M00F03
Prevention and Health Promotion Administration
Department of Health and Mental Hygiene

Operating Budget Data

($ in Thousands)

	FY 14 Actual	FY 15 Working	FY 16 Allowance	FY 15-16 Change	% Change Prior Year
General Fund	$53,217	$54,180	$37,332	-$16,849	-31.1%
Contingent & Back of Bill Reductions	0	0	-510	-510	
Adjusted General Fund	**$53,217**	**$54,180**	**$36,822**	**-$17,359**	**-32.0%**
Special Fund	90,540	83,729	91,076	7,347	8.8%
Contingent & Back of Bill Reductions	0	-7,450	-7,241	209	
Adjusted Special Fund	**$90,540**	**$76,279**	**$83,836**	**$7,557**	**9.9%**
Federal Fund	181,672	217,465	206,276	-11,189	-5.1%
Contingent & Back of Bill Reductions	0	0	-516	-516	
Adjusted Federal Fund	**$181,672**	**$217,465**	**$205,760**	**-$11,706**	**-5.4%**
Reimbursable Fund	2,537	2,392	2,495	103	4.3%
Adjusted Reimbursable Fund	**$2,537**	**$2,392**	**$2,495**	**$103**	**4.3%**
Adjusted Grand Total	**$327,966**	**$350,316**	**$328,912**	**-$21,405**	**-6.1%**

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- After adjusting for cost containment, the Governor's fiscal 2016 allowance decreases by $21.4 million (6.1%) over the fiscal 2015 working appropriation due primarily to the elimination of an operating subsidy for Prince George's Hospital System and decreased expenditures in the special supplemental nutrition program for the Women, Infants, and Children program.

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

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Personnel Data

	FY 14 Actual	FY 15 Working	FY 16 Allowance	FY 15-16 Change
Regular Positions	364.80	359.80	359.80	0.00
Contractual FTEs	4.41	8.90	7.22	-1.68
Total Personnel	**369.21**	**368.70**	**367.02**	**-1.68**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	17.99	5.00%
Positions and Percentage Vacant as of 1/1/15	39.00	10.84%

- The fiscal 2016 allowance includes the same number of regular full-time equivalents (FTE) as the fiscal 2015 working appropriation but 1.68 fewer contractual FTEs.

- As of January 1, 2015, there were 39 vacant positions, well in excess of the number needed to meet turnover.

Analysis in Brief

Major Trends

Infant Mortality Rates Remain Low Compared with Previous Years: Maryland's infant mortality rate for calendar 2012 represents the lowest rate ever recorded in Maryland. Following national trends, Maryland's infant mortality rate among African Americans has consistently been disproportionally high but has declined in the past several years (driving the overall reduction in the infant mortality rate). In calendar 2013, infant mortality rates increased slightly from calendar 2012 but remain low compared with previous years.

Cancer Mortality Rates Continue to Improve: Both the overall cancer mortality rate and the breast cancer mortality rate continue to decline steadily in Maryland. However, the prevalence of cigarette smoking among middle school students has remained relatively constant since calendar 2006.

Childhood Vaccinations Rate Rises, Remaining Below National Average: In calendar 2013, 76% of children in Maryland received the typical coverage of vaccinations – slightly below the national average of 81%. This represents a 13% decrease from the previous year and marks a return to historic levels.

Syphilis Rates Remain High, while Chlamydia Rates Are Consistent with the National Average: In calendar 2013, the Centers for Disease Control and Prevention reported a statewide infection rate of primary and secondary syphilis in Maryland of 7.7 cases per 100,000 population. This rate, driven by high primary and secondary syphilis rates in Baltimore City, exceeds the national average and has remained relatively constant since the calendar 2011 rate. Meanwhile, chlamydia rates statewide have continued to approximate the national average and remain virtually unchanged in calendar 2013 from the previous year.

HIV and AIDS Rates, High Among States, Continue to Decline: Despite a steady decline in Human Immunodeficiency Virus (HIV) and AIDS rates, Maryland's rates remain high compared with other states. According to the most recent national data, Maryland had the seventh highest number among states of newly reported HIV cases.

Varying Enrollment Trends in Health Services Programs: The Maryland AIDS Drug Assistance Program (MADAP) and MADAP-Plus experienced significant enrollment growth since fiscal 2005 – reaching an estimated 7,759 and 3,313 enrollees, respectively, in calendar 2012. However, the fiscal 2015 allowance reflects a decline in MADAP program enrollment in more recent years due to the implementation of federal health care reform.

Recommended Actions

		Funds
1.	Strike contingent language related to academic health centers.	
2.	Reduce funds for academic health centers.	$ 7,200,000
	Total Reductions	**$ 7,200,000**

Updates

Reducing Sexually Transmitted Infection Rates: The Department of Health and Mental Hygiene has reported on sexually transmitted infection rates and programmatic changes made to improve infection levels as requested by the committees.

M00F03
Prevention and Health Promotion Administration
Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

The mission of the Prevention and Health Promotion Administration (PHPA) is to protect, promote, and improve the health and well-being of Marylanders and their families through the provision of public health leadership and through community-based public health efforts in partnership with local health departments, providers, community-based organizations, and public- and private-sector agencies.

PHPA accomplishes this by focusing, in part, on the prevention and control of infectious diseases, investigation of disease outbreaks, protection from food-related and environmental health hazards, and helping impacted persons live longer, healthier lives. Additionally, the administration works to assure the availability of quality primary prevention and specialty care health services with special attention to at-risk and vulnerable populations. Finally, the administration aims to prevent and control chronic diseases, engage in disease surveillance and control, prevent injuries, provide health information, and promote health behaviors. The administration was formed from the integration of the former Infectious Disease and Environmental Health Administration and the Family Health Administration on July 1, 2012.

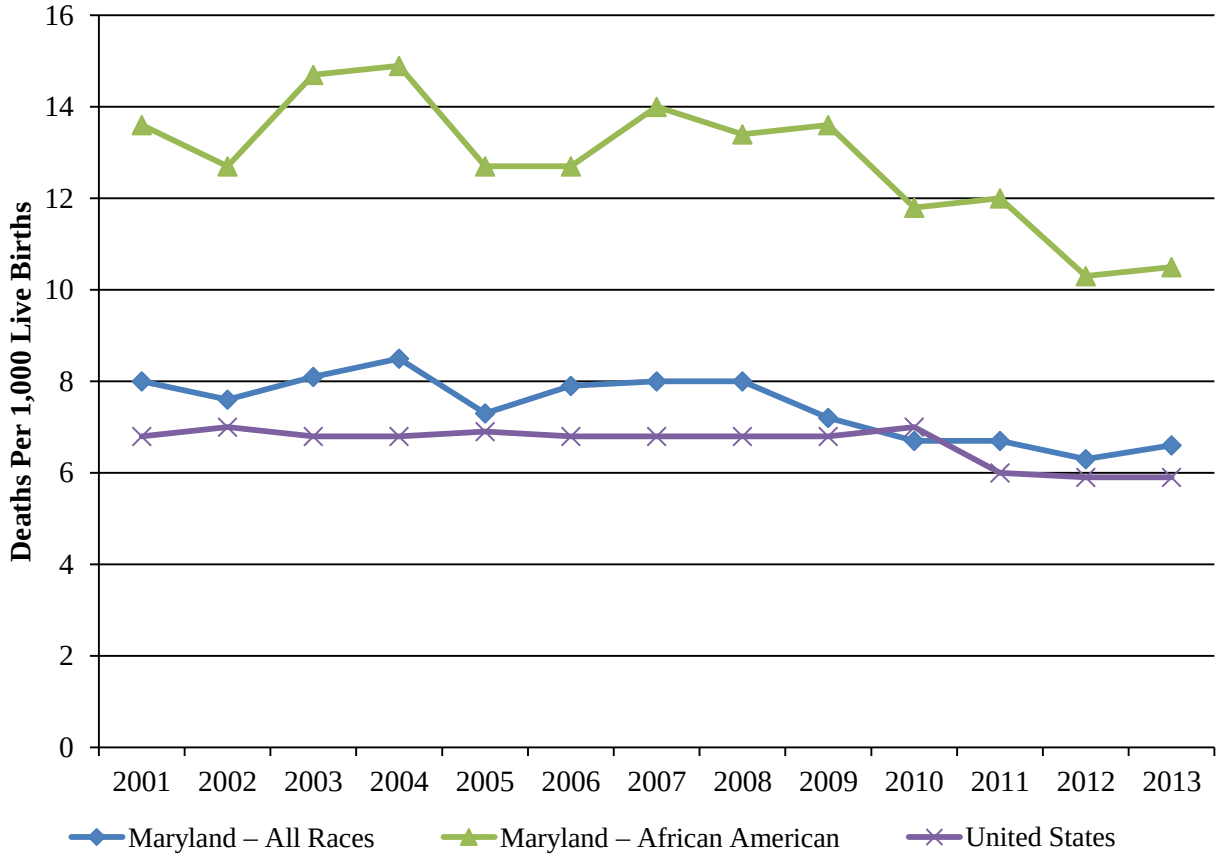
Performance Analysis: Managing for Results

