

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

June 18, 2025

FROM

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

SUBJECT

Revenue Provider Services Agreement with Alpha Care Medical Group, Inc. for Outpatient Healthcare Services

RECOMMENDATION(S)

1. Approve Revenue Provider Services **Agreement No. 25-466**, including non-standard terms, with Alpha Care Medical Group, Inc. for the provision of outpatient healthcare services to Medi-Cal Managed Care members, retroactively effective January 1, 2025 through December 31, 2029.
2. Direct the Clerk of the Board of Supervisors to maintain the confidentiality of the Revenue Provider 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). This revenue agreement will be utilized to ensure reimbursement to Arrowhead Regional Medical Center (ARMC) from Alpha Care Medical Group, Inc. (Alpha Care) for providing outpatient healthcare services to Inland Empire Health Plan (IEHP) Medi-Cal managed care plan members who are assigned to Alpha Care. Adequate appropriation and revenue have been included in the ARMC 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Medi-Cal managed care plans contract with Independent Practice Associations (IPA), such as Alpha Care, for the provision of care for their members. The recommended revenue agreement will provide reimbursement from Alpha Care to ARMC for outpatient care services provided by ARMC to IEHP Medi-Cal managed care plan members who are assigned to Alpha Care. The agreement is retroactive to January 1, 2025. The recommended agreement will also make ARMC eligible for supplemental reimbursement through the Hospital Direct Payment Programs based on the outpatient care services provided to Medi-Cal managed care plan members assigned to Alpha Care.

The Agreement is retroactive to January 1, 2025, due to the inadvertent expiration of the previous agreement on December 31, 2024. The Agreement is being presented to the Board of

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Supervisors for approval at the earliest available meeting after completion of the required financial and legal reviews.

IPA is an association of independent physicians that contract with health plans to provide services to the health plan's members. Generally, under the contracts between the health plans and the IPAs, including Alpha Care, the health plans pay the IPAs a capitated rate, per member per month, and in exchange, the IPAs are required to directly provide healthcare services to their assigned members, or pay for the services when otherwise not available through the IPA. In cases where Alpha Care is unable to provide the healthcare services to the assigned member, Alpha Care must contract and pay other healthcare providers to provide such care to the member.

The Agreement was negotiated by the parties, which includes terms that differ from the standard County contract and omits certain County standard contract terms as follows:

1. Venue is in the state courts of California.
 - County Policy 11-05 requires venue for disputes in Superior Court of California, County of San Bernardino, San Bernardino District.
 - Potential Impact: Alpha Care is based in Los Angeles County. Having a venue outside of San Bernardino County may result in additional expenses to the County that might not have been incurred if venue is in San Bernardino County.
2. The County is required to indemnify Alpha Care for claims proximately caused by the negligence of the County, its officers, employees, and agents.
 - The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify Alpha Care, 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 Alpha Care without such limitations and the County could be responsible to defend and reimburse Alpha Care for costs, expenses, and damages, which could exceed the total Agreement amount.
3. Alpha Care limits its indemnity obligations to claims that are caused by the negligence of Alpha Care, its officers, employees, and 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: Alpha 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 Alpha Care's limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
4. The Agreement does not require Alpha Care to meet the County's insurance standards as required pursuant to County Policies, 11-05, 11-07 and 11-07SP.
 - County policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and as set forth in County policy and in the County standard contract.

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- Potential Impact: The County has no assurance that Alpha Care will be financially responsible for claims that may arise under the Agreement, which could result in expenses to the County that exceed the total Agreement amount.

ARMC recommends approval of the agreement, including the non-standard terms, as it will ensure reimbursement to the County for outpatient services provided at ARMC, and allow ARMC to operate in a fiscally-responsible and business-like manner.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on May 6, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on May 23, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 23, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 28, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 28, 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: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 18, 2025



cc: ARMC - Goldfrach w/agree
 Contractor - c/o ARMC w/agree
 File - w/agree (BAI only)
 File - Confidential files w/agree
CCM 06/26/2025