



Maryland
Hospital Association

Senate Bill 283/House Bill 391- Creation of a State Debt - Maryland Consolidated Capital Bond Loan of 2026

Position: *Support with Amendments*

February 17, 2026
Senate Budget & Taxation Committee
Capital Budget Subcommittee

February 16, 2026
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 283 / House Bill 391 with amendments.

As noted in the Department of Legislative Services' analysis, funding for the Private Hospital Grant Program is below the \$20 million preauthorized in the Maryland Consolidated Capital Bond Loan of 2025 (Chapter 603). **MHA respectfully requests the Committee restore funding to \$20 million for the 14 projects included in the FY 2027 capital budget.**

These funding levels correlate with the amount recommended by the Hospital Bond Review Committee. The 14 projects recommended this year will enhance health care in communities across the state by expanding access to behavioral health and primary care, improving the experience for patients seeking emergency medical care, and modernizing inpatient care units and infrastructure.

When selecting projects to recommend for funding, the Review Committee prioritizes projects that meet both state capital requirements and established project selection and scoring guidelines to improve patient care, meet unmet community needs, and improve patient experience.

Attached is a description of each project the Review Committee recommended and a spreadsheet showing the difference between the Review Committee's recommended funding level and the funding included in the capital budget as introduced.

In 2024, the Maryland legislature passed [Senate Bill 973 \(Chapter 790\)](#) which allows the Governor to include up to \$20 million in funding for the program each year. As noted in the Department of Legislative Services' analysis, Chapter 790 did not establish a mandated out-year funding level, the levels remain "in part dependent on the volume and amount of eligible grant requests."

MHA encourages the Committee to recommend increasing out-year funding to \$20 million to align with the authorized funding level in statute. Each year, the program receives applications for funding well above the total funding available. For example, in the last two years of the

program, hospitals applied for over \$40 million in funding. Funding hospital capital projects is challenging under the global budget model. As such, hospitals rely on this funding opportunity to support critical projects. Increasing the out-year funding level to \$20 million would ensure the program can continue to meet hospital needs.

MHA also supports the deauthorization of \$786,000 awarded to Union Hospital of Cecil County in 2017. The project was recommended before Union Hospital of Cecil County merged with ChristianaCare and the original project is no longer moving forward.

It is important to note that these are matching grants, so hospitals are fully committed to these projects and every dollar from the State helps ensure a project can move forward. Even relatively small funding amounts support community fundraising efforts. The program requires these projects to be “shovel ready,” with timelines that ensure the bulk of construction costs are expended in the fiscal year the funds are appropriated.

MHA appreciates the Maryland legislature’s support of the Private Hospital Grant Program and respectfully requests \$20 million in funding for these 14 projects.

For more information please contact:

Jane Krienke

Assistant Vice President, Government Affairs & Policy

Hospital	Project Description	Project Cost	MHA Bond Review Committee Recommended Funding Level	Funding Level in the Capital Budget as Introduced	Delta	Percent Reduction in Funding
Ascension St Agnes	Emergency Department Renovation	\$4,029,102	\$ 600,000	\$ 420,000	\$ 180,000	30%
Atlantic General Hospital	Intensive Care Unit Renovation	\$750,000	\$ 185,000	\$ 130,000	\$ 55,000	30%
CalvertHealth	Primary Care Renovation	\$8,540,523	\$ 3,460,000	\$ 2,422,000	\$ 1,038,000	30%
FrederickHealth	Birth Place Renovation	\$11,621,776	\$ 2,400,000	\$ 1,680,000	\$ 720,000	30%
The Johns Hopkins Hospital	Pediatric Sedation Unit	\$1,561,690	\$ 215,000	\$ 150,000	\$ 65,000	30%
Kennedy Krieger	Kennedy Krieger's Healthcare Hub in Prince George's County	\$4,000,000	\$ 2,000,000	\$ 1,400,000	\$ 600,000	30%
Luminis Health Doctors	Cardiac Cath Lab/Interventional Radiology Renovation	\$5,964,600	\$ 895,000	\$ 626,000	\$ 269,000	30%
MedStar Harbor	Emergency Department Renovation	\$11,000,000	\$ 2,400,000	\$ 1,680,000	\$ 720,000	30%
MedStar Montgomery	Emergency Department Renovation	\$4,000,000	\$ 600,000	\$ 420,000	\$ 180,000	30%
Mercy Medical Center	Emergency Department Renovation	\$9,500,000	\$ 2,400,000	\$ 1,680,000	\$ 720,000	30%
Sheppard Pratt	Towson Campus Renovation	\$4,532,000	\$ 950,000	\$ 665,000	\$ 285,000	30%
TidalHealth	Inpatient Unit Renovation	\$10,000,000	\$ 2,400,000	\$ 1,680,000	\$ 720,000	30%
UM BWMC	Senior and Primary Care Facilities	\$3,525,405	\$ 745,000	\$ 522,000	\$ 223,000	30%
UM Charles	Interventional Radiology Lab	\$6,200,000	\$ 750,000	\$ 525,000	\$ 225,000	30%
		\$85,225,096	\$ 20,000,000	\$ 14,000,000	\$ 6,000,000	30%



