

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

Operating Budget Data

(\$ in Thousands)

	<u>FY 10</u> <u>Actual</u>	<u>FY 11</u> <u>Working</u>	<u>FY 12</u> <u>Allowance</u>	<u>FY 11-12</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$240	\$494	0	-\$494	-100.0%
Contingent & Back of Bill Reductions	0	0	0	0	
Adjusted Special Fund	\$240	\$494	\$0	-\$494	-100.0%
Federal Fund	35,130	20,634	17,406	-3,229	-15.6%
Contingent & Back of Bill Reductions	0	0	-25	-25	
Adjusted Federal Fund	\$35,130	\$20,634	\$17,380	-\$3,254	-15.8%
Adjusted Grand Total	\$35,370	\$21,129	\$17,380	-\$3,748	-17.7%

- The fiscal 2012 budget for the Office of Preparedness and Response includes \$5.2 million in federal funds for deficiency appropriations. Additional funds were needed for public health emergency preparedness activities (\$3.5 million), national bioterrorism hospital preparedness activities (\$1.6 million), advance registration of volunteer health professional activities (\$33,820), and medical reserve corps activities (\$10,000).
- The federal fund allowance is \$3.7 million less than the fiscal 2011 working appropriation. This decrease is largely due to one-time H1N1 (influenza prevention) federal funding available only in fiscal 2011.

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

For further information contact: Erin K. McMullen

Phone: (410) 946-5530

Personnel Data

	<u>FY 10 Actual</u>	<u>FY 11 Working</u>	<u>FY 12 Allowance</u>	<u>FY 11-12 Change</u>
Regular Positions	26.00	26.00	26.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	26.00	26.00	26.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.04	4.00%
Positions and Percentage Vacant as of 12/31/10	6.00	23.08%

- There is no change in the number of regular or contractual positions at the Office of Preparedness and Response.
- As of December 31, 2010, the agency had 6 vacant positions.

Analysis in Brief

Major Trends

Expertise in Public Health Preparedness: In fiscal 2010, 95% of staff at local health departments received the required public health and emergency response trainings.

Expanding Compliance with the National Incidence Management System: In fiscal 2010, 98% of hospitals and local health departments were in compliance with the National Incidence Management System.

Local Health Department Operational Preparedness Plans: In fiscal 2010, 100% of local health departments completed preparedness related operational plans.

Issues

Public Health Preparedness: In a national assessment of public health preparedness, Maryland received 9 out of 10 possible points.

Recommended Actions

1. Concur with Governor's allowance.

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

Operating Budget Analysis

Program Description

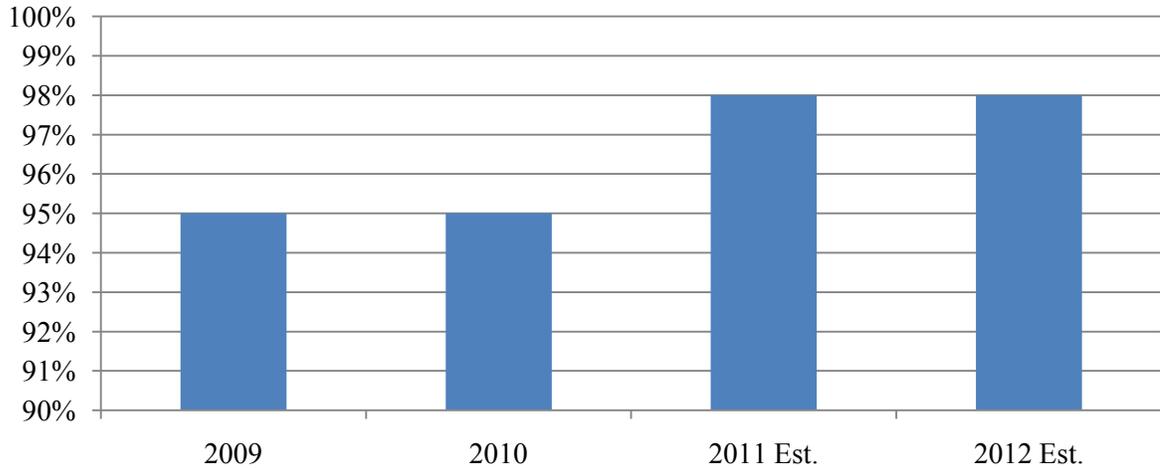
The Office of Preparedness and Response (OPR) oversees programs focused on enhancing the public health preparedness activities for the State and local jurisdictions. The key aspects of the work conducted under the leadership of OPR are interagency collaboration and preparedness for public health emergencies. The projects in OPR are federally funded through (1) the Centers for Disease Control and Prevention's (CDC) Public Health Preparedness and Response for Bioterrorism Grant; (2) the CDC Pandemic Influenza Grant; (3) the CDC Cities Readiness Initiative (CRI) and (4) the Department of Health and Human Services' National Bioterrorism Hospital Preparedness Program.

