

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
SPECIALTY DENTAL CLINIC GRANT PROGRAM**

**Executive Summary
First Funding Round Final Allocations**

February 27, 2025

Background

On June 30, 2022, the Specialty Dental Grant Program (Dental Program) was chaptered into law through the annual Budget Act of 2022 (Section 47, Chapter 45, Statutes of 2022), authorizing the Authority, using an appropriation of \$25 million, to provide grants to eligible entities for the purpose of increasing access to oral health care for special health care needs populations through the development and expansion of specialty dental clinics in California. On June 27, 2023, the Dental Program was allocated an additional \$25 million through the passing of the annual Budget Act of 2023 (Section 2.00, Chapter 12, Statutes of 2023), bringing the cumulative amount to \$50 million, of which \$47.5 million was allocated for grant awards and \$2.5 million was allocated for program administration costs.

The Authority opened the first funding round in October 2023, with an application submission deadline of April 1, 2024, and received 111 applications, requesting a total of \$303,488,119.65 in grant funding, by the submission deadline, but did not proceed with the review and scoring of the applications due to the uncertainty of state budget state budget funding. In January 2024, the 2024-25 Governor’s budget proposed a two-year delay of the Dental Program funding. In May 2024, the Governor’s budget revision proposed elimination of the funding altogether; however, the Final Budget Act of 2024 left funding for the Dental Program as chaptered in the Statutes of 2022 and 2023.

Due to the high volume of applications, on July 25, 2024, the Authority approved an amendment to Resolution No. 2023-04, amending the Dental Program guidelines (“Guidelines”) to streamline the review process, requiring each application to be scored by one reviewer, and the score to be validated by a grant committee that consisted of a minimum of two Authority staff (one manager and one analyst) and an additional third individual acting as the technical advisor to the Dental Program, which included members from the California Dental Association Foundation.

Evaluation Process

Each application received by Authority staff was scored and ranked, among others in its region, according to the criteria listed in the Guidelines, Section 7, by one analyst and validated by the grant committee. In accordance with the Guidelines, Authority staff informed applicants of the outcomes of the review process in the form of Initial Allocation¹ letters.

Of the 111 applications received in the first funding round, 15 applicants received Initial Allocations for a combined total of \$47.5 million. 21 applications met the eligibility threshold for a grant award, but higher scoring applications in each region depleted the available funds thus eliminating them from receiving an award. 75 applications did not receive the minimum score of 60 points needed to be considered for a grant award, of which 42 applications scored zero points because they were either incomplete or ineligible; and seven applications scored zero points because they were received after the application submission deadline of 5PM on April 1, 2024.

¹ Initial Allocation is defined in the Specialty Dental Grant Program Guidelines Section 1 as, “the Grant amount the Authority staff recommends the Authority approve for Final Allocation ...,” and Final Allocation is defined as “the Grant amount approved by the Authority....”

Below is a breakdown of the evaluations by region.

Bay Area/Central Coast Region: Regional maximum for awards is \$9,350,000.00

The Bay Area/Central Coast Region received a total of 24 applications requesting \$61,735,905.00 in grant funding; two applications received Initial Allocations; four applications were eligible for a grant award, but higher scoring applications in each region depleted the available funds; and 18 applications did not receive the minimum score of 60 points to be considered for a grant award (eight applications scored zero points because they were either incomplete or ineligible and one application scored zero points because it was received after the application submission deadline). Additionally, of those applicants that were not awarded funds via an Initial Allocation, two applicants appealed their award determinations to the Executive Director and Deputy Executive Director but did not further appeal to the Authority board.

Los Angeles Region: Regional maximum for awards is \$10,790,000.00

Los Angeles Region received a total of 36 applications requesting \$101,859,301.31 in grant funding; three applications received Initial Allocations; eight applications were eligible for a grant award, but higher scoring applications in each region depleted the available funds; and 25 applications did not receive the minimum score of 60 points to be considered for a grant award (18 applications scored zero points because they were either incomplete or ineligible and three applications scored zero points because they were received after the application submission deadline). Additionally, of those applicants that were not awarded funds via an Initial Allocation, five applicants appealed their award determinations to the Executive Director and Deputy Executive Director but did not further appeal to the Authority board.

San Joaquin Region: Regional maximum for awards is \$7,300,000.00

The San Joaquin Region received a total of ten applications requesting \$25,020,779.35 in grant funding; two applications received Initial Allocations, and eight applications did not receive the minimum score of 60 points to be considered for a grant award (four applications scored zero points because they were either incomplete or ineligible and one application scored zero points because it was received after the application submission deadline). No applicants appealed their award determinations for this region.

