

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 (IT), and general services.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$25,962	\$19,307	\$29,508	\$10,201	52.8%
Adjustments	0	6,056	710	-5,345	
Adjusted General Fund	\$25,962	\$25,363	\$30,218	\$4,855	19.1%
Special Fund	214	735	379	-356	-48.5%
Adjustments	0	0	0	0	
Adjusted Special Fund	\$214	\$735	\$379	-\$356	-48.5%
Federal Fund	14,447	16,117	13,954	-2,163	-13.4%
Adjustments	0	17	103	85	
Adjusted Federal Fund	\$14,447	\$16,134	\$14,057	-\$2,078	-12.9%
Reimbursable Fund	9,606	9,740	11,875	2,135	21.9%
Adjustments	0	0	0	0	
Adjusted Reimbursable Fund	\$9,606	\$9,740	\$11,875	\$2,135	21.9%
Adjusted Grand Total	\$50,229	\$51,972	\$56,528	\$4,556	8.8%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

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

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- The large increase in the fiscal 2020 allowance over the fiscal 2019 appropriation is primarily driven by personnel costs.
- The budget contains three proposed general fund deficiencies for the MDH Administration budget, totaling \$5,875,621 in fiscal 2019 for the Employment Individuals with Disabilities Pilot Program, minor improvements to facilities throughout the department, and to supplement funding for bonuses to nurses that were earned in calendar 2018.

Personnel Data

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>
Regular Positions	325.00	325.00	341.50	16.50
Contractual FTEs	<u>8.21</u>	<u>9.27</u>	<u>7.09</u>	<u>-2.18</u>
Total Personnel	333.21	334.27	348.59	14.32

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	30.34	9.82%
Positions and Percentage Vacant as of 12/31/18	44.00	13.54%

- New staff is being added to both the operations and executive direction function of the agency, including 14.5 personnel coming from elsewhere in the department.

Key Observations

- Vacancy rates within the direct care workforce departmentwide remain a challenge. Reclassifications and other funding are included in the fiscal 2020 budget to address this problem.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

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Operating Budget Analysis

Program Description

The Maryland Department of Health (MDH) Administration budget analysis focuses on 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). 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. Continued Struggles with Retention of 20 Key Classifications

One measure that is consistently tracked is the department's ability to attract and retain the workforce necessary to perform the core functions of MDH, which is measured by the employment rate within 20 key classifications. (**Exhibit 1** lists the 20 key classifications and denotes which positions are considered direct care and also skilled direct care.) These 20 key classifications are taken from over 750 classification levels used by MDH and are considered by the department to be a representative sample of those classifications key to fulfilling its mission. The employment rate is calculated by dividing the number of filled positions versus total positions on a monthly basis and then averaging for the year.

Exhibit 1 also identifies which positions are scheduled for a one-grade salary increase in fiscal 2020. These funds are currently budgeted in F10A0208 – Statewide Program and will be distributed to MDH through a budget amendment.

Exhibit 1
MDH 20 Key Classification Listing

Accountant II	Health Policy Analyst, Advanced
Agency Procurement Specialist II	Medical Care Program Specialist II
Alcohol and Drug Counselors ⁽¹⁾	Office Secretary III
Community Health Nurse II ^{(2), (3)}	Physician Clinical Specialist ^{(2),(3)}
Computer Network Specialist II	Physician Program Manager
Coordinator Special Programs Health Services/Developmental Disabilities	Program Administrator II, Health Services
Direct Care Assistant II ⁽²⁾	Public Health Lab Scientist General and Lead
Epidemiologist III ⁽¹⁾	Registered Nurse ^{(1), (2), (3)}
Fiscal Accounts Clerk II	Sanitarian IV/Environmental Sanitarian II
Health Facility Surveyor Nurse I	Social Worker II, Health Services ^{(2), (3)}

