

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority) SPECIALTY DENTAL CLINIC GRANT PROGRAM

Executive Summary First Funding Round Final Allocations

January 30, 2025

Background

On June 30, 2022, the Specialty Dental Grant Program (Dental Program) was chaptered into law through the annual Budget Act of 2022 (Section 47, Chapter 45, Statutes of 2022), authorizing the Authority, using an appropriation of \$25 million, to provide grants to eligible entities for the purpose of increasing access to oral health care for special health care needs populations through the development and expansion of specialty dental clinics in California. On June 27, 2023, the Dental Program was allocated an additional \$25 million through the passing of the annual Budget Act of 2023 (Section 2.00, Chapter 12, Statutes of 2023), bringing the cumulative amount to \$50 million, of which \$47.5 million was allocated for grant awards and \$2.5 million was allocated for program administration costs.

The Authority opened the first funding round in October 2023, with an application submission deadline of April 1, 2024, and received 111 applications, requesting a total of \$303,403,119.65 in grant funding, by the submission deadline, but did not proceed with the review and scoring of the applications due to the uncertainty of state budget state budget funding. In January 2024, the 2024-25 Governor's budget proposed a two-year delay of the Dental Program funding. In May 2024, the Governor's budget revision proposed elimination of the funding altogether; however, the Final Budget Act of 2024 left funding for the Dental Program as chaptered in the Statutes of 2022 and 2023.

Due to the high volume of applications, on July 25, 2024, the Authority approved an amendment to Resolution No. 2023-04, amending the Dental Program guidelines to streamline the review process, requiring each application to be scored by one reviewer, and the score to be validated by a grant committee that consisted of a minimum of two Authority staff (one manager and one analyst) and an additional third individual acting as the technical advisor to the Dental Program, which included members from the California Dental Association Foundation.

Evaluation Process

Each application received by Authority staff was scored and ranked, among others in its region, according to the criteria listed in the Dental Program Guidelines ("Guidelines"), Section 8, by one analyst and reviewed by the grant review committee. In accordance with the Guidelines, Authority staff informed applicants of the outcomes of the review process in the form of Initial Allocation¹ letters.

Of the 111 applications received in the first funding round, 15 applicants received Initial Allocations for a combined total of \$47.5 million. 21 applications were eligible for a grant award, but higher scoring applications in each region depleted the available funds, and 75 applications did not receive the minimum score of 60 points to be considered for a grant award, of which 42 applications scored zero points because they were either incomplete or ineligible, and 7 applications scored zero points because they were received after the application submission deadline of 5PM on April 1, 2024.

¹ Initial Allocation is defined in the Specialty Dental Grant Program Guidelines Section 1 as, "the Grant amount the Authority staff recommends the Authority approve for Final Allocation ...," and Final Allocation is defined as "the Grant amount approved by the Authority...."

One applicant in the Superior Region declined its \$85,000 Initial Allocation, and those funds were added to the Initial Allocation of the next applicant, who had only received the remaining funds available in the region, which was less than the full amount of eligible funding.

Appeals

According to Section 9 of the Guidelines, an applicant may appeal the amount or a denial of the Initial Allocation for its application to the Executive Director (or Deputy Executive Director), and the decision of the Executive Director (or Deputy Executive Director) may be appealed directly to the Authority Board.

Initial Allocation letters were emailed to the 111 applicants on November 21, 2024, the Authority received 13 appeals from applicants that were not recommended for an award. The Executive Director and Deputy Executive Director reviewed the appeals and their respective applications and upheld staff's recommendation not to award Initial Allocations. Responses to the appeals were provided to the applicants, and two applicants are appealing the Executive Director's and Deputy Executive Director's decisions to the Authority Board as summarized below:

- Fahed Hattar, DDS: Requested \$2,500,000 to develop a new specialty clinic in the Southern Region. The application did not receive the minimum score of 60 points to be eligible for an award recommendation. The applicant is appealing the decision of not receiving an award for the project and is requesting the opportunity to make corrections to the application and resubmit it for award consideration.
- Bliss Dental Care: Requested \$1,750,800 to purchase an already existing dental clinic in the Southern Region. The application did not receive the minimum score of 60 to be eligible for an award recommendation. The applicant is appealing the decision of not awarding the project and is requesting the opportunity to provide additional information to increase the application score and be reconsidered for an award.

Given the severe competitiveness of this program in receiving a total of 111 applications it is the Authority's staff recommendation that the Board uphold the decision of the Executive Director and Deputy Executive Director in denying the appeals. Overall, there was a high number of eligible applications, which met the Guideline authority. Of those applicants many had sufficient points to potentially receive an Initial Allocation but did not receive one due to insufficient funding. Therefore, many applicants met the basis criteria but ultimately did not receive an Initial Allocation. The appellants did not meet the basis criteria for an Initial Allocation. To ensure timely approval of the grant awards, staff recommends that the Authority board uphold the decision to not award the above applications or provide additional time for reconsideration outside of the Guidelines.

Initial Allocations Summary

Subject to the appeals process, there remains 14 Initial Allocations, which staff is recommending to the Authority board for Final Allocation. If approved, the 14 new projects, in 11 counties, will develop approximately 120 new or newly renovated operatories² that will increase access to oral health care for approximately 39,712 special health care needs patients annually. Milestone conditions have been included in each respective applicant's resolution to ensure that the projects are on track to be open and be operational prior to the grant period expiration dates. Further information on the applicants and Initial Allocations are provided in the staff summaries and in the attached Exhibit A "First Funding Round - Summary of Initial Allocations." A summary of awards by regions for the Dental Program is provided in the attached Exhibit B "Summary of Awards by Region."

Staff Recommendation

Staff recommends that the Authority uphold the Executive Director's and Deputy Executive Director's decisions on the appealed applications and approve Resolution Nos. SDC 2025-01 through SDC 2025-14, approving Initial Allocations for a combined total of \$47,500,000.00 in Final Allocations as further detailed in Exhibit A with the names of these applicants and their respective award amounts.

Exhibits

Exhibit A: First Funding Round – Summary of Initial Allocations

Exhibit B: Summary of Awards by Region

² Operatories include but are not limited to: surgical suites, operating rooms, dental chairs, etc.

Specialty Dental Clinic Grant Program
First Funding Round - Summary of Initial Allocations

Resolution Number	Applicant	Project County	Region	Total Initial Allocation
SDC 2025-01	Alameda Health System	Alameda	Bay Area/ Central Coast	\$ 4,350,000.00
SDC 2025-02	Amy H. Pham, A Professional Dental Corporation	Butte	Superior	2,618,186.00
SDC 2025-03	California Northstate University LLC	Sacramento	Superior	2,241,169.00
SDC 2025-04	Community Medical Centers, Inc.	San Joaquin	San Joaquin	5,000,000.00
SDC 2025-05	Eastern Plumas Hospital District	Sierra	Superior	290,645.00
SDC 2025-06	Elmer Hilo II DMD Inc.	Los Angeles	Los Angeles	3,186,889.00
SDC 2025-07	ImpowerDent SurgiCenters INC.	Imperial	Southern	5,000,000.00
SDC 2025-08	Janice Chen Dental Corporation	Riverside	Southern	4,500,000.00
SDC 2025-09	Luciane Queiroz DDS, Inc.	Kern	San Joaquin	2,300,000.00
SDC 2025-10	Rajvir S Bhogal DDS Inc	Sacramento	Superior	2,500,000.00
SDC 2025-11	Russell Seheult, D.D.S., A Professional Corporation DBA Redlands Dental Surgery Center	San Bernardino	Southern	2,910,000.00
SDC 2025-12	Regents of University of California/University of California Los Angeles/School of Dentistry	Los Angeles	Los Angeles	4,200,000.00
SDC 2025-13	University of Southern California Herman Ostrow School of Dentistry	Los Angeles	Los Angeles	3,403,111.00
SDC 2025-14	University of the Pacific, Arthur A. Dugoni School of Dentistry	San Francisco	Bay Area/ Central Coast	5,000,000.00
Total Recommended:				\$ 47,500,000.00

Specialty Dental Clinic Grant Program
Summary of Awards by Region

Bay Area / Central Coast Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories ²	Expected Special Health Care Needs Patients Served Annually
1	Alameda Health System	\$ 4,350,000.00	4	3,500
1	University of the Pacific, Arthur A. Dugoni School of Dentistry	5,000,000.00	12	2,400
Totals		\$ 9,350,000.00	16	5,900

Los Angeles Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories ²	Expected Special Health Care Needs Patients Served Annually
1	Elmer Hilo II DMD Inc.	\$ 3,186,889.00	8	4,989
1	Regents of University of California/University of California Los Angeles/ School of Dentistry	4,200,000.00	8	2,033
1	University of Southern California Herman Ostrow School of Dentistry	3,403,111.00	11	1,193
Totals		\$ 10,790,000.00	27	8,215

San Joaquin Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories ²	Expected Special Health Care Needs Patients Served Annually
1	Community Medical Centers, Inc.	\$ 5,000,000.00	7	2,000
1	Luciane Queiroz DDS, Inc.	2,300,000.00	10	1,157
Totals		\$ 7,300,000.00	17	3,157

Specialty Dental Clinic Grant Program
Summary of Awards by Region
(Continued)

Southern Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories ²	Expected Special Health Care Needs Patients Served Annually
1	ImpowerDent SurgiCenters INC	\$ 5,000,000.00	10	2,070
1	Janice Chen Dental Corporation	4,500,000.00	12	12,000
1	Russell Seheult, D.D.S., A Professional Corporation, DBA Redlands Dental Surgery Center	2,910,000.00	8	1,040
Totals		\$ 12,410,000.00	30	17,320

Superior Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories ²	Expected Special Health Care Needs Patients Served Annually
1	Amy H. Pham, A Professional Dental Corporation	\$ 2,618,186.00	6	2,200
1	California Northstate University LLC	2,241,169.00	11	1,400
1	Eastern Plumas Hospital District	290,645.00	3	480
1	Rajvir S. Bhogal, DDS Inc	2,500,000.00	10	1,040
Totals		\$ 7,650,000.00	30	5,120

Grant Totals	\$ 47,500,000.00	120	39,712
---------------------	-------------------------	------------	---------------

¹ First Funding Round information is based on approval of the Final Allocations presented at the Authority's January 2025 board meeting. Details are subject to change based on Final Allocation results.

² Operatories include but are not limited to: surgical suites, operating rooms, dental chairs, etc.