



Maryland
Hospital Association

Senate Bill 182/House Bill 201- Creation of a State Debt - Maryland Consolidated Capital Bond Loan of 2023

Position: *Support*

March 7, 2023
Senate Budget & Taxation Committee
Capital Budget Subcommittee

March 8, 2023
House Appropriations Committee
Capital Budget Subcommittee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 182/House Bill 201. This year 10 hospitals submitted applications requesting a combined \$9.5 million. The Hospital Bond Project Review Committee recommended all 10 projects for a total funding request of \$7 million. MHA appreciates the Governor's generous increase in funding for nine of the recommended projects for a total of \$8.1 million—a \$1.1 million increase over the planned budget in the 2022 Capital Improvement Program (CIP). We also appreciate the increase in out-year funding. This increase will allow the Hospital Bond Program to expand the breadth of support for innovative projects that align with the goals of the Total Cost of Care Model.

However, we are disappointed funding for Meritus Health was not included in the final recommendations.

Process for Selecting and Recommending Projects

MHA has been a dedicated steward of the Private Hospital Facilities Grant Program since its inception in 1993. The Committee conducts an objective and rigorous review process that prioritizes worthy capital projects that incorporate both state and health care criteria. MHA engages an independent consultant to help review applications. The review Committee, which convened in August, includes Maryland hospital leaders, trustees, Department of Budget & Management and Department of Legislative Services staff, an independent consultant, and MHA staff. The Committee conducts a final review, determines scoring based on established criteria, and makes funding recommendations.

Rationale for Recommendations

We urge you to maintain the funding levels for the nine projects included in the FY 24 capital budget. These funding levels correlate with the amount originally requested by the applicants for these projects. Access to capital funding continues to be critical for hospitals as they care for their communities. The volume and complexity of behavioral health patients visiting emergency departments was rising even before the COVID-19 pandemic. This shift required hospitals to modify the emergency department footprint and create facilities in the community to help address unmet needs. Over half of these projects focus on the growing need for behavioral health services. Two projects serve special youth populations—youth diagnosed with autism and those

in clinical trials at the National Institutes of Health. Each project was scored on criteria aligned with the goals of Maryland's Total Cost of Care Model, including controlling cost growth, improving quality, and enhancing the health of communities.

Recommendations

The nine recommended projects support care in Anne Arundel, Baltimore, Howard, Montgomery, Prince George's, and St. Mary's counties, as well as Baltimore City.

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

Project Name: A Place Like Home Renovation

Recommended Allocation: \$1,400,000

Redesign and renovate The Children's Inn at NIH to integrate telehealth and smart technology, modernize guest rooms; and update infrastructure to support children, adolescents, and young adults who participate in clinical research studies to treat rare and serious diseases at the National Institutes of Health Clinical Center. This project would be the first major renovation of The Inn in its 32-year history. The Children's Inn urgently needs to modernize its 60 guest rooms, update infrastructure and integrate telehealth capabilities and smart technology. The proposed project addresses the need to increase adaptability, upgrade technology, and redesign spaces and amenities to serve all young patients, regardless of the criticality of their diagnosis and condition. This project is essential to support the work and research mission of the NIH Clinical Center in translating scientific observations and laboratory discoveries into new approaches for diagnosing, treating, and preventing disease in young people throughout Maryland, the nation, and the world.

Howard County General Hospital, Inc. (Howard County)

Project Name: Behavioral Health Unit Renovation

Recommended Allocation: \$576,000

This project will convert a decommissioned patient care unit into a new and expanded behavioral health unit in the emergency department. Howard County General Hospital treats 2,000 behavioral health patients annually in the emergency department. The existing unit cannot accommodate the volume of patients arriving. This project will create a unit that is three and a half times larger, expanding behavioral health patient capacity from six to 24. The project will improve patient safety, therapeutic climate, amenities, the patient environment for long-stay patients, and emergency department throughput.

Kennedy Krieger Children's Hospital, Inc. (Baltimore City)

Project Name: Center for Autism and Related Disorders Renovation

Recommended Allocation: \$1,300,000

This project renovates 36,600 square feet of existing outpatient space into a modernized, state-of-the-art and safe environment for children and youth on the autism spectrum. The renovations will renew three floors of the Center for Autism and Related Disorders (CARD) in Kennedy Krieger's Creamer Building in Baltimore City. The Creamer Building, a former medical outpatient building (for adults), was originally constructed in 1984 and has not had major renovations in the last 15 years. Renovation of existing space will allow for a more efficient and effective patient experience, which will reduce delays in access to care, ultimately improving

outcomes for patients and their families. Importantly, the renovations are needed to incorporate structural features that keep children and youth safe and that provide a sensory-friendly environment.

Luminis Health Anne Arundel Medical Center (Anne Arundel County)

Project Name: Behavioral Health Emergency Department Renovation

Recommended Allocation: **\$863,000**

This project renovates 2,700 square feet on the first floor of the hospital pavilion to create a suite for adult behavioral health patients. This renovation will allow the emergency department to meet safety standards, improve patient safety and privacy, and increase workflow efficiencies. A new shower would allow these patients to maintain basic hygiene during their length of stay in a safe space for the patient and staff. The renovated space will offer a calm environment for patients as they await placement in a psychiatric facility. These changes will also enhance anti-ligature protection in the existing emergency department rooms and allow staff to care for increased volume and complexity of patients with behavioral health needs.

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

Project Name: Behavioral Health Emergency Department Renovation

Recommended Allocation: **\$500,000**

This project renovates a 1,310-square-foot area within the emergency department to create a secure behavioral health area to care for the rising number of patients with mental health and substance use care needs. These vulnerable populations should have a private designated safe space to receive care in the ED, given the sensitive nature of these cases. This project will improve patient safety and privacy, enhance safety for staff and improve resource utilization for this special patient population.

