



# San Bernardino County

## Legislation Text

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**File #: 7928, Agenda Item #: 13**

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

**May 9, 2023**

#### **FROM**

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

#### **SUBJECT**

Amendments to Physician Services Agreements for Otolaryngology and Ophthalmology

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

1. Approve Amendment No. 1 to Physician Services Agreement No. 20-895 with Jeffrey N. Roberts, M.D., Inc. for teaching and otolaryngology and oral maxillary facial surgery services at Arrowhead Regional Medical Center, adding language to clarify the variable compensation based on medical student and patient volume, with no change to the total base contract amount of \$1,629,000 or the contract term of January 1, 2021 through December 31, 2023.
  2. Approve Amendment No. 1 to Physician Services Agreement No. 20-896 with Kris J. Storkersen, M.D., Inc. for teaching and ophthalmology services at Arrowhead Regional Medical Center, adding language to clarify the variable compensation based on medical student and patient volume, with no change to the base contract amount of \$1,230,150 or 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). Actual costs for services 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. Adequate appropriation and revenue have been included in Arrowhead Regional Medical Center's (ARMC) 2022-23 budget and will be included in the 2023-24 recommended budget.

#### **BACKGROUND INFORMATION**

Amendment No. 1 will add language to Agreement No. 20-895 with Jeffrey Roberts, M.D., Inc. (Dr. Roberts) that clarifies existing variable compensation provisions within the agreement. This clarification was required to ensure accurate reimbursement for services provided by Dr. Roberts. The variable compensation associated with the agreement is dependent on the volume of medical students that undergo a rotation in otolaryngology with Dr. Roberts and the number of patients from Patton Hospital that receive treatment from Dr. Roberts at ARMC, and is in addition to the total base contract amount of \$1,629,000.

Amendment No. 2 will add language to Agreement No. 20-896 with Kris J. Storkersen, M.D., Inc. (Dr. Storkersen) that clarifies existing variable compensation provisions within the agreement. This clarification was required to ensure accurate reimbursement for services provided by Dr. Storkersen. The variable compensation associated with the agreement is dependent on the volume of medical students that undergo a rotation in ophthalmology with Dr. Storkersen, the number of Patton Hospital and Sheriff's patients that he treats, and the volume of virtual consultations that he provides to IEHP Health Plan through ARMC, and is in addition to the total base contract amount of \$1,230,150.

On September 15, 2020 (Item No. 11), the Board of Supervisors approved Agreement No. 20-895 with Dr. Roberts to provide otolaryngology and oral maxillary facial surgery services at ARMC in the amount of \$1,629,000 for the period of January 1, 2021 through December 31, 2023, and Agreement No. 20-896 with Dr. Storkersen to provide ophthalmology services at ARMC in the amount of \$1,230,150 for the period of January 1, 2021 through December 31, 2023.

### **PROCUREMENT**

The amendments and underlying agreements with Dr. Roberts and Dr. Storkersen were the result of a non-competitive procurement due to the specialized credentials of these physicians. Although the Government Code (GC) does not make a specific exception to the 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 individuals who are highly and technically skilled in their sciences or profession without competitive bidding. It is in the best interest of ARMC patients to allow them to continue with the existing physicians for continuity of care.

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

### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, 387-5455) on March 31, 2023; Purchasing (Ariel Gill) on April 3, 2023; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 17, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 20, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 20, 2023.