

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

**Resolution No. CHP-4 2025-03**

**July 31, 2025**

**Applicant:** Valley Children's Hospital  
9300 Valley Children's Place  
Madera, CA 93636

**Project Site:** 9300 Valley Children's Place  
Madera, CA 93636

**Amount Requested:** Proposition 4: \$11,185,581.54

**Grant #:** VCH-05-04

Summary of Grant Amounts	Proposition 4
Eligible Amount	\$135,000,000.00
less Previous Grant Awards	72,613,507.36
less Requested Grant Amount	11,185,581.54
Remaining Amount Eligible (if requested amount is approved)	\$51,200,911.10

**Project:**

Valley Children's Hospital (VCH) is seeking Proposition 4 grant money to reimburse the costs of equipment purchases and corresponding renovation costs associated with the installation and replacement of equipment. Equipment includes but is not limited to surgical operating room tools, 140 Philips monitors, 14 transportable neonatal incubators, 19 infusion pumps, eight ultrasound machines with accessories, and one air handler unit.

**Sources of Funds:**

Net Prop 4 Funds <sup>1</sup>	\$11,065,336.53
Internal Funds <sup>2</sup>	4,382,340.64
<b>Total</b>	<b><u>\$15,447,677.17</u></b>

**Uses of Funds:**

Equipment	\$ 4,997,037.29
Renovation/Remodel	10,450,639.88
<b>Total</b>	<b><u>\$15,447,677.17</u></b>

**Staff Recommendation:**

Staff recommends that the Authority approve Resolution No. CHP-4 2025-03 for Valley Children's Hospital to receive a grant not to exceed \$11,185,581.54 (less costs of issuance and administrative costs), subject to all requirements of the Children's Hospital Bond Act of 2018.

<sup>1</sup> Net Prop 4 Funds is the total Prop 4 requested amount of \$11,185,581.54, less costs of issuance and administrative costs.

<sup>2</sup> Internal Funds in the amount of \$120,245.01 will be used to pay the administrative costs (\$111,855.82) and costs of issuance (\$8,389.19).

#### **Proposition 4 Evaluation Factors:**

Staff reviewed the application provided and other submitted materials in determining whether the applicant satisfactorily met the six factors identified in Proposition 4. 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.*

#### **Surgical Operating Room Tools**

VCH purchased a variety of replacement Stryker operating room power tools to allow for the interchangeability of equipment across different patient services. The tools include but are not limited to three surgical saws, seven surgical drills, ten varied microscopes for use in surgery, an orthopedic surgery table, three air ventilators to remove hazardous byproducts from electrosurgery procedures, three electrosurgical generators and carts, and various specialized surgery instruments. The replaced operating room power tools had reached the end of their useful lives or were no longer in service. The new operating room tools reduce the number of scheduling conflicts due to unavailable equipment as well as the surgical waiting times allowing for better access to care. Having consistency in equipment and availability reduces confusion for staff and increases efficacy in the treatment of patients.

This upgrade provides updated and fully functional equipment for all surgical services at VCH, including cardiac surgery, plastic surgery, and orthopedics. The surgery department saw 10,772 patients in fiscal year (FY) 2024, and approximately 74.5% of those patients were covered under Medi-Cal.

#### **Philips Monitors**

VCH purchased 140 bedside Philips monitors and accessories to replace existing monitors that have been retired and taken out of service. These monitors allow VCH to monitor patients who require centralized monitoring. The accessories include but are not limited to oxygen saturation sensors, arterial oxygenation saturation measurement, as well as data recorders that can be transmitted from one monitor to another should a patient be moved from one unit to another. The monitors are vital to the care of patients, and there is a constant demand for their use in the new acute care unit, the pediatric intensive care unit (PICU), and the neonatal intensive care unit (NICU). When old monitors are retired and placed out of service before replacement, VCH must then prioritize which patients need monitoring over others, increasing waiting times and delaying care. The new monitors, equipped with updated technology, including improved algorithms and oxygen saturation monitoring options, keep VCH's monitoring fleet at capacity.

The NICU had 930 patients, and the inpatient unit had 1,727 patients in fiscal year 2024. Of these patients seen, an average of 74.5% were Medi-Cal patients.

### **Neonatal Incubators**

VCH purchased 14 transportable neonatal incubators for their NICU to replace older units that have reached the end of their useful lives, which can also be used across inpatient units to transport patients requiring assessment by multiple specialists. The incubators ensure constant and ideal temperature and oxygen control for fragile newborn babies while keeping out harmful germs and allergens. Incubators are essential at VCH, making their periodic purchase necessary as the old units become obsolete, inefficient or simply stop working, as well as to ensure that the hospital has plenty of equipment available to handle growth in patient volumes. Having sufficient working incubators reduces waiting times and ensures that newborns at VCH do not have to be turned away for lack of adequate equipment.

