

**KERN HEALTH SYSTEMS
POLICIES AND PROCEDURES**

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SECTION: Finance		ISSUE DATE: October 23, 1998				
SUBJECT: Disclosure of Financial Viability		EXTERNAL APPROVAL		DMC	DHS	MRMIB
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Effective Date	12-01-2001					
Revision No.	2001-08					

Approved	<u>Carol S. Sorrell</u> Carol Sorrell, R.N. Chief Executive Officer	Date	<u>8/14/01</u>
Approved	<u>[Signature]</u> Chief Financial Officer	Date	<u>08-08-01</u>
Approved	<u>[Signature]</u> Controller	Date	<u>08-07-01</u>
Approved	<u>[Signature]</u> Accounting Manager	Date	<u>08-06-01</u>

POLICY¹:

This policy requires all full risk providers to disclose to Kern Health Systems evidence of financial viability on a semi-annual basis or upon request by Kern Health Systems.

PURPOSE:

To comply with legal requirements regarding Kern Health Systems' responsibility to monitor the financial viability of full risk providers.

PROCEDURE:

The disclosure of financial viability of any full risk licensed provider shall be presented in report format acceptable to Kern Health Systems and shall include all relevant, financial information that may be necessary to determine financial viability.

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Failure to maintain financial viability or to submit verification thereof constitutes a material breach of the Provider Services Agreement and may result in disciplinary action and/or termination as per Provider Services Agreement Section 7.03.

Revision 2001-08: Routine Revision. **Formerly:** Policy #8.13.