

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
Children's Hospital Program of 2004 (Proposition 61)**

Resolution Number CHP 2021-01

April 29, 2021

Applicant: University of California, San Diego Medical Center
9500 Gilman Drive
La Jolla, California 92093

Project Sites: University of California, San Diego Medical Center (La Jolla)
9440 Medical Center Drive
La Jolla, California 92037

University of California, San Diego Medical Center (Hillcrest)
200 West Arbor Drive
San Diego, California 92103

Amount Requested: Proposition 61: \$128,121.00 Grant #: UCSD-02

On July 1, 2018 remaining funds in the amount of \$128,121 from the third funding round of the Children's Hospital Program of 2004 became available for a fourth funding round, on a first-come, first-served basis for applications received from any eligible University of California children's hospital.

Project:

University of California, San Diego Medical Center (UCSD or Hospital) is seeking grant funds to purchase pediatric patient care equipment. Pediatric patient care equipment includes, but is not limited to: five pain distraction systems, two sensory stations, one pediatric fiberoptic scope, and four folding screens.

Sources of Funds:

Prop 61 Request	\$128,121.00
Internal Funds	969.00
Total	<u>\$129,090.00</u>

Uses of Funds:

Equipment	\$129,090.00
Total	<u>\$129,090.00</u>

Staff Recommendation:

Staff recommends the Authority approve Resolution Number CHP 2021-01 for the University of California, San Diego Medical Center to receive a grant not to exceed \$128,121.00, subject to all requirements of the Children's Hospital Bond Act of 2004.

Proposition 61 Evaluation Factors:

Staff reviewed the provided application and other submitted materials in determining whether the applicant satisfactorily met the six factors identified in Proposition 61. Below is a summary of how the applicant met these specific factors.

Factor 1: The grant will contribute towards expansion or improvement of health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children.

Pain Distraction System and Sensory Station Equipment

The Hospital plans to purchase five new portable pain distraction system equipment to be used in multiple pediatric departments, such as trauma, palliative care, cardiac, and burn unit. The pain distraction system is designed to distract patients during painful medical procedures, such as burn wound cleaning, through virtual technology, visual stimulation, and interactive games, and is intended to replace or reduce the need for narcotic pain medication and heavy sedation during treatment. The use of the pain distraction equipment in older children, who may be more prone to anxiety due to a more acute awareness of their circumstance, can make them less fearful and more receptive to treatment, improving efficiency of care and reducing the length of hospitalization, and therefore increasing bed availability.

The Hospital will also purchase one new stationary and one new mobile sensory station to be used in multiple pediatric departments at the Hillcrest location to distract developmentally vulnerable pediatric patients, such as those on the autism spectrum, during painful medical procedures. The sensory station turns the hospital environment/treatment room into a relaxing, distracting and empowering multi-sensory room and is used like a projector to transmit on the treatment room walls calming imagery, immersing the patient into a calming environment. Pediatric patients with sensory sensitivities often struggle in the overstimulating hospital environment, and specific medical procedures, such as burn wound treatment, can be very challenging. In addition, the sensory station provides an alternative to anesthesia for pediatric patients on the autism spectrum. The sensory station is able to create a calm environment for pediatric patients with autism through the treatment, keeping the pediatric patients in a calm and compliant mental state, reducing recovery time, and therefore reducing the length of stay and increasing bed availability.

The Hospital does not currently have any pain distraction systems or sensory station equipment. The Hospital anticipates that over 800 pediatric patients in the burn unit and another 200 pediatric patients in the trauma unit will annually benefit from both types of equipment.

Pediatric Fiberoptic Scope

The Hospital intends to purchase one pediatric fiberoptic scope to be used in the Neonatal Intensive Care Unit (NICU) at the La Jolla location. The Pediatric Fiberoptic Scope is a shorter and narrower bronchoscope that is specifically designed to be used on pediatric patients. The Hospital states that pulmonary disorders are the primary health concern faced in the NICU, yet the Hospital currently only has one adult size fiberoptic scope. In some cases when the adult size fiberoptic scope cannot be used on very small pediatric patients, a rigid bronchoscopy needs to be performed, which often times requires anesthesia. For the safety of the pediatric patients and to limit exposure to anesthesia, the Hospital attempts to schedule the rigid

bronchoscopy procedure together with other medical procedures that require anesthesia. If a pediatric patient does not require other medical procedures, the medical providers have to decide whether the rigid bronchoscopy benefits outweigh the risk of the patient's exposure to anesthesia. By purchasing the pediatric fiberoptic scope and forgoing anesthesia the Hospital will be able to perform bronchoscopy at the patient's bedside, increasing overall access to pulmonary disorder diagnosis and treatment and improving treatment efficiency.

The Hospital estimates that approximately 40 NICU patients will annually benefit from the equipment.

Folding Screens

The Hospital plans to purchase four new folding screens for the NICU at its La Jolla location. The NICU's existing cloth screens are outdated and cannot be sterilized easily. The new folding screens will enable the medical staff to divide the large NICU room into smaller spaces to provide privacy and to establish a sterile environment for routine NICU procedures that are conducted on pediatric patients at the bedside, such as catheters insertion, lumbar punctures and fiberoptic bronchoscopy. With the ability to establish better infection control, pediatric patients will have lower risk of infection that would require longer hospitalization. Reducing the length of stay will increase pediatric patients' access to needed care.

The Hospital anticipates that approximately 140 NICU patients will benefit annually from the folding screens.

