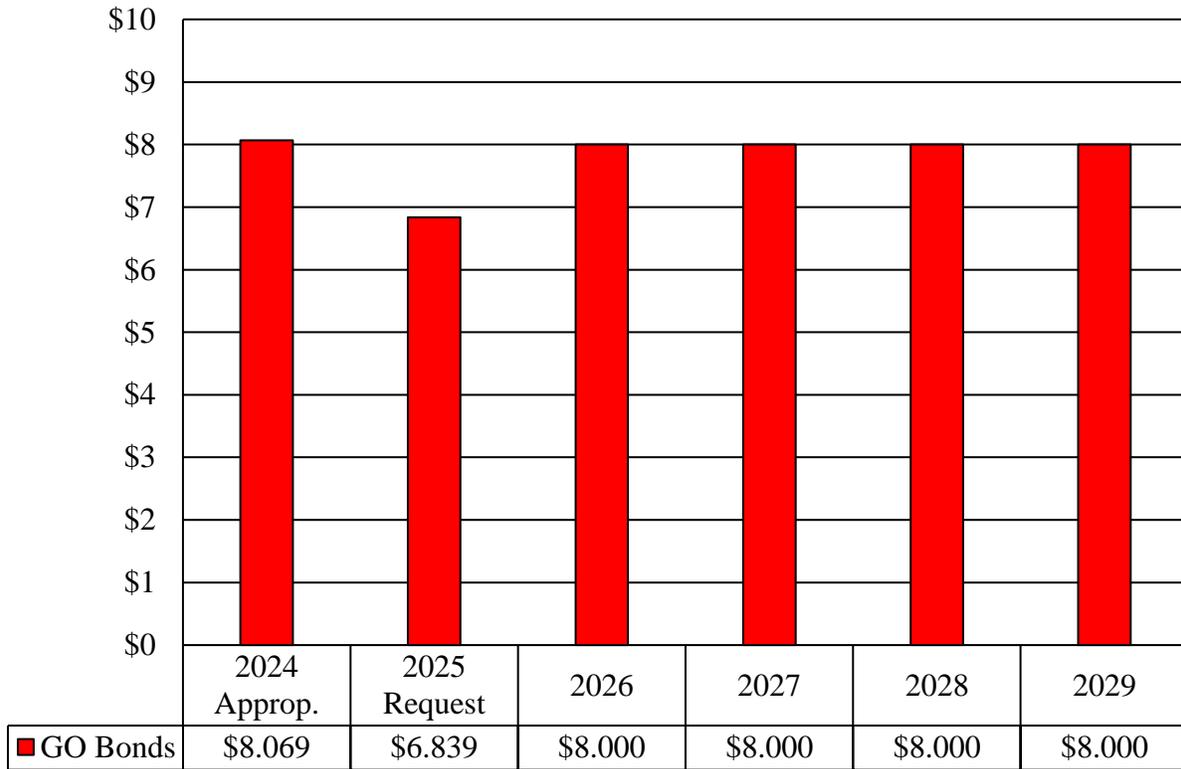


ZA01
Maryland Hospital Association – Capital
Miscellaneous Grant Programs

Capital Budget Summary

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



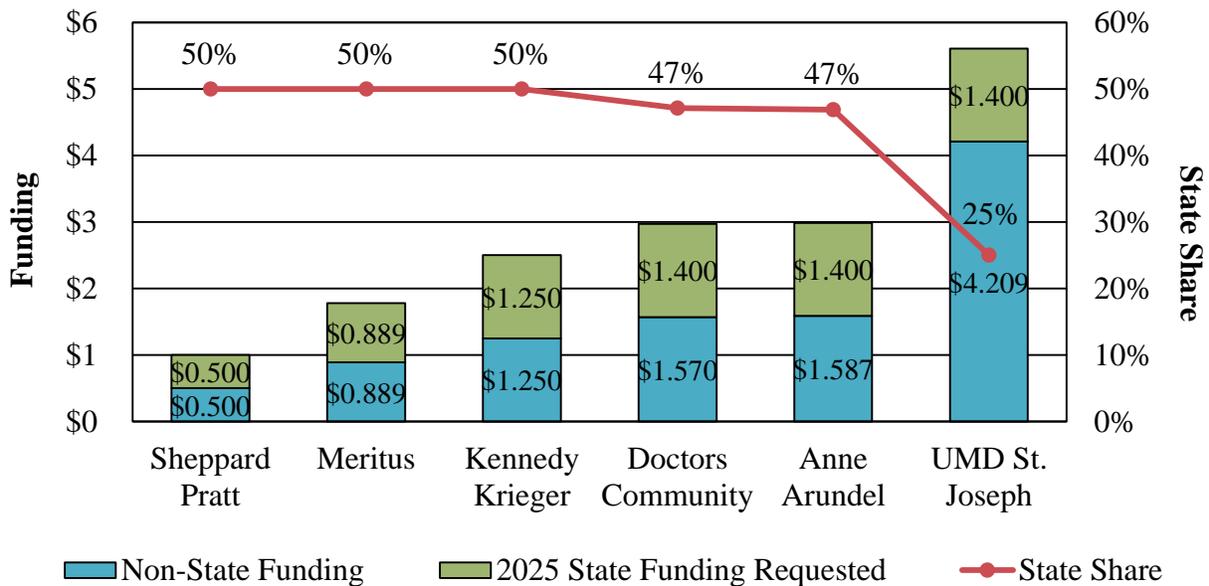
GO: general obligation

In addition, MHA advises that serious consideration should be given to projects of hospitals that are sole community providers, located in underserved areas, of special or statewide significance, and not requiring multi-year State bond funding.

Budget Overview of Grant and Loan Programs

Exhibit 1 shows how the fiscal 2025 PHGP request of \$6.8 million in GO bonds is distributed across six projects located in five jurisdictions. The exhibit also demonstrates the percentage of project costs that are State-funded. The request is \$161,000 under the anticipated fiscal 2025 authorization of \$7 million, as programmed in the 2023 CIP. The fiscal 2025 amount authorized in the CIP is able to fund all applications received through the PHGP. According to the 2024 CIP, the grant program is scheduled to receive \$8 million in fiscal 2026 through 2029.

Exhibit 1
Hospital Projects by Total Cost and State Share
Fiscal 2025
(\$ in Millions)



UMD: University of Maryland

Source: Department of Budget and Management

ZA01 – Miscellaneous Grant Programs – Capital

As shown in the exhibit, the fiscal 2025 request includes six projects. The following provides a description of each of the projects:

- ***Sheppard Pratt Health System Inc. – Youth and Adolescent School and Residential Treatment Center Renovation Project (Baltimore County):*** This project addresses growing health and safety concerns at Sheppard Pratt Health System’s School and Residential Treatment Center serving youth and adolescents. The renovations will involve repairs and upgrades required to address immediate and ongoing concerns primarily resulting from nine outdated resident bathrooms. The expected outcome of the project is to improve the therapeutic environment as well as mitigate health and safety risks for the youth and adolescent residents served by the program.
