



AGENDA FOR FINANCE COMMITTEE MEETING

Administrative Conference Room

Wednesday, January 29, 2025 – 1:00 p.m.

www.kvhd.org

Remote Participation
via Microsoft Teams

Meeting ID: 288 734 029 112 Password: hv6Ng2fb

- A. CALL TO ORDER:**
- B. CHANGES TO AGENDA:** *(pages 1-2)*
If there are no changes, the agenda is approved as distributed.
- C. APPROVAL OF MINUTES:** *(pages 3-5)*
If no corrections, the minutes of December 30, 2024 meeting are approved as distributed.
- D. PUBLIC COMMENT:** This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda. They may ask a question for clarification, make a referral to staff for factual information, or request staff to report back to the committee at a later meeting. Speakers are limited to three minutes. Please state your name before making your comment.
- E. FINANCIAL STATEMENTS:**
- Unaudited Financial Statement – December 2024 *(pages 6-16)*
 - Narrative Summary *(page 17)*
 - Local Vendor Aging Report *(page 18)*
- F. OLD BUSINESS:** None
- G. NEW BUSINESS:**
- 1. Contract Reviews** *(page 19)*
Sally Emery, Compliance Officer
 - a. Alcor Scientific, Inc. – Lab-ESR Analyzer Service
 - b. BioMed Guy – BioMed/Anesthesia
 - c. eRad – RIS/PACS/Teleradiology
 - d. GE Healthcare – Ultrasound Logiq S8 R4.5
 - e. HPSI Menu 2 U – Online Menu Service for Residents
 - f. Motion Picture Licensing Corp – License for Movie Viewing (SNF)
 - g. Nectar – Employee Recognition Software Service
 - h. Nwestco (Confidence UST) – Underground Storage RM
 - i. Qliq Soft – Secure Messaging Subscription

- j. Quest Diagnostics – Outside Lab Results
- k. Quinn – Equipment PM
- l. RCPALS – Advanced Life Support Training Center
- m. UEI Affiliation Agreement – Medical Assistant/Medical Biller
- n. Ugly Duckling Marketing – Website Support and Maintenance
- o. Wellness Channel – Television Channel

- 2. **Capital Expenditure Request – Rehab Arch** *(pgs 20-29)*
Lindsay Krusich, Rehab Services Manager
- 3. **Emergency Department Physician Agreement – M. Martins, MD** *(pgs 30-37)*
Tim McGlew, Chief Executive Officer
- 4. **Emergency Department Physician Agreement – K. Hall, MD** *(pgs 38-45)*
Tim McGlew, Chief Executive Officer
- 5. **Emergency Department Physician Agreement – C. Burrows, MD** *(pgs 46-53)*
Tim McGlew, Chief Executive Officer

H. ADJOURNMENT



**MINUTES FOR FINANCE COMMITTEE MEETING
ADMINISTRATIVE CONFERENCE ROOM
Wednesday, December 30, 2024 – 1:00pm**

A. CALLED TO ORDER: The meeting was called to order by Director Blythe at 1:01p.m.

PRESENT: John Blythe, Committee Chair (remotely)
Gene Parks, Committee Member
Tim McGlew, Chief Executive Officer
John Lovrich, Chief Financial Officer
Mark Gordon, Chief Nursing Officer
Cary Zuber, Chief Information Officer
Amy Smith, Controller
Sally Emery, Compliance Officer
Bob Easterday, Plant Operations Manager
Greg Davis, Director of Population Health
Katheryn Elconin, Board Member (did not participate)
Fred Clark, Board Member (did not participate)

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

C. APPROVAL OF MINUTES: The minutes of the November 27, 2024 meeting were approved as distributed.

D. PUBLIC COMMENT: No public comment.

E. FINANCIAL STATEMENT – November 2024:

Unaudited Financial Statements: Mr. Lovrich presented the unaudited financial statement for November. For the month, the District had a net surplus of \$109,231, leaving a YTD surplus of \$478,324. Mr. Lovrich also reported that they are still working on the audit, which will involve some reclassifications that should have a positive impact on the bottom line. Hoping to have the audit completed by the next meeting and have the auditor present to the full Board in February. Mr. Lovrich and Mr. McGlew have a meeting with the 340B attorney next week to evaluate the program and see if we are maximizing our savings.

Narrative Summary:

Positive takeaways for the month:

- Long-term care revenue was over budget
- Net patient revenue was over budget
- Retail pharmacy revenue was over budget
- Expenses were down from the prior month

Negative takeaways for the month:

- Gross days in AR are still too high (94)
- Operating expenses were over budget
- Cash balances are down
- Outpatient and clinic revenue were under budget
- Inpatient revenue was under budget

Product Line Summary: Mr. Lovrich inquired as to how often the committee would like to see this report. The committee would like to continue to see this report on a monthly basis.

Local Vendor Aging Report: The Local Vendor Aging Report was presented by Ms. Smith. As of 12/19/24, the balance was \$48,775.01, with none over 30 days.

F. OLD BUSINESS: None

G. NEW BUSINESS:

1. Contract Review/Renewal Summary:

Amy Smith, Controller

- a. Activity Connection – Activity Program for SNF Residents
- b. ADT Security – Thrift Store
- c. AHT ePrescribe – SNF ePrescribing
- d. Care Fusion (BD) – Pharmacy Pyxis System
- e. Google YouTube Music – SNF Residents
- f. JWT & Associates – CPA Annual Audit
- g. KC Public Health EMS – Surge Capacity Resources Grant
- h. Lake Isabella Storage – Storage Units
- i. Linde Gas and Equipment – O2 Cylinders
- j. Merlin On Demand Transmitters – Abbott ER Dept.
- k. Nanosonics – Trophon Extended Service Agreement
- l. Oxley Pest Control – Pest Control
- m. Reis RxCare Consulting – SNF Consultant Pharmacist
- n. Sparkle – Mats/Uniforms
- o. Stericycle – Waste Disposal

Mr. Zuber stated that item C (AHT ePrescribe) went away with the transition to Point, Click, Care in the SNF so this agreement can be removed from the list. The remaining contracts were reviewed, discussed, and approved by this committee and will be placed on the Board consent agenda for full Board consideration.

2. Construction Invoices: The construction invoices were presented by Bob Easterday, Plant Operations Manager.

- a. Greenbough Design – Inv.#937 – Seismic Upgrade
- b. Soils Engineering – Inv.#37504 – Emergency Generator
- c. Soils Engineering – Inv.#37505 – Boiler/Chiller Upgrade
- d. RED Inc. Architects – Inv.#6934 – Boiler 2 Replacement
- e. JTS Construction – Appl. #7 – Boiler Replacement
- f. JTS Construction – Appl. #8 – Boiler Replacement
- g. JTS Construction – Appl. #13 – Emergency Generator
- h. JTS Construction – Appl. #14 – Emergency Generator

The construction invoices were reviewed and discussed. The committee approved the invoices and they will be forwarded to the Board of Directors consent agenda for full Board consideration.

H. ADJOURNMENT: The meeting was adjourned at 1:47pm.

Submitted by:

Heidi Sage, Executive Assistant

Approved By:

John Blythe, Treasurer



Unaudited Financial Statements

for

Six Months Ending December 31, 2024

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
Six Months Ending December 31, 2024**

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Patient Statistics

KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Six Months Ending December 31, 2024

