

MA01
Department of Health and Mental Hygiene

Capital Budget Summary

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

<i>Program</i>	<i>2014 Approp.</i>	<i>2015 Approp.</i>	<i>2016 Request</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>2020 Est.</i>
----------------	-------------------------	-------------------------	-------------------------	----------------------	----------------------	----------------------	----------------------

Community Health Facilities Grant Program	\$5.250	\$5.183	\$5.263	\$5.250	\$5.250	\$5.250	\$5.250
Federally Qualified Health centers Grant Program	0.660	2.276	0.371	2.500	2.500	2.500	2.500
Total	\$5.910	\$7.459	\$5.634	\$7.750	\$7.750	\$7.750	\$7.750

<i>Fund Source</i>	<i>2014 Approp.</i>	<i>2015 Approp.</i>	<i>2016 Request</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2018 Est.</i>	<i>2020 Est.</i>
--------------------	-------------------------	-------------------------	-------------------------	----------------------	----------------------	----------------------	----------------------

GO Bonds	\$5.910	\$7.459	\$5.634	\$7.750	\$7.750	\$7.750	\$7.750
Total	\$5.910	\$7.459	\$5.634	\$7.750	\$7.750	\$7.750	\$7.750

GO: general obligation

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

Projects	Prior Auth.	2016 Request	2017 Est.	2018 Est.	2019 Est.	2020 Est.	Beyond CIP
Dorsey Run Secure Evaluation and Therapeutic Treatment Center	\$3.300	\$0.000	\$7.550	\$7.550	\$8.950	\$0.000	\$0.000
Clifton T. Perkins – North Wing Renovations	0.000	0.000	0.900	1.200	13.150	12.950	0.000
Total	\$3.300	\$0.000	\$8.450	\$8.750	\$22.100	\$12.950	\$0.000

Fund Source	Prior Auth.	2016 Request	2017 Est.	2018 Est.	2019 Est.	2020 Est.	Beyond CIP
GO Bonds	\$3.300	\$0.000	\$8.450	\$8.750	\$22.100	\$12.950	\$0.000
Total	\$3.300	\$0.000	\$8.450	\$8.750	\$22.100	\$12.950	\$0.000

CIP: Capital Improvement Program
GO: general obligation

Summary of Issues

Secure Evaluation and Therapeutic Treatment Center: This project has been delayed multiple times, most recently to conduct a building feasibility study for the planned renovation portion of the project. **Accordingly, the Department of Legislative Services (DLS) recommends the de-authorization of \$1.150 million in general obligation bond authorizations made in the 2010 Maryland Consolidated Capital Bond Loan (MCCBL) for preliminary design of a new Secure Evaluation and Therapeutic Treatment (SETT) unit.**

Rosewood Center: The Rosewood Center in Owings Mills is considered surplus property, and the State has recently been negotiating with Stevenson University to acquire the property. **The agency should comment on the status of negotiations with Stevenson University regarding disposition of the Rosewood Center property.**

Summary of Recommended Bond Actions

1. Community Health Facilities Grant Program
Approve \$5,236,000 in general obligation bonds.
 2. Federally Qualified Health Centers
Approve \$371,000 in general obligation bonds.
 3. Section 2 – Department of Health and Mental Hygiene – Patient Safety Improvements
Approve de-authorization of \$170,000 in general obligation bonds.
 4. Section 2 – Secure Evaluation and Therapeutic Treatment Center -\$1,150,000 DA
Delete funds for preliminary design.
 5. Section 2 – Department of Health and Mental Hygiene – Henryton Center
Approve de-authorization of \$242,733 in general obligation bonds.
- Total Reductions**

Budget Overview

Community Health Facilities Grant Program

The Department of Health and Mental Hygiene’s (DHMH) Community Health Facilities Grant Program provides capital grants for the acquisition, design, construction, renovation, and equipping of facilities that provide mental health, developmental disabilities, and substance abuse services. The program is considered an integral part of the State’s efforts to facilitate the de-institutionalization of the mentally ill and developmentally disabled by assisting in the funding of residential facilities within the community. It also seeks to develop community resources to prevent institutionalization of the addicted. The State may fund up to 75% of the cost of each project.

