

CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY

Children's Hospital Program of 2018

Grant Application for Eligible Hospitals

GENERAL OBLIGATION BOND
FINANCING FOR PUBLIC AND
PRIVATE CALIFORNIA CHILDREN'S
HOSPITALS

915 Capitol Mall, Room 435
Sacramento, California 95814
Phone: (916) 653-2799
Fax: (916) 654-5362

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. An original and one copy of the Application is to be provided in separate binders and tabbed as specified below to:

California Health Facilities Financing Authority
915 Capital Mall, Suite 435
Sacramento, CA 95814

TAB 1. Application

1. Completed pages 1-8 of the Application
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 State of California Department of Public Health or the current general acute care hospital license issued by the State of California Department of Public Health to the California nonprofit corporation of which the Eligible Hospital is an operating entity. (CCR, Title 4, Section 7005, subdivision (a)(2)(B))
2. A copy of the 501(c)(3) determination letter from the Internal Revenue Service (IRS) and either the tax-exemption letter or Letter of Good Standing from the Franchise Tax Board (FTB). Eligible Hospitals that are operating entities of a California nonprofit corporation, 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 Eligible Hospital's Articles of Incorporation and Bylaws. Eligible Hospitals that are operating entities of a California nonprofit corporation, 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 by the State of California Department of Health Care Services as verification of full approval status as required in Section 7005, subdivision (a)(2)(C) or a copy of the CCS Approval Letter of the California nonprofit corporation of which the Eligible Hospital is an operating entity.

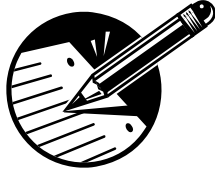
TAB 4 Legal Information

Legal Status Questionnaire - Attachment A of the Application

TAB 5 Certification

The Agreement and Certification - Attachment B of the Application

**The Children's Hospital Program of 2018
Application for Eligible Hospitals**



Please type all responses. Incomplete or illegible applications will not be considered.

A. Summary Information

Date of Application: _____
Total CHFFA Grant Amount Requested: _____
Eligible Hospital Legal Name:

Federal Tax ID#: _____
Street Address: _____
City, State, Zip: _____
County: _____
Address of Project (if different from above): _____

County: _____
Contact Person: _____ **Title:** _____
Phone: _____ **Fax:** _____
E-mail Address: _____

NOTE: Eligible Hospitals are limited to \$X million in grant funding less cost of issuance and administrative costs.

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<Authority Use Only>

Date Received: (stamp below) **Allocation Meeting Date:** _____
Resolution Number: _____

B. Eligible Hospital and Project Eligibility

	Yes	No
1. Is your facility a hospital that provides pediatric services to children eligible for the California Children’s Services program that is either (1) a public hospital as defined in Welfare and Institutions Code section 14105.98(a)(25), or (2) 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?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the Eligible Hospital, or the California nonprofit corporation of which the Eligible Hospital is an operating entity, a non-profit 501(c)(3) corporation, for purposes of federal and state tax law?	<input type="checkbox"/>	<input type="checkbox"/>
3. Has the Eligible Hospital, or the California nonprofit corporation of which the Eligible Hospital is an operating entity been granted, by the State of California Department of Health Care Services, Full Approval as an approved California Children’s Services hospital?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the Eligible Hospital, or the California nonprofit corporation of which the Eligible Hospital is an operating entity, currently licensed by the State of California Department of Public Health as a general acute care hospital?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are the most recent audited financial statements of the Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity, free of Going Concern Qualification language?	<input type="checkbox"/>	<input type="checkbox"/>
6. Is the Project an eligible project? Project means: Constructing, expanding, remodeling, renovating, furnishing, or equipping a pediatric program of the Eligible Hospital, where such costs would be incurred during the Grant Period.	<input type="checkbox"/>	<input type="checkbox"/>
7. If the Eligible Hospital proposes to use Grant funds for a Project other than equipment acquisition on certain property, can the Eligible Hospital provide evidence that either: <ul style="list-style-type: none">• The Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity owns the property, OR• The Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity is a lessee under a lease agreement that satisfies Section 7014 of the Children’s Hospital Program of 2018 Regulations.	<input type="checkbox"/>	<input type="checkbox"/>

Yes No

8. If the Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity proposes to use Grant funds for a Project that includes the acquisition of real property, architect, design, and/or engineering fees, can the Eligible Hospital provide the Authority with reasonable assurance that the Project itself or the Project as a component of a larger project will ultimately benefit the health and welfare of California's critically ill children?

If the Eligible Hospital answered "No" to any question above, the Eligible Hospital is not eligible to apply nor receive a grant.