Performance Analysis: Managing for Results

OPR strives to maintain and improve its technical expertise in public health preparedness and emergency response by providing local health department staff with relevant state-of-the-art training and continuous education opportunities. OPR works closely with CDC and other federal agencies, as well as local colleges and universities, to develop training to enhance the skills of the public health workforce responsible for responding to public health emergencies. **Exhibit 1** shows that 95% of staff received the required public health and emergency response trainings. OPR has set a maximum goal of 98% of local health departments (LHD) staff being trained to account for turnover in fiscal 2011.

It is federally mandated that staff supported by federal preparedness grants demonstrate compliance in the National Incident Management System (NIMS), which provides a template for government, nongovernmental organizations, and private sector organizations to work to prevent, protect against, respond to, and mitigate the effects of incidents in order to reduce the loss of life and property and harm to the environment. Therefore, OPR provides easy access to the online NIMS training and works with other State agencies, LHDs, hospitals, and other partners to provide on site training. OPR also attempts to assure that all training provided to public health and healthcare staff is compliant with NIMS requirements. OPR aims to expand compliance with NIMS from its partners at State and local levels, including hospitals. In fiscal 2010, 98% of LHDs and hospitals were NIMS compliant in fiscal 2010 as shown in **Exhibit 2**. The agency estimates 100% of LHDs and hospitals will be NIMS compliant in fiscal 2011.

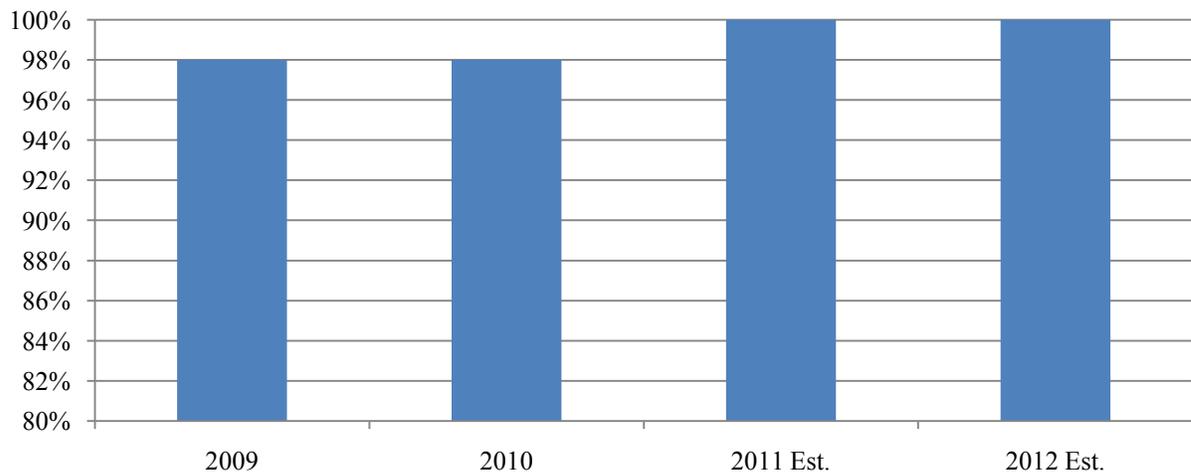
Exhibit 1
Percentage of LHD Staff with Public Health and Emergency Response Training
Fiscal 2009-2012



LHD: local health departments

Source: Department of Health and Mental Hygiene

Exhibit 2
Percentage of LHDs and Hospitals That Are NIMS Compliant
Fiscal 2009-2012



