other portable generator as a stationary unit for the Administration Building which will soon house the retail pharmacy. This proposal is higher than the clinic proposal due to the six electrical feeds that will need to be consolidated for the generator to feed the entire building. After brief discussion, a motion was made by Director Clark to approve the proposal. The motion was seconded by Director Elconin. Using a roll call vote, the motion passed with a vote of 4/0 (Parks absent).
- I. **Resolution 25-10 – Declaring Surplus Property:** The resolution to declare surplus property was presented by Mr. Easterday. The list of property includes old Hill-Rom beds and one gurney that have exceeded their useful life and are no longer able to get parts for repairs. The maintenance department did salvage any useable parts. After brief discussion, a motion was made by Director Clark to adopt the resolution as presented. The motion was seconded by Director Elconin. Using a roll call vote, the motion passed with a vote of 4/0 (Parks absent).
- J. **Invoice Review/Approval:** None
- K. **Adjournment:** The meeting was adjourned at approximately 1:33pm by Director Blythe.

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

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



**MINUTES FOR FINANCE COMMITTEE MEETING  
ADMINISTRATIVE CONFERENCE ROOM  
Thursday, September 24, 2025 – 1:00pm**

**A. CALLED TO ORDER:** The meeting was called to order by Director Clark at 1:00p.m.

**PRESENT:** Gene Parks, Committee Chair (remote)  
Fred Clark, Committee Member  
John Lovrich, Chief Executive Officer  
Mark Gordon, Chief Nursing Officer  
Cary Zuber, Chief Information Officer  
Amy Smith, Controller  
Greg Davis, Director of Population Health  
Sherry Jordan, Revenue Cycle Manager

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

**C. APPROVAL OF MINUTES:** The minutes of the August 28, 2025 meeting were approved as distributed.

**D. PUBLIC COMMENT:** No public comment.

**E. FINANCIAL STATEMENT – August 2025:**

**Unaudited Financial Statements:** For the month of August, there was a loss of \$74,862, leaving a YTD loss of \$127,920.

**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 AR days decreased by 2 days.

Negative takeaways for the month:

- There was a net loss for the month.
- Operating expenses were over budget.
- Most volumes were under budget.

**13-Month Statistics:** Reviewed and discussed.

**Local Vendor Aging Report:** The Local Vendor Aging Report was presented by Ms. Smith. As of 9/19/25, the balance was \$27,972.84, with none over 30 days.

**F. OLD BUSINESS:** None

**G. NEW BUSINESS:**

**1. Contract Review/Renewal Summary:**

Sally Emery, Compliance Officer

- a. Advanced Data Storage – Pick Up and Destroy PHI
- b. Bayer Healthcare – Stellant SX (CT Injector)
- c. Comp Health – MVHC Recruitment
- d. Delta Liquid Energy – Propane Delivery
- e. Paul Giem. MD – Emergency Service
- f. Fangluo Liu, MD – Medical Director Lab
- g. Mesa Winds Apartments – Rental Units 6400 Lynch Canyon 3, 4, 7
- h. Nave Law Office – Legal Counsel
- i. Register.com – Website/Email/Domain KVHD
- j. Relias Learning – Employee Learning/Training
- k. The Local Pages – Phone Book Ads – *Pulled – no longer using*
- l. Zixcorp System – Email Encryption/Large File Transfer

The contracts were reviewed and discussed. Mr. Zuber and Ms. Smith confirmed that we are no longer using The Local Pages for advertising. With the exception of The Local Pages, the contracts were approved by this committee and will be placed on the Board consent agenda for full Board consideration.

- 2. HPSA Designation Renewal Proposals:** Mr. Davis presented the two proposals for renewal of the HPSA Designation. After brief discussion, Mr. Davis recommended proceeding with the proposal from Facktor. The committee agreed with the recommendation and the proposal will be added to the Board of Directors consent agenda for full Board consideration.

**H. ADJOURNMENT:** The meeting was adjourned at 1:15p.m.

Submitted by:

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Heidi Sage, Executive Assistant

Approved By:

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Gene Parks, Treasurer





**Unaudited Financial Statements**

**for**

**Second Month Ending August 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**  
**Second Month Ending August 31, 2025**

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# Patient Statistics

## KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA Second Month Ending August 31, 2025

PAGE 2

| Current Month                        |                    |                    |                                     |                           | Year-To-Date                      |                    |                    |                                     |                           |
|--------------------------------------|--------------------|--------------------|-------------------------------------|---------------------------|-----------------------------------|--------------------|--------------------|-------------------------------------|---------------------------|
|                                      | Actual<br>08/31/25 | Budget<br>08/31/25 | Positive/<br>(Negative)<br>Variance | Prior<br>Year<br>08/31/24 | STATISTICS                        | Actual<br>08/31/25 | Budget<br>08/31/25 | Positive/<br>(Negative)<br>Variance | Prior<br>Year<br>08/31/24 |
| <b>Discharges</b>                    |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [1]                                  | 21                 | 30                 | (9)                                 | 32                        | Acute                             | 48                 | 59                 | (11)                                | 57                        |
| [2]                                  | 1                  | 2                  | (1)                                 | 3                         | Swing Beds                        | 5                  | 4                  | 1                                   | 7                         |
| [3]                                  | 0                  | 0                  | 0                                   | 0                         | Psychiatric/Rehab                 | 0                  | 0                  | 0                                   | 0                         |
| [4]                                  | 0                  | 0                  | 0                                   | 0                         | Respite                           | 0                  | 0                  | 0                                   | 0                         |
| [5]                                  | 22                 | 32                 | (10)                                | 35                        | Total Adult Discharges            | 53                 | 64                 | (11)                                | 64                        |
| [6]                                  | 0                  | 0                  | 0                                   | 0                         | Newborn                           | 0                  | 0                  | 0                                   | 0                         |
| [7]                                  | 22                 | 32                 | (10)                                | 35                        | Total Discharges                  | 53                 | 64                 | (11)                                | 64                        |
| <b>Patient Days:</b>                 |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [8]                                  | 76                 | 98                 | (22)                                | 92                        | Acute                             | 185                | 196                | (11)                                | 164                       |
| [9]                                  | 17                 | 46                 | (29)                                | 52                        | Swing Beds                        | 56                 | 92                 | (36)                                | 110                       |
| [10]                                 | 0                  | 0                  | 0                                   | 0                         | Psychiatric/Rehab                 | 0                  | 0                  | 0                                   | 0                         |
| [11]                                 | 0                  | 0                  | 0                                   | 0                         | Respite                           | 0                  | 0                  | 0                                   | 0                         |
| [12]                                 | 93                 | 144                | (51)                                | 144                       | Total Adult Patient Days          | 241                | 288                | (47)                                | 274                       |
| [13]                                 | 0                  | 0                  | 0                                   | 0                         | Newborn                           | 0                  | 0                  | 0                                   | 0                         |
| [14]                                 | 93                 | 144                | (51)                                | 144                       | Total Patient Days                | 241                | 288                | (47)                                | 274                       |
| <b>Average Length of Stay (ALOS)</b> |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [15]                                 | 3.6                | 3.3                | (0.3)                               | 2.9                       | Acute                             | 3.85               | 3.3                | (0.5)                               | 2.9                       |
| [16]                                 | 17.0               | 20.8               | 3.8                                 | 17.3                      | Swing Bed                         | 11.2               | 20.8               | 9.6                                 | 15.7                      |
| [17]                                 | 0.0                | 0.0                | 0.0                                 | 0.0                       | Psychiatric/Rehab                 | 0.0                | 0.0                | 0.0                                 | 0.0                       |
| [18]                                 | 4.2                | 4.5                | 0.3                                 | 4.1                       | Total Adult ALOS                  | 4.5                | 4.5                | (0.0)                               | 4.3                       |
| [19]                                 | 0.0                | 0.0                | 0.0                                 | 0.0                       | Newborn ALOS                      | 0.0                | 0.0                | 0.0                                 | 0.0                       |
| [1]                                  |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| <b>Average Daily Census (ADC)</b>    |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [20]                                 | 2.5                | 3.2                | (0.7)                               | 3.0                       | Acute                             | 3.0                | 3.2                | (0.2)                               | 2.6                       |
| [21]                                 | 0.5                | 1.5                | (0.9)                               | 1.7                       | Swing Beds                        | 0.9                | 1.5                | (0.6)                               | 1.8                       |
| [22]                                 | 0.0                | 0.0                | 0.0                                 | 0.0                       | All Other Adult                   | 0.0                | 0.0                | 0.0                                 | 0.0                       |
| [23]                                 | 3.0                | 4.6                | (1.6)                               | 4.6                       | Total Adult ADC                   | 3.9                | 4.6                | (0.8)                               | 4.4                       |
| [24]                                 | 0.0                | 0.0                | 0.0                                 | 0.0                       | Newborn                           | 0.0                | 0.0                | 0.0                                 | 0.0                       |
| <b>Long Term Care:</b>               |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [25]                                 | 1,593              | 1,637              | (44)                                | 1,456                     | SNF/ECF Resident Days             | 3,255              | 3,274              | (19)                                | 2,877                     |
| [26]                                 | 0                  | 3                  | (3)                                 | 4                         | SNF/ECF Resident Discharges       | 0                  | 5                  | (5)                                 | 10                        |
| [27]                                 | 0                  | 0                  | 0                                   | 0                         | CBRF/Assisted Living Days         | 0                  | 0                  | 0                                   | 0                         |
| [28]                                 | 51.4               | 52.8               | (1.4)                               | 47.0                      | Average Daily Census              | 52.5               | 52.8               | (0.3)                               | 46.4                      |
| <b>Emergency Room Statistics</b>     |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [29]                                 | 23                 | 26                 | (3)                                 | 27                        | ER Visits - Admitted              | 47                 | 53                 | (6)                                 | 52                        |
| [30]                                 | 328                | 290                | 38                                  | 414                       | ER Visits - Discharged            | 709                | 580                | 129                                 | 822                       |
| [31]                                 | 282                | 355                | (73)                                | 287                       | ER - Urgent Care Visits           | 598                | 710                | (112)                               | 593                       |
| [32]                                 | 633                | 671                | (38)                                | 728                       | Total ER Visits                   | 1,354              | 1,343              | 11                                  | 1,467                     |
| [33]                                 | 3.63%              | 3.92%              |                                     | 3.71%                     | % of ER Visits Admitted           | 3.47%              | 3.92%              |                                     | 3.54%                     |
| [34]                                 | 104.55%            | 88.71%             |                                     | 84.38%                    | ER Admissions as a % of Total     | 97.92%             | 88.71%             |                                     | 91.23%                    |
| <b>Outpatient Statistics:</b>        |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [35]                                 | 955                | 931                | 24                                  | 1,054                     | Total Outpatients Visits          | 2,090              | 1,862              | 228                                 | 1,981                     |
| [36]                                 | 21                 | 17                 | 4                                   | 19                        | Observation Bed Days              | 38                 | 33                 | 5                                   | 39                        |
| [37]                                 | 975                | 1,260              | (285)                               | 1,244                     | Clinic Visits - Primary Care      | 2,143              | 2,520              | (377)                               | 2,634                     |
| [38]                                 | 224                | 270                | (46)                                | 266                       | Clinic Visits - Specialty Clinics | 488                | 540                | (52)                                | 531                       |
| [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]                                 | 7,499              | 6,489              | 1,010                               | 4,926                     | Retail Pharmacy Scripts           | 15,298             | 12,978             | 2,320                               | 8,915                     |
| [43]                                 | 0                  | 0                  | 0                                   | 0                         | Clinic Visits-Mobile Van          | 0                  | 0                  | 0                                   | 0                         |
| <b>Productivity Statistics:</b>      |                    |                    |                                     |                           |                                   |                    |                    |                                     |                           |
| [44]                                 | 227.62             | 212.97             | (14.65)                             | 213.21                    | FTE's - Worked                    | 224.17             | 212.97             | (11.20)                             | 208.79                    |
| [45]                                 | 248.35             | 242.06             | (6.29)                              | 237.06                    | FTE's - Paid                      | 248.28             | 242.06             | (6.22)                              | 235.28                    |
| [46]                                 | 0.9270             | 1.0550             | 0.13                                | 0.9526                    | Case Mix Index -Medicare          | 0.9624             | 1.0550             | 0.09                                | 1.0456                    |
| [47]                                 | 0.9291             | 0.9968             | 0.07                                | 0.9707                    | Case Mix Index - All payers       | 0.9664             | 0.9968             | 0.03                                | 1.0452                    |

# KERN VALLEY HEALTHCARE DISTRICT

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## EXECUTIVE FINANCIAL SUMMARY

