

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

SB 315 Update

Information Item

July 30, 2015

Executive Summary

BACKGROUND:

At the February 26, 2015 Authority meeting, staff presented a summary of proposed legislation to create a second CHAMP program referred to as CHAMP II, at which point the Authority directed staff to put the item on hold until a financial analysis of the HELP II fund balance was completed and presented to the Authority.

At the April 30, 2015 Authority meeting, CHFFA staff and CHFFA’s Financial Advisor, Sperry Capital, provided an analysis that shows the HELP II fund balance could withstand a withdrawal of approximately \$11 million and continue to be self-sustaining.

CHAMP OVERVIEW

CHAMP was approved by the Authority in 2011 and later authorized by Assembly Bill 1467 (Committee on Budget) and signed into law by the Governor on June 27, 2012. The bill authorized the Authority to move \$6.5 million from CHFFA’s main fund balance into a new account for the new program.

CHAMP’s purpose is to support innovative methods of delivering health care services more effectively and to improve access and health outcomes for vulnerable populations and communities by bringing services, including preventive services, to individuals where they live or congregate. CHAMP gained great interest in the State from various organizations to create a number of different innovative programs. A list of the letters of interest received for the CHAMP grant is provided in Attachment A.

At the January 29, 2014 Authority meeting, the Authority awarded the CHAMP demonstration grant to the San Francisco Health Plan (SFHP) in an amount of up to \$1.5 million to expand and evaluate an existing pilot program for high-risk, high-cost patients to improve their health outcomes and experience of care, as well as to lower costs. If the evaluation of the completed demonstration project proves successful, the Authority may launch a second phase of the CHAMP grant program to support additional grants up to a combined total of \$5 million so other California communities may replicate and implement the same improved ways of delivering services.

Four years after CHAMP was authorized, SB 315 was introduced and staff is now seeking the Authority’s approval to support the bill and authorize additional funding for a CHAMP II grant program to fund a second demonstration project. Staff suggests supporting a transfer of an additional \$1.5 million from the Authority’s HELP II fund balance¹ to a new account established for this proposed CHAMP II grant program, with another \$5 million to follow at a later date if the evaluation of the awarded program proves successful and if sufficient funds exist.

¹ The HELP II fund balance is presently at an all-time high of roughly \$23 million dollars. Staff is actively marketing this program to identify potential borrowers and is exploring ways in which the program might be expanded to assist more financially challenged health care organizations. These efforts may result in new borrowers and a recommendation to the Authority for the creation of a new program within the existing HELP II program.

When CHAMP was presented to the Authority in 2011, it was noted that staff and counsel to CHFFA had worked for several years to explore ways in which the Authority might consider utilizing a portion of its fund balance to benefit underserved and vulnerable populations throughout California in furtherance of CHFFA's mission of promoting important California health access, healthcare improvement and cost containment objectives. Staff noted the recommendation was timely in the context of the State's budgetary difficulties which had then resulted in devastating funding reductions to California's most underserved and vulnerable populations. Staff also noted the recommendation was timely in the context of national health care reform which was challenging all states to find innovative and cost-effective ways of delivering health care to more people than contemplated previously. These conditions still exist and justify a need for a second CHAMP grant program. And as noted above, good things are already emerging from the original CHAMP grant program.

SUMMARY:

Subject to the Authority's desire to pursue CHAMP II and the ongoing availability of HELP II funds, staff proposes to work closely with the State Treasurer to pursue legislative approval to utilize up to \$1.5 million in funds from CHFFA's HELP II fund balance to support a second demonstration project designed to advance the innovative delivery of health care to underserved and vulnerable populations throughout California, with up to an additional \$5,000,000 for statewide implementation of the innovative model if the demonstration project is able to demonstrate cost savings, improved clinical outcomes and a sustainable state-wide model.

The State Treasurer's Office seeks to amend SB 315 as shown below to provide the Authority with the option to implement CHAMP II at the Authority's discretion.

*(g) There is hereby created the California Health Access Model Program Two Account within the California Health Facilities Financing Authority Fund for purposes of administering a second competitive grant selection process, in accordance with subdivisions (b) and (c), to fund one or more projects designed to demonstrate specified new or enhanced cost-effective methods of delivery quality health care services to improve access to quality health care for vulnerable populations or communities, or both. **The Authority may transfer an** ~~An~~ **amount of up to six million five hundred thousand dollars (\$6,500,000) ~~shall be transferred~~** from funds in the California Health Facilities Financing Authority Hospital Equipment Loan Program Fund that are not impressed with a trust for other purposes into the California Health Access Model Program Two Account ~~for the purpose of administering~~ **if the Authority administers** a second competitive grant selection process pursuant to this subdivision. Any moneys remaining in the California Health Access Model Program Two Account on January 1, 2023, shall revert as of that date to the California Health Facilities Financing Authority Hospital Equipment Loan Program Fund.*

