

**MA01**  
**Maryland Department of Health – Capital**

***Capital Budget Summary***

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**State-owned *Capital Improvement Program***  
**(\$ in Millions)**

<b>Projects</b>	<b>Prior Auth.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>	<b>Beyond CIP</b>
Renovations of the Clifton T. Perkins Hospital North Wing	\$2.778	\$0.972	\$19.713	\$19.237	\$0.000	\$0.000	\$0.000
Behavioral Health Crisis Centers	0.000	0.853	8.305	10.220	15.844	0.000	0.000
Demolish Decommissioned Buildings	1.300	\$0.000	5.109	4.738	4.738	4.738	0.000
<b>Total</b>	<b>\$4.078</b>	<b>\$1.825</b>	<b>\$33.127</b>	<b>\$34.195</b>	<b>\$20.582</b>	<b>\$4.738</b>	<b>\$0.000</b>

<b>Fund Source</b>	<b>Prior Auth.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>	<b>Beyond CIP</b>
GO Bonds	\$2.778	\$1.825	\$33.127	\$34.195	\$20.582	\$4.738	\$0.000
PAYGO GF	1.300	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$4.078</b>	<b>\$1.825</b>	<b>\$33.127</b>	<b>\$34.195</b>	<b>\$20.582</b>	<b>\$4.738</b>	<b>\$0.000</b>

CIP: *Capital Improvement Program*  
GO: general obligation  
GF: general funds  
PAYGO: pay-as-you-go

**Grant and Loan Capital Improvement Program**  
 (\$ in Millions)

<b>Program</b>	<b>2022 Approp.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
Community Health Facilities Grant Program	\$6.500	\$6.500	\$6.500	\$6.500	\$6.500	\$6.500
Federal Qualified Health Centers Grant Program	2.500	2.500	2.500	2.500	2.500	2.500
<b>Total</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>

<b>Fund Source</b>	<b>2022 Approp.</b>	<b>2023 Request</b>	<b>2024 Est.</b>	<b>2025 Est.</b>	<b>2026 Est.</b>	<b>2027 Est.</b>
GO Bonds	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000	\$9.000
<b>Total</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>	<b>\$9.000</b>

GO: general obligation

***GO Bond Recommended Actions***

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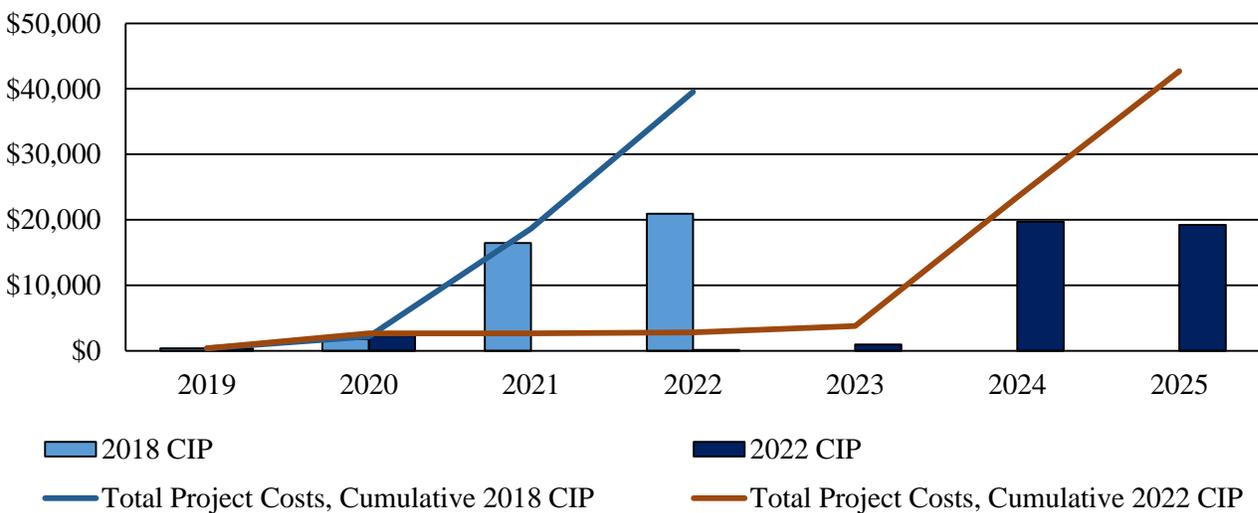
1. Approve \$853,000 in general obligation bonds for the planning and design of regional behavioral health crisis centers.
2. Approve \$6,500,000 in general obligation bonds for the Community Health Facilities Grant Program.
3. Approve \$2,500,000 in general obligation bonds for the Federally Qualified Health Centers Grant Program.
4. Approve \$972,000 in general obligation bonds for the Renovation of the Clifton T. Perkins Hospital Center North Wing.

## Summary of Fiscal 2023 Funded State-owned Projects

### Clifton T. Perkins North Wing Renovation

The Clifton T. Perkins (Perkins) Hospital Center North Wing renovation is the one State-owned project that predates the department’s facilities master plan. Perkins is the State’s only maximum-security forensic facility. Currently, the 80-bed north wing of Perkins is comprised of four 20-bed medium/minimum-security units. The proposed renovations will transition this unit into additional maximum-security units, reducing the bed capacity from 80 to 68 beds. The renovations will also create a new admissions unit with a secured sally port for the maximum-security population and address infrastructure deficiencies, including constructing a new kitchen and security system in the unit. As shown in **Exhibit 1**, delays in this project have pushed the completion of this project into fiscal 2025 and ultimately increased project costs. This is the third such delay; since fiscal 2020, this project has only received \$106,000 to continue design phase funding. In the prior *Capital Improvement Program* (CIP), construction was slated to begin in fiscal 2023; however, the current request continues to only fund design. The current request reflects delays that were incurred due to the pandemic and departmental efforts being placed on pandemic surge operations. This project was initially authorized in the 2018 CIP and, at that time, was slated to be completed by fiscal 2023. Under the current CIP, the project extends to fiscal 2025. The reduction in fiscal 2023 program spending pushes costs further into the out-years.

**Exhibit 1**  
**Change in Perkins Renovation Expenditures**  
 Fiscal 2019-2025  
 (\$ in Millions)



CIP: *Capital Improvement Program*

Source: Governor’s 2018-2023 *Capital Improvement Programs*

The Board of Public Works (BPW) approved the architect/engineer (A/E) contract for this project at the September 1, 2021 BPW meeting for \$2.5 million. The funding supporting this contract has already been authorized through the 2018 and 2019 capital budgets. The initial encumbrances associated with this contract and the BPW approval is only for the first three phases of the project. For the remaining three phases, the Department of General Services reports needing to return to BPW once those funds are authorized. As previously mentioned, the initial funding for this project was authorized in fiscal 2019 with additional funding in fiscal 2020. **The department should comment on the delays that were incurred to cause the A/E contract award significantly later than the initial funding authorizations.**

### Behavioral Health Crisis Centers

The only projects funded in fiscal 2023 that relate to the *Facilities Master Plan* (FMP) (discussed in depth in Issue 1) are the construction of four new Behavioral Health Crisis Centers. The department reports that it will construct one in each region: the Eastern Shore, Western Maryland, Central Maryland, and Southern Maryland. The fiscal 2023 funding is recommended at \$853,000 only for the initial planning costs. The department reports that the crisis centers will follow a prototypical design and are estimated to be roughly 14,400 square feet, with the first center to be brought online in Western Maryland. The timeline for crisis facility construction and funding associated with the project is shown in **Exhibit 2**. The department currently anticipates the construction for this first facility to begin July 2023.

