

**The Maryland Department Of Health's
Response to the DLS FY 2020 Capital Budget Analysis
March 11, 2019 (House) and March 15, 2019 (Senate)
Written Testimony**

The Maryland Department of Health wishes to thank the Chairman and Committee members for their continued support of the Department's Capital Grant Programs and Capital Construction Program.

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 health disorders, substance use disorders, and/or developmental disabilities. Grant funding under this program may be utilized for acquisition, design, construction, and renovation costs, as well as the purchasing of capital equipment.

The FY 2020 request includes three projects that will develop 118 new units of affordable housing for individuals with mental health disorders and/or co-occurring substance use disorders. One project will develop 32 new housing units for persons with developmental disabilities. Two projects will fund capital improvements to expand current community capacity, particularly for detoxification services, residential substance use 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. There is also a one-time set aside of \$1 million dedicated to funding certified recovery residences.

Federally Qualified Health Centers Facilities Grant Program

The FY 2020 request for the Federally Qualified Health Centers Grant Program includes four projects in four jurisdictions. In FY 2020, the four projects recommended for funding will expand capacity for primary and preventative, pediatric, gynecological, dental, behavioral health, and somatic health services around the state. With the expanded capacity, over 10,000 additional patients will receive medical and dental services annually.

Grant funding under this program may be utilized for acquisition, design, construction, and renovation costs, as well as the purchasing of capital equipment. 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.

Capital Construction Program

The FY 2020 request for the Capital Construction Program includes funding to continue the planning design phase to renovate the North Wing of Clifton T. Perkins Hospital Center. The project includes renovation of the North Wing for maximum-security level occupancy, and to 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.

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The department should comment on how it will address the overall decrease in capacity as a result of this project and possible additions of medium-security beds throughout the State-run psychiatric hospital system.

At this point, the Department does not intend to reduce capacity, especially in light of HB111 (Ch. 188 of 2018 Laws). The renovation of the Clifton T. Perkins Hospital Center is anticipated to be completed and operational in FY 2023.

The Facilities Master Plan will provide guidance and recommendations with regard to how many additional beds, including medium-security beds, should be added to the MDH system of psychiatric facilities and their location.

The department should comment on the accelerated timeline for awarding the recovery residence grants and its confidence in selecting grantees who will be able to meet matching fund requirements of the program. (pg. 8)

MDH provided notification to providers of the \$1 million one-time set aside for certified recovery residences under the Community Health Facilities Grant Program at its annual Capital Grant Workshop held on January 30, 2019. MDH has developed a streamlined application and process for qualified providers to apply for this certified recovery residence funding. Information regarding procedures and schedule for submission of applications was posted online on February 28, 2019. The deadline to apply for this certified recovery residence funding is May 8, 2019. Applications will be reviewed and ranked by MDH's Behavioral Health Administration (BHA) based on the current funding priorities that are outlined in the application appendix.

Typically, applications under the Community Health Facilities Grant Program are received in April for funding that will become available fifteen months later, in July of the following year. These applicants typically have the time to raise matching funds and schedule a project to begin a year later. However, the certified recovery residence funding will become available July 1, 2019, and will therefore be available less than two months after an application has been submitted. Accordingly, one of the factors that will be considered for each application is the project schedule and when it will begin. In addition, the applicants will also be evaluated to determine if they have the matching funds available to move forward with the project immediately. MDH intends to select the successful applicants that will receive the recovery residence funding by June 20, 2019.

The department should comment on the progress of the full Facility Master Plan and the ability to meet the October 1, 2019 deadline. (pg. 14)

The Board of Public Works approved the contract for the full Facilities Master Plan on February 6, 2019. The Department of General Services (DGS) executed the Agreement for performance of the Maryland Department of Health Facilities Master Plan and issued the notice to proceed to the consultant on March 5, 2019. The consultant has informed DGS and MDH that they are currently working to update the project schedule. The consultant is expected to begin work on the Facilities Master Plan shortly.

MDH will be working closely with the consultant at each stage throughout the completion of this project to ensure the project moves forward according to schedule. The Agreement for services will end on January 2, 2020. The Department anticipates that it will need an extension for delivery of the full Facility Master Plan due to the delays experienced in completing the procurement requirements for the consulting services and approval of the contract by the Board of Public Works from October 1, 2019 to at least December 1, 2019.

DLS Recommends: (pg. 15)

- ***Approval of \$6,500,000 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 \$2,297,000 in general obligation bonds for the Clifton T. Perkins Hospital Center North Wing Renovation.***

The Department concurs and thanks the Committee for its support.