

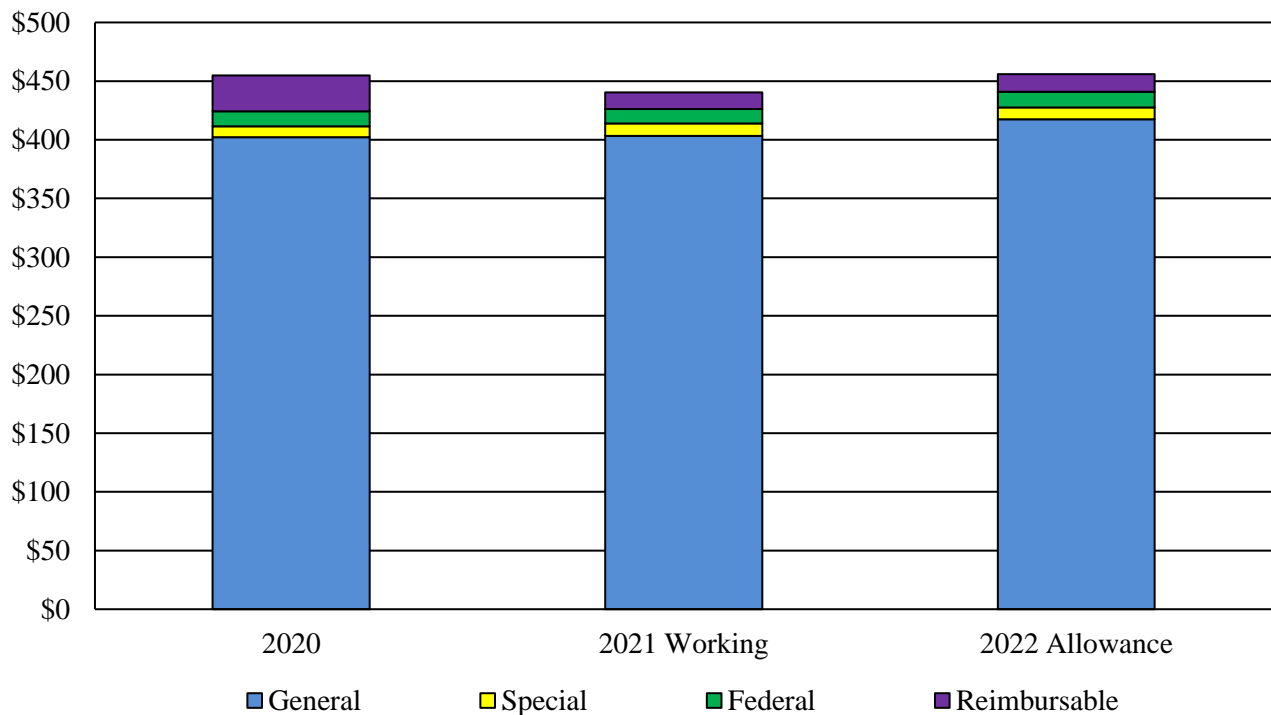
M00A01
Administration
Maryland Department of Health

Executive Summary

The Maryland Department of Health (MDH) Administration establishes policies regarding health services and supervises the administration of the health laws of the State while also providing for the main operations components of the entire department, including administrative, financial, information technology, and general services. Nine of the State's hospitals are also included in the MDH Administration budget.

Operating Budget Summary

**Fiscal 2022 Budget Increases by \$15.5 Million, or 3.5%, to \$455.9 Million
(\$ in Millions)**



Note: The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes annual salary reviews, State Law Enforcement Officers Labor Alliance increments and general salary increases, and annualization of general salary increases.

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- Funding increases in fiscal 2022 are driven by centrally budgeted fiscal 2021 annual salary reviews adjustments that are not yet reflected in the working appropriation.
- Additional personnel increases at State facilities associated with Chapters 572 and 576 of 2020 totaling \$30.5 million in general funds are also currently budgeted in the Department of Budget and Management.

Key Observations

- ***Forensic Staffing of State Hospitals:*** Legislation enacted during the 2020 legislative session increased employee compensation across State hospitals with court-involved admissions and mandated staffing levels at maximum security facilities. This analysis examines the facilities impacted and the trends in patient census across the State’s hospital system.
- ***Outstanding Joint Chairmen’s Reports:*** Due to the department’s resources focused on response to the COVID-19 pandemic, several of the reports requested by the budget committees are now past initial or extended due dates.

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

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Administration
Maryland Department of Health

Operating Budget Analysis

Program Description

The Maryland Department of Health (MDH) Administration budget analysis includes the Office of the Secretary, which is divided into the Executive Direction and Operations functions. These offices establish policies regarding health services and supervise the administration of the health laws of the State and its subdivisions while also providing for the main operations components of the entire department, including administrative, financial, information technology (IT), and general services (such as central warehouse management, inventory control, fleet management, space management, and management of engineering/construction projects).

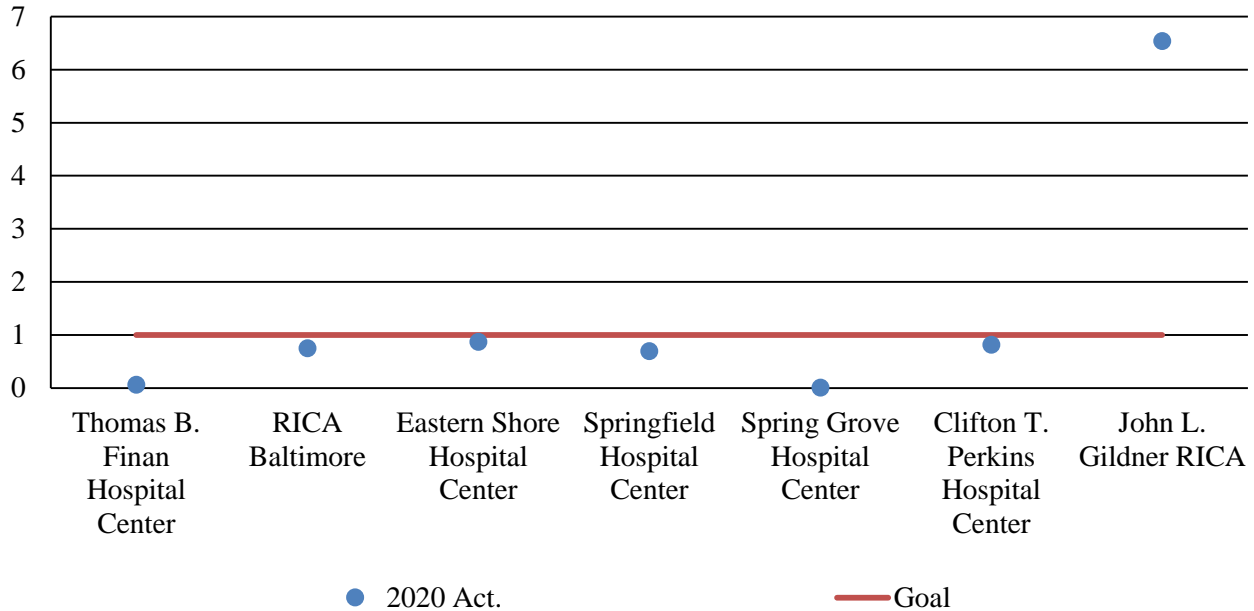
The Operations function also oversees 9 of the 11 State-run facilities: 4 regional adult psychiatric hospitals (Thomas B. Finan Hospital Center, Eastern Shore Hospital Center, Springfield Hospital Center, and Spring Grove Hospital Center); 2 Regional Institutes for Children and Adolescents (RICA) in Baltimore City and Rockville (RICA – Baltimore City and John L. Gildner – RICA, respectively); 2 chronic and long-term care hospitals (Western Maryland Hospital Center and Deer’s Head Hospital Center); as well as 1 maximum security forensic psychiatric hospital (Clifton T. Perkins Hospital Center (Perkins)). Other components of the Office of the Secretary include the Office of Minority Health and Health Disparities as well as special and federal fund major IT spending for the entire department excluding Medicaid.

Performance Analysis: Managing for Results

1. New Managing for Results Measure on Patient to Staff Assault Rates

The fiscal 2022 budget books introduce a new Managing for Results performance measure for State hospitals measuring staff safety. MDH has set the goal that the incidence rate of patient to staff assaults be less than one per 1,000 patient days. **Exhibit 1** shows that most of the State’s facilities were able to meet this measure.