⁽¹⁾ Positions Receiving Annual Salary Review

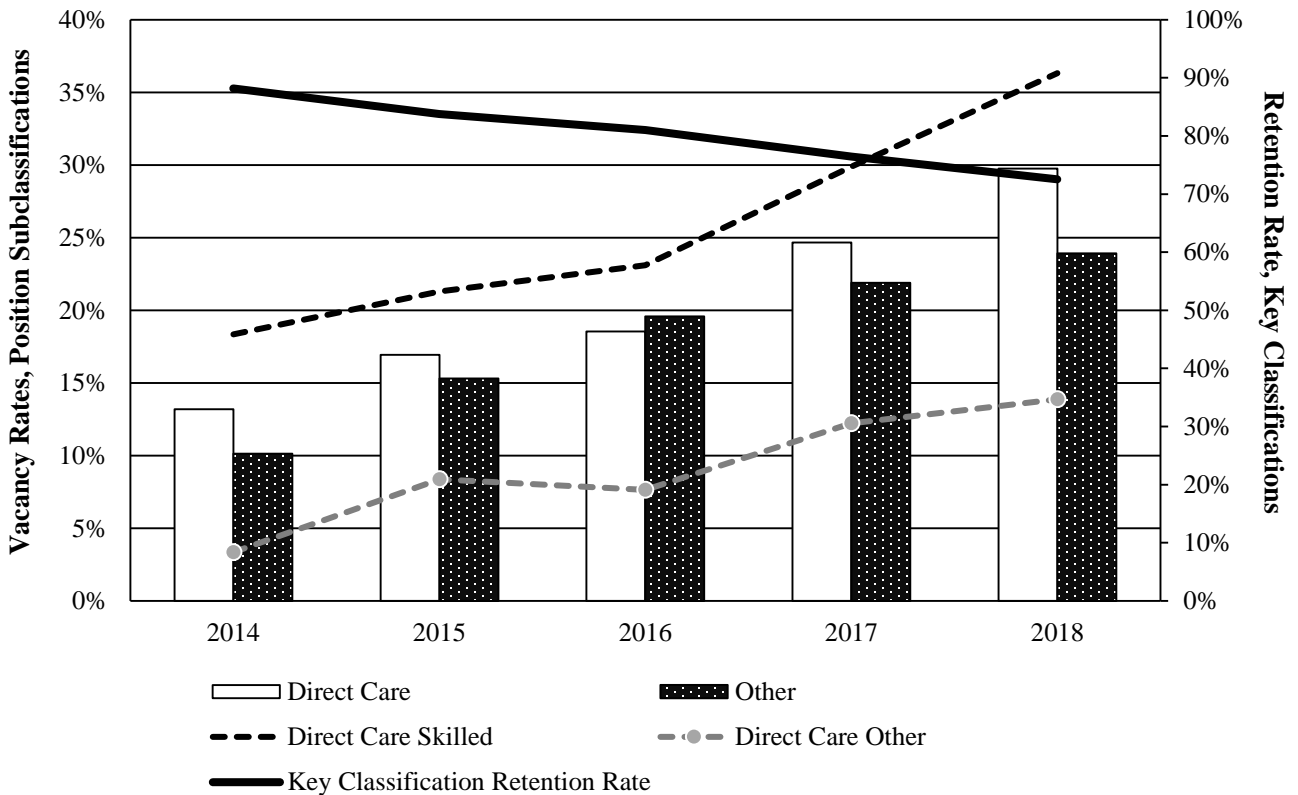
⁽²⁾ Positions considered Direct Care

⁽³⁾ Positions considered Direct Care Skilled

Source: Maryland Department of Health

Since 2014, retention rate for these key classifications has been decreasing year over year to reach its current low of 72.5% in fiscal 2018, as seen in **Exhibit 2**.

Exhibit 2
Vacancy, Retention Rates – 20 Key Classifications
Fiscal 2014-2018

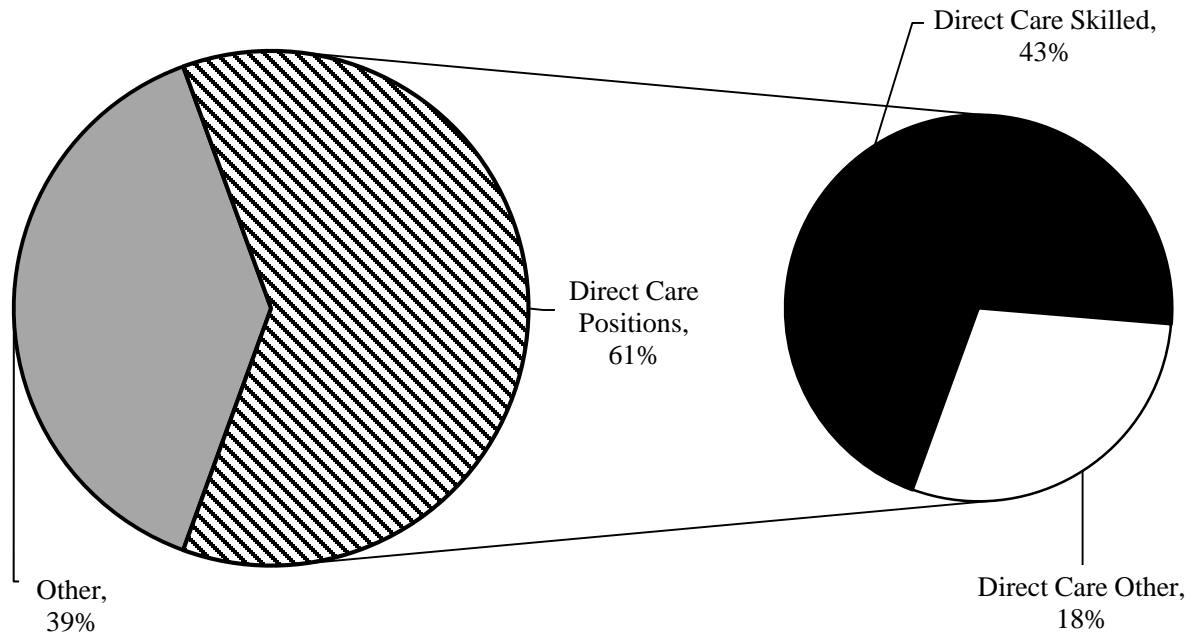


Source: Maryland Department of Health

Additionally, Exhibit 2 highlights that vacancy rates have increased for both the “direct care” and “other” subcategories of MDH’s key classifications. The vacancies in the direct care workforce have outpaced those of the other positions. Further, Exhibit 2 shows that within the direct care workforce subcategory, the increase in vacancy rates has been driven by the skilled direct care workers (namely nurses, physicians, and social workers), whose vacancy rates are diverging from the other direct care positions (exclusively direct care assistants).

Exhibit 3 shows for fiscal 2018 the share of positions within the department in the key classification categories that are classified as a direct care versus a non direct care or other position, and what share of direct care positions are considered skilled.

Exhibit 3
Key Classifications Positions
Fiscal 2018



Source: Maryland Department of Health

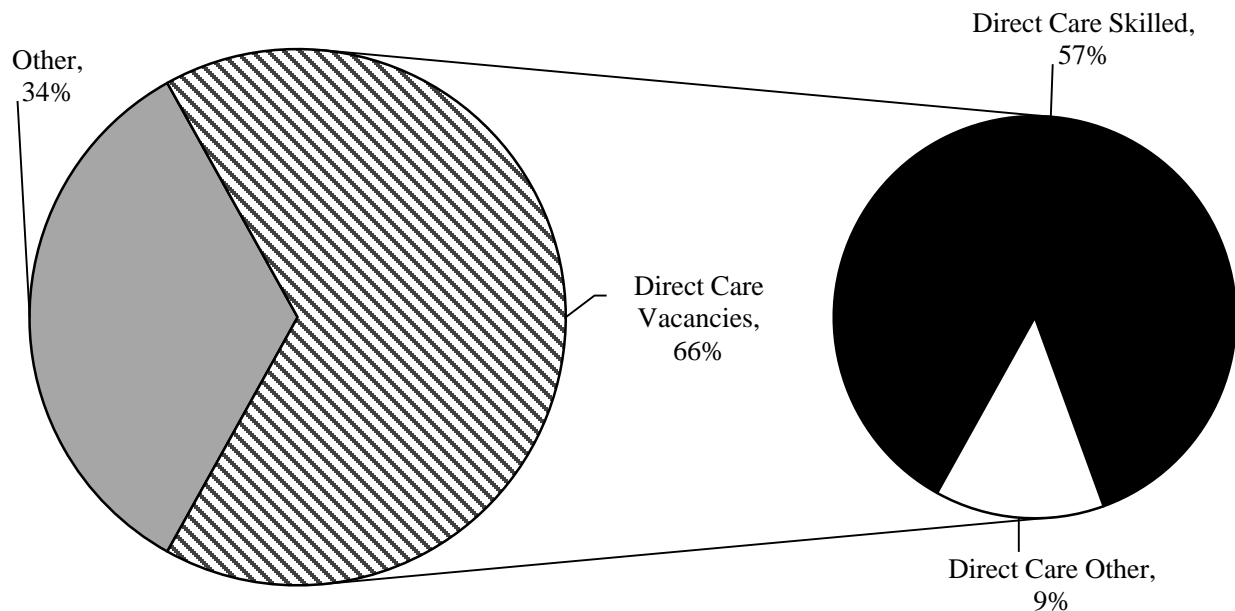
Exhibit 4, when taken in tandem with Exhibit 3, show that:

- direct care skilled represent 43% of the positions identified under the key classifications but are responsible for 57% of the vacancies;
- the direct care other workers (namely, direct care assistants) have a lower-than-expected vacancy rate; and
- the other positions represent a proportional share of vacancies relative to the number of positions.

Registered nurses within the State will receive a one-grade salary increase in fiscal 2020 in Annual Salary Review (ASR) funding. Nurses also received retention bonuses in calendar 2018, and \$1,675,621 was included in a deficiency appropriation for fiscal 2019 to pay for the bonuses. Other

positions were included in the ASR: epidemiologist, mental health professional counselors, and alcohol and drug counselors also receive a one-grade salary increase in fiscal 2020.

Exhibit 4
Key Classifications Vacancies
Fiscal 2018

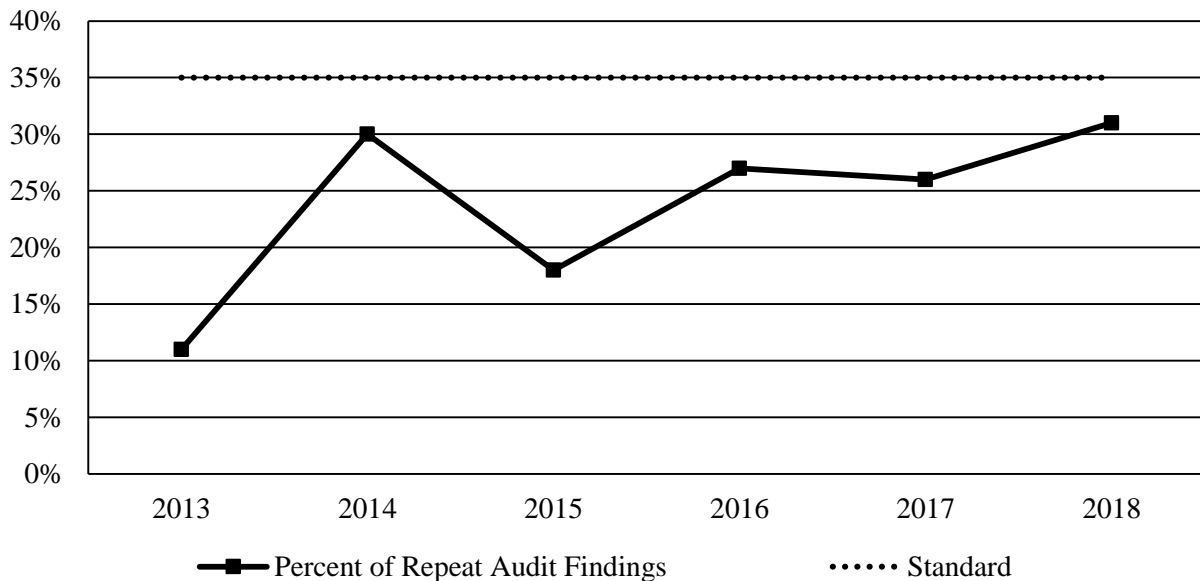


Source: Maryland Department of Health

2. Repeat Audit Findings

Another performance measure tracked by the MDH Administration is the number of repeat audit findings in audits conducted by the Office of Legislative Audits (OLA) throughout the entire department. While in recent years, the share of repeat findings has increased, **Exhibit 5** shows that MDH has remained under the 35% standard for repeat audit findings.

Exhibit 5
Percent of Repeat Audit Findings
Fiscal 2013-2018



Source: Maryland Department of Health

Fiscal 2019 Actions

Proposed Deficiency

There are three proposed general fund deficiencies for the MDH Administration budget: \$100,000 to support the Employment Individuals with Disabilities Pilot Program, a program that was created by Chapter 447 of 2018; \$4,100,000 to support minor improvements to facilities throughout the department; and a \$1,675,621 increase to the 2019 appropriation to support bonuses to nurses that were earned in calendar 2018.

