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COMPTROLLER LIERMAN: That makes sense. And in other spaces downtown, since so many of our State agencies are now moving downtown away from State center and so many of our awesome State workers rely on transit because it's free, I would love to hear more about some of your plans around bus hubs, subway stops, as our agencies start moving downtown, too.

MS. ARNOLD: Yeah, no, absolutely. I mean, downtown really is the heart of MTA's operations between Light Rail, Metro, our bus hubs. The connections are really made in downtown. So we have a number of projects that are underway. We are looking at ways -- you know, you and I have had multiple conversations on how to improve the look and feel of the Metro stations downtown. They were built 40 years ago. They look like they were about 40 years ago. And so we're looking at Charles Center, Shot Tower, Lexington Market. And those enhancements will be included in the next Capital Needs Inventory.

We're also going to be receiving new Metro rail cars. So the first six are on-site now, and those will be going into service in 2025. Which will drastically improve the experience for our riders and the way that people feel on the system.

We've already talked about Howard Street, but outside of that on the bus side, we are looking at transit hubs at War Memorial and at the arena because we do recognize those are critical transfer points, and we want to make it a much more enjoyable experience for our riders whenever they're waiting and transferring their busses.

COMPTROLLER LIERMAN: Okay. That's great. And I think that's really important for all of downtown, which is such an important economic hub for central Maryland. Well, thank you. I appreciate it.

Governor, you, Secretary Wiedefeld, and Administrator Arnold have been placed in a difficult -- we've all been placed in a difficult situation with one of the most complicated transportation projects the State has ever seen. And I think it's really clear that past leadership failed all of us by entering into a public/private partnership that is ultimately placed most of the risk, most of the cost overruns, and delays on to Maryland taxpayers.

I want to thank you for your Administration's commitment to safeguarding capital funding for the rest of MTA. And I hope that the challenges of this transportation P3 -- arguably, the worst transit P3 in the nation as negotiated by the Hogan/Ron MDOT, demonstrate the folly of relying on P3 models for complex long-term transportation projects. Everyone in the State of Maryland is bearing the burden of the errors made by the past Administration today. I don't enjoy voting yes on this, but we have to be committed to ensuring that we meet our obligations to our riders in the State of Maryland through completing the Purple Line project. Thank you

GOVERNOR MOORE: Thank you.

TREASURER DAVIS: Thank you

COMPTROLLER LIERMAN: Thank you.

GOVERNOR MOORE: Mr. Treasurer?

TREASURER DAVIS: So I just want to raise hell.

(Laughter.)

TREASURER DAVIS: I don't have any questions. This is what I want to see. It's funny Governor, you mentioned that the word or the term "boondoggle" when you were talking earlier. The irony of that statement --

COMPTROLLER LIERMAN: Yes.

TREASURER DAVIS: -- that was the exact word --

COMPTROLLER LIERMAN: For the Red Line.

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TREASURER DAVIS: -- that was used for the Red Line.

GOVERNOR MOORE: Right.

TREASURER DAVIS: And I remember Secretary Ron mentioning or being quoted -- and I think I have it before me -- that he believes the Red Line's \$2.9 billion cost estimate wasn't realistic. After likely cost overruns due to tunneling and factoring in all the commitments made to neighborhoods, the Red Line's cost would have ballooned by an additional \$1 billion which would have brought it to 3.9. Boy, would I take that right about now.

(Laughter.)

TREASURER DAVIS: I would take those overruns and 3.9 billion right now to where we're at just under 10 billion and climbing. When you hear about overruns, it's usually 5,10 percent or something like that. We're literally approaching 100 percent with no real guarantee that that's the end. So if the Red Line was a boondoggle, I don't know what the hell this is. We need to invent a word for what this is.

Last night when I left my staff and I went to bed, I was coming here, I was determined to vote "No". There are other projects and other needs that the State has. And we don't have an unlimited budget where we can just keep pouring good money after bad. It's not fair to the rest of the State, and it's not being wise stewards over the people's money. But at the end of the day -- and the Comptroller, I think, said it perfectly, we're in this. I mean, we are so deep in this you really can't pull the plug at this point. So we have to keep going forward.

I hope that the Department stays on top of the contractor, the vendor, to not try to take advantage of the situation. But it's disturbing, it's discomfoting for us to be in this situation of where we can't do really what we want to do or choose to do because of so much that has been committed.

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GOVERNOR MOORE: Right.

TREASURER DAVIS: But yeah, I thought Madam Comptroller, Governor, that you all said it well. And I was going to just leave it alone, but once I heard that term "boondoggle" and it went back, just I couldn't let go of the irony of what the real boondoggle became. So all right, let's do it.

(Laughter.)

GOVERNOR MOORE: I included that word intentionally.

COMPTROLLER LIERMAN: Yes.

GOVERNOR MOORE: For that exact reason.

TREASURER DAVIS: And I was ready.

(Laughter.)

GOVERNOR MOORE: With that, may I please -- and thank you so much, Ms. Arnold. Thank you so much for responding. With that, may I have a motion to approve the agenda?

COMPTROLLER LIERMAN: So moved.

GOVERNOR MOORE: Is there a second?

TREASURER DAVIS: Reluctantly, second.

(Laughter.)

