

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

November 18, 2025

**FROM**

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

**SUBJECT**

Amendments to Hospital Per Diem Agreement with Inland Empire Health Plan

**RECOMMENDATION(S)**

1. Acknowledge **Amendment No. 16 to Hospital Per Diem Agreement No. 20-887** with Inland Empire Health Plan, which was unilaterally issued by Inland Empire Health Plan, for reimbursement for medical services rendered to Inland Empire Health Plan members, to align the contract terms with regulatory changes, with no change to the term of October 1, 2020 through December 31, 2026.
2. Approve **Amendment No. 17 to Hospital Per Diem Agreement No. 20-887** with Inland Empire Health Plan, for reimbursement for medical services rendered to Inland Empire Health Plan members, to participate in the Hospital Quality Incentive Program, with no change to the term of October 1, 2020 through December 31, 2026.
3. Direct the ARMC Chief Executive Officer to transmit to the Clerk of the Board of Supervisors any subsequent unilateral, regulatory amendments issued by Inland Empire Health Plan, as authorized by Hospital Per Diem Agreement No. 20-887, within 30 days of being issued.
4. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of Amendment Nos. 16 and 17 and any subsequent unilateral, regulatory amendments that address reimbursement rates, 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.**

**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). Expenditures incurred for the provision of services under Hospital Per Diem Agreement No. 20-887 (Agreement) are funded through reimbursements by Inland Empire Health Plan (IEHP). Adequate appropriation and revenue have been included in Arrowhead Regional Medical Center's (ARMC) 2025-26 budget and will be included in the 2026-27 recommended budget.

**BACKGROUND INFORMATION**

On September 15, 2020 (Item No. 15), the Board of Supervisors (Board) approved the Agreement with IEHP to provide reimbursement for medical services rendered by ARMC to

**Amendments to Hospital Per Diem Agreement with Inland Empire  
Health Plan  
November 18, 2025**

IEHP members for the period of October 1, 2020, through September 30, 2023. The Board has since approved 15 amendments to the Agreement to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range increases during State-established claim periods, update program eligibility, amend compensation and reimbursement rates, and extend the term of the Agreement, through December 31, 2026.

Generally, the Agreement may be amended only by a mutual written amendment signed by the parties. However, under the Agreement, IEHP may, upon 30 day written notice, unilaterally amend the Agreement to maintain compliance with applicable federal and state laws and regulations, unless a shorter timeframe is necessary for compliance. These amendments (Regulatory Amendments) do not require the approval of the County.

On August 26, 2025, IEHP provided notice to the County of its intent to issue a Regulatory Amendment, in the form of Amendment No. 16 to the Agreement, to update contract language, effective January 1, 2026, as a result of (1) Assembly Bill 118, which enhanced reimbursement rates for certain healthcare services, and (2) the California Department of Managed Health Care's (DMHC) issuance of two All Plan Letters relating to reimbursement and timely access. All Plan Letters are documents from DHMC and the California Department of Health Care Services that provide official guidance, policy interpretation, and operational instructions to Medi-Cal managed care plans and other regulated health plans. Because Amendment No. 16 was unilaterally issued under IEHP's authority to do so based on regulatory changes, approval of the County is not required, however acknowledgment of Amendment No. 16 is necessary to ensure proper record keeping and sequencing and to avoid any numbering conflicts in the County's records.

Approval of the Amendment No. 17 to the Agreement will allow ARMC to participate in the IEHP Hospital Quality Incentive Program (HQIP) for program years 2026 through 2028, effective January 1, 2026. This federally recognized incentive program, developed in alignment with Centers for Medicare and Medicaid Services guidelines (42 CFR §438.3(i)(3)(iii)), is designed to promote measurable improvements in hospital quality, clinical outcomes, and patient experience. Participation will enable ARMC to qualify for incentive payments tied to performance on specific clinical and operational measures published annually by IEHP.

The program establishes transparent participation requirements, defined performance targets, and payment methodologies. Incentive payments are funded entirely through IEHP and contingent upon the availability of state-approved funding. As a contracted safety-net provider serving a large Medi-Cal population, ARMC's inclusion in this program supports the goals to improve health outcomes, strengthen regional care coordination, and ensure financial sustainability through value-based payment arrangements.

Pursuant to Health and Safety Code Section 1457(c)(1), records that reflect 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 the amendments.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

**Amendments to Hospital Per Diem Agreement with Inland Empire  
Health Plan  
November 18, 2025**

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on October 8, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on October 10, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on October 14, 2025.

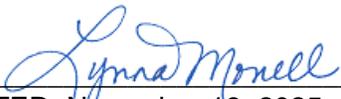
**Amendments to Hospital Per Diem Agreement with Inland Empire  
Health Plan  
November 18, 2025**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: November 18, 2025



cc:    ARMC - Goldfrach w/agree  
      Contractor - c/o ARMC w/agree  
      File - w/agree (BAI only)  
      File - Confidential files w/agree  
CCM  11/20/2025