

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

April 9, 2024

FROM

WILLILAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Professional Services Agreements with CEP America – California for Emergency and Family Medicine Services

RECOMMENDATION(S)

1. Approve Professional Services **Agreement No. 24-305**, including non-standard terms, with CEP America-California for family medicine services at Arrowhead Regional Medical Center and affiliated Family Health Centers, in the amount of \$50,974,700 plus variable amounts, for the period of May 1, 2024 through June 30, 2027.
2. Approve **Amendment No. 1** to Professional Services **Agreement No. 23-1325** with CEP America – California for emergency services, removing all family medicine services and street medicine services, increasing the number of psychiatrists and primary care physicians for the Department of Behavioral Health, increasing the total contract by \$4,306,637 from \$66,543,912 plus variable amounts to \$70,850,549 plus variable amounts, with no change to the contract term of January 1, 2024 through December 31, 2026.
3. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of the Agreement in Recommendation No. 1 and the Amendment in Recommendation No. 2, pursuant to Health and Safety Code Section 1457(c)(1).

(Presenter: William L. Gilbert, Director, 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 costs associated with Recommendation Nos. 1 and 2 will be funded by 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) and Department of Behavioral Health (DBH) 2023-24 budgets and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the Professional Services Agreement (Agreement) in Recommendation No. 1 will allow CEP America – California (CEP) to become the new provider of family medicine services at ARMC. This new agreement will be effective May 1, 2024 to allow time for a smooth transition between medical corporations.

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On December 19, 2023 (Item No. 21), the Board of Supervisors (Board) approved Agreement No. 23-1325 with CEP for emergency medical services that also included limited family medicine and street medicine services. Amendment No. 1 to Agreement No. 23-1325 (Amendment), as referenced in Recommendation No. 2, removes all family medicine and street medicine services from Agreement No. 23-1325, which are all incorporated into the new agreement with CEP for family medicine services, as described under Recommendation No. 1. In addition, the number of psychiatrists and primary care physicians for DBH will be increased. Psychiatrists are hard to fill within the County system and adding additional ones through this Agreement will help DBH with recruitment/retention and meeting the adult psychiatric network adequacy certification. Additional primary care physicians are needed for the DBH Apple Valley clinic.

ARMC provides medical care and education programs for the hospital and the Family Health Centers through professional services agreements with various medical corporations. CEP will provide highly and technically skilled, licensed physicians, nurse practitioners and allied health staff to provide family medicine services to ARMC patients. CEP will also provide practitioners to serve in certain administrative department roles. Clinical department appointments are made in accordance with the bylaws of the 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 CEP 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 agreements referenced in Recommendations No. 1 and 2.

The Agreement with CEP for family medicine services has fixed and variable costs. The variable costs are dependent on patient and student training volume.

The Agreement with CEP for family medicine services was negotiated by the parties and includes certain non-standard contract terms and omits certain standard County contract terms as follows:

1. The County is required to defend and indemnify CEP and its respective practitioners (collectively, "Providers") for medical malpractice and professional negligence. Additionally, the County must defend and indemnify CEP for any inaccurate and/or improper billing information furnished by the County and relied on by the corporation relating to the professional services rendered by CEP to ARMC patients.
 - 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 Agreement amount.
2. The Agreement does not require CEP 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.

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- Potential Impact: The Agreement does not include County standard insurance requirements. This means that the County has no assurance that CEP 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 the Amendment and new Agreement with CEP, including the non-standard terms to enable ARMC to provide for the safety, health and social services needs of county residents by ensuring the continued provision of family medicine services at ARMC and associated clinics.

Pursuant to Health & Safety Code section 1457(c)(1), the records of a hospital or any other county medical facility which reveal the rates of payment for health care services purchased by the hospital or other medical facility are not considered public records subject to disclosure under the California Public Records Act or any other law requiring the disclosure of records for a period of three years following execution of a related contract establishing rates of payment.

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.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on March 14, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2198) on January 12, 2024; Risk Management (Greg Ustaszewski, Staff Analyst II, 386-9008) on February 15, 2024; Behavioral Health (Georgina Yoshioka, Director, 252-5142) on March 15, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on March 15, 2024; Finance (Jenny Yang and Christopher Lange, Administrative Analyst, 387-4884) on March 22, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on March 22, 2024.

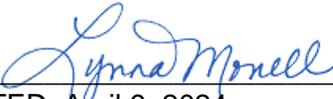
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Record of Action of the Board of Supervisors
San Bernardino County

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: April 9, 2024



cc: ARMC - Gilbert w/agree
Contractor - c/o ARMC w/agree
File - w/agree (BAI only)
File - Confidential files w/agree
CCM 04/12/2024