M00B0103

Office of Health Care Quality

Department of Health and Mental Hygiene

Operating Budget Data

($ in Thousands)

	FY 14 Actual	**FY 15 Working**	**FY 16 Allowance**	**FY 15-16 Change**	**% Change Prior Year**
General Fund	$10,016	$11,358	$12,216	$858	7.6%
Contingent & Back of Bill Reductions	0	90	-406	-496	
Adjusted General Fund	**$10,016**	**$11,448**	**$11,809**	**$361**	**3.2%**
Special Fund	524	344	344	0	-0.1%
Contingent & Back of Bill Reductions	0	0	-1	-1	
Adjusted Special Fund	**$524**	**$344**	**$343**	**-$1**	**-0.3%**
Federal Fund	4,422	7,316	7,536	219	3.0%
Contingent & Back of Bill Reductions	0	30	-184	-214	
Adjusted Federal Fund	**$4,422**	**$7,346**	**$7,352**	**$6**	**0.1%**
Adjusted Grand Total	**$14,962**	**$19,138**	**$19,504**	**$366**	**1.9%**

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- There is one proposed deficiency for fiscal 2015 for $119,648 ($89,737 in general funds and $29,911 in federal funds) to fund 5 new positions to support the Developmental Disabilities Unit.

- After adjusting for deficiencies and cost containment, the Governor's fiscal 2016 allowance increases by $366,000, or 1.9%, over the fiscal 2015 working appropriation, due almost entirely to personnel costs.

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

For further information contact: Jennifer A. Ellick Phone: (410) 946-5530

Personnel Data

	FY 14 Actual	FY 15 Working	FY 16 Allowance	FY 15-16 Change
Regular Positions	187.70	187.70	196.70	9.00
Contractual FTEs	6.70	12.80	6.50	-6.30
Total Personnel	**194.40**	**200.50**	**203.20**	**2.70**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	14.57	7.56%
Positions and Percentage Vacant as of 1/1/15	22.40	11.93%

- The fiscal 2016 allowance includes 9.0 additional full-time equivalents (FTE) but 6.3 fewer contractual FTEs, for a net increase of 2.7 FTEs. This reflects contractual conversions as well as 5.0 new positions (including 3.0 nurse surveyors and 2.0 investigators) to support the Developmental Disabilities Unit included in a fiscal 2015 deficiency appropriation and not reflected in the working appropriation.

- As of January 1, 2015, there were 22.4 vacant positions. The agency has struggled with chronic vacancies, as discussed in the Issues section of this document.

- The agency's budgeted turnover rate, 7.56%, reflects historical vacancy levels but impinges on the Office of Health Care Quality's (OHCQ) ability to fulfill its statutory responsibilities.

Analysis in Brief

Major Trends

Staffing Deficits and Increased Workload Limit the Agency's Efficacy: OHCQ has faced chronic staffing shortages over the past few years due to the combination of an increased workload, a structural deficiency in positions allotted for survey and inspection activities, and chronic vacancies among surveyor positions. In fiscal 2014, the agency continued to fall short of its Managing for Results performance measures.

Issues

Staffing Concerns and Group Home Oversight: OHCQ continues to face a staffing shortfall, which prevents the agency from fully performing all of the surveys for which it is responsible. This issue will report on the impact of the agency's current staffing levels on inspection activities generally and on group home oversight in particular.

Recommended Actions

1. Concur with Governor's allowance.

Office of Health Care Quality

Department of health and Mental Hygiene

Operating Budget Analysis

Program Description

The Office of Health Care Quality (OHCQ) is the agency within the Department of Health and Mental Hygiene (DHMH) mandated by State and federal law to determine compliance with the quality of care and life standards for a variety of health care services and programs. Facilities and services are reviewed on a regular basis for compliance with the *Code of Maryland Regulations* (COMAR), as well as for compliance with federal regulations in those facilities participating in Medicare and Medicaid. The types of facilities licensed and regulated by OHCQ include nursing homes, hospitals, ambulatory surgical centers, endoscopic centers, birthing centers, home health agencies, health maintenance organizations (HMO), hospice care, physical therapy centers, developmental disability homes and facilities, mental health facilities, substance abuse treatment facilities, and forensic laboratories.

