

LIFELINE GRANT PROGRAM
CALIFORNIA CODE OF REGULATIONS
Title 4, Division 10, Chapter 7

Add Section 7213 to read:

Section 7213. Definitions

(a) “Act” means the Clinic Lifeline Act of 2017, as codified in Section 15438.11 of the Government Code.

(b) “Applicant” means an entity that meets the eligibility requirement as further described in Section 7214 for submission of an Application and submits an Application.

(c) “Application” means the written request for a Grant under the Lifeline Grant Program in the form and format of the Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (01/2018), including all supporting information and documents, as further described in Section 7216.

(d) “Authority” means the California Health Facilities Financing Authority.

(e) “Authority Staff” means employees of the Authority.

(f) “Central/Coast Region” means the counties of Mendocino, Sonoma, Marin, Napa, Solano, Contra Costa, Alameda, Santa Clara, San Benito, Monterey, Santa Cruz, San Mateo, and San Francisco.

(g) “Completed Application” means the Applicant has submitted and the Authority has received all required materials including the Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (01/2018), all supporting information and documents to commit the Health Facility to the conditions of the Grant Agreement.

(h) “Executive Director” means the executive director of the Authority.

(i) “Federal Poverty Level” means the measure of income issued every year by the Department of Health and Human Services to determine eligibility for certain programs and benefits.

(j) “Federally Qualified Health Center” means outpatient clinics that qualify for specific reimbursement systems under Medicare and Medicaid.

(k) “Federally Qualified Health Center Look-Alike” means health centers that have been certified by the federal government as meeting all the Federally Qualified Health Center Program requirements, but do not receive funding under the program.

- (l) “Final Allocation” means the Grant amount approved by the Authority.
- (m) “First Funding Round” means the initial time period during which Applications may be submitted for consideration of funding by the Authority.
- (n) “Grant” means a Final Allocation approved by the Authority.
- (o) “Grant Agreement” means a written agreement between the Authority and a Grantee that consists of the terms and conditions of the Grant.
- (p) “Grant Period” means the time period from the date of Final Allocation to the date set by the Authority for the Grant to end.
- (q) “Grantee” means a Health Facility that has been awarded or designated to receive Grant funds.
- (r) “Health Facility” or “Facility” means a facility as defined in Government Code Section 15432, subdivision (d).
- (s) “Initial Allocation” means the Grant amount the Authority Staff recommends the Authority approve for Final Allocation as further described in Section 7222.
- (t) “Los Angeles/Ventura Region” means the counties of Los Angeles and Ventura.
- (u) “Medical Health Services” means the services provided by a Health Facility to persons for prevention, diagnosis, or treatment of illness or injury limited to reproductive services, family planning, sexual health services such as testing and treatment for sexually transmitted diseases, geriatric services, or chronic disease prevention, diagnosis and treatment.
- (v) “Northern/Central Region” means the counties of Del Norte, Humboldt, Siskiyou, Trinity, Shasta, Modoc, Lassen, Tehama, Glenn, Butte, Plumas, Sierra, Yuba, Sutter, Lake, Colusa, Yolo, Sacramento, El Dorado, Placer, Nevada, Amador, Alpine, Calaveras, San Joaquin, Stanislaus, Tuolumne, Mono, Mariposa, Merced, Madera, Fresno, Kings, Tulare, and Inyo.
- (w) “Rural Medical Service Study Area” means an area defined by the California Healthcare Workforce Policy Commission as having a population density of less than 250 persons per square mile. A population center, which is an area within an individual county that is most densely populated, may not exceed 50,000 persons. A Rural Medical Service Study Area includes a Frontier Medical Service Study Area defined by the California Healthcare Workforce Policy Commission as having a population density of less than 11 persons per square mile.

(x) “Southern Region” means the counties of San Luis Obispo, Santa Barbara, Kern, San Bernardino, Orange, Riverside, San Diego, and Imperial.

(y) “Subsequent Funding Rounds” means any specified time period after the First Funding Round during which Applications may be submitted to be considered for funding by the Authority, subject to the availability of funds.

(z) “Vulnerable Populations” means Indigent Populations, Underinsured Populations, Uninsured Populations, Underserved Populations, or Undocumented Immigrant Populations.

(aa) “Working capital” means working capital as defined in Government Code Section 15432, subdivision (h).

