

# CHILDREN'S HOSPITAL PROGRAM OF 2018 (PROPOSITION 4)

APPLICATION TECHNICAL ASSISTANCE WEBINAR  
FOR ELIGIBLE HOSPITALS  
DECEMBER 12, 2019



CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
915 CAPITOL MALL, ROOM 435  
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# WELCOME AND INTRODUCTIONS

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# Children's Hospital Program of 2018

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# AGENDA

- GENERAL INFORMATION
- APPLICATION WALKTHROUGH
- ITEMS TO NOTE
- NEXT STEPS
- QUESTIONS

# GENERAL INFORMATION

- PROGRAM BACKGROUND
- ELIGIBILITY
- ELIGIBLE PROJECT COSTS
- MAXIMUM GRANT AMOUNTS
- APPLICATION SUBMISSION



# PROGRAM BACKGROUND

- ❖ **Objective:** CHP 2018 aims to improve the health and welfare of California’s critically ill children by providing a stable and ready source of funds to Children’s Hospitals for capital improvement projects.
- ❖ **History:** On November 6, 2018, California voters passed Proposition 4, allowing the state to issue \$1.5 billion in general obligation bonds to fund the Children’s Hospital Program of 2018 (“CHP 2018”). In total, there are three Children’s Hospital Programs, which are CHP 2004, CHP 2008, and CHP 2018.
- ❖ **Funding:** \$150 million of the \$1.5 billion has been allocated to Eligible Hospitals. \$1.35 billion has been allocated to Children’s Hospitals.



# PROGRAM BACKGROUND

**What is different?:** CHP 2018 allows for Children's Hospitals AND Eligible Hospitals to apply for Grant funding.

## CHILDREN'S HOSPITALS:

- UCLA
- UCD
- UCI
- UCSF
- UCSD
- Children's Hospital and Research Center at Oakland
- Valley Children's Health Care
- Children's Hospital Los Angeles
- Children's Hospital Orange County
- Earl and Loraine Miller Children's Hospital Long Beach
- Loma Linda University Children's Hospital
- Lucile Salter Packard Children's Hospital at Stanford
- Rady Children's Hospital - San Diego

## ELIGIBLE HOSPITALS:

A hospital that provides pediatric services to children eligible for the California Children's Services program

AND is either:

A public hospital as defined in Welfare and Institutions Code Section 14105.98(a)(25)

OR

A general acute care hospital licensed pursuant to Health and Safety Code Section 1250 that is, or is an operating entity of, a California nonprofit corporation.



# PROGRAM BACKGROUND

**This webinar is specifically tailored to Eligible Hospitals.**

**The information in this presentation is not applicable to the 13 Children's Hospitals under CHP 2018.**



# ELIGIBILITY

- ❑ Full approval as a California Children’s Services (“CCS”) hospital by DHCS.
- ❑ Current valid general acute care hospital license from the California Department of Public Health (“CDPH”).
- ❑ The Most Recent Audited Financial Statements does not contain any Going Concern Qualifications.
- ❑ Submission of the completed Grant Application for Eligible Hospitals.
- ❑ If the project is not exclusively equipment acquisition, the Applicant shall provide evidence of either property ownership or that it is a lessee under a lease agreement that satisfies Section 7014 of the program regulations.
- ❑ Documentation that the Project itself, or the Project as a part of a larger project, meets the objective of CHP 2018.



# ELIGIBLE PROJECT COSTS

All costs must be incurred during the Grant Period. Eligible Projects for an Eligible Hospital Pediatric Program are limited to:

- Construction
- Expansion
- Remodeling
- Renovation
- Furnishing
- Equipment

\*Please note that acquisition of real property is not an eligible cost for Eligible Hospitals.\*



# MAXIMUM GRANT AMOUNTS

- ❑ \$150 million is allocated to Eligible Hospitals and will be awarded on a **competitive** basis.
- ❑ Each Eligible Hospital is limited to a single Grant award.
- ❑ If funds are available for a Subsequent Funding Round, the deadline will be posted on the CHFFA website.
- ❑ Funds not awarded by June 30, 2033, are no longer available to Eligible Hospitals.
- ❑ Maximum Grant award: \$15 million less Costs of Issuance and Administrative Costs.