GOVERNOR MOORE: Thank you so much. Thank you. We will conclude with the DGS agenda.

Secretary Chaudhry, good morning.

MR. CHAUDHRY: Thanks, sir. Mr. Governor, Madam Comptroller, Mr. Treasurer. For the record, I'm Atif Chaudhry, Secretary of the Maryland Department of General Services. Today, the Department is presenting 49 items in our agenda. We are withdrawing three items today. We're withdrawing item 12-CGL, 17-CGL, and 45-LT. Our agenda does feature over \$62 million in capital grants and loans. I just want to highlight one of those in

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particular, and that's item 10-CGL.

It provides \$500,000 in State support to Humanim for the acquisition of a property in Columbia, Maryland to house individuals diagnosed with developmental disabilities and/or mental health disorders. And these individuals at this property will be provided a multitude of wraparound support services, including basic living skills necessary to function independently in the community, including dietary planning and food preparation, maintenance of the individual's living environment, community awareness, and mobility skills.

But more importantly, will also offer crisis intervention services, including a 24-hour on-call system. As we continue to keep an eye on our minority business participation and our contracting, our agenda does include three contracts to certified minority businesses totaling over \$1.3 million. And we have Agency representatives here to answer any questions you may have.

GOVERNOR MOORE: Great. Thank you so much, Mr. Secretary. I know we have a number of speaker requests in today's agenda. So in the interest of time, I would just like to ask the speakers to keep their comments to no more than five minutes.

And first up, I'd like to recognize Ms. Susan Malone, the Executive Director of Wide Angle Youth Media, who is joining us virtually in support of Item 20-CGL, which is a \$250,000 capital grant. Ms. Malone, is she up? There she goes.

Ms. Malone, good morning. Good to see you.

MS. MALONE: Good morning. It's such an honor to be here today. Good morning, Governor Moore, Comptroller Lierman, and Treasurer Davis. My name is Susan Malone. I'm the Executive Director of Wide Angle Youth Media. For over 20 years, Wide Angle has provided creative youth development and workforce training to thousands of Baltimore area students.

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And I've been part of the journey since the beginning. In those early days, never in my wildest dreams did I think we would be here today, preparing to move our organization into a state-of-the-art media education facility.

The State's generous investment in our new headquarters, Wide Angle Studios at the Service Center, helps make this possible. When we open our doors this fall, we will be supporting new opportunities for a generation of young media makers. Students will have access to state-of-the-art technology to build their skills, tell their stories through video design, animation, and photography.

We are humbled by the support of policymakers and the Maryland Legislature, and so many other community members for bringing this vision to life. I want to particularly thank Senator Washington, Delegate Embry, and Delegate Boyce for sponsoring our LBI request. They have been incredible champions of our mission as have all three of you. We are sincerely grateful for your time today and considering this request.

GOVERNOR MOORE: Thank you so much, Ms. Malone. And I know that the Comptroller and officers are very familiar with the work and we're appreciative that you do fantastic work. So thank you.

Thank you. I'd like to also now recognize Mr. Todd Mohn, Queen Anne's County Administrator. And also Warden LaMont Cooke to testify in support of Item 41-RP, which transfers former Eastern Pre-Release Unit to Queen Anne's County. Great to see you both. And thank you so much for joining us today. Thank you.

MR. MOHN: Yes. Good morning, Governor Moore, Comptroller Lierman, and Secretary -- Treasurer Davis, excuse me. We are here today just to express our sincere gratitude and thank you for the support to acquire this property in Queen Anne's County from this decommissioned former pre-release camp. Our knowledge is that the Department of General Services, the

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Department of Public Safety, and the Department of Budget and Management, whose members of those departments have guided us through this process to bring us here today to receive this property, which we have tremendously big plans for.

So we are in the initial planning stages now to develop a new state-of-the-art detention center on this property. Not only for Queen Anne's County, but for our sister counties in Caroline and Kent County. So we'll be making history for the State of Maryland with the first, hopefully, regional detention center on the Eastern Shore there in Queen Anne's County.

So we're excited about the challenge. We're up for the challenge. And we hope to invite everybody that was involved, including the Board of Public Works, to a ribbon cutting and a groundbreaking, first and foremost in a couple -- maybe a couple of years for this property. So we thank you very much for your support.

And I am here with Warden Cooke. He's the -- I know he's the longest standing warden in the State of Maryland. He wants to make a few quick remarks as well.

MR. COOKE: Okay. Good morning.

GOVERNOR MOORE: Morning.

COMPTROLLER LIERMAN: Morning.

MR. COOKE: Treasurer, Comptroller, and I see the Lieutenant Governor over there. We've met a few times. I appreciate your approval of this project. Been involved with doing this for a long, long time. This is our second or third attempt at doing this and I think we're going to be very successful at completing it this time.

Especially want to thank Secretary Scruggs along with the other group that was mentioned. Her team has really been working with us and bending some things to help us out, and even came down to a tour that we took of a

facility down in Virginia about the same size, same demographics. And everybody was really impressed by that. So we're going to work hard at this. And I really appreciate, again, you all considering us supporting the funding and the support that we're going to continue to get. And we hope this is going to be successful for all involved. Thank you.

GOVERNOR MOORE: (Indiscernible). Thank you so much. And thank you both for not just being here, but for your service and for your commitment and for your leadership. We're eager to get to that groundbreaking ribbon cutting.

