



Maryland
Hospital Association

Senate Bill 320/House Bill 351- Creation of a State Debt - Maryland Consolidated Capital Bond Loan of 2025

Position: Support

February 18, 2025
Senate Budget & Taxation Committee
Capital Budget Subcommittee

February 17, 2025
House Appropriations Committee
Capital Budget Subcommittee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 320/House Bill 351. This year, \$22.6 million is requested for 22 projects that benefit the health of all Marylanders. The recommended projects support Maryland communities by improving maternal health care, expanding access to primary care, enhancing surgical services, and improving the environment of care for patients seeking behavioral health services, especially for youth.

Prior Authorization Amendment Requests

Atlantic General Hospital's 2020 project is unable to move forward. MHA requests the project funding be deauthorized. Atlantic General Hospital applied for funding for a different project, which is included in the Governor's capital budget. Luminis Health Doctors Community Hospital's 2021 grant needs to have the match certification deadline and grant term extended. Adventist Health Care Shady Grove Medical Center's 2016 project needs to have the grant term extended by one year. The project is complete, but the hospital needs time to submit documentation to the Department of General Services to draw down the matching funds.

Response to DLS Analysis

We appreciate and thank our budget analyst, Victoria Martinez, for her thorough analysis. We respectfully request the Committee not move forward with the DLS recommendations to eliminate \$4.9 million in state funding for the following hospital projects: Atlantic General Hospital, Carroll Hospital Center, Frederick Health Hospital, Howard County General Hospital, MedStar Southern Maryland Hospital Center, Montgomery General Hospital (MedStar Montgomery Medical Center), Northwest Hospital Center, St. Agnes Healthcare, Sheppard Pratt Health System (Day Hospital project), Sinai Hospital of Baltimore, Children's Inn at the National Institute of Health, and The Johns Hopkins Hospital. Although the state contribution for some of these projects is less than the maximum allowed of 50%, these projects were reviewed, scored, and ranked by the Hospital Bond Project Review Committee. The recommended funding levels reflect the Committee's thoughtful deliberation and prioritization. Additionally, when hospitals apply for funding through this program, their request is capped in two ways: by 50% of the total project cost to align with the state's requirement, and MHA limits funding requests to a

maximum of 20% of the program's total budget. For example, one hospital with a very large project applied for 5% of the total project cost to satisfy the program requirements.

As described in the analysis, this year's funding request is higher than previously requested for two reasons. First, to acknowledge Senate Bill 973, which Senate Budget & Taxation Committee Chair Guy Guzzone introduced during the 2024 legislative session. This bill codified MHA's longstanding Hospital Bond Program and increased the recommended annual appropriation to \$20 million. Second, to acknowledge the three hospitals that deauthorized grant funding totaling \$2,091,000 during the 2024 session and one hospital that will deauthorize funding for a prior grant during the 2025 session totaling \$800,000. These grants were awarded between 2019-22 and were impacted by the COVID-19 pandemic. Each hospital submitted a new project proposal during this year's application cycle.

The Hospital Bond Program is a critical source of funding to help hospitals with capital projects to meet the needs of their communities across the state.

Process for Selecting and Recommending Projects

Access to capital funding is critical for hospitals as they care for their communities. Each project was scored on criteria aligned with the goals of Maryland's Total Cost of Care Model, including improving quality and enhancing the health of communities. Both the volume and acuity of behavioral health patients visiting emergency departments continue to increase, especially in the pediatric population. Several hospital projects seek to address issues caused by the lack of pediatric behavioral health beds in the state by renovating space to improve the environment for youth awaiting a higher level of behavioral health care.

The 22 recommended projects will enhance health care in communities across the state in Anne Arundel, Baltimore, Calvert, Carroll, Frederick, Harford, Howard, Montgomery, Prince George's, Washington, Wicomico, and Worcester counties and Baltimore City:

Rationale for Recommendations

The hospital field asks you to maintain the funding levels for the 22 projects included in the FY 2026 capital budget. These funding levels correlate with the amount recommended by the Hospital Bond Review Committee. Access to capital funding is critical for hospitals as they care for their communities.