C. Project Description

❖ Describe the Project and explain:

1. How well the Project contributes to both of the following:

A. Expansion of Health Care Access or Improvement of Health Care Access by children eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children. (Maximum 30 points)

i. Include a narrative description of how the Project expands and improves access to services provided to children eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children.

a. The narrative shall include: (1) The hospital's current number and type/usage of pediatric beds and/or equipment, as applicable, serving the children eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children; (2) How the Project will contribute to improve or expand access; and (3) Any cultural, language, geographical or other barriers that the Project addresses to improve accessibility for children.

B. Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes. (Maximum 30 points)

i. Project contributes towards the improvement of child health care or pediatric patient outcomes. Provide supporting data and specific examples, such as, improvements to child health care or pediatric patient outcomes which may include: achieving targeted quality measures set by the Centers for Medicare and Medicaid Services Core Set of Children's Health Care Quality Measures, improvement of pediatric patient flow, reduction of wait times, reduction of medical errors/complications, prevention of the spread of infection and/or reduction of unnecessary or duplicative testing/appointments.

ii. Application provides a narrative description of how the Project improves the reliability and sustainability of the pediatric services through the update of equipment or facility(ies).

2. How well the Eligible Hospital does any or all of the following:

A. Provides Uncompensated or Undercompensated care to Indigent or pediatric patients. (Maximum 20 points)

i. Application includes the following, extracted from the Annual Financial Disclosure Report (AFDR) submitted to the Office of Statewide Health Planning and Development (OSHPD):

a. The Uncompensated Care Costs and the percent of Uncompensated Care Costs to Total Operating Expenses.

<u>Uncompensated Care Costs (UCC)</u>	<u>Year</u>
Charity-Other	\$X
Charity-Other + Bad Debt	\$X
Charity-Other + Bad Debt + County Indigent Program Contractual Adjustments (CIP Cont. Adj.)	\$X

<u>UCC % of Operating Expenses</u>	
Charity % of Operating Expenses	X%
Charity + Bad Debt % of Operating Expenses	X%
Charity + Bad Debt + CIP Cont. Adj. % of Operating Expenses	X%

b. The Uncompensated Care Costs for Indigent or pediatric patients. For example: Medi-Cal, Optional Targeted Low Income Children (OTLIC) Program, CCS, CHDP etc.

<u>Indigent or Public Pediatric Patients UCC</u>	<u>Year</u>
Charity-Other	\$X
Charity-Other + Bad Debt	\$X
Charity-Other + Bad Debt + CIP Cont. Adj.	\$X

<u>Indigent or Public Pediatric Patients UCC % of Operating Expenses</u>	
Charity % of Operating Expenses	X%
Charity + Bad Debt % of Operating Expenses	X%
Charity + Bad Debt + CIP Cont. Adj. % of Operating Expenses	X%

c. A narrative description of the infrastructure that currently exists to assist the families of pediatric patients in finding alternative sources of health care coverage. For example, the hospital patient financial workers provide Hospital Presumptive Eligibility for Medi-Cal, county eligibility staff operate onsite to provide assistance to families of pediatric patients, etc.

B. Provide Services to Vulnerable Pediatric Populations. (Maximum 15 points)

i. Provide:

a. The Net Patient Revenue (by Payor), and Number of Patients or Patient Days or Patient Visits.

<u>Net Patient Revenue (by Payor)</u>	<u>Year</u>	<u>Year</u>
Medi-Cal less CCS (Traditional and Managed Care)	\$X	X%
CCS (Traditional and Managed Care)	\$X	X%
County Indigent Programs	\$X	X%
Other Third Parties (Traditional and Managed Care)	\$X	X%
Other Payors (Indigent)	\$X	X%
Other Payors (All Other Payors)	\$X	X%
Total	\$X	100%

<u>Pediatric Patients/ Pediatric Patient Days/ Pediatric Patient Visits (by Payor)</u>	<u>Year (#)</u>
Medi-Cal less CCS (Traditional and Managed Care)	X
CCS (Traditional and Managed Care)	X
County Indigent Programs	X
Other Third Parties (Traditional and Managed Care)	X
Other Payors (Indigent)	X
Other Payors (All Other Payors)	X
Total	X

- b. The number and type(s) of Special Care Center(s).
- c. The percent (%) of the pediatric population the hospital is serving, during the timeframe of the most recent Annual Financial Disclosure Report (AFDR), who have special health care needs.
- d. The percent (%) of hospital resources allocated to the pediatric population identified in (3) above.

