



California Health Facilities Financing Authority (CHFFA)

Quarterly Newsletter
Spring 2014

*Providing low-cost financial
assistance to public hospitals
and private, nonprofit health
care providers in California*

CHFFA News

Investment in Mental Health Wellness Grant Program (IMHWGP) Update:

CHFFA recently concluded its first funding round for its newest grant program established by the Investment in Mental Health Wellness Act of 2013. CHFFA received a total of 33 applications from 37 applicants to potentially serve 46 counties. The total amount requested was approximately \$111.7m in Capital Funding and approximately \$14.5m in Personnel Funding. The CHFFA board approved 20 applications to potentially serve 28 counties totaling approximately \$71.33 m in Capital Funding and \$3.97 m in Personnel Funding. The approved applications will add 809 crisis residential and crisis stabilization beds, 38 mobile crisis vehicles and approximately 58 mobile crisis staff statewide. The second funding round is expected to begin July 14, 2014. Please sign up for automatic notifications if you would like to be apprised of developments with this program at our [website](#).

California Health Access Model Program (CHAMP) Update:

At the January 30, 2014 meeting, CHFFA approved a demonstration project grant for the San Francisco Health Plan ("SFHP") for up to \$1,500,000. SFHP's proposed project aims to expand and evaluate an existing pilot program for high risk, high cost patients to improve their health outcomes and experience of care, as well as to lower costs. SFHP's care managers will directly engage patients who are at extremely high risk for mortality and morbidity due to factors such as housing instability, mental illness, and addiction in the community where they tend to live or congregate, to help them improve their health, identify community resources and navigate through the fragmented health care and social services systems. More information about the CHAMP demonstration project is available on our [CHAMP webpage](#).

CHFFA Team Update:

Please join us in welcoming Pedro Reyes, CHFFA's newest board member, who was appointed by Assembly Speaker John Perez. He previously sat on the CHFFA board as a delegate for the former Director of Finance, Ana Matosantos. We are happy to have him back! We also bid farewell to and thank our departing board member, Mr. Samuel Qui, for his leadership and wisdom conferred the past three years. We will really miss him.

CHFFA Board Members



Bill Lockyer
State Treasurer
and Chair



John Chiang
State Controller



Michael Cohen
Director of
Finance



Judith Frank



Jay Hansen



Ann Madden Rice



**Oscar Sablan,
M.D.**



Jack Buckhorn



Pedro Reyes

Featured CHFFA Board Member Deputy Treasurer—Michael Papanian

Mr. Michael Papanian is Treasurer Bill Lockyer's delegate to the CHFFA board and has served in that capacity for a little over a year. As a Deputy Treasurer, he is in charge of several boards, commissions and authorities within the State Treasurer's Office. He was previously the Executive Director for the CA Pollution Control Financing Authority where he worked on air quality, energy and hazardous material issues. He is a graduate of UC Santa Cruz with bachelor degrees in Biology and Psychology, and he also holds a Master's Degree in Environmental Planning from CSU University Sacramento. He has an extensive environmental policy background that includes lobbying for the Sierra Club in California, sitting on the CA Integrated Waste Management Board and working for the CA Environmental Protection Agency. He enjoys working with CHFFA because of its involvement in various healthcare specialties statewide and its impact on the State and its many Californians. He finds the CHFFA staff to be self-motivated, dedicated and engaged. He loves spending time outdoors in the mountains and at the beach with his wife and his 18 and 22 year old sons in his spare time. Some of his outdoor activities include hiking and snowshoeing. Also, he is an avid reader and belongs to a book club. He and his wife are world travelers and have journeyed to Costa Rica, New Zealand, Korea, Denmark, Sweden, Amsterdam, Germany, and England. Australia is their next adventure set for this fall.

