

## FINDING OF EMERGENCY

The California Health Facilities Financing Authority (the “Authority”) intends to implement these regulations on an emergency basis for the immediate preservation of the public peace, health, safety, or general welfare, within the meaning of Government Code Section 11346.1. Government Code section 15438.11, subdivision (h)(2) provides that these regulations shall “be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.”

Government Code Section 11346.1(a)(2) requires that at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. To this end, the Authority posted the proposed emergency regulations on its website and simultaneously disseminates notice of the proposed emergency action to all persons who have filed a request for notice.

After submission of the proposed emergency regulations to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code Section 11349.6. To determine the Office of Administrative Law five day comment period, please check <http://ww.oal.ca.gov/> often.

## DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

The Legislature has deemed the adoption of these regulations to be an emergency. Government Code Section 15438.11, subdivisions (h)(1) and (h)(2) provide:

“(h)(1) The authority shall adopt regulations as it deems necessary to implement this section.

(2) The authority may adopt regulations to implement this section as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1). The adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.”

## REQUEST FOR READOPTION – SECOND REQUEST

The emergency regulations will expire on November 21, 2018. There is a necessity to readopt the emergency regulations for an additional 90-day period in order to finalize the regular rulemaking process and submit the Certificate of Compliance to the Office of Administrative Law.

No changes are being made to the emergency regulations being submitted for readoption. The readoption of emergency regulations is necessary to ensure that

regulations for the Lifeline Grant Program remain in effect should an eligible health facility experience a “federal trigger” (a reduction/elimination of federal assistance) thereby making the facility eligible to apply for Grant funds. These regulations are necessary in order that eligible health facilities are apprised of the requirements to apply for Grant funds and for the Authority to award Grant funds. Should the request for readoption be denied, the regulations specific to the Lifeline Grant Program would be eliminated. If the regulations are eliminated, there is no basis on which the Authority can approve Final Allocations (Grants) to eligible health facilities experiencing a reduction or elimination of federal assistance. If the emergency regulations were to expire, the Lifeline Grant Program will no longer exist and the Authority will need to resubmit the regulations under the Regular Rulemaking Process. This process can take up to one year. This timeframe will greatly hinder the Lifeline Grant Program as follows:

(1) The current regulations allow eligible health facilities to apply for Grant funds at the time of a reduction or elimination of federal assistance. If the emergency regulations are not approved for readoption, the ability of the health facility to apply for Grant funds at the time of need is eliminated. Many of the health facilities operate on a month-to-month basis with little or no reserve “working capital”. This action will jeopardize the ability of the health facility to have the needed “working capital” to remain open while seeking other the funds available in the Lifeline Grant Program.

(2) The Lifeline Grant Program Subfund created specifically for the Lifeline Grant Program is only available for encumbrance or expenditure until June 30, 2020. (See Government Code Section 15438.11, subdivision (g)). Calculating a one year timeline for the Regular Rulemaking Process and if the Authority begins this process in early December 2018, the permanent regulations will become effective in December 2018/January 2019. Based on this timeline, there would only be a 5-6 month window in which to encumber the funds before the funds would revert back to the original subfund.

#### AUTHORITY AND REFERENCE CITATIONS

The Authority adopts these regulations under the authority granted in Section 15438.11 of the Government Code.

#### INFORMATIVE DIGEST

The Authority was established in 1979 and operates pursuant to the California Health Facilities Financing Authority Act under Government Code Section 15430 et seq.

Government Code Section 15438.11 charges the Authority with the responsibility of developing regulations to establish specific criteria for Grant awards, including eligibility criteria, eligible costs, and evaluation criteria to select grant recipients.

These proposed emergency regulations will accomplish the following:

- a. Establish requirements for Health Facilities eligibility.

- b. Establish eligible costs to those costs meeting the definition of “Working Capital” as specified in the Health Facilities Financing Authority Act, specifically Government Code Section 15432, subdivision (h).
- c. Funding Round and Application deadline.
- d. Maximum Grant amounts per Applicant and Region, as defined.
- e. Evaluation Criteria.
- f. Initial and Final Allocations.
- g. Appeals.
- h. Release of funds and recovery of funds.
- i. Reporting requirements.
- j. Record retentions, inspections and audits.