<b>ADMINISTRATIVE COSTS</b>	1% of authorized grant award
<b>COST OF ISSUANCE</b>	.075% of authorized grant award



# APPLICATION SUBMISSION

<u>Submission Method</u>	<u>Submission Location</u>	<u>Required Items</u>	<u>Deadline</u>
In Person  OR  By Mail	California Health Facilities Financing Authority 915 Capitol Mall, Room 435 Sacramento, CA 95814	(1) One original  AND  (1) One copy	March 30, 2020  5:00pm PT  <u>CHFFA must receive the application in-house by the deadline above.</u>

The Authority is not responsible for any delays, and incomplete and/or late applications will not be accepted for review.

# APPLICATION WALKTHROUGH

- TAB 1: APPLICATION
  - COMPLETED APPLICATION PAGES
  - EVALUATION CRITERIA
- TAB 2: FINANCIAL INFORMATION
- TAB 3: ORGANIZATION INFORMATION
- TAB 4: LEGAL INFORMATION
- TAB 5: CERTIFICATION



## APPLICATION SUBMISSION INSTRUCTIONS:

To the right is the Application Submission Instructions page within the Application. This document will serve as a guide to this section of the Webinar because we will be explaining each TAB listed.

### The Children's Hospital Program of 2018 Application Submission Instructions

Eligible Hospitals shall submit Applications for Grant funds to the California Health Facilities Financing Authority. The narrative portion of the Application is limited to 30 pages in 12 point font such as Arial or Times New Roman with one inch margins. An original and one copy of the Application and all required forms are to be provided in separate binders and tabbed as specified below:

- TAB 1. Application
1. Completed pages 1-9 of the Application and Attachment A.
  2. Any third-party data or other information requested in the appropriate Application sections.
- TAB 2. Financial Information
- Most Recent Audited Financial Statements. (California Code of Regulations (CCR), Title 4, Section 7005, subdivision (a)(1))
- TAB 3. Organization Information
1. A copy of the current general acute care hospital license issued by the California Department of Public Health or a copy of the current general acute care hospital license of the California nonprofit corporation of which the Applicant is an operating entity. (CCR, Title 4, Section 7005, subdivision (a)(2)(B))
  2. A copy of the Applicant's 501(c)(3) determination letter from the Internal Revenue Service (IRS) and a copy of either the tax-exemption letter or a letter from the California Franchise Tax Board (FTB) verifying that the Applicant is in good standing. For Applicants that are operating entities of a California nonprofit corporation, both the IRS and FTB letters are required for the parent corporation. (CCR, Title 4, Section 7005, subdivision (a)(2)(A)(i))\*
  3. A copy of the Applicant's Articles of Incorporation and Bylaws. Applicants that are operating entities of a California nonprofit corporation, both the Articles of Incorporation and Bylaws are required for the parent corporation. (CCR, Title 4, Section 7005, subdivision (a)(2)(A)(ii))\*
  4. A copy of the Eligible Hospital's California Children's Services (CCS) approval letter from the California Department of Health Care Services as verification of full approval status as required in Section 7001, subdivision (a)(3)(A).
- TAB 4. Legal Information
- Legal Status Questionnaire - Attachment B of the Application.
- TAB 5. Certification
- The Agreement and Certification - Attachment C of the Application.
- \*NOTE: Public hospitals as defined in Welfare and Institutions Code section 14105.98(a)(25) are exempt from items number 2 and 3 above under organizational information.

(i)



# TAB 1: APPLICATION

## Completed Application Pages

### Section (A): Summary Information

- Date
- Grant Amount Requested
- Legal Name
- Eligible Hospital Type
- Federal Tax ID
- Address of Hospital
- Address of Project Site (if different)
- Name of the Contact Person for the Project
- Contact information for this Contact Person



# TAB 1: APPLICATION

## Completed Application Pages

### Section (B): Eligible Hospital and Project Eligibility

Purpose: These questions guide the Applicant to ensure the hospital and the proposed project are eligible for Grant funding.