**Exhibit 1
Patient to Staff Assault Rates
Fiscal 2020**



RICA: Regional Institutes for Children and Adolescents

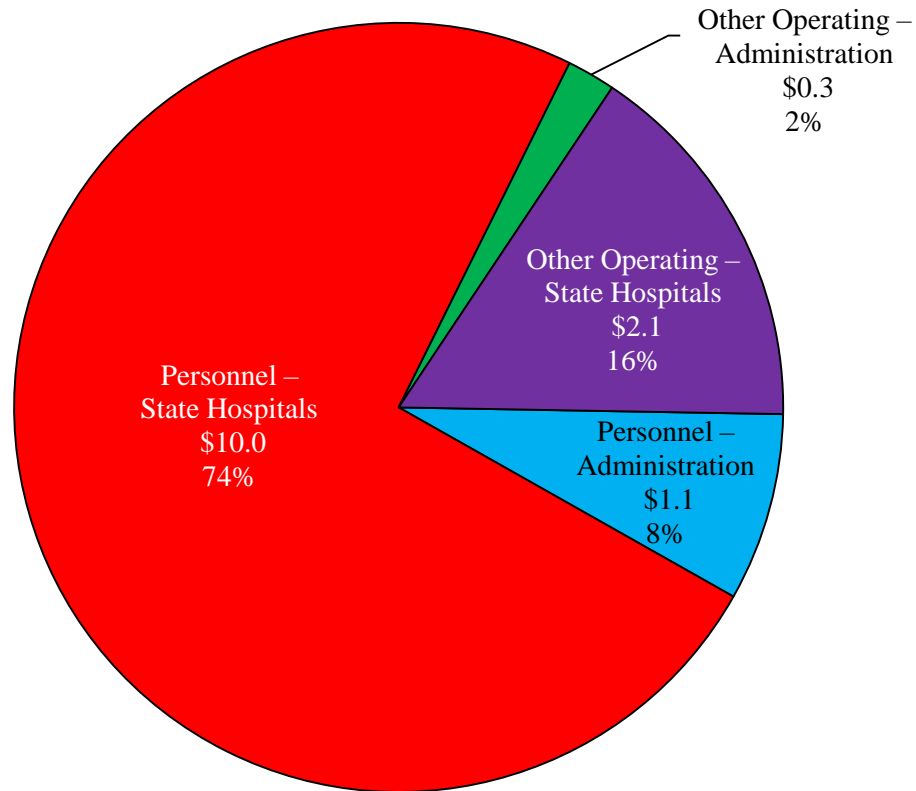
Source: Governor’s budget books

The notable exception and outlier for this first year of data comes from John L. Gildner RICA facility in Rockville. MDH noted that this is due largely to one youth at the facility who was personally responsible for 29 assaults included in this reported rate over nine months. Without that one individual, the rate would have been cut in half, from 6.54 to 2.96 patient to staff assaults per 1,000 patient days.

Fiscal 2020

Both the administrative units and State hospitals in the MDH Administration budget received additional funding for their response to the COVID-19 pandemic. Much of this support was provided through reimbursable funds supported by federal Coronavirus Aid, Relief, and Economic Security Act funding. Of the total \$20.9 million in reimbursable funds added to MDH Administration and the State hospitals in fiscal 2020, \$13.4 million was tied to COVID-19 support with the remainder from the Department of Information Technology (DoIT) for Major IT projects. **Exhibit 2** shows the share of COVID-19-related reimbursable funds to MDH Administration and State hospitals between contractual and regular employees’ compensation and other operating expenditures.

Exhibit 2
Reimbursable Fund Support for COVID-19 Response
Fiscal 2020
(\$ in Millions)



Source: Maryland Department of Health

The personnel expenditures are for COVID-19-related staffing redeployments and premium pay for both regular and contractual employees. These redeployments were made both formally through the Office of Human Resources in MDH Administration as well as informally within programs and facilities. Instances of formal redeployments included moving individuals to roles that were 100% COVID-19-related duties such as staffing State testing sites. Informal redeployments included security staff at facilities who also conducted COVID-19 screenings and quarantine unit staff.

Other operating expenditures for administrative units included cell phone expenses for COVID-19 testing sites and technology required for virtual court visits for patients at MDH hospitals (\$98,958) and the purchase of laptops and equipment (\$135,038). For the hospitals, expenses totaling \$2.1 million supported purchases of personal protective equipment, disinfectants, temperature screening, and other supplies for safe operations of facilities.

Fiscal 2021

Proposed Deficiency

The MDH Administration budget contains one fiscal 2021 deficiency to provide operating costs for the Crownsville Hospital Center that is no longer in operation. The budget includes \$654,809 for fuel, utilities, vehicles, and security services at the Crownsville campus – \$561,666 in general funds and \$93,143 in special funds. It should be noted that the fiscal 2022 budget continues to underfund likely expenditures that will necessitate a deficiency next year.

July 1, 2020 Board of Public Works Actions

At the July 1, 2020 Board of Public Works (BPW) meeting, the Governor proposed, and BPW approved, statewide reductions to unemployment insurance. These were reflected in a total fund reduction of \$69,030, (\$62,110 in general funds, the remaining in federal funds) from the administrative component of this budget and another \$553,902 in total funds from the hospitals and facilities (\$541,069 in general funds, the remaining in special funds). Additionally, BPW approved a further delay of the implementation of the Employed Individuals with Disabilities program, which generated \$250,000 in general fund savings.

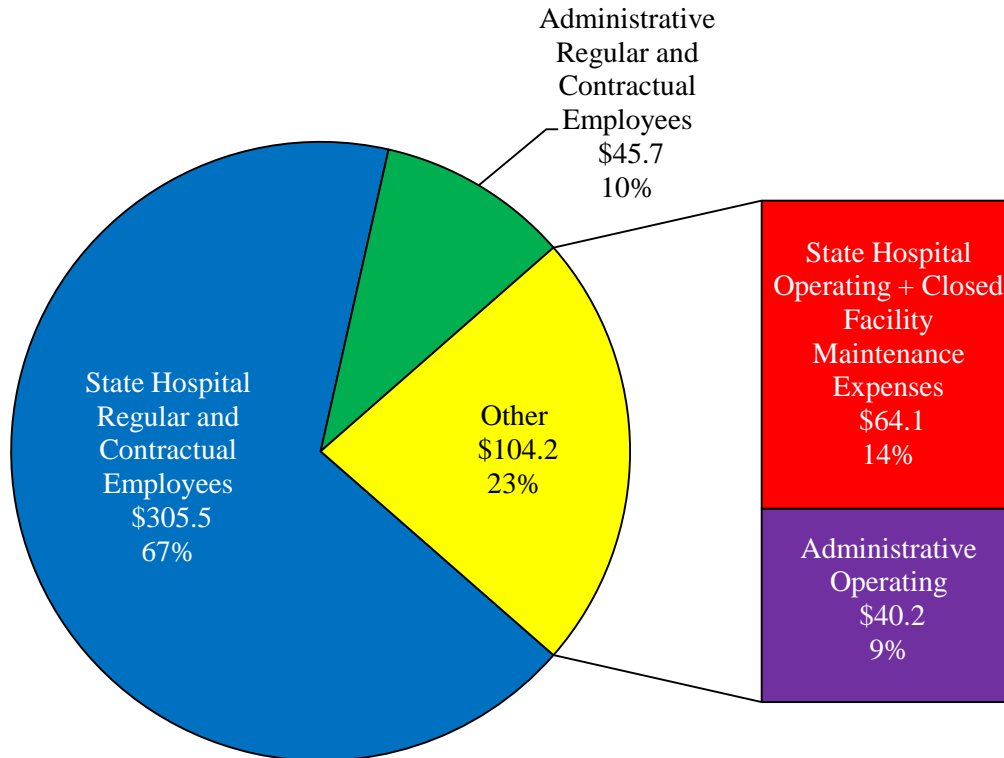
Annual Salary Reviews for Hospital Staff

The fiscal 2021 working appropriation still does not reflect annual salary reviews (ASR) received by various workers at State hospitals. This funding, centrally budgeted in the Department of Budget and Management (DBM), totals \$5.6 million for programs budgeted in MDH Administration. The fiscal 2021 ASRs included direct care workers, social workers, and licensed practical nurses, the majority of which are employed at State hospitals.

Fiscal 2022 Overview of Agency Spending

Given the State hospitals' inclusion in MDH Administration's budget and the size of the total employees represented in these facilities, personnel expenditures make up 77% of the budget, and over two-thirds of the allowance is for regular and contractual employees at the facilities, as shown in **Exhibit 3**.

