



Maryland
Hospital Association

HB 151- Creation of a State Debt - Maryland Consolidated Capital Loan of 2017

Position: Support

Process

This year, 12 hospitals submitted applications for 13 projects by the June 17 deadline, requesting a total of \$18.8 million. In August, the MHA Bond Review Committee submitted a letter to the governor requesting funding for \$9.5 million for 11 projects. Each project was scored on criteria to meet the goals of Maryland's All-Payer Model, which includes constraining costs, improving patient experience, and improving the health of whole communities. A \$1 million limit was applied to each project and then adjusted based on the committee's scoring. The committee also agreed to recommend funding based on the annual \$5 million allocation. These amounts are listed next to each project below. Providing capital dollars for these projects will help enhance health care services throughout the state.

In July, each applicant presented their proposal to the MHA Bond Review Committee, Department of Budget & Management staff, an independent consultant and MHA staff. The MHA Bond Review Committee evaluates applications using a formal process that aligns with the bond evaluation criteria, weighting and scoring system. The committee takes pride in advancing the state's and legislature's goal of a fair and rigorous review process.

Rationale for Total Dollars Recommended

MHA and its member hospitals have been dedicated stewards of the Private Hospital Facilities Grant Program since its inception in 1993. The evolving and uncertain landscape of hospital financing, along with multiple risk factors in the provision of care under fixed annual budgets, have led hospitals to lean conservative when considering new capital projects.

The committee diligently reviewed the proposed projects and believes that 11 are worthy of funding, particularly as hospitals' access to capital dollars dwindles. The projects that were reviewed by the Hospital Bond Project Review Committee all enhance population health management, with a focus on primary and preventive care, as necessitated by the All-Payer Model.

Recommendations

The 11 projects recommended for funding are in the following jurisdictions: Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Cecil County, Garrett County, Montgomery County, and Worcester County. These projects improve access to quality behavioral health and substance misuse services, provide opportunities for safer and more efficient surgery, and provide access to integrated cancer care and innovative neo-natal care. Below are the committee's specific recommendations:

Union Hospital of Cecil County

Recommended Allocation:

\$786,000

The creation of a Behavioral Health Crisis Assessment and Stabilization Center is designed to serve as a peer-driven, recovery/resilience based crisis alternative that uses an integrated approach to address a person's behavioral health crisis and physical health challenges. The Behavioral Crisis Center will operate 24 hours a day, seven days a week to serve adults seeking voluntary non-medical detoxification support, with expected stays of one to 10 days and an expected average length of stay of seven days. The center will be licensed as a Crisis Residential Service and support not only individuals with an immediate mental health crisis, but also their primary physical health care needs, which may include substance use challenges. The center, approximately 15,000 square feet, will contain 16 licensed crisis residential beds.

Atlantic General Hospital

Recommended Allocation:

\$681,000

The Regional Cancer Care Center is being constructed on Atlantic General's campus to provide much-needed comprehensive diagnostic, treatment, and support services for cancer patients and their families, and education and prevention for the community. The new 17,940-square-foot facility will accommodate the expansion needs of Atlantic General's existing cancer care services and will house the relocation of radiation oncology services in a community partnership with 21st Century Oncology.

Carroll Hospital Center

Recommended Allocation:

\$524,000

Carroll Hospital plans to renovate and reconfigure space to provide Family-Centered Neonatal Couplet Care, a Swedish model under which parents can stay with their newborn 24 hours per day, from admission to discharge, regardless of the baby's health status. This model encourages parents to be the infant's primary caregivers while nurses and physicians assume the role of coaches. Under this effort, 30,327 square feet of space in the main hospital will be renovated to expand and reconfigure the current obstetrical rooms. Following the renovations, there will be 20 rooms equipped to provide Couplet Care, making Carroll the first hospital in Maryland to offer this model of care.

University of Maryland Midtown Campus

Recommended Allocation:

\$577,000

The requested funding will assist in the relocation and renovation of the existing inpatient psychiatric unit at the Midtown Campus. The unit will double from approximately 12,500 square feet to approximately 25,000 square feet and address patient safety issues through modern construction and design, such as eliminating the current drop ceilings that pose a suicide

precaution risk. A key component of the new design will be the transition to private rooms with individual bathrooms. In addition, this unit will have significantly more recreational space for patients.

