

# **CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**

## **Community Clinic Grant Program of 2005**

### **Resolution Number 2006-13**

**December 7, 2006**

#### **Executive Summary**

As a result of the Anthem-WellPoint merger, WellPoint agreed to provide \$35 million to be used for the improvement of non-profit community based clinics serving low-income healthcare consumers. WellPoint entered into an agreement with the California State Department of Insurance to provide this funding.

The Authority was statutorily authorized to implement the \$35 million Community Clinic Grant Program of 2005 (“CCGP”), when Senate Bill 190 became law on October 15, 2005. Authority staff filed emergency regulations with the Office of Administrative Law (“OAL”) on December 15, 2005. Subsequently, staff submitted the permanent regulations for Board approval on January 26, 2006, and filed them with the OAL on March 21, 2006. On March 31, 2006, the OAL approved the permanent regulations for filing and publication with the Secretary of State.

Applications for the CCGP were made available in December 2005 and staff conducted five technical assistance/information sessions for potential applicants throughout California. The Authority accepted applications until February 28, 2006, with staff scoring the applications through April 2006. The Authority received a total of 300 applications for grants totaling \$76.45 million from each of the four predetermined geographic regions within the State.

Of the applications received, staff recommended funding 146 grants requests in an amount totaling \$40,103,364, an amount in excess of 35 million dollars due to interest earnings. At its May 25, 2006 meeting the Authority approved staff’s recommendations.

During the meeting, an issue arose regarding whether or not El Proyecto del Barrio should have received an additional 10 points for site designation as a Health Professional Shortage Area (HPSA). As late as April 15, 2006 when checking the federal website, Authority staff was unable to identify the site as an HPSA. Several Board members requested that staff follow-up and ascertain what happened.

On May 31, 2006 CHFFA received documentation from the Office of Statewide Planning and Development confirming that the El Proyecto site was and had been designated as an HPSA. All Federally Qualified Health Center Look-a-Likes, of which El Proyecto is one, are automatically designated as HPSAs but the federal website does not note this information.

In light of the fact that El Proyecto’s designation was not accurately noted on the federal website but should have been, staff recommends El Proyecto receive 10 additional points for being a HPSA. El Proyecto would receive a score 106.5 points and be at the top of the list of the ten applicants whose recommendations for approval were rescinded.

Section 7088 (d) of the CCGP of 2005 regulations provides that any Applicant who received an Initial Allocation approval but lost funding as a result of another Applicant’s approval of

grant funding on appeal, shall be placed on the Applicant Waiting List. At the May 2006 meeting, the Authority members and Applicants were advised that the List of Rescinded Recommendations would be the official Applicant Waiting List.

Section 7085 (c) specifically indicates how to rank Applicants on the Waiting List that scored the same points. Exhibit A – Waiting List of the attached resolution has been prepared to meet those requirements.

Finally, Section 7085(b) of the CCGP regulations further provides that if funds become available the Applicants on the Waiting List may be eligible for funding. Due to interest earnings, the CCGP fund now has a surplus of over \$700,000 so that we can begin to fund those applicants that are on the Waiting List.

Staff recommends that the Authority approve increasing El Proyecto's score by 10 points to reflect its designation as a HPSA and that the Authority approve the official Waiting List. Finally, staff recommends that the Authority approve the execution and delivery of grant funding, in order, to the grantees on the Waiting List as funding becomes available.

***Exhibit A  
Waiting List***

<b><u>Applicant / Facility Name</u></b>	<b><u>Score</u></b>	<b><u>Project City</u></b>	<b><u>Requested Amount</u></b>	<b><u>Proposed Grant Award</u></b>
<b><i>El Proyecto Del Barrio</i></b>				
El Proyecto Del Barrio	106.5	Winnetka	415,000.00	415,000.00
<b><i>Neighborhood Healthcare</i></b>				
Neighborhood Healthcare - El Cajon	97.5	El Cajon	500,300.00	472,652.00
<b><i>Round Valley Indian Health Center, Inc.</i></b>				
Yuki Trails Human Services Department	97	Covelo	250,000.00	250,000.00
<b><i>Lifelong Medical Care, Inc.</i></b>				
East Oakland Clinic	97	Oakland	247,955.00	247,955.00
<b><i>Clinicas del Camino Real, Inc.</i></b>				
Clinicas del Camino Real, Inc. - Santa Paula	96.5	Santa Paula	30,964.00	30,964.00
<b><i>Petaluma Health Center</i></b>				
Petaluma Health Center	96	Petaluma	166,720.00	166,720.00
<b><i>San Benito Health Foundation</i></b>				
San Benito Health Foundation	96	Hollister	250,000.00	250,000.00
<b><i>Western Sierra Medical Clinic</i></b>				
Western Sierra Medical Clinic	96	Downieville	250,000.00	250,000.00
<b><i>Alta Family Health Clinic, Inc.</i></b>				
Alta Family Health Clinic, Inc.	96	Dinuba	\$224,085.00	\$224,085.00
<b><i>Planned Parenthood of Santa Barbara, Ventura &amp; San Luis Obispo Counties</i></b>				
Planned Parenthood Santa Barbara Center	96	Santa Barbara	<u>250,000.00</u>	<u>250,000.00</u>
Totals			\$2,585,024.00	\$2,557,376.00