	Current Month				STATISTICS	Year-To-Date			
	Actual 12/31/24	Budget 12/31/24	Positive/ (Negative) Variance	Prior Year 12/31/23		Actual 12/31/24	Budget 12/31/24	Positive/ (Negative) Variance	Prior Year 12/31/23
Discharges									
[1]	27	30	(3)	27	Acute	151	176	(25)	143
[2]	4	2	2	3	Swing Beds	17	13	4	13
[3]	0	0	0	0	Psychiatric/Rehab	0	0	0	0
[4]	0	0	0	0	Respite	0	0	0	0
[5]	31	32	(1)	30	Total Adult Discharges	168	189	(21)	156
[6]	0	0	0	0	Newborn	0	0	0	0
[7]	31	32	(1)	30	Total Discharges	168	189	(21)	156
Patient Days:									
[8]	102	98	4	118	Acute	520	582	(62)	606
[9]	54	46	8	90	Swing Beds	283	272	11	195
[10]	0	0	0	0	Psychiatric/Rehab	0	0	0	0
[11]	0	0	0	0	Respite	0	0	0	0
[12]	156	144	12	208	Total Adult Patient Days	803	854	(51)	801
[13]	0	0	0	0	Newborn	0	0	0	0
[14]	156	144	12	208	Total Patient Days	803	854	(51)	801
Average Length of Stay (ALOS)									
[15]	3.8	3.3	(0.5)	4.4	Acute	3.44	3.3	(0.1)	4.2
[16]	13.5	20.8	7.3	30.0	Swing Bed	16.6	20.8	4.1	15.0
[17]	0.0	0.0	0.0	0.0	Psychiatric/Rehab	0.0	0.0	0.0	0.0
[18]	5.0	4.5	(0.5)	6.9	Total Adult ALOS	4.8	4.5	(0.3)	5.1
[19]	0.0	0.0	0.0	0.0	Newborn ALOS	0.0	0.0	0.0	0.0
[1]									
Average Daily Census (ADC)									
[20]	3.3	3.2	0.1	3.8	Acute	2.8	3.2	(0.3)	3.3
[21]	1.7	1.5	0.3	2.9	Swing Beds	1.5	1.5	0.1	1.1
[22]	0.0	0.0	0.0	0.0	All Other Adult	0.0	0.0	0.0	0.0
[23]	5.0	4.6	0.4	6.7	Total Adult ADC	4.4	4.6	(0.3)	4.4
[24]	0.0	0.0	0.0	0.0	Newborn	0.0	0.0	0.0	0.0
[25]	1,463	1,437	26	1,329	SNF/ECF Resident Days	8,596	8,581	15	7,488
[26]	1	3	(2)	0	SNF/ECF Resident Discharges	16	15	1	11
[27]	0	0	0	0	CBRF/Assisted Living Days	0	0	0	0
[28]	47.2	46.4	0.8	42.9	Average Daily Census	46.7	46.6	0.1	40.7
Emergency Room Statistics									
[29]	22	26	(4)	26	ER Visits - Admitted	138	155	(17)	131
[30]	355	300	55	302	ER Visits - Discharged	2,217	1,780	437	1,822
[31]	278	355	(77)	322	ER - Urgent Care Visits	1,673	2,108	(435)	1,943
[32]	655	681	(26)	650	Total ER Visits	4,028	4,043	(15)	3,896
[33]	3.36%	3.82%	(0.46%)	4.00%	% of ER Visits Admitted	3.43%	3.83%	(0.40%)	3.36%
[34]	70.97%	87.72%	(16.75%)	96.30%	ER Admissions as a % of Total	91.39%	88.04%	3.35%	91.61%
Outpatient Statistics:									
[35]	874	931	(57)	682	Total Outpatients Visits	5,782	5,526	256	5,458
[36]	16	25	(9)	7	Observation Bed Days	106	150	(44)	68
[37]	1,145	1,260	(115)	1,019	Clinic Visits - Primary Care	7,466	7,478	(12)	7,199
[38]	228	270	(42)	215	Clinic Visits - Specialty Clinics	1,436	1,601	(165)	1,291
[39]	0	0	0	0	IP Surgeries	0	0	0	2
[40]	0	11	(11)	0	OP Surgeries	0	66	(66)	11
[41]	0	0	0	0	Outpatient Scopes	0	0	0	0
[42]	5,360	3,513	1,847	3,039	Retail Pharmacy Scripts	29,196	20,982	8,214	16,910
[43]	0	11	(11)	42	Clinic Visits-Mobile Van	12	66	(54)	85
Productivity Statistics:									
[44]	211.30	209.97	(1.33)	196.03	FTE's - Worked	210.63	210.42	(0.21)	201.21
[45]	234.69	239.06	4.37	219.67	FTE's - Paid	234.87	239.51	4.64	222.57
[46]	0.9632	1.1050	0.14	1.1423	Case Mix Index -Medicare	1.0433	1.1050	0.06	1.1166
[47]	0.9527	1.0277	0.07	0.9952	Case Mix Index - All payers	1.0049	1.0277	0.02	1.0428

KERN VALLEY HEALTHCARE DISTRICT

EXECUTIVE FINANCIAL SUMMARY

Six Months Ending December 31, 2024

BALANCE SHEET		
	12/31/2024	6/30/2024
ASSETS		
Current Assets	\$14,676,776	\$14,273,136
Assets Whose Use is Limited	11,481,560	12,104,069
Property, Plant and Equipment (Net)	11,805,291	10,252,129
Other Assets	687,148	687,148
Total Unrestricted Assets	38,650,775	37,316,482
Restricted Assets	0	0
Total Assets	\$38,650,775	\$37,316,482
LIABILITIES AND NET ASSETS		
Current Liabilities	\$6,943,131	\$6,117,783
Long-Term Debt	10,767,581	10,875,750
Other Long-Term Liabilities	6,570,628	6,277,132
Total Liabilities	24,281,340	23,270,665
Net Assets	14,369,435	14,045,817
Total Liabilities and Net Assets	\$38,650,775	\$37,316,482
STATEMENT OF REVENUE AND EXPENSES - YTD		
	ACTUAL	BUDGET
Revenue:		
Gross Patient Revenues	\$65,637,504	\$65,207,046
Deductions From Revenue	(45,751,450)	(47,351,236)
Net Patient Revenues	19,886,054	17,855,811
Other Operating Revenue	177,176	1,374,874
Total Operating Revenues	20,063,230	19,230,685
Expenses:		
Salaries, Benefits & Contract Labor	11,525,886	12,164,042
Purchased Services & Physician Fees	3,009,901	3,265,760
Supply Expenses	3,410,269	2,401,202
Other Operating Expenses	1,673,684	1,649,912
Bad Debt Expense	0	0
Depreciation & Interest Expense	376,804	366,049
Total Expenses	19,996,545	19,846,966
NET OPERATING SURPLUS	66,685	(616,281)
Non-Operating Revenue/(Expenses)	566,357	490,511
TOTAL NET SURPLUS	\$633,042	(\$125,770)
KEY STATISTICS AND RATIOS - YTD		
	ACTUAL	BUDGET
Total Acute Patient Days	520	582
Average Acute Length of Stay	3.4	3.3
Total Emergency Room Visits	4,028	4,043
Outpatient Visits	5,782	5,526
Total Surgeries	0	66
Total Worked FTE's	210.63	210.42
Total Paid FTE's	234.87	239.51
Productivity Index	1.0197	1.0000
EBITDA - YTD	1.49%	-2.20%
Current Ratio		
Days Expense in Accounts Payable	35.87	

Balance Sheet - Assets

KERN VALLEY HEALTHCARE DISTRICT

LAKE ISABELLA, CALIFORNIA

Six Months Ending December 31, 2024

ASSETS

	32.6%	41.7%			25.2%
[1] Net to Gross AR %					
[2] CASH -ALL SOURCES	17,763,356	12,673,477	5,089,880		21,805,912
	Current Month 12/31/2024	Prior Month 11/30/2024	Positive/ (Negative) Variance	Percentage Variance	Prior YR. AUDITED 6/30/2024
Current Assets					
[3] Cash and Cash Equivalents	\$7,378,067	\$2,360,287	\$5,017,780	212.59%	\$10,859,687
[4] Gross Patient Accounts Receivable	33,741,452	32,918,107	823,345	2.50%	36,914,302
[5] Less: Bad Debt and Allowance Reserves	(22,746,731)	(19,195,628)	(3,551,102)	-18.50%	(27,598,770)
[6] Net Patient Accounts Receivable	10,994,721	13,722,479	(2,727,758)	-19.88%	9,315,532
[7] Interest Receivable	0	0	0	0.00%	0
[8] Other Receivables	(813,043)	3,647,136	(4,460,180)	-122.29%	(953,930)
[9] Inventories	390,996	397,197	(6,201)	-1.56%	387,086
[10] Prepaid Expenses	663,550	619,069	44,481	7.19%	348,302
[11] Due From Third Party Payers	(3,937,515)	(5,683,540)	1,746,025	-30.72%	(5,683,540)
[12] Due From Affiliates/Related Organizations	0	0	0	0.00%	0
[13] Other Current Assets	0	0	0	0.00%	0
[14] Total Current Assets	14,676,776	15,062,628	(385,852)	-2.56%	14,273,136
Assets Whose Use is Limited					
[15] Auxillary Cash	458,380	514,547	(56,167)	-10.92%	450,567
[16] Investments -LAIF	262,073	262,073	0	0.00%	262,073
[17] Debt Payment Fund	637,890	536,406	101,484	18.92%	707,277
[18] UBS Funds	6,992,404	6,930,737	61,667	0.89%	7,622,404
[19] Cash Westamerica	52,600	52,599	1	0.00%	52,594
[20] Project Fund	3,078,214	3,067,782	10,432	0.34%	3,009,154
[21] Covid Stimulus Cash Assets	0	0	0	0.00%	0
[22] Total Limited Use Assets	11,481,560	11,364,144	117,417	1.03%	12,104,069
Property, Plant, and Equipment					
[23] Land and Land Improvements	383,800	383,800	0	0.00%	383,800
[24] Building and Building Improvements	14,947,912	14,947,912	0	0.00%	14,930,002
[25] Equipment	23,706,135	23,707,558	(1,422)	-0.01%	23,542,659
[26] Construction In Progress	7,064,218	5,753,567	1,310,651	22.78%	5,315,638
[27] Capitalized Interest	0	0	0	0.00%	0
[28] Gross Property, Plant, and Equipment	46,102,065	44,792,836	1,309,228	2.92%	44,172,099
[29] Less: Accumulated Depreciation	(34,296,774)	(34,233,524)	(63,250)	-0.18%	(33,919,970)
[30] Net Property, Plant, and Equipment	11,805,291	10,559,312	1,245,978	11.80%	10,252,129
Other Assets					
Unamortized Loan Costs	0	0	0	0.00%	0
[31] Assets Held for Future Use	0	0	0	0.00%	0
Investments in Subsidiary/Affiliated Org.	0	0	0	0.00%	0
Other	687,148	687,148	0	0.00%	687,148
[32] Total Other Assets	687,148	687,148	0.00	0.00%	687,148
[33] TOTAL UNRESTRICTED ASSETS	38,650,775	37,673,232	977,543	2.59%	37,316,482
Restricted Assets					
[34] TOTAL ASSETS	\$38,650,775	\$37,673,232	\$977,543	2.59%	\$37,316,482

Balance Sheet - Liabilities and Net Assets

KERN VALLEY HEALTHCARE DISTRICT

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LAKE ISABELLA, CALIFORNIA

Six Months Ending December 31, 2024

	LIABILITIES AND FUND BALANCE				Prior Yr. AUDITED 6/30/2024
	Current Month 12/31/2024	Prior Month 11/30/2024	Positive/ (Negative) Variance	Percentage Variance	
Current Liabilities					
[1] Accounts Payable	1,873,045	2,120,249	247,204	11.66%	1,479,091
[2] Notes and Loans Payable	0	0	0	0.00%	0
[3] Accrued Payroll	861,204	705,783	(155,421)	-22.02%	722,962
[4] Accrued Payroll Taxes	220,078	204,199	(15,879)	-7.78%	328,441
[5] Accrued Benefits	1,226,850	1,236,154	9,304	0.75%	1,022,450
[6] Accrued Pension Expense (Current Portion)	(127,702)	(102,464)	25,238	-24.63%	36,760
[7] Other Accrued Expenses	1,302,168	359,539	(942,629)	-262.18%	219,701
[8] Patient Refunds Payable	915,650	865,289	(50,361)	-5.82%	992,510
[9] Property Tax Payable	0	0	0	0.00%	0
[10] Due to Third Party Payers	205,579	232,791	27,212	11.69%	428,435
[11] Advances From Third Party Payers	0	0	0	0.00%	0
[12] Current Portion of LTD (Bonds/Mortgages)	446,000	446,000	0	0.00%	886,000
[13] Current Portion of LTD (Leases)	20,259	80,107	59,848	74.71%	1,433
[14] Other Current Liabilities	0	0	0	0.00%	0
Total Current Liabilities	6,943,131	6,147,647	(795,484)	-12.94%	6,117,783
Long Term Debt					
[15] Bonds/Mortgages Payable	9,610,000	9,610,000	0	0.00%	10,050,000
[16] Leases/Notes Payable	1,623,840	1,683,688	59,848	3.55%	1,713,183
[17] Less: Current Portion Of Long Term Debt	466,259	526,107	59,848	11.38%	887,433
Total Long Term Debt (Net of Current)	10,767,581	10,767,581	0	0.00%	10,875,750
Other Long Term Liabilities					
[18] Deferred Revenue	0	0	0	0.00%	0
[19] Accrued Pension Expense (Net of Current)	275,649	248,307	(27,342)	-11.01%	111,153
[20] Long Term Settlements	6,294,979	6,294,979	0	0.00%	6,165,979
Total Other Long Term Liabilities	6,570,628	6,543,286	(27,342)	-0.42%	6,277,132
[21] TOTAL LIABILITIES	24,281,340	23,458,515	(822,825)	-3.51%	23,270,665
Net Assets:					
[22] Unrestricted Fund Balance	13,882,876	13,882,876	0	0.00%	13,882,876
[23] Inter-Departmental Transfer (DSH)	0	0	0	0.00%	0
[24] Restricted Fund Balance	0	0	0	0.00%	0
[25] Net Revenue/(Expenses)	486,558	331,841	154,718	46.62%	162,941
[26] TOTAL NET ASSETS	14,369,435	14,214,717	(154,718)	-1.09%	14,045,817
[27] TOTAL LIABILITIES AND NET ASSETS	38,650,775	37,673,232	(977,543)	(\$0)	37,316,482

Statement of Revenue and Expense
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Six Months Ending December 31, 2024

	CURRENT MONTH				
	Actual 12/31/24	Budget 12/31/24	Positive (Negative) Variance	Percentage Variance	Prior Year 12/31/23
Gross Patient Revenue					
[1] Inpatient Revenue	1,306,206	1,292,436	13,771	1.07%	1,463,547
[2] Clinic Revenue	1,464,884	1,595,298	(130,413)	-8.17%	1,333,012
[3] Outpatient Revenue	4,968,077	5,205,499	(237,422)	-4.56%	4,683,957
[4] Long Term Care Revenue	2,622,111	2,607,660	14,451	0.55%	2,276,709
[5] Retail Pharmacy Revenue	485,298	285,077	200,221	70.23%	245,098
[6] Total Gross Patient Revenue	<u>10,846,577</u>	<u>10,985,970</u>	<u>(139,393)</u>	<u>-1.27%</u>	<u>10,002,323</u>
Deductions From Revenue	68%	73%			72%
[7] Discounts and Allowances (incl IGTs)	(7,153,760)	(7,850,929)	697,169	8.88%	(7,054,204)
[8] Bad Debt Expense (Governmental Providers Only)	(237,723)	(125,869)	(111,854)	-88.87%	(132,096)
	0	0	0	0.00%	0
[9] Charity Care	0	(856)	856	100.00%	0
[10] Total Deductions From Revenue	<u>(7,391,483)</u>	<u>(7,977,654)</u>	<u>586,171</u>	<u>7.35%</u>	<u>(7,186,300)</u>
[11] Net Patient Revenue	<u>3,455,094</u>	<u>3,008,316</u>	<u>446,779</u>	<u>14.85%</u>	<u>2,816,023</u>
[12] Other Operating Rev (Incl HHS Stimulus)	16,291	274,975	(258,683)	-94.08%	149,024
[13] Total Operating Revenue	<u>3,471,386</u>	<u>3,283,291</u>	<u>188,095</u>	<u>5.73%</u>	<u>2,965,047</u>
Operating Expenses					
[14] Salaries and Wages	1,528,996	1,615,804	86,808	5.37%	1,356,084
[15] Fringe Benefits	305,656	313,615	7,958	2.54%	316,171
[16] Contract Labor	120,093	119,958	(135)	-0.11%	59,033
[17] Professional & Physician Fees	382,994	369,607	(13,387)	-3.62%	326,134
[18] Purchased Services	97,464	180,602	83,138	46.03%	176,795
[19] Supply Expense	604,025	404,550	(199,474)	-49.31%	347,236
[20] Utilities	83,915	78,786	(5,129)	-6.51%	71,330
[21] Repairs and Maintenance	6,888	8,952	2,064	23.05%	13,822
[22] Insurance Expense	66,818	71,993	5,175	7.19%	63,059
[23] All Other Operating Expenses	102,655	91,619	(11,036)	-12.05%	73,328
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[25] Leases and Rentals	35,006	26,624	(8,382)	-31.48%	23,785
[26] Depreciation and Amortization	63,250	61,671	(1,579)	-2.56%	59,719
[27] Interest Expense (Non-Governmental Providers)	0	0.00	0	0.00%	0
[28] Total Operating Expenses	<u>3,397,761</u>	<u>3,343,782</u>	<u>(53,979)</u>	<u>-1.61%</u>	<u>2,886,496</u>
Net Operating Surplus/(Loss)	73,625	(60,492)	134,116	-221.71%	78,551
Non-Operating Revenue:					
[29] Contributions/Grants/PPP/ERC	67,285	0	67,285	0.00%	0
[30] Investment Income	72,436	80,058	(7,622)	-9.52%	75,137
[31] Income Derived from Property Taxes	27,974	28,511	(536)	-1.88%	27,974
[32] Interest Expense (Governmental Providers Only)	(30,435)	(29,265)	1,170	-4.00%	(36,640)
[33] Other Non-Operating Revenue/(Expenses)	(56,167)	3,337	(59,504)	-1783.05%	5,900
[34] Total Non Operating Revenue/(Expense)	<u>81,093</u>	<u>82,640</u>	<u>(1,547)</u>	<u>-1.87%</u>	<u>72,371</u>
Total Net Surplus/(Loss)	154,718	22,149	132,569	598.54%	150,922
[35] Operating Margin	2.12%	-1.84%			2.65%
[36] Total Profit Margin	4.46%	0.67%			5.09%
[37] EBITDA	3.07%	-0.86%			3.43%
[38] Cash Flow Margin	7.16%	3.44%			8.34%

Statement of Revenue and Expense
KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA
Six Months Ending December 31, 2024

