



**PUBLIC NOTICE**  
**KERN VALLEY HEALTHCARE DISTRICT**  
**AGENDA FOR BOARD OF DIRECTORS**  
**March 12, 2026 – 2:00 p.m.**  
**Location: Administrative Conference Room**  
[www.kvhd.org](http://www.kvhd.org)

**REMOTE PARTICIPATION: Microsoft Teams**  
**Meeting ID: 248 806 191 358 45    Passcode: Ce6C3vA7**

*Director Blythe participating remotely from:  
1011 Cass St.  
Omaha, Nebraska 68102*

**A. CALL TO ORDER**

**B. APPROVAL OF AGENDA**

*(pages 1-5)*

**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 – February 12, 2026** *(pages 6-10)*  
*Recommendation – Approve minutes as presented*

**2. Board Governance Meeting Minutes – February 23, 2026** *(pages 11-12)*  
*Recommendation – Accept minutes pending committee approval*

- 3. Building & Planning Meeting Minutes – February 24, 2026** (pages 13-14)  
*Recommendation – Accept minutes pending committee approval*
- 4. Finance Committee Meeting Minutes – February 25, 2026** (pages 15-16)  
*Recommendation – Accept minutes pending committee approval*
- 5. Unaudited Financial Statement – January 2026** (pages 17-27)  
*Recommendation – Accept financial statement as presented*
- 6. Financial Report Narrative Summary – January 2026** (page 28)  
*Recommendation - Accept report as presented*
- 7. 13-Month Statistics – January 2026** (pages 29-30)  
*Recommendation - Accept report as presented*
- 8. Contracts:** (page 31)  
*Recommendation – Continue with contracts*
- a. AMN Healthcare – Registry
  - b. C and S Operations (QWare) – Work Order Application
  - c. Datex Ohmeda – GE Aestiva 5 Anesthesia Machine
  - d. Dochterman Window Wash – Window Washing
  - e. JAMF Holdings – Management of SNF iPad (Telehealth)
  - f. Medifis – Nurse Registry
  - g. Netsmart Technologies (TheraOffice) – Clinical Documentation
  - h. Office 1 (General Office) – Copier Maintenance
  - i. Radiometer America – Lab PM’s (Blood Gas)
  - j. Steris – Autoclave x 2
  - k. Tesla – Operation/Maintenance
  - l. Thomas Refuse – Trash Service
  - m. UBS Financial Services – Investment Advisory Program
- 9. Board Personnel & Policy Meeting Minutes – February 23, 2026** (pages 32-34)  
*Recommendation – Accept minutes pending committee approval*
- 10. Human Resources Report – January 2026** (page 35)  
*Recommendation – Accept report as presented*
- 11. Policies:**  
*Recommendation – Approve policies as presented*
- Administration:  
Patient Safety and Risk Management Reporting
- Compliance:  
HIPAA – Photo/Video/Audio Recordings
- Health Information Management:  
Analysis, Outpatient Rehabilitation Services Medical Record  
Analysis, Qualitative and Quantitative ER Record  
Thinning Medical Records/Skilled Nursing Center
- Laboratory – Specimen Collection:  
Collection of Blood by Venipuncture
- Materials Management:

- Damage Claims
- Department Purchases
- Returns
- Medical Staff:
  - Blood Usage, Monitoring and Evaluation
  - Brain Death Determination
  - Supervision of Advanced Practice Providers
  - Tickler File Maintenance
- Mesa Clinical Pharmacy:
  - Mesa Clinical Pharmacy Home Delivery Service
  - Quality Assurance Program: Medication Error Management
- Nutrition Services:
  - Cans – Dented
  - Calibrating Thermometers
- Pharmacy:
  - Protocol – Hypertonic Sodium Chloride 3% for IV Use
- Radiology:
  - Physician Orders – Required – Radiology
- Rehabilitation Services:
  - Linen Usage
- Rural Health Clinic:
  - Animal Bites – Reporting
  - Housekeeping – Clinic
  - Informed Consent
  - Medical Director / Supervising Physician
  - Minor Rights and Sensitive Services
  - Provider Response to Patients Who Do Not Keep Appointments
  - Same Day / Urgent Care Visits
- Staff Development:
  - Special/Urgent New Hire Orientation Approval/Denial
- Surgical Services:
  - Preparation/Transport of Soiled Instruments for Processing

## 12. Manuals:

*Recommendation – Approve manuals as presented*

- Nutrition Services
- Human Resources
- Laboratory – Microbiology
- Laboratory – Urinalysis
- Laboratory – Serology
- Laboratory - Coagulation

## 13. Medical Appointments:

*Recommendation – Approve appointment as presented*

Rajbeer Sangha, MD – Teleneurology – Provisional Staff

## 14. Medical Reappointments:

*Recommendation – Approve reappointment as presented*

Lloyd Wagner, MD – Radiology – Telemedicine Staff  
 Carlos Ledezma, MD – Radiology – Telemedicine Staff

- 15. Chief of Medical Staff Report** (page 36)  
*Recommendation – Review report*
- 16. Chief Information Officer Report** (pages 37-38)  
*Recommendation - Review report*
- 17. Foundation/Auxiliary Report** (pages 39-40)  
*Recommendation – Review report*
- 18. Capital Expenditure Request – Pill Counter** (pages 41-45)  
*Recommendation – Approve request as presented*
- 19. Emergency Dept. Physician Services Agreement – Dr. Suarez** (pages 46-59)  
*Recommendation – Approve agreement as presented*
- 20. Public Health Institute Agreement (Cancer Registry)** (pages 60--70)  
*Recommendation – Approve agreement as presented*
- E. REPORTS:**
- 1. Chief Nursing Officer**  
Shannon Jimerson, Chief Nursing Officer *Information*  
*Recommendation – Hear report*
- 2. Chief Executive Officer**  
John Lovrich, Chief Executive Officer *Information*  
*Recommendation – Hear report*
- F. OLD BUSINESS:** None
- G. NEW BUSINESS:**
- 1. First Amendment to Physician Agreement – Peter Newell, MD** *Action*  
John Lovrich, Chief Executive Officer (pgs 71-73)  
*Recommendation – Approve amendment as presented*
- 2. Resolution 26-03 – A Resolution of the Board of Directors of Kern Valley Healthcare District Declaring Certain Property Surplus to the Needs of the District and Authorizing Disposition of the Property** *Action*  
John Lovrich, Chief Executive Officer (pgs 74-75)  
*Recommendation – Adopt resolution as presented*
- 3. Audited Financial Statement – June 30, 2025 & 2024** *Action*  
Jerrel Tucker, JWT & Associates (handout)  
*Recommendation – Receive and file*
- 4. Review of Compensation Structure** **Discussion**  
Fred Clark, 2<sup>nd</sup> Vice Chair
- H. DIRECTORS COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

**I. CLOSED SESSION:**

- Existing Litigation – Benson/Lao v. KVHD
- Existing Litigation – Volkava v. KVHD
- Existing Litigation – Rostad v. KVHD
- Existing Litigation – Carrington v. KVHD
- Existing Litigation – Moudy v. KVHD
- Report Involving Trade Secret (H&S Section 32106, 37606): Discussion will concern proposed new facility. Estimated date of public disclosure: May 2026

**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, February 12, 2026 – 2:00pm

**PRESENT:** John Blythe, Board Chair  
Katheryn Elconin, 1<sup>st</sup> Vice Chair  
Fred Clark, 2<sup>nd</sup> Vice Chair  
Ross Elliott, Secretary  
Gene Parks, Treasurer  
John Lovrich, Chief Executive Officer  
Cary Zuber, Chief Information Officer  
Amy Smith, Controller  
Dena Griffith, Risk Manager  
Scott Nave, Legal Counsel  
Greg Davis, Director of Population Health  
Rose Serrano, Esq., Duckor, Metzger & Wynne

- 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 Parks 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 – January 8, 2026
  2. Board Governance Committee Meeting Minutes – January 27, 2026
  3. Board Compliance Committee Meeting Minutes – January 27, 2026
  4. Building & Planning Meeting Minutes – January 27, 2026
  5. Finance Committee Meeting Minutes – January 28, 2026
  6. Unaudited Financial Statement – December 2025
  7. Financial Report Narrative Summary – December 2025
  8. 13-Month Statistics – December 2025

9. Contracts:
  - a. Alcor Scientific Inc. – Lab ESR Analyzer Services
  - b. BioMed Guy – BioMed/Anesthesia
  - c. Clark Pest Control – Pest Control in Dietary
  - d. GE Healthcare – Ultrasound Logiq S8 R4.5
  - e. GE Healthcare – Optima Powerware AMX Flashpad Proteus
  - f. GO Daddy – Secure Certificates SSL for ADFS
  - g. Good Samaritan Hospital – Family Medicine Resident Education
  - h. HPSI Menu 2 U – Online Menu Service for Residents
  - i. Motion Picture Licensing Corp (MPLC) – SNF Movie Viewing
  - j. Nectar – Employee Recognition Software Services
  - k. Nwestco (Confidence UST Services) – PM Underground Storage
  - l. Otis Maintenance/Elevator – Elevator PM & Certification
  - m. Quest Diagnostics – Outside Lab Results
  - n. Quinn – Preventative Maintenance on Equipment
  - o. RCPALS – Advanced Life Support Training Center
  - p. Stericycle – Waste Disposal
  - q. UEI College Training Affiliation – Medical Assistant/Medical Biller
  - r. Ugly Duck Marketing – Web Development Support/Maintenance
10. Board Personnel & Policy Meeting Minutes – January 26, 2026
11. Human Resources Report – December 2025
12. Policies:
  - Collections:
  - Charity Care and Financial Assistance
  - Health Information Management:
    - Altering, Modifying, or Correcting Medical Records
    - Death Certificates/Coroner’s Autopsy Reports
    - Permanent Filing of Incomplete Medical Records
    - Subpoenas
  - Pharmacy:
    - Standard Insulin Infusion Protocol (Adults)
  - SNF Social Services:
    - Theft and Loss Control
13. Manuals: None
14. Medical Appointments:
  - Rajbeer Sangha, MD – Teleneurology – Provisional Staff
15. Medical Reappointments:
  - Lloyd Wagner, MD – Radiology – Telemedicine Staff
  - Carlos Ledezma, MD – Radiology – Telemedicine Staff
16. Chief of Medical Staff Report
17. Chief Information Officer Report
18. Foundation/Auxiliary Report
19. Employee Pension Contributions
20. Patient Safety Plan (revised)
21. Capital Expenditure Request – Ultrasound Table
22. Capital Expenditure Request – Bladder Scanner
23. Capital Expenditure Request – All-In-One Trainer/Leg Press
24. Advanced Practice Provider Supervisory Agreement – S. Lopez

Director Elliott requested to pull the Capital Expenditure Request for the All-In-One Trainer/Leg Press. This item will be placed under New Business as item 5. Director Elliott made a motion to approve the consent agenda with the removal of the CER. The motion was seconded by Director Clark. Motion passed with a vote of 5/0.

**E. REPORTS:**

**1. Chief Executive Officer:** The CEO Report was given by John Lovrich. Mr. Lovrich updated the Board on the status of the new retail pharmacy. Currently, we are waiting on an updated agreement from Cardinal that we need to submit to the Board of Pharmacy as part of the relocation application. The 340B program is being better utilized. The Medical Records department is preparing for their move to the new building. Mr. Lovrich is trying to get specialists to come see patients locally in the QIP building. Mr. Easterday will be calling CalOES to get a status on the construction grant application. Mr. Lovrich reporting that at the DHLF Board meeting, they reported that there will be no reduction in our supplemental payments this year or next. Shannon Jimerson has been selected as the next Chief Nursing Officer and will be focused on training, as well as policies/procedures. The Wine & Chocolate Mixer was held last night and was well attended. Kern Health Systems is looking to move several SNF residents to a lower level of care. Mr. Lovrich continues to meet with department managers about budget reduction. The audit is nearing completion and should be ready for the next Finance meeting. We are still waiting on payment for the wound care claims and are hoping to see that come through next week. Mr. Lovrich will be interviewing another CFO candidate next week.

**F. OLD BUSINESS:** None.

**G. NEW BUSINESS:**

**1. Capital Expenditure Request – Narcotics Safe:** The capital expenditure request for the narcotics safe for Mesa Clinical Pharmacy was presented by Mr. Lovrich. This request is for proper storage of controlled medications at the new location. Director Elliott expressed concern about whether this expenditure is necessary at this time as we need to take a careful look at what we are spending money on. A motion was made by Director Parks to approve the expenditure. The motion was seconded by Director Clark. The motion passed with a vote of 4/1, with Director Elliott voting No.

**2. KVHD Scholarship Application – K. Clodt:** Director Clark recommended that we honor the 12 hours per week of scholarship time and maintain benefits but not include tuition or book allowance. Director Parks made a motion to approve the 12hrs/wk of scholarship time. The motion was seconded by Director Clark. The motion passed with a vote of 5/0.

**3. Resolution 26-02 – A Resolution of the Board of Directors Authorizing Acquisition of TruBridge Thrive Provider Electronic Health Record (TPEHR) Software Based on Impracticability of Competitive Procurement:** The resolution is to sole source CPSI/TruBridge for the clinic for their electronic health record to better integrate our systems. A motion was made by Director Parks to adopt the resolution as presented. The motion was seconded by Director Elliott. Motion passed unanimously.

**4. Duckor, Metzger & Wynne Fee Arrangement:** Legal Counsel, Scott Nave, stated this fee agreement is for a new legal case (Carrington) the mirrors another case that Duckor, Metzger

& Wynne have been working on. Mr. Nave is recommending that the District retain this law firm for this case as well. A motion was made by Director Parks to approve the fee agreement as presented. The motion was seconded by Director Elliott. The motion passed unanimously.

- 5. Capital Expenditure Request – All-In-One Trainer/Leg Press:** This item was pulled from the consent agenda by Director Elliott. Director Elliott stated he pulled because he is concerned about the District’s finances, and it appears that this may be more of a want than a need. Lindsay Krusich, PT Manager, stated the concern is for clinician safety due to having to physically pull the plates to get a patient into the unit. After lengthy discussion, a motion was made by Director Elliott to approve the request as presented. The motion was seconded by Director Elconin. Motion passed unanimously.

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

**Director Parks:** Director Parks had no additional comments.

**Director Elconin:** Director Elconin stated she is grateful that she gets to do the invocation before the meetings.

**Director Elliott:** Director Elliott stated he is concerned about the bottom line and wants the District to stay focused on finances and remain diligent. Director Elliott also congratulated Amy Smith on being voted Manager of the Year and Heidi Sage for Employee of the Year.

**Director Clark:** Director Clark stated we need to get the pharmacy completed.

**Director Blythe:** Director Blythe agrees that we need to get the pharmacy done and shares Director Elliott’s concerns about finances. Congratulations to Amy and Heidi.

**I. CLOSED SESSION:** The Board went into closed session at 2:57pm.

- Medical Quality Report
- Existing Litigation – Benson/Lao v. KVHD
- Existing Litigation – Volkava v. KVHD
- Existing Litigation – Rostad v. KVHD
- Potential Litigation – 3 Cases

The Board came out of closed session at 4:03pm.

**J. CLOSED SESSION REPORT:** In closed session, Dena Griffith, Risk Manager, provided the Medical Quality Report. Rose Serrano attended closed session and provided updates on Benson/Lao, Volkava, Rostad, and one case of potential litigation. Two cases of potential litigation were not discussed. No other items were discussed in closed session.

At this point, Director Blythe reopened Directors Comments on Items Not Appearing on the Agenda. Director Elconin asked about employees who reach MediCare age coming off of the insurance get reimbursed by the District for their premiums. Staff clarified that the District does not cover MediCare premiums for staff.

Director Blythe asked why Nicolas Caver has not been attending the Board meetings, and why Cary Zuber is remote. Mr. Lovrich stated Mr. Caver has been on vacation, and Mr. Zuber is out of town today.

**K. ADJOURNMENT:** The meeting was adjourned at 4:08pm by Director Blythe.

Approved by:

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Ross Elliott, Secretary

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John Blythe, Chair



**BOARD OF DIRECTORS  
GOVERNANCE MEETING  
MINUTES**

**Monday, February 23, 2026 – 11:00a.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 11:02am by Director Blythe.
- B. APPROVAL OF AGENDA:** The agenda was approved as distributed.
- C. APPROVAL OF MINUTES:** The minutes of the January 27, 2026 meeting were approved as distributed.
- D. PUBLIC COMMENT:** No public comment this morning.
- E. REPORTS:**
  - 1. Chairman’s Report:** Director Blythe had nothing specific to report this morning.
  - 2. CEO Report:** Mr. Lovrich welcomed Shannon Jimerson as the new Chief Nursing Officer. Mr. Lovrich will be interviewing another CFO candidate later this week. Mr. Lovrich continues to working on getting specialists in the QIP building to offset costs and increase ancillary volume. The District has offered Dr. Newel some shifts in the clinic to increase visits. Mr. Lovrich continues to meet with department managers regarding their budgets and look for ways to reduce expenses. The HIM department will be moving down to the new building the end of this week. The new pharmacy space is nearing completion. The audit is close to complete and should be available for the next Board meeting.
  - 3. CIO Marketing Report:** The marketing report was presented by Mr. Zuber. Mr. Zuber updated the committee on recent marketing activities that were described in the attached written report.
  - 4. Strategic Plan Update:** Due to other projects and pressing deadlines, the Administrative Team has not had an opportunity to go through the strategic plan. The committee suggested that we begin updating the strategic plan as part of this committee and continue to meet monthly for the time being. As this will become a working meeting for the strategic plan, we will be adding Shannon Jimerson to the committee.

- F. OLD BUSINESS:** None
- G. NEW BUSINESS:** None
- H. ADJOURNMENT:** The meeting was adjourned at 11:24am.

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

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



**BUILDING AND PLANNING COMMITTEE  
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES  
Tuesday, February 24, 2026 – 1:00pm  
Administrative Conference Room**

- In Attendance:** John Blythe, Chairman  
Fred Clark, 2<sup>nd</sup> Vice Chair  
Ross Elliott, Secretary  
Gene Parks, Treasurer  
John Lovrich, Chief Executive Officer  
Shannon Jimerson, Chief Nursing Officer  
Cary Zuber, Chief Information Officer  
Greg Davis, MVHC Manager  
Bob Easterday, Plant Operations Manager  
Cassandra Coleman, Human Resources Manager (1:20pm)  
Nicolas Caver, Public Relations Manager
- Absent:** Katheryn Elconin, 1<sup>st</sup> Vice Chair

- 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. GP, FC – 4/0 (Elconin absent).
- C. Public Comment:** There was no public comment today.
- D. Approval of Minutes from January 27, 2026 Meeting:** The minutes of the January 27, 2026 meeting were approved as presented. FC, GP – Roll call vote - 4/0 (Elconin absent).
- E. Project Update:** The project update summary was given by Mr. Easterday.
- 1. Master Plan:** There is no update from CalOES at this time. Mr. Easterday stated he will be reaching out to the consultants to see if we can obtain any type of update. Director Parks asked what our back-up plan would be if the grant was not approved. The biggest pressing issue if we do not proceed with the seismic project will be a new roof for the facility. Mr. Easterday is beginning to research options and costs.
  - 2. New Administration Building:** Medical Records will be moving down to the new building at the end of this week. The pharmacy space is approaching final completion. Mr. Easterday hopes to be finished by mid-March.
  - 3. Emergency Generator:** All change orders and the coordination study have been approved. The IOR, architect and engineers are working to close the project with HCAI.