- ***Meritus Medical Center Inc. – ED Renovations (Washington County):*** This project will address and eliminate safety concerns in the ED for patients and staff. This project aims to improve waiting room visibility, infection prevention and privacy, and increase the safety of the eight-bed behavioral health care area. Over a quarter of the annual behavioral health ED patients are youth and adolescents. Last year, 15% of these patients required transfer to another facility and experienced an extended stay. The project will improve the experience for these patients by replacing the curtains separating the patient rooms to improve privacy, reduce ligature risk, and create a private bathroom with a shower.
- ***Kennedy Krieger Children’s Hospital Inc. – Transformation of Outpatient Center (Baltimore City):*** This project will transform existing administrative office space at Kennedy Krieger Children’s Hospital’s Outpatient Center to enhance medical and mental health services for children, youth, and adults with, and those at risk for, disorders of the developing nervous system. This project seeks to expand, reconfigure layouts, update finishes, and upgrade critical infrastructure of The Harry and Jeanette Weinberg Building. Renovation of existing space will increase the current medical clinic space by 40%, allow for a more efficient and effective patient experience and reduce delays in access to care, improving equity and outcomes for patients and their families.
- ***Luminis Health Doctors Community Medical Center Inc. – Update and Modernization of ED (Prince George’s County):*** This project modernizes the ED to meet the high volume and high acuity of patients seeking care. The reconfiguration of the nurses’ station, workspace, triage and waiting room will ensure optimal workflow efficiencies. The project entails updating the security and access control systems and creating secure enclosures for clinical systems and devices within the patient rooms. These renovations will improve patient safety, efficiency, and privacy while enhancing staff safety and improved resource utilization for vulnerable and sensitive patient populations.

