

M00F06
Office of Preparedness and Response
Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$280	\$374	\$0	-\$374	-100.0%
Federal Fund	<u>22,096</u>	<u>23,357</u>	<u>23,847</u>	<u>491</u>	<u>2.1%</u>
Total Funds	\$22,376	\$23,731	\$23,847	\$117	0.5%

- The fiscal 2008 allowance keeps the Department of Health and Mental Hygiene's Office of Preparedness and Response (OPR) budget level funded with a slight increase of \$116,516, or 0.5%. Adjusting for one-time employee health insurance savings, costs increase \$249,267, or 1.1%
- OPR becomes entirely supported with federal funds in the allowance with general funds decreasing \$374,000 to zero, which is offset by a \$491,000 increase in federal funding.

Personnel Data

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>
Regular Positions	31.00	35.00	35.00	0.00
Contractual FTEs	<u>0.00</u>	<u>2.50</u>	<u>0.00</u>	<u>-2.50</u>
Total Personnel	31.00	37.50	35.00	-2.50

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	1.23	3.50%
Positions Vacant as of 12/31/06	14.00	40.00%

- As of December 31, 2006, OPR had a vacancy rate of 40.0% with 14.0 vacant positions. Since then, OPR has been focusing on recruitment efforts, and as of February 15, 2007, the department claims to have filled 6.5 of the vacant positions.
- In the fiscal 2008 allowance, regular positions remain at 35.0 positions, while the 2.5 contractual positions for OPR are deleted.

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

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Analysis in Brief

Major Trends

New Office Lacks Managing for Results (MFR) Data: OPR is new and does not have any MFR data available to assess performance. The office plans to submit MFR data related to training, National Information Management System compliance, preparedness plans, and exercises.

Issues

Maryland Rated As Not Prepared for a Public Health Emergency: In a report assessing the public health preparedness for each of the 50 states released in December 2006, Maryland received the lowest ranking. This is the fourth year that this report has been released, and each year the report assessed different aspects of public health preparedness. In the four years, Maryland has placed in the highest, average, below average, and the lowest ranking.

Recommended Actions

1. Concur with Governor's allowance.

M00F06
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Operating Budget Analysis

Program Description

The Office of Preparedness and Response (OPR) is a newly created office that oversees programs to enhance the public health preparedness activities for the State and local jurisdictions. This is the first time that all of these public health preparedness projects are being managed by a single office; however, none of OPR's functions are new to the Department of Health and Mental Hygiene (DHMH). The key aspects of the work conducted under the leadership of OPR are interagency collaboration and preparedness for public health emergencies.

The projects in OPR are federally funded through four federal grants: (1) the Centers for Disease Control and Prevention's (CDC) Public Health Preparedness and Response for Bioterrorism grant; (2) CDC Pandemic Influenza Grant; (3) CDC Cities Readiness Initiative (CRI) funding; and (4) the Health Resources and Services Administration's (HRSA) National Bioterrorism Hospital Preparedness Program.

Preparedness Planning and Readiness Assessment

CDC Public Health Preparedness and Response for Bioterrorism grant funds OPR's preparedness planning and readiness assessment project, which was created to establish a process for strategic leadership, direction, coordination, and assessment of activities to ensure readiness throughout the State. Also, the preparedness planning and readiness assessment project coordinates interagency collaboration and preparedness for bioterrorism, other outbreaks of infectious disease, and other health threats and emergencies.

Pandemic Influenza Preparedness

CDC Pandemic Influenza Grant funds all pandemic influenza preparedness activities in the State, which include developing and exercising pandemic influenza preparedness plans and upgrading State and local response capacity. The pandemic influenza preparedness plans include nine components: planning; medical surge; mass prophylaxis; isolation and quarantine; communications; epidemiological surveillance and investigation; public health laboratory; emergency public information; and community preparedness and participation.