The benefits of these proposed regulations is the implementation of Government Code Section 15438.11, cited as the Clinic Lifeline Act of 2017. (For purposes of implementation, entitled Lifeline Grant Program of 2017.)

As required, the emergency regulations for the Lifeline Grant Program were posted on the CHFFA website, informing the public of the intent to submit the aforementioned regulations to the Office of Administrative Law (OAL) for review and approval of the emergency regulations. This notice of intent was also sent to any individuals on the listserv (the mechanism by which individuals request notification of any proposed regulations and other information requiring public notification such as Authority board meeting dates and agendas.) The draft regulations were approved by OAL with an effective date of February 23, 2018, and expiring on August 23, 2018.

The First Funding Round opened on February 26, 2018, and Applications for Grant funds were accepted until 5:00 p.m. (PST) on March 26, 2018. Requests for grant funds were low as the numbers of health facilities impacted by any direct federal reduction or elimination of funds were minimal. The STO (State Treasurer’s Office) Administration pursued multiple changes to the regulations in an effort to allow health facilities to apply for Grant funds without an actual reduction or elimination of federal grant assistance. For example, allow health facilities to apply for Grant funds if the facility had received a notification from the federal government that a reduction/elimination of federal funds would occur at a specified future date. The regulations were in a constant state of revision between what the Administration wanted to accomplish vs. the constraints as contained in the current statute.

As the reduction or elimination of federal funds did not materialize as anticipated, the STO Administration sought out other alternatives to assist health facilities serving vulnerable populations. In-house Legal Counsel determined that any viable solution would require a change in the law; which the STO Administration pursued. Attempts to change the law via either a trailer bill or the introduction of new legislation failed. During this interim period, CHFFA postponed initiation of the process for the Certificate of Compliance as any change to the law would impact the emergency regulations.

One significant change that CHFFA made to the Lifeline regulations is the deletion of “funding rounds”. As initially proposed, the Lifeline Grant Program was structured similar to other Grant programs under the auspice of CHFFA. The process for these Grant programs is the announcing and holding of funding rounds for specific periods of time. Under this process, Applicants may only apply for Grant funds during the open-period (a specific period of time). It was determined that this approach was not compatible with the Lifeline Grant Program as eligible facilities would need to access Grant funds on an as-needed basis to sustain the facility’s operation. The decision was made to amend the proposed regulations to allow for continuous filing of Applications. In this way, facilities can apply for Grant funds upon the reduction or elimination of federal assistance. This change required additions and deletions to the multiple sections of the regulations including Sections 7213, Definitions, 7214, Eligibility, 7215, Eligible Costs, 7216, Grant Application, 7218, Maximum Grant Amount, 7219, Evaluation Criteria, 7220, Initial Allocation, 7223, Use of the Grant Funds and 7229, Records Retention, Inspections and Audits.

Anticipating approval of the readopt request, CHFFA has scheduled a webinar for Thursday, September 23, 2018, to discuss with stakeholders the proposed changes to the program and the application process for the Lifeline Grant Program.

Protocol requires that regulations (as well as approval for Grants, Bonds, etc.) affecting CHFFA be presented to the CHFFA Board at a regularly scheduled monthly meeting. CHFFA staff presented the proposed regulations along with a Resolution that (1) describes the contents of the regulations and (2) requests Board approval of the emergency regulations. The Resolution includes language whereby the Executive Director is authorized to make changes to the regulations as “may be required for approval by the Office of Administrative Law.” In this instance, the revisions to the emergency Lifeline Grant Program regulations were substantive. Therefore, Board approval was required for the revisions. The Board met on July 26, 2018 and approved the revised emergency regulations.

As stated above, the Board approved the revisions to the emergency regulations. This allowed Authority staff to immediately begin work on the documents necessary in order to request OAL to file the Publication of Notice. To date, the following documents have been prepared: The Initial Statement of Reasons and the Notice of Proposed Rulemaking. The Authority anticipates the submission of these regulations for Publication of the Notice in September, 2018.

