

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

September 10, 2024

FROM

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

SUBJECT

Non-Financial Affiliation Agreement with Keck Medical Center of USC on behalf of its Keck Hospital of USC for Specialized Clinical Training

RECOMMENDATION(S)

Approve non-financial **Affiliation Agreement No. 24-866**, including non-standard terms, with Keck Medical Center of USC on behalf of its Keck Hospital of USC, to allow Arrowhead Regional Medical Center resident and fellow physicians to obtain specialized clinical experience, from September 10, 2024 through September 9, 2029.
(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) as this Affiliation Agreement (Agreement) with Keck Medical Center of USC on behalf of its Keck Hospital of USC (Keck Hospital) is non-financial in nature.

BACKGROUND INFORMATION

This Affiliation Agreement will allow Arrowhead Regional Medical Center's (ARMC) resident and fellow physicians (collectively, Residents) to obtain specialized training at Keck Hospital.

ARMC operates several accredited specialty residency and fellowship programs for physicians. Each program has specific requirements as to the numbers and types of patients to which a physician must provide care. To meet these requirements, with respect to volume and type, it is necessary to provide educational opportunities at other facilities to supplement those available at ARMC. These facilities offer the opportunity for Residents to gain experience caring for patients and performing procedures in specialties that ARMC may not offer or have too few patients to provide appropriate experience.

The Agreement with Keck Hospital is its standard affiliation agreement with terms negotiated by the parties that omit the standard County contract terms or include non-standard contract terms as follows:

1. Keck Hospital is not required to meet all of the standard County insurance requirements.

**Non-Financial Affiliation Agreement with Keck Medical Center of USC
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September 10, 2024**

- The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the Risk Management Department.
 - Potential Impact: Without all of the standard County insurance provisions, the County has no assurance that Keck Hospital will maintain adequate and sufficient insurance to provide coverage to the County in the event of a claim. Insufficient coverage could result in expenses to the County.
2. The County is required to indemnify Keck Hospital for any claims that result from the negligence or willful misconduct of ARMC or the professional negligence of any Resident except where the act or omission of the Resident that caused harm was undertaken at the direction or supervision of Keck Hospital.
- The standard County contract does not contractually obligate the County from indemnifying the contractor under any circumstances.
 - Potential Impact: By agreeing to indemnify Keck Hospital, 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 Keck Hospital without such limitations and the County would be responsible to defend and reimburse Keck Hospital for costs, expenses, and damages, which could exceed the total contract amount.
3. Keck Hospital limits its indemnity obligations to claims that are caused by its negligence or willful misconduct.
- The County standard contract general indemnity provision requires the Contractor to indemnify, defend, and hold the County harmless from third party claims arising out of the acts, errors or omissions of any person.
 - Potential Impact: Keck Hospital's indemnity obligation is more limited compared to the standard County general indemnity obligation. In the event a claim arises that falls outside the scope of its limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
4. The Agreement imposes insurance obligations on the County.
- The County standard contract does not impose any insurance requirements on the County.
 - Potential Impact: The County must be mindful of the insurance obligations imposed on the County under the Agreement and ensure that it complies with those obligations during the term of the Agreement or risk being in breach of the Agreement.
5. In the event Keck Hospital terminates the Agreement, the termination will not be effective as to any Resident who at the mailing of the written notice of termination was participating in training until the Resident completes the training for that academic year.
- The County standard contract does not impose any obligations on the County after a contract is terminated.
 - Potential Impact: In the event that Keck Hospital terminates the Agreement, the County will continue to have an obligation to comply with the provisions of the Agreement with respect to any Resident who was training at Keck Hospital until the end of that academic year.
6. The venue is in the state or federal courts in California.

**Non-Financial Affiliation Agreement with Keck Medical Center of USC
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September 10, 2024**

- The County standard contract requires the venue to be in the San Bernardino County Superior Court, San Bernardino District.
- Potential Impact: Keck Hospital is located in Los Angeles County. Without a venue provision that requires venue to be exclusively in the San Bernardino County Superior Court, Keck Hospital may file a lawsuit in Los Angeles County in state or federal court in the event of a dispute, which may cause the County to incur expenses it might not have incurred if the lawsuit was brought in this County.

ARMC recommends approval of this Agreement, including the non-standard terms, with Keck Hospital to enable ARMC Residents to obtain specialized clinical experience. The Agreement with Keck Hospital provides for the safety, health and social service needs of County residents by ensuring that ARMC Resident receive specialty clinical training and experience, resulting in the delivery of specialized medical care to ARMC patients.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on August 8, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst, 386-9008) on August 8, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on August 16, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on August 20, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on August 21, 2024.

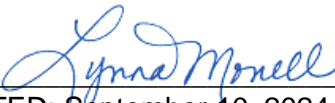
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Record of Action of the Board of Supervisors
San Bernardino County

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: September 10, 2024



cc: ARMC - Goldfrach w/agree
 Contractor - c/o ARMC w/agree
 File - w/agree
CCM 09/12/2024