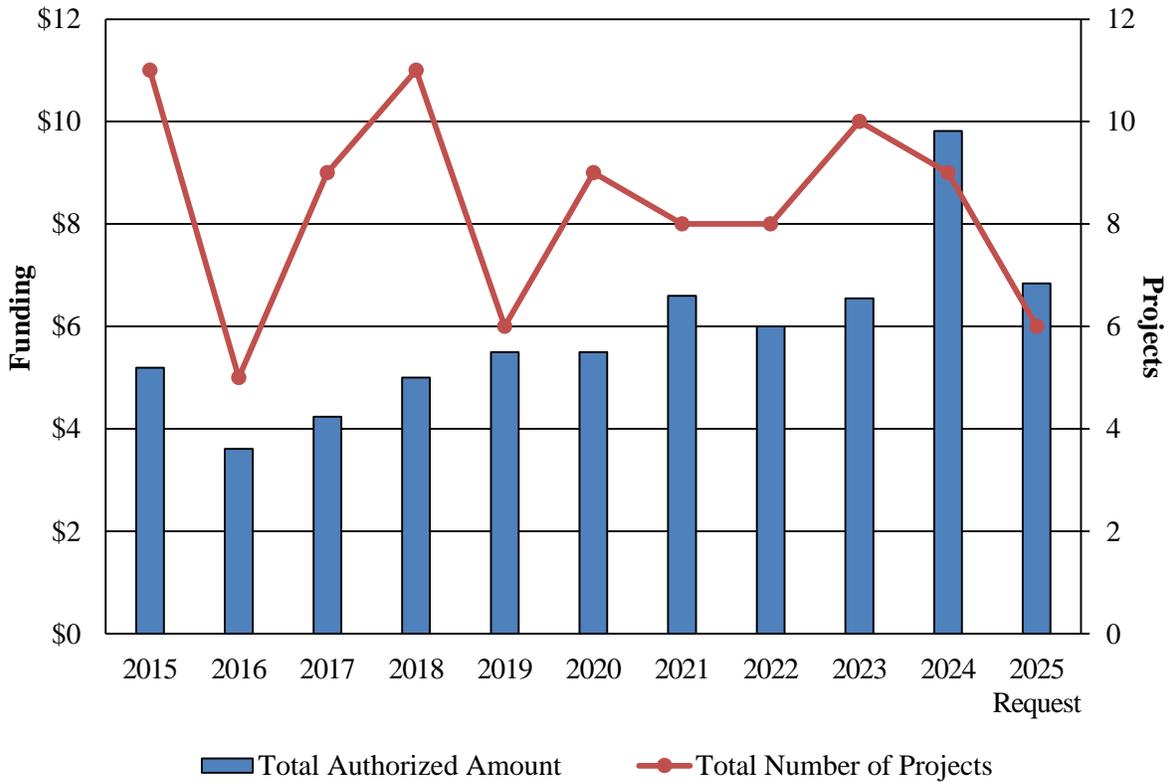
- ***Luminis Health Anne Arundel Medical Center Inc. – Pediatric Behavioral Health ED (Anne Arundel County):*** This project enhances the pediatric ED rooms within the Hospital Pavilion to accommodate the increased volume of behavioral health pediatric patients. Additions include updated hardware, devices, and construction to reduce ligature risks in the existing ED rooms. This project will also renovate an existing area within the ED to become a de-escalation room. Upgrading this room will decrease the need to administer physical restraints and/or heavily medicate these patients, improving the safety of staff and the well-being and safety of one of the most vulnerable patient populations in the ED.
- ***University of Maryland (UMD) St. Joseph Medical Center LLC – Outpatient Cardiovascular Center (Baltimore County):*** This project renovates the first floor of the O’Dea Medical Arts Building on UMD St. Joseph Medical Center’s campus, to create a modern Outpatient Cardiovascular Center. The new Outpatient Cardiovascular Center will promote a multidisciplinary, patient-centered approach to cardiovascular care, housing general cardiology, interventional cardiology, electrophysiology, and cardiac and vascular surgery practices. The center will coordinate the delivery of services to achieve optimal access to care, quality of care, and personalized attention, at the lowest cost of care possible. This project will enhance patient experience by streamlining and improving the efficiency of patient encounters, improve provider communication and collaboration, facilitate cardiac diagnostic scheduling, and advance health and wellness initiatives to reduce cardiovascular diseases for the communities served by UMD St. Joseph Medical Center.

Issues

1. Update on the Status of Projects

Each year, the PHGP has a rigorous evaluation and grant award process in which the Hospital Bond Project Review Committee reviews applications and recommends projects for funding. There are a total of 92 projects that the State has funded since fiscal 2015 through the PHGP. **Exhibit 2** provides an overview of the total amount of authorized funding and total number of projects funded by the State in the past 10 years, including the request for fiscal 2025.

Exhibit 2
Total Authorized Amount and Number of Projects
Funded by the Private Hospital Grant Program
Fiscal 2015-2025 Request
(\$ in Millions)

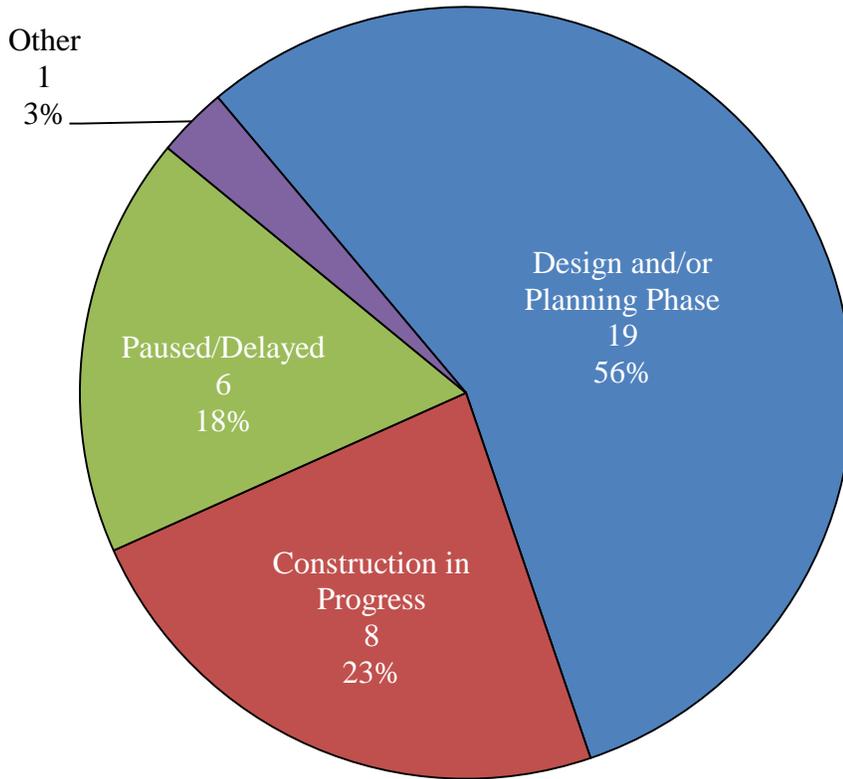


Note: This data is based on projects as initially authorized and does not account for projects that were subsequently repurposed or combined.

Source: Department of Budget and Management

According to data from MHA’s report on encumbrances and expenditures submitted in November 2023, there are 34 projects in progress from fiscal 2015 through the fiscal 2025 request. **Exhibit 3** shows the status of the 34 projects in progress. Of these projects, 19 are in the design and/or planning phase, 8 are in the construction phase, 6 are paused or delayed, and 1 is between design and construction phases.

Exhibit 3
Status of Projects in Progress
Fiscal 2015-2025 Request



Total Projects: 34

Note: Other includes the University of Maryland St. Joseph Medical Center – New Outpatient Cardiovascular Center project (fiscal 2025 request). Design was completed in January 2024, and construction is estimated to begin in July 2024.

Source: Maryland Hospital Association

Of the six paused or delayed projects, four are paused and are currently being reevaluated. **Exhibit 4** summarizes these paused projects, the reasons for their delays, and how much funding these projects include. The projects are within their seven-year term, and the board is continuing to assess projects to reallocate funding or change their scope. MHA will identify any projects that do not plan to move forward when they submit the funding recommendations and annual report next August.

**Exhibit 4
Paused Projects**

Project and Reasons for Delay	Session Year Authorized	Authorized Amount	Unencumbered Balance	Grant Term Date
Peninsula Regional Medical Center – Special Care Nursery and Fourth Floor Renovation: The hospital’s master facility plans have changed since the project’s approval prior to the COVID-19 pandemic.	2019	\$800,000	\$800,000	6/1/2026
Atlantic General Hospital – Ambulatory Surgery Facility: The project scope and budget are being refined and adjusted based on changes in major payor requirements and inflationary factors following the COVID-19 pandemic impacts on labor resources and raw materials.	2020	800,000	800,000	6/1/2027
The Johns Hopkins Hospital – Residential Crisis Treatment Center: Efforts to identify an appropriate property have continued over the last year, and although an appropriate location was identified, cost estimates to construct an appropriate facility far exceed the planned budget by several million dollars.	2020	691,000	691,000	6/1/2027
Luminis Health Anne Arundel Medical Center – Hybrid Operating Room: Operational challenges following the COVID-19 pandemic and evaluation of community health needs and surgical trends have resulted in a new proposal. The fiscal 2025 capital budget proposes deauthorizing all funding for this project.	2022	600,000	600,000	6/1/2029
Total		\$2,891,000	\$2,891,000	

Source: Maryland Hospital Association

ZA01 – MISC – Maryland Hospital Association – Capital

The fiscal 2025 capital budget proposes to deauthorize the funding for the Luminis Health Anne Arundel Medical Center Hybrid Operating Room project. Although the project’s original scope was to renovate space adjacent to the surgical suites to serve as a hybrid operating room, the proposed revised scope is to renovate space in their interventional radiology suite to accommodate the installation of an image guidance technology instead. The Department of Budget and Management determined that the modification request of the scope constituted a new project request and should be requested and evaluated through MHA’s PHGP process as are other requests from MHA members.

The Department of Legislative Services (DLS) is concerned about the status of the remaining three projects. MHA confirmed that the Atlantic General Hospital plans to move forward. **MHA should provide an update on the status of the Atlantic General project, including any changes to the project’s scope and an updated project timeline.**

Considering that the Peninsula Regional Medical Center project and the Johns Hopkins Hospital project are paused and not moving forward, DLS recommends deauthorizing funds for these two projects. If the projects eventually move forward with revised scope, the institutions should reapply for new funds through the competitive PHGP application process.