The emergency regulations will expire as of August 23, 2018. Therefore, CHFFA is resubmitting the emergency regulations for readoption in order to extend the effective date of the regulations and begin the process for the Certificate of Compliance.

(Note: The emergency regulations going forward for readopt make changes to the Lifeline Grant Program, the most noteworthy being the submission of the Application. The current program requires CHFFA to announce an “open funding period”, during

which time Applications for Grant funds are accepted. As there is no indication as to “when” or “if” an actual federal reduction or elimination will occur, the regulations have been amended to accept Applications on a flow basis. In this way, a health facility experiencing a reduction or elimination of funds may submit an Application for Grant funds at that time as opposed to waiting for an open funding period. See Statement of Necessity for Readopt Amendments, below.)

#### UPDATED INFORMATIVE DIGEST

The initial request for readoption of the Lifeline Grant Program regulations was granted on August 22, 2018, and extended the emergency regulations to November 20, 2018. Since that date, the Authority Staff completed the document necessary in order to initiate the process for the Certificate of Compliance; specifically, the Initial Statement of Reasons.

The regulations and necessary documents were submitted to the Office of Administrative Law on September 26, 2018, with a request for Publication on October 12, 2018. The public was notified via the listserv that the Authority proposed to adopt the Lifeline Grant Program regulations and that written comments may be submitted to the authority until 5:00 p.m. (PST) on November 26, 2018. A second readopt is being requested as the public comment period extends beyond the expiration of the first readopt date of November 21, 2018.

The granting of the second readopt request will extend the emergency regulations to approximately February 19, 2019. During this time, the public comment period will end. The additional 90-days provided through the second readopt will allow the time necessary to complete the process to obtain the Certificate of Compliance.

#### DOCUMENTS INCORPORATED BY REFERENCE:

Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (Rev.07/2018)

Request for Disbursement Form No. CHFFA 8 LGP-02 (Rev.07/2018)

Final Report Form No. CHFFA 8 LGP-03 (Rev.07/2018).

It would be cumbersome, unduly expensive, or otherwise impractical to publish these document in the California Code of Regulations. These documents will be available upon request from the Authority, throughout the rulemaking action. These documents are also available on the CHFFA website and will remain on the website throughout the rulemaking action.

#### **Duplication of Regulations or Statute**

The following is a list of the various sections within the Lifeline Grant Program Application where either the statute (Government Code Section 15438.11) or a section of the Lifeline Grant Program regulations (Title 4) are duplicated.

CHFFA has included the statute or regulation language in the Application for purposes of satisfying the requirement for clarity of regulations and forms incorporated by reference.

**Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (Rev.07/2018):**

General Instructions – Pg. i

Verbatim

Regulations, Section 7216 – Grant Application, subdivision (a)(1); (f), (f)(1)(a), (f)(1)(b);

Paraphrased

Regulations, Section 7216 – Grant Application, subdivision (b)(1); (e), (e)(1)

Applicant, Federal Trigger, & Grant Information/Eligible and Ineligible Use of Grant Funds - Pg. 2

Verbatim

Regulations, Section 7223 – Use of Grant Funds, subdivision (b)(1)(2)(3)  
Government Code, Section 15432, subdivision (h)

Paraphrased

Regulations, Section 7216 – Grant Application, subdivision (c); (e), (e)(1)

Evaluation Criteria – Pg. 4 – 6

Verbatim

Regulations, Section 7219 – Evaluation Criteria, subdivision (a)(2)(A), (a)(2)(B), (a)(2)(C), (a)(2)(D)

Paraphrased

Regulations, Section 7219 – Evaluation Criteria, subdivision (a)(1), (a)(2)

The documents required for the implementation of this Grant Program, consists of three distinct documents:

Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (Rev.07/2018)

Request for Disbursement Form No. CHFFA 8 LGP-02 (Rev.07/2018)

Final Report Form No. CHFFA 8 LGP-03 (Rev.07/2018)

The Application is an 11-plus page document and the other two documents consist of one page each. It would be cumbersome, unduly expensive, or otherwise impractical to publish these documents in the California Code of Regulations. These documents will be available upon request from the Authority, throughout the rulemaking action. The documents are available on the CHFFA website and will remain available throughout the rulemaking action.

