

**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

Professional Services Agreement with City of Hope Medical Foundation, Inc. for Medical Oncology Services

RECOMMENDATION(S)

Approve Professional Services **Agreement No. 24-356**, including non-standard terms, with City of Hope Medical Foundation, Inc., for the provision of medical oncology services at Arrowhead Regional Medical Center, at an annual cost of \$1,480,000, for a total of \$4,440,000 for the period of July 1, 2024 through June 30, 2027.

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 cost of \$4,440,000 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. Adequate appropriation and revenue have been included in Arrowhead Regional Medical Center (ARMC) 2024-25 recommended budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

This Professional Services Agreement (Agreement) will allow the City of Hope Medical Foundation, Inc. (City of Hope) to continue to provide inpatient and outpatient medical oncology services at ARMC, which includes cancer diagnosis and treatment. City of Hope has provided medical oncology services at ARMC since 2013.

ARMC provides medical care and education programs for the hospital and the Family Health Clinics (FHCs) through professional service agreements with various medical corporations. City of Hope provides highly and technically skilled, licensed physicians, nurse practitioners and allied health staff to provide inpatient and outpatient medical oncology services to ARMC patients, including county inmates and juveniles.

All active and provisional physicians provided by corporations must also complete an annual Statement of Economic Interests, as required by the County. The individuals are required to

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May 7, 2024**

disclose any ownership, investment or other financial interest that may present any conflict with performance of duties under the Agreement. No conflicts were identified.

The Agreement with City of Hope was negotiated by the parties and includes the following non-standard contract terms:

1. The County is required to defend and indemnify City of Hope and its providers for medical malpractice and professional negligence, as well as claims that result from ARMC providing inaccurate and/or improper billing information to City of Hope.
 - The County's standard contract does not contractually require the County to indemnify its contractor under any circumstance.
 - Potential Impact: By agreeing to indemnify City of Hope, 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 City of Hope without such limitations and County would be responsible to defend and reimburse City of Hope for costs, expenses, and damages, which could exceed the total contract amounts.
2. The Agreement does not include many of the standard County insurance requirements, including the waiver of subrogation and naming the County as an additional insured.
 - The County's standard contract requires contractors to carry certain insurance coverage as determined by the County's Department of Risk Management, and for contractors to add the County as an insured in their policies and to waive the right to subrogation.
 - Potential Impact: The Agreement does not require City of Hope to carry any of the standard County required insurance policies. This means that the County has no assurance that City of Hope will be financially responsible for general liability claims that may arise from the Agreement, which could result in expenses to the County that exceed the total Agreement amount. Having no waiver of subrogation may allow City of Hope's insurers, if any, to bring suit against the County. Not being added as an insured to City of Hope's insurance policies means that the County cannot directly turn to City of Hope's insurers in pursuing a claim.
3. Either party may terminate the Agreement with 120 days written notice.
 - The County's standard contract provides that either party may terminate the contract with 30 days' written notice.
 - Potential Impact: ARMC will need to be mindful of the additional notice period required to terminate the Agreement without cause.

ARMC recommends approval of the Agreement, including the non-standard terms, to provide for the safety, health and social service needs of County residents by ensuring continued patient care in the areas of medical oncology.

PROCUREMENT

This Agreement with City of Hope is the result of a non-competitive procurement due to the specialized credentials of the physicians and practitioners. Government Code Section 3100 provides the Board of Supervisors with the authority to contract with and employ persons for the furnishing of special services, which include professional medical services.

**Professional Services Agreement with City of Hope Medical
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May 7, 2024**

The Purchasing Department recognizes the specialized credentials and supports the non-competitive procurement for these services.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on April 8, 2024; Purchasing (Veronica Pedace, Buyer III, 777-0722) on April 11, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on April 12, 2024; ARMC Finance (Chen Wu, Budget and Finance Officer, 580-3165) on April 15, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 17, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 18, 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