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**Exhibit 2**  
**Planned Construction and Funding of Behavioral Health Crisis Centers**  
**Fiscal 2023-2026**

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Acquisition	\$0	\$0	\$1,250,000	\$0
Planning	853,000	446,000	870,000	0
Construction	0	7,559,000	7,800,000	15,214,000
Equipment	0	300,000	300,000	630,000
<i>Facilities Planned for Construction</i>		<i>Western Maryland</i>	<i>Eastern Shore</i>	<i>Central and Southern Maryland</i>

Source: Department of Budget and Management; Maryland Department of Health, *Facilities Master Plan*

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Other than the planned regional distribution, the Department of Budget and Management supporting materials submitted to the Department of Legislative Services (DLS) do not provide further specificity on the exact location of the center other than a general statement that centers of this sort are “most often located within the community and not attached to a hospital campus.” The use of crisis centers elsewhere in the State focus on diverting individuals with immediate substance use or mental health needs from being treated in a higher-cost emergency department setting. The department notes

that services provided by the regional crisis centers “may include” mobile response/intervention units, crisis support call centers, onsite crisis intervention, short-term crisis stabilization beds, and outpatient treatment services. The FMP and other data provided are also silent on the exact or approximate bed capacity of these facilities. The current CIP also includes mention of demolishing decommissioned buildings; however, this project does not receive any funding in fiscal 2023 and only totals \$20 million of expenditures from fiscal 2024 to 2027. The prior CIP programmed \$1.26 million for this purpose in fiscal 2023.

Further, the FMP and supporting materials for this project are largely silent on the operating impact of these new facilities. However, the department did note that it anticipates centers operating through partnerships with regional hospitals or other private entities. The department does note that this multiphased project is not anticipated to have an impact on the fiscal 2023 operating budget. Operating impact for the Perkins project is therefore the only project reflected in the following section.

## ***Operating Budget Impact Statement***

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### **Executive’s Operating Budget Impact Statement – State-owned Projects Fiscal 2023-2027 (\$ in Millions)**

	2023	2024	2025	2026	2027
<b>Clifton T. Perkins Hospital Center North Wing Renovation</b>					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.532	\$0.940
Estimated Staffing	0	0	0	31	31

Operating increases anticipated with the completion of this project include \$2.6 million in salaries and wage increases across fiscal 2026 and 2027. However, in fiscal 2027, this increase is partially offset by \$1.15 million in savings associated with the reduced number of patients on the unit after the completed renovations.

## ***Issues***

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### **1. The New Facilities Master Plan**

On September 2, 2021, the department submitted the 2041 FMP. The long-awaited FMP was initially requested in the fiscal 2019 *Joint Chairmen’s Report*. This 145-page document includes an overview of the Maryland Department of Health (MDH); the planning process, background data, and methodology used to inform the recommendations; an assessment of the current physical building profile; a needs assessment; and recommendations for the health department’s facilities over the next 20 years. The following discussion presents a high-level overview of the FMP as submitted by MDH.

## Evaluation of Current Facilities

One of the more detailed sections of the FMP focused on the status and condition of the department’s current facility inventory. The inventory evaluation employed a rubric that included an overall functional assessment score and an infrastructure condition assessment that produced an overall building assessment score. The report also contained costs per patient, operating cost assessments, and facility capacity. Specific measures considered and their descriptions are provided in **Appendix 1**, with the scores for each facility in **Appendix 2**. **Exhibit 3** reports the overall score for each MDH facility currently operational and evaluated by the FMP.

### Exhibit 3 Evaluation of Current Maryland Department of Health Facilities

	<u>Poor</u>	<u>Fair</u>	<u>Good</u>
Springfield Hospital Center		X	
Clifton T. Perkins Hospital Center			X
Eastern Shore Hospital Center			X
Spring Grove Hospital Center	X		
Thomas B. Finan Center		X	
RICA Baltimore		X	
John L. Gildner – RICA		X	
Holly Center		X	
Potomac Center		X	
Western Maryland Hospital Center	X		
Deer’s Head Hospital Center	X		

RICA: Residential Institute for Children and Adolescents

Source: Maryland Department of Health, *Facilities Master Plan*

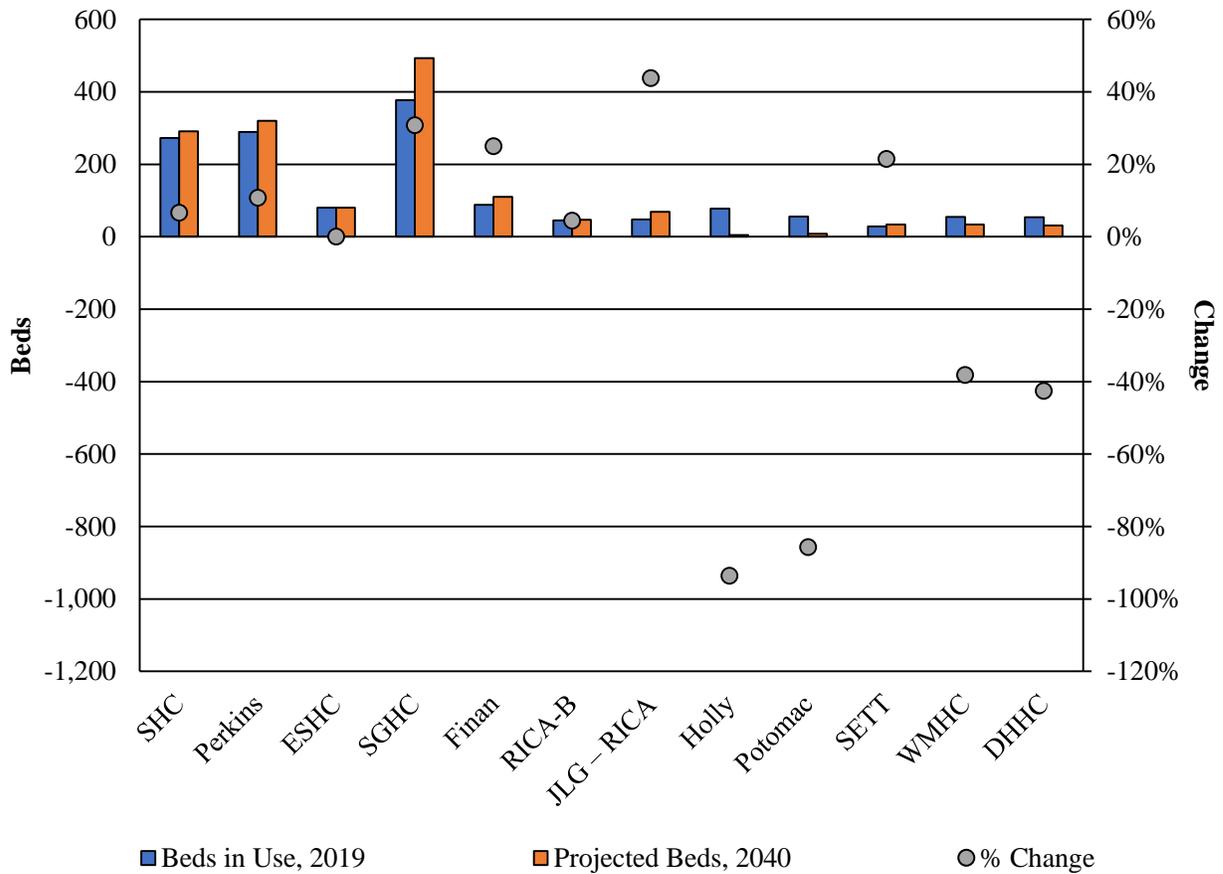
As shown, the State has three facilities that have been rated as poor. This is generally attributable to the facility having both a layout that is ill suited to current care models and various substandard infrastructure measures. The three poorly rated facilities are recommended for transition of services and divestment in the FMP, as discussed later in this analysis.

