

**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**

Professional Services Agreement with CEP America – California, a California General Partnership dba Vituity for Psychiatric Services

**RECOMMENDATION(S)**

1. Approve **Professional Services Agreement No. 25-906**, including non-standard terms, with CEP America – California, a California general partnership dba Vituity, to provide education and psychiatric medical services at Arrowhead Regional Medical Center, in the amount of \$28,746,993, plus variable costs, for the period of January 1, 2026, through December 31, 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 \$28,746,993, 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) 2025-26 recommended budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

The Professional Services Agreement (Agreement) will allow ARMC to contract with CEP America – California, a California general partnership dba Vituity (Vituity) to provide education and psychiatric inpatient and emergency services. Vituity will provide specialized care for patients with mental health and behavioral conditions, including mood, anxiety, psychotic and substance use disorders, while also supporting hospital operations through consultations, admissions and participation in resident education and quality improvement activities. ARMC's current agreement with Vituity will expire on December 31, 2025, so the recommended Agreement is necessary for continuation of services.

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ARMC provides medical care and education programs for the hospital and Family Health Centers through professional services agreements with various medical corporations. These medical groups provide highly and technically skilled, licensed physicians, surgeons, nurse practitioners and advanced practice professionals to provide health care services to ARMC patients. All physicians provided by the medical groups 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 medical staff and with the approval of the Board of Supervisors (Board), as applicable. 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 Vituity must complete an annual Statement of Economic Interests form, as required by the County. The individuals are required to disclose any ownership, investment or financial interest that may present any conflict with performance of duties under the Agreement.

The Agreement was negotiated by the parties and contain non-standard contract terms or omit certain County standard contract terms as follows:

1. The County is required to defend and indemnify Vituity and its practitioners 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 Vituity and its practitioners, 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 them without such limitations and the County would be responsible to defend and reimburse them for costs, expenses, and damages, which could exceed the total contract amount.
2. The Agreement does not include all of the standard County insurance requirements.
  - The County's standard contract requires contractors to carry certain insurance coverage as determined by the County's Department of Risk Management.
  - Potential Impact: The Agreement requires Vituity to meet some, but not all of the standard County insurance terms. Without all of the standard County insurance requirements, the County has no assurance that Vituity will be financially responsible for claims that may arise, which could result in expenses to the County that exceed the total contract amount.
3. Payment terms are Net 30 days.
  - The standard County contract payment term is Net 60 days.
  - Potential Impact: The County is required to make payment Net 30 days. In the event the County fails to make payments on time, Vituity could declare the County in material breach and seek to terminate the Agreement and obtain other relief.
4. Either party may terminate the Agreement without cause upon 120 days prior written notice.
  - The County standard contract gives the County the right to terminate the contract, for any reason, with a 30-day written notice of termination without any obligation other

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- than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
- Potential Impact: ARMC will need to be mindful of the additional notice period required to terminate the Agreement.

ARMC recommends approval of the Agreement, including the non-standard terms, to support the safety, health and social service needs of County residents by ensuring the availability of psychiatric services at ARMC.

**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. Vituity has been providing psychiatric medical services at ARMC for approximately thirteen years. To ensure continuity of care ARMC will continue to contract with Vituity, as continuity of patient care is essential to maintain treatment quality, avoid adverse outcomes, and promote compliance with accreditation standards. Changing providers unnecessarily could disrupt ongoing treatment plans and compromise patient safety.

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

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on October 22, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on October 23, 2025; Risk Management (Stephanie Pacheco, Staff Analyst II, 386-9039) on October 23, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on October 24, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on October 27, 2025.

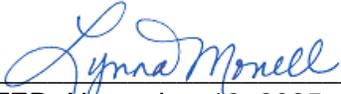
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman   Seconded: Joe Baca, Jr.  
Ayes: 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   11/21/2025