TidalHealth Peninsula Regional, Inc. (Wicomico County)

Project Name: Family Medicine Residency Clinic

Recommended Allocation: \$2,226,000

This project will construct a 20,000-square-foot Family Medicine Residency Clinic in a medically underserved area located at the intersection of East Road and Morris Street in West Salisbury, Maryland. By providing essential preventive services, screenings, and health education, the clinic can help detect and manage health issues early, reducing long-term health care issues and costs. Furthermore, the clinic will serve as a training ground for family medicine residents, fostering the next generation of health care professionals and promoting health equity in this socio-economically disadvantaged area.

Kennedy Krieger Children’s Hospital Inc. (Baltimore City)

Project Name: Transformation and Expansion of Inpatient Specialty Rehabilitation Unit

Recommended Allocation: \$4,000,000

This project will renovate 14,454 net square feet of Kennedy Krieger Children’s Hospital’s current inpatient specialty rehabilitation unit into a state-of-the-art, patient and caregiver-centered healing environment composed of single occupancy rooms with private accessible bathrooms and enough space for patients and their caregivers to heal, gather, rest, and work remotely throughout the stay. This renovation seeks to reconfigure layouts, update finishes, upgrade critical infrastructure, and integrate smart systems and advanced medical technology to enable seamless monitoring and personalized treatment. This transformative leap will lead to improved patient outcomes, support infection control practices, increase efficiency, and foster a new era of health care excellence.

University of Maryland Upper Chesapeake Medical Center, Inc. (Harford County)

Project Name: Addressing Underserved Health Gaps in Primary Care at Aberdeen

Recommended Allocation: \$973,000

This project will relocate and expand 4,200 square feet of the Aberdeen Primary Care Clinic at the University of Maryland Upper Chesapeake Health. This project will relocate and expand Primary Care services at Aberdeen to accommodate one additional Primary Care physician, two nurse practitioners, a full-time behavioral health consultant, and a social worker. The expansion will relocate the current 4,200 square feet practice, which currently serves 3,500 patients, to an 8,000 square feet practice, serving 8,000 patients. The relocation and expansion will allow improved access to advanced health care services, including specialty and behavioral health care.

Mercy Medical Center, Inc. (Baltimore City)

Project Name: Downtown Primary Care Expansion

Recommended Allocation: \$1,931,000

This project will expand and renovate Mercy’s downtown Baltimore primary care offices to improve access to high-quality, comprehensive health care services for Baltimore City families residing near downtown, including underserved Medicaid beneficiaries. The project will add seven new primary care providers, enabling Mercy to serve an estimated 10,500 new patients. Integrated behavioral health services, community partnerships, and tailored initiatives will address social determinants of health and the unique needs of the diverse patient population.

St Agnes Healthcare, Inc. (Baltimore City)

Project Name: Family Birthing Center

Recommended Allocation: \$1,986,000

This project will renovate the existing Mother/Baby Unit of Saint Agnes Hospital to improve Maternal Child Health outcomes by increasing operational efficiency, health care access, patient experience, and patient satisfaction. The new Saint Agnes Hospital Family Birthing Center will allow physicians, nurses, and other clinical care providers to work in a manner that is more streamlined and efficient. The renovation will include new state-of-the-art labor and delivery rooms, improved security measures, and dedicated space for prenatal testing and patient education.

CalvertHealth Medical Center Inc. (Calvert County)

Project Name: Family Birth Center Renovation

Recommended Allocation: **\$3,972,000**

This project will renovate the labor and delivery area of the CalvertHealth Family Birth Center for the first time since 1999 to modernize the center’s 12 postpartum rooms and 5 labor rooms. The renovation will also create a consultation room for breastfeeding or patient follow-up and a reconfiguration of the nurse station and other work areas to create a more efficient and safe flow of patient care. Upon completion, the Family Birth Center will also offer four labor/delivery/recovery/postpartum (LDRP) rooms, considered a standard of care option for birthing mothers and not currently available at the Center.

Brook Lane Health Services, Inc. (Washington County)

Project Name: Therapeutic Recreational Facility

Recommended Allocation: **\$2,979,000**

This project will construct a 13,000 square foot therapeutic recreational center on the campus of Brook Lane, Western Maryland’s largest, non-profit mental health system. The therapeutic recreational center will allow Brook Lane to implement health care programs addressing the mental health and special needs for Brook Lane pediatric and adolescent patients. These programs will improve the mental and physical health of over 1,700 patients annually.