### Needs Assessment

After considering the status of the current facilities, the FMP also presents a needs assessment for the department’s future. One tenant of the care delivery that the department aims for with its FMP is to provide “the right care at the right place, at the right time.” The department notes that, at present, this is not always the case, where patients of various acuity levels are all ultimately treated in the same

setting. With this in mind, the department conducted an assessment and estimates for bed needs throughout the State’s hospital system. These findings are summarized in **Exhibit 4** and presented in their entirety in **Appendix 3**.

**Exhibit 4**  
**Beds Needs Assessment**  
**Fiscal 2019 vs. 2040**



DHHC: Deer’s Head Hospital Center  
 ESHC: Eastern Shore Hospital Center  
 Finan: Thomas B. Finan  
 Holly: Holly Center  
 JLG: John L. Gildner  
 Perkins: Clifton T. Perkins  
 Potomac: Potomac Center

RICA: Residential Institute for Children and Adolescents  
 RICA-B: Residential Institute for Children and Adolescents – Baltimore  
 SETT: Secure Evaluation and Therapeutic Treatment  
 SGHC: Spring Grove Hospital Center  
 SHC: Springfield Hospital Center  
 WMHC: Western Maryland Hospital Center

Source: Maryland Department of Health *Facilities Master Plan*

Interestingly, the department forecasts a significant drop-off in bed needs for inpatient or residential treatment for the developmentally disabled. This is due to an assumption that 93% of all future patients will be treated in a community-based setting, rather than a State facility. The 2040 estimate only has 13 State beds for this population, although it acknowledges the overall need for treatment for this population increasing by 37% over the period analyzed. The master plan itself is also largely silent on if the community providers or private hospitals in the State have the capacity to accommodate a significant shift in the provision of these services to the community or the State's role in assisting with the additional community capacity. The State's current role in assisting with additional community capacity is discussed in the Budget Overview of Grant and Loan Programs section.

Further, this analysis presents one of the greatest increases in bed needs for Spring Grove Hospital Center. The FMP reports that the bed need for this facility in 2040 will be nearly 500 beds, a 30% increase over the current number of beds operated. However, this is the one regional Behavioral Health Administration (BHA) facility that is being recommended for closure at the end of the FMP. The FMP further suggests an overall need for inpatient behavioral health services increasing by 17%, necessitating another nearly 200 State beds. This need would be exacerbated by the loss of the nearly 500 beds at the Spring Grove Hospital Center. **The department should comment on the current plan for the closure of the Spring Grove Hospital Center given the bed needs identified by the FMP, what steps will need to be taken to ensure that there is adequate capacity in the community and/or in private hospitals when the facility is closed, and whether there are any measures to reflect future anticipated inpatient behavioral health needs not currently reflected in the FMP.** The FMP does include mention of a new hospital building at the Springfield campus; however, this is described as a replacement to existing buildings on the campus and is presumed by DLS to have a minimal, if any, impact on inpatient capacity.

Alternatively, the chronic care bed needs are forecasted to decrease in the State under the department's analysis, consistent with their recommendation to transition these facilities and services outside of State operations in the near term. **In the fiscal 2023 operating analysis for MDH Administration – M00A01, DLS recommended budget bill language for the department to provide an analysis of recruitment, retention, and staffing at MDH facilities. Included in this recommendation is for the department to discuss how the current MDH workforce will be aligned with the new FMP.**

### **Current Recommendations Under the FMP**

The FMP evaluated each of the current buildings in context of their service line, current condition, future needs, and costs and made recommendations. Broadly, the recommendations could be characterized as either new construction/renovation; maintenance of operations/ongoing upkeep of the facility; or transitioning services away from the facility, generally with "strategic partnerships" with non-State entities. These decisions and recommendations were made over the three phases of the plan for each facility and are summarized in **Exhibit 5**; the full text of the recommendations for each facility is shown in **Appendix 4**.

**Exhibit 5**  
**Facilities Master Plan Recommendations**  
**Fiscal 2022-2041**

<u>Service Line</u>	<u>Facility</u>	<u>Phase 1 (2022-2026)</u>	<u>Phase 2 (2027-2031)</u>	<u>Phase 3 (2032-2041)</u>
Inpatient Behavioral Health	Springfield Hospital Center	Ongoing M&O	New Construction plus M&O	Ongoing M&O
	Clifton T. Perkins Hospital Center		Ongoing M&O	
	Eastern Shore Hospital Center			
	Spring Grove Hospital Center			Transition Services
	Thomas B. Finan Center			M&O
RICAs plus FFCs	RICA – Baltimore	Ongoing M&O	Ongoing M&O	Ongoing M&O
	John L. Gildner RICA New FFC (Central Maryland)		New Construction	
DDA	Holly Center	Ongoing M&O	Ongoing M&O	Renovate
	Potomac Center			Transition Patients to either Holly Center or Community Providers
	SETT		New Construction (Jessup)	Transition Patients into New SETT Unit
Chronic Care	Western Maryland Hospital Center	Transition Services	Transition Services	Transition Services
	Deer’s Head Hospital Center			

