

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (the “Authority”)**

**Lifeline Grant Program (“the Program”) Under The Clinic Lifeline Act of 2017**

**Resolution Approving the Final Allocation Awards and Authorizing the Execution of Grant Agreements and the Disbursement of Funds**

**Resolution No. LGP 2018-01**

**June 28, 2018**

**PURPOSE OF REQUEST:**

The purpose of the Lifeline Grant Program is to assist small and rural health facilities that may be adversely financially affected by a reduction or elimination of federal government assistance and that have little to no access to working capital.

Staff is requesting approval of 42 Final Allocation Awards and to grant the Executive Director the delegated powers outlined in the Resolution.

Of the 42 eligible applications, 15 applicants indicated they have already experienced a federal trigger; the remaining 27 applicants anticipate a federal trigger to happen sometime between the Fall of 2018 and January 2019. Authority staff is also bringing forward requests for those applicants that have yet to experience a triggering event, but anticipate one shortly, because the emergency regulations for the Program are set to expire on August 23, 2018. The intent is to award the grants prior to the emergency regulations’ expiration date. However, the funds will not be disbursed until the awardees can demonstrate the federal trigger has occurred and the resulting loss of funds. Any funds not disbursed by January 2019 will go back into the fund for another round. The statute provides that any funds not disbursed prior to June 30, 2022 will revert back to the HELP II loan program subfund.

Currently, Authority staff is in the process of preparing permanent regulations and it will present the permanent regulations to the Authority no later than the August 2018 Authority meeting.

**SUMMARY:**

The application period opened on February 26, 2018 and closed at 5 p.m. on March 26, 2018.

- The Authority received 56 applications, totaling \$12,683,387
- 42 applicants were deemed eligible, totaling \$8,276,310 (Exhibit A of the Resolution)
- 13 applications were deemed ineligible or incomplete
- One application has been reviewed and scored but has not received an Initial Allocation notification letter because staff is waiting for a legal opinion from Attorney General’s Office as to whether awarding the applicant a grant under the Program would violate the US or California Constitution’s prohibition on government assistance to religious institutions)

Authority staff completed evaluations and each application was rated according to criteria defined in the Program’s regulations, see Attachment A, by at least two analysts whose work was reviewed by a grant review team that consisted of State Treasurer’s Office legal counsel, the Executive Director, and management.

There were no appeals.

If each of the eligible applicants are awarded a Final Allocation, approximately, \$11.7 million would be remaining for future funding rounds.

**REGIONAL NOTES & HIGHLIGHTS**

Some examples of federal triggers cited by applicants included: a reduction in Title X funding; or a reduction in Medicaid/Medicare reimbursements; the elimination of the Individual Mandate Penalty, effective January 2019; and reductions in federal grant funding such as the Health Infrastructure Investment Program.

The chart below outlines the number of Initial Allocations by regions<sup>i</sup>.

Applications Received	Grantees	Totals Per Region		Maximum Awards
		Region	Allocation Amounts	
15	11	Northern/Central	\$1,740,450	\$4,000,000
7	3	Central/Coast	\$750,000	\$4,500,000
12	12	Los Angeles/Ventura	\$2,795,546	\$6,000,000
22	16	Southern	\$2,990,314	\$5,500,000

- Northern/Central Region - Each of the applicants are Federally Qualified Health Centers or a Look-Alike and most stated their federal triggers were the repeal of the Individual Mandate Penalty effective January 2019.
- Central/Coast Region - One applicant submitted applications for three of its facilities located in Alameda and Contra Costa Counties and stated their federal trigger was a decrease in community health center funding.
- Los Angeles/Ventura Region - Eight of the twelve applications identified the loss of Title X funding as its federal trigger.
- Southern Region - Eleven of the sixteen applicants are located in San Diego County. Most of the applicants identified the loss of Title X funding as its federal trigger.

**STAFF RECOMMENDATION:**

Staff recommends approval of Resolution Number LGP 2018-01 approving the final allocation of grant funds to the Grantees as shown in Exhibit A of the Resolution attached hereto and to grant certain delegated powers to the Executive Director to take the necessary steps to execute the grant agreements and disburse grant funds.

