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

August 19, 2025

FROM

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

SUBJECT

Non-Financial Agreement with Cardinal Health 110, LLC and Cardinal Health 112, LLC for Participation in the Cardinal Health SOURCESM Enhancement Solution Program

RECOMMENDATION(S)

Approve non-financial Health Source Enhancement Solution Enrollment **Agreement No. 25-640** with Cardinal Health 110, LLC and Cardinal Health 112, LLC, for participation in the Cardinal Health SOURCESM Enhancement Solution Program, for a period of 12 months from the first day of the month after execution.

(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) as the Cardinal Health's Source Enhancement Solution Program (Program) with Cardinal Health 110, LLC and Cardinal Health 112, LLC (Cardinal) is non-financial in nature.

BACKGROUND INFORMATION

The Health Source Enhancement Solution Enrollment Agreement (Agreement) with Cardinal will enable Arrowhead Regional Medical Center (ARMC) to participate in the Program that will provide ARMC with additional rebates under Contract No. 20-1251 with Cardinal for the purchase of pharmaceuticals and related supplies.

Cardinal is one of the major drug wholesaler companies in the nation. Over the past several years, the quality of service provided to ARMC has been superior. In an era of drug shortages, where many vital medications are subject to allocation, it is important to have a wholesaler such as Cardinal, which maintains a history of ARMC's past usage.

ARMC participation in this Program is voluntary. The Program will focus on data and insights from point-of-sale (POS) activity. By leveraging the insights provided by the Program, pharmacies can make data-driven decisions to optimize their operations, improve inventory management, and enhance overall profitability. Participation in this Program will improve overall rebates in the range of \$18,000 per quarter.

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ARMC recommends approval of the Agreement to allow for the expansion of the current pharmaceuticals and supply procurement program in place for a more robust transactional monitoring program to provide 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 Deputy County Counsel, 387-5455) on July 24, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on July 28, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on July 30, 2025.

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

Lynna Monell, CLERK OF THE BOARD

DATED: August 19, 2025



cc: ARMC - Goldfrach w/agree

Contractor - c/o ARMC w/agree

File - w/agree

CCM 08/20/2025