DDA: Developmental Disabilities Administration

FFC: Facility for Children

M&O: maintenance and operations

RICA: Residential Institute for Children and Adolescents

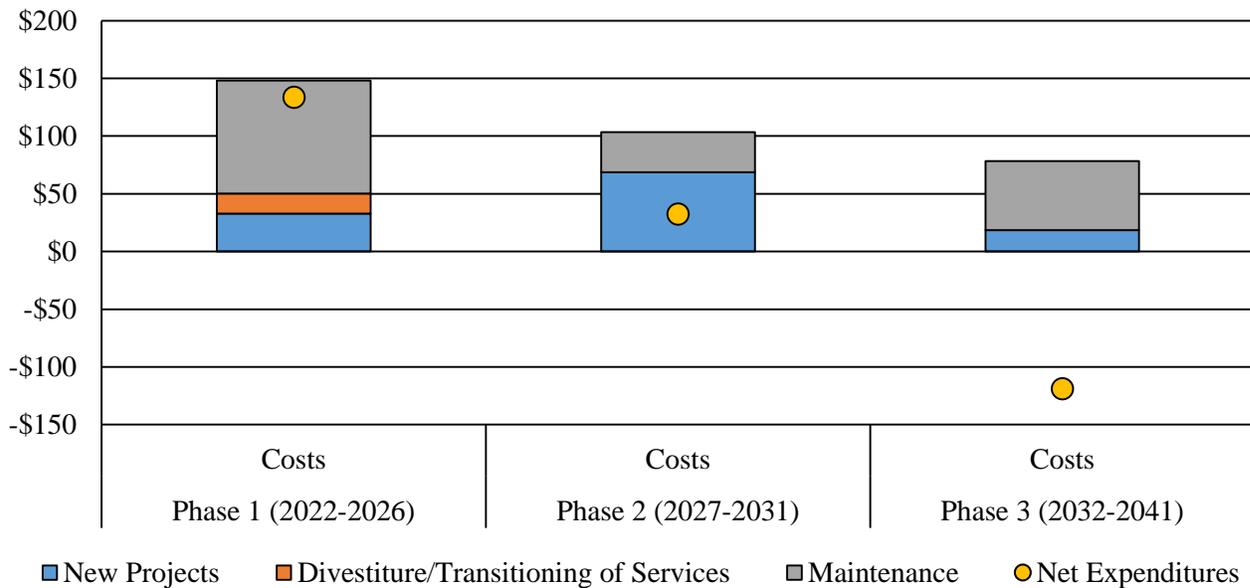
SETT: Secure Evaluation and Therapeutic Treatment

Source: Maryland Department of Health *Facilities Master Plan*

Aside from the facilities currently in operations, the master plan also discusses the divestiture of nonoperating facilities: Crownsville Hospital Center (Anne Arundel); Upper Shore Community Mental

Health Center (Kent County); and Residential Institute for Children and Adolescents (RICA) – Southern Maryland (Prince George’s County). All of these divestures are ideally planned for the first phase of the project. Exhibit 5 also does not include the new construction for the four crisis centers currently programmed in the CIP and discussed previously. However, **Exhibit 6** considers the costs and potential savings as estimated through the department’s master plan throughout all three phases.

**Exhibit 6**  
**Facilities Master Plan Costs and Net Expenditures**  
**Fiscal 2022-2041**  
**(\$ in Millions)**



Note: Savings estimated by the department offset against total costs to produce an estimate of “Net Expenditures.” Annual savings realized in a prior phase are carried over into future project phases. However, savings are calculated on a per-phase basis and not cumulative values.

Source: Maryland Department of Health *Facilities Master Plan*

After the first phase of the plan, the department anticipates \$11.5 million in annual savings: \$2 million with the divestiture of the three nonoperational facilities mentioned previously; and the remaining \$9.6 million upon transitioning services away from the chronic care hospitals (\$4.8 million in annual savings for each facility). Of course, savings will not be realized until the department successfully either divests or transitions from the facilities in question. Some of the estimated savings are likely to be offset by divestment costs (environmental remediation and infrastructure development) from the Crownsville Hospital Center in particular. The FMP estimates that these costs could be up to \$34.2 million to the State. At present, the current plan is to turn the Crownsville Hospital Center campus over to Anne Arundel County. The Governor’s CIP includes \$2.5 million to begin the remediation of this property for the county’s purposes as a miscellaneous grant.

Savings beyond the initial divesture and transition in the first phase of the project include a one-time reduction in anticipated maintenance expenditures for the chronic care hospitals in Phase 2 (\$13.5 million) and Spring Grove Hospital Center and Potomac Center (\$10.6 million) in Phase 3. The department's costs and savings estimates are presented in their entirety in **Appendix 5**. By the end of the FMP, the department anticipates having generated \$21.7 million in annual savings.

## ***Budget Overview of Grant and Loan Programs***

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### **Increased Funding Limits for MDH Grant Programs**

Chapter 386 of 2019 went into effect on October 1, 2019, and impacts both the Community Health Facilities Grant Program (CHFGP) and the Federally Qualified Health Centers (FQHC) Grant Program. This legislation increases the State funding limits for both programs from 75% to 90%. Fiscal 2023 is the second year that this increased funding limit has been in place. However, only one project in each program reaches the new 90% threshold.

#### **Community Health Facilities Grant Program**

The fiscal 2023 capital budget provides \$6.5 million for the CHFGP, which is consistent with what was programmed for fiscal 2023 in the prior CIP. The CHFGP is funded at \$6.5 million annually through fiscal 2027, which is also consistent with programmed funding levels in the prior CIP. As previously mentioned, one significant component of the FMP is shifting more care toward community providers. **Given the anticipated shift of care to community providers in the FMP, MDH should comment on reasons for level funding the CHFGP and whether the program will need to expand to meet the State's needs, particularly for Developmental Disabilities Administration (DDA) providers. Further, the department should comment on any other strategic alignment of the existing grant and loan programs with the goals of service delivery as outlined under the FMP.**

MDH has selected nine projects for capital grant funding in six jurisdictions as outlined in **Exhibit 7**. Eight of the projects were recommended by BHA, four of the eight to address affordable housing needs for individuals with mental health and/or substance use needs. The other four BHA projects align with BHA's Behavioral Health Integration Plan and expand community treatment facilities. DDA only recommended one project in this current grant cycle, which is also related to affordable housing, the Mission First Housing Development project in Howard County.