Maryland
Hospital Association

August 27, 2025

Delivered via Email

The Honorable Helene T. Grady
Secretary, Department of Budget & Management
45 Calvert Street
Annapolis, MD 21401

Dear Secretary Grady:

The Maryland Hospital Association (MHA) submits the following projects and funding recommendations for consideration in the state's fiscal year 2027 Capital Improvement Program. **This year, \$20 million is requested for 14 projects.** The recommended projects support Maryland communities by expanding access to behavioral health and primary care, improving the experience for patients seeking emergency medical care, and modernizing inpatient care units and infrastructure. These projects align with the Moore Miller administration's 2024 state plan to leave no one behind by ensuring world-class health care for all Marylanders.

We respectfully request adoption of the Committee's recommendations at the specified funding levels to support Maryland hospitals and the critical services they provide to their communities. Twenty million dollars has been preauthorized for this program in FY 2027, which is \$12 million more than the amount in the current Capital Improvement Program (CIP). We urge you to fund these projects at the \$20 million level and modify the CIP to reflect this adjustment in future years, in alignment with Senate Bill 973 of 2024, which recommends at least \$20 million annually for this program.

MHA Mission & Vision

MHA serves Maryland hospitals and health systems through collective action to shape policies, practices, financing, and performance to advance health care and the health of all Marylanders.

Process

MHA has been a dedicated steward of the Private Hospital Facilities Grant Program since its inception in 1993. Each year, MHA provides hospitals with the opportunity to apply for funding to support capital projects. The application provides a comprehensive overview of the project including a detailed description, estimated costs, a project timeline, and the impact the project will have on patient care and the community. A Hospital Bond Project Review Committee is selected each year to conduct an objective and rigorous review of each funding application. Comprised of hospital leaders and trustees, the Review Committee thoroughly evaluates each application and assesses each project based on established criteria. Applicants are also afforded the opportunity to present their projects directly to the Review Committee so members may ask questions or seek additional information. The Review Committee prioritizes projects that meet both state capital requirements and established project selection and scoring guidelines to improve patient care, meet unmet community needs, and improve patient experience.

Recommendations

The 14 recommended projects will enhance health care in communities across the state in Anne Arundel, Baltimore, Calvert, Charles, Frederick, Montgomery, Prince George’s, Wicomico, and Worcester counties and Baltimore City:

Kennedy Krieger Children’s Hospital Inc. (Prince George’s County)

Project Name: Kennedy Krieger’s Healthcare Hub in Prince George’s County

Recommended Allocation: \$2,000,000

This project will establish a sustained presence in Prince George’s County by developing the Kennedy Krieger Healthcare Hub, an 18,000 square-foot outpatient facility dedicated to neurodevelopmental and neurorehabilitation services. This infrastructure will support a comprehensive, multidisciplinary, and integrated patient-and-family-centered-care model tailored for children, youth, and young adults with medical, developmental, and behavioral needs related to neurodevelopmental disorders. To address critical healthcare gaps-such as provider shortages, limited access to specialty care, and long wait times-the Hub will offer complex medical care, intensive rehabilitation therapies, behavioral health support, and trauma-informed mental health services. By centralizing these services and collaborating with local schools, hospitals, and early intervention programs, the Hub aims to improve access to specialized health care and facilitate better health outcomes for the region.

CalvertHealth Medical Center Inc. (Calvert County)

Project Name: CalvertHealth Primary Care Renovation Project – Phase One

Recommended Allocation: \$3,460,000

This project will renovate and expand primary care practices in North Beach and Prince Frederick through a multi-phase project designed to address gaps in access, capacity, and whole-person care for underserved populations. The project will involve replacing aging infrastructure in North Beach and reconfiguring interior space to accommodate one additional provider, create new exam rooms and shared areas for community outreach, nutrition counseling, and social services - adding capacity for 3,500 additional appointments annually. The project almost doubles exam room capacity in Prince Frederick from 10 to 18, enabling two additional providers and increasing access by up to 8,000 patient visits each year. The project integrates primary care with specialty services and social supports, aligned with value-based care models such as the Maryland Primary Care Program and CMS Diabetes Care Pathway. The project is expected to deliver sustainable improvements in access, health outcomes, and equity - reducing emergency department use and advancing population health for the region’s most vulnerable residents.