4. **NPC Seismic Upgrade of Dietary, Surgery, and Central Plant Buildings:** The architects and engineers are waiting on the soils report from Earth Systems (due this week) in order to complete the drawings that must be submitted to HCAI by March 1, 2026.
  5. **Skilled Nursing Building Reclassification:** No status change to report. The architects and engineers are working on the drawings to bring the utility connections up to code.
  6. **Skilled Nursing Unit Cosmetic Work:** Work on this project will continue once the pharmacy is completed.
  7. **Dietary Area Cosmetic Work:** This project has been put on hold due to the priority completion of the retail pharmacy.
  8. **Acute Care Restrooms:** This project has also been put on hold due to the retail pharmacy project.
- F. Mesa Clinical Pharmacy Signage Proposal:** Mr. Easterday presented an option for new signage at the pharmacy. There was lengthy discussion about potential options. Mr. Easterday will be obtaining alternate proposals. In the meantime, banners have been ordered that will be used on a temporary basis.
- G. Invoice Review/Approval:** A motion was made by Director Clark to approve the invoices listed below. The motion was seconded by Director Elliott. The motion passed with a vote of 4/0 (Elconin absent).
1. Greenbough Design – Inv. #1021 – X-Ray Equip Replacement - \$12,158.00
  2. Radian Group – Inv# 25022-01 – RHC E-Generator - \$10,020.23
  3. DFI Enterprises – Inv# 22004-0619 – E-Generator - \$4,717.44
  4. DFI Enterprises – Inv# 22004-1201 – Med Air Gas - \$1,797.12
- H. Adjournment:** The meeting was adjourned at approximately 1:54pm by Director Blythe.

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

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



**MINUTES FOR FINANCE COMMITTEE MEETING  
ADMINISTRATIVE CONFERENCE ROOM  
Wednesday, February 25, 2026 – 1:00pm**

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

**PRESENT:** Gene Parks, Committee Chair (remote)  
Fred Clark, Committee Member  
John Lovrich, Chief Executive Officer  
Shannon Jimerson, Chief Nursing 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 January 28, 2026 were approved as distributed.

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

**E. FINANCIAL STATEMENT – January 2026:**

**Unaudited Financial Statements:** For the month of January, there was a surplus of \$17,536, leaving a YTD loss of \$16,563. Mr. Lovrich reported that the AR is up due to outstanding claims related to wound care. Mr. Lovrich is continuing to work with BioWound to get those claims paid. Mr. Lovrich added that the District will not be paying BioWound until we receive payment for those claims. There was also discussion about clinic volume and ongoing provider recruitment. Mr. Lovrich reported that he is trying to get on the Board of Directors for Kern Health Systems.

**Narrative Summary:**

Positive takeaways for the month:

- Long Term Care revenue was over budget.
- Net patient revenue was over budget.
- Outpatient revenue was over budget.
- Operating expenses decreased.

Negative takeaways for the month:

- Operating expenses were over budget.
- Gross AR days increased by 2.
- Clinic revenue was under budget.
- Inpatient revenue was under budget.
- Retail pharmacy revenue was under budget.

**13-Month Statistics:** Reviewed and discussed. Skilled Nursing Facility increased by 6 in the last year.

**Local Vendor Aging Report:** The Local Vendor Aging Report was presented by Ms. Smith. As of 2/20/26, the balance was \$35,000.58, with none over 30 days.

F. **OLD BUSINESS:** None

G. **NEW BUSINESS:**

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

Sally Emery, Compliance Officer

- a. AMN Healthcare – Registry
- b. C and S Operations (QWare) – Work Order Application
- c. Datex Ohmeda – GE Aestiva 5 Anesthesia Machine
- d. Dochterman Window Wash – Window Washing
- e. JAMF Holdings – Management of iPad in SNF (Telehealth)
- f. Medifis – Nursing Registry
- g. Netsmart Technologies (TheraOffice) – Clinical Documentation (PT)
- h. Office 1 (General Office) – Maintenance Copiers
- i. Radiometer America – Lab PM’s (Blood Gas)
- j. Steris – Autoclave x 2
- k. Tesla – Operation/Maintenance
- l. Thomas Refuse – Trash
- m. UBS Financial Services – Investment Advisory Program

The contracts were reviewed and discussed. Director Parks asked if there was a possibility of getting solar donated to the District, or potentially a grant. Ultimately, the contracts were approved by this committee and will be placed on the Board consent agenda for full Board consideration.

2. **Capital Expenditure Request – Pill Counter (Mesa Clinical Pharmacy):** This request is to add another pill counter for better efficiency at the retail pharmacy. After brief discussion, this request was approved and will be placed on the Board consent agenda for full Board consideration.

3. **ER Physician Services Agreement – Dr. Suarez:** The ER Physician Services agreement was presented by Mr. Lovrich. This agreement is for a new ER physician and is in line with previous agreements. After brief discussion, the agreement was approved by this committee and will be placed on the Board of Directors consent agenda for full Board consideration.

4. **Public Health Institute Agreement (Cancer Registry):** This agreement was presented by Brenda Pettijohn, HIM Manager. Ms. Pettijohn stated this is a state requirement and is replacing the previous company. Ms. Pettijohn estimates approximately 20-25 for a six-month period. After brief discussion, this committee approved the agreement, and it will be placed on the Board of Directors consent agenda for full Board consideration.

H. **ADJOURNMENT:** The meeting was adjourned at 1:34p.m.

Submitted by:

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Heidi Sage, Executive Assistant

Approved By:

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Gene Parks, Treasurer



**Unaudited Financial Statements**

**for**

**Seven Months Ending January 31, 2026**

**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  
Seven Months Ending January 31, 2026**

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**Patient Statistics**

**KERN VALLEY HEALTHCARE DISTRICT  
LAKE ISABELLA, CALIFORNIA  
Seven Months Ending January 31, 2026**

Current Month				Year-To-Date					
Actual 01/31/26	Budget 01/31/26	Positive/ (Negative) Variance	Prior Year 01/31/25	STATISTICS	Actual 01/31/26	Budget 01/31/26	Positive/ (Negative) Variance	Prior Year 01/31/25	
<b>Discharges</b>									
[1]	29	30	(1)	31	Acute	179	206	(27)	182
[2]	3	2	1	0	Swing Beds	17	15	2	17
[3]	0	0	0	0	Psychiatric/Rehab	0	0	0	0
[4]	0	0	0	0	Respite	0	0	0	0
[5]	32	32	0	31	Total Adult Discharges	196	221	(25)	199
[6]	0	0	0	0	Newborn	0	0	0	0
[7]	32	32	0	31	Total Discharges	196	221	(25)	199
<b>Patient Days:</b>									
[8]	97	98	(1)	90	Acute	669	680	(11)	609
[9]	44	46	(2)	24	Swing Beds	193	318	(125)	307
[10]	0	0	0	0	Psychiatric/Rehab	0	0	0	0
[11]	0	0	0	0	Respite	0	0	0	0
[12]	141	144	(3)	114	Total Adult Patient Days	862	998	(136)	916
[13]	0	0	0	0	Newborn	0	0	0	0
[14]	141	144	(3)	114	Total Patient Days	862	998	(136)	916
<b>Average Length of Stay (ALOS)</b>									
[15]	3.3	3.3	(0.0)	2.9	Acute	3.74	3.3	(0.4)	3.3
[16]	14.7	20.8	6.2	0.0	Swing Bed	11.4	20.8	9.4	18.1
[17]	0.0	0.0	0.0	0.0	Psychiatric/Rehab	0.0	0.0	0.0	0.0
[18]	4.4	4.5	0.1	3.7	Total Adult ALOS	4.4	4.5	0.1	4.6
[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]	3.1	3.2	(0.0)	2.9	Acute	3.1	3.2	(0.1)	2.8
[21]	1.4	1.5	(0.1)	0.8	Swing Beds	0.9	1.5	(0.6)	1.4
[22]	0.0	0.0	0.0	0.0	All Other Adult	0.0	0.0	0.0	0.0
[23]	4.5	4.6	(0.1)	3.7	Total Adult ADC	4.0	4.6	(0.6)	4.3
[24]	0.0	0.0	0.0	0.0	Newborn	0.0	0.0	0.0	0.0
[1]									
<b>Long Term Care:</b>									
[25]	1,728	1,637	91	1,487	SNF/ECF Resident Days	11,383	11,352	31	10,083
[26]	0	3	(3)	1	SNF/ECF Resident Discharges	0	18	(18)	17
[27]	0	0	0	0	CBRF/Assisted Living Days	0	0	0	0
[28]	55.7	52.8	2.9	48.0	Average Daily Census	52.9	52.8	0.1	46.9
<b>Emergency Room Statistics</b>									
[29]	23	26	(3)	29	ER Visits - Admitted	166	182	(16)	167
[30]	354	290	64	308	ER Visits - Discharged	2,417	2,030	387	2,525
[31]	302	355	(53)	300	ER - Urgent Care Visits	1,946	2,463	(517)	1,973
[32]	679	671	8	637	Total ER Visits	4,529	4,675	(146)	4,665
[33]	3.39%	3.92%		4.55%	% of ER Visits Admitted	3.67%	3.90%		3.58%
[34]	71.88%	88.71%		93.55%	ER Admissions as a % of Total	92.74%	88.71%		91.76%
[1]									
<b>Outpatient Statistics:</b>									
[35]	901	931	(30)	1,001	Total Outpatients Visits	6,932	6,457	475	6,783
[36]	20	17	3	22	Observation Bed Days	127	116	11	128
[37]	843	1,260	(417)	1,276	Clinic Visits - Primary Care	6,717	8,738	(2,021)	8,742
[38]	286	270	16	223	Clinic Visits - Specialty Clinics	1,669	1,871	(202)	1,659
[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]	6,796	6,489	307	5,620	Retail Pharmacy Scripts	49,389	45,005	4,384	34,816
[43]	0	0	0	12	Clinic Visits-Mobile Van	0	0	0	24
[1]									
<b>Productivity Statistics:</b>									
[44]	210.62	212.97	2.35	221.42	FTE's - Worked	220.72	212.97	(7.75)	212.17
[45]	244.68	242.06	(2.62)	240.10	FTE's - Paid	247.32	242.06	(5.26)	235.62
[46]	0.9234	1.0550	0.13	0.8507	Case Mix Index -Medicare	0.9499	1.0550	0.11	1.0158
[47]	0.9443	0.9968	0.05	0.9033	Case Mix Index - All payers	0.9424	0.9968	0.05	0.9904

**KERN VALLEY HEALTHCARE DISTRICT**

**EXECUTIVE FINANCIAL SUMMARY**

**Seven Months Ending January 31, 2026**

<b>BALANCE SHEET</b>		
	<b>1/31/2026</b>	<b>6/30/2025</b>
<b>ASSETS</b>		
Current Assets	13,999,341	7,584,064
Assets Whose Use is Limited	8,892,537	15,669,268
Property, Plant and Equipment (Net)	11,845,151	11,735,542
Other Assets	624,276	624,276
<b>Total Unrestricted Assets</b>	<b>35,361,305</b>	<b>35,613,150</b>
Restricted Assets	0	0
<b>Total Assets</b>	<b>35,361,305</b>	<b>35,613,150</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities	5,153,716	5,508,276
Long-Term Debt	9,653,417	9,790,571
Other Long-Term Liabilities	2,900,922	2,677,318
<b>Total Liabilities</b>	<b>17,708,055</b>	<b>17,976,165</b>
Net Assets	17,653,250	17,636,985
<b>Total Liabilities and Net Assets</b>	<b>35,361,305</b>	<b>35,613,150</b>
<b>STATEMENT OF REVENUE AND EXPENSES - YTD</b>		
	<b>ACTUAL</b>	<b>BUDGET</b>
<b>Revenue:</b>		
Gross Patient Revenues	82,212,068	80,505,776
Deductions From Revenue	(55,772,029)	(55,941,630)
Net Patient Revenues	26,440,039	24,564,146
Other Operating Revenue	215,995	201,852
<b>Total Operating Revenues</b>	<b>26,656,033</b>	<b>24,765,998</b>
<b>Expenses:</b>		
Salaries, Benefits & Contract Labor	15,290,592	14,191,417
Purchased Services & Physician Fees	3,796,064	3,769,941
Supply Expenses	5,492,174	4,541,500
Other Operating Expenses	2,048,987	2,147,141
Bad Debt Expense	0	0
Depreciation & Interest Expense	413,461	566,030
<b>Total Expenses</b>	<b>27,041,277</b>	<b>25,216,030</b>
<b>NET OPERATING SURPLUS</b>	<b>(385,244)</b>	<b>(450,032)</b>
Non-Operating Revenue/(Expenses)	401,807	711,256
<b>TOTAL NET SURPLUS</b>	<b>16,563</b>	<b>261,223</b>
<b>KEY STATISTICS AND RATIOS - YTD</b>		
	<b>ACTUAL</b>	<b>BUDGET</b>
Total Acute Patient Days	669	680
Average Acute Length of Stay	3.7	3.3
Total Emergency Room Visits	4,529	4,675
Outpatient Visits	6,932	6,457
Total Surgeries	0	0
Total Worked FTE's	220.72	212.97
Total Paid FTE's	247.32	242.06
Productivity Index	0.9787	1.0000
EBITDA - YTD	-0.45%	-0.13%
Current Ratio		
Days Expense in Accounts Payable	37.30	

**Balance Sheet - Assets**

**KERN VALLEY HEALTHCARE DISTRICT**

**LAKE ISABELLA, CALIFORNIA**

**Seven Months Ending January 31, 2026**

**ASSETS**

	33.0%	34.5%			34.5%
[1] Net to Gross AR %					
[2] CASH -ALL SOURCES	<b>15,994,023</b>	<b>17,198,914</b>	<b>(1,204,891)</b>		<b>20,764,508</b>
	Current Month 1/31/2026	Prior Month 12/31/2025	Positive/ (Negative) Variance	Percentage Variance	Prior YR. AUDITED 6/30/2025
<b>Current Assets</b>					
[3] Cash and Cash Equivalents	8,139,063	9,380,906	(1,241,844)	-13.24%	6,160,678
[4] Gross Patient Accounts Receivable	27,295,167	26,488,691	806,476	3.04%	25,088,793
[5] Less: Bad Debt and Allowance Reserves	(18,294,952)	(17,345,575)	(949,378)	-5.47%	(16,444,711)
[6] Net Patient Accounts Receivable	9,000,215	9,143,116	(142,901)	-1.56%	8,644,083
[7] Interest Receivable	0	0	0	0.00%	0
[8] Other Receivables	(2,849,129)	(2,238,717)	(610,413)	27.27%	(4,756,524)
[9] Inventories	378,875	382,111	(3,236)	-0.85%	388,816
[10] Prepaid Expenses	686,577	763,343	(76,766)	-10.06%	453,271
[11] Due From Third Party Payers	(1,356,260)	(2,556,260)	1,200,000	-46.94%	(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] <b>Total Current Assets</b>	<b>13,999,341</b>	<b>14,874,499</b>	<b>(875,159)</b>	<b>-5.88%</b>	<b>7,584,064</b>
<b>Assets Whose Use is Limited</b>					
[15] Auxillary Cash	341,732	331,186	10,546	3.18%	498,591
[16] Investments -LAIF	296,104	293,006	3,098	1.06%	286,699
[17] Debt Payment Fund	695,845	594,834	101,011	16.98%	566,847
[18] UBS Funds	4,301,887	4,276,887	25,000	0.58%	11,126,887
[19] Cash Westamerica	52,611	52,610	1	0.00%	52,605
[20] Project Fund	3,204,358	3,195,504	8,854	0.28%	3,137,639
[21] Covid Stimulus Cash Assets	0	0	0	0.00%	0
[22] <b>Total Limited Use Assets</b>	<b>8,892,537</b>	<b>8,744,027</b>	<b>148,510</b>	<b>1.70%</b>	<b>15,669,268</b>
<b>Property, Plant, and Equipment</b>					
[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	23,791,074	23,786,849	4,225	0.02%	23,478,028
[26] Construction In Progress	7,676,300	7,593,570	82,730	1.09%	7,466,276
[27] Capitalized Interest	0	0	0	0.00%	0
[28] Gross Property, Plant, and Equipment	46,799,086	46,712,131	86,955	0.19%	46,276,015
[29] Less: Accumulated Depreciation	(34,953,934)	(34,894,446)	(59,488)	-0.17%	(34,540,473)
[30] <b>Net Property, Plant, and Equipment</b>	<b>11,845,151</b>	<b>11,817,685</b>	<b>27,466</b>	<b>0.23%</b>	<b>11,735,542</b>
<b>Other Assets</b>					
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] <b>Total Other Assets</b>	<b>624,276</b>	<b>624,276</b>	<b>0</b>	<b>0.00%</b>	<b>624,276</b>
[33] <b>TOTAL UNRESTRICTED ASSETS</b>	<b>35,361,305</b>	<b>36,060,488</b>	<b>(699,183)</b>	<b>-1.94%</b>	<b>35,613,150</b>
<b>Restricted Assets</b>					
[34] <b>TOTAL ASSETS</b>	<b>35,361,305</b>	<b>36,060,488</b>	<b>(699,183)</b>	<b>-1.94%</b>	<b>35,613,150</b>