(bb) “Indigent Populations” means those that do not have health insurance and are not eligible for other health insurance coverage such as Medicaid, Medicare, or private health insurance; or those whose health insurance does not provide full coverage for all of their medical expenses and their medical expenses, in relationship to their income, would make them indigent if they were forced to pay full charges for their medical expenses.

(cc) “Underinsured Populations” means those having partial health insurance coverage and required to self-pay or pay on a sliding scale for all or part of their health care services not provided by their health insurance program or plan.

(dd) “Uninsured Populations” means those who have no health insurance.

(ee) “Underserved Populations” means those residing in one of the following areas:

(1) Medically Underserved Area (MUA) as designed by the Secretary of the Department of Health and Human Services, United States Government.

(2) Critical Health Manpower Shortage Area (CHMSA) as designated by the Secretary of the Department of Health and Human Services, United States Government.

(3) Primary Care Physician Shortage Area (PCPSA) as designed by the California Health Manpower Policy Commission.

(4) A census tract with morbidity and mortality rates that indicate high risk factors which establish the health status as below that of the majority population.

(ff) “Undocumented Immigrant Populations” means those individuals who are foreign-born and do not have a legal right to be in or remain in the United States.

Note: Authority cited: Section 15438.11, Government Code. Reference: Sections 15432 and 15438.11, Government Code.

Add Section 7214 to read:

Section 7214. Eligibility

(a) The Health Facility shall meet at least one of the following conditions:

(1) The Health Facility is operated by a tax exempt nonprofit corporation that is licensed to operate the Health Facility by the State of California, and the annual gross revenue of the Health Facility does not exceed ten million dollars (\$10,000,000).

(2) The Health Facility is operated by a tax-exempt nonprofit corporation that is licensed to operate the Health Facility by the State of California, and the Health Facility is located in a Rural Medical Service Study Area.

(3) The Health Facility is a clinic operated by a district hospital or health care district.

(b) The Health Facility shall meet all of the following conditions:

(1) Provision of a minimum of two of the five Medical Health Services as described in Section 7213, subdivision (u).

(2) Fifty percent (50%) or more of the persons served have income levels equal to or below two hundred percent (200%) of the Federal Poverty Level.

(3) Populations served includes Vulnerable Populations.

(c) Health Facilities located in a Rural Medical Service Study Area shall be eligible to apply for a Grant if the Health Facility meets the requirements specified in subdivisions (a)(2) and (b)(1).

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7215 to read:

Section 7215. Eligible Costs

(a) Grant funds shall be used for working capital costs.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7216 to read:

Section 7216. Grant Application

(a) A Health Facility may apply for a Grant if the Health Facility meets the requirements specified in Section 7214.

(b) On the first working day after the effective date of these regulations, the Application form shall be available on the Authority's website at www.treasurer.ca.gov/chffa and will be referred to as the Lifeline Grant Program Application Form No. CHFFA 8 LGP-01 (01/2018), which is hereby incorporated by reference.

(1) An original and two copies of the Application must be received by the Authority no later than 5:00 p.m. (Pacific Time) on the deadline date posted on the Authority's website at www.treasurer.ca.gov/chffa and may be mailed or delivered to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, California 95814

or the Application may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov. The Authority is not responsible for email transmittal delays or failures of any kind.

(2) Only completed Applications received on or before the deadline date and time shall be accepted by the Authority for consideration.

(3) Incomplete Applications and Applications received by the Authority after the deadline date and time shall not be accepted for consideration.

(4) No additional information or documents shall be accepted by the Authority after the deadline date and time.

(5) An affirmative response or combination of affirmative responses to the Legal Status Questionnaire may be cause for rejection of the Application.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7217 to read:

Section 7217. Funding Round and Application Deadline

(a) The deadline for the First Funding Round shall be thirty (30) days after the date regulations are filed with the Secretary of State.

(b) Subsequent Funding Rounds: If funds are available after the First Funding Round, the deadline for Subsequent Funding Rounds shall be posted on the Authority's website at www.treasurer.ca.gov/chffa.

(c) Notices of deadlines will be posted on the Authority's website and sent to the Authority's listserv to which anyone may subscribe at www.treasurer.ca.gov.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7218 to read:

Section 7218. Maximum Grant Amount

(a) No single Grant shall exceed two hundred fifty thousand dollars (\$250,000) per Health Facility.

