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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 881 - Public Health- Federally Qualified Health Centers Grant Program -
Recovery of Funding
February 21st, 2024
1:00 PM
Position: Favorable

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the committee. It is my pleasure to testify today in support of **Senate Bill 881 - Public Health - Federally Qualified Health Centers Grant Program - Recovery of Funding.**

The Federally Qualified Health Center (FQHC) Grant Program provides capital grants to assist in the conversion, acquisition, design, construction, renovation, and equipping of FQHC facilities. A FQHC is a federal designation health center that can provide primary care, specialty care, dental, mental health, and drug and alcohol abuse treatment services. Additionally, a FQHC is required to serve every patient that comes through its door, regardless of income or insurance status.

Currently, FQHCs may apply to the program if they are in 15-year leased space. However, unlike other programs, this program has a state right to recovery of 30 years. For FQHCs that do not have the ability to purchase and need leased space, this creates challenges in finding property owners that are willing to lease them space with a 30-year lease, as well as challenges in applying for the program.

Senate Bill 881 would align the FQHC Grant Program in the same posture as other capital programs and address the challenges FQHCs are having regarding being eligible for the program when operating with leased property. In partnership with the Department of Health, we have crafted an amendment to allow for a 15-year state right to recovery for FQHCs located on leased property while maintaining the 30-year right to recovery for owned property.

With this amendment, I would ask the Committee for a favorable report with on Senate Bill 881.