Proposed Fiscal 2016 Projects

For fiscal 2016, as shown in **Exhibit 1**, the department is proposing to support 10 projects: 4 projects serving both the mentally ill and substance abusers, 4 community mental health projects, 1 for individuals with co-occurring mental illness and developmental disabilities, and 1 substance abuse treatment project. Of the projects proposed in the 2016 program, most are routine requests. Only 2 projects contain multi-year commitments including the project for People Encouraging People, Inc. in Baltimore City and the Avery Road Treatment Center in Montgomery County.

Exhibit 1 Fiscal 2016 Community Health Facilities Grant Program Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Project Detail</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2016 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Baltimore City	Aids Interfaith Residential Services/Empire Homes of Maryland, Inc.	Acquire 4 to 5 row houses at scattered sites in Baltimore City for individuals with persistent mental illness and/or substance use disorders.	\$757,000		\$478,000		63.1%
Baltimore City	Comprehensive Housing Assistance, Inc.	Acquire and renovate 3 semi-detached and duplex houses for individuals with serious and persistent mental illness.	1,294,102		634,000		49.0%
Baltimore City	Marian House	Renovate a facility to provide supportive housing for homeless women and their children recovering from behavioral health issues.	4,820,000		750,000		15.6%
Baltimore City	People Encouraging People, Inc.	Renovate and add a second story to an existing facility serving individuals with serious mental illness and/or co-occurring substance abuse.	2,160,744	\$150,000	735,000	\$735,000	75.0%

MA01 – Department of Health and Mental Hygiene

<u>Subdivision</u>	<u>Project Title</u>	<u>Project Detail</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2016 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Carroll	Access Carroll, Inc.	Renovate vacant space to allow for the relocation and expansion of behavioral health services.	629,433		378,000		60.0%
Frederick/ Howard/ Washington	Way Station, Inc.	Acquire 1 apartment-type building in each county totaling 44 new units for individuals with mental illness and/or developmental disabilities.	2,454,500		1,600,000		65.2%
Harford	Key Point Health Services, Inc.	Acquire 2 single-family homes for individuals with mental illness.	270,000		202,000		74.8%
Howard	iHomes, Inc.	Acquire 2 townhouses for individuals with a chronic psychiatric disability and very low income.	498,000		327,000		65.7%
Montgomery	Housing Unlimited, Inc.	Acquire 10 townhomes in Montgomery County for individuals with chronic psychiatric disability and very low income.	2,200,000		1,600,000		72.7%
Montgomery	Avery Road Treatment Center/ Montgomery County Government	Construct new 60-bed residential facility for individuals with substance abuse disorders to replace existing capacity on that same site.	12,600,000	310,000	104,000	3,200,000	28.7%
Statewide	Cash Flow, Prior Commitments, and Available Funds Adjustment		-1,545,000		-1,545,000		100.0%
Total			\$26,138,779	\$460,000	\$5,263,000	\$3,935,000	

Source: Department of Health and Mental Hygiene

Fiscal 2016 Financial Analysis and Overall Program Activity

While the total fiscal 2016 State support for the 10 projects is \$6,808,000, the funding request for the fiscal 2016 Community Health Facilities Grant Program is based on the cash flow analysis provided in **Exhibit 2**. **Exhibit 3** summarizes prior year authorization encumbrance and expenditure data.

Exhibit 2 DHMH – Fiscal 2016 Community Health Facilities Grant Program Cash Flow Analysis

State share of proposed fiscal 2016 projects	\$6,808,000
Carryover of projects from prior year commitments	4,160,270
Funds available at the end of fiscal 2015	-2,334,436
Cash flow adjustment for fiscal 2016	-3,370,500
Total	\$5,263,000

DHMH: Department of Health and Mental Hygiene

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Exhibit 3 Community Health Facilities Grant Program Authorization Encumbrance and Expenditure Data (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$158.629	\$158.629	\$158.579	\$0.000	\$0.050
2011	7.423	7.423	7.288	0.000	0.135
2012	3.568	3.567	3.452	0.001	0.116
2013	0.000	0.000	0.000	0.000	0.000
2014	5.250	3.617	1.958	1.633	3.292
2015	5.183	0.000	0.000	5.183	5.183
Total	\$180.053	\$173.236	\$171.277	\$6.817	\$8.776

Note: Data effective February 18, 2015. Numbers may not sum due to rounding.