\*Please note that if the Applicant answers “No” to any of these questions, then the Applicant is not eligible for Grant funding.\*



# TAB 1: APPLICATION

## Evaluation Criteria

### Section (C): Project Description

Purpose: This section of the application is to be answered in narrative form and supplemented with data as appropriate and requested. In the application itself, there are charts that the Applicant needs to complete and provide to CHFFA in the same format as given to the Applicant. The narrative will help the Authority fully understand the proposed Project, and how it sufficiently meets the intent of CHP 2018. Further, it will explain how the Applicant and proposed project meets the regulatory requirements.



# TAB 1: APPLICATION

## Evaluation Criteria

### Section (C): OSHPD - Hospital Disclosure Report

NOTE: Some statistics in the application are required to be extracted from the most recent annual Hospital Disclosure Report filed with OSHPD.

These statistics can be found at OSHPD's webpage at:

<https://data.chhs.ca.gov/dataset/hospital-annual-financial-data-selected-data-pivot-tables>



# TAB 1: APPLICATION

## Evaluation Criteria

### Section (C): OSHPD - Hospital Disclosure Report

Download the Excel file named “2018 Pivot Table – Hospital Annual Selected File”



Data Importing Instructions for Excel (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/1664fdb7-0b40-450e-8257-1b355884fb26)  
Please note that this data contains fields with leading zeroes. In order to...

2012 - 2017 CY Hospital Annual Selected File ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/81602900-aa04-4fcb-b70b-19bc0553f79b)  
This file contains data that has been reformatted to be machine-readable from...

Hospital Annual Selected File - Documentation (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/842c8bcb-bfac-4aa9-9de8-b11eb049f6de)

**2018 CY Hospital Annual Selected File (October ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/efcd34e6-5718-4457-92fb-786f753cabdf)**

2018 Pivot Table - Hospital Annual Selected ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/6c6d350a-3de1-41ac-890e-874a61e1d997)  
Based on the complete data set, the pivot tables uses a summarized version of...

2017 - 2018 FY Hospital Annual Selected File ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/6d971588-0321-410f-8def-6ac2eacbb682)

2017 CY Hospital Annual Selected File (October ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/7f253787-c4e9-472c-a2e9-892ef8f34900)

2017 Pivot Table - Hospital Annual Selected ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/42be7a51-1a40-4b12-9513-904562db0de6)  
Based on the complete data set, the pivot tables uses a summarized version of...

2012 - 2016 Hospital Trends Pivot (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/882faca2-49ea-44b1-83cb-c904af145210)

2012 - 2016 Hospital Trends Charts (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/cebcc1d8-108b-438a-86e9-30605a9c11c7)

2012 - 2016 Hospital Trends Glossary (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/9cfd79f-b156-4d3b-9ca9-8916b05e9a65)

2016 CY Hospital Annual Selected File ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/71c967e3-baf2-42b8-a0fa-b7c73500971e)

2016 Pivot Table - Hospital Annual Selected ... (/dataset/hospital-annual-financial-data-selected-data-pivot-tables/resource/e7d882f8-ff3d-48a2-ac71-44ce0091bf47)  
Based on the complete data set, the pivot tables uses a summarized version of...



# TAB 1: APPLICATION

## Evaluation Criteria

### Section (C): OSHPD - Hospital Disclosure Report

Use the drop down box to select the Applicant's hospital name under the Pivot tab



Hospital Name	(All)
County	(All)
HSA	(All)
HFPA	(All)
Type of Control	(All)
Type of Care	(All)
Health System	(All)
Teaching or Small/Rural	(All)
DSH hosp	(All)
Licensed Bed Size	(All)
LTC Day %	(All)

No. of Hospitals	Total
	367

This Excel pivot table uses our hospital annual financial data file for report periods ended January 1, 2018 to December 31, 2018. The data were extracted on October 7, 2019.

