

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Children’s Hospital Program of 2018 (Proposition 4)

STAFF SUMMARY

Applicant: Mercy Medical Center Redding 2175 Rosaline Avenue Redding, CA 96001	Application Number: EH-15 Authority Meeting Date: December 3, 2020 Resolution Number: CHP-4E 2020-13 Requested Amount: \$1,393,893.00 Total Recommended Amount: \$1,277,893.00
Project Site: Same as above.	
Description of Applicant: Mercy Medical Center Redding (Hospital) is a non-profit 501(c)(3) general acute care hospital. The Hospital has full approval as a California Children’s Services program by the California Department of Health Care Services.	
Summary of Project: The Hospital is seeking grant funds to purchase various pediatric patient care equipment for their Neonatal Intensive Care Unit (NICU). The pediatric equipment includes, but is not limited to, giraffe omnibeds, blue spot phototherapy systems, panda warmers, retinal cameras, transport isolettes, and one NICU ground transport vehicle.	
Proposition 4 Evaluation Factors: ¹ Based on the review of the application and other submitted materials, staff evaluated the Hospital’s project using the factors identified in Proposition 4. <i>Factor 1: The grant will contribute toward expansion or improvement of health care access by children eligible for governmental health insurance program²s and indigent, underserved, and uninsured children:</i> In fiscal year 2019, the Hospital treated nearly 13,304 pediatric patients, of which 88% were indigent, underserved, uninsured, or were eligible for Governmental Health Insurance Programs. The Hospital anticipates serving an additional 200 pediatric patients after completion of this project, representing a 1.5% increase. Giraffe Omnibeds – The Hospital plans to purchase two additional giraffe omnibeds to accommodate multiple infants that weigh under 1,000 grams or are born at less than 28 weeks gestation. The Hospital has currently replaced its three existing omnibeds that were at the end of their useful lives but could use additional ones since 50% of approximately 500 annual NICU admissions use omnibeds. Omnibeds are incubators and radiant warmers that reduce the necessity of transferring patients. The new omnibeds have many different automated functions that are essential for babies, and employ new technology that tracks vital signs. Panda Warmers – The Hospital intends to purchase five panda warmers, which are used at birth to immediately warm the baby during the pediatric team’s assessment of the infant and are an addition to the omnibeds. In addition, the panda warmers provide easy access for medical staff to control oxygen, suctioning, and weight measurements, and include emergency equipment needed to preserve airways, such as an integrated resuscitation system. The Hospital anticipates that 70% of the 500 annual NICU admissions will benefit from the panda warmers. NICU Ground Transport Vehicle – The Hospital intends to purchase a standard ambulance model vehicle. Currently, all facilities in the area utilize air-transportation to transfer patients to the NICU, which sometimes can take hours. Because air-transportation is often backlogged for five to nine hours, the transport of a NICU patient from the Shasta area to the NICU takes up to nine hours while it could only take about two hours if the Hospital had ground transportation. The vehicle will be fully equipped and have an isolette for the transport of premature babies. The isolette is equipped with a ventilator and nitrous oxide to treat respiratory failures during transit. The Hospital anticipates the vehicle will provide transportation to at least ten NICU patients annually.	

¹ 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.

² 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 2: The grant will contribute toward the improvement of child health care or pediatric patient outcomes:

Blue Spot Phototherapy System – The Hospital plans to purchase five blue spots phototherapy systems, which are mobile units that can be attached to any omnibed. These units have advanced LED technology that emit blue light used to treat an infant’s bilirubin level. The lights are focused and provide extra safety to the infant and to caregivers through high-intensity light output and a large spot size from the ray tube that help ensure effective patient dosage and accurate results. Furthermore, the blue spot helps treat babies’ hyperbilirubinemia, which can prevent liver or biliary tract dysfunctions and destruction of red blood cells.

Retinal Camera – The Hospital intends to purchase a retinal camera to examine the eyes of babies several times a month. Oxygen can affect babies’ eye health and their vision in the future. Monitoring oxygen levels allows early detection and intervention and is key to preventing blindness and other disorders. The Hospital’s goal is to examine all infants with the retinal camera that takes photographs of the infants’ eyes and records data, providing useful information regarding eye development for future use.

Transport Isolettes – The Hospital plans to replace two outdated transport isolettes, one to be used in the NICU ground transport vehicle and one for air transportation. The isolette is an incubator that provides controlled temperature and oxygen levels for babies, creating a safe environment during transportation. The isolettes will be fully equipped with cardiac and respiratory monitors, nitrous oxide and cooling units, air tanks and a temperature regulator. The isolette provides quick necessary neonatal care access, continuously monitors the baby’s temperature, and has adjustable oxygen and humidity levels.

Factor 3. Demonstration of project readiness and project feasibility:

The Hospital anticipates to have the majority of the equipment in service by June 30, 2022.

<u>Sources of Funds:</u>		<u>Uses of Funds:</u>	
Prop 4 Grant	\$1,277,893.00	Renovation	\$1,601,484.00
Hospital Internal Funds	97,328.35	Admin Costs	12,778.93
Foundation Funds	<u>240,000.00</u>	COI	<u>958.42</u>
Total	<u>\$1,615,221.35</u>	Total	<u>\$1,615,221.25</u>

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 2020-13 for Mercy Medical Center Redding to provide a grant not to exceed \$1,277,893.00, less costs of issuance and administrative fees, and subject to all requirements of the Children’s Hospital Program of 2018.

RESOLUTION NO. CHP-4E 2020-13

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

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 Mercy Medical Center Redding (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 \$1,277,893.00, 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 \$1,277,893.00, 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, 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 June 30, 2024.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Mercy Medical Center Redding to purchase various pediatric patient care equipment for its Neonatal Intensive Care Unit.