

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

December 19, 2023

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Physician Service Agreement with Arrowhead Family Medical Group, Inc.

RECOMMENDATION(S)

Approve **Amendment No. 1** to Physician Service **Agreement No. 20-1198** with Arrowhead Family Medical Group, Inc., to provide educational and family medicine services at Arrowhead Regional Medical Center, increasing the total contract amount by \$4,689,000, from \$42,787,650 to \$47,476,650, plus variable amounts, and extending the contract term by four months for a total contract term of January 1, 2021 through April 30, 2024.

(Presenter: William L. Gilbert, Director, 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 \$4,689,000 will be 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) 2023-24 budget.

BACKGROUND INFORMATION

Amendment No. 1 will extend the contract term of Agreement No. 20-1198 (Agreement) with Arrowhead Family Medical Group, Inc. (AFMG) for four months to allow for a smooth transition to a new vendor.

ARMC provides medical care and education programs for the hospital and the Family Health Centers through physician service agreements with various medical corporations. AFMG provides highly and technically skilled licensed physicians, nurse practitioners and allied health staff to provide health care services to ARMC patients, including county inmates and juveniles. AFMG has been providing services at ARMC since 2010.

The Agreement is currently set to expire on December 31, 2023, and since parties have been unable to reach a new agreement, it was agreed that an extension of the existing Agreement would allow for continued coverage of patient care as these services are transitioned to a new vendor.

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On December 15, 2020 (Item No. 18), the Board of Supervisors approved the Agreement with AFMG to provide educational and family medicine services at ARMC in the amount of \$42,787,650, plus variable amounts, for the period of January 1, 2021 through December 31, 2023. The Agreement has fixed and variable costs, which are dependent on patient and/or student training volume.

ARMC recommends approval of Amendment No. 1 to the Agreement to continue to provide health care services to ARMC's patients and allow time for ARMC and AFMG to transition to a new vendor.

PROCUREMENT

The amendment and underlying Agreement with AFMG was the result of a non-competitive procurement due to the specialized credentials of the physicians and practitioners. Government Code section 3100 provides public entities the authority to contract for "special services," which explicitly includes medical services. Courts have interpreted GC 31000 as providing a public entity with the authority to contract with and employ individuals who are highly and technically skilled in the sciences without competitive bidding.

The Purchasing Department recognizes the specialized credentials and continues to support the non-competitive procurement for these services.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on November 20, 2023; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on November 22, 2023; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on November 28, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884) on November 29, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 30, 2023.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 19, 2023



cc: ARMC - Gilbert w/agree
 Contractor c/o ARMC w/agree
 File - w/agree
MA 12/21/2023