



SB 186- Creation of a State Debt - Maryland Consolidated Capital Loan of 2018

Position: Support with amendments

Process

This year, seven hospitals submitted applications by the June 17 deadline, requesting a total of \$6.1 million. In August, the Bond Review Committee submitted a letter to the governor requesting \$5.5 million to fund six projects selected by the committee. Each project was scored on criteria that meets the goals of Maryland's All-Payer Model and the Triple Aim, which includes reducing the cost of care, improving patient experience, and improving the health of whole communities.

In July, each applicant presented a proposal to the Bond Review Committee, Department of Budget & Management staff, an independent consultant, and MHA staff. The 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, has led hospitals to be conservative when considering new capital projects. The committee diligently reviewed the proposed projects and believes that six are worthy of funding, particularly as hospitals' access to capital dollars dwindles.

Recommendations

The six projects recommended for funding are in the following jurisdictions: Baltimore City, Calvert County, Howard County, Montgomery County and Worcester County. These projects improve access to quality behavioral health services for adult and pediatric populations, promote safer and more efficient surgical procedures, encourage integrated care and chronic disease management in the community, and promote patient-family centered care.

MedStar Good Samaritan

Recommended Allocation:

\$1,000,000

MedStar Good Samaritan's development of an integrated outpatient Center for Chronic Disease Management will significantly increase the quality of care for the community, especially for Baltimore city residents, for whom chronic diseases are the leading cause of death. Renovations will be made to the second floor of the hospital to co-locate the providers and services required to address the health care needs of patients with chronic diseases. The center will improve patient

care by providing the physical space needed for an interdisciplinary team to coordinate care for patients who have one or more chronic diseases, as well as the integration of behavioral health care if needed.

Mt. Washington Pediatric Hospital

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

The two-level expansion of the Rosenberg Outpatient Building on Mt. Washington's campus will expand the delivery of medical, behavioral and rehabilitation services for pediatric patients. This clinic is one of just a few in the state offering primary care and access to 32 specialty services for medically complex pediatric patients enrolled in Medicaid, underinsured, and uninsured. With an emphasis on expanding psychological services, the renovation will allow for 10 additional therapy treatment rooms, six exam rooms, conference/education spaces, and expanded clinical and family spaces. By doubling the available space, both services and outpatient volume are expected to increase, which will help meet the demand for outpatient pediatric specialty services and help alleviate appointment wait times.

Calvert Memorial Hospital

Recommended Allocation: **\$1,727,000**

The conversion of Calvert Memorial Hospital's behavioral health unit, which currently provides care to adult and adolescent inpatients in a combined living and activity space, into two separate wings, will ensure patients are cared for in age-appropriate therapeutic environments. Once completed, the renovated area will offer a 12-bed adult wing and five-bed adolescent wing with separate group rooms, activity areas, consultation rooms and dining/social activity rooms. An expanded workspace, along with a full-time mental health physician, will allow the hospital to serve more patients and, in response to the urgent need for substance abuse services, offer new partial hospitalization programs for expanded follow-up care.

Holy Cross Health Network

Recommended Allocation: **\$500,000**

With the support of community partners, Holy Cross Health will construct a fully integrated senior health center in a newly constructed, subsidized senior residence in downtown Silver Spring. This center will provide comprehensive primary care services, chronic disease management, and an array of senior wellness programs. By utilizing a holistic approach to improving the health of the community, Holy Cross expects this center to help older adults flourish by ensuring the right care is provided in a lower cost and more convenient setting.

Atlantic General Hospital

Recommended Allocation: **\$1,303,000**

Renovation of Atlantic General's second floor inpatient care areas will complement the hospital's existing initiatives to promote a more patient-family centered approach to care. The redesign will increase the number of patient and family communal areas, provide improved medication and equipment storage space, increase space for staff to work near patient rooms, reduce the risk of falls through improved monitoring, and organize equipment to create a more efficient and therapeutic environment. The addition of a centralized work station will provide improved lines-of-sight and reduce noise, resulting in improved sleep and comfort for patients.

**Howard County General
Recommended Allocation:**

\$220,000

The renovation of Howard County General's cardiac catheterization laboratory will create a more efficient and safe patient environment to improve the treatment of cardiac patients presenting at Howard County General Hospital. Through this project, a new procedure room will be constructed, allowing the hospital to comply with current standards. Reconfiguration of the space will promote infection control and workflow efficiency through the creation of restricted-access sterile areas. These improvements will allow the hospital to continue performing emergency cardiac procedures in addition to interventional radiology and pain management procedures.

Report on Prior Year Hospital Associated Projects

MHA contacted 28 hospitals regarding 39 projects identified by the Department of General Services (DGS) and the comptroller's office as having unencumbered balances. None of the hospitals that were contacted requested to deauthorize their funding, or revert remaining balances. Through this process, MHA identified an issue with reimbursement. Two grantees had submitted the appropriate documents to the comptroller's office, but the documents were never processed. *As a proactive measure, MHA produced a simple document outlining the agency and documents needed for each step of the grant process.* This document will be distributed to members who are recommended to receive funding by the Bond Review Committee.

Department of Legislative Services' Recommendations

MHA respectfully disagrees with the request of the Department of Legislative Services' (DLS) recommendation to produce another report recommending how to improve oversight of the program. MHA has complied with DLS' past request to submit an annual status report and will continue to honor this request. MHA requests further consideration of this recommendation for an additional report for several reasons. First, as a member association, MHA does not have authority over its membership to provide oversight as requested by DLS. As a facilitator of the PHGP, MHA does not have any fiduciary responsibility over the capital projects managed by its members, unlike other miscellaneous programs as referenced in the analysis. Second, in order to produce the status report, MHA relies on data provided by the Department of General Services (DGS) and the comptroller's office. MHA does not have access to real time data without requesting this information from the appropriate state agency. Once the capital budget is passed

by the state legislature, grantees coordinate directly with the designated state agencies. MHA helps facilitate communication when warranted, but does not have the authority or resources to instruct grantees on specific next steps or the documentation required for an individual project.

In regard to Adventist Behavioral Health's 2015 grant, although DGS had provided the data noting the grant's two-year certification date, MHA did not have access to the appropriate documents to question with certainty as to whether a member hospital had submitted the appropriate documentation by the established deadlines. MHA recommends reconsideration of this request and suggests DLS coordinate with the designated state agencies and MHA to review the processes and determine opportunities for improvement of the PHGP.

MHA agrees with DLS' amendment requesting the prior authorization for Fort Washington Medical Center and McCready Health. MHA also agrees with DLS' recommendation to amend the prior authorization for Adventist Behavioral Health to extend the matching fund certification deadline.

We urge a favorable committee report on SB 186 with consideration of the proposed amendments.