

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Children's Hospital Program of 2004 (Proposition 61)**

STAFF SUMMARY

Applicant:	Valley Children's Hospital 9300 Valley Children's Place Madera, California 93636 Madera County	Grant Number:	CHCC-07
		Authority Meeting Date:	May 24, 2018
		Resolution Number:	CHP 2018-03
		Total Recommended Amount:	\$944,551.00

Project Sites: 9300 Valley Children's Place, Madera, CA 93636 and 7555 N. Del Mar, Fresno, CA 93720.

Description of Applicant: Valley Children's Hospital, formerly known as Children's Hospital Central California is a non-profit 501(c) (3) general acute care hospital.

Summary of Project: Valley Children's Hospital ("VCH" or the "Hospital") is seeking grant funds to reimburse the costs associated with the purchase of patient care equipment that includes endoscopy diagnosis and treatment equipment, ventilators for home care patients, new metabolic rate analyzer and cardiac testing equipment, an ultrasound machine, and a video laryngoscope system.

Proposition 61 Evaluation Factors:¹ Based on the review of the application and other submitted materials, staff evaluated RCHSD's project using the factors identified in Proposition 61.

Factor 1: The grant will contribute toward expansion or improvement of health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children:

Endoscopy Diagnosis and Treatment Equipment: The Hospital purchased a new endoscopic video processing and scope system with the latest in video imaging technology in order keep pace with a rise in the Hospital's increasing number of endoscopy cases (diagnosis of Crohn's disease, irritable bowel syndrome, and malignancies) from 1,482 in FY 2015 to 1,747 in FY 2017 to an estimated 1,800 in FY 2018. With this new technology, procedure time is expected to be faster, allowing for better patient throughput and a reduction in wait time for patient procedures and treatment.

Home Care Ventilators: Due to an increase in home respiratory cases from 18,428 cases in FY 2015 to a budgeted FY 2018 volume of 19,205 cases, four new home care ventilators were purchased to replace ventilators that have been retired. Many of the patients treated with this equipment have chronic conditions, and the use of a home care ventilator means a chance to resume their lives in their communities with the security of knowing their respiratory needs are met.

Additionally, over 76% of the Hospital's inpatient cases and outpatient visits are covered by Medi-Cal.

Factor 2: The grant will contribute toward the improvement of child health care or pediatric patient outcomes:

Endoscopy Diagnosis and Treatment Equipment: The endoscopic video processing and scope system allows for the microscopic visualization of tissue, which permits instant detection of differentiated tissue without the need of a biopsy and a subsequent pathology reading. This means a single visit diagnosis with earlier treatment (sometimes the same day). According to VCH, the new scopes are 25% more comfortable and 20% faster to intubate. The increased angle of the scope allows for better operator control and a reduction in damage to fragile intestinal tissue.

Video Laryngoscope System: The video laryngoscope systems acquired for the Hospital's transport team are the same system being used currently in-house and are considered the standard of practice in many PICUs and NICUs. They allow for customized positioning of the light and camera in close proximity to the blade tip making it ideal for tight spaces and unique airway situations. According to the VCH, studies show a higher success rate for intubation utilizing the system. The pictures captured by the video camera also provide visualization of the passages that may prevent further procedures after the patient arrives at the hospital, minimize the occurrence of complications, and ultimately result in better treatment outcomes.

Factor 3. Demonstration of project readiness and project feasibility:

All patient care equipment were purchased between December 1, 2017 and February 28, 2018 and are currently in use.

Sources and Uses of Funds:

<u>Sources of Funds:</u>		<u>Uses of Funds:</u>	
Prop 61 Grant Funds	\$944,551.00	Equipment	\$970,266.19
Hospital Funds	<u>25,715.19</u>		
Total	<u>\$970,266.19</u>	Total	<u>\$970,266.19</u>

Legal Review: Although disclosures were made by the applicant, the information disclosed does not appear to detrimentally affect the financial viability or legal integrity of the applicant.

Staff Recommendation: Staff recommends the Authority approve Resolution No. CHP 2018-03 for Valley Children's Hospital to provide a grant not to exceed \$944,551 and subject to all requirements of the Children's Hospital Program of 2004.

¹ Staff also ensured that the hospital met an additional three evaluation factors that are not project specific but specific to the hospital, which include:
1. The hospital provides uncompensated or undercompensated care to indigent or public pediatric patients.
2. The hospital provides services to vulnerable pediatric populations.
3. The hospital promotes pediatric teaching or research programs.

RESOLUTION NO. CHP 2018-03

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING UNDER THE CHILDREN'S HOSPITAL BOND ACT OF 2004 TO VALLEY CHILDREN'S HOSPITAL

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized by the Children's Hospital Bond Act of 2004 (Pt. 6 (commencing with Section 1179.10), Div. 1, Health and Safety Code; hereafter the "Act") and implementing regulations to award grants from the proceeds of general obligation bonds in an amount not to exceed \$944,551 to Valley Children's Hospital ("Grantee") to finance eligible projects; and

WHEREAS, Authority staff reviewed the Grantee's application against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends approval of a grant in an amount not to exceed \$944,551 to the Grantee for the eligible project (the "Project") described in the application;

NOW THEREFORE BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority hereby approves a grant of \$944,551 to the Grantee to complete the Project as described in the Children's Hospital Program Application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a project period that ends on May 24, 2019.

Section 2. The Executive Director is hereby authorized for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the application submitted to the Authority and extend the project period completion date identified in Section 1 as authorized under the Act and implementing regulations. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding, even if more grants are approved than there is available funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Children's Hospital Bond Act Fund (2004) not to exceed those amounts approved by the Authority for the Grantee. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee any and all documents necessary to complete the transfer of funds that are consistent with the Act and implementing regulations.

Section 4. The Executive Director of the Authority is hereby authorized and directed to do any and all things and to execute and deliver any and all documents which the Executive Director deems necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires May 24, 2019.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Valley Children's Hospital to reimburse the costs associated with the purchase of patient care equipment that includes endoscopy diagnosis and treatment equipment, ventilators for home care patients, new metabolic rate analyzer and cardiac testing equipment, an ultrasound machine, and a video laryngoscope system.