

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

November 17, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Physician Service Agreement with Valley Obstetrics and Gynecology Medical Group, Inc.

RECOMMENDATION(S)

Approve Amendment No. 2 to Agreement No. 20-481 with Valley Obstetrics and Gynecology Medical Group, Inc. to add Urogynecology and Pelvic Reconstructive Surgery coverage, effective November 17, 2020, in the amount of \$38,000 annually, increasing the contract amount from \$6,065,460 (\$2,021,820 annually) to \$6,166,793 (\$2,059,820 annually) plus variables, with no change to the termination date of June 30, 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 the above recommended amendments will not result in the use of Discretionary General Funding (Net County Cost). This amendment will allow Arrowhead Regional Medical Center (ARMC) to provide urological gynecology services. Physician agreements include fixed costs, as well as variable costs, that are dependent on patient volume. Sufficient appropriation and revenue are included in ARMC's 2020-21 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the recommended amendment will provide for the safety, health and social services needs of County residents by allowing ARMC to provide urogynecology and pelvic reconstructive surgery for ARMC patients.

A Urogynecology and Pelvic Reconstructive Surgery Division at ARMC will allow new and additional treatment options to patients with pelvic floor disorders including voiding dysfunction, fecal incontinence, and pelvic organ prolapse. The addition of a Board Certified physician as faculty in the residency program in Obstetrics and Gynecology is a requirement of the American Council in Graduate Medical Education (ACGME), and will allow ARMC to expand their regular didactics operative procedures, and expose residents to a full range of diagnostic modalities and procedures.

On June 23, 2020 (Item No. 14), the Board approved Agreement No. 20-481 with Valley Obstetrics and Gynecology Medical Group, Inc. to provide obstetrics and gynecology educational and medical services in the base amount of \$6,065,460 (\$2,021,820 annually) plus variables for the period of July 1, 2020 through June 30, 2023. On September 29, 2020 (Item No. 7), the Board approved Amendment No. 1 adding variable compensation for teaching CUSM medical students.

ARMC provides medical care and education programs for the hospital and the Family Health Clinics (FHCs) through physician service agreements with various medical corporations. These medical corporations provide highly and technically skilled, licensed physicians, nurse practitioners and allied health staff to provide health care services to ARMC patients, including county inmates and juveniles. Physicians at ARMC provide special services in the medical profession that are not available from other public sources or any public agency. All physicians provided by the corporations are granted clinical privileges, which allow the physician 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 (Board of Supervisors). 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.

PROCUREMENT

Although the Government Code (GC) does not make exception to competitive bidding for professional physician services, GC section 31000 provides the legislative body of any municipal corporation with the authority to contract with and employ any persons for the furnishing of "special services." Section 31000 has been interpreted by the courts as recognition by the Legislature of a public entity's authority to employ a person who is highly and technically skilled in his science or profession without competitive bidding. The courts have viewed this section as removing all question of the necessity of advertising for bids for special services by a person specially trained and experienced and competent to perform the special services required.

County Purchasing 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, Deputy County Counsel, 387-5445) on October 21, 2020; Purchasing Department (Michelle Churchill, Supervising Buyer, 387-2070) on October 27, 2020; ARMC Finance (Chen Wu, Budget and Finance Officer, 909-580-3165) on October 27, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on October 29, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on October 31, 2020.