



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 21, 2024

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
Room 3 West Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 881 Public Health – Federally Qualified Health Centers Grant Program – Recovery of Funding – Letter of Support with Amendments

Dear Chairman Guzzone and Committee Members,

The Maryland Department of Health (Department) respectfully submits this letter of support with amendments for Senate Bill (SB) 881 - Public Health – Federally Qualified Health Centers Grant Program – Recovery of Funding. SB 881 will amend the State’s right of recovery on the property for Capital Grant Projects involving Federally Qualified Health Centers (FQHCs) from 30 years to 15 years after the completion of a project in the event the property is sold by the grantee.

The Department’s Office of Facilities Management and Development oversees the Department’s FQHC Capital Grant Program (Program). The Program may be used to support the purchase of equipment, conversions, acquisitions, renovations, planning, and construction for FQHCs to provide critical healthcare services, including primary care, specialty care, OB/GYN, dental, mental health, and drug and alcohol abuse treatment services to all individuals regardless of their ability to pay or health insurance status.

The Department supports SB 881 with some suggested friendly amendments. Specifically, the Department proposes amendments that would maintain the 30 year right of recovery for real property which is *owned* by an FQHC. The Department also proposes reducing the right of recovery from 30 years to 15 years for property that is *leased* by a FQHC and is sold or

Senate Bill 881 Public Health – Federally Qualified Health Centers Grant Program – Recovery
of Funding – Letter of Support with Amendments

February 21, 2024

Page Two

transferred to an individual or entity that is not qualified as an applicant, or not approved as a transferee by the Board of Public Works.

Providing a 30 year right of recovery for properties owned by a FQHC, and 15 years for properties that are leased, can ensure the continuity of these critical services provided by the Program. The Department notes that 15 years is consistent with industry standards for leases.

If you would like to discuss this further, please contact Sarah Case-Herron, Director of Governmental Affairs, at sarah.case-herron@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. Herrera Scott".

Laura Herrera Scott, M.D., M.P.H.
Secretary

cc: Sara Case-Herron, Director, MDH Office of Government Affairs