

M001
Chronic Disease Services
Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Operations	\$36,656	\$38,240	\$37,690	\$1,034	\$38,619	\$929
Contractual Services	2,516	2,733	2,795	279	2,845	50
Grants	16	9	14	-2	14	0
Contingent & Back of Bill Reductions	0	0	0	0	-192	-192
Adjusted Grand Total	\$39,189	\$40,982	\$40,500	\$1,311	\$41,287	\$787
General Funds	32,261	33,969	33,532	1,271	34,898	1,365
Contingent & Back of Bill Reductions	0	0	0	0	-179	-179
Adjusted General Funds	\$32,261	\$33,969	\$33,532	\$1,271	\$34,719	\$1,187
Special Funds	5,539	5,708	5,717	178	5,425	-292
Contingent & Back of Bill Reductions	0	0	0	0	-14	-14
Adjusted Special Funds	\$5,539	\$5,708	\$5,717	\$178	\$5,411	-\$305
Federal Funds	46	0	0	-46	0	0
Reimbursable Funds	1,343	1,305	1,250	-93	1,156	-94
Adjusted Grand Total	\$39,189	\$40,982	\$40,500	\$1,311	\$41,287	\$787
Annual % Change		4.6%	-1.2%		1.9%	

- The chronic hospitals have contained costs through aggressive cost management strategies, including renegotiating purchasing contracts and maintaining a lower census. The centers have also been able to recover a greater portion of renal dialysis costs, allowing for a reduction in general funds for that purpose.
- Replacement of the Deer's Head Center boiler system will be complete in August 2004. The center has contracted with Johnson Controls to install a new energy efficient system, financed by the Maryland Energy Administration. The first loan repayment, due in fiscal 2005, will be offset by reductions in personnel and utility costs.

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

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Personnel Data

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Regular Positions	626.0	609.0	584.3	-41.7	584.3	0.0
Contractual FTEs	20.4	21.0	24.8	4.4	18.5	-6.3
Total Personnel	646.4	630.0	609.1	-37.3	602.8	-6.3

Vacancy Data: Regular Positions

Turnover Expectancy	21.71	3.72%
Positions Vacant as of 12/31/03	46.80	8.01%

- The hiring freeze for non-direct care personnel, compounded by a number of recent retirements, has necessitated an increase in overtime in certain functions to meet regulatory requirements.
- Deer's Head Center has begun using disposable dialysis filters that require fewer staff resources. As a result, the center has been able to reduce the number of contractual personnel in its renal dialysis unit.

Analysis in Brief

Major Trends

Centers Unable to Significantly Increase Census: Plans to increase the census at Western Maryland Hospital Center and Deer's Head Hospital Center have been revised as a result of fiscal constraints.

Private Dialysis Provider Draws Deer's Head Center Patients: A private renal dialysis provider opened in Salisbury in December 2003, causing Deer's Head Center to reallocate staff hours based on the smaller number of patients.

Issues

Centers' Financial Condition Continues to Improve: The centers have operated with deficits in prior years, a result of inflation in pharmaceuticals and medical supplies. Since fiscal 2002, however, both centers have improved their financial condition with a number of cost containment strategies.

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Aging Facilities Require Improvements: Few improvements have been made to the centers' physical infrastructure since their construction in the 1950s. Improvements have recently been made at Deer's Head Center; improvements are planned in future years at Western Maryland Center.

Recommended Actions

	<u>Funds</u>
1. Increase turnover expectancy from 3.72% to 4.72%.	\$ 293,887
2. Reduce funding for building and maintenance equipment.	20,000
Total Reductions	\$ 313,887

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Chronic Disease Services
Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

The State's two chronic hospital centers, Western Maryland Center and Deer's Head Center, provide specialized services for those in need of complex medical management, comprehensive rehabilitation, long-term care, or dialysis. Specifically, both centers provide:

- chronic care and treatment to patients requiring rehabilitation at a level greater than that available at a nursing home;
- long-term nursing home care for patients no longer in need of hospital-level care but unable to function in traditional nursing homes; and
- inpatient and outpatient renal dialysis services.