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Federally Qualified Health Centers Grant Program

Federally Qualified Health Centers (FQHC) are private, not-for-profit health care centers that provide comprehensive primary and preventive care to all individuals regardless of insurance status or their ability to pay. FQHCs exist in areas where economic, geographic, or cultural barriers limit access to primary health care for a substantial portion of the population.

Maryland currently has 17 traditional FQHCs and 1 FQHC look-alike health center with over 157 service sites. Forty-seven of the 157 sites are located in Baltimore City, and the remaining 110 sites are located in the following jurisdictions: Allegany, Anne Arundel, Baltimore, Caroline, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Montgomery, Prince George’s, Queen Anne’s, Somerset, St. Mary’s, Talbot, Washington, Wicomico, and Worcester counties.

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. Currently, Maryland has 55 medically underserved designations, 44 that are MUAs and 11 that are MUPs.

The Secretary of DHMH may recommend grants for up to 75% of eligible costs to counties, municipal corporations, and nonprofit organizations for the following activities related to establishing and maintaining FQHCs: conversion of public buildings; acquisition of existing buildings; renovation of existing space; purchase of capital equipment; or planning, design, and construction of new facilities.

As shown in **Exhibit 4**, the department is funding four projects in four jurisdictions in fiscal 2016, with total funding of \$0.371 million.

Exhibit 4 Fiscal 2016 Federally Qualified Health Centers Grant Program Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Project Detail</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2016 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Baltimore City	Total Health Care, Inc.	Renovate space to create a new Patient Centered Medical Home.	\$3,165,000	-	\$126,000	\$1,854,000	62.6%
Montgomery	Mary’s Center for Maternal and Child Care, Inc.	Renovate and equip space to fit-out 12 exam rooms, a reception/waiting area, triage area,	1,351,000	-	1,013,000	-	75.0%

MA01 – Department of Health and Mental Hygiene

<u>Subdivision</u>	<u>Project Title</u>	<u>Project Detail</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2016 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
		behavioral health offices, and other projects.					
Washington	Walnut Street Community Health Center, Inc.	Purchase equipment for a newly acquired facility.	882,000	\$660,000	252,000	-	74.9%
Wicomico	Three Lower Counties Community Services, Inc.	Construct a new facility to consolidate all obstetrical and gynecological services into one location.	5,701,000	-	135,000	2,851,000	50.0%
Statewide	Available Funds Adjustment		-1,155,000	-	-1,155,000	-	100.0%
Total			\$9,944,000	\$660,000	\$371,000	\$4,705,000	

Source: Department of Health and Mental Hygiene

While the total fiscal 2016 State support for the above projects is \$3.061 million, the funding request for the fiscal 2016 FQHC Grant Program is based on the cash flow analysis provided in **Exhibit 5**. **Exhibit 6** summarizes prior year authorization encumbrance and expenditure data.

Exhibit 5
DHMH – Fiscal 2016 Federally Qualified Health Centers Grant Program
Cash Flow Analysis
(\$ in Millions)

State share of proposed fiscal 2016 projects	\$3.061
Funds available at the end of fiscal 2015	-2.378
Cash flow adjustment for fiscal 2016	-0.312
Total	\$0.371

DHMH: Department of Health and Mental Hygiene

Source: Department of Health and Mental Hygiene; Department of Budget and Management

Exhibit 6
Federally Qualified Health Centers
Authorization Encumbrance and Expenditure Data
 (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$11.584	\$11.584	\$11.584	\$0.000	\$0.000
2011	3.218	3.218	3.218	0.000	0.000
2012	2.002	2.002	1.868	0.000	0.134
2013	2.871	1.625	1.358	1.246	1.513
2014	0.660	0.000	0.000	0.660	0.660
2015	2.276	0.000	0.000	2.276	2.276
Total	\$22.611	\$18.429	\$18.028	\$4.182	\$4.583

Note: Data effective February 18, 2015. Numbers may not sum due to rounding.