Select your variables above. You can choose a specific hospital or county, or create a custom aggregation. When done, click on the Profile or Charts worksheet to see your results. The charts will change according to your selection.

The Profile is set to print the first three pages. Click on Retrieve Facility Names to identify facilities in your pivot table selection. To print the Profile with the list of names, you must redesignate the print area to include them.

**Note: Avoid changing the worksheets as they contain many links, formulas and custom formats.**



# TAB 1: APPLICATION

## Evaluation Criteria

### Section (C): OSHPD - Hospital Disclosure Report

Click "Profile"  
tab

Hospital Name	(All)		
County	(All)		
HSA	(All)		
HFPA	(All)		
Type of Control	(All)		
Type of Care	(All)		
Health System	(All)		
Teaching or Small/Rural	(All)		
DSH hosp	(All)		
Licensed Bed Size	(All)		
LTC Day %	(All)		
	Total		
No. of Hospitals		367	

This Excel pivot table uses our hospital annual financial data file for report periods ended January 1, 2018 to December 31, 2018. The data were extracted on October 7, 2019.

**Select your variables above.** You can choose a specific hospital or county, or create a custom aggregation. When done, **click on the Profile or Charts worksheet** to see your results. The charts will change according to your selection.

The Profile is set to print the first three pages. Click on **Retrieve Facility Names** to identify facilities in your pivot table selection. To print the Profile with the list of names, you must redesignate the print area to include them.

