

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

Operating Budget Data

(\$ in Thousands)

	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Working</u>	<u>FY 13</u> <u>Allowance</u>	<u>FY 12-13</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Federal Fund	\$25,145	\$17,402	\$15,830	-\$1,572	-9.0%
Adjusted Federal Fund	\$25,145	\$17,402	\$15,830	-\$1,572	-9.0%
Adjusted Grand Total	\$25,145	\$17,402	\$15,830	-\$1,572	-9.0%

- There are three proposed deficiencies for fiscal 2012 to provide funds for Medical Reserve Corps activities (\$15,000); Prince George’s County Hospital for emergency preparedness upgrades (\$2,413,176); and purchase of an Inventory Management and Tracking System (\$101,986).
- The fiscal 2013 allowance is decreasing by \$1.6 million, or 9.0%. However, after accounting for deficiency appropriations, the budget is actually decreasing by \$4.1 million.

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

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Personnel Data

	<u>FY 11 Actual</u>	<u>FY 12 Working</u>	<u>FY 13 Allowance</u>	<u>FY 12-13 Change</u>
Regular Positions	24.00	23.00	23.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	24.00	23.00	23.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.46	2.00%
Positions and Percentage Vacant as of 12/31/11	3.00	13.04%

- There is no change in the number of regular or contractual positions at the Office of Preparedness and Response.
- As of December 31, 2011, the agency had 3 vacant positions.

Analysis in Brief

Major Trends

Expertise in Public Health Preparedness: In fiscal 2011, 98% 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, 100% 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

Federal Aid Issues and Public Health Preparedness: In September 2011, the Centers for Disease Control and Prevention (CDC) issued its annual report *Public Health Preparedness: State-by-State Update on Laboratory Capabilities and Response Readiness Planning*. To ensure readiness, CDC conducts annual technical assistance reviews of state plans. In 2010, Maryland received an overall score of 96 out of 100 possible points despite recent reductions in federal funds. However, the federal sequestration process may further reduce federal aid to the Office of Preparedness and Response.

Recommended Actions

1. Concur with Governor's allowance.

M00F06 – DHMH – Office of Preparedness and Response

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

Operating Budget Analysis

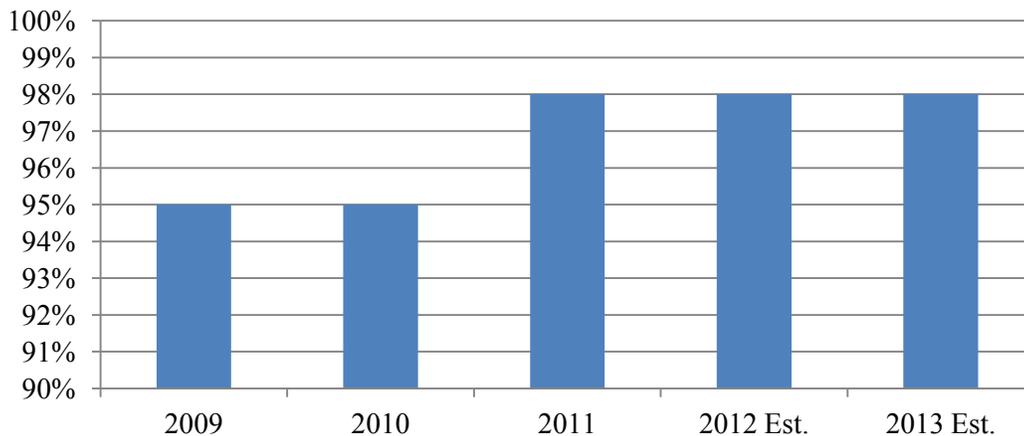
Program Description

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 Cities Readiness Initiative (CRI) and (3) the Department of Health and Human Services’ (DHHS) 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 (LHD) 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 98% of staff received the required public health and emergency response trainings in fiscal 2011.

