



Board Agenda Item 32

DATE: August 9, 2022

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Subrecipient Agreements - State and Local Fiscal Recovery Funds
Fresno Community Hospital and Medical Center

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Subrecipient Agreement for American Rescue Plan Act State Local Fiscal Recovery Funds with Fresno Community Hospital and Medical Center in the amount of \$2,720,670 to fund the purchase of six adult Stryker beds for its intensive care unit and a computed tomography scanner that will treat and diagnose patients with COVID-19 and serve patients in Community Medical Center's network of hospitals.

Approval of the recommended action will allocate \$2,720,670 of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to Fresno Community Hospital and Medical Center (Subrecipient) to fund the purchase of medical equipment consisting of six adult Stryker beds for the Fresno Community Regional Medical Center's Intensive Care Unit (ICU) and the purchase and installation of a new Computed Tomography (CT) scanner that will replace an aging CT scanner at the Clovis Community Medical Center (Program). The Subrecipient has served and continues to serve as the region's safety-net caring for every patient that walks through its doors and has kept its hospitals and ICU beds available to care for the region's patients who have tested positive for COVID-19. The Program will benefit all Fresno County residents and residents of the Central San Joaquin Valley as the acquisition of new medical equipment provides for ongoing prevention, mitigation, and treatment of COVID-19 in the area. This item is Countywide.

ALTERNATIVE ACTION(S):

If your Board were not to approve the recommended action, SLFRF would not become available to the Subrecipient to fund the purchase of new medical equipment which is necessary to support the local healthcare networks' ongoing response, prevention, mitigation, and treatment of COVID-19. Improvements to the healthcare network would be delayed until another funding source becomes available to the Subrecipient.

FISCAL IMPACT:

There is no increase in Net County Cost associated with recommended action. Cost for the recommended action will be funded through Auditor-Controller/Treasurer-Tax Collector Org 1033 - Disaster Claiming, Fund 0026, Subclass 91021.

DISCUSSION:

The American Rescue Plan Act of 2021 (ARPA) established the SLFRF Program, which delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

The Department of the Treasury's 31 CFR Part 35 Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule ("Interim Final Rule") (for expenditures before April 1, 2022) and Final Rule ("Final Rule") establish a framework for determining the types of programs and services that are eligible under the ARPA. SLFRF may be used for eligible activities under four general categories:

- A. Respond to the COVID-19 public health emergency or its negative economic impacts;
- B. Provide premium pay for essential workers;
- C. Replace public sector revenue loss, subject to certain limitations; and
- D. Make necessary investments in infrastructure investments in water, sewer, and broadband.

The Final Rule permits SLFRF to be used to cover costs for eligible activities within those four general categories for the period that begins March 3, 2021, and ends on December 31, 2024. Recipients, including the County, and its subrecipients, must return any funds to the U.S. Department of the Treasury which are not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

On February 1, 2022, your Board approved the Ad-Hoc Committee's expenditure plan which earmarked funds for proposals that may be funded either in whole or in part by the County's \$194,063,657 allocation of SLFRF. The approved expenditure plan included \$2,720,670 for the Subrecipient to fund the purchase of medical equipment.

Under Section 602(c)(3) of the ARPA, the County may transfer SLFRF to private nonprofit organizations for eligible uses for the purpose of meeting ARPA's goals. The Subrecipient is a private nonprofit 501(c)(3) organization listed as an eligible entity under the ARPA.

In the Final Rule, the Treasury presumes that all COVID-19 mitigation and prevention services or programs that are consistent with the recommendations and guidance provided from the Center for Disease Control and Prevention, including the acquisition of medical equipment for the prevention and treatment of COVID-19, are enumerated and eligible uses of SLFRF.

The Subrecipient is the Central San Joaquin Valley's largest healthcare provider, which has served and continues to serve as the region's safety-net caring for every patient that walks through its doors, and has kept its hospital and ICU beds available to care for the region's patients who have tested positive for COVID-19. In 2021, the Subrecipient represents that it received over 110,000 emergency visits, of which over 8,500 of those visits were COVID-19 inpatient and outpatients.

SLFRF provided under the Subrecipient Agreement would fund the purchase of six adult Stryker beds for the Subrecipient's ICU at the Fresno Community Regional Medical Center, which will permit the Subrecipient to extend adult patient care during COVID-19 surges. The SLFRF will also provide for the purchase of a CT scanner and associated installation and adaptation costs to replace the aging CT scanner, used to diagnose COVID-19 complications at the Clovis Community Medical Center. SLFRF would permit the Subrecipient to increase its ICU bed capacity and will fund the modernization of technology to provide the Subrecipient the ability to diagnose and treat COVID-19 within its healthcare network. The Program will benefit all Fresno County residents and residents of the Central San Joaquin Valley.

The recommended agreement deviates from the County's standard agreement format in that it does not include a Self-Dealing Transaction Disclosure Section or reporting form, which is generally included in County agreements with corporations. The disclosure form has been removed, at the request of Fresno Community Hospital and Medical Center.

REFERENCE MATERIAL:

BAI #3, February 1, 2022
BAI #7, August 24, 2021
BAI #7, July 13, 2021
BAI #36.1, May 25, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

George Uc