University of Maryland Baltimore Washington Medical Center, Inc (Anne Arundel County)

Project Name: Forensic Nurse Examiner Program

Recommended Allocation: **\$106,000**

This project will construct a dedicated Forensic Nursing treatment zone in the University of Maryland Baltimore Washington Medical Center’s Emergency Department. The project involves renovating existing space to deliver trauma-informed, patient-centered care. Funding is being requested to support the expansion of the Forensic Nurse Examiner program and address the needs of individuals experiencing violence, assault, or abuse in the community and the region.

Carroll Hospital Center, Inc. (Carroll County)

Project Name: Emergency Department Renovation Project

Recommended Allocation: **\$887,000**

This project will renovate and redesign the existing 20-year-old Emergency Department while adding 3,000 square feet of space. This project will add a new 5-bed psychiatric/behavioral health pod, a large-capacity trauma room and eight additional triage spaces. The redesign will include an improved ambulance offload area which includes a private space for patients and their companions. The new flow model will allow for the appropriate diagnosis and treatment plans and space based on personalized patient needs.

Sheppard Pratt Health System, Inc. (Baltimore County)

Project Name: Inpatient (Sunflower Suite) Renovation Project

Recommended Allocation: **\$185,000**

This project will renovate Sheppard Pratt Health System’s 10,775 square foot inpatient (Sunflower Suite) Adolescent Neuropsychiatric unit. The renovations will involve repairs and

upgrades required to address immediate and ongoing concerns primarily resulting from wear and tear incurred from the patient population and the need to make the environments more therapeutic. The expected outcome of the Sheppard Pratt Inpatient (Sunflower Suite) Renovation Project, an Adolescent Neuropsychiatric Unit in the Towson hospital campus, is to improve the therapeutic environment as well as mitigate health and safety risks for the youth and adolescent residents served by the programs.

Greater Baltimore Medical Center, Inc. (Baltimore County)

Project Name: Radiation Oncology Renovation

Recommended Allocation: **\$1,280,000**

This project will redesign and renovate the existing 12,000 sq. ft. Radiation Oncology Center space to create efficient workflows that will provide better patient experience and improve overall quality of care by reducing and removing limitations of the current layout of the department, all without interruption to patient care. This is the second phase of a two-phase project. In Phase I, currently under way, GBMC is investing in updated radiation oncology software and technology, e.g., a new, more precise linear accelerator that will improve outcomes, quality, and patient satisfaction.

Sheppard Pratt Health System, Inc. (Baltimore County)

Project Name: Inpatient (Valley Suite) Renovation Project

Recommended Allocation: **\$79,000**

This project will renovate Sheppard Pratt Health System's 4,730 square foot Inpatient (Valley Suite), an Adult Neuropsychiatric unit. The renovations will involve repairs and upgrades required to address immediate and ongoing concerns primarily resulting from wear and tear incurred from the patient population and the need to make the environments more therapeutic. The expected outcome of the Sheppard Pratt Inpatient (Valley Suite) Renovation Project, an Adult Neuropsychiatric Unit, is to improve the therapeutic environment as well as mitigate health and safety risks for the adult residents served by the program.

Sinai Hospital of Baltimore, Inc. (Baltimore City)

Project Name: Women's and Children's Services Renovation

Recommended Allocation: **\$393,000**

This project will renovate connected Mother/Baby, Labor/Delivery, and Maternal/Fetal Medicine spaces. Streamline spaces and allow for most efficient maneuverability for patients, providers, and staff. Improve patient experience through more rapid access to care and more comfortable and pleasant treatment and waiting areas.

Howard County General Hospital, Inc. (Howard County)

Project Name: Observation Service Expansion

Recommended Allocation: **\$733,000**

This project will convert, alter and renovate the first floor of the Johns Hopkins Howard County Medical Center ("JHHCMC") Pavilion wing to create an additional observation unit. JHHCMC requires additional observation bed capacity to meet the needs of the community and to address hospital capacity issues. JHHCMC's limited observation bed capacity results in Emergency Department ("ED") overcrowding and long wait times for patients which negatively impacts the

patient experience, leading to lower quality outcomes, potential risks of adverse events, and staff burnout. The increased observation bed capacity will improve the patient environment allowing the more efficient transfer of patients from the ED to the new observation unit.