Second Month Ending August 31, 2025

| BALANCE SHEET                                  |                   |                   |
|--|-------------------|-------------------|
|  | 8/31/2025         | 6/30/2025         |
| <b>ASSETS</b>                                  |                   |                   |
| Current Assets                                 | 6,692,311         | 7,584,064         |
| Assets Whose Use is Limited                    | 15,379,195        | 15,669,268        |
| Property, Plant and Equipment (Net)            | 11,926,898        | 11,735,542        |
| Other Assets                                   | 624,276           | 624,276           |
| <b>Total Unrestricted Assets</b>               | <b>34,622,680</b> | <b>35,613,150</b> |
| Restricted Assets                              | 0                 | 0                 |
| <b>Total Assets</b>                            | <b>34,622,680</b> | <b>35,613,150</b> |
| <b>LIABILITIES AND NET ASSETS</b>              |                   |                   |
| Current Liabilities                            | 4,692,040         | 5,508,276         |
| Long-Term Debt                                 | 9,681,318         | 9,790,571         |
| Other Long-Term Liabilities                    | 2,740,554         | 2,677,318         |
| <b>Total Liabilities</b>                       | <b>17,113,913</b> | <b>17,976,165</b> |
| Net Assets                                     | 17,508,767        | 17,636,985        |
| <b>Total Liabilities and Net Assets</b>        | <b>34,622,680</b> | <b>35,613,150</b> |
| <b>STATEMENT OF REVENUE AND EXPENSES - YTD</b> |                   |                   |
|  | ACTUAL            | BUDGET            |
| <b>Revenue:</b>                                |                   |                   |
| Gross Patient Revenues                         | 24,157,190        | 23,215,619        |
| Deductions From Revenue                        | (16,707,696)      | (16,132,005)      |
| Net Patient Revenues                           | 7,449,495         | 7,083,614         |
| Other Operating Revenue                        | 133,056           | 57,672            |
| <b>Total Operating Revenues</b>                | <b>7,582,551</b>  | <b>7,141,286</b>  |
| <b>Expenses:</b>                               |                   |                   |
| Salaries, Benefits & Contract Labor            | 4,452,807         | 4,092,409         |
| Purchased Services & Physician Fees            | 1,045,698         | 1,087,146         |
| Supply Expenses                                | 1,640,220         | 1,309,642         |
| Other Operating Expenses                       | 575,158           | 619,176           |
| Bad Debt Expense                               | 0                 | 0                 |
| Depreciation & Interest Expense                | 116,683           | 163,227           |
| <b>Total Expenses</b>                          | <b>7,830,566</b>  | <b>7,271,599</b>  |
| <b>NET OPERATING SURPLUS</b>                   | <b>(248,015)</b>  | <b>(130,313)</b>  |
| Non-Operating Revenue/(Expenses)               | 120,095           | 205,106           |
| <b>TOTAL NET SURPLUS</b>                       | <b>(127,920)</b>  | <b>74,793</b>     |
| <b>KEY STATISTICS AND RATIOS - YTD</b>         |                   |                   |
|  | ACTUAL            | BUDGET            |
| Total Acute Patient Days                       | 185               | 196               |
| Average Acute Length of Stay                   | 3.9               | 3.3               |
| Total Emergency Room Visits                    | 1,354             | 1,343             |
| Outpatient Visits                              | 2,090             | 1,862             |
| Total Surgeries                                | 0                 | 0                 |
| Total Worked FTE's                             | 224.17            | 209.97            |
| Total Paid FTE's                               | 249.41            | 239.06            |
| Productivity Index                             | 0.9585            | 1.0000            |
| EBITDA - YTD                                   | -2.28%            | -0.14%            |
| Current Ratio                                  |                   |                   |
| Days Expense in Accounts Payable               | 30.52             |                   |

## Balance Sheet - Assets

### KERN VALLEY HEALTHCARE DISTRICT

### LAKE ISABELLA, CALIFORNIA

### Second Month Ending August 31, 2025

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| Second Month Ending August 31, 2025 |   | ASSETS                     |                          |                                     |                                     |              |
|-------------------------------------|---|----------------------------|--------------------------|-------------------------------------|-------------------------------------|--------------|
| [1]                                 | Net to Gross AR %                         | 36.2%                      | 37.6%                    |                                     | 34.5%                               |              |
| [2]                                 | CASH -ALL SOURCES                         | 17,103,733                 | 19,402,700               | -2,298,967                          | 20,764,508                          |              |
|                                     |   | Current Month<br>8/31/2025 | Prior Month<br>7/31/2025 | Positive/<br>(Negative)<br>Variance | Percentage<br>Variance              |              |
|                                     |   |                            |                          |                                     | Prior YR.<br>UNAUDITED<br>6/30/2025 |              |
| Current Assets                      |   |                            |                          |                                     |                                     |              |
| [3]                                 | Cash and Cash Equivalents                 | 2,430,163                  | 4,764,178                | (2,334,015)                         | -48.99%                             | 6,160,678    |
| [4]                                 | Gross Patient Accounts Receivable         | 25,514,519                 | 25,979,798               | (465,279)                           | -1.79%                              | 25,088,793   |
| [5]                                 | Less: Bad Debt and Allowance Reserves     | (16,280,210)               | (16,216,942)             | (63,268)                            | -0.39%                              | (16,444,711) |
| [6]                                 | Net Patient Accounts Receivable           | 9,234,309                  | 9,762,855                | (528,547)                           | -5.41%                              | 8,644,083    |
| [7]                                 | Interest Receivable                       | 0                          | 0                        | 0                                   | 0.00%                               | 0            |
| [8]                                 | Other Receivables                         | (2,744,869)                | (4,727,063)              | 1,982,194                           | -41.93%                             | (4,756,524)  |
| [9]                                 | Inventories                               | 392,463                    | 393,513                  | (1,049)                             | -0.27%                              | 388,816      |
| [10]                                | Prepaid Expenses                          | 686,504                    | 709,244                  | (22,740)                            | -3.21%                              | 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                      | 6,692,311                  | 7,596,467                | (904,156)                           | -11.90%                             | 7,584,064    |
| Assets Whose Use is Limited         |   |                            |                          |                                     |                                     |              |
| [15]                                | Auxillary Cash                            | 513,217                    | 513,569                  | (352)                               | -0.07%                              | 498,591      |
| [16]                                | Investments -LAIF                         | 286,699                    | 286,699                  | 0                                   | 0.00%                               | 286,699      |
| [17]                                | Debt Payment Fund                         | 192,408                    | 668,341                  | (475,933)                           | -71.21%                             | 566,847      |
| [18]                                | UBS Funds                                 | 11,176,887                 | 11,151,887               | 25,000                              | 0.22%                               | 11,126,887   |
| [19]                                | Cash Westamerica                          | 52,607                     | 52,606                   | 1                                   | 0.00%                               | 52,605       |
| [20]                                | Project Fund                              | 3,157,377                  | 3,147,330                | 10,047                              | 0.32%                               | 3,137,639    |
| [21]                                | Covid Stimulus Cash Assets                | 0                          | 0                        | 0                                   | 0.00%                               | 0            |
| [22]                                | Total Limited Use Assets                  | 15,379,195                 | 15,820,432               | (441,238)                           | -2.79%                              | 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                                 | 23,750,338                 | 23,573,935               | 176,403                             | 0.75%                               | 23,478,028   |
| [26]                                | Construction In Progress                  | 7,502,005                  | 7,470,096                | 31,910                              | 0.43%                               | 7,466,276    |
| [27]                                | Capitalized Interest                      | 0                          | 0                        | 0                                   | 0.00%                               | 0            |
| [28]                                | Gross Property, Plant, and Equipment      | 46,584,055                 | 46,375,742               | 208,313                             | 0.45%                               | 46,276,015   |
| [29]                                | Less: Accumulated Depreciation            | (34,657,157)               | (34,598,247)             | (58,910)                            | -0.17%                              | (34,540,473) |
| [30]                                | Net Property, Plant, and Equipment        | 11,926,898                 | 11,777,495               | 149,403                             | 1.27%                               | 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                 | 34,622,680                 | 35,818,671               | (1,195,991)                         | -3.34%                              | 35,613,150   |
| Restricted Assets                   |   |                            |                          |                                     |                                     |              |
|                                     |   | 0                          | 0                        | 0                                   | 0.00%                               | 0            |
| [34]                                | TOTAL ASSETS                              | 34,622,680                 | 35,818,671               | (1,195,991)                         | -3.34%                              | 35,613,150   |

# Balance Sheet - Liabilities and Net Assets

## KERN VALLEY HEALTHCARE DISTRICT

### LAKE ISABELLA, CALIFORNIA

Second Month Ending August 31, 2025

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|                             |  | LIABILITIES AND FUND BALANCE  |                             |                                     |                        |                                     |
|-----------------------------|--|-------------------------------|-----------------------------|-------------------------------------|------------------------|-------------------------------------|
|                             |  | Current<br>Month<br>8/31/2025 | Prior<br>Month<br>7/31/2025 | Positive/<br>(Negative)<br>Variance | Percentage<br>Variance | Prior Yr.<br>UNAUDITED<br>6/30/2025 |
| Current Liabilities         |  |                               |                             |                                     |                        |                                     |
| [1]                         | Accounts Payable                             | 1,851,147                     | 1,723,224                   | (127,923)                           | -7.42%                 | 1,688,097                           |
| [2]                         | Notes and Loans Payable                      | 0                             | 0                           | 0                                   | 0.00%                  | 0                                   |
| [3]                         | Accrued Payroll                              | 483,468                       | 1,081,015                   | 597,547                             | 55.28%                 | 881,879                             |
| [4]                         | Accrued Payroll Taxes                        | 198,052                       | 232,833                     | 34,781                              | 14.94%                 | 211,249                             |
| [5]                         | Accrued Benefits                             | 1,363,918                     | 1,351,708                   | (12,210)                            | -0.90%                 | 1,342,995                           |
| [6]                         | Accrued Pension Expense (Current Portion)    | (74,907)                      | (28,569)                    | 46,338                              | -162.20%               | (1,089)                             |
| [7]                         | Other Accrued Expenses                       | 226,129                       | 318,497                     | 92,367                              | 29.00%                 | 295,335                             |
| [8]                         | Patient Refunds Payable                      | 794,233                       | 833,334                     | 39,101                              | 4.69%                  | 828,636                             |
| [9]                         | Property Tax Payable                         | 0                             | 0                           | 0                                   | 0.00%                  | 0                                   |
| [10]                        | Due to Third Party Payers                    | (711,376)                     | (683,422)                   | 27,954                              | -4.09%                 | (652,210)                           |
| [11]                        | Advances From Third Party Payers             | 0                             | 0                           | 0                                   | 0.00%                  | 0                                   |
| [12]                        | Current Portion of LTD (Bonds/Mortgages)     | 458,000                       | 910,000                     | 452,000                             | 49.67%                 | 910,000                             |
| [13]                        | Current Portion of LTD (Leases)              | 103,376                       | 108,016                     | 4,640                               | 4.30%                  | 3,384                               |
| [14]                        | Other Current Liabilities                    | 0                             | 0                           | 0                                   | 0.00%                  | 0                                   |
|                             | <b>Total Current Liabilities</b>             | <b>4,692,040</b>              | <b>5,846,635</b>            | <b>1,154,595</b>                    | <b>19.75%</b>          | <b>5,508,276</b>                    |
| Long Term Debt              |  |                               |                             |                                     |                        |                                     |
| [15]                        | Bonds/Mortgages Payable                      | 8,712,000                     | 9,164,000                   | 452,000                             | 4.93%                  | 9,164,000                           |
| [16]                        | Leases/Notes Payable                         | 1,530,694                     | 1,535,334                   | 4,640                               | 0.30%                  | 1,539,955                           |
| [17]                        | Less: Current Portion Of Long Term Debt      | 561,376                       | 1,018,016                   | 456,640                             | 44.86%                 | 913,384                             |
|                             | <b>Total Long Term Debt (Net of Current)</b> | <b>9,681,318</b>              | <b>9,681,318</b>            | <b>0</b>                            | <b>0.00%</b>           | <b>9,790,571</b>                    |
| Other Long Term Liabilities |  |                               |                             |                                     |                        |                                     |
| [18]                        | Deferred Revenue                             | 0                             | 0                           | 0                                   | 0.00%                  | 0                                   |
| [19]                        | Accrued Pension Expense (Net of Current)     | 212,085                       | 178,619                     | (33,466)                            | -18.74%                | 148,849                             |
| [20]                        | Long Term Settlements                        | 2,528,469                     | 2,528,469                   | 0                                   | 0.00%                  | 2,528,469                           |
|                             | <b>Total Other Long Term Liabilities</b>     | <b>2,740,554</b>              | <b>2,707,088</b>            | <b>(33,466)</b>                     | <b>-1.24%</b>          | <b>2,677,318</b>                    |
| [21]                        | <b>TOTAL LIABILITIES</b>                     | <b>17,113,913</b>             | <b>18,235,041</b>           | <b>1,121,129</b>                    | <b>6.15%</b>           | <b>17,976,165</b>                   |
| 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)                       | 868,466                       | 943,328                     | (74,862)                            | -7.94%                 | 996,683                             |
| [26]                        | <b>TOTAL NET ASSETS</b>                      | <b>17,508,767</b>             | <b>17,583,629</b>           | <b>74,862</b>                       | <b>0.43%</b>           | <b>17,636,985</b>                   |
| [27]                        | <b>TOTAL LIABILITIES AND NET ASSETS</b>      | <b>34,622,680</b>             | <b>35,818,671</b>           | <b>1,195,991</b>                    | <b>3.34%</b>           | <b>35,613,150</b>                   |

