

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

June 9, 2026

FROM

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

SUBJECT

Budget Adjustments for Increased Hospital Expenses

RECOMMENDATION(S)

Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section, to Arrowhead Regional Medical Center's 2025-26 budget, to fund increased costs in Other Medical Supplies (Four votes required).

(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). The recommended budget adjustments, as reflected in the table below, are needed to provide Arrowhead Regional Medical Center (ARMC) with sufficient appropriation authority in 2025-26 to fund increased costs for other medical supplies. Transferring the funding will ensure ARMC is able to purchase products needed to provide services and maintain appropriate inventory levels for patient care operations. These costs will be funded by fixed asset savings from deferred or unneeded fixed asset purchases that were included in ARMC's 2025-26 budget.

SAP Fund Center	Commitment Item/GL	Description	Action	Amount
9174214200	52004100	Other Medical Supplies	Increase	\$3,000,000
9186104200	54404040	Equipment	Decrease	\$3,000,000

BACKGROUND INFORMATION

Approval of the recommendation will allow ARMC to fund increased costs in other medical supplies primarily due to higher-than-projected patient procedure volumes in Interventional Radiology and Cardiac Catheterization Laboratories. Increased procedural activity due to increased procedures in Interventional Radiology and Operating Room, as well as tariffs have resulted in higher utilization of medical supplies necessary to maintain continuity of patient care

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services. The increase in other medical supplies costs will be offset by savings associated with deferred or unneeded fixed asset purchases in ARMC's 2025-26 budget.

ARMC utilizes a Material Requirements Planning (MRP) inventory management system that automatically monitors inventory levels and generates purchase orders when supply levels reach established reorder points. The MRP is tied to the budget of specific agreements. If those agreements run out of funding, the medical supplies needed, will not be automatically ordered, which may delay patient care. ARMC is currently experiencing a significant reduction in available appropriation authority within the Services and Supplies budget used to fund medical supply purchases. Approval of the recommended budget adjustment is necessary to ensure the continued operation of the inventory replenishment process and the timely procurement of medical supplies required to support patient care services.

ARMC recommends approval of the recommendation to allow ARMC to continue providing critical health care services to County residents.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Daniella Hernandez, Deputy County Counsel, 387-5455) on May 15, 2026; Auditor-Controller/Treasurer/Tax Collector (Yusuf Singleton, Auditor-Controller Manager, 382-3035) on May 15, 2026; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 29, 2026; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on May 21, 2026.

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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: June 9, 2026



cc: File - Medical Center
MBA 06/10/2026