

**Table: County of Santa Cruz Health Services Agency
Access to Care Worksheet**

Entity: Kaiser

2022 Calendar Year: 1/01/2022 to 12/31/2022

A. Commercial Dues Revenue		\$ 229,990,281.00
X 2%		
B. Annual Commitment Amount		\$ 4,599,805.62
Less: Access to Care Fulfillment Options (Non-rollable):		
C. Contributions for Charity Care	\$ 1,515,260.00	
D. Uncompensated Care	\$ 1,301,264.00	
E. Grants for Top Five Health Needs	\$ 325,000.00	
F. Recruitment of Physicians	\$ -	
G. Total Expended on Non-Rollable Options		\$ 3,141,524.00
H Remaining Annual Commitment Amount to be Met		\$ 1,458,281.62
Less: Access to Care Rollable Fulfillment Options:		
I. In-Kind Services Provided During the Year (complete Attachment B)	\$ 894,000.00	
J. Amount of Initial Grant Paid During the Year	\$ 3,000,000.00	
K. Amount of Additional Grant Paid During the Year	\$ -	
L. Amount Rolled into this year from Prior Years for In-Kind Services, Initial Grant and Additional Grant	N/A	
M. Total Available to Meet Annual Commitment from Rollable Options		\$ 3,894,000.00
N. Excess Rollable Funds to meet Annual Commitment Amount – to be rolled to next year		\$ 2,435,718.38
O. Deficit – Additional Amount Needed to Meet Annual Commitment Amount		\$ -

The Access to Care Worksheet shall be accompanied by the following reports:

- ☒ Report from Kaiser's external auditors (see Attachment C, Sample Auditors' Report).
- ☒ Annual report to the County in substantially the form of Attachment D, showing the name, dollar value, and purpose of each grant that was applied towards the Annual Commitment.
- ☐ Annual report in substantially the form of Attachment E, showing the name of each physician, such physician's specialty, and the dollar value being counted towards that physician's recruitment, for those physicians whose recruitment was applied towards the Annual Commitment.

ATTACHMENT B

Agreement Regarding Value of In-Kind Services Provided

2022 Calendar Year: 1/01/2022 to 12/31/2022

Pursuant to Section 1(e)(1) of the Access to Medical Care Agreement (the "AMCA"), dated as of March 23, 2023, by and among Kaiser Foundation Health Plan, Inc., a California

nonprofit public benefit corporation ("KFHP"), Kaiser Foundation Hospitals, Inc., a California nonprofit public benefit corporation ("KFH" and together with KFHP, "Kaiser"), and the County of Santa Cruz, California (the "County"), the Parties agreed that in-kind consulting, accounting and administrative services provided or in-kind grants made by Kaiser to the Pajaro Valley Health District Project, the Pajaro Valley Health District, the hospital corporation formed by PVHCD to acquire Watsonville Community Hospital (the "Hospital") or provided to the Hospital, including in-kind amounts contributed following the acquisition of the Hospital in connection with the continued turn-around and development of the Hospital's operations and services, will be counted toward satisfaction of Kaiser's Annual Commitment to the County pursuant to the AMCA. Section 1(e)(1) of the AMCA provides that the value of the in-kind services provided each year shall be reasonably agreed upon by the Hospital and Kaiser.

Kaiser and the Hospital hereby agree that the total aggregate value of in-kind services provided by Kaiser during the period of, 1/01/2022 to 12/31/2022 is **\$894,000.00**

The in-kind services provided by Kaiser during this period include:

IT Consulting	\$ 894,000.00
Grand Total	\$ 894,000.00

Terms used but not otherwise defined herein shall have the meanings given to them in the AMCA.

Dated: November 22, 2024. By:

KAISER FOUNDATION HOSPITALS, INC.

Name:  Omair Afshari

Title: COO

WATSONVILLE COMMUNITY HOSPITAL

Name:  Math Venz

Title: COO



KPMG LLP
Suite 1400
55 Second Street
San Francisco, CA 94105

Independent Accountants' Agreed-Upon Procedures Report

To the Board of Directors
Kaiser Foundation Health Plan, Inc. and Subsidiaries
Kaiser Foundation Hospitals and Subsidiaries

We have performed the procedures enumerated below related to the attached annual computations to be submitted to the County of Santa Cruz (the Subject Matter or Worksheet) for the year ended December 31, 2022. Kaiser Foundation Health Plan, Inc. and Subsidiaries and Kaiser Foundation Hospitals and Subsidiaries (Kaiser) are responsible for the Subject Matter.

Kaiser has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Kaiser in submitting the annual computation to the County of Santa Cruz. Kaiser is responsible for submitting the annual computation to the County of Santa Cruz. This report may not be suitable for any other purpose.

The procedures are specified in the Access to Medical Care Agreement, and the County of Santa Cruz is party to such contract.