**Balance Sheet - Liabilities and Net Assets**

**KERN VALLEY HEALTHCARE DISTRICT  
LAKE ISABELLA, CALIFORNIA  
Seven Months Ending January 31, 2026**

	<b>LIABILITIES AND FUND BALANCE</b>				<b>Prior Yr. AUDITED 6/30/2025</b>
	<b>Current Month 1/31/2026</b>	<b>Prior Month 12/31/2025</b>	<b>Positive/ (Negative) Variance</b>	<b>Percentage Variance</b>	
<b>Current Liabilities</b>					
[1] Accounts Payable	2,408,670	2,447,288	38,617	1.58%	1,688,097
[2] Notes and Loans Payable	0	0	0	0.00%	0
[3] Accrued Payroll	418,393	1,041,646	623,253	59.83%	881,879
[4] Accrued Payroll Taxes	203,108	231,438	28,330	12.24%	211,249
[5] Accrued Benefits	1,357,368	1,384,180	26,811	1.94%	1,342,995
[6] Accrued Pension Expense (Current Portion)	(243,719)	(198,475)	45,243	-22.80%	(1,089)
[7] Other Accrued Expenses	309,684	314,037	4,353	1.39%	295,335
[8] Patient Refunds Payable	897,416	858,238	(39,178)	-4.56%	828,636
[9] Property Tax Payable	0	0	0	0.00%	0
[10] Due to Third Party Payers	(714,590)	(691,835)	22,754	-3.29%	(652,210)
[11] Advances From Third Party Payers	0	0	0	0.00%	0
[12] Current Portion of LTD (Bonds/Mortgages)	458,000	458,000	0	0.00%	910,000
[13] Current Portion of LTD (Leases)	59,385	59,385	0	0.00%	3,384
[14] Other Current Liabilities	0	0	0	0.00%	0
<b>Total Current Liabilities</b>	<b>5,153,716</b>	<b>5,903,901</b>	<b>750,185</b>	<b>12.71%</b>	<b>5,508,276</b>
<b>Long Term Debt</b>					
[15] Bonds/Mortgages Payable	8,712,000	8,712,000	0	0.00%	9,164,000
[16] Leases/Notes Payable	1,458,802	1,458,802	0	0.00%	1,539,955
[17] Less: Current Portion Of Long Term Debt	517,385	517,385	0	0.00%	913,384
<b>Total Long Term Debt (Net of Current)</b>	<b>9,653,417</b>	<b>9,653,417</b>	<b>0</b>	<b>0.00%</b>	<b>9,790,571</b>
<b>Other Long Term Liabilities</b>					
[18] Deferred Revenue	0	0	0	0.00%	0
[19] Accrued Pension Expense (Net of Current)	379,418	345,951	(33,466)	-9.67%	148,849
[20] Long Term Settlements	2,521,505	2,521,505	0	0.00%	2,528,469
<b>Total Other Long Term Liabilities</b>	<b>2,900,922</b>	<b>2,867,456</b>	<b>(33,466)</b>	<b>-1.17%</b>	<b>2,677,318</b>
[21] <b>TOTAL LIABILITIES</b>	<b>17,708,055</b>	<b>18,424,774</b>	<b>716,718</b>	<b>3.89%</b>	<b>17,976,165</b>
<b>Net Assets:</b>					
[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)	1,012,948	995,413	17,536	1.76%	996,683
[26] <b>TOTAL NET ASSETS</b>	<b>17,653,250</b>	<b>17,635,714</b>	<b>(17,536)</b>	<b>-0.10%</b>	<b>17,636,985</b>
[27] <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>35,361,305</b>	<b>36,060,488</b>	<b>699,183</b>	<b>1.94%</b>	<b>35,613,150</b>

**Statement of Revenue and Expense**  
**KERN VALLEY HEALTHCARE DISTRICT**  
**LAKE ISABELLA, CALIFORNIA**  
**Seven Months Ending January 31, 2026**

	<b>CURRENT MONTH</b>				
	<b>Actual 01/31/26</b>	<b>Budget 01/31/26</b>	<b>Positive (Negative) Variance</b>	<b>Percentage Variance</b>	<b>Prior Year 01/31/25</b>
Gross Patient Revenue					
[1] Inpatient Revenue	1,127,465	1,197,198	(69,733)	-5.82%	1,135,510
[2] Clinic Revenue	1,411,784	1,530,341	(118,557)	-7.75%	1,539,352
[3] Outpatient Revenue	5,588,050	5,509,427	78,623	1.43%	5,179,894
[4] Long Term Care Revenue	3,068,793	2,803,508	265,285	9.46%	2,678,085
[5] Retail Pharmacy Revenue	527,665	567,335	(39,671)	-6.99%	512,293
[6] Total Gross Patient Revenue	<u>11,723,756</u>	<u>11,607,809</u>	<u>115,947</u>	<u>1.00%</u>	<u>11,045,134</u>
Deductions From Revenue	%	%			%
[7] Discounts and Allowances (incl IGTs)	(7,900,876)	(7,903,428)	2,552	0.03%	(7,373,039)
[8] Bad Debt Expense (Governmental Providers Only)	(121,526)	(162,575)	41,049	25.25%	(129,120)
	0	0	0	0.00%	0
[9] Charity Care	0	0	0	0.00%	0
[10] Total Deductions From Revenue	<u>(8,022,401)</u>	<u>(8,066,002)</u>	<u>43,601</u>	<u>0.54%</u>	<u>(7,502,159)</u>
[11] Net Patient Revenue	<u>3,701,355</u>	<u>3,541,807</u>	<u>159,548</u>	<u>4.50%</u>	<u>3,542,974</u>
[12] Other Operating Rev (Incl HHS Stimulus)	17,936	28,836	(10,900)	-37.80%	37,551
[13] Total Operating Revenue	<u><b>3,719,291</b></u>	<u><b>3,570,643</b></u>	<u><b>148,648</b></u>	<u><b>4.16%</b></u>	<u><b>3,580,525</b></u>
Operating Expenses					
[14] Salaries and Wages	1,725,742	1,661,664	(64,078)	-3.86%	1,596,692
[15] Fringe Benefits	385,428	321,810	(63,618)	-19.77%	333,485
[16] Contract Labor	67,280	62,730	(4,550)	-7.25%	90,138
[17] Professional & Physician Fees	389,130	400,464	11,334	2.83%	346,313
[18] Purchased Services	173,500	143,109	(30,391)	-21.24%	177,262
[19] Supply Expense	657,859	654,821	(3,038)	-0.46%	587,830
[20] Utilities	68,673	78,379	9,706	12.38%	69,307
[21] Repairs and Maintenance	8,487	5,843	(2,643)	-45.23%	3,498
[22] Insurance Expense	67,428	87,559	20,131	22.99%	143,408
[23] All Other Operating Expenses	111,156	103,722	(7,434)	-7.17%	116,907
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[25] Leases and Rentals	46,529	34,084	(12,445)	-36.51%	30,076
[26] Depreciation and Amortization	59,488	81,614	22,125	27.11%	63,250
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[28] Total Operating Expenses	<u>3,760,700</u>	<u>3,635,800</u>	<u>(124,900)</u>	<u>-3.44%</u>	<u>3,558,166</u>
<b>Net Operating Surplus/(Loss)</b>	<u><b>(41,409)</b></u>	<u><b>(65,157)</b></u>	<u><b>23,748</b></u>	<u><b>-36.45%</b></u>	<u><b>22,359</b></u>
Non-Operating Revenue:					
[29] Contributions/Grants/PPP/ERC	0	14,007	(14,007)	-100.00%	60,239
[30] Investment Income	38,512	79,434	(40,921)	-51.52%	76,592
[31] Income Derived from Property Taxes	29,931	28,511	1,421	4.98%	27,974
[32] Interest Expense (Governmental Providers Only)	(20,045)	(21,403)	(1,358)	6.34%	(22,295)
[33] Other Non-Operating Revenue/(Expenses)	10,546	2,005	8,541	426.08%	10,738
[34] Total Non Operating Revenue/(Expense)	<u>58,944</u>	<u>102,553</u>	<u>(43,609)</u>	<u>-42.52%</u>	<u>153,247</u>
<b>Total Net Surplus/(Loss)</b>	<u><b>17,536</b></u>	<u><b>37,397</b></u>	<u><b>(19,861)</b></u>	<u><b>-53.11%</b></u>	<u><b>175,606</b></u>
[35] Operating Margin	-1.11%	-1.82%			0.62%
[36] Total Profit Margin	0.47%	1.05%			4.90%
[37] EBITDA	-0.05%	-0.14%			1.77%
[38] Cash Flow Margin	2.61%	3.93%			7.29%

**Statement of Revenue and Expense**  
**KERN VALLEY HEALTHCARE DISTRICT**  
**LAKE ISABELLA, CALIFORNIA**  
**Seven Months Ending January 31, 2026**

	YEAR-TO-DATE				
	Actual 01/31/26	Budget 01/31/26	Positive (Negative) Variance	Percentage Variance	Prior Year 01/31/25
Gross Patient Revenue					
[1] Inpatient Revenue	7,770,151	8,303,149	(532,997)	-6.42%	7,930,551
[2] Clinic Revenue	10,170,206	10,613,658	(443,451)	-4.18%	10,596,162
[3] Outpatient Revenue	39,503,879	38,210,542	1,293,337	3.38%	36,990,703
[4] Long Term Care Revenue	20,338,522	19,443,684	894,838	4.60%	18,060,387
[5] Retail Pharmacy Revenue	4,429,310	3,934,744	494,566	12.57%	3,104,834
[6] Total Gross Patient Revenue	<u>82,212,068</u>	<u>80,505,776</u>	<u>1,706,292</u>	<u>2.12%</u>	<u>76,682,638</u>
Deductions From Revenue	68%	69%			69%
[7] Discounts and Allowances (incl IGTs)	(54,780,928)	(54,814,095)	33,167	0.06%	(52,143,005)
[8] Bad Debt Expense (Governmental Providers Only)	(991,101)	(1,127,534)	136,433	12.10%	(1,110,605)
[9] Charity Care	0	0	0	0.00%	0
[10] Total Deductions From Revenue	<u>(55,772,029)</u>	<u>(55,941,630)</u>	<u>169,600</u>	<u>0.30%</u>	<u>(53,253,610)</u>
[11] Net Patient Revenue	<u>26,440,039</u>	<u>24,564,146</u>	<u>1,875,893</u>	<u>7.64%</u>	<u>23,429,028</u>
[12] Other Operating Rev (Incl HHS Stimulus)	<u>215,995</u>	<u>201,852</u>	<u>14,143</u>	<u>7.01%</u>	<u>214,727</u>
[13] Total Operating Revenue	<u><b>26,656,033</b></u>	<u><b>24,765,998</b></u>	<u><b>1,890,036</b></u>	<u><b>7.63%</b></u>	<u><b>23,643,755</b></u>
Operating Expenses					
[14] Salaries and Wages	12,184,537	11,524,445	(660,092)	-5.73%	10,679,003
[15] Fringe Benefits	2,543,204	2,231,907	(311,297)	-13.95%	2,129,507
[16] Contract Labor	562,851	435,065	(127,786)	-29.37%	737,691
[17] Professional & Physician Fees	2,678,861	2,777,411	98,550	3.55%	2,516,087
[18] Purchased Services	1,117,203	992,530	(124,672)	-12.56%	1,017,388
[19] Supply Expense	5,492,174	4,541,500	(950,674)	-20.93%	3,998,100
[20] Utilities	482,472	543,597	61,125	11.24%	556,438
[21] Repairs and Maintenance	71,951	40,527	(31,424)	-77.54%	46,131
[22] Insurance Expense	550,610	607,264	56,654	9.33%	587,521
[23] All Other Operating Expenses	694,095	719,362	25,266	3.51%	634,035
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[25] Leases and Rentals	249,858	236,391	(13,467)	-5.70%	212,757
[26] Depreciation and Amortization	413,461	566,030	152,569	26.95%	440,054
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[28] Total Operating Expenses	<u>27,041,277</u>	<u>25,216,030</u>	<u>(1,825,247)</u>	<u>-7.24%</u>	<u>23,554,711</u>
<b>Net Operating Surplus/(Loss)</b>	<u><b>(385,244)</b></u>	<u><b>(450,032)</b></u>	<u><b>64,789</b></u>	<u><b>-14.40%</b></u>	<u><b>89,044</b></u>
Non-Operating Revenue:					
[29] Contributions/Grants/PPP/ERC	238,694	97,149	141,545	145.70%	140,835
[30] Investment Income	259,804	550,910	(291,106)	-52.84%	544,007
[31] Income Derived from Property Taxes	209,519	197,735	11,784	5.96%	195,819
[32] Interest Expense (Governmental Providers Only)	(149,351)	(148,441)	(910)	0.61%	(166,578)
[33] Other Non-Operating Revenue/(Expenses)	(156,859)	13,903	(170,762)	-1228.22%	5,522
[34] Total Non Operating Revenue/(Expense)	<u>401,807</u>	<u>711,256</u>	<u>(309,449)</u>	<u>-43.51%</u>	<u>719,604</u>
<b>Total Net Surplus/(Loss)</b>	<u><b>16,563</b></u>	<u><b>261,223</b></u>	<u><b>(244,661)</b></u>	<u><b>-93.66%</b></u>	<u><b>808,648</b></u>
	<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	-1.45%	-1.82%			0.38%
[36] Total Profit Margin	0.06%	1.05%			3.42%
[37] EBITDA	-0.45%	-0.13%			1.53%
[38] Cash Flow Margin	2.17%	3.94%			5.99%

Statement of Revenue and Expense - 13 Month Trend

KERN VALLEY HEALTHCARE DISTRICT  
LAKE ISABELLA, CALIFORNIA

	31	31	30	31	30	31	31	30	31
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	01/31/26	12/31/25	11/30/25	10/31/25	09/30/25	08/31/25	07/31/25	06/30/25	05/31/25
Gross Patient Revenue									
[1] Inpatient Revenue	1,127,465	1,301,785	916,902	993,847	1,043,247	973,987	1,412,918	878,031	919,766
[2] Clinic Revenue	1,411,784	1,336,905	1,380,389	1,507,686	1,484,378	1,434,986	1,614,079	1,443,923	1,506,100
[3] Outpatient Revenue	5,588,050	5,598,512	5,687,840	5,284,368	5,901,662	5,484,908	5,958,538	5,822,291	5,131,157
[4] Long Term Care Revenue	3,068,793	2,984,831	2,841,120	2,907,090	2,716,734	2,857,113	2,962,842	2,813,800	2,794,698
[5] Retail Pharmacy Revenue	527,665	687,725	456,862	674,168	625,071	739,348	718,471	716,476	594,645
[6] Total Gross Patient Revenue	11,723,756	11,909,758	11,283,113	11,367,159	11,771,092	11,490,342	12,666,849	11,674,521	10,946,365
Deductions From Revenue									
[7] Discounts and Allowances (incl IGTs)	68%	65%	66%	68%	69%	67%	71%	69%	68%
[8] Bad Debt Expense (Governmental Providers Only)	(7,900,876)	(7,664,622)	(7,263,153)	(7,626,640)	(7,923,166)	(7,555,625)	(8,846,846)	(7,964,781)	(7,294,455)
[7B] Medi-Cal Deductions due to IGTs	(121,526)	(122,829)	(163,337)	(131,266)	(146,919)	(153,678)	(151,546)	(95,513)	(108,897)
[9] Charity Care	0	0	0	0	0	0	0	0	0
[10] Total Deductions From Revenue	(8,022,401)	(7,787,451)	(7,426,491)	(7,757,906)	(8,070,085)	(7,709,303)	(8,998,392)	(8,060,294)	(7,403,352)
[11] Net Patient Revenue	3,701,355	4,122,307	3,856,622	3,609,253	3,701,007	3,781,038	3,668,456	3,614,226	3,543,013
[12] Other Operating Rev (Incl HHS Stimulus)	17,936	20,062	13,656	16,934	14,349	57,207	75,849	12,398	13,869
[13] Total Operating Revenue	3,719,291	4,142,369	3,870,278	3,626,188	3,715,357	3,838,245	3,744,306	3,626,624	3,556,882
Operating Expenses									
[14] Salaries and Wages	1,725,742	1,741,873	1,729,861	1,731,138	1,662,964	1,829,589	1,763,370	1,656,279	1,648,035
[15] Fringe Benefits	385,428	364,001	360,838	354,691	355,301	376,530	346,415	326,522	326,902
[16] Contract Labor	67,280	80,731	104,784	92,882	80,271	71,738	65,166	78,264	79,951
[17] Professional & Physician Fees	389,130	406,358	361,262	378,156	391,393	375,135	377,397	354,404	384,120
[18] Purchased Services	173,500	163,716	170,788	157,456	158,577	143,475	149,690	119,935	169,025
[19] Supply Expense	657,859	982,808	890,936	692,858	627,492	838,255	801,965	785,215	677,345
[20] Utilities	68,673	70,970	65,742	62,128	74,699	73,972	66,288	61,519	92,322
[21] Repairs and Maintenance	8,487	18,030	5,082	11,403	8,287	9,808	10,855	11,241	(1,411)
[22] Insurance Expense	67,428	105,425	67,428	70,271	105,200	67,428	67,428	106,726	67,043
[23] All Other Operating Expenses	111,156	103,443	85,330	76,037	105,490	98,026	114,613	93,575	125,211
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0	0	0	0	0	0
[25] Leases and Rentals	46,529	37,110	29,952	30,044	39,484	29,950	36,790	24,052	21,687
[26] Depreciation and Amortization	59,488	59,488	59,435	59,183	59,183	58,910	57,774	59,348	60,983
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0	0	0	0	0	0
[28] Total Operating Expenses	3,760,700	4,133,954	3,931,468	3,716,248	3,668,341	3,972,816	3,857,750	3,677,079	3,651,213
<b>Net Operating Surplus/(Loss)</b>	<b>(41,409)</b>	<b>8,415</b>	<b>(61,190)</b>	<b>(90,060)</b>	<b>47,015</b>	<b>(134,570)</b>	<b>(113,445)</b>	<b>(50,455)</b>	<b>(94,331)</b>
Non-Operating Revenue:									
[29] Contributions/Grants/PPP/ERC	0	0	0	171,089	54,552	13,053	0	11,335	50,000
[30] Investment Income	38,512	35,963	37,933	35,714	37,810	37,278	36,594	24,384	73,241
[31] Income Derived from Property Taxes	29,931	29,931	29,931	29,931	29,931	29,931	29,931	57,491	27,974
[32] Interest Expense (Governmental Providers Only)	(20,045)	(27,627)	(20,009)	(20,049)	(20,301)	(20,201)	(21,117)	(29,005)	(23,657)
[33] Other Non-Operating Revenue/(Expenses)	10,546	13,256	8,793	(155,179)	(48,902)	(352)	14,979	185	(26,297)
[34] Total Non Operating Revenue/(Expense)	58,944	51,522	56,648	61,505	53,091	59,708	60,387	64,390	101,261
<b>Total Net Surplus/(Loss)</b>	<b>17,536</b>	<b>59,937</b>	<b>(4,542)</b>	<b>(28,555)</b>	<b>100,107</b>	<b>(74,862)</b>	<b>(53,058)</b>	<b>13,935</b>	<b>6,930</b>
[35] Operating Margin	-1.11%	0.20%	-1.58%	-2.48%	-3.51%	-3.51%	-3.03%	-1.39%	-2.65%
[36] Total Profit Margin	0.47%	1.45%	0.12%	0.79%	-1.95%	-1.95%	-1.42%	0.38%	0.19%
[37] EBITDA	-0.05%	0.97%	-0.56%	-1.40%	-2.50%	-2.50%	-2.05%	-0.55%	-1.60%
[38] Cash Flow Margin	2.61%	3.55%	1.94%	1.40%	0.11%	0.11%	0.69%	2.82%	2.57%