**Statement of Revenue and Expense**  
**KERN VALLEY HEALTHCARE DISTRICT**  
**LAKE ISABELLA, CALIFORNIA**  
**Second Month Ending August 31, 2025**

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|   | CURRENT MONTH      |                    |                                    |                        | Prior<br>Year<br>08/31/24 |
|---|--------------------|--------------------|------------------------------------|------------------------|---------------------------|
|   | Actual<br>08/31/25 | Budget<br>08/31/25 | Positive<br>(Negative)<br>Variance | Percentage<br>Variance |                           |
| Gross Patient Revenue                               |                    |                    |                                    |                        |                           |
| [1] Inpatient Revenue                               | 973,987            | 1,197,198          | (223,212)                          | -18.64%                | 1,141,085                 |
| [2] Clinic Revenue                                  | 1,434,986          | 1,530,341          | (95,355)                           | -6.23%                 | 1,662,901                 |
| [3] Outpatient Revenue                              | 5,484,908          | 5,509,427          | (24,519)                           | -0.45%                 | 5,972,852                 |
| [4] Long Term Care Revenue                          | 2,857,113          | 2,803,508          | 53,605                             | 1.91%                  | 2,601,232                 |
| [5] Retail Pharmacy Revenue                         | 739,348            | 567,335            | 172,013                            | 30.32%                 | 420,392                   |
| [6] Total Gross Patient Revenue                     | 11,490,342         | 11,607,809         | (117,468)                          | -1.01%                 | 11,798,462                |
| Deductions From Revenue %                           | 67%                | 69%                |                                    |                        | 72%                       |
| [7] Discounts and Allowances (incl IGTs)            | (7,555,625)        | (7,903,428)        | 347,802                            | 4.40%                  | (8,340,866)               |
| [8] Bad Debt Expense (Governmental Providers Only)  | (153,678)          | (162,575)          | 8,896                              | 5.47%                  | (112,199)                 |
|   | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [9] Charity Care                                    | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [10] Total Deductions From Revenue                  | (7,709,303)        | (8,066,002)        | 356,699                            | 4.42%                  | (8,453,065)               |
| [11] Net Patient Revenue                            | 3,781,038          | 3,541,807          | 239,231                            | 6.75%                  | 3,345,397                 |
| [12] Other Operating Rev (Incl HHS Stimulus)        | 57,207             | 28,836             | 28,371                             | 98.39%                 | 27,916                    |
| [13] Total Operating Revenue                        | 3,838,245          | 3,570,643          | 267,602                            | 7.49%                  | 3,373,313                 |
| Operating Expenses                                  |                    |                    |                                    |                        |                           |
| [14] Salaries and Wages                             | 1,829,589          | 1,661,664          | (167,925)                          | -10.11%                | 1,511,053                 |
| [15] Fringe Benefits                                | 376,530            | 321,810            | (54,720)                           | -17.00%                | 317,239                   |
| [16] Contract Labor                                 | 71,738             | 62,730             | (9,007)                            | -14.36%                | 107,531                   |
| [17] Professional & Physician Fees                  | 375,135            | 400,464            | 25,329                             | 6.32%                  | 348,842                   |
| [18] Purchased Services                             | 143,475            | 143,109            | (366)                              | -0.26%                 | 122,262                   |
| [19] Supply Expense                                 | 838,255            | 654,821            | (183,434)                          | -28.01%                | 619,942                   |
| [20] Utilities                                      | 73,972             | 78,379             | 4,407                              | 5.62%                  | 106,849                   |
| [21] Repairs and Maintenance                        | 9,808              | 5,843              | (3,964)                            | -67.84%                | 1,970                     |
| [22] Insurance Expense                              | 67,428             | 87,559             | 20,131                             | 22.99%                 | 66,818                    |
| [23] All Other Operating Expenses                   | 98,026             | 103,722            | 5,696                              | 5.49%                  | 70,425                    |
| [24] Bad Debt Expense (Non-Governmental Providers)  | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [25] Leases and Rentals                             | 29,950             | 34,084             | 4,134                              | 12.13%                 | 24,400                    |
| [26] Depreciation and Amortization                  | 58,910             | 81,614             | 22,704                             | 27.82%                 | 62,437                    |
| [27] Interest Expense (Non-Governmental Providers)  | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [28] Total Operating Expenses                       | 3,972,816          | 3,635,800          | (337,016)                          | -9.27%                 | 3,359,768                 |
| <b>Net Operating Surplus/(Loss)</b>                 | <b>(134,570)</b>   | <b>(65,157)</b>    | <b>(69,414)</b>                    | <b>106.53%</b>         | <b>13,545</b>             |
| Non-Operating Revenue:                              |                    |                    |                                    |                        |                           |
| [29] Contributions/Grants/PPP/ERC                   | 13,053             | 14,007             | (955)                              | -6.82%                 | 13,312                    |
| [30] Investment Income                              | 37,278             | 79,434             | (42,156)                           | -53.07%                | 76,545                    |
| [31] Income Derived from Property Taxes             | 29,931             | 28,511             | 1,421                              | 4.98%                  | 27,974                    |
| [32] Interest Expense (Governmental Providers Only) | (20,201)           | (21,403)           | (1,202)                            | 5.61%                  | (22,476)                  |
| [33] Other Non-Operating Revenue/(Expenses)         | (352)              | 2,005              | (2,357)                            | -117.57%               | 11,884                    |
| [34] Total Non Operating Revenue/(Expense)          | 59,708             | 102,553            | (42,845)                           | -41.78%                | 107,239                   |
| <b>Total Net Surplus/(Loss)</b>                     | <b>(74,862)</b>    | <b>37,397</b>      | <b>(112,259)</b>                   | <b>-300.18%</b>        | <b>120,784</b>            |
| [35] Operating Margin                               | -3.51%             | -1.82%             |                                    |                        | 0.40%                     |
| [36] Total Profit Margin                            | -1.95%             | 1.05%              |                                    |                        | 3.58%                     |
| [37] EBITDA   | -2.50%             | -0.14%             |                                    |                        | 1.59%                     |
| [38] Cash Flow Margin                               | 0.11%              | 3.93%              |                                    |                        | 6.10%                     |

**Statement of Revenue and Expense**  
**KERN VALLEY HEALTHCARE DISTRICT**  
**LAKE ISABELLA, CALIFORNIA**  
**Second Month Ending August 31, 2025**

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|   |                    | YEAR-TO-DATE       |                                    |                        |                           |
|---|--------------------|--------------------|------------------------------------|------------------------|---------------------------|
|   | Actual<br>08/31/25 | Budget<br>08/31/25 | Positive<br>(Negative)<br>Variance | Percentage<br>Variance | Prior<br>Year<br>08/31/24 |
| Gross Patient Revenue                               |                    |                    |                                    |                        |                           |
| [1] Inpatient Revenue                               | 2,386,905          | 2,394,396          | (\$7,492)                          | -0.31%                 | 2,193,882                 |
| [2] Clinic Revenue                                  | 3,049,065          | 3,060,683          | (11,617)                           | -0.38%                 | 3,198,115                 |
| [3] Outpatient Revenue                              | 11,443,446         | 11,018,854         | 424,592                            | 3.85%                  | 11,595,198                |
| [4] Long Term Care Revenue                          | 5,819,954          | 5,607,016          | 212,939                            | 3.80%                  | 5,161,602                 |
| [5] Retail Pharmacy Revenue                         | 1,457,819          | 1,134,670          | 323,149                            | 28.48%                 | 759,462                   |
| [6] Total Gross Patient Revenue                     | 24,157,190         | 23,215,619         | 941,571                            | 4.06%                  | 22,908,258                |
| Deductions From Revenue                             | 69%                | 69%                |                                    |                        | 71%                       |
| [7] Discounts and Allowances (incl IGTs)            | (16,402,471)       | (15,806,855)       | (595,616)                          | -3.77%                 | (15,847,728)              |
| [8] Bad Debt Expense (Governmental Providers Only)  | (305,224)          | (325,149)          | 19,925                             | 6.13%                  | (339,340)                 |
|   | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [9] Charity Care                                    | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [10] Total Deductions From Revenue                  | (16,707,696)       | (16,132,005)       | (575,691)                          | -3.57%                 | (16,187,068)              |
| [11] Net Patient Revenue                            | 7,449,495          | 7,083,614          | 365,880                            | 5.17%                  | 6,721,190                 |
| [12] Other Operating Rev (Incl HHS Stimulus)        | 133,056            | 57,672             | 75,384                             | 130.71%                | 52,537                    |
| [13] Total Operating Revenue                        | 7,582,551          | 7,141,286          | 441,265                            | 6.18%                  | 6,773,727                 |
| Operating Expenses                                  |                    |                    |                                    |                        |                           |
| [14] Salaries and Wages                             | 3,592,959          | 3,323,328          | (269,631)                          | -8.11%                 | 3,061,323                 |
| [15] Fringe Benefits                                | 722,945            | 643,620            | (79,325)                           | -12.32%                | 574,028                   |
| [16] Contract Labor                                 | 136,903            | 125,461            | (11,443)                           | -9.12%                 | 220,707                   |
| [17] Professional & Physician Fees                  | 752,533            | 800,928            | 48,395                             | 6.04%                  | 701,156                   |
| [18] Purchased Services                             | 293,165            | 286,218            | (6,947)                            | -2.43%                 | 257,778                   |
| [19] Supply Expense                                 | 1,640,220          | 1,309,642          | (330,578)                          | -25.24%                | 1,145,348                 |
| [20] Utilities                                      | 140,260            | 156,758            | 16,498                             | 10.52%                 | 187,261                   |
| [21] Repairs and Maintenance                        | 20,662             | 11,687             | (8,975)                            | -76.80%                | 11,788                    |
| [22] Insurance Expense                              | 134,857            | 175,118            | 40,261                             | 22.99%                 | 168,835                   |
| [23] All Other Operating Expenses                   | 212,639            | 207,444            | (5,195)                            | -2.50%                 | 150,963                   |
| [24] Bad Debt Expense (Non-Governmental Providers)  | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [25] Leases and Rentals                             | 66,740             | 68,169             | 1,429                              | 2.10%                  | 48,854                    |
| [26] Depreciation and Amortization                  | 116,683            | 163,227            | 46,544                             | 28.51%                 | 124,935                   |
| [27] Interest Expense (Non-Governmental Providers)  | 0                  | 0                  | 0                                  | 0.00%                  | 0                         |
| [28] Total Operating Expenses                       | 7,830,566          | 7,271,599          | (558,967)                          | -7.69%                 | 6,652,976                 |
| <b>Net Operating Surplus/(Loss)</b>                 | <b>(248,015)</b>   | <b>(130,313)</b>   | <b>(117,702)</b>                   | <b>90.32%</b>          | <b>120,751</b>            |
| Non-Operating Revenue:                              |                    |                    |                                    |                        |                           |
| [29] Contributions/Grants/PPP/ERC                   | 13,053             | 28,015             | (14,962)                           | -53.41%                | 13,312                    |
| [30] Investment Income                              | 73,872             | 158,867            | (84,995)                           | -53.50%                | 172,806                   |
| [31] Income Derived from Property Taxes             | 59,862             | 57,021             | 2,841                              | 4.98%                  | 55,948                    |
| [32] Interest Expense (Governmental Providers Only) | (41,319)           | (42,806)           | 1,487                              | -3.47%                 | (46,193)                  |
| [33] Other Non-Operating Revenue/(Expenses)         | 14,627             | 4,009              | 10,617                             | 264.82%                | 21,400                    |
| [34] Total Non Operating Revenue/(Expense)          | 120,095            | 205,106            | (85,011)                           | -41.45%                | 217,273                   |
| <b>Total Net Surplus/(Loss)</b>                     | <b>(127,920)</b>   | <b>74,793</b>      | <b>(202,713)</b>                   | <b>-271.03%</b>        | <b>338,024</b>            |
|   | <b>ACTUAL YTD</b>  | <b>BUD YTD</b>     | <b>ACT FYE 24</b>                  | <b>PROJ FYE 25</b>     | <b>Prior YTD</b>          |
| [35] Operating Margin                               | -3.27%             | -1.82%             |                                    |                        | 1.78%                     |
| [36] Total Profit Margin                            | -1.69%             | 1.05%              |                                    |                        | 4.99%                     |
| [37] EBITDA   | -2.28%             | -0.14%             |                                    |                        | 2.95%                     |
| [38] Cash Flow Margin                               | 0.40%              | 3.93%              |                                    |                        | 7.52%                     |