Source: Department of Health and Mental Hygiene; Department of Budget and Management

It is worth noting that two of the current FQHC projects include future commitments from the State totaling \$4.7 million. These projects are scheduled to be completed in fiscal 2017 and 2018, when the current *Capital Improvement Program* (CIP) has only \$5.0 million planned, with \$2.5 million in each fiscal year. To the extent that these projects require this level of commitment, it would be difficult for the State to fund other FQHC projects in those fiscal years at the current CIP programmed levels.

Issues

1. Secure Evaluation and Therapeutic Treatment Center

Prior to its closure in June 2009, the Rosewood Center was the only facility in Maryland that served the court-ordered forensic population with developmental disabilities. At the time that the closure announcement was made, the facility housed 166 residents. All of the residents have since been transferred, many of them to community-based placements in the Baltimore metropolitan area. Although the department has implemented an interim plan for housing the forensic population at the Springfield Hospital Center (Sykesville SETT Center) and the Clifton T. Perkins Hospital Center (Jessup SETT), it

was determined that the facilities have an insufficient number of beds to accommodate the court-ordered admissions and lack additional space for vocational activities.

To address this situation, the CIP included programmed funding for a new SETT unit to house the court-ordered forensic population to be located in Jessup. The fiscal 2011 capital budget included \$1.15 million to begin designing the new SETT facility, and the fiscal 2013 capital budget included \$2.15 million for Phase II design of this project. However, during the 2012 legislative session, DHMH proposed to modify the scope of the SETT unit to serve a greater proportion of individuals in a community-based setting. Ultimately, in the 2014 session, DHMH recommended moving forward with renovations to create a 32-bed consolidated facility at the Sykesville location. However, this project has been delayed multiple times, most recently to conduct a building feasibility study for the planned renovation portion of the project.