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

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	30	31	28	31
	Actual	Actual	Actual	Actual
	04/30/25	03/31/25	02/28/25	01/31/25
Gross Patient Revenue				
[1] Inpatient Revenue	1,178,765	1,284,233	1,211,376	1,135,510
[2] Clinic Revenue	1,454,900	1,455,217	1,337,711	1,539,352
[3] Outpatient Revenue	4,937,503	5,087,083	4,787,593	5,179,894
[4] Long Term Care Revenue	2,657,872	2,731,394	2,484,620	2,678,085
[5] Retail Pharmacy Revenue	528,898	488,497	494,336	512,293
[6] Total Gross Patient Revenue	10,757,938	11,046,425	10,315,637	11,045,134
Deductions From Revenue	68%	68%	68%	68%
[7] Discounts and Allowances (incl IGTs)	(7,225,317)	(7,333,013)	(6,828,153)	(7,373,039)
[8] Bad Debt Expense (Governmental Providers Only)	(140,024)	(133,860)	(141,973)	(129,120)
[7B] Medi-Cal Deductions due to IGTs	0	0	0	0
[9] Charity Care	0	0	0	0
[10] Total Deductions From Revenue	(7,365,340)	(7,466,872)	(6,970,126)	(7,502,159)
[11] Net Patient Revenue	3,392,597	3,579,553	3,345,511	3,542,974
[12] Other Operating Rev (Incl HHS Stimulus)	15,316	14,822	13,026	37,551
[13] Total Operating Revenue	3,407,913	3,594,375	3,358,537	3,580,525
Operating Expenses				
[14] Salaries and Wages	1,654,167	1,702,621	1,449,506	1,596,692
[15] Fringe Benefits	332,810	338,337	309,541	333,485
[16] Contract Labor	95,657	92,401	92,061	90,138
[17] Professional & Physician Fees	377,024	381,284	345,689	346,313
[18] Purchased Services	150,363	136,423	144,838	177,262
[19] Supply Expense	583,304	610,130	657,134	587,830
[20] Utilities	67,955	71,311	87,258	69,307
[21] Repairs and Maintenance	20,186	13,905	2,474	3,498
[22] Insurance Expense	39,371	102,241	67,042	143,408
[23] All Other Operating Expenses	89,736	126,676	122,447	116,907
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0
[25] Leases and Rentals	33,523	19,438	48,534	30,076
[26] Depreciation and Amortization	61,216	62,599	62,511	63,250
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0
[28] Total Operating Expenses	3,505,312	3,657,368	3,389,037	3,558,166
<b>Net Operating Surplus/(Loss)</b>	<b>(97,399)</b>	<b>(62,992)</b>	<b>(30,499)</b>	<b>22,359</b>
Non-Operating Revenue:				
[29] Contributions/Grants/PPP/ERC	35,372	0	0	60,239
[30] Investment Income	71,937	71,922	75,712	76,592
[31] Income Derived from Property Taxes	27,974	27,974	27,974	27,974
[32] Interest Expense (Governmental Providers Only)	(21,252)	(21,219)	(21,357)	(22,295)
[33] Other Non-Operating Revenue/(Expenses)	10,157	12,755	10,214	10,738
[34] Total Non Operating Revenue/(Expense)	124,187	91,431	92,543	153,247
<b>Total Net Surplus/(Loss)</b>	<b>26,789</b>	<b>28,439</b>	<b>62,043</b>	<b>175,606</b>
[35] Operating Margin	-2.86%	-1.75%	-0.91%	0.62%
[36] Total Profit Margin	0.79%	0.79%	1.85%	4.90%
[37] EBITDA	-1.69%	-0.60%	0.32%	1.77%
[38] Cash Flow Margin	3.21%	3.12%	4.34%	7.29%

## Statement of Cash Flows

### KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA Seven Months Ending January 31, 2026

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	CASH FLOW	
	Current Month 1/31/2026	Current Year-To-Date 1/31/2026
CASH FLOWS FROM OPERATING ACTIVITIES:		
[1] Net Income (Loss)	17,536	16,563
[2] Adjustments to Reconcile Net Income to Net Cash		
[3] Provided by Operating Activities:		
[4] Depreciation	59,488	413,461
[5] (Increase)/Decrease in Net Patient Accounts Receivable	142,901	(356,133)
[6] (Increase)/Decrease in Other Receivables	610,413	(1,907,395)
[7] (Increase)/Decrease in Inventories	3,236	9,941
[8] (Increase)/Decrease in Pre-Paid Expenses	76,766	(233,305)
[9] (Increase)/Decrease in Other Current Assets	0	0
[10] Increase/(Decrease) in Accounts Payable	(38,617)	720,275
[11] Increase/(Decrease) in Notes and Loans Payable	0	0
[12] Increase/(Decrease) in Accrued Payroll and Benefits	(723,638)	(699,883)
[13] Increase/(Decrease) in Accrued Expenses	(4,353)	14,349
[14] Increase/(Decrease) in Patient Refunds Payable	39,178	68,780
[15] Increase/(Decrease) in Third Party Advances/Liabilities	(1,222,754)	(2,012,380)
[16] Increase/(Decrease) in Other Current Liabilities	0	0
[17] <b>Net Cash Provided by Operating Activities:</b>	<b>(1,039,846)</b>	<b>(3,965,727)</b>
CASH FLOWS FROM INVESTING ACTIVITIES:		
[18] Purchase of Property, Plant and Equipment	(86,955)	(523,070)
[19] (Increase)/Decrease in Limited Use Cash and Investments	(13,644)	147,453
[20] (Increase)/Decrease in Other Limited Use Assets	(134,866)	6,629,277
[21] (Increase)/Decrease in Other Assets	0	0
[22] <b>Net Cash Used by Investing Activities</b>	<b>(235,464)</b>	<b>6,253,660</b>
CASH FLOWS FROM FINANCING ACTIVITIES:		
[23] Increase/(Decrease) in Bond/Mortgage Debt	0	(452,000)
[24] Increase/(Decrease) in Capital Lease Debt	0	(81,153)
[25] Increase/(Decrease) in Other Long Term Liabilities	33,466	223,604
[26] <b>Net Cash Used for Financing Activities</b>	<b>33,466</b>	<b>(309,549)</b>
(INCREASE)/DECREASE IN RESTRICTED ASSETS	<b>0</b>	<b>0</b>
[27] <b>Net Increase/(Decrease) in Cash</b>	<b>(1,241,844)</b>	<b>1,978,385</b>
[28] Cash, Beginning of Period	9,380,906	6,160,678
[29] <b>Cash, End of Period</b>	<b>8,139,063</b>	<b>8,139,063</b>

**Kern Valley Healthcare District  
Financial Report**

For the month of January 2026 (7th month in FY 26)

**Profit/Loss Summary**

Net Income in January was \$ 17,538 (a .47%) total profit margin, and \$ 19,861 below budget.

**Net Patient Revenue- MTD positive-YTD positive**

**Month-**The Net Patient Revenue in January was \$3,701,355 (4.5% above budget). The volume was lower in the acute areas where patient days were down by 16 from December and under budget (3 days below budget), Gross Inpatient Revenues were below budget (\$69,733). Skilled Nursing revenues increased in January (\$83,962 above prior month) (days were up by 61, and census was up by 1.9 days and revenues were over budget by \$265,285. Outpatient revenues were \$78,623 above budget (1.43%) Outpatient visits were under budget by 30 and ER Visits were over budget by 8. Retail Pharmacy revenue was 6.99% under budget for the month (prescriptions were 307 over budget, and 300 below prior month).

**YTD-**Net Patient Revenue is over budget by \$1,875,893 (7.64%). Volumes are under budget in the acute (136 days) and ER (146 visits). Volumes are over budget in the Outpatient (475 visits), skilled Nursing (31 days) and the retail pharmacy (4,384 prescriptions). Inpatient (\$532,997) and Clinic revenue (\$443,451) are under budget. Outpatient revenue (\$1,293,337), Skilled nursing revenue (\$894,838) and Retail pharmacy (\$494,566) are over budget.

**Operating Expenses- MTD Negative YTD Negative**

**Month-**Operating Expenses in January were \$124,900 (3.44%) above budget (unfavorable). Labor expenses were over budget with January salaries and wages and fringe benefits above budget by \$127,696 and contract labor was \$4,550 above budget. Supply expense was over budget by \$3,038 primarily due to wound care supplies of \$82,872 being unbudgeted.

**YTD-** Operating Expenses are \$1,825,247 (7.24%) above budget (unfavorable). Labor expenses are over budget with salaries and wages and fringe benefits above budget by \$971,389 and contract labor is \$127,786 above budget. Supply expense is over budget by \$950,674 primarily due to the retail pharmacy drug expenses being over budget by \$582,775, due to prescriptions filled being over budget by 4,384, and wound care supplies being over budget by \$595,849.

**Balance Sheet/Cash Flow**

Patient cash collections in January were down from \$2,846,909 in December to \$2,657,503 in January. The Gross AR Days increased to 72 days in January from 70 in December. Gross AR increased by \$806,436 primarily due to Wound Care program billings. We are still reviewing all of the accounts to get the AR days down. Cash Balances (all sources) decreased to \$15,994,023 compared to \$17,198,914 in December.

The Accounts Payable balances increased by \$38,617 in January, primarily due to unpaid Wound Care invoices.

**Concluding Summary**

**Positive takeaways for the month:**

- 1) Long Term Care revenue was over budget.
- 2) Net patient revenue was over budget.
- 3) Outpatient revenue was over budget.
- 4) Operating expenses decreased

**Negative takeaways for the month:**

- 1) Operating expenses were over budget.
- 2) Gross AR days increased by 2.
- 3) Clinic revenue was under budget.
- 4) Inpatient revenue was under budget
- 5) Retail pharmacy revenue was under budget

Prepared by John Lovrich, CEO  
February 21, 2026

**KVHD**  
**Patient Statistics**  
**Thirteen Months Ended January 31, 2026**

STATISTICS	Actual 1/31/2025	Actual 2/28/2025	Actual 3/31/2025	Actual 4/30/2025	Actual 5/31/2025	Actual 6/30/2025	Actual 7/31/2025	Actual 8/31/2025	Actual 9/30/2025	Actual 10/31/2025	Actual 11/30/2025	Actual 12/31/2025	Actual 1/31/2026
<b>Discharges</b>													
[1] Acute	31	27	28	29	24	22	27	21	23	27	20	32	29
[2] Swing Beds	1	2	1	1	0	0	4	1	3	2	2	2	3
[3] Psychiatric/Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0
[4] Respite	0	0	0	0	0	0	0	0	0	0	0	0	0
[5] Total Adult Discharges	32	29	29	30	24	22	31	22	26	29	22	34	32
[6] Newborn	0	0	0	0	0	0	0	0	0	0	0	0	0
[7] Total Discharges	32	29	29	30	24	22	31	22	26	29	22	34	32
<b>Patient Days:</b>													
[8] Acute	90	84	103	93	73	79	109	76	91	88	86	122	97
[9] Swing Beds	24	20	34	13	0	0	39	17	14	39	5	35	44
[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	114	104	137	106	73	79	148	93	105	127	91	157	141
[13] Newborn	0	0	0	0	0	0	0	0	0	0	0	0	0
[14] Total Patient Days	114	104	137	106	73	79	148	93	105	127	91	157	141
<b>Average Length of Stay (ALOS)</b>													
[15] Acute	2.9	3.1	3.7	3.2	3.0	3.6	4.0	3.6	4.0	3.3	4.3	3.8	3.3
[16] Swing Bed	24.0	10.0	34.0	13.0	0.0	0.0	9.8	17.0	4.7	19.5	2.5	17.5	14.7
[17] Psychiatric/Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0
[18] Total Adult ALOS	3.6	3.6	4.7	3.5	3.0	3.6	4.8	4.2	4.0	4.4	4.1	4.6	4.4
[19] Newborn ALOS	0	0	0	0	0	0	0	0	0	0	0	0	0
[1]													
<b>Average Daily Census (ADC)</b>													
[20] Acute	2.9	3.0	3.3	3.1	2.4	2.6	3.5	2.5	3.0	2.8	2.9	3.9	3.1
[21] Swing Beds	0.8	0.7	1.1	0.4	0.0	0.0	1.3	0.5	0.5	1.3	0.2	1.1	1.4
[22] All Other Adult	0	0	0	0	0	0	0	0	0	0	0	0	0
[23] Total Adult ADC	3.7	3.7	4.4	3.5	2.4	2.6	4.8	3.0	3.5	4.1	3.0	5.1	4.5
[24] Newborn	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Long Term Care:</b>													
[25] SNF/ECF Resident Days	1487	1393	1531	1487	1571	1573	1662	1593	1521	1628	1584	1667	1728
[26] SNF/ECF Resident Discharges	1	1	1	1	2	1	0	3	2	2	1	0	0
[27] CBRF/Assisted Living Days	0	0	0	0	0	0	0	0	0	0	0	0	0
[28] Average Daily Census	48.0	49.8	49.4	49.6	50.7	52.4	53.6	51.4	50.7	52.5	51.1	53.8	55.7
<b>Emergency Room Statistics</b>													
[29] ER Visits - Admitted	29	22	28	25	23	22	27	23	23	24	19	30	23
[30] ER Visits - Discharged	308	302	343	311	324	344	381	328	364	360	307	323	354
[31] ER - Urgent Care Visits	330	288	310	322	310	312	316	304	270	241	274	261	302
[32] Total ER Visits	667	612	681	658	657	678	724	655	657	625	600	614	679
[33] % of ER Visits Admitted	4.35%	3.59%	4.11%	3.80%	3.50%	3.24%	3.73%	3.51%	3.50%	3.84%	3.17%	4.89%	3.39%
[34] ER Admissions as a % of Total	85.29%	75.86%	87.50%	86.21%	79.31%	75.86%	96.43%	95.83%	85.19%	88.89%	86.36%	88.24%	71.88%

**KVHD**  
**Patient Statistics**  
**Thirteen Months Ended January 31, 2026**

STATISTICS	Actual 1/31/2025	Actual 2/28/2025	Actual 3/31/2025	Actual 4/30/2025	Actual 5/31/2025	Actual 6/30/2025	Actual 7/31/2025	Actual 8/31/2025	Actual 9/30/2025	Actual 10/31/2025	Actual 11/30/2025	Actual 12/31/2025	Actual 1/31/2026
<b>Outpatient Statistics:</b>													
[35] Total Outpatients Visits	1001	846	868	1047	1025	1055	1135	955	1082	1090	840	929	901
[36] Observation Bed Days	22	18	11	27	19	25	17	21	17	15	18	19	20
[37] Clinic Visits - Primary Care	1276	1138	1253	1054	1145	976	1168	975	922	1039	906	864	843
[38] Clinic Visits - Specialty Clinics	223	228	248	264	222	261	264	224	235	263	190	207	286
[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	5620	5167	5101	5541	5858	6654	7799	7499	6858	7121	6220	7096	6796
[43] Clinic Visits-Mobile Van	0	0	0	0	0	0	0	0	0	0	0	0	0
[44] FTE's - Worked	221.42	217.79	222.25	223.42	220.81	216.58	220.73	227.94	222.87	224.62	223.66	214.91	210.62
[45] FTE's - Paid	240.10	239.27	241.63	247.25	246.07	242.25	248.21	248.35	247.12	248.82	246.99	247.08	244.68
[46] Case Mix Index -Medicare	0.8510	0.9070	1.0770	1.1230	1.3689	1.0734	0.9978	0.9270	1.0765	0.9313	0.8826	0.9107	0.9234
[47] Case Mix Index - All payers	0.9030	0.9520	1.0170	0.9990	1.1085	0.9517	1.0036	0.9840	0.9601	0.9654	0.9045	0.8898	0.9443

**KERN VALLEY  
HEALTHCARE DISTRICT**

Feb-26

CONTRACT	VEN #	CONTRACT TYPE	DESCRIPTION	COST		BEGIN	RENEW	NEXT FINANCE REVIEW	TERMS	DEPT	MANAGER
AMN HEALTHCARE		SERVICE	REGISTRY	VARIOUS RATES		05/05/25	OPEN	02/01/26	30 DAY WRITTEN NOTICE	NURSING	
C AND S OPERATIONS (Q WARE)	53354	SOFTWARE	WORK ORDER APPLICATION	\$ 3,054.00	YR	06/01/25	05/31/26	02/01/26	SUBSCRIPTION PRE PAID FOR THE YEAR AND NON REFUNDABLE	PLANT OPERATIONS	EASTERDAY
DATEX OHMEDA GE AESTIVA 5	52464	SERVICE	ANESTHESIA MACHINE	\$ 3,265.00	ANN	06/01/25	05/31/26	02/01/26	60 DAY WRITTEN NOTICE	MATERIALS MANAGEMENT	PULIDO
DOCHTERMAN WINDOW WASH	52720	SERVICE	WINDOW WASHING	\$ 472.50	QTRLY	06/01/25	05/31/26	02/01/26		HOUSEKEEPING	WILLIAMS
JAMF HOLDINGS	53113	SUBSCRIPTION	MANAGEMENT OF I PAD IN SNF USED IN TELEHEALTH	\$ 576.00	ANN	05/17/25	05/16/26	02/01/26		IS	ZUBER
MEDEFIS		REGISTRY	NURSING REGISTRY	VARIOUS		05/20/19	OPEN	02/01/26	ORIGINAL AGREEMENT 3 YEARS WITH AUTO RENEW FOR 1 YEAR TERMS UNLESS TERMED WITH 15 DAY WRITTEN NOTICE.	NURSING	
NETSMART TECHNOLOGIES (THERAOFFICE)	53392	SOFTWARE SUB	CLINICAL DOCUMENTATION PT	\$ 11,088.00	ANN	05/01/25	04/30/26	02/01/26	90 DAY WRITTEN NOTICE	REHABILITATION	KRUSICH
OFFICE1 (GENERAL OFFICE)	04814	SERVICE	MAINTENANCE COPIERS	VARIOUS	MO	05/25/25	05/24/26	02/01/26	30 DAY WRITTEN NOTICE - AUTO RENEW (24 COPIERS COVERED)	MATERIALS MANAGEMENT	PULIDO
RADIOMETER AMERICA	53098	SERVICE	LAB PM'S (BLOOD GAS)	\$ 6,568.30	ANN	05/17/23	05/16/26	02/01/26	3 YR PREVENTATIVE MAINTENANCE	LABORATORY	TALAMPAS
STERIS	02105	SERVICE	AUTOCLAVE x2	\$ 15,281.92	ANN	06/01/25	05/31/26	02/01/26	TERM WITH WRITTEN NOTICE	SURGERY	
TESLA		SERVICE	OPERATION / MAINTENANCE			05/21/21	05/20/31	02/01/26	10 YEARS	PLANT OPERATIONS	EASTERDAY
THOMAS REFUSE	02118	SERVICE	TRASH	VARIOUS		06/01/05	OPEN	02/01/26	CONTINUES UNTIL TERMINATED	PLANT OPERATIONS	EASTERDAY
UBS FINANCIAL SERVICES		SERVICE	INVESTMENT ADVISORY PROGRAM			02/15/23		02/01/26		ADMINISTRATION	LOVRICH



**MINUTES FOR  
BOARD PERSONNEL AND POLICY COMMITTEE  
Monday, February 23, 2026 – 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  
John Lovrich, Chief Executive Officer  
Shannon Jimerson, Chief Nursing Officer  
Cary Zuber, Chief Information Officer  
Cassandra Coleman, Human Resources Manager  
Greg Davis, Director of Population Health (arrived at 9:45am)  
Heidi Sage, Executive Assistant

2. **APPROVAL OF AGENDA:** The agenda was approved as distributed.