**Note: Avoid changing the worksheets as they contain many links, formulas and custom formats.**

Profile | Charts | **Pivot** | Data | Glossary | +



# TAB 1: APPLICATION

## Evaluation Criteria, Section (C): OSHPD - Hospital Disclosure Report

Report Periods Ended 1-1-18 through 12-31-18		2018 OSHPD Hospital Annual Financial Data Profile (excludes Kaiser, State, Shriners, LTC Emphasis, and PHFs)					Date Printed: 12/3/2019
<b>Data by Type of Care</b>	<b>Total</b>	<b>General Acute</b>	<b>Psychiatric</b>	<b>Rehabilitation</b>	<b>Long-term Care</b>	<b>Chem Dep &amp; Other</b>	
Licensed Beds	77,464	61,986	5,999	2,838	5,717	924	
Licensed Bed Occ. Rate	59.18%	56.45%	74.37%	58.74%	75.32%	44.16%	
Available Beds	73,118						
Available Bed Occ. Rate	62.67%						
Patient Days (excl. nursery)	16,572,571	12,641,181	1,628,437	562,947	1,561,077	148,929	
Discharges (excl. nursery)	3,011,743	2,734,310	200,485	40,468	22,983	13,487	
Average Length of Stay (est.)	5.50	4.62	8.12	14.65	67.89	11.04	
<b>Income Statement</b>		<b>Per Adjusted Day</b>		<b>Financial Ratios</b>			
Gross Patient Revenue	\$ 447,189,245,610	\$ 16,554.49		Current Ratio	1.71		
- Deductions from Revenue	343,389,063,508	12,711.91		Days in Accounts Receivable	57.01		
+ Capitation Premium Rev.	4,720,839,968	174.76		Long-Term Debt to Net PPE	78.05%		
Net Patient Revenue	\$ 108,521,022,070	\$ 4,017.34		Long-Term Debt to Equity	80.50%		
+ Other Operating Revenue	3,896,328,179	144.24		Equity to Total Assets	38.42%		
Total Operating Revenue	\$ 112,417,350,249	\$ 4,161.58		Net Return on Total Assets	5.51%		
- Operating Expenses	107,242,255,747	3,970.00		Patient Revenue Margin	1.18%		
Net from Operations	\$ 5,175,094,502	\$ 191.58		Operating Margin	4.60%		
+ Non-Operating Revenue	4,892,239,393	181.11		Total Margin	7.35%		
- Non-Operating Expense	1,742,012,970	64.49		Net Income Margin	7.05%		
- Income Taxes	58,792,425	2.18		Cost-to-Charge Ratio	23.11%		
- Extraordinary Items	0	0.00		Net PPE Per Licensed Bed	\$ 768,135		
Net Income	\$ 8,266,528,500	\$ 306.02		<b>Uncompensated Care Costs</b>			
<b>Deductions from Revenue</b>		<b>Capitation Premium Revenue</b>		Charity-Other	\$ 794,288,728		
Medicare Cont Adj-Trad	\$ 110,777,566,172	Medicare	\$ 1,384,457,785	Charity-Other + Bad Debt	1,527,978,008		
Medicare Cont Adj-Mng Care	41,019,368,520	Medi-Cal	1,534,503,094	Charity-Other + Bad Debt + CIP Cont. Adj.	1,907,165,222		
Medi-Cal Cont Adj-Trad	31,952,115,337	Co. Indigent Programs	30,995,714	<b>Uncompensated Care Costs % of Operating Expenses</b>			
Medi-Cal Cont Adj-Mng Care	70,393,865,854	Other Managed Care	1,770,883,375	Charity % of Operating Expenses	0.77%		
DSH (SB 855) Funds Rec'd	(2,680,834,716)	Total Capitation Rev.	\$ 4,720,839,968	Charity + Bad Debt % Operating Expenses	1.48%		
Co Indigent Cont Adj	1,640,784,963	<b>Other Utilization Statistics</b>		Charity+Bad Debt+CIP Cont Adj % of Op. Exp.	1.85%		
Other 3rd Cont Adj-Trad.	11,170,854,314	ER Visits	13,348,381	<b>Profile Characteristics</b>			
Other 3rd Cont Adj-Mng Care	67,404,496,017	Clinic Visits	18,267,625	No. of Hospitals	367		
Provision for Bad Debts	3,174,754,567	Home Health Visits	1,489,555	Hospital Name	(All)		
Charity-Hill-Burton	0	Referred O/P Visits	14,510,873	County	(All)		
Charity-Other	3,436,975,076	I/P Surgeries	752,415	HSA	(All)		
Gifts & Subs. Indigent Care	(9,662,772)	O/P Surgeries	1,093,825	HFFA	(All)		
All Other Deductions	5,108,780,176	Purchased I/P Days	256,852	Type of Control	(All)		
Total Deductions from Rev.	\$ 343,389,063,508	Nursery Days	538,348	Type of Care	(All)		
<b>Equity Transfers</b>		Nursery Discharges	261,633	Health Systems	(All)		
DSH Funds Transferred	\$ 1,249,344,390	Natural Births	252,422	Teach & Rural Hosp	(All)		
		Cesarean Sections	112,620	DSH Hospital?	(All)		
				Licensed Bed Size	(All)		
				LTC Day %	(All)		

Source: OSHPD Hospital Annual Disclosure Reports  
(Based on 10-7-2019 data extract)

The statistics for your hospital will be shown under the Profile tab. The excel file will look like the screen shot above.



# TAB 1: APPLICATION SCORING

- ❑ The Applicant must score a minimum of 60 points cumulative on Criteria 1-5 and a minimum of 15 points on Criteria 6 to receive a passing score.
- ❑ An Applicant can have a passing score, but still not receive an award due to the competitive nature of the program. The Applicant may receive an Initial Allocation of zero (0) because other Applicants with higher scores have exhausted the funding.



# TAB 1: APPLICATION EVALUATION CRITERIA

1. Project contributes to the **Expansion** of Health Care Access or **Improvement** of Health Care Access.
2. Project contributes to the Improvement of **Child Health Care** or Improvement of **Pediatric Patient Outcomes**.
3. Applicant provides **Uncompensated Care** or **Undercompensated Care**.
4. Applicant provides services to **Vulnerable Pediatric Populations**.
5. Applicant **promotes** Pediatric Teaching Programs or Pediatric Research Programs.
6. Applicant demonstrates Project **readiness** and **feasibility**.

