



MDH ATTENDEES: Ryan Moran, Acting Secretary, Deputy Secretary, Health Care Financing, and Medicaid Director
Clint Hackett, Deputy Secretary for Operations
Will Andalora, Director, MDH Office of Facilities Management and Development

Maryland Department of Health (MDH) Capital
Fiscal Year 2026 Capital Budget
Response to Department of Legislative Services Analysis

House Appropriations Committee
Capital Budget Subcommittee
Delegate Mark Chang
March 3, 2025

Senate Budget and Taxation Committee
Capital Budget Subcommittee
Senator Craig Zucker
March 4, 2025

The Department thanks the Governor, the Department of Budget and Management (DBM), and the Budget Committees for their support. We thank the Department of Legislative Services for its insightful budget analysis and for the recommendation to concur with the Governor’s Allowance.

MDH should comment on plans to alter or pause FQHC capital projects should current revenue streams be interrupted at the federal level (page 10).

Should current revenue streams be interrupted at the federal level for FQHCs, a pause may be necessary to ensure continuity of operations prior to participating in the eligible project costs. Further, as some providers have federal funding for the required matching funds, projects may also need to be paused if there is an interruption in the provider’s ability to secure the matching funds.

MDH should explain why it did not pursue an expedited procurement [Perkins] earlier in calendar 2024 (page 12).

In the time period following the failure of Perkins' HVAC system, the Department's focus was on ensuring the health and safety of patients and staff at the facility by securing the emergency contract, which could bring the necessary services to the facility. The Department believes that an appropriate amount of time was taken to bring the expedited procurement to the Board of Public Works given the need for due diligence for a project of this scope and cost.

The process to develop the procurement was initiated by MDH with DGS support beginning in January of 2024 and was approved at the Board of Public Works less than 12 months later. A project of this scope would typically require a minimum of 24 months to develop and bring to procurement. This time was needed for the Department to collaborate closely with DGS and DBM to develop critical project components required for the procurement and included work to: retain Architecture and Engineering (AE) design services; assess the building systems; develop the scope of work, cost projections and project schedule; develop and approve the Program of Requirements by DBM; coordinate with the DGS Office of State Procurement and the Office of the Attorney General; and, most importantly, identify and secure funding.

MDH and DGS should comment on existing protocols to ensure critical components of their facilities do not reach emergency status and what gaps exist in these procedures. In addition, both agencies should comment on why this project was not a part of the DGS Facility Renewal List, given that the issue appears to have been known for some time (page 13).

The Maryland Department of Health (MDH) and the Department of General Services (DGS) are committed to maintaining the integrity and functionality of state facilities, as guided by statutory requirements, through proactive facility management and processes.

Under State Finance and Procurement Article § 4-407, DGS is mandated to conduct periodic comprehensive facility condition assessments to evaluate the structural integrity, safety, and operational efficiency of state-owned buildings. These assessments inform the Facility Renewal Program, which prioritizes maintenance and capital improvement projects based on critical need, life cycle costs, and agency-reported concerns. MDH, as a Using Agency, actively monitors facility conditions and submits requests for repairs and upgrades through this process.

At the time of the equipment failure in 2023, DGS and MDH were actively engaged in development of a comprehensive building assessment which had been initiated as a first step to support the development of a larger CIP project for the facility. The assessment included recommendations for comprehensive renewal of HVAC infrastructure. That assessment also aided in the development of the expedited procurement.

Working through these existing procedures, gap assessments have identified challenges in addressing aging infrastructure, deferred maintenance, and evolving operational needs that may not be fully captured in the current prioritization framework. This has highlighted the need for improved forecasting tools, enhanced interagency coordination, and strategic funding allocations to prevent emergency situations.

In partnership with DGS, MDH is working to improve communication regarding facility needs and operational status to ensure that facilities do not reach emergency status. Improved tracking and reporting of preventative maintenance is occurring at the facility level through implementation of a Computerized Maintenance Management System called eMaintenance at MDH operating facilities. This software product enables tracking of maintenance and infrastructure at all MDH facilities and is viewable by DGS to further aid coordination. This system will improve reporting procedures. MDH is also working with DGS to enter into an MOU to provide ongoing system use training for facility employees.

MDH and DGS are committed to strengthening its compliance with § 4-407 by refining its facility condition assessment methodologies, enhancing transparency in prioritization criteria, and ensuring that critical infrastructure concerns receive the attention required.

MDH should comment on the FFC and high-intensity RTC staffing plan and how it estimated the number of positions required for the new facility (page 14).

The FFC and high-intensity RTC staffing plan for RICA Baltimore includes consideration for the clinical aspects of the facility as well as for educational services to ensure participant education rights are maintained. Staffing for treatment services is based on an expansion of the current staffing model for the FFC and HRTC program based at John L. Gildner RICA campus in Rockville. Staffing to support education was developed to meet educational requirements for high school students which must be taught by content certified teachers in English, Math, Science, Social Studies and specials, Physical Education, Art, and Music, and to also include staffing to support Middle School education.