

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

October 21, 2025

**FROM**

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

**SUBJECT**

Agreement with Managed Resources, Inc., for Insurance Defense Audit/Account Audit Services

**RECOMMENDATION(S)**

Approve **Agreement No. 25-831** with Managed Resources, Inc., for Insurance Defense Audit/Account Audit Services, in the not-to-exceed amount of \$2,500,000, for the period of October 28, 2025 through October 27, 2030.

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

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

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

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost of \$2,500,000 is funded by 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 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

The agreement with Managed Resources, Inc. (MRI) will allow for concurrent chart auditing and defense auditing services at ARMC. An auditor from MRI will randomly perform chart audits by reviewing medical records and billing documents in advance of the actual billing to the third-party payor (insurance company). An insurance defense audit consists of a representative from MRI and an agent from the third party, verifying that charges billed for patient services have been documented accurately. Both parties review the medical record and all other clinical data to verify the written documentation on the medical bill is a true reflection of services provided to the patient.

Chart audits and defense audits ensure that ARMC operates in a fiscally responsible and business-like manner by confirming the accuracy of the billing process at ARMC and that the Centers for Medicare and Medicaid Services (CMS) billing guidelines are met.

ARMC recommends approval of the Agreement in order to maintain compliance with CMS billing standards, ensure fiscal accountability, and safeguard the integrity of the billing process by verifying that all charges accurately reflect the services provided to patients.

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**PROCUREMENT**

The County Administrative Office approved and authorized the release of Request for Proposals (RFP) No. ARMC125-ARMC-5889 on June 6, 2025. The RFP was posted on the County's Electronic Procurement Network (ePro).

One proposal was received by the established deadline in response to the RFP and they were deemed responsive. Proposal from MRI, located at 11 Golden Shore Suite 360 Long Beach, CA 90802, met the minimum requirements and continued through the evaluation process.

Based on MRI exceeding ARMC's requirements, the evaluation committee determined that MRI met the needs of ARMC.

The Purchasing Department supports this competitive procurement based on the solicitation mentioned above.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on September 19, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on September 12, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on September 26, 2025; and County Finance and Administration (Jenny Yang, Deputy Executive Officer, 387-5423) on October 2, 2025.

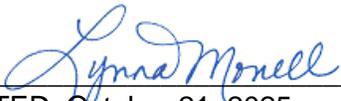
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Record of Action of the Board of Supervisors  
San Bernardino County

**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: October 21, 2025



cc: ARMC - Goldfrach w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree  
MBA 10/22/2025