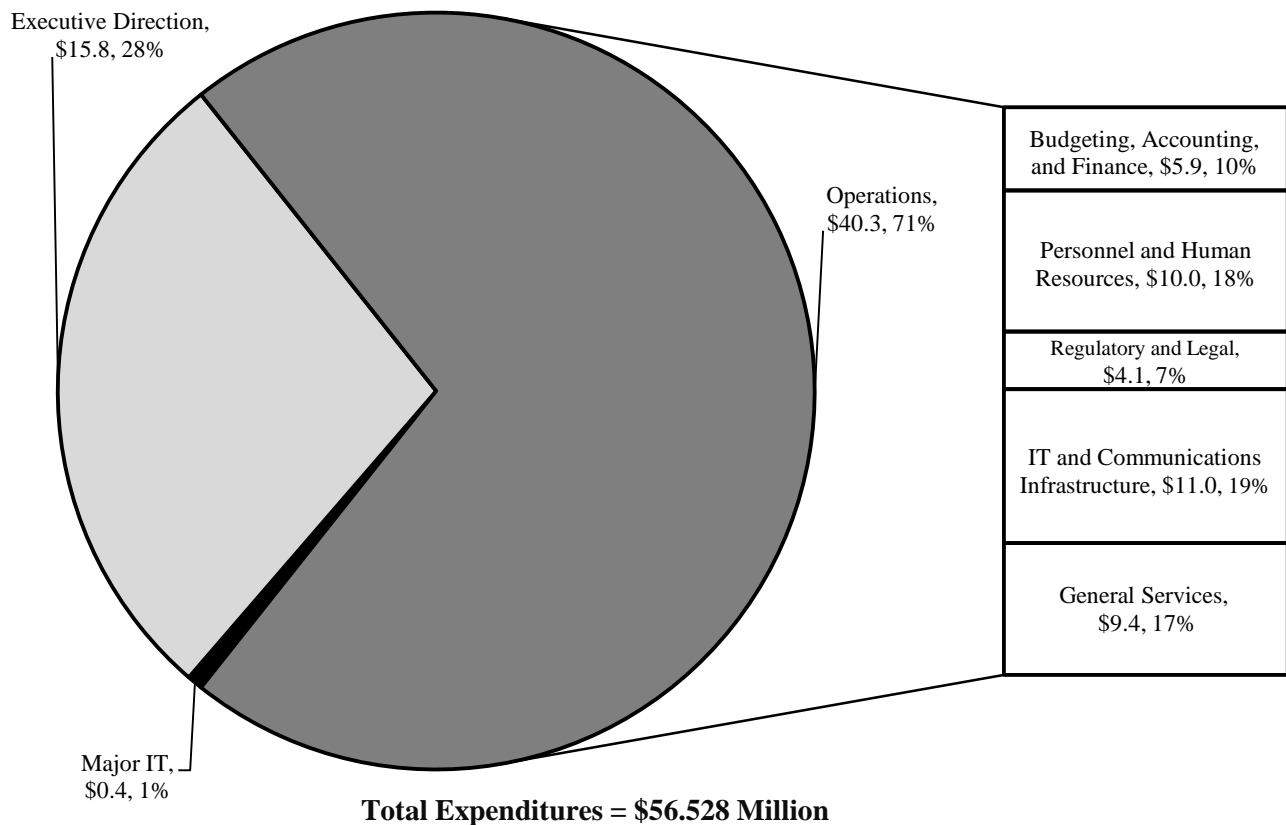
Fiscal 2020 Allowance

Overview of Agency Spending

The MDH Administration budget is divided into two main programs, executive direction and operations functions, as well as coordinating the major IT projects for the department (excluding Medicaid). 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, IT, and general services (such as central warehouse management, inventory control, fleet management, space management, and management of engineering/construction projects). **Exhibit 6** shows the share of the proposed budget dedicated for each of these administrative functions.

Exhibit 6
Spending Plan by Function
(\$ in Millions)
Fiscal 2020



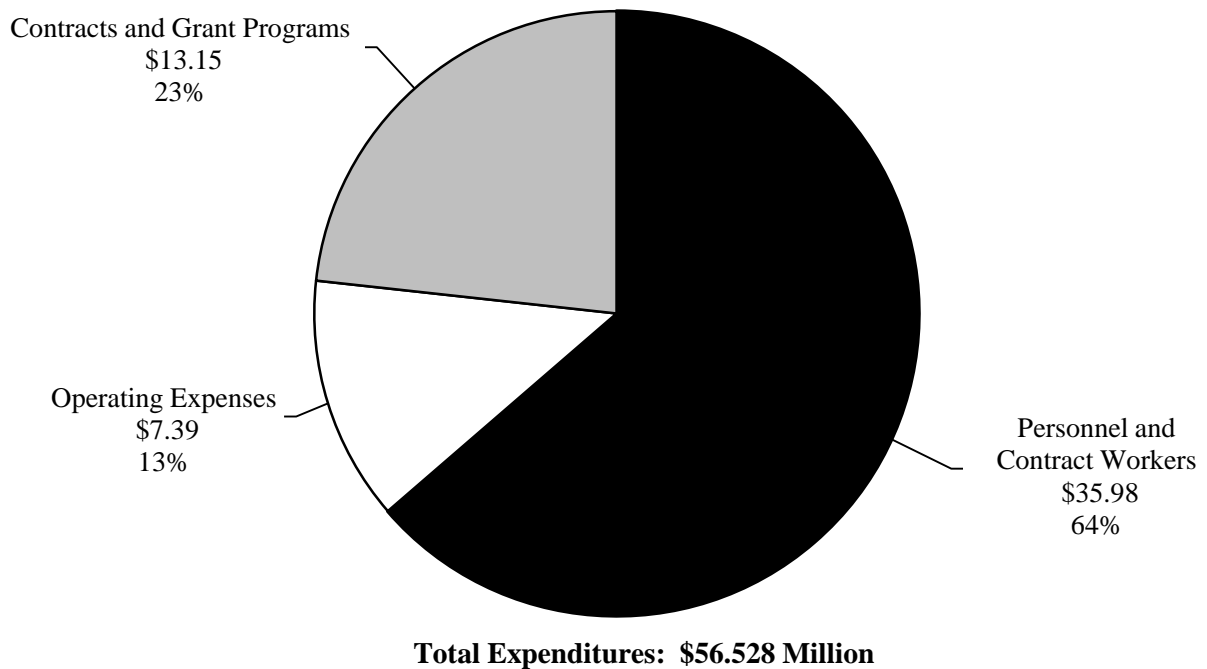
IT: information technology

Note: General salary increases proportionally estimated; excludes centrally budgeted annual salary review costs.

Source: Governor's Fiscal 2020 Budget Books

Over two-thirds of the proposed MDH Administrative budget goes to programs that support the various operational functions throughout the department, totaling \$40,331,024. The Executive Direction of MDH accounts for \$15,818,709 of agency spending, with over 85% of these funds going toward personnel expenses. The commitment of resources to personnel within the MDH Administration is shown in **Exhibit 7**.