3. **APPROVAL OF MINUTES:** The minutes of the January 26, 2026 meeting were approved as distributed.

4. **REPORTS:**

**A. Human Resources Report:** The HR report for January 2026 was presented by Cassandra Coleman. Ms. Coleman updated the committee on hires and terminations for the month. There were no workers compensation claims for the month. Ms. Coleman stated she will be correcting the report to include the CNO that retired. The committee expressed interest in seeing what the turnover rate is for Skilled Nursing. Ms. Coleman will try to get this information together.

**B. FTE Report:** The FTE reports for the pay periods ending 1/24/26 and 2/07/26 were reviewed and discussed. For PPE 1/24/26, the District was 8.82 FTEs under target based on actual volume. For PPE 2/07/26, the District was 14.74 FTEs under target based on actual volume. This positive variance is related to higher than budgeted volumes. Mr. Lovrich continues to monitor overtime as well.

**C. Chief Executive Officer Report:** Mr. Lovrich welcomed Shannon Jimerson as the new Chief Nursing Officer. Mr. Lovrich reported that he has another CFO candidate from Bakersfield coming this week. Work continues on optimization with the RCM in TruBridge. Mr. Lovrich is working with Dr. Newell on potentially working in the clinic to help increase visits while recruitment efforts continue. Director Elliott reported that there may not be a reduction in the IGT payments, which would be great news. Mr. Lovrich still plans for a reduction but is hopeful that it won't be as bad as we had initially anticipated. Mr. Lovrich is meeting with each department manager to discuss their budgets and identify potential areas for reduction. Work continues on the new pharmacy. The Medical Records department will be moving down to the new office this week. Mr. Lovrich continues to work on getting the wound care claims paid. These outstanding claims are what are driving up the AR. Mr. Lovrich is reaching out to Kern Health Systems about joining their Board of Directors. Work continues on the audit and we are hoping to have it ready to present it to the Board next month. Mr. Lovrich continues to look for specialists to occupy the QIP

building to offset costs and increase ancillary services. The District is also looking at expanding mental health services and transition one of the outside telehealth groups to in-house staff.

## 5. POLICY/PROCEDURES FOR REVIEW:

### Manuals:

Nutrition Services – The Nutrition Services manual was reviewed and approved by this committee. The manual will be placed on the Board of Directors consent agenda for full Board consideration.

Human Resources – The Human Resources manual was reviewed and approved by this committee. The manual will be placed on the Board of Directors consent agenda for full Board consideration.

Laboratory - Microbiology – The Microbiology manual was reviewed and approved by this committee. The manual will be placed on the Board of Directors consent agenda for full Board consideration.

Laboratory - Urinalysis – The Urinalysis manual was reviewed and approved by this committee. The manual will be placed on the Board of Directors consent agenda for full Board consideration.

Laboratory - Serology – The Serology manual was reviewed and approved by this committee. The manual will be placed on the Board of Directors consent agenda for full Board consideration.

Laboratory - Coagulation – The Coagulation manual was reviewed and approved by this committee. The manual will be placed on the Board of Directors consent agenda for full Board consideration.

Laboratory - Molecular – The Molecular manual was retired as it is no longer necessary.

### Policies:

#### Administration:

- Patient Safety and Risk Management Reporting Approved – Will place on consent agenda

#### Compliance:

- HIPAA – Photo/Video/Audio Recordings Approved – Will place on consent agenda

#### Health Information Management:

- Analysis, Outpatient Rehabilitation Service Medical Record Approved – Will place on consent agenda
- Analysis, Quantitative and Qualitative ER Record Approved – Will place on consent agenda
- Thinning Medical Records/Skilled Nursing Center Approved – Will place on consent agenda

#### Laboratory – Specimen Collection:

- Collection of Blood by Venipuncture Approved – Will place on consent agenda

#### Materials Management:

- Damage Claims Approved – Will place on consent agenda
- Departmental Purchases Approved – Will place on consent agenda
- Returns Approved – Will place on consent agenda

#### Medical Staff:

- Blood Usage, Monitoring and Evaluation Approved – Will place on consent agenda
- Brain Death Determination Approved – Will place on consent agenda
- Supervision of Advanced Practice Providers Approved – Will place on consent agenda
- Tickler File Maintenance Approved – Will place on consent agenda

#### Mesa Clinical Pharmacy:

- Mesa Clinical Pharmacy Home Delivery Service Approved – Will place on consent agenda
- Quality Assurance Program: Medication Error Mgmt Approved – Will place on consent agenda

#### Nutrition Services:

- Cans-Dented Approved – Will place on consent agenda
- Calibrating Thermometers Approved – Will place on consent agenda

#### Pharmacy:

- Protocol – Hypertonic Sodium Chloride 3% for IV Use Approved – Will place on consent agenda

#### Radiology:

- Physician Orders – Required – Radiology Approved – Will place on consent agenda

#### Rehabilitation Services:

- Linen Usage Approved – Will place on consent agenda

#### Rural Health Clinic:

- Animal Bites – Reporting Approved – Will place on consent agenda
- Housekeeping – Clinic Approved – Will place on consent agenda
- Informed Consent Approved – Will place on consent agenda



**KERN VALLEY HALTCARE DISTRICT  
HUMAN RESOURCES REPORT  
JANUARY 2026 – FY 26**

	JAN '26	DEC '25	NOV '25	JAN '25	
<b>FULL TIME:</b>	<b>218</b>	<b>217</b>	<b>214</b>	<b>277</b>	
<b>PART TIME:</b>	<b>25</b>	<b>23</b>	<b>23</b>	<b>39</b>	
<b>PART TIME W/O BENEFITS:</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>28</b>	
<b>PER DIEM:</b>	<b>44</b>	<b>42</b>	<b>41</b>	<b>95</b>	
<b>TEMPORARY:</b>	<b>12</b>	<b>8</b>	<b>6</b>	<b>19</b>	
<b>HEADCOUNT:</b>	<b>277</b>	<b>273</b>	<b>273</b>	<b>266</b>	
<b>TURNOVER RATE:</b>	<b>1.8%</b>	<b>2.4%</b>	<b>1.34%</b>	<b>1.13%</b>	
<b>EE's ON LEAVE</b>	<b>14</b>	<b>14</b>			
<b>OPEN POSITIONS:</b>	<b>19</b>	<b>OPEN</b>		<b>DEPARTMENT</b>	<b>POSITION</b>
		2		SKILLED NURSING	CNA
		2		SKILLED NURSING	LVN
		2		RN CHARGE	RN
		1		ACUTE	LVN
		1		ACUTE	RN
		1		MVHC	CLINICAL PHYSICIAN
		1		MVHC	MID-LEVEL PRACT
		1		RADIOLOGY	RAD TECH-CT& GEN. RADIOLOGY
		1		RETAIL	PHARMACIST
		2		RETAIL	PHARM TECH
		1		REHAB	PT ASSISTANT
		1		REHAB	SPEECH THERAPIST
		2		RESPIRATORY	RCP
		1		FINANCE	CFO
<b>NEW HIRES:</b>	<b>9</b>	<b>NEW</b>			
		5		SKILLED NURSING	RESIDENT MONITOR
		1		EMERGENY	ER TECH
		1		NUTRITION	DIETARY TECH
		1		SKILLED NURSING	ACTIVITIES ASST.
		1		PHARMACY	PHARMACIST
<b>SEPARATION FROM EMPLOYMENT:</b>	<b>6</b>	<b>VOL</b>	<b>INVOL</b>	<b>DEPARTMENT</b>	<b>POSITION</b>
		1		ACUTE	LVN
		1	1	SKILLED NURSING	RESIDENT MONITOR
			1	RESPIRATORY	RCP
		1		MVHC	MA
		1		NURSING ADMIN	CNO
<b>WORKERS' COMPENSATION NEW CLAIMS:</b>				<b>DEPARTMENT</b>	<b>LOST TIME?</b>
		3		SKILLED NURSING	NO
					<b>RTW?</b>
					YES
<b>WC OPEN/CLOSED:</b>	<b>OPEN FY 24-30 18</b>	<b>CLOSED FY 24-30 8</b>	<b>TOTAL CLAIMS FY 24-30 26</b>	<b>TOTAL OPEN CLAIMS 18</b>	
(FY24) 7/1/24 – 6/30/25	10	7	17		
(FY25) 7/1/25 – 6/30/26	8	1	9		



## **Chief of Staff Report – March 12 2026 Board of Directors Meeting**

### **Pharmacy & Therapeutics (P&T) Committee– February 11, 2026**

- Committee received reports and discussed issues specific to winter respiratory illnesses.
- Committee reviewed ED stats for January 2026.
- Committee reviewed 14 and approved 11 policies. (Child Abuse Reporting, Collection of Venous Blood Gas, Infection Control Program? Surveillance Program/Plan Acute, Return to Stock, Hours of Operation, Reports Authenticated by Radiologist, Referral of Radiologic Studies to Outside Facilities, Assessments – Evaluation and Competency, Brain Death Determination, Supervision of Advanced Practice Practitioners, and Tickler File Maintenance.) The policies Care Plan Development Process, Call Lights, and Rapid SARS Antigen will remain on the agenda.
- Committee reviewed and approved a new IV push medication order.
- Committee reviewed regular reports. (Blood Usage, Blood Culture Analysis, CAHPS, Temperature Alert Incidents, Medication Shortages, MERP, Antimicrobial Stewardship Committee, and Pharmacy Biological Sampling). Pharmacy Biological Sampling will be reported by exception going forward.

### **Medical Executive Committee (MEC) – February 24, 2026**

- Committee reviewed and approved 8 policies. (Child Abuse Reporting, Collection of Venous Blood Gas, Infection Control Program Surveillance Program/Plan Acute, Return to Stock, Hours of Operation, Reports Authenticated by Radiologist, Referral of Radiologic Studies to Outside Facilities, and Assessments – Evaluation and Competency)
- Committee reviewed regular reports (ED Monthly Statistics, Medication Shortages, Antimicrobial Stewardship Committee, CDPH Plan of Correction, and Delinquency Rate Report)

### **Emergency Department (ED) Committee – February 25, 2026**

- Committee discussed the progress of barcode scanning in the ER, EMS issues, physician and nurse staffing, and radiology turnaround times.
- Under New Business, committee discussed a change in a drip order, a new IV push medication order and reviewed a plan of correction report.
- Committee reviewed regular reports including Monthly Statistical Reports, ED Clinical Quality Measures, Blood Culture Analysis, and Medication Shortages.

### **Utilization Review (UR) Committee – February 26, 2026**

- Committee reviewed and discussed the policy Patient Admission Process for possible changes.
- Committee reviewed regular reports (Denials of Payment, Average Length of Stay, UR/Medical Records Study, and Monthly UR Worksheet)



## CIO Monthly Board Report: March 12, 2026

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### I. Current Projects & Operations

- **MVHC EHR Transition (Status: Planning & Pre-Migration)**
    - **Data Migration Challenges:** Currently addressing a significant technical hurdle during the planning phase. TruBridge has officially stated that no data can be migrated from the legacy eMDs system to the new platform.
    - **Operational Impact:** TruBridge has provided "chart prep" instructions as a workaround, which would require manual data entry for each patient visit.
    - **Leadership Engagement:** I am in active conversations with TruBridge executive leadership to determine if a more efficient technical solution can be reached to avoid this manual burden on our staff.
  - **Emergency Department EVolvED Migration (Status: On Track)**
    - **Interface Validation:** Test interfaces have been successfully configured and are currently being validated to ensure seamless data flow.
    - **User Access & Security:** All user accounts have been created. We are currently awaiting the delivery of MFA hardware fobs, which are required to effectively enable Multi-Factor Authentication for the staff prior to go-live.
- 

### II. Future Projects & Strategic Roadmap

- **Revenue Cycle Automation:** Initiating the migration to the TSystem Charge Interface. This project is specifically engineered to automate ER charge captures, reducing the risk of manual entry errors and significantly minimizing revenue leakage for the district.
- **Intranet Modernization (SharePoint Migration):** Commencing the transition of the KVHD internal portal to Microsoft SharePoint. This shift is necessitated by the current vendor phasing out their existing product.

- **Cost Efficiency:** By utilizing our existing Microsoft ecosystem, we will eliminate the licensing costs associated with a third-party intranet provider.
  - **Accessibility & Security:** SharePoint provides a "work-from-anywhere" architecture, allowing staff to securely access critical district resources and internal communications from any location with the proper security protocols.
  - **Windows Server 2016 Infrastructure Transition:** Initiating the planning phase for the retirement of all remaining Windows Server 2016 instances.
    - **Deadline:** Microsoft has established January 12, 2027, as the official end-of-support (EOS) date.
    - **Risk Mitigation:** After this date, the OS will no longer receive critical security patches or technical updates, posing a significant compliance and cybersecurity risk.
- 

### III. Artificial Intelligence (AI) Strategy & Evaluation

- **Microsoft 365 Copilot Pilot Program:** Initiating the rollout of Copilot licensing to a select group of key administrative and operational leaders. This phase focuses on evaluating AI's impact on high-volume workflows, with the primary objective of enhancing district-wide productivity through automated synthesis and task management.
- **Clinical AI & EHR Integration:** Commencing a specialized evaluation of Microsoft Dragon Ambient eXperience (DAX) Copilot for healthcare providers. This testing is strategically planned as a key component of our TruBridge EHR conversion, ensuring that ambient AI documentation is seamlessly integrated into the new clinical workflow from the outset.
- **Workload-Prioritized Implementation:** Establishing a phased adoption framework that prioritizes departments and individuals with the heaviest administrative burdens. This ensures that AI resources are deployed where they can provide the most immediate and significant operational relief.

# Board Report: February 2025

Department: Marketing & PR

Date: March 4, 2025

By: Nicolas Caver - PR Manager

Category	February Updates & Strategic Progress
<p><b>Marketing &amp; Community Outreach</b></p>	<ul style="list-style-type: none"> <li>• <b>Whiskey Flats Rodeo Branding:</b> Successfully decommissioned the outdated 2023 signage and replaced it with a current banner. While the design phase coincided with a brief leave of absence, the priority was ensuring brand accuracy for this high-visibility community event.</li>   <li>• <b>Omnichannel Campaign Strategy:</b> Initiated a multi-channel marketing push for March, centered on <b>Colorectal Cancer Awareness Month</b> to drive preventative screening awareness.</li>   <li>• <b>Strategic Media Partnerships:</b> Secured advertising agreements with <b>KGET</b> and <b>LAMAR</b> for Q1/Q2 highlights. We are currently developing updated copy for our billboard assets, with a strategic focus on our Pharmacy services to maximize local utilization.</li>   <li>• <b>Collateral Revitalisation:</b> Commenced a comprehensive redesign of all <b>OT/PT</b> educational handouts and patient materials to ensure clinical information is presented in a modern, accessible format.</li>   <li>• <b>Digital Infrastructure:</b> Started creative development for new Pharmacy environmental signage and enhanced digital presence via Google Business and local search optimization.</li> </ul>
<p><b>Operational Training</b></p>	<ul style="list-style-type: none"> <li>• <b>Point of Sale (POS) Modernization:</b> System training is confirmed for the <b>Auxiliary Meeting on March 18th</b>. To ensure a seamless transition for staff and patients, the "Go-</li> </ul>

	<p>Live" date is scheduled for late March, allowing for a thorough beta-testing phase to resolve any technical "bugs" in the live environment.</p>
<p><b>Public Relations &amp; Social Media</b></p>	<ul style="list-style-type: none"> <li>• <b>Community Advocacy:</b> Represented KVHD at the <b>Safe Surrender Coalition</b> in Bakersfield. This engagement was highly productive for inter-agency networking, and we intend to maintain an active presence in these regional safety initiatives.</li> <li>• <b>Content Optimization:</b> A recent patient story feature underperformed relative to our historical benchmarks. In response, we are pivoting to a new narrative format and will utilize <b>A/B testing</b> methodologies in March to identify which content styles resonate most effectively with our digital audience.</li> </ul>
<p><b>Employee Engagement &amp; Culture</b></p>	<ul style="list-style-type: none"> <li>• <b>Internal Relations:</b> The recent "switch up" in our <b>Sweet Treat Socials</b> has been well-received as a morale booster.</li> <li>• <b>Retention &amp; Culture Building:</b> While tactical treats are appreciated, we are observing some fluctuations in overall staff morale. I am currently researching and drafting a more robust engagement strategy to foster long-term job satisfaction and reinforce KVHD's reputation as a premier local employer.</li> </ul>

**Strategic Objectives for March**

- **Brand Refresh:** Finalize and deploy updated Pharmacy Teaser billboard and environmental signage (in the pharmacy, surrounding area, etc.).
- **Health Education:** Execute the Colorectal Cancer Awareness campaign across social, print, and digital platforms.
- **Systems Integration:** Complete AUX POS staff training and transition to the new system for improved transaction efficiency.
- **Cultural Development:** Present new initiatives aimed at improving employee engagement and internal communication.