STATEMENT OF NECESSITY: Note: In the following justifications, all references to “facility” are to a “health facility”

Section 7213, Definitions – subdivision (j), “Federal Trigger” is added to clarify and ensure that all potential Applicants are using the same definition to determine their eligibility to apply for Grant funds.

Section 7213, Definitions – subdivision (m), “First Funding Round” was deleted as the Lifeline Grant Program will no longer use funding rounds, but rather Applications may be submitted on a continuous basis as a federal reduction or elimination of funding occurs.

Section 7213, Definitions – subdivision (y), “Subsequent Funding Rounds”. See explanation for deletion of “First Funding Round” above.

Section 7213, Definitions - subdivision (aa). “Working Capital” is necessary as Section 15438.11, subdivision (d) specifies that the Grants awarded under this section “may be used for working capital for core operating support”. Statute does not provide a definition of “core operating support”. For the purpose of implementation of these regulations, “core operating support” includes “Working Capital” as contained in Welfare and Institutions Code section 15432, subdivision (h)

Section 7214, Eligibility – subdivision (a). The proposed regulation duplicates or overlaps a state statute (Government Code 15438.11, subdivision (c)). This duplication is necessary to satisfy the “clarity” standard of Government Code Section 11349.1(a)(3) by (1) stating the statutory requirements, of which one shall be met, for eligibility to apply for a Grant fund; and (2) providing easy access to the statutory requirements for potential Applicants.

Section 7214, Eligibility – subdivision (b). It is necessary to further restrict the eligibility requirements for a Grant due to the number of health facilities that are potentially eligible. This subdivision incorporates additional requirements for eligibility to address the intended purpose of the statute.

Section 7214, Eligibility – subdivision (c). Government Code section 15438.11, subdivision (b)(5) states that the intent of the Legislature “to assist those small or rural health facilities that may be adversely financially affected by a reduction or elimination or federal government assistance and that have little to no access to working capital.” This regulation further supports the legislative intent of health facilities in a Rural Medical Study Area.

Section 7214, Eligibility – subdivision (d). This regulation is necessary as there are only limited funds available for the Lifeline Grant Program. By limiting each health facility that receives a Final Allocation to a single grant, will enable the funds to be disbursed to the greatest number of health facilities throughout the State.

Section 7216, Grant Application – Multiple amendments were made to this section to further expand on the addition of the definition of “Federal Trigger”. Applicants are notified that an Application may be submitted upon the occurrence of a “Federal Trigger”, thus eliminating the need for funding rounds. It is further specified that the “Federal Trigger” can be no earlier than July 10, 2017, the date of the Clinic Lifeline Act of 2017. Establishment of this date ensures that health facilities are not requesting Grant funds for a reduction/elimination of federal assistance during a period of time in which the law was not in effect, and thus Grant funds were not available.

Section 7216, Grant Application – subdivision (f). As Applications will be accepted on a continuous basis, it is necessary to inform Applicants of the review/evaluation time of the Application, as well as Application submission times and exceptions.

Applications are due the first business day of each month. Exceptions to the stated due date are necessary as subdivision (f) states that Applications will be reviewed and evaluated “within 60 days from receipt by the Authority”. As no Board meeting is held in November, a later acceptance date for Applications in October needed to be established in order to comply with the review and evaluation “within 60 days”. By accepting Applications later in October, Authority Staff will be able to meet the 60 day obligation and Applications recommended for receipt of Grant funds will be presented to the Board at a December meeting.

Section 7217, Funding Round and Application Deadline. This section was deleted as Applications will be accepted on a continuous basis subject to the reduction or elimination of federal assistance.

Section 7218, Maximum Grant Amount – subdivision (b). A “maximum” of dollars was necessary to ensure distribution throughout the State based on the number of eligible health facilities in each region. Distribution by “region” was the preferred method by the stakeholders that included facility associations in addition to feedback from individual health facilities participating in the webinars.