Exhibit 3
Overview of Agency Spending
Fiscal 2022 Allowance
(\$ in Millions)

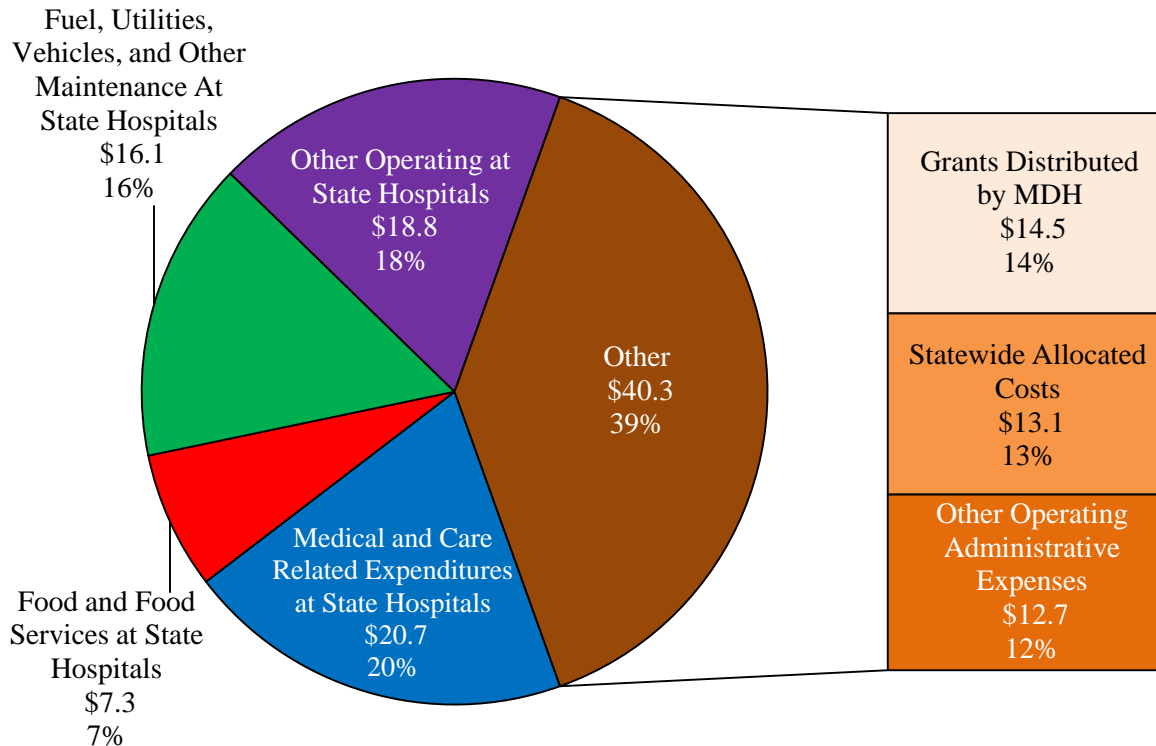


Note: Includes personnel adjustments for annual salary reviews, State Law Enforcement Officers Labor Alliance, and cost-of-living adjustment distributed proportionately.

Source: Governor’s Fiscal 2022 Budget Books

Focusing in on the nonpersonnel expenditures across MDH Administration and State hospitals, the facilities again account for the largest share of expenses, over 60% of total funds, as shown in **Exhibit 4**.

Exhibit 4
MDH – Administration Operating Expenses
Fiscal 2022
(\$ in Millions)



MDH: Maryland Department of Health

Source: Governor’s Fiscal 2022 Budget Books

Proposed Budget Change

Much of the budgeted increase for fiscal 2022 reflected in **Exhibit 5** is accounted for with personnel increases. In total, personnel expenditures account for a \$12.6 million increase, of which \$8.2 million is for regular employee compensation. As mentioned above, much of this increase is due to the current fiscal 2021 working appropriation for MDH not yet reflecting the ASRs included for hospital staff.

Exhibit 5
Proposed Budget
MDH – Administration
(\$ in Thousands)

How Much It Grows:	<u>General</u> Fund	<u>Special</u> Fund	<u>Federal</u> Fund	<u>Reimb.</u> Fund	<u>Total</u>
Fiscal 2020 Actual	\$402,272	\$9,132	\$13,008	\$30,434	\$454,846
Fiscal 2021 Working Appropriation	403,357	10,549	12,333	14,198	440,436
Fiscal 2022 Allowance	<u>417,614</u>	<u>10,087</u>	<u>13,210</u>	<u>15,020</u>	<u>455,931</u>
Fiscal 2021-2022 Amount Change	\$14,257	-\$462	\$877	\$822	\$15,494
Fiscal 2021-2022 Percent Change	3.5%	-4.4%	7.1%	5.8%	3.5%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Increase in regular earnings associated with fiscal 2021 ASRs for direct care and social workers at State hospitals.....					\$5,627
Other regular earnings increase.....					\$3,898
Annualization of fiscal 2021 general salary increase.....					\$2,050
Employee and retiree health insurance					1,691
Employees' retirement system					1,411
Increase in budgeted overtime expenditures, largely concentrated at Clifton T. Perkins Hospital Center.....					1,212
Unemployment compensation.....					599
Fiscal 2022 ASR for fiscal series, principals at the two RICAs, and increasing low-wage hospital staff to a \$15 minimum wage					488
Fiscal 2022 SLEOLA members receive 4% COLA and increments.					165
Turnover adjustments.....					-646
Abolition of 22.8 regular positions at State hospitals					-1,317
Workers' compensation premium assessment					-2,544
Other fringe benefit adjustments					-17
Administration and Operations					
Infrastructure grants to local health departments budgeted in Secretary's Office					4,000
Additional accounting support contract to assist with Medicaid Office of Finance					1,500
Increase in contractual employee expenditures driven by 2 new contractual police positions for the State hospitals budgeted in the MDH Operations budget, program consulting for OCSA, and a new management advocate to assist the department with representation in administrative hearings.....					398
Decrease in statewide allocated costs					-1,060

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Where It Goes:	<u>Change</u>
State Hospitals	
Decrease in contractual employee expenditures, driven by reduction in contractual medical service support	-1,173
Closed facility maintenance decrease driven by fiscal 2021 deficiency	-701
Other operating expenditures	
Change in other operating expenditures across Administration and State Hospital budgets	-86
Total	\$15,494

ASR: annual salary review
COLA: cost-of-living adjustment
MDH: Maryland Department of Health
OCSA: Office of Controlled Substances Administration
RICA: Regional Institute for Children and Adolescents
SLEOLA: State Law Enforcement Officers Labor Alliance

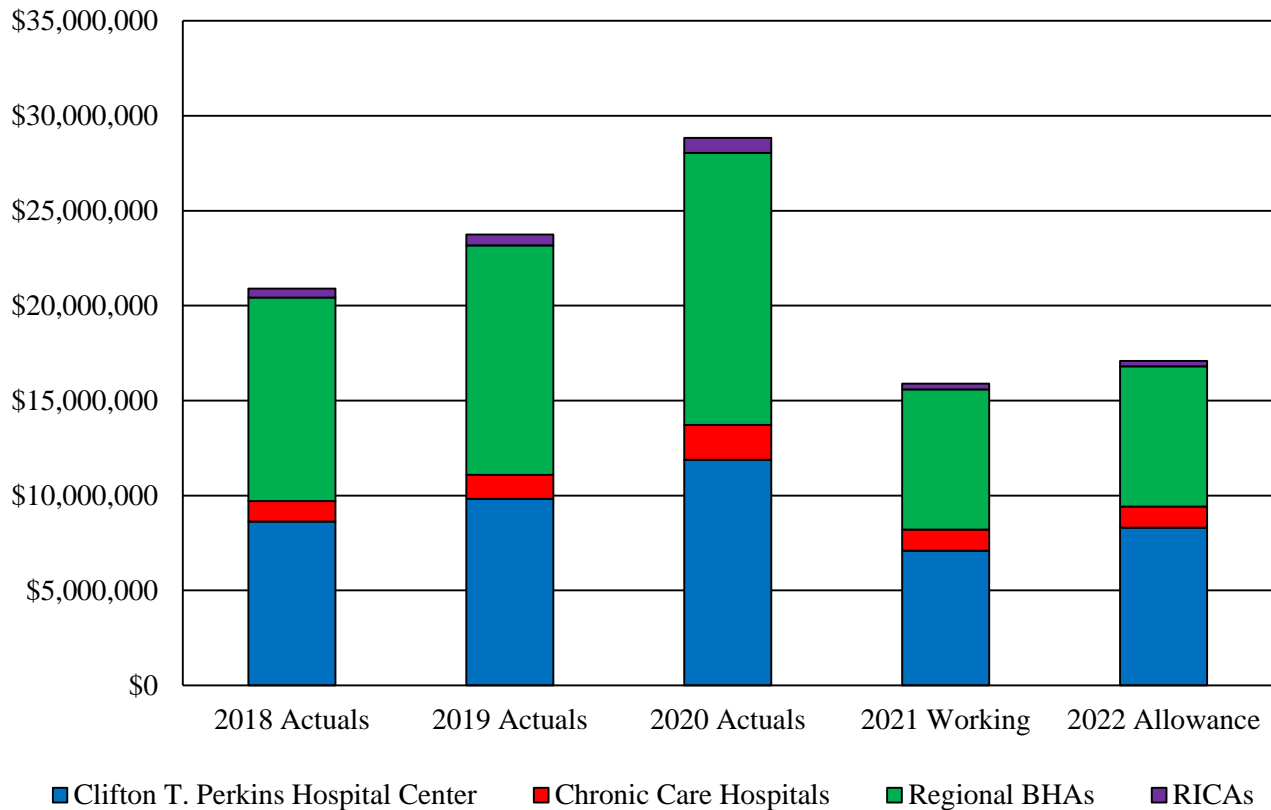
Note: Numbers may not sum to total due to rounding.

In addition, State facilities receive \$30.5 million for increased staffing expenditures, currently budgeted in DBM, and discussed in the Issues section of this analysis. In total, State hospital employee expenditures are expected to increase by \$38.7 million between previous ASRs and legislative mandates.

Overtime Expenditures

As noted in Exhibit 5, budgeted overtime increases by \$1.2 million in fiscal 2022. This is almost exclusively due to an increase at Perkins. In fiscal 2022, Perkins accounts for \$8.3 million of the total \$17.1 million in overtime expenses, nearly 50%. While the fiscal 2022 budget does reflect an increase over fiscal 2021, this amount is still below prior year actuals, as shown in **Exhibit 6**.