**Exhibit 7**  
**CHFGP Projects Recommended**  
**Fiscal 2023**

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Authorization</u>	<u>2023</u>	<u>Future Request</u>	<u>State Share</u>
<p><b>Chrysalis House, Inc. – Campus Expansion Project (Anne Arundel):</b> The project is designed to increase capacity by 38% and includes a dedicated Clinical Wing and expanded Child Development Center to accommodate the increase in residential population. The plan also includes the addition of bedrooms and bathrooms to accommodate a census increase of 14 women (with up to seven children) in the residential treatment program and six women in the transitional housing area.</p>	\$1,067,000	\$300,000	\$500,000		75%
<p><b>People Encouraging People, Inc. – Affordable Housing Acquisition and Renovation (Baltimore City):</b> This project will allow People Encouraging People to acquire and renovate two housing units in Baltimore City to provide affordable housing for low-income individuals with mental health or co-occurring substance use disorders (SUD)</p>	667,000		500,000		75%
<p><b>People Encouraging People, Inc. – Treatment Center Renovation and Addition (Baltimore City):</b> This project will renovate existing space and construct a second-story addition to People Encouraging People’s Treatment Center. The renovation will create a new Integrated Care Suite and an addition of a second floor will serve as an unsubsidized emergency care area for consumers. The building is used to provide psychiatric rehabilitation, case management, assertive community treatment teams, outpatient mental health, and outpatient and intensive outpatient SUD treatment.</p>	2,448,000	1,396,000	\$440,000		75%

*MA01 – Maryland Department of Health – Capital*

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Authorization</u>	<u>2023</u>	<u>Future Request</u>	<u>State Share</u>
<p><b>Tuerk House, Inc. – Treatment Center Renovation (Baltimore City):</b> This project will renovate for the 100-room, former Lutheran Hospital building at 730 Ashburton Street that Tuerk House, Inc. acquired in 1993 for use as its main campus. Major upgrades will include heating, plumbing, and electrical work as well as window replacement and bathroom and kitchen renovations. The project also includes a new 5,700 square feet (SF) addition that will expand the first and second floors of the facility. On the first floor, the dining space will be expanded so that that all residents can eat at the same time. Group spaces will be added that can be used for several purposes, including group treatment sessions and meetings with family and community members.</p>	8,596,000	4,587,000	1,430,000		70%
<p><b>Carroll County Youth Service Bureau – Treatment Center Renovation and Addition (Carroll):</b> This project will construct a 10,000 SF addition and renovate 1,200 SF for the Carroll County Youth Service Bureau. The project will be used to serve individuals with severe and persistent mental health illnesses who require intensive wraparound services. It will also serve disconnected youth between ages 16 to 24 who, in addition to struggling with their mental health, may be unemployed, not in school, and/or homeless or involved with the Department of Juvenile Services and exhibit significant mental health needs.</p>	2,691,000		1,000,000	1,422,000	90%
<p><b>Way Station, Inc. – Supported House Acquisition and Renovation (Harford):</b> This project will acquire and renovate five properties in Harford County to provide safe and affordable permanent supported housing for 15 individuals between 18 and 62 years of age with serious and persistent mental illness. This project will eliminate access barriers, expanding Way Station’s ability to support forensic and/or State hospital patients.</p>	1,185,000		463,000		39%

*MA01 – Maryland Department of Health – Capital*

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Authorization</u>	<u>2023</u>	<u>Future Request</u>	<u>State Share</u>
<b>Hilda’s Place Behavioral Health Organization, Inc. – Residential Facility Acquisition and Renovation (Howard):</b> This project will acquire and renovate a residential facility that will provide affordable and stable housing for those that are homeless and suffering from mental health and SUDs. The target property is currently leased by Hilda’s Place.	1,606,000		700,000		44%
<b>Mission First House Development Corporation – Affordable House Construction (Howard):</b> This project will construct eight affordable housing units for individuals with intellectual and developmental disabilities in Columbia, Maryland.	1,136,000		\$500,000		44%
<b>Housing Unlimited, Inc. – Supported Housing Acquisition (Montgomery):</b> This project will acquire three scattered-site townhomes and garden condominiums in Montgomery County residential neighborhoods for Housing Unlimited, Inc. (HUI). HUI provides housing and support services to low-income adults with serious and persistent mental illness. This project will create three units of safe, affordable, permanent, and independent housing for the priority population. All sites acquired will be located within walking distance of public transportation and accessible to shopping and other services.	1,299,000		974,000		75%

CHFGP: Community Health Facilities Grant Program

Source: Governor’s 2022 *Capital Investment Program*

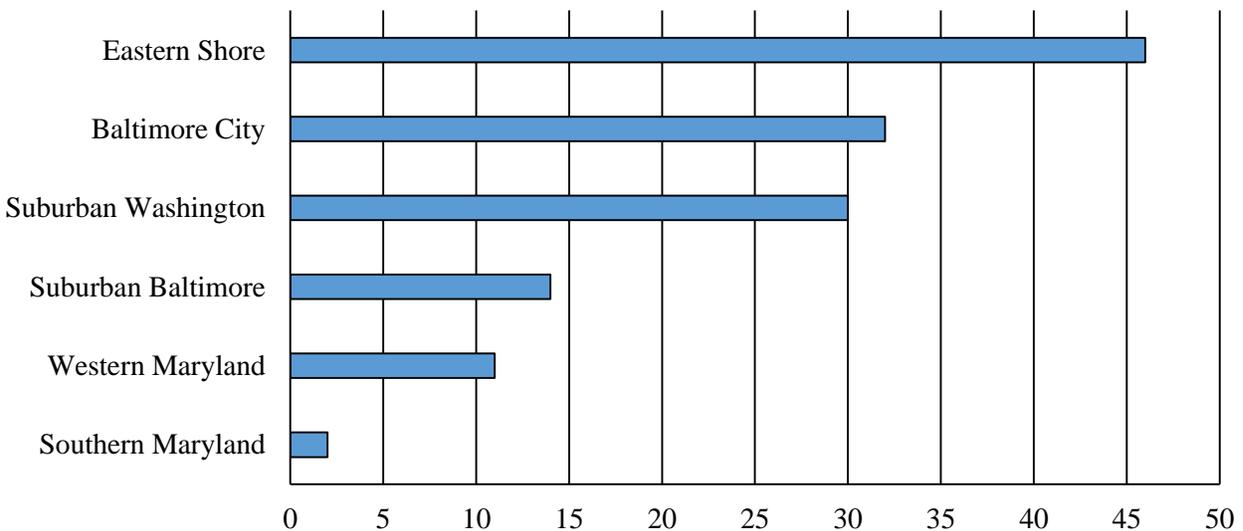
Although the total value of the fiscal 2023 grant is slightly over \$6.5 million, the department intends to use \$7,000 of available unencumbered funds that reduces the amount needed to the \$6.5 million proposed. This cash flow adjustment allows the department to make grant awards in excess of available funds and accounts for the time that it takes for grant recipients to begin to draw down grant awards.

As previously mentioned, many of the projects selected relate to affordable housing, with 24 units being added throughout the four BHA-related housing projects and another 8 units with the one DDA project selected.

## Federally Qualified Health Centers Grant Program

There are 22 FQHC organizations serving the State of Maryland, including one urban Native American clinic in Baltimore City; three clinics based near Washington, DC; telehealth clinics in Montgomery and Prince George’s counties; and one Rural Health Clinic in Washington County. These 22 organizations provide a total of 135 service delivery sites (which can include dental, mental health, and/or primary care services) and 8 administrative sites, yielding a total of 143 FQHC delivery and administrative sites across the State of Maryland. To qualify for designation as an FQHC, an area must first be designated by the federal government as a Medically Underserved Area (MUA) or serve a Medically Underserved Population (MUP) based on criteria established by the U.S. Department of Health and Human Services. As of June 14, 2021, Maryland has 41 MUAs and 12 MUPs. Of the 53 MUAs/MUPs in Maryland, Howard County is the only jurisdiction without a MUA or MUP designation. Calvert and Carroll counties are the only jurisdictions in Maryland without a FQHC. Baltimore City contains 32 of the 135 FCHQ service sites in Maryland, more than any region of the State aside from the Eastern Shore (which collectively has 46 service sites). The distribution of the FQHCs by Maryland regions are shown in **Exhibit 8**.