	YEAR-TO-DATE				
	Actual 12/31/24	Budget 12/31/24	Positive (Negative) Variance	Percentage Variance	Prior Year 12/31/23
Gross Patient Revenue					
[1] Inpatient Revenue	\$6,795,041	\$7,671,230	(\$876,190)	-11.42%	\$7,357,663
[2] Clinic Revenue	9,056,810	9,468,864	(412,054)	-4.35%	8,149,412
[3] Outpatient Revenue	31,810,809	30,897,155	913,655	2.96%	28,851,537
[4] Long Term Care Revenue	15,382,303	15,477,725	(95,423)	-0.62%	12,903,947
[5] Retail Pharmacy Revenue	2,592,541	1,692,071	900,470	53.22%	1,446,791
[6] Total Gross Patient Revenue	<u>65,637,504</u>	<u>65,207,046</u>	<u>430,458</u>	<u>0.66%</u>	<u>58,709,350</u>
Deductions From Revenue	70%	73%			70%
[7] Discounts and Allowances (incl IGTs)	(44,769,966)	(46,599,062)	1,829,096	3.93%	(40,482,248)
[8] Bad Debt Expense (Governmental Providers Only)	(981,484)	(747,091)	(234,393)	-31.37%	(498,875)
	0	0	0	0.00%	0
[9] Charity Care	0	(5,082)	5,082	100.00%	0
[10] Total Deductions From Revenue	<u>(45,751,450)</u>	<u>(47,351,236)</u>	<u>1,599,785</u>	<u>3.38%</u>	<u>(40,981,122)</u>
[11] Net Patient Revenue	<u>19,886,054</u>	<u>17,855,811</u>	<u>2,030,243</u>	<u>11.37%</u>	<u>17,728,227</u>
[12] Other Operating Rev (Incl HHS Stimulus)	<u>177,176</u>	<u>1,374,874</u>	<u>(1,197,698)</u>	<u>-87.11%</u>	<u>896,231</u>
[13] Total Operating Revenue	<u>20,063,230</u>	<u>19,230,685</u>	<u>832,545</u>	<u>4.33%</u>	<u>18,624,458</u>
Operating Expenses					
[14] Salaries and Wages	9,082,312	9,590,579	508,267	5.30%	8,972,628
[15] Fringe Benefits	1,796,022	1,861,455	65,433	3.52%	1,795,783
[16] Contract Labor	647,552	712,008	64,456	9.05%	640,245
[17] Professional & Physician Fees	2,169,775	2,193,798	24,024	1.10%	1,931,732
[18] Purchased Services	840,126	1,071,961	231,835	21.63%	970,361
[19] Supply Expense	3,410,269	2,401,202	(1,009,067)	-42.02%	2,267,137
[20] Utilities	487,131	467,635	(19,496)	-4.17%	442,469
[21] Repairs and Maintenance	42,632	53,137	10,504	19.77%	59,475
[22] Insurance Expense	444,112	427,311	(16,801)	-3.93%	402,544
[23] All Other Operating Expenses	517,128	543,801	26,672	4.90%	489,796
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
[25] Leases and Rentals	182,681	158,029	(24,652)	-15.60%	162,425
[26] Depreciation and Amortization	376,804	366,049	(10,755)	-2.94%	358,055
[27] Interest Expense (Non-Governmental Providers)	0	0.00	0	0.00%	0
[28] Total Operating Expenses	<u>19,996,545</u>	<u>19,846,966</u>	<u>(149,579)</u>	<u>-0.75%</u>	<u>18,492,651</u>
Net Operating Surplus/(Loss)	66,685	(616,281)	682,966	-110.82%	131,806
Non-Operating Revenue:					
[29] Contributions/Grants/PPP/ERC	80,597	0	80,597	0.00%	0
[30] Investment Income	467,415	475,184	(7,769)	-1.63%	489,046
[31] Income Derived from Property Taxes	167,845	169,224	(1,379)	-0.82%	167,845
[32] Interest Expense (Governmental Providers Only)	(144,283)	(173,705)	29,422	-16.94%	(163,445)
[33] Other Non-Operating Revenue/(Expenses)	(5,216)	19,808	(25,024)	-126.33%	29,915
[34] Total Non Operating Revenue/(Expense)	<u>566,357</u>	<u>490,511</u>	<u>75,846</u>	<u>15.46%</u>	<u>523,361</u>
Total Net Surplus/(Loss)	\$633,042	(\$125,770)	\$758,812	-603.33%	\$655,167
	ACTUAL YTD	BUD YTD	ACT FYE 24	PROJ FYE 25	Prior YTD
[35] Operating Margin	0.33%	-3.20%			0.71%
[36] Total Profit Margin	3.16%	-0.65%			3.52%
[37] EBITDA	1.49%	-2.20%			1.75%
[38] Cash Flow Margin	5.75%	2.15%			6.32%

Statement of Revenue and Expense - 13 Month Trend

KERN VALLEY HEALTHCARE DISTRICT
LAKE ISABELLA, CALIFORNIA

	31	30	31	30	31	31	30	31	29
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	12/31/24	11/30/24	10/31/24	09/30/24	08/31/24	07/31/24	06/30/24	05/31/24	04/30/24
Gross Patient Revenue									
[1] Inpatient Revenue	1,306,206	988,923	\$1,270,022	\$1,036,009	\$1,141,085	\$1,052,797	\$1,249,075	\$1,297,905	\$1,294,057
[2] Clinic Revenue	1,464,884	1,450,778	1,507,298	1,435,735	1,662,901	1,535,213	1,365,111	1,355,357	1,355,753
[3] Outpatient Revenue	4,968,077	4,910,316	5,196,913	5,140,305	5,972,852	5,622,346	5,307,292	4,927,674	4,893,183
[4] Long Term Care Revenue	2,622,111	2,545,925	2,941,872	2,110,792	2,601,232	2,560,370	2,385,633	2,451,627	2,287,815
[5] Retail Pharmacy Revenue	485,298	428,228	471,467	448,086	420,392	339,070	257,065	265,184	255,728
[6] Total Gross Patient Revenue	10,846,577	10,324,169	11,387,573	10,170,927	11,798,462	11,109,796	10,564,176	10,297,747	10,086,535
Deductions From Revenue									
[7] Discounts and Allowances (incl IGTs)	68%	68%	70%	70%	72%	70%	70%	75%	72%
[8] Bad Debt Expense (Governmental Providers Only)	(7,153,760)	(6,875,691)	(7,866,012)	(7,026,774)	(8,340,866)	(7,506,862)	(7,142,408)	(7,483,483)	(7,174,870)
[7B] Medi-Cal Deductions due to IGTs	(237,723)	(148,462)	(125,840)	(130,120)	(112,199)	(227,141)	(227,228)	(209,894)	(64,394)
[9] Charity Care	0	0	0	0	0	0	0	0	0
[10] Total Deductions From Revenue	(7,391,483)	(7,024,153)	(7,991,852)	(7,156,895)	(8,453,065)	(7,734,003)	(7,369,636)	(7,693,377)	(7,239,264)
[11] Net Patient Revenue	3,455,094	3,300,016	3,395,721	3,014,032	3,345,397	3,375,793	3,194,540	2,604,369	2,847,271
[12] Other Operating Rev (Incl HHS Stimulus)	16,291	18,404	50,999	38,944	27,916	24,621	14,910	190,877	145,606
[13] Total Operating Revenue	3,471,386	3,318,420	3,446,720	3,052,977	3,373,313	3,400,414	3,209,450	2,795,247	2,992,878
Operating Expenses									
[14] Salaries and Wages	1,528,996	1,502,965	1,522,753	1,466,275	1,511,053	1,550,270	1,463,109	1,387,422	1,377,775
[15] Fringe Benefits	305,656	303,150	305,569	307,619	317,239	256,789	294,380	407,561	388,884
[16] Contract Labor	120,093	121,450	91,485	93,817	107,531	113,177	61,937	87,689	92,822
[17] Professional & Physician Fees	382,994	361,950	361,819	361,856	348,842	352,314	344,024	339,533	337,652
[18] Purchased Services	97,464	135,518	195,948	153,417	122,262	135,516	152,080	157,377	163,657
[19] Supply Expense	604,025	549,141	610,698	501,058	619,942	525,406	420,270	417,901	406,514
[20] Utilities	83,915	61,188	82,582	72,185	106,849	80,412	69,192	45,319	72,223
[21] Repairs and Maintenance	6,888	6,771	13,906	3,278	1,970	9,818	11,992	5,881	12,796
[22] Insurance Expense	66,818	66,818	74,824	66,818	66,818	102,017	63,059	20,539	97,514
[23] All Other Operating Expenses	102,655	92,438	73,727	97,345	70,425	80,537	98,980	71,179	89,455
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0	0	0	0	0	0
[25] Leases and Rentals	35,006	33,070	35,178	30,572	24,400	24,455	24,964	24,101	25,175
[26] Depreciation and Amortization	63,250	63,250	62,882	62,487	62,437	62,498	62,951	61,262	61,204
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0	0	0	0	0	0
[28] Total Operating Expenses	3,397,761	3,297,709	3,431,371	3,216,728	3,359,768	3,293,208	3,066,937	3,025,764	3,125,671
Net Operating Surplus/(Loss)	73,625	20,711	15,349.53	(163,751)	13,545	107,206	142,513	(230,517)	(132,794)
Non-Operating Revenue:									
[29] Contributions/Grants/PPP/ERC	67,285	0	0.00	0	13,312	0	0	0	0
[30] Investment Income	72,436	72,573	75,310	74,289	76,545	96,261	77,287	74,816	75,400
[31] Income Derived from Property Taxes	27,974	27,974	27,974	27,974	27,974	27,974	27,974	27,974	27,974
[32] Interest Expense (Governmental Providers Only)	(30,435)	(22,342)	(22,821)	(22,492)	(22,476)	(23,717)	(31,982)	(25,499)	(24,682)
[33] Other Non-Operating Revenue/(Expenses)	(56,167)	10,315	9,862	9,373	11,884	9,516	11,231	30,745	17,178
[34] Total Non Operating Revenue/(Expense)	81,093	88,520	90,326	89,144	107,239	110,034	84,510	108,036	95,869
Total Net Surplus/(Loss)	154,718	109,231	\$105,676	(\$74,607)	\$120,784	\$217,240	\$227,023	(\$122,481)	(\$36,924)
[35] Operating Margin	2.12%	0.62%	0.45%	-5.36%	0.40%	3.15%	4.44%	-8.25%	-4.44%
[36] Total Profit Margin	4.46%	3.29%	3.07%	-2.44%	3.58%	6.39%	7.07%	-4.38%	-1.23%
[37] EBITDA	3.07%	1.86%	1.61%	-4.05%	1.59%	4.29%	5.41%	-6.97%	-3.22%
[38] Cash Flow Margin	7.16%	5.87%	5.55%	0.34%	6.10%	8.92%	10.03%	-1.28%	1.64%

Statement of Revenue and Expense - 13 Month

KERN VALLEY HEALTHCARE DISTRICT

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LAKE ISABELLA, CALIFORNIA

	31	31	30	31
	Actual	Actual	Actual	Actual
	03/31/24	02/29/24	01/31/24	12/31/23
Gross Patient Revenue				
[1] Inpatient Revenue	\$971,053	\$1,482,977	\$1,375,648	\$1,463,547
[2] Clinic Revenue	1,259,333	1,421,259	1,388,249	1,333,012
[3] Outpatient Revenue	4,602,258	4,763,371	5,216,930	4,683,957
[4] Long Term Care Revenue	2,374,313	2,226,946	2,302,552	2,276,709
[5] Retail Pharmacy Revenue	208,392	241,659	242,305	245,098
[6] Total Gross Patient Revenue	9,415,349	10,136,212	10,525,684	10,002,323
Deductions From Revenue				
[7] Discounts and Allowances (incl IGTs)	68%	155%	-2%	72%
	(6,328,445)	(15,492,735)	182,230	(7,054,204)
[8] Bad Debt Expense (Governmental Providers Only)	(104,509)	(260,968)	4,408	(132,096)
[7B] Medi-Cal Deductions due to IGTs	0	0	0	0
[9] Charity Care	0	0	0	0
[10] Total Deductions From Revenue	(6,432,954)	(15,753,703)	186,638	(7,186,300)
[11] Net Patient Revenue	2,982,395	(5,617,491)	10,712,321	2,816,023
[12] Other Operating Rev (Incl HHS Stimulus)	140,995	101,461	33,417	149,024
[13] Total Operating Revenue	3,123,390	(5,516,030)	10,745,739	2,965,047
Operating Expenses				
[14] Salaries and Wages	1,462,315	1,399,965	1,482,609	1,356,084
[15] Fringe Benefits	403,368	392,575	388,405	316,171
[16] Contract Labor	120,384	72,640	68,338	59,033
[17] Professional & Physician Fees	372,298	320,017	345,548	326,134
[18] Purchased Services	155,714	155,832	140,033	176,795
[19] Supply Expense	379,002	324,261	384,775	347,236
[20] Utilities	88,842	74,833	70,327	71,330
[21] Repairs and Maintenance	5,398	1,738	18,723	13,822
[22] Insurance Expense	63,059	63,059	97,514	63,059
[23] All Other Operating Expenses	94,471	77,579	74,752	73,328
[24] Bad Debt Expense (Non-Governmental Providers)	0	0	0	0
[25] Leases and Rentals	23,428	24,015	29,226	23,785
[26] Depreciation and Amortization	61,204	60,410	59,752	59,719
[27] Interest Expense (Non-Governmental Providers)	0	0	0	0
[28] Total Operating Expenses	3,229,482	2,966,924	3,160,003	2,886,496
Net Operating Surplus/(Loss)	(106,093)	(8,482,955)	7,585,736	78,551
Non-Operating Revenue:				
[29] Contributions/Grants/PPP/ERC	0	0	0	0
[30] Investment Income	72,999	77,037	76,035	75,137
[31] Income Derived from Property Taxes	27,974	27,974	27,974	27,974
[32] Interest Expense (Governmental Providers Only)	(26,885)	(28,134)	(27,481)	(36,640)
[33] Other Non-Operating Revenue/(Expenses)	9,625	(71,268)	11,536	5,900
[34] Total Non Operating Revenue/(Expense)	83,713	5,609	88,063	72,371
Total Net Surplus/(Loss)	(\$22,379)	(\$8,477,346)	\$7,673,799	\$150,922
[35] Operating Margin	-3.40%	153.79%	70.59%	2.65%
[36] Total Profit Margin	-0.72%	153.69%	71.41%	5.09%
[37] EBITDA	-2.30%	153.20%	70.89%	3.43%
[38] Cash Flow Margin	2.10%	152.08%	72.22%	8.34%

Statement of Cash Flows

KERN VALLEY HEALTHCARE DISTRICT LAKE ISABELLA, CALIFORNIA Six Months Ending December 31, 2024

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	CASH FLOW	
	Current Month 12/31/2024	Current Year-To-Date 12/31/2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
[1] Net Income (Loss)	154,718	633,042
[2] Adjustments to Reconcile Net Income to Net Cash		
[3] Provided by Operating Activities:		
[4] Depreciation	63,250	376,804
[5] (Increase)/Decrease in Net Patient Accounts Receivable	2,727,758	(1,679,190)
[6] (Increase)/Decrease in Other Receivables	4,460,180	(450,314)
[7] (Increase)/Decrease in Inventories	6,201	(3,910)
[8] (Increase)/Decrease in Pre-Paid Expenses	(44,481)	(315,248)
[9] (Increase)/Decrease in Other Current Assets	0	0
[10] Increase/(Decrease) in Accounts Payable	(247,204)	393,953
[11] Increase/(Decrease) in Notes and Loans Payable	0	0
[12] Increase/(Decrease) in Accrued Payroll and Benefits	136,759	69,818
[13] Increase/(Decrease) in Accrued Expenses	942,629	1,082,467
[14] Increase/(Decrease) in Patient Refunds Payable	50,361	(76,861)
[15] Increase/(Decrease) in Third Party Advances/Liabilities	(1,773,238)	(1,968,881)
[16] Increase/(Decrease) in Other Current Liabilities	0	0
[17] Net Cash Provided by Operating Activities:	6,476,932	(1,938,320)
CASH FLOWS FROM INVESTING ACTIVITIES:		
[18] Purchase of Property, Plant and Equipment	(1,309,228)	(1,929,966)
[19] (Increase)/Decrease in Limited Use Cash and Investments	56,167	(7,813)
[20] (Increase)/Decrease in Other Limited Use Assets	(173,583)	630,322
[21] (Increase)/Decrease in Other Assets	0	0
[22] Net Cash Used by Investing Activities	(1,426,645)	(1,307,457)
CASH FLOWS FROM FINANCING ACTIVITIES:		
[23] Increase/(Decrease) in Bond/Mortgage Debt	0	(440,000)
[24] Increase/(Decrease) in Capital Lease Debt	(59,848)	(89,342)
[25] Increase/(Decrease) in Other Long Term Liabilities	27,342	293,496
[26] Net Cash Used for Financing Activities	(32,506)	(235,846)
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0
[27] Net Increase/(Decrease) in Cash	5,017,780	(3,481,622)
[28] Cash, Beginning of Period	2,360,287	10,859,689
[29] Cash, End of Period	7,378,067	7,378,067

**Kern Valley Healthcare District
Financial Report**

For the month of December 2024 (6th month in FY 25)

Profit/Loss Summary

Net income in December was \$154,718, a 4.46% total profit margin, was \$132,569 above budget and \$3,796 higher than prior year December. YTD net income is \$633,2042, a 3.16% total profit margin.

Net Patient Revenue- MTD positive-YTD Positive

Month-The Net patient Revenue in December was \$446,779 (14.85%) above budget. The volume was higher in the acute areas where patient days were up (12 days above budget), Gross Inpatient Revenues were above budget (\$13,771). Skilled Nursing revenues increased in December (\$76,186 above prior month) (days were up by 38). Outpatient revenues were \$237,422 under budget (4.56%). Retail Pharmacy revenue was 70.23% over budget for the month (prescriptions were 1,847 over budget, and 489 above prior month).

YTD-Net patient revenue was \$2,030,243(11%) over budget, primarily due to ER, outpatient and retail pharmacy gross revenue being over budget.

Operating Expenses- MTD Negative YTD Negative

Month-Operating Expenses in December were \$53,979 (1.61%) above budget (unfavorable). Labor expenses were below budget in salaries and wages (\$86,808 below budget) and contract labor was \$135 above budget. Supply expense was over budget by \$199,474, primarily due to the increase in retail pharmacy drug expenses related to the increase in prescriptions filled.

YTD-Operating expenses were over budget YTD by \$149,579 primarily due to supply expense being over budget by \$1,009,067, primarily due to the increase in retail pharmacy drug expenses related to the increase in prescriptions filled.

Balance Sheet/Cash Flow

Patient cash collections in October were down from \$2,497,291 in November to \$2,190,949 in December. The Gross AR Days showed a slight increase from 94 days last month to 96 days in December. Gross AR increased by \$823,345 due primarily to an increase in SNF AR. We are still reviewing all of the accounts to get the AR days down. Cash Balances (all sources) increased to \$17,763,356 compared to \$12,673,477 in November due to KVHD receiving an IGT payment of over \$3,000,000.

The Accounts Payable balances decreased by \$247,204 in December.

Concluding Summary

Positive takeaways for the month:

- 1) Long-term care revenue was over budget
- 2) Net patient revenue was over budget.
- 3) Retail pharmacy revenue was over budget.
- 4) Inpatient volume was up.
- 5) Cash balances are up.

Negative takeaways for the month:

- 1) Gross days in AR are still too high (96). They increased by 2 in December.
- 2) Operating expenses were over budget.
- 3) Gross Revenue was under budget
- 4) Outpatient and clinic revenue were under budget.