In fiscal year 2024, the NICU and the inpatient unit saw 930 patients and 1,727 patients, respectively. Of these patients, an average of 74.5% were Medi-Cal patients.

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

### **Infusion Pumps**

VCH purchased 19 infusion pumps to replace the older models that were not working efficiently, forcing VCH to rent infusion pumps when the demand was high. Infusion pumps are used to administer fluids, such as nutrients or medications to patients, and these devices are preferred over manual administration because infusion pumps allow controlled fluid administration - the ability to deliver fluids in small volumes or at precisely programmed rates and intervals. These new infusion pumps are equipped with predetermined clinical guidelines, dose error reduction systems, and drug libraries that provide a comprehensive list of medicines and fluids with dose, volume, and flow rate details. Infusion pumps promote patient safety by reducing the incidence of adverse drug events and medication administration errors.

The new infusion pumps are integrated with VCH's electronic medical record (EMR) system, so the information transmitted by the EMR pre-populates the infusion pumps, reducing keystroke and manual programming errors and providing increased prevention of medication error, thereby improving pediatric patients' health outcomes. Infusion pumps are used in all inpatient units at VCH.

### **Ultrasound and Accessories**

VCH purchased eight replacement ultrasound machines and 48 ultrasound probes, a specialized bladder ultrasound device, and a blood flow ultrasound doppler for the radiology department. Ultrasound equipment utilizes high-frequency sound waves to create images of structures inside the body and provides a powerful tool for clinicians in diagnosing and treating a wide range of medical conditions. The faster a condition is identified, the sooner it can be treated, potentially helping to reduce the patient's length of stay in the hospital, thereby improving healthcare delivery and patient outcomes. VCH's radiology department completed 131,556 exams in 2024.

## **Air Handler Unit**

VCH purchased a replacement air handler unit to keep the Craycroft inpatient oncology unit operating smoothly and without interruption of care. The air handler unit is designed with extra capacity, which allows for future growth in the unit and surrounding departments. Replacing the air handling unit also provides greater reliability and ensures that the inpatient unit receives the proper air volumes needed to maintain the required pressure, minimizing the risk of contamination from adjacent areas, keeping patients safe from infection and reducing the risk of the spread of infectious diseases. In fiscal year 2024, the Craycroft inpatient oncology unit had 1,727 patients.

### **Factor 3: The children's hospital provides uncompensated or undercompensated care to indigent**

In fiscal year 2024, VCH provided approximately \$117,000 in charity care, and the estimated Medi-Cal uncompensated costs were approximately \$212,627,000. In addition, VCH provides enrollment assistance to uninsured and under-insured pediatric patients, who qualify for Medi-Cal and California Children's Services Program or VCH's Financial Assistance Program. Once eligibility is determined, VCH's staff assists the families with completing necessary applications and submitting them to the appropriate agencies. Given Central Valley's rural landscape and high concentration of poverty, VCH continues to collaborate with the community to improve public transportation and access to care.

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

In fiscal year 2024, VCH had 10,348 inpatient admissions, 97,144 emergency department visits and 167,137 outpatient clinic visits. 74.5% of the inpatient and 75% of the outpatient visits at VCH were covered by Medi-Cal benefits.

VCH is the only tertiary<sup>3</sup> and specialized health care facility for children in the Central Valley, and its service area covers a wide portion of Central California, including Kern County, San Joaquin County, and northern Santa Barbara and San Luis Obispo Counties. VCH serves a large rural area with a large Medi-Cal population. Much of this region is rural and access to top quality pediatric health care would not exist for VCH's underserved patients, a vast majority of whom are enrolled in Medi-Cal. In addition, VCH is expanding its services in the rural areas through its outreach clinics and physician-hospital partnerships.

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

VCH has promoted pediatric teaching programs for medical students, residents, and fellows for over 56 years and is currently teaching over 250 residents and medical students annually. In fiscal year 2015, VCH partnered with Stanford School of Medicine (Stanford) to create the Valley Children's Pediatric Residency Program (Residency Program). The partnership allowed VCH's interns and residents to have rotations and learning opportunities at Stanford's Palo Alto campus and for Stanford's residents to learn at VCH. VCH is now the sponsoring institution of this

---

<sup>3</sup> For the purpose of CCS, a Tertiary Hospital is a referral hospital providing comprehensive, multidisciplinary, regionalized pediatric care to children from birth up to 21 years of age. The services include a full range of medical and surgical care for severely ill children, pediatric residency training within 24-hour CCS-paneled pediatrician coverage, and organized pediatric research program, and community outreach. For a hospital that does not have an accredited pediatric residency training program, it shall have an organized pediatric research program, pediatric specialty consultation, and 24-hour in-house coverage by licensed physicians who have completed an accredited pediatric residency program.

Residency Program, nationally accredited by the Accreditation Council for Graduate Medical Education (ACGME) and is taking full academic and financial responsibility for the graduates' medical education. The Residency Program currently employs 39 residents, and over 40 of VCH's physicians have received Stanford faculty appointments and will continue to be educated as part of the Residency Program. VCH will continue to provide educational experiences to students and to encourage the future graduates of VCH's program to stay in the Central Valley as pediatricians and pediatric specialists.

VCH has a research department overseeing the studies of new pediatric drugs, biological products, and medical devices, which increases its ability to implement and evaluate industry sponsored studies that may benefit its own patients as well as children around the world. In 2024, VCH supported over 235 research studies with 43 studies being for investigational new drugs for pediatrics. VCH faculty and residents contributed to the body of scientific evidence by publishing 50 articles last year.

*Factor 6: Demonstration of project readiness and project feasibility.*

All patient care equipment was acquired and installed between October 12, 2020 and December 9, 2022 and is already 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:**

VCH formerly known as Children's Hospital Central California, founded in 1952, is a nonprofit acute care pediatric hospital, licensed by the California Department of Public Health. VCH offers highly specialized medical and surgical services as Central California's only regional referral center for children. VCH has 358 licensed beds with 330 beds at its main campus located in Madera and 28 beds at its three satellite neonatal locations in Fresno, Hanford, and Merced. VCH's fiscal year 2024 financial audit is free of "going concern" language.<sup>4</sup>

---

<sup>4</sup> 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 7000(q).

**RESOLUTION NO. CHP-4 2025-03**

**RESOLUTION OF THE CALIFORNIA HEALTH  
FACILITIES FINANCING AUTHORITY APPROVING  
EXECUTION AND DELIVERY OF GRANT FUNDING  
UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2018  
TO VALLEY CHILDREN'S HOSPITAL**

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 \$135,000,000.00, less costs of issuance and administrative costs, to Valley Children's Hospital to finance eligible projects; and

WHEREAS, Authority staff received a grant application (the "Application") from Valley Children's Hospital ("Grantee"), and Grantee is seeking a grant in an amount that will not cause the aggregate sum of grants disbursed to the Grantee to exceed \$135,000,000; 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 \$11,185,581.54 (the "Grant"), less costs of issuance and administrative costs representing 0.075% and 1% of the amount of the grant respectively, to the Grantee for the eligible project (the "Project") described in the Application and as more generally described in Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference);

NOW THEREFORE BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority hereby approves a grant in an amount not to exceed \$11,185,581.54, less costs of issuance and administrative costs, to the Grantee to complete the Project within a grant period that ends on January 29, 2027 (the "Grant Period"). The Grantee must make any request for disbursement of Grant funds pursuant to the Grant Agreement (defined below) and within the Grant Period.

Section 2. For and on behalf of the Authority, the Executive Director and/or the Deputy Executive Director are hereby authorized and directed to do, or cause to be done, any of the following:

a) Approve any minor, non-material changes to the Project. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding to Grantee. The Authority shall not be liable to the Grantee in any manner whatsoever should such funding not be completed for any reason whatsoever.

b) Extend the Grant Period set forth in Section 1. However, any extension approved by the Executive Director and/or the Deputy Executive Director shall not surpass the expiration date of this Resolution set forth in Section 3 hereof.

c) Draw money from the Act Fund, in an amount not to exceed that approved by the Authority and disburse such funds to the Grantee pursuant to the Grant Agreement.

d) Enter into an agreement with Grantee (the “Grant Agreement”) in form and substance the Executive Director and/or Deputy Executive Director determines appropriate in their reasonable discretion setting forth the Authority’s and Grantee’s rights and duties in connection with the Grant.

e) Do any and all things and to execute and deliver any and all other documents that the Executive Director and/or the Deputy Executive Director deem necessary, convenient, or advisable to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. This Resolution expires January 29, 2028, unless extended by action of the Authority prior to that date.

Date Approved: \_\_\_\_\_

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

The proceeds of the grant will be used by Valley Children's Hospital (VCH) to reimburse the costs of equipment purchases and corresponding renovation costs associated with the installation and replacement of equipment. Equipment includes but is not limited to surgical operating room tools, 140 Philips monitors, 14 neonatal incubators, 19 infusion pumps, eight ultrasound systems with accessories, and one air handler unit.