



Maryland
Hospital Association

**Senate Bill 492/House Bill 590
Creation of a State Debt - Maryland Consolidated Capital Bond Loan of 2021**

Position: *Support*
February 16, 2021

Senate Budget & Taxation Committee
Capital Budget Subcommittee

House Appropriations Committee
Capital Budget Subcommittee

MHA Position

Process for Selecting and Recommending Projects

MHA has been a dedicated steward of the Private Hospital Grant Program (PHGP) since its inception in 1993. This year, \$6 million is requested for eight projects that will benefit the health of all Marylanders. These projects are particularly vital this year as hospitals continue to fight the coronavirus pandemic. Nine hospitals applied for \$8.1 million, and the Hospital Bond Program Review Committee recommended eight applicants. The Department of Budget and Management (DBM) suggested one worthy project not be included this cycle and that the hospital apply next year because, based on the project schedule, the majority of construction spending would take place in FY 2023. The hospital's revised schedule showed that construction would not begin until May 2022 and continue for 14 months (all of FY 2023). The eight projects selected this year will enhance and expand health care access in Maryland, including critical services such as behavioral health and specialty pediatric care.

Applications were submitted in June and reviewed by an independent consultant. In August, applicants presented their proposals to the Hospital Bond Program Review Committee, which includes hospital leaders, trustees, DBM staff, Department of Legislative Services staff, an independent consultant, and MHA staff. The committee evaluates applications using a formal process aligned with the bond evaluation criteria, weighting, and scoring system. The committee's review process is fair and rigorous and prioritizes worthy capital projects that benefit Marylanders.

Rationale for Recommendations

We urge you to fully fund the committee's recommendations—totaling \$6 million. Although each hospital faces challenges unique to the communities they serve, collectively the field has been profoundly impacted by the COVID-19 pandemic. Capital funding is critical due to the financial distress hospitals across the state and country face. The recommended projects all address identified needs, such as expanded space to care for behavioral health patients in a healing environment and dedicated areas to train health care providers using simulation. 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 eight recommended projects support care in Anne Arundel, Baltimore, Carroll, Montgomery and Prince George’s counties, as well as Baltimore City.

Luminis Health Anne Arundel Medical Center (Anne Arundel County)

Project Name: Pathways Inpatient and Outpatient Clinical Space Renovation

Recommended Allocation: **\$336,000**

Renovation of the second floor of the Pathways inpatient and outpatient clinical space will convert three double-occupancy patient rooms to six single-occupancy patient rooms. The project also includes an enhanced nursing station, contemporary security and privacy upgrades, and renovation of public restrooms to reduce the potential for self-harm. This project is expected to create a safer, more healing environment for patients with substance use disorders.

Carroll Hospital (Carroll County)

Project Name: Surgical Perioperative & Post-Anesthesia Care Renovation

Recommended Allocation: **\$756,000**

Renovation and reconfiguration of the perioperative and post-anesthesia care units will allow patients to be placed next to the operating room in rooms with full monitoring capabilities. This renovation will lower transit times and assist with patient care and comfort. The post-anesthesia care unit will be expanded with additional sinks, bathrooms, and other clean areas to enhance infection control. The project would combine the perioperative and post-anesthesia care unit into one treatment space to allow for a seamless experience for surgical patients. There will also be a room dedicated to pediatric patients and two safety rooms with built-in ceiling lifts.

Luminis Health Doctors Community Hospital (Prince George’s County)

Project Name: Simulation Center for Education and Training

Recommended Allocation: **\$54,000**

A simulated learning center for continuing education and training of nursing staff will be constructed in the refurbished nursing home on the hospital’s campus. The room will be used to train about 800 clinical employees, including 13 clinical directors and one education director. The center will also be available for academic institutions with nursing programs that do not have a simulation learning center for their students. The training center supports the skills of clinical staff by simulating real-life events—improving patient safety and quality outcomes.

Holy Cross Hospital (Montgomery County)

Project Name: Emergency Department Renovation

Recommended Allocation: **\$ 1,092,000**

Renovation of the emergency department will co-locate all levels of emergency care, increase treatment spaces, create a dedicated behavioral health treatment area, and relocate the observation unit to support expansion and improve access to care. The renovation is expected to improve safety, efficiency, and flow, and enhance the environment of care and patient experience.

Kennedy Krieger Institute (Baltimore City)

Project Name: Fairmount Project-Renovation of Outpatient Space

Recommended Allocation: \$1,000,000

This project will renovate 31,000 square feet of outpatient space into a modernized, state-of-the-art, expanded, and safe environment for children with developmental or acquired disabilities who need early childhood intervention and intensive therapy (i.e., occupational, physical and speech/language therapies, rehabilitation psychology, social work, education, medical care), neuropsychology, and behavioral psychology services. The renovation will renew four floors in Kennedy Krieger’s Fairmount Building—a former high school last restored, renovated, and converted to outpatient space in 1992.