MR. MOHN: Okay. Great. Thank you.

MR. COOKE: Thank you.

GOVERNOR MOORE: Thank you. Next, I'd like to recognize Paul Kappel, who's the president and CEO of Junior Achievement of Central Maryland, to speak in support of Item 9-CGL, a \$300,000 capital grant in support of Junior Achievement's Health Goal facility. It is great to see you again. Thank you.

MR. KAPPEL: Good morning, Governor.

GOVERNOR MOORE: Morning.

MR. KAPPEL: And also friends of Junior Achievement, we've had the honor to, I think, host all of you at one time in our facility. But thank you for my brief remarks today. Really just three things I want to highlight. First of all, thank you for both past and hopefully continuing support of our Youth Workforce and Innovation Center in Halethorpe, just outside of Baltimore.

Junior Achievement of Central Maryland will serve this year almost 40,000 K-12 students with work and career readiness opportunities supplemented by financial capability and entrepreneurship programs. 40,000 students makes us one of the largest youth serving providers in Central Maryland.

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But we also think about the opportunity. That's about 8 percent of students in central Maryland that get access to these vital programs. Particularly, with the emphasis that the State is providing around the Maryland Blueprint in providing young people with work readiness experiences at multiple times through their through their K-12 participation. That means 92 percent of students do not get access to opportunities like this. So we appreciate both the past and future partnership with the State of Maryland.

Comptroller Lierman, you mentioned public/private partnerships. We know that actually, there are examples of public/private partnerships that work. And Junior Achievement works because of the role of the business community, local school districts, and the State of Maryland to bring both financial and people resources together in order to make these things happen. But we also know we need to continue to move to make sure these programs are available in the future. I'll leave you with two things to think about in support of our capital grant request.

First is young people can only be what they see. And oftentimes they see things that do not set them on the path towards the work-ready future that we know they all can achieve and quite frankly deserve. And experiences like Junior Achievement, where they get to spend a day feeling a real job in a simulated community, we know can set them on that path. But the thing that sticks to me is the young man who went to Fredrick Douglass High School and came into our facility and said, "Experiences like this make me want to go to school."

And we know that showing up is the first thing to being a success in anything you do. And continued support of opportunities like Junior Achievement will allow students to show up and chart their own career path. Thank you for the time today and I appreciate your continued support.

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GOVERNOR MOORE: Thanks, Mr. Kappel. Thank you so much for your leadership and for everything you're doing for our young people.

MR. KAPPEL: Thank you very much.

GOVERNOR MOORE: Well, thank you.

Before I recognize the speaker signed up for Item 46-OSP, I want to very quickly highlight two additional capital grants. The first is item 2-CGL, which is the \$8 million grant going to Kingdom Global Development Community Corporation. It's for their Kingdom Cares Center Project. The Lieutenant Governor and I were honored to have our pre-inauguration interfaith service over at Kingdom. And we are grateful for the incredible impact that they do over there with Kingdom Cares.

And just serving not just Prince George's County, but also the entire DC Metropolitan region. We are proud to support this project. And it's also going to further enhance not just Kingdom Cares, their mission, but also just a wide range of services. And so we want to thank Reverend Smith and also Reverend Matthew Watley for their incredible leadership and great sermons as well, for those who had a chance to visit.

COMPTROLLER LIERMAN: We were there two weeks ago.

(Laughter.)

GOVERNOR MOORE: It's great.

COMPTROLLER LIERMAN: Two weeks ago, a great sermon.

(Laughter.)

GOVERNOR MOORE: And I'd also like to highlight Items 5-CGL, 13-CGL, and 19-CGL, which totaled \$17.8 million in capital grants towards Howard County. Last March, I was pleased to join the County Executive of Howard County Calvin Ball and a number of other elected officials, and community leaders, and residents as we celebrate a new state-of-the-art library. A

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beautiful library that's going to take place in -- that is in downtown Columbia.

We're pleased to be advancing \$5 million in State capital funding to support this incredible project, but also to allocate funding towards the county's flood mitigation efforts towards a \$750,000 grant to support construction of a new storm drain system along the Emory Street and extending to the existing storm drain systems along Church Road and also along Main Street.

And in addition, we are approving a \$12 million capital grant to support the Extended North Tunnel project, which is one of seven large flood mitigation capital projects within the county's Safe and Sound Flood Mitigation Plan.

And so before we move to Item 46, also like to yield to the Comptroller additional questions on Item --

COMPTROLLER LIERMAN: Sure, Item 28. Thank you, Governor. This is a request from the Department of Health toward Myers and Stauffer, LLC, a contract to perform cost report audits and surveys of health care providers. There's -- are you going to answer this or do you --

MR. CHAUDHRY: We have representatives for the Maryland Department of Health to answer questions?

COMPTROLLER LIERMAN: Thank you.

MR. WATERS: Good morning, Governor Moore, Comptroller Lierman, and Treasurer Davis. For the record, my name is Warren Waters, Jr. I'm the Chief of Staff for Health Care Financing and Medicaid under Deputy Secretary Ryan Moran. Myself and virtual members of the team are here to answer any of your questions.

