

**Department of Legislative Services**  
 Maryland General Assembly  
 2014 Session

**FISCAL AND POLICY NOTE**

House Bill 1144 (Delegate Jacobs, *et al.*)  
 Health and Government Operations

**Mental Hygiene Administration - Upper Shore Community Mental Health Center  
 - Reopening and Maintenance**

This bill requires that the Upper Shore Community Mental Health Center be maintained by the Department of Health and Mental Hygiene (DHMH). The bill expresses legislative intent that the State reopen the center and that it be maintained in accordance with applicable law.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$7.2 million in FY 2015 to hire 95 full-time employees and approximately 12 contractual full-time employees to open and staff the Upper Shore Community Mental Health Center. The estimate also includes supplies and materials, normal equipment replacement, and standard maintenance. Future year expenditures reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	7,180,000	9,997,400	10,367,900	10,753,900	11,159,100
Net Effect	(\$7,180,000)	(\$9,997,400)	(\$10,367,900)	(\$10,753,900)	(\$11,159,100)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Background:** On November 18, 2009, the Board of Public Works approved processing of the budget amendment approving the closure of the Upper Shore Community Mental Health Center. At the time it closed, the center had a bed capacity of 40. Two other facilities formerly operated under the direction of the Mental Hygiene Administration (Walter P. Carter Community Mental Health Center and Crownsville Hospital Center) have also closed in recent years.

Chapter 395 of 2011 (the fiscal 2012 budget bill) included language restricting a total of \$200,000 in the budgets of the State-run psychiatric hospitals for the purpose of conducting an independent analysis of population and placement trends at those hospitals. The report was due to the General Assembly by December 1, 2011. After requesting and being granted an extension, DHMH submitted the report in September 2012.

The report was intended to be a starting point in the assembling of data necessary to properly plan future capacity at the State-run psychiatric hospitals. Legislative interest in this issue stemmed from the knowledge that the physical plant of the current facilities systemwide is inadequate as well as the potential reuse of current State-run psychiatric facility sites. Of the five facilities, the Eastern Shore Hospital Center (built within the past 15 years) is the newest facility. The facility plant at Thomas B. Finan Hospital Center and Clifton T. Perkins Hospital Center, while older, is generally considered adequate; Perkins, in particular, has seen considerable capital improvements in recent years and is scheduled for more in the *Capital Improvement Program*. Springfield Hospital Center and Spring Grove Hospital Center are both facilities set on sprawling campuses that were designed to hold thousands of patients and are now serving just over 600 combined.

In the past several years, operating capacity at, and admissions to, the facilities has fallen significantly. Types of admissions have also changed significantly. For example, nonforensic admissions now form less than 19% of total State-run psychiatric facility admissions. However, the average length of stay at the facilities has increased.

**State Expenditures:** General fund expenditures increase by \$7,180,028 in fiscal 2015, which accounts for the bill's October 1, 2014 effective date. This estimate is based on the center's actual expenditures in fiscal 2009, adjusted for inflation. It reflects the cost of hiring 95 regular full-time employees and 11.67 contractual full-time employees, sufficient to ensure the capacity to provide 24/7 care for approximately 40 beds, consistent with historical data. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions (permanent and contractual)	106.67
Salaries and Fringe Benefits	\$6,018,665
Supplies and Materials	431,002
Other Operating Expenses	<u>730,361</u>
Total FY 2015 State Expenditures	<b>\$7,180,028</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. However, for contractual employees, the estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Because the facility has been continuously maintained since the center's closure, it is assumed that only the expenditures specified above are necessary to reopen the center. Further, due to the trend toward community-based (rather than institutionalized) care, it is assumed that State expenditures associated with the provision of community-based mental health services are unchanged by the bill's expansion of bed capacity due to the center's reopening.

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### Additional Information

**Prior Introductions:** HB 1120 of 2013 received an unfavorable report from the House Health and Government Operations Committee. SB 972 of 2013 was amended in the Senate and referred to the House Rules and Executive Nominations Committee where no further action was taken.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2014  
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Analysis by: Kathleen P. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510