

MA01B
Office of the Secretary
Department of Health and Mental Hygiene

Federally Qualified Health Centers Grant Program (Statewide)

General Obligation Bonds **\$3,218,000** **Recommendation: Approve**

Bill Text: Provide grants to acquire, design, construct, renovate, convert, and equip buildings to be used as Federally Qualified Health Centers.

Program Description: Federally Qualified Health Centers (FQHC) are private, not-for-profit health care centers that provide comprehensive primary and preventative 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 16 traditional FQHCs with over 60 service sites. Eight of the FQHCs are located in Baltimore City, and the remaining 8 FQHCs are located (or have service sites) in the following jurisdictions: Allegany, Caroline, Cecil, Charles, Dorchester, Garrett, Montgomery, Prince George's, Somerset, St. Mary's, Talbot, Washington, Wicomico, and Worcester counties.

To qualify for designation as a FQHC, an area must first be designated as a medically underserved area (MUA), or serve a medically underserved population (MUP) by the federal government, based on criteria established by the U.S. Department of Health and Human Services. Currently, Maryland has 49 medically underserved designations, 39 of which are MUAs and 10 of which are MUPs.

The Secretary of the Department of Health and Mental Hygiene 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.

Prior Authorization and Capital Improvement Program

Authorization Request
(\$ in Millions)

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
GO Bonds	\$1.072	\$0.000	\$3.218	\$2.500	\$2.500	\$2.500	\$2.500
Total	\$1.072	\$0.000	\$3.218	\$2.500	\$2.500	\$2.500	\$2.500

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Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ 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	\$2.400	\$2.400	\$2.094	\$0.000	\$0.306
2006	2.419	2.419	1.736	0.000	0.683
2007	1.981	0.784	0.000	1.197	1.981
2008	3.712	0.000	0.000	3.712	3.712
2009	1.072	0.000	0.000	1.072	1.072
2010	0.000	0.000	0.000	0.000	0.000
Total	\$11.584	\$5.603	\$3.830	\$5.981	\$7.753

As of January 13, 2010.

Program Analysis and Performance

Four projects are proposed to be funded through the FQHC Grant Program in fiscal 2011, but only two projects are proposed to receive new funding awards. The fiscal 2011 budget proposed to fund \$3.2 million in project costs with \$1.39 million in “prior commitment funds” and \$1.8 million in new funding.

Project descriptions for the projects proposed to receive fiscal 2011 funding through the FQHC Grant Program are provided below.

- Greater Baden Medical Services, Inc. (Prince George’s County)** – this project consists of the acquisition of 24,000 gross square foot newly constructed building in Brandywine, Maryland for Greater Baden Medical Services. The current space is insufficient for the medical staff to achieve full productivity. The exam space does not allow for easy wheelchair access and limits the number of people who can be in the room. The facility is also located in a very rural area several miles from a major road making it difficult for the targeted population to reach. The new space will have adequate exam, mental health, and dental facilities and be located in an area where access is easier from major roads and population centers. This project will also receive \$100,000 of funding which was committed in previous fiscal years. Total funding for this project in fiscal 2011 is \$1.8 million.

- **Total Health Care (Baltimore City)** – The allowance includes \$128,000 in planning and construction funds for the Total Health Care Saratoga Health Center. The funds will allow for the renovation of a space which was originally designed for radiology services. These services were discontinued several years ago, but the space has not been used since then. Renovations will include three professional offices, one group meeting room, a laboratory space, front desk area, and patient waiting area.

Funding is also being made available for prior commitments totaling \$1.39 million including Family Health Centers of Baltimore and Three Lower Counties located in Wicomico County. These are projects which received allocations; however, they were not spent and encumbered by other projects. Both of these centers were waiting on additional federal stimulus funds before moving forward with their capital programs. The status of these projects is shown in **Appendix 1**. **Appendix 2** shows the status of prior year funding by project.

Recommended Actions

Approve.

**Department of Health and Mental Hygiene
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Federally Qualified Health Centers Grant Program**

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Baltimore City	Total Health Care, Inc.	\$170,667	-	\$128,000	-	75.0%
Prince George's	Greater Baden Medical Services, Inc.	5,533,000	\$100,000	1,700,000	-	32.5%
Statewide	Funding for Prior Project Commitments	1,390,000	-	1,390,000	-	100.0%
Total		\$7,093,667	\$100,000	\$3,218,000	-	

Statewide Funding for Project Commitments

<u>Subdivision</u>	<u>Project Title</u>	<u>Amount</u>	<u>Status</u>
Prince George's	Greater Baden Medical Services, Inc.	\$100,000	Funds will be used for acquisition
Baltimore	Family Health Centers of Baltimore	700,000	Acquisition in February 2010
Wicomico	Three Lower Counties Community Services, Inc.	640,000	Did not receive federal stimulus funds; pursuing other matching funds; site selected
Total		\$1,440,000	

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Baltimore City	Baltimore Medical Systems, Inc.	\$10,296,758	-	\$4,925,000	-	47.8%	Acquisition April 2010
Baltimore City	Family Health Centers of Baltimore	407,000	-	320,000	-	78.6%	\$312,000 encumbered
Baltimore City	Health Care for the Homeless, Inc.	2,132,500	-	155,000	-	7.3%	Dental equipment to be purchased in April 2010
Baltimore City	Park West Health Systems, Inc.	266,700	-	200,000	-	75.0%	A/E selection underway
Baltimore City	Peoples Community Health Center, Inc.	1,170,000	-	305,000	-	26.1%	Received federal stimulus funding; hiring A/E
Washington	Walnut Street Community Health Center	34,667	-	26,000	-	75.0%	Funds Encumbered
Total		\$14,307,625	-	\$5,931,000			

A/E: architectural/engineering