Prepared by John Lovrich, CFO
January 23, 2025

KERN VALLEY HEALTHCARE DISTRICT
 AP LOCAL VENDOR AGING AS OF 01/21/2025

VENDOR NAME	VEND#	CURRENT	OVER	OVER	OVER	OVER	BALANCE
			30 DAYS	60 DAYS	90 DAYS	120 DAYS	
BUILDERS MART	01367	2,845.54	0.00	0.00	0.00	0.00	2,845.54
C R PEST CONTROL	52172	680.00	0.00	0.00	0.00	0.00	680.00
CRANES WASTE OIL INC	53212	2,270.00	0.00	0.00	0.00	0.00	2,270.00
KERN RIVER PROPANE	53191	22,496.95	0.00	0.00	0.00	0.00	22,496.95
KERN VALLEY EXCHANGE CLUB MG	52291	45.00	0.00	0.00	0.00	0.00	45.00
KERN VALLEY SUN	53519	1,537.85	0.00	0.00	0.00	0.00	1,537.85
MT MESA AUTOMOTIVE	52766	109.74	0.00	0.00	0.00	0.00	109.74
MT MESA SHELL	02343	666.86	0.00	0.00	0.00	0.00	666.86
THOMAS REFUSE SERVICE 123195	52815	253.82	0.00	0.00	0.00	0.00	253.82
THOMAS REFUSE SERVICE 123623	02118	3,592.56	0.00	0.00	0.00	0.00	3,592.56
THOMAS REFUSE SERVICE 123624	52817	324.09	0.00	0.00	0.00	0.00	324.09
THOMAS REFUSE SERVICE 125578	52816	158.04	0.00	0.00	0.00	0.00	158.04
		34980.45	0.00	0.00	0.00	0.00	34980.45

**KERN VALLEY
HEALTHCARE DISTRICT**
Jan-25

CONTRACT	CONTRACT TYPE	DESCRIPTION	COST		BEGIN	RENEW	NEXT FINANCE REVIEW	TERMS	DEPT	MANAGER
ALCOR SCIENTIFIC INC	SERVICE	LAB-ESR ANALYZER SERVICE	\$ 675.00	ANN	03/31/24	03/30/27	01/01/25	RENEWS ANNUALLY - 30 DAY WRITTEN PRIOR TO TERM NON CANCELABLE DURING TERM	LABORATORY	R.MARTIN
BIOMED GUY	SERVICE	BIO MED/ANESTHESIA		ANN	05/01/16	04/30/19	01/01/25		PLANT MAINTENANCE	B.EASTERDAY
ERAD	SERVICE	RIS/PACS/Teleradiology	\$ 2.50	PER STUDY	05/23/13	OPEN	01/01/25		RADIOLOGY	S.CLIN
GE HEALTHCARE	SERVICE	ULTRASOUND LOGIQ S8 R4.5	\$ 12,808.00	ANNUAL	04/03/22	04/02/25	01/01/25		RADIOLOGY	S.CLIN
HPSI MENU 2 U	SERVICE	ON LINE MENU SERVICE FOR RESIDENTS	\$ 1,674.75	ANN	04/01/24	03/31/25	01/01/25	MONTH TO MONTH AGREEMENT BILLS EVERY 6 MONTHS. AUTO RENEWS UNLESS TERMINATED WITH 120 DAY WRITTEN NOTICE	NUTRITIONAL SERVICES	T.FRIESON
MOTION PICTURE LICENSING CORP "MPLC"	COMPLIANCE	ABILITY TO VIEW MOVIES WITH RESIDENTS IN SNF	\$ 166.61	ANN	04/15/24	04/14/25	01/01/25		ADMINISTRATION	T.MCGLEW
NECTAR- EMP RECOGNITION	SERVICE	SOFTWARE SERVICE	\$ 100.00	MO	04/26/24	04/25/25	01/01/25	30 DAY WRITTEN NOTICE	HUMAN RESOURCES	C.COLEMAN
NWESTCO (CONFIDENCE UST SERVICES INC)	SERVICE	P.M. UNDER GROUND STORAGE	\$ 110.00	PER INSPECT	04/26/22	04/25/23	01/01/25	TO MEET TITLE 23 REQUIREMENTS MONTHLY AGREEMENT	PLANT MAINTENANCE	B.EASTERDAY
QLIQ SOFT	SERVICE	SECURE MESSAGING SUBSCRIPTION	\$ 282.00	MO	05/01/15	OPEN	01/01/25	TERM ON 30 DAY WRITTEN NOTICE. BECAME MONTH TO MONTH AFTER FIRST YEAR.	IS	C.ZUBER
QUEST DIAGNOSTICS	SERVICE	OUTSIDE LAB RESULTS	VARIOUS		05/31/01	OPEN	01/01/25	PREMIUM TEST PRICEING 12/1/2003/BROADLANE	LABORATORY	R.MARTIN
QUINN	SERVICE	PREVENTATIVE MAINTENANCE EQUIPMENT	Multipoint Inspect (1) \$894.00 year, Annual Service (1) \$2,449.00	ANN	04/01/20	OPEN	01/01/25	30 DAY WRITTEN NOTICE	PLANT MAINTENANCE	B.EASTERDAY
RCPALS	TRAINING	ADVANCED LIFE SUPPORT TRAINING CENTER	VARIOUS	OPEN	04/17/24	04/17/25	01/01/25	30 DAY WRITTEN NOTICE	EDUCATION	J.DONOHO
UEI AFFILIATION AGREEMENT	TRAINING	MEDICAL ASSISTANT/MEDICAL BILLER			04/21/20	OPEN	01/01/25	SHALL REMAIN IN EFFECT UNTILL CANCELLED BY EITHER PARTY UPON 30 DAY PRIOR WRITTEN NOTICE	MVHC	G.DAVIS
UGLY DUCKLING MARKETING	WEB DEVELOPMENT	SUPPORT AND MANTENANCE	\$ 257.00	MO	04/11/22	OPEN	01/01/25	30DAY WRITTEN NOTICE PRIOR TO THE DATE OF TERM	IS	C.ZUBER
WELLNESS CHANNEL	SERVICE	TELEVISION CHANNEL			04/13/21	OPEN	01/01/25	90 DAY NOTICE	IS	C.ZUBER

3. Comparable Services Analysis

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

Vendor	Recommended Vendor (Y/N)	Amount \$
Pro Healthcare Products : https://www.prohealthcareproducts.com/physiogait-dynamic-unweighting-system/	no	PhysioGait Dynamic Unweighting System \$11,700.00.
Source Ortho: https://www.sourceortho.net/physiogait-dynamic-unweighting-system/ gad_source=1&gclid=EAlaQobChMI192h-jdgMVNIBECB2n5hyNE	no	PhysioGait Dynamic Unweighting System \$9,995.00
Performance Health: https://www.performancehealth.com/glidetrak-system?srslid=AfmB0op/KFL12vDz3dH8aUf98KfNz2lWVnl_B72u2OGvRR0kxY4GWlY	no	GlideTrak High Percentage Unweighting System : \$7,188.48
Mass Rehab: https://www.massrehabinc.com/product/rehab-arch/	YES	Rehab Arch : complete total with all accessories and shipping = \$8720.99 -9969.99

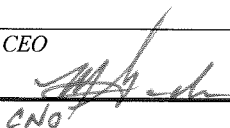
4. Authorization

Involves Facilities: Yes* No

Involves Technology: Yes* No

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

Signatures:

<i>Legal Counsel</i>	<i>Date</i>
<i>Plant Operations Manager (if required)</i>	<i>Date</i>
<i>CIO (if required)</i>	<i>Date</i>
<i>CFO</i>	<i>Date</i>
<i>CEO</i> 	<i>Date</i> <i>1-21-25</i>

5. Administration Use Only

Finance Committee Approval Date: _____

Board of Directors Approval Date: _____

Notes:

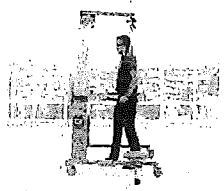
Capital Budget Request:

Rehab Department

Included are the totals for 4 similar products

- Pro Healthcare Products.com
- SourceOrtho
- Performance Health
- Mass Rehab

1 Item



1 x PhysioGait Dynamic Unweighting System \$11,700.00

Subtotal \$11,700.00
Shipping \$893.78
Tax \$0.00

Promo/Gift Certificate

APPLY

Total (USD) **\$12,593.78**

FREE SHIPPING ON ORDERS OVER \$99

2600 Zurcher Lane, Ste 101 Mt. Pleasant, SC 29466

What Are You Looking For?

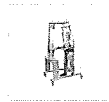
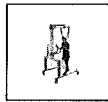
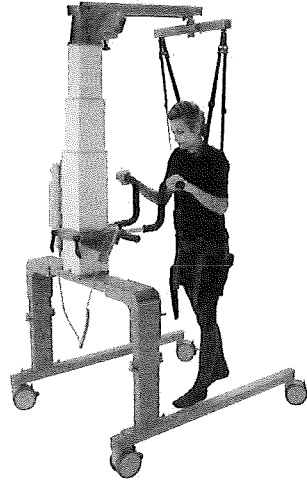
(866) 425-3209

Sales@Sourceortho.Com

Sourceortho.com

What are you looking for?