Exhibit 1
Percentage of LHD Staff with Public Health and Emergency Response Training
Fiscal 2009-2013

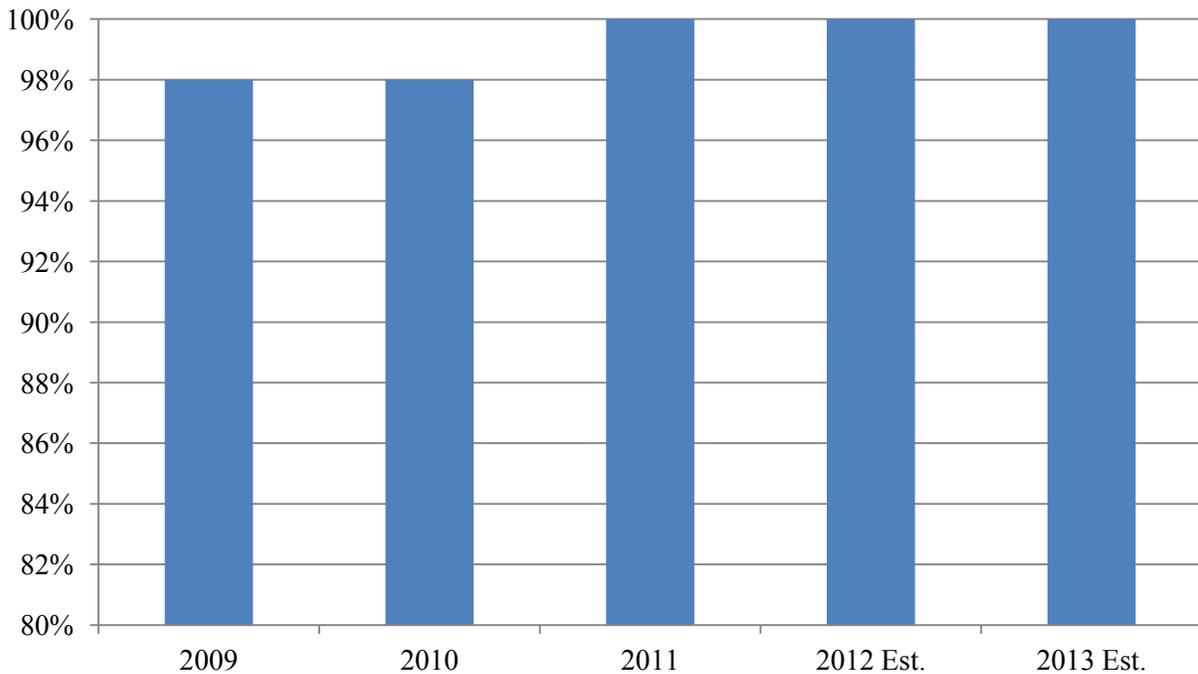


LHD: local health department

Source: Department of Health and Mental Hygiene

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 onsite training. OPR also attempts to assure that all training provided to public health and healthcare staff is compliant with NIMS requirements. In fiscal 2011, 100% of LHDs and hospitals were NIMS compliant, as shown in **Exhibit 2**.

Exhibit 2
Percentage of LHDs and Hospitals That Are NIMS Compliant
Fiscal 2009-2013