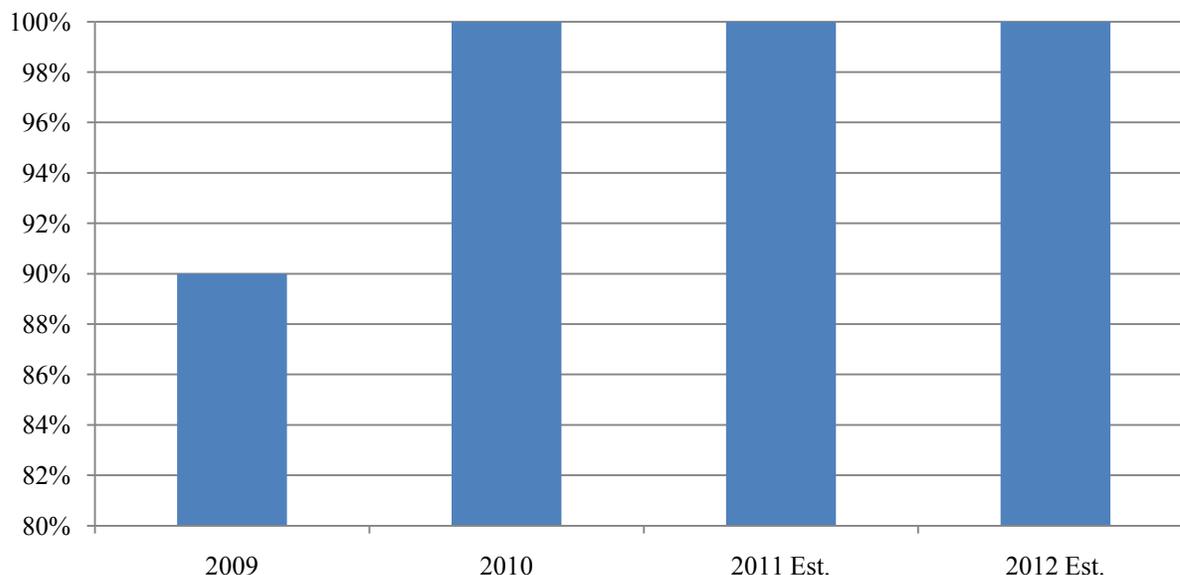
LHDs: local health departments

NIMS: National Incident Management System

Source: Department of Health and Mental Hygiene

Through OPR’s assistance, LHDs develop and implement operational preparedness plans and programs to address current and emerging public health threats. **Exhibit 3** shows 100% of LHD completed and exercised preparedness-related operation plans in fiscal 2010. In fiscal 2011, OPR will begin similar preparedness planning in health and medical regions. OPR estimates 50% of medical regions will be conducting preparedness planning on a regional level in fiscal 2011. **The agency should update the committees on its progress in meeting this goal and specific examples of the regional planning that will occur.**

Exhibit 3
Percentage of LHDs That Completed and Exercised Preparedness-related Operational Plans
Fiscal 2009-2012



LHDs: local health departments

Source: Department of Health and Mental Hygiene

Fiscal 2011 Actions

Proposed Deficiency

The fiscal 2012 budget includes \$5,187,103 in deficiency appropriations for OPR. Funds were necessary to supplement the appropriation for fiscal 2011 to provide support for public health emergency preparedness activities (\$3,527,035), national bioterrorism hospital preparedness activities

(\$1,616,248), registration of volunteer health professionals (\$33,820), and medical reserve corps registration (\$10,000).

Proposed Budget

The fiscal 2012 budget for OPR, as shown in **Exhibit 4**, totals \$17.4 million. This is \$3.7 million less than the fiscal 2011 working appropriation. Federal funds and special funds are decreasing by \$3.25 million and \$494,000, respectively.

Impact of Cost Containment

The fiscal 2012 budget reflects several across-the-board actions. In fiscal 2012, OPR's share of the reduction is \$9,468 in federal funds for changes in employee health insurance. Reductions contingent upon statutory changes include \$15,669 in federal funds for retiree prescription drug benefits. One position at OPR was abolished under the Voluntary Separation Program; additional reductions will be implemented by the agency.

Personnel

Accounting for Back of the Bill reductions, personnel expenditures decrease by \$50,000. Regular employee earnings, including the restoration of furlough reductions, decrease by \$38,000 due to the high vacancy rate at OPR. Funds for turnover adjustments, overtime earnings, and Social Security contributions also decrease by \$36,000, \$5,000, and \$4,000, respectively. These decreases are offset by increased funding for the retirement system (\$17,000). Funds for health insurance, for both employees and retirees, after Back of the Bill estimated reductions, increases by \$15,000.

As of December 31, 2010, OPR had a vacancy rate of 23.08% with 6 vacant positions. **The department should comment on specific efforts to ensure that the vacant positions in OPR are filled and the vacancy rate is reduced.**

Exhibit 4
Proposed Budget
DHMH – Office of Preparedness and Response
(\$ in Thousands)

How Much It Grows:	<u>Special</u>	<u>Federal</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	
2011 Working Appropriation	\$494	\$20,634	\$21,129
2012 Allowance	<u>0</u>	<u>17,406</u>	<u>17,406</u>
Amount Change	-\$494	-\$3,229	-\$3,723
Percent Change	-100.0%	-15.6%	-17.6%
Contingent Reductions	\$0	-\$25	-\$25
Adjusted Change	-\$494	-\$3,254	-\$3,748
Adjusted Percent Change	-100.0%	-15.8%	-17.7%