Southern Region: Regional maximum for awards is \$12,410,000.00

The Southern Region received a total of 30 applications requesting \$82,478,345.11 in grant funding; three applications received Initial Allocations; nine applications were eligible for a grant award, but higher scoring applications in each region depleted the available funds; and 18 applications did not receive the minimum score of 60 points to be considered for a grant award (ten applications scored zero points because they were either incomplete or ineligible and one application scored zero points because it was received after the application submission deadline). Additionally, of those applicants that were not awarded funds via an Initial Allocation, six applicants appealed their award determinations to the Executive Director and Deputy Executive Director. Of those six, whose appeals were denied two are appealing the decision to the Authority board, which will be heard at the February 27, 2025 Board meeting.

Superior Region: Regional maximum for awards is \$7,650,000.00

The Superior Region received a total of 11 applications requesting \$32,393,788.88 in grant funding; five applications received Initial Allocations, and six applications did not receive the minimum score of 60 points to be considered for a grant award (two applications scored zero points because they were either incomplete or ineligible and one application scored zero points because it was received after the application submission deadline). One applicant in the Superior Region declined its \$85,000 Initial Allocation due to an inability to move the proposed project forward, and those funds were added to the Initial Allocation of the next applicant, which had only received the remaining funds available in the region, which was less than the full amount of eligible funding for its project. Additionally, of those applicants that were not awarded funds via an Initial Allocation, one applicant appealed their award determination to the Executive Director and Deputy Executive Director but did not further appeal to the Authority board.

Appeals

According to Section 9 of the Guidelines, an applicant may appeal the amount or a denial of the Initial Allocation for its application to the Executive Director (or Deputy Executive Director), and the decision of the Executive Director (or Deputy Executive Director) may be appealed directly to the Authority Board.

Initial Allocation letters were emailed to the 111 applicants on November 21 and 22, 2024 the Authority received 14 appeals from applicants that were not recommended for an award. The Executive Director and Deputy Executive Director reviewed the appeals and upheld staff recommendation not to award Initial Allocations. Responses to the appeals were provided to the 14 appealing applicants, and two applicants are appealing the Executive Director's and Deputy Executive Director's decisions to the Authority Board as permitted by the Guidelines and as summarized below:

- **Fahed Hattar, DDS:** Requested \$2,500,000 to develop a new specialty clinic in the Southern Region. The application did not receive the minimum score of 60 points to be eligible for an award recommendation (see Attachment 1). The applicant is appealing the decision of not receiving an award for the project and is requesting the opportunity to make corrections to the application and resubmit it for award consideration. The Authority has emphasized that additional information and corrections to the application after the application deadline are not permitted under the Guidelines Section 5 and as indicated in the application itself, permission to do so would be contrary to applicable authority and would be inherently unfair to all unfunded applicants.
- **Bliss Dental Care:** Requested \$1,750,800 to purchase an already existing dental clinic in the Southern Region. The application did not receive the minimum score of 60 to be eligible for an award recommendation (see Attachment 1). The applicant is appealing the decision of not awarding the project and is requesting the opportunity to provide additional information to increase the application score and be reconsidered for an award. The Authority has emphasized that additional information and corrections to the application after the application deadline are not permitted under the Guidelines Section 5 and as indicated in the application itself, permission to do so would be contrary to applicable authority and would be inherently unfair to all unfunded applicants.

Overall, there was a high number of eligible applications, which met the Guideline authority. Of those applications, many had sufficient points to potentially receive an Initial Allocation award but did not receive one due to insufficient funding. Therefore, many applications met the eligibility criteria but ultimately did not receive an Initial Allocation, which demonstrates a strong demand for this type of funding (services and population) within California.

Given the severe competitiveness of this program in receiving a total of 111 applications, and the fact that 21 applications were eligible for awards but did not receive grant funds due to insufficient funding, Authority staff recommends that the Authority Board uphold the decision of the Executive Director and the Deputy Executive Director to not award the above appellant applications or provide additional time for reconsideration outside of the Guidelines in denying the appeals. Unfortunately, the two appellants did not meet the threshold criteria for an Initial Allocation award; therefore, they were not even in the category of eligible awards if more funds were hypothetically available.

