



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

February 17, 2021

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

FROM: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Note
CR-008-2021, Contract Approvals – Doctors' Hospital

CB-008-2021 (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

A RESOLUTION CONCERNING CONTRACT APPROVALS for the purpose of approving a multi-year financing agreement to fund a portion of the new inpatient and ambulatory behavioral health facility at Doctors' Hospital, Inc. d/b/a Luminis Health Doctors Community Medical Center ("Doctors Hospital") to be located in Lanham, Maryland (the "Community Behavioral Health Center"), to provide behavioral health services to the residents of Prince George's County (the "County").

Fiscal Summary

Direct Impact:

Expenditures: Negative in the form of debt service on County-issued Certificates of Participation.

Revenues: N/A.

Indirect Impact:

N/A.

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Legislative Summary:

CR-008-2021, sponsored by Council Chair Hawkins, Vice Chair Taveras, and Councilmembers Streeter, Franklin, Anderson-Walker, Harrison, Davis, Dernoga, was introduced on February 2, 2021 and referred to the Committee of the Whole (COW). A public hearing is tentatively scheduled for March 9, 2021.

Current Law/Background:

Under Section 819 of the Charter for Prince George's County, Maryland, the County Council must approve, by resolution, all multi-year contracts exceeding an aggregate of Five Hundred Thousand Dollars (\$500,000.00).

Discussion/Policy Analysis:

CR-008-2021 would authorize grant funding for a Doctors' Hospital, Inc. d/b/a Luminis Health Doctors Community Medical Center ("Community Behavioral Health Center") through the issuance of up to twenty million dollars (\$20 million) plus costs of issuance and underwriting of County Certificates of Participation. This funding will be used for substantial renovation and conversion of the building located at 8118 Good Luck Road, Lanham, Maryland into a 16-bed inpatient and ambulatory behavioral health services facility. The facility would be owned, operated, and maintained by Doctors' Hospital, Inc., and the grant will amortize at 1/20th per year with repayment of unamortized balance to the County if behavioral health services cease before 20 years. A fact sheet describing the facility is included in the Council's materials for the proposed letter supporting the Luminis Health Doctors' Community Medical Center's Certificate-of-Need Application for Behavioral Health.¹

Expanding the availability of behavioral health care for County residents will likely divert people experiencing mental health crises and substance abuse problems from hospital emergency rooms and police custody. Building a robust infrastructure of community-based behavioral health services is a central part of shifting away from the de facto criminalization of behavioral issues and is a preventative measure against negative outcomes associated with law enforcement interaction with people in a state of mental health crisis. It will also improve access to emergency medical care by diverting people with behavioral health problems from hospital emergency rooms.

The terms and conditions of the financing agreement are detailed within Attachment A to the Resolution.

¹ [Prince George's County Council - Reference No. LTR 02182021a \(legistar.com\)](#)

Fiscal Impact:

Direct Impact

Adoption of CR-008-2021 would have a negative fiscal impact on the County in the form of the debt service on the Certificates, estimated at 1.5 million dollars (\$1.5 million) per year for the term of 20 years (See Attachment A).

Indirect Impact

Adoption of CR-008-2020 should not have a negative indirect fiscal impact on the County. Additionally, the enhancement of behavioral health services in the County could result in cost savings associated with law enforcement.

Appropriated in the Current Fiscal Year Budget

No.

Effective Date of Proposed Legislation

The proposed Resolution shall be effective on the date of adoption.

If you require additional information, or have questions about this fiscal impact statement, please call me.