Section 7218, Maximum Grant Amount – subdivision (c). This subdivision was added to inform potential Applicants that the maximum grant amount by region will be removed as of June 30, 2019, making any remaining funds available on a statewide basis. The awarding of funds by region will ensure a distribution of Grant funds throughout the State, thus ensuring that one region does not monopolize the receipt of Grant funds. The statute in subdivision (g) requires that the funds for the allocated for the purpose of the Lifeline Program Clinic “shall be available for encumbrance or expenditure until June 30, 2020. Therefore, to ensure that all monies remaining available for Grant funds are spent, region funding allocations will not be a consideration after June 30, 2019.

Section 7219, Evaluation Criteria – subdivision (a). Potentially in excess of 1,200 facilities are eligible for Grant funds. An eligible facility can apply for a Grant of \$250,000. If each Applicant applies for the maximum Grant amount, a total of 80 health facilities will receive funding. The scoring criteria, therefore, needs to focus on those



health facilities meeting the intent of the legislation and also, providing for statewide representation. The four items Applicants will address, financial impact, services provided, vulnerable populations served, and day-to-day operations, will demonstrate the needs of the community served and meet legislative intent such as serving the vulnerable populations.

Section 7219, Evaluation Criteria – subdivision (b). Additional points will be given to health facilities located in rural or frontier medical service study areas and to health facilities that are Federally Qualified Health Centers (FQHC) or FQHC Look-Alikes to further support those health facilities most at risk for federal government funding cuts. While the additional points for facilities located in rural or frontier medical service study areas and/or federally qualified health centers or Look-Alike facilities remains, the number of additional points has been reduced to be more in proportion to the total points possible which is 50.

Section 7220, Initial Allocation – subdivision (e). A health facility is now required to score a minimum number of points in the Evaluation Criteria section in order for the CHFFA staff to make a recommendation (Initial Allocation) to the CHFFA Board for a Final Allocation. The number of required points is 25 points. This threshold is based on the average number of points received by those health facilities that applied for Grant funds during the initial funding round.

Section 7221, Appeals. The ability to appeal is a standard process in the awarding of Grant funds by the California Health Facilities Financing Authority (CHFFA). This section is standardized amongst all the Grant programs under CHFFA with minor regulatory edits to address the specific Grant program.

Section 7223, Use of the Grant Funds – subdivision (b). A new subdivision (b) provides potential Grantees with specific costs that cannot be paid for with Grant funds. Each of the subitems under (b) provide the necessary clarification as to the use of the Grant funds which is to assist the health facilities that “may be adversely financially affected by a reduction or elimination of federal government assistance.” (Government Code 15438.11, subdivision (b)(1).)

Subdivision (b)(1) – Costs Associated with Inflation for Programs and/or Services

Costs associated with inflation are costs of doing business and are separate and apart from any reduction or elimination of federal government assistance, thus these are ineligible costs.

Subdivision (b)(2) – Provision of Services/Programs Unrelated to Those Provided Prior to Reduction/Elimination of Federal Government Assistance.

The Grant funds cannot be used to pay for services or programs that are unrelated to the current services/programs offered by the health facility prior to the reduction or elimination of federal assistance. The Grant funds are not for expansion.

Subdivision (b)(3) – Services/Programs or Expenditures Beyond What Was Specified in the Application and Approved by the Authority.

The Lifeline Grant Program is a reimbursement program. Grant funds are disbursed based on proof of expenditures. Ineligible costs will be disallowed and the amount of such costs deducted from the Request for Disbursement submitted by the health facility.

Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (Rev.07/2018). Legal Status Questionnaire –The form, developed by General Counsel, is used by all Boards, Authorities and Commissions to provide the Board Chair (State Treasurer) and Board members full disclosure on potential Borrowers or Grantees of any material litigation that could affect the repayment of debt or the release of Grant funds.

Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (Rev.07/2018). Religious Affiliation Due Diligence – This form was developed by the Attorney General's Office, which represents the California Health Facilities Financing Authority on Bond transactions. This document is required of all potential Borrowers or Grantees providing services to patients/residents, regardless of religion.

Lifeline Grant Program Application Form. No CHFFA 8 LGP-01 (Rev.07/2018). Attachments A, Financial Information; B, Background, and C, Management/Facility Information. These documents are necessary to (1) substantiate the financial stability of the entity requesting Grant funds; (2) ensure the entity requesting funds is non-discriminatory; and (3) the entity requesting funds is operating as a licensed entity in good standing within the State of California.

