

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

STAFF SUMMARY

Applicant:	Santa Clara Valley Medical Center 751 South Bascom Avenue San Jose, CA 95128 Santa Clara County	Application Number:	EH-16
		Authority Meeting Date:	December 3, 2020
		Resolution Number:	CHP-4E 2020-14
		Requested Amount:	\$7,711,253.37
		Recommended Amount:	\$3,388,346.37 ¹
Project Site:	Same as above.		
Description of Applicant:	Santa Clara Valley Medical Center (Hospital) is a public hospital as defined in Welfare and Institution Code Section 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 purchase various pediatric patient care equipment for the Neonatal Intensive Care Unit (NICU). The pediatric equipment includes, but is not limited to: a milk tracking system, 31 multichannel integrated monitors, ten giraffe omnibed carestations, two video intubation systems, a total body cooling device and a transport isollette.		
Proposition 4 Evaluation Factors: ²	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 programs³ and indigent, underserved, and uninsured children:</i>		
	In fiscal year 2019, more than half of the Hospital's 5,086 pediatric patients were underserved, uninsured, or were covered by Governmental Health Insurance Programs. The Hospital anticipates an additional 763 pediatric patients to be served after the implementation of the project, of which approximately 50% will be on governmental health insurance programs.		
Milk Tracking System	- The Hospital plans to purchase a milk tracking system to track milk production and avoid milk administration errors. The milk tracking system will use unique barcode identifiers to ensure a correct match for every feeding and will reduce the risk of milk contamination and infection that could potentially lead to life threatening conditions like sepsis and necrotizing enterocolitis in very preterm babies. The system will also reduce hospital based medical errors by preventing the wrong mother's milk being given to a baby. The Hospital estimates that this equipment will serve approximately 500 pediatric patients annually.		
Multichannel Integrated Monitor	- The Hospital has a 40-bed NICU and currently only has five multichannel integrated monitors. The Hospital plans to purchase 31 multichannel integrated monitors that are designed to assist care providers in preventing, detecting, and treating secondary neuronal injury. This equipment provides real-time, high resolution physiology for personalized medicine at the bedside, assisting clinicians in providing immediate intervention with integrated displays at the bedside or remotely. The monitors improve care by allowing clinicians to provide quicker and more efficient treatment, enabling patients to be discharged sooner, and thus increasing overall care access to more patients. The Hospital estimates that approximately 400 patients will benefit annually from this equipment.		
Giraffe Omnibed Carestation (Carestation)	- The NICU currently has 12 carestations and 11 of them are outdated. The Hospital plans to purchase ten new carestations, which provide thermal regulation from delivery to discharge for neonates who are not able to self-regulate. The advanced technology of the carestation provides a consistently controlled thermal environment, warmth during transport and improved patient access and visibility. This specialized bed produces optimal temperature and humidity, minimizing the need for unnecessary movement of the newborn for procedures, decreases prematurity associated complications, such as intraventricular hemorrhage, and promotes better growth and brain development. The Hospital anticipates that the equipment will serve approximately 400 pediatric patients annually.		

¹ Authority staff recommended an Initial Allocation in the amount of \$4,165,963.94 for Santa Clara Valley Medical Center (SCVMC) to fully fund the purchase of patient care equipment and to partially fund a renovation project. SCVMC accepted \$3,388,346.37 of the Initial Allocation due to SCVMC's decision not to move forward with the partially funded renovation project.

² 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.

³ 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.

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

Video Intubation System - The Hospital plans to purchase two video intubation systems that will improve the success of intubations. This equipment provides direct visualization via video for tracheal intubation in very fragile preterm infants, improves successful intubations, and decreases the number of attempts for each intubation. The system will also improve non-invasive methods of surfactant administration. The Hospital anticipates that this equipment will serve approximately 150 patients annually.

Total Body Cooling Device – The Hospital currently only has one total body cooling device and intends to purchase an additional one to accommodate the demand for treatment. The new total body cooling device will be used for therapeutic hypothermia treatment of newborns with brain injury, greatly improving the developmental outcomes of these infants, thus reducing the need for intensive therapies through childhood and beyond. The Hospital anticipates that this equipment will serve approximately 100 patients annually.

Transport Isolette - The Hospital plans to purchase one isolette for the air or ground transportation of critically ill infants. The isolette provides temperature control for pediatric patients during transportation and is equipped with a ventilator and a nitric oxide system for respiratory failure treatment. Having the updated isolette will improve efficiency and timely treatment during transportation. The Hospital anticipates that approximately 70 pediatric patients will use this equipment annually.

Factor 3. Demonstration of project readiness and project feasibility:

The Hospital anticipates the project to start in February 2021 and to be completed by February 2022.

Sources of Funds:		Uses of Funds:	
Prop 4 Grant Funds	\$3,388,346.37	Equipment	3,388,346.37
Hospital Funds	36,424.72	Admin Costs	33,883.46
		COI	2,541.26
Total	<u>\$3,424,771.09</u>	Total	<u>\$3,424,771.09</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 2020-14 for Santa Clara Valley Medical Center to provide a grant not to exceed \$3,388,346.37, less costs of issuance and administrative costs, and subject to all requirements of the Children’s Hospital Program of 2018.

RESOLUTION NO. CHP-4E 2020-14

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2018
TO SANTA CLARA VALLEY 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 Santa Clara Valley 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 \$3,388,346.37, 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 \$3,388,346.37, 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 February 28, 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 February 28, 2024.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Santa Clara Valley Medical Center to purchase various patient care equipment for its Neonatal Intensive Care Unit.