**3. Comparable Services Analysis**

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

Vendor	Recommended Vendor (Y/N)	Amount \$

**4. Authorization**

Involves Facilities:  Yes\*  No

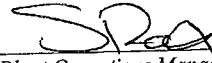
Involves Technology:  Yes\*  No

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

**Signatures:**

\_\_\_\_\_  
*Legal Counsel*

\_\_\_\_\_  
*Date*

  
 \_\_\_\_\_  
*Plant Operations Manager (if required)*

01-28-2026  
 \_\_\_\_\_  
*Date*

\_\_\_\_\_  
*CIO (if required)*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*CFO*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*CEO*

\_\_\_\_\_  
*Date*

**5. Administration Use Only**

Finance Committee Approval Date: \_\_\_\_\_

Board of Directors Approval Date: \_\_\_\_\_

Notes:



# CAPSAHEALTHCARE

## Status

Approved

## General Information

PE Number	00033580	Contact	Sudha Rai
Created Date	1/12/2026	Contact Email	<a href="mailto:sudharai@kvhd.org">sudharai@kvhd.org</a>
Quote Expiration Date	3/13/2026	Freight	Standard

CAPSA MUST RECEIVE PO'S BY THE PE EXP DATE. PO'S RECEIVED AFTER THE EXP DATE WILL REQUIRE A NEW PE AND COULD REQUIRE AN INCREASE IN PRICE.

Account Owner	Laura Raucci
Account Name	Mesa Clinical Pharmacy
Address	PO Box 1628 12608 Mountain Mesa Road Lake Isabella, California 93240 United States

Prepared By	Laura Raucci	External Notes	Taxes, if applicable, will be added to the invoice.
Email	<a href="mailto:lraucci@capsahealthcare.com">lraucci@capsahealthcare.com</a>		

Product	Product Description	Quantity	List Price	Net Discount %	Customer Price	Total Customer Price
5DIM-380601	KL1a PLUS W/ELSEVIER AND UG AAEON	1.00	\$10,670.00	26.0075	\$7,895.00	\$7,895.00
Total List Price						\$10,670.00
Total Customer Price						\$7,895.00
Freight Amount						\$85.00
Total						\$7,980.00

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

*\*By signing, the customer agrees to the price and accuracy of the quote, and accepts all terms and conditions as outlined within the attached terms document.*



EFFECTIVE DATE 1/21/2025

# Warranty



- 1. WARRANTY COVERAGE:** Capsa Healthcare warrants to the original user of its products that the products will, at the date of initial purchase, meet the applicable specification for such products and will be free from any defects in materials or manufacture under normal use for the standard warranty period stated in the products warranty. See the Nexsys ADO™ Software, Support, Maintenance and License agreement for details on warranty. For all other Capsa Healthcare products see the table below.
- 2. DISCLAIMER OF WARRANTY OF PRODUCT SUITABILITY:** Capsa Healthcare makes no warranty to the purchaser or any third party that its products are suitable for a particular application or design. Many states and localities have differing codes or regulations governing the installation and/or use of Capsa Healthcare products. Capsa Healthcare cannot guarantee compliance with such regulations; purchaser is solely responsible for safe and correct installation and use of the product and for compliance with applicable codes and regulations.
- 3. EXCLUSION OF IMPLIED WARRANTIES:** This warranty is the only warranty applicable to this product and excludes all other warranties, including any WARRANTY OF MERCHANTABILITY, any warranty of fitness for a particular purpose, and any implied warranties otherwise arising from cause of dealing or usage of trade.
- 4. REMEDIES FOR NON-CONFORMITY:** If the product purchased does not conform to the applicable warranty, Capsa Healthcare will provide at its option, and in accordance with the procedures in the following section, one of the following remedies: (1) repair of the non conforming product, (2) replacement with a conforming product, (3) refund of the original purchase price. THESE REMEDIES SHALL BE THE EXCLUSIVE AND SOLE REMEDY for any breach of warranty.
- 5. LIMITATION OF LIABILITY:** CAPSA HEALTHCARE WILL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES resulting from any defect in the product purchased.

MOBILE COMPUTING	STANDARD	OPTIONAL
Trio and Trio LT Powered, M3Be Powered, CareLink Powered, T7 Powered, Avalo AC/LTC Medication	Parts + Labor 3 year	Parts + Labor or Parts Only 5 year
Trio NP, M3Be Non-Powered, CareLink Non-Powered, T7 Non-Powered	Parts + Labor 3 year	Parts + Labor or Parts Only 5 year
LIGHT-DUTY CARTS	STANDARD	OPTIONAL
M40, SlimCart, Kidney Cart, LX5	Parts Only: 3 year	Parts Only: 5 year
Tryten S Series, Tryten P Series, Tryten X Series	Parts Only: 5 year	N/A
TRANSPORT/TRANSFER/ EXCHANGE CARTS	STANDARD	OPTIONAL
TruAir Scope Transport Cart, TruAir Dilator Storage Cart	Parts Only: 10 year Mechanical, 2 year Electronic Locking System, 1 year Lock Cylinder, 1 year Drawer Glides, 3 year Casters	N/A
Cassette Transfer	Parts Only: 3 year Mechanical, 1 year Locking System, 3 year Casters	N/A
MEDICAL/MEDICATION CARTS	STANDARD	OPTIONAL
AD Medication	Parts Only: 5 year Mechanical, 2 year Electronic Locking System, 1 year Lock Cylinder, 1 year Drawer Glides, 3 year Casters	Locking Systems & Electronics: 5 year
Avalo LTC Medication, M Series, Vintage Series, Avalo Medical	Parts Only: 10 year Mechanical, 2 year Electronic Locking System, 1 year Lock Cylinder, 1 year Drawer Glides, 3 year Casters	N/A
WALL ARM/WALL CABINETS	STANDARD	OPTIONAL
Fluid Series (ULT, LHD), Tandem, Slim Line, V6 & V1Flex Arms	Parts Only: 5 year	Labor: 5 year
Computing Cabinets (423, 430)	Parts Only: 5 year Mechanical, 2 year Electrical	Parts Only: 5 year Electrical
Vintage Medication Cabinets	Parts Only: 5 year Mechanical, 1 year Lock System, 1 year Pull-Out Shelf	N/A
BATTERIES	STANDARD	OPTIONAL
Lithium Iron Phosphate (integrated or swappable)	Parts Only: 3 year	Parts Only: 5 year, (credit 60% year 4, 50% year 5 toward new battery purchase)
Sealed Lead Acid (SLA)	Parts Only: 60 day	N/A

\* As part of pre-paid equipment service program. \*\* Optional Labor offering limited to United States and Canada product installations only.



PHARMACY AUTOMATION	STANDARD	OPTIONAL
KLIV, KLIPus, FL HV	Parts + Labor 1 year	Optional Service Plan Available
KL108	Parts + Labor 1 year	Optional Service Plan Available
EQUIPMENT/STORAGE CABINETS	STANDARD	OPTIONAL
TrioAir Drying and Storage Cabinets, FLX Storage Cabinets, MAXWall Cabinets and Casework	Parts Only 7 year Cabinet Exterior (Rivets, Welds, Hardware) Parts Only 5 year Hinged Door Components Parts Only 3 year Non-Electrical Components (RU Door, Shelving, General Accessories, Tubing) Parts Only 1 year Electrical Components (HEPA System & Housing, Power System, Switches, Keyless Lock, Lighting system, Temp/Humidity Sensor, Scope Tracker, Wiring, Pumps)	N/A

ALL CAPSA HEALTHCARE PRODUCT LINES

## Terms & Conditions

- TERMS OF PAYMENT:** Unless otherwise stated and subject to credit approval, terms of payment will be Net 30 days from the invoice date. Exceptions must be specified in writing and have the approval of Capsa Healthcare. The warranty shall be void for any goods which have not been paid for within payment terms granted by Capsa Healthcare. A finance charge of 1.5% per month will be levied for payment that extend beyond agreed upon terms.
- MINIMUM ORDER/RELEASE:** Minimum order or release accepted is \$100.00.
- FREIGHT TERMS:** All freight is prepaid and added to invoice. Domestic shipments: FOB Destination; International shipments: Ex-Works Factory, freight quote subject to change based on destination, fuel surcharges, force majeure or guaranteed delivery window of expedited route. Special Delivery requests and requirements must be noted at the time of quote creation. Storage fees may apply in cases where order must be picked up and a delay is recognized in excess of 48 hours after scheduled pick-up time. Freight amounts are not included for parts orders. Freight for parts orders will be calculated at the time of shipment and added to your final order invoice.
- TAXES:** Line item prices do not include sales, use or excise taxes; however, Capsa Healthcare will assume buyer is subject to applicable sales and use taxes and include these taxes in total on buyer invoices at buyer's responsibility until buyer provides Capsa Healthcare with a valid tax exemption certificate for the jurisdiction where product is being shipped.
- PRICING:** Capsa Healthcare reserves the right to adjust prices periodically as market conditions dictate, if any changes are necessary, customers will be notified 30 days in advance of adjustments. All quotes provided in U.S. dollars.
- DELAYS:** Any shipping date stated by Capsa Healthcare is best estimate, and Capsa Healthcare makes no guarantee of shipment by any date and shall have no liability or other obligation for failure to ship on such date, regardless of cause. In addition, Capsa Healthcare shall not be liable for any loss or delay in delivery owing to strikes, accidents, earthquakes, war, embargoes, riots, civil disturbances, acts of government, fires, transportation delays, or any cause beyond its control.
- RISK OF LOSS AND INSPECTION:** Title and risk of loss pass to obligated party based on terms of the freight on delivery to common carrier. If the product is damaged in transit to the purchaser, the purchaser should file a claim with the carrier. Purchaser shall inspect the products promptly upon receipt and immediately notify Capsa Healthcare of any non-conformance issues or hidden damage.
- RETURNS:** An RMA (Return Material Authorization) is required for all returned goods and is available by contacting your Sales or Customer Service Representative. All non-warranty returns are subject to a restocking charge of 25%. All non-warranty returned goods must be returned within 30 days of receipt, in original packaging, and in unused condition. Non-standard, used, or items received beyond the 30-day return window will not be accepted. All custom products are not returnable.
- PRODUCT DIMENSIONS/FITMENT:** Please review any supplied dimensional drawing(s) to ensure product fit. Capsa Healthcare is not responsible for product fitment at the final location.
- DISPUTES:** The parties will attempt in good faith to promptly resolve any dispute arising hereunder by negotiations between representatives of the parties who have authority to settle the dispute. If unsuccessful, the parties will further attempt in good faith to settle the dispute by non-binding third-party mediation, with mediator fees and expenses apportioned equally to each side. Any dispute not so resolved by negotiation or mediation may then be submitted to a court of competent jurisdiction in accordance with the terms hereof. These procedures are the exclusive procedures for the resolution of all such disputes between the parties.
- GOVERNING LAW AND FORUM:** The agreement evidenced hereby and all disputes arising there under will be governed by and interpreted in accordance with the internal laws and will be subject to the exclusive jurisdiction of the courts of the state of Oregon, in the country of the United States of America in which Seller's principal place of business resides, but specifically excluding the provisions of the 1980 UN Convention on Contracts for the International Sales of Goods. Should any term or provision hereof be held wholly or partly invalid or unenforceable under applicable law, the remainder of the agreement evidenced hereby will not be affected thereby.
- COVERAGE LIMITATIONS:** These warranties do not cover product abuse, misuse, accident, negligence, neglect, loss, Act of God, modification, customer furnished equipment, integration, and damage from electrical power problems, computer, computer peripherals or software. These warranties also do not cover failure to follow proper use and installation instructions, usage of parts or components not supplied by Capsa, unauthorized changes, additions or removal of features or options, functional changes to include customization, unauthorized service or repair by anyone other than a Capsa authorized representative, failure to perform preventive maintenance, and shipping damage other than the original shipment from Capsa. Coverage is also not provided for consumables, normal battery degradation, moisture or fluid ingress, proximity or exposure to heat and temperatures outside operating and storage specifications, and other external causes not the fault of Capsa. Use and installation instructions include those in user manuals, installation manuals, assembly and installation instruction sheets, technical bulletins, product literature, and product labeling. These warranties are extended only to the original end user who purchased the product directly from Capsa or an authorized representative of Capsa. The warranties are non-transferable and terminate if the original purchaser transfers the product to another person or entity.

## PHYSICIAN SERVICES AGREEMENT

This Physician Services Agreement ("Agreement") is entered into as of March 1, 2026 ("Effective Date"), by Kern Valley Healthcare District, a California local health care district ("District"), and Victor Suarez, MD, Inc, a California licensed physician ("Physician"). District and Physician are sometimes referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

Whereas District operates Mountain View Health Center ("Clinic") and Kern Valley Hospital ("Hospital") located at Mountain Mesa, Kern County, California; and

Whereas District desires to retain Physician to provide medical services on an independent contractor basis; and

Whereas Physician is a duly licensed physician in the State of California and desires to provide such services to District on the terms and conditions set forth herein.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

### ARTICLE 1. SERVICES

**1.1. Scope of Services.** Physician shall provide professional medical services ("Services") to patients of District as mutually agreed upon in writing by both Parties. The specific Services to be provided shall be documented in writing and attached as Exhibit A to this Agreement.

**1.2. Professional Standards.** Physician shall perform all Services in accordance with:

- a. Applicable standards of care and professional conduct expected of physicians practicing in the same or similar specialty;
- b. All applicable federal, state, and local laws, regulations, and ordinances;
- c. District policies, procedures, bylaws, and rules and regulations; and
- d. All applicable accreditation standards.

**1.3. Medical Staff Membership and Clinical Privileges.** Physician shall obtain and maintain membership in District's Medical Staff and clinical privileges appropriate to the Services to be performed within thirty (30) days of the Effective Date, or such other period as agreed to in writing by District. This Agreement does not guarantee or create any right to Medical Staff membership or clinical privileges. Physician's Medical Staff membership and clinical privileges shall be subject to the District's Medical Staff Bylaws, policies, and procedures, and all applicable credentialing and peer review processes. Physician acknowledges that failure to obtain or maintain such membership and privileges shall constitute grounds for immediate termination of this Agreement without liability to District, including without obligation to pay compensation for any period during which Physician lacks the necessary privileges to perform Services.

**1.4. Scheduling.** Physician acknowledges and agrees that assignment to the emergency department clinical schedule is determined by the Medical Staff in accordance with Medical Staff Bylaws, rules, and policies, and in the Medical Staff's sole and exclusive discretion. Physician has no guaranteed minimum number of shifts. Removal or adjustment of Physician's scheduled shifts, including immediate removal from the schedule, shall not constitute termination of this Agreement or corrective or disciplinary action, and shall not give rise to any right to notice, hearing, or appeal unless and until formal Medical Staff corrective action is initiated pursuant to the Medical Staff Bylaws.

## **ARTICLE 2. TERM AND TERMINATION**

**2.1. Initial Term.** This Agreement shall commence on the Effective Date and continue for a period of one (1) year ("Initial Term"), unless earlier terminated as provided herein.

**2.2. Renewal.** Upon expiration of the Initial Term, this Agreement shall renew upon mutual agreement for three (3) successive one-year periods unless either Party terminates this Agreement as provided herein.

**2.3. Termination Without Cause.** Either Party may terminate this Agreement without cause upon ninety (90) days prior written notice to the other Party.

**2.4. Termination for Cause.** Either Party may terminate this Agreement immediately upon written notice for cause, including but not limited to:

a. Material breach of this Agreement that remains uncured for thirty (30) days after written notice, provided that if the breach cannot reasonably be cured within thirty (30) days, the breaching party shall have such additional time as is reasonably necessary to cure the breach, so long as the breaching party commences cure within the thirty (30) day period and diligently pursues cure to completion;

b. Loss, suspension, or restriction of Physician's medical license or DEA registration;

c. Exclusion, debarment, or suspension from participation in Medicare, Medicaid, or other federal or state health care programs;

d. Loss, suspension, denial, or restriction of Medical Staff membership or clinical privileges;

e. Conviction of a felony or any crime involving moral turpitude;

f. Violation of federal or state fraud and abuse laws, including the Stark Law, Anti-Kickback Statute, or False Claims Act; or

g. Conduct that threatens patient safety or quality of care.

**2.5. Effect of Termination.** Upon termination or expiration of this Agreement:

a. Physician shall cooperate in the orderly transition of patient care;

b. Physician shall complete all medical records and other documentation;

c. District shall pay Physician for all Services properly performed through the termination date; and

d. Insurance coverage provided by District shall cease upon loss of privileges and/or termination of this Agreement, unless otherwise provided by law or the BETA RMA policy.

### **ARTICLE 3. COMPENSATION**

**3.1. Payment Structure.** In consideration for Services rendered under this Agreement, District shall pay Physician as follows, which compensation is fixed and set in advance for the Term of this Agreement, and shall not be modified based on the volume or value of any referrals or other business generated between the Parties. District agrees to pay the following fees to Physician:

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

b. Emergency Department Patient Visit Fees. District will pay PHYSICIAN \$75.00 per visit for all patients treated with their charts completed by the end of that ER physician's shift and \$70.00 per visit for charts not completed by the end of the shift but that are completed within 24 hours of completion of the shift.

c. Stand By Hours. In addition to the compensation in 6.1.2, District will compensate PHYSICIAN at \$70.00 per hour for all hours worked on site covering the Emergency Department.

d. Minimum Payment. The total amount of monthly fees compensation for the combined patient visits and stand-by hours by PHYSICIAN will be compared to the total hours worked by PHYSICIAN times three hundred dollars (\$300.00) per hour and the physician will be paid the greater of these two methodologies.

e. Holiday Minimum. The minimum payment for the following holidays will be at time and one-half per hour of the minimum hourly rate: New Year's Day, Easter Sunday, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day.

**3.2. Fair Market Value Certification.** The Parties acknowledge and agree that the compensation set forth in this Agreement:

a. Has been determined to constitute fair market value for the Services to be provided;

b. Is commercially reasonable;

c. Does not take into account the volume or value of any referrals or other business generated between the Parties;

d. Is consistent with compensation paid for similar services in similar geographic areas; and

e. Is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the Parties or any other entity with which either Party has a financial relationship.

**3.3. Payment.** Hospital will pay Physician monthly by the 15th day of the next month following that month in which the services are rendered. Hospital is responsible for the payments due to Physician. Therefore, physician should only look to the Hospital for amounts due and not to Medical Director.

**3.4. Expenses.** Physician is responsible for his own expenses incurred in providing the Services, except as otherwise agreed to in writing by District.

**3.5. Withholding and Taxes.** As an independent contractor, Physician is solely responsible for all federal, state, and local taxes on compensation received under this Agreement. District shall not withhold income taxes, social security, or other payroll taxes, and Physician shall indemnify and hold District harmless from any claims, liabilities, or penalties related to such taxes.

**3.6. Billing and Collection.** District shall be responsible for billing and collecting payment for all Services rendered by the Physician under this Agreement. Physician shall provide District with accurate and complete documentation necessary for billing purposes in a timely manner, but no later than 2 days of the date of service. District shall retain all funds collected for Services performed by the Physician, and the Physician shall have no claim or entitlement to any portion of such funds.

#### **ARTICLE 4. INDEPENDENT CONTRACTOR RELATIONSHIP**

**4.1. Independent Contractor Status.** Physician is an independent contractor and not an employee, partner, or agent of District. Nothing in this Agreement shall be construed to create an employment relationship, partnership, joint venture, or agency relationship between the Parties.