Home / Specialty / Physical Therapy / Rehab Exercise Equipment / PhysioGait Dynamic Unweighting System



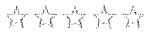
PhysioGait Dynamic Unweighting System

The PhysioGait is a training device for simultaneous control of unweighting, posture and balance on a treadmill or firm surface...

[Learn More](#)

HCI Fitness SKU: PG-360

\$9,995.00 MSRP: ~~\$11,995.00~~ (You save \$2,000.00)



Quantity:

[ADD TO CART](#)

[ADD TO QUOTE](#)



DESCRIPTION

The PhysioGait is a training device for simultaneous control of unweighting, posture and balance on a treadmill or firm surface. Systems providing dynamic unweighting are a perfect solution for training patients in a wide range of gait disorders. PhysioGait helps to maintain proper posture, reduces load, eliminates balance problems and improves motor coordination training. Unique harnesses are designed for uni or bilateral support of the body as well as for a gradual level change from fully loaded to fully unloaded.

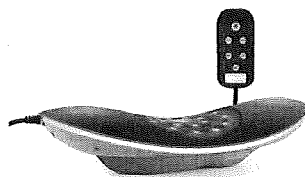
The device allows for a manual controlled treatment of lower limbs and pelvis to ensure proper movement. Configurability of the device allows the clinics to treat

FREE SHIPPING ON ORDERS OVER \$99

2612 Larch Lane, Ste 101 Mt. Pleasant, SC 29466	
PhysioGait PG-360	
Weight Capacity	360 lbs.
Overall Height	7' 9"
Max Patient Height	7' 2"
Max Height on 6" TM	6' 8"
Max Yoke Height	7' 9"
Powered Yoke Adjustment	28"
Adjustable Base Width Inside	30" to 38"
Adjustable Base Width Outside	32 1/4" to 40 1/2"
Leg Height	8"
Leg Length	48"
Handlebar Range	22.5"
Caster Diameter	5"
Stool	Quick Release PhysioStool
Harness Included	Universal Adult Harness 25" - 55" (63.5 - 139.7 cm)
Warranty	3 Yr Frame, 3 Yr Actuator, 1 Yr Harness, 1 Year Electronics, 3 Month Battery

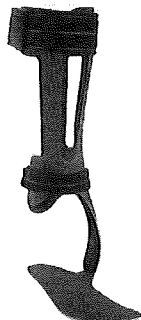
(866) 425-3209 | Sales@Sourceortho.Com | Hours: 9am - 5pm EST Mon-Fri

RELATED PRODUCTS



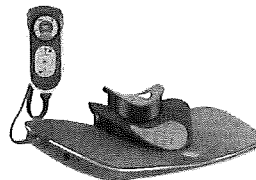
SourceMed
Dynamic Lumbar Traction Wedge

~~\$149.00~~ \$119.00
★★★★★



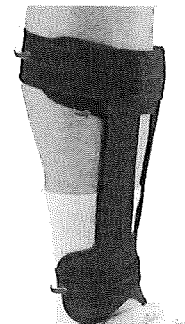
Ossur
AFO Dynamic Drop Foot Brace

\$429.00
★★★★★



SourceMed
Dynamic Wedge Cervical Traction Device

~~\$198.00~~ \$169.00
★★★★★



Ossur
AFO Dynamic Brace Accessory

\$39.95
★★★★★

★★★★★

Ask a Question

Reviews 0 Questions 0

★★★★★
Be the first to review this item

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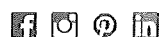
CONTACT US

2612 Larch Lane, Ste 101
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sales@sourceortho.com
Purchase Orders
866-425-3209

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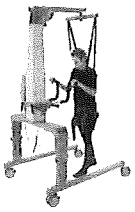
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HSA/FSA Spending Account
Returns, Exchanges & Coupon Codes
Shipping & Rates
Blog



4.8 ★★★★★
Google
Customer Reviews





1 x PhysioGait Dynamic Unweighting System

\$9,995.00

Subtotal

\$9,995.00

Shipping

\$295.00

Sales Tax

\$0.00

Coupon/Gift Certificate

Total (USD)

\$10,290.00



Support

[Home](#) | **GlideTrak High Percentage Unweighting System**

GlideTrak High Percentage Unweighting System

Ask a question

★★★★☆ 3 Reviews

Starting at: \$7,188.48

Item #: Please choose an option

- Mobility training for Neuro and Ortho applications
- Gradually integrate an involved leg (differential training)
- Lift both legs to rest while fully supported by the seat
- The saddle assembly can be removed for ordinary treadmill use
- 89"H x 42.5"W x 52"
- Unweighting capacity: 350 lbs

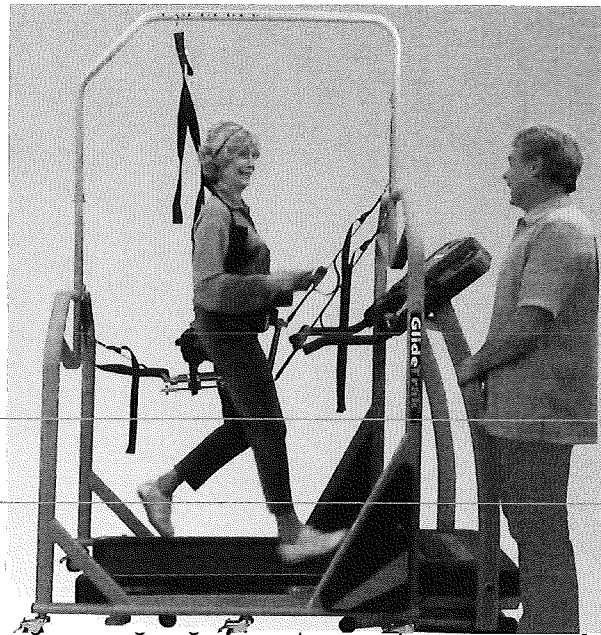
Choose Option

CHOOSE OPTION

◀ QTY 1 ▶

ADD TO CAR Feedback

Over 99% Order Accuracy



Details

The versatile GlideTrak High Percentage Unweighting System allows for non-weight bearing, touch down weight bearing, partial (50% or less) weight bearing, or weight bearing as tolerated. It removes impact to allow pain-free, functional exercise and gait training over any treadmill. The system is ideal for form sports and orthopedic therapy, neurological rehabilitation, fitness, and cross training, geriatric conditions, weight loss and adaptive sport training. The standard shoulder harness provides safe and secure exercise for balanced challenged patients. An optional balance harness upgrade offers added security, comfort and postural control. It also allows the option for safe, regular treadmill use with or without the GlideTrak saddle assembly.



CONTINUE TO PAYMENT

Order Summary

x

1 Item in Cart

^



GlideTrak High Percentage Unweighting System

Qty: 1

[View Details](#) ^

Option: GlideTrak

Price: \$7,188.48

Apply Discount Code

Cart Subtotal	\$7,188.48
Shipping	\$175.90
FedEx Ground - Commercial Ground	
Tax	\$607.56

Guaranteed SAFE Checkout



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TRUSTED PARTNER



99% ORDER ACCURACY



100K POINTS OF CARE

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ESTIMATE

MASS Rehab
P.O. Box 132
Clayton, OH 45315

steve@massrehabinc.com
+1 (937) 760-4874



Bill to
Lindsay Krusich
Kern Valley Healthcare District
6412 Laurel Ave
Lake Isabella, CA 93240

Ship to
Lindsay Krusich
Kern Valley Healthcare District
6412 Laurel Ave
Lake Isabella, CA 93240

Estimate details

Estimate no.: 1168
Estimate date: 01/19/2025
Expiration date: 03/19/2025

#	Date	Product or service	SKU	Description	Qty	Rate	Amount
1.		Rehab Arch Package	MR-RA01	Includes support structure, one unloading harness that fits individuals approx. 100-300 lbs. and set of dynamic bungees for 20-120 lbs. of dynamic body weight support.	1	\$4,499.00	\$4,499.00
2.		Rehab Arch Support Bar	MR-SB	Mounts to Rehab Arch to allow the arch to be pushed or pulled by therapist or patient. Can also be used for functional activities.	1	\$279.99	\$279.99
3.		Ancore Resistance Cable System	MR-ARS	5-60lb cable resistance device, with post mount, handles, straps and storage mount	1	\$2,998.00	\$2,998.00
4.		Slip Trainer	MR-ST	Perturbation training device	1	\$1,249.00	\$1,249.00
5.		Activity Harness	MR-AH	harness for sit to stand, transfers, plyometrics	1	\$347.00	\$347.00
6.		Shipping			1	\$597.00	\$597.00

Total **\$9,969.99**

Expiry date 03/19/2025

EMERGENCY DEPARTMENT PHYSICIAN AGREEMENT

This Emergency Department Physician Agreement (“Agreement”) is entered into by and between Kern Valley Healthcare District (“District”) and Maria Martins, M.D. (“PHYSICIAN”), as of January 17, 2025.

RECITALS

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

A. PHYSICIAN is duly licensed in California with a background and experience in providing emergency medicine services, and desires to be retained by District.

NOW, THEREFORE, the parties agree as follows:

TERMS

1. SCOPE OF SERVICES

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

2. PHYSICIAN’S REPRESENTATIONS AND WARRANTIES

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

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

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

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

PHYSICIAN by any person, organization, governmental agency, health care facility, peer review organization or professional society;

2.4 PHYSICIAN is board-certified or board-qualified in emergency medicine or possesses knowledge and skill in emergency medicine comparable to other physicians practicing emergency medicine in the District's service area.

