



# San Bernardino County

## Legislation Text

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**File #: 3217, Agenda Item #: 17**

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### **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**

Agreements with All Care To You, LLC and Health Management Associates, Inc. to Provide Expertise in Developing a Management Service Organization

#### **RECOMMENDATION(S)**

Approve contracts with the following vendors on an as-needed, fee-for-service basis, for consultation services to establish a Management Service Organization and/or an Independent Practice Association for Arrowhead Regional Medical Center, in the total aggregate amount of \$1,500,000, for the five year period of January 1, 2021 through December 31, 2025:

1. All Care To You, LLC
  2. Health Management Associates, Inc.
- (Presenter: William L. Gilbert, Director, 580-6150)

#### **COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

#### **FINANCIAL IMPACT**

Approval of the recommendation will not result in the use of Discretionary General Funding (Net County Cost) as the total aggregate cost of \$1,500,000 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. Sufficient appropriation and revenue are included in the Arrowhead Regional Medical Center (ARMC) 2020-21 budget and will be included in future recommended budgets.

#### **BACKGROUND INFORMATION**

Approval of this recommendation will allow ARMC to obtain expertise and guidance in determining the advantage of establishing a Managed Service Organization (MSO) and/or an Independent Practice Association (IPA). An MSO is an organization that examines total costs of providing care to the community and will allow the County to identify areas for performance improvement and potential cost savings. An IPA is an association of independent physicians, or other organizations that contracts with independent care delivery organizations, and provides services to managed care organizations on a negotiated per capita rate, flat retainer fee, or negotiated fee-for-service basis. The MSO will work with providers to review requests for healthcare services to validate the need, and use best demonstrated industry practices to optimize care in low

cost settings, thus avoiding more costly utilization (inpatient, emergent, and specialty care).

With value based purchasing becoming the new norm in healthcare, ARMC continues to align itself with a structure that will allow for quality health care at appropriate costs, often achieved with MSOs and/or IPAs. ARMC will use the expertise of the two vendors to enhance the current delivery system through analysis of current structure and operationalizing best demonstrated practices.

An MSO and/or IPA is the first step in moving towards a Clinically Integrated Network (CIN). A CIN will allow County facilities and providers to partner with other healthcare providers and facilities to better serve the community. Each vendor has specific expertise in developing and maintaining MSOs, IPAs, and CINs.

#### **PROCUREMENT**

RFP No. ARMC120-ARMC-3756 for Management Service Organization Services was released through the County of San Bernardino's Electronic Procurement (ePro) network, on April 6, 2020. Proposals were due from vendors on May 14, 2020.

Two companies' submitted proposals and the company name and location for each is provided below:

Proposer	Location
All Care To You LLC	Anaheim, CA
Health Management Associates, Inc.	Lansing, MI

Evaluation of the proposals was completed by a committee comprised of representatives from hospital administration, patient accounts, case management and fiscal administration. All proposals were evaluated based on the criteria of qualification and experience, finance review, costs, references, and technical review. The evaluation committee determined based on the depth of knowledge and familiarity with the proposal that both proposers met the needs of ARMC. All Care To You LLC, and Health Management Associates, Inc. were selected for their overall ordinal ranking positions of number one and number two.

On August 11, 2020, tentative award letters were sent to All Care To You LLC, and Health Management Associates. There were no other bidders.

#### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5465) on October 28, 2020; Purchasing Department (Michelle Churchill, Supervising Buyer, 387-2098) on November 2, 2020; ARMC Finance (Chen Wu, Budget and Finance Officer, 909-580-3165) on October 29, 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.