

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
COMMUNITY CLINIC GRANT PROGRAM OF 2005**

PROPOSED EMERGENCY REGULATIONS

**Resolution No. 2005-19
October 27, 2005**

Introduction:

Staff is seeking Authority approval of the proposed emergency regulations to file with the Office of Administrative Law (“OAL”).

Background:

As a result of the Anthem Inc.-WellPoint Inc. (“WellPoint”) merger, WellPoint has agreed to provide \$35 million for the improvement of healthcare infrastructure to non-profit community based clinics serving low-income healthcare consumers. The Authority has received the \$35 million contribution provided by WellPoint. The California Insurance Commissioner (“Commissioner”) has agreed to have the Authority administer the Community Clinic Grant Program of 2005 (“Grant Program”), given its familiarity with a similar grant program, the Cedillo-Alarcón Community Investment Act of 2000 (Cedillo-Alarcón program).

In 2001, the Authority was responsible for the administration of the Cedillo-Alarcón program, as set forth in Section 15438.6 of the Government Code. However, the Cedillo-Alarcón program has expired, since Section 15438.6 (j) (1) of the Act states “This section shall be implemented only to the extent that funds are appropriated for this purpose in the Budget Act of 2000.” The governor signed Senate Bill 190 in October 2005, which was introduced by Senators Cedillo and Alarcón. The Bill reauthorizes the Act and permits the Authority to administer this Grant Program under an urgency clause statute.

The attached emergency draft regulations were created based on the interpretation of the agreement between the Commissioner and the Authority, as well as several discussions between the Authority and the Commissioner’s Office. In addition, the Authority has participated in multiple discussions with interested parties such as the California Primary Care Association and other individuals associated with potential applicants for the program.

The documents attached are as follows:

Tab A: Regulation Text.

Tab B: Application, incorporated by reference in proposed emergency regulations.

Tab C: Application Overview and Instructions, incorporated by reference in proposed emergency regulations.

Tab D: Senate Bill 190.

RECOMMENDATION:

Staff recommends the Authority approve the proposed Community Clinic Grant Program of 2005 emergency regulations for submission to the Office of Administrative Law.