# Statement of Revenue and Expense - 13 Month Trend

## KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA

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|   | 31          | 31          | 30          | 31          | 30          | 31          | 28          | 31          | 31          |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      | Actual      |
|   | 08/31/25    | 07/31/25    | 06/30/25    | 05/31/25    | 04/30/25    | 03/31/25    | 02/28/25    | 01/31/25    | 12/31/24    |
| Gross Patient Revenue                               |             |             |             |             |             |             |             |             |             |
| [1] Inpatient Revenue                               | 973,987     | 1,412,918   | 878,031     | 919,766     | 1,178,765   | 1,284,233   | 1,211,376   | 1,135,510   | 1,306,206   |
| [2] Clinic Revenue                                  | 1,434,986   | 1,614,079   | 1,443,923   | 1,506,100   | 1,454,900   | 1,455,217   | 1,337,711   | 1,539,352   | 1,464,884   |
| [3] Outpatient Revenue                              | 5,484,908   | 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] Long Term Care Revenue                          | 2,857,113   | 2,962,842   | 2,813,800   | 2,794,698   | 2,657,872   | 2,731,394   | 2,484,620   | 2,678,085   | 2,622,111   |
| [5] Retail Pharmacy Revenue                         | 739,348     | 718,471     | 716,476     | 594,645     | 528,898     | 488,497     | 494,336     | 512,293     | 485,298     |
| [6] Total Gross Patient Revenue                     | 11,490,342  | 12,666,849  | 11,674,521  | 10,946,365  | 10,757,938  | 11,046,425  | 10,315,637  | 11,045,134  | 10,846,577  |
| Deductions From Revenue                             |             |             |             |             |             |             |             |             |             |
| [7] Discounts and Allowances (incl IGTs)            | 67%         | 71%         | 69%         | 68%         | 68%         | 68%         | 68%         | 68%         | 68%         |
| [8] Bad Debt Expense (Governmental Providers Only)  | (7,555,625) | (8,846,846) | (7,964,781) | (7,294,455) | (7,225,317) | (7,333,013) | (6,828,153) | (7,373,039) | (7,153,760) |
| [7B] Medi-Cal Deductions due to IGTs                | (153,678)   | (151,546)   | (95,513)    | (108,897)   | (140,024)   | (133,860)   | (141,973)   | (129,120)   | (237,723)   |
| [9] Charity Care                                    | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| [10] Total Deductions From Revenue                  | (7,709,303) | (8,998,392) | (8,060,294) | (7,403,352) | (7,365,340) | (7,466,872) | (6,970,126) | (7,502,159) | (7,391,483) |
| [11] Net Patient Revenue                            | 3,781,038   | 3,668,456   | 3,614,226   | 3,543,013   | 3,392,597   | 3,579,553   | 3,345,511   | 3,542,974   | 3,455,094   |
| [12] Other Operating Rev (Incl HHS Stimulus)        | 57,207      | 75,849      | 12,398      | 13,869      | 15,316      | 14,822      | 13,026      | 37,551      | 16,291      |
| [13] Total Operating Revenue                        | 3,838,245   | 3,744,306   | 3,626,624   | 3,556,882   | 3,407,913   | 3,594,375   | 3,358,537   | 3,580,525   | 3,471,386   |
| Operating Expenses                                  |             |             |             |             |             |             |             |             |             |
| [14] Salaries and Wages                             | 1,829,589   | 1,763,370   | 1,656,279   | 1,648,035   | 1,654,167   | 1,702,621   | 1,449,506   | 1,596,692   | 1,528,996   |
| [15] Fringe Benefits                                | 376,530     | 346,415     | 326,522     | 326,902     | 332,810     | 338,337     | 309,541     | 333,485     | 305,656     |
| [16] Contract Labor                                 | 71,738      | 65,166      | 78,264      | 79,951      | 95,657      | 92,401      | 92,061      | 90,138      | 120,093     |
| [17] Professional & Physician Fees                  | 375,135     | 377,397     | 354,404     | 384,120     | 377,024     | 381,284     | 345,689     | 346,313     | 382,994     |
| [18] Purchased Services                             | 143,475     | 149,690     | 119,935     | 169,025     | 150,363     | 136,423     | 144,838     | 177,262     | 97,464      |
| [19] Supply Expense                                 | 838,255     | 801,965     | 785,215     | 677,345     | 583,304     | 610,130     | 657,134     | 587,830     | 604,025     |
| [20] Utilities                                      | 73,972      | 66,288      | 61,519      | 92,322      | 67,955      | 71,311      | 87,258      | 69,307      | 83,915      |
| [21] Repairs and Maintenance                        | 9,808       | 10,855      | 11,241      | (1,411)     | 20,186      | 13,905      | 2,474       | 3,498       | 6,888       |
| [22] Insurance Expense                              | 67,428      | 67,428      | 106,726     | 67,043      | 39,371      | 102,241     | 67,042      | 143,408     | 66,818      |
| [23] All Other Operating Expenses                   | 98,026      | 114,613     | 93,575      | 125,211     | 89,736      | 126,676     | 122,447     | 116,907     | 102,655     |
| [24] Bad Debt Expense (Non-Governmental Providers)  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| [25] Leases and Rentals                             | 29,950      | 36,790      | 24,052      | 21,687      | 33,523      | 19,438      | 48,534      | 30,076      | 35,006      |
| [26] Depreciation and Amortization                  | 58,910      | 57,774      | 59,348      | 60,983      | 61,216      | 62,599      | 62,511      | 63,250      | 63,250      |
| [27] Interest Expense (Non-Governmental Providers)  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| [28] Total Operating Expenses                       | 3,972,816   | 3,857,750   | 3,677,079   | 3,651,213   | 3,505,312   | 3,657,368   | 3,389,037   | 3,558,166   | 3,397,761   |
| Net Operating Surplus/(Loss)                        | (134,570)   | (113,445)   | (50,455)    | (94,331)    | (97,399)    | (62,992)    | (30,499)    | 22,359      | 73,625      |
| Non-Operating Revenue:                              |             |             |             |             |             |             |             |             |             |
| [29] Contributions/Grants/PPP/ERC                   | 13,053      | 0           | 11,335      | 50,000      | 35,372      | 0           | 0           | 60238.75    | 67,285      |
| [30] Investment Income                              | 37,278      | 36,594      | 24,384      | 73,241      | 71,937      | 71,922      | 75,712      | 76,592      | 72,436      |
| [31] Income Derived from Property Taxes             | 29,931      | 29,931      | 57,491      | 27,974      | 27,974      | 27,974      | 27,974      | 27,974      | 27,974      |
| [32] Interest Expense (Governmental Providers Only) | (20,201)    | (21,117)    | (29,005)    | (23,657)    | (21,252)    | (21,219)    | (21,357)    | (22,295)    | (30,435)    |
| [33] Other Non-Operating Revenue/(Expenses)         | (352)       | 14,979      | 185         | (26,297)    | 10,157      | 12,755      | 10,214      | 10,738      | (56,167)    |
| [34] Total Non Operating Revenue/(Expense)          | 59,708      | 60,387      | 64,390      | 101,261     | 124,187     | 91,431      | 92,543      | 153,247     | 81,093      |
| Total Net Surplus/(Loss)                            | (74,862)    | (53,058)    | 13,935      | 6,930       | 26,789      | 28,439      | 62,043      | 175,606     | 154,718     |
| [35] Operating Margin                               | -3.51%      | -3.03%      | -1.39%      | -2.65%      | -2.86%      | -1.75%      | -0.91%      | 0.62%       | 2.12%       |
| [36] Total Profit Margin                            | -1.95%      | -1.42%      | 0.38%       | 0.19%       | 0.79%       | 0.79%       | 1.85%       | 4.90%       | 4.46%       |
| [37] EBITDA   | -2.50%      | -2.05%      | -0.55%      | -1.60%      | -1.69%      | -0.60%      | 0.32%       | 1.77%       | 3.07%       |
| [38] Cash Flow Margin                               | 0.11%       | 0.69%       | 2.82%       | 2.57%       | 3.21%       | 3.12%       | 4.34%       | 7.29%       | 7.16%       |

# Statement of Revenue and Expense - 13 Month

## KERN VALLEY HEALTHCARE DISTRICT

### LAKE ISABELLA, CALIFORNIA

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|   | 31<br>Actual<br>11/30/24 | 30<br>Actual<br>10/31/24 | 31<br>Actual<br>09/30/24 | 31<br>Actual<br>08/31/24 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Gross Patient Revenue                               |                          |                          |                          |                          |
| [1] Inpatient Revenue                               | 988,923                  | 1,270,022                | 1,036,009                | 1,141,085                |
| [2] Clinic Revenue                                  | 1,450,778                | 1,507,298                | 1,435,735                | 1,662,901                |
| [3] Outpatient Revenue                              | 4,910,316                | 5,196,913                | 5,140,305                | 5,972,852                |
| [4] Long Term Care Revenue                          | 2,545,925                | 2,941,872                | 2,110,792                | 2,601,232                |
| [5] Retail Pharmacy Revenue                         | 428,228                  | 471,467                  | 448,086                  | 420,392                  |
| [6] Total Gross Patient Revenue                     | 10,324,169               | 11,387,573               | 10,170,927               | 11,798,462               |
| Deductions From Revenue                             |                          |                          |                          |                          |
| [7] Discounts and Allowances (incl IGTs)            | 68% (6,875,691)          | 70% (7,866,012)          | 70% (7,026,774)          | 72% (8,340,866)          |
| [8] Bad Debt Expense (Governmental Providers Only)  | (148,462)                | (125,840)                | (130,120)                | (112,199)                |
| [7B] Medi-Cal Deductions due to IGTs                | 0                        | 0                        | 0                        | 0                        |
| [9] Charity Care                                    | 0                        | 0                        | 0                        | 0                        |
| [10] Total Deductions From Revenue                  | (7,024,153)              | (7,991,852)              | (7,156,895)              | (8,453,065)              |
| [11] Net Patient Revenue                            | 3,300,016                | 3,395,721                | 3,014,032                | 3,345,397                |
| [12] Other Operating Rev (Incl HHS Stimulus)        | 18,404                   | 50,999                   | 38,944                   | 27,916                   |
| [13] Total Operating Revenue                        | 3,318,420                | 3,446,720                | 3,052,977                | 3,373,313                |
| Operating Expenses                                  |                          |                          |                          |                          |
| [14] Salaries and Wages                             | 1,502,965                | 1,522,753                | 1,466,275                | 1,511,053                |
| [15] Fringe Benefits                                | 303,150                  | 305,569                  | 307,619                  | 317,239                  |
| [16] Contract Labor                                 | 121,450                  | 91,485                   | 93,817                   | 107,531                  |
| [17] Professional & Physician Fees                  | 361,950                  | 361,819                  | 361,856                  | 348,842                  |
| [18] Purchased Services                             | 135,518                  | 195,948                  | 153,417                  | 122,262                  |
| [19] Supply Expense                                 | 549,141                  | 610,698                  | 501,058                  | 619,942                  |
| [20] Utilities                                      | 61,188                   | 82,582                   | 72,185                   | 106,849                  |
| [21] Repairs and Maintenance                        | 6,771                    | 13,906                   | 3,278                    | 1,970                    |
| [22] Insurance Expense                              | 66,818                   | 74,824                   | 66,818                   | 66,818                   |
| [23] All Other Operating Expenses                   | 92,438                   | 73,727                   | 97,345                   | 70,425                   |
| [24] Bad Debt Expense (Non-Governmental Providers)  | 0                        | 0                        | 0                        | 0                        |
| [25] Leases and Rentals                             | 33,070                   | 35,178                   | 30,572                   | 24,400                   |
| [26] Depreciation and Amortization                  | 63,250                   | 62,882                   | 62,487                   | 62,437                   |
| [27] Interest Expense (Non-Governmental Providers)  | 0                        | 0                        | 0                        | 0                        |
| [28] Total Operating Expenses                       | 3,297,709                | 3,431,371                | 3,216,728                | 3,359,768                |
| Net Operating Surplus/(Loss)                        | 20,711                   | 15,350                   | (163,751)                | 13,545                   |
| Non-Operating Revenue:                              |                          |                          |                          |                          |
| [29] Contributions/Grants/PPP/ERC                   | 0                        | 0                        | 0                        | 13,312                   |
| [30] Investment Income                              | 72,573                   | 75,310                   | 74,289                   | 76,545                   |
| [31] Income Derived from Property Taxes             | 27,974                   | 27,974                   | 27,974                   | 27,974                   |
| [32] Interest Expense (Governmental Providers Only) | (22,342)                 | (22,821)                 | (22,492)                 | (22,476)                 |
| [33] Other Non-Operating Revenue/(Expenses)         | 10,315                   | 9,862                    | 9,373                    | 11,884                   |
| [34] Total Non Operating Revenue/(Expense)          | 88,520                   | 90,326                   | 89,144                   | 107,239                  |
| Total Net Surplus/(Loss)                            | 109,231                  | 105,676                  | (74,607)                 | 120,784                  |
| [35] Operating Margin                               | 0.62%                    | 0.45%                    | -5.36%                   | 0.40%                    |
| [36] Total Profit Margin                            | 3.29%                    | 3.07%                    | -2.44%                   | 3.58%                    |
| [37] EBITDA   | 1.86%                    | 1.61%                    | -4.05%                   | 1.59%                    |
| [38] Cash Flow Margin                               | 5.87%                    | 5.55%                    | 0.34%                    | 6.10%                    |