Performance Analysis: Managing for Results

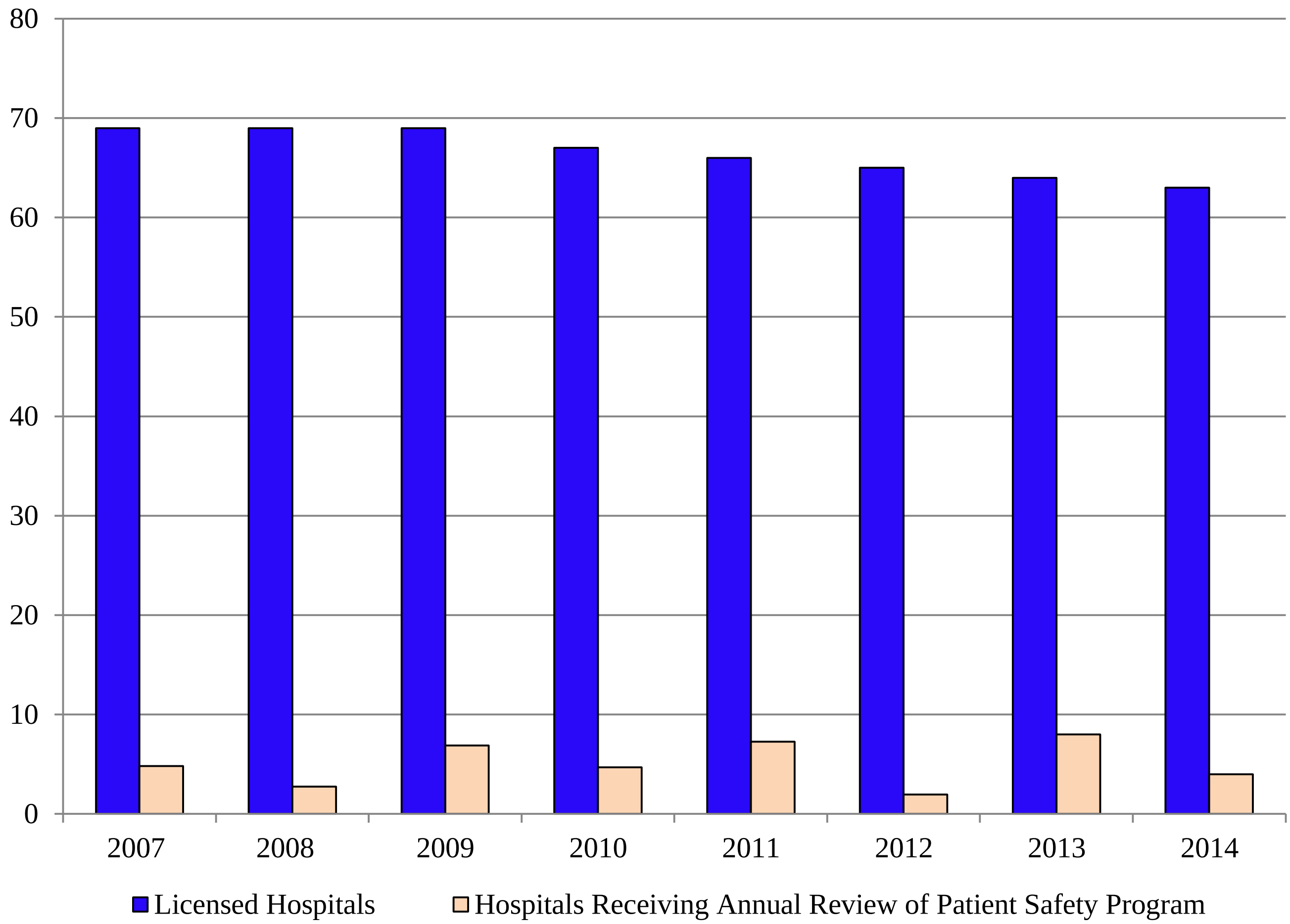
1. Staffing Deficits and Increased Workload Limit the Agency's Efficacy

Hospitals and Patient Safety

OHCQ protects the safety of consumers through a survey and enforcement process of a variety of health-related entities. It also protects the public and ensures the health of Marylanders through the timely resolution of consumer complaints. However, staffing deficiencies have hampered the agency's ability to meet its Managing for Results (MFR) performance measures.