University of Maryland Baltimore Washington Medical Center

Recommended Allocation: **\$577,000**

This project will expand the current 14 bed general adult inpatient psychiatric unit by 10 beds through the renovation of the second floor of the hospital's east tower. An estimated additional 664 general adult psychiatric patients will be served per year based on the 5.22 day current average length of stay. This renovation will allow all of the hospital's psychiatric services to be in an adjoining space, thereby reducing elopement risks, increasing patient and visitor safety, and maximizing efficiency.

MedStar Montgomery Medical Center

Recommended Allocation: **\$95,000**

This funding will be used for renovation and capital improvements in MedStar Montgomery Medical Center's Addiction and Mental Health Center on the hospital's sixth floor. The nurses' station will be renovated and upgrades will be made to the inpatient adolescent group room and common area, increasing the amount of usable space and providing for an open environment. Renovation of the older adult inpatient suite will improve privacy by creating personal changing areas in place of a shared alcove. Specialized flooring and lighting will be installed to help elderly patients prevent falls and ensure safety. These upgrades strike a balance between the safest possible healing environment and a non-institutional appearance.

Garrett Regional Medical Center

Recommended Allocation: **\$472,000**

Garrett Regional Medical Center's project will redesign 5,215 square feet of contiguous space primarily to renovate operating rooms and centrally locate the decontamination and central sterile areas to more efficiently use the existing space. This expansion of the operating room suites will provide the 400-square-foot minimum requirement for a class "C" operating room, facilitating safety for more complex procedures. This modernization will allow for flexibility and will maximize the efficiency and effectiveness of the operating rooms and staff.

Anne Arundel Medical Center (Pathways Renovation)

Recommended Allocation: **\$118,000**

This project will renovate and upgrade the Pathways facility, a nonprofit alcohol and substance abuse and co-occurring treatment program that is a subsidiary of Anne Arundel Health System, Inc. The expansion of the dining area with an enclosed structure will connect the area to the outdoors, allowing views of the exterior, relieving congestion and encouraging patient social

interactions during meal times. This will also make the space more amenable to outpatient group meetings and training for the community. To promote patient privacy and security, privacy walls will be added between Pathways and the adjoining property and at the loading dock. In addition, a gazebo installed in the patio area will allow patients and staff to sit during inclement weather. As treatment programs expand to meet diverse patient needs, reconfiguration of the existing spaces can accommodate admissions and unique evidence-based treatment services.

Anne Arundel Medical Center (Clatanoff Pavilion Renovation)

Recommended Allocation: **\$472,000**

Anne Arundel Medical Center's Rebecca Clatanoff Pavilion for Women's and Children's Services renovations will enhance patient safety and facility security in the women's surgical and mother/baby patient rooms. Through this project, the finishes in all patient suites and patient and visitor accessible areas will be upgraded. Behavioral safety adjustments will be made, including reconfiguring medial gases and clinical devices within the patient suites to protect patients from harm. Upgrades will also be made to the security, telecommunication and nurse call systems to promote the safety of the most vulnerable patients. These changes will better use existing space, provide for a more comprehensive workflow and accommodate greater volumes of women's surgical and post-labor and delivery patients.

Suburban Hospital

Recommended Allocation: **\$283,000**

The purpose of the addition to the Behavioral Health Crisis Area is to establish a 3,670-square-foot facility within Suburban Hospital's emergency department to help accommodate the growing behavioral health needs of the community. The Crisis Pod was designed to ensure the safety of suicidal, homicidal, psychotic and dangerous patients throughout the process of assessment and final disposition to an inpatient psychiatric facility. The current Crisis Pod is a fully secured area with two beds, a common area that can accommodate an additional two patients and a small open area which serves as office space for staff. Through this renovation, six rooms will be added, along with bathrooms and shower facilities, storage for patient belongings, an interview room, a team station, a patient common area and a private office space for the crisis intervention assessment staff. This proposed expansion will relieve crowded conditions while also providing greater confidentiality and comfort for those who are experiencing acute psychiatric illnesses.

University of Maryland St. Joseph Medical Center

Recommended Allocation: **\$420,000**

In response to a growing need for minimally invasive cardiac surgical procedures in an aging population, the University of Maryland St Joseph Medical center plans to construct a 1,766-square-foot hybrid operating room. This surgical theatre will be equipped with an advanced

medical imaging system to allow for minimally invasive and open complex surgeries using real time high quality imaging guidance. The hybrid operating room meets the requirements of a standard operating room in terms of sterility, anesthesia capability and equipment, so if necessary, the surgical team can rapidly transition the patient to open heart surgery in the face of serious complications. This project is considered a standard of care for medical centers with cardiac surgery programs.