## Statement of Cash Flows

### KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA Second Month Ending August 31, 2025

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|  | CASH FLOW                     |                                      |
|--|-------------------------------|--------------------------------------|
|  | Current<br>Month<br>8/31/2025 | Current<br>Year-To-Date<br>8/31/2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES:                        |                               |                                      |
| [1] Net Income (Loss)  | (74,862)                      | (127,920)                            |
| [2] Adjustments to Reconcile Net Income to Net Cash          |                               |                                      |
| [3] Provided by Operating Activities:                        |                               |                                      |
| [4] Depreciation   | 58,910                        | 116,683                              |
| [5] (Increase)/Decrease in Net Patient Accounts Receivable   | 528,547                       | (590,226)                            |
| [6] (Increase)/Decrease in Other Receivables                 | (1,982,194)                   | (2,011,655)                          |
| [7] (Increase)/Decrease in Inventories                       | 1,049                         | (3,647)                              |
| [8] (Increase)/Decrease in Pre-Paid Expenses                 | 22,740                        | (233,233)                            |
| [9] (Increase)/Decrease in Other Current Assets              | 0                             | 0                                    |
| [10] Increase/(Decrease) in Accounts Payable                 | 127,923                       | 162,753                              |
| [11] Increase/(Decrease) in Notes and Loans Payable          | 0                             | 0                                    |
| [12] Increase/(Decrease) in Accrued Payroll and Benefits     | (666,456)                     | (464,504)                            |
| [13] Increase/(Decrease) in Accrued Expenses                 | (92,367)                      | (69,205)                             |
| [14] Increase/(Decrease) in Patient Refunds Payable          | (39,101)                      | (34,403)                             |
| [15] Increase/(Decrease) in Third Party Advances/Liabilities | (27,954)                      | (59,166)                             |
| [16] Increase/(Decrease) in Other Current Liabilities        | 0                             | 0                                    |
| [17] <b>Net Cash Provided by Operating Activities:</b>       | <b>(2,143,766)</b>            | <b>(3,314,524)</b>                   |
| CASH FLOWS FROM INVESTING ACTIVITIES:                        |                               |                                      |
| [18] Purchase of Property, Plant and Equipment               | (208,313)                     | (308,040)                            |
| [19] (Increase)/Decrease in Limited Use Cash and Investments | 352                           | (14,627)                             |
| [20] (Increase)/Decrease in Other Limited Use Assets         | 440,886                       | 304,700                              |
| [21] (Increase)/Decrease in Other Assets                     | 0                             | 0                                    |
| [22] <b>Net Cash Used by Investing Activities</b>            | <b>232,925</b>                | <b>(17,966)</b>                      |
| CASH FLOWS FROM FINANCING ACTIVITIES:                        |                               |                                      |
| [23] Increase/(Decrease) in Bond/Mortgage Debt               | (452,000)                     | (452,000)                            |
| [24] Increase/(Decrease) in Capital Lease Debt               | (4,640)                       | (9,261)                              |
| [25] Increase/(Decrease) in Other Long Term Liabilities      | 33,466                        | 63,236                               |
| [26] <b>Net Cash Used for Financing Activities</b>           | <b>(423,174)</b>              | <b>(398,024)</b>                     |
| (INCREASE)/DECREASE IN RESTRICTED ASSETS                     | <b>0</b>                      | <b>0</b>                             |
| [27] <b>Net Increase/(Decrease) in Cash</b>                  | <b>(2,334,015)</b>            | <b>(3,730,515)</b>                   |
| [28] Cash, Beginning of Period                               | 4,764,178                     | 6,160,678                            |
| [29] <b>Cash, End of Period</b>                              | <b>2,430,163</b>              | <b>2,430,163</b>                     |

KVHD  
Patient Statistics  
Thirteen Months Ended August 31, 2025

| STATISTICS                    |                                   | Actual<br>8/31/2024 | Actual<br>9/30/2024 | Actual<br>10/31/24 | Actual<br>11/31/24 | Actual<br>12/31/2024 | Actual<br>1/31/2025 | Actual<br>2/28/2025 | Actual<br>3/31/2025 | Actual<br>4/30/2025 | Actual<br>5/31/2025 | Actual<br>6/30/2025 | Actual<br>7/31/2025 | Actual<br>8/31/2025 |
|-------------------------------|-----------------------------------|---------------------|---------------------|--------------------|--------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Discharges                    |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [1]                           | Acute                             | 32                  | 22                  | 27                 | 18                 | 26                   | 31                  | 27                  | 28                  | 29                  | 24                  | 22                  | 27                  | 21                  |
| [2]                           | Swing Beds                        | 3                   | 2                   | 3                  | 1                  | 4                    | 1                   | 2                   | 1                   | 1                   | 0                   | 0                   | 4                   | 1                   |
| [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            | 35                  | 24                  | 30                 | 19                 | 30                   | 32                  | 29                  | 29                  | 30                  | 24                  | 22                  | 31                  | 22                  |
| [6]                           | Newborn                           | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [7]                           | Total Discharges                  | 35                  | 24                  | 30                 | 19                 | 30                   | 32                  | 29                  | 29                  | 30                  | 24                  | 22                  | 31                  | 22                  |
| Patient Days:                 |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [8]                           | Acute                             | 92                  | 80                  | 98                 | 76                 | 102                  | 90                  | 84                  | 103                 | 93                  | 73                  | 79                  | 109                 | 76                  |
| [9]                           | Swing Beds                        | 52                  | 44                  | 51                 | 24                 | 54                   | 24                  | 20                  | 34                  | 13                  | 0                   | 0                   | 39                  | 17                  |
| [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          | 144                 | 124                 | 149                | 100                | 156                  | 114                 | 104                 | 137                 | 106                 | 73                  | 79                  | 148                 | 93                  |
| [13]                          | Newborn                           | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [14]                          | Total Patient Days                | 144                 | 124                 | 149                | 100                | 156                  | 114                 | 104                 | 137                 | 106                 | 73                  | 79                  | 148                 | 93                  |
| Average Length of Stay (ALOS) |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [15]                          | Acute                             | 2.9                 | 3.6                 | 3.6                | 4.2                | 3.8                  | 2.9                 | 3.1                 | 3.7                 | 3.2                 | 3.0                 | 3.6                 | 4.0                 | 3.6                 |
| [16]                          | Swing Bed                         | 17.3                | 22.0                | 17.0               | 24.0               | 13.5                 | 24.0                | 10.0                | 34.0                | 13.0                | 0.0                 | 0.0                 | 9.8                 | 17.0                |
| [17]                          | Psychiatric/Rehab                 | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [18]                          | Total Adult ALOS                  | 4.1                 | 5.2                 | 5.0                | 5.3                | 5.2                  | 3.6                 | 3.6                 | 4.7                 | 3.5                 | 3.0                 | 3.6                 | 4.8                 | 4.2                 |
| [19]                          | Newborn ALOS                      | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [1]                           |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Average Daily Census (ADC)    |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [20]                          | Acute                             | 3                   | 2.7                 | 3.16               | 2.5                | 3.3                  | 2.9                 | 3.0                 | 3.3                 | 3.1                 | 2.4                 | 2.6                 | 3.5                 | 2.5                 |
| [21]                          | Swing Beds                        | 1.7                 | 1.5                 | 1.64               | 0.8                | 1.7                  | 0.8                 | 0.7                 | 1.1                 | 0.4                 | 0.0                 | 0.0                 | 1.3                 | 0.5                 |
| [22]                          | All Other Adult                   | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 1                   |
| [23]                          | Total Adult ADC                   | 4.6                 | 4.1                 | 4.8                | 3.3                | 5.0                  | 3.7                 | 3.7                 | 4.4                 | 3.5                 | 2.4                 | 2.6                 | 4.8                 | 3.0                 |
| [24]                          | Newborn                           | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [2]                           |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Long Term Care:               |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [25]                          | SNF/ECF Resident Days             | 1456                | 1390                | 1441               | 1425               | 1463                 | 1487                | 1393                | 1531                | 1487                | 1571                | 1573                | 1662                | 1593                |
| [26]                          | SNF/ECF Resident Discharges       | 4                   | 4                   | 1                  | 0                  | 1                    | 1                   | 1                   | 1                   | 1                   | 2                   | 1                   | 0                   | 3                   |
| [27]                          | CBRF/Assisted Living Days         | 0                   | 0                   | 0                  | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [28]                          | Average Daily Census              | 47.0                | 46.3                | 46.5               | 47.5               | 47.2                 | 48.0                | 49.8                | 49.4                | 49.6                | 50.7                | 52.4                | 53.6                | 51.4                |
| Emergency Room Statistics     |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [29]                          | ER Visits - Admitted              | 27                  | 23                  | 24                 | 17                 | 22                   | 29                  | 22                  | 28                  | 25                  | 23                  | 22                  | 27                  | 23                  |
| [30]                          | ER Visits - Discharged            | 414                 | 358                 | 352                | 330                | 355                  | 308                 | 302                 | 343                 | 311                 | 324                 | 344                 | 381                 | 328                 |
| [31]                          | ER - Urgent Care Visits           | 287                 | 261                 | 264                | 277                | 299                  | 330                 | 288                 | 310                 | 322                 | 310                 | 312                 | 316                 | 282                 |
| [32]                          | Total ER Visits                   | 728                 | 642                 | 640                | 624                | 676                  | 667                 | 612                 | 681                 | 658                 | 657                 | 678                 | 724                 | 633                 |
| [33]                          | % of ER Visits Admitted           | 3.71%               | 3.58%               | 3.75%              | 2.72%              | 3.36%                | 4.35%               | 3.59%               | 4.11%               | 3.80%               | 3.50%               | 3.24%               | 3.73%               | 3.63%               |
| [34]                          | ER Admissions as a % of Total     | 77.14%              | 95.83%              | 80.00%             | 89.47%             | 70.97%               | 85.29%              | 75.86%              | 87.50%              | 86.21%              | 79.31%              | 75.86%              | 96.43%              | 95.83%              |
| Outpatient Statistics:        |                                   |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [35]                          | Total Outpatients Visits          | 1054                | 945                 | 1047               | 935                | 874                  | 1001                | 846                 | 868                 | 1047                | 1025                | 1055                | 1135                | 955                 |
| [36]                          | Observation Bed Days              | 19                  | 16                  | 21                 | 14                 | 16                   | 22                  | 18                  | 11                  | 27                  | 19                  | 25                  | 17                  | 21                  |
| [37]                          | Clinic Visits - Primary Care      | 1244                | 1146                | 1342               | 1199               | 1145                 | 1276                | 1138                | 1253                | 1054                | 1145                | 976                 | 1168                | 975                 |
| [38]                          | Clinic Visits - Specialty Clinics | 266                 | 199                 | 256                | 222                | 228                  | 223                 | 228                 | 248                 | 264                 | 222                 | 261                 | 264                 | 224                 |