COMPTROLLER LIERMAN: Great. Thank you so much for being here. I appreciate it. I wanted to talk to you about this five-year single bid contract. It's \$45.7 million, and it includes one five-year renewal option. And it

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just stood out to me because -- because of that single bid, I understand that there was two proposals, but we ended up with only one reasonably susceptible for award. That said, it's also my understanding that the two previous times this contract went out in 2011 and 2017, the procurement also resulted in a single proposal received from this incumbent, the same company.

I think that's a dangerous pattern to keep having one bid, essentially, for what is a very -- this is a lot of money, this contract. So I'm curious why the Department did not look for ways to unbundle the services, if necessary. I mean, it seems like it would be necessary to unbundle it as a way to provide for more competition, potentially for small minority business enterprises or others. What was the reasoning behind that?

MR. WATERS: For that I'm actually going to defer to my colleague. Hold on.

MR. CHAUDHRY: Who is?

MR. WATERS: Thelma McClellan.

(Pause.)

MR. CHAUDHRY: We do not have a Thelma online.

MR. WATERS: So I can do my best to respond to that.

COMPTROLLER LIERMAN: Sure.

MR. WATERS: I do know historically there was an attempt prior to -- about 15 years ago to unbundle. But because of the specifications in the contract, there was some difficulty with having multiple vendors perform those services and to communicate the information to one another.

COMPTROLLER LIERMAN: Okay. I mean, I think that's helpful to know. I'm not sure if it is enough to provide for the reason to keep it a such a large contract, especially when we basically have one company doing it over and over again. And my hope would be that in five years, we look at this

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again and think about how we can make sure that we're getting more increasing competition so that we know that we're getting the best services that we can in this space. And have you thought at all or has the team started talking about what you plan to do to ensure there's more competition next time?

MR. WATERS: Absolutely.

COMPTROLLER LIERMAN: Okay. Well, I'll look forward.
Maybe the Secretary can follow up with me to talk more about this offline then.

MR. WATERS: Okay.

COMPTROLLER LIERMAN: Great. Thank you.

Governor.

GOVERNOR MOORE: Thank you so much. Madam
Comptroller. We turn to the Treasurer as well.

TREASURER DAVIS: Yes, this is 49-CPL. I thank most of my staff and also, Governor, I'd like to thank Manny for making it. I'd give him a raise if I could.

(Laughter.)

TREASURER DAVIS: It's not often I can (indiscernible).

(Laughter.)

TREASURER DAVIS: This is the Kettering Community Association. And today, we have with us Alicia Adams (phonetic) and Joe (phonetic) Sizemore. Back when I was a delegate and even before that, the Kettering Community Association is one of those places in every community where all sorts of things go on. Whether it's the holiday parties, or where you store the athletic equipment, or where -- I've done several political debates there, and all those kinds of things. And so it's really important to the community. But like with anything, when it starts to age and so forth -- when it starts to age and so forth, it's in need of repair. So they've been shut down for quite a while.

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And so there was a bond bill and a bond initiative that that was in to correct it. But we had a technical glitch in the way it was worded, and it wasn't able to move forward with the desperately needed funds. So we were able to get the assistance of many of your staff. And I don't know what they did, but it's here before us today. It got fixed and we're certainly excited. Well, I won't even call them former constituents. They're still my constituents, just in a in a different way.

But this is really important to one of our communities to keep things going. So I just wanted to highlight that. I thank them for coming down today and thank everyone who made this happen to get this forward, because there really wasn't a lot of time to delay to get this back up and running and serving the community. So I just wanted to thank everybody that was involved with that.

GOVERNOR MOORE: Thank you. Thank you. And with that, I'd like to call up Item 46-S-MOD (phonetic), which is a request to extend the inmate medical health contract to allow for new procurement to be completed. Yeah, we have several speakers signed up for this item. And so just as a reminder, we're asking speakers to limit their comments to five minutes.

First, I'd like to recognize Senator Mike McKay, who has signed up to speak in opposition. Senator McKay.

SENATOR MCKAY: Governor, Lieutenant Governor, Madam. Comptroller, Mr. Treasurer. Four out of the -- or three out of the four of you served with me for eight years in the House. And I believe that I've had a track record that I only stand up on things that are on principle and that I ultimately want to fix the problem. That being the case, we are voting right now third readers giving my ability to give voice to my constituents on the bills that we pass out of the Senate, but it was important for me to come and voice concerns from

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my constituents, missing that opportunity for making those third reader votes, to share with you some of my concerns considering the position in front of you.

I just want to give you some information, if I may. As you all know, I represent District 1, Garrett, Allegany, and Washington County. We have a plethora of Department of Corrections. We have a lot of employees that are employed there, and they do a phenomenal job. The Department headed by Secretary Scruggs does a great job, but I need to bring concern.

About a year and a half ago, starting November 17th, 2022, the hospital system that we have up there at UPMC, University of Pittsburgh Medical Center, had contacted my office to say, "Hey, we can't get paid by this --" what was Corizon then YesCare. And we had a series of subcontractors as well as them that had not been paid. My office then worked with them, and the Department helped us to set up that meeting. Just like my mom said, I can't get seconds until I finish everything on my plate. So we worked everything out and things were working very well. We were bringing that number down.