Exhibit 7
Spending Plan by Object
(\$ in Millions)
Fiscal 2020



Note: Excludes centrally budgeted annual salary review costs.

Source: Governor's Fiscal 2020 Budget Books

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2020 allowance increases the MDH Administration budget by \$4,556,486 from the fiscal 2019 working appropriation, including the proposed fiscal 2019 deficiencies.

Exhibit 8
Proposed Budget
MDH – Administration
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2018 Actual	\$25,962	\$214	\$14,447	\$9,606	\$50,229
Fiscal 2019 Working Appropriation	25,363	735	16,134	9,740	51,972
Fiscal 2020 Allowance	<u>30,218</u>	<u>379</u>	<u>14,057</u>	<u>11,875</u>	<u>56,528</u>
Fiscal 2019-2020 Amount Change	\$4,855	-\$356	-\$2,078	\$2,135	\$4,556
Fiscal 2019-2020 Percent Change	19.1%	-48.5%	-12.9%	21.9%	8.8%

Where It Goes:

Personnel Expenses	\$3,098
Additional 16.5 FTEs.....	\$1,781
Employee and retiree health insurance	1,516
Miscellaneous personnel adjustments	827
Fiscal 2020 general salary increase and annualization as of April 1, 2019 general salary increase offset by fiscal 2019 April 1, 2019 salary increase and one-time bonus.....	616
Employee's retirement system	347
Increase in regular earnings including annualization January 1, 2019 general salary increase ...	314
Other fringe benefits	51
Turnover expectancy.....	-678
Fiscal 2019 deficiency for nurse bonuses	-1,676
Statewide Allocated Costs	\$2,086
Increase in DoIT allocation.....	1,450
Statewide personnel system allocation	431
Insurance coverage paid to STO	106
Retirement administrative fee	80
Increase in Administrative Hearing Allowance	47
Rent paid to DGS	-14
OAG administrative fee	-15
Other Changes	-\$627
Technical adjustment based on fiscal 2019 budgeting of departmentwide cost containment	4,091
Major IT project to migrate MDH Headquarters data center into a cloud-based solution.....	1,000

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Where It Goes:

Increased Support for Working Individuals with Disabilities Program.....	400
Contractual employee expense decreases	-176
Decrease in systems software maintenance and acquisition costs	-263
Decrease in operating/maintenance cost for Board of Nursing’s Enterprise Licensing and Regulatory Management System	-356
End of Office of Minority Health and Health Disparities contract with MIPAR	-426
Rent, utilities, and other building expenses	-733
Deficiency appropriation for fiscal 2019 to fund minor facility improvements	-4,100
Other	-64
Total	\$4,556

DGS: Department of General Services

DoIT: Department of Information Technology

FTE: full-time equivalent

MDH: Maryland Department of Health

MIPAR: Maryland Institute for Policy Analysis and Research

OAG: Office of the Attorney General

STO: The State Treasurer’s Office

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

Personnel

As shown in **Exhibit 9**, the fiscal 2020 allowance adds a net 16.5 positions within the MDH Administration, with 4 positions transferring elsewhere in the department. Contractual employment falls by 2.18 full-time equivalents (FTE).

Of the 16.5 new positions to the MDH administration, 14.5 are transfers from elsewhere in the department. The new positions to the agency are individuals who are already working with MDH. The 4 new positions in the Office of Minority Health and Health Disparities are employees funded through interagency agreements with University of Maryland Baltimore County’s Maryland Institute for Policy Analysis and Research (MIPAR). In fiscal 2020, these individuals will be in-sourced to new State positions.

Throughout MDH, positions are being added to hire employees who had previously been working through contracts with MIPAR. As a result, MDH can increase federal indirect cost recoveries (recoveries that are based on federal-funded employees within the department) and generate general funds savings. MDH estimates that departmentwide, this initiative will result in savings of approximately \$900,000 to \$1.0 million. However, in fiscal 2020, the indirect cost recovery rate is projected to fall to 27.70% from the fiscal 2019 rate of 35.08%, lowering overall federal indirect cost

recoveries and requiring additional general funds. The lower cost recovery rate is the primary driver of the decrease in federal funds shown in Exhibit 8.

Exhibit 9
Movement of Positions in MDH – Administration

- 7 Transferred positions into the Office of the Secretary from elsewhere in the department. Three positions joined Government Affairs to expand departmentwide policy and regulatory functions. Four positions joined the Office of the Secretary: 1 as a departmentwide opioid crisis coordinator; 1 under a reorganization to a Chief Operating Officer rather than a Deputy Secretary for Operations; 1 overseeing chronic hospitals and special projects; and 1 to add capacity to the Office of Communications.
- 4 New positions converted from the Maryland Institute for Policy Analysis and Research to the Office of Minority Health and Health Disparities.
- 7.5 Transferred positions into the Operations Functions from elsewhere in the department. Three of the positions transferred into the Office of Human Resources (OHR) as regional managers to oversee the Human Resource functions at State hospitals. These transfers reflect an expansion of OHR to have a more departmentwide view of the human resources function in the Maryland Department of Health. Two others were moved into OHR where their job functions more appropriately aligned with the program. The other 1.5 positions are currently temporarily located in Human Resources but will be relocated ultimately to the Behavioral Health Administration (BHA) and the Office of Population Health Improvement (OPHI). The 0.5 FTE (full-time equivalent) will be transferred to BHA to monitor and coordinate psychiatric education and training. The 1 FTE will be transferred to OPHI as a manager of the School Health Services Program, a role currently shared by 2 regular employees at OPHI.
- 2 New positions into the Operations functions for individuals who are being converted from contractual employees.
- 4 Positions transferred out of MDH Administration to elsewhere in the department.

MDH: Maryland Department of Health

Source: Governor's Proposed Budget; Maryland Department of Health

Other Changes

The agency's budget increased in fiscal 2020 in large part due to departmentwide increase in statewide allocated costs. The budget also includes an increase in support for the Working Individuals with Disabilities Program, which was created by Chapter 447 of 2018. Significant decreases included an offset of the fiscal 2019 deficiency appropriation, a reduction of expenses in the Board of Nursing's major IT project, and a decreasing need of other software. The conversion of MIPAR staff to FTEs within the department removed the need for the contract to continue, resulting in the decrease within the Office of Minority Health and Health Disparities.

Issues

1. Direct Care Workforce Retention Study

As previously discussed in the Managing for Results section of this analysis, MDH has had continued struggles with their workforce retention, largely driven by high vacancies within their direct care positions. The fiscal 2019 budget included language requesting a report from MDH detailing which salaries would need to be raised to address these vacancies, and the impact that these changes would have for the budget. This report was due on November 1, 2018, but MDH requested an extension to January 20, 2019. This report was submitted on January 22, 2019. **MDH should comment on the recommendations contained therein.**

The proposed 2020 budget includes annual salary review for several positions within MDH; registered nurses, epidemiologists, mental health professional counselors, and alcohol and drug counselors will all receive a one-grade salary increase. All of these positions, with the exception of epidemiologists, are considered direct care positions. The allowance also contains funding for psychiatrists reclassification at some of the State's behavioral health hospitals, totaling to \$3,276,137. **Exhibit 10** shows which hospitals are receiving funding for psychiatrists reclassifications.

Exhibit 10 Reclassification Funding Fiscal 2020

Springfield Hospital Center	\$1,007,247
Spring Grove Hospital Center	966,308
Clifton T. Perkins Hospital Center	781,191
John L. Gildner RICA	213,660
RICA Baltimore	186,809
Eastern Shore Hospital Center	120,922

RICA: Regional Institute for Children and Adolescents

Source: Governor's Budget

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Repeat Audit Finding Review

An August 2017 audit of the MDH Administration identified 17 findings, 6 of which were repeat findings, and the overall audit rating was deemed to be unsatisfactory. MDH reported taking corrective actions in a February 2018 report and found 3 of their repeat findings to be corrected and the remaining 3 to be in progress. Overall, they believed 11 of the 17 findings from the August 2017 audit to have been corrected. OLA completed a follow-up in October 2018 on 9 of the 17 initial audit findings, 4 of which were the previous repeat audit findings. **Exhibit 11** lists the audit findings that were reviewed by OLA in the follow-up review, as well as repeat findings that went unreviewed.

Exhibit 11 OLA Audit Update, Oct. 2018

<u>Finding Number</u>	<u>Reviewed Prior Findings Interagency Agreements</u>	<u>MDH Evaluation</u>	<u>OLA Evaluation</u>
1.	Maryland Department of Health (MDH) did not provide adequate guidance and oversight regarding 304 interagency agreements valued at \$329.5 million that MDH administrations entered into with units of State universities. In addition, certain administrative fees included in the agreements appeared excessive.	Corrected	In Progress
2.	MDH did not establish procedures to help ensure the agencies responsible for administering interagency agreements verified that the appropriate services were provided by the universities at the agreed-upon costs.	Corrected	In Progress
Procurements			
3.	MDH did not always comply with State procurement requirements regarding the award of sole source and emergency contracts.	Corrected	In Progress
5.	MDH did not always comply with State procurement regulations with respect to bidding requirements and retention of critical procurement documentation. Additionally, MDH also awarded a contract for an amount substantially higher than could be supported by the related bid.	In Progress	Corrected

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<u>Finding Number</u>	<u>Reviewed Prior Findings Interagency Agreements</u>	<u>MDH Evaluation</u>	<u>OLA Evaluation</u>
Federal Funds			
6.	Supervisory oversight of federal fund reimbursement requests was not always effective.	Corrected	Corrected
Office of the Inspector General (OIG)			
7.	OIG had not audited certain private providers for more than five years and did not always conduct private provider audits in a comprehensive manner.	Corrected	Corrected
Information Systems Security and Control			
9.	Sensitive personally identifiable information within a database and data file was stored without adequate safeguards.	Corrected	Corrected
10.	Network access to critical MDH internal network devices was not properly restricted, intrusion detection prevention system coverage was not complete or adequate, and certain wireless connections were not configured securely.	In Progress	In Progress
11.	Malware protection for MHD computers was not sufficient to provide the Office of Information Technology with adequate assurance that these computers were properly protected.	In Progress	In Progress
Unreviewed Repeat Findings			
Accounts Receivable			
14.	MDH did not adequately pursue collection of certain Division of Cost Accounting and Reimbursements delinquent accounts receivable.	Corrected	N/A
Equipment			
17.	MDH physical inventory procedures did not comply with certain Department of General Services requirements.	In Progress	N/A

Note: Bold font indicates repeat Audit Findings.

Source: Office of Legislative Audits

Where inadequacies persist, according to both MDH and OLA, is with regard to Information Systems Security and Control, namely malicious web-traffic and malware protection. The OLA

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follow-up found that of MDH's two third-party connections (Headquarters and Springfield Hospital Center), only one (Springfield) had installed an Intrusion Protection System (IPS), and that this IPS was only monitoring outbound traffic. This means that no incoming web and email traffic was monitored at either site. MDH told OLA that in September 2018, they were planning to replace the current intrusion detection system at MDH headquarters. The final repeat finding that was evaluated was concerning malware protection on MDH hardware, which OLA found that they have made minimum progress on. The department and OLA acknowledge that this is, in part, due to a recently hired an information security officer who would be responsible for monitoring and maintaining necessary software.

Appendix 1
Current and Prior Year Budgets
Maryland Department of Health – Administration
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2018					
Legislative Appropriation	\$23,510	\$1,409	\$16,097	\$9,724	\$50,740
Deficiency/Withdrawn Appropriation	5,268	0	-40	0	5,228
Cost Containment	-5,278	0	0	0	-5,278
Budget Amendments	2,811	0	-1,558	351	1,604
Reversions and Cancellations	-349	-1,195	-52	-469	-2,066
Actual Expenditures	\$25,962	\$214	\$14,447	\$9,606	\$50,229
Fiscal 2019					
Legislative Appropriation	\$19,103	\$735	\$16,098	\$9,740	\$45,676
Budget Amendments	204	0	19	0	223
Working Appropriation	\$19,307	\$735	\$16,117	\$9,740	\$45,899

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

Actual spending in fiscal 2018 for the Maryland Department of Health (MDH) Administration was \$510,924 below the legislative appropriation.

