

**California Health Facilities Financing Authority (Authority)**  
**Specialty Dental Clinic Grant Program**  
**Information Item**

**January 26, 2023**

**Overview of the Specialty Dental Clinic Grant Program**

On June 27, 2022, the Specialty Dental Clinic Grant Program (Dental Program) was chaptered into law with the passing of SB 154 (Chapter 43, Section 2) and later amended on June 30, 2022, through AB 178 (Chapter 45, Section 47), authorizing the Authority to administer a \$25 million competitive grant program, which includes \$1,250,000 for costs of administering the program. Key features of the statutory language include the following:

- **OVERALL OBJECTIVE:** The purpose of the Dental Program is to increase access to oral health care for special health care needs populations through the development and expansion of specialty dental clinics. The special health care needs population is defined in statute as children and adults who have disabilities that prevent them from receiving routine or specialty care due to their physical, developmental, or cognitive condition.
- **USES OF FUNDS:** Funds may be used to support the construction, expansion, modification, or adaptation of specialty dental clinics in California. Funds may be awarded for these purposes until June 30, 2028.
- **KEY BILL REQUIREMENTS:**
  - 1) *Competitive Selection Criteria:* CHFFA will establish competitive evaluation criteria with maximum scores for awarding grants that will include how well each application meets the Dental Program’s objective as well as projects that do the following (Attachment A, provision (2)(d)):
    - a. Support timely access, reduce geographic shortages, increase equity, and support quality of care.
    - b. Reduce the need for dental care using sedation or general anesthesia.
    - c. Support prevention, early intervention, behavior support services and intervention, provider education, and community outreach activities that bring care to community sites.
  - 2) *Maximum Grant Award:* Up to \$5,000,000 may be awarded per eligible entity (Attachment A, provision (2)(c)).
  - 3) *Eligible Entities:* Eligible entities include those listed in Attachment A of this report, provision (2)(i)(1-4), which include, but are not limited to, primary care clinics, specialty clinics, community clinics, free clinics, surgical clinics, chronic dialysis clinics, rehabilitation clinics, acute care hospitals, intermediate care facilities for the developmentally disabled, special hospitals, providers that are licensed with the medical or dental board of California, and dental colleges.

- 4) *Eligibility Requirements:* Grantees must meet the following statutory requirements (Attachment A, provision (2)(e)(1-4)):
- a. A commitment to provide services for the special health care needs population, which shall constitute at least 50% of the facility's total patient caseload, regardless of payer or health insurance provider, for a minimum of ten years upon final completion of the respective project.
  - b. Must be enrolled and certified as a provider with the Medi-Cal Program and, if applicable, provide copies of valid contracts with local Medi-Cal managed care plans.
  - c. Must submit plans to CHFFA that demonstrate the proposed entity's ability to serve patients with physical, cognitive, or developmental disabilities.
  - d. Must provide proof of appropriate licensure of the facility or providers.

### **Technical Advisor**

CHFFA recently entered into contract with the California Dental Association Foundation (CDAF) as a technical advisor to consult on various technical aspects of the program, including, but not limited to, assistance with developing guidelines, determining eligibility criteria and documentation, and evaluating applications and projects.

### **Stakeholder Kickoff Meeting Summary**

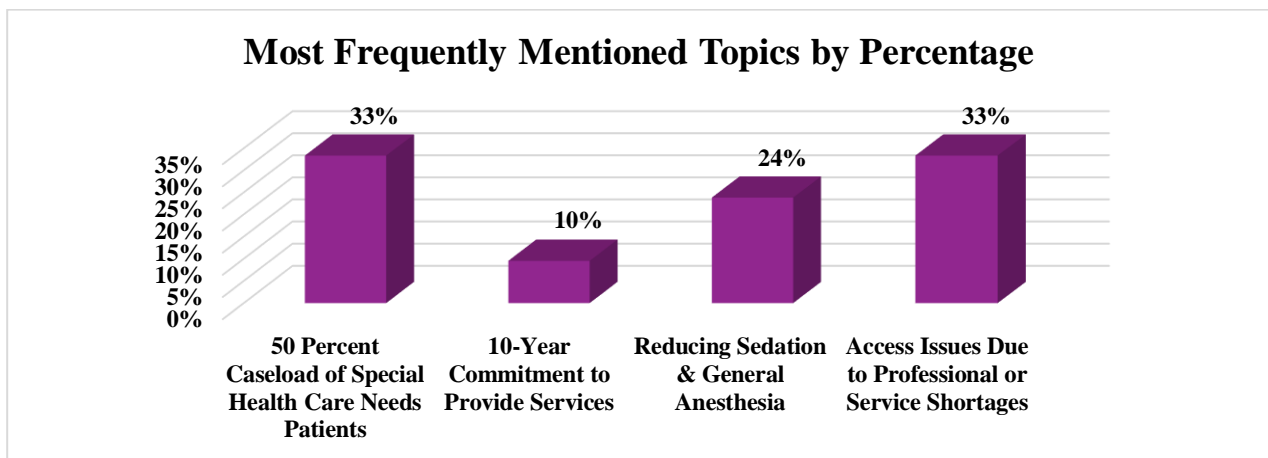
On November 3, 2022, CHFFA held a stakeholder kickoff meeting, which included an overview of the Dental Program and encouraged stakeholders to provide input on program development. Approximately 100 stakeholders attended the meeting, with 19 providing input across various discussion topics.

