

ZA01
Maryland Hospital Association

Maryland Hospital Association (Statewide)

GO Bonds **\$5,000,000**

Recommendation: **Approve**

Program Description: The Private Hospital Facilities Grant Program is designed to provide State support for the capital needs of Maryland's independent hospitals. Established in 1994, the program provides grants to assist in new construction and major renovations to hospitals that promote State health objectives. The projects are selected annually for funding by a committee appointed by the Maryland Hospital Association (MHA). MHA represents 67 institutions. The selection committee consists of hospital trustees and executives from throughout the State.

Each project had customarily been identified through an individual bond bill, although in recent years the projects have been ultimately folded into the capital bill. Beginning in fiscal 2010, the projects have been included in the capital bill as introduced.

The criteria used to rate applications for funding under this program are:

- how the project will improve patient care, particularly access to primary and preventive services;
- how the project improves the patient safety environment;
- how the project serves unmet community, health, and related social needs;
- whether project services are supplied by a sole provider;
- whether the project is in an underserved area;
- whether projects are of a regional or statewide significance;
- how the project encourages collaboration and the development of provider networks; and
- whether the community has demonstrated financial support for the project.

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	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$10.000	\$10.000	\$10.000	\$10.000	\$10.000	\$5.000

Program Analysis

Fiscal 2011 Proposed Projects

Exhibit 1 details the seven projects proposed for funding in fiscal 2011.

**Exhibit 1
Maryland Hospital Association
Private Hospital Grant Program**

<u>Subdivision</u>	<u>Project Title and Purpose</u>	<u>Estimated Cost</u>	<u>Fiscal 2011 Amount</u>	<u>Total State Share (%)</u>
Baltimore City	Sinai Hospital of Baltimore: Expand operating room capacity from 21 to 25.	\$10,600,000	\$425,000	6%
Baltimore City	University Specialty Hospital: Increase and install a state-of-the-art oxygen and oxygen reserve facility to increase services to chronic pulmonary, inpatient ventilator-dependant, and coma patients.	1,300,000	455,000	35%
Carroll	Carroll Hospital Center: Relocate, renovate, and expand Access Carroll program. Access Carroll provides free primary medical care to low-income uninsured clients.	1,548,000	700,000	45%
Cecil	Union Hospital of Cecil County: Modernize surgical suite.	9,450,000	2,000,000	21%
Charles	Civista Medical Center: Renovate and expand medical laboratory area.	417,000	165,000	40%

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<u>Subdivision</u>	<u>Project Title and Purpose</u>	<u>Estimated Cost</u>	<u>Fiscal 2011 Amount</u>	<u>Total State Share (%)</u>
Harford	Harford Memorial Hospital: Convert unused space to add 16 medical surgical beds.	2,444,000	1,015,000	42%
Wicomico	Peninsula Regional Medical Center: Renovate post-partum and nursery areas.	750,000	240,000	32%
Total		\$26,509,000	\$5,000,000	

Source: Maryland Hospital Association; Department of Budget and Management

Issues

1. 2009 MHA Capital Project for Kennedy Krieger

The 2010 capital bill makes a technical correction to a project authorized in the 2009 capital bill to renovate space in order to accommodate the relocation and physical expansion of pediatric infant programs at the Kennedy Krieger Institute. Specifically, the bill alters the address of the facility where the renovations will occur (see page 29 of the First Reader copy of House Bill 152/Senate Bill 142). **The Department of Legislative Services (DLS) recommends approval of this change.**

2. 2009 (non-MHA) Sinai Hospital Pediatric Wing Project

The 2009 capital bill, as introduced, included \$5.0 million for the design and construction of a Pediatric Wing at the Sinai Hospital of Baltimore. This project was not part of the MHA package. After review of the materials provided by Sinai, DLS recommended that the project be funded over two years, \$2.5 million in fiscal 2010 and preauthorizing the remaining \$2.5 million for fiscal 2011. The 2010 capital budget bill makes no change to the preauthorization (see page 38 of the First Reader copy of House Bill 152/Senate Bill 142). **This project is proceeding as scheduled and DLS recommends approval of the fiscal 2011 funding.**

Recommended Actions

Approve.