

UMMS Response

Capital Budget Summary

I. Opening Comments

UMMS is proud of and committed to its unique mission as Maryland's academically centered healthcare system. The capital support we receive is particularly valuable in carrying out our responsibilities to train the next generation of Maryland healthcare professionals, serve as a site for conducting vital translational research and, importantly, provide state of the art specialized care.

The now longstanding tradition of having the State as a partner has impact which spreads in a series of key directions. Creating contemporary facilities with accompanying technology is essential to attracting topnotch human talent as students, faculty and administrators. Pointing to the State as a partner carries considerable impact on donors and those who rate and purchase our debt. In turn, we believe that UMMS has proven to be a reliable partner in producing finished projects as promised.

II. Response to Recommended Actions

A. Capital Region Medical Center

State support received to date is appreciated. As reported, construction of the new Regional Medical Center is under way. The three party commitment is being met. UMMS has borrowed its share. Fifty percent of the Prince George's County commitment has been received. The remainder is expected this calendar year. Approximately fifty percent of the State commitment has been appropriated. UMMS will defer to the wisdom of the General Assembly with regard to the scheduled payout of the remainder.

B. Phase V – Neonatal Intensive Care unit and UM Midtown Outpatient Center Building

UMMS concurs with the staff recommendation.

C. R Adams Cowley Shock Trauma Center II

UMMS concurs with the staff recommendation.

D. Eight prior authorization to former Dimensions Healthcare System

These authorizations to Dimension Healthcare System preceded the MOU to which the State, Prince George's County and UMMS agreed to provide \$208 million each toward creation of the new Regional Medical Center complex. The apparent intent was to attempt to keep the undercapitalized Cheverly and Laurel facilities in some level of reasonable condition.

UMMS appreciates and concurs with the staff recommendations to rationalize these eight prior appropriations. Directing them to UMMS, in place of the former Dimensions Healthcare System, is in keeping with the current revamped ownership structure. It is estimated that approximately \$14 million remains available. We concur with the recommendation to delete the amendment to authorize the use of remaining funds for the new Regional Medical Center.

Finally, there is the question of the intended use of the remaining approximately \$14 million. The world of acute healthcare is undergoing rapid change. The best solution to providing care for the greater Laurel-Beltsville community is by way of creating a freestanding medical facility to be known as Laurel Heath Center. The aim is to create an adjacent health and wellness campus. This would be in lieu of the now obsolete Laurel Regional Hospital. The estimated cost of the freestanding medical facility is approximately \$50 million. We propose to use the remaining \$14 million to support the freestanding medical facility development. There is no plan or intent to use any portion of the State \$208 million for implementation of this project.