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<b>Geographic Region</b>	<b>Include the Counties of ...</b>
Northern/Central	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
Central/Coast	Mendocino, Sonoma, Marin, Napa, Solano, Contra Costa, Alameda, Santa Clara, San Benito, Monterey, Santa Cruz, San Mateo, and San Francisco
Los Angeles/Ventura	Los Angeles and Ventura
Southern California	San Luis Obispo, Santa Barbara, Kern, San Bernardino, Orange, Riverside, San Diego, and Imperial

**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.

## RESOLUTION NO. LGP 2018-01

### **A RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY APPROVING THE FINAL ALLOCATION AWARDS AND AUTHORIZING THE EXECUTION OF GRANT AGREEMENTS AND THE DISBURSEMENT OF FUNDS UNDER THE LIFELINE GRANT PROGRAM**

WHEREAS, The California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Clinic Lifeline Act of 2017 (Welfare and Institutions Code Section 15438.11, “Act”) and implementing regulations (California Code of Regulations Title 4, Division 10, Chapter 5 (commencing with Section 7213)) to award grants for working capital for eligible health facilities; and

WHEREAS, Authority staff received 56 grant applications submitted by health facilities of which all the applications were reviewed against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends approval of 42 grants (Grantees) out of the 56 grants submitted in an amount not to exceed \$8,276,310 for working capital;

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

Section 1. The Authority hereby approves 42 grant applications in a total amount not to exceed \$8,276,310 for working capital as described in the Grantees’ applications and listed by regions in Exhibit A to this Resolution.

Section 2. The Authority hereby delegates to the Executive Director the power to extend or amend the conditions for, and approve any minor, non-material changes to, any grant approved by this Resolution. 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 Grantees shall indicate that the Authority shall not be liable to the Grantees in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director shall report to the Authority all actions taken pursuant to the delegations of powers under this Resolution, unless such action is a subject for closed session pursuant to the Bagley-Keene Open Meeting Act, in which case the action will be reported in closed session or in writing to individual Authority members.

Section 4. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to disburse funds 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 Grantees any and all documents necessary to complete the disbursement of funds that are consistent with the Act and implementing regulations.

Section 5. 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 6. This Resolution expires January 31, 2019.

Date Approved: \_\_\_\_\_

**Exhibit A**  
**Lifeline Grant Program**

<b>Licensee Name</b>	<b>Health Facility Name</b>	<b>City</b>	<b>Allocation Amount</b>
Clinicas del Camino Real, Inc.	Clinicas del Camino Real, Inc Fillmore	Fillmore	\$250,000
Clinicas del Camino Real, Inc.	Clinicas del Camino Real, Inc Santa Paula	Santa Paula	\$250,000
Clinicas del Camino Real, Inc.	Ojai Valley Community Health Center	Ojai	\$250,000
Golden Valley Health Centers	Golden Valley Health Center - Planada	Planada	\$218,000
Golden Valley Health Centers	Golden Valley Health Center [Riverbank]	Riverbank	\$190,000
Golden Valley Health Centers	Golden Valley Health Center [Westley]	Westley	\$42,450
Golden Valley Health Centers	Golden Valley Health Center - Dos Palos	Dos Palos	\$150,000
Golden Valley Health Centers	Golden Valley Health Center [Empire]	Empire	\$106,000
Golden Valley Health Centers	Golden Valley Health Center - Le Grand	Le Grand	\$79,000
Golden Valley Health Centers	Golden Valley Health Center - Los Banos	Los Banos	\$165,000
Golden Valley Health Centers	Golden Valley Health Center - Gustine-Newman	Newman	\$85,000
Golden Valley Health Centers	Golden Valley Health Center [Patterson]	Patterson	\$205,000
Health and Life Organization (H.A.L.O.)	Sacramento Community Clinic-Southgate	Sacramento	\$250,000
JWCH Institute, Inc.	Wesley Health Centers [Bellflower]	Bellflower	\$250,000
Laguna Beach Community Clinic, Incorporated	Laguna Beach Community Clinic, Incorporated	Laguna Beach	\$219,415
LifeLong Medical Care	LifeLong Brookside Community Health Center-San Pablo [LifeLong Brookside San Pablo]	San Pablo	\$250,000
LifeLong Medical Care	LifeLong Ashby Health Center	Berkeley	\$250,000
LifeLong Medical Care	West Berkeley Family Practice [LifeLong West Berkeley Health Center]	Berkeley	\$250,000



