

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Children's Hospital Program**

**Staff Summary
Resolution CHP 2008-05
August 28, 2008**

Applicant: Loma Linda University Medical Center (LLUMC)
Loma Linda University Children's Hospital
11234 Anderson Road
Loma Linda, CA 92354
San Bernardino County

Project Site: 11234 Anderson Road
Loma Linda, CA 92354

Amount Requested: \$3,232,634

Prior Amount Awarded: \$0

Description of Applicant:

Loma Linda University Children's Hospital (LLUCH) is an operating unit of Loma Linda University Medical Center (LLUMC), which is a non-profit 501(c)(3) corporation. The Department of Health Services issued a license to LLUMC to operate and maintain a general acute care hospital. It is licensed for 84 neonatal intensive care unit beds (NICU) and 73 pediatric service beds. The 2007 (year ending December 31) audited financial statements for LLUMC and affiliates were free of "going concern" language.

Project:

LLUMC seeks grant funds as reimbursement for the costs to replace/update older equipment for patient care. Items listed in the application were earmarked for numerous departments including NICU, laboratory, and imaging. Some of the expenditures were for a MRI machine (\$868,000 – pediatric proportional share), ultrasound system (\$69,000) and multipurpose giraffe omnibeds (\$517,000).

Proposition 61 Evaluation Factors:

Based on the review of the application and other submitted materials, staff evaluated LLUMC's project using the six factors identified in Proposition 61 language.

The grant will contribute toward expansion or improvement of health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children:

Approximately 70 percent of LLUMC patients are Medi-Cal eligible.

The hospital needs to replace outdated equipment to stay current with the ever changing technological environment. In addition, LLUCH recently expanded its NICU by 12 beds and needed to furnish the rooms with new cribs, monitors and warming lights.

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

The equipment acquisitions range from bedside monitors, cribs and ventilators for the NICU to new ultrasound machines to programmable IV pumps. The new monitors have been upgraded to provide standardized measurements. The cribs will allow easier access to the caregivers and several of the cribs have built in scales that will allow little, if any, disruption to the neonates. The programmable IV pumps will help ensure patient safety.

The children's hospital provides uncompensated or undercompensated care to indigent or public pediatric patients:

LLUMC is a certified California Children's Services (CCS) hospital. Approximately 45 percent of its net patient revenues come from government programs such as Medi-Cal and CCS. In Fiscal Year '07, LLUMC provided over \$52.5 million in uncompensated and under-compensated care. It has financial counselors to assist in finding alternative sources of payment from both public and private programs. Also, Medi-Cal eligibility workers are on site to assist the families.

The children's hospital provides services to vulnerable pediatric populations:

LLUCH is the only Level 1 pediatric trauma center serving the 1.2 million children residing in Inyo, Mono, San Bernardino and Riverside counties. Last year, LLUCH had over 125,000 outpatient visits. This is an 86% increase over the past five years.

The children's hospital promotes pediatric teaching or research programs:

Every year, more than 120 physicians, 80 RN students and 200 other healthcare students serve within LLUCH.

Demonstration of project readiness and project feasibility:

All of the equipment expenditures were from December 2005 through September 2007. All equipment is currently in service and used in the delivery of patient care.

<u>Sources of Funds:</u>		<u>Uses of Funds</u>	
CHFFA Grant	\$3,232,634	Equipment Purchases	\$3,232,634

Legal Review:

No information was disclosed to question the financial viability or legal integrity of the Applicant.

Staff Recommendation:

Staff recommends the Authority approve a resolution for Loma Linda University Medical Center to provide a grant not to exceed \$3,232,634 (less costs of issuance), subject to all requirements of the Children's Hospital Program.