Frederick Health Hospital Inc. (Frederick County)

Project Name: BirthPlace Renovation Project

Recommended Allocation: \$2,400,000

This project will renovate and refresh Frederick Health’s BirthPlace, which encompasses Labor & Delivery, Newborn Nursery, and the Postpartum/Antepartum units. This renovation and refresh are critical to support the organization’s mission to provide safe, dependable, and high-

quality care to all patients. As a result of this project, Frederick Health, the sole health care provider for this service within Frederick County, will enhance patient health and safety, improve operational efficiency and reliability, ensure appropriate available resources for all patients, increase staff, patient, and provider confidence and satisfaction, and ensure Frederick Health remains positioned to provide safe, reliable, and high-quality care well into the future.

TidalHealth Peninsula Regional Medical Center (Wicomico County)

Project Name: Modernization and Renovations Inpatient Units

Recommended Allocation: \$2,400,000

This project will renovate three inpatient units at TidalHealth Peninsula Regional to modernize aging infrastructure, enhance patient and staff safety, and improve the overall care environment. The project will include upgrading patient rooms, clinical workspaces, and support areas to meet current health care standards and accommodate new technologies. The project will improve the efficiency of care delivery by optimizing layout and workflows within each unit. The project will result in a more healing-centered environment, increased capacity for high-acuity care, and enhanced patient and staff experience.

Harbor Hospital Inc. (Baltimore City)

Project Name: Emergency Department Renovation Phase 1 and 2A

Recommended Allocation: \$2,400,000

This project will renovate MedStar Harbor Hospital's Emergency Department through Phases 1-2A to improve health in South Baltimore. The project will transform patient capacity, modernize care delivery, and improve throughput to better meet the complex health needs of a growing population that has historically faced structural barriers to timely, high-quality emergency care.

Mercy Medical Center, Inc. (Baltimore City)

Project Name: Emergency Department Renovation and Modernization

Recommended Allocation: \$2,400,000

This project will renovate and modernize Mercy Medical Center's 26,000 square foot Emergency Department to enhance patient experience, optimize throughput, and improve safety for more than 45,000 annual patient visits. The comprehensive renovation will expand triage capacity, create dedicated fast-track areas for lower-acuity patients, centralize care team workstations, and implement advanced monitoring and infection control systems. The expected outcome is reduced wait times, improved patient satisfaction, enhanced staff efficiency, and strengthened capacity to serve Baltimore City's diverse population, including underserved communities, while maintaining 24/7 emergency services throughout the phased construction process.

Atlantic General Hospital Corporation (Worcester County)

Project Name: Atlantic General Intensive Care Unit Renovation

Recommended Allocation: \$185,000

This project will renovate the six core ICU patient rooms at Atlantic General Hospital, along with the central nursing station, to modernize critical care infrastructure that has not been updated since 1993. The project will upgrade patient rooms with new flooring, headwalls,

medical gas systems, bariatric-capable lifts, and improved plumbing to enhance patient safety, infection prevention, and comfort. The project will reconfigure the nursing station to improve sightlines to patient rooms and create dedicated spaces for nurse charting, family respite, and staff amenities. The project will result in a safer, more efficient, and patient-centered ICU that strengthens the hospital's capacity to deliver high-quality critical care to the Worcester County community and surrounding region.

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

Project Name: Primary Care Access and Expansion

Recommended Allocation: \$745,000

This project will relocate and expand access to primary care and continuity services in Millersville, Maryland. The project will construct a 6,900 sq ft. senior primary care practice and renovate 1,000 sq ft in the existing adult practice to expand clinical space. Optimizing care in a newly designed practice will allow for comprehensive primary care, enhanced chronic disease management, embedded diabetes nurse practitioners and post-discharge continuity clinics for over 31,000 individuals annually, nearly doubling current capacity. Development of the new practice spaces will reduce the deficit of primary care providers in the surrounding area by nearly 20%.

