

Southwest Journal of Pulmonary, Critical Care & Sleep

Journal of the Arizona, New Mexico, Colorado and California Thoracic Societies www.swjpc.com

Kern County Hospital Authority Accused of Overpaying for Executive Services

Becker's Hospital Review is reporting that the Bakersfield, CA-based Kern County Hospital Authority, is accused by the local employee union of overpaying two private firms that provide its top executives (1). The union alleges that Cantu Management Group and Meridian Healthcare Partners - both based in Bakersfield - have exceeded contractual amounts by 40 percent to 147 percent, leading to \$23 million in overpayments over the past four years. Andrew Cantu of Cantu Management Group is also the CFO of Kern County Hospital Authority and its management representative for independent audits. Russell Judd served as the hospital's CEO until December 2021, and remains president and owner of Meridian Healthcare Partners.

A 9-page report alleges the hospital failed to disclose management compensation accurately, to properly correct the issue when notified, and attempted to conceal the overpayments. The union claims to have repeatedly brought questions about the hospital's financial management to the hospital and received "no substantive response." The union hired Scott McHone, a certified forensic accountant, to better understand the financials alongside their investigative team.

The union report indicates that Meridian Healthcare Partners was overpaid. Mr. McHone and the investigative team found that invoices filed with the California Department of Health Care Access and

Information show the hospital paid the firm \$39.9 million, although the union says the invoices it received documented only \$19.3 million. The day after the union requested these payment records, the hospital's legal department took action to remove Meridian's name from financial disclosures, according to the report.

[Kern County Hospital Authority](#) denies all allegations. The hospital further stated that the services offered have been beneficial to patients, but did not directly comment on the compensation discrepancies.

Richard A. Robbins MD

Editor, Southwest Journal of Pulmonary,
Critical Care & Sleep

Reference

1. Kayser A. California Hospital Accused of Overpaying for Executive Services. Becker's Hospital Review. June 28, 2023. Available at: https://www.beckershospitalreview.com/compensation-issues/california-hospital-accused-of-overpaying-for-executive-services.html?origin=BHRE&utm_source=BHRE&utm_medium=email&utm_content=newsletter&oly_enc_id=6133H675001J5K (accessed 6/29/23).