**4.2. Control and Supervision.** Physician retains sole control over the manner and means of performing the Services, and District shall not interfere with or control Physician's independent medical judgment. Physician will be subject to:

- a. Applicable standards of medical care and professional conduct;
- b. District policies and procedures necessary to ensure patient safety, quality of care, administrative, and regulatory compliance;
- c. Medical Staff bylaws, rules, and regulations; and
- d. Applicable federal and state laws and regulations.

**4.3. No Employee Benefits.** Physician acknowledges that, as an independent contractor, Physician is not entitled to any employee benefits, including but not limited to health insurance, retirement benefits, paid time off, workers' compensation, or unemployment insurance.

**4.4. Right to Engage in Other Activities.** Physician retains the right to provide medical services to other persons or entities and to engage in other professional activities, provided such activities do not interfere with Physician's obligations under this Agreement or create a conflict of interest with District.

#### **ARTICLE 5. REGULATORY COMPLIANCE**

**5.1. Stark Law Compliance.** The Parties acknowledge that this Agreement may be subject to the federal physician self-referral law, 42 U.S.C. § 1395nn (the "Stark Law"). The Parties represent and warrant that:

a. This Agreement is intended to comply with an exception to the Stark Law, including the personal service arrangements exception at 42 C.F.R. § 411.357(d);

b. The compensation paid to Physician is set in advance, does not exceed fair market value, and is not determined in a manner that takes into account the volume or value of any referrals or other business generated by Physician for District;

c. The Services to be provided are reasonable and necessary for the legitimate business purposes of District;

d. This Agreement does not violate any federal or state law or regulation governing billing or claims submission; and

e. The Parties shall comply with all requirements of the applicable Stark Law exception throughout the term of this Agreement.

**5.2. Anti-Kickback Statute Compliance.** The Parties acknowledge that this Agreement may be subject to the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) (the "AKS"). The Parties represent and warrant that:

a. This Agreement is intended to satisfy a safe harbor under the AKS, specifically the personal services and management contracts safe harbor at 42 C.F.R. § 1001.952(d);

b. The compensation methodology is set in advance and consistent with fair market value in an arm's-length transaction;

c. The compensation is not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the Parties for which payment may be made under Medicare, Medicaid, or other federal health care programs;

d. The Services are commercially reasonable and do not involve counseling or promotion of illegal activities;

e. No payment is made, directly or indirectly, to induce Physician to refer patients to District or to induce District to refer patients to Physician; and

f. The Parties shall comply with all requirements of the applicable AKS safe harbor throughout the term of this Agreement.

**5.3. California PORA Compliance.** The Parties acknowledge that this Agreement may be subject to California's Physician Ownership and Referral Act ("PORA"), Business and Professions Code §§ 650 et seq. The Parties represent and warrant that:

a. Neither Party shall make or receive any payment or other consideration for the referral of patients, except as expressly permitted under PORA;

b. The compensation paid under this Agreement is consistent with fair market value for the actual services rendered and is not conditioned upon or related to referrals;

c. This Agreement is intended to comply with PORA's exception for contracts for the provision of professional medical services at fair market value;

d. Physician maintains professional liability insurance as required by California law; and

e. The Parties shall comply with all applicable requirements of PORA throughout the term of this Agreement.

**5.4. Medicare and Medicaid Participation.** Physician represents and warrants that:

a. Physician is currently eligible to participate in Medicare, Medicaid, and other federal and state health care programs;

b. Physician has not been excluded, debarred, or suspended from participation in any federal or state health care program;

c. Physician is not subject to any ongoing investigations by any governmental agency related to fraud, waste, or abuse;

d. Physician shall immediately notify District in writing if Physician becomes excluded, debarred, suspended, or otherwise ineligible to participate in any federal or state health care program; and

e. Physician shall comply with all applicable Medicare and Medicaid regulations, conditions of participation, and coverage requirements.

**5.5. False Claims Act and Fraud Prevention.** Physician agrees to:

a. Comply with all applicable federal and state laws regarding false claims, including the federal False Claims Act (31 U.S.C. §§ 3729-3733);

b. Not submit or cause to be submitted any false or fraudulent claims for payment;

c. Accurately document all Services provided and ensure appropriate coding and billing;

d. Report to District any suspected fraud, waste, or abuse; and

e. Cooperate fully with any governmental investigation or audit.

**5.6. General Regulatory Compliance.** Physician shall comply with all applicable federal, state, and local laws, regulations, and requirements, including but not limited to:

- a. HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164);
- b. EMTALA requirements (42 U.S.C. § 1395dd);
- c. California Confidentiality of Medical Information Act (Civil Code §§ 56 et seq.);
- d. Controlled Substances Act and California Uniform Controlled Substances Act;
- e. Clinical Laboratory Improvement Amendments (CLIA), if applicable;
- f. OSHA and Cal/OSHA safety requirements; and
- g. All applicable professional practice acts and regulations.

## **ARTICLE 6. CREDENTIALS AND QUALIFICATIONS**

**6.1. Licensure and Certification.** Physician represents and warrants that Physician currently holds and shall maintain throughout the term of this Agreement:

- a. A current, valid, unrestricted license to practice medicine in the State of California;
- b. Current DEA registration, if applicable to Services;
- c. Current BLS and/or ACLS certification, as applicable to Services; and
- d. Any other licenses, certifications, or permits required to perform the Services.

**6.2. Notification of Changes.** Physician shall immediately notify District in writing of any:

- a. Suspension, restriction, revocation, investigation, or adverse action regarding Physician's medical license, DEA registration, or any other professional certification or registration required to perform Services, including any pending investigations or inquiries;

- b. Loss of hospital privileges or Medical Staff membership at any facility;
- c. Malpractice claims, lawsuits, settlements, or judgments filed or threatened against Physician;
- d. Criminal charges, convictions, or plea agreements (including no contest pleas);
- e. Exclusion or debarment from any federal or state health care program; or
- f. Any other circumstance that could materially affect Physician's ability to perform Services.

## **ARTICLE 7. INSURANCE AND INDEMNIFICATION**

**7.1. Professional Liability Insurance.** District shall provide professional liability insurance coverage for Physician for Services performed under this Agreement exclusively through BETA RMA and subject to BETA RMA terms and exclusions. Coverage applies only to services performed within the scope of the Agreement while Physician is credentialed and privileged, and does not include tail coverage, except as provided by the BETA RMA policy. To the extent tail coverage is not provided by BETA RMA, District shall obtain such coverage to include Physician.

**7.2. Indemnification by Physician.** To the extent permitted by law, Physician shall indemnify, defend, and hold harmless District, its officers, directors, employees, agents, and affiliates from and against any and all claims, liabilities, losses, damages, and expenses (including reasonable attorneys' fees and costs of investigation and defense) arising out of or resulting from:

- a. Physician's negligence or willful misconduct in performing Services not covered by District's insurance through BETA RMA;
- b. Physician's breach of any representation, warranty, or obligation under this Agreement;
- c. Physician's violation of any law, regulation, or professional standard;
- d. Claims by any third party or governmental authority that Physician is an employee of District entitled to employment benefits, including but not limited to claims for workers' compensation, unemployment insurance, or employee benefits; or
- e. Any tax liability arising from compensation paid to Physician under this Agreement.

**7.3. Indemnification by District.** District shall indemnify, defend, and hold harmless Physician from and against any and all claims, liabilities, losses, damages, and expenses (including reasonable attorneys' fees) arising out of District's negligence or willful misconduct, except to the extent caused by Physician's negligence or willful misconduct.

## **ARTICLE 8. CONFIDENTIALITY AND MEDICAL RECORDS**

**8.1. HIPAA Compliance.** Physician acknowledges that Physician is a "business associate" of District as defined under HIPAA and shall comply with all applicable requirements of HIPAA, the HITECH Act, and the California Confidentiality of Medical Information Act (CMIA). The Parties shall execute a separate Business Associate Agreement in the form required by HIPAA within ten (10) days of the Effective Date, which shall be incorporated into this Agreement by reference. Physician shall immediately notify District of any breach or suspected breach of protected health information.

**8.2. Patient Confidentiality.** Physician shall maintain the confidentiality of all patient information in accordance with:

- a. HIPAA Privacy and Security Rules;
- b. California Confidentiality of Medical Information Act;
- c. District policies and procedures; and
- d. Applicable professional and ethical standards.

**8.3. Medical Records.** Physician shall:

- a. Prepare and maintain accurate, complete, legible, and timely medical records for all patients in accordance with applicable federal and state laws, professional standards, and District policies;
- b. Complete all required documentation within the time limits specified by District Medical Staff bylaws and policies;
- c. Ensure all entries are legible, dated, timed, and authenticated as required;
- d. Use District's electronic health record system in accordance with District policies and training; and
- e. Acknowledge that all medical records are the property of District.

**8.4. Proprietary Information.** Physician acknowledges that Physician may have access to District's proprietary and confidential information, including business practices, financial information, and strategic plans. Physician agrees to maintain such information in strict confidence and not to disclose or use such information except as necessary to perform Services under this Agreement.

**8.5. Survival.** The obligations of confidentiality set forth in this Article shall survive the termination or expiration of this Agreement.

## **ARTICLE 9. GENERAL PROVISIONS**

**9.1. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.

**9.2. Amendments.** This Agreement may not be amended, modified, or supplemented except by a written instrument signed by both Parties.

**9.3. Assignment.** Neither Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, except that District may assign this Agreement to a successor entity in connection with a merger, consolidation, or sale of substantially all of its assets.

**9.4. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of law principles. Any action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in Kern County, California, and the Parties hereby consent to the personal jurisdiction of such courts. In any legal action or proceeding arising from this Agreement, the prevailing party shall be entitled to recover its costs, expenses, and fees, including reasonable attorney fees.

**9.5. Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby, and the Parties shall negotiate in good faith to replace such provision with a valid, legal, and enforceable provision that achieves, to the greatest extent possible, the original intent of the Parties.

**9.6. Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. No failure or delay by either Party in exercising any right, power, or remedy shall operate as a waiver thereof, nor shall any single or partial exercise

preclude any other or further exercise or the exercise of any other right, power, or remedy.

**9.7. Notices.** All notices, requests, consents, and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, when transmitted by confirmed facsimile or email (followed by hard copy sent by certified mail), or three (3) business days after being sent by certified mail, return receipt requested, postage prepaid, to the addresses set forth below (or to such other address as a Party may designate by notice):

If to District:

Attn: Administration  
P.O. Box 1628  
Lake Isabella, CA 93240  
[Administration@kvhd.org](mailto:Administration@kvhd.org)

If to Physician:

Victor Suarez, MD

[REDACTED]  
[REDACTED]  
[REDACTED]

**9.8. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute the same instrument. Electronic signatures shall have the same force and effect as original signatures.

**9.9. Survival.** The following provisions of this Agreement shall survive termination: Articles 4 (Independent Contractor Relationship), 5 (Regulatory Compliance), 7 (Insurance and Indemnification), 8 (Confidentiality and Medical Records), and 9 (General Provisions), along with any other provisions that by their nature should survive termination, for a period of seven (7) years or as required by applicable law, whichever is longer.

**9.10. Third-Party Beneficiaries.** This Agreement is for the sole benefit of the Parties and their permitted successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever.

**9.11. Relationship of the Parties.** Physician is an independent contractor and not an employee, partner, or agent of the District. Nothing in this Agreement shall be construed to create a partnership, joint venture, employment, or agency relationship between the Parties.

a. Neither Party shall have any authority to bind or commit the other Party in any manner whatsoever.

b. Physician shall be solely responsible for all taxes, withholdings, workers' compensation insurance, and other statutory obligations of an independent contractor.

c. Physician acknowledges that they will not be entitled to any employee benefits provided by the District, including but not limited to health insurance, retirement benefits, paid time off, or unemployment insurance.

**9.12. Force Majeure.** Neither Party shall be liable for any failure or delay in performance under this Agreement due to causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, labor disputes, governmental actions, pandemic, epidemic, or natural disasters.

In witness whereof, the Parties have executed this Agreement as of the date first written above.

Date: Kern Valley Healthcare District

By: \_\_\_\_\_  
John Lovrich, CEO

Date: Physician

By \_\_\_\_\_  
Victor Suarez, MD

## EXHIBIT A

### PHYSICIAN SERVICES

Physician shall provide the following services under this Agreement:

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

Patient Transfers. Except in circumstances of immediate jeopardy for the life of the patient, PHYSICIAN shall consult with the hospitalist of the Hospital prior to the permanent transfer of patients from the ED to other hospitals or health care providers.

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

Medical Records. PHYSICIAN shall be responsible for the development and maintenance of an adequate medical record in the ED. This shall include assuring that the appropriate medical record entries are made by PHYSICIAN concerning all medical procedures and other services performed in the ED on the electronic medical record system of HOSPITAL within 2 days of the date of service.

Service and Equipment Adequacy. PHYSICIAN shall advise the Medical Director concerning the adequacy of the patient care services and medical equipment.

Responses to Administrative Questions. PHYSICIAN shall be available to respond to administrative questions regarding patients, facility bed availability, intra-facility transfer problems, and patient status.

Responses to Nursing Questions. PHYSICIAN shall be available to assist with nursing questions at the ED, including questions regarding patient transfers and patient clinical status.

Responses to Patient Problems. PHYSICIAN, when on duty, shall be available to respond to patient problems in the ED by means of chart review and patient visits, as appropriate, and respond to all in-house patient emergencies when required.

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

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

**AGREEMENT BETWEEN  
KERN VALLEY HEALTHCARE DISTRICT  
AND  
PUBLIC HEALTH INSTITUTE**

This Agreement is entered into on the subscribed date by "**Kern Valley Healthcare District**", hereinafter referred to as FUNDER, and the Public Health Institute, hereinafter referred to as PHI, 555 12<sup>th</sup> Street, Suite 600, Oakland, CA.

1. **RECITALS:** This agreement is made with reference to the following facts: FUNDER is entering into this agreement with PHI to fund the Cancer Registry of Greater California (CRGC) with funds secured from **Kern Valley Healthcare District**.
2. **SCOPE OF WORK:** PHI agrees to provide the professional services and deliverables set forth in Exhibit A (Scope of Work) which is attached and incorporated herein.
3. **PAYMENT FOR SERVICES:** FUNDER agrees to pay PHI the total amount of \$140.00 per hour, upon receipt of PHI'S invoice(s) and according to the attached payment schedule set forth in Exhibit B (Budget and Payment Schedule).
4. **TERM OF AGREEMENT:** The term of this Agreement is from July 1, 2025 through June 30, 2028.
5. **TERMINATION:** FUNDER or PHI may terminate this Agreement without cause upon thirty (30) days prior written notice. Upon receipt of all completed or partially-completed deliverables, FUNDER shall pay PHI for services rendered through the date of termination. In the case of termination without cause or termination resulting from suspension or termination of the prime award, FUNDER will pay PHI for costs incurred prior to the date of suspension or termination, including un-cancellable obligations.
6. **COPYRIGHT:** Any copyrightable works made by PHI under this Agreement will be the sole and exclusive property of PHI.
7. **RIGHTS IN DATA:** PHI shall have the right to obtain, reproduce, disclose, or otherwise use data (including without limitation writings, drawings, designs, data files and similar works) first produced or developed by PHI under this Service Agreement and the right to authorize others to do the same.
8. **PUBLICATIONS:** PHI is free to publish articles in professional journals describing the results of work hereunder. PHI agrees to provide an advance copy to FUNDER and to acknowledge FUNDER as the sponsor in any publications.
9. **CONFIDENTIALITY:** FUNDER and PHI mutually agree not to disclose either party's proprietary or confidential information and to protect such information from disclosure.
10. **AUDIT AND INSPECTION:** PHI agrees to preserve financial and other books, documents, and materials relating to this Agreement for three years after final payment.

11. **INDEMNIFICATION:** Each Party shall each be responsible for its own acts and omissions in the performance of its duties hereunder, and the acts and omissions of their own employees and agents, and shall indemnify and hold harmless the other party from and against any and all claims, liabilities, causes of action, losses, costs, damages and expenses (including reasonable attorney's fees) incurred by the other Party as a result of such acts and omissions.
12. **LIMITATION OF LIABILITY:** Neither party will be liable to the other for any indirect, incidental, special, consequential, or punitive damages, whether caused by negligence or otherwise.
13. **DISPUTES AND ARBITRATION:** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the arbitrator's award may be entered in any court having jurisdiction.
14. **EXCUSABLE DELAY:** If delayed in the performance of its obligations by reason of labor troubles, power failure, acts of government, acts of God or the public enemy, or any other reasons or causes beyond its reasonable control, performance will be excused for the period of delay and, if agreed to in writing by the parties, this Agreement will be extended for a period equivalent to the delay. FUNDER recognizes that PHI/CRGC provides services under this Agreement as on the basis of feasibility while in performance of cancer registration and surveillance programs under contracts and grants issued by the statewide California Cancer Registry, and the federal Surveillance Epidemiology and End Results Program of the National Cancer Institute. As such, PHI/CRGC may prioritize data collection in satisfaction of its standards of completeness, quality, and timeliness, resulting in a reduction of reporting timeliness for FUNDER during the performance period. PHI/CRGC will use reasonable diligence to adhere to the timeliness standard applicable to FUNDER and will provide reasonable notice if timeliness is anticipated to be below standard due to feasibility constraints.
15. **ATTORNEY'S FEES:** If any action or proceeding including arbitration is brought by either party against the other under this agreement, the prevailing party will be entitled to recover court costs and the fees of its attorneys in such action or proceeding in such amount as the court or arbitrator finds reasonable.
16. **INTERFERING CONDITIONS:** FUNDER agrees to promptly notify PHI of any condition that might interfere with this Agreement. Notification shall not relieve FUNDER of any responsibilities hereunder.
17. **SEVERABILITY:** If any provision of this Agreement is held in conflict with law, the validity of the remaining provisions shall not be affected.
18. **SURVIVAL OF OBLIGATIONS:** Expiration or termination of this Agreement shall not extinguish any previously-accrued rights or obligations of the parties.
19. **GOVERNING LAW:** The validity, construction, and effect of this Agreement shall be governed by the laws of the United States of America, the State of California.
20. **NOTICES:** Any notice given by any of the parties will be sufficient only if in writing to the

PHI Administrative Representative and by/to the FUNDER's Authorized Representative named below:

**FUNDER AUTHORIZED REPRESENTATIVE:**

Name: John Lovrich  
Title: Chief Executive Officer  
Address: 6412 Laurel Avenue, P.O. Box 1628, Lake Isabella, CA 93240  
Email: johnlovrich@kvhd.org  
Phone: (760) 379-2681 ext. 331 511

**PHI AUTHORIZED REPRESENTATIVE:**

Name: Rebecca Silva  
Title: Vice President of Program Award Management  
Address: 555 12<sup>th</sup> St., Suite 600, Oakland, CA 94607  
Email: [RSilva@phi.org](mailto:RSilva@phi.org)  
Phone: 510-285-5561

**21. ENTIRE AGREEMENT:** This is the entire agreement between the parties. It supersedes all prior oral or written agreements or understandings and it may be amended only in writing.