(b) The Authority shall award Grants totaling no more than the following maximums per region:

<u>(1)</u>	<u>Central/Coast</u>	<u>\$4,500,000</u>
<u>(2)</u>	<u>Los Angeles/Ventura</u>	<u>\$6,000,000</u>
<u>(3)</u>	<u>Northern/Central</u>	<u>\$4,000,000</u>
<u>(4)</u>	<u>Southern</u>	<u>\$5,500,000</u>

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7219 to read:

Section 7219. Evaluation Criteria

(a) Applications shall be scored on the following:

(1) A description of the Health Facility and its operation as it currently exists. Description must include, at a minimum, the geographical area served, the Vulnerable Populations served, services provided, day-to-day operations including hours/days of operation, staff qualifications and number of staff, how long the Health Facility has been in operation, and sources of current revenue. (Required, zero points)

(2) Describe the effects to the Health Facility and its operations as a result of any federal government reduction or elimination of funds that impact any reimbursement or eligibility for participation in any federal program or initiative. Describe how the Grant funds will be used to maintain the operation of the Facility and a projection of how long the Grant funds will sustain the Facility. Describe each of the items below as it relates to the reduction or elimination of federal government assistance and how the Grant funds will be utilized to positively impact the effects of a federal government reduction or elimination of funds. (50 points)

(A) Financial Impact. Provide specifics, i.e., the current amount of federal government assistance received, the amount of reduction or elimination, and the percent of the revenue and expenses this reduction or elimination represents to the total operating budget.

(B) Services Provided. May include elimination of one or more of the Medical Health Services specified in Section 7213, subdivision (u).

(C) Vulnerable Populations Served. If the federal government reduction or elimination affects Vulnerable Populations, specify the population(s) affected; i.e., the specific effects to that population, percentage of Facility patients impacted, and the impact on the community.

(D) Day-to-Day Operations. If the federal government reduction or elimination affects day-to-day operations, specify that effect [i.e., number of staff impacted (may include staff layoffs, classification and duties of impacted staff; salary/hourly rate cuts) and decrease in days and hours of Facility operation].

(b) Additional points will be given as follows:

(1) Five points to Rural or Frontier Medical Service Study Areas.

(2) Five points to Federally Qualified Health Center ("FQHC") or FQHC Look-Alike facilities.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7220 to read:

Section 7220. Initial Allocation

(a) Authority Staff will evaluate Application completeness, responsiveness, and clarity in addressing the evaluation criteria described in Section 7219.

(b) The scores from each reviewer of the Authority Staff will be added and the average of the scores will be calculated. The average score will be the final score assigned to the Application.

(c) The Authority Staff will make Initial Allocations based on the final score assigned to each Application, and present the Initial Allocations to the Authority for Final Allocations.

(d) Notification of Initial Allocations will be sent to Applicants before the public meeting at which the Authority will determine Final Allocations.

(e) Initial Allocations may be less than the amount requested in the Application to fund more Grants and ensure that total Initial Allocations do not exceed twenty million dollars (\$20,000,000).

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7221 to read:

Section 7221 Appeals

(a) Availability.

(1) The Applicant may appeal the amount of the Initial Allocation recommended by Authority Staff for that Application. No Applicant may appeal an Initial Allocation made to another Applicant.

(b) Timing.

(1) The appeal shall be submitted to the Executive Director no later than five (5) working days following the date of the notification of Initial Allocation.

(2) Appeals may be submitted to the Executive Director by email, mail or delivery to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, California 95814

Email address: chffa@treasurer.ca.gov

(c) Review.

(1) The Executive Director shall review the appeal based on the Application as originally submitted. Any new or revised Application or additional documentation or information that was not submitted in the Application shall not be considered.

(2) The Executive Director shall make a decision on the merit of the appeal and notify the Applicant of the decision no later than five (5) working days after receipt of the appeal.

(3) The decision of the Executive Director may be appealed to the Authority by written notification to the Executive Director within five (5) working days of the date of the Executive Director's decision.

(4) The Authority shall make a final decision on an appeal of the Executive Director's decision at a public meeting.

(d) Successful appeals.

(1) An Initial Allocation to an Applicant based on the appeal may result in a reduction or elimination of Initial Allocations to other Applicants that would have otherwise received an Initial Allocation.

(2) Adjustments to any Initial Allocations following any appeals may not be appealed.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code.