But as January 17th, 2024, for that dollar amount started creeping up again. I had over 800,000 in the EDIC part, the officials didn't care. I'm sorry, 800,000 total. 48,000 was in three different buckets. 48,000 in the physician's care, the EDIC physician's claim was 10,000, and then the hospital itself was \$740,000. Trying to work to get that down understanding that this contract's coming up, the balance on February the 5th went over a million dollars. February 8th, glad we were able to get a check and brought it down to about 600,000.

As of yesterday, I checked with them, they're still way behind on their payments. While they are working and they're trying to get us to there, I do appreciate, but it's a concern that you need to understand that there are constituents that rely not just the fifth largest health system in the country, UPMC, but we're talking about physicians, private, local, and the ripple effect of

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those businesses.

Again, Secretary Scruggs and her people are working very, very hard. I know that trying to break this contract, which was together, and the individuals has been very, very tough. They've always been receptive. And I appreciate you, Madam Secretary. I really do.

We were preparing for the upcoming session, and we had a Washington County delegation meeting. And in that delegation meeting, we found out -- I found out that Senator Corderman in District 2 had been dealing with YesCare about getting Boonsboro Fire EMS paid. Now while they were able to get that paid up, it was about -- I believe about 135,000, a very small company volunteers that transport from the correctional facility to the hospital.

However, there's still \$10,000 that is tied up in bankruptcy that when Corizon created health -- YesCare that's in litigation still. And to a small fire company, \$10,000 is a lot. That's a lot of hoagies. It's just it needs to be -- third, there's over 20,000 incarcerated people who I believe are not necessarily getting the access to health care that's competent and possibly ethical.

Now in your packets, you will have received or have received a letter from Delegate Jazz Lewis, bringing up those issues about incarcerated peoples getting the care that they need to get. You have gotten a letter from Senator Corderman talking about Boonsboro. Both of them have some suggestions in there on how do we rectify this problem as we go forward, et cetera.

MR. CHAUDHRY: Senator, that's five minutes. If you could -- if you --

SENATOR MCKAY: In conclusion? Yes, sir.

MR. CHAUDHRY: Please, that's what I was looking for.

SENATOR MCKAY: Thank you. I -- for lack of better words, in

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all of our committee, we give elected officials a little bit of grace, and you are giving it to me. And I appreciate that, sir.

So moving forward. Should this contract be approved I think, number one, we should take care of Boonsboro. This \$10,000 that's tied up in bankruptcy. They do not have the lawyers to try to go get this money. It's tied up in -- so number two, I think UPMC should be brought up to an acceptable accounting receiving aging balance. We're not talking about everything getting paid, but if they're in 45 to 60, I'm sorry that needs to be taken care of.

And number three, for your consideration, as I said earlier, I normally come with a some kind of a solution to it. I just don't identify the problem. I think that what you might want to do is -- this is a nine-month contract. I would rather you break it into approximately three months and require YesCare to give a report back to you of where they stand. Not just District 1, not District 2, but statewide on their balances. Just to make sure that everyone is getting paid.

Because at the end of the day, while they are a third-party and they contract with even other third parties, ultimately, we, the leaders of the State of Maryland, are responsible to make sure that the Department of Corrections, regardless of the contract, has its bills paid. So if you could just approve a three-month extension, base it upon a report however you all decide is what is acceptable. And if that's good, they get it for another three months. That's good, they get it for the total nine months. And then the RFP will be out, and we will see how everything shakes out. I thank you for your consideration, but more especially, I thank you for your grace and the time allowed.

GOVERNOR MOORE: Thank you so much, Senator.

COMPTROLLER LIERMAN: Thank you.

GOVERNOR MOORE: Thank you. Next, we have Mr. Bruce

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Bereano, who signed up to speak in opposition.

GOVERNOR MOORE: Good morning.

MR. BEREANO: Good morning, Governor, Ms. Controller, Mr. Treasurer, and -- Madam Controller and Mr. Treasurer. For the record, my name is Bruce Bereano and I'm a registered lobbyist for Wexford Health Care, who's the prior contractor on the inmate prison contract prior to Corizon and now YesCare.

Our opposition to this nine-month extension is sincere and genuine. There's absolutely no criticism of the Department of Public Safety and Corrections. YesCare is a bad actor. I think they're embarrassing the State of Maryland on many fronts. This is not a partisan matter. You have letters from legislators that are Democrats and Republicans.

And you're extending it for another nine months, but they have to be very closely monitored. And what I'm afraid of is that over these nine months I think the Department, I'm just speaking for myself and no criticism of the Department, they need the help of the Board of Public Works to monitor this thing. All the bids are in, my client as well, but whoever gets it, the bids are in, I think it's important for a decision to be made. Who is going to be the next contractor of this contract? Hopefully, it's not YesCare. It would be crazy, in my personal view, to give it to a company that was created to avoid bankruptcies, to have no other assets.

You have seen the articles. They're under federal investigation trying to end the bankruptcy of Corizon, creating YesCare to insulate it from malpractice suits, from anything. It's just not the way you do business with human beings and with government. But I -- hopefully, that decision will be made soon. If it's someone else other than YesCare, I think it's imperative that immediately this -- it's nine months, you're going to do -- be terminated

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immediately. Even in the face of a protest, the Board of Public Works has the authority to terminate contracts in the best interest of the State if indeed another vendor is better and more suitable.