**Exhibit 6
Overtime Expenditures at State Facilities
Fiscal 2018-2022**



Source: Governor’s Fiscal 2020 to 2022 Budget Books

New Operations Spending

MDH Administration also adds \$4 million to the budget for infrastructure grants to be directed by the Secretary to local health departments (LHD). The planned uses for these funds, which are separate from the core funding formula for LHDs, are discussed in greater depth in the Public Health Administration budget analysis.

MDH Administration’s budget also includes \$1.5 million for an outside accounting and financial contract to assist the Medicaid Office of Finance. MDH reports that this particular unit has experienced high turnover of late. This has been especially challenging given some of the unique projects that have needed to be addressed by this office, including the reconciliation of the estimated payments associated with the mismanaged Administrative Services Organization transition and the calculation of the enhanced federal match in the Medicaid program during the pandemic.

Personnel Data

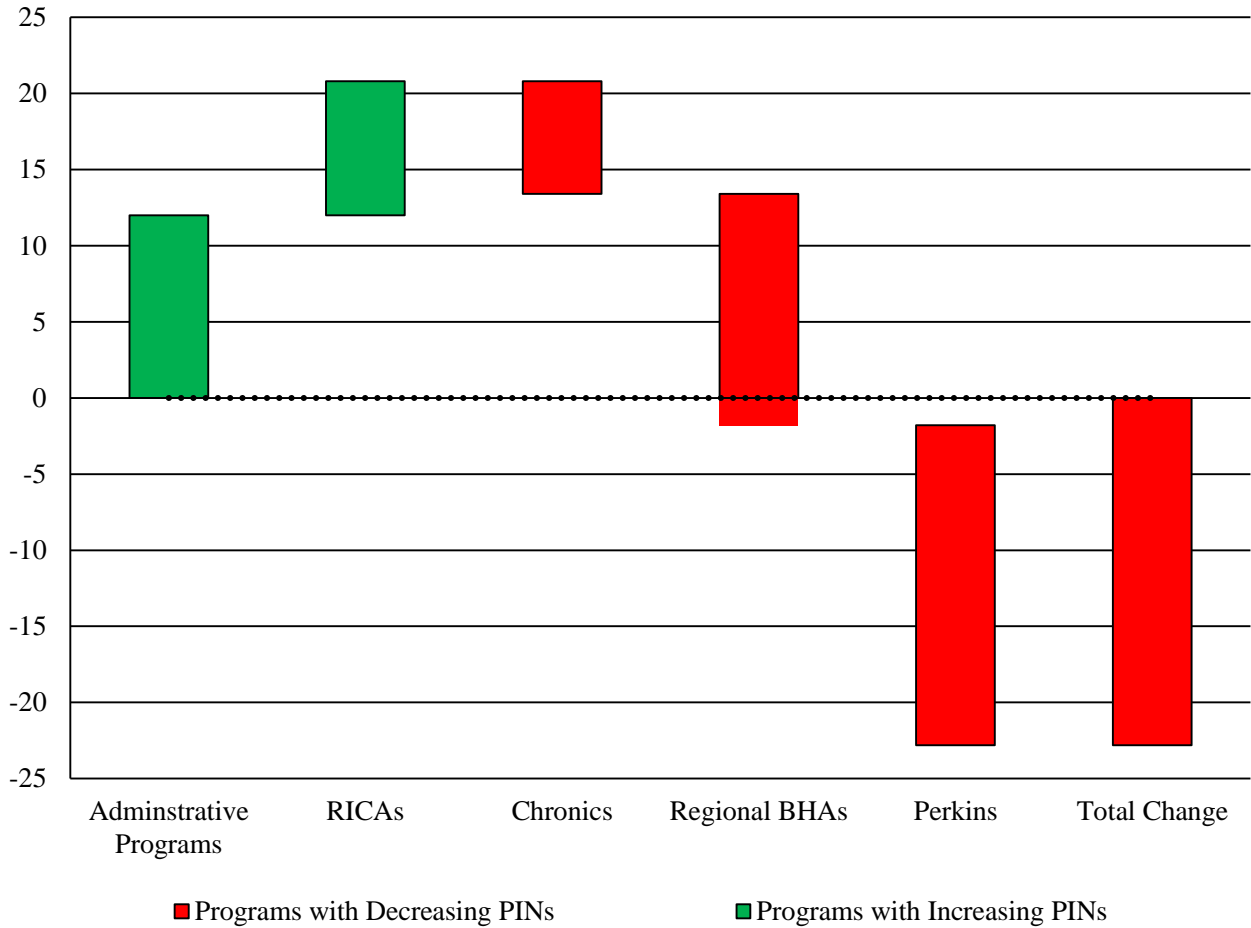
	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 21-22</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	3,505.90	3,497.10	3,474.30	-22.80
Contractual FTEs	<u>188.86</u>	<u>206.77</u>	<u>209.87</u>	<u>3.10</u>
Total Personnel	3,694.76	3,703.87	3,684.17	-19.70

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	312.29	8.99%
Positions and Percentage Vacant as of 12/31/20	331.10	9.47%
Vacancies Above Turnover	18.81	0.48%

- Overall, the MDH Administration budget loses 22.8 regular employee positions in the fiscal 2022 budget. This is largely driven by the State hospitals, particularly Perkins. **Exhibit 7** shows which programs in the MDH Administration budget increase or decrease personnel and the net change across this budget.

Exhibit 7
Employee Change across Programs and State Hospitals
Fiscal 2022
(Net Change in Regular Employee FTEs)



BHA: Behavioral Health Administration
FTE: full-time equivalent
RICA: Regional Institute for Children and Adolescents

Source: Governor’s Fiscal 2022 Budget Books

Issues

1. Staffing of State Hospitals

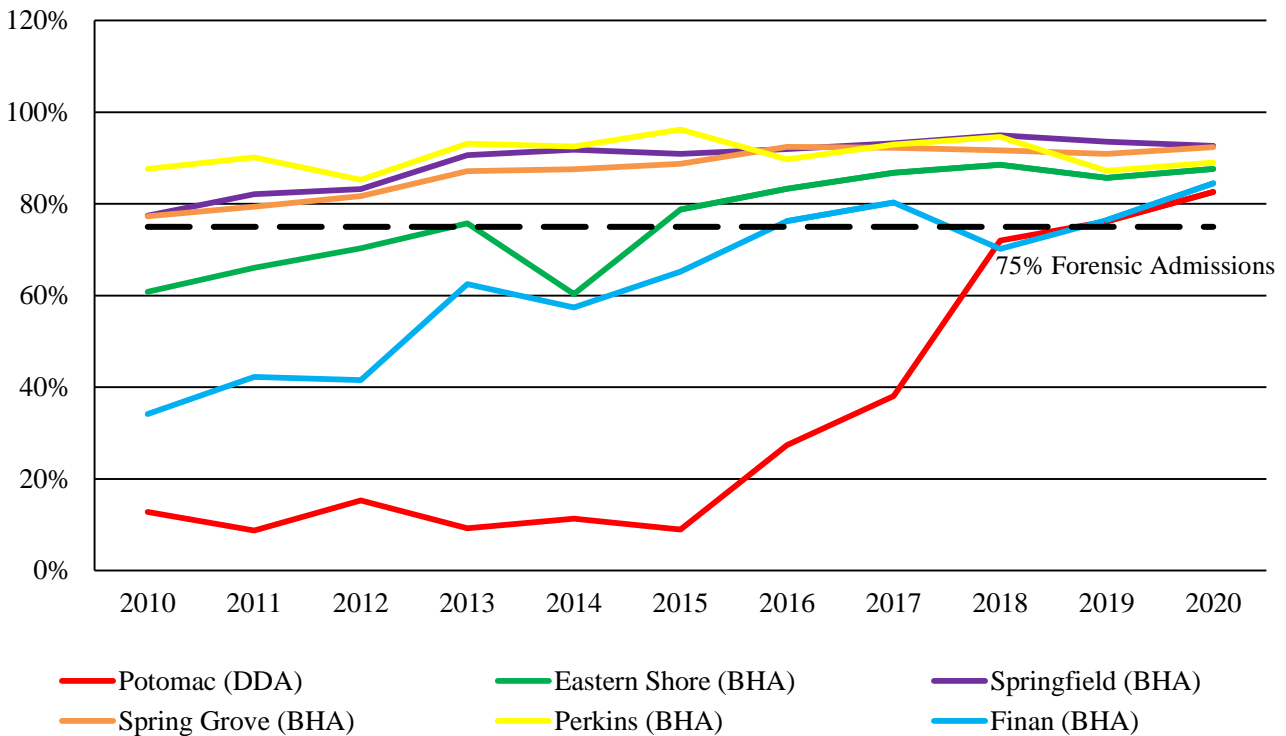
Two pieces of legislation passed during the 2020 legislative session are projected to have a significant impact on the staffing at State psychiatric facilities. Many of the changes under these two pieces are related to the fact that Perkins is the State’s only maximum security psychiatric hospital and, as such, certain employees at Perkins have received pay at a higher level than their counterparts at other State hospitals (*i.e.*, registered nurses, psychologists, and security attendants). This higher pay scale was intended to compensate for both the more difficult patient mix and higher security setting in which staff at Perkins worked.