**KVHD**  
**Patient Statistics**  
**Thirteen Months Ended August 31, 2025**

|      |                             | Actual<br>8/31/2024 | Actual<br>9/30/2024 | Actual<br>10/31/24 | Actual<br>11/31/24 | Actual<br>12/31/2024 | Actual<br>1/31/2025 | Actual<br>2/28/2025 | Actual<br>3/31/2025 | Actual<br>4/30/2025 | Actual<br>5/31/2025 | Actual<br>6/30/2025 | Actual<br>7/31/2025 | Actual<br>8/31/2025 |
|------|-----------------------------|---------------------|---------------------|--------------------|--------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|      | STATISTICS                  |                     |                     |                    |                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| [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     | 4926                | 4710                | 5340               | 4871               | 5360                 | 5620                | 5167                | 5101                | 5541                | 5858                | 6654                | 7799                | 7499                |
| [43] | Clinic Visits-Mobile Van    | 0                   | 0                   | 11                 | 0                  | 0                    | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| [44] | FTE's - Worked              | 213.21              | 211.50              | 212.15             | 211.24             | 211.30               | 221.42              | 217.79              | 222.25              | 223.42              | 220.81              | 216.58              | 220.73              | 227.62              |
| [45] | FTE's - Paid                | 237.06              | 235.46              | 234.5              | 234.03             | 234.69               | 240.10              | 239.27              | 241.63              | 247.25              | 246.07              | 242.25              | 248.21              | 250.61              |
| [46] | Case Mix Index -Medicare    | 0.9526              | 0.9464              | 1.1602             | 1.0987             | 0.9632               | 0.8510              | 0.9070              | 1.0770              | 1.1230              | 1.3689              | 1.0734              | 0.9978              | 0.9270              |
| [47] | Case Mix Index - All payers | 0.9707              | 0.9893              | 0.9767             | 1.0204             | 0.9527               | 0.9030              | 0.9520              | 1.0170              | 0.9990              | 1.1085              | 0.9517              | 1.0036              | 0.9840              |

**Kern Valley Healthcare District  
Financial Report**

For the month of August 2025 (2nd month in FY 26)

**Profit/Loss Summary**

Net loss in August was \$ 74,862, a (1.95%) total profit margin, and \$112,259 below budget.

**Net Patient Revenue- MTD positive-**

**Month-**The Net patient Revenue in August was \$3,781,038 (6.75%) above budget. The volume was lower in the acute areas where patient days were down by 55 from July and under budget (51 days below budget), Gross Inpatient Revenues were below budget (\$223,212). Skilled Nursing revenues decreased in August (\$105,729 below prior month) (days were down by 69, and census was down by 2.2 days and revenues were over budget by \$53,605. The decrease was primarily due to a COVID outbreak in the unit. Outpatient revenues were \$24,519 below budget (.45%) Outpatient visits were over budget by 24 and ER Visits were under budget by 38. Retail Pharmacy revenue was 30.32% over budget for the month (prescriptions were 1,010 over budget, and 300 below prior month).

**Operating Expenses- MTD Negative**

**Month-**Operating Expenses in August were \$337,016(9.27%) above budget (unfavorable). Labor expenses were over budget with salaries and wages and fringe benefits above budget by \$222,645 and contract labor was \$9,007 above budget. Supply expense was over budget by \$183,434 primarily due to the increase in retail pharmacy drug expenses related to prescriptions filled being over budget.

**Balance Sheet/Cash Flow**

Patient cash collections in August were up from \$2,518,690 in July to \$2,564,924 in August. The Gross AR Days decreased to 66 days in August from 68 in July. Gross AR decreased by \$465,279. We are still reviewing all of the accounts to get the AR days down. Cash Balances (all sources) decreased to \$17,103,733 compared to \$19,402,700 in July.

The Accounts Payable balances increased by \$127,923 in August.

**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 AR days decreased by 2 days**

**Negative takeaways for the month:**

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

**Prepared by John Lovrich, CFO  
September 20, 2025**

**KERN VALLEY  
HEALTHCARE DISTRICT**

**Sep-25**

| CONTRACT   | VEN # | CONTRACT TYPE     | DESCRIPTION                                    | COST  |     | BEGIN    | RENEW    | NEXT<br>FINANCE<br>REVIEW | TERMS  |
|--|-------|-------------------|--|---|-----|----------|----------|---------------------------|--|
| ADS- ADVANCED DATA STORAGE                         | 03395 | SERVICE           | PICK UP PHI AND DESTROY                        | VARIOUS                                     |     | 12/01/13 | OPEN     | 09/01/25                  | EQUIPMENT/CONSUMABLE<br>AGREEMENT 36 MO/   |
| BAYER HEALTHCARE                                   | 03654 | SERVICE           | STELLANT SX (CT INJECTOR)                      | \$ 6,379.12                                 | ANN | 12/08/23 | 12/07/26 | 09/01/25                  | 60 DAY WRITTEN NOTICE  |
| COMPHEALTH   |       | SERVICE           | MVHC RECRUITMENT                               | \$30,000 placement fee                      |     | 12/09/22 | OPEN     | 09/01/25                  | 45 DAY NOTICE  |
| DELTA LIQUID ENERGY                                |       | SERVICE           | PROPANE DELIVERY                               | VARIOUS                                     |     | 12/21/21 | OPEN     | 09/01/25                  | 30 DAY WRITTEN NOTICE  |
| GIEM, PAUL M.D.                                    | 04119 | PHYSICIAN         | EMERGENCY SERVICE                              | 75.00 EA VISIT 70.00<br>STAND BY MIN 220.00 |     | 12/01/23 | 11/30/26 | 09/01/25                  | ONE YEAR TO EXTEND FOR TWO<br>ADD'L ONE YEAR TERMS                               |
| LIU, FANGLUO M.D.                                  | 52422 | PHYSICIAN         | MEDICAL DIRECTOR LAB                           | 200.00 HR NOT TO<br>EXCEED 4000.00          | MO  | 12/01/23 | 11/30/26 | 09/01/25                  | 30 DAY WRITTEN NOTICE. AFTER<br>ONE YEAR MAY EXTEND FOR TWO<br>ONE YEAR PERIODS. |
| MESA WINDS APARTMENTS                              |       | RENTAL UNIT 3,4,7 | NURSE REGISTRY QUARTERS                        | \$ 650.00                                   | EA  | 12/15/01 | OPEN     | 09/01/25                  | INCREASED \$50.00 1/15/24  |
| NAVE LAW OFFICE, P.C.                              | 52118 | SERVICE           | LEGAL COUNSEL                                  | RETAINER OF \$1,500.00                      | MO  | 12/01/13 | OPEN     | 09/01/25                  |  |
| REGISTER.COM (WEBSITE<br>FORWARDING, REGISTRATION) | 52365 | SERVICE           | WEBSITE/EMAIL/DOMAIN-<br>KERNVALLEY HEALTHCARE | \$ 107.49                                   | ANN | 12/09/24 | 12/08/25 | 09/01/25                  |  |
| RELIAS LEARNING                                    | 52064 | SOFTWARE          | EMPLOYEE<br>LEARNING/TRAINING                  | \$ 34,580.51                                | ANN | 12/01/23 | 11/30/25 | 09/01/25                  |  |
| ZIXCORP SYSTEMS INC                                | 53022 | SERVICE           | EMAIL ENCRYPTION LARGE<br>FILE TRANSFER        | \$ 11,215.50                                | ANN | 12/12/24 | 12/11/25 | 09/01/25                  |  |



**MINUTES FOR  
BOARD PERSONNEL AND POLICY COMMITTEE  
Monday, September 22, 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 (*remote*)  
John Lovrich, 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 August 25, 2025 meeting were approved as distributed.

4. **REPORTS:**

**A. Human Resources Report:** The HR report for August 2025 was presented by Cassandra Coleman. Ms. Coleman updated the committee on hires and terminations for the month.

**B. FTE Report:** The FTE reports for pay periods ending 8/23/25 and 9/06/25 were reviewed and discussed. For PPE 8/23/25, the District was 5.99 FTEs over target based on actual volume. For PPE 9/06/25, the District was 1.53 FTEs over target based on actual volume. Some of the variances were related to low volumes in August. Mr. Lovrich stated the District needs to focus on staffing as this is one of our largest expenses. Mr. Lovrich will begin meeting with department managers to review their staffing. Mr. Lovrich stated he needs to adjust the square footage for Housekeeping which will bring their FTE's in line.

**C. Chief Nursing Officer Report:** Mr. Gordon reported that he is developing a mentorship program for new grad CNA's. From the last CNA program, one has passed the certification exam. The others should be testing soon. Mr. Gordon is also working on setting up the skills lab for licensed nursing staff. We will likely need to purchase some equipment to get the skills lab established. The COVID restrictions in the SNF have been lifted so we begin looking at admissions again. Mr. Gordon stated he and Mr. Lovrich will be meeting with Kern County EMS leadership on September 30<sup>th</sup>.

**D. Chief Executive Officer Report:** Mr. Lovrich reported that he spoke at Exchange Club last week to give an update on hospital projects, including the plans to relocate retail pharmacy. Mr. Lovrich has another meeting this week with the wound care group and is very optimistic that implementation of a wound care program could increase our volumes. The clinic annual review meeting was held last week and the group discussed goals for the upcoming year. Mr. Lovrich will begin meeting with each department manager to review all expenses in an effort to decrease spending. The new marketing manager, Nicolas Caver, will be working with Irina Diaz on a



marketing initiative for the Skilled Nursing Facility, which will include in-person visits to healthcare providers in Bakersfield. Mr. Lovrich also stated the District will be working to establish transfer agreements with Bakersfield hospitals.

## 5. POLICY/PROCEDURES FOR REVIEW:

### Manuals:

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

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

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

### Policies:

#### Collections:

- Charity Care and Financial Assistance
- Deposits-Discounts
- Outside Collection Agency

Approved – Will place on consent agenda

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Emergency Department:

- AMA – Patient Leaving the Hospital AMA
- Nursing Intervention Protocols

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Human Resources:

- Personal Calls and Cell Phone Use
- Criteria Testing L&D (Learning and Development)

Approved with changes – To consent

Returned to manager for changes

#### Infection Control - SNF:

- Surveillance Program Plan
- Vaccination Standing Orders

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Laboratory:

- ESR MiniiSED Analyzer SOP

Approved – Will place on consent agenda

#### Mesa Clinical Pharmacy:

- Controlled Substances, Ordering and Receiving

Approved – Will place on consent agenda

#### Nursing:

- Competency Assessment, Clinical Nursing Staff
- Crash Cart Equipment and Locations - AC
- Electrical Cardioversion

Approved – Will place on consent agenda

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Nutrition Services:

- Food Storage, Labeling, and Dating

Approved – Will place on consent agenda

#### Pharmacy:

- 340B Program
- Medication Security and Storage
- Patient's Home Medication Use and Storage

Approved – Will place on consent agenda

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Rehabilitation Services:

- Admissions – Processing of Outpatients

Approved – Will place on consent agenda

#### Respiratory Therapy:

- Electrocardiogram (EKG), Performing An
- VapoTherm

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Skilled Nursing:

- Activity Department Staff
- Activity Program
- Controlled Substances Count/Storage

Approved – Will place on consent agenda

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### Utilization Review:

- Medicate Beneficiary Liability Notices
- Personnel Responsible for the Provision of Social Services

Approved – Will place on consent agenda

Approved – Will place on consent agenda

#### TO BE RETIRED: All policies listed below were retired.

- PHA – Patient's Home Medications
- PHA – Storage and Use of Patient's Own Medication
- PHA – Medication Storage
- PHA – Medication Security

- SNF IC – Resident Immunization/Vaccination – Pneumovax/Prevnar
- SNF IC – Resident Immunization/Vaccination - Influenza

**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. The evaluation listed for Mr. Lovrich will be removed as it was superseded by his promotion to the CEO position.

**7. NEW BUSINESS:**

**A. Termination Trending Detail:** This item was discussed under the HR Report.

**B. Nectar Usage Report:** Mr. Zuber updated the committee on Nectar Usage for the last 30 days. There has been an uptick in usage during the last month. In addition, Mr. Zuber provided a quarterly report on manager usage.

