

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

August 9, 2022

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Physician Services Agreement with Cal Med Physicians and Surgeons, Inc.

RECOMMENDATION(S)

Approve **Amendment No. 3** to Physician Services **Agreement No. 20-897** with Cal Med Physicians and Surgeons, Inc., adding an Associate Program Director in General Surgery and one Physician Assistant, increasing the contract amount by \$283,334 from \$32,147,776 plus variable costs to \$32,431,110 plus variable costs, with no change to the total contract term of January 1, 2021, through December 31, 2023.
(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 additional cost of \$283,334 is 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. Sufficient appropriation and revenue are included in Arrowhead Regional Medical Center's (ARMC) 2022-23 budget and will be included in the 2023-24 recommended budget.

BACKGROUND INFORMATION

Approval of this amendment will allow ARMC to add an Associate Program Director in General Surgery and one Physician Assistant. The Associate Program Director will manage cardiac surgery patients in the Intensive Care Unit, and oversee residents as required by the American College of Graduate Medical Education. The additional Physician Assistant will provide coverage in the Surgical Intensive Care Unit and the burn center, as needed, for the safety of patients and appropriate coverage for the expanding surgical program.

ARMC provides medical care and education programs for the hospital and Family Health Clinics (FHCs) through physician services agreements with various medical corporations. Medical corporations provide highly and technically skilled, licensed physicians, nurse practitioners and allied health staff that deliver health care services to ARMC patients, including county inmates and juveniles. This amendment to the physician services agreement with Cal Med Physicians and Surgeons, Inc. (Cal Med) will provide for the safety, health and social service needs of County residents by ensuring continued availability of appropriate and necessary health care.

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Physicians provided by Cal Med are granted clinical privileges, which allow the physicians to practice medicine at ARMC and are approved to serve in administrative roles in the same manner. Clinical department appointments are made in accordance with the bylaws of the medical staff and with the approval of the governing body, the Board of Supervisors (Board). 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 Cal Med must complete an annual Statement of Economic Interests, as required by the County, if any part of their duties under the agreement has a material financial effect. The individuals are required to disclose any ownership, investment or interest which may present any conflict with performance of duties under the agreement.

On September 15, 2020 (Item No. 12), the Board approved Agreement No. 20-897 with Cal Med to provide medical education and surgical services at ARMC in the amount of \$26,157,000 (\$8,719,000 annually), plus variable costs, for the period of January 1, 2021 through December 31, 2023.

On March 23, 2021 (Item No. 17), the Board approved Amendment No. 1 to Agreement No. 20-897 with Cal Med to increase the total contract amount by \$134,750, from \$26,157,000 to \$26,291,750, for additional secretarial support and to revise the contract language to clarify surgical coverages and payments, with no change to the contract term.

On May 10, 2022 (Item No. 10), the Board approved Amendment No. 2 to Agreement No. 20-897 with Cal Med to add a plastic surgeon and to establish a Neurological Intensive Care Unit, increasing the contract amount by \$5,856,026 plus variable costs from \$26,291,750 plus variable costs to \$32,147,776 plus variable costs, with no change to the total contract term of January 1, 2021 through December 31, 2023.

PROCUREMENT

This is a continuation of a non-competitive procurement, pursuant to Government Code section 31000, based on the specialized services provided by Cal Med. Purchasing continues to support this non-competitive procurement.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on July 18, 2022; Purchasing Department (Ariel Gill, Buyer, 777-0722) on July 18, 2022; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on July 19, 2022; Finance (Jenny Yang, Administrative Analyst, 387-4884) on July 20, 2022; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on July 20, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Dawn Rowe Seconded: Col. Paul Cook (Ret.)
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 9, 2022



cc: ARMC- Gilbert w/agree
 Contractor- C/O ARMC w/agree
 File- w/agree
LA 08/11/2022