Chapter 572 of 2020 required that Perkins security attendants, who must complete a correctional training course, be compensated at a rate at least equal to correctional officers employed by the Department of Public Safety and Correctional Services. Additionally, the legislation required that pay scales for certain physician and psychiatric positions within State hospitals be aligned with one another (“physician clinical specialists” and “psychiatric clinical” positions with one another, and “physician clinical staff” and “psychiatric clinical graduate” with one another). Taken together, these requirements increased expenditures across the department by \$4.7 million.

Chapter 576 of 2020 is projected to have a much larger impact on the budget for fiscal 2022 and beyond. First, the bill required that employees at Perkins who have not previously been receiving premium pay for working at Perkins receive a pay increase of at least two grades higher if they worked directly with patients and were in certain bargaining units (*i.e.*, alcohol and drug counselors, occupational therapists, physicians, psychiatrists, and therapeutic recreators) as well as some supervisory and manager positions at an estimated cost of \$1.3 million in general funds.

Further, Chapter 576 raised the compensation for all similarly trained, qualified, or licensed employees for all employees at other Developmental Disabilities Administration (DDA) or Behavioral Health Administration (BHA) facilities to that of Perkins if the other facility had a forensic admission rate of greater than 75% for the prior fiscal year. **Exhibit 8** shows that the share of court-involved or forensic admissions in the State facilities.

**Exhibit 8
Share of Forensic Admissions
Fiscal 2010-2020**



BHA: Behavioral Health Administration
DDA: Developmental Disabilities Administration

Source: Maryland Department of Health

As shown, as of fiscal 2020, all of the regional BHA facilities had forensic admissions exceeding 75%. Further, one DDA facility, the Potomac Center, has also cleared this threshold and would be anticipated to receive these enhancements as well.

Chapter 576 also required that, as of July 1, 2021, the security attendant employee to patient ratio at Perkins be no less than 1:3. Of the current 289 beds operated at Perkins, 212 of them are in the Silver Wing – the State’s only maximum security unit at present. Renovations are currently under way to transform the 80-bed medium security North Wing to another 68 maximum security beds. However, Chapter 576 mandates that the 1:3 staffing level for security attendants be achieved at the facility level. In fiscal 2022, there are 311 various security attendant positions budgeted for Perkins; the types of these different security attendant classifications and number of regular positions are shown in **Exhibit 9**.

Exhibit 9
Perkins Security Attendants
Fiscal 2022

	<u>2022 Allowance</u>	<u>Vacant as of January 1, 2021</u>
Security Attendant	92	4
Security Attendant, Nursing	207	15
Security Attendant, Management and Supervision Subtotal	12	1
Total Perkins Security Attendants – All Functions	311	20

Source: Governor’s Fiscal 2022 Budget Books

When the fiscal impact of this bill was considered by the Department of Legislative Services (DLS) during the 2020 legislative session, DLS assumed that the security attendant, nursing positions would not count toward the staffing levels prescribed, given that these positions require certified nursing assistant licenses and their duties expand beyond security services. Rather, these employees function more like direct care assistants at the other State hospitals. Under this assumption, DLS estimated that in order to fully staff the 289 licensed beds, Perkins would need 97 security attendants, or 5 more than presently budgeted. However, the occupancy at Perkins is often below 100% – the average daily inpatients treated over the last five years for the facility is 258, requiring an estimated 86 security attendants daily, providing a very small margin of error for vacancies or employee absences. Further, given that at present, 4 of these security attendant positions are vacant, Perkins would need all but 2 security attendant personnel working at all times. DLS is concerned with the position reduction for security attendants given the additional requirement placed on these staffing levels and the ability for Perkins to meet these requirements without further increasing overtime expenditures, a reoccurring challenge with this facility. **MDH should comment on the ability of Perkins to meet the new staffing requirements for security attendants given the reduction in overall positions and current vacancy levels without further increasing overtime expenditures.**

All of the costs associated with these two pieces of legislation are currently included in the DBM budget, a total of \$30.5 million in general fund expenditures for fiscal 2022.

Rising Share of Court-involved Patients in State Facilities

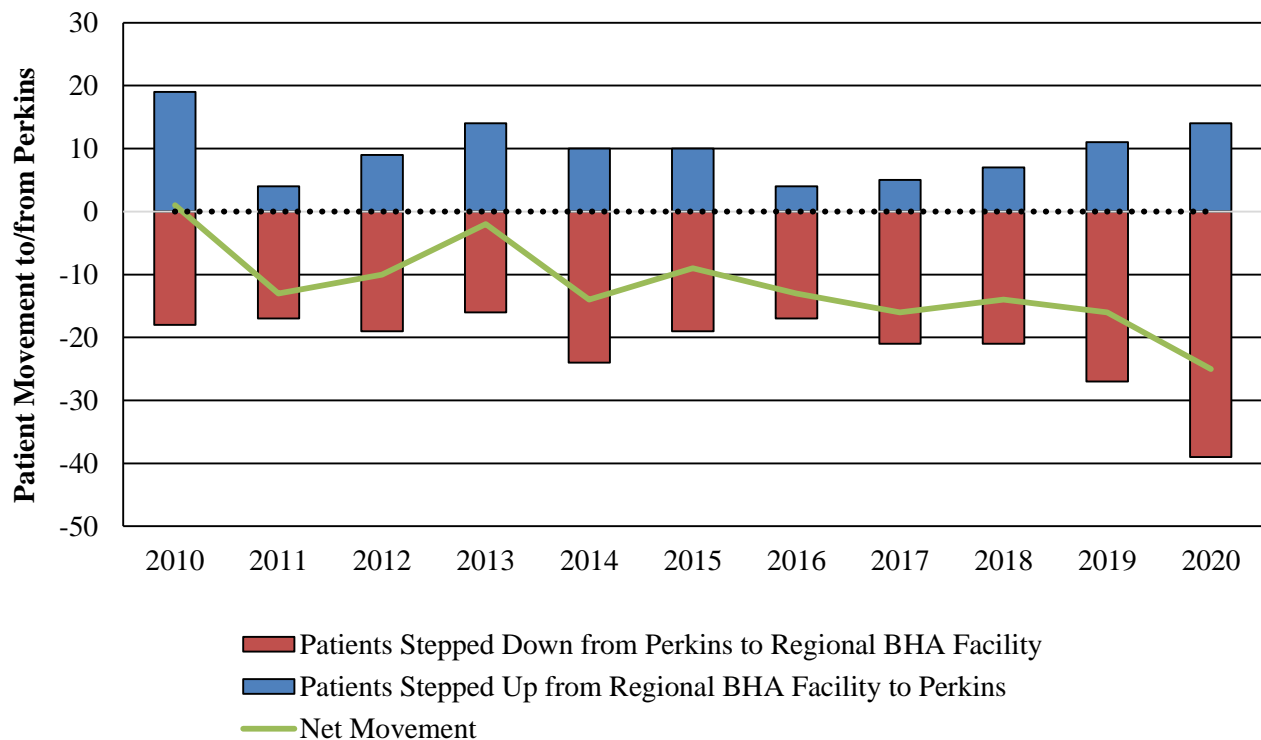
With court-involved admissions increasing in recent years, the overall census has reflected a greater number of forensic patients, showing that most staff within all types of facilities within the State’s hospital system are interacting with a largely court-involved population.

The severity of an individual’s court involvement can vary greatly throughout the hospitals, and those with the most serious of offenses are referred to Perkins. The list of these offenses referred to

Perkins relative to the other BHA facilities are provided in **Appendix 9**. Generally, offenses with a Seriousness Category of I and II will go to Perkins, while Category III through VII offenses will go to regional hospitals, as defined by the current version of the Offense Table of the Maryland State Commission for Criminal Sentencing Policy. However specific cases can be given exceptions.

Patients from Perkins are also “stepped-down” to the regional facilities. **Exhibit 10** shows the number of patients who were transferred from Perkins to a regional facility as well as those who were transferred from a regional facility to Perkins.

