

PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY

Meeting Date: 4/29/2003

Reference No.: CB-22-2003

Proposer: County Executive

Draft No.: 1

Sponsors: Shapiro

Item Title: An Emergency Act for a Supplementary Appropriation
to provide funding for Dimensions Health Corporation

Drafter: Bruce Crawford
OMB

Resource Stanley A. Earley, DCAO
Personnel: County Executive's Office

LEGISLATIVE HISTORY:

Date Presented: 4/1/2003

Executive Action: 5/5/2003 S

Committee Referral: 4/1/2003 C.O.W.

Effective Date: 5/5/2003

Committee Action: 4/8/2003 FAV

Date Introduced: 4/8/2003

Public Hearing: 4/29/2003 10:00 A.M.

Council Action: 4/29/2003 ENACTED

Council Votes: PS:A, MB:A, SHD:A, TD:A, CE:A, DCH:A; TH:A, TK:A, DP:A

Pass/Fail: P

Remarks: _____

COMMITTEE OF THE WHOLE REPORT:

Date: 4/8/03

Committee Vote: Favorable, 8-0, (In favor: Council Members Shapiro, Bland, Dean, Dernoga, Exum, Harrington, Hendershot and Knotts.)

This Emergency Bill will provide a supplementary appropriation of \$3.0 million to the County's General Fund operating budget for Fiscal Year 2003. The source of funding is from real property tax revenues generated in excess of the amount estimated to be received in this fiscal year.

Also, this legislation will increase funding in the Grants and Transfer component of the County's Non-Departmental budget by \$3.0 million. The increase in the Grants and Transfer budget will enable the County to provide a one-time grant of \$3.0 million to Dimensions Health Corporation for financial support in the continuation of essential health services benefiting the citizens of Prince George's County.

Mr. Winfield M. Kelly, Jr., President and CEO of Dimensions Healthcare System and Dr. George Bone, a private physician and member of the Board of Directors of Dimensions, addressed the committee in support of this legislation.

Mr. Kelly stated that as a result of indigent care burden and declining market position, Dimensions has lost approximately \$50 million over the past five years. Consequently, they have depleted their cash reserves to cover the deficits. At this point, Dimensions has no cash available for capital needs and cannot access the debt markets due to their financial condition. It is impossible to operate a healthcare organization such as Dimensions for very long without access to capital.

Dr. Bone said that although the \$3.0 million grant from the County will not completely solve the problem it is an important step in the right direction. On behalf of the medical staff and the patients of Dimensions he strongly urges the approval of this grant.

There will be a negative fiscal impact on the County as a result of enacting CB-22-2003.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

This emergency bill will appropriate revenue to the General Fund for costs that were not anticipated in the approved Fiscal Year 2002-2003 Budget to provide funding to Dimensions Health Corporation in order to support the continuation of essential health services for the citizens of Prince George's County.

CODE INDEX TOPICS: