



Maryland
Hospital Association

SB 191- Creation of a State Debt - Maryland Consolidated Capital Loan of 2016

Position: Support

Process

This year, 10 hospitals submitted applications by the June 13 deadline. The \$4.3 million total cost of the projects is slightly less than the \$5 million budgeted for fiscal year 2017. The funding will enhance health care services throughout the state, with a focus on improving patient safety, expanding access to care, and reducing unnecessary admissions and readmissions. Applications were reviewed by an independent consultant.

In July, each applicant presented their proposal in person to the MHA Bond Review Committee, Department of Budget & Management staff, the consultant and MHA staff. The MHA Bond Review Committee evaluates applications using a formal process that aligns with the bond evaluation criteria, weighting and scoring system. The committee takes pride in continuing to achieve the state's and legislature's goal of providing a fair and rigorous review process.

Rationale for Total Dollars Recommended

MHA and its member hospitals have been dedicated stewards of the Private Hospital Facilities Grant Program since its inception in 1993. The evolving and uncertain landscape of hospital financing under the new hospital Medicare waiver, along with a community assessment currently underway, have led hospitals to be conservative when considering new capital projects. Moving forward, we expect that funding requests will return to the recommended appropriation level of \$5 million annually.

The committee diligently reviewed the proposed projects and believes that nine of 10 are worthy of funding, particularly as hospitals' access to capital dollars continues to deteriorate. The projects that were reviewed by the Hospital Bond Project Review Committee all enhance population health management, with a focus on primary and preventive care, as necessitated by the new hospital Medicare waiver.

Recommendations

The nine projects recommended for funding are in the following jurisdictions: Anne Arundel County, Baltimore City, Baltimore County, Montgomery County, Prince George's County and Somerset County. These projects will enhance primary and preventive care for the uninsured, improve access to behavioral health and substance abuse services, expand pediatric outpatient rehabilitation services, provide chronic disease management assistance, and generate greater access to advanced dental care and integrated cancer care.

Below are the committee's specific recommendations:

Adventist Behavioral Health and Wellness-Rockville

Recommended Allocation:

\$392,000

This project will support the Behavioral Health Outpatient Program (BHOP). BHOP will serve as a Behavioral Health Home for patients with a primary diagnosis of a behavioral health disorder. The goal is to improve the overall health of the community, improve patients' experiences while receiving care, and reduce health care costs in a traditionally high-use population. This will be done by providing a number of services that mitigate barriers to receiving treatment, an effort that will reduce readmission rates. Funding will be used to renovate about 1,000 square feet to create 11-12 offices for individual psychotherapy and for physical examinations by eight providers, including an internist/primary care physician, psychiatrist, psychologist and social workers; 2,000 square feet will be upgraded to be used for group activities and therapy.

Adventist Healthcare-Shady Grove Medical Center (SGMC)

Recommended Allocation:

\$279,000

The creation of a "child-centric" first floor space dedicated to outpatient pediatric rehabilitation will improve the access to and appeal of rehabilitation services for those most in need. SGMC is the only hospital in Montgomery County providing comprehensive outpatient pediatric physical therapy, occupational therapy and speech language pathology services.

The space will be in two separate areas; the Neonatal Intensive Care Unit (NICU) lounge will be adjacent to the NICU on the third floor, and the Pediatric Outpatient Rehabilitation Program will be in an adjoining medical office building and occupy 1,700 square feet. The current 1,100 square feet for the pediatric rehabilitation department is on the fourth floor of the hospital, which mainly houses adult inpatients, reducing the visibility, convenience and appeal of this critical service. Moving will provide greater access to care and enable parents and guardians to better participate in the care of their children.

Anne Arundel Medical Center (AAMC)

Recommended Allocation:

\$500,000

The Pathways project at AAMC is being developed to improve patient care, patient safety and efficiency by renovating the main waiting area and reconfiguring space to accommodate group therapy and ambulatory detoxification programs. The project includes the upgrade of electrical, lighting and mechanical equipment throughout the building, focusing on the reduction of electricity and water consumption. In addition, the exterior will be renovated to improve the patio area and lighting, and upgrade low-voltage cabling and security access controls/monitoring systems.

