

**The Maryland Department Of Health's
Response to the DLS FY 2019 Capital Budget Analysis
March 6, 2018 (Senate) and March 9, 2018 (House)
Written Testimony**

The Maryland Department of Health wishes to thank the Chairman and Committee members for their continued support of the Facilities Capital Grant Programs and Capital Construction Programs. The FY 2019 request for the Community Health Facilities Grant Program is \$5,529,000 to fund nine projects, and \$2,500,000 to fund three projects for the Federally Qualified Health Centers Grant Program. The FY 2019 request for the Capital Construction Program is \$375,000 to initiate the planning and design phase for the renovation of the Clifton T. Perkins Hospital Center.

Community Health Facilities Grant Program

The Community Health Facilities Grant Program provides matching capital grant funds to expand affordable housing and community-based service capacity for individuals with mental illness, substance abuse disorders and/or developmental disabilities. The objective of this grant program is to provide the aforementioned individuals with services in the least restrictive environment and reduce reliance on hospital and institutional levels of care. The highest priority for the Behavioral Health Administration and the Developmental Disabilities Administration within MDH continues to be an emphasis on the expansion of affordable supportive housing for these individuals. The FY 2019 request includes six projects that will develop 68 additional units of affordable housing for individuals with psychiatric disorders and developmental disabilities. Moreover, three projects will fund capital improvements to expand current community capacity, particularly for detoxification services, substance abuse residential treatment, and crisis stabilization services. These services are critical to prevent further deterioration of an individual's health and avoidance of more costly intensive levels of care.

Federally Qualified Health Centers Facilities Grant Program

The FY 2019 request for Federally Qualified Health Centers Grant Program includes three projects in three jurisdictions. A Federally Qualified Health Center (FQHC) is a comprehensive health care provider that offers primary, preventive, specialty, and dental health care services in medically underserved areas to all individuals, regardless of their insurance status or ability to pay. Accordingly, FQHCs must rely on grants, donations, and governmental assistance in addition to revenue income from insurers to cover operational costs. However, many of the funding sources available to FQHCs 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. In FY 2019, the three projects recommended for funding will expand capacity for OB/GYN services, behavioral health services, dental, and general somatic health services. With the expanded capacity, over 10,000 additional patients will receive medical and dental services annually.

Capital Construction Program

The FY 2019 request for the Capital Construction Program includes funding to initiate the planning design phase to renovate the North Wing of Clifton T. Perkins Hospital Center for maximum-security level occupancy and construct a new Food Service Center within the maximum-security area of the facility. The project also includes construction of a new secured Vehicular Sallyport, new Intake Vestibule, new Maximum Security Corridor connecting the North Wing (renovated for maximum-security occupancy) to the Silver Wing (existing maximum-security occupancy wing), and will create a new Admissions Intake Suite utilizing space vacated within the North Wing by construction of the new Food Service Center. The four minimum security level North Wing residential units will be renovated and reconfigured for increased patient and staff safety. The renovation will expand the monitoring and control capacity of the Central Control Room, install new staff communication and personal alarm response systems and replace outdated and incompatible security systems. The new maximum security corridor will separate the circulation of patients entering the facility from existing patients, and will also isolate maximum security level patient circulation from visitors and administrative staff. The project will eliminate conditions on the North Wing that compromise patient treatment and the safety and security of patients and staff. Upon completion of the renovation, the total number of beds in the North Wing will be reduced from 80 to 68 to comply with new patient standards. These standards are outlined in The Guidelines for the Design and Construction of Hospitals and Outpatient Facilities (The Facilities Guidelines Institute - 2014 Edition) which is incorporated by reference in COMAR 10.07.01.02 under the authority of § 19-308(a)(3) of the Health General Article of the Annotated Code of Maryland.

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To ensure that the full Facilities Master Plan is submitted on time, the Department of Legislative Services (DLS) recommends the adoption of committee narrative requesting the development and submission of a full Facilities Master Plan. (pg. 2, 12)

The Department concurs.

The agency should advise the committees on what strategies are being employed or can be employed to assist FQHCs in raising funds for capital projects. (pg. 9)

Many of the funding sources available to FQHCs do not cover capital costs, leaving the FQHC short of capital funds to expand capacity to serve additional patients. The limited number of capital funding sources available to FQHCs has resulted in many providers having difficulty raising the matching funds required to move projects forward. MDH is taking a multi-pronged approach to address this issue. MDH is working to inform providers of additional grant and loan funding sources that may be utilized as matching funds. Additionally, MDH is also exploring the possibility of modifying the Annotated Code of Maryland and the Code of Maryland Regulations to increase the State's share in projects funded under the Federally Qualified Health Centers Grant Program.

The department should comment on how it plans to replace the 12 beds that will be lost due to the renovation [at the Clifton T. Perkins Hospital Center]. (pg. 11)

The renovation of the Clifton T. Perkins Hospital Center is anticipated to be completed and operational in FY 2023, at which time the total number of beds in the North Wing will be reduced by 12 in order to comply with new patient standards. This loss of 12 minimum security level beds will be offset by an increase in bed capacity across other MDH psychiatric facilities over the next five fiscal years. The Facilities Master Plan will provide guidance and recommendations with regard to how many beds should be added to the MDH system of psychiatric facilities and their location.

DLS Recommends: (pg. 3, 14)

- *Approval of \$5,529,000 in general obligation bonds for the Community Health Facilities Grant Program.*
- *Approval of \$2,500,000 in general obligation bonds for the Federally Qualified Health Centers Grant Program.*
- *Approval of \$375,000 in general obligation bonds for the Clifton T. Perkins Hospital Center North Wing Renovation.*
- *Approval of the de-authorization of \$400,000 in general obligation bonds for the Spring Grove Hospital Center Consolidation.*

The Department concurs.