

MINUTES

**CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY
(AUTHORITY)**

**First Floor Conference Room
901 P Street, Room 102
Sacramento, California 95814**

Alternate Location for CHFFA Teleconference Participation:

**300 S. Spring Street, Suite 8500-South Tower
Los Angeles, California 90013**

Public Participation
Call-In Number: (877) 810-9415
Participant Code: 6535126

August 31, 2023, 1:30 P.M.

OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:30 P.M.

The Secretary announced to the public joining in by phone the instructions for being heard.

Item #1 Roll Call

Members Present: Khaim Morton for Fiona Ma, CPA, State Treasurer
David Oppenheim for Malia M. Cohen, State Controller
Guadalupe Manriquez for Joe Stephenshaw, Director of Finance
Robert Hertzka, M.D.
Keri Kropke, M.A., M.A., CCC-SLP

Members Absent: Antonio Benjamin
Francisco Silva
Robert Cherry, M.D.
Katrina Kalvoda

Staff Present: Bianca Smith, Deputy Executive Director
Brock Lewis, Staff Services Manager I
Matt Francis, Staff Services Manager I
Rana Mayers, Associate Government Program Analyst
Tyler Bui, Associate Government Program Analyst
Careen Prince, Staff Services Analyst

Chair Morton declared a quorum present.

Vice President and Treasurer Ismail thanked the Authority and gave a brief overview of the project and the use of funds. Vice President and Treasurer Ismail also mentioned that the commercial paper funds will be used as a line of credit for Stanford Health Care to refund expenditures once a long-term bond is issued in the future.

Chair Morton asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. 451 in an aggregate amount not to exceed \$200,000,000 for Stanford Health Care for the Commercial Paper Program, subject to the terms and conditions in the resolution.

MOTION: Member Hertzka SECOND: Member Manriquez

AYES:.....Members: Kropke, Hertzka, Manriquez, Oppenheim, Morton

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #6 Adventist Health System/West, Roseville, Placer County
Bond Financing Program
Resolution No. 452 (Action Item)**

Staff Member Bui presented. Staff Member Bui reported that Adventist Health System/West (Adventist) requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$75,000,000. Bond proceeds would be used to fund capital improvements at various project sites, to reimburse Adventist for the acquisition of Bakersfield Heart Hospital, and for information technology to integrate Bakersfield Heart Hospital into the Adventist network.

Attendees: (via teleconference) Brandon Seibold, Senior Vice President, Adventist Health System/West, Blake Pinell, Vice President, RBC Capital Markets, LLC, and (in person) Jenna Magan, Partner, Orrick, Herrington, & Sutcliffe LLP.

The representatives from Adventist Health System/West experienced technical difficulties.

Chair Morton asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve a Resolution No. 452 in an amount not to exceed \$75,000,000 for Adventist Health System/West for the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Hertzka SECOND: Member Oppenheim

AYES:.....Members: Kropke, Hertzka, Manriquez, Oppenheim, Morton

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Attendees: (in person) Brad Schmidt, Chief Executive Officer, Norther California PET Imaging Center. (via teleconference) George Lenzi, Chief Financial Officer, Northern California PET Imaging Center.

Chief Executive Officer Schmidt thanked the Authority and provided an overview of the project.

Member Hertzka asked what the patients were currently doing to have their needs met.

Chief Executive Officer Schmidt explained that as an independent nonprofit, NCPIC was able to offer better pricing than local alternatives while also rendering services to all, including justice-involved individuals and uninsured patients. Chief Executive Officer Schmidt described how NCPIC was pioneering treatment and research in the regions for cancer and Alzheimer’s diseases.

Chief Financial Officer George Lenzi added that they were meeting the needs of their patients by providing access to care for all insurance classes at a quicker rate than Sutter.

Member Kropke asked whether the machinery being purchased would be refurbished or a new unit.

Chief Executive Officer Schmidt explained that they chose a new United Medical Imaging machine because of the speed, precision, and efficiency of the unit offered, reducing radiation by up to 30% when compared to older models.

Chair Morton asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. HII-347 for Northern California PET Imaging Center in an amount not to exceed \$1,175,000, subject to the terms and conditions in the resolution.

MOTION: Member Kropke SECOND: Member Hertzka

AYES:.....Members: Kropke, Hertzka, Manriquez, Oppenheim, Morton

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #9 Distressed Hospital Loan Program
Amendment to Resolution No. 2023-01 and Resolution No. 2023-02 (Action Item)**

Staff Member Francis presented. Staff requested Authority approval of amendments to Resolution No. 2023-01 and Resolution No. 2023-02 for the Distressed Hospital Loan Program (DHLP). The resolutions were approved on May 25, 2023, to delegate authority to the executive director and deputy executive director to assist the Department of Health Care Access and Information (Department) in implementing the DHLP and to issue loans at the direction of the Department. Staff Member Francis reported that the proposed amendments would remove the restrictions on the previously approved total program funding of \$150,000,000, allowing the Authority to issue disbursements subject to available funding in the Program Fund.

Attendees: (via teleconference) J.P. Marion, Deputy Director, Department of Health Care Access and Information.

Member Manriquez asked how loans for institutions going through bankruptcy proceedings would be handled.

Staff Member Francis explained that the courts must approve loan documents for hospitals in bankruptcy proceedings, and the hospital's board must approve acceptance of the loan.

Deputy Executive Director Smith explained that the loan documents for hospitals in bankruptcy proceedings were more technical, would contain specific provisions, and would require consultation with the Authority's legal counsel, the AGO and Orrick, Herrington, & Sutcliffe.

Chair Morton asked how many hospitals were in bankruptcy and if the amounts listed on the handout were initial amounts or total amounts of loans to be made.

Deputy Executive Director Smith explained that there were three hospitals in bankruptcy, and that the amounts were final but explained that Madera's funding was approved but subject to submission of an updated turnaround plan.

Member Manriquez expressed gratitude to CHFFA and the Department's staff for implementing the program and getting the funding to the hospitals.

Member Hertzka and Member Oppenheim agreed with Member Manriquez's comments.

Chair Morton asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve the amendments to Resolution No. 2023-01 and Resolution No. 2023-02 for the Distressed Hospital Loan Program.

MOTION: Member Hertzka SECOND: Member Manriquez

AYES:.....Members: Kropke, Hertzka, Manriquez, Oppenheim, Morton

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Items #10 and #11 **Public Comment and Adjournment**

Chair Morton asked for public comment. Hearing none, the meeting adjourned at 2:06 P.M.