

MINUTES

**California Health Facilities Financing Authority
July 10, 2008 – 10:00 A.M.
915 Capitol Mall, Room 587
Sacramento, California**

Patricia Wynne sitting for Chairperson Bill Lockyer called the meeting to order.

Present: Designee Patricia Wynne, Deputy State Treasurer
Designee Ruth Holton-Hodson for John Chiang, Controller's Office
Michael C. Genest, Department of Finance
Harry Bistrin
Judith Frank
Dr. Oscar Sablan
Ronald Joseph
Sumi Sousa
Jack Buckhorn

Staff: Barbara J. Liebert, Executive Director

The Chair declared a quorum present.

Item #2 **Lucile Salter Packard Children's Hospital at Stanford**
Resolution No. 332

Barbara Liebert, Executive Director, introduced John Landers, Morgan Stanley Underwriter for Lucile Packard Children's Hospital at Stanford (Lucile Packard), and Diane Potter, Bond Counsel for the Authority. Lucile Packard requested the Authority to approve the refunding of Revenue Bonds in an amount not to exceed \$42,000,000.

Ms. Liebert stated that Lucile Packard is seeking to refund \$42,000,000 in bonds. Staff is recommending approval and subjecting them to a one-half reduction in their initial fee with a \$100,000 cap.

Ms. Holton-Hodson moved for adoption of the Resolution and Dr. Sablan seconded the motion. The motion was adopted with a 6-0 vote.

Item #3 **Scripps Health**
Resolution No. 333

Ms. Potter stated that Scripps Health (Scripps) is seeking to refund a bond in the amount of \$110,000,000. Staff is recommending approval and allowing a fee reduction of one-half, again, with a 100,000 cap.

Ms. Holton-Hodson moved for adoption of the Resolution and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-0 vote.

Item #4 **Authority Policy to Provide Short-Term Loans to Rural Hospitals**
Resolution No. 2008-08

Chair Patricia Wynne introduced Carmela Castellano-Garcia, President and Chief Executive Officer of the California Primary Care Association (CPCA). Ms. Castellano-Garcia requested that the Short-Term Loan pilot program be extended to include community clinics. Chair Wynne introduced Ann McLeod, Vice-President of Reimbursement and Economic Analysis for the California Hospital Association (CHA).

Ms. Liebert gave an overview of the guidelines for the Short-Term Loan program. Ms. McLeod explained how the Medical Interim Payment Fund works and how long the funding from that account

would be available. Ms. McLeod gave an estimate as to how much money the hospitals would need in order to cover their Medi-Cal expenses. Ms. Liebert stated how much funding CHFFA would be able to dedicate to the program and that the funds released from the Authority would be tied to the borrowers' respective Value of Claim letters. Ms. Liebert also spoke to the requisite process to be followed and completed prior to the Authority's release of funds to a hospital.

Chair Wynne introduced Linnea Hunter, Chief Executive Officer of Mendocino Community Health Clinic. Ms. Hunter expressed her concern about how the CHFFA loan would affect current direct deposit disbursement by the California Department of Health Services. In turn, Ms. Holton-Hodson shared the State Controller's Office stance as to the most fiscally responsible way to securitize the proposed loans. Chair Wynne acknowledged the concerns of the Board, hospitals, and clinics, and stated that the revised guidelines for the proposed loan would be heard at the next meeting.

Chair Wynne introduced Doug Self, Chief Executive Officer of Seneca Healthcare District. Mr. Self stated that the proposed funds would go a long way to help them continue their operations.

Chair Wynne introduced Wanda Grove, Administrator of Surprise Valley Healthcare District. Ms. Grove stated that the financial situation at Surprise is very similar to that of Seneca and that 93% of their patients are insured by Medi-Cal.

Chair Wynne introduced Claire Kuczkowski, Chief Executive Officer of Trinity Hospital. Ms. Kuczkowski said that they are in a unique situation because they just became a district hospital, but have a lot of prior debt from back when they were not part of the district. She added that they are currently paying back their debt and if they can make it through the next few months they have a great chance at long-term viability.

Chair Wynne introduced Woody Lawson, Administrator of Glen Medical Center. Mr. Lawson stated that because of the receipt of grant money, Glen Medical Center is doing better financially than in year's past.

Item #5 **Seneca Healthcare District (SHD)**
Resolution No. 2008-09

Removed from the agenda

Item #6 **Surprise Valley Health Care District (SVHCD)**
Resolution No. 2008-10

Removed from the agenda

Item #7 **Trinity Hospital (Trinity)**
Resolution No. 2008-11

Removed from the agenda

Item #8 **Palm Drive Health Care District (PDHCD)**
Resolution No. 2008-12

Removed from the agenda

Item #9

**Eastern Plumas Health Care (EPHC)
Resolution No. 2008-13**

Removed from the agenda

Chair Wynne opened up the floor for public comment:

Chair Wynne introduced Angel Obregon, who represented a health facility in Fort Bragg. Mr. Obregon thanked the Board for their consideration and stated that he would appreciate anything that could be done by the Board to help his health facility get through the budget impasse.

Chair Wynne introduced Gary Rossio, Director of Health Policy for the Council of Community Clinics in San Diego. Mr. Rossio thanked the Board for their consideration and stated how important the rural health providers in the San Diego-area are to their respective communities.

Adjournment

Having no further business or comments, Chair Wynne called for a vote to adjourn the meeting. Ms. Holton-Hodson moved for adjournment of the meeting and Dr. Sablan seconded the motion. The motion was adopted with a 5-0 vote.