1. Infant Mortality Rates Remain Low Compared with Previous Years

The Maternal and Child Health Bureau within PHPA is charged with reducing infant mortality and promoting the health and well-being of all women and children. Infant mortality rates are used to indicate the total health of populations in the United States and internationally. During the second half of the twentieth century, infant mortality rates in the United States fell from 29.2 to 6.9 per 1,000 live births, a decline of 76%. Mirroring the national trend, Maryland's infant mortality rate decreased 23% during the 1990s due to improved access to preconception, prenatal, and family planning services. Also contributing to the decline was the development of hospital perinatal standards, high-risk consultation, and community-based perinatal health improvements.

In calendar 2002, the United States' infant mortality rate increased for the first time since 1958. According to the National Center for Health Statistics, infant mortality rates were the highest among mothers who smoked, had no prenatal care, were teenagers, were unmarried, and had less education. Following the national trend, Maryland's overall infant mortality rate increased from calendar 2002 through 2004 to 8.5 deaths per 1,000 live births. Since that time, Maryland has made steady progress to reduce its infant mortality rate, falling below the national rate for one year (calendar 2010) and reaching a low of 6.3 in calendar 2012 (the lowest rate ever recorded in Maryland) as shown in **Exhibit 1**. Following national trends, Maryland's African American infant mortality rate has consistently been higher than other races but has generally declined in the past several years – driving the overall reduction in the infant mortality rate. In calendar 2013, infant mortality rates increased slightly from calendar 2012 (to 6.6) but remain low compared with previous years.

Exhibit 1
Infant Mortality Rates
Calendar 2001-2013

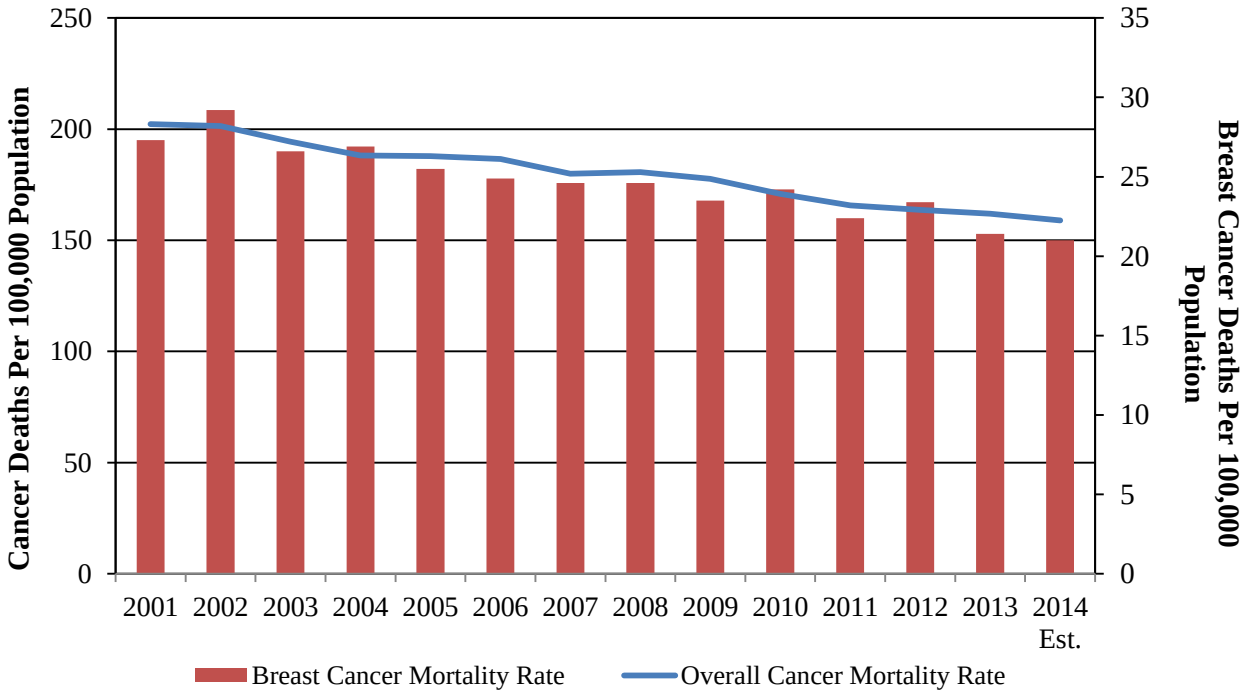


Source: Department of Health and Mental Hygiene

2. Cancer Mortality Rates Continue to Improve

One of the main functions of the Cancer Prevention, Education, Screening, and Treatment Program is to fund community-based programs that prevent, detect, and treat cancer. The mission of the program is to reduce the burden of cancer among Maryland residents by reducing overall cancer mortality in the State. **Exhibit 2** shows that there has been a steady decline in both the overall cancer mortality rate and the breast cancer mortality rate in Maryland. The cancer programs within the Cigarette Restitution Fund (CRF) target colorectal cancer and cancers associated with tobacco use.

Exhibit 2
Cancer Mortality Rates
Calendar 2001-2014 Est.