No other parties have agreed to or acknowledged the appropriateness of these procedures for the intended purpose or any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. We make no representation regarding the appropriateness of the procedures either for the intended purpose or for any other purpose.

The procedures and the associated findings are as follows:

- A. We have obtained Kaiser's financial records to determine through recalculation that the amount of commercial dues revenue reported on Line A of the Worksheet agrees with the amount set forth in Kaiser's financial records, and noted no differences.
- B. We have recomputed the amount on Line B of the Worksheet and compared it to 2% of the amount of Line A of the Worksheet, and noted no differences.
- C. We have obtained a list of Charity Care procedures performed by Kaiser and the Center for Medicare & Medicaid Services (CMS) Medicare Fee for Services rates provided in Santa Cruz County. We have increased those rates by twenty percent (20%) and compared to the amount set forth on Line C of the Worksheet, and noted no differences.
- D. We have obtained a list of Uncompensated Care procedures performed by Kaiser and the CMS Medicare Fee for Services rates provided in Santa Cruz County. We have increased those rates by twenty percent (20%) and compared to the amount set forth on Line D of the Worksheet, and noted no differences.
- E. We have obtained the report provided by Kaiser in the form of Attachment D to the Access to Medical Care Agreement (AMCA). We have obtained Kaiser's financial records and determined through recalculation that the amounts of the grants reported in Attachment D to the AMCA agree with the amounts set forth in Kaiser's financial records, and noted no differences. We have compared the total of the amounts set forth in the report to Line E of the Worksheet, and noted no differences.



- F. We have obtained the report provided by Kaiser in the form of Attachment E to the AMCA. We have compared the average Medical Group Management Association (MGMA) compensation for those specialties to Attachment E to the AMCA, and noted no differences. Where the MGMA average compensation for a physician's speciality exceeded \$150,000, the number \$150,000 was used for that physician. Where the MGMA amount was less than \$150,000, we have determined by inspection that the lesser number was used for that physician, and noted no differences. We added the amounts for each recruited physician together and compared with the amount reported on Line F of the Worksheet, and noted no differences.
- G. We summed the amounts on Lines C, D, E, and F of the Worksheet and compared it with the amount reported on Line G of the Worksheet, and noted no differences. We subtracted the amount on Line G of the Worksheet from the amount on Line B of the Worksheet to compute the Remaining Annual Commitment Amount to be Met as reported on Line H of the Worksheet, and noted no differences.
- H. We compared the amount of in-kind services set forth on Attachment B to the AMCA with the amount reported on Line I of the Worksheet, and noted no differences.
- I. Not used
- J. We obtained a listing of the amount of grants or charitable contributions that Kaiser provided during the reporting year to Pajaro Valley Healthcare District (PVHCD), or the Hospital Corporation formed by PVHCD to acquire Watsonville Community Hospital (the Hospital) to be spent for acquisition of the Hospital or for working capital of the Hospital. We compared this amount with the amount reported on Line K of the Worksheet, and noted no differences.
- K. We compared Line N of the prior year's Worksheet to Line L of the current year's Worksheet, and noted no differences.
- L. We summed the amounts on Lines I, J, K, and L and compared that to the amount reported on Line M of the Worksheet, and noted no differences.
- M. We subtracted the amount on Line H from the amount on Line M. To the extent the amount was a positive number, we compared it to the amount on Line N of the Worksheet, and to the extent the amount was a negative number, we compared it to the amount on Line O of the Worksheet, and noted no differences.

We were engaged by Kaiser to perform this agreed-upon procedures engagement. We conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, which involves us performing the specific procedures agreed to and acknowledged above and reporting on findings based on performing those procedures. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Subject Matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Kaiser and the County of Santa Cruz, and is not intended to be, and should not be, used by anyone other than the specified parties.

KPMG LLP

San Francisco, California
February 11, 2025

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ATTACHMENT D

KAISER PERMANENTE

Annual Report of Grants Made in Santa Cruz County during the 2022 Calendar Year

Pursuant to Section 1(c) of the Access to Medical Care Agreement (the "AMCA"), dated as of March 23, 2023, by and among Kaiser Foundation Health Plan, Inc., a California nonprofit public benefit corporation ("KFHP"), Kaiser Foundation Hospitals, Inc., a California nonprofit public benefit corporation ("KFH" and together with KFHP, "Kaiser"), and the County of Santa Cruz, California (the "County"), the Parties agreed that funds granted by Kaiser to non-profit causes that support any one or more of the top five health needs identified by Kaiser in Santa Cruz County in either Kaiser's internal Community Health Needs Assessment or the joint Community Health Needs Assessment will be counted toward satisfaction of Kaiser's Annual Commitment to the County pursuant to the AMCA. The following is a report showing the grant recipients, the amounts granted to each recipient and the purpose of each grant made in Santa Cruz County during the above-referenced calendar year.

