



Maryland
Hospital Association

HB-71 SB-56 Creation of a State Debt - Maryland Consolidated Capital Loan of 2015

Position: *Support*

Process

This year, five hospitals submitted applications by the June 13 deadline. The total request for the projects is over \$3.6 million and will provide a broad array of expanded and enhanced services with a focus on improving patient safety, expanding access to care, and reducing unnecessary admissions and readmissions.

During June and July, the applications were reviewed by the program staff; the committee met in July to hear presentations from the applicants. The committee then used the criteria, weighting and scoring system, and subjective review, to evaluate the projects and make final recommendations.

The projects that were reviewed by the Hospital Bond Project Review Committee (committee) all address population health management and focus on primary and preventive care, as necessitated by the new hospital Medicare waiver.

Rationale for Total Dollars Recommended

The committee takes pride in continuing to achieve the state's and legislature's goal of providing a fair and rigorous review that prioritizes hospital capital projects outside of the 90-day General Assembly process. MHA and its member hospitals have been dedicated stewards of the Private Hospital Facilities Grant Program since its inception in 1993. Although the program is authorized to request up to \$5 million, the fiscal year 2016 request falls slightly short of this limit. The changing and uncertain landscape of hospital financing under the new hospital Medicare waiver has resulted in a conservative request by hospitals to begin new capital projects. Moving forward, we expect that funding requests will be at the \$5 million appropriation level.

The committee worked diligently to review the proposed projects and believes that the five proposed capital projects are worthy of funding, particularly as hospitals' access to capital dollars continues to deteriorate. We hope you will agree.

Recommendations

The five projects being recommended for funding are in the following areas of the state: Baltimore City, Montgomery County and Prince George's County. These projects will provide a broad array of expanded/enhanced services including primary and preventive care for the uninsured, outpatient services for chronic wound care, behavioral health services, and renal dialysis services for chronic disease management — all with a focus on improving patient safety, expanding access to care, and reducing unnecessary hospital admissions and readmissions.

Below are the committee's specific recommendations (in descending order of scoring/ranking):

Doctors Community Hospital

Recommended Allocation: **\$380,000**

This project is to renovate space to establish the Doctors Community Healthcare Center in Riverdale Park. The center will offer primary and preventive health care services to uninsured and underinsured residents, with a focus on African-American and Latino populations. In addition to primary care services, the center will offer patients access to prenatal, gynecological, psychiatric, and behavioral health services. Doctors Community Hospital has a long-term lease with Crescent Cities Charities, Inc., a nonprofit Maryland corporation, to lease and renovate the space to establish the center.

Mercy Medical Center

Recommended Allocation: **\$1,900,000**

This project expands primary medical care access in downtown Baltimore by renovating the 12th floor of the McAuley Tower on Mercy Medical Center's downtown campus. An established team of primary care physicians will join additional primary and obstetrical care physicians in the new unit that will provide 26 exam rooms, 12 physician offices, and staff support areas as part of the Primary Care Expansion Project. The space will also include a waiting area large enough to accommodate the growing number of patient and their families as well as registration and check-out areas that ensure privacy.

Adventist Behavioral Health-Rockville

Recommended Allocation: **\$334,000**

This project renovates the hospital's Potomac Unit to enhance the therapeutic environment and safety for the involuntary, chronically mentally ill patients it serves. The funding will be used to update the safety, efficiency, layout and functionality of patient rooms, patient bathrooms, common areas, and nursing and social work areas. To improve the therapeutic environment and the patient experience, renovations will also be made to the dining room, day rooms and group therapy rooms, as well as creating a secured courtyard for patients to enjoy a safe outdoor recreation area.

University of Maryland Medical Center Midtown Campus

Recommended Allocation: **\$750,000**

This project will relocate and renovate the existing renal dialysis unit to better meet the complex needs of its patients and provide easier access to dialysis services. The project will improve services at the unit through increased patient privacy, improved patient line-of-sight and

infection control. It also will reduce the cost of care/improve vendor efficiencies by relocating the unit to a centralized location.

Washington Adventist Hospital

Recommended Allocation:

\$248,000

This project will renovate and improve services in the hospital's Center for Advanced Wound Care & Hyperbaric Medicine, a key department for outpatient services at Washington Adventist Hospital that addresses chronic wound care needs. The renovation will increase the number of treatment rooms to accommodate outpatient capacity, provide additional privacy and increased infection control, create a dedicated waiting area to shield patients and their families from the activities of the center, and improve electronic health record charting capabilities.

Recommendations for Prior Authorizations and De-Authorizations

The fiscal 2016 capital bill includes an amendment to a 2012 authorization made under the MHA program to Union Memorial Hospital in Baltimore City. A grant of \$242,500 was made to assist in the renovation and expansion of the renal dialysis unit. Union Memorial Hospital discovered that the space is protected under the Maryland Historical Building guidelines. With new requirements, the project was going to be more difficult and more expensive than previously estimated. Union Memorial Hospital subsequently decided that it was no longer going to move forward with this project and has requested funds to be deauthorized.

MHA requests consideration to extend prior authorization from 2013 for MedStar Good Samaritan Hospital. MedStar Good Samaritan Hospital was authorized a grant for \$375,000 to renovate its cancer center. This project has been delayed due to concerns the hospital had about the appropriate scope and nature of this renovation, stemming from concerns about how the hospital would have to operate under the new Medicare waiver and a global budget. After re-evaluating the project, the hospital has decided to once again move forward. While the program includes specific language that requires proposals to be ready to move forward in the fiscal year of the award, it is apparent that concerns regarding the Medicare waiver have caused all hospitals in the state to re-evaluate their capital priorities.

Thank you for your consideration, we urge a favorable committee report on this bill.