**Exhibit A**  
**Lifeline Grant Program**  
*(continued)*

<b>Licensee Name</b>	<b>Health Facility Name</b>	<b>City</b>	<b>Allocation Amount</b>
Livingstone Community Development Corporation	Livingstone Community Health Clinic	Stanton	\$250,000
Mountain Health & Community Services, Inc.	Alpine Family Medicine	Alpine	\$250,000
Mountain Health & Community Services, Inc.	Mountain Health Family Medicine	Campo	\$250,000
Mountain Health & Community Services, Inc.	Community Heights Family Medicine	San Diego	\$250,000
Mountain Health & Community Services, Inc.	Escondido Family Medicine	Escondido	\$250,000
Mountain Health & Community Services, Inc.	Santee Family Medicine	Santee	\$250,000
Operation Samahan, Inc.	Operation Samahan Mira Mesa Outreach Clinic	San Diego	\$175,201
Planned Parenthood California Central Coast	Planned Parenthood of Santa Maria	Santa Maria	\$208,650
Planned Parenthood California Central Coast	Planned Parenthood of Thousand Oaks	Thousand Oaks	\$208,650
Planned Parenthood California Central Coast	Planned Parenthood of Santa Barbara County	Santa Barbara	\$208,910
Planned Parenthood California Central Coast	Planned Parenthood of Ventura	Ventura	\$86,896
Planned Parenthood California Central Coast	Planned Parenthood of San Luis Obispo County	San Luis Obispo	\$146,894
Planned Parenthood Los Angeles	Planned Parenthood Basics, Lakewood	Los Angeles	\$250,000
Planned Parenthood Los Angeles	Planned Parenthood Basics, Baldwin Hills/Crenshaw	Los Angeles	\$250,000
Planned Parenthood Pasadena and San Gabriel Valley, Inc.	Planned Parenthood Alhambra Health Center	Alhambra	\$250,000
Planned Parenthood Pasadena and San Gabriel Valley, Inc.	Planned Parenthood Eagle Rock Express	Los Angeles	\$250,000
Planned Parenthood Pasadena and San Gabriel Valley, Inc.	Planned Parenthood Glendora Health Center	Glendora	\$250,000
Planned Parenthood Pasadena and San Gabriel Valley, Inc.	Planned Parenthood of Pasadena	Pasadena	\$250,000

**Exhibit A**  
**Lifeline Grant Program**  
*(continued)*

<b>Licensee Name</b>	<b>Health Facility Name</b>	<b>City</b>	<b>Allocation Amount</b>
Planned Parenthood of the Pacific Southwest	Planned Parenthood Coachella Valley	Coachella	\$212,810
Planned Parenthood of the Pacific Southwest	Planned Parenthood - Chula Vista Center	Chula Vista	\$102,953
Planned Parenthood of the Pacific Southwest	Planned Parenthood - Isabella Center [Vista Isabella Health Center]	Vista	\$48,305
Planned Parenthood of the Pacific Southwest	Planned Parenthood - El Centro [Imperial Valley Health Center]	El Centro	\$129,417
Planned Parenthood of the Pacific Southwest	Planned Parenthood Assn. of San Diego County [Kearny Mesa Health Center]	San Diego	\$37,759
Winters Healthcare Foundation Inc.	Winters Healthcare Clinic	Winters	\$250,000
<b>Total Allocations:</b>			<b>\$8,276,310</b>