MedStar Montgomery Medical Center (Montgomery County)

Project Name: Emergency Department Redesign, Renovate, Reconfigure

Recommended Allocation: **\$1,350,000**

This project will renovate the emergency department at MedStar Montgomery Medical Center to better reflect and meet community needs. The project would update and expand the crisis evaluation unit (CEU) to deliver better quality of care to the increasing number of patients with acute psychiatric and substance abuse crises. Creation of a space for computerized tomography (CT) scans in the ED will help treat patients more rapidly and better serve patients experiencing a stroke. The renovations will also increase capacity for geriatric and behavioral health patients by increasing the number of beds in the geriatric ED and CEU. The renovation and right-sizing of the 39-bed emergency department will create a safer crisis evaluation unit for behavioral health patients, decrease door to imaging/needle time through more efficient access to CT imaging, and redistribute beds to meet the needs of growing behavioral health and geriatric patient populations in the region.

Sheppard Pratt Health System, Inc. (Howard County)

Project Name: Crisis Stabilization Center in Howard County

Recommended Allocation: **\$880,000**

This project involves the construction of a crisis stabilization center on the Sheppard Pratt Baltimore/Washington hospital campus in Elkridge. The facility will include 16 residential crisis beds and may also include walk-in urgent care with observation recliners, a receiving area for law enforcement drop-off, emergency medical services, and mobile crisis providers, ambulatory detoxification, medication-assisted treatment, and a bridge clinic to deliver short-term follow-up mental health and substance use disorder treatment until individuals can be connected to longer-term care. The proposed crisis stabilization center aligns with the goals of Maryland's Total Cost of Care Model to reduce total health care spending and improve population health. This facility is expected to create more equitable distribution of behavioral health resources while reducing potentially avoidable hospital utilization and associated costs through collaboration with Howard and other counties and community hospitals, including five in underserved Maryland jurisdictions.

St. Mary's Hospital of St. Mary's County, Inc. (St Mary's County)

Project Name: Behavioral Health Upgrades

Recommended Allocation: \$200,000

This project renovates emergency department behavioral health treatment areas, inpatient behavioral health unit, outpatient day treatment program space, and several medical surgical rooms at MedStar St. Mary's Hospital to meet the needs of a growing population of psychiatric patients. The hospital intends to reconfigure the behavioral health treatment area to add an additional treatment room and security technology and upgrade these spaces to make the patient experience more therapeutic and pleasant. The proposed updates will contribute to patient and provider safety, increase staff efficiency, and improve patient clinical experience. MedStar St. Mary's is the only provider of emergency and inpatient psychiatric services for St. Mary's County. This project directly supports the behavioral health and psychiatric needs of this community.

UMSJ Health System, LLC (Baltimore County)

Project Name: Digestive Disease Center Renovation

Recommended Allocation: \$1,000,000

This project renovates 5,960 square feet of the Digestive Disease Center (DDC) at University of Maryland St. Joseph Medical Center. The DDC has not been renovated since it was built in 1991. This project will remodel and reconfigure the patient bays with solid walls and breakaway sliding glass doors and redesign the scope reprocessing area to comply with Joint Commission standards. Renovations will result in a more private family sub-waiting area, reconfiguring the nurse station, and establishing a dedicated and physically separated work area for anesthesia services. The aim of this project is to create an environment of care that encourages preventive screenings, most frequently for cancer, and opioid-free pain management. The renovation will optimize infection prevention, enhance patient safety and privacy, and improve the patient experience

Department of Legislative Services' (DLS) Recommendations & Questions

We appreciate and support the inclusion of the prior authorization for Garrett County Memorial Hospital's FY 2018 project. This grant was identified during our annual report process as needing an extension. We respectfully request an amendment for Adventist HealthCare's 2016

(G029) grant for Adventist HealthCare Hospital -Shady Grove Medical Center to extend the match certification and the termination dates. We are requesting an extension to June 1, 2024 for the match certification date and June 1, 2025 for the termination date. This amendment was not included in our annual report that was submitted on October 1, 2022. At the time the report was submitted, the hospital anticipated completing the project ahead of the June 1, 2023 termination date. However, due to supply chain delays and issues outside the control of the hospital, they have requested an extension to allow enough time to complete the project and submit the appropriate documentation to the state. We support this request and ask the Committee's consideration for approval of the amendment.

In the budget analysis, DLS raised questions regarding funding for hospital projects outside of the Hospital Bond Program. While true that we have sanctions in place for hospitals that request legislative funding outside of the program for qualifying projects, the majority of the projects receiving funding outside of the Hospital Bond Program either do not qualify based on their size or amount of the requested funding or would not score competitively. The scoring criteria favors projects that are innovative, align with the Total Cost of Care Model, and have community support. Many of the funded projects are for routine maintenance or do not promote direct patient engagement. In the past, MHA has not recommended projects for funding that constitute routine maintenance to ensure the program's limited funding supports innovative projects with statewide or regional impact. More hospitals are seeking capital funding due in large part to the hospital rate setting system, which does not provide access to funding for capital expenses. Maryland hospitals operate under global budgets, which restrict their ability to plan for large capital projects. Until this is addressed at the state level, hospitals will continue to rely on the state legislature to support significant capital projects to ensure they meet the needs of the community and maintain their physical infrastructure.

We appreciate the legislature's long-time support of the Hospital Bond Program. We are happy to answer any questions and request full funding for the nine hospital projects included in the FY 24 capital budget.

For more information, please contact:
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