

California Health Facilities Financing Authority

BUDGET NO. 0977

Report No. 1

GOVERNMENT CODE

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000. - 22980.]

(Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 3. EXECUTIVE DEPARTMENT [11000. - 15986.]

(Division 3 added by Stats. 1945, Ch. 111.)

PART 7.2. HEALTH FACILITIES FINANCING AUTHORITY ACT [15430. - 15462.5.]

(Heading of Part 7.2 amended by Stats. 1985, Ch. 349, Sec. 1.)

15438.6.

(a) This section shall be known, and may be cited, as the Cedillo-Alarcon Community Clinic Investment Act of 2000.

(b) The Legislature finds and declares all of the following:

(1) Primary care clinics require capital improvements in order to continuously perform their vital role. Many primary care clinics are currently at capacity and in order to increase access to their services and allow them to expand to cover the growing need for health care for the vulnerable populations in California, these capital funds are necessary.

(2) Primary care clinics are the health care safety net for the most vulnerable populations in California: uninsured, underinsured, indigent, and those in shortage designation areas. Primary care clinics provide health care regardless of the ability to pay for services.

(3) Approximately 6.6 million Californians lack health insurance, a number that increases by 50,000 per month.

(4) Primary care clinics have been historically and woefully underfunded.

(5) Primary care clinics are the most cost-effective means of serving California's vulnerable populations.

(6) The failure to adequately fund primary care clinics has resulted in significant costs to the state in the form of unnecessary emergency room visits. Also, the lack of preventive care results in significant costs when patients become severely ill.

(c) The authority may award grants to any eligible clinic, as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, for purposes of financing capital outlay projects, as defined in subdivision (f) of Section 15432.

(d) The authority, in consultation with representatives of primary care clinics and other appropriate parties, shall develop selection criteria and a process for awarding grants under this section. The authority may take into account at least the following factors when selecting recipients and determining amount of grants:

(1) The percentage of total expenditures attributable to uncompensated care provided by an applicant.

(2) The extent to which the grant will contribute toward expansion of health care access by indigent, underserved, and uninsured populations.

(3) The need for the grant based on an applicant's total net assets, relative to net assets of other applicants. For purposes of this section, "total net assets" means the amount of total assets minus total liabilities, as disclosed in an audited financial statement prepared according to United States Generally Accepted Accounting Principles, and shall include unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(4) The geographic location of the applicant, in order to maximize broad geographic distribution of funding.

(5) Demonstration by the applicant of project readiness and feasibility to the authority's satisfaction.

(6) The total amount of funds appropriated and available for purposes of this section.

(e) No grant to any clinic facility shall exceed two hundred fifty thousand dollars (\$250,000).

(f) In no event shall a grant to finance a project exceed the total cost of the project, as determined by the clinic and approved by the authority. Grants shall be awarded only to clinics that have certified to the authority that all requirements established by the authority for grantees have been met.

(g) All projects that are awarded grants shall be completed within a reasonable period of time, to be determined by the authority. No funds shall be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that the clinic has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant. Certification of project completion shall be submitted to the authority by any clinic receiving a grant under this section.

(h) Any clinic receiving a grant under this section shall commit to using the health facility for the purposes for which the grant was awarded for the duration of the expected life of the project.

(i) Upon disbursement of all grant funds, the authority shall report to the Joint Legislative Budget Committee on the recipients of grants, the total amount of each grant, and the purpose for which each grant was awarded.

(j) It is the intent of the Legislature that the California Health Facilities Financing Authority be reimbursed for the costs of the administration of the implementation of this section from funds appropriated for the purposes of this section.

(Amended by Stats. 2005, Ch. 493, Sec. 1. Effective October 4, 2005.)

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-2875	Cedillo	Primary care clinics: grants.	Chaptered 07/07/2000	07/07/2000 - Chaptered by Secretary of State - Chapter 99, Statutes of 2000.	-		
SB-190	Cedillo, Alarcon	Community clinics.	Chaptered 10/04/2005	10/04/2005 - Chaptered by Secretary of State. Chapter 493, Statutes of 2005. 10/04/2005 - Approved by Governor.	-	Yes	Two Thirds

COMMENTS/RECOMMENDATIONS: According to the Authority, all funds have been disbursed and the reporting requirement is no longer necessary.