You've heard from legislators who are hearing from constituents. I've seen articles where inmates and I can -- proper health and attention. And I would just urge a monitoring, as the Senator indicated, of what is going on. And assisting the Department of Health, should be the Department of Public Safety and Correctional Services, in a very close, unique way because we really got to get back on track and have a vendor, whether it's my client or someone else, there's a number of bids, that knows what they're doing, has assets, is not immune from bankruptcy, is not immune from malpractice lawsuits, and has assets, and can operate. It's not good for the State of Maryland.

And I know you all as the Board of Public Works, that is your primary goal. What is best for the interests of the State of Maryland in serving governmental services and those that are under your care during that period of time. Thank you very much. Be happy to answer any questions you have.

GOVERNOR MOORE: Thank you so much, Mr. Bereano.

We'll now move on to John Dougherty, who represents the incumbent, YesCare, who has signed up to speak in support of the item.

MR. DOUGHERTY: Good morning, Mr. Governor, Madam Comptroller, Mr. Treasurer. I am John Dougherty. I represent YesCare. What a difference a few years makes because seven years ago, Mr. Bereano successfully lobbied the prior Administration to give Wexford an 18-month extension of their contract. While their numerous groundless, as the Board of Contract Appeals held groundless protests, worked their way all the way through the process and the circuit courts on judicial review.

An 18-month extension during which Wexford allowed staffing to

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drop to a 50 percent vacancy rate. 50 percent. Mainly the nurses, and doctors, and other health care professionals who take care of the incarcerated persons and pre-trial detainees.

YesCare's current contract expires in 18 days, midnight on Easter Sunday. There's no contract on Monday, April 1st, 12 business days from now. So many people work on Good Friday. Health care is challenging. Health care for incarcerated persons and pre-trial detainees is more challenging. Health care, when the biggest health care payment processing system in the country, almost the only one, Change Healthcare has been hacked and shut itself down, makes paying for health care very challenging.

And that's what happened with Boonsboro Ambulance. They submitted an invoice on February 22nd through Change Healthcare. YesCare can see that invoice, but they also paid through Change Healthcare. That's the typical -- that's the ordinary process. They can't pay. It's entirely shut down. So they overnighted a check, and that should be received by Boonsboro Ambulance today. It's a concern for everybody in health care that payment system is shut down. And when it is a concern that rises to the level of this board's agenda, YesCare dealt with it. I've seen the check. It went out yesterday.

And the problem with a three-month extension, as Senator McKay advocated for, is it creates more uncertainty. The health care professionals that deliver these services within the Department of Public Safety are regular people. They have to plan for the -- they want to know where they're going to be working in 19 days, in three months, in six months. And if they find out that this contract is going to expire in June, then their kids just finished the school year, and we're creating more uncertainty in an already very challenging environment.

A nine-month extension allows Secretary Scruggs and her team -- Mr. Sedtal here, Director of Procurement, to finish their evaluation of the

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proposals that have already been submitted, make a selection, and allow some time for any protest process if Wexford wants to file another half dozen protests, like they did last time. It allows the normal process to occur. And as I said, a nine-month extension is not abnormal. Wexford got 18 months when they were the incumbent. So the challenges would be exacerbated by a shorter extension.

There's actually not a shorter extension on the table. The modification that's been negotiated between the Department and my client is for nine months, and there are a lot of terms that go along with that. We'd have to go back to the drawing board if we're talking about a different modification, because that's the one that's been agreed on and that is on the Board's agenda.

So I ask the Board with great respect to please approve that modification so that my client can continue what it did throughout COVID, which is provide health care to these folks who really need it. Thank you very much. If there are no questions, I'll excuse myself.

TREASURER DAVIS: No, there are questions. It is --

MR. DOUGHERTY: I apologize. I misheard.

TREASURER DAVIS: Is it your testimony -- let me start with this. Is it your testimony that because Wexford had issues, it's okay or it justifies YesCare having issues?

MR. DOUGHERTY: No, I'm not conceding that there are issues. I am not at all --

TREASURER DAVIS: Hold on, hold on. You said you're not conceding that there are issues, that there haven't been payment issues because it -- I've heard it too. And I didn't just hear it recently when some system went down. I heard it from others. Since they didn't authorize me to say anything, I won't mention their names, but I heard it as far back as this time last year that there were payment issues and partial payments like layaway or something that

there were payment issues. Are you telling me that there were no payment issues outside of some system going down --

MR. DOUGHERTY: No --

TREASURER DAVIS: -- for regularly getting paid on time when they were supposed to be getting paid?

MR. DOUGHERTY: It's more than Change Healthcare, but I don't think it's as extensive. And --

TREASURER DAVIS: What about a University of Maryland Medical System?

MR. DOUGHERTY: The University of Maryland Medical System, the billing on this, Mr. Treasurer, is most of the inmates who go to a hospital, and that's what we're talking about now, are covered by Medicaid. One of YesCare's responsibilities is to make sure that every inmate applies for Medicaid because that's something they're eligible for in Maryland and it helps with the cost. Medicaid billing is complicated. It doesn't -- it's not a 30-day net payment.

The bills get adjusted and re-adjusted and finally figured out. So that, as Senator McKay noted, the account receivable balance for the same hospital visit goes up and down as it works its way through the system. And because of that, the payments are slow. That's the case.