A majority of the stakeholder input originated around:

- The 50% caseload of the special health care needs patient requirement that can be interpreted in a variety of ways. Stakeholders noted that this requirement might be hard to meet, and that the term facility may refer to only the project financed with grant funds, a specified branch within the clinic, or the entire dental clinic. Furthermore, the statute does not specify when applicants must meet this requirement.
- The non-practical requirement of plans to reduce sedation and general anesthesia. Stakeholders noted that sedation or anesthesia is necessary in particular cases and it may be difficult for providers to include a reduction plan.
- Access issues due to professional and service shortages. Stakeholders recommended being able to use grant funds to cover startup costs for applicants that expand services into underserved regions. Additionally, stakeholders noted that mobile units may aid in reducing access issues and inquired if purchasing mobile units would be an eligible use of grant funds.
- The 10-year commitment to provide services. This requirement solicited questions regarding changes in ownership of the facility.

Additionally, stakeholders noted that networking may be helpful for applicants to learn from each other and suggested the possibility of joint applications and matchmaking of applicants.

### *Stakeholder Topics by Percentage*



### **Dental Program Guidelines and Statutory Interpretation**

CHFFA is currently working on establishing guidelines for the Dental Program based on statutory requirements, stakeholder input, and lessons learned from current CHFFA grant programs' administration and is considering the following key elements:

- (1) Two Phases of the Application Process:** CHFFA is considering a two-phase approach of the application process. Phase One would require interested parties to submit a letter of intent to apply, which would include, but would not be limited to, applicant information and a brief project description. Phase One would establish applicant and project eligibility as required by statutory language. CHFFA would then encourage all eligible applicants to collaborate and apply together to ensure that more providers can benefit from grant funding, maximize the use of grant funding, increase the probability that the 50% caseload requirement is to be met, and ensure each project is as robust as possible and serving as many special health care needs individuals as possible. Phase Two would require a more detailed application, which would include, but would not be limited to, comprehensive project details, responses to evaluation criteria, and cost estimates. Under Phase Two, the application would be scored according to the previously established evaluation criteria.
- (2) Extra Points for Collaboration:** CHFFA is considering giving extra points to applicants who collaborate and apply jointly in Phase Two of the application process. Incentivizing providers to apply jointly by giving extra points is intended to maximize the use of grant funds, assist applicants in meeting the 50% caseload requirement, serve more special health care needs individuals across regions, and connect service providers to increase the quality of care and scope of services that patients may receive.
- (3) Defining 50% Caseload of Special Health Care Needs Patients for 10 Years Requirement:** The statute requires that the special health care needs population constitute at least 50% of the facility's total patient caseload. For the guidelines, CHFFA intends to:

- Define this requirement to apply only for projects financed with grant proceeds.
  - Require grant recipients to certify that they are in compliance with this requirement on an annual basis.
  - If a grantee does not meet the 50% annual caseload requirement, or upon any event of default, the grant moneys must be returned at an interest rate to be determined by CHFFA. CHFFA is considering that the return amount would be pro-rated based on the number of years the grantee has been in compliance.
- (4) **Project Completion Timeframe:** CHFFA intends to require projects to be ready by certain deadlines based on the type of project awarded, such as 12 months for facility acquisition and 18 months for construction.
- (5) **Geographic Distribution of Grant Funds:** CHFFA intends to consider regional areas and set funding maximums for each area to give opportunities to providers located throughout the state to access grant funding under the Dental Program. If there is funding remaining after the first funding round, the regional-maximum constraint would be lifted.
- (6) **Method of Grant Disbursement After Approval:** CHFFA anticipates distributing funds to approved grantees through methods of either on an advance basis or a reimbursement basis, depending on what best meets the need of each grantee. Grantees, however, would be required to provide proof the funds are being used for the intended purpose.