**8. ADJOURNMENT:** The meeting was adjourned at 9:56am.

Submitted by: \_\_\_\_\_  
Heidi Sage, Executive Assistant

Approved by: \_\_\_\_\_  
Fred Clark, Committee Chair

**KERN VALLEY HALTCARE DISTRICT  
HUMAN RESOURCES REPORT  
AUGUST 2025 – FY 25**

|  |           | AUG '25                         | JUL '25                          | JUN '25                                 | AUG '24                         |               |
|--|-----------|---------------------------------|----------------------------------|---|---------------------------------|---------------|
|  |           |                                 |                                  |   |                                 |               |
| <b>FULL TIME:</b>                        |           | <b>230</b>                      | <b>226</b>                       | <b>210</b>                              | <b>270</b>                      |               |
| <b>PART TIME:</b>                        |           | <b>27</b>                       | <b>27</b>                        | <b>18</b>                               | <b>38</b>                       |               |
| <b>PART TIME W/O BENEFITS:</b>           |           | <b>9</b>                        | <b>9</b>                         | <b>8</b>                                | <b>27</b>                       |               |
| <b>PER DIEM:</b>                         |           | <b>40</b>                       | <b>41</b>                        | <b>37</b>                               | <b>86</b>                       |               |
| <b>TEMPORARY:</b>                        |           | <b>22</b>                       | <b>23</b>                        | <b>24</b>                               | <b>21</b>                       |               |
|  |           |                                 |                                  |   |                                 |               |
| <b>HEADCOUNT:</b>                        |           | <b>294</b>                      | <b>275</b>                       | <b>276</b>                              | <b>276</b>                      |               |
| <b>TURNOVER RATE:</b>                    |           | <b>3.06%</b>                    | <b>2.18%</b>                     | <b>1.8%</b>                             | <b>.7%</b>                      |               |
| <b>OPEN POSITIONS:</b>                   | <b>16</b> | <b>OPEN</b>                     |                                  | <b>DEPARTMENT</b>                       | <b>POSITION</b>                 | <b>STATUS</b> |
|  |           | 2                               |                                  | SKILLED NURSING                         | CNA                             | FT            |
|  |           | 2                               |                                  | SKILLED NURSING                         | LVN                             | PT            |
|  |           | 1                               |                                  | SKILLED NURSING                         | RN/CHARGE NURSE                 | FT            |
|  |           | 1                               |                                  | ACUTE                                   | LVN                             | FT            |
|  |           | 1                               |                                  | ER                                      | RN                              | FT            |
|  |           | 1                               |                                  | MVHC                                    | CLINICAL PHYSICIAN              | PT            |
|  |           | 1                               |                                  | MCHC                                    | MID-LEVEL PRACT                 | FT            |
|  |           | 1                               |                                  | RADIOLOGY                               | RAD TECH                        | PD            |
|  |           | 1                               |                                  | ULTRASOUND                              | ULTRASOUND TECH                 | PD            |
|  |           | 1                               |                                  | REHAB                                   | PTA                             | PT            |
|  |           | 1                               |                                  | RESPIRATORY                             | RCP                             | FT            |
|  |           | 1                               |                                  | LAB                                     | LAB SCIENTIST II                | FT            |
|  |           | 1                               |                                  | NUTRITION                               | DIETARY TECH                    | FT            |
|  |           | 1                               |                                  | FINANCE                                 | CFO                             | FT            |
| <b>NEW HIRES:</b>                        | <b>3</b>  | <b>NEW</b>                      |                                  |   |                                 |               |
|  |           | 1                               |                                  | PUBLIC RELATIONS                        | PR COORDINATOR                  | FT            |
|  |           | 1                               |                                  | SKILLED NURSING                         | LVN                             | FT            |
|  |           | 1                               |                                  | RETAIL PHARMACY                         | PHARMACY CLERK                  | PT            |
| <b>SEPARATION FROM EMPLOYMENT:</b>       | <b>9</b>  | <b>VOL</b>                      | <b>INVOL</b>                     | <b>DEPARTMENT</b>                       |                                 |               |
|  |           | 1                               |                                  | ACUTE CARE                              | TELEMETRY TECH                  | FT            |
|  |           | 1                               |                                  | RADIOLOGY                               | RADIOLOGY TECH                  | PD            |
|  |           | 1                               |                                  | EMERGENCY                               | RN                              | PD            |
|  |           | 1                               |                                  | SKILLED NURSING                         | CNA                             | FT            |
|  |           |                                 | 1                                | PATIENT SERVICES                        | PSR                             | PT            |
|  |           | 1                               |                                  | SURGERY                                 | CST                             | PD            |
|  |           |                                 | 1                                | RETAIL PHARMACY                         | PHARM CLERK                     | PT            |
|  |           | 1                               |                                  | EMERGENCY                               | RN                              | FT            |
|  |           | 1                               |                                  | HUMAN RESOURCES                         | HR-BENEFITS                     | FT            |
| <b>WORKERS' COMPENSATION NEW CLAIMS:</b> |           |                                 |                                  | <b>DEPARTMENT</b>                       | <b>LOST TIME?</b>               | <b>RTW?</b>   |
|  |           |                                 |                                  | SKILLED NURSING                         | NO                              | YES           |
|  |           |                                 |                                  | MATERIALS MANAGEMENT                    | NO                              | YES           |
|  |           |                                 |                                  | ACUTE                                   | NO                              | YES           |
|  |           |                                 |                                  | SKILLED NURSING                         | NO                              | YES           |
| <b>WC OPEN/CLOSED:</b>                   |           | <b>OPEN<br/>FY 24-30<br/>10</b> | <b>CLOSED<br/>FY 24-30<br/>7</b> | <b>TOTAL CLAIMS<br/>FY 24-30<br/>17</b> | <b>TOTAL OPEN CLAIMS<br/>10</b> |               |
| (FY24) 7/1/24 – 6/30/25                  |           | 10                              | 7                                | 17                                      |                                 |               |
| (FY25) 7/1/25 – 6/30/26                  |           | 3                               | 0                                | 3                                       |                                 |               |



## **Chief of Staff Report – October 9, 2025 Board Meeting**

### **Utilization Review (UR) Committee – September 10, 2025**

- Committee reviewed and approved changes to a policy (Medicare Beneficiary Liability Notices)
- Committee reviewed regular reports (Denials of Payment, Average Length of Stay, UR/Medical Records Study, and Monthly UR Worksheet)

### **Pharmacy & Therapeutics (P&T) Committee– September 17, 2025**

- Committee reviewed ED Stats for August 2025.
- Committee reviewed 4 and approved 3 policies. (Downtime Procedure, Criteria for Specimen Rejection, Mesa Clinical Pharmacy Home Delivery Service. Mesa Pharmacy Postal Delivery Service will stay on the agenda)
- Committee reviewed and approved a revision to titratable IV drips, and a proposal to update an IVPB antibiotic order.
- Committee reviewed and approved a formulary addition request, and 2 formulary deletion requests.
- Committee reviewed regular reports. (Blood Usage, Blood Culture Analysis, CAHPS, Temperature Alert Incidents, Medication Shortages, MERP, and EOC Rounds Pharmacy).

### **Skilled Nursing Facility Continuous Quality Improvement (SNF CQI) Committee – September 18, 2025**

- Committee reviewed regular reports. (CDPH Plan of Correction Tracking, SNF QA Statistics, SNF HAI Monthly Report, Device Usage in SNF, SNF Hand Hygiene Compliance, and SNF Environment of Care Rounds Checklist)
- Committee reviewed the Antibiogram through June 20, 2025 and the Antibiotic Usage for UTI, and Wound, Respiratory & GI Reports.

### **Medical Executive Committee (MEC) – August 26, 2025**

- Committee reviewed and approved 3 policies (Downtime Procedure, Criteria for Specimen Rejection, Mesa Clinical Pharmacy Home Delivery Service).
- Committee reviewed and approved a revision to titratable IV drips, and a proposal to update an IVPB antibiotic order.
- Committee reviewed regular reports (Promoting Interoperability e/CQM, ED Monthly Statistics, Physician QI/Risk Report Monthly, Medication Shortages)

## **Board Report 10/09/2025**

The mentorship orientation checklists have been created, and we will be using these for two purposes.

1. New hire extended orientation (self-paced 4-6 weeks) to ensure our newly hired and new grad CNA's can master the top 20 skills necessary to be successful.
2. If "seasoned CNA's are facing challenges or having difficulties with any of these tasks, we can apply the same principles to their practice prior to termination.

The Nursing skills lab will require some investment for supplies and training materials which I believe we have needed for a long time. The Auxiliary has funding for many of these tools and supplies. Joy Donoho will be developing a list of supplies and products to purchase.

No news to report on COVID and Flu season, the hospital will resurrect the drive-by flu shot clinic and we are looking at Friday, October 17 from 9:00 am – 1:00 pm

The meeting with Kern County EMS was very encouraging and they are looking forward to helping improve our transfer processes.

**KVHD CIO Report 10/09/2025**

- An update to the IT Strategic Plan has been completed and attached to the Board Packet. Information on current and completed IT projects for 2025-2026 is found on the next page.
- Marketing is currently developing their strategic initiatives, they hope to have this completed within the next month or 2. High-level goals include:
  - Increase SNF census.
  - Improve Social Media content, presence, and posting consistency.
  - Improve communication through website experience and content.
  - Increase inter-departmental collaboration to ensure brand consistency.
  - Enhancing community engagement events.
  - Utilize data-driven marketing strategies to track and re-evaluate marketing efforts.

\*More details will be provided when the plan is completed.

## KVHD 2025-2026 IT Strategic Plan

| Project Name  | Project Summary  | Kick-Off Date | Projected Go-Live Date | Status                        |
|---|--|---------------|------------------------|-------------------------------|
| QIP Electronic Reporting  | We will no longer be able to manually scrub charts for QIP reporting. We must find a vendor that supports electronic reporting to continue participation in the program. Program participation provides us with 2.7 million in annual funding. | Aug -24       | Feb -25                | Complete                      |
| Firewall EOL  | Our existing firewall reaches EOL Jan -25. We plan to purchase 2 firewalls for redundancy.   | Nov -24       | Jan -25                | Complete.                     |
| Update Pyxis Servers to latest version  | Update Pyxis server to allow for latest version and in-house management of security updates  | March -25     | June -25               | Complete                      |
| Eliminate SSL VPN connections for employees   | SSL VPN connections pose many security holes. We plan to migrate all existing SSL connections for KVHD employees to Microsoft's Global Secure Access   | Feb -25       | June -25               | Delayed<br>Nearing Completion |
| Migration to Microsoft Security products <ul style="list-style-type: none"> <li>Email</li> <li>Defender AV</li> </ul> | Migrate existing security services to Microsoft 365 where possible.  | Jan -25       | Aug -25                | Complete                      |

|  |  |           |         |                    |
|--|--|-----------|---------|--------------------|
| Server upgrade   | Existing servers that are used as VMWare hosts are reaching EOL in Aug. They must be replaced  | March -25 | Aug -25 | Complete           |
| Windows 10 EOL   | Windows 10 will reach EOL in Oct - 25. All PCs must be running Windows 11 prior to that date.  | Sept -24  | Oct -25 | Nearing Completion |
| Complete network configuration and installation for the "new admin building" | New network infrastructure needs to be installed at the new admin building to allow connectivity for Medical Records and Mesa Clinical Pharmacy                    | April-25  | Nov-25  | Nearing Completion |
| Access point upgrade   | Our wireless AP system needs to be refreshed to better handle the wireless needs of the facility. Existing APs frequently fail and do not have any vendor support. | May -25   | Nov -25 | On Hold            |
| Apple Health   | Allow for connection between our patient portal and Apple Health   | July -25  | Nov -25 | On Hold            |
| eRad Migration   | eRad servers have several vulnerabilities that cannot be patched. Migration to KVHD virtual environment is necessary to manage eRad successfully                   | Aug-25    | Dec-25  | In Process         |



|   |  |          |          |             |
|---|--|----------|----------|-------------|
| Determine if email encryption service can be migrated from Zix to Microsoft   | Our newly acquired Microsoft licensing allows for mail encryption services. Moving to this could save \$11k annually   | Sept -25 | Dec -25  | Evaluating  |
| Evaluate KVHD's EMR and determine where we can implement TruBridge            | KVHD has several EMRs. Consolidating where possible to TruBridge would help workflows and communication between departments.   | July -25 | Jan-26   | Evaluating  |
| Migrate from 3 <sup>rd</sup> party interface engine (Shasta) to TruBridge IMS | Shasta handles 3 of KVHDs interfaces which frequently have issues. These interfaces need to be migrated to TruBridge's interface management system to improve stability and decrease monthly cost. | Aug-25   | Feb-26   | In Planning |
| Determine if email encryption service can be migrated from Zix to Microsoft   | Our newly acquired Microsoft licensing allows for mail encryption services. Moving to this could save \$11k annually   | Sept -25 | Dec -25  | Evaluating  |
| Migrate to Tsystem EVolVed EHR  | Tsystem has a new product that adds some beneficial new features including better remote access for providers and a charge interface.  | Oct -25  | Jan- 26  | Evaluating  |
| Add Charge interface to Tsystem   | ER charges are currently entered manually into TruBridge. A charge interface would eliminate the needed for this manual process.   | Feb – 26 | June -26 | Evaluating  |

|  |  |          |          |             |
|--|--|----------|----------|-------------|
|  | This is dependent on migrating to Tsystem EVolVed  |          |          |             |
| Migrate intranet site to SharePoint  | Healthstream will be discontinuing their intranet site, we need to migrate to avoid being without an intranet site. This does not affect their policy and procedure service  | July -25 | Sept -26 | In Planning |
| Implement self-service password reset options to reduce the expenses from IT on-call and improve access to applications. | Most after-hours on-call work is spent resetting passwords. Time and money can be saved by leveraging new capabilities for self-service password reset options in Active Directory, TruBridgeEHR, and PointClickCare | Oct -25  | Oct-26   | In Process  |
| Migrate on-premises Domain Controllers to Microsoft Entra  | Moving services currently hosted on KVHDs domain controllers to Microsoft Entra will decrease cost, increase accessibility, improve security, and keep KVHD in-line with modern business practices.                  | Oct -25  | Oct -26  | In Testing  |

