

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

August 20, 2024

FROM

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

SUBJECT

Professional Services Agreement with Inland Empire Anesthesia Medical Group, Inc. for Anesthesia and Related Services

RECOMMENDATION(S)

1. Approve Professional Services **Agreement No. 24-768** , including non-standard terms, with Inland Empire Anesthesia Medical Group, Inc. to provide education, anesthesia, pain management, and critical care medical services, for the total base amount of \$33,441,107, plus variable costs, for the period September 1, 2024 through December 31, 2027.
2. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of the Professional Services 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

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 \$33,441,107, plus variable costs for services are funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this Professional Services Agreement (Agreement) will enable Inland Empire Anesthesia Medical Group, Inc. (IEAMGE) to continue to provide patient care through the provision of education, anesthesia, pain management, and critical care services. IEAMG has provided anesthesiology services at ARMC since 2015. The Agreement contains fixed and variable costs. Variable costs are based on patient volume from the Sheriff's Department and Patton State Hospital and the number of medical students that participate in rotations for which IEAMG will provide instruction.

ARMC provides medical care and education programs for the hospital and Family Health Centers through professional services agreements with various medical groups. These groups provide highly and technically skilled, licensed physicians, nurse practitioners, and advanced

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practice professionals to provide health care services to ARMC patients, including County inmates and juveniles. The healthcare providers at ARMC provide special services in the medical profession that are not available from other public sources or any public agency.

All physicians provided by the medical group are granted clinical privileges, which allow the physicians to practice medicine at ARMC and are approved to serve in administrative roles in the same manner. Clinical department appointments are made in accordance with the bylaws of the medical staff and with the approval of the Board of Supervisors (Board), as applicable. This is also in accordance with Title 22 of the State of California, ARMC's accrediting bodies, and the academic affiliation agreements established between ARMC and various medical schools.

All active and provisional physicians provided by IEAMG must complete an annual Statement of Economic Interests form, as required by the County. The individuals are required to disclose any ownership, investment or financial interest that may present any conflict with performance of duties under the Agreement.

The Agreement was negotiated by the parties and contain non-standard contract terms or omit certain County standard contract terms as follows:

1. The County is required to defend and indemnify IEAMG and its practitioners for medical malpractice and professional negligence.
 - The County's standard contract does not contractually require the County to indemnify its contractor under any circumstance.
 - Potential Impact: By agreeing to indemnify the IEAMG and its practitioners, 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 IEAMG and its practitioners without such limitations and the County would be responsible to defend and reimburse them for costs, expenses, and damages, which could exceed the total contract amount.
2. The Agreement does not include all of the standard County insurance requirements.
 - The County's standard contract requires contractors to carry certain insurance coverage as determined by the County's Department of Risk Management, and for contractors to add the County as an insured in their policies and to waive the right to subrogation.
 - Potential Impact: The Agreement does not require IEAMGE to carry all of the standard County required insurance policies and do not include any of the standard County insurance provisions. This means that the County has no assurance that IEAMGE will be financially responsible for claims that may arise from the Agreement, which could result in expenses to the County that exceed the total contract amount.
3. Payment terms are Net 15 days.
 - The standard County contract payment term is Net 60 days.
 - Potential Impact: The County is required to make payment Net 15 days after receipt of invoice. In the event the County fails to make payments on time, IEAMG could declare the County in material breach and may seek to terminate the Agreement and seek other relief available under applicable laws.
4. The County may terminate the Agreement with 120 days written notice.

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- The County's standard contract provides that either party may terminate the contract with 30 days written notice.
- Potential Impact: ARMC will need to be mindful of the additional notice period required to terminate the Agreement.

Pursuant to Health & Safety Code section 1457(c)(1), the records of a hospital or any other county medical facility which reveal the rates of payment for health care services purchased by the hospital or other medical facility are not considered public records subject to disclosure under the California Public Records Act or any other law requiring the disclosure of records for a period of three years following execution of a related contract establishing rates of payment.

ARMC recommends approval of the Agreement, including the non-standard terms, to continue the provision of anesthesia services, providing for the safety, health and social services needs of County residents.

PROCUREMENT

Government Code Section 31000 provides the Board with the authority to contract with and employ persons for the furnishing of "special services," which include professional medical services. The Purchasing Department recognizes the specialized credentials and supports the non-competitive procurement for these services, allowing for continuity of care for patients in this specialty area.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on July 25, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on July 26, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on July 30, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on July 26, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on July 30, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on August 5, 2024.

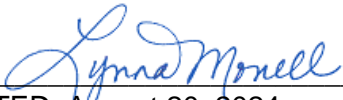
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 20, 2024



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

CCM 08/21/2024