In fiscal 2004, OHCQ assumed responsibility for the implementation of the Maryland Patient Safety Program (part of the Hospital and HMO Quality Assurance units at OHCQ), which requires hospitals to establish an internal patient safety program that tracks adverse events and near misses. OHCQ has struggled to meet its MFR goal and has consistently reviewed fewer than 10 of more than 60 programs. As shown in **Exhibit 1**, the agency reviewed 4 programs in fiscal 2014, down from 8 in fiscal 2013. Staff resources continue to be limited; the program was formerly budgeted for 2 nurse surveyors to conduct onsite surveys of patient safety review programs but is currently budgeted for only 1 surveyor.

Exhibit 1
Licensed Hospitals and Annual Review of Patient Safety Program
Fiscal 2007-2014



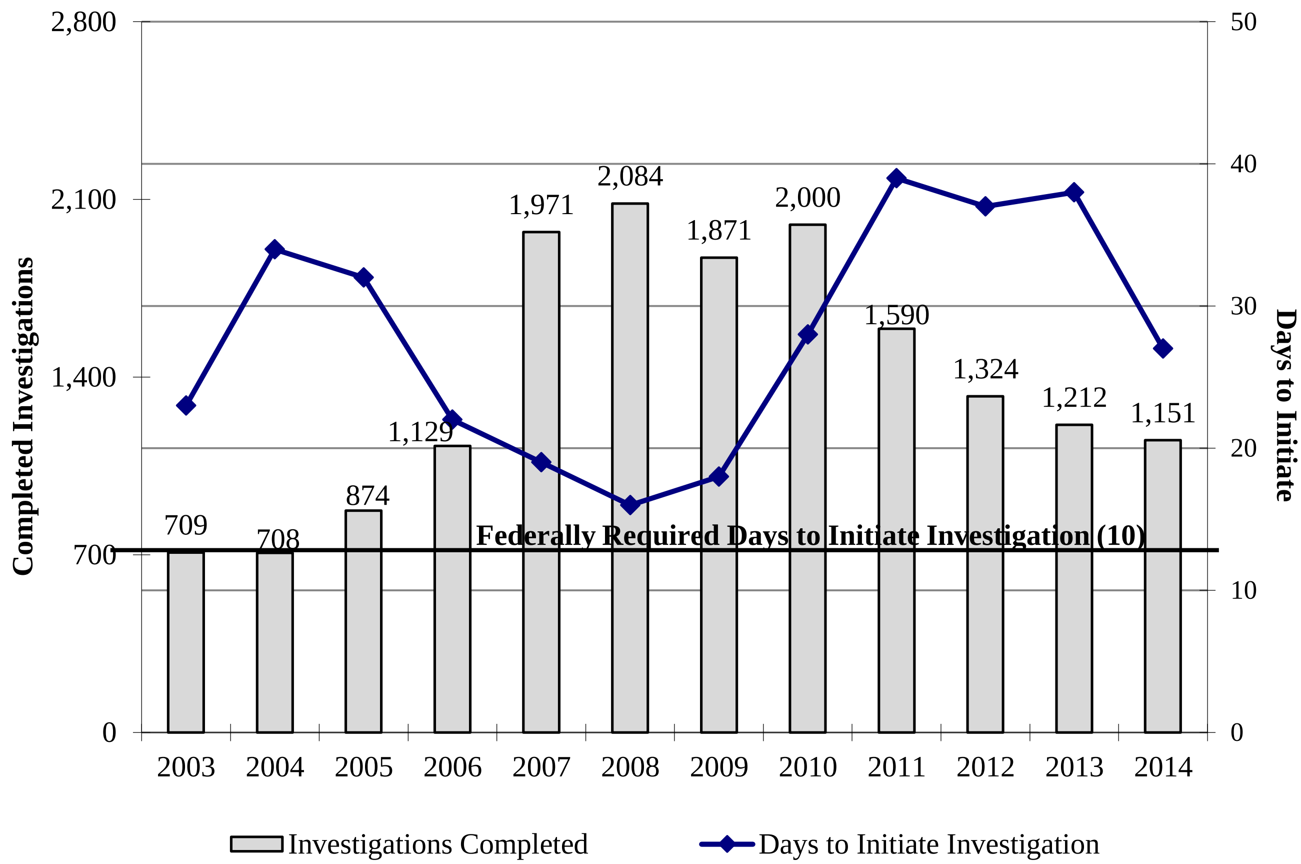
Source: Department of Health and Mental Hygiene

Hospitals are required to report to OHCQ Level 1 adverse events, including events that result in death or serious disability, retained foreign bodies after a surgery, or wrong-side/wrong-person surgery. For each adverse event, hospitals submit a root cause analysis (RCA) that is reviewed by OHCQ and logged into a database. Despite struggling to reach its patient safety program review goals consistently, OHCQ has consistently managed to conduct timely RCA reviews.