Cities Readiness Initiative

CDC CRI funding is provided to prepare for medicating an entire urban region within 48 hours when necessary. Maryland receives funding for the Baltimore; Washington, DC; and Philadelphia regions. Specifically, the following jurisdictions receive CRI funding: Baltimore City

and Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Howard, Harford, Montgomery, and Prince George’s counties. OPR ensures that these local jurisdictions have a plan to deliver resources from Strategic National Stockpile (SNS) that is compliant with CRI guidance and with interoperable communications among local health departments (LHDs), command centers, local really simple syndication locations, police, fire, emergency personnel, and point of dispensing sites.

Maryland Bioterrorism Hospital Preparedness Program

Various hospitals throughout Maryland receive funding through the Maryland Bioterrorism Hospital Preparedness Program to develop and enhance their response capabilities. Specific areas include: medicine and vaccines; quarantine and decontamination; communications; and biological disaster drills.

Performance Analysis: Managing for Results (MFR)

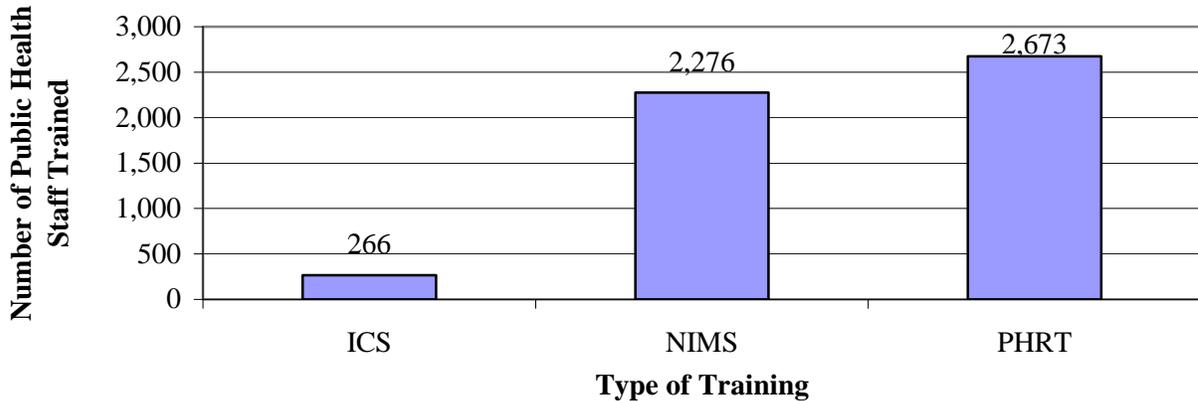
Each year agencies submit MFR data with the budget request. With OPR’s fiscal 2008 budget request, the office submitted key goals, objectives, and performance measures. However, OPR did not provide any data for these performance measures. The MFR document explains that these are new performance measures, and the data will be collected for these new measures beginning in fiscal 2007. The office plans to submit MFR data related to training, National Incident Management System (NIMS) compliance, preparedness plans, and exercises.

Public Health and Emergency Response Training

One of OPR’s goals is to maintain and improve the technical expertise in public health preparedness and emergency response through providing state-of-the-art annual training and educational opportunities for DHMH and LHD staff. LHDs are required to have the capability to field a Public Health Response Team (PHRT). Training for PHRT members requires Incident Command System, NIMS, and other response training as approved by DHMH.

OPR will measure the performance relative to this goal by the number of staff who received the required public health and emergency trainings each year. The data for September 2005 through August 2006 is shown in **Exhibit 1**.

Exhibit 1
Number of Public Health Staff Trained
September 2005-August 2006



ICS: Incident Command System
NIMS: National Incident Management System
PHRT: Public Health Response Team

Source: Department of Health and Mental Hygiene

NIMS Compliance

Another goal for OPR is to expand compliance with NIMS for the State, LHDs, and hospitals because NIMS compliance is federally mandated. NIMS provides a consistent nationwide method for federal, state, and local governments to work together to prepare for, respond to, and recover from domestic incidents, regardless of cause, size, or complexity.