Exhibit 10
Movement from Perkins to Other Regional BHA Facilities
Fiscal 2010-2020



BHA: Behavioral Health Administration

Source: Maryland Department of Health

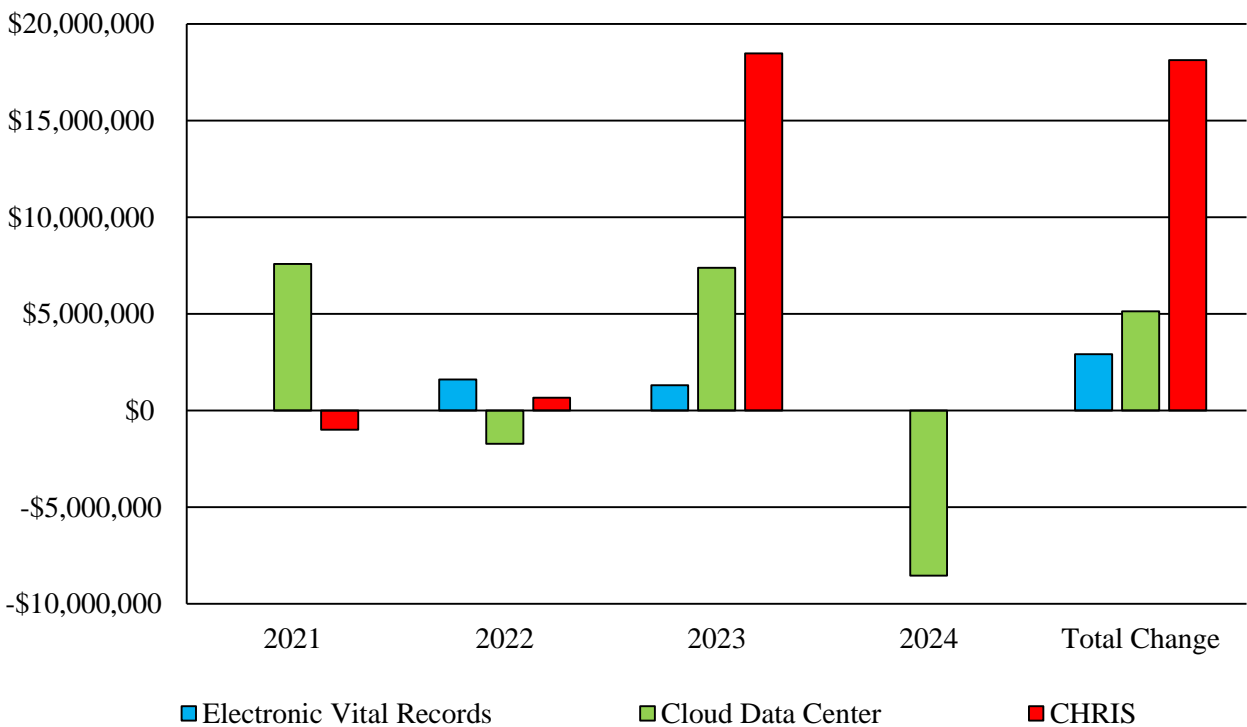
As shown, it is more usual that individuals from Perkins are stepped down to the regional hospital than move in the opposite direction. MDH has advised that for most individuals discharged from Perkins, the goal is to discharge them to the community, as it is with the other BHA hospitals. This trend, in conjunction with rising court-involved admissions, highlights the similarities between the patient mix and the day-to-day work of State employees at Perkins and many of the State facilities.

2. Fiscal 2022 Estimates for Future Expenditures on Ongoing Major IT Projects Are Higher Than Anticipated in Fiscal 2021

In fiscal 2022, six Major IT projects are associated with the MDH Administration budget, four of which are reflected in **Appendices 5** through **8**. The other two projects budgeted within the MDH Administration IT program are discussed in the analyses of the Health Regulatory Boards and Prevention and Health Promotion Administration.

The general funds for these projects are currently reflected in the DoIT budget for both fiscal 2021 and 2022. Of the four projects discussed in this analysis, three of them have received funding in prior years. For the three ongoing projects, fiscal 2022 cost projections reflect an increase in expenditures compared to those submitted with the fiscal 2021 budget. **Exhibit 11** shows how the spending plan for these projects has changed since the 2020 legislative session.

Exhibit 11
Selected Ongoing Major IT Projects
Comparison of Fiscal 2021 versus Fiscal 2022 Projected Expenditures



IT: information technology
 CHRIS: Computerized Hospital Record and Information System

Source: Governor’s Fiscal 2021 to 2022 Budget Books

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As shown, the most notable change occurs with the Computerized Hospital Record and Information System project. This project's expenditures increased by 115% to \$33.9 million, with most of these expenditures planned for fiscal 2023. During the prior session, request for proposals (RFP) had yet to be submitted, and out-year expenditures reflected estimates. Current programmed expenditures reflect the responses to the RFPs. MDH anticipates selecting a vendor in the third quarter of fiscal 2021. The electronic vital records project also increases over the fiscal 2021 amount, but the last year of funding for this project, also fiscal 2023, remains the same.

The Cloud Data Center Migration project has less funding in fiscal 2022 than anticipated levels, reflecting only DoIT oversight costs, but anticipated funding that was previously concentrated in fiscal 2024 has moved forward into fiscal 2023.

In addition to these three ongoing projects, the fiscal 2022 allowance includes \$3.3 million for transitioning the department's phone systems to Voice over Internet Protocol.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Outstanding *Joint Chairmen’s Reports*

The budget committees ultimately requested 25 reports from the various units within MDH in the 2020 *Joint Chairmen’s Report* (JCR). Due to MDH staff focusing the State’s ongoing response to the COVID-19 pandemic, only 10 of these requested reports have been received at the time of writing this analysis. Of the 15 outstanding, MDH communicated extension requests for 7 of these reports. The budget committees granted extensions for all 7 and, at present, the extended due date has also passed for all 7 of the 2020 JCR requests. The list of reports requested, extensions granted, and due dates are provided in **Appendix 10**.

Appendix 1
2020 Joint Chairmen’s Report Responses from Agency

The 2020 *Joint Chairmen’s Report* (JCR) requested that the Maryland Department of Health (MDH) – Administration prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website. The total outstanding JCR reports across the department are listed in **Appendix 10**.

- ***Report on the Behavioral Health Administrative Services Organization Transition:*** The fiscal 2021 Budget Bill withheld funding from the Secretary’s Office pending the receipt of a report on the transition to the new Behavioral Health Administration (BHA) Administrative Services Organization (ASO). This report, as well as the status of the ASO, is discussed in greater detail in the BHA analysis.
- ***Apprenticeship Programs for State Facilities:*** Committee narrative in the 2020 JCR requested a report on the opportunities for apprenticeships within the State hospital facilities. At the time of this analysis, this report has yet to be submitted by MDH.

**Appendix 2
Audit Findings
Office of the Secretary and Other Units**

Audit Period for Last Audit:	January 11, 2016 – February 11, 2019
Issue Date:	July 2020
Number of Findings:	6
Number of Repeat Findings:	3
% of Repeat Findings:	50%
Rating: (if applicable)	

- Finding 1:** The Maryland Department of Health (MDH) did not provide adequate oversight over interagency agreements. This resulted in certain interagency agreements being used to augment MDH staff beyond budgeted positions, excessive administrative rates, and contracts that were not properly approved or monitored. The Office of Legislative Audits (OLA) reviewed 20 interagency agreements, 15 of which were with State universities that totaled over \$41.6 million: 11 of which (10 with State universities) were found to be used to gain 81 positions, 62 of which were in nonhealth-specific positions. Further, of those 20 agreements reviewed, 2 had administrative rates above the recommended 25%; 3 were artificially divided to circumvent the Department of Budget and Management approval, and 1 was reclassified as a grant, again to circumvent oversight; and 5 had payments that could not be supported.
- Finding 2:** MDH did not always comply with State procurement requirements related to sole source and emergency procurements. Further, MDH did not always publish contract awards as required. The sole source and emergency contracts evaluated by OLA totaled \$13.4 million and \$2.1 million, respectively.
- Finding 3:** The Office of the Inspector General did not always conduct a comprehensive review of contracts, payroll, and user access to MDH’s automated systems during its audits of local health departments.
- Finding 4:** MDH had not established adequate controls to ensure the propriety of biweekly payroll payments, leave balances, and timesheets.
- Finding 5:** Intrusion detection prevention system coverage for the MDH network was not adequate for blocking malicious traffic.
- Finding 6:** Information technology contractors had unnecessary network-level access to the MDH network.

*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3
Audit Findings
Spring Grove Hospital Center**

Audit Period for Last Audit:	February 17, 2015 – February 18, 2019
Issue Date:	April, 2020
Number of Findings:	4
Number of Repeat Findings:	1
% of Repeat Findings:	25%
Rating: (if applicable)	

Finding 1: The invitation for bid for the purchase of dietary equipment costing \$800,000 appeared to be tailored to a particular vendor. Specifically, the Office of Legislative Audits (OLA) found that Spring Grove Hospital Center (SGHC) included specific equipment measurements in its invitation for a bid that were not necessary to meet the designated locations. These measurements matched the dimensions of the winning vendor. OLA and the Maryland Department of Health (MDH) noted that the Office of the Inspector General investigations have also involved procurement at SGHC and that the department has now moved procurement under the facility’s chief financial officer.

Finding 2: SGHC circumvented State procurement regulations and MDH procurement policies by artificially dividing procurements for goods and services to keep them under certain solicitation and delegation thresholds. In addition, SGHC did not always competitively procure or verify amounts paid on certain purchases, resulting in questionable activity and overpayments.

Finding 3: SGHC hired 6 summer interns, out of 15 total interns in summer 2019, who were family members of SGHC employees, including a management employee involved in the intern hiring process.

Finding 4: **SGHC did not effectively safeguard and account for its collections and ensure that collections were deposited.**

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 4
Audit Findings
Clifton T. Perkins Hospital Center

Audit Period for Last Audit:	April 29, 2015 – May 14, 2019
Issue Date:	March 2020
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	

Finding 1: Clifton T. Perkins Hospital Center (Perkins) did not adequately monitor its housekeeping vendor to ensure that services totaling approximately \$4.2 million were performed in accordance with the contract. The Office of Legislative Audits found that rather than monthly inspections of the vendor as required by the contract, Perkins relied on periodic inspections that it performed that were primarily intended to monitor overall environmental and safety conditions to monitor the housekeeping contractor performance.