**Exhibit 8**  
**Distribution of Maryland FQHC Service Sites**



FQHC: Federally Qualified Health Center

Source: Governor’s 2022 *Capital Improvement Program*

As shown in **Exhibit 9**, the current FQHC grant program recommends that four projects are selected from three jurisdictions.

**Exhibit 9**  
**FQHC Grant Program Project Selections**  
**Fiscal 2023**

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Authorization</u>	<u>2023</u>	<u>Future Request</u>	<u>State Share</u>
<p><b>Baltimore Medical System, Inc. – New Medical Office Building (Baltimore City):</b> This project will construct a new tenant fit-out of a soon-to-be-constructed shell medical office building. The project will be located on portions of the first and third floor of the building and the entirety of the second floor.</p>	\$1,020,000		\$765,000		75%
<p><b>Park West Health System, Inc. – Outpatient Building Addition and Renovation (Baltimore City):</b> This project will construct and equip a new addition to the building owned by Park West Health System and renovate the existing second and third floors of the building. Park West Health System provides comprehensive primary, preventative, medical, specialty, behavioral health, and dental services to all individuals regardless of their insurance status or ability to pay.</p>	4,046,000	\$120,000	717,000		21%
<p><b>Community Clinic Health and Wellness Services, Inc. – Renovation and Expansion (Prince George’s):</b> This project will renovate and expand an existing space on the Ft. Washington Medical Center campus to add primary care, increasing the number of primary care providers in Prince George’s County. The addition of a FQHC on the Ft. Washington Medical Center campus will increase opportunities for additional primary care clinical providers, increasing access to care to better meet the demand in Prince George’s County.</p>	667,000		500,000		75%

*MA01 – Maryland Department of Health – Capital*

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Authorization</u>	<u>2023</u>	<u>Future Request</u>	<u>State Share</u>
<p><b>Three Lower Counties Community Services Inc. d/b/a Chesapeake Health Care – Facility Acquisition (Worcester):</b>                      This project will allow Three Lower Counties Community Services to acquire the property adjacent to the space currently leased by the FQHC. The purchase of this property will expand and increase access to mental health and primary care services, by allowing space for seven additional mental health providers.</p>	1,695,000		526,000	1,000,000	90%
<b>Available Fund Adjustment (Statewide)</b>	<b>-\$8,000</b>		<b>-\$8,000</b>		<b>100%</b>

FQHC: Federally Qualified Health Center

Source: Governor’s 2022 *Capital Improvement Program*

The funding also includes an \$8,000 adjustment of additional funding available due to anticipated carryover available from prior year commitments. This allows the fiscal 2023 project costs to total slightly over \$2.5 million.

## Appendix 1 Evaluation Criteria Used

**Operational Assessment Bed Utilization and Current Care Model (Overall Score):** The functional and infrastructure assessments describe the relationship of operations within the facility and evaluation based on an established set of criteria, resulting in a good, fair, or poor rating.

### Function Assessment Criteria:

#### 1. Unit

- **Location/Adjacency:** Assessment of access into the facility, convenience to public transportation, and adjacency to other services.
- **Unit Size:** Assessment of existing size for operations, equipment, and comfort of staff and patients. Size is also assessed based on its adequacy when compared with the percentage of clinical space, patient space, support space, and public space to benchmarks and regulatory requirements.

#### 2. Staff

- **Workflow:** Assessment of operational efficiencies and/or roadblocks for facility staff.
- **Staff Support:** Assessment of staff workspace and working conditions, including specific spaces to perform job functions including but not limited to, medication rooms, clean and soiled linen rooms, documentation space, storage, and nutritional areas.

#### 3. Patient

- **Patient Rooms:** Assessment of patient room environment, including patient comfort, accessibility within the room, safety equipment, and general conditions.
- **Patient Amenities:** Assessment of the availability of, and access to open space, patient restrooms, library, food, activity rooms, and guest spaces.

#### 4. Activity

- **Access to Outdoors:** Assessment of ease of access to the outdoors, such as through patios, atriums, or general entryways.
- **Dayroom/Activity:** Assessment emphasized elements such as size and location of the dayroom, types of activities offered, and availability to patients.

**5. Safety**

- **Patient Safety:** Assessment of items that directly affect patient safety. Examples include staff's direct sight lines to patient rooms, possible hazards such as sharp edges on furniture and crawl spaces, ligature-resistant patient environment, and technological infrastructure to improve patient safety.
- **Staff Safety:** Assessment of items that affect staff safety. Examples include access control, security, and technological infrastructure for patient monitoring and areas with decreased direct visualization of patients that could put the staff at risk.

**6. Aesthetics**

- **Interior:** Assessment of interior design elements regarding functionality for staff and/or patients.
- **Exterior:** Assessment of the exterior design, including campus design and/or community as a whole. Assessment of functionality of exterior design elements, as applicable.

**Infrastructure Assessment Criteria:** Assessment of each facility location's architectural, mechanical, electrical, plumbing, and civil engineering systems. Main categories for the architectural discipline are exterior, interior, and code compliance. Using the exterior main category as an example, the subsequent subcategories include building skin, windows/doors, and roof/gutters. Rating categories were generated as part of the evaluation process for each professional discipline. A summary of these findings was compiled to generate an overall rating for the facility of good, fair, or poor for each discipline. This evaluation method was used to develop all facility assessments.

Source: Maryland Department of Health, *Facilities Master Plan*

**Appendix 2  
Evaluation of Existing MDH Facilities**

		<u>Overall</u>	<u>Functional</u>	<u>Architectural</u>	<u>MEP</u>	<u>Civil Engineering</u>
Inpatient Behavioral Health	Springfield Hospital Center	Fair	Fair	Fair	Fair	Good
	Clifton T. Perkins Hospital Center	Good	Good	Good	Fair	Fair
	Eastern Shore Hospital Center	Good	Good	Good	Good	Good
	Spring Grove Hospital Center	Poor	Poor	Poor	Fair	Poor
RICA	Thomas B. Finan Center	Fair	Fair	Fair	Fair	Fair
	RICA – Baltimore	Fair	Good	Fair	Good	Fair
	John L. Gildner RICA	Fair	Good	Fair	Fair	Fair
DDA	Holly Center	Fair	Fair	Fair	Fair	Fair
	Potomac Center	Fair	Fair	Fair	Fair	Fair
Chronic Care	Western Maryland Hospital Center	Poor	Poor	Poor	Poor	Fair
	Deer’s Head Hospital Center	Poor	Poor	Poor	Fair	Fair

