

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

**STAFF SUMMARY**

<p><b>Applicant:</b> Arrowhead Regional Medical Center  400 North Pepper Avenue  Colton, CA 92324  San Bernardino County</p>	<p><b>Application Number:</b> EH-08  <b>Authority Meeting Date:</b> June 25, 2020  <b>Resolution Number:</b> CHP-4E 2020-07  <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> Arrowhead Regional Medical Center (Hospital) is a public hospital as defined in Welfare and Institution Code 14105.98(a)(25). 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 existing space that is currently being used as administrative offices, which will be relocated from the third floor of the Hospital’s behavioral health building, to create space for a new 12-bed inpatient psychiatric unit for adolescents in acute psychiatric crisis.</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></p> <p>In fiscal year 2019, 94.2% of pediatric patients treated at the Hospital were either receiving governmental health insurance programs or were uninsured. The proposed project will create 12 new beds specifically dedicated to acute psychiatric and mental health care for pediatric patients. The Hospital treats approximately 20,754 pediatric patients annually that are on governmental health insurance programs and anticipates serving an additional 461 pediatric patients on governmental health insurance programs upon the completion of this project. Currently, the Hospital does not have a designated pediatric mental health department and only has an adult inpatient psychiatric patient unit. Pediatric patients suffering an acute psychiatric crisis are frequently turned away by the Hospital to Loma Linda University Medical Center. San Bernardino County has currently 29 psychiatric crisis stabilization beds available for children (up to age 18), which are frequently at capacity. This project will greatly increase the number of available beds for adolescents in psychiatric crises for low-income individuals.</p> <p><i>Factor 2: The grant will contribute toward the improvement of child health care or pediatric patient outcomes:</i></p> <p>Mental health is a systemic health concern that impacts all aspects of a patient’s life. A quick and efficient treatment may be able to prevent chronic health concerns that could linger into adulthood. The Hospital aims to improve outcomes by providing immediate, inpatient treatment options along with long-term treatment management services to pediatric patients facing an acute mental health crisis. Since transportation can usually be a challenge for patients, because San Bernardino County is the largest county in the contiguous United States, the Hospital aims to overcome these barriers to accessible acute mental health care for pediatric patients by creating a new, designated department specifically tailored to meet this need. The Hospital’s team of mental health professionals will work closely with teens, young adults, and their families to assist them in addressing a range of issues that include, but are not limited to anxiety, depression, grief, trauma recovery, personality disorders, and academic issues. The Hospital seeks to take a holistic treatment approach to empower teens and young adults to transform their lives in authentic, sustainable ways, and to make them feel valued, engaged, and encourage them to begin to live healthy, productive lives.</p>	

<sup>1</sup> Staff also ensured that the hospital addressed 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> Government Health Insurance Programs 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 Hospital anticipates renovation to begin in July 2022, and the psychiatric inpatient unit is expected to be operational by June 2024. While the current COVID-19 outbreak has impacted the Hospital's operations, the current planning status of this project has not been affected.

**Sources of Funds:**

Prop 4 Grant	\$15,000,000.00
Hospital Internal Funds	161,250.00

**Total**

**\$15,161,250.00**

**Uses of Funds:**

Renovation	\$13,500,000.00
Equipment and Furnishings	1,500,000.00
Admin Costs	150,000.00
COI	<u>11,250.00</u>

**Total**

**\$15,161,250.00**

**Legal Review:** No information was disclosed to question the financial viability or legal integrity of the Applicant.

**Staff Recommendation:** Staff recommends the Authority approve CHP-4E 2020-07 for Arrowhead Regional Medical Center to provide a grant not to exceed \$15,000,000.00, less costs of issuance and administrative costs, subject to all requirements of the Children's Hospital Program of 2018.

**RESOLUTION NO. CHP-4E 2020-07**

**RESOLUTION OF THE CALIFORNIA HEALTH  
FACILITIES FINANCING AUTHORITY APPROVING  
EXECUTION AND DELIVERY OF GRANT FUNDING  
UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2018  
TO ARROWHEAD REGIONAL 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 Arrowhead Regional 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 (the "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 June 30, 2025.

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 June 30, 2026.

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

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

The proceeds of the grant will be used by Arrowhead Regional Medical Center to fund the costs of renovating, furnishing and equipping an inpatient psychiatric unit for adolescents.