MedStar Southern Maryland Hospital Center (Prince George’s County)

Project Name: Inpatient Behavioral Health Unit Renovation

Recommended Allocation: \$840,000

Modernization and expansion of the inpatient behavioral health unit will address functional space inefficiencies, aging infrastructure, and the therapeutic and safety needs of the patients and staff, balancing the safest possible healing environment and a non-institutional appearance. The inpatient unit is designed for adult patients with acute psychiatric symptoms, who may present a danger to themselves or others and require 24-hour care. The program focuses on a patient-tailored recovery care plan that may include individual and group therapies, group activities, medication management, and education.

Sheppard Pratt Health System (Baltimore County)

Project Name: Diverting Behavioral Health Emergency Room Visits, Admissions Redesign

Recommended Allocation: \$952,000

This project will renovate the hospital’s admissions department to enhance access to the specialized psychiatric inpatient units, divert unnecessary visits to the emergency departments of acute care general hospitals, and improve patient safety and satisfaction. The growing need for mental-health and addiction services and the desire for more cost-efficient delivery of inpatient psychiatric care are key drivers for this project. The renovation and the implementation of a new intake process in 2022 are projected to increase the combined capacity of the admissions department and the Crisis Walk-In Clinic by 25% when fully operational.

University of Maryland St. Joseph Medical Center (Baltimore County)

Project Name: Pediatrics and Pediatric After-Hours Relocation and Renovation

Recommended Allocation: \$970,000

The relocation and renovation of the third-floor west wing will create a dedicated floor for family care with an inpatient and outpatient pediatric unit adjacent to the maternal health unit. The renovated wing will include five private inpatient pediatric rooms and five renovated outpatient rooms. A new treatment room, triage room, family waiting room, and pediatrician call room will complete the project. The new pediatric unit is designed to optimize infection prevention, accommodate new technology, enhance the patient experience, and meet the community's need for expert, local pediatric care.

Department of Legislative Services' (DLS) Observations- Program Oversight by MHA

Since 2016, MHA has submitted annual reports on the encumbrances and expenditures of active grants. Using data from the Department of General Services (DGS) and the Office of the Comptroller, every hospital with an unencumbered balance is contacted and asked for a status report on their grant. This report allowed us to identify and suggest improvements to this process, which involves coordination with multiple state agencies. During the pandemic, we worked with DGS and the Comptroller's office to submit electronic documentation so hospitals could be reimbursed for projects that are fully encumbered. There were delays processing documentation due to staffing and COVID-19. The agency is addressing the delays, and we acknowledge the incredible toll the pandemic has taken on state agencies and Maryland hospitals.

Amendments to Prior Authorizations

We concur with the proposed amendment to a prior authorization for the 2020 Johns Hopkins Hospital project for a residential crisis services facility. The program's purpose remains unchanged. The amendment relates to the original intention to renovate two contiguous row homes into one facility. Efforts to identify appropriate and geographically ideal row homes were unsuccessful. In addition, bringing older row homes into compliance with the Americans with Disabilities Act proved more challenging than anticipated. An alternative plan to purchase a vacant lot and construct a new facility emerged as the best option to fulfill the purpose of the grant and assure the project is completed on schedule and in the intended location.

We thank the committee and ask for consideration to fully fund the proposed projects at the recommended amount with the amendment addressed above.

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Summary of FY 22 Funding Recommendations

Facility	Project	Total Project Cost	Total Requested Funds	Committee Recommendation
Anne Arundel Health System	Pathways Inpatient and Outpatient Clinical Space Renovations	\$ 852,000	\$ 400,000	\$ 336,000
Carroll Hospital Center	Surgical Perioperative & Post-Anesthesia Care Project	\$ 4,500,000	\$ 900,000	\$ 756,000
Doctors Community Hospital	Simulation Center for Education and Training	\$ 230,000	\$ 115,000	\$ 54,000
Holy Cross Health	Holy Cross Hospital ED Renovation	\$ 24,100,000	\$ 1,300,000	\$ 1,092,000
Kennedy Krieger Institute	Fairmount Project – Renovation of Outpatient Space	\$ 2,095,000	\$ 1,000,000	\$ 1,000,000
Medstar Southern Maryland Hospital	Inpatient Behavioral Health Unit Renovation	\$ 8,250,000	\$ 1,000,000	\$ 840,000
Sheppard Pratt Health System	Diverting Behavioral Health Emergency Room Visits with Sheppard Pratt Admissions Redesign	\$ 1,904,767	\$ 952,384	\$ 952,000
University of Maryland St. Joseph Medical Center	Pediatrics and Pediatric After Hours Relocation and Renovation	\$ 2,310,000	\$ 1,155,000	\$ 970,000
		\$ 44,241,767	\$ 6,822,384	\$ 6,000,000