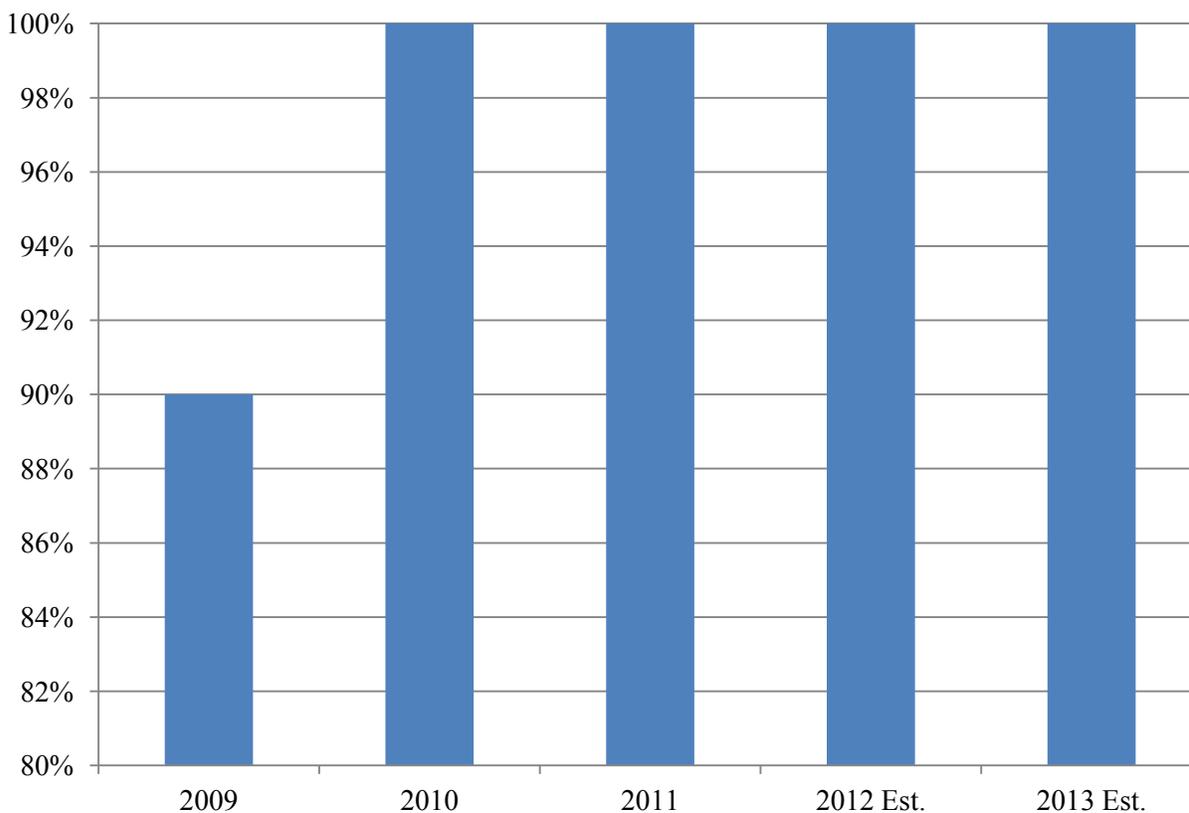


LHDs: local health departments
NIMS: National Incident Management System

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 2011.

Exhibit 3
Percentage of LHDs That Completed and Exercised
Preparedness-related Operational Plans
Fiscal 2009-2013



LHDs: local health departments

Source: Department of Health and Mental Hygiene

Fiscal 2012 Actions

Proposed Deficiency

There are three proposed deficiencies for fiscal 2012 to provide funds for Medical Reserve Corps activities (\$15,000); Prince George’s County Hospital for emergency preparedness upgrades (\$2,413,176); and enhancement of the Inventory Management and Tracking System (\$101,986).

Other Action

Section 47 of the fiscal 2012 budget bill required the Governor to abolish 450 positions as of January 1, 2012. OPR’s share of the reduction was 1 position. The annualized salary savings due to the abolition of this position is expected to be \$57,840 in federal funds.

Proposed Budget

The fiscal 2012 budget for OPR, as shown in **Exhibit 4**, totals \$15.8 million. This is \$1.6 million less than the fiscal 2012 working appropriation. However, after accounting for deficiencies, the budget is actually decreasing by \$4.1 million.

Personnel

Personnel expenses for OPR decrease by \$0.3 million over the fiscal 2012 working appropriation. The budget increases due to decreased turnover adjustments (\$44,000) and employee and retiree health insurance (\$3,000). These increases in personnel expenses were offset by the removal of funds associated with the fiscal 2012 one-time \$750 bonus (\$14,000); decreased overtime expenses (\$19,000); and contributions to the employees’ retirement system (\$19,000); and salary expenses due to the allocation across the Department of Health and Mental Hygiene (DHMH) of the annualized savings of previously abolished positions (\$240,000). Other decreases to personnel expenses include other fringe benefit adjustments (\$2,000) and Social Security contributions (\$6,000).

Maryland Bioterrorism Hospital Preparedness Program

Funding for the Maryland Bioterrorism Hospital Preparedness Program decrease by \$94,000. Pharmaceutical costs increase by \$0.4 million to replace expired medications for the program. Funds for the registration of volunteer health professionals also increase by \$146,000. These increases are offset by a \$250,000 decrease in funding for the University of Maryland Baltimore County to monitor hospital preparedness activities and for the Mental Hygiene Administration to support the efforts of the State facilities’ capabilities of handling medical surge. Grant funding to acute care hospitals to improve medical surge capabilities also decreases (\$390,000).