Initial Allocations Summary

Subject to the appeals process, there remains 14 Initial Allocations, which staff is recommending to the Authority board for Final Allocation. If approved, the 14 new projects, in 11 counties, will develop approximately 130 new or newly renovated operatories² that will *increase access to oral health care for approximately 40,765 special health care needs patients annually.*

Milestone conditions have been included in each respective applicant’s resolution to ensure that the projects are on track to be open and operational prior to the grant period expiration dates. Further information on the applicants and Initial Allocations are provided in the staff summaries and in the attached Exhibit A “First Funding Round - Summary of Initial Allocations.” A summary of awards by regions for the Dental Program is provided in the attached Exhibit B “Summary of Awards by Region.”

Staff Recommendation

Staff recommends that the Authority uphold the Executive Director’s and Deputy Executive Director’s decisions on the appealed applications and approve Resolution Nos. SDC 2025-01 through SDC 2025-14, approving Initial Allocations for a combined total of \$47,500,000.00 in Final Allocations as further detailed in Exhibit A.

Attachment 1: Summary of Appeals

Exhibits

Exhibit A: First Funding Round – Summary of Initial Allocations

Exhibit B: Summary of Awards by Region

² Operatories include but are not limited to: surgical suites, operating rooms, dental chairs, etc.

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
SPECIALTY DENTAL CLINIC GRANT PROGRAM**

First Funding Round - Summary of Appeals

Fahed Hattar, DDS: Requested \$2,500,000 to develop a new specialty clinic in the Southern Region. The application did not receive the minimum score of 60 points to be eligible for an award recommendation. (Program guidelines Section 8(f))

Initial application review: 51 Points

Executive Director/Deputy Executive
Director appeal review: 46 Points

Application Strengths:

- Good job providing information regarding the geographic service area, the need for services in the area, and how it would reduce the need to use anesthesia.
- Explained the plan to add an oral surgeon and periodontist to expand specialized services on site and reduce the need to refer patients out.

Application Concerns/Weaknesses:

- No current relationships with regional centers or community organizations (Program guidelines Section 7(a)(1) and application Section 4 Criteria 1).
- Did not provide a description of the special healthcare needs patients it anticipates serving. Additionally, statements throughout the application were focused on Medi-Cal patients as opposed to special healthcare needs patients. (Program guidelines Section 7(a)(2); application Section 4 Criteria 2).
- Does not address culturally and linguistically inclusive care, mentions the use of interpreter but not translation of written material. (Program guidelines Section 7(a)(2); application Section 4 Criteria 2).
- Does not offer transportation alternatives for patients beyond what some insurances cover, leaving out transportation needs for self-pay patients. (Program guidelines Section 7(a)(2); application Section 4 Criteria 2).
- Did not include a staffing plan (Program guidelines Section 7(a)(5)(A)(iv); application Section 4 Criteria 5(a)).
- Did not submit audited financials or IRS 990 and/or other financial documentation to show financial status (Program guidelines Section 7(a)(5)(C)(iii); application Section 4 Criteria 5(c)).

The applicant is appealing the decision of not receiving an award for the project and is requesting the opportunity to make corrections to the application and resubmit it for award consideration.

Bliss Dental Care: Requested \$1,750,800 to purchase an already existing dental clinic in the Southern Region. The application did not receive the minimum score of 60 to be eligible for an award recommendation. (Program guidelines Section 8(f))

Initial application review: 49 Points

Executive Director/Deputy Executive
Director appeal review: 56 Points

Application Strengths:

- Explained who their targeted special health care patient demographics are.
- Multi-lingual team, using Medi-Cal provided translation services, collaborates with transportation services to assist patients.

Application Concerns/Weaknesses:

- Focused a lot on the mobile clinic the applicant is currently operating, lacked information about the facility proposed to be purchased with grant funds. (Program guidelines Section 7 and application Section 4).
- Contradicting information, specifically around the compared demographics between two similar clinics in the general area of the proposed location. (Program guidelines Section 7(a)(1); application Section 4 Criteria 1).
- Application lacked detail and explanation of establishing a clinic, and how it will increase its ability to serve a larger caseload. (Program guidelines 7; application Section 4).
- The number of operatories anticipated to be funded through the grant was unclear. (Program guidelines Section 7; application Sections 1 and 4).
- Project budget was very generalized and did not provide a detailed line-item budget identifying the anticipated expenses. (Program guidelines Section 7(a)(5)(B)(i); application Section 4(b)(i)).
- Did not explain how it was going to meet the goal of serving at least 50% special healthcare needs patients. (Program guidelines Section 7(a)(3); application Section 4 Criteria 3).