Add Section 7222 to read:

Section 7222. Final Allocation

- (a) Final Allocations shall be determined by the Authority at a public meeting.
- (b) Any Final Allocations approved by the Authority shall be awarded as Grants.
- (c) A Grant Award Letter, the official notification of Grant approval by the Authority, shall be sent within five (5) working days to all Applicants approved for a Final Allocation and include the following:
 - (1) Name(s) of the Grantee.
 - (2) Grant amount.
 - (3) The Grant Period.
 - (4) A description of the costs to be funded by the Grant.
 - (5) A request for a resolution of the governing board authorizing an official to accept the Grant and all responsibilities flowing therefrom.
 - (6) Notification that the funds for a Grant under this Chapter are subject to the availability of funds.
 - (7) A statement that the Authority reserves the right to modify or cancel the commitment upon failure of the Applicant to execute a Grant Agreement or otherwise fail to comply with this Article or if the Authority becomes aware of any matter which, if known at the time of Application review and approval, would have resulted in the rejection of the Application or the Grant not being approved.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code

Add Section 7223 to read:

Section 7223. Use of the Grant Funds

- (a) Grant funds shall only be used for the purposes described in the Grant Agreement.
- (b) Grantee may request an extension of the Grant Period by submitting a written request to the Authority that documents the reason(s) the change is needed and demonstrates it is consistent with the Act and this Chapter.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code

Add Section 7224 to read:

Section 7224. Grant Agreement

(a) The terms and conditions of a Grant shall be set forth in a Grant Agreement which shall include the following:

- (1) The Grant amount.
- (2) A description of how the funds will be used.
- (3) Release of Grant funds procedures in accordance with Section 7225 as applicable.
- (4) Agreement that the Grantee shall comply with the Act and this Chapter.
- (5) The Grantee shall defend, indemnify and hold harmless the Authority and the State of California, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Grant.
- (6) The Grantee shall comply with state and federal laws prohibiting discrimination, including those prohibiting discrimination because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.
- (7) Grantee shall cooperate in inspections and audits.
- (8) Notification that subject to the availability of funds, the Grant may be rescinded or reduced.
- (9) Resolution of the Authority authorizing the Grant.
- (10) Resolution of the Grantee's governing board accepting the Grant and delegating authority to an officer to act on its behalf.
- (11) Provision regarding default and its remedies, including forfeiture and return of the Grant funds to the Authority.

(12) Provision requiring Grantee to provide updated information upon request from Authority Staff to determine the continued appropriate use of working capital.

(13) Other terms and conditions that may be required by the Authority related to the Grant.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code

Add Section 7225 to read:

Section 7225. Release of Grant Funds

(a) Grant funds shall not be released until the following requirements have been met:

(1) A Grant Agreement has been executed by the Authority and the Grantee.

(2) The Grantee has submitted to the Authority the documentation specified in subdivision (b) below. If not available, Grantee has submitted a detailed statement concerning the status of obtaining any or all of this documentation for use of Grant funds for working capital.

(b) Grant funds will be disbursed to the Grantee upon receipt of the following:

(1) A completed Request for Disbursement Form No. CHFFA 8 LGP-02 (01/2018), hereby incorporated by reference.

(2) Proof of expenditures such as contracts, payroll reports, purchase orders, etc. shall accompany the Request for Disbursement Form No. CHFFA 8 LGP-02 (01/2018).

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code

Add Section 7227 to read:

Section 7227. Recovery of Funds for Non-Performance and Unused Grants Funds; Remedies

- (a) If the Authority determines that Grant funds were not used consistent with the Act, this Chapter or the Grant Agreement, the Authority may require remedies, including forfeiture and return of the Grant funds to the Authority.
- (b) Unused Grant funds shall be returned by the Grantee to the Authority no later than June 30, 2020.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code

Add Section 7228 to read:

Section 7228. Reporting Requirements

- (a) The Grantee shall submit a Final Report Form No. CHFFA 8 LGP-03 (01/2018), which is hereby incorporated by reference, within forty-five (45) days following disbursement of Grant funds and upon the Authority's request.
- (b) The Final Report Form No. CHFFA 8 LGP-03 (01/2018), shall include:
- (1) A narrative description of how the Grant funds were used.
 - (2) An explanation of any variances from the Application.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code

Add Section 7229 to read:

Section 7229. Records Retention, Inspections and Audits

- (a) Grantees shall retain all Grant fund financial records necessary to substantiate the purposes for which the Grant funds were spent for a period of three (3) years after notification to the Authority that all reports required for Grant fund expenditures have been submitted.

Note: Authority cited: Section 15438.11, Government Code. Reference: Section 15438.11, Government Code