

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

July 28, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Physician Service Agreement with San Bernardino Medical Orthopedic Group, Inc. DBA Arrowhead Orthopedics

RECOMMENDATION(S)

Affirm Amendment No. 3, effective May 1, 2020, to **Physician Service Agreement No. 17-887** with San Bernardino Medical Orthopedic Group, Inc. DBA Arrowhead Orthopedics increased the annual base amount by \$221,000, from \$2,683,000 to \$2,904,000 plus variable costs, in order to add podiatry services, with no change to the current expiration date of December 31, 2020.

(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

Amendment No. 3 to Physician Service Agreement No. 17-887, in the annual amount of \$221,000, does not result in the use of Discretionary General Funding (Net County Cost). This amendment includes variable costs that fluctuate with patient volume. Actual costs for services are funded by State Medi-Cal, Federal Medicare, private insurances, and in some cases reimbursed by County departments. 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 are included in the Arrowhead Regional Medical Center (ARMC) 2020-21 budget.

BACKGROUND INFORMATION

On April 21, 2020 (Item No. 10), the Board of Supervisors approved Amendment No. 3, effective May 1, 2020, to Physicians Service Agreement No. 17-887 with San Bernardino Medical Orthopedic Group, Inc. DBA Arrowhead Orthopedics. After the board date, it was discovered that the April 21st board agenda item did not clearly identify the amendment as an increase to the annual base amount (versus total base amount). This item is intended to clarify and affirm that Amendment No. 3, effective May 1, 2020, was, in fact, an increase to the annual base amount by \$221,000, from \$2,683,000 to \$2,904,000 plus variable costs, in order to add podiatry services, with no change to current expiration of December 31, 2020. ARMC staff will ensure that future Board items clearly reflect whether amendments are to the annual or total base amounts.

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PROCUREMENT

Although the Government Code (GC) does not make exception to competitive bidding for professional physician services, GC section 31000 provides the Board of Supervisors with 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.

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

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Scott Runyan, Deputy County Counsel, 387-5455) on July 1, 2020; Purchasing Department (Michelle Churchill, Lead Buyer, 387-2070) on July 10, 2020. ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on July 7, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on July 10, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on July 13, 2020.

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

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: July 28, 2020



cc: File- w/agree
la 07/29/2020