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

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

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

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

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

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

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

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

3. RESPONSIBILITIES OF HOSPITAL

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

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

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

4. COVERAGE.

PHYSICIAN will provide emergency physician coverage in the ED as scheduled by HOSPITAL and MEDICAL DIRECTOR.

5. COMPLIANCE WITH LAWS

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

6. PHYSICIAN COMPENSATION.

6.1 District agrees to pay the following fees to Physician:

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

6.1.2 Advance on Patient Visits. 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.

6.1.3 Stand By Hours. District will compensate PHYSICIAN at \$70.00 per hour for all hours worked on site covering the Emergency Department.

6.1.4 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 two hundred fifty dollars (\$250.00) per hour and that physician will be paid the greater of these two methodologies.

6.1.5 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, or health plans.

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

6.3 Holiday Minimum. The minimum payment for the following holidays will be at time and one-half the current non-holiday minimum: New Year's Day, Easter Sunday, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day.

7. INDEPENDENT CONTRACTOR

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

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

7.3 District shall not exercise any direct control over any medical decisions made by Physician in the course of performing the Services at the ED.

8. INSURANCE AND INDEMNIFICATION

8.1. Coverage. PHYSICIAN will be covered by the District's Professional and Liability Insurance through BETA Healthcare Group ("BETA") for a minimum of \$1,000,000 per occurrence, \$3,000,000 aggregate, for the Services rendered under this Agreement. It is understood and agreed that BETA provides Continuous Coverage for departed providers, except the coverage is limited to claims made and reported against the provider for Services provided during the term of this Agreement.

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

9. NONDISCRIMINATION

Services are to be available to all patients, in accordance with District's nondiscrimination policies, and in accordance with any established policies relating to free or

charity care. PHYSICIAN shall not refuse to provide services to any patient at the Hospital, regardless of ability to pay.

10. TERM AND TERMINATION

10.1 Term. This Agreement shall be effective as of January 17, 2025, and shall terminate on January 16, 2026. Upon mutual agreement, not later than 90 days prior to expiration of the current term, the District and PHYSICIAN may extend this Agreement for two additional one-year terms.

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

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

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

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

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

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

10.4.4 PHYSICIAN becomes ineligible to participate in the Medical or Medicare programs for any reason.

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

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

10.5 Change in Law. In the event that any federal, state or local law or regulation, or any final, non-appealable interpretation of law or regulations by a court of law or governmental agency, makes or will make substantial performance of this Agreement illegal or renders any provision hereof illegal or unenforceable, the parties shall meet and negotiate and use best efforts to modify the Agreement to resolve the concern. If

the parties are unable to resolve the issue within ten (10) days after it arose, either party may elect to terminate this Agreement on ten (10) days prior written notice.

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

11. GENERAL PROVISIONS

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

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

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

IF TO PHYSICIAN:

Maria Martins, M.D.

[REDACTED]
[REDACTED]

If TO DISTRICT:

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

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

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

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

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

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

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

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

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

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

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

Kern Valley Healthcare District

PHYSICIAN

By _____
Timothy McGlew, CEO

By _____
Maria Martins, M.D.

EXHIBIT A

SCOPE OF SERVICES

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

Patient Transfers. PHYSICIAN shall consult with the primary care physician, the hospitalist and the CEO of the Hospital when necessary regarding problems with the need for 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 in the electronic medical record system of Hospital and completed timely.

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.

EMERGENCY DEPARTMENT PHYSICIAN AGREEMENT

This Emergency Department Physician Agreement (“Agreement”) is entered into by and between Kern Valley Healthcare District (“District”) and Kris B. Hall, M.D. (“PHYSICIAN”), as of February 1, 2025.

RECITALS

1. District owns and operates Kern Valley Hospital (“Hospital”) located in Mountain Mesa, California, a Critical Access Hospital, and desires to retain Physician to provide emergency medicine services in Hospital’s Emergency Department (“ED”).
2. Physician is a physician duly licensed in California with a background and experience in providing emergency medicine services, and desires to be retained by District.

NOW, THEREFORE, the parties agree as follows:

TERMS

1. SCOPE OF SERVICES

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

2. PHYSICIAN’S REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

2.11 Physician shall complete all educational requirements as assigned by hospital, in compliance with federal, state, and/or other jurisdictions.

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

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

3. RESPONSIBILITIES OF HOSPITAL

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

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

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

4. COVERAGE.

PHYSICIAN will provide emergency physician coverage in the ED as scheduled by HOSPITAL and MEDICAL DIRECTOR. However, PHYSICIAN will cover ten (10) to twelve (12) twelve-hour shifts per month.

5. COMPLIANCE WITH LAWS

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

6. PHYSICIAN COMPENSATION.

6.1 District agrees to pay the following fees to Physician:

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

6.1.2 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.

6.1.3 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.

6.1.4 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 two hundred eighty-five dollars (\$285.00) per hour and the physician will be paid the greater of these two methodologies.

6.1.5 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.

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

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

7. INDEPENDENT CONTRACTOR

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

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

7.3 District shall not exercise any direct control over any medical decisions made by Physician in the course of performing the Services at the ED.

8. INSURANCE AND INDEMNIFICATION

8.1. Coverage. PHYSICIAN will be covered by the District's Professional and Liability Insurance through BETA Healthcare Group ("BETA") for a minimum of \$1,000,000 per occurrence, \$3,000,000 aggregate, for the Services rendered under this Agreement. It is understood and agreed that BETA provides Continuous Coverage for departed providers.

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

9. NONDISCRIMINATION

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

10. TERM AND TERMINATION

10.1 Term. This Agreement shall be effective as of February 1, 2025, and shall terminate on January 31, 2028.

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

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

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

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

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

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

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

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

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

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

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

11. GENERAL PROVISIONS

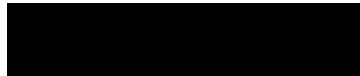
11.1. Other Agreements. No other agreements between the parties exist at this time.

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

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

IF TO PHYSICIAN:

Kris B. Hall, M.D.



If TO DISTRICT:

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

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

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

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

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

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

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

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

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

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

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

Kern Valley Healthcare District

Physician

By _____
Timothy McGlew, CEO

Kris B. Hall, M.D.

EXHIBIT A

SCOPE OF SERVICES

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

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.

EMERGENCY DEPARTMENT PHYSICIAN AGREEMENT

This Emergency Department Physician Agreement (“Agreement”) is entered into by and between Kern Valley Healthcare District (“District”) and Christopher Burrows, M.D. (“PHYSICIAN”), as of **February 1, 2025**.

RECITALS

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

2. Physician is a physician duly licensed in California with a background and experience in providing emergency medicine services, and desires to be retained by District.

NOW, THEREFORE, the parties agree as follows:

TERMS

1. SCOPE OF SERVICES

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

2. PHYSICIAN’S REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

2.11 Physician shall complete all educational requirements as assigned by hospital, in compliance with federal, state, and/or other jurisdictions.

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

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

3. RESPONSIBILITIES OF HOSPITAL

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

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

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

4. **COVERAGE.**

PHYSICIAN will provide emergency physician coverage in the ED as scheduled by HOSPITAL and MEDICAL DIRECTOR. However, PHYSICIAN will cover no less than twelve (12) twelve-hour shifts per month.

5. **COMPLIANCE WITH LAWS**

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

6. **PHYSICIAN COMPENSATION.**

6.1 District agrees to pay the following fees to Physician:

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

6.1.2 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.

6.1.3 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.

6.1.4 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 **two hundred eighty-five dollars (\$285.00)** per hour and the physician will be paid the greater of these two methodologies.

6.1.5 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.

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

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

6.4 **Continuing Medical Education.** PHYSICIAN shall be entitled to 24 hours of paid continuing medical education time after each six-month period in which PHYSICIAN has worked at least the minimum shifts in the emergency department as required under article 4.0 of this agreement.

6.5 PHYSICIAN will be entitled to purchase group health insurance through the DISTRICT plan at the then current cost of the health insurance to the District or the COBRA rate.

7. INDEPENDENT CONTRACTOR

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

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

7.3 District shall not exercise any direct control over any medical decisions made by Physician in the course of performing the Services at the ED.

8. INSURANCE AND INDEMNIFICATION

8.1. **Coverage.** PHYSICIAN will be covered by the District's Professional and Liability Insurance through BETA Healthcare Group ("BETA") for a minimum of \$1,000,000 per occurrence, \$3,000,000 aggregate, for the Services rendered under this Agreement. It is understood and agreed that BETA provides Continuous Coverage for departed providers, except the coverage is limited to claims made and reported against the provider for Services provided during the term of this Agreement.

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

9. NONDISCRIMINATION

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

10. TERM AND TERMINATION

10.1 Term. This Agreement shall be effective as of **February 1, 2025**, and shall terminate on **January 31, 2028**.

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

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

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

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

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

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

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

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

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

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

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

11. GENERAL PROVISIONS

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

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

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

IF TO PHYSICIAN:

Christopher Burrows, M.D.


If TO DISTRICT:

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

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

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

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

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

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

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

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

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

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

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

Kern Valley Healthcare District

Physician

By _____
Timothy McGlew, CEO

Christopher Burrows, M.D.

EXHIBIT A

SCOPE OF SERVICES

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

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.