Performance Analysis: Managing for Results

Fluctuations in the average daily census at Western Maryland Hospital Center and Deer's Head Hospital Center, detailed in **Exhibit 1**, reflect recent fiscal constraints. The combination of cost containment and rising pharmaceutical costs at each of the centers has necessitated maintaining vacancies to reduce expenditures. Although positions were added in fiscal 2002, hiring for these positions was contingent on verification that the centers did not expect to incur a deficit in non-dialysis services; mid-year fiscal 2002 estimates, inclusive of cost containment, indicated small deficits in non-dialysis expenses. Although the positions were made available in fiscal 2003 under the same conditions, many positions were lost in an effort to contain the size of the State workforce, mitigating plans to significantly increase the census.

Renal dialysis services were funded entirely by patient recoveries prior to fiscal 2000. Since that time rates under Medicare, which covers the majority of renal dialysis patients, have not kept pace with the cost of providing services, necessitating the use of general funds to maintain services. While Western Maryland Center was recovering the entire cost of treatment in fiscal 1999, the center was able to recover only half the cost of treatment two years later. Due to aggressive cost recovery strategies, such as renegotiating purchasing contracts, both centers require a declining portion of general funds to finance these services relative to prior years. A rate increase from Medicare, possible as soon as July 2004, would increase the likelihood that the centers will be able to recover the full cost of treatment.

Exhibit 1
Program Measurement Data
Chronic Disease Services
Fiscal 2001 – 2005

	<u>Actual</u> <u>2001</u>	<u>Actual</u> <u>2002</u>	<u>Actual</u> <u>2003</u>	<u>Est.</u> <u>2004</u>	<u>Est.</u> <u>2005</u>	<u>Ann.</u> <u>Chg.</u> <u>01-03</u>	<u>Ann.</u> <u>Chg.</u> <u>03-05</u>
Western Maryland Center							
Hospital patients	103	99	97	103	100	-3.0%	1.5%
Dialysis patients	24	24	24	24	24	0.0%	0.0%
Dialysis collections as percentage of cost of treatment	53%	84%	94%	80%	85%	33.2%	-4.9%
Deer's Head Center							
Hospital patients	75	78	81	81	83	3.9%	1.2%
Dialysis patients	233	233	239	213	145	1.3%	-22.1%
Dialysis collections as percentage of cost of treatment	84%	85%	86%	83%	83%	1.2%	-1.8%

Source: Department of Health and Mental Hygiene

Renal dialysis figures also reflect a reduction in the number of renal dialysis patients at Deer's Head Center. A private renal dialysis provider opened in Salisbury in December 2003, attracting many of Deer's Head Center's more ambulatory patients. The center has reallocated staff hours based on the smaller number of patients, reducing the number of positions dedicated to the renal dialysis unit and staggering shifts to optimize staff hours. To date, the center has been able to maintain the same rate of special fund recovery established before the private center opened, though the number of dialysis patients is expected to decline 32% between fiscal 2004 and 2005.

Fiscal 2004 Actions

Cost containment has reduced the appropriation for the chronic hospitals by \$0.2 million in fiscal 2004. The hospitals remain subject to the hiring freeze, though exemptions have been granted for all direct care positions. In certain cases, recent retirements have necessitated an increase in overtime to meet regulatory requirements. The hospitals have also restricted the number and type of admissions to meet budget constraints; certain patients requiring high-cost medications have been denied admission. In addition, equipment and vehicle purchases have been postponed to reduce costs.

Governor's Proposed Budget

The fiscal 2005 allowance for Western Maryland Center and Deer's Head Center is \$41.2 million, an \$0.8 million increase over the fiscal 2004 working appropriation. The increase is primarily due to growth in personnel expenses, notably the inclusion of increments in the Governor's proposed budget. Exhibits 2 and 3 detail the changes in the fiscal 2005 allowance.

Exhibit 2
Budget Trends in Chronic Disease Services Funding
Fiscal 2003 – 2005
(\$ in Millions)

	FY 2003	FY 2004	FY 2005	Difference	Percent
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>FY 04-05</u>	<u>Change</u>
Western Maryland Center					
Hospital	\$18.9	\$18.2	\$18.9	\$0.7	4%
Renal Dialysis	0.8	0.8	0.8	0.0	1%
Total	\$19.6	\$19.0	\$19.7	\$0.7	4%
Reimbursement for Hospital Expenses	6.4	5.8	5.9	0.1	3%
Reimbursement for Dialysis Expenses	0.7	0.6	0.7	0.0	1%
Deer's Head Center					
Hospital	\$15.7	\$15.6	\$16.1	\$0.5	3%
Renal Dialysis	5.6	5.9	5.5	-0.4	-6%
Total	\$21.3	\$21.5	\$21.6	\$0.1	0%
Reimbursement for Hospital Expenses	4.4	4.8	4.9	0.1	2%
Reimbursement for Dialysis Expenses	4.8	4.9	4.6	-0.3	-7%

Notes: Numbers may not sum due to rounding.