The applicant is appealing the decision of not awarding the project and is requesting the opportunity to provide additional information to increase the application score and be reconsidered for an award.

Specialty Dental Clinic Grant Program
First Funding Round - Summary of Initial Allocations

Resolution Number	Applicant	Project County	Region	Total Initial Allocation
SDC 2025-01	Alameda Health System	Alameda	Bay Area/ Central Coast	\$ 4,350,000.00
SDC 2025-02	Amy H. Pham, A Professional Dental Corporation	Butte	Superior	2,618,186.00
SDC 2025-03	California Northstate University LLC	Sacramento	Superior	2,241,169.00
SDC 2025-04	Community Medical Centers, Inc.	San Joaquin	San Joaquin	5,000,000.00
SDC 2025-05	Eastern Plumas Hospital District	Sierra	Superior	290,645.00
SDC 2025-06	Elmer Hilo II DMD Inc.	Los Angeles	Los Angeles	3,186,889.00
SDC 2025-07	ImpowerDent SurgiCenters INC.	Imperial	Southern	5,000,000.00
SDC 2025-08	Janice Chen Dental Corporation	Riverside	Southern	4,500,000.00
SDC 2025-09	Luciane Queiroz DDS, Inc.	Kern	San Joaquin	2,300,000.00
SDC 2025-10	Rajvir S Bhogal DDS Inc	Sacramento	Superior	2,500,000.00
SDC 2025-11	Russell Seheult, D.D.S., A Professional Corporation DBA Redlands Dental Surgery Center	San Bernardino	Southern	2,910,000.00
SDC 2025-12	Regents of University of California/University of California Los Angeles School of Dentistry	Los Angeles	Los Angeles	4,200,000.00
SDC 2025-13	University of Southern California Herman Ostrow School of Dentistry	Los Angeles	Los Angeles	3,403,111.00
SDC 2025-14	University of the Pacific, Arthur A. Dugoni School of Dentistry	San Francisco	Bay Area/ Central Coast	5,000,000.00
Total Recommended:				\$ 47,500,000.00

**Specialty Dental Clinic Grant Program
Summary of Awards by Region**

Bay Area / Central Coast Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories	Expected Special Health Care Needs Patients Served Annually
1	Alameda Health System	\$ 4,350,000.00	7 ²	3,500
1	University of the Pacific, Arthur A. Dugoni School of Dentistry	5,000,000.00	17 ²	8,400
Totals		\$ 9,350,000.00	24	11,900

Los Angeles Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories	Expected Special Health Care Needs Patients Served Annually
1	Elmer Hilo II DMD Inc.	\$ 3,186,889.00	8	4,989
1	Regents of University of California/University of California Los Angeles/ School of Dentistry	4,200,000.00	8	2,439
1	University of Southern California Herman Ostrow School of Dentistry	3,403,111.00	11 ²	1,200
Totals		\$ 10,790,000.00	27	8,628

San Joaquin Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories	Expected Special Health Care Needs Patients Served Annually
1	Community Medical Centers, Inc.	\$ 5,000,000.00	7	2,000
1	Luciane Queiroz DDS, Inc.	2,300,000.00	10 ²	1,157
Totals		\$ 7,300,000.00	17	3,157

Specialty Dental Clinic Grant Program
Summary of Awards by Region
(Continued)

Southern Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories	Expected Special Health Care Needs Patients Served Annually
1	ImpowerDent SurgiCenters INC	\$ 5,000,000.00	10	2,070
1	Janice Chen Dental Corporation	4,500,000.00	14 ²	6,000
1	Russell Seheult, D.D.S., A Professional Corporation, DBA Redlands Dental Surgery Center	2,910,000.00	8	5,000
Totals		\$ 12,410,000.00	32	13,070

Superior Region				
Round ¹	Grantee	Capital Funding	Expected No. of Operatories	Expected Special Health Care Needs Patients Served Annually
1	Amy H. Pham, A Professional Dental Corporation	\$ 2,618,186.00	6	450
1	California Northstate University LLC	2,241,169.00	11 ²	2,040
1	Eastern Plumas Hospital District	290,645.00	3	480
1	Rajvir S. Bhogal, DDS Inc	2,500,000.00	10	1,040
Totals		\$ 7,650,000.00	30	4,010

Grant Totals	\$ 47,500,000.00	130	40,765
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¹ First Funding Round information is based on approval of the Final Allocations presented at the Authority's February 2025 board meeting. Details are subject to change based on Final Allocation results.

² Operatories include but are not limited to: surgical suites, operating rooms, dental chairs, etc.