

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

May 20, 2025

FROM

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

SUBJECT

Amendment to Agreement with R1 RCM Holdco Inc. for Physician Advisory Services

RECOMMENDATION(S)

Approve **Amendment No. 1 to Agreement No. 20-360** with R1 RCM Holdco Inc. for physician advisory services, to update the parties' respective legal names, increase the not-to-exceed amount by \$100,000, from \$750,000 to an amount not-to-exceed \$850,000, and extend the term for one additional year, for a total term of June 9, 2020 through June 8, 2026.
(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 cost of \$100,000 is 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 the 2025-26 recommended budget.

BACKGROUND INFORMATION

Amendment No. 1 (Amendment) to Agreement No. 20-360 (Agreement) will allow ARMC to continue to use R1 RCM Holdco Inc. (R1) as a secondary physician reviewer for all patients that require inpatient hospitalization, but do not meet the criteria using the state approved Interqual or MCG software, which align clinical decisions with payer criteria to lower denial of payments and improve patient care. The Amendment will also update the County's name from the County of San Bernardino to San Bernardino County and R1's name on the Agreement from R1 RCM Inc. to R1 RCM Holdco Inc. as a result of a change in its legal name that occurred on June 21, 2022. ARMC was notified of this name change on March 25, 2025 during agreement negotiations.

On June 9, 2020 (Item No. 6), as the result of formal solicitation No. ARMC119-ARMC-3375, the Board of Supervisors approved Agreement No. 20-360 with R1 RCM Inc. in the amount not to exceed \$750,000 for the period of June 9, 2020, through June 8, 2025, for physician advisory services.

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On January 6, 2025, Request for Proposal No. ARMC125-ARMC-5690 was released and posted on the County's Electronic Procurement Network (ePro) to procure physician advisory services for ARMC. The RFP failed to attract enough qualified proposers to meet the needs of ARMC, and as a result, the RFP was canceled.

A new RFP will be released and posted on ePro to procure physician advisory services for ARMC. The Amendment will allow R1 to continue providing these services and give ARMC time to complete the RFP process to establish a new five-year contract.

ARMC recommends approval of this Amendment to provide for the safety and health needs of County residents by ensuring continuity of secondary physician review processes for Medi-Cal reimbursement services during the pendency of the competitive procurement for a new contract.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on April 23, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on April 23, 2025; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on April 28, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 1, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 1, 2025.

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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.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 20, 2025



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 05/27/2025