Recommendations for Amendments

The 2017 capital bond bill includes an amendment to a 2015 session grant awarded to Doctors Community Hospital for the establishment of a community health center. The amendment changes the location and extends the termination date. The scope of the project remains unchanged. Additionally, MHA supports the Department of Legislative Services' request for an amendment to de-authorize a 2015 general obligation bond for \$248,000 for Washington Adventist Hospital. The grant was awarded to assist with the renovation of the Center for Advanced Wound Care and Hyperbaric Medicine. After receiving the 2015 grant, Washington Adventist Hospital received a Certificate of Need to relocate the hospital. The intent was for the center to remain at the original location, however, after more consideration, it was determined that it was more feasible to move the center to the hospital's new location.

Report on Prior Year Hospital Associated Projects

As requested in the 2016 Joint Chairmen's Report, MHA compiled information on projects funded through the Private Hospital Grant Program from fiscal 2007 to 2016. MHA staff worked closely with the Comptroller's office and Department of General Services to obtain the amounts encumbered, unencumbered and expended for each project. Ten projects were found to have unexpended balances. All but one of these projects, the 2015 session grant for Washington Adventists Hospital, had reverted the funds or had de-authorizations in previous sessions.

MHA supports the recommendations included in the Department of Legislative Services' analysis.

We urge a favorable committee report on HB 151- Capital Budget.



Summary of 2017 Funding Recommendations

Facility	Project	Total Project Cost	Total Requested Funds	Step 1: \$1 M Cap	Step 2: Adjust Using Relative Score	Step 3: Request	\$ 5,000,000
Union Hospital of Cecil County	Behavioral Health Crisis Assessment and Stabilization Center (BCASC)	\$ 4,500,000	\$ 2,250,000	\$ 1,000,000	1.5	\$ 1,500,000	\$ 785,752
Atlantic General Hospital	Regional Cancer Care Center	\$ 9,511,709	\$ 4,660,737	\$ 1,000,000	1.3	\$ 1,300,000	\$ 680,985
Carroll Hospital Center	Family-Centered Neonatal Couplet Care	\$ 13,500,000	\$ 1,000,000	\$ 1,000,000	1.0	\$ 1,000,000	\$ 523,834
University of Maryland Midtown Campus	Inpatient Psychiatry Unit Replacement	\$ 9,000,000	\$ 1,500,000	\$ 1,000,000	1.1	\$ 1,100,000	\$ 576,218
University of Maryland Baltimore Washington Medical Center	Behavioral Health Crisis Assessment and Stabilization Center (BCASC)	\$ 3,498,344	\$ 1,749,172	\$ 1,000,000	1.1	\$ 1,100,000	\$ 576,218
MedStar Montgomery Medical Center	Addiction and Mental Health Center Renovations	\$ 404,000	\$ 200,000	\$ 200,000	0.9	\$ 180,000	\$ 94,290
Garrett Regional Medical Center	Operating Room Modernization	\$ 3,396,137	\$ 1,500,000	\$ 1,000,000	0.9	\$ 900,000	\$ 471,451
Anne Arundel Medical Center (Pathways Renovation)	Pathways Renovation	\$ 790,000	\$ 250,000	\$ 250,000	0.9	\$ 225,000	\$ 117,863
Anne Arundel Medical Center (Clatanoff Pavilion Renovation)	Rebecca Clatanoff Pavilion Renovation	\$ 2,525,000	\$ 1,000,000	\$ 1,000,000	0.9	\$ 900,000	\$ 471,451
Suburban Hospital	Behavioral Health and Crisis Area Expansion	\$ 1,242,456	\$ 600,000	\$ 600,000	0.9	\$ 540,000	\$ 282,871
University of Maryland St. Joseph Medical Center	Hybrid Operating Room	\$ 4,275,920	\$ 1,000,000	\$ 1,000,000	0.8	\$ 800,000	\$ 419,068
Total		<u>\$ 52,643,566</u>	<u>\$ 15,709,909</u>	<u>\$ 9,050,000</u>		<u>\$ 9,545,000</u>	<u>\$ 5,000,000</u>

(1)

Note (1): No relative adjustment for Carroll Hospital since the recommendation is equal to the initial cap.