

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

May 5, 2026

FROM

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

SUBJECT

Revenue Hospital Services Agreement with PrimeCare Medical Network, Inc. for Reimbursement of Inpatient and Outpatient Healthcare Services

RECOMMENDATION(S)

1. Approve Revenue Hospital Services **Agreement No. 26-310** with PrimeCare Medical Network, Inc., including non-standard terms, for the reimbursement of inpatient and outpatient healthcare services for a term of 36 months, effective on July 1, 2026, and then automatically renewing for one-year terms thereafter until terminated or non-renewed by either party.
2. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of the Agreement in Recommendation No. 1 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

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

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). This Revenue Hospital Services Agreement (Agreement) will allow Arrowhead Regional Medical Center (ARMC) to receive reimbursement from PrimeCare Medical Network, Inc. (PMNI) and its affiliated payors for providing inpatient and outpatient hospital services to managed care members assigned to PMNI. Adequate appropriation and revenue have been included in the ARMC 2026-27 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this Agreement will allow ARMC to serve as a contracted hospital provider in PMNI's network. Under the Agreement, ARMC will provide authorized inpatient and outpatient healthcare services to PMNI members when medically necessary and consistent with applicable utilization and authorization requirements established by the network.

PMNI is a physician network that contracts with multiple health plans and payors to arrange covered healthcare services for enrolled members, including inpatient and outpatient care. PMNI assigns members to participating hospitals within its network to ensure access to medically necessary services.

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Participation in PMNI's network supports continuity of care and access to healthcare services for managed care members, while ensuring ARMC receives appropriate reimbursement for services rendered. Maintaining in-network status helps avoid disruptions in care delivery and coverage for PMNI-assigned members.

The Agreement with PMNI is based on PMNI's standard commercial agreement, negotiated by the parties that include terms that deviate from the standard County contract terms as follows:

1. The Agreement does not require PMNI to indemnify the County, as required by County Policies 11-05 and 11-07.
 - The County standard general indemnity provision requires the contractor 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: PMNI is not contractually required to defend, indemnify or hold the County harmless from any claims, including claims arising from PMNI's negligent or intentional acts. If the County is sued for any claim, the County could potentially be solely responsible for the cost of defense and any resulting settlement/judgment.
2. The County is required to indemnify PMNI for any fines, penalties, assessments, or enforcement actions levied against PMNI as a result of ARMC's failure to timely implement or comply with applicable regulatory requirements.
 - The standard County contract does not impose any contractual indemnity obligations on the County.
 - Potential Impact: By agreeing to indemnify PMNI, 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 PMNI without such limitations and the County could be responsible to defend and reimburse PMNI for costs, expenses, and damages.
3. The Agreement does not require PMNI to meet the County's insurance standards as required pursuant to County Policies, 11-05, 11-07 and 11-07SP.
 - County policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy and in the County standard contract.
 - Potential Impact: The County has no assurance that PMNI will be financially responsible for claims that may arise under the Agreement, which could result in expenses to the County.
4. The Agreement imposes insurance obligations on the County, including requiring the County to maintain either workers' compensation, general liability, and professional liability insurance policies or a program of self-insurance to provide such coverage.
 - The standard County contract does not impose any insurance obligations on the County.
 - Potential Impact: The County will need to be mindful of the insurance obligations and ensure compliance to avoid a breach of the County's obligations under the Agreement.

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5. After an initial term of three years, the Agreement continues in effect for one-year successive terms, until terminated or non-renewed by a party to the Agreement.
 - County Policies 11-05 and 11-06SP1 do not permit indefinite term or automatically renewing contracts except for end user license agreements, software/hardware licenses and subscriptions, and master service agreements or unless approved by the Board.
 - Potential Impact: There is no end term to the Agreement and the County is indefinitely bound to the terms and conditions of the Agreement until terminated or non-renewed by either party.

6. The County cannot terminate the Agreement without cause, but it can be non-renew the Agreement by providing PMNI written notice of such non-renewal at least 180 days prior to the end of the initial term or each renewal term.
 - The County standard contract gives the County the right to terminate the contract, for any reason, with a 30-day written notice of termination without any obligation other than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
 - Potential Impact: The County will need to be mindful of the 180 day notice period in the event it seeks to terminate or non-renew the Agreement.

7. PMNI has the right to audit County's records relating to the services under the Agreement.
 - The County standard contract does not permit contractors to audit the County's compliance.
 - Potential Impact: If an audit determines any overpayments or inappropriate provision of services, PMNI may demand repayment from the County of payments made by PMNI under the Agreement.

8. Disputes must be resolved through binding arbitration.
 - The County standard contract does not require arbitration.
 - Potential Impact: Binding arbitration decisions are not appealable. In addition, disputes that might otherwise be settled in small claims court would incur arbitration costs that could exceed the costs of a small claims action.

ARMC recommends approval of this Agreement, including the non-standard terms, to provide for the safety, health and social service needs of county residents by ensuring reliable access to necessary healthcare services.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on March 26, 2026; Risk Management (Stephanie Mead, Staff Analyst II, 386-9044) on March 26, 2026; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on March 27, 2026; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on April 13, 2026.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 5, 2026



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

CCM 05/6/2026