



TO: The Honorable Guy Guzzone, Chair  
Members, Senate Budget and Taxation Committee  
The Honorable Craig J. Zucker

FROM: Pamela Metz Kasemeyer  
Danna L. Kauffman  
Christine K. Krone

DATE: February 21, 2024

RE: **SUPPORT** – Senate Bill 881 – *Public Health – Federally Qualified Health Centers Grant Program – Recovery of Funding*

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The Mid-Atlantic Association of Community Health Centers (MACHC) is the federally designated Primary Care Association for Delaware and Maryland Community Health Centers. As the backbone of the primary care safety net, Federally Qualified Health Centers (FQHCs) are united by a shared mission to ensure access to high-quality health care to all individuals, regardless of ability to pay. FQHCs are non-profit organizations providing comprehensive primary care to the medically underserved and uninsured. MACHC supports its members in the delivery of accessible, affordable, cost effective, and quality primary health care to those most in need. To this end, MACHC **supports** Senate Bill 881.

The Maryland Department of Health administers the FQHC Grant Program, which provides capital grants for the construction, renovation, and expansion of FQHCs in order to expand access to care to Maryland's most vulnerable populations in medically underserved areas. Senate Bill 881 proposes to alter the number of years after the completion of a project funded in part by a capital grant under the FQHC Grant Program, after which the State may recover funding under specified circumstances. A grant may be provided to an FQHC, which owns the property or has a 15-year lease. Under current law, the right of recovery is 30 years, which is double the timeframe required for a property that has a 15-year lease. FQHCs have faced challenges to secure an agreement by a landlord to agree to a 30-year right of recovery when the lease is only 15 years, thereby limiting access to the Grant Program to expand access to care in medically underserved areas.

Under capital grant programs administered by the Department of General Services (DGS) the right of recovery is 15 years, regardless of whether the property is owned or leased. Senate Bill 881 will align the FQHC Grant Program with the other grant programs administered by DGS by reducing the right of recovery to 15 years. A favorable report is requested.

**For more information call:**

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