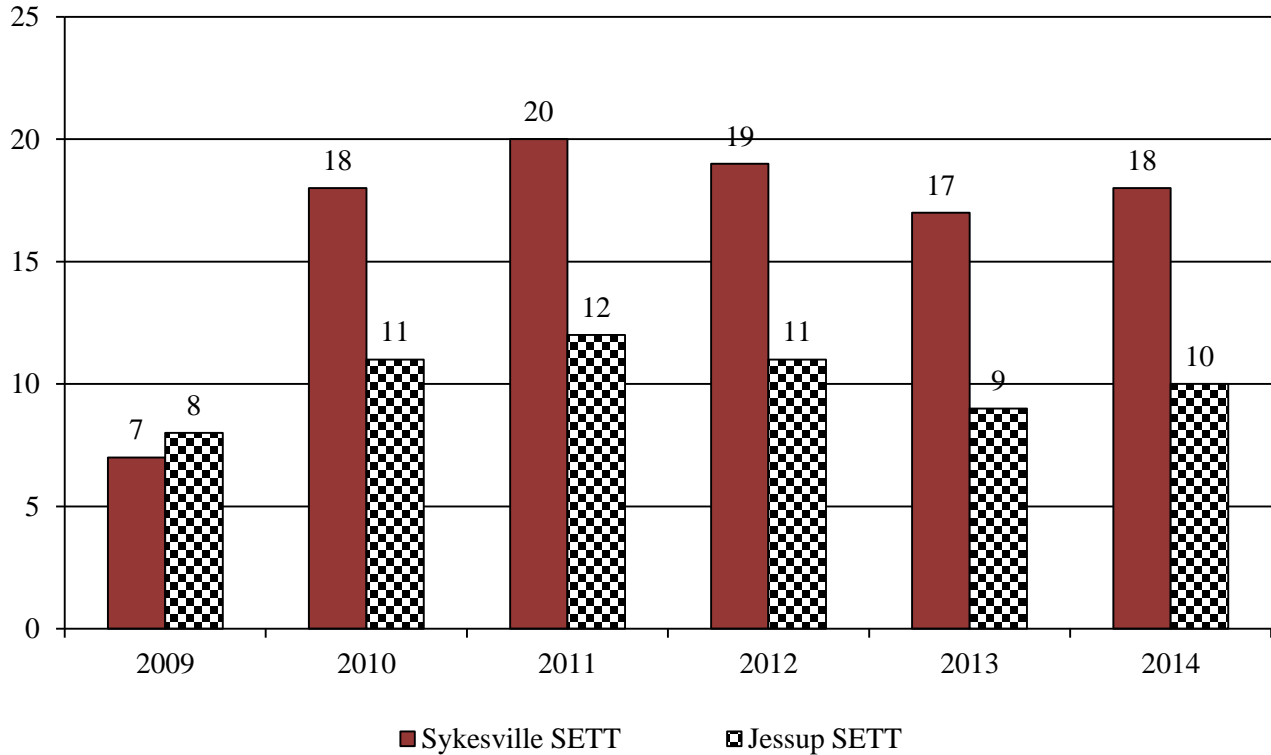
Background

The Developmental Disabilities Administration (DDA) is charged with serving individuals that are identified through the court system in need of treatment that qualify for DDA services. The individuals referred to DDA are either found not criminally responsible or incompetent to stand trial by the courts. Although it is the court's final decision as to the placement status of the individual, DDA does make recommendations on the best place for treatment for the individual. Specifically, individuals presenting with dangerous behaviors that threaten public safety are referred to SETT units, while individuals presenting with behaviors that do not pose a threat to public safety remain in the community with support and services as needed. DDA's mission is to serve individuals (including forensically involved individuals) in the least restrictive setting possible.

Since fiscal 2009, DDA has served court-ordered individuals in SETT units instead of in State Residential Centers. Two SETT units are operated by DDA: one for evaluation and short-term treatment and one for treatment on a longer term basis. The evaluation and short-term treatment unit is securely located on the grounds of the Clifton T. Perkins Hospital in Jessup. This unit houses a maximum of 12 individuals for 21 to 90 days. During the evaluation phase, DDA completes competency and behavioral evaluations and develops individual, comprehensive service plans. The longer term therapeutic treatment facility is securely located on the grounds of Springfield Hospital in Sykesville. This unit has capacity for 20 individuals who have been appropriately identified through evaluation at the Jessup unit.

Exhibit 7 shows the average daily population of each unit. After declining in both fiscal 2012 and 2013, the average daily population at both locations increased slightly in both fiscal 2014 but remains below capacity at both locations.

Exhibit 7
Average Daily Population of SETT Units
Fiscal 2009-2014



SETT: Secure Evaluation and Therapeutic Treatment

Source: Department of Health and Mental Hygiene

Project Status

As noted previously, this project has been delayed multiple times, most recently to conduct a building feasibility study for the planned renovation portion of the project. DHMH advises that a firm has been identified to complete the study, which is expected to take approximately three months. Only after DHMH has a building assessment report will it reevaluate its alternatives with regard to moving forward with renovations or constructing a new facility. **Accordingly, DLS recommends the de-authorization of \$1.150 million in general obligation bond authorizations in the MCCBL of 2010 for preliminary design of a new SETT unit.** This action would leave \$2.15 million authorized in the MCCBL of 2012 for project design, which is sufficient to initiate design in fiscal 2016 once the building assessment has been evaluated.

2. Rosewood Center

The Rosewood Center in Owings Mills served the court-ordered forensic population with developmental disabilities until the center's closure in June 2009. Since that time, the 178-acre campus has been vacant. The Board of Public Works has approved the property as surplus to the State and has further approved that 117 acres of the property be disposed of to Stevenson University (with the State retaining the remaining 61-acre parcel and its 14 historic structures). Previously, the State had planned to demolish asbestos-contaminated buildings, remove and dispose of hazardous debris, and generally restore the site prior to disposition. However, the State has more recently been negotiating with Stevenson University to acquire the property on an as-is basis. **The agency should comment on the status of negotiations with Stevenson University regarding disposition of the Rosewood Center property.**

Summary of Other Projects in the Capital Improvement Program

Projects Deferred in Fiscal 2016

Deferred projects for fiscal 2016 are shown in **Exhibit 8**.