OPR will measure NIMS compliance performance by the number of LHDs and hospitals that are compliant. According to OPR, currently, all LHDs are NIMS compliant. NIMS compliance is an ongoing effort as new personnel must be trained and plans must be revised to reflect lessons learned. NIMS compliance in federal fiscal 2007 consists of 23 elements, and each year the federal government anticipates needing to refine the elements of NIMS compliance.

Preparedness Plans

The federal government requires states to have a number of preparedness plans in place. **Exhibit 2** lists plans that have recently been completed or are in the process of being developed. Also, each LHD is required to develop a preparedness plan to address current and emerging public health threats specific to their jurisdiction. OPR will measure performance in this area by the number of LHDs that have completed preparedness plans. According to OPR, each jurisdiction has completed a preparedness plan that has been reviewed by OPR staff.

Exhibit 2
OPR’s Preparedness Plans

<u>Plan</u>	<u>Status</u>
Plan for Strategic National Stockpile (SNS) Distribution	Completed
Receiving, Storing, Staging Plan portion of the State SNS Plan	Completed
Statewide Evacuation Plan	Completed
Revised Pandemic Influenza Plan	Spring 2007
Addendum to the Evacuation Plan for Medical Facilities	Spring 2007
Isolation and Quarantine	Summer 2007
Surge Plan	Summer 2007

Source: Department of Health and Mental Hygiene

The State’s Pandemic Influenza Plan is currently in the process of being updated from the fifth version, which was last updated in April 2002. During the 2006 legislative session, DHMH asserted the updated plan would be public in fall 2006. That timeframe was later amended to January 2007. Now, DHMH is saying that the updated plan will be completed in spring 2007. **The department should explain to the committees the cause for delay in the completion of the State’s updated Pandemic Influenza Plan. Also, the department should provide the committees with a status on the updated plan.**

Exercises

OPR is required to conduct regular exercises and drills in coordination with LHDs that are designed to test and assess the strengths and weaknesses of the State’s public health preparedness. Specifically, OPR and LHDs are required to exercise at least some components of their respective public health preparedness plan and the Pandemic Influenza Plan annually. In the past year, OPR conducted a tabletop and a modified functional exercise to test response to pandemic influenza and SNS distribution. A statewide functional exercise is planned for summer 2007, which will include participation from OPR, LHDs, and various health care facilities. **The department should discuss the results of the tabletop and modified functional exercises conducted over the past year to give the committees a better idea of the State’s public health preparedness.**

Governor’s Proposed Budget

As shown in **Exhibit 3**, OPR’s budget is level funded from the fiscal 2007 working appropriation to the fiscal 2008 allowance with a minimal increase of \$116,516, or 0.5%. However, the actual cost of the allowance is masked by the use of one-time health insurance savings to fund retiree health insurance costs. OPR’s underlying costs are increasing \$249,267, or 1.1%.

The \$374,000 in general funds included in the fiscal 2007 working appropriation is eliminated in the fiscal 2008 allowance, which makes OPR entirely supported with federal funds. The decrease in general funds is offset by a \$491,000 increase in federal funds.

Exhibit 3
Governor’s Proposed Budget
DHMH – Office of Preparedness and Response
(\$ in Thousands)

How Much It Grows:	General Fund	Federal Fund	Total
2007 Working Appropriation	\$374	\$23,357	\$23,731
2008 Governor’s Allowance	<u>0</u>	<u>23,847</u>	<u>23,847</u>
Amount Change	-\$374	\$491	\$117
Percent Change	-100.0%	2.1%	0.5%

Where It Goes:

Personnel Expenses

Salary increments	\$52
Retirement	40
Turnover adjustments	5
Health insurance costs decline due to one-time savings	-75
Other fringe benefits	16

Other Changes

CDC Pandemic Influenza funding to local health departments	1,837
CDC Cities Readiness Initiative funding to local health departments	1,103
Hospital preparedness required drills and exercises	596
Cost of updating critical communications equipment	198
Data processing equipment and software	79
Preventive medication for public health staff	74
Increased cost of office supplies and equipment for the Pandemic Influenza Program ...	68
Pandemic Influenza Program staff travel for presentations and trainings	55
Hospital preparedness education and training	44
Printing and communications costs	33
One-time collaborations with community stakeholders	-109
Contractual payments for the 2.5 deleted contractual positions	-123
Federal reduction to HRSA Hospital Preparedness grant to local health departments	-1,011
Elimination of the federal Department of Justice grant	-1,060

