

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

June 11, 2024

**FROM**

**ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

**SUBJECT**

CalMedForce Program Grant Awards and Agreements with Physicians for a Healthy California

**RECOMMENDATION(S)**

1. Accept grant award and approve CalMedForce Awardee Grant **Agreement No. 24-463**, including non-standard terms, with Physicians for a Healthy California in the amount of \$100,000 annually, for a four year grant program in the total amount of \$400,000, beginning July 1, 2024 through September 30, 2028, for funding of the Arrowhead Regional Medical Center's Obstetrics and Gynecology Residency Program.
2. Accept grant award and approve CalMedForce Awardee Grant **Agreement No. 24-464**, including non-standard terms, with Physicians for a Healthy California in the amount of \$100,000 annually, for a three year grant program in the total amount of \$300,000, beginning July 1, 2024 through September 30, 2027, for funding of Arrowhead Regional Medical Center's Internal Medicine Residency Program.
3. Accept grant award and approve CalMedForce Awardee Grant **Agreement No. 24-465**, including non-standard terms, with Physicians for a Healthy California in the amount of \$50,000 annually, for a three year grant program in the total amount of \$150,000, beginning July 1, 2024 through September 30, 2027, for funding of Arrowhead Regional Medical Center's Family Medicine Residency Program.
4. Accept grant award and approve CalMedForce Awardee Grant **Agreement No. 24-466**, including non-standard terms, with Physicians for a Healthy California in the amount of \$100,000 annually, for a three year grant program in the total amount of \$300,000, beginning July 1, 2024 through September 30, 2027, for funding of Arrowhead Regional Medical Center's Emergency Medicine Residency Program.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Create, Maintain and Grow Jobs and Economic Value in the County.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The \$1,150,000 in CalMedForce grants awarded by Physicians for a Healthy California (PHC) will be used to support direct costs including resident salaries, faculty costs, simulation training, ultrasound equipment and training, faculty development, and resident and faculty travel expenses for presenting at local, regional, and national conferences as part of the program's

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scholarly activity requirements. The grant funds do not require matching funds. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 recommended budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

Approval of all the agreements will allow ARMC to accept four CalMedForce grants awarded by PHC, as specified in the grant applications, to support the educational training of the Obstetrics and Gynecology, Emergency Medicine, Internal Medicine, and Family Medicine Residency Programs. The grant applications were approved by the County Chief Executive Officer on August 31, 2023 pursuant to County Policy 05-13.

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) was approved by voters and allocates \$40 million of funding annually towards Graduate Medical Education to sustain, retain, and expand California residency positions in primary care and emergency medicine. All accredited residency programs in the state meeting the guidelines set forth in Proposition 56 are eligible to apply for funding. The University of California is the designated recipient of the funding and has contracted with PHC to administer the annual \$40 million in grants allocated from Proposition 56.

PHC is authorized by Proposition 56 and the University of California to issue grants for the purpose of increasing the number of primary care and emergency physicians trained in California (Purpose). The use of the grant funding will support and provide for the safety, health, and social services needs of county residents, as the goal of the grant funds is to sustain, retain, and expand graduate medical education programs to achieve the Purpose, based on demonstrated workforce needs and priorities.

The agreements are PHC's standard grant agreements and incorporate several terms and conditions that are not part of the County's standard contract provisions, as discussed below:

1. Each party is required to defend, indemnify, and hold the other party harmless against all liability, expenses, and losses (including attorney's fees) for injury or damages arising out of the performance of the agreements, but only in proportion to and to the extent caused by the indemnifying party's own negligent or intentional acts or omissions.
  - The County's standard contract does not contractually require the County to indemnify the vendor.
  - Potential Impact: By agreeing to indemnify PHC, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against PHC without such limitations, and the County may be required to defend and indemnify PHC.
  
2. The agreements do not require PHC to meet the County's insurance standards as required pursuant to County Policy 11-07.
  - The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
  - Potential Impact: The County has no assurance that PHC will be financially responsible for claims that may arise under the agreements, which could result in expenses to the County that exceed the total amounts of the agreements.

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3. There is no stated venue in the agreements.
  - The County standard contract requires the venue of any disputes to be in the San Bernardino County Superior Court.
  - Potential Impact: PHC appears to be based out of Sacramento. Without an express provision on venue in the agreements, in the event a claim arises, PHC could pursue its claim against the County in Sacramento County, which may result in fees and expenses to the County that might not have been incurred if the action was filed in San Bernardino.
  
4. The agreements are silent on PHC's ability to assign the agreements.
  - The County standard contract require consent of the County prior to assignment.
  - Potential Impact: PHC could assign the agreements to a third-party with which the County is legally prohibited from doing business with due to issues of federal debarment or suspension and conflict of interest, without the County's knowledge. Should this occur, the County would be out of compliance with the law until it becomes aware of the assignment and terminates the agreements.
  
5. The agreements require that ARMC permit PHC, the California State Auditor or Controller, or their representatives, access to records on the source of income and expenditures of its medical education program for audit, inspection, and examination, and to accommodate requests for site visits to ARMC.
  - The County's standard contract does not permit the other party to audit the County's compliance or to inspect the County's records.
  - Potential Impact: The County may incur fees and costs to accommodate any request to conduct a site visit and/or inspection/audits.

ARMC recommends approval of the grant awards and agreements, including the non-standard terms, as their approval will enable ARMC to increase funding for the Obstetrics and Gynecology, Internal Medicine, Family Medicine, and Emergency Medicine Residency Programs.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on May 10, 2024; Finance (Chen Wu, Finance Budget Officer, 580-3165) on May 16, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 20, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 21, 2024.

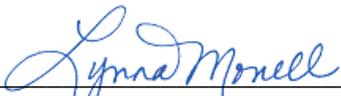
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Curt Hagman  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 11, 2024



cc: ARMC - Goldfrach w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree  
CCM 06/24/2024