

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

October 5, 2021

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Amendment to Physician Service Agreement for Internal Medicine for Educational and Medical Services

**RECOMMENDATION(S)**

Approve **Amendment No. 1** to Physician Service **Agreement No. 20-1160** with Quantum Healthcare Medical Associates, Inc. to provide additional internal medicine services at Arrowhead Regional Medical Center, increasing the total contract by \$765,334 plus variable charges, from \$14,464,887 to \$15,230,221 plus variable charges, effective October 5, 2021, with no change to the 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 increase of \$765,334 plus variable charges are 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. Approval of the necessary appropriation and revenue adjustments are not requested at this time but will be included in a future quarterly countywide budget report presented to the Board of Supervisors (Board) for approval, if necessary. Sufficient appropriation and revenue will be included in future recommended budgets.

**BACKGROUND INFORMATION**

Approval of the recommendation will allow Quantum Healthcare Medical Associates, Inc. (Quantum) to provide additional educational support by increasing the hours for the Residency Program Director and Assistant Program Director due to the expansion of the Internal Medicine Residency program. In addition, the amendment expands the number of hours available for the Diabetic/Endocrine clinic. This amendment will provide for the safety, health and social services needs of County residents by allowing ARMC to continue to provide patient care at ARMC and associated clinics, including Diabetes, Endocrinology, Internal Medicine, Nephrology, Pulmonary, Rheumatology, and the Medical Office Building.

ARMC provides medical care and education programs for the hospital and 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

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allied health staff to provide health care services to ARMC patients, including county inmates and juveniles.

All physicians provided by Quantum 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 Code of Regulations, ARMC's accrediting bodies and the academic affiliation agreements established between ARMC and various medical schools.

On December 8, 2020 (Item No. 7), the Board of Supervisors approved Agreement No. 20-1160 with Quantum to provide internal medicine educational and medical services at ARMC, in the amount of \$14,464,887 plus variable charges, for the period of January 1, 2021, through December 31, 2023.

**PROCUREMENT**

The recommended amendment to the physician service agreement was a result of a non-competitive procurement due to Quantum being the current service provider of internal medicine education and medical services, as well as to ensure continuity of care for ARMC patients. Although the Government Code (GC) does not make a specific exception to competitive bidding for professional physician services, GC section 31000 provides public entities the authority to contract for "special services," which explicitly include medical services. Courts have interpreted GC 31000 as providing a public entity with the authority to contract with and employ any person who is highly and technically skilled in his sciences or profession without competitive bidding. Thus, GC 31000 authorizes a County to contract for medical services without the necessity of advertising for bids. 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, 387-5455) on August 27, 2021; Purchasing Department (Ariel Gill, Buyer, 777-0722) on August 31, 2021; ARMC Finance (Chen Wu, Budget and Finance Officer, 580-3165) on August 31, 2021; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on September 2, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on September 7, 2021.

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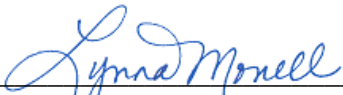
Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. 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: October 5, 2021



cc: ARMC- Gilbert w/agree  
Contractor- C/O ARMC w/agree  
File- w/agree  
LA 10/8/2021