The Johns Hopkins Hospital (Baltimore City)

Project Name: Pediatric Emergency Department Psychiatric Unit Expansion/Enhancement

Recommended Allocation: \$172,000

This project will renovate the behavioral health/psychiatry unit in the Johns Hopkins Children's Center's (JHCC) pediatric emergency department (ED) to add a 4th psychiatric bed and modify all psychiatric rooms (the 3 existing and 1 new) to support the installation of an interactive "media wall" that would be equipped with a touch screen to offer patients the ability to have personalized lighting, music, videos, and photos shared in the room while being controlled remotely by staff outside of the room. Improve overall pediatric mental health capacity and safety for patients in crisis, improve clinical outcomes by lessening the negative impact that isolation can have upon a patient's ongoing mental health concerns, and reduce the number of incidents of violence against staff by making options available that support de-escalation.

Sheppard Pratt Health System, Inc. (Baltimore County)

Project Name: Day Hospital Renovations Project

Recommended Allocation: \$97,000

This project will renovate Sheppard Pratt Health System's 21,000 square foot Day Hospitals. The renovations will involve repairs and upgrades required to address immediate and ongoing concerns primarily resulting from wear and tear incurred from the patient population and the need to make the environments more therapeutic. The expected outcome of the Sheppard Pratt Day Hospitals Renovation Project is to improve the therapeutic environment as well as mitigate health and safety risks for the patients and staff in these programs.

The Children's Inn at NIH, Inc (Montgomery County)

Project Name: Expanding "A Place Like Home"

Recommended Allocation: \$208,000

This project will construct a community kitchen, dining and lounge area in a new 15,000-square-foot residential wing that will lodge young patients who are immunocompromised and require contact or respiratory isolation precautions. When construction is completed, the project will increase The Inn's capacity by 25%, allowing it to serve up to 3,000 families per year.

MedStar Montgomery Medical Center (Montgomery County)

Project Name: Behavioral Health Renovation

Recommended Allocation: \$100,000

This project will renovate Behavioral Health inpatient facilities at MedStar Montgomery Medical Center's Addiction and Mental Health Center (AMHC). The AMHC is over 40 years old, and its infrastructure and furnishings have become worn and outdated from use. By upgrading these facilities, the hospital will be able to provide a safer, higher level of care and improve access to vital services for those in need, improving public health and ensuring that all individuals have the opportunity to receive quality care.

Northwest Hospital Center, Inc. (Baltimore County)

Project Name: Emergency Department Renovation

Recommended Allocation: \$90,000

This project will continue an overarching Northwest Hospital Emergency Department renovation project by streamlining a departmental “footprint” to create the most efficient throughput of patients and ease of access for providers. Create behavioral health-specific port to enhance patient and provider security. The project will renovate the nurses’ station and triage areas to maximize provider access to patients and patient movement through the unit.

Medstar Southern MD Hospital Center, Inc. (Prince George's County)

Project Name: Renovation and Modernization of Operating Rooms

Recommended Allocation: \$100,000

This project will renovate and expand the dimensions of a urology suite and a single operating room at MedStar Southern Maryland Hospital Center (MSMHC) to accommodate the growing volume of increasingly complex surgeries and deliver new services that are not as readily available from other community sources. These improvements will enhance the surgical environment and facilitate higher-quality direct, hands-on care across several medical departments and disciplines.

Atlantic General Hospital Corporation (Worcester County)

Project Name: Decontamination, Sterile Processing and Sterile Storage Renovation

Recommended Allocation: \$79,000

This project will Renovate and expand the Central Sterile Processing Department and promote best practices, maximize patient safety and favorable outcomes. This project will separate decontamination, instrument assembly, and sterile storage. Facilitate dirty to clean flow of instrumentation and supplies. Prevent passthrough traffic and avoid cross-contamination of aerosolized biohazard material. Accommodate additional sterilization equipment and accelerate throughput of surgical cases.

Frederick Health Hospital Inc. (Frederick County)

Project Name: Operating Suite Renovation

Recommended Allocation: \$100,000

This project will replace Frederick Health’s HVAC, roof, and isolated power in its operating rooms, which is critical to support its mission to provide safe, dependable, and high-quality care to patients. As a result of this project Frederick Health will ensure patient safety and health, comply with regulatory requirements, reduce energy consumption, reduce cost, improve operational efficiency and reliability, support technological advancements, increase staff, patient, and provider confidence, reduce potential liability due to system failures as a result of outdated equipment and ensure Frederick Health is positioned to provide safe, reliable and high-quality care well into the future.

For more information on MHA Hospital Bond Program, please contact:

Jane Krienke, Director, Government Affairs & Policy, Jkrienke@mhaonline.org