

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

**STAFF SUMMARY**

<p><b>Applicant:</b> Pomona Valley Hospital Medical Center  1798 North Garey Avenue  Pomona, CA 91767  Los Angeles County</p>	<p><b>Application Number:</b> EH-01  <b>Authority Meeting Date:</b> June 25, 2020  <b>Resolution Number:</b> CHP-4E 2020-01  <b>Requested Amount:</b> \$15,000,000.00  <b>Recommended Amount:</b> \$15,000,000.00</p>
<p><b>Project Site:</b> Same as above.</p>	
<p><b>Description of Applicant:</b> Pomona Valley Hospital Medical Center (Hospital) is a non-profit 501(c)(3) general acute care hospital. The Hospital has full approval as a California Children's Services program from the California Department of Health Care Services.</p>	
<p><b>Summary of Project:</b> The Hospital is seeking grant funds to renovate, furnish, and equip approximately 8,889 square feet (sf) of shelled space in an existing building that is compliant with SB1953 seismic requirements and relocate its 34-bed, 3,295 sf inpatient Pediatric (PEDS) Unit from a seismically non-compliant building to a 15-bed inpatient PEDS Unit in the seismically-compliant building.</p>	
<p><b>Proposition 4 Evaluation Factors:</b><sup>1</sup> Based on the review of the application and other submitted materials, staff evaluated the Hospital's project using the factors identified in Proposition 4.</p> <p><i>Factor 1: The grant will contribute toward expansion or improvement of health care access by children eligible for governmental health insurance programs<sup>2</sup> and indigent, underserved, and uninsured children:</i>  Although the existing PEDS Unit is licensed for 34 beds, the PEDS Unit is not operating at its maximum capacity because the existing room configuration cannot accommodate specific patient care requirements, such as gender matching, age matching, privacy concerns, infection control, patient safety and family requirements. Additionally, the 34-bed PEDS Unit will be required to close by the end of 2029 because the building in which it is located does not meet current seismic law. The proposed project consists of developing nine private and three semi-private inpatient medical surgical rooms. The reconfigured PEDS Unit will be able to meet current patient care requirements and serve more pediatric patients with less rooms by using them more effectively as well as ensure continued services into the foreseeable future. The project also will incorporate a telemedicine program that allows long distance patient and clinician contact from the comfort of the patient's home to evaluate changes in a patient's condition and adjust treatment. Implementation of telemedicine provides easier and faster access to medical treatment for patients; therefore, it will contribute to the expansion of health care access. In fiscal year 2019, the existing PEDS Unit served 706 patients, of which 78% were on Medi-Cal. The Hospital anticipates an additional 410 pediatric patients (58% increase) will be served after the project is completed. In fiscal year 2019, of the 100,267 emergency room visits, 20,517 were children under the age of 18, of which 421 patients were admitted to the PEDS Unit.</p> <p><i>Factor 2: The grant will contribute toward the improvement of child health care or pediatric patient outcomes:</i>  The private rooms in the new PEDS Unit will offer a family friendly environment and will employ upgraded technology to support a healing environment and ease children's fears. The existing PEDS Unit does not support modern patient care equipment and can often result in patient rooms being underutilized from a licensed bed perspective. Infection control, a primary safety concern, is difficult to maintain without losing bed capacity when the patients are very close to each other. The new private rooms will provide the space and configuration needed for open conversations between patients and medical staff and promote parent participation. The Hospital is focused on recognizing and addressing early signs of a patient's deteriorating condition, and the implementation of telemedicine and higher level post-operative monitoring will reduce the amount of time seeking care and allow for prompt treatment for rapidly deteriorating conditions. Telemedicine is a viable way to deliver safe, high quality care. This contributes toward the improvement of child health care and pediatric patient outcomes by reducing a delay in treatment.</p>	

<sup>1</sup> Staff also ensured that the hospital met an additional three evaluation factors that are not project specific but specific to the hospital, which include:

1. The hospital provides uncompensated or undercompensated care to indigent or public pediatric patients.
2. The hospital provides services to vulnerable pediatric populations.
3. The hospital promotes pediatric teaching or research programs.

<sup>2</sup> Governmental Health Insurance Program mean governmental assistance programs that include, but are not limited to, Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children's Services (CCS), Child Health and Disability Prevention (CHDP) and county indigent programs.

*Factor 3. Demonstration of project readiness and project feasibility:*

The project is currently in the conceptual planning and feasibility stage. The Hospital anticipates the engineering and architectural phase to begin in July of 2020. The actual construction and renovation phase is scheduled for September 2021, and the project is estimated to be operational by December 2022. While the current COVID-19 outbreak has impacted the Hospital's operations, the current planning status of this project has not been affected.

<b>Sources of Funds:</b>		<b>Uses of Funds:</b>	
Prop 4 Grant Funds	\$15,000,000.00	Renovation	\$13,648,619.70
Hospital Funds	1,187,527.32	Equipment	2,337,6573.62
		Admin Costs	150,000.00
		COI	<u>11,250.00</u>
<b>Total</b>	<b><u>\$16,187,527.32</u></b>	<b>Total</b>	<b><u>\$16,187,527.32</u></b>

**Legal Review:** Although disclosures were made by the applicant, the information disclosed does not appear to detrimentally affect the financial viability or legal integrity of the applicant.

**Staff Recommendation:** Staff recommends the Authority approve Resolution No. CHP-4E 2020-01 for Pomona Valley Hospital Medical Center to provide a grant not to exceed \$15,000,000.00 less costs of issuance and administrative costs, and subject to all requirements of the Children's Hospital Program of 2018.

**RESOLUTION NO. CHP-4E 2020-01**

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

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 \$15,000,000.00, less the bond issuance and administrative costs, to Pomona Valley Hospital Medical Center (the "Grantee") to finance eligible projects; 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 \$15,000,000.00, less bond issuance and administrative costs, to the Grantee for the eligible project ("Project") described in the application;

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

Section 1. The Authority hereby approves a grant of \$15,000,000.00, less bond issuance and administrative costs, to the Grantee to complete the Project as described in the Children's Hospital Program Application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a grant period that ends on December 31, 2023.

Section 2. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the application submitted to the Authority and extend the grant period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution expiration date. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Act Fund not to exceed those amounts approved by the Authority for the Grantee. The Executive Director and the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee any and all documents necessary to complete the transfer of funds that are consistent with the Act and implementing regulations.

Section 4. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents, which the Executive Director and the Deputy Executive Director deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires December 31, 2024.

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

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

The proceeds of the grant will be used by Pomona Valley Hospital Medical Center to fund the costs of renovating, furnishing and equipping a new inpatient pediatric unit to replace a seismically non-compliant inpatient pediatric unit.