MEP: mechanical, engineering, plumbing

Source: Maryland Department of Health, *Facilities Master Plan*

**Appendix 3  
Projected Bed Need by Facility**

<u>Service Line</u>	<u>Facility</u>	<u>Bed Type</u>	<u>Beds in Use, Fiscal 2019</u>	<u>Projected Beds, Fiscal 2040</u>	<u>Change</u>
Inpatient Behavioral Health	Springfield Hospital Center		273	291	7%
	Clifton T. Perkins Hospital Center		289	320	11%
	Eastern Shore Hospital Center		80	80	0%
	Spring Grove Hospital Center		377	493	31%
	Thomas B. Finan Center		88	110	25%
<b><i>Inpatient Behavioral Health Subtotal</i></b>			<b><i>1,107</i></b>	<b><i>1,294</i></b>	<b><i>17%</i></b>
RICA	RICA – Baltimore		45	47	4%
	John L. Gildner RICA		48	69	44%
<b><i>RICA Subtotal</i></b>			<b><i>93</i></b>	<b><i>116</i></b>	<b><i>25%</i></b>
DDA	Holly Center		78	5	-94%
	Potomac Center		56	8	-86%
	SETT		28	34	21%
<b><i>DDA Subtotal</i></b>			<b><i>162</i></b>	<b><i>47</i></b>	<b><i>-71%</i></b>
Chronic Care	Western Maryland Hospital Center	TBI	7	7	0%
		LTACH	12	14	17%
		SNF	36	13	-64%
	Deer’s Head Hospital Center	LTACH	6	9	50%
		SNF	48	22	-54%
<b><i>Chronic Care Subtotal</i></b>			<b><i>109</i></b>	<b><i>65</i></b>	<b><i>-40%</i></b>
<b>Total Projected Bed Capacity</b>			<b>1,471</b>	<b>1,522</b>	<b>3%</b>

LTACH: Long Term Acute Care Hospital  
 SETT: Secure Evaluation and Therapeutic Treatment  
 SNF: skilled nursing facility  
 TBI: traumatic brain injury

Source: Maryland Department of Health, *Facilities Master Plan*

**Appendix 4  
Facility Master Plan Recommendations**

**Springfield Hospital Center**

**Maintain and Renovate – Recommendation**

Springfield Hospital Center will meet the patient population needs for the current budgeted and future growth projections for patients. The facility and clinical costs per patient were comparable with costs at the State’s other Inpatient Behavioral Health facilities, with the exception of the Perkins facility. Specifically, the Salomon and Hitchman buildings operationally met the needs of the patient population. These buildings were constructed in the 1980s and, with routine maintenance and scheduled system replacements, will continue to operate effectively for another 20 years.

However, the McKeldin building is aging and nearing the end of its projected useful life. In addition, all systems in the McKeldin building will need to be replaced. Furthermore, the current footprint of the building was not conducive to accommodate layouts that meet the projected future standards of care.

**Replace or Build New – Recommendation – Replace McKeldin Building**

There is available land adjacent to the existing patient care buildings to construct new buildings, which would allow a systematic approach to construct new state-of-the-art facilities for future needs while maintaining current operations in the existing buildings, and eventually replacing obsolete buildings.

The Salomon and Hitchman buildings will function effectively for the next 20 years, making replacement of those buildings cost prohibitive. However, the McKeldin building will exceed its life expectancy, and its current systems will need to be replaced in the near future. Accordingly, it would be more cost effective to replace the McKeldin building. Springfield Hospital Center could accommodate additional growth and still meet regional patient care needs while maintaining effective levels of cost of care.

**Clifton T. Perkins Hospital**

**Maintain and Renovate – Recommendation**

Perkins met current bed capacity and had capital projects already in line for future major development, which will permit all units of the facility to accommodate maximum-security patients. The facility and its systems will need some upgrades but will be able to continue to meet projected future models of care cost effectively for the patient population over the next 20 years. In addition, there was room for expansion or renovation on the site, with little disruption to existing facilities.

Furthermore, the existing facility was able to serve patients cost effectively. The facility operating and clinical care costs were the most efficient when compared to the State’s other Inpatient Behavioral Health sites and would be able to continue to meet best practices, cost effectively for the population served.

## **Eastern Shore Hospital Center**

### **Maintain and Renovate – Recommendation**

The Eastern Shore Hospital Center met both current and projected bed needs. The facility was constructed in 2001, and there was no need for major renovations in the near future. It will operate effectively for another 20 years with routine maintenance and scheduled system replacements. The facility also needed maintenance to its stormwater management systems.

In addition, the existing facility was able to serve patients cost effectively. The facility operating and clinical care costs were comparable to the State’s other Inpatient Behavioral Health facilities.

## **Spring Grove Hospital Center**

### **Partnerships for Transition of Care – Recommendation**

The aging patient buildings at this facility make it cost prohibitive to renovate or construct new buildings on this campus. MDH could partner with regional health care and community providers to transition services at this facility, which would result in cost-effective care of patients in an optimal patient care environment.

## **Thomas B. Finan Center**

### **Maintain and Renovate – Recommendation**

The Thomas B. Finan Center will meet its current budgeted need of 88 patients and can accommodate the future growth projections. While the building structure was aging, much of the infrastructure was upgraded as part of a new Energy Performance Contract (EPC) and, therefore, would not need major replacements. The facility will operate effectively for another 20 years with routine maintenance and scheduled system replacements.

The campus also had vacant space that could be used for swing space. However, a full renovation of the facility was not warranted since different cottages served different purposes. Although the existing facility was able to meet the current needs of the patient population, the State should plan for selective renovations to accommodate more acute patients.

Moreover, the facility and clinical costs per patient were comparable with costs at the State’s other Inpatient Behavioral Health facilities with the exception of the Perkins facility.

## **Residential Institute for Children and Adolescents – Baltimore**

### **Maintain and Renovate – Recommendation**

RICA – Baltimore is able to effectively serve patients and meet both current and future projected bed needs. The facility was constructed in 1995 and was in fair to good condition. It also had several facility renewal projects over the past 10 years and did not need any major renovations; however, the improvements identified in the Infrastructure Assessment should be considered.

The facility will operate effectively for another 20 years with routine maintenance and scheduled system replacements. Moreover, there was room for expansion or renovation on the site.

## **John L. Gildner RICA**

### **Maintain and Renovate – Recommendation**

John L. Gildner RICA was able to effectively serve patients and meet both current and future projected bed needs. The facility was constructed in 1979 and was in fair condition and did not require any major renovations. However, the improvements identified in the Infrastructure Assessment should be considered. The facility will operate effectively for another 20 years with routine maintenance and scheduled system replacements.