Finding 2: Perkins did not reconcile the balance of its patient fund accounts with the corresponding records maintained by the Comptroller of Maryland.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 5
Computerized Hospital Record and Information System
Major Information Technology Project
Maryland Department of Health

New/Ongoing: Ongoing								
Start Date: 2/1/2017					Est. Completion Date: 6/30/2022			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$8.97	\$4.56	\$2.16	\$18.47	\$0.00	\$0.00	\$0.00	\$33.89
Total	\$8.97	\$4.56	\$2.16	\$18.47	\$0.00	\$0.00	\$0.00	\$33.89

- **Project Summary:** The Maryland Department of Health (MDH) aims to modernize its hospital information management systems by finding a customizable off-the-shelf system that will at least have the functionality of the International Statistical Classification of Disease diagnostic coding, medication ordering, clinical noting, treatment planning, incident reporting, and discharge planning. The electronic health records will need to be accessed by State hospitals, local health departments, and MDH administrative staff.
- **Need:** The software currently in use for the pharmacy component of the department’s health records has been sunset by the vendor, and the rate of increase in these maintenance costs has increased at unsustainable rates.
- **Observations and Milestones:** While infrastructure installations at State facilities were delayed due to the pandemic, MDH now reports that these have resumed and are slated to be completed by the end of fiscal 2021, with a vendor slated to be awarded by the third quarter of fiscal 2021.
- **Changes:** Planned spending for this project has over doubled since the prior session. Nearly all of this spending increase is reflected in fiscal 2023. During the prior session, request for proposals had yet to be submitted, and the prior submission for out-year expenditures reflected estimates. Current programmed expenditures capture a more accurate picture of completion than the fiscal 2021 amounts.

Appendix 6
Integrated Electronic Vital Records Registration System
Major Information Technology Project
Maryland Department of Health

New/Ongoing: Ongoing								
Start Date: 7/1/2018					Est. Completion Date: 7/1/2023			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$2.92	\$4.15	\$5.17	\$3.49	\$0.00	\$0.00	\$0.00	\$15.74
Total	\$2.92	\$4.15	\$5.17	\$3.49	\$0.00	\$0.00	\$0.00	\$15.74

- Project Summary:** This project will modify the code for the existing California Integrated Vital Records System to Maryland’s specifications and port it to run on the Maryland Total Human-services Integrated Network (MD THINK) platform. This system will contain modules to allow secure web-based entry of all birth and fetal death records along with the import of marriage and divorce records. The system will also support the search, retrieval, and issuance of certificates based upon these records, including modules to track the acceptance of fees and the use of security paper. This new system will be integrated with the existing Maryland Electronic Death Registration System, previously customized from California’s death registration system.
- Need:** The current electronic birth registration system is not maintainable, cumbersome for users to access, and difficult to keep secure. It cannot be extended to provide the Motor Vehicle Administration (MVA) with limited access to issue birth certificates as authorized under statute. The current fetal death system is paper based and results in long delays for these registrations.
- Observations and Milestones:** The pilot program for the new system to be in MVA locations to support REAL ID licenses is in the final stages. Death system porting to MD THINK and upgrade to newer supported Java in progress. Fetal System implementation is in progress. Migrating Legacy birth system is in the testing phase on MD THINK. Integration with the MD THINK platform is progressing. All system programs are scheduled for completion between December 2020 and July 2023.
- Changes:** Funding in fiscal 2022 and 2023 increases by \$1.6 million and \$1.3 million, respectively.

Appendix 7
Migrate MDH Headquarters Data Center to the Cloud
Major Information Technology Project
Maryland Department of Health

New/Ongoing: Ongoing								
Start Date: 9/2018					Est. Completion Date: Fiscal 2024			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$1.43	\$8.59	\$0.03	\$12.39	\$6.46	\$0.00	\$0.00	\$28.89
Total	\$1.43	\$8.59	\$0.03	\$12.39	\$6.46	\$0.00	\$0.00	\$28.89

- **Project Summary:** The project will include a phased lift and shift of all the applications currently in the Maryland Department of Health (MDH) Headquarters data center to a cloud solution.
- **Need:** MDH currently maintains a data center that has become a distraction and challenge considering this function is outside of the department’s core competency. Further, the current system is not designed for real time needs of applications such as the Maryland Medical Cannabis Commissions’ point-of-sale system for dispensaries.
- **Observations and Milestones:** In the fiscal 2021 budget request, the department reported that an inventory of the existing data center was conducted. An updated information technology (IT) project request has not been submitted for fiscal 2022
- **Changes:** During the 2020 legislative session, funding for this project was largely allocated in fiscal 2024. The new request adds \$5 million to total project expenditures and moves funding up from fiscal 2024 to 2023.
- **Concerns:** The only funding for this project in fiscal 2022 shown is for Department of Information Technology oversight. Without an updated IT project request, this particular project is understood to be delayed.

Appendix 8
Voice over Internet Protocol Conversion
Major Information Technology Project
Maryland Department of Health

New/Ongoing: New								
Start Date: 7/1/2021					Est. Completion Date: 7/1/2026			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$0.00	\$0.00	\$1.80	\$3.28	\$2.53	\$2.47	\$0.00	\$10.10
SF	0.00	0.00	1.50	0.00	0.00	0.00	0.00	1.50
Total	\$0.00	\$0.00	\$3.30	\$3.28	\$2.53	\$2.47	\$0.00	\$11.60

- Project Summary:** The Maryland Department of Health (MDH) currently uses Private Branch Exchange (PBX) based telecom technology that is at the end of life. MDH has a total of 5,500 phones in 18 facilities with 15 of those sites using end-of-life PBX systems. This project, when completed, will move the phones at all 18 sites to a hybrid Voice over Internet Protocol (VoIP) base environment.
- Need:** MDH has a critical need to fully replace aging PBX systems and aging copper line infrastructure. Many of the State’s larger hospital facilities lost telecommunication capabilities due to aging copper infrastructure; in most cases, staff is using mobile devices since MDH can no longer provide service; moving to fiber is critical. MDH can no longer find parts to repair existing PBX systems. Replacing such units is not as cost effective as upgrading to a hybrid VoIP environment. MDH is moving to new customer service software platform; adopting and integrating a new hybrid VoIP environment will allow MDH to achieve this goal while providing excellent customer service.

Appendix 9 Charges Referred to Clifton T. Perkins v. Regional BHA Hospitals

Offenses Referred to Clifton T. Perkins

Most Serious Offense Charged	Criminal Law Article	CJIS Code	Comments
Abduction—Persuade, entice, secrete, or harbor individual younger than 16 years old for the purpose of committing a sexual crime	§11-305	1-1336	
Arson, first degree: <i>dwelling or occupied structure</i>	§ 6-102(a)	Jan-00	
Assault, first degree, with a firearm	§ 3-202(a)(2)	1-1420	Firearm, as defined below.
Carjacking	§ 3-405(b)	1-0826	
Carjacking with dangerous weapon	§ 3-405(c)		
Child abuse, physical, 1 st degree	§3-601(b)(2)(i)	1-0334	
Child abuse, physical, with death	§ 3-601(b)(1)(i)	1-1639	Death of child under age of 18
Child abuse, sexual	§3-602(b)	1-0322, 1-0922	
Child kidnapping	§ 3-503(a)	4-1005	Child under 16 years of age
Continuing course of conduct which includes 3 or more acts involving 1st, 2nd, or 3rd degree sex offense or 1st or 2nd degree rape over a period of 90 days or more, with a victim younger than 14 years old	§3-315	2-1136	
Kidnapping	§ 3-502(a)	3-1005	
Murder, first degree	§ 2-201	1-0990	
Attempted murder in the first degree	§ 2-205	2-0910	
Conspiracy to commit murder 1	Common Law	1C0990	
Solicitation to commit murder 1	Common Law	1S0990	
Murder, second degree	§ 2-204	1-0999	
Attempted murder in the second degree	§ 2-206	2-0920	
Rape, first degree	§3-303(d)(1)	1-1102	Life sentence
Rape, 1st degree, adult offender with victim younger than 13 years old	§3-303(d)(4)	1-1102	Life without parole, mandatory min. 25 years
Rape, second degree	§3-304(c)(1)	2-1103	Max. 20 years.

Offenses Referred to Clifton T. Perkins

Most Serious Offense Charged	Criminal Law Article	CJIS Code	Comments
Rape, second degree, adult offender and victim under the age of 13	§3-304(c)(2)	2-1103	Life, mandatory min. 15 years.
Robbery with a dangerous weapon	§ 3-403(a)(1)	2-0705	Dangerous Weapon, as defined below.
Sexual offense, first degree	§ 3-305	2-1102	
Sexual offense, second degree	§3-306(c)(1)	Feb-00	Max. 20 years.
Sexual offense, second degree, adult offender and victim under the age of 13	§3-306(c)(2)	Feb-00	Life, mandatory min. 15 years.
The attempt to commit any of the above violent felonies	Criminal Law <i>passim</i>		

Firearm: "...to be a "firearm," [the weapon or device] must propel a missile by gunpowder or some such similar explosive or be readily or easily converted into a device capable of so propelling a missile. The definition has two aspects: It excludes weapons which are simply not designed or constructed to fire missiles by gaseous explosion and, because of their design and construction, are not capable of doing so; and it requires even a weapon designed and constructed as a firearm actually to be capable of discharging a missile. "Wright v. State, 70 Md. App. 616, 522 A.2d 401 (1987). BB guns, air rifles, and pellet guns are not firearms. Grant v. State, 65 Md. App. 547, 501 A.2d 475 (1985), cert. denied, 306 Md. 70, 507 A.2d 184 (1986).