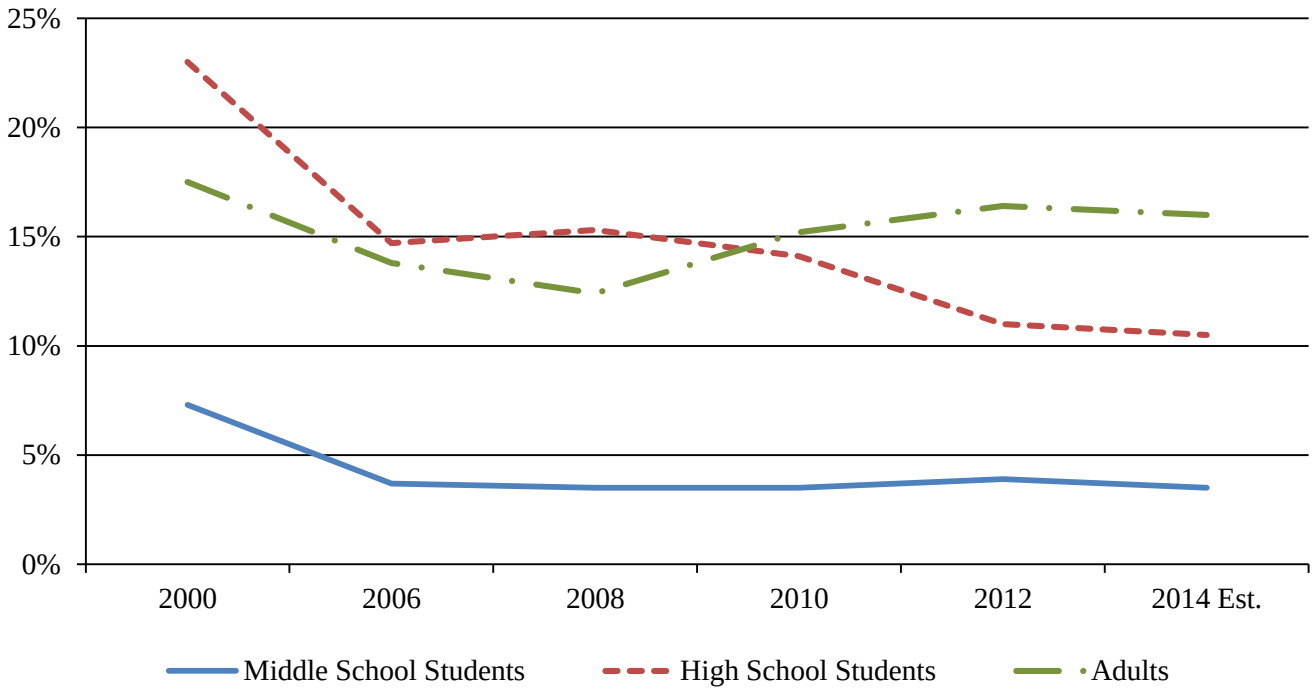
Source: Department of Health and Mental Hygiene

Tobacco Use Prevention and Cessation Program

The mission of the Tobacco Use Prevention and Cessation Program is to reduce the use of tobacco products and to reduce the burden of tobacco-related morbidity and mortality in the State. One of the goals of the program is to reduce the proportion of Maryland youth and adults who currently smoke cigarettes. Surveys funded with CRF revenue are intended to track smoking preferences and

usage among Marylanders. As shown in **Exhibit 3**, the prevalence of cigarette smoking has decreased by 52.1% among public middle school students (from 7.3% in calendar 2000 to 3.5% in calendar 2014) and by 54.3% among underage public high school students (from 23.0% in calendar 2000 to 10.5% in calendar 2014). However, as the graph demonstrates, these rates have remained relatively constant for younger students since calendar 2006. It is important to note that student data for calendar 2014 is estimated, as youth tobacco-use survey results are still being compiled.

Exhibit 3
Tobacco Usage Rates
Calendar 2000-2014 Est.



Note: See text for discussion of survey methodology.

Source: Department of Health and Mental Hygiene

It should be noted that the Behavioral Health Administration (BHA) undertakes a variety of activities to ensure compliance with State tobacco laws as they pertain to minors, including merchant compliance checks. As a result of a recent audit revealing that 31.8% of audited retailers had sold tobacco to minors, the federal government has recently assessed a penalty against the State amounting to $2.6 million. A more in-depth discussion of this issue will be provided in the BHA budget analysis.

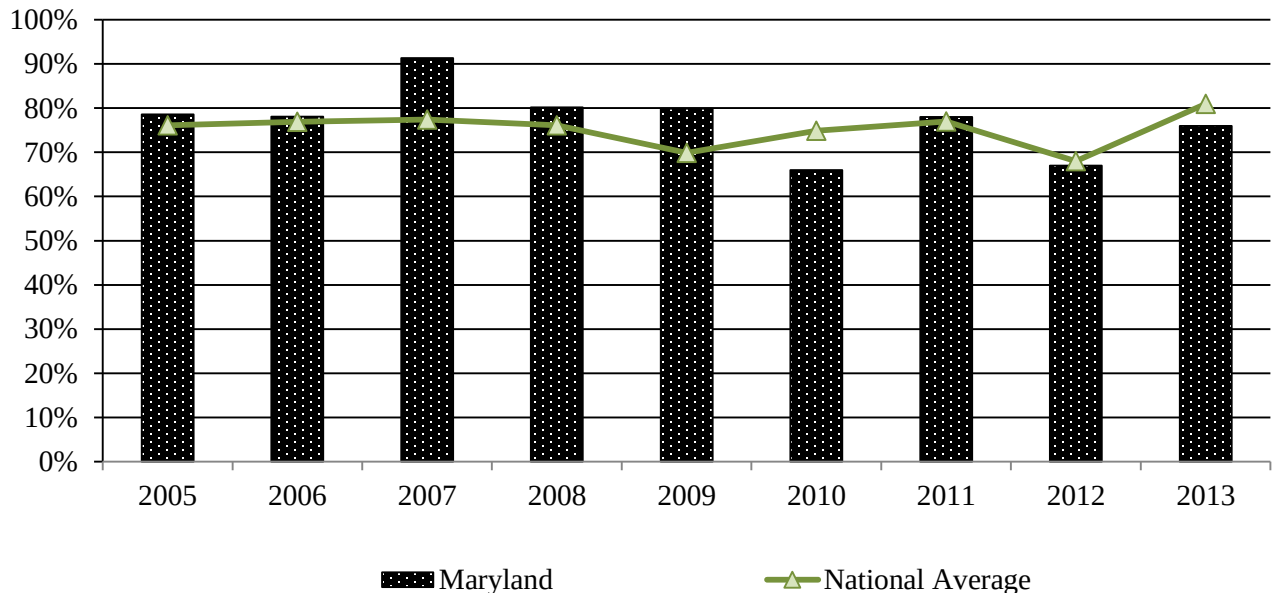
The Department of Legislative Services notes that, although it appears from Exhibit 3 that the percentage of adults who smoke cigarettes increased significantly from calendar 2008 through 2012,

this is misleading. Beginning in calendar 2011, the Centers for Disease Control and Prevention (CDC) began using a new, more comprehensive weighting methodology that generates more accurate estimates of adult tobacco use in Maryland. Thus, higher estimates of tobacco use among adults result, at least in part, from changes in survey methodology and not necessarily from any increase in tobacco use.

3. Childhood Vaccinations Rate Rises, Remaining Below National Average

As shown in **Exhibit 4**, 76% of children in Maryland received the typical coverage of vaccinations in calendar 2013, which is below the national average of 81%. This represents a 13% increase from the previous year and marks a return to historic levels. Between calendar 2006 and 2007, the rate of immunizations jumped 13 percentage points; however, reasons for this increase were unclear. In calendar 2008, the vaccination rate returned to historic levels. Low points in calendar 2010 and 2012 resulted, in both cases, from nationwide vaccine shortages. Maryland's childhood vaccination rates have generally remained relatively consistent with national rates.

Exhibit 4
Rates of Children, Ages 19 to 35 Months, with Up-to-date Immunizations
Calendar 2005-2013



Source: Department of Health and Mental Hygiene

Maryland is able to keep its vaccination rates relatively high for several reasons. First, the State allows parents to opt out of vaccinating toddlers for medical or religious reasons but not for philosophical reasons. Also, the Department of Health and Mental Hygiene (DHMH) operates the Maryland Vaccines for Children Program, which works with 850 providers at 1,000 public and private practice vaccine delivery sites to provide all routinely recommended vaccines free of cost to children 18 years old or younger who:

- are Medicaid eligible;
- are uninsured;
- are Native American or Alaskan Native; or
- are underinsured.