Reimbursement for hospital expenses accrues to the general fund; reimbursement for dialysis expenses appears in the center's budgets as special funds.

Source: Maryland Operating Budget Fiscal Year 2005

Exhibit 3
Governor's Proposed Budget
Chronic Disease Services
(\$ in Thousands)

	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Approp.</u>	<u>FY 05</u> <u>Allowance</u>	<u>FY 04-05</u> <u>Change</u>	<u>FY 04-05</u> <u>% Change</u>
General Funds	\$33,969	\$33,532	\$34,898	\$1,366	4.1%
Contingent & Back of Bill Reductions	0	0	-179	-179	
Adjusted General Funds	\$33,969	\$33,532	\$34,719	\$1,187	3.5%
Special Funds	\$5,708	\$5,717	\$5,425	-\$292	-5.1%
Contingent & Back of Bill Reductions	0	0	-14	-14	
Adjusted Special Funds	\$5,708	\$5,717	\$5,411	-\$306	-5.4%
Reimbursable Funds	\$1,305	\$1,250	\$1,156	-\$94	-7.5%
Adjusted Grand Total	\$40,982	\$40,500	\$41,287	\$787	1.9%

Where It Goes:

Personnel Expenses

Increments and other compensation	\$396
Net fiscal 2004 cost containment and turnover adjustments	375
Workers' compensation premium assessment.....	102
Employee and retiree health insurance.....	79
Accrued leave payout	72
Overtime earnings	54
Unemployment compensation.....	50
Elimination of utility engineer positions due to new energy conservation contract	-167
Salary reduction to reflect fiscal 2004 position abolitions	-511
Other fringe benefit adjustments.....	-26

Other Changes

Energy conservation loan repayment	248
Pharmaceuticals and pharmacy services.....	143
Medical equipment to allow greater efficiency in mixing dialysis solutions	72
Replacement maintenance and building equipment.....	57
Replacement computer equipment	54

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Where It Goes:

Reduction in utility costs due to new energy conservation contract	-41
Contractual personnel	-46
Food expenditures, based on fiscal 2003 per capita costs	-59
Renal dialysis supplies, based on fiscal 2003 per capita costs	-71
Other adjustments.....	6
Total	\$787

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

Personnel Expenses

Personnel expenses increase \$0.4 million in the fiscal 2005 allowance. Salaries increase \$0.4 million as a result of the inclusion of increments in the Governor’s proposed budget, with an additional \$0.4 million available for reductions in cost containment and turnover expectancy. Smaller increases result from growth in workers’ compensation assessments, health insurance premiums, and unemployment insurance, as well as increased use of overtime.

Increases are offset by a \$0.2 million reduction for stationary engineers at Deer’s Head Center. With a new energy efficiency contract, these positions will no longer be required to maintain boiler operations. Personnel expenses are further reduced \$0.5 million to reflect the abolition of 25 vacant positions in fiscal 2004.

Operating Expenses

Deer’s Head Center currently is upgrading its hot water and heating system. Improvements, scheduled for completion in August 2004, will be financed with a 13-year loan from the Maryland Energy Administration (MEA). The first payment, due in fiscal 2005, totals \$0.2 million. The cost of the contract is offset by savings elsewhere in the budget, including projected reductions in utility costs. Across centers, utility costs are expected to decline \$41,329.

Inflation in the cost of pharmaceuticals and the Deer’s Head Center pharmacy service contract increase the allowance by \$0.1 million, a 2% increase over the fiscal 2004 working appropriation. The hospital centers have been able to contain inflation in these costs by renegotiating certain purchasing contracts and developing drug formularies. Deer’s Head Center also expects to contain costs in renal dialysis solutions since purchasing \$71,000 in medical equipment to mix bicarbonate solutions and powdered acid on premises. The estimated one-year savings is approximately \$75,000.

The allowance also includes \$57,000 to replace maintenance and building equipment, including a forklift and a tractor at Deer’s Head Center. Replacement parts are not readily available for the

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current equipment and the machinery requires frequent repair. Other increases also include \$53,646 for replacement of computer and network equipment. Many machines in current use are not Windows compatible and do not meet minimum standards established by the Department of Health and Mental Hygiene. These increases are offset by reductions in the number of contractual personnel and reductions in food expenditures and renal dialysis supplies, based on fiscal 2003 actual costs.

Impact of Cost Containment

The fiscal 2005 allowance reflects the elimination of \$192,112, the appropriation for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in budget reconciliation legislation.

Issues

1. Centers' Financial Condition Continues to Improve

In fiscal 2000 and 2001 Western Maryland Center and Deer's Head Center operated with deficits in their hospital centers, a result of inflation in pharmaceuticals and medical supplies. Since fiscal 2002, however, hospital units in both centers have improved their financial condition with a number of cost containment strategies, including aggressive cost management, identification of purchasing efficiencies, and maintenance of a lower census. Specifically:

- Both centers maintained staff vacancies to offset increases in pharmaceutical expenditures. With the elimination of 31 vacant positions since fiscal 2002, this is a decreasingly viable option.
- The centers have lowered their targeted census to ensure sufficient staff coverage while maintaining vacancies. Lowering the census has been one of the few ways to control increases in medical costs.
- Both centers renegotiated purchasing contracts for pharmaceuticals and supplies. In addition, Western Maryland Center established a workgroup to review prescribing patterns and recommend changes to the center's drug formularies.
- Both centers modified their nursing schedule to minimize the use of overtime.

In some instances, the centers also deferred the purchase of medical and maintenance equipment. Aggressive cost management, in addition to eliminating operating deficiencies, increased hospital patient recoveries. These recoveries to the State's general fund indirectly offset the cost of care at the chronic hospitals.

Renal Dialysis Collections Continue to Improve

The renal dialysis units at Western Maryland Center and Deer's Head Center were entirely supported by collections from patients and third-party payors until fiscal 2000. Low rates of reimbursement from Medicare and other third-party payors have not kept pace with increasing supply and medication costs for renal dialysis services, requiring a certain amount of general funds to resolve the difference. **Exhibit 4** chronicles the change in general funds for renal dialysis services as well as the growth in total expenditures in recent years.

General fund support for renal dialysis services reached \$1.2 million in fiscal 2001, 20% of the total cost of treatment. Since that time the centers have been able to reduce the amount of general funds required for renal dialysis services and recover a greater proportion of the cost of treatment.

Exhibit 4
General Funds for Renal Dialysis
Fiscal 1999 – 2005
(\$ in Millions)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Western Maryland Center							
Special funds	\$439,917	\$453,712	\$348,687	\$650,887	\$715,945	\$636,476	\$685,552
General funds	0	195,385	310,947	125,830	44,348	158,919	122,966
Total	\$439,917	\$649,097	\$659,634	\$776,717	\$760,293	\$795,395	\$808,518
General funds as percentage of appropriation	0%	30%	47%	16%	6%	20%	15%
Deer's Head Center							
Special funds	\$3,865,095	\$4,260,701	\$4,483,507	\$4,748,513	\$4,821,290	\$4,887,310	\$4,555,776
General funds	0	0	860,668	840,344	799,246	989,153	961,760
Total	\$3,865,095	\$4,260,701	\$5,344,175	\$5,588,857	\$5,620,536	\$5,876,463	\$5,517,536
General funds as percentage of appropriation	0%	0%	16%	15%	14%	17%	17%

Source: Department of Health and Mental Hygiene

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These reductions have been possible due to many of the same cost management strategies implemented at the hospital centers, including renegotiating purchasing and private insurance contracts. In addition to these strategies, the centers have been able to contain costs by:

- purchasing equipment to allow the center to mix renal dialysis solutions on premises: The equipment, which costs \$72,000, will allow the center to save 80% on the cost of the solution; and
- replacing reusable dialysis filters with disposable filters: Deer's Head Center has negotiated the price of the disposable filters from \$32 to less than \$10. The new filters provide better results and require substantially less staff time.

These measures were components of a strategy that allowed Deer's Head Center to return \$0.3 million to the general fund for cost containment in fiscal 2002 and \$0.6 million in fiscal 2003. With a rate increase from Medicare possible as soon as July 2004, it is possible that the centers' renal dialysis units will recover an increasing amount of the cost of dialysis treatment.

Western Maryland Center and Deer's Head Center should comment on their current financial situation and efforts to contain costs in fiscal 2005.

2. Aging Facilities Require Improvements

Western Maryland Center and Deer's Head Center, both built in the 1950s, have required certain capital improvements. Few significant improvements have been possible since 1994, when both facilities were renovated to accommodate nursing home patients. Improvements have recently been made at Deer's Head Center with operating funds; improvements are planned at Western Maryland Center with general obligation bonds.

Western Maryland Center

Western Maryland Center, located in Hagerstown, was constructed in 1957. Most urgent among its current capital needs is replacement of its heating, ventilation, and air conditioning system. The fiscal 2001 capital budget included \$0.4 million in general obligation bonds to prepare detailed plans for system replacement. Certain components of the system were original to the building and in frequent disrepair. Building ventilation was also a concern, as fan coils in each patient unit posed a threat for contamination among living units. Consultants to the project had determined that the replacement of the existing system with an all-air system, including new windows, new chiller plant, and additional electrical work, would cost \$16.5 million, with costs exacerbated by the need to minimize disruption to Western Maryland Center patients.

Given the cost of system replacement, language included in the 2001 *Joint Chairmen's Report* requested an analysis of the cost of constructing a new facility rather than replacing the heating, ventilation, and air conditioning system. The report submitted indicated that the cost of replacing the

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system approached the cost of building a new facility; subsequently all but \$0.1 million appropriated for design was deauthorized. The department is currently considering several options for the hospital center, including construction of a new 80-bed facility. The 2005 through 2009 *Capital Improvement Plan* includes \$44 million for planning and construction, with completion anticipated in fiscal 2009.

Deer's Head Center

Deer's Head Center, located in Salisbury, was constructed in 1950. The boiler system, responsible for heat and hot water was original to the building. Federal regulators inspecting the facilities in 2001 would not certify the boilers for a period longer than 24 months. Boiler replacement was estimated at \$1.5 million, with costs estimated at twice that if replaced on an emergency basis. Deer's Head Center contracted with Johnson Controls for a six-month energy efficiency review, including assessment of air conditioning, lighting, and plumbing systems. After review, Johnson Controls made the following improvements:

- replaced the boiler system;
- retrofitted lighting systems to reduce electrical costs by 30 to 40%;
- installed a non-potable well for plumbing and boiler systems; and
- installed low-volume plumbing fixtures.

These improvements, namely the boiler system replacement, produce significant savings in the fiscal 2005 budget. Five stationary engineers previously required to provide 24-hour coverage to the boiler system will no longer be needed. Electricity, gas, sewage, and maintenance costs are also expected to decline. Savings in personnel and utility costs are projected to compensate for the cost of the contract. The first repayment on the loan for the system, payable to MEA, is \$0.25 million in fiscal 2005.

Western Maryland Center and Deer's Head Center should comment on the current status of facility improvement efforts.

Recommended Actions

	<u>Amount Reduction</u>	
1. Increase turnover expectancy to 4.72%. Fiscal 2005 turnover expectancy is budgeted at 3.72%, significantly below the current 8.01% rate. This action would still provide funds sufficient to reduce the total number of vacant positions in fiscal 2005.	\$ 293,887	GF
2. Reduce funding for building and maintenance equipment. The fiscal 2005 allowance includes funds to replace a forklift and a tractor at Deer's Head Center. This action would defer purchase of one of these items until the next fiscal year.	20,000	GF
Total General Fund Reductions	\$ 313,887	

Current and Prior Year Budgets

Current and Prior Year Budgets Chronic Disease Services (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2003					
Legislative Appropriation	\$34,785	\$5,985	\$0	\$1,404	\$42,174
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	64	196	0	3	263
Cost Containment	-880	0	0	0	-880
Reversions and Cancellations	0	-473	0	-102	-575
Actual Expenditures	\$33,969	\$5,708	\$0	\$1,305	\$40,982
Fiscal 2004					
Legislative Appropriation	\$33,678	\$5,717	\$0	\$1,250	\$40,645
Cost Containment	-146	0	0	0	-146
Budget Amendments	0	0	0	0	0
Working Appropriation	\$33,532	\$5,717	\$0	\$1,250	\$40,499

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

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Fiscal 2003

The general fund appropriation increased \$13,311 for higher-than-anticipated health insurance costs. In addition, a year-end amendment realigned expenses within the department, providing a net increase of \$50,581 in general funds. Reduced expenditures for medicine and drugs were used to cover increased costs in areas such as building repairs, outpatient care, patient food, and personnel costs. Fiscal 2003 cost containment reduced the general fund appropriation for salaries and benefits by \$0.9 million due to the availability of increased patient recoveries for these purposes. Cost containment reduced the fiscal 2004 general fund appropriation for operational expenses by \$146,000.

