

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Children's Hospital Program of 2018 (Proposition 4)

STAFF SUMMARY

Applicant: Kaweah Delta Medical Center 400 West Mineral King Avenue Visalia, CA 93291 Tulare County	Application Number: EH-09 Authority Meeting Date: June 25, 2020 Resolution Number: CHP-4E 2020-08 Requested Amount: \$2,432,569.45 Recommended Amount: \$2,422,709.45
Project Site: 400 West Mineral King Avenue, Visalia, CA 93291; 1000 South Mooney Boulevard, Tulare, CA 93274; 1014 San Juan Avenue, Exeter, CA 93221; 180 East Antelope Avenue, Woodlake, CA 93286; 839 North Sequoia Avenue, Lindsay, CA 93247; 202 West Willow Avenue, Visalia, CA 93291; and 1633 South Court Street, Visalia, CA 93277	
Description of Applicant: Kaweah Delta Medical Center (Hospital) is a public hospital as defined in Welfare and Institution Code 14105.98(a)(25). The Hospital has full approval as a California Children's Services program from the California Department of Health Care Services.	
Summary of Project: The Hospital is seeking grant funds to renovate an existing commercial space and establish a new rural clinic of approximately 10,500 square feet in Tulare County that will include family medicine services, behavioral health services and specialty services. The Hospital also is seeking grant funds to purchase patient care equipment for various locations within the Hospital's system. The patient care equipment includes, but is not limited to, telemetry monitors, an ultrasound system, jaundice meters, vision screening devices, and lead analyzers.	
Proposition 4 Evaluation Factors: ¹ 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 programs² and indigent, underserved, and uninsured children:</i> In fiscal year 2018, the Hospital served 42,621 pediatric patients, of which approximately 27,592 pediatric patients (65%), were covered by governmental health insurance programs. Tulare Rural Health Clinic Renovation – The project consists of the renovation of an existing commercial space, previously used as office space, to establish a new primary care clinic that will provide family medicine services, specialty services and mental health services to patients who currently have to travel long distances to the Hospital's other locations. The Hospital anticipates that approximately 4,000 pediatric patients will be served after the project is completed, of which approximately 60% will be on governmental health insurance. Telemetry Monitors – The Hospital plans to purchase 12 telemetry monitors to allow clinicians and nurses to wirelessly and continuously monitor patients' critical vital signs. These monitors allow continuous surveillance of pediatric oxygen levels, as well as cardiac functions, assist with physician's orders and maintain patient safety. Currently, the Hospital has only six outdated telemetry monitors and often has to use adult telemetry monitors on infants. The new telemetry monitors will allow medical staff to monitor more pediatric patients and reduce delay in treatment. The Hospital anticipates that an additional 400 pediatric patients will benefit from this pediatric equipment. Ultrasound System – The Hospital plans to purchase one ultrasound system for the Hospital's pediatric unit. An ultrasound decreases the amount of painful and invasive intravenous (IV) insertion attempts and improves pediatric patient care. The Hospital frequently transfers pediatric patients to other hospitals due to lack of equipment and anticipates an additional 700 pediatric patients will be served after this purchase.	

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.

² 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.

Jaundice Meters – The Hospital plans to purchase seven jaundice meters for its rural health clinics and federally qualified health centers where the Hospital cares for a disproportionate number of underserved children (approximately 60% of patients are insured through the Medicaid program). The jaundice meters are diagnostic tools used to measure serum bilirubin levels to screen newborn for neonatal hyperbilirubinemia (NH). NH is a condition in which babies have elevated bilirubin in their blood, which could cause irreversible brain damage. The jaundice meters will improve efficiency and reduce time-consuming and painfully-invasive blood draws. The Hospital anticipates an additional 1,200 pediatric patients will be served after the jaundice meter acquisitions.

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

Vision Screening Devices – The Hospital plans to purchase eight Welch Allyn spot vision screener devices for multiple clinics. The spot vision screener is a portable device designed to quickly detect vision issues such as myopia (nearsightedness), hyperopia (farsightedness), and astigmatism (blurred vision) in young patients. The device provides a comprehensive analysis of the pediatric patient’s condition. According to the Hospital, up to 3% of the pediatric population younger than age six has strabismus, or misalignment of the visual axis. Of these children, as many as 40% subsequently develop amblyopia in their later years. The vision screener will help early diagnosis of vision issues and an efficient treatment plan can be developed to improve pediatric patients’ outcomes.

Lead Analyzers – The Hospital plans to purchase seven lead analyzers for the rural clinics in Exeter, Woodlake, Lindsay, Dinuba, Tulare, and its Family Medicine Clinic in Visalia. The lead analyzers are diagnostic tools to test blood lead levels in pediatric patients. According to the Hospital, all Medicaid eligible children must be tested for their blood lead levels at 12 and 24 months and ages 36 and 72 months if they have not previously been tested. Although lead poisoning can have serious consequences, such as reading disability and short-term memory, it’s treatable if diagnosed early. The additional lead analyzers will allow the Hospital to conduct more testing to prevent treatment delays for pediatric patients.

Factor 3. Demonstration of project readiness and project feasibility

The Hospital anticipates completing the renovation of the rural health clinic by February 2021 and purchasing the patient care equipment by June 2021. Since the new rural clinic will serve both pediatric and adult patients, grant proceeds can cover only a proportionate share of the renovation project. Authority staff has determined that a proportionate share of 34% of the renovation project is eligible for reimbursement from grant funds. While the current COVID-19 outbreak has impacted the Hospital’s operations, the current planning status of this project has not been affected.

Sources of Funds:		Uses of Funds:	
Prop 4 Grant Funds	\$2,422,709.45	Renovation	\$5,140,000.00
Revenue Bonds	3,428,304.12	Equipment	684,969.45
		Admin Costs	24,227.09
		COI	<u>1,817.03</u>
Total	<u>\$5,817,013.57</u>	Total	<u>\$5,851,013.57</u>

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 2020-08 for Kaweah Delta Medical Center to provide a grant not to exceed \$2,422,709.45, less costs of issuance and administrative costs, and subject to all requirements of the Children’s Hospital Program of 2018.

RESOLUTION NO. CHP-4E 2020-08

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2018
TO KAWEAH DELTA MEDICAL CENTER**

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 Kaweah Delta Medical Center (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 \$2,422,709.45, 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 \$2,422,709.45, 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 June 30, 2022.

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 June 30, 2023

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Kawaeh Delta Medical Center to fund the eligible pediatric portion of the costs of renovating an existing commercial space to establish a new rural clinic that will include family medicine services, behavioral health services and specialty services as well as to purchase patient care equipment for various locations within the Hospital's system.