Exhibit 8 Projects Deferred Fiscal 2016

<u>Project</u>	<u>Description</u>	<u>Reason for Deferral</u>
Dorsey Run Secure Evaluation and Therapeutic Treatment Center	Construction funding deferred to fiscal 2017	To conduct a building feasibility study.

Source: Department of Budget and Management, 2015 *Capital Improvement Program*

As mentioned previously, funding for the new SETT unit has been delayed in fiscal 2016 to conduct a building feasibility study for the planned renovation portion of the project. DHMH advises that a firm has been identified to complete the study, which is expected to take approximately three months.

Other Significant Funding in the CIP

The only other significant project in the CIP for DHMH is the north wing renovation of the Clifton T. Perkins Hospital Center. This project includes the renovation of the existing 80-bed North Wing, the renovation of space for a maximum-security admissions area, and the construction of a new kitchen. The project is scheduled to begin in fiscal 2017, with major construction planned to begin in fiscal 2019. This timeframe remains unchanged from the 2014 CIP; however, the size of the project has changed. Renovations to the administration wing, the support hall area, and the main entrance have been removed from this project and will be funded through the Facilities Renewal fund through the Department of General Services.

De-authorizations

There are two partial de-authorizations for DHMH. The first is a de-authorizations of \$170,000 from fiscal 2010 for patient safety improvements at psychiatric hospitals and residential treatment centers throughout the State. This was a one-time grant for various patient safety improvements in response to new standards released in 2008 by the joint commission, which resulted in a significant downgrade in the

MA01 – Department of Health and Mental Hygiene

number of buildings in compliance with requirements, standards, and needs. This brings the total funding for this project down from \$4,000,000 to \$3,830,000. This de-authorization is due to the fact that DHMH has finished the work associated with this project.

There is also a partial de-authorization for the Henryton Center for asbestos abatement and the razing of some buildings. A total of \$3,530,000 was authorized for this purpose in fiscal 2013. This project has also reached completion, and thus the remaining \$242,733 in general obligation bond funds is being de-authorized.

GO Bond Recommended Actions

1. Approve \$5,236,000 in general obligation bonds for the Community Health Facilities Grant Program.
2. Approve \$371,000 in general obligation bonds for the Federally Qualified Health Centers Grant Program.
3. Approve de-authorization of \$170,000 in general obligation bonds for Patient Safety Improvements.
4. Delete funds for preliminary design.

ZF2050	Section 2 – Secure Evaluation and Therapeutic Treatment Center	\$ 0
--------	--	------

Add the following language:

Chapter 483 of the Acts of 2010, as amended by Chapter 424 of the Acts of 2013

Section 1(3)

MM06 DEVELOPMENTAL DISABILITIES ADMINISTRATION
(Statewide)

(A)	<u>Secure Evaluation and Therapeutic Treatment Center. Provide funds for preliminary design of a Secure Evaluation and Therapeutic Treatment Center (SETT) (Statewide)</u>	<u>[1,150,000]</u> <u>0</u>
-----	--	--------------------------------

Explanation: This action de-authorizes \$1.15 million of general obligation bond of 2010 authorizations in the Maryland Consolidated Capital Bond Loan (MCCBL) for preliminary design of a new Secure Evaluation and Therapeutic Treatment Center (SETT). This project has been delayed several times, most recently to conduct a building feasibility study for the planned renovation portion of the project. This action would leave \$2.15 million authorized for design in the MCCBL of 2012 for the SETT project, which is sufficient to begin design in fiscal 2016 once all building assessment are completed and evaluated by the Department of Budget and Management and the Department of Health and Mental Hygiene.

5. Approve de-authorization of \$242,711 in general obligation bonds for the Henryton Hospital Center.