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

How Much It Grows:	Federal Fund	Total
2012 Working Appropriation	\$17,402	\$17,402
2013 Allowance	<u>15,830</u>	<u>15,830</u>
Amount Change	-\$1,572	-\$1,572
Percent Change	-9.0%	-9.0%
Contingent Reductions	\$0	\$0
Adjusted Change	-\$1,572	-\$1,572
Adjusted Percent Change	-9.0%	-9.0%
Where It Goes:		
Personnel Expenses		
Turnover adjustments		\$44
Employee and retiree health insurance		3
Other fringe benefit adjustments		-2
Social Security contributions.....		-6
Removal of fiscal 2012 one-time \$750 bonus.....		-14
Overtime.....		-19
Employee retirement		-19
Salary expenses		-240
Maryland Bioterrorism Hospital Preparedness Program		
Replacement of expired medications		400
Registration of volunteer health professionals		146
Hospital preparedness monitoring.....		-250
Medical surge capabilities grant funding		-390
Other Changes		
Other adjustments.....		-8
One-time CDC funding to replace expired antiviral medications		-100
Cities Readiness Initiative		-290
Preparedness Planning and Readiness Assessment.....		-827
Total		-\$1,572

CDC: Centers for Disease Control and Prevention

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

Other Changes

The fiscal 2013 allowance includes a \$0.8 million decrease in funding for preparedness planning and readiness assessments for LHDs. This project is funded under the CDC’s Public Health Preparedness and Response for Bioterrorism Grant. These funds are used at the local level for direction, coordination, and assessment of activities to ensure State and local readiness.

Funding for CRI also decreases by \$0.3 million. This represents an 18% decrease in funding from the fiscal 2012 working appropriation. 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. CRI activities will be discussed more in the Issues section of this analysis.

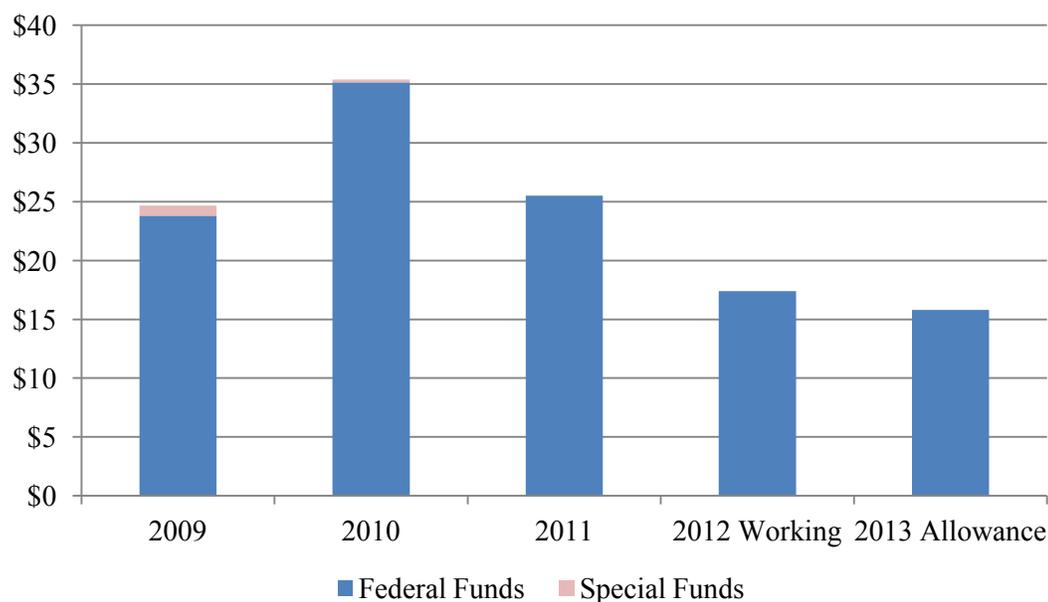
Funding also decreases by \$100,000 due to the removal of one-time CDC funding to replace expired antiviral medications. Other adjustments also decrease the budget by \$8,000.

Issues

1. Federal Aid Issues and Public Health Preparedness

As shown in **Exhibit 5**, federal funds are the only revenue source for OPR. However, federal funding has decreased by over 34% since fiscal 2009. In part, the reduction in federal funds over the past few years reflects the elimination of one-time H1N1 funding in fiscal 2010.

