

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

March 26, 2024

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Molina HealthCare of California for Reimbursement Rates

RECOMMENDATION(S)

1. Approve **Amendment No. 4 to Hospital Per Diem Agreement No. 19-837** with Molina HealthCare to increase Arrowhead Regional Medical Center's reimbursement rate for hospital stays, retroactively effective January 1, 2024, and extending the term of the agreement by two years, for a total term of December 17, 2019 through December 31, 2026.
2. Direct the Clerk of the Board of Supervisors to maintain confidentiality of Amendment No. 4 to Hospital Per Diem Agreement No. 19-837, pursuant to Health and Safety Code Section 1457(c)(1).

(Presenter: William L. Gilbert, Director, 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 for medical services provided to Molina HealthCare (Molina) members are funded through reimbursements from Molina. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

This recommended amendment will provide an increase in the reimbursement rates to the County for medical services provided at ARMC to Molina members and will extend the term of Agreement No. 19-837 through December 31, 2026. ARMC has been a designated hospital provider within Molina's network since 2019, providing in-patient services, emergency services, and other outpatient care services. Approval of this amendment will be retroactively effective to January 1, 2024, as discussions regarding new reimbursements rates began in late 2023 and concluded late February. This item is being retroactively presented at this time as this is the first available date following the required operation, fiscal, and legal reviews.

Molina is a Healthcare Maintenance Organization (HMO) providing services to residents of Riverside and San Bernardino Counties eligible for the benefits of the Managed Care Medi-Cal program. ARMC contracts with Molina to provide healthcare services to its members to address

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the safety, health and social service needs of County residents. ARMC is reimbursed for eligible Medi-Cal and Medicare patient charges through their respective managed care agreements.

On December 17, 2019 (Item No. 5), the Board of Supervisors (Board) approved Agreement No. 19-837 (Agreement) with Molina to provide reimbursement for medical services rendered by ARMC to Molina members, effective December 17, 2019 through December 16, 2024.

On October 6, 2020 (Item No. 12), the Board approved Amendment No. 1 to the Agreement with Molina to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range increases during the State established claim period of July 1, 2019 through June 30, 2020, and July 1, 2020 through December 31, 2020.

On December 7, 2021 (Item No. 9), the Board approved Amendment No. 2 to the Agreement with Molina to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range increases during the State established claim period of January 1, 2021 through December 31, 2021.

On February 27, 2024 (Item No. 8), the Board approved Amendment No. 3 to the Agreement with Molina to allow ARMC to receive supplemental payments for Medi-Cal managed care capitation rate range increases during the State established claim period of January 1, 2022 through December 31, 2022.

Pursuant to Health and Safety Code Section 1457(c)(1) 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 the confidentiality of this amendment.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on February 13, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on March 4, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on March 5, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on March 8, 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: March 26, 2024



cc: ARMC - Gilbert w/agree
Contractor - c/o ARMC w/agree
File – w/agree (BAI only)
File – Confidential files w/agree
CCM 03/27/2024