Grant Approval Date	Grant Recipient	Amount Granted	Purpose of the Grant
06.30.22	Volunteer Center of Santa Cruz County (VC)	\$25,000.00	Grant supported VC's Healthy Connections project, which provided healthy meals, food distribution, lifestyle coaching, health and wellness classes, and CalFresh enrollment support to at least 350 adults with a serious mental health illness in Santa Cruz County.
06.30.22	Warming Center Program	\$25,000.00	Grant supported three Warming Center Program projects, Footbridge Services Center, Secret Garden Women's Shelter, and Warming Center, to help people gain the stability needed to face future possibilities and provide basic homeless services such as showers, storage, laundry.
06.30.22	FoodWhat?!, Inc. (FW)	\$25,000.00	Grant supported FW's The Power of Food: Fostering Youth Health, Empowerment, and Healing project, an effort to meet the drastic needs of marginalized youth and families in terms of food security and its related health and economic impact by creating stable food access points.
06.30.22	Pajaro Valley Unified School District (PVUSD)	\$25,000.00	Grant supported PVUSD's Family Engagement and Wellness Center, a one-stop-shop collaborative model that supports students/families' health and social service needs through a continuum of care approach

			with multiagency, multilingual, and multi-cultural wraparound supports and services.
06.30.22	Friends of Santa Cruz County Parks (dba County Park Friends)	\$25,000.00	Grant supported County Park Friends and other agencies to raise funds to reimagine Willowbrook County Park in honor of Sgt. Damon Gutzwiller who was killed in the line of duty on June 6, 2020, while serving Santa Cruz County.
06.30.22	Alzheimer's Disease and Related Disorders Association, Inc.	\$25,000.00	Grant supported Alzheimer's Association to provide outreach, public education, support groups, and individualized care planning for Santa Cruz residents with Alzheimer's and related dementia, and their families and caregivers. With a focus on diversity and inclusion, no-cost offerings were provided virtually and in-person in English and Spanish.
06.30.22	Walnut Avenue Family & Women's Center	\$25,000.00	Grant supported Walnut Avenue's Survivor Advocacy & Prevention of Interpersonal Violence (IPV) project, which provided outreach and services (food, clothing, safety, crisis intervention, legal advocacy, mental and physical health care) to best meet the needs of IPV survivors in Santa Cruz County via in an individualized, survivor-centered approach.
06.30.22	United Way of Santa Cruz County (fiscal sponsor for Cradle to Career [C2C])	\$25,000.00	Grant supported C2C's continued focus on recovery from the COVID-19 pandemic by expanding its Family Wellness Program to include Shoreline Middle School and Live Oak, Del Mar, and Green Acres elementary schools. The goal was to develop/strengthen each school's parent leadership committee to engage families in culturally connected healthy lifestyle activities.
06.30.22	Boys & Girls Clubs of Santa Cruz County (BGCSCC)	\$25,000.00	Grant supported BGCSCC's Healthy Outcomes for Youth in Need project to deliver healthy lifestyle activities for youth ages 6 to 18. Project components included daily physical activity, mental and behavioral health supports, walking buses, and healthy snacks and meals.
06.30.22	Court Appointed Special Advocates	\$25,000.00	Grant supported CASA of Santa Cruz County's work to recruit, screen, train, match, and supervise court-appointed volunteers who mentor and advocate for

	(CASA) of Santa Cruz County		children and youth in the Santa Cruz Dependency and Juvenile Court Systems.
06.30.22	Scotts Valley Educational Foundation's (SVEF)	\$25,000.00	Grant supported SVEF in providing access to counseling services to all students in Scotts Valley Unified School District by funding five counselors who met with students individually and in group contexts, providing an established curriculum at all school levels, and sharing outside resources to families as needed.
06.30.22	Grey Bears	\$25,000.00	Grant supported Grey Bears' Healthy Food Program to ensure that Santa Cruz County aging adults – including isolated and disabled seniors, families, and farmworkers – had access to healthy food, food security, and opportunities to volunteer and engage socially; stay active and in their own homes; and live healthy, meaningful lives.
06.30.22	Valley Churches United	\$25,000.00	Grant supported Valley Churches United, a year-round food pantry providing healthy nutritional food to low-/very-low-income clients in Bonny Doon, San Lorenzo Valley, and Scotts Valley. The service area is part of a very underserved area of Santa Cruz County and the agency's focus on providing clients with healthy supplemental food is a critical safety net.
TOTAL	\$325,00.00		

Terms used but not otherwise defined herein shall have the meanings given to them in the AMCA.

Dated: Feb 6, 2025

KAISER FOUNDATION HOSPITALS, INC.

By: 

Name: Omar Alkhani

Title: COO San Jose Service Area

KAISER FOUNDATION HEALTH PLAN, INC.

By: 

Name: Evelyn Tran

Title: Area Portfolio Leader