Civita Medical Center, Inc. (Charles County)

Project Name: Construction and Renovation to Improve Imaging, Surgery and Materials Management

Recommended Allocation: \$750,000

This project will construct a new Interventional Radiology Laboratory and expand storage spaces for Surgical Services on the first floor of the University of Maryland Charles Regional Medical Center. The project will renovate and reconfigure the ground floor to relocate Nuclear Medicine into the former Interventional Radiology Lab, rationalize Imaging support functions, and expand Materials Management Storage into the former Nuclear Medicine area. The elements of the proposed project are part of the long-range facility master plan and will work synergistically to result in improved clinical care including patient and staff safety, satisfaction, efficiency, effectiveness and disaster preparedness.

Sheppard Pratt Health System, Inc. (Baltimore County)

Project Name: Sheppard Pratt Towson Hospital Renovations Project

Recommended Allocation: \$950,000

This project focuses on three primary areas within the 650,000 square foot, 133-year-old Towson Hospital located at 6501 North Charles Street in Baltimore County including extensive renovations in the Day Hospital and three specialty Inpatient Units, extensive renovations and equipment upgrades in the Commercial Kitchen, and replacement of the heating, ventilation and air conditioning basement chiller system.

The Johns Hopkins Hospital (Baltimore City)

Project Name: Comprehensive Pediatric Sedation Unit

Recommended Allocation: \$215,000

This project will construct a dedicated pediatric sedation unit in the Johns Hopkins Children's Center to improve patient care by addressing the increasing demand for sedation,. The project will modify existing space to support the installation of the necessary equipment to safely administer pediatric sedation (cardiorespiratory monitor and medication pyxis machine) and meet regulatory associated code specification. The project will convert a portion of the existing Pediatric Radiology waiting room into a private space that can be used for pre-procedure radiology patient assessment and placement of IVs.

St Agnes Healthcare, Inc. (Baltimore City)

Project Name: Emergency Department Renovation

Recommended Allocation: \$600,000

This project will renovate the Ascension Saint Agnes Emergency Department (ED) to improve patient experience and quality of care while boosting operational efficiency and patient satisfaction. The renovations will integrate the department's new Rapid Medical Evaluation® (RME®) operational strategy and a Waterfall staffing and triage flow. Together, the RME® and Waterfall strategies operating in the new state-of-the-art triage and waiting area of the ED will create a more fluid patient flow and optimize treatment space, leading to shorter patient wait times, improved care quality, and higher patient satisfaction. In addition, the renovations will include an upgrade of the Behavioral Health Unit of the ED to optimize care and improve safety for our most vulnerable patients and the team members who care for them.

MedStar Montgomery Medical Center (Montgomery County)

Project Name: Emergency Department Renovation Phases 3-5

Recommended Allocation: \$600,000

This project will renovate and improve MedStar Montgomery Medical Center's Emergency Department (ED) by renovating front-end and back-end areas, streamlining operational efficiency, and increasing opportunities for clinical observation in the front end of operations. This project will result in decreased patient wait times, enhanced patient experience, and increased patient connections to community partners whose services extend beyond emergency response by addressing an inefficient and outdated physical layout.

Luminis Health Doctors Community Medical Center (Prince George's County)

Project Name: Catheterization Lab/Interventional Radiology Renovation

Recommended Allocation: \$895,000

This project will upgrade the Cardiac Catheterization Lab, Interventional Radiology suite, and associated clinical support spaces. The project will improve patient experience, create greater efficiency and workflow, and increase throughput, and improve patient and staff safety.

Attachments

Attached for your review is a summary of the individual funding recommendations, Review Committee roster, overview of the program, and project scoring guidelines. Thank you to Chizuko Godwin, with the Department of Budget and Management, and Matthew Klein, Emily

Governor Wes Moore
August 27, 2025
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Haskel, and Victoria Martinez, with the Department of Legislative Services, for their assistance and counsel throughout this process.

If you have any questions regarding the Committee's recommendations, please contact Jane Krienke, MHA assistant vice president of Government Affairs & Policy, at jkrienke@mhaonline.org.

Sincerely,



Andrew R. Nicklas
Senior Vice President, Government Affairs & Policy and
General Counsel

Attachments:

FY 2027 Funding Recommendations
Hospital Bond Project Review Committee Roster
Hospital Bond Program Overview
Project Scoring Guidelines

cc:

Marc Nicole, Deputy Secretary, DBM
Christina Perrotti, Executive Director, Office of Capital Budgeting, DBM
Chizuko Godwin, Assigned Capital Budget Analyst, DBM
Victoria Gruber, Executive Director, Department of Legislative Services (DLS)
Matthew Klein, Capital Budget Manager, DLS
Emily Haskel, Capital Budget Manager, DLS
Victoria Martinez, Assigned Capital Budget Analyst, DLS