Nursing Homes

Federal and State regulations require the investigation of complaints and incidents (as reported by facilities, consumers, or advocates) alleging actual harm. OHCQ's Long Term Care Unit evaluates, monitors, licenses, and certifies all nursing homes in the State. One of OHCQ's performance goals is to minimize delays in handling complaint investigations in nursing homes. Specifically, the MFR goal is to initiate investigations of complaints alleging actual harm within 10 days of receipt of the complaint (consistent with requirements set forth in federal regulations for Medicare and Medicaid). **Exhibit 2** shows the number of complaint investigations completed by OHCQ annually, as well as the average number of days for OHCQ to initiate an investigation.

Exhibit 2
Nursing Home Complaint Investigations
Fiscal 2003-2014



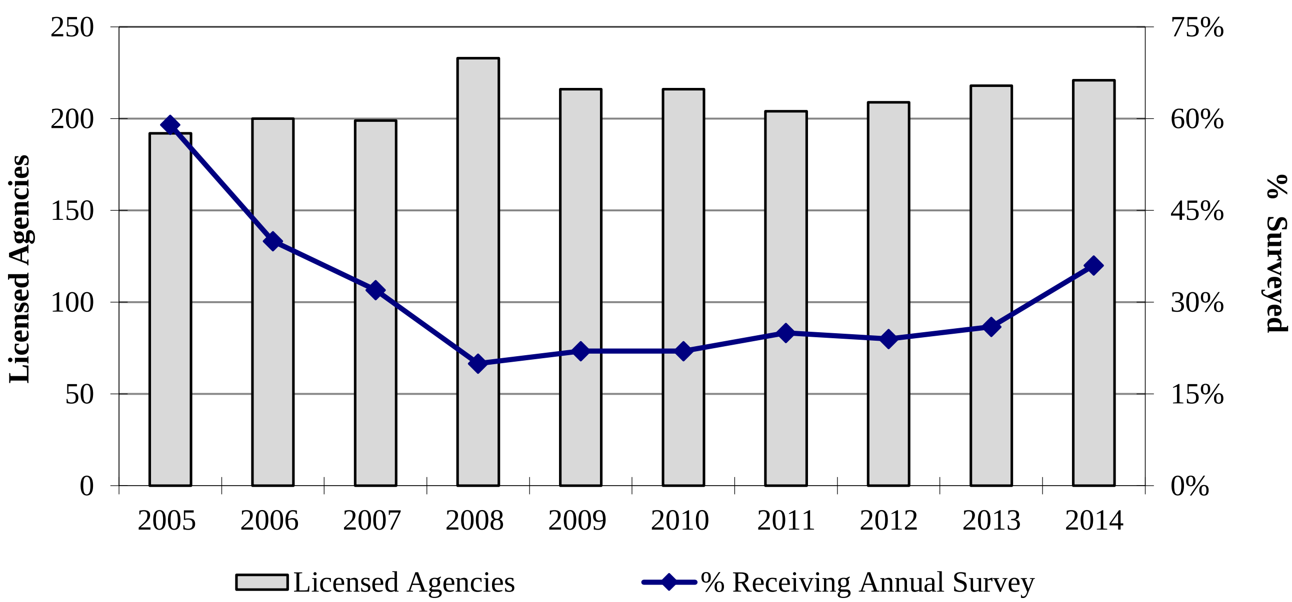
Source: Department of Health and Mental Hygiene

As Exhibit 2 demonstrates, OHCQ had made progress toward reaching its goal of initiating onsite investigations within 10 days from fiscal 2004 through 2008. However, the average number of days to initiate an investigation subsequently increased from 16 days in fiscal 2008 to 39 days in fiscal 2011 (a 144% increase) and remained relatively constant through fiscal 2013. In fiscal 2014, the agency's performance improved significantly, with the number of days to initiate investigation dropping from 38 to 27 (a 24% decrease). However, this decrease is at least partly attributable to a drop in total complaint investigations. Moreover, limited staff resources continue to not only prevent the agency from reaching its goal but also put the State out of compliance with federal regulations.