Dangerous Weapon: For an instrument to qualify as a dangerous or deadly weapon under this section the instrument must be (1) designed as anything used or designed to be used in destroying, defeating, or injuring an enemy, or as an instrument of offensive or defensive combat, (2) under the circumstances of the case, immediately useable to inflict serious or deadly harm (e.g, unloaded gun or starter's starter's pistol useable as a bludgeon); or (3) actually used in a way likely to inflict that sort of harm (e.g., microphone cord used as a garrote)."

Offenses Directed To Regional Hospitals

Most Serious Offense Charged	Criminal Law Article	CJIS Code	Comments
Assault, first degree, not employing a firearm	§ 3-202(a)(1)	1-1420	
False Statement—rumor as to bomb	§9-504(b)	Jan-00	
Negligent homicide by motor vehicle or vessel while under the influence or impaired etc.	§§2-503—2-506	1-0900, 1-0693	
Manufacture or possession of destructive device	§ 4-503(a)(1)	1-0720	
Manslaughter, voluntary	§2-207	1-0910	
Manslaughter by vehicle or vessel	§ 2-209(d)(1)	1-0909	
Repeated escape, first degree	§9-404	1-0615	
Repeated escape, second degree	§9-405	1-0766	

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Offenses Directed To Regional Hospitals

Most Serious Offense Charged	Criminal Law Article	CJIS Code	Comments
Robbery, display of written instrument	§ 3-403(a)(2)	CJIS Code 2-0705.	Robbery WDW is not to be confused with robbery by display of written instrument claiming possession of dangerous weapon, CR § 3-403(a)(2). The latter is a regional charge.
Non-Perkins offenses that involve unusual violence or extreme violence after confinement			Unusual exceptions are handled between forensic coordinators at Perkins and the regional hospitals; disagreements go to the respective clinical directors

General Note: Offenses with a Seriousness Category of I and II will go to Perkins while Category III through VII offenses will go to regional hospitals. The facts in specific cases may give rise to exceptions, but in these cases confer with the Director of Pretrial Evaluation at Perkins and with the Director of OFS. The Seriousness Category for all offenses is listed in the current version of the Offense Table of the Maryland State Commission for Criminal Sentencing Policy, available at: <http://www.msccsp.org/Files/Guidelines/offensetable.pdf>

Version: 2 November 2016

BHA: Behavioral Health Administration
 CJIS: Criminal Justice Information System

Appendix 10 Outstanding 2020 JCR Reports

<u>JCR Page</u>	<u>Agency</u>	<u>Item</u>	<u>Initial Due Date</u>	<u>Extended Due Date</u>
97	MDH – Office of the Secretary	Requires MDH to submit a report by October 1, 2020, on the opportunities for creating apprenticeship programs in State facilities.	October 1, 2020	
99	MDH – PHA	Requires MDH and DBM to submit a report by October 1, 2020, on the mandated formula for local health department funding.	October 1, 2020	January 15, 2021
101	MDH – PHA	Requires MDH to submit a report by October 1, 2020, on the accreditation and staffing of the Office of the Chief Medical Examiner.	October 1, 2020	January 15, 2021
103	MDH – BHA	Restricts funding until BHA submits a report on the causes for increase of expenditures in the psychiatric rehabilitation program. The report is due by December 1, 2020.	December 1, 2020	
104	MDH – BHA	Restricts funding until MDH submits a report on Assertive Community Treatment measurement standards. The report is due by September 1, 2020.	September 1, 2020	December 1, 2020
105	MDH – BHA	Restricts funding until MDH submits a report on substance use disorder residential treatment limitations in the Medicaid program. The report is due by September 1, 2020.	September 1, 2020	
107.1	MDH – DDA	Restricts funding until MDH submits a report on the uses of the Waiting List Equity Fund. The report is due by October 1, 2020.	October 1, 2020	January 15, 2021
108	MDH – DDA	Restricts funding until MDH submits two reports on the new community service provider rates and transition to the Long Term Services and Supports system. The first report is due by June 1, 2020, and the second report is due by October 1, 2020.**	June 1, 2020; October 1, 2020	December 1, 2020
111	MDH – DDA	Requires MDH to submit a report by October 1, 2020, on transitioning youth placements.	October 1, 2020	January 15, 2021
112	MDH – MCPA	Restricts funding until MDH and the Hilltop Institution submit a report providing a cost-benefit analysis of expanding home- and community-based waiver services. The report is due by December 1, 2020.*	December 1, 2020	
116.1	MDH – MCPA	Requires MDH to submit a report by November 15, 2020, on the Baltimore City capitation project.	November 1, 2020	

<u>JCR Page</u>	<u>Agency</u>	<u>Item</u>	<u>Initial Due Date</u>	<u>Extended Due Date</u>
116.2	MDH – MCPA	Requires MDH to submit a report by January 15, 2021, on Hepatitis C treatment in the HealthChoice program.	January 15, 2021	
117	MDH – MCPA	Requires MDH to submit a report by December 1, 2020, on the delivery of Medicaid dental services.	December 1, 2020	
118	MDH – MCPA	Requires MDH to submit a report by July 1, 2020, on reimbursement methodology for enteral nutrition.	July 1, 2020	
122	MDH – Regulatory Commissions	Restricts funding until HSCRC submits a report on the hospital medical liability market and impact on the Total Cost of Care. The report is due by September 15, 2020.	September 15, 2020	February 3, 2021

BHA: Behavioral Health Administration
 DBM: Department of Budget and Management
 DDA: Developmental Disabilities Administration
 HSCRC: Health Services Cost Review Commission
 JCR: *Joint Chairmen’s Report*
 MCPA: Medical Care Programs Administration
 MDH: Maryland Department of Health
 PHA: Public Health Administration

*A draft of this report was provided to the Department of Legislative Services.
 **The budget committees approved DDA’s request to submit one combined report by December 1, 2020.

Appendix 11
Object/Fund Difference Report
Maryland Department of Health – Administration

<u>Object/Fund</u>	<u>FY 20</u> <u>Actual</u>	<u>FY 21</u> <u>Working</u> <u>Appropriation</u>	<u>FY 22</u> <u>Allowance</u>	<u>FY 21 - FY 22</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	3,505.90	3,497.10	3,474.30	-22.80	-0.7%
02 Contractual	382.35	206.77	209.87	3.10	1.5%
Total Positions	3,888.25	3,703.87	3,684.17	-19.70	-0.5%
Objects					
01 Salaries and Wages	\$ 351,449,408	\$ 322,456,365	\$ 332,369,498	\$ 9,913,133	3.1%
02 Technical and Spec. Fees	14,163,509	15,080,312	14,442,309	-638,003	-4.2%
03 Communication	1,304,073	1,367,176	1,589,381	222,205	16.3%
04 Travel	422,062	348,984	340,451	-8,533	-2.4%
06 Fuel and Utilities	10,128,305	10,276,594	10,171,794	-104,800	-1.0%
07 Motor Vehicles	840,564	905,413	1,122,614	217,201	24.0%
08 Contractual Services	49,015,641	48,813,830	48,336,330	-477,500	-1.0%
09 Supplies and Materials	18,798,907	19,025,552	18,877,249	-148,303	-0.8%
10 Equipment – Replacement	1,466,938	826,818	1,192,511	365,693	44.2%
11 Equipment – Additional	1,213,779	297,459	856,597	559,138	188.0%
12 Grants, Subsidies, and Contributions	806,186	11,183,482	14,677,585	3,494,103	31.2%
13 Fixed Charges	2,869,362	3,085,837	3,136,605	50,768	1.6%
14 Land and Structures	2,367,515	3,000,000	3,000,000	0	0%
Total Objects	\$ 454,846,249	\$ 436,667,822	\$ 450,112,924	\$ 13,445,102	3.1%
Funds					
01 General Fund	\$ 402,271,871	\$ 399,719,504	\$ 411,958,077	\$ 12,238,573	3.1%
03 Special Fund	9,131,933	10,446,049	10,062,923	-383,126	-3.7%
05 Federal Fund	13,008,341	12,304,475	13,137,729	833,254	6.8%
09 Reimbursable Fund	30,434,104	14,197,794	14,954,195	756,401	5.3%
Total Funds	\$ 454,846,249	\$ 436,667,822	\$ 450,112,924	\$ 13,445,102	3.1%

Note: The fiscal 2021 appropriation does not include deficiencies or general salary increases. The fiscal 2022 allowance does not include annual salary review adjustments, State Law Enforcement Officers Labor Alliance increments and general salary increases, or annualization of general salary