Where It Goes:

Personnel Expenses

Employee retirement	17
Employee and retiree health insurance (net of contingent and across-the-board reductions)	15
Worker’s compensation	1
Social Security contributions	-4
Overtime earnings	-5
Turnover adjustments.....	-36
Regular employee earnings (including the restoration of furlough reductions).....	-38

Other Changes

Cities Readiness Initiative.....	461
Cities Readiness Initiative Monitoring.....	-130
Medicine and drugs for pandemic influenza (special funds)	-494
HRSA Hospital Preparedness	-845
One-time H1N1 planning and response funds	-2,646
Other	-44

Total **- \$3,748**

HRSA: Health Resources and Services Administration

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

Cities Readiness Initiative

The fiscal 2012 appropriation includes an additional \$461,000 for CRI. CRI is a CDC grant, awarded to Maryland to support the major metropolitan areas' responses to an anthrax attack. There are 13 counties which operate in three separate but interoperable CRI regions: the National Capital Region, Baltimore-Towson Statistical Area, and Cecil County, which is a part of the Philadelphia Metropolitan Statistical area. Funding for this project ensures that each jurisdiction has the regional capabilities to staff and operate mass dispensing sites in the event of an anthrax attack. This \$461,000 increase is offset by a \$130,000 decrease in funds for monitoring CRI activities.

Other Changes

Funding for H1N1 planning and response decreased by \$2.6 million. These funds were available in fiscal 2011 through one-time grants, which are no longer available in fiscal 2012. Special funds also decrease by \$494,000. Special funds were available through the Baltimore County Public School system to purchase antiviral medications for pandemic influenza. Other reductions include \$845,000 for Maryland's Bioterrorism Hospital Preparedness Program. These funds were used to enhance the medical surge capabilities of the 46 acute care hospitals in Maryland as well as 20 community health care facilities and the National Capital Poison Center.

Issues

1. Public Health Preparedness

The Trust for America's Health, a nonprofit organization dedicated to disease prevention, issued its annual report *Ready or Not? Protecting the Public's Health from Disease, Disaster and Bioterrorism* in December 2010. The report assessed the readiness in each of the 50 states and the District of Columbia according to 10 key health indicators of public health emergency preparedness. This is the eighth consecutive year this report has been released; however, some indicators change from year to year.

The general findings from the 2010 report were that the high scores exhibited by states reflect nearly 10 years of progress to improve how the nation prevents, identifies, and contains new disease outbreaks, bioterrorism threats, and responses to natural disasters. However, this progress is severely threatened by budget cuts at the federal, state, and local levels that have eroded the public health workforce. Maryland, along with 10 other states, received 9 out of 10 possible points for its public health preparedness. Only 3 states received the full 10 points. Maryland received 1 point for achieving each of the following indicators:

- sending and receiving electronic health information to health care providers and community health centers;
- having an electronic disease surveillance system;
- acknowledging pre-identified staff of emergency exercises or incidents within the target time of 60 minutes at least twice during 2007 to 2008;
- activating the emergency operations center as part of a drill, exercise, or real incident a minimum of two times in 2007 to 2008;
- developing two After-Action Report/Improvement Plans after an exercise or real incident during 2007 to 2008;
- requiring all licensed child care facilities to have a multi-hazard written evacuation and relocation plan;
- rapidly identifying disease-causing E.coli and submitting results within four working days 90% of the time;

- ensuring that the public health laboratory has enough staffing capacity to work five 12-hour days for six to eight weeks; and
- maintaining or increasing the Laboratory Response Network for Chemical Threat capabilities.

Maryland lost one point for not increasing or maintaining the level of funding for public health services from fiscal 2009 to 2010. Along with 32 other states and the District of Columbia, Maryland decreased public health services in this time period. In addition, Maryland was one of 18 states that cut this funding for the second year in a row. Nationally, the reductions taken from fiscal 2009 to 2010 ranged from 0.3 to 24.5%. Maryland’s reduction in this time period was 17.2%. **Exhibit 5** shows the states, including Maryland, in which funding for public health decreased.