Exhibit 5
OPR Funding by Source
Fiscal 2009-2013
(\$ in Thousands)



Source: Department of Health and Mental Hygiene

Long-term Funding Issues

Due to Congress failing to reach a plan on how to reduce the long-term federal deficit, automatic reductions to discretionary spending, sequestration, is set to occur. The sequestration process is mandated by the Budget Control Act of 2011 and requires Congress to reduce spending by \$1.2 trillion over the next 10 years. Reductions will begin in January 2013 and continue through federal fiscal 2021. Of the \$1.2 trillion, half of the reductions must come from nondefense programs. While the majority of State-related funding (Medicaid) is exempt from sequestration, the grants OPR

receives will be impacted, including the CDC's Public Health Preparedness and Response for Bioterrorism Grant and DHHS' Bioterrorism Hospital Preparedness Grant.

Public Health Preparedness and Response for Bioterrorism Grant

Sequestration will impact funding levels for the CDC's Public Health Preparedness and Response for Bioterrorism Grant. The fiscal 2013 allowance includes \$10.7 million available through the CDC's Public Health Preparedness Grant. Of this amount, \$9.3 million is awarded to OPR. The remaining funds are appropriated in the Secretary's Office (\$0.6 million), the Office of the Chief Medical Examiners (\$0.2 million), and the Laboratories Administration (\$0.6 million). The most recent estimate provided by the Federal Funds Information for States indicates that only \$10.2 million will be available. Furthermore, funding through this grant has been reduced by nearly 50% since fiscal 2011.

Bioterrorism Hospital Preparedness Grant

The Maryland Bioterrorism Hospital Preparedness program provides funding for planning related to surge capacity, mass fatality, professional volunteer management, and hospital evacuations. This program also implements NIMS compliant exercises. The fiscal 2013 allowance includes \$6.6 million available through the Bioterrorism Hospital Preparedness Grant to fund planning activities; however, current estimates indicate only \$5.8 million will be available due to sequestration.

Public Health Preparedness Assessment

CDC issued its annual report for *Public Health Preparedness: State-by-State Update on Laboratory Capabilities and Response Readiness Planning* in September 2011. The report, which documents progress in two important preparedness activities, laboratory capabilities and response readiness and planning, is also discussed in the analysis for the Laboratories Administration.

All states and localities funded by the CDC's Public Health Emergency Preparedness cooperative agreement have plans for receiving, distributing, and dispensing assets from CDC's Strategic National Stockpile (SNS). Assets include large quantities of medicine, vaccines, and medical supplies to supplement state and local public health agencies in a large-scale public health emergency. To ensure continued readiness, CDC conducts annual technical assistance reviews of state plans. Areas of assessment for technical assistance reviews focus on key elements that are regarded as either critical or important planning steps within a variety of functions. **Exhibit 6** shows Maryland's technical assistance review scores for the past three years. In 2010, Maryland received an overall score of 96 out of 100 possible points. This represents a 3% increase over the 2008 score. It is important to note that Maryland has been able to increase its technical assistance review scores despite reductions in federal funding. Furthermore, the agency advises that in 2011 Maryland's technical assistance review score was 97 out of 100 possible points.

Exhibit 6
Technical Assistance Review Scores
Calendar 2008-2010

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Developing a plan with Strategic National Stockpile elements	100	100	100
Management of the Strategic National Stockpile	100	100	100
Requesting Strategic National Stockpile	83	100	100
Tactical communications plan	100	100	100
Public information and communication	67	92	92
Security	100	100	100
Receipt, stage, and store	94	98	98
Control inventory	100	100	100
Repackaging	100	100	100
Distribution	100	100	100
Dispensing prophylaxis	100	89	89
Hospital/alternative care facilities coordination	90	100	100
Training, exercise, and evaluation	74	95	95
Overall Score	93	96	96

Source: Centers for Disease Control and Prevention

Cities Readiness Initiative

CRI of the SNS also enhances preparedness in the nation's major metropolitan statistical areas where more than 50% of the U.S. population resides. The major metropolitan statistical areas can consist of one or more jurisdictions and can extend across State borders. Technical assistance reviews are conducted annually in each jurisdiction, and those scores are then combined to compute the average score for an entire major metropolitan statistical area. Technical assistance review scores for the past three years are listed in **Exhibit 7** for each of the three major metropolitan statistical areas that include Maryland jurisdictions.¹ Since calendar 2008, scores have increased for the Baltimore-Towson and Philadelphia statistical areas; however, the National Capital's technical assistance review score has decreased by 4% since calendar 2008.

¹ The Baltimore statistical area includes Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's counties and Baltimore City. The National Capital statistical area includes Calvert, Charles, Frederick, Montgomery, and Prince George's counties. The Philadelphia statistical region includes Cecil County.

Exhibit 7
Major Metropolitan Statistical Areas Technical Assistance Review Scores
Calendar 2008-2010

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Baltimore-Towson	77	89	92
Philadelphia	75	86	91
National Capital	82	85	79

Source: Centers for Disease Control and Prevention

Concerns

Maryland’s technical assistance review scores have increased since 2008, despite funding reductions. **The agency should comment on how it has improved its technical assistance review scores in light of federal funding reductions. Furthermore, the agency should advise the budget committees what it foresees as the potential impact of the sequestration process on public health preparedness.**

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 2011					
Legislative Appropriation	\$0	\$494	\$20,634	\$0	\$21,129
Deficiency Appropriation	0	0	5,187	0	5,187
Budget Amendments	0	-482	0	0	-482
Reversions and Cancellations	0	-12	-677	0	-689
Actual Expenditures	\$0	\$0	\$25,145	\$0	\$25,145
Fiscal 2012					
Legislative Appropriation	\$0	\$0	\$17,388	\$0	\$17,388
Budget Amendments	0	0	14	0	14
Working Appropriation	\$0	\$0	\$17,402	\$0	\$17,402

Fiscal 2011

The budget for OPR closed at \$25.1 million in fiscal 2011, a \$4.0 million increase over the legislative appropriation due to an increase in federal funds.

Budget amendments decreased the legislative appropriation by \$482,392 in special funds to realign funds within DHMH from programs with surpluses to programs with deficits. Deficiency appropriations increased the fiscal 2011 legislative appropriation by \$5.2 million. Federal funds were awarded to the agency in 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).

Finally, \$12,000 in special fund appropriation was cancelled due to less than anticipated antiviral drug purchases. Federal funds were cancelled due to a reduction in a grant for bioterrorism hospital preparedness (\$676,805).

Fiscal 2012

The fiscal 2012 working appropriation is \$17.4 million, an increase of \$14,000 over the original legislative appropriation. The fiscal 2012 budget for the Department of Budget and Management (DBM) included centrally budgeted funds for the \$750 one-time bonus for State employees. This resulted in the transfer of funds from DBM to OPR (\$13,719 in federal funds).

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

<u>Object/Fund</u>	<u>FY 11 Actual</u>	<u>FY 12 Working Appropriation</u>	<u>FY 13 Allowance</u>	<u>FY 12 - FY 13 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	24.00	23.00	23.00	0.00	0%
Total Positions	24.00	23.00	23.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 1,703,033	\$ 2,197,484	\$ 1,943,782	-\$ 253,702	-11.5%
03 Communication	207,356	103,572	129,331	25,759	24.9%
04 Travel	79,534	33,516	50,228	16,712	49.9%
06 Fuel and Utilities	12,393	19,738	8,000	-11,738	-59.5%
08 Contractual Services	17,458,294	10,391,967	9,219,693	-1,172,274	-11.3%
09 Supplies and Materials	861,276	162,521	424,802	262,281	161.4%
10 Equipment – Replacement	35,325	0	0	0	0.0%
11 Equipment – Additional	2,216,377	200,000	149,000	-51,000	-25.5%
12 Grants, Subsidies, and Contributions	2,319,580	3,971,114	3,581,743	-389,371	-9.8%
13 Fixed Charges	251,615	322,175	323,358	1,183	0.4%
Total Objects	\$ 25,144,783	\$ 17,402,087	\$ 15,829,937	-\$ 1,572,150	-9.0%
Funds					
05 Federal Fund	\$ 25,144,783	\$ 17,402,087	\$ 15,829,937	-\$ 1,572,150	-9.0%
Total Funds	\$ 25,144,783	\$ 17,402,087	\$ 15,829,937	-\$ 1,572,150	-9.0%

Note: The fiscal 2012 appropriation does not include deficiencies.