Developmental Disabilities Facilities

OHCQ's Developmental Disabilities Unit (DDU) evaluates, monitors, and recommends licensure for all community residential, day habilitation, vocational, and support services provided for individuals receiving funding through the Developmental Disabilities Administration (DDA). In fiscal 2014, there were over 200 agencies operating in more than 3,100 sites throughout the State. The unit's goal is to provide timely and comprehensive relicensure surveys for agencies providing services to developmentally disabled individuals, as required by COMAR. **Exhibit 3** shows the total number of licensed agencies and the percentage of those receiving an annual survey. All new sites are required to have an initial survey prior to operation.

Exhibit 3
Survey of Developmental Disabilities Agencies
Fiscal 2005-2014



Source: Department of Health and Mental Hygiene

The percentage receiving annual surveys declined sharply between fiscal 2005 and 2008. Specifically, OHCQ conducted as many as 59% of relicensure surveys in fiscal 2005 but only 20% in fiscal 2008. The agency's DDU has struggled to meet its MFR goal and had previously reduced the goal from 27% to 25% of required annual relicensure surveys. After failing to meet even this reduced goal in fiscal 2012 (during which only 24% of annual relicensure surveys were completed), the agency completed 26% of annual relicensure surveys to meet its goal in fiscal 2013.

In fiscal 2014, the agency completed 36% of annual relicensure surveys, falling short of its revised goal (45%) but marking its most significant improvement in recent years. OHCQ advises that it has implemented a targeted survey process that has increased the number of surveys completed. However, challenges continue to face the unit. The growing number of individuals receiving DDA-funded support and the corresponding increase in the total number of agencies serving these individuals has placed a greater burden on OHCQ. The closing of State Residential Centers (and relocation of most affected individuals into community placements) has also contributed to the increase in community providers (as well as the increase in sites operated by those providers). As noted previously, there is a proposed deficiency for fiscal 2015 to fund 5 new positions to support DDU. However, the unit continues to face vacancies among current administrative, managerial, and investigator positions; there are currently 8 vacancies in the unit. Furthermore, it must be noted that, while the agency's current goal is to complete 45% of annual relicensure surveys, it should ultimately be the agency's goal to complete 100% of annual relicensure surveys, consistent with its statutory mandate.

