

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

MA01

Responses to Recommended Actions

Recommended Actions:

1. Adopt committee narrative
 - a. DHMH to begin creating a Facilities Master Plan in accordance with DBM guidelines. The conceptual Facilities Master Plan with early action items shall be due by October 1, 2017. The full Facilities Master Plan shall be completed by October 1, 2018.
2. Approve \$5,742,000 for the Community Health Facilities Grant Program

Response: DHMH agrees with all the recommendations

1. Adoption of the committee narrative
 - a. The Department agrees with the recommendation for a Facilities Master Plan, and also concurs with the suggested timeline for completion of the conceptual and full Facilities Master Plan.
2. DHMH agrees with the \$5,742,000 authorization for the Community Health Facilities Grant Program

**The Department of Health and Mental Hygiene's
Responses to the DLS FY 2018
Department of Health and Mental Hygiene Capital Budget Analysis
March 7, 2017 (House) and March 14, 2017 (Senate)**

The Department of Legislative Services (DLS) recommends adopting committee narrative requiring DHMH to submit a Facilities Master Plan in accordance with Department of Budget and Management (DBM) guidelines (page 2).

The Department agrees with the need for a Facilities Master Plan. Following a comprehensive programmatic analysis, the Department will complete a conceptual Facilities Master Plan with early action items by October 1, 2017, and a final Facilities Master Plan with recommended capital budget outlays by October 1, 2018.

DLS recommends a pre-authorization of \$5 million in fiscal 2018 and \$5 million in fiscal 2019 with a required match from Stevenson University, as a means of ensuring funding participation by the university in advance of the likely no-consideration transfer of the [Rosewood] property to the university. These recommendations can be found in the DLS analysis of the Governor's miscellaneous projects (page 3).

The Department of General Services (DGS) is negotiating the transfer of the major portion of the Rosewood Center property to Stevenson University. DGS met with representatives from the University, the Legislature and DLS last week, at which time the University was advised of the potential requirement for the University to provide matching funds. This was new information for them and the meeting adjourned soon after. Additional discussions will be held.

DGS provided additional information on the afternoon of March 6 stating that, as the University's lender will not provide matching funds to the University, the University may not be in the position to provide these funds themselves. DGS and Senator DeGrange, through DGS, express their support for eliminating the matching funds requirement.

The agency should provide a status of all outstanding projects expecting to encumber funds under this program. The department should also be prepared to advise the committees on what factors are most contributing to the program's inability to encumber funds including any program modification recommendations to improve the situation (pages 9-10).

A list of all projects expecting to encumber funds under the Federally Qualified Health Centers Grant Program (FQHCGP) is attached.

There are several factors contributing to the inability of providers to encumber funds under this grant program. A Federally Qualified Health Center (FQHC) is a comprehensive health care provider that offers care to all individuals, regardless of their insurance status or their ability to pay. FQHCs rely on loans, grants, donations, governmental assistance, and Medicaid/Medicare revenue to cover operational costs. It is often difficult for FQHCs to raise the required matching capital funds for this grant program because most of their other grant funds cannot be used for capital projects and federal regulations/mandates for FQHCs are very stringent. Accordingly, it may take several years for grant recipients under the FQHCGP to raise the matching funds required in order to seek BPW approval to encumber funds. In addition, projects under the FQHCGP are usually large acquisitions, construction projects, or renovations. In accordance with nearly all large projects, the timeframe for completion tends to get pushed back and is usually difficult to determine.

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OFFICE OF THE SECRETARY
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
Written Testimony

The Department of Health and Mental Hygiene wishes to thank the Chairman and Committee members for their continued support of the Facilities Capital Grant Program and Capital Construction Programs. The FY 2018 request for the Community Health Facilities Grant Program is \$5,742,000 for thirteen projects. The FY 2018 request for the Federally Qualified Health Centers Grant Program is for three projects; however, no additional funding is being requested for this program because all three projects can be funded through previously authorized funds. Funding for Capital Construction projects is not being requested for FY 2018.

Community Health Facilities Grant Program

The Community Health Facilities Grant Program provides matching capital grant funds to expand community capacity for individuals with mental illness, substance disorders and/or a developmental disability. The goal is to provide individuals with services in the least restrictive environment and reduce reliance on hospital and institutional levels of care. The highest priority for the Behavior Health Administration (BHA) and the Developmental Disabilities Administration (DDA) continues to be an emphasis on the expansion of affordable supportive housing for these individuals. The FY 2018 request includes thirteen projects in nine jurisdictions. Eleven projects will develop 174 additional units of affordable housing for individuals suffering from mental illness, substance abuse disorders, and/or a developmental disability. Further, two projects will fund capital improvements to expand current community capacity, particularly for detoxification services, substance abuse treatment, and crisis stabilization services. These services are critical to prevent further deterioration of health and avoidance of more costly levels of care.

