

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Community Clinic Grant Program of 2005

Resolution Number 2006-06

May 25, 2006

Executive Summary

As a result of the Anthem-WellPoint merger, WellPoint agreed to provide \$35 million to be used for the improvement of non-profit community based clinics serving low-income healthcare consumers. WellPoint entered into an agreement with the California State Department of Insurance to provide this funding.

The Authority was statutorily charged with implementing the \$35 million Community Clinic Grant Program of 2005 (“CCGP”), when Senate Bill 190 became law on October 15, 2005. Authority staff filed emergency regulations with the Office of Administrative Law (“OAL”) on December 15, 2005. Subsequently, staff submitted the permanent regulations for Board approval on January 26, 2006, and filed with the OAL on March 21, 2006. On March 31, 2006, the OAL endorsed and approved the permanent regulations for filing and publication with the Secretary of State.

Applications for the CCGP were made available in December 2005 and staff administered five technical assistance/information sessions to potential applicants throughout California. The Authority accepted applications until February 28, 2006, with staff scoring the applications through April 2006. The Authority received a total of 300 applications for grants totaling \$76.45 million from each of the four predetermined geographic regions within the State.

The following is a breakdown of the Geographic Distribution in terms of applications received and staff recommendations for funding.

	Requests Received		Staff Recommendation*	
	No. of Applications	Dollar Request	No. of Applications	Dollar Approved
Central Coast	89	\$ 20,472,603	42	\$ 10,375,076
Los Angeles/Ventura	75	17,829,294	44	11,066,889
Northern/Central	72	19,474,083	30	9,405,640
Southern California	64	18,670,516	30	9,255,759
	<u>300</u>	<u>\$ 76,446,496</u>	<u>146</u>	<u>\$ 40,103,364</u>

* Recommended funding includes appeals from the Native American Health Center (East Bay Clinic) and the West County Health Centers (Russian River Clinic), which appeals must be approved by the Authority. (See additional details, pages 10 and 16, Tab A.)

Of the applications received, staff recommends funding 146 grant requests (see Tab B for comprehensive list of proposed grantees) in an amount totaling \$40,103,364. The average score, out of 165 total possible points, was 89.

In addition to the \$35 million received for the CCGP, \$1.3 million of interest has been earned and credited since its receipt in February 2005 with an additional \$350,000 expected to be credited in July 2006. Further, \$3.5 million will be available from interest earned on the Cedillo-Alarcón Community Clinic Investment Act of 2000 Fund. This brings the total funding available for the CCGP to approximately \$40.15 million.

As required by the regulations, preliminary grant notification letters were sent to all applicants on April 18, 2006. A total of 69 appeals were received of which 16 have requested to appear before the Authority Board. Staff is recommending approval for two of the 16 applicants to receive funding. (See additional details, pages 10 and 16, Tab A.)

As a result of appeals to the Executive Director, 10 applicants received notification letters that their grants are being rescinded. (For a listing of applicants, see tab C.)

Staff recommends that the Authority approve total grants in the amount of \$40,103,364 including the appeals of Native American Health Center (East Bay Clinic) and West County Health Centers (Russian River Clinic) to be considered eligible for funding. Staff further recommends no other appeals be approved. (See Tab A for all appeal requests.)