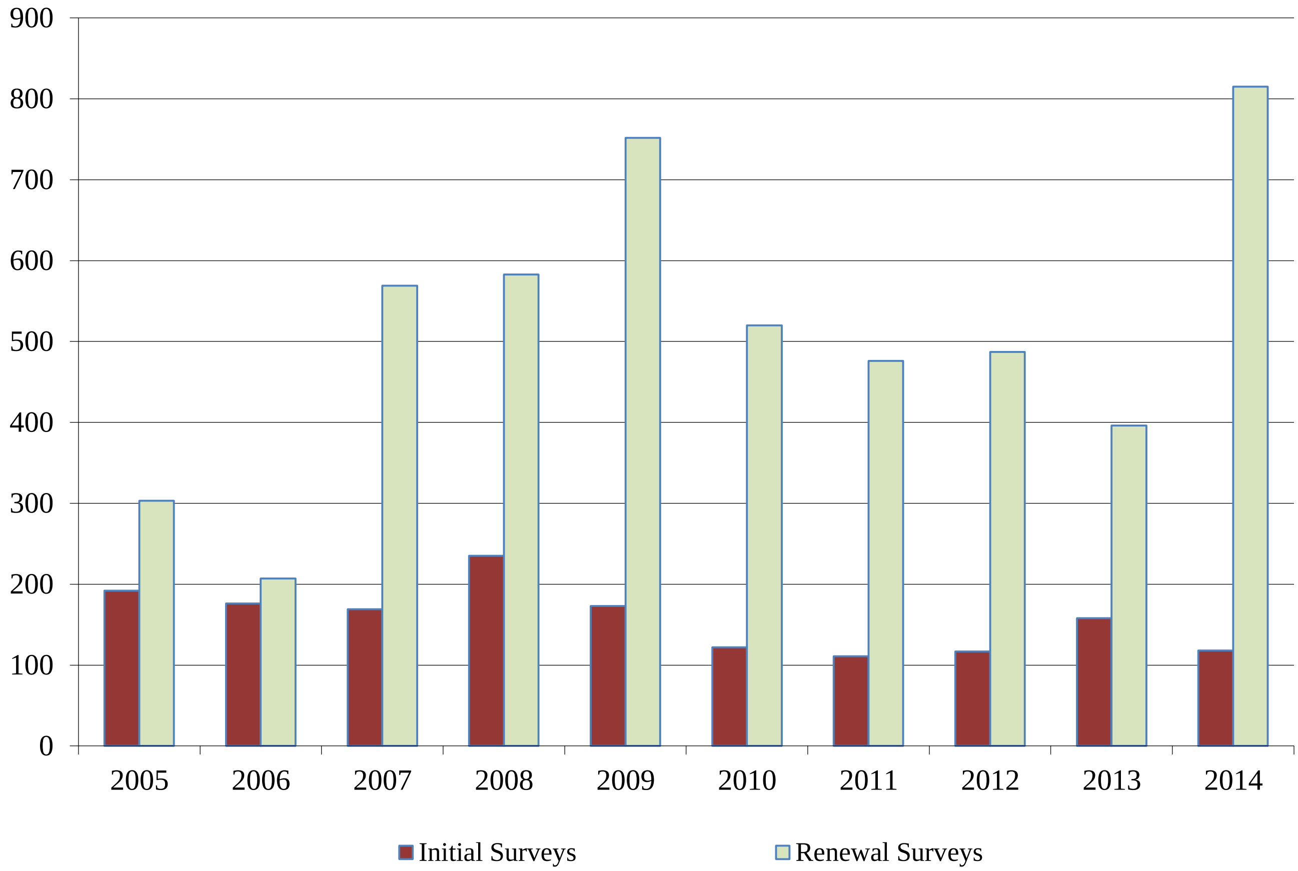
Assisted Living Facilities

OHCQ's Assisted Living Unit (ALU) surveys all assisted living providers in the State. The unit's goal is to provide timely and comprehensive initial and annual renewal surveys of assisted living sites for the protection of individuals receiving services from assisted living providers. In fiscal 2014, there were 1,488 licensed sites. **Exhibit 4** shows the number of licensed sites in the State receiving initial and renewal surveys.

Between fiscal 2006 and 2007, the number of sites receiving annual renewal surveys increased significantly (from 207 to 569). To handle this increase, the licensure and complaint division increased its survey staff in fiscal 2007 by hiring additional surveyors for residential and community programs. The agency also employed a new management model to improve staff and survey efficiency. Specifically, the model included appointing a program manager to coordinate the surveys; partnering with local entities to coordinate resources; and offering provider education activities. Exhibit 4 shows that the agency's efforts were successful between fiscal 2007 and 2009, as the number of sites receiving annual renewal surveys increased from 569 to 752. However, the number of sites receiving renewal surveys subsequently decreased to 396 in fiscal 2013, which OHCQ attributed to several surveyors taking extended medical leave. OHCQ cited the sharing of ALU staff to assist other units as a possible reason that performance measures were unmet.

In fiscal 2014, ALU completed 25% fewer initial licensure surveys (118, down from 158 in fiscal 2013) due to fewer applications for initial licensure received, but was able to more than double the amount of renewal surveys completed (815, up from 396 in fiscal 2013).

Exhibit 4
Licensed Assisted Living Sites Surveyed
Fiscal 2005-2014



Source: Department of Health and Mental Hygiene

Fiscal 2015 Actions

Proposed Deficiency

There is one proposed deficiency for fiscal 2015 for $119,648 ($89,737 in general funds and $29,911 in federal funds) to fund 5 new positions to support DDU. This unit has faced chronic staffing shortages and has struggled to meet its statutory mandates, as discussed in the Performance Analysis and Issues sections of this document.

It should also be noted that OHCQ recorded unprovided-for expenditures, amassed over a three-year period from fiscal 2012 to 2014, totaling $2.5 million during the fiscal 2014 closeout. A review of these unprovided-for expenditures by OHCQ has revealed their root cause to be the assignment of more expenditures to federal revenue sources than could be supported by federal funds awarded and attained during the course of the grant year – highlighting the need for OHCQ to regularly reconcile claims with expenditures/revenues and make necessary adjustments in order to increase federal fund revenues. The review also identified several instