

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

May 7, 2024

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Non-Financial Transfer Agreement with GnanaDev ASC Holdings, LLC for the Transfer of Patients

RECOMMENDATION(S)

Approve non-financial Transfer **Agreement No. 24-355**, including non-standard terms, with GnanaDev ASC Holdings, LLC, for the transfer of patients who require a higher level of care services to Arrowhead Regional Medical Center, retroactively effective October 16, 2023 through October 15, 2028.

(Presenter: William L. Gilbert, Director, 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) as the Transfer Agreement is non-financial in nature. No funds will be exchanged between Arrowhead Regional Medical Center (ARMC) and GnanaDev ASC Holdings, LLC (GnanaDev ASC) for the transfer of patients. Each facility will be responsible for billing the applicable third-party payors for the costs associated with patient care provided at the respective facilities.

BACKGROUND INFORMATION

Approval of the Transfer Agreement (Agreement) with GnanaDev ASC will allow ARMC to accept patients who require a specialized higher level of care from GnanaDev ASC. The Agreement will facilitate the continuity of care and timely transfer of patients and their records between facilities should a patient of GnanaDev ASC ambulatory surgical center require a higher level of care that is available at ARMC. All patient transfers will be in accordance with applicable federal and state laws and regulations, standards of regulatory agencies, and reasonable policies and procedures of the facility.

This item is retroactive due to Health and Human Services regulations that require an ambulatory surgical center to contract with a hospital to provide stabilizing treatment to a patient experiencing an emergency medical condition. GnanaDev ASC is requesting a retroactive agreement to meet these regulatory requirements for its ambulatory surgical center. The Agreement is being presented to the Board of Supervisors at the earliest opportunity, following completion of all negotiations and concurrence by GnanaDev ASC.

**Non-Financial Transfer Agreement with GnanaDev ASC Holdings, LLC
for the Transfer of Patients
May 7, 2024**

This recommended Agreement outlines responsibilities of each health care facility in the transfer of patients for specialized or higher level of patient care. Upon transfer to ARMC, the hospital will be responsible for providing higher level of care services consistent with the patient's medical needs. Each facility will pursue payment for services rendered via State, Medi-Cal, Federal Medicare, and private insurances. If there is no available payor, the County is obligated to pay the agreed upon rates for the care of an indigent patient. Approval of the Agreement is in the best interest of the County as it provides for a higher level of care not available at GnanaDev ASC for county residents.

The negotiated Agreement includes non-standard terms and omits County standard contract terms, as follows:

1. The Agreement does not require GnanaDev ASC to comply with all of the standard County insurance terms.
 - 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 Agreement does not include all of the County standard insurance requirements. This means that the County has no assurance that GnanaDev ASC will be financially responsible for claims that may arise under the Agreement.
2. The Agreement requires the County to indemnify GnanaDev ASC for claims that result solely from the acts or omissions of the County and its agents in the performance of the Agreement.
 - The County standard contract does not include any indemnification or defense by the County of a Contractor.
 - Potential Impact: By agreeing to indemnify GnanaDev ASC, 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 GnanaDev ASC without such limitations and the County would be responsible to defend and reimburse GnanaDev ASC for costs, expenses, and damages.
3. GnanaDev ASC limits its indemnity obligation to claims that result solely from the acts or omissions of the GnanaDev ASC and its agents in the performance of the Agreement.
 - The County standard contract general indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person.
 - Potential Impact: GnanaDev ASC's indemnity obligation is more limited compared to the standard County general indemnity obligation. In the event a claim arises that falls outside the scope of the limited indemnity obligation, the County could be solely financially responsible for such claims.

ARMC recommends approval of this Agreement, including the non-standard terms, to provide care and services to patients who require medical services not available at GnanaDev ASC.

PROCUREMENT

Not applicable.

**Non-Financial Transfer Agreement with GnanaDev ASC Holdings, LLC
for the Transfer of Patients
May 7, 2024**

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on March 29, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on April 21, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 22, 2024; Finance (Jenny Wang, Administrative Analyst, 387-5423) on April 22, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 22, 2024.

**Non-Financial Transfer Agreement with GnanaDev ASC Holdings, LLC
for the Transfer of Patients
May 7, 2024**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 7, 2024



cc: ARMC - Gilbert w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 05/8/2024