I don't think they're taking a year, but they don't take 30 days either. That's true. I haven't heard -- the only -- on the University of Pittsburgh Medical System, I was on the phone with Matt Gilmore, their lawyer. I'm not party to all of the conversations because I'm a lawyer myself. I only talk to the other lawyer. But I haven't heard from Matt in more than a year. And when there was a problem, I did hear from Matt. And I haven't heard from him. He's their lawyer.

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I don't think there is any problem other than that the process itself put aside Change Healthcare. The process is slow. One part of the slowness was that YesCare was using an outside vendor to process payments. And that was part of the problem that the University of Maryland System complained about and that Mr. Gilmore's client, University of Pittsburgh Medical System, complained about. They stopped using that vendor because it was adding time to the process. They're eliminating what (indiscernible) from the process. They're doing everything they can.

TREASURER DAVIS: You mentioned that the contract expires in 18 days, I think you said. But then you said that it would be a problem that if it expired in June because of the uncertainty, but the folks only legitimately had a reason to believe -- as a matter of fact, I thought they'd expired December 31st?

MR. DOUGHERTY: It did.

TREASURER DAVIS: So from that point forward, nobody should be expecting -- that's when everybody should have thought the contract ended and have planned accordingly. No one should be expecting any type of extension until after -- or plan for extension until after the next bid was won. So it's basically day-to-day or month-to-month, whatever we want to call it, since December 31st. I mean, isn't that how it should have been looked at? The terms of the contract ended then.

MR. DOUGHERTY: The contract, as originally awarded, ended on December 31st. There were negotiations to try to get a lengthier extension. There was enough money left in that contract to do a three-month extension without adding any money. And that's why they did that three-month extension. The current extension for nine months is because it also adds money. They're out of money on the original contract. But a three-month extension that they just got is not a great thing, Mr. Treasurer.

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TREASURER DAVIS: No, and that's what I'm saying. But the extension is only because the procurement isn't ready. It wasn't for any other reason. The only reasonable expectation YesCare could have had was to the end of the original contract, which was December 31st. That was the thought. Anything beyond that required a new procurement, a new contract. So no one could reasonably expect three months, six months, or nine months because that's not the contract.

The contract is -- what we're here now -- what I'm trying to say is the reason why we're here now with this item is on -- it's not -- well, I'll speak for myself. It's not because we believe YesCare has served the citizens well. This is about the Department. It really isn't about YesCare. The Department is essentially saying it needs more time to complete its procurement, but it's not saying we want YesCare. You just happen to be the incumbent. And so they're seeking more time while they do the procurement. So I guess I'm having trouble reconciling the two because you all -- there's no guarantee that you're going to win this next procurement. So there's already uncertainty there.

The only-- yeah, as soon as this is ready, and it's my understanding and I hope the Department corrects it, it's not really nine months, it's up to nine months. So if they complete everything and are ready to go, it can terminate it at any time. If that's not the case, then I need clarification on that. But as far as your client is concerned and the staffers and so forth, this contract ended December 31st, and everything else that's gone on since then is just about essentially buying the Department time to complete the next procurement, in which case anybody could win that including YesCare.

MR. DOUGHERTY: And I'm not suggesting that the Department doesn't retain the right to terminate for convenience at the -- at any time after March 31st, if this nine-month extension is approved. I'm not suggesting that.

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And I'm not really talking about YesCare's expectation of three months of more contract or nine months. I was talking about the life planning of the individual doctors, and nurses, and other health care professionals. And they do factor in who the contractor is going to be.

So yes, there is uncertainty because whenever the procurement is complete and an award is made, the typical transition period has been 90 days. And the transition to the new contractor happens, the current contract, however long the Board approves an extension, can be terminated for convenience at that time if it happens before December 31st. Yes, that absolutely can happen.

GOVERNOR MOORE: Thank you.

MR. DOUGHERTY: Thank you.

TREASURER DAVIS: Thank you so much, Mr. Dougherty.

MR. DOUGHERTY: Thank you.

GOVERNOR MOORE: Lastly, I would like to ask Secretary Scruggs and also Deputy Secretary Sedtal to make comments on behalf of the Department.

MS. SCRUGGS: Good morning again, Governor, Madam Comptroller, Mr. Treasurer. First, let me say that you are absolutely correct, Mr. Treasurer. The extension is so that we still have a continuity of care for our some 17,000 incarcerated men and women, while we complete the procurement process. The extension, also within it, includes a clause where we can terminate for convenience at any time. So it is not the Department's goal to extend this for nine months.

We are very close to awarding for our pre-trial, and we are a couple of weeks behind for awarding for our DOC. Would like to kind of briefly share to you how we got here and why it's taking so long. Health care behind the walls is very important. One of the things that I took pride in was I was able to

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The other thing I'd like to do is personally thank Secretary Herrera Scott. Because after we actually put together the RFP, she actually took the time to read all 500 pages of that to give me insight as to where we needed to make things better, or how Maryland Department of Health could actually partner with our agency to do these things.

So I say that to you to say that it's taking us a little longer, but it's because we want it right this time. We know that there's going to be need for a smooth transition. And one of the things that truly I've seen since I've been with the Department that was absent in that transition was proper vetting.