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Where It Goes:

Federal reduction to CDC Public Health Preparedness and Response for Bioterrorism funding to the local health departments.....	-1,709
Other	4
Total	\$117

CDC: Centers for Disease Control and Prevention
HRSA: Health Resources and Services Administration

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

Personnel

Personnel costs are shown increasing \$37,000 in Exhibit 3, but the actual increase to the cost of personnel is \$133,000. OPR’s retiree health insurance premiums are projected to cost \$95,000 in fiscal 2008, but a portion of the insurance premiums are going to be funded with health insurance savings from previous fiscal years. Therefore, the funds are not included in OPR’s allowance.

As of December 31, 2006, OPR had a vacancy rate of 40.0% with 14 vacant positions. Recently, OPR has been focusing on recruitment efforts, and as of February 15, 2007, the department claims to have filled 6.5 of the vacant positions bringing the vacancy rate to 21.4%. **The department should comment on specific efforts to ensure that the vacant positions in OPR are filled and the vacancy rate is brought down to a reasonable level.**

Pandemic Influenza Preparedness

OPR received \$1.8 million in increased federal funding to provide grants to LHDs for pandemic influenza preparedness in fiscal 2008 for the first year of a three-year strategic plan to improve pandemic influenza readiness. One goal of the plan is to build capacity to vaccinate every man, woman, and child within six months of a pandemic outbreak. Other goals are to expand surveillance and detection capabilities, as well as to improve the ability to prepare for, communicate during, respond to, and contain a potential pandemic influenza outbreak.

Cities Readiness Initiative

Fiscal 2008 is the first State fiscal year with significant CDC CRI funding, which causes the CRI program funding to increase by \$1.1 million in the allowance. Local jurisdictions in the Baltimore; Washington, DC; and Philadelphia metro regions receive 99% of CRI funding to prepare for medicating an entire urban region within 48 hours when necessary. The following jurisdictions receive CRI funding: Baltimore City and Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Howard, Harford, Montgomery, and Prince George’s counties.

Department of Justice Grant

For the past three years, DHMH has received funding from the Department of Justice to enhance surveillance infrastructure and capacity so that the State may better assess and assist in the detection and verification of naturally occurring or deliberately induced catastrophic health events. Also, OPR used the funds to improve security and technology infrastructure that provides real time secured communications. The grant funding ends May 2007 causing OPR's fiscal 2008 allowance to decrease by \$1.1 million.

Issues

1. Maryland Rated As Not Prepared for a Public Health Emergency

The Trust for America’s Health, a nonprofit organization dedicated to disease prevention, issued a December 2006 report titled *Ready or Not? Protecting the Public’s Health from Disease, Disaster, and Bioterrorism*. The report assessed readiness in each of the 50 states according to 10 indicators of emergency response capabilities. This is the fourth year in a row that this report has been released, but each year the Trust for America’s Health has assessed different aspects of public health preparedness.

The general findings for the 2006 report were that five years after the September 11 and anthrax tragedies emergency health preparedness is still inadequate in America. Maryland received the lowest ranking in the 2006 report because the State received a passing grade on only 4 out of the 10 indicators in the study. Only 3 other states, California, Iowa, and New Jersey were equally unprepared based on the 10 indicators used in 2006. Maryland’s preparedness scores are detailed in **Exhibit 4**.

