

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
Children's Hospital Program of 2018 (Proposition 4)**

**STAFF SUMMARY**

<b>Applicant:</b>	St. Joseph's Medical Center of Stockton 1800 North California Street Stockton, CA 95204 San Joaquin County	<b>Application Number:</b>	EH-05
		<b>Authority Meeting Date:</b>	June 25, 2020
		<b>Resolution Number:</b>	CHP-4E 2020-04
		<b>Requested Amount:</b>	\$11,950,476.00
		<b>Recommended Amount:</b>	\$11,904,276.00
<b>Project Site:</b> Same as above.			
<b>Description of Applicant:</b> St. Joseph's Medical Center of Stockton (Hospital) is a 501(c)(3) general acute care hospital. The Hospital has full approval as a California Children's Services program from the California Department of Health Care Services.			
<b>Summary of Project:</b> The Hospital is seeking grant funds to renovate, expand, and equip the 4,000 square foot (sf) Pediatric (PEDS) Unit into a 9,000 sf unit and to purchase patient care equipment for the Neonatal Intensive Care Unit (NICU).			
<b>Proposition 4 Evaluation Factors:</b> <sup>1</sup> Based on the review of the application and other submitted materials, staff evaluated the Hospital's project using the factors identified in Proposition 4. <i>Factor 1: The grant will contribute toward expansion or improvement of health care access by children eligible for governmental health insurance programs<sup>2</sup> and indigent, underserved, and uninsured children:</i> For fiscal year 2019, 77% of the 16,444 pediatric patients treated at the Hospital were either Medi-Cal insured or were uninsured. The Hospital anticipates an increase of 4,933 pediatric patients being served with the implementation of this project, of which approximately 3,597 are on governmental health insurance programs. <b>PEDS Unit Expansion:</b> The Hospital intends to increase its designated PEDS Unit by approximately 5,000 sf from approximately 4,000 sf to 9,000 sf. The Hospital has seen a 30% increase in service demand over its current treatment capacity after two local hospitals have closed their designated pediatric space. Currently, the Hospital uses the adjacent adult space to treat pediatric patients when it exceeds capacity. Therefore, the Hospital intends to convert the adjacent adult space into a PEDS Unit, increasing the overall pediatric capacity from 13 licensed beds (only 10 operational) to a minimum of 18 licensed beds. The Hospital anticipates the new PEDS Unit will serve approximately 911 pediatric patients annually. <b>Giraffe Omnibed Carestation (Carestation):</b> Among the list of equipment to be purchased for the NICU, the Hospital intends to purchase two technologically advanced Carestations to improve access to medical treatment for the most vulnerable NICU patients. Neonates require constant thermal regulation due to their inability to self-regulate. The Carestations include a few mechanisms to help regulate the patient's temperature in the form of warmers and environmental controls. Also, the Carestations can be used to move the patients for medical staff, limiting the need to adjust a patient for treatment, and include several sound reducing advancements, such as adjustable medical alarm settings and sound barriers to environmental noise. The Hospital anticipates these items will serve approximately 730 pediatric patients annually. <b>Pediatric Cribs/Stretcher Cribs (Stretcher-Crib):</b> The Hospital intends to purchase three pediatric stretchers for the PEDS Unit that are designed as cribs. These Stretcher-Cribs will aid in expediting treatment by alleviating the need to have to transfer a patient from the crib to a stretcher for medical treatment. The Stretcher-Crib is moveable and transferable, allowing the patient to remain in the same Stretcher-Crib throughout the duration of the treatment, whether it is in a medical treatment room or a private patient room. The use of this equipment expedites medical treatment by providing a safe pediatric transfer procedure if the patient is immobile, eliminating the need to connect and disconnect monitors that may limit and delay transfer from one stretcher to another. Since treatment is quicker and more efficient, patients can be seen and ultimately discharged sooner, thus, enabling more patients to be seen overall and creating greater access to care. The Hospital anticipates this equipment will serve approximately 911 pediatric patients annually.			

<sup>1</sup> 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.