**KERN VALLEY HEALTHCARE DISTRICT:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Date

**PUBLIC HEALTH INSTITUTE:**

Rebecca Silva  
Digitally signed  
by Rebecca Silva  
Date: 2026.01.29  
17:30:29 -08'00'

\_\_\_\_\_  
Signature

Rebecca Silva, VP of Program Award Management  
Name/Title

January 29, 2026

\_\_\_\_\_  
Date

## **Exhibit A Scope of Work**

### **Section I: Reporting of Data**

**Kern Valley Healthcare District (FUNDER)** has elected to contract with the Public Health Institute/Cancer Registry of Greater California (PHI/CRGC) on a fee for service basis to provide abstracts on behalf of FUNDER comprising cancer cases of reportable neoplasms as defined by Department of Public Health, Chronic Disease Surveillance and Research Branch. All abstracts will be in accordance with specifications and standards established, commencing with cases first admitted June 1, 1988. CRGC will maintain routine reporting of cancer cases to the statewide database.

### **Section II: Reporting Requirements**

PHI/CRGC will be responsible for casefinding and abstracting reportable cancers to the statewide database in accordance with mandated reporting requirements found in the California Health and Safety Code Sections 103875 – 103885.

### **Section III: Access to Medical Information**

FUNDER agrees to provide the medical information to designated representative(s) of PHI/CRGC for the purpose of case finding, case abstracting, and coding. Access will be provided to an authorized user through a remote electronic portal. This includes but not limited to pathology reports, radiation oncology reports, patient medical records and the electronic disease index.

### **Section IV: Succession File upon Termination**

PHI/CRGC will help Funder to receive a “Succession File” that reflects cases reported to the California Cancer Registry, which will be a data file inclusive of cancer case data proprietary to FUNDER and in the possession and/or control of CRGC resulting from and/or in connection with the services performed under this Agreement, if any, to facilitate satisfaction of ongoing responsibilities of cancer reporting by FUNDER in accordance with California Health and Safety Code Sections 103875 – 103885. The succession file will be prepared in a commonly used format of its selection, in its sole discretion, and in accordance with the purpose of enabling FUNDER to receive and maintain reasonable access to FUNDER’S cancer case data.

**Exhibit B**  
**Budget and Payment Schedule**

PHI/CRGC will collect reportable cancer cases for \$140.00 per hour. This cost includes FUNDER system access as well as both casefinding and abstracting services.

PHI/CRGC will invoice FUNDER for casefinding and abstracting services.

**System Access Failure** means remote access by PHI/CRGC to FUNDER systems as required for completion of the work associated with the Scope of Work is not possible for one or more reasons or causes attributable to FUNDER.

**Hours Lost** means any time over the designated period for the performance of work that depends on access and the establishment or maintenance of connectivity for one or more reasons or causes attributable to FUNDER. Hours Lost may result in an excusable delay in performance of the scope of work.

PHI/CRGC will bill FUNDER monthly, in arrears, for such services. FUNDER agrees to reimburse PHI/CRGC within 30 days of receipt of invoices. (As stipulated in the California Health and Safety Code Section 103885, (e) if FUNDER fails to make payment within 60 days then a late fee not to exceed 1.5% per month of the outstanding balance may be assessed).

## **Business Associate Addendum**

This Business Associate Addendum ("Addendum") supplements and is made a part of the contract ("Contract") by and between Kern Valley Healthcare District ("District") and CRGC ("BA"), dated January 2026. This Addendum is effective as of January 2026 (the "Addendum Effective Date").

### **Recitals**

A. DISTRICT wishes to disclose certain information to BA pursuant to the terms of the Contract, some of which may constitute Protected Health Information ("PHI") as defined below.

B. DISTRICT and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations"), and other applicable laws.

C. The HIPAA Regulations, the Privacy Rule and the Security Rule, as defined below, require DISTRICT to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(a) and (e) and 164.504(e) of the Code of Federal Regulations (C.F.R.), and contained in this Addendum.

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows.

### **Terms**

#### **1. Definitions**

- a. **Breach** shall have the meaning given to such term under the HITECH Act and HIPAA Regulations.
- b. **Breach Notification Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and D.
- c. **Business Associate** shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.
- d. **Covered Entity** shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.
- e. **Data Aggregation** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- f. **Designated Record Set** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- g. **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media.
- h. **Electronic Health Record** shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.
- i. **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.
- j. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

- k. **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information.
- l. **Protected Information** shall mean PHI provided by DISTRICT to BA or created, maintained, received or transmitted by BA on District's behalf.
- m. **Security Incident** shall have the meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. Section 164.304.
- n. **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.
- o. **Unsecured PHI** shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h) and 45 C.F.R. Section 164.402.

2. **Obligations of Business Associate**

- a. **Permitted Uses.** BA shall use Protected Information only for the purposes of performing BA's obligations under the Contract and as permitted or required under the Contract and Addendum, or as required by law. Further, BA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by DISTRICT. However, BA may use Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of DISTRICT.

List any other permitted uses here: Specifically, Permitted Uses in connection with the Scope of Work for this agreement are uses of Protected Information by the BA necessary to performance and deliverables, inclusive but not limited to case-finding and consolidation activities, cancer case abstraction from medical records of the DISTRICT, and reporting of cancer cases in accordance with the statutory mandate via export and upload into SEER\*DMS.

- b. **Permitted Disclosures.** BA shall disclose Protected Information only for the purpose of performing BA's obligations under the Contract and as permitted or required under the Contract and Addendum, or as required by law. BA shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by DISTRICT. However, BA may disclose Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of DISTRICT. If BA discloses Protected Information to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and used or disclosed only as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches, suspected breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2. m. of the Addendum; to the extent is has obtained knowledge of such occurrences.

List any other permitted disclosures here: DISTRICT recognizes that cancer case reporting is performed by BA in its capacity as an authorized representative of the California Department of Public Health for cancer surveillance and registration, and that disclosures of Protected Information under the Scope of Work are made as Permitted Disclosures.

**Prohibited Uses and Disclosures.** BA shall not use or disclose PHI other than as permitted or required by the Contract and Addendum, or as required by law. BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(vi)]. BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of DISTRICT and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. Section 164.504(a)(5)(ii); however, this prohibition shall not affect payment by DISTRICT to BA for services provided pursuant to the Contract.

*[This provision will need to be modified if the underlying Contract is for fundraising or marketing purposes, or for a purpose for which the HITECH Act and HIPAA Regulations permits remuneration in exchange of PHI, such as a copy service providing copies of medical records to patients.]*

- c. **Appropriate Safeguards.** BA shall implement appropriate safeguards to prevent the use or disclosure of Protected Information other than as permitted by the Contract or Addendum, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including, but not limited to, 45 C.F.R. Section 164.308, 164.310, and 164.312. BA shall comply with the policies and procedures and documentation requirements of the Security Rule, including, but not limited to, 45 C.F.R. Section 164.316.
- d. **Business Associate's Subcontractors and Agents.** BA shall ensure that any agents and subcontractors that create, receive, maintain or transmit Protected Information on behalf of BA, agree in writing to the same restrictions and conditions that apply to BA with respect to such Protected Information and implement the safeguards required by paragraph 2.d. above with respect to Electronic PHI. BA shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation.
- e. **Access of Protected Information.** BA shall make Protected Information maintained by BA or its agents or subcontractors in Designated Record Sets available to DISTRICT for inspection and copying within five (5) days of a request by DISTRICT to enable DISTRICT to fulfill its obligations under state law, including Health and Safety Code Section 123110, and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524. If BA maintains Protected Information in electronic format, BA shall provide such information in electronic format as necessary to enable DISTRICT to fulfill its obligations under the HITECH Act and HIPAA Regulations, including, but not limited to, 42 U.S.C. Section 17935(e) and 45 C.F.R. Section 164.524.
- f. **Amendment of PHI.** Within ten (10) days of a request by DISTRICT for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA and its agents and subcontractors shall make such Protected Information available to DISTRICT for amendment and incorporate any such amendment or other documentation to enable DISTRICT to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If an individual requests an amendment of Protected Information directly from BA or its agents or subcontractors, BA must notify DISTRICT in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors.
- g. **Accounting of Disclosures.** Within ten (10) days of a request by DISTRICT for an accounting of disclosures of Protected Information, or promptly upon any disclosure of Protected Information for which DISTRICT is required to account to an individual, BA and its agents and subcontractors shall make available to DISTRICT the information required to provide an accounting of disclosures to enable DISTRICT to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935, as determined by DISTRICT. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents and subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an

Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BA maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (vi) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If a patient submits a request for an accounting directly to BA or its agents or subcontractors, BA shall within five (5) days of the request forward it to DISTRICT in writing.

- h. Governmental Access to Records.** BA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to DISTRICT and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining BA's compliance with HIPAA. BA shall provide DISTRICT a copy of any Protected Information and other documents and records that BA provides to the Secretary concurrently with providing such Protected Information to the Secretary.
- i. Minimum Necessary.** BA, its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. BA understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- j. Data Ownership.** BA acknowledges that BA has no ownership rights with respect to the Protected Information.
- k. Notification of Possible Breach.** BA shall notify DISTRICT within twenty-four (24) hours of any suspected or actual breach of Protected Information; any use or disclosure of Protected Information not permitted by the Contract or Addendum; any security incident (i.e., any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system) related to Protected Information, and any actual or suspected use or disclosure of data in violation of any applicable federal or state laws by BA or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the business associate to have been, accessed, acquired, used, or disclosed, as well as any other available information that DISTRICT is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited, to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BA shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws.
- l. Breach Pattern or Practice by Business Associate's Subcontractors and Agents.** Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504(e)(1)(ii), if the BA knows of a pattern of activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent's obligations under the Contract or Addendum or other arrangement, the BA must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the BA must terminate the Contractor or other arrangement if feasible. BA shall provide written notice to DISTRICT of any pattern of activity or practice of a subcontractor or agent that BA believes constitutes a material breach or violation of the subcontractor or agent's obligations under the Contract or Addendum or other arrangement within five (5) days of discovery and shall meet with DISTRICT to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.
- m. Audits, Inspection and Enforcement.** Within ten (10) days of a request by CE, BA and its agents and subcontractors shall allow DISTRICT or its agents or subcontractors to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure

of Protected Information pursuant to this Addendum for the purpose of determining whether BA has complied with this Addendum or maintains adequate security safeguards; provided, however, that (i) BA and DISTRICT shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) DISTRICT shall protect the confidentiality of all confidential and proprietary information of BA to which DISTRICT has access during the course of such inspection; and (iii) DISTRICT shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by BA. The fact that DISTRICT inspects, or fails to inspect, or has the right to inspect, BA's facilities, systems, books, records, agreements, policies and procedures does not relieve BA of its responsibility to comply with this Addendum, nor does District's (i) failure to detect or (ii) detection, but failure to notify BA or require BA's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of District's enforcement rights under the Contract or Addendum. BA shall notify DISTRICT within five (5) days of learning that BA has become the subject of an audit, compliance review, or complaint investigation by the Office of Civil Rights or other state or federal government entity.

3. **Additional Terms.** *[This section may include specifications for disclosure format, method of transmission, use of an intermediary, use of digital signatures or PKI, authentication, additional security or privacy specifications, de-identification or re-identification of data and other additional terms.]*

The applications and systems appropriate to case-finding and consolidation activities, cancer case abstraction from medical records of the DISTRICT, and reporting of cancer cases in accordance with the statutory mandate via export and upload into SEER\*DMS, are the standard applications and systems of BA, and are specified in accordance and compliance with the participation of the BA in the California statewide cancer reporting system and the Surveillance Epidemiology and End Results (SEER) Program of the National Cancer Institute.

4. **Termination**

- a. **Material Breach.** A breach by BA of any provision of this Addendum, as determined by CE, shall constitute a material breach of the Contract and shall provide grounds for immediate termination of the Contract, any provision in the Contract to the contrary notwithstanding.
- b. **Judicial or Administrative Proceedings.** DISTRICT may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.
- c. **Effect of Termination.** Upon termination of the Contract for any reason, BA shall, at the option of DISTRICT, return or destroy all Protected Information that BA and its agents and subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by DISTRICT, BA shall continue to extend the protections and satisfy the obligations of Section 2 of this Addendum to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible. If DISTRICT elects destruction of the PHI, BA shall certify in writing to DISTRICT that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI.

5. **Disclaimer**

DISTRICT makes no warranty or representation that compliance by BA with this Addendum, HIPAA, the HITECH Act, or the HIPAA Regulations will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

6. **Amendment to Comply with Law**

The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Contract or Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable state or federal laws relating to the security or confidentiality of PHI. The parties understand and agree that DISTRICT must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DISTRICT may terminate the Contract upon thirty (30) days written notice in the event (i) BA does not promptly enter into negotiations to amend the Contract or Addendum when requested by DISTRICT pursuant to this section or (ii) BA does not enter into an amendment to the Contract or Addendum providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

**7. Litigation or Administrative Proceedings**

BA shall notify DISTRICT within forty-eight (48) hours of any litigation or administrative proceedings commenced against BA or its agents or subcontractors. In addition, BA shall make itself, and any subcontractors, employees and agents assisting BA in the performance of its obligations under the Contract or Addendum, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the HIPAA regulations, or other state or federal laws relating to security and privacy, except where BA or its subcontractor, employee or agent is a named adverse party.

**8. No Third-Party Beneficiaries**

Nothing express or implied in the Contract or Addendum is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

**9. Effect on Contract**

Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract shall remain in force and effect.

**10. Interpretation**

The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations, and other state and federal laws related to security and privacy. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the HIPAA regulations, and other state and federal laws related to security and privacy.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Addendum Effective Date.

Kern Valley Healthcare District

By \_\_\_\_\_  
John Lovrich, CEO

Date \_\_\_\_\_

Rebecca Silva Digitally signed by  
Rebecca Silva  
Date: 2026.02.03  
13:41:54 -08'00'

By \_\_\_\_\_  
Rebecca Silva, VP of Program Award Management

Date \_\_\_\_\_

## FIRST AMENDMENT TO PHYSICIAN AGREEMENT

This First Amendment to Physician Agreement (this “Amendment”) is entered into as of March 12, 2026, by and between Kern Valley Healthcare District, a California local health care district (“District”), and Peter Newell, M.D. (“Physician”), and amends that certain Emergency Department Physician Agreement dated October 1, 2023 (the “Agreement”).

### RECITALS

A. District desires to expand Physician’s services to include outpatient clinic services at Mountain View Health Center, Mountain Mesa, California.

B. Physician desires to provide such clinic services on the terms and conditions set forth herein.

C. The parties desire to amend the Agreement accordingly.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

### TERMS

#### 1. ADDITIONAL SCOPE OF SERVICES

1.1 **Clinic Services Generally.** In addition to the emergency department services described in the Agreement and Exhibit A thereto, Physician agrees to provide outpatient clinic physician services at Mountain View Health Center, Mountain Mesa, California, or at such other location as District may direct from time to time (collectively, “Clinic Services”). Physician shall perform Clinic Services on the days and hours scheduled by the District’s clinic manager, as mutually agreed upon by Physician and the clinic manager.

1.2 **Description of Clinic Services.** Physician shall provide the following services as part of the Clinic Services:

1.2.1 Outpatient clinic visits at Mountain View Health Center, Mountain Mesa, California, or as directed by District.

1.2.2 Completion of all patient medical records within fourteen (14) calendar days of each patient visit.

1.2.3 Responding to patient messages, processing prescription refill requests, and communicating with medical assistants regarding patient care.

1.2.4 Participation in quality improvement initiatives as requested by District.

1.2.5 Supervision of Physician Assistants or Nurse Practitioners as needed and as required by applicable California law.

## 2. COMPENSATION FOR CLINIC SERVICES

2.1 **Hourly Rate.** District shall compensate Physician at the rate of One Hundred Sixty-Seven Dollars (\$167.00) per hour for all Clinic Services rendered under this Amendment. Hours shall be calculated based on the scheduled clinic hours as agreed upon with the clinic manager.

2.2 **Timing of Payment.** Compensation for Clinic Services shall be paid in accordance with Section 6.2 of the Agreement, on or before the 15th day of the month following the month in which such Clinic Services are rendered.

2.3 **No Duplication of Compensation.** Compensation for Clinic Services under this Amendment is separate from and shall not be duplicated with any compensation payable to Physician under the Agreement for emergency department services. Physician shall not be compensated under both the Agreement and this Amendment for the same hours of service.

## 3. SCHEDULING

Physician shall work the Clinic Services schedule as determined by the District's clinic manager. Physician and the clinic manager shall mutually agree upon the schedule in advance. Any changes to the schedule shall be coordinated between Physician and the clinic manager with reasonable advance notice.

## 4. INTEGRATION WITH AGREEMENT

4.1 **Application of Agreement Terms.** Except as expressly modified by this Amendment, all terms and conditions of the Agreement, including without limitation Physician's representations and warranties (Section 2), compliance with laws (Section 5), independent contractor status (Section 7), insurance and indemnification (Section 8), nondiscrimination (Section 9), and general provisions (Section 11), shall apply with full force and effect to the Clinic Services.

4.2 **Conflict.** In the event of any conflict between this Amendment and the Agreement with respect to the Clinic Services, this Amendment shall control.

4.3 **Entire Agreement.** The Agreement, as amended by this Amendment, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, warranties, and understandings of the parties with respect thereto. This Amendment may only be further modified in writing signed by both parties.

## 5. TERM

The Agreement and this Amendment shall renew for one-year terms each October 1, unless terminated as provided in the Agreement.

*[intentionally left blank]*

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

Kern Valley Healthcare District

Peter Newell, MD

By \_\_\_\_\_  
John Lovrich, CEO

\_\_\_\_\_

**RESOLUTION NO. 26-03**

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

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

**1. Purpose.**

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

**2. Disposition of Property.**

The Board finds and declares:

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

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

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

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

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

**PASSED, APPROVED AND ADOPTED** on March 12, 2026.

\_\_\_\_\_  
John Blythe, President

ATTEST:

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

**EXHIBIT 1**

**DESCRIPTION OF SURPLUS PROPERTY**

Hoist Fitness System – Model H4400

Serial # 01H-05655 – Purchased 11/28/01 for \$5,776.93

MindRay AccuTorr 3Vital Signs Machine

Serial # HD-06002947 (KVHD Property Tag # 02161

Purchased 10/23/20 for \$1,914.10