

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

May 7, 2024

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Non-Financial Transfer Agreements with Community Hospital of San Bernardino and St. Bernardine Medical Center

RECOMMENDATION(S)

1. Approve non-financial Transfer **Agreement No. 24-359** with Community Hospital of San Bernardino, including non-standard terms, for the transfer of patients who require a higher level of care to Arrowhead Regional Medical Center, effective May 15, 2024 through May 14, 2029.
 2. Approve non-financial Transfer **Agreement No. 24-360** with St. Bernardine Medical Center, including non-standard terms, for the transfer of patients who require a higher level of care to Arrowhead Regional Medical Center, effective May 15, 2024 through May 14, 2029.
- (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) as the Transfer Agreements (Agreements) with Community Hospital of San Bernardino (Community Hospital) and St. Bernardine Medical Center (St. Bernardine) are non-financial in nature. Each facility will be responsible for billing the applicable third-party payors for the costs associated with patient care provided at the respective facilities.

BACKGROUND INFORMATION

The Transfer Agreements with the Dignity Health facilities, Community Hospital and St. Bernardine (collectively, "Hospitals") will allow the Hospitals to transfer patients who require a specialized higher level of care to Arrowhead Regional Medical Center (ARMC). The Agreements will facilitate the continuity of care and timely transfer of patients and their records between facilities should patients at those facilities require a higher level of care that is available at ARMC. All patient transfers will be in accordance with applicable federal and state laws and regulations, standards of regulatory agencies, and reasonable policies and procedures of the facility.

These recommended Agreements outline the responsibilities of each health care facility in the transfer of inpatients for specialized or higher level of patient care. Each facility will pursue payment for services rendered via State, Medi-Cal, Federal Medicare, and private insurances. If there is no available payor, the County is obligated to pay the agreed upon rates for the care of

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an indigent patient. Approval of these Agreements is in the best interest of the County as these provide for a higher level of care for county residents, not available at the Dignity Health facilities.

The negotiated Agreements include non-standard terms and omit County standard contract terms, as follows:

1. The negotiated Agreements for the Dignity Health facilities do not require the Hospitals to comply with all of the standard County insurance terms.
 - 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: The Agreements do not include all of the County standard insurance requirements. This means that the County has no assurance that the Hospitals will be financially responsible for claims that may arise under the Agreement.
2. The Agreements require the County to indemnify the Hospitals for claims that result solely from the acts or omissions of the County and its agents in the performance of the Agreement.
 - The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify the Hospitals, 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 Hospitals without such limitations and the County would be responsible to defend and reimburse the Hospitals for costs, expenses, and damages.
3. The Hospitals limits their indemnity obligation to claims that result solely from the acts or omissions of the Hospitals and their respective agents in the performance of the Agreement.
 - 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: The Hospitals' indemnity obligations are more limited compared to the standard County general indemnity obligation. In the event a claim arises that falls outside the scope of the limited indemnity obligation, the County could be solely financially responsible for such claims.

ARMC recommends approval of the Agreements, including non-standard terms, as these allow for the transfer of patients to ARMC to receive the appropriate higher level of care, providing for the safety, health and social services needs of county residents.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising County Counsel, 387-5455) on March 29, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on April 15, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on

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April 15, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 18, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 19, 2024.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY



DATED: May 7, 2024



cc: ARMC - Gilbert w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 05/8/2024