Special funds increased \$94,351 as a result of increased donations and collections from tenants and contractual food sales. The appropriation increased an additional \$101,460 at Western Maryland Center to recognize higher-than-anticipated renal dialysis collections. Special funds were cancelled as increased appropriations for donated funds were not spent in fiscal 2003.

Reimbursable funds in the amount of \$0.1 million were cancelled because the meal contract with the Department of Juvenile Services was cancelled, resulting in lower-than-anticipated reimbursable fund attainment.

**Object/Fund Difference Report
DHMH - Chronic Disease Services**

<u>Object/Fund</u>	<u>FY03 Actual</u>	<u>FY04 Working Appropriation</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	609.00	584.30	584.30	0	0%
02 Contractual	20.95	24.75	18.49	-6.26	-25.3%
Total Positions	629.95	609.05	602.79	-6.26	-1.0%
Objects					
01 Salaries and Wages	\$ 29,552,157	\$ 28,914,737	\$ 29,530,393	\$ 615,656	2.1%
02 Technical & Spec Fees	899,882	825,792	779,683	-46,109	-5.6%
03 Communication	119,251	94,567	125,089	30,522	32.3%
04 Travel	19,774	21,416	17,757	-3,659	-17.1%
06 Fuel & Utilities	757,836	698,232	905,400	207,168	29.7%
07 Motor Vehicles	107,929	43,312	45,531	2,219	5.1%
08 Contractual Services	2,733,079	2,795,417	2,845,465	50,048	1.8%
09 Supplies & Materials	6,267,493	6,699,094	6,667,608	-31,486	-0.5%
10 Equip - Replacement	281,288	243,660	353,729	110,069	45.2%
11 Equip - Additional	175,621	79,013	99,608	20,595	26.1%
12 Grants, Subsidies, Contracts	8,762	14,289	14,289	0	0%
13 Fixed Charges	59,226	70,137	94,237	24,100	34.4%
Total Objects	\$ 40,982,298	\$ 40,499,666	\$ 41,478,789	\$ 979,123	2.4%
Funds					
01 General Fund	\$ 33,969,435	\$ 33,532,343	\$ 34,897,668	\$ 1,365,325	4.1%
03 Special Fund	5,708,046	5,716,853	5,424,896	-291,957	-5.1%
09 Reimbursable Fund	1,304,817	1,250,470	1,156,225	-94,245	-7.5%
Total Funds	\$ 40,982,298	\$ 40,499,666	\$ 41,478,789	\$ 979,123	2.4%

Note: The fiscal 2004 appropriations does not include deficiencies, and the fiscal 2005 allowance does not reflect contingent reductions.

**Fiscal Summary
DHMH - Chronic Disease Services**

<u>Unit/Program</u>	<u>FY03 Actual</u>	<u>FY04 Legislative Appropriation</u>	<u>FY04 Working Appropriation</u>	<u>FY03 - FY04 % Change</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 % Change</u>
03 Western Maryland Center	\$ 19,632,304	\$ 19,087,180	\$ 19,014,180	-3.1%	\$ 19,783,958	4.0%
04 Deer's Head Center	21,349,994	21,558,486	21,485,486	0.6%	21,694,831	1.0%
Total Expenditures	\$ 40,982,298	\$ 40,645,666	\$ 40,499,666	-1.2%	\$ 41,478,789	2.4%
General Fund	\$ 33,969,435	\$ 33,678,342	\$ 33,532,343	-1.3%	\$ 34,897,668	4.1%
Special Fund	5,708,046	5,716,852	5,716,853	0.2%	5,424,896	-5.1%
Federal Fund	0	-\$ 0	0	0.0%	0	0.0%
Total Appropriations	\$ 39,677,481	\$ 39,395,196	\$ 39,249,196	-1.1%	\$ 40,322,564	2.7%
Reimbursable Fund	\$ 1,304,817	\$ 1,250,470	\$ 1,250,470	-4.2%	\$ 1,156,225	-7.5%
Total Funds	\$ 40,982,298	\$ 40,645,666	\$ 40,499,666	-1.2%	\$ 41,478,789	2.4%

Note: The fiscal 2004 appropriations does not include deficiencies, and the fiscal 2005 allowance does not reflect contingent reductions.