30 Points	60 Points Minimum
30 Points	
20 Points	
15 Points	
5 Points	
30 Points	15 Points Minimum



# TAB 1: APPLICATION

## EVALUATION CRITERIA #1

This criteria analyzes how well the Project contributes to the Expansion of Health Care Access or Improvement of Health Care Access by Target Patients. (30 Points)

- ❑ **Data Component (Section C (1)(A)(i)(a),(b), and (d)):**  
Current hospital capacity/scope; Chart of current data and projected percentages of patients served.
  
- ❑ **Narrative Component (Section C (1)(A)(i)(c) and(e)):**  
Explanation of data provided and projected percentages;  
Barriers addressed by the Project to improve access for Target Patients.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #2

This criteria analyzes how well the Project contributes to the Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes. (30 Points)

- ❑ **Narrative/Data Component (Section C (1)(B)(i)):**  
Specifics/Statistics of the way the proposed project will contribute toward the improvement of Pediatric Patients outcomes.
- ❑ **Narrative Component (Section C (1)(B)(ii)):**  
Description of how either updating facilities and/or equipment will improve reliability and sustainability for Pediatric Services.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #3

This criteria evaluates how well the Applicant provides Uncompensated Care or Undercompensated Care to Target Patients. (20 Points)

- ❑ **Narrative/Data Component (Section C (2)(A)(i)):**  
Narrative describing what each category of cost provided means to the hospital and charts of current uncompensated and undercompensated care costs.
  
- ❑ **Narrative Component (Section C (2)(A)(ii)):**  
Description of existing infrastructure that assists in finding alternative sources of health care coverage.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #4

This criteria evaluates how well the Applicant provides services to Vulnerable Pediatric Populations. (15 Points)

- **Data Component (Section C (2)(B)):** Graded on thoroughness; Information on:
  - Gross patient AND gross pediatric patient revenue
  - Number of pediatric patients, pediatric patient days, or pediatric patient visits
  - Number and type of Special Care Centers
  - Percentage of the pediatric population the hospital is serving who have special health care needs
  - Percentage of hospital resources allocated to the pediatric population with special health care needs.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #5

This criteria evaluates how well the Applicant promotes Pediatric Teaching Programs or Pediatric Research Programs. (5 Points)

- ❑ **Narrative Component (Section C (2)(C)):** Graded on thoroughness; Description of:
  - ❑ Study areas of Pediatric Research Programs.
  - ❑ Specific areas of Pediatric Teaching Programs.
  - ❑ Number of individuals participating and maximum capacity of Pediatric Teaching Programs.
  - ❑ Promotion, improvement or sustainment of Pediatric Teaching or Research Programs.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6

Purpose: This criteria evaluates how well the Applicant demonstrates readiness and feasibility. (30 Points)

Applicants must demonstrate:

- ❑ A plan to start the Project soon after the Grant award.
- ❑ The likelihood to complete the Project and be open and operational within the Project timeline.
- ❑ That there are sufficient revenues to support on-going operation of new or expanded services and/or research programs.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6

### Question 1 (Section D(1))

#### Proposed Project Timeline:

- Provides/Describes project start **AND** completion dates.
- Narrative:
  - Description of potential challenges**AND**
  - Description of how the Applicant plans to overcome these challenges.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6

### Question 2 (Section D(2)(A) and (B))

#### Project Readiness:

- ❑ **Mandatory Equipment Acquisition Project Evidence:** Line-item cost estimates (including installation) OR purchase orders.
  
- ❑ **Mandatory Non-Equipment Project Evidence:** Line-item project cost estimates; Evidence of property ownership OR a lease agreement per Section 7014.
  - Required Project Documents\*: Building permits; Contracts: architect, design, engineering, and construction; Proof of CEQA Compliance, if applicable.

\*Note: If Applicant has not yet provided the list of required documents above, but it is applicable to the proposed project, the Applicant must provide a detailed statement that explains the status of obtaining the missing documents within 12 months of the Grant award date.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6

### Question 3 (Section D(3))

#### Feasibility:

##### ❑ **Narrative and Documentation:**

If the Project generates sufficient revenues to support on-going operations, Applicant can demonstrate the feasibility through one of the following:

- ❖ Third Party Feasibility Study including:
  - The scope of the services to be provided
  - Financing plan including forecasted revenues and expenses
  - Market share/service area demand analysis
  - Observations on market positioning
- ❖ Funding letters/other documentation to demonstrate sufficient revenues for on-going operations of new/expanded services and/or research programs.