CHAMP Letters of Interest Received

	Project Title or Description	Applicant	Program Summary
1	Public Housing Primary Care Program	Clinica Sierra Vista	Clinica Sierra Vista applied to create a public housing primary care program to deliver high quality, integrated and family based preventative and primary health care services.
2	Mobile Medical Unit provides health services to mentally ill clients	Westside Family Health Center	Westside Family Health Center applied for a 36-foot Mobile Medical Unit to provide health services to mentally ill clients at three sites in their area.
3	Social Innovation Fund (SIF)	Corporation for Supportive Housing	Corporation for Supportive Housing applied for the implementation of their Social Innovation Fund initiative, which is testing innovative models to address the health, housing, and social service needs of homeless individuals who struggle with complex health challenges and are the highest-cost users of crisis health services.
4	Kedren Community Care Clinic (KCCC)	Kedren Acute Psychiatric Hospital and Community Mental Health Center	Kedren Acute Psychiatric Hospital and Community Mental Health Center applied for operating support to open a new primary care clinic.
5	Health "Ambassadors"	Glide Health Services	Glide Health Services applied to extend its nurse-managed health and wellness mission beyond the walls of the clinic to develop a network of community health outreach workers –health ambassadors-within the social service, housing, and empowerment programs.
6	South San Francisco Dementia Care Network	Alzheimer's Association - Northern California and Northern Nevada	Alzheimer's Association applied for the San Francisco Dementia Care Network to develop a dementia care network for caregiving families in the San Francisco Bay Area that will improve the ability of medical systems to address Alzheimer's disease and concert caregivers to needed educational and support services.
7	Teledermatology Demonstration Project	Alta Family Health Clinic, Inc.	ALTA Family Health Clinic, Inc. applied for funding to finalize the ongoing study of the clinical efficacy, cost-effectiveness and patient satisfaction of its Teledermatology Program.
8	SELF ActualizeMe (SELF)	SelfActualizeMe	SelfActualizeMe applied to continue to take on the social outcomes of Concentrated Poverty Neighborhood's by recreating attachment in adulthood and increasing resilience through its comprehensive model.
9	Strategic Dental Sealant Program	Children's Dental Health Clinic	Children's Dental Health Clinic applied for a Strategic Dental Sealant Program for children living in poverty.
10	Web-based eReferral system	University of California San Francisco	University of California San Francisco Department of Medicine applied for an eReferral Program for CA's vulnerable populations' access to specialty care.

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	Project Title or Description	Applicant	Program Summary
11	Complex Care Management (CCM)	Santa Rosa Community Health Centers	Santa Rosa Community Health Centers ("SRCHC") applied to expand current successful Complex Care Management ("CCM") pilot program into a complete Complex Care Management Department with the capacity to extend CCM services to all high-cost, high-need patients at SRCHC.
12	San Diego Primary and Behavioral Health Care Integration Project	Council of Community Clinics	Council of Community Clinics applied for its Primary Behavioral Health Care Integration Project to improve the coordination and integration of primary care services into community mental health agencies.
13	Virtual Dental Home	University of the Pacific	University of the Pacific applied for a Virtual Dental Home demonstration project to establish a community-based system of care using geographically distributed, telehealth enabled oral health teams.
14	In-Home Support Service Integration Demonstration Project	St. John's Well Child and Family Center	St. John's Well Child and Family Center applied for an innovative model of health care service delivery to improve integration of care and health outcomes for seniors and persons with disabilities who utilize in-home support services.
15	Health Navigator Demonstration Project	Health Improvement Partnership of Santa Cruz County	Health Improvement Partnership of Santa Cruz County applied for a Health Navigator Demonstration Project that utilizes an interagency team model to improve the access of newly insured and uninsured adults with multiple comorbidities to community-based healthcare services.
16	Community-Based Care Management (CBCM) pilot	San Francisco Health Plan	San Francisco Health Plan applied to expand and evaluate an existing pilot program for high-risk, high-cost patients to improve their health outcomes and experience of care, as well as to lower costs.
17	LifeLong Primary Care Integration (LPCI)	LifeLong Medical Care	LifeLong Medical Care applied to expand the LifeLong Primary Care Integration Demonstration Project to expand and evaluate a model of cost-effective and quality health care services that improve access and health outcomes for individuals with Serious Mental Illness.
18	Enhanced Care management through the Cloud	CHOC Children's at Mission Hospital	CHOC Children's at Mission Hospital applied for Enhanced Care Management through the Cloud an innovative model using a cloud-based Care Coordination Data Support Center to assist healthcare providers in receiving data to support the provision of efficient, whole child-oriented service delivery for children.
19	Early Dental Start Demonstration Project	Alliance Medical Center	Alliance Medical Center applied for its Early Dental Start Demonstration Project to rapidly expand pediatric dental prevention and oral health services through an innovative integration with medical clinic operations.
20	Ventura County Foster Health Link Project	The Children's Partnership	The Children's Partnership applied for the Ventura County Foster Health Link Project to allow all individuals and organizations involved in the health care of children and youth in foster care to have access, as appropriate, to timely, accurate and complete information, and to make more-informed care decisions on behalf of those children and youth.