Doctors Community Hospital

Recommended Allocation: **\$500,000**

Doctors Community Hospital has a long-term lease for 10,000 square feet in the Marlboro Pike area that will serve high-risk populations with limited health care access. Renovations include the primary care practice areas, patient exam rooms, and physician and laboratory office space. The lobby and front entrance will be upgraded to be ADA compliant. The facility will offer primary and preventative health care services to the uninsured and underserved residents with a focus on African-American and Latino populations. The center will also provide prenatal, gynecological, behavioral health and chronic disease management services.

McCready Foundation

Recommended Allocation: **\$238,140**

The requested funding will help implement a collaborative program between Adventist HealthCare Inc. and McCready to provide behavioral health services on McCready's campus in Crisfield. This program will increase access to behavioral health care by adding services currently not available in Somerset County and offering another point of access for the few services already offered. This program will also assist in addressing the alcohol, opioid and other substance abuse issues prevalent in this area.

MedStar Franklin

Recommended Allocation: **\$876,375**

This funding will assist in moving an inpatient cancer unit from an outdated and undersized location to a renovated space that will facilitate inpatient clinical care. This location became available with the move of the hospital's medical/surgical services to its new patient tower. This project will improve patient care by expanding the size of the inpatient cancer unit and adding space to patient rooms, family/visitor areas, other clinical spaces, and equipment and storage spaces. Further, the renovation will improve IT, electric and HVAC infrastructure to enhance patient care and safety, as well as improve amenities.

MedStar Montgomery Medical Center (MMMC)

Recommended Allocation: **\$300,000**

This project will renovate the Maternal Newborn Center Special Care Nursery and Inpatient Unit. The remodeling includes significant patient focused amenities to meet the demands of the newborn population, and upgrades to patient accommodations. The nursery will shift from one contiguous space to a pod layout that will allow for more patient privacy and quiet space. The renovations include new floors and lighting, as well as improved patient/staff movement flow – that will result in more patient-friendly space and improved outcomes.

University of Maryland St. Joseph Medical Center

Recommended Allocation:

\$1,000,000

The project will renovate a floor dedicated to serve mothers and babies. The area referred to as 3 West is currently the postpartum floor and has 15 private rooms and two semi-private rooms. These funds would support the renovation of a minimum of five suites on 3 West to provide a more homelike atmosphere for mothers and babies with a more welcoming labor and delivery area. Additional improvements include new way-finding signage and a new reception desk to greet patients. A renovation to the triage area will increase the number of exam rooms from three to five, replace curtain dividers with glass partitions to enhance patient privacy and infection prevention, and replace the 50-year-old heating and air conditioning unit to improve efficiency and patient comfort.

University of Maryland Rehabilitation and Orthopaedic Institute

Recommended Allocation:

\$150,000

The Kernan Dental Service project addresses inadequate space on the Terrace Level of the James Lawrence Kernan Hospital. The renovation of the patient waiting and registration areas will enhance patient privacy, confidentiality and safety; improve patient flow; and improve overall efficiency for all patients. The creation of a customized area within the waiting room for the special health care needs population will promote patient safety and optimize the overall patient and family experience. The project will add one dental hygiene room.

Recommendations for De-Authorizations and Reporting of Funds

The fiscal 2017 capital bill includes an amendment that lists two de-authorizations for prior year hospital projects. The first is a de-authorization of \$110,000 in general obligation (GO) bonds for Union Hospital of Cecil County – Outpatient Center. The second is a de-authorization of \$500,000 in GO bonds for Meritus Medical Center. In both instances, the projects were initially requested before the new All-payer Model Contract was in effect, and the new payment model is shifting the goals and priorities of hospitals in regard to capital investment. Both hospitals have new projects they intend to pursue, however it was determined they will need to reapply in the 2016 application cycle.

MHA supports the recommendation to have an annual report issued to the Department of Budget and Management (DBM) and MHA to list the amount of funds encumbered and expended to date to better track funds allocated. MHA can provide additional information regarding the specifics of each project that was approved.

Thank you for your consideration, we **urge a favorable** committee report on this bill.



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