**DESCRIPTION OF THE BENEFITS OF THE PROPOSED ACTION, WHICH INCLUDES NONMONETARY BENEFITS SUCH AS PROTECTION OF THE PUBLIC HEALTH AND SAFETY, WORKER SAFETY, THE ENVIRONMENT, ETC.**

These regulations will affect those health facilities that meet the eligibility criteria as contained in the statute, Government Code Section 15438.11, subdivision (c) and further clarified in CCR, Title 4, Section 7214, subdivision (b). These regulations will provide Grant funds to eligible health facilities that experience a reduction or elimination of federal funds. The Grants of up to \$250,000 will provide financial assistance in order that the facilities, may continue operation and services to vulnerable populations. (For purposes of these regulations, “Vulnerable Populations” are defined as the indigent, underinsured, uninsured, underserved and undocumented immigrant populations.)

These regulations will directly impact the health and welfare of California residents, especially those defined as “Vulnerable Populations” in small and rural areas through the continuation of health services to these populations should the health facility face a reduction or elimination of federal government assistance.

**AN EVALUATION OF WHETHER OR NOT THE PROPOSED REGULATIONS ARE INCONSISTENT OR INCOMPATIBLE WITH EXISTING STATE REGULATIONS**

The Authority evaluated whether or not there were any other regulations concerning the awarding of grants to health facilities that may be adversely impacted by a reduction or elimination of federal government assistance and has found that these are the only regulations in this area. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

#### COST ESTIMATE

1. Costs or Savings to State Agencies: No impact. The funding for this program was created within the California Health Facilities Financing Authority Fund. Funds were transferred to the Lifeline Grant Program subfund from an existing program within the Authority, Health Expansion Loan Program II.
2. Cost to Local Agencies or School Districts Which Must be Reimbursed in Accordance with Government Code Sections 17500-17630: None
3. Nondiscretionary Costs or Savings to Local Agencies: No impact
4. Cost Impact: Cost or Savings in Federal Funding to State Agencies: No impact

#### COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS

The California Health Facilities Financing Authority is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

#### BUSINESS REPORT

The proposed regulations do not require any reports to be made by any business or other entity.

#### SMALL BUSINESS

The proposed regulations will not affect small businesses because these regulations are specific to health facilities as defined in subdivision (d) of Section 15432.

#### ALTERNATIVES INFORMATION

In developing the regulatory action, CHFFA did not consider any alternatives as no reasonable alternatives were presented for review during the development of these regulations.

CHFFA must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CHFFA would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to the affected entities than the proposed action, or would be more cost-effective to potentially affected private persons and equally effective in implementing the statutory policy or other provision of law.

#### LOCAL MANDATE STATEMENT

These regulations do not impose a mandate upon local agencies. There are no “state-mandated local costs” in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code.

#### FISCAL IMPACT

These regulations do not impose a mandate upon local agencies or school districts. There are no “state-mandated local costs” in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code.

#### SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

The California Health Facilities Financing Authority has not identified any significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

#### RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The adoption of these regulations will not have an impact on the creation or elimination of jobs within the state. As a result of the adoption of these regulations, new businesses will not be created and current businesses will not be eliminated within the state. The adoption of these regulations will not provide for the expansion of businesses currently doing business within the state. Additionally, neither benefits nor detriments are expected to worker safety or the state’s environment due to the adoption of these regulations.

#### TECHNICAL, THEORETICAL, AND EMPIRICAL STUDY, REPORT OR SIMILAR DOCUMENTS ON WHICH THE AGENCY RELIES

The development of these regulations was based, in part, on the “Annual Utilization Report of Primary Care Clinics – 2015”. This report is generated by the Office of Statewide Health Planning and Development (OSHPD), a State of California agency that collects data and disseminates information about California’s healthcare infrastructure. Health facilities throughout the State, self-report to OSHPD on the types of medical services provided as well as the number of health facilities within California and whether the health facility in an urban, rural or frontier region. This information was valuable in the development of the selection criteria which the Authority was charged to develop via Government Code 15438.11, subdivision (e).