

**The Maryland Department Of Health's
Response to the DLS FY 2021 Capital Budget Analysis
February 25, 2020 (Senate) and February 26, 2020 (House)
Written Testimony**

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

Budget Questions:

DLS Recommends: (pg. 13)

- **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.**

The Department concurs and thanks the General Assembly for its support.

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 2021 request includes five projects that will develop 149 new units of affordable housing for individuals with mental health disorders and/or substance use disorders. Two projects will develop 47 new affordable housing units for persons with intellectual and/or developmental disabilities. One project will fund the renovation of a facility to expand community development, supported employment, and vocational programs for individuals with intellectual and developmental disabilities. Another project will fund capital improvements to expand current community capacity for mental health treatment as well as intensive outpatient substance use disorder treatment. These services are critical to prevent further deterioration of an individual's health and avoidance of more costly intensive levels of care.

During the 2019 Legislative Session SB 164/HB 155 was enacted and went into effect on October 1, 2019. Under this legislation, all projects under this grant program can be funded up to 75% (instead of 50%) and permits certain projects to be funded up to 90% (instead of 75%) if certain criteria are met. Since the FY 2021 applications were processed before this legislation was enacted and the Department's recommendations for funding were submitted to DBM before

the legislation went into effect, FY 2021 projects will be funded at prior funding levels and all projects for FY 2022 and beyond will be funded at the new funding levels.

Federally Qualified Health Centers Facilities Grant Program

The Federally Qualified Health Centers Grant Program provides matching capital grant funds 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/or 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.

The FY 2021 request includes funding for three projects in two jurisdictions. One project involves the development of a new dental clinic in Baltimore City that will have the capacity to serve over 4,000 patients and complete over 8,000 dental visits annually. One project involves the development of a new facility to expand health care services to the Native American population in the Baltimore area. One project will expand capacity for primary and preventative, pediatric, behavioral health, and somatic health care services in Worcester County.

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State-Owned Facilities Capital Construction Projects

The only existing state-owned project in the Department's Capital Improvement Program is the renovation of the North Wing of the Clifton T. Perkins Hospital Center. This 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 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 also includes the installation of a secondary electrical feed to the facility that will provide full redundant power.

The FY 2021 request does not include additional funding for the design or construction phase of this project due to delays in initiation of the design phase of the project. The Department has sufficient prior authorizations to continue the planning and design phase of this project. The DBM Office of Capital Budgeting has approved the Part I of the Program of Requirements. The Department has been working with DGS for approval of Part II of the Program of Requirements. The Department anticipates approval of the full Program of Requirements in early Spring 2020 and will then work with DGS to initiate the design phase of the project. The Department will request additional design and construction funding in its FY 2022 request.

Facilities Master Plan

The Department coordinated with DGS to contract with various consultants to assist the Department in completion of the Facilities Master Plan. The Department is working closely with these consultants in developing the plan. The Facilities Master Plan will encompass a comprehensive gap analysis of the future needs for the health care services provided or funded by the Department. This will involve developing projections for these health care services over the next 20 years and then comparing these needs to the Department's current capacity in order to identify the "gap" that exists. The Facilities Master Plan will provide recommendations regarding the measures the Department must take in order to eliminate this "gap." These recommendations may include new construction, renovations, conversions, space sharing, space consolidation, reduction of facility footprints, building modifications, leasing space, and/or partnerships with other organizations.

As part of the analysis associated with the Facilities Master Plan, all service delivery lines and facilities, including the Western Maryland Hospital Center, will be evaluated and recommendations will be provided regarding the future of these facilities and programs.

The plan is expected to be completed by April 2020.