Exhibit 4 Trust for America’s Health 2006 Preparedness Indicators

<u>Passed</u>	<u>Failed</u>
Has enough lab scientists to test for anthrax or plague (46 states and Washington, DC passed)	Achieved “green” status for Strategic National Stockpile Delivery (15 states passed)
Has year round lab-based influenza surveillance (46 states and Washington, DC passed)	Has sufficient BSL-3 labs to meet bioterrorism preparedness needs as outlined in the state plan (39 states passed)
Compatible with CDC’s National Electronic Disease Surveillance System (38 states passed)	Has two weeks of hospital bed surge capacity for moderate pandemic (25 states and Washington, DC passed)
State spending on public health increased or was maintained (44 states and Washington, DC passed)	Increased or maintained seasonal flu vaccination rate for adults over age 65 (37 states and Washington, DC passed)
	At or above national median for number of adults over age 65 who have ever received a pneumonia vaccination (26 states passed)
	Does not have a nursing workforce shortage (10 states passed)

BSL-3: Bio-safety level 3

Source: Trust for America’s Health

The 2006 report put greater emphasis on the pandemic influenza, which occurs when an influenza virus mutates into a potentially deadly version that can be transmitted between humans. Maryland's low score was caused in part by vaccination rates and the nursing shortage. Four of the 10 indicators focused on surge capacity capabilities and immunization programs, and the report found that half the states, including Maryland, would run out of hospital beds within two weeks of a moderately severe pandemic influenza outbreak.

Three years ago, Maryland was ranked among the best prepared states according to the same report, but at the time the Trust for America's Health was focusing more on readiness to confront a bioterrorism attack. The 2003 and 2004 reports were focused on bioterrorism and in those years Maryland ranked the highest in 2003 and average in 2004. In 2005, the report began to include indicators on preparedness for disease and disasters and, in 2005, Maryland ranked below average.

Bio-safety Level 3 (BSL-3) Labs

In all four years the report assessed bioterrorism laboratory capacity as required by the State's bioterrorism preparedness plan, and Maryland did not receive points in any of the years. Bioterrorism lab capacity includes having enough equipment and staff to safely handle "infectious agents that may cause serious or potentially lethal disease as a result of exposure" via inhalation. In 2003, six states had enough BSL-3 labs to handle a public health emergency, and in 2006, 39 states had sufficient BSL-3 labs.

DHMH has been trying to address the issue of insufficient BSL-3 laboratory space by requesting funding through the capital budget to construct a new public health laboratory. In the 2006 Maryland Consolidated Capital Bond Loan Program, DHMH received funding for initial design of the new public health laboratory. However, the 2007 Maryland Consolidated Capital Bond Loan Program deauthorizes the appropriation, and capital funding for the new public health laboratory has been pushed back in the *Capital Improvement Program* until fiscal 2010. According to this funding schedule, the construction of the new public health laboratory will not be complete until 2015.

Strategic National Stockpile Delivery

States' ability to delivery resources from SNS was rated in three out of the four years, and in all three years Maryland did not receive points. SNS is a national repository of antibiotics, chemical antidotes, antitoxins, various pharmaceuticals, and other medical supplies and equipment to be used in the event of a terrorist attack or major national disaster. The stockpile is kept at undisclosed locations throughout the country that can be delivered anywhere within the United States in 12 hours. Only 15 states, not including Maryland, received points for the plan to distribute vaccines and supplies from the federal government's SNS, which means most states are not able to distribute medication and medical supplies rapidly enough to respond to emergencies.

Hospital Bed Surge Capacity

One of the most tangible and immediate impacts of an influenza pandemic would be on the health care delivery sectors. Patients would rapidly fill existing hospital beds and cause a surge in demand for critical medicines and equipment, such as antivirals, ventilators, and protective masks. The report measured surge capacity with the indicator of whether states have two weeks worth of hospital beds to handle a moderate pandemic, which is defined as lasting for at least eight weeks and peaking at five weeks because that is roughly the halfway point between the severe 1918 pandemic outbreak and the mild 1968 pandemic outbreak.

The 2006 report found that 181% of Maryland's hospital bed capacity would be reached within two weeks of a moderate influenza pandemic. Only three states (Connecticut, Delaware, and Rhode Island) were found to have higher bed capacity utilization than Maryland, and 25 states, including Washington, DC, have surge capacity to accommodate two weeks of an outbreak of a moderately severe pandemic influenza. Since Washington, DC has a higher than required hospital bed capacity, as defined in this report, Maryland could use Washington, DC hospital beds for potential spill over.

