



PROVIDER *bulletin*

DATE: September 12, 2008
TO: Valued Contracted Physicians, Facilities, and other Healthcare Professionals
FROM: Kern Health Systems and KHS Group Health Plan
RE: Payment of Claims

California lawmakers have broken the record for the most overdue budget in state history. As of September, Kern Health Systems has not received approximately \$22.4 Million in payments and Group Health Plan has not received approximately \$1.5 Million. Both companies have paid their respective normal monthly claims outflow for August and plan on continuing to pay normal outflow for the month of September. If there are no payments received from the State in October, and current information from state agencies indicate there will be none, Kern Health Systems will be owed approximately \$33.6 Million and Group Health Plan will be owed approximately \$2.3 Million. Funding issues will require Kern Health Systems and Group Health plan to pay claims every two weeks versus the current weekly schedule. If no monies are received by November, the state will be in arrears approximately \$44.8 Million to Kern Health Systems and approximately \$3 Million in arrears to Group Health Plan; consequently, both entities will be required to pay claims monthly.