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

Pain Distraction System and Sensory Station Equipment

The pain distraction system and the sensory station equipment will reduce the need to use riskier treatment options, such as heavy sedation and narcotic pain medication during medical procedures. The equipment will provide pediatric patients with less invasive treatment options and better health care outcomes by reducing the chance of post-procedure complications from heavy sedation. Controlling the pain without heavy sedation can reduce stress related to the medical procedure. By providing an alternative to anesthesia and narcotic usage, the pain distraction system and the sensory station will help patients be in a better mindset during their procedures, which does improve healing and patient health care outcomes. Limiting traumatic pain can also have long term developmental benefits and reduce post-traumatic stress disorder related to hospital procedures.

Pediatric Fiberoptic Scope

The pediatric fiberoptic scope is used to diagnose pulmonary disorders, which are common in NICU patients. The Hospital's existing adult size fiberoptic scope is hard to use on small pediatric patients. The new pediatric fiberoptic scope will help increase efficiency for diagnosis of pulmonary disorders, thus providing timely treatment and improving health care outcomes. In addition, pediatric patients who are too small for the adult size fiberoptic scope can be diagnosed without having to undergo general anesthesia. Reducing the inherent risk related to general anesthesia for pediatric patients will reduce the length of recovery and the potential risk for procedure complication, improving health care outcomes.

Folding Screens

The new folding screens are mobile, which allows the screens to be placed and set up as needed, and protect NICU patients that are sensitive to light and sound by acting as a barrier to these hospital environmental stressors. Continuous exposure to these stressors can impact a patient's health, can cause health complications, and reduce the likelihood of positive health outcomes. The folding screens will help the Hospital provide better infection prevention, as well as privacy for families bonding with the NICU patients, which can positively affect the pediatric patient's developmental health. Further, by having the folding screens readily available for use allows medical staff to promptly respond in case an emergency medical treatment is needed at the patient's bedside. The folding screens promote improved health care outcomes by providing the patients the proper environment to recover and medical staff the ability to quickly and privately perform procedures.

Factor 3: The children's hospital provides uncompensated or undercompensated care to indigent or public pediatric patients.

In FY 2020, UCSD incurred \$11 million in unreimbursed cost of care provided to pediatric patients with government-sponsored health care coverage (largely Medi-Cal) and also provided \$6 million in uncompensated charity care to pediatric patients.

Factor 4: The children's hospital provides services to vulnerable pediatric populations.

UCSD operates the region's only comprehensive Burn Center at its Hillcrest location and houses the only regional Level III NICU in the county at its La Jolla location, serving some of the sickest pediatric patients. UCSD also recently re-opened a Level II NICU at its Hillcrest location. In addition to the burn trauma and NICU services, UCSD provides various services to vulnerable pediatric patients such as: the Division of Dysmorphology, which evaluates children with birth defects and provides related services and education to their families; the Academic General Pediatrics, Child Development, & Community Health Division, which provides a medical home from birth through adolescence, including for those with complex chronic conditions; consultative care to promote breast feeding for premature infants; and evidence-based development-behavioral pediatric evaluation and treatment for children from birth to 21-years old.

The Hospital provides exceptional pediatric medical care to San Diego and Imperial counties, regardless of the family's ability to pay. Approximately 5% of the pediatric patients served at UCSD are Medi-Cal insured annually.

Factor 5: The children's hospital promotes pediatric teaching programs or pediatric research programs.

UCSD is an academic institute that thrives by being on the cutting edge of research and fostering a teaching environment through its internship and fellowship programs. In fiscal year 2021, a total of 76 residents were trained at UCSD's La Jolla location: 52 NICU and pediatrics residents and 24 obstetrics/gynecology residents. Additionally, there were three chief residents and 16 medicine and pediatric residents trained. UCSD expects the number of NICU and pediatric residents to increase to 54 and the number of chief residents to five in fiscal year 2022.

Factor 6: Demonstration of project readiness and project feasibility.

UCSD intends to purchase the equipment as soon as the grant funds are awarded. The Hospital will ensure staff receives proper training prior to the equipment being placed in service.

Legal Review:

Although disclosures were made by the applicant, the information disclosed does not appear to detrimentally affect its financial viability or legal integrity.

Description of Applicant:

The Hospital is a general acute care hospital licensed by the California Department of Public Health. The Hospital is part of the University of California system, which is governed by the Board of Regents of the University of California. The Hospital opened in July of 1963 and is located in San Diego County.

UCSD has two general acute care hospitals at Hillcrest location (390-bed) and at La Jolla location (418-bed). The Hospital's largest pediatric hospital program is a 16-bed NICU at Hillcrest location and 52-bed NICU at La Jolla location. UCSD has the only burn program in San Diego County where all pediatric burn cases in the community are seen.

The Hospital has certified that its most recent financial audit is free of "going concern" language.¹

¹ The absence of "going concern" language tends to suggest the organization is in good operational health for that fiscal year. The Authority's regulations define "Going Concern Qualification" in Section 7030(n).

RESOLUTION NO. CHP 2021-01

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2004
TO UNIVERSITY OF CALIFORNIA, SAN DIEGO 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 2004 (Pt. 6 (commencing with Section 1179.10), Div. 1, Health and Safety Code; hereafter the "Act") and implementing regulations award grants from the proceeds of general obligation bonds in an amount not to exceed \$128,121.00 to University of California, San Diego Medical Center ("Grantee") to finance eligible projects; and

WHEREAS, Authority staff reviewed the Grantees' applications 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 \$128,121.00 to the Grantee for the eligible project (the "Projects") 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 \$128,121.00 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 project period that ends on December 31, 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 project 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 transaction contemplated hereby.

Section 5. This Resolution expires December 31, 2023.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the University of California, San Diego Medical Center to fund the costs of pediatric patient care equipment. Pediatric patient care equipment includes, but is not limited to: five pain distraction systems, two sensory stations, a pediatric fiberoptic scope, and four folding screens.