CHFFA Recent Financings

Lucile Salter Packard Children's Hospital at Stanford ("LPCH") was recently approved by the board for \$200 million in tax exempt bonds to construct two patient towers and renovate a part of its existing facility to help address an acute shortage of patient beds and meet capacity needs. This project is expected to increase LPCH's patient beds from 311 to 369. The anticipated opening of this project is early 2017. *Carolyn Aboubechara and Bianca Smith*

Children's Hospital Central California was recently approved by the board for a Children's Hospital Program grant under the Proposition 3 program in the amount of \$8,077,556 to reimburse the purchase and installation of a surgery air handler unit, purchase of patient care equipment, and additional information technology devices and software. *Jim Rennie*

Social Model Recovery Systems, Inc. ("SMRS") was recently approved by the board for \$5 million in tax exempt bonds to refund the CHFFA Social Model Recovery Systems Series 2001 and 2005 Bonds and to refinance a loan assumed from the acquisition of Mid Valley Recovery Services, Inc. SMRS expects to achieve approximately \$68,000 in net present value savings from the proposed refunding over the life of the bonds. SMRS will also use a portion of the bond proceeds to renovate certain existing facilities and to acquire new facilities. *Brock Lewis*

Health Care News Summary

Fort Mill Times *Summary prepared by Bianca Smith*
May 20, 2014

Kaiser Permanente Southern California \$2 Million Grant Expands Maternity Services at New MLK Jr. Community Hospital

Kaiser Permanente Southern California announced it will award a \$2 million grant to the Martin Luther King, Jr. Community Hospital, which is scheduled to open in Los Angeles next spring. The Kaiser Permanente Community Benefit grant will help expand the hospital's maternity services as part of its Healthy Babies, Healthy Beginnings initiative to provide high quality maternity care to 1.2 million residents in southern Los Angeles and its surrounding communities. South Los Angeles has been without a major hospital since 2007, and has the highest rates of preterm births, infant mortality and low birth weight babies, according to the Community Health Councils. The new 131 bed state of the art hospital will deliver high quality care in partnership with the County of Los Angeles, the University of California, and other community providers.

CHFFA Staff with Treasurer Bill Lockyer



Stem Cell News Summary

Medical News Today— *Summary prepared by Brock Lewis*
May 19, 2014

First test of pluripotent stem cell therapy in monkeys is a success

Researchers have designed an animal model for the testing of pluripotent stem cell therapies using the rhesus macaque, a small monkey that has been validated as being closely related physiologically to humans. The model demonstrates that it's possible to make new bone from autologous stem cell like induced pluripotent stem cells (iPSCs), which means the iPSCs were derived from the very individual that later received them. Autologous cells in tissue repair do not require long term or possibly toxic immune suppression drugs to prevent rejection. The study also showed that while tumor formation from undifferentiated autologous iPSCs does occur, the tumor formation is very slow and requires large numbers of iPSCs given under very hospitable conditions. These findings in a primate are an essential step on the path toward regenerative clinical medicine. Testing of human derived cells in vitro or in profoundly immunodeficient mice cannot model the preclinical safety and efficiency issues.

Featured CHFFA Employee Ray Artinian

Ray has been a Treasury Program Manager I for CHFFA for almost 13 years and has been with the State Treasurer's Office since 1997. He came from the State Controller's Office in the Audits section, where he audited cities and counties throughout CA. He holds a B.S. degree in Accounting, a real estate broker license and is involved in local investment groups. Ray likes assisting and making a difference for CHFFA's small borrowers through the Authority's HELP II Loan Program. Ray's job allows him to utilize and foster his accounting and finance skills and his real estate and mortgage background experience. "There are very few jobs within state government that allow me to use all these skillsets," and this is one of the main reasons he enjoys working at CHFFA. Ray also enjoys the camaraderie of a small office and working with professional staff. Ray was born in Sacramento and worked at Farrell's Ice Cream Parlor in his very first job. Ray enjoys nature including hiking, the mountains, the ocean, fishing, camping (staying in a cabin is considered camping per his wife, Kyvele), and traveling to new places. Ray and his wife like to spend their vacation time in the Carmel/Monterey area, where they were married in 2005. Ray and his wife have traveled to Greece, where his wife's family has a summer home on the Sifnos Island and are planning to visit again soon. Ray is definitely a dog person and has two yellow labs, Hank is 11 and Sierra is 4.

California Health Facilities Financing Authority

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