

Senate Bill No. 190

CHAPTER 493

An act to amend Section 15438.6 of the Government Code, relating to public health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 4, 2005. Filed with
Secretary of State October 4, 2005.]

LEGISLATIVE COUNSEL'S DIGEST

SB 190, Cedillo. Community clinics.

Existing law, the Cedillo-Alarcon Community Clinic Investment Act of 2000 (the Cedillo-Alarcon Act), authorizes the California Facilities Financing Authority to award grants to eligible clinics for financing capital outlay projects. Existing law establishes the California Health Facilities Fund and continuously appropriates the fund to the authority for health facility financing purposes.

The Cedillo-Alarcon Act is to be implemented only to the extent that funds are appropriated for those purposes in the Budget Act of 2000.

This bill would remove that restriction, thereby making an appropriation, and would make conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 15438.6 of the Government Code is amended to read:

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.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that critically needed primary health care services may be provided to all Californians, it is necessary that this act take effect immediately.