**\*\*Evaluating – Determining if the project will be implemented.**

**\*\* In Planning – Project has been evaluated and is now in the planning stage.**

**\*\* In Testing – Planning has been completed, the planned project is being tested to ensure there will not be issues when implementation begins.**

**\*\* In process – The project is underway.**

**\*\* Nearing Completion – The project is over 75% completed.**

# September Marketing & Community Engagement Board Report

## Executive Summary

September was marked by solid performance in both **community fundraising** and **strategic access initiatives**. The annual Crab Fest Fundraiser achieved maximum capacity and delivered exceptional sponsor satisfaction. Concurrently, the Blood Drive surpassed its participation goal by reinforcing our commitment to local public health. Strategically, participation in the Regional Access Committee (RAC) meeting led to the identification of a significant new revenue opportunity through our Medical Transportation services.

## Key Activity Review

### 1. Crab Fest Fundraiser (Community & Fundraising)

The annual Crab Fest was a resounding success, achieving a perfect execution across fundraising, attendance, and sponsor engagement metrics.

- **Attendance & Sales:** The event achieved **maximum capacity**, with all **150 tickets completely sold out**. This demonstrates exceptionally strong community demand and engagement for this premier event.
- **Guest Experience:** Guests arrived promptly and demonstrated high participation rates in event activities and the raffle. The high-value door prize (a travel package) was instrumental in driving **strong raffle ticket sales**.
- **Sponsor Impact:** **Kern Family Health Care (KFHC)**, our highest-tier sponsor, expressed strong satisfaction and appreciation for the hospitality and entertainment provided by KVHD & KVHF, securing the success of a crucial relationship.
- **Overall Impact:** The event served as a highly successful platform for community engagement, achieving its core fundraising objectives with high donors and sponsor satisfaction.

### 2. Blood Drive (Public Health & Outreach)

The September Blood Drive significantly exceeded its targets, emphasizing KVHD's leadership in community health.

- **Participation & Goal Achievement:** The event secured **29 successful donors**, surpassing the initial goal of 23 participants by 6. In short, yes, it is only 6 new people, but that is still a small step in the right direction!
- **Community Impact:** This participation level translates to the potential assistance of up to **72 patients in need**, representing a substantial positive impact on regional blood supply.
- **Community Response:** The strong turnout reflects a healthy show of support from residents and affirms the community's trust in KVHD's health initiatives.

### 3. Regional Access Committee (RAC) Meeting (Strategic Development)

The RAC serves as a vital regional forum to assess and address healthcare access needs within the Kern River Valley. KVHD's active engagement yielded immediate, tangible strategic insights.

- **KVHD Engagement:** Key representatives from Marketing, Behavioral Health, Rehabilitation Center, and Transportation, alongside leadership, ensured that all relevant operational facets were represented.
- **Strategic Outcome:**
  - **Reinforced KVHD's critical role** in addressing regional healthcare infrastructure needs.
  - **Informed KFHC** of the benefits and capabilities of KVHD's Medical Transportation service. This directly highlights how this service can extend benefits to their members in the Valley.
  - **Identified a new revenue stream:** The discussion successfully identified the opportunity to strengthen the sustainability of the Medical Transportation service by integrating new reimbursement mechanisms, which will open a new revenue opportunity for KVHD while enhancing community service.

### 4. Organizational and Governance Updates

The department oversaw two key organizational shifts in September:

- **Public Relations Transition:** The department acknowledges the challenging departure of Debbie from the Public Relations Manager position. While her institutional knowledge and insight will be greatly missed, the team is committed to preserving continuity and ensuring a smooth transition across all ongoing communications and outreach strategies. We are prepared to manage this transition effectively.
- **Auxiliary Thrift Store Governance:** We successfully implemented a new volunteer-based governance board structure for the Auxiliary Thrift Store. This initiative provides enhanced structure for the volunteers and creates new opportunities for leadership. The volunteers have successfully voted for and elected their new President, Vice President, Treasurer, and Secretary, formalizing leadership while retaining day leaders in their respective operational roles.

## Future Opportunities & Next Steps

While September demonstrated strong performance, the Marketing Department is focused on optimizing these successes for sustainable, long-term growth and impact.

### Crab Fest Optimization

- **Challenge:** The event sold out quickly, indicating rising demand, which is great, however, next year we will be losing money on this event if we don't raise prices unfortunately.
- **Opportunity:** For next year, we will explore methods to responsibly scale up possibly without compromising the price dramatically, or alternatively, introduce higher-value sponsorship tiers to maximize the revenue per event while maintaining the current

attendance cap, since we had a couple table sponsors who did not show up. Possibly getting it catered so less stress on KVHD kitchen staff?

## **Blood Drive Expansion**

- **Challenge:** Sustaining participation volume across multiple drives.
- **Opportunity:** Leverage the success of this drive next time by implementing a new donor recruitment funnel. This includes targeting specific community groups and local businesses that were underrepresented in the September participation data to broaden the donor pool.

## **Medical Transportation Revenue**

- **Challenge:** Converting the RAC-identified opportunity into actionable revenue.
- **Opportunity:** Collaboration with Administration and the Transportation Department to develop a formal proposal detailing the necessary steps if needed (e.g., credentialing, agreement drafting, and promotional planning) required to secure reimbursement from key partners like KFHC for the Medical Transportation service. This is the most significant new revenue pathway identified this month.

**Conclusion:** The department is leveraging September's strong foundation in fundraising, public health, and strategic networking to define clear, measurable goals for the coming quarter that prioritize both community service and financial sustainability.

# Health Professional Shortage Area Designation

08.12.25

# Contents

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| <b>III. COST</b>             | <b>4</b> |
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# I. About Us

## ■ Introduction

The mission of Kern Valley Healthcare District (KVHD) operates a nonprofit, critical access hospital located in Mountain Mesa, California. KVHD also operates a rural health clinic serving the residents of the Kern River Valley.

Facktor is pleased to submit this proposal to Kern Valley Healthcare District for a Health Professional Shortage Area (HPSA) designation. The goal of this project is to renew the current Geographic High Needs designation for another three years. Facktor will use a team-based approach to complete the outlined scope of work, with project commencement occurring within a mutually agreed-upon timeframe that will meet the needs of Valley Healthcare Centers, Inc.

## ■ Background

Facktor is a national firm whose principals and staff serve Community Health Centers (CHCs), Federally Qualified Health Centers (FQHCs), health center consortia, Rural Health Centers (RHCs) hospitals, health plans, health information exchanges (HIE), and other healthcare-related enterprises nationwide. Among the leading consulting firms focusing on community healthcare, Facktor has consultants with regional and national expertise in infrastructure development, innovation, and regulatory compliance. Facktor assures a strategic focus on implementing operations, integrated clinical, health information technology (HIT), and fiscal models. Facktor has established time-tested approaches to financial modeling for FQHCs as well as strategic planning, community needs and organization assessments, and revenue management to assure operational excellence and stable and continued growth. Facktor offers a team of more than 70+ consultants and works in 40 states nationwide. The firm is considered the largest consulting agency in the country dedicated to CHCs, having served the industry since 2001.



Facktor sets itself apart from other industry leaders by offering a multi-disciplinary, team-based approach and applying national and local perspectives to its projects. Facktor works with clients nationwide operating within complex, innovative safety net health care environments. In this work, Facktor's team has developed a deep understanding of value-based care models, alternative payment methodologies, accountable care, managed care, expanded health coverage programs for underserved populations, and other innovations in providing health care services. Facktor's stable and long-tenured team has participated in these initiatives from their inception and influenced their evolution.

With consultants from all corners of the United States, Facktor constructs project teams to fit each unique engagement, including experts on national trends and regional and state-specific perspectives.



## II. Scope of Services

### **Purpose And Process**

KVHD wishes to renew the HPSA designation for primary care services for Medical Service Study Area (MSSA) 63 (Lake Isabella). We will attempt to obtain a Geographic High Needs HPSA for the area. If this type of designation does not work, we will attempt to obtain a Geographic or Population (low income) HPSA.

The following tasks outline our approach in obtaining the HPSA designation:

#### Designation Process:

- Survey primary care providers within the MSSA
- Survey primary care providers in contiguous areas, if applicable.
- Calculate migrant farm worker statistics for the area (if applicable)
- Document rationale for requesting designation
- Discuss results with Client and submit application

Any adjacent MSSA within a 30-minute radius of MSSA 63 may need to be surveyed. Due to system changes within the Health Care Access & Information (HCAI) agency, contiguous area analysis is not revealed until after application submission and may require additional hours and fees. If HCAI determines that this type of analysis is required, we will consult with you first.

If we determine that the designation will not be feasible at any time during the engagement, we will discontinue our efforts and consult with you to discuss other options. You will only be charged for services incurred up to the point where we stopped.

The estimated fee range reflects a flat-fee pricing structure based on the anticipated level of effort, expertise, complexity, and scope of services outlined. The final fee will be determined upon completion of the engagement but will not exceed the maximum amount listed, unless there is a material change in scope. Any such changes will be discussed and approved in writing prior to additional charges being incurred.

## III. Cost

| Services                             | Estimated Time | Estimated Fees    |
|--------------------------------------|----------------|-------------------|
| HPSA Application (MSSA 63)           | 30 days        | \$3,000 - \$3,500 |
| Contiguous Area Analysis (if needed) | 30-60 days     | Hourly            |

| Title              | Discounted Hourly Rate                          |
|--------------------|---|
| Partners           | <del>\$435</del> \$410                          |
| Managing Directors | <del>\$420</del> \$395                          |
| Senior Directors   | <del>\$385</del> \$365                          |
| Directors          | <del>\$355</del> \$335                          |
| Senior Managers    | <del>\$325</del> \$305                          |
| Managers           | <del>\$295</del> \$280                          |
| Senior Associates  | <del>\$270</del> \$255                          |
| Associates         | <del>\$250</del> \$235                          |
| Senior Advisors    | <del>\$280 – 420</del> \$260 – 395 <sup>1</sup> |

## IV. Proposed Team

Facktor will assemble a team of consultants to support the proposed scope of work described above. This team will include representation and subject matter expertise (SME) from Facktor's Finance division. Below is a proposed list of Facktor consultants.

### Cecilia Murillo – Senior Manager



Cecilia Murillo will be the project lead and oversee the application process through final designation. Based in Oakland, CA, Murillo is a Senior Manager in Facktor's Finance division. She provides rate setting strategy services to help clients optimize their clinic's prospective payment system (PPS) rates to enhance reimbursements. Murillo also provides extensive knowledge to clients in the areas of licensing, certification and California compliance of community clinics, federally qualified health centers (FQHC) and rural health clinics (RHC). With over 15 years of experience in assisting rural and urban communities to improve healthcare outcomes and gain health equity, she is also adept at identifying and evaluating underserved populations to assist clients in developing Health Professional Shortage Area (HPSA) designations. Murillo is passionate about social justice issues and has served as committee chair for the multicultural business resource group (BRG) at her former job where she strived to cultivate a trusting, diverse and inclusive environment for employees. She currently serves as a Co-Chair for a local nonprofit organization that raises scholarship money for immigrant and first-generation high school students entering university. Murillo has a Bachelor of Arts in Broadcast Electronic Communications from San Francisco State University and a Master of Arts in Nonprofit Administration from the University of San Francisco.

<sup>1</sup> Varies by consultant