

6.c.

**23-1349:**

Community Hospital Closure.

1. Discussion and direction to staff on reallocating American Rescue Plan Act (ARPA) funds to an earmark for mitigating the negative impacts of the closure of Madera Community Hospital
2. Discussion and direction to staff on alternative structures for delivery of hospital healthcare services to the community.



# BOARD OF SUPERVISORS COUNTY OF MADERA

MADERA COUNTY GOVERNMENT CENTER  
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## Members of the Board

David Rogers  
Robert L. Poythress  
Jordan Wamhoff  
Leticia Gonzalez  
Robert Macaulay

## The Board of Supervisors

January 10, 2023  
Chairman David Rogers

<b>DEPARTMENT</b> COUNTY ADMINISTRATION DEPARTMENT	<b>DEPARTMENT CONTACT</b> Joel Bugay 559-675-7703	<b>AGENDA ITEM</b> <b>c</b> <b>DISCUSSION ITEMS</b>								
<b>SUBJECT:</b> Impacts of Madera Community Hospital Closure	<b>REQUIRED VOTE:</b> Informational, Vote Not Required	<b>DOC. ID NUMBER</b> 22-1349								
<b>STRATEGIC FOCUS AREA(S):</b> Health										
<b>CLERK NOTES:</b> <div style="text-align: center;"><u>For Clerk of the Board's Office Use Only</u></div> <table border="1" style="width: 100%;"><tr><td><b>RESULT:</b></td><td><b>[ TO ]</b></td></tr><tr><td><b>MOVER:</b></td><td>{{motions.mover format="[[firstname]] [[lastname]], [[title]]"}}</td></tr><tr><td><b>SECONDER:</b></td><td>{{motions.seconder format="[[firstname]] [[lastname]], [[title]]"}}</td></tr><tr><td><b>AYES:</b></td><td>{{voting.for_names format="[[lastname]]"}}</td></tr></table>			<b>RESULT:</b>	<b>[ TO ]</b>	<b>MOVER:</b>	{{motions.mover format="[[firstname]] [[lastname]], [[title]]"}}	<b>SECONDER:</b>	{{motions.seconder format="[[firstname]] [[lastname]], [[title]]"}}	<b>AYES:</b>	{{voting.for_names format="[[lastname]]"}}
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<b>AYES:</b>	{{voting.for_names format="[[lastname]]"}}									
Is this item Budgeted? N/A Will this item require additional personnel? N/A Previous Relevant Board Actions: None PowerPoint Presentation? No Supporting Documents: N/A		<b>DOCUMENT NO(S).</b>								

## RECOMMENDED ACTIONS:

Community Hospital Closure.

1. Discussion and direction to staff on reallocating American Rescue Plan Act (ARPA) funds to an earmark for mitigating the negative impacts of the closure of Madera Community Hospital
2. Discussion and direction to staff on alternative structures for delivery of hospital healthcare services to the community.

## DISCUSSION / FISCAL IMPACT / STRATEGIC FOCUS:

### DISCUSSION:

On December 23, 2022, Madera Community Hospital (MCH) issued a press release stating their intent to file for Chapter 11 Bankruptcy on the week of January 3, 2023. On December 30, 2022, MCH closed emergency room services; all remaining hospital services were closed on January 3 and clinic services ending on January 10, 2023. MCH,



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like many other nonprofit hospitals is facing financial and operational challenges that have been made worse by the pandemic. MCH has a high census of Medi-Cal patients and its low reimbursement rates has contributed and exacerbated this issue. The financial strain has caused large sustained losses over several years. MCH has pursued an affiliation agreement with Trinity Health/Saint Agnes Medical Center to help address the financial issues associated with being an independent rural hospital. Under State law, the affiliation agreement was subject to the California Attorney General's approval. The Attorney General has approved the affiliation agreement but has imposed additional conditions that were deemed by Trinity Health as unacceptable and, because of this, have determined that they could not move forward with the affiliation.

On December 29, 2022, the Board of Supervisors held a special meeting to discuss the negative impacts of the MCH closure on the delivery of county services and on the overall impact to the health outcomes of the community. The Board directed staff to review recent hospital restructuring efforts by the Tulare Local Healthcare District and the Pajaro Valley Healthcare District and to return to the Board with possible alternatives for structuring hospital healthcare services moving forward. The Board also directed staff to review ARPA Projects and identify currently unspent but obligated funds that could potentially be reallocated to an earmark to help mitigate the negative impacts of the MCH closure. The recommended reallocations are summarized on Attachment A.

### **FISCAL IMPACT:**

There is no immediate financial impact with the direction to reallocate ARPA funds. If the Board directs the reallocation as presented on Attachment A, staff will return to your Board with the necessary actions to amend applicable agreements and make the creation of the proposed earmark possible.

### **CONNECTION TO THE COUNTY OF MADERA STRATEGIC PLAN - MISSION 2023:**

The recommended action supports the Health Focus Area as MCH was a provider of critical components of the region's health system.

### **ATTACHMENTS**

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1. Attachment A: Proposed Reallocation of ARPA Project Funds

## ATTACHMENT A: Proposed Reallocation of American Rescue Plan Act (ARPA) Project Funds

Project Name	Current Fund Balance	Proposed Reallocation to an Earmark for Mitigating the negative impacts of MCH Closure	Fund Balance After Redirection	Recommendations/Impact Summary
Assistance to Low-Income Families (Rent, Utility, Eviction Prevention)	\$1,476,204.83	\$0.00	\$1,476,204.83	Recommended to remain as these programs provide a safety net for housing security and stability.
COVID-19 Isolation Protocols - Corrections Facility	\$1,600,000.00	\$0.00	\$1,600,000.00	The additional cost and supplies necessary to operate isolation cells to prevent infections in the corrections facility
311 Call Center - Pandemic Related	\$145,214.00	\$145,214.00	\$0.00	Reallocate balance and charge pandemic response related time to the general fund
Support Staff (Reporting, Contracting, generic)	\$1,058,525.23	\$855,000.00	\$203,525.23	Reallocate all but the cost of 0.5 FTE admin analyst to cover contract monitoring and reporting requirements for ARPA projects through 2026.
One-Time Payments to Emp	\$897,022.47	\$0.00	\$897,022.47	No reallocation recommended as funds are obligated for pandemic premium pay; funds are pending transfer to various departments.
Projects to help Address Homelessness	\$846,223.92	\$0.00	\$846,223.92	No reallocation recommended as funds are set aside to establish low barrier shelters, including funding for the MRM Triage Center Project
Projects in Disadvantaged Communities	\$5,000,000.00	\$3,500,000.00	\$1,500,000.00	Reallocate all but \$1.5 Million, which is the estimated cost of establishing broadband service to the five severely disadvantaged communities
Small Business Grants	\$2,255,000.00	\$1,500,000.00	\$755,000.00	Set end date of the program to June 30, 2023. Estimated savings of \$1.5 Million recommended for reallocation.
Department of Social Services - Adult Protective Services (APS) Projects	\$157,933.24	\$0.00	\$157,933.24	No reallocation recommended as these are critical projects to assist vulnerable adults in the APS Program.
Preservation of Essential Services	\$1,332,254.00	\$1,000,000.00	\$332,254.00	Reallocate \$1 Million but reserve \$332,254 as unobligated funds for potential critical unforeseen needs.
<b>TOTAL</b>	<b>\$14,768,377.69</b>	<b>\$7,000,214.00</b>	<b>\$7,768,163.69</b>	