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New hospital, more health services on tap in Harford

Baltimore Business Journal - by [Scott Graham](#) Staff

Upper Chesapeake Health System is plotting the next round of hospital expansion in Greater Baltimore.

While more than half a dozen local health systems are wrapping up major campus redevelopments, Upper Chesapeake is finalizing plans to spend \$250 million or more on new health care services at its Harford County facilities. Much of the construction would come with the relocation of the existing **Harford Memorial Hospital in Havre de Grace**.

Upper Chesapeake, which recently completed its merger with the Baltimore-based **University of Maryland Medical System**, has not kept secret its interest in replacing the aged Harford Memorial facility. But the health system could finish by the end of this year a plan for not only building a replacement hospital but also adding emergency, urgent care, rehabilitation and diagnostic imaging services at a new 100-acre campus tucked between Interstate 95 and state Route 155 in Harford County.

That project could cost between \$250 million and \$350 million and include a new physician office building, said Dean C. Kaster, Upper Chesapeake's senior vice president for corporate strategy and business development.

The military base realignment and closure is fueling much of Upper Chesapeake's growth. Without BRAC, the health system plans increases in business of about 1.5 percent a year. With BRAC, "and the 28,000 direct and indirect new jobs it could bring to the region at Aberdeen Proving Ground, we're expecting much greater growth," Kaster said.

Upper Chesapeake will need the **Health Care Commission's** permission to build the new hospital. It may not need state approval to build some of the other facilities at the new Harford Memorial campus.

The state agency has not been notified of any new Greater Baltimore hospital expansion projects in the works, said Pamela Barclay, director of the commission's center for hospital services. Numerous projects are under construction and a few smaller health care providers — home health care agencies among them — are seeking to expand locally, but the pipeline for massive, multimillion-dollar updates has dried up for now, Barclay said.

"Things have slowed down quite a bit," she said. "We had such a huge number of projects [that] it was only natural for the pace to die down. We're definitely not getting the volume [of applications] that we did five years ago."

Paving the way for Harford Memorial's redevelopment, Upper Chesapeake purchased during the past two years nearly 100 acres of land near I-95. In the most recent of those transactions, Upper Chesapeake paid about \$10.3 million for more than 52 acres in Havre de Grace, according to state land records.

Leaders of the University of Maryland Medical System said late last year that they planned to finance much of Upper Chesapeake's expansion through a bond sale.

Through the first seven months of this year, Upper Chesapeake Health System posted a 3.9 percent operating margin, Kaster said.

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