4. Syphilis Rates Remain High, while Chlamydia Rates Are Consistent with the National Average

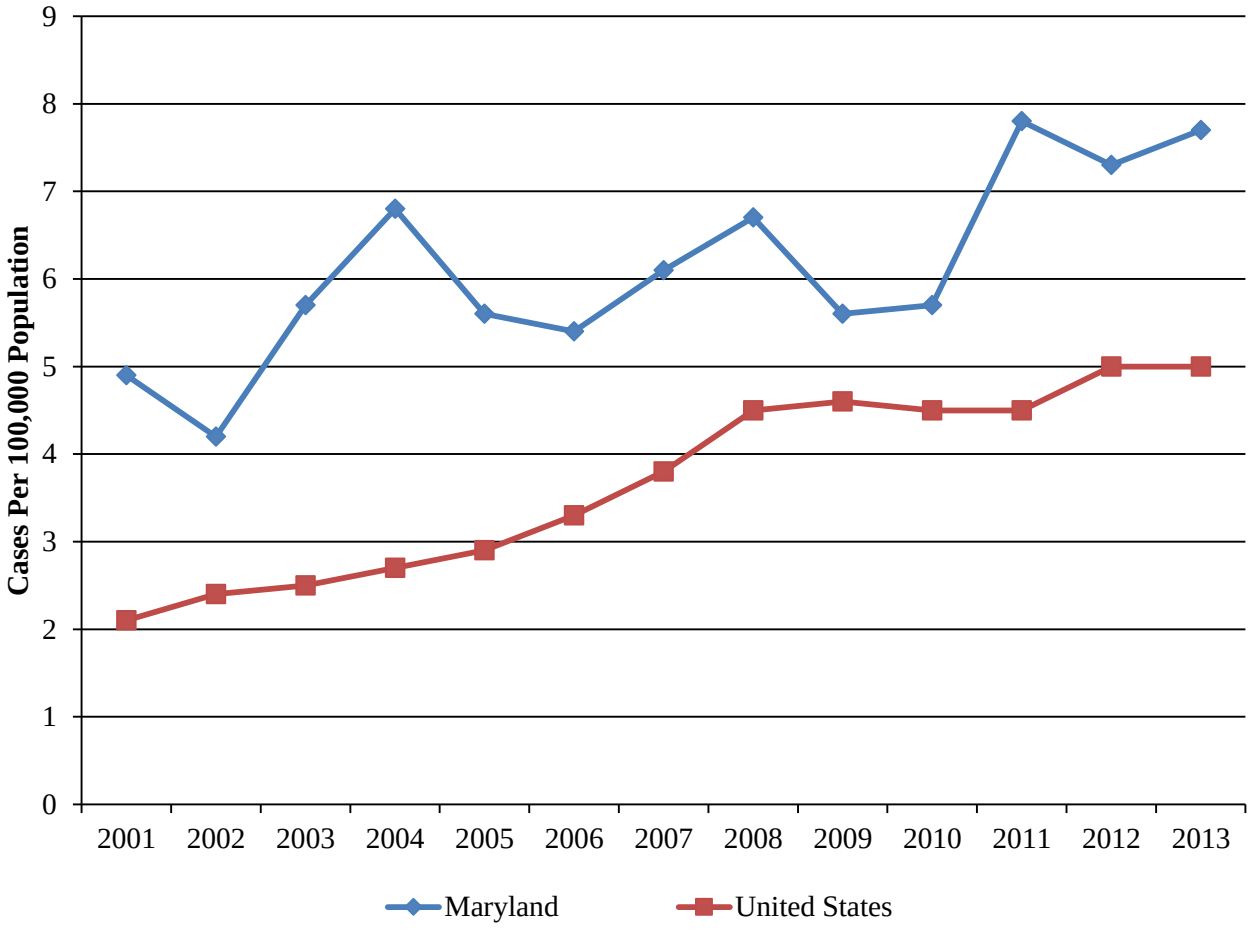
Syphilis Infection Rates

PHPA is charged with preventing and controlling the transmission of infectious diseases, including sexually transmitted infections (STI). The administration has developed initiatives to reduce the spread of STIs, with an emphasis on at-risk populations, such as economically disadvantaged and incarcerated populations. Syphilis continues to be a major concern in the State, with the rate of infection in Maryland among the highest in the nation. Untreated syphilis in pregnant women can result in infant death in up to 40% of cases. In addition to its primary effects, syphilis presents public health concerns for its role in facilitating transmission of Human Immunodeficiency Virus (HIV).

Exhibit 5 shows syphilis rates in Maryland compared with the national average. In calendar 2013, CDC reported a statewide infection rate of primary and secondary syphilis in Maryland of 7.7 cases per 100,000 population. This rate, driven by high primary and secondary syphilis rates in Baltimore City (33.9 cases per 100,000 population), exceeds the national average and has remained relatively constant since calendar 2011.

CDC has indicated that syphilis remains a major health problem, with increases in rates persisting among men who have sex with men (who account for a majority of all primary and secondary syphilis cases). Moreover, cases that involve men who have sex with men have been characterized by high rates of HIV co-infection. DHMH advises that these trends are consistent with infection rates seen in Maryland. Accordingly, the Baltimore City Health Department (BCHD) has implemented programs to specifically target this population.

Exhibit 5
Rates of Primary/Secondary Syphilis
Calendar 2001-2013

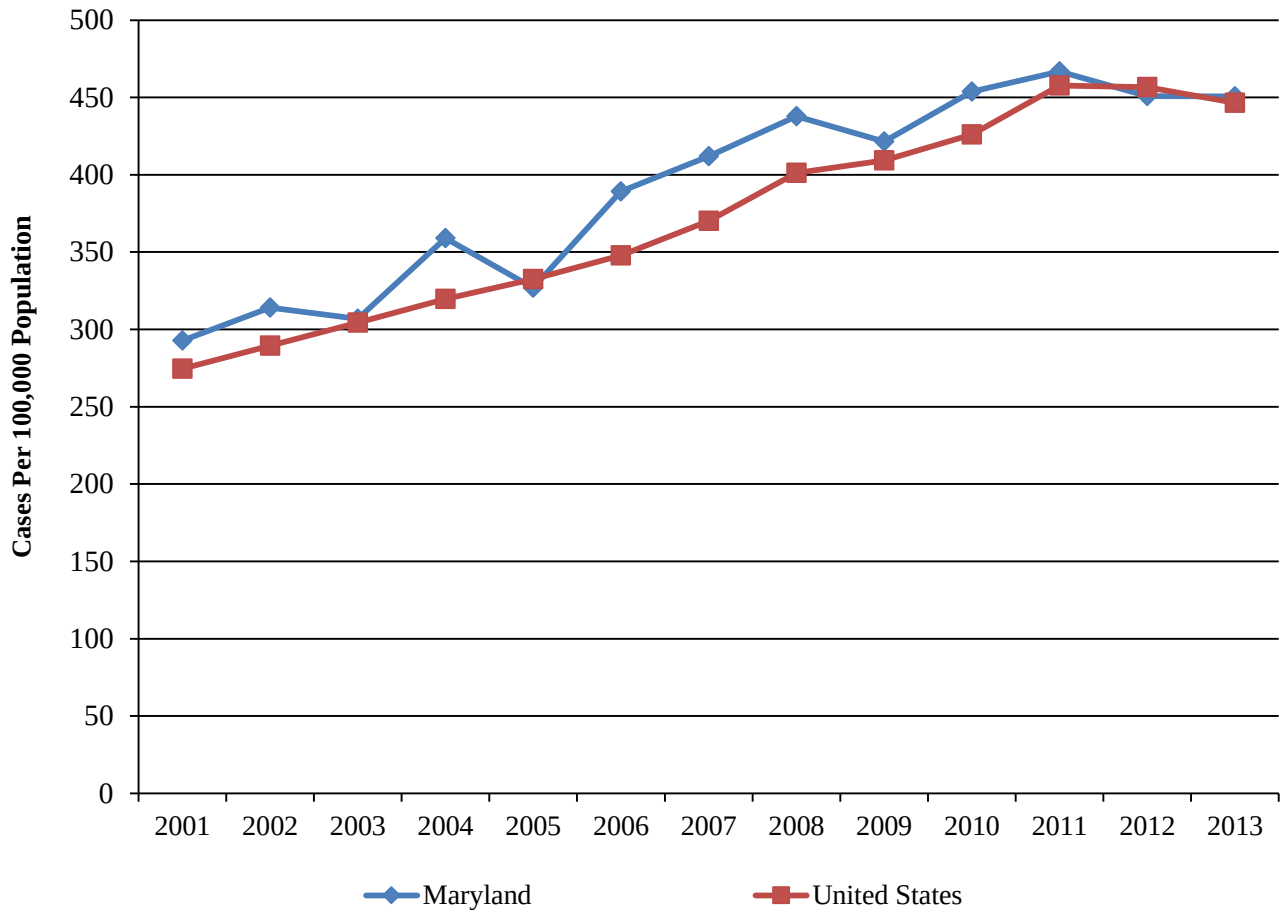


Source: Department of Health and Mental Hygiene; Centers for Disease Control and Prevention

Chlamydia Infection Rates

Chlamydia rates statewide have continued to approximate the national average and remain virtually unchanged in calendar 2013 from the previous year, as shown in **Exhibit 6**.

Exhibit 6
Rate of Chlamydia
Calendar 2001-2013



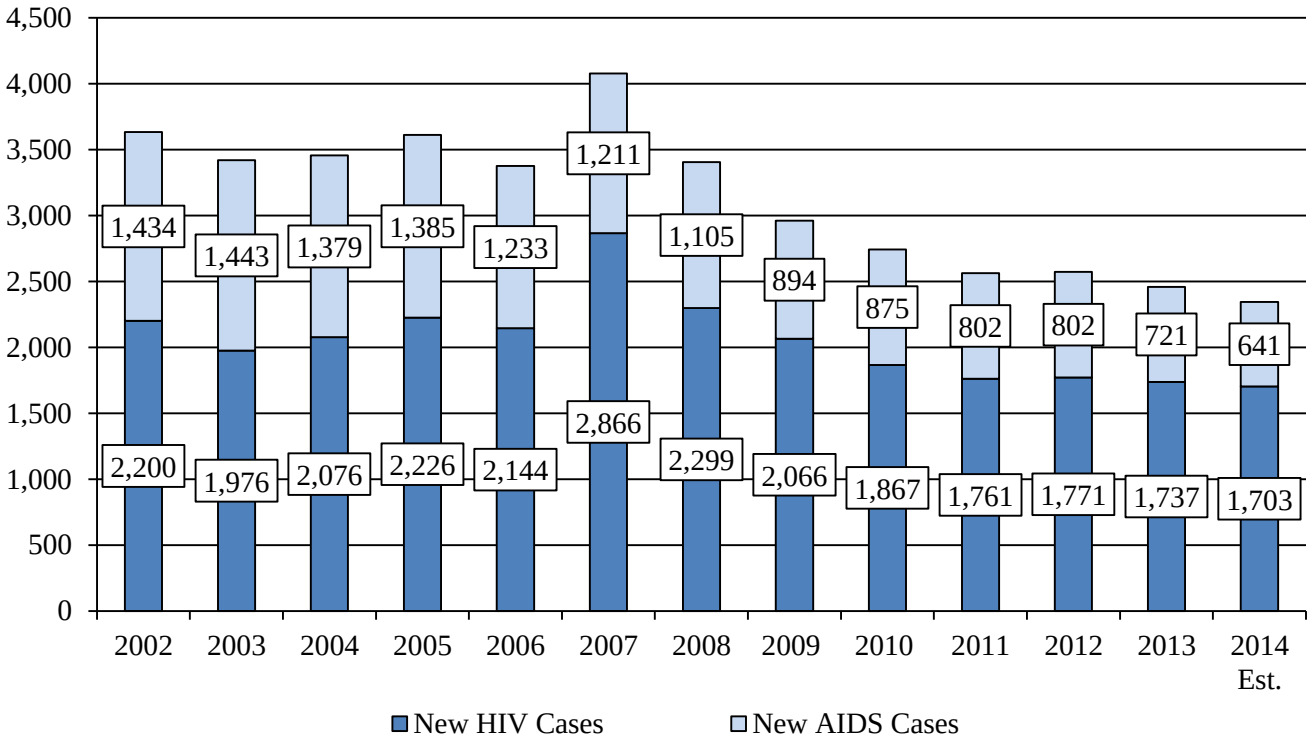
Source: Department of Health and Mental Hygiene; Centers for Disease Control and Prevention

In Baltimore City, where rates for all STIs are the highest in the state, BCHD receives funding directly from CDC to respond to STIs. Among other activities, Baltimore City has an active outreach program to find and test high-risk individuals, including commercial sex workers. It also has a STI clinic that provides free testing and treatment, as well as school-based clinics that test for chlamydia and gonorrhea. In addition, BCHD works with the Baltimore City central booking and intake facility to link inmates who are HIV positive to care prior to their release. Finally, the city has an expedited partner therapy (EPT) pilot project for chlamydia and gonorrhea, which allows individuals with these STIs to distribute antibiotics to their sexual partners. Patients can deliver antibiotics to up to three of their partners without a prescription and without the health care provider first examining their partners. By treating individuals and their partners, the EPT pilot project aims to prevent individuals from being reinfected with the disease by their partners.

5. HIV and AIDS Rates, High Among States, Continue to Decline

Exhibit 7 details the continued decline in newly reported cases of HIV and AIDS in Maryland. As the chart demonstrates, the rate of that decline has slowed in recent years.

Exhibit 7
Incidence of New HIV and AIDS in Maryland
Calendar 2002-2014 Est.



AIDS: Acquired Immunodeficiency Syndrome
HIV: Human Immunodeficiency Virus

Source: Department of Health and Mental Hygiene; Centers for Disease Control and Prevention

Despite the downward trend, Maryland's rates remain high compared with other states. According to the most recent national comparison conducted by CDC (based on calendar 2011 data), Maryland had the seventh highest number among states of newly reported HIV cases.

6. Varying Enrollment Trends in Health Services Programs

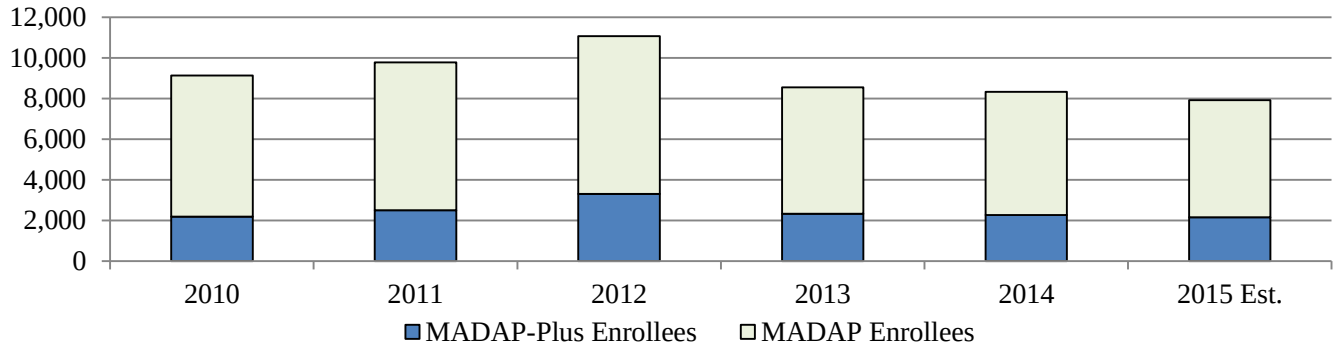
PHPA provides two major health services programs related to HIV/AIDS: the Maryland AIDS Drug Assistance Program (MADAP) and MADAP-Plus. A third program – the Maryland AIDS Insurance Assistance Program (MAIAP) – was eliminated in 2009.

MADAP is the larger of the two programs with an estimated 5,760 enrollees in fiscal 2015. MADAP helps low- to moderate-income Maryland residents pay for certain drugs prescribed to treat HIV/AIDS. Clients are certified eligible for MADAP for a one-year period, after which time they may reapply for certification. MADAP's eligibility requirements are from 116% to 138% of the federal poverty level (FPL), along with extremely generous drug coverage.

MADAP-Plus offers health insurance assistance to individuals living with HIV/AIDS at the same income levels, and has an estimated 2,164 enrollees in fiscal 2015.

As shown in **Exhibit 8**, both MADAP and MADAP-Plus experienced enrollment growth in fiscal 2010 through 2012. In particular, MADAP-Plus enrollment increased due to the elimination of MAIAP in June 2009 and due to the recession (as a higher number of individuals were in need of health insurance). In fiscal 2012, MADAP and MADAP-Plus enrollment reached highs of 7,759 and 3,313 enrollees, respectively. However, MADAP enrollment has since declined, due to the implementation of federal health care reform.

Exhibit 8
MADAP and MADAP-Plus Enrollment
Fiscal 2010-2015 Est.



MADAP: Maryland AIDS Drug Assistance Program

Note: An individual must be enrolled in MADAP in order to be enrolled in MADAP-Plus.

Source: Department of Health and Mental Hygiene

Fiscal 2015 Actions

Cost Containment

In July 2014, the Board of Public Works (BPW) withdrew $77.1 million in appropriations and abolished 61 positions statewide as fiscal 2015 cost containment. PHPA's share of the reduction was $125,000 in general funds, resulting from level funding medical day care center programs budgeted within the agency at the fiscal 2014 level of $400,000.

In January 2015, BPW reduced the agency's special fund appropriation by $7.45 million, reducing cancer research grants to academic health centers (funded with CRF dollars) to fiscal 2013 levels and substituting those special funds for general funds in Medicaid. In addition, DHMH received a 0.6% across-the-board general fund reduction totaling $25.4 million. If allocated proportionally, that reduction would approximate $325,000. **Exhibit 9** shows the overall impact of the cost containment actions on the fiscal 2015 appropriation.

Exhibit 9
Fiscal 2015 Reconciliation
($ in Thousands)

Action	Description	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Legislative Appropriation with Budget Amendments		**$54,305**	**$83,729**	**$217,465**	**$2,392**	**$357,891**
July BPW	Savings from level funding medical day care programs to fiscal 2014 levels.	-125	0	0	0	-125
Working Appropriation		**$54,180**	**$83,729**	**$217,465**	**$2,392**	**$357,766**
January BPW		0	-7,450	0	0	-7,450
January BPW Across the Board	This unit is part of the Department of Health and Mental Hygiene, which received a 0.6% across-the-board general fund reduction totaling $25.4 million. If allocated proportionally, it would approximate $325,000 in this program.					
Total Actions Since January 2015		***$0***	***-$7,450***	***$0***	***$0***	***-$7,450***
Adjusted Working Appropriation		**$54,180**	**$76,279**	**$217,465**	**$2,392**	**$350,316**

BPW: Board of Public Works

Source: Department of Legislative Services

Proposed Budget

As shown in **Exhibit 10**, after adjusting for cost containment and contingent reductions, the fiscal 2016 allowance decreases by $21.4 million from the fiscal 2015 working appropriation, primarily due to the elimination of an operating subsidy for the Prince George's Hospital System and decreased expenditures in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program. General fund support and federal fund support decrease by $17.4 million (32.0%) and $11.7 million (5.4%), respectively, while special fund support increases by $7.6 million (9.9%).

Exhibit 10
Proposed Budget
DHMH – Prevention and Health Promotion Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2014 Actual	$53,217	$90,540	$181,672	$2,537	$327,966
Fiscal 2015 Working Appropriation	54,180	76,279	217,465	2,392	350,316
Fiscal 2016 Allowance	36,822	83,836	205,760	2,495	328,912
Fiscal 2015-2016 Amt. Change	-$17,359	$7,557	-$11,706	$103	-$21,405
Fiscal 2015-2016 Percent Change	-32.0%	9.9%	-5.4%	4.3%	-6.1%

Where It Goes:

Personnel Expenses	
Increments and general salary annualization (prior to cost containment)	$903
Employee and retiree health insurance	359
Employee retirement contribution	350
Turnover adjustments	267
Other fringe benefit adjustments	-64
Section 21: Elimination of employee increments	-526
Section 20: 2% salary reduction	-541
Other Changes	
HIV Health Services	3,411
Other changes	-489
Expiration of HIV Prevention of SAMSHA funding	-942
MADAP and MADAP-Plus Program	-1,152

Where It Goes:

WIC Special Supplemental Food and Nutrition Program	-7,981
Elimination of operating subsidy for Prince George's Hospital	-15,000
Total	**-$21,405**

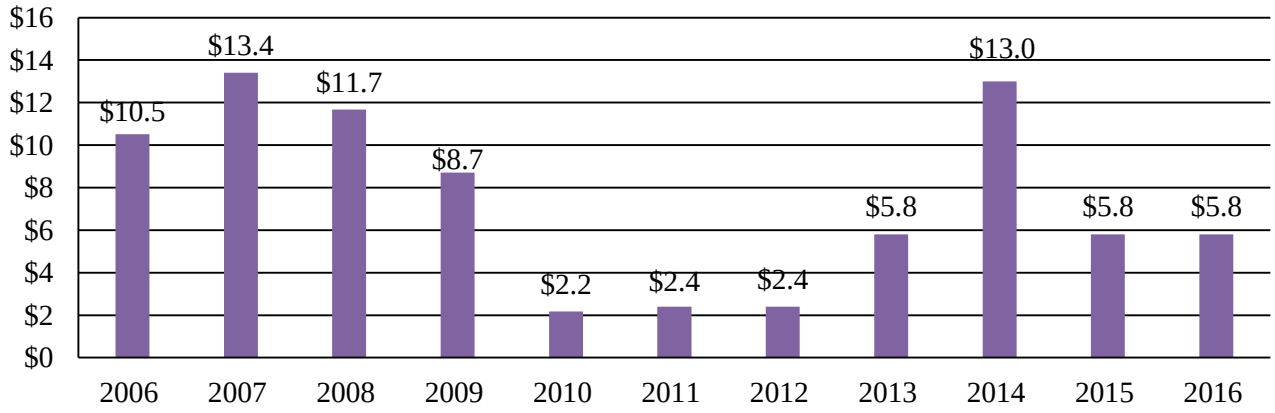
HIV: Human Immunodeficiency Virus
MADAP: Maryland AIDS Drug Assistance Program
SAMSHA: Substance Abuse and Mental Health Services Administration
WIC: Women, Infants, and Children

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

Cost Containment

In fiscal 2016, the Administration proposes to continue the January BPW reduction to cancer research grants (funded with CRF dollars) to fiscal 2013 levels and substituting those special funds for general funds in Medicaid. This reduction would bring funding for fiscal 2016 to $5.8 million, as shown in **Exhibit 11**.

Exhibit 11
Cigarette Restitution Fund Support for Cancer Research Grants to Academic Health Centers
Fiscal 2006-2016
($ in Millions)



Note: Amounts reflect a fiscal 2015 Board of Public Works cut and fiscal 2016 contingent reduction to cancer research grants. See text for additional details.

Source: Department of Health and Mental Hygiene

This action is contingent on the Budget and Reconciliation Act (BRFA) of 2015. It should be noted that the BRFA of 2015 would also permanently reduce statutorily mandated CRF funding for academic health centers from $13 million to $5.8 million.

In addition, the Administration has implemented several across-the-board reductions. This includes the elimination of employee increments and a 2.0% salary reduction. The agency's share of these reductions are $526,000 and $541,000, respectively. The Administration has also implemented a general 0.6% across-the-board reduction for DHMH totaling $27.2 million. The implications for PHPA are unknown but, if allocated proportionally, that reduction would approximate $221,000.

Personnel Expenses

Personnel expenses for the agency increase by $748,000 over the fiscal 2015 general fund appropriation. Outside of general salary actions, the budget increases by $359,000 for employee and retiree health insurance, $350,000 for employee retirement, and $267,000 for turnover adjustments.

Elimination of Operating Subsidy for Prince George's Hospital System

The largest change to PHPA's budget is a decrease of $15 million representing the elimination of an annual operating subsidy for Prince George's Hospital System. Per a 2011 memorandum of understanding between the hospital, the State, and other relevant parties, the subsidy was scheduled to expire after fiscal 2015. The State continues to provide capital funds to support the design of a new regional medical center in the county. Funding for the hospital will be discussed in more detail in the capital budget analysis for Prince George's Hospital.

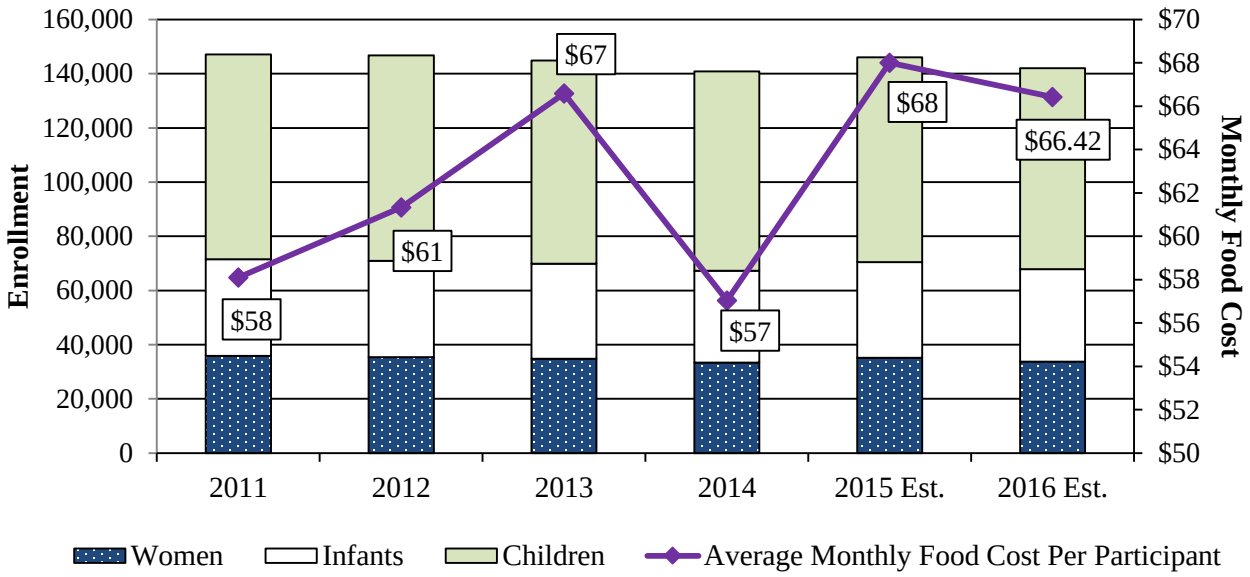
Women, Infants, and Children Program

The budget decreases by $8 million for the federally-funded WIC Program Special Supplemental Food and Nutrition Program, primarily due to decreased food expenditures combined with decreased enrollment. **Exhibit 12** shows the number of women, infants, and children enrolled in the program, as well as monthly food package costs for fiscal 2011 through 2016. The number of program enrollees in WIC is expected to decrease by 2.7% in fiscal 2016 (142,000 enrollees) from 2015 (146,000 enrollees), while average monthly food cost per participant is estimated to decrease by 2.3% over the same period.

MADAP, MADAP-Plus, and HIV Programs

Funds for the MADAP and MADAP-Plus programs decrease by $1.2 million. These programs, which enable income-eligible individuals living with HIV and AIDS to access pharmaceuticals and health insurance coverage, are funded through a combination of federal grant funds and special funds made available through drug rebates. The decrease assumes a decline in program growth and assumes that a greater proportion of individuals will be served within the Medicaid program or will obtain private insurance due to the full implementation of federal health care reform.

Exhibit 12
WIC Program Enrollment and Average Monthly Food Costs
Fiscal 2011-2016 Est.



WIC: Women, Infants, and Children Program

Source: Department of Health and Mental Hygiene

In addition, the budget decreases by $942,000 in federal funds to reflect the expiration of funding for a three-year project funded by the federal Substance Abuse and Mental Health Services Administration to integrate mental health, substance abuse, infectious disease prevention/care, and primary care.

These decreases are offset by a $3.4 increase in various HIV health services programs that are funded by a combination of federal, special, and general funds. These programs fund a full continuum of HIV health and support services, including primary and specialty medical care as well as social and housing services. Within these programs, a $9.8 million increase in special funds (representing MADAP drug rebates) is offset by a decrease in federal support ($5.9 million) and the elimination of general fund support ($422,000).

Recommended Actions

1. Strike the following language from the special fund appropriation:

   ~~, provided that this appropriation shall be reduced by $7,200,000 contingent upon the enactment of legislation reducing the required appropriation from the Cigarette Restitution Fund for Academic Health Centers~~

   Explanation: The fiscal 2016 budget bill as introduced includes a $7,200,000 special fund reduction to the Prevention and Health Promotion Administration Family Health and Chronic Disease program, contingent upon enactment of a provision in the Budget and Reconciliation and Financing Act of 2015. This action strikes that contingent reduction, as the legislature can effectuate that reduction without the need for legislation.

		Amount Reduction	
2.	Reduce the appropriation of the Prevention and Health Promotion Administration Family Health and Chronic Disease program by $7,200,000 in special funds to recognize a reduction to the appropriation from the Cigarette Restitution Fund to academic health centers.	$ 7,200,000	SF
	Total Special Fund Reductions	**$ 7,200,000**	

Updates

1. Reducing Sexually Transmitted Infection Rates

The agency has reported, as requested by the committees in the 2014 *Joint Chairmen's Report*, on STI rates and programmatic changes made to improve infection levels. The report outlines a number of initiatives taking place in Baltimore City (and where STI rates are the highest in the State and where local STI initiatives are funded directly by the CDC), including physician outreach, improved perinatal screening, and expanded STI treatment for sexual partners. Other statewide strategies include targeting HIV prevention efforts to African American men who have sex with men, expanding partner services, and supporting local health department STI program sustainability through training and technical assistance opportunities.

The agency was also tasked to report on the feasibility of reporting quarterly on HIV and STI rates. The agency notes that federal agencies use annual data, rather than quarterly data, when making strategic programming decisions and monitoring trends in STI and HIV rates. Annual rates are more meaningful than quarterly rates, which can fluctuate substantially. Thus, it is likely not advantageous to require the agency to report this data on a quarterly basis.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
DHMH – Prevention and Health Promotion Administration
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2014					
Legislative Appropriation	$53,286	$85,960	$215,070	$2,051	$356,367
Deficiency Appropriation	-238	3,059	-3,452	0	-632
Budget Amendments	169	2,026	-5,024	703	-2,126
Reversions and Cancellations	0	-505	-24,922	-217	-25,644
Actual Expenditures	**$53,217**	**$90,540**	**$181,672**	**$2,537**	**$327,966**
Fiscal 2015					
Legislative Appropriation	$53,997	$83,715	$216,886	$2,392	$356,989
Cost Containment	-125	0	0	0	-125
Budget Amendments	309	14	580	0	902
Working Appropriation	**$54,180**	**$83,729**	**$217,465**	**$2,392**	**$357,766**

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

Fiscal 2014

The budget for PHPA closed at $328.0 million, $28.4 million below the original legislative appropriation.

Statewide negative deficiencies reduced PHPA spending on employee and retiree health insurance, retirement reinvestment, and the creation of a new employee information system by $421,000 in general funds, $362,000 in federal funds, and $31,000 in special funds.

Budget amendments over the course of fiscal 2014 reduced the agency's budget by $2.1 million. One budget amendment added $2.0 million in special funds (available from MADAP rebates) to cover the cost of providing HIV formulary pharmaceuticals to eligible individuals. In addition, the fiscal 2014 budget included centrally budgeted funds for the fiscal 2014 cost-of-living adjustment (COLA) and salary increment increase for State employees, which resulted in the transfer of funds to PHPA ($222,000 in general funds, $288,000 in federal funds, and $26,000 in special funds). Federal funds also increased by $43,000 to realign the State retirement administrative fee and Department of Information Technology's services allocation appropriations within DHMH. Finally, reimbursable funds increased to cover costs associated with refugee health screenings ($543,000) and to coordinate a study of potential public health impacts associated with possible Marcellus shale drilling in Maryland ($160,000).

These increases were offset by reductions of $5.4 million in federal funds (to reflect reduced expenditures in the WIC program) and $9,000 in general funds to realign general fund appropriations within DHMH. In addition, the agency's appropriation was reduced by $62,000 in general funds to transfer a position from PHPA into the Public Health Administration (PHA).

At the end of the year, approximately $24.9 million of the agency's federal fund appropriation was cancelled due to lower than anticipated participation in the WIC ($19.2 million) and MADAP programs ($5.7 million). In addition, $217,000 of the agency's reimbursable fund appropriation was cancelled due to lower than budgeted funds received from the Maryland Office for Refugees and Asylees within the Department of Human Resources. In the Maryland Cancer Fund administered by PHPA, $504,000 in special funds were cancelled. Grants from the fund are given for periods spanning several fiscal years; since funding is dependent on State income tax check-off participation, which may vary from year to year, it is beneficial for some special funds to be carried over from one year to the next. Finally, an additional small amount of special funds ($649) was cancelled.

Fiscal 2015

To date, the fiscal 2015 legislative appropriation for PHPA has been increased by $777,000. This includes $433,000 in federal funds and $192,000 in general funds to transfer the appropriations for the Behavioral Risk Factor Surveillance System from PHA to PHPA. In addition, $277,000 in total funds ($117,000 in general funds, $147,000 in federal funds, and $14,000 in special funds) were added

to reflect the fiscal 2015 COLA and increments approved during the 2014 session but not included in the fiscal 2015 allowance. These increases are offset by a $125,000 general fund reduction through a July 2014 BPW cost containment action.

Object/Fund Difference Report
DHMH – Prevention and Health Promotion Administration

Object/Fund	FY 14 Actual	FY 15 Working Appropriation	FY 16 Allowance	FY 15 - FY 16 Amount Change	Percent Change
Positions					
01 Regular	364.80	359.80	359.80	0.00	0%
02 Contractual	4.41	8.90	7.22	-1.68	-18.9%
Total Positions	**369.21**	**368.70**	**367.02**	**-1.68**	**-0.5%**
Objects					
01 Salaries and Wages	$ 29,457,974	$ 32,273,707	$ 34,088,853	$ 1,815,146	5.6%
02 Technical and Spec. Fees	228,125	413,872	350,892	-62,980	-15.2%
03 Communication	622,466	754,325	709,746	-44,579	-5.9%
04 Travel	485,469	594,662	598,658	3,996	0.7%
07 Motor Vehicles	131,429	124,945	123,203	-1,742	-1.4%
08 Contractual Services	210,418,566	236,773,636	230,652,913	-6,120,723	-2.6%
09 Supplies and Materials	45,441,608	44,145,329	41,720,368	-2,424,961	-5.5%
10 Equipment – Replacement	290,142	445	0	-445	-100.0%
11 Equipment – Additional	555,647	548,749	530,781	-17,968	-3.3%
12 Grants, Subsidies, and Contributions	39,841,984	41,639,289	28,011,082	-13,628,207	-32.7%
13 Fixed Charges	492,220	497,507	392,405	-105,102	-21.1%
Total Objects	**$ 327,965,630**	**$ 357,766,466**	**$ 337,178,901**	**-$ 20,587,565**	**-5.8%**
Funds					
01 General Fund	$ 53,216,699	$ 54,180,486	$ 37,331,894	-$ 16,848,592	-31.1%
03 Special Fund	90,540,111	83,728,917	91,076,150	7,347,233	8.8%
05 Federal Fund	181,672,179	217,465,455	206,275,993	-11,189,462	-5.1%
09 Reimbursable Fund	2,536,641	2,391,608	2,494,864	103,256	4.3%
Total Funds	**$ 327,965,630**	**$ 357,766,466**	**$ 337,178,901**	**-$ 20,587,565**	**-5.8%**

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

Fiscal Summary
DHMH – Prevention and Health Promotion Administration

Program/Unit	FY 14 Actual	FY 15 Wrk Approp	FY 16 Allowance	Change	FY 15 - FY 16 % Change
01 Infectious Disease and Environmental Health Services	$ 118,414,183	$ 117,282,279	$ 121,401,339	$ 4,119,060	3.5%
04 Family Health and Chronic Disease Services	209,551,447	240,484,187	215,777,562	-24,706,625	-10.3%
Total Expenditures	**$ 327,965,630**	**$ 357,766,466**	**$ 337,178,901**	**-$ 20,587,565**	**-5.8%**
General Fund	$ 53,216,699	$ 54,180,486	$ 37,331,894	-$ 16,848,592	-31.1%
Special Fund	90,540,111	83,728,917	91,076,150	7,347,233	8.8%
Federal Fund	181,672,179	217,465,455	206,275,993	-11,189,462	-5.1%
Total Appropriations	**$ 325,428,989**	**$ 355,374,858**	**$ 334,684,037**	**-$ 20,690,821**	**-5.8%**
Reimbursable Fund	$ 2,536,641	$ 2,391,608	$ 2,494,864	$ 103,256	4.3%
Total Funds	**$ 327,965,630**	**$ 357,766,466**	**$ 337,178,901**	**-$ 20,587,565**	**-5.8%**

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.