

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

May 19, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to CEP America-California Physician Services Agreement

RECOMMENDATION(S)

Approve **Amendment No. 5** to Physician Services **Agreement No. 17-883** with CEP America – California, effective May 20, 2020, to modify Section 5.01 Compensation, and increase the annual fixed contract amount by \$951,390 from \$14,029,996 to \$14,981,386 for the provision of professional medical services, with no change to the contract term of January 1, 2018 through December 31, 2020.

(Presenter: William L. Gilbert, Director, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Implement the Countywide Vision.

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

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

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will result in the use of additional Discretionary General Funding (Net County Cost) in the amount of \$450,000, of which \$180,000 was approved by the Board of Supervisors on March 24, 2020 (Item No. 65) as part of the 2019-20 2nd Quarter Budget Report, to address the Consent Decree between the Sheriff/Coroner/Public Administrator (Sheriff) and the Prison Law Office (PLO) to increase the level of healthcare in County detention facilities. Sufficient appropriation for the additional increase of \$270,000 will be included in the Sheriff's 2020-21 recommended budget.

With respect to Arrowhead Regional Medical Center (ARMC), the remaining increase of \$501,390 will not result in the use of Discretionary General Funding (Net County Cost). This agreement includes fixed costs, as well as variable costs that are dependent on patient volume. Actual costs for services are funded by State Medi-Cal, Federal Medicare, private insurances, Inland Empire Health Plan (IEHP), grant funds, and County department reimbursements. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Sufficient appropriation and revenue has been included in the ARMC 2019-20 recommended budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this item will allow ARMC to expand physician services under the CEP America-California (CEP) Agreement No. 17-883 for Medical Services for the Sheriff at the County West

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Valley Detention Center (WVDC) by adding two Full-Time Equivalent (FTE) specialized physicians to diagnose and treat County inmates who suffer from chronic disease (0.5 FTE effective May 20, 2020 and 1.5 FTE effective July 1, 2020); and allowing ARMC to extend services at their Redlands Family Health Center.

ARMC provides medical care and education programs for the hospital and the Family Health Clinics (FHCs) through physician service agreements with various medical corporations. These medical corporations provide highly and technically skilled, licensed physicians, nurse practitioners and allied health staff to provide health care services to ARMC patients, including county inmates. This physician services agreement provides for the safety, health and social service needs of county residents by ensuring the continued availability of appropriate and necessary health care for county residents.

On December 5, 2017 (Item No. 13), the Board of Supervisors (Board) approved Physician Service Agreement No. 17-883 with CEP, formerly known as California Emergency Physicians Medical Group, to provide educational and emergency medical services at ARMC and affiliated FHCs in the annual base amount of \$11,097,365, for the period of January 1, 2018, through December 31, 2020.

On March 20, 2018 (Item No. 10), the Board approved Amendment No. 1 to Agreement No. 17-883 with CEP to update contract language, with no changes to the contract term.

On January 29, 2019 (Item No. 10), the Board approved Amendment No. 2 to Agreement No. 17-883 with CEP to update contract language and increase contract amount by \$2,277,000, with no change to the contract term.

On June 11, 2019 (Item No. 8), the Board approved Amendment No. 3 to Agreement No. 17-883 with CEP to update contract language and increase the contract amount by \$655,631 from \$13,374,365 to \$14,029,996, with no change to the contract term.

On September 10, 2019 (Item No. 20), the Board approved Amendment No. 4 to Agreement No. 17-883 with CEP to update contract language with no change to the contract amount or the termination date of December 31, 2020.

PROCUREMENT

Agreement No. 17-883 is an approved non-competitive procurement based on the specialized credentials required for the services. Although the Government Code (GC) does not make a specific exception to competitive bidding for professional physician services, GC Section 31000 provides the authority to contract with and employ any persons for the furnishing of "special services." Section 31000 authorizes a County to contract for medical services without the necessity of advertising for bids.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Scott Runyan, Deputy County Counsel, 387-5455) on April 6, 2020; Purchasing Department (Jackie Ambrose, Lead Buyer, 387-2463) on April 22, 2020; Sheriff/Coroner/Public Administrator (Jose Torres, Administrative Manager, 387-0640) on April 7, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285 and Carolina Mendoza, Administrative Analyst, 387-0294) on May 1, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on May 8, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 19, 2020



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/agree
File- w/agree
la 05/22/2020