



Maryland Community Health System

Committee:	Senate Budget and Taxation Committee
Bill Number:	Senate Bill 881 – Public Health – Federally Qualified Health Centers Grant Program – Recovery of Funding
Hearing Date:	February 20, 2024
Position:	Support

The Maryland Community Health System (MCHS) supports *Senate Bill 881 – Public Health – Federally Qualified Health Centers Grant Program – Recovery of Funding*. The bill will would alter the number of years after completion of a project funded in part by a grant of the Federally Qualified Health Centers Grant Program after which the State may recover funding.

The Maryland Community Health System is a network of federally qualified health centers (FQHC) located across Maryland. The FQHC Grant Program which is under the Department of Health, provides capital grants to assist in the conversion, acquisition, design, construction, renovation, and equipping of Federally Qualified Health Center facilities. Currently, FQHCs may apply to the program if they are in leased space as long as the lease is for 15 years, however, this program unlike other capital grant programs, has a state right to recovery if the property is used for anything other than a FQHC of 30 years. FQHCs that do not have the ability to purchase and need leased space are having difficulty finding property owners that are willing to lease them space with a 30-year lease or FQHC's are having difficulty applying for the program because the property owner is not willing to encumber their property for up to 30 years when the property owner is only offering a 15-year lease.

This bill ultimately addresses the problem FQHCs are having with regards to being eligible for the program when operating with leased property. MCHS worked closely with the Department of Health on an amendment to allow for a 15-year state right to recovery for FQHC's that are on leased property and maintaining the 30-year right to recovery for owned property.

We request a favorable report with the sponsor amendment. If we can provide any further information, please contact Michael Paddy at mpaddy@policypartners.net.