Usually, what you see is a new contractor comes in and the same people are still there. But one of the things that I put within this contract is that each and every one of those individuals that will be working for us has to be vetted. Their credentials have to be verified because we want to ensure that, again, we're providing the best care.

So again, that's why we're here to extend that. We do hope that we will be making an offer in the next couple of weeks, but I will tell you, we will certainly make an offer before the beginning of the new fiscal year. And I'm happy to answer any questions.

TREASURER DAVIS: Thank you, Madam Secretary.

Governor, I don't really have a question, but I wanted to sort of reiterate. And you said it, why I am going to support this. Before we get into whoever gets paid, whoever's making money off of this, and I've said it before and on other contracts, it's about getting best value for the citizens of the State of Maryland. That's first before anybody else gets paid, and I understand the importance of that. It's about getting the best value.

And so when you said that you want to get it right, in our prior conversations about this, that's sort of what I honed in on. It's more important to

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get it right than to get it -- than to do it fast. Because when you do things fast, when you rush, that's how mistakes occur. And so that's where -- that's the reason why I'm supporting this, because I want you to get it right. And I'm also trusting that as soon as you get it right, it'll be back before us for the appropriate vote. So Governor, Madam Comptroller, and Madam Secretary, that's the reason for my support also.

GOVERNOR MOORE: Well said.

MS. SCRUGGS: And sir, I want to thank you again for that. Just so that you know, one of the other efforts that we've made to get it right is that I've developed an audit unit. We've hired six auditors that will actually be responsible for auditing the new contract, auditing each performance standard, and making sure if there are liquidated damages attached that those liquidated damages are waged.

We also have what we now call eight (phonetic), we have eight comms in each of our facilities. They are our agency contract administrators. They are technically clinicians. And they are on-site so that they can also monitor these contracts as well. Those are positions that typically have not been filled in my career, but we actually put them back and we aggressively did a hiring so that we could get those individuals.

And I also hired a director of clinical services that is a -- he's a physician. He has both worked in private sector as well as for some of the correctional vendors across the country. So we're happy to make sure that we have a very robust effort to ensure that the contract that we're moving into is secure and it meets the needs of each and every one of those individuals that we service.

GOVERNOR MOORE: Madam Comptroller?

COMPTROLLER LIERMAN: Thank you, Mr. Governor. Thank

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you, Madam Secretary, for being here. I think I -- you know, I share my colleague's beliefs that every single Marylander deserves access to quality medical care, including our incarcerated and returning citizens, and which is why I'm so concerned about the multiple, really, dozens of medical malpractice lawsuits in Maryland and elsewhere that have been levied against this company.

And I should also say, if the previous Administration had properly valued and prioritized these critical services, the two new solicitations could have been completed with sufficient time for transition and we would not be here today. I'm very glad and I appreciate hearing about the new procurements, that they're out or closed. And I also think that the new way that you're doing it, the new method of procurement and separating the services will lead to better outcomes over the long term.

That said, this is an uniquely terrible and irresponsible national for-profit medical company. I'm sure many of the people here or watching have seen the news articles detailing at length concerns about the quality of care received and the financial stability of Corizon Health, which is now known as YesCare.

They face thousands of lawsuits over alleged negligent care. But then to circumvent those liabilities, they reincorporated in Texas and moved all those liabilities to a different company and renamed themselves, and they are engaged in just deeply -- this deeply concerning divisional merger in order to continue their lucrative contracts under the YesCare name.

I know that we all believe that the State of Maryland should only be doing business with vendors who provide the highest level of care and services, and don't try to use corporate and legal loopholes to evade their responsibilities.

I do not believe that YesCare is a contractor that aligns with our values, and I do not believe it's a contractor that deserves a unanimous vote from

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the Board of Public Works. Therefore, today I will be a "no" vote to YesCare. And I look forward to working with you on the new procurements as they come out. Thank you, Madam Secretary.

MS. SCRUGGS: Thank you, ma'am.

COMPTROLLER LIERMAN: Thank you, Mr. Governor.

GOVERNOR MOORE: Thank you, Madam Comptroller. Thank you.

And Secretary Gontrum, why don't we go in separate Item 46 for a separate vote on that item.

Is there any further discussion on the DGS agenda --

COMPTROLLER LIERMAN: No.

GOVERNOR MOORE: -- sans 46?

TREASURER DAVIS: I think that about covered it.

COMPTROLLER LIERMAN: Yeah.

(Laughter.)

GOVERNOR MOORE: If not, we'll take up Item 46 first. Is there a motion to approve Item 46?

TREASURER DAVIS: So moved.

GOVERNOR MOORE: All right. I'll do a second. So the Item 46 is approved, 2:1. Comptroller voting in the negative. On the remainder of the agenda DGS agenda, sans Item 46, may I have a motion to approve?

COMPTROLLER LIERMAN: Move to approve the remainder of the DGS agenda.

GOVERNOR MOORE: Okay. Is there a second?

TREASURER DAVIS: Second.

GOVERNOR MOORE: Great. Thank you so much. Item -- DGS agenda will move forward.

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And that concludes today's meeting of the Board of Public Works.

Our next meeting is Wednesday, April 3rd. Thank you all so much. We're
adjourned.

(Whereupon, at 11:37 a.m., the meeting was concluded.)