Federally Qualified Health Centers Facilities Grant Program

The FY 2018 request for the Federally Qualified Health Centers (FQHC) Grant Program includes three projects in three jurisdictions. An FQHC serves patients regardless of ability to pay; therefore, the FQHC must rely on grants, donations, and governmental assistance in addition to revenue income from insurers to cover operational costs. However, these sources of revenue do not cover capital costs, leaving the FQHC short of capital funds to expand capacity to serve additional patients. The State's capital grant program provides a source of capital funding that is matched with funds from the FQHC. For FY 2018 the three projects will expand capacity for OB/GYN services, behavioral health services, dental, and general somatic health services.

**Federally Qualified Health Centers Grant Program
Status for Existing Projects**

Fiscal 2017 Project Status			
Subdivision	Project	Status	Balance
Baltimore City	Total Health Care, Inc.	Encumbered: \$00.00 Allowance: \$1,300,000 Funding to be used for the construction/renovation of approximately 6,000 square feet of the first floor of a 25,570 GSF/17,047 NSF building at 730 Ashburton Street in West Baltimore. Anticipated BPW approval to encumber funds summer 2017	\$1,300,000
Montgomery	Community Clinic	Encumbered: \$163,443.00 Allowance: \$402,000 Renovations are completed, balance is to be used for equipping the clinic. Anticipated BPW approval to encumber funds August-September 2018.	\$238,557
Prince George's	Greater Baden	Encumbered: \$00.00 Allowance: \$818,403 GB is seeking a new location which will allow for the anticipated growth and increase in persons seeking services. Current location does not allow for expansion without services being offered in different locations within the complex. Greater Baden is in the process of negotiating the acquisition of a turnkey newly built facility. Anticipated BPW approval to encumber funds Fall-Winter 2017.	\$818,403

Fiscal 2016 Project Status			
Subdivision	Project	Status	Balance
Baltimore City	Total Health Care, Inc.	Encumbered: \$00.00 Allowance: \$126,000 These funds will be encumbered for the renovation and design of 730 Ashburton Street, Baltimore City. Anticipated BPW approval to encumber funds in Summer of 2017.	\$126,000
Montgomery County	Mary's Center for Maternal and Child Care	Encumbered: \$00.00 Allowance: \$1,013,000 Mary's Center is in the process of acquiring a 22,342 square foot, three story medical building located at 344 University Boulevard West, Silver Spring, MD 20901. Anticipated BPW approval to encumber funds in Spring 2017. Once acquisition is completed a portion of the building is to be renovated, construction bids will be requested early spring 2017. Anticipated BPW approval to encumber funds in Fall of 2017.	\$1,013,000

Washington Co.	Walnut Street Community Health Center	Encumbered: \$179,498.00 The renovation project is completed. Walnut Street is currently seeking additional equipment. It is anticipated BPW approval to encumber funds July/August 2017.	Allowance: \$252,000	\$72,502
Wicomico County	Three Lower Counties Community Services	Encumbered: \$00.00 This funding will be added to the requested FY 2018 funds to acquire a newly built 21,200 gross square foot/15,000 net square foot facility. Anticipated BPW approval to encumber funds in Summer of 2018.	Allowance: \$135,000	\$135,000

Fiscal 2015 Project Status				
Subdivision	Project	Status	Balance	
Baltimore City	atal Health Care, Inc	Encumbered: \$00.00 THC was unable to acquire site control for the historic Hebrew Orphan Asylum. THC has received approval to utilize these funds to renovate two clinics in Baltimore City. The renovation bid request is currently out for bid. Anticipated BPW approval to encumber funds June-July 2017	Allowance: \$1,500,000	\$1,500,000
Baltimore City	Health Care for the Homeless	Encumbered: \$00.00 HCH plans on acquiring and renovating a building in West Baltimore. This clinic will provide primary and specialty medical care to people experiencing homelessness in West Baltimore. HCH is currently undertaking outreach in the community and is conducting a study to assess the best place for programmatic expansion. Anticipated BPW approval to encumber funds in Spring of 2018.	Allowance: \$875,000	\$875,000
Prince George's	Greater Baden	Encumbered: \$00.00 GB is seeking a new location which will allow for the anticipated growth and increase in persons seeking services. Current location does not allow for expansion without services being offered in different locations within the complex. Greater Baden is in the process of negotiating the acquisition of a turnkey newly built facility. Anticipated BPW approval to encumber funds Fall-Winter 2017.	Allowance: \$436,000	\$436,000

Fiscal 2014 Project Status			
Subdivision	Project	Status	Balance
		All Projects Completed	\$0

Fiscal 2013 Project Status			
Subdivision	Project	Status	Balance
Baltimore City	Family Health Centers of Baltimore	Encumbered: \$00.00 FHCB is actively raising matching funds in order to complete the build out on the first and second floor during Phase II.	Allowance: \$1,100,000 \$1,100,000
Fiscal 2012 Project Status			
Subdivision	Project	Status	Balance
Baltimore City	Family Health Centers of Baltimore	Encumbered: \$1,184,250 There is \$415,750 remaining after completion of Phase I of the build out for the first and second floor. These remaining funds will be utilized in Phase II to complete the build out for these spaces. FHCB is actively raising matching funds in order to complete the build out on the first and second floor during Phase II.	Allowance: \$1,600,000 \$415,750