Exhibit 5
States Reducing Public Health Funding
Fiscal 2009-2010

<u>State</u>	<u>Percent of Decrease</u>	<u>State</u>	<u>Percent of Decrease</u>
Virginia	-0.3	New Mexico	-9.5
North Carolina	-2.2	Kansas	-10.1
Vermont	-2.5	Michigan	-11.2
Illinois	-2.6	Connecticut	-11.3
Wyoming	-2.8	Minnesota	-12.0
Nevada	-3.6	Iowa	-13.1
Oklahoma	-3.6	South Carolina	-14.6
Utah	-3.7	Florida	-14.9
Oregon	-3.9	Missouri	-15.4
Rhode Island	-4.0	Massachusetts	-15.7
Idaho	-4.7	Wisconsin	-15.7
New Jersey	-5.3	Maryland*	-17.2
New York	-6.7	District of Columbia	-18.3
Colorado	-7.5	Delaware	-18.5
Tennessee	-8.3	Pennsylvania	-21.0
California	-8.5	Arizona	-23.3
Mississippi	-8.9	Georgia	-34.5

*Includes general funds only

Note: Public health is defined broadly to include all health spending with the exception of Medicaid, the State Children’s Health Insurance Program, or comparable health coverage programs for low-income residents. Also not included were federal funds; funds for behavioral health; Women, Infants, and Children food program funds; services related to developmental disabilities or severely disabled persons; and State-sponsored pharmaceutical programs.

Source: Trust for America’s Health

M00F06 – DHMH – Office of Preparedness and Response

Ultimately, very few states, including Maryland, allocate funds directly for bioterrorism and public health preparedness as part of their public health budgets. Instead, most rely on federal funds to support these activities. **The agency should comment on how reductions in federal funding for emergency preparedness have impacted the State.**

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 2010					
Legislative Appropriation	\$0	\$0	\$18,591	\$0	\$18,591
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	989	25,832	0	26,821
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	-749	-9,293	0	-10,041
Actual Expenditures	\$0	\$240	\$35,130	\$0	\$35,370
Fiscal 2011					
Legislative Appropriation	\$0	\$494	\$20,634	\$0	\$21,129
Budget Amendments	0	0	0	0	0
Working Appropriation	\$0	\$494	\$20,634	\$0	\$21,129

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

Fiscal 2010

The budget for OPR closed at \$35.4 million in fiscal 2010, a \$16.8 million increase over the legislative appropriation, primarily due to an increase in federal funds.

Federal funds increased by a total of \$25.8 million, which is mostly attributable to H1N1 vaccination activities (\$16 million) and emergency preparedness activities, including H1N1 planning and the purchase of medical supplies (\$12.9 million). These increases were offset by a decrease in the federal fund appropriation to redistribute funds within the Department of Health and Mental Hygiene for bioterrorism hospital preparedness (\$1.2 million); the Maryland's Children Health Program (\$1.7 million); and for medical assistance programs (\$256,726). One amendment also increased the special fund appropriation to purchase antiviral vaccines (\$988,802).

Finally, \$0.7 million in special fund appropriation was cancelled due to less than anticipated antiviral drug purchases. Federal funds were cancelled due to less than anticipated expenditures for H1N1 and emergency preparedness activities (\$9.3 million)

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

<u>Object/Fund</u>	<u>FY 10 Actual</u>	<u>FY 11 Working Appropriation</u>	<u>FY 12 Allowance</u>	<u>FY 11 - FY 12 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	26.00	26.00	26.00	0.00	0%
Total Positions	26.00	26.00	26.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 2,107,730	\$ 2,226,009	\$ 2,200,881	-\$ 25,128	-1.1%
02 Technical and Spec. Fees	212	0	0	0	0.0%
03 Communication	185,170	97,072	103,572	6,500	6.7%
04 Travel	33,970	113,614	33,516	-80,098	-70.5%
06 Fuel and Utilities	14,091	0	19,738	19,738	N/A
08 Contractual Services	24,490,321	12,905,531	10,392,057	-2,513,474	-19.5%
09 Supplies and Materials	1,657,168	535,871	162,521	-373,350	-69.7%
10 Equipment – Replacement	411,938	0	0	0	0.0%
11 Equipment – Additional	2,092,068	106,200	200,000	93,800	88.3%
12 Grants, Subsidies, and Contributions	4,211,719	4,989,228	3,971,114	-1,018,114	-20.4%
13 Fixed Charges	166,108	155,362	322,175	166,813	107.4%
Total Objects	\$ 35,370,495	\$ 21,128,887	\$ 17,405,574	-\$ 3,723,313	-17.6%
Funds					
01 General Fund	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
03 Special Fund	240,157	494,401	0	-494,401	-100.0%
05 Federal Fund	35,130,338	20,634,486	17,405,574	-3,228,912	-15.6%
Total Funds	\$ 35,370,495	\$ 21,128,887	\$ 17,405,574	-\$ 3,723,313	-17.6%

Note: The fiscal 2011 appropriation does not include deficiencies. The fiscal 2012 allowance does not include contingent reductions.