The department should comment on the work being done in the areas of weakness identified in the report, specifically addressing the issues of bio-safety level 3 labs, the Strategic National Stockpile delivery, and hospital bed surge capacity.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets DHMH – Office of Preparedness and Response (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$0	\$0	\$0	\$0	\$0
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Reversions and Cancellations	0	0	0	0	0
Actual Expenditures	\$0	\$0	\$0	\$0	\$0
Fiscal 2007					
Legislative Appropriation	\$0	\$0	\$0	\$0	\$0
Budget Amendments	374	0	23,357	0	23,731
Working Appropriation	\$374	\$0	\$23,357	\$0	\$23,731

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

Fiscal 2006 and 2007

DHMH established the Office of Preparedness and Response in January 2006 to manage all of DHMH's emergency preparedness activities. The Office of Preparedness and Response did not receive a legislative appropriation for fiscal 2007, but DHMH transferred the fiscal 2007 emergency preparedness appropriations from the Community Health Administration (\$23.6 million) and DHMH's Executive Direction (\$172,000) to the Office of Preparedness and Response. The funds will be expended through the new office in the same objects and for the same purpose as originally budgeted.

**Object/Fund Difference Report
DHMH – Office of Preparedness and Response**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	31.00	35.00	35.00	0	0%
02 Contractual	0	2.50	0	-2.50	-100.0%
Total Positions	31.00	37.50	35.00	-2.50	-6.7%
Objects					
01 Salaries and Wages	\$ 2,013,881	\$ 2,606,243	\$ 2,643,689	\$ 37,446	1.4%
02 Technical and Spec. Fees	6,188	122,968	5,571	-117,397	-95.5%
03 Communication	71,467	69,688	53,913	-15,775	-22.6%
04 Travel	45,890	124,507	179,460	54,953	44.1%
07 Motor Vehicles	258	0	0	0	0.0%
08 Contractual Services	11,169,931	12,049,607	12,935,576	885,969	7.4%
09 Supplies and Materials	101,364	20,223	151,941	131,718	651.3%
10 Equip – Replacement	695	0	39,896	39,896	n/a
11 Equip – Additional	320,720	0	216,849	216,849	n/a
12 Grants, Subsidies, and Contributions	8,644,609	8,737,589	7,617,742	-1,119,847	-12.8%
13 Fixed Charges	664	0	2,704	2,704	n/a
Total Objects	\$ 22,375,667	\$ 23,730,825	\$ 23,847,341	\$ 116,516	0.5%
Funds					
01 General Fund	\$ 279,945	\$ 374,130	\$ 0	-\$ 374,130	-100.0%
05 Federal Fund	22,095,722	23,356,695	23,847,341	490,646	2.1%
Total Funds	\$ 22,375,667	\$ 23,730,825	\$ 23,847,341	\$ 116,516	0.5%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

Fiscal Summary
DHMH – Office of Preparedness and Response

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
W101 CDC Base Grant	\$ 12,904,814	\$ 11,777,364	\$ 10,326,321	-\$ 1,451,043	-12.3%
W110 CDC Pandemic Influenza	219,636	2,133,012	4,020,014	1,887,002	88.5%
W120 CDC City Readiness Initiative	0	26,754	1,123,508	1,096,754	4099.4%
W201 HRSA Hospital Preparedness	8,936,965	8,733,526	8,377,498	-356,028	-4.1%
W301 Medical Reserve Corps	25,734	0	0	0	0%
W497 DOJ Grant	288,518	1,060,169	0	-1,060,169	-100.0%
Total Expenditures	\$ 22,375,667	\$ 23,730,825	\$ 23,847,341	\$ 116,516	0.5%
General Fund	\$ 279,945	\$ 374,130	\$ 0	-\$ 374,130	-100.0%
Federal Fund	22,095,722	23,356,695	23,847,341	490,646	2.1%
Total Appropriations	\$ 22,375,667	\$ 23,730,825	\$ 23,847,341	\$ 116,516	0.5%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.