<sup>2</sup> Government Health Insurance Programs mean governmental assistance programs that include, but are not limited to, Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children's Services (CCS), Child Health and Disability Prevention (CHDP) and county indigent programs.

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

**PEDS Unit Expansion:** The Hospital is sometimes over capacity, forcing some pediatric patients to receive care in the adjacent adult space. The structure of the current space is outdated and not conducive for efficient treatment. By expanding the space, the Hospital can have a dedicated space for all pediatric patients, streamlining care through the centralized monitoring system and reducing staff travel to the adjacent space. The expansion to 18 pediatric beds also will limit the need to transfer patients to other hospitals to receive care. Medical conditions and treatment can be time sensitive. Having the capacity to treat more patients directly promotes more access, quicker treatment, less complications and better outcomes.

**Neonates Resuscitation Equipment:** The Hospital intends to purchase equipment for the NICU that will help train medical professionals in resuscitating neonatal patients. One piece of equipment, the SimNewB, is a device that emulates the size of a newborn baby during resuscitation. The Premature Anne, which is similar in concept to the SimNewB, is the size of a 25-week gestation premature born baby, providing the medical staff with the ability to practice resuscitation on the small airways of fragile neonates.

**Videolaryngoscopy:** The Hospital intends to purchase a pediatric videolaryngoscopy for the PEDS Unit. This equipment is specifically designed to visually guide medical staff through the intubation process of pediatric patients. The use of this equipment can reduce injury during intubation by enabling medical staff to see the significantly smaller airways. This improves outcomes by reducing procedural complications and making the intubation process more efficient.

*Factor 3. Demonstration of project readiness and project feasibility:*

The project is anticipated to start in July 1, 2020 or immediately upon grant approval and to be completed by July 31, 2023. The NICU equipment will be purchased upon approval of grant funding. While the current COVID-19 outbreak has impacted the Hospital's operations, the current planning status of this project has not been affected.

<b>Sources of Funds:</b>		<b>Uses of Funds:</b>	
Prop 4 Grant Funds	\$11,904,276.00	Renovation	\$11,252,000.00
Hospital Funds	174,170.97	Equipment	698,476.00
		Admin Costs	119,042.76
		COI	8,928.21
<b>Total</b>	<b><u>\$12,078,446.97</u></b>	<b>Total</b>	<b><u>\$12,078,446.97</u></b>

**Legal Review:** No information was disclosed to question the financial viability or legal integrity of the Applicant.

**Staff Recommendation:** Staff recommends the Authority approve Resolution No. CHP-4E 2020-04 for St. Joseph's Medical Center of Stockton to provide a grant not to exceed \$11,904,276.00 less costs of issuance and administrative costs and subject to all requirements of the Children's Hospital Program of 2018.

**RESOLUTION NO. CHP-4E 2020-04**

**RESOLUTION OF THE CALIFORNIA HEALTH  
FACILITIES FINANCING AUTHORITY APPROVING  
EXECUTION AND DELIVERY OF GRANT FUNDING  
UNDER THE CHILDREN’S HOSPITAL PROGRAM OF 2018  
TO ST. JOSEPH’S MEDICAL CENTER OF STOCKTON**

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 2018 (Pt. 6.3 (commencing with Section 1179.81), 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 \$15,000,000.00, less the bond issuance and administrative costs, to St. Joseph Medical Center of Stockton (the “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 \$11,904,276.00, less bond issuance and administrative costs, 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 \$11,904,276.00, less bond issuance and administrative costs, 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 grant period that ends on July 31, 2024.

Section 2. The Executive Director and the Deputy Executive Director are 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 grant period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution expiration date. Nothing in this Resolution shall be construed to require the Authority to provide any additional 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 and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Act Fund not to exceed those amounts approved by the Authority for the Grantee. The Executive Director and the Deputy Executive Director are 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 and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents, which the Executive Director and the Deputy Executive Director deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires July 31, 2025.

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

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

The proceeds of the grant will be used by St. Joseph's Medical Center of Stockton to fund the costs of renovating, expanding, and equipping the Pediatric Unit and to purchase pediatric patient care equipment for the Neonatal Intensive Care Unit.