## **Holly Center**

### **Maintain and Renovate – Recommendation**

The Holly Center is able to effectively serve its existing intellectually and developmentally disabled patient population. Based on the bed projection for 2040, the facility would have excess capacity, as the census could decrease substantially over time. The facility was in fair condition and well maintained. It had also just completed a mold remediation project. In addition, the facility did not need any major renovations; however, the improvements identified in the Infrastructure Assessment should be considered.

In 2018, new HVAC systems were installed in portions of the facility as part of an EPC. The facility will adequately function for the next 20 years with routine maintenance and scheduled replacements of key systems. The plan recommends a capital construction project to renovate the existing residential cottages at the Holly Center.

## **Potomac Center**

### **Maintain and Renovate – Recommendation**

The Potomac Center was in fair condition and able to effectively serve its existing developmentally disabled population. However, based on the bed projection for 2040, the center would have excess capacity as the census is projected to decrease significantly. Renovations were recently made for the relocation of the Secure Evaluation and Therapeutic Treatment (SETT) program to the site. However, based on the anticipated decline in bed need, future major renovations would not meet the goal of providing the best service at lower costs. Additionally, with routine maintenance and scheduled replacement of building systems, the facility could be adequately maintained until there is a substantial decline in occupancy.

### **Partnerships for Transition of Care – Recommendation**

The plan recommends construction of a new SETT facility in the Central Maryland region. The SETT patients currently located at the Potomac Center can be relocated to the new SETT facility after construction is completed. Since the projected census for the facility is expected to decrease significantly over time, it would be cost effective to integrate services into the Holly Center and also transition services to regional health care and community providers.

## **Western Maryland Hospital Center**

### **Partnerships for Transition of Care – Recommendation**

The aged Western Maryland Hospital Center facility will require extensive renovations to meet projected future standards of care and is oversized for the number of patients that will be treated at this facility. MDH could partner with regional health care and community providers to transition services at this facility, which would result in cost-effective care of patients in an optimal patient care environment.

## **Deer’s Head Hospital Center**

### **Partnerships for Transition of Care – Recommendation**

The Deer’s Head Hospital Center facility will require extensive renovations to meet projected future standards of care and is oversized for the reduced projected census over the next 20 years. MDH could partner with regional health care and community providers to transition services at this facility, which would result in cost-effective care of patients in an optimal patient care environment.

Source: Maryland Department of Health, *Facilities Master Plan*

**Appendix 5**  
**Facility Master Plan Recommendations Cost and Savings Estimates**

<u>Projects</u>	Phase 1 (2022-2026)				Phase 2 (2027-2031)				Phase 3 (2032-2041)			
	<u>Total Costs</u>	<u>Savings</u>		<u>Est. Total Savings</u>	<u>Total Costs</u>	<u>Savings</u>		<u>Est. Total Savings*</u>	<u>Total Costs</u>	<u>Savings</u>		<u>Est. Total Savings*</u>
		<u>One-time</u>	<u>Annual</u>			<u>One-time</u>	<u>Annual</u>			<u>One-time</u>	<u>Annual</u>	
<b>New Construction</b>												
Western Maryland Crisis Center	\$8.2											
Eastern Shore Crisis Center	8.2											
Central Maryland Crisis Center	8.2											
Southern Maryland Crisis Center	8.2											
New 28 Bed SETT Unit on Grounds of Clifton T. Perkins Hospital Center					\$19.0							
Replacement Hospital Building at Springfield Hospital Center					36.8							

<u>Projects</u>	<u>Total Costs</u>	<u>Phase 1 (2022-2026) Savings</u>			<u>Total Costs</u>	<u>Phase 2 (2027-2031) Savings</u>			<u>Total Costs</u>	<u>Phase 3 (2032-2041) Savings</u>		
		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings</u>		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings*</u>		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings*</u>
New Facility for Children in Central Maryland					13.0							
Renovate Holly Center									\$18.6			
<b>New Construction Subtotal</b>	<b>\$32.8</b>				<b>\$68.8</b>				<b>\$18.6</b>			
<b>Divestiture</b>												
Crownsville Hospital Center	\$0 to \$34.2		\$1.3	\$3.3				\$6.5			\$13.0	
Upper Shore Community	0		\$0.6	\$1.5				\$3.0			6.0	
RICA Southern Maryland	0		\$0.0	\$0.0				\$0.0			0	
<b>Divestiture Subtotal</b>	<b>\$0 to \$34.2</b>		<b>\$1.9</b>	<b>\$4.8</b>				<b>\$9.5</b>			<b>\$19.0</b>	
<b>Ongoing Maintenance</b>												
Western Maryland Hospital Center	\$7.8					\$5.5						
Deer's Head Hospital Center	3.0					8.0						

<u>Projects</u>	<u>Total Costs</u>	<u>Phase 1 (2022-2026) Savings</u>			<u>Total Costs</u>	<u>Phase 2 (2027-2031) Savings</u>			<u>Total Costs</u>	<u>Phase 3 (2032-2041) Savings</u>		
		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings</u>		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings*</u>		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings*</u>
Spring Grove Hospital Center	27.4				\$6.8					\$9.6		
Potomac Center	12.1				0.0					1.0		
Springfield Hospital Center	24.6				0.9				\$27.9			
Clifton T. Perkins Hospital Center	6.0				0.0				7.5			
Eastern Shore Hospital Center	2.7				13.4				0.9			
Thomas B. Finan Center	6.0				11.7				3.5			
RICA – Baltimore	1.9				1.6				3.0			
John L. Gildner RICA	4.0				0.0				6.4			
Holly Center	2.5				0.3				9.5			
<i>Ongoing Maintenance Subtotal</i>	<b>\$98.0</b>				<b>\$34.7</b>	<b>\$13.5</b>			<b>\$58.7</b>	<b>\$10.6</b>		

<u>Projects</u>	<u>Total Costs</u>	<u>Phase 1 (2022-2026) Savings</u>			<u>Total Costs</u>	<u>Phase 2 (2027-2031) Savings</u>			<u>Total Costs</u>	<u>Phase 3 (2032-2041) Savings</u>		
		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings</u>		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings*</u>		<u>One-time</u>	<u>Annual</u>	<u>Est. Total Savings*</u>
<b>Transitioning Services</b>												
Western Maryland Hospital Center			\$4.8	\$7.2				\$24.0				\$48.0
Deer’s Head Hospital Center			4.8	7.2				24.0				48.0
Spring Grove Hospital Center											\$9.9	69.3
Potomac Center											0.3	2.1
<b>Transitioning Services Subtotal</b>			<b>\$9.6</b>	<b>\$14.4</b>				<b>\$48.0</b>			<b>\$10.2</b>	<b>\$167.4</b>

\* Includes annual savings from prior phases extended throughout entire phase. Annual savings not realized until facility is divested, or care is transitioned. DLS assumes 1.5 years of savings for Chronic Care transition and 2.5 years of savings for initial divestiture in Phase 1; in Phase 3, DLS assumes 7 years of savings for transition of services from Potomac Center and Spring Grove.

Source: Maryland Department of Health, *Facilities Master Plan*; Department of Legislative Services