

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

December 17, 2024

FROM

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

SUBJECT

Professional Services Agreement with Arrowhead Pediatrics Medical Group, Inc. for Pediatric Services

RECOMMENDATION(S)

1. Approve Professional Services **Agreement No. 24-1301**, including non-standard terms, with Arrowhead Pediatrics Medical Group, Inc. to provide pediatric educational and medical services, in the total amount of \$4,901,750 plus variable amounts, for the period of January 1, 2025 through June 30, 2028.
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 cost of \$4,901,750, plus variable costs is funded by the 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

The Professional Services Agreement (Agreement) will allow Arrowhead Pediatrics Medical Group, Inc. (APMG) to continue to provide pediatric educational and medical services at ARMC.

ARMC provides medical care and education programs for the hospital and the Family Health Clinics (FHC) through professional services agreements with various medical corporations. APMG has been providing highly and technically skilled, licensed physicians, nurse practitioners and allied health staff to provide pediatric health care services to ARMC patients since 2006.

All physicians provided by the corporations are granted clinical privileges, which allow the physician 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

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medical staff. This is 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 corporations must also complete an annual Statement of Economic Interests, as required by the County. The physicians are required to disclose ownership, investment or other financial interest which may present any conflict with the performance of their duties under the Agreement.

The Agreement with APMG was negotiated by the parties and includes the following non-standard contract terms:

1. The County is required to defend and indemnify APMG and its physicians and advanced practice practitioners (collectively, "Providers") 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 Providers, 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 the Providers without such limitations and the County would be responsible to defend and reimburse the Providers for costs, expenses, and damages, which could exceed the total contract amount.
2. The Agreement does not require APMG to meet the County insurance standards.
 - The County's standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by County's Risk Management Department.
 - Potential Impact: The Agreement does not include County standard insurance requirements. This means that the County has no assurance that APMG will be financially responsible for claims that may arise from the Agreement, which could result in expenses to the County that exceed the total amount in the Agreement.
3. The termination without cause provision in the Agreement requires 120 days advanced written notice.
 - 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.

ARMC recommends approval of this Agreement, including the non-standard terms, to provide for the safety, health and social service needs of County residents for patient care by allowing for continued patient care in the area of pediatrics.

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.

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REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on October 23, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst, 386-9008) on October 28, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on October 24, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on November 21, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on November 26, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 26, 2024.

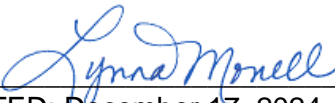
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Record of Action of the Board of Supervisors
San Bernardino County

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: December 17, 2024



cc: ARMC - Goldfrach w/agree
 Contractor - c/o ARMC w/agree
 File - w/agree (BAI only)
 File - Confidential files w/agree
CCM 12/23/2024