

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

STAFF SUMMARY

<p>Applicant: Community Regional Medical Center 2823 Fresno Street Fresno, CA 93721 Fresno County</p>	<p>Application Number: EH-13 Authority Meeting Date: December 3, 2020 Resolution Number: CHP-4E 2020-12 Requested Amount: \$15,000,000.00 Recommended Amount: \$14,977,315.00</p>
<p>Project Site: 2823 Fresno Street and 215 North Fresno Street, Fresno CA 93721.</p>	
<p>Description of Applicant: Community Regional Medical Center (Hospital) is a non-profit 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.</p>	
<p>Summary of Project: The Hospital is seeking grant funds to renovate, furnish, and equip approximately 2,000 square feet of space to create a 7-bed designated pediatric Post Anesthesia Care Unit (PACU) and approximately 11,000 square feet of shelled space to expand the Pediatric Outpatient Clinic. Grant funds will also be used to purchase equipment for the Neonatal Intensive Care Unit (NICU) and for the Pediatric Intensive Care Unit (PICU): 101 monitors, 48 incubators, and 68 syringe pumps.</p>	
<p>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.</p> <p><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></p> <p>In fiscal year 2019, approximately 85% of the Hospital’s 94,237 pediatric patients were underserved, uninsured, or were covered by Governmental Health Insurance Programs. The Hospital anticipates serving an additional 6,600 pediatric patients per year after completion of this project.</p> <p>Pediatric PACU – Currently, the pediatric patients share a PACU with adult patients. The proposed project will create approximately 2,000 square feet of designated space for a 7-bed pediatric PACU, adjacent to the existing PACU. The designated pediatric PACU will provide a pediatric-friendly environment, support family centered care, help create a less stressful environment for the pediatric patients, and contribute toward expansion of health care access for pediatric patients by enhancing the support for pediatric general surgery, such as Ear, Nose, and Throat (ENT), pulmonary and gastrointestinal procedures. Without the dedicated pediatric PACU, the Hospital is limited to the number of pediatric surgical cases it can schedule per week. In fiscal year 2019, the Hospital performed 1,089 pediatric surgical cases, of which 65% were Medi-Cal or managed Medi-Cal. Upon project completion, the Hospital anticipates the scheduled pediatric surgical cases to increase by 600 pediatric cases within the first year.</p> <p>Pediatric Outpatient Clinic Expansion – The Hospital plans to develop approximately 11,000 square feet of shelled space adjacent to the current Pediatric Outpatient Clinic, located on the 3rd floor of the North Medical Plaza, to expand capacity for its existing pediatric outpatient services, such as: high risk infant follow-up, pulmonology, and cardiac echocardiogram. The existing Pediatric Outpatient Clinic offers diagnostic and therapeutic services for 15 different sub-specialties. Upon project completion, the Hospital will also add five to eight new sub-specialty services to its outpatient services, such as: audiology, nephrology, primary care, lab and imaging. The Pediatric Outpatient Clinic expansion will allow the Hospital to consolidate a majority of its pediatric outpatient services into a single location, which will improve timely access for its pediatric patients. In fiscal year 2019, the Pediatric Outpatient Clinic served 10,477 patients, of which 72% were Medi-Cal or Managed Med-Cal. Once the expansion is completed, the Hospital anticipates the pediatric outpatient volume to increase by 6,000 additional visits within the first year.</p>	

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 Governmental Health Insurance Program 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.

NICU and PICU Equipment – The Hospital plans purchase 91 monitors for the NICU and 10 monitors for the PICU to replace the existing monitors that are reaching end-of life and will no longer be supported by the manufacturer after December 2020. The monitors allow continuous surveillance of oxygen levels, cardiac and respiratory function, and assist the care team with critical information regarding a patient’s health. The Hospital also plans to replace 48 incubators that are more than 12 years old, with advanced incubator carestations, as well as to purchase 68 syringe pumps to replace 60 NICU syringe pumps that are at the end of life and for which replacement parts are hard to find. The new syringe pumps incorporate the SMART pump technology, which brings a level of safeguard to the medication delivery for the pediatric patient population, allowing accurate and consistent infusion rates to the Hospital’s neonates. In 2019, the NICU served 2,312 pediatric patients, of which approximately 78% were CCS, Medi-Cal or Managed Medi-Cal.

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

Pediatric PACU – Having a dedicated pediatric PACU will improve pediatric patients’ outcomes by providing more efficient support services for the pediatric patients needing surgery. The existing PACU, currently shared by pediatric and adult patients, does not support the ideal pediatric healing and recovery environment for pediatric patients. The new pediatric PACU will employ upgraded technology and will support increased access to specialty pediatric surgery, while simultaneously improving the family-centered care experience by allowing parents to be with their child during recovery from anesthesia. The dedicated pediatric PACU increases family involvement during recovery, which can decrease the pediatric patient stress levels and provides emotional support. It will also help the family understand care needs after discharge and mitigates the need for additional analgesic or anxiety medications, thus reducing the risk of adverse events from medications.

Pediatric Outpatient Clinic Expansion – The proposed project will improve pediatric patient outcomes by expanding outpatient services in an effort to prevent delays in treatment for patients located in the Fresno and surrounding areas. Timely treatment and diagnostics are critical for pediatric patients’ health care outcomes. In addition, the newly created five to eight sub-specialties will provide essential services and benefit the pediatric patients who currently have to seek treatment elsewhere.

NICU and PICU Equipment – The Hospital’s continued ability to provide a high level of care is dependent upon the acquisition of updated technology and devices needed to care for pediatric patients, impacting the treatment and contributing to outcomes. The new monitors allow for the patient’s information to be shared with other medical devices from admission to discharge, thereby mitigating the need to switch monitors for off unit procedures, such as surgery or certain radiological needs. The new incubators feature sound reducing technology, providing a sound barrier from alarms and environmental noise, contributing to a faster recovery. The SMART pump technology helps mitigate the risk of medication errors by allowing integration with the Hospital’s pharmacy information system and providing an additional level of safeguard by maintaining and updating the medication drug library in real-time. The new pumps will help the Hospital configure better drug protocols to its care strategies and workflow.

Factor 3. Demonstration of project readiness and project feasibility:

The Hospital anticipates the project to start in December 2020 and to be completed by September 30, 2022.

<u>Sources of Funds:</u>		<u>Uses of Funds:</u>	
Prop 4 Grant Funds	\$14,977,315.00	Remodel/ Renovate	\$10,259,953.00
Hospital Funds	913,578.14	Equipment	5,469,934.00
		Admin Costs	149,773.15
		COI	11,232.99
Total	<u>\$15,890,893.14</u>	Total	<u>\$15,890,893.14</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-4E 2020-12 for Community Regional Medical Center to provide a grant not to exceed \$14,977,315.00 less costs of issuance and administrative costs, and subject to all requirements of the Children’s Hospital Program of 2018.

RESOLUTION NO. CHP-4E 2020-12

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN’S HOSPITAL PROGRAM OF 2018
TO COMMUNITY REGIONAL 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 Community Regional 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 \$14,977,315.00, less bond issuance and administrative costs, to the Grantee for the eligible project (“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 \$14,977,315.00, 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 September 30, 2023.

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 September 30, 2024.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Community Regional Medical Center to fund the costs of renovating, furnishing, and equipping the pediatric Post Anesthesia Care Unit and the Pediatric Outpatient Clinic. Grant proceeds will also be used to purchase various patient care equipment for the Neonatal Intensive Care Unit and the Pediatric Intensive Care Unit.