

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

September 9, 2025

FROM

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

SUBJECT

Professional Services Agreement with California University of Science and Medicine for Neurology Services

RECOMMENDATION(S)

1. Approve Professional Services **Agreement No. 25-677**, including non-standard terms, with California University of Science and Medicine, to provide education and neurology services at Arrowhead Regional Medical Center, in the amount of \$8,049,534, plus variable costs, for the period of October 1, 2025, through September 30, 2028.
2. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of the Professional Services Agreement, pursuant to Health and Safety Code Section 1457(c)(1). (Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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 cost of \$8,049,534, plus variable costs, is funded by the State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2025-26 recommended budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The Professional Services Agreement (Agreement) will allow ARMC to contract with the California University of Science and Medicine (CUSM) to provide education and neurology services for the hospital and outpatient clinics. CUSM will provide specialized care for patients with disorders of the nervous system, including the brain, spinal cord, and nerves, while also supporting hospital operations through consultations, admissions, and critical care services. This Agreement also includes variable costs based on the number of medical students that participate in rotations at ARMC for which CUSM will provide instruction

ARMC provides medical care and education programs for the hospital and Family Health Centers through professional services agreements with various medical corporations. These medical groups provide highly and technically skilled, licensed physicians, surgeons, nurse

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practitioners and advanced practice professionals to provide health care services to ARMC patients. All physicians provided by the medical groups are granted clinical privileges, which allow the physician to practice medicine at ARMC and are approved to serve in administrative roles in the same manner. Clinical department appointments are made in accordance with the bylaws of the medical staff and with the approval of the Board of Supervisors (Board), as applicable. This is in accordance with Title 22 of the State of California, ARMC's accrediting bodies and the academic affiliation agreements established between ARMC and various medical schools.

All active and provisional physicians provided by CUSM must complete an annual Statement of Economic Interests form, as required by the County. The individuals are required to disclose any ownership, investment or financial interest that may present any conflict with performance of duties under the Agreement.

The Agreement was negotiated by the parties and contain non-standard contract terms or omit certain County standard contract terms as follows:

1. The County is required to defend and indemnify CUSM and its physicians and advance practice practitioners (collectively, "Providers") for medical malpractice and professional negligence.
 - The County's standard contract does not contractually require the County to indemnify its contractor under any circumstance.
 - Potential Impact: By agreeing to indemnify the Providers, 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 the Providers without such limitations and the County would be responsible to defend and reimburse the Providers for costs, expenses, and damages, which could exceed the total contract amount.
2. The Agreement does not require CUSM to meet all of the County insurance standards.
 - The County's standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by County's Risk Management Department.
 - Potential Impact: The Agreement does not include all of County standard insurance requirements. This means that the County has no assurance that CUSM will be financially responsible for claims that may arise from the Agreement, which could result in expenses to the County that exceed the total amount in the Agreement.
3. The Agreement does not require CUSM to indemnify or defend the County for claims that arise out of the acts or omissions of CUSM or its providers, except for claims resulting from inaccurate and/or improper billing information furnished by CUSM and relied upon by ARMC.
 - The standard County contract requires contractors to indemnify, defend, and hold the County harmless from third party claims arising out of the acts, errors or omissions of any person.
 - Potential Impact: CUSM's indemnity obligation is significantly more limited compared to the standard County general indemnity provision. In the event a claim arises that falls outside the scope of CUSM's limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.

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4. The termination without cause provision in the Agreement requires 120 days advanced written notice.
 - The County's standard contract provides that either party may terminate the contract with 30 days' written notice.
 - Potential Impact: ARMC will need to be mindful of the additional notice period required to terminate the Agreement.

Pursuant to Health & Safety Code section 1457(c)(1), the records of a hospital or any other county medical facility which reveal the rates of payment for health care services purchased by the hospital or other medical facility are not considered public records subject to disclosure under the California Public Records Act or any other law requiring the disclosure of records for a period of three years following execution of a related contract establishing rates of payment.

ARMC recommends approval of the Agreement, including the non-standard terms, to provide for the safety, health and social service needs of County residents by ensuring the availability of neurology services at ARMC.

PROCUREMENT

Government Code Section 31000 provides the Board with the authority to contract with and employ persons for the furnishing of special services, which include professional medical services.

The Purchasing Department recognizes the specialized credentials and supports the non-competitive procurement for these services.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on July 28, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on August 5, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst, 386-9008) on August 5, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on August 21, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on August 21, 2025.

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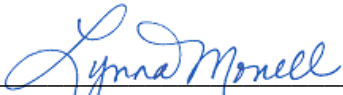
Record of Action of the Board of Supervisors
San Bernardino County

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: September 9, 2025



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree (BAI only)
File – Confidential files w/agree

CCM 09/10/2025