### **Next Steps**

In consultation with CDAF and other stakeholders, CHFFA staff will continue to work on developing the Dental Program. Next steps include the following:

- Additional stakeholder meetings
- Developing/finalizing program guidelines
- Developing an application with evaluation criteria and maximum scores
- Possible site visits
- CHFFA Board approval of the Dental Program guidelines, including application
- Technical assistance webinar to help applicants apply for grant funding
- Opening of application funding rounds
- Scoring of applications and recommendations by staff and a grant committee
- CHFFA Board approval of grant awards
- Additional funding rounds as needed
- Grantees report outcomes to CHFFA

### **Attachment**

- 1) Attachment A – Dental Program Statute

**Attachment A – Specialty Dental Clinic Grant Program  
Authorizing Statute**

(Chapter 45, Budget Act of 2022, Section 47 (AB 178))

0977-101-0001—For local assistance, California  
Health Facilities Financing Authority ..... 65,000,000<sup>(1)</sup>

Schedule:

(1) 0885-Health Facilities Grants  
and Loans ..... 65,000,000<sup>(1)</sup>

Provisions:

- 2. (a) Of the amount appropriated in this item, \$25,000,000 is available for encumbrance or expenditure until June 30, 2028, for the California Health Facilities Financing Authority to implement the Specialty Dental Clinic Grant Program to support the construction, expansion, modification, or adaptation of specialty dental clinics in California to increase access to oral health care for the special health care needs populations.
- (b) The Department of Finance may transfer up to \$1,250,000 to Item 0977-001-0001 to administer the grants. Any funds transferred shall be available for encumbrance or expenditure until June 30, 2030.
- (c) The California Health Facilities Finance Authority shall determine, in consultation with the California Dental Association and other stakeholders representing patients with special health care needs, disability and consumer advocates, and specialty dental providers, the competitive grant program application process, eligibility criteria, and methodology for distribution of the grants, up to \$5,000,000 per eligible entity, pursuant to this provision.
- (d) The California Health Facilities Financing Authority shall prioritize applications that do the following: support timely access, reduce geographic shortages, increase equity, and support quality of care, giving priority to applications that include plans to reduce the need for dental care using sedation or general anesthesia, including, but not limited to, prevention, early intervention, behavior support services and intervention, provider education, and community outreach activities that bring care to community sites.

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<sup>1</sup> Of the amount appropriated in this item, \$40,000,000 is available for encumbrance or expenditure until June 30, 2025, for the California Health Facilities Financing Authority to implement the Nondesignated Public Hospital Bridge Loan Program II.

- (e) Entities shall meet the criteria established by the California Health Facilities Financing Authority, which, at a minimum, shall include:
- (1) A commitment to provide services to special needs populations, regardless of payer or health insurance provider, for a minimum of ten years upon final completion of construction, expansion, modification, or adaption of specialty dental clinics. The special needs population shall constitute at least 50 percent of the facility's total patient caseload. To the extent an eligible entity does not maintain the minimum patient caseload above, the entity shall repay the amount of the grant back to the California Health Facilities Financing Authority within five years at an interest rate established by the California Health Facilities Financing Authority.
  - (2) The eligible entity shall be enrolled and certified as a provider with the Medi-Cal program and, if applicable, provide copies of valid contracts with local Medi-Cal managed care plans.
  - (3) Submission of plans to the California Health Facilities Financing Authority that demonstrate the proposed entity's ability to serve patients with physical, cognitive, or developmental disabilities.
  - (4) Proof of appropriate licensure of the facility or providers, including, but not limited to, professional licensure and applicable permits for general anesthesia, medical general anesthesia, conscious sedation, and oral conscious sedation.
- (h) "Special health care needs populations" include children and adults who have disabilities that prevent them from receiving routine or specialty care due to their physical, developmental, or cognitive condition.
- (i) Notwithstanding subdivision (e) of Section 15432 of the Government Code, "eligible entities" may include the following:
- (1) Facilities licensed under Chapter 1 (commencing with Section 1200) of Division 2 of the Health and Safety Code that provide, or intend to provide, dental services.
  - (2) Facilities licensed under Section 1250 of the Health and Safety Code that provide, or intend to provide, dental services.
  - (3) Licensed providers with the Medical or Dental Board of California that provide, or intend to provide, dental services.
  - (4) A dental college located in the state approved by the California Dental Board or the Commission on Dental Accreditation of the American Dental Association.

- (j) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the California Health Facilities Financing Authority may implement, interpret, or make specific this provision, in whole or in part, by means of information notices or other similar instructions, without taking any further regulatory action.
  
- (k) For purposes of implementing this provision, the California Health Facilities Financing Authority may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this provision shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.