

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

August 20, 2024

FROM

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

SUBJECT

Revenue Hospital Services Agreement with L.A. Care Health Plan

RECOMMENDATION(S)

1. Approve Hospital Services **Agreement No. 24-761**, including non-standard terms, with L.A. Care Health Plan for provider participation and reimbursement for health care services provided to L.A. Care Health Plan members, effective September 1, 2024 through August 31, 2029.
2. Direct the Clerk of the Board of Supervisors to maintain confidentiality of the Hospital Services Agreement under 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 for medical services provided to L.A. Care Health Plan (L.A. Care) members are funded through reimbursements from L.A. Care. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the Hospital Services Agreement (Agreement) with L.A. Care will designate ARMC as a participating provider and allow L.A. Care members to access health care services at ARMC. This Agreement requires ARMC to provide culturally sensitive and linguistically competent quality health care services, to promote health and disease prevention, and to continuously improve the knowledge and effectiveness of the provider community for the benefit of L.A. Care members.

The Agreement with L.A. Care was negotiated by the parties and includes the following non-standard contract terms:

1. The Agreement imposes insurance requirements on the County, including requiring the County to maintain professional liability and commercial general liability insurance policies, obtaining L.A. Care's approval to self-insure, providing notice and obtaining

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- approval from L.A. Care prior to a change in insurance carrier, and providing L.A. Care with copies of the applicable policies and certificates of insurance/self-insurance.
- The County standard contract does not impose any insurance requirements on the County.
 - Potential Impact: The County must be mindful of these insurance requirements and ensure compliance so as to not breach the Agreement's insurance requirements.
2. The Agreement does not require L.A. Care to meet the County standard insurance requirements.
 - The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
 - Potential Impact: Without all of the standard County insurance requirements, County has no assurance that L.A. Care will maintain adequate and sufficient insurance to provide coverage to the County in the event of a claim. Insufficient coverage could result in expenses that exceed the total contract amount, leaving the County financially liable for the claims.
 3. The Agreement allows the parties to terminate the Agreement without cause with 180 days written notice.
 - The County standard contract allows the County to terminate the Agreement for any reason with at least 30 days written notice.
 - Potential Impact: The County will need to be mindful of the extended notice period in the event the County seeks to terminate the Agreement without cause.
 4. The Agreement requires binding arbitration in Los Angeles.
 - The County standard contract does not require arbitration.
 - Potential Impact: Binding arbitration decisions are not appealable. In addition, disputes that might otherwise be settled in small claims court would incur arbitration costs that could exceed the costs of a small claims action, and the Agreement amount.
 5. L.A. Care limits its indemnity obligations to claims that arise out of a dispute with a member or any defamation, fraud, malpractice, negligence, or intentional misconduct caused or alleged to have been caused by L.A. Care or its agents.
 - The County standard contract general indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person.
 - Potential Impact: L.A. Care'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 this limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
 6. The County agrees to indemnify L.A. Care for any claims that arise out of a dispute with a member or any defamation, fraud, malpractice, negligence, or intentional misconduct caused by the County and its agents.
 - The County standard contract does not contractually require the County to indemnify the contractor under any circumstances.

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- Potential Impact: In the event a claim arises that falls within the scope of the County's contractual indemnity obligations, the County would be financially responsible for defending L.A. Care and paying any resulting settlement/judgment.

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 of Supervisors is directed to maintain confidentiality of this Agreement.

ARMC recommends approval of the Agreement, including the non-standard terms, to ensure that ARMC can provide health care services to L.A. Care members and obtain reimbursement for the provision of such services.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on July 19, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on July 25, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on July 26, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on July 29, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on August 5, 2024.

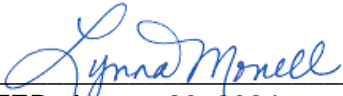
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Record of Action of the Board of Supervisors
San Bernardino County

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: August 20, 2024



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree (BAI only)
File – Confidential files w/agree
CCM 08/21/2024