



Maryland Department of Health Capital Budget
Fiscal Year 2023 Operating Budget
Response to Department of Legislative Services Analysis

Senate Budget and Taxation Committee
Capital Budget Subcommittee
Senator Craig J. Zucker
March 8, 2022

House Appropriations Committee
Capital Budget Subcommittee
Delegate Ben Barnes
March 9, 2022

The Department thanks the Governor, the Department of Budget and Management, and the Budget Committees for their support in 2020 and in 2021 with COVID-19 response efforts. We thank the Department of Legislative Services for its insightful budget analysis.

The department should comment on the delays that were incurred to cause the A/E contract award significantly later than the initial funding authorizations. (Pg. 4)

MDH Response: Funding for the design of the project was first allocated in FY 2019 (\$375,000) prior to full approval of the Part I and Part II Program of Requirements (POR). At that time, design of the project was projected to begin in March of 2019 with construction scheduled to be completed in FY 2023. Approval of the POR required the completion of a building condition assessment which was contracted on behalf of MDH by the Department of General Services (DGS) in the Fall of 2018. The assessment was completed in the spring of 2019 and Part I of the POR was approved in November of 2019. MDH completed and received approval for POR Part II in summer 2020, while also managing the initial pandemic surge response, and submitted it for approval in July of 2020.

The solicitation for AE design services was initiated and negotiated during the height of the pandemic response in the Spring of 2021 while MDH and DGS were providing the state's COVID-19 response. The Board of Public Works approved the contract September 1, 2021 (DGS-21-AE), and design of the project commenced. Current completion of the project is projected in 2025.

The department should comment on the current plan for the closure of the Spring Grove Hospital Center given the bed needs identified by the FMP, what steps will need to be taken to ensure that there is adequate capacity in the community and/or in private hospitals when the facility is closed, and whether there are any measures to reflect future anticipated inpatient behavioral health needs not currently reflected in the FMP. (Pg. 8)

MDH Response: The Facilities Master Plan (FMP) does not recommend transitioning services from Spring Grove Hospital Center until Phase III (FY 2032 - FY 2041). In accordance with the recommendations outlined in Phase I (2022-2026), MDH will work with DGS, and the Maryland Health Care Commission to perform an assessment of the current Central Maryland Inpatient Behavioral Health Capacity with the goal of identifying potential partners that may be engaged to assist the State in transitioning patient care from Spring Grove Hospital Center. The planned expansion will be developed and ‘right sized’ in response to the findings of the Central Maryland Inpatient Behavioral Health capacity analysis. The long-range planning included in the FMP is based on the operational model of MDH as a health care system that will evolve and meet the demand for health care services through a system of care locations and partnerships with community providers across the State.

In the fiscal 2023 operating analysis for MDH Administration – M00A01, DLS recommended budget bill language for the department to provide an analysis of recruitment, retention, and staffing at MDH facilities. Included in this recommendation is for the department to discuss how the current MDH workforce will be aligned with the new FMP. (Pg. 8)

MDH Response: The guiding principles of the FMP are to realign health care delivery to support evolving care models and trends; improve the patient care environment; and implement efficiencies in service through the utilization of all appropriate health care assets available throughout Maryland - not just those owned and operated by MDH.

The plan is broken out into three phases over the next twenty years.

Phase I (FY 2022-2026) includes:

- Divesting three non-operating facilities: Crownsville Hospital Center in Anne Arundel County, Regional Institute for Children & Adolescents (RICA) Southern Maryland in Prince George’s County, and Upper Shore Community Mental Health Center in Kent County. As these facilities are closed, they do not have not have permanently assigned MDH staff.
- Construction of four 24-hour Regional Crisis Centers in Western Maryland, Central Maryland, Southern Maryland, and the Eastern Shore. MDH plans to contract with regional partners to provide services at these locations.
- Identifying strategic partners to transfer services currently provided at Western Maryland Hospital Center in Hagerstown and Deer’s Head Hospital Center in Salisbury, to health care and community providers. MDH is developing transition plans for any affected staff to ensure that the impact is as minimal as possible. The leadership for the MDH Healthcare System is working to ensure that updates and next steps are communicated with staff and employees have opportunities to ask questions about this long-term planning process.

Additionally, MDH will work with the Maryland Department of General Services to perform an assessment of the current Central Maryland Inpatient Behavioral Health Capacity with the goal of identifying potential partners that may be engaged to assist the State in transitioning patient care from Spring Grove Hospital Center. This step will inform the next steps for implementation of Phase II (FY 2027-2031) which includes the planned expansion of patient services at Springfield Hospital Center and the development of behavioral health care partnerships in Central Maryland.

Phases II (FY 2027-2031) and III (FY 2032-2041) of the Facilities Master Plan are based on a projected reduction in demand for certain current services that are currently provided in MDH facilities, and the need to expand other services to meet other health and wellness goals.

Phase II (medium term impact) recommendations include the construction of a new Facility for Children (Central Maryland) and a new Secure Evaluation Therapeutic Treatment (SETT) Facility (Jessup). Construction of the SETT facility will centrally locate the program within the State. During Phase II of the FMP MDH will also work to plan and construct a replacement building at Springfield Hospital Center that will also increase patient capacity of the hospital.

Phase III (long term impact) recommendations include the renovation of the Holly Center, continued community integration and development of behavioral health and developmental disabilities services, and the transition services currently provided at Potomac Center and Spring Grove Hospital Center.

Patient and staff safety and well being are at the heart of the FMP and since this is a twenty year plan, many items included are under development and may be adjusted as MDH moves forward. In the same way employee transitions are being developed for facilities recommended for transition of services in Phase I, MDH anticipates exploring similar transition models to ensure patients continue to be served regionally and MDH employees are afforded the opportunity to continue employment with State benefits and union representation.

Cumulative cost avoidance of \$321.6 million is projected through implementation of the FMP over the twenty-year term, including and a one-time cost avoidance of \$24.1 million gained through the transition of services from four (4) facilities. These savings will aid the State in meeting the goals of the Total Cost of Care model and well position MDH to expand services supporting the mission to promote the health and wellness of all Marylanders.

No specific dates for any action items in the plan have been selected yet, but the focus is to maintain continuity of communication and to share information as it becomes available. The MDH Facilities Master Plan is a planning document that will continue to evolve over the 20 years it covers.

Given the anticipated shift of care to community providers in the FMP, MDH should comment on reasons for level funding the CHFPG and whether the program will need to expand to meet the State's needs, particularly for Developmental Disabilities Administration (DDA) providers. Further, the department should comment on any other strategic alignment of the existing grant and loan programs with the goals of service delivery as outlined under the FMP. (Pg. 11)

MDH Response: MDH requested level funding for the CHFPG in FY 2023, and is working to assess the need for additional funding through analysis of the annual application process, and recommendations of the FMP. MDH initiated virtual provider webinars during the COVID-19 pandemic, which resulted in increased participation by potential providers due to the ability to participate virtually. Senate Bill 164 (2019) authorized an increased percentage of a State grant from 50% of the cost of eligible work to 75% of the eligible cost of work, and also authorized an increase of State grant amounts from 75% of the eligible cost to 90% of eligible cost for projects designated under federal regulations, State plans, or the departmental regulations for poverty area

funding. The change was effective October 1, 2019 and was included for applications beginning in 2020 for FY 2022 consideration.

MDH updated the FY 2024 grant application and continually works to increase provider interest. Applications for the FY 2024 funding cycle are due April 21st and are expected to provide insight into potential needs.