C. Promotes Pediatric Teaching Programs or Pediatric Research Programs. (Maximum 5 points)

- i. Application includes a description of the following:
 - a. The study area(s) of the Pediatric Research Programs.
 - b. The specific area(s) of the Pediatric Teaching Programs.
 - c. The number of individuals currently participating in the Pediatric Teaching Programs and the maximum capacity(ies) of the Programs.
 - d. How the Project improves or sustains the Pediatric Teaching or Pediatric Research Program(s).

❖ To ensure that the tax-exempt status of the General Obligation bonds funding this program conforms to all applicable bond law, please answer the following:

1. Was any portion of the Project to be refinanced with the Grant originally funded with the proceeds of a tax-exempt financing? If yes, please describe the tax-exempt financing.

D. Project Readiness and Feasibility

1. All Eligible Hospitals shall provide a project timeline, which:
 - Describes expected project start and completion dates.
 - Describes any problems anticipated in implementing the Project and how problems will be managed to ensure timely completion.

2. All Eligible Hospitals shall identify and provide supporting documentation as described for the following types of Projects and funding sources:
 - For all Projects with the exception of equipment acquisition projects, Eligible Hospital shall submit estimates of Project costs and evidence of property ownership or, if the property is leased to an Eligible Hospital or Eligible Hospital is an operating entity, a copy of a lease agreement that satisfies the requirements of Section 7014 of the Children's Hospital Program Regulations. The Eligible Hospital shall also provide building permits and/or executed construction, architect, design and engineering contracts, if available. An Eligible Hospital with a Project that does not yet have an executed construction contract or building permit but is actively in the process of obtaining one shall provide a detailed statement that explains the status of obtaining the document within six months.

 - For equipment acquisition projects, the Eligible Hospital shall submit a specific list of items and cost estimates of equipment or copies of invoices, and if applicable, cost estimates of installation of such equipment.

 - If funding sources other than the Grant are required to complete the Project, the Eligible Hospital shall provide proof of the other funding source, including but not limited to, commitment letters, board approved capital campaign plans or any other documentation acceptable to the Authority. Such documentation shall be in accordance with the Project timeline and budget.

3. Eligible Hospitals shall adequately describe their plans for implementing the Project, including:
 - The Eligible Hospital shall submit a third-party prepared feasibility study, funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going support for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Eligible Hospital's revenues shall be sufficient as determined by Authority staff, to provide on-going support.

 - When applicable, the Eligible Hospital shall submit evidence that it is in compliance with the California Environmental Quality Act and all other applicable law for all Projects.

E. Sources and Uses of Funds*

Eligible Hospitals must submit the budget for their proposed Project including all sources and uses of funds. If other sources of funds will be used to complete the Project, the Eligible Hospitals must submit copies, if available, of written confirmation, including bank and grant commitment letters of these funding sources. If documentation for other sources of funds has been provided for Section D (3), Eligible Hospitals do not need to provide additional copies.

The Eligible Hospital must itemize what portion of the total funds available will be used for each specific portion of the proposed Project. In some instances, funds from sources other than the proposed grant may be used for portions of a proposed Project that would otherwise be ineligible for the grant. The Eligible Hospital therefore shall describe how the grant funds as well as other grants, loans, or internal funds will be used. Authority staff must be able to determine that the entire grant will be used for eligible portions of the proposed Project.

Sources of Funds:

Total CHFFA Grant Amount Requested	\$ _____
Eligible Hospital Internal Funds	\$ _____
Other (bank loans, grants, etc.):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
 Total Sources	 \$ <u><u>0</u></u>

Uses of Funds:

Construct/Expand facilities	\$ _____
Remodel/Renovate	\$ _____
Purchase equipment/Furnishings	\$ _____
Other (list):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
 Total Uses	 \$ <u><u>0</u></u>

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

F. Financial Capacity

As part of its due diligence review, the Authority staff will review the Most Recent Audited Financial Statements of the Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity to ensure there is no Going Concern Qualification language as part of the audit.

G. Application Submission

Applications for the first Funding Round are due on April 30, 2020 and must be submitted in duplicate to the Authority. Submit completed application by mail to:

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

LEGAL STATUS QUESTIONNAIRE

1. Financial Viability

Disclose material information relating to any legal or regulatory proceeding or investigation in which the Eligible Hospital/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the Eligible Hospital/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the Eligible Hospital/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response:

2. Fraud, Corruption, or Serious Harm

Disclose any civil, criminal, or regulatory action in which the Eligible Hospital/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years 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.

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), complaint or filing, and the outcome.

Attachment B

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 or land acquisition costs 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 (Attachment A).
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