

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

September 24, 2024

FROM

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

SUBJECT

Revenue Agreement for Health Care Services with Wellpath, LLC for the Patients Housed at the Federal Correctional Complex, Victorville

RECOMMENDATION(S)

1. Approve **Revenue Agreement No. 24-933**, including non-standard terms, with Wellpath, LLC to provide reimbursements to Arrowhead Regional Medical Center, for the provision of certain health care services for patients housed at the Federal Correctional Complex, Victorville, for the term retroactively beginning April 1, 2024 through March 31, 2029.
 2. Direct the Clerk of the Board of Supervisors to maintain confidentiality of the Agreement 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.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Under the terms of the Revenue Agreement (Agreement) with Wellpath, LLC (Wellpath), Arrowhead Regional Medical Center (ARMC) will receive payments for providing healthcare services to patients housed at the Federal Correctional Complex, Victorville (FCC Victorville). Adequate appropriation and revenue have been included in the ARMC 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the Agreement with Wellpath will allow ARMC to be reimbursed for inpatient and outpatient health care services provided by ARMC to patients housed at FCC Victorville. Wellpath is contracted with FCC Victorville to provide administrative coordination and make payments on behalf of FCC Victorville to external healthcare providers, such as ARMC, for healthcare services rendered to patients housed at the prison complex. Therefore, Wellpath is the contracting entity for the external healthcare providers.

The Agreement is being presented to the County Board of Supervisors (Board) for approval retroactively due the necessary negotiations with Wellpath that took place after the County was notified of the vendor change in March. Payments for FCC Victorville's external healthcare providers were previously managed by NaphCare. Wellpath has agreed to pay

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claims with no lapse in coverage from the time that the vendor changed from NaphCare to Wellpath. Thereby, preventing loss of revenue for services.

The Agreement is Wellpath's standard commercial agreement, negotiated by the parties, that includes non-standard contract terms or omits the County standard contract terms as follows:

1. The County is required to indemnify Wellpath for any claims that arise from acts committed by the County, its agents, subcontractors, and employees.
 - The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify Wellpath, 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 Wellpath without such limitations and the County could be responsible to defend and reimburse Wellpath for costs, expenses, and damages.
2. Wellpath limits its indemnity obligations to claims that arise from the acts committed by Wellpath, its agents, subcontractors, and employees.
 - 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: Wellpath'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 Wellpath's limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
3. Wellpath is not required to comply with the County standard insurance requirements.
 - 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 11-07 and 11-07SP and in the County standard contract.
 - Potential Impact: The County has no assurance that Wellpath will be financially responsible for claims that may arise under the Agreement.

ARMC recommends approval of the Agreement, including the non-standard terms, to enable ARMC to continue to operate in a fiscally-responsible manner by ensuring payments for services rendered to patients at FCC Victorville located in the County.

Pursuant to Health and Safety Code Section 1457(c)(1) specific terms related to the rates of payment for health care services are not immediately subject to laws related to public records; therefore, the Clerk of the Board is directed to maintain confidentiality of this Agreement.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on August 22, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst, 386-9008) on August 29, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer,

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580-3165) on August 29, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on September 3, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on September 9, 2024.

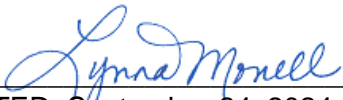
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 24, 2024



cc: ARMC - Goldfrach w/agree
 Contractor - c/o ARMC w/agree
 File - w/agree (BAI only)
 File – Confidential files w/agree
CCM 09/27/2024