If revenues generated by the Project will be insufficient, the Applicant's revenues shall be sufficient to support on-going operation.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6

### Question 4

#### Sources and Uses of Funds (Evidence of proposed Project Funding):

- ❑ Attachment A (as seen on next slide).
- ❑ **Documentation:** Graded on thoroughness. Applicant must provide a detailed list of all funding sources and uses.
  - ❑ **SOURCES** (Section D(2)(C) and (4)(A)): Total CHFFA Grant request amount; Borrowed funds/Loans amount; Internal assets; Commitment letters; Board approved capital campaign plans; Any pending possible lenders or grantors and the status of their consideration; Any other funding source NOT listed;
  - ❑ **USES** (Section D(4)(B)): Uses for all of the listed sources above; Proof the uses will not exceed the total of all available fund sources; Proof CHFFA-provided funds will only fund eligible items.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6: REQUIRED SUPPLEMENTAL ATTACHMENT

### ATTACHMENT A: SOURCES AND USES OF FUNDS

This is the attachment that is referenced in Evaluation Criteria 6. All funding sources and uses must be listed. Cost of Issuance fees and Administrative Cost fees must be listed under the uses of funds. Total sources of funds cannot exceed the total use of funds.

Attachment A

**Sources and Uses of Funds\***

**Sources of Funds:**

Total CHFFA Grant Amount Requested	\$	
Eligible Hospital Internal Funds .....	\$	
Other (bank loans, grants, etc.):		
	\$	
	\$	
	\$	
Total Sources .....	\$	0.00

**Uses of Funds:**

Construct/expand facilities .....	\$	
Remodel/renovate .....	\$	
Purchase equipment/furnishings .....	\$	
Other (list):		
	\$	
	\$	
	\$	
	\$	
Total Uses .....	\$	0.00

\*Total Sources must equal Total Uses. In no case can a grant award exceed the total cost of the Project.



# TAB 1: APPLICATION

## EVALUATION CRITERIA #6

### Question 4 (Section D(4)(C))

Proportionate Share Use: This part of Question 4 evaluates the methodology used to determine proportionate share of pediatric and non-pediatric patients.

- ❑ **Narrative and Documentation:** Applicant must provide:
  - ❑ Proportionate share use.
  - ❑ The methodology of calculating that proportionate share.
  - ❑ Documentation AND demonstration of the methodology being used for proportionate share.



## TAB 2: FINANCIAL INFORMATION

**Purpose:** To ensure there is no “Going Concern Qualification” language.

**Documentation:** Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, must submit the *Most Recent Audited Financial Statements*.



# TAB 3: ORGANIZATION INFORMATION

**Purpose:** To ensure all operating requirements are in good standing.

**Documentation:**

- ❑ Copy of the Applicant's or the parent nonprofit corporation's current general acute care hospital license issued by CDPH.
- ❑ Need both:
  - ✓ An IRS 501(c)(3) determination letter **AND**
  - ✓ An FTB tax-exemption letter **OR** an FTB good standing verification letter

**NOTE:** If under a nonprofit parent corporation, the Applicant must provide the documents above for the nonprofit parent corporation.

- ❑ A copy of the Articles of Incorporation and Bylaws, for the Applicant and the parent nonprofit corporation.
- ❑ CCS full approval letter copy from DHCS for the Applicant.



# TAB 4: LEGAL INFORMATION

## REQUIRED SUPPLEMENTAL ATTACHMENT

### ATTACHMENT B: LEGAL STATUS QUESTIONNAIRE:

The Authority requires this document to ensure that the Applicant is not involved in any legal matters that could adversely impact the proposed Project.

Attachment B

#### LEGAL STATUS QUESTIONNAIRE

1. Financial Viability

Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the Project or the Applicant. The disclosure should be limited to actions or investigations in which the Applicant or the Applicant's parent, subsidiary, or affiliate involved in the management, operation, or development of the Project has been named a party.

Response:

2. Fraud, Corruption, or Serious Harm

Disclose any legal or regulatory action or investigation involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment. The disclosure should be limited to actions or investigations in which the Applicant or the Applicant's current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years.

Response:

*Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charges, complaint or filing, and the outcome.*



# TAB 5: CERTIFICATION

## REQUIRED SUPPLEMENTAL ATTACHMENT

### ATTACHMENT C: AGREEMENT AND CERTIFICATION:

The purpose of this document is to ensure that the Applicant knows and understands the requirements for grant funding.

Attachment C

#### AGREEMENT AND CERTIFICATION

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Eligible Hospital on behalf of the Eligible Hospital shall agree and certify to the following terms and conditions:

1. The information contained in the Application and attachments is true and correct to the best of its knowledge and belief and understands that any misrepresentation may result in the cancellation of a Grant and other actions permitted by law and the Grant Agreement.
2. Eligible Hospital may be required to return all or a portion of the Grant including any unused interest earnings if the Eligible Hospital fails to complete the Project as approved. In cases where the Grant will fund architect, design, or engineering fees as part of an approved Project, the Eligible Hospital may be required to return all Grant funds and any unused interest earnings if the Authority cannot determine that the associated larger project has been completed, based on timelines provided within the Application.
3. Grant funds will only be used for the Project described in the Application unless a change in the Project is approved in writing by the Authority.
4. The Project and financial records of the Eligible Hospital's Project are subject to audit and inspection by the Authority and the California State Auditor.
5. Eligible Hospital has disclosed all information requested by the Legal Status Questionnaire.
6. Eligible Hospital will notify the Authority in writing at the time of Project completion with evidence of completion included.
7. Eligible Hospital will provide all documents and information required by law and will meet all necessary requirements prior to the release of the Grant.

\_\_\_\_\_  
Name of Eligible Hospital

\_\_\_\_\_  
By (Print Name)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# ITEMS TO NOTE

- ❑ The more “ready” the Project, the more likely to score well.
- ❑ Eligible Hospitals cannot purchase real property with Grant funds.
- ❑ Ownership must be established prior to applying.
- ❑ Eligible Hospitals can only receive one (1) Grant award.
- ❑ Costs must be incurred during the Grant Period.
- ❑ Applications must be received by CHFFA by 5:00pm on March 30, 2020.

# NEXT STEPS

- ❑ Applications Due: March 30, 2020 at 5:00 PM
- ❑ Applications are Evaluated and Scored
- ❑ Initial Allocations and Appeal Process
- ❑ Tentative CHFFA Board Meeting for Approval: May 28, 2020
- ❑ Execution of Grant Agreement



# CHFFA BOND FINANCING PROGRAM

## BOND FINANCING PROGRAM:

Provides eligible health facilities with access to low interest rate capital markets through the issuance of tax-exempt revenue bonds.

## ELIGIBLE USES OF PROCEEDS: (Issue minimum: \$5 million)

- Construction
- Renovation
- Land or building acquisition
- Refinancing existing debt
- Equipment (including generators)
- Working capital
- Cost of issuance



# CHFFA HELP II LOAN PROGRAM

## Healthcare Expansion Loan Program II (HELP II):

Provides smaller health facilities with financing for capital project needs through low cost loans.

Eligible Use (Loan minimum: \$25,000)	Maximum Loan Amount	Interest Rate	Max Term Length
<b>Construction/Renovation</b>	\$1.5 million	2%	20 years
<b>Real Property Acquisition</b>	\$1.5 million	2%	20 years
<b>Equipment/Furnishings</b>	\$1.5 million	2%	5 years
<b>Refinancing</b>	\$1 million	3%	15 years



# QUESTIONS?

For general inquiries about any of our programs, please contact CHFFA directly.

[CHFFA@treasurer.ca.gov](mailto:CHFFA@treasurer.ca.gov) or call (916) 653-2799