General fund spending increased by \$2,451,866. Deficiency appropriations added \$5,643,783, including \$1,999,664 for nurse signing and retention bonuses, \$1,924,819 to backfill for lower than anticipated indirect cost recoveries, and \$1,719,300 for facility maintenance. Budget amendments add a further \$2,811,096, including a \$3,261,641 increase in general funds to cover contractual services. There was a \$5,277,727 reduction through Board of Public Works Cost Containment. Section 19 of the fiscal 2019 Budget Bill withdrew \$415,658 due to a surplus in the health insurance account. Much of this reduction, \$375,989, was in general funds, with the remaining \$39,669 in federal funds. General fund reversions totaled \$349,297, a result of no longer needing security upgrades for the Secure Evaluation and Therapeutic Treatment (SETT) at Springfield Hospital Center because the SETT unit will be moved to the Potomac Center.

Special fund spending is \$1,195,283 below the legislative appropriation. This is entirely due to a cancellation of a Major Information Technology Project for the licensure system supported in part by the Board of Nursing. Federal fund spending for decreased by \$1,649,669 below the legislative appropriation. This difference is notably due to a reduction of \$1,597,275 through budget amendments, most significantly a \$1,924,698 reduction in federal indirect cost recoveries. A further \$52,394 in federal funds were canceled. Reimbursable fund spending decreased by \$117,838 from the legislative appropriation. Included in this was a budget amendment that added \$350,875 to MDH's Major Information Technology Project to hire a consultant on the Electronic Health Records project. Only \$169,776 was spent in fiscal 2018, with the remaining \$181,099 included in the \$468,713 cancellation of reimbursable funds.

Fiscal 2019

The fiscal 2019 working appropriation for the MDH Administration has increased by \$223,002 over the legislative appropriation. This is entirely due to the centrally budgeted January 1, 2019 general salary increases.

Appendix 2
Major Information Technology Projects
Maryland Department of Health – Administration
Computerized Hospital Record and Information System

Project Status	Initiation.			New/Ongoing Project:		Ongoing.		
Project Description:	Replacement of the current hospital management information system (HMIS) with a new commercial off-the-shelf (COTS) electronic health record (EHR) HMIS for the Maryland Department of Health (MDH) that would not require a significant amount of customization.							
Project Business Goals:	To install an EHR system that will improve operational efficiency, hospital planning, evaluation and accreditation, patient care and safety, data security, and reduce admissions costs. Also, the system would enable hospitals and facilities to electronically send and receive protected health information with MDH and support the goal of transitioning to electronic reporting.							
Estimated Total Project Cost:	\$29,826,052			Estimated Planning Project Cost:		n/a.		
Project Start Date:	December 2013.			Projected Completion Date:		June 2022.		
Schedule Status:	The schedule is expected to be delayed approximately six months due to onboarding of resources and release of a successful Request for Proposals.							
Cost Status:	The transactional EHR component is expected to increase costs once an analysis is conducted on the scope of the effort.							
Scope Status:	The scope was expanded to include analytical EHR, as well as transactional EHR.							
Project Management Oversight Status:	The Department of Information Technology project oversight is in place.							
Identifiable Risks:	High risks include unknown costs and funding availability, limited direct interdependencies, needing to achieve a high level of user acceptance, and maintaining flexibility between the COTS system and MDH.							
Additional Comments:								
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	5,305.0	6,390.5	9,810.5	8,320.0	0.0	0.0	0.0	29,826.1
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$5305.0	\$6,390.5	\$9,810.5	\$8,320.0	\$0.0	\$0.0	\$0.0	\$29,826.1

Maryland Department of Health Licensing and Regulatory Management System

Project Status	Initiation.			New/Ongoing Project:		Ongoing.		
Project Description:	An Enterprise Licensing and Regulatory Management Solution (ELMR) capable of the management of every aspect of licensing and discipline. These capabilities include software licenses and support, systems analysis, development, implementation, and support services for the Health Occupation Boards.							
Project Business Goals:	To procure and implement an ELMR solution that will assure quality care through the efficient licensure and effective discipline of health providers. The ELMR solution will assure, advance, and protect the public’s health and welfare through proper credentialing, permitting, licensing, examination, inspection, and discipline of health providers, distributors, and facilities. This new system will also help enforce regulations and legislation, resolve complaints, and educate the public.							
Estimated Total Project Cost:	\$ 2,603,000			Estimated Planning Project Cost:		n/a.		
Project Start Date:	November 2014.			Projected Completion Date:		June 2022.		
Schedule Status:	The Maryland Department of Health sent out a Request for Information to determine the availability of licensing solutions in the market in July 2016. A preliminary draft Request for Proposals has been created.							
Cost Status:	No known or anticipated cost changes at this time.							
Scope Status:	No known or anticipated scope changes at this time.							
Project Management Oversight Status:	The Department of Information Technology project oversight is in place.							
Identifiable Risks:	High risks include unknown final system and implementation costs and funding availability. Additionally, the ELMR requires a high level of coordination between other State agencies, federal databases, and business partners to achieve maximum benefit of the new system.							
Additional Comments:	This project is a continuation of the information technology licensing project initiated by the Board of Physicians in 2015. However, funding from fiscal 2019 is from the Board of Nursing special fund.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	743.8	378.5	555.8	467.1	467.1	0.0	0.0	2,603.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$743.8	\$378.5	\$555.8	\$467.1	\$467.1	\$0.0	\$0.0	\$2,603.0

Integrated Electronic Vital Record Registration System

Project Status	Planning.			New/Ongoing Project:		New.		
Project Description:	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 Information NetworkK 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. The system will provide for restricted search and issuance capabilities for use by local health departments and by the Motor Vehicle Administration. The solution will support the import of all legacy data from Maryland’s current vital records systems.							
Project Business Goals:	Migrate the current electronic birth registration, current fetal death registration, marriage, and divorce records system onto this integrated platform. Integrate the current electronic death registration system, with the new birth, fetal death, marriage, and divorce systems to create a single entry point for medical facilities, funeral facilities, local health departments, and the Maryland Department of Health Division of Vital Records.							
Estimated Total Project Cost:	\$ 7,481,158			Estimated Planning Project Cost:		n/a.		
Project Start Date:	July 2018.			Projected Completion Date:		June 2022.		
Schedule Status:	No known or anticipated schedule changes at this time.							
Cost Status:	No known or anticipated cost changes at this time.							
Scope Status:	No known or anticipated cost changes at this time.							
Project Management Oversight Status:	The Department of Information Technology project oversight is in place.							
Identifiable Risks:	High risks include the outdated current birth registration system failing before a replacement system is completely developed. If this were to happen, the only recourse at that point would be to have hospitals revert back to filing paper birth certificates for the approximately 73,000 births that occur in Maryland each year. Issuance of birth certificates would take months to fulfill.							
Additional Comments:	n/a.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$130.9	\$0.0	\$0.0	\$0.0	\$0.0	\$130.9
Professional and Outside Services	0	2,434.2	1,634.4	1,884.1	1,397.5	0.0	0.0	7,350.3
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$0	\$2,434.2	\$1,765.3	\$1,884.1	\$1,397.5	\$0.0	\$0.0	\$7,481.2

Migration of the Cloud Data Center

Project Status	Planning.			New/Ongoing Project:		New.		
Project Description:	This 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.							
Project Business Goals:	The current maintenance of MDH’s datacenter has becoming increasingly distracting for the department and has not been designed to meet uptime needs of applications using the system. A cloud solution will reduce current risks associated with datacenter’s hardware.							
Estimated Total Project Cost:	\$23,750,000			Estimated Planning Project Cost:		n/a.		
Project Start Date:	September 2018.			Projected Completion Date:		n/a.		
Schedule Status:	MDH is currently undertaking a cloud readiness assessment by taking an inventory of all of the servers, applications, storage, and processing requirements necessary to identify the scope and initial costs.							
Cost Status:	No known or anticipated cost changes at this time.							
Scope Status:	No known or anticipated cost changes at this time.							
Project Management Oversight Status:	The Department of Information Technology project oversight is in place.							
Identifiable Risks:	High risks include requiring complete transparency with what currently exists in the datacenter, needing a detailed assessment of cost drivers, and having the necessary resources and leadership throughout the process to minimize service interruptions.							
Additional Comments:	n/a.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0
Professional and Outside Services	0.0	1,000.0	2,750.0	2,500.0	5,000.0	5,000.0	7,500.0	23,750.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$0.0	\$1,000.0	\$2,750.0	\$2,500.0	\$5,000.0	\$0.0	\$7,500.0	\$23,750.0

Appendix 3
Object/Fund Difference Report
Maryland Department of Health – Administration

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	325.00	325.00	341.50	16.50	5.1%
02 Contractual	8.21	9.27	7.09	-2.18	-23.5%
Total Positions	333.21	334.27	348.59	14.32	4.3%
Objects					
01 Salaries and Wages	\$ 30,625,633	\$ 29,504,953	\$ 33,662,669	\$ 4,157,716	14.1%
02 Technical and Spec. Fees	2,501,595	1,684,645	1,508,945	-175,700	-10.4%
03 Communication	1,459,307	1,456,493	672,675	-783,818	-53.8%
04 Travel	131,251	115,302	150,424	35,122	30.5%
06 Fuel and Utilities	186,841	254,990	193,567	-61,423	-24.1%
07 Motor Vehicles	64,843	55,131	56,491	1,360	2.5%
08 Contractual Services	10,738,439	5,179,337	11,950,447	6,771,110	130.7%
09 Supplies and Materials	530,393	527,459	526,577	-882	-0.2%
10 Equipment – Replacement	334,820	365,280	362,351	-2,929	-0.8%
11 Equipment – Additional	297,025	318,312	278,851	-39,461	-12.4%
12 Grants, Subsidies, and Contributions	838,051	712,375	1,195,346	482,971	67.8%
13 Fixed Charges	2,074,142	2,070,344	2,157,072	86,728	4.2%
14 Land and Structures	447,106	3,654,300	3,000,000	-654,300	-17.9%
Total Objects	\$ 50,229,446	\$ 45,898,921	\$ 55,715,415	\$ 9,816,494	21.4%
Funds					
01 General Fund	\$ 25,962,088	\$ 19,307,261	\$ 29,508,157	\$ 10,200,896	52.8%
03 Special Fund	214,180	734,500	378,500	-356,000	-48.5%
05 Federal Fund	14,447,300	16,117,189	13,953,965	-2,163,224	-13.4%
09 Reimbursable Fund	9,605,878	9,739,971	11,874,793	2,134,822	21.9%
Total Funds	\$ 50,229,446	\$ 45,898,921	\$ 55,715,415	\$ 9,816,494	21.4%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

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Appendix 4
Fiscal Summary
Maryland Department of Health – Administration

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Executive Direction	\$ 14,155,780	\$ 13,754,166	\$ 15,489,745	\$ 1,735,579	12.6%
02 Financial Management Administration	35,203,049	31,410,255	39,847,170	8,436,915	26.9%
08 Major Information Technology Projects	870,617	734,500	378,500	-356,000	-48.5%
Total Expenditures	\$ 50,229,446	\$ 45,898,921	\$ 55,715,415	\$ 9,816,494	21.4%
General Fund	\$ 25,962,088	\$ 19,307,261	\$ 29,508,157	\$ 10,200,896	52.8%
Special Fund	214,180	734,500	378,500	-356,000	-48.5%
Federal Fund	14,447,300	16,117,189	13,953,965	-2,163,224	-13.4%
Total Appropriations	\$ 40,623,568	\$ 36,158,950	\$ 43,840,622	\$ 7,681,672	21.2%
Reimbursable Fund	\$ 9,605,878	\$ 9,739,971	\$ 11,874,793	\$ 2,134,822	21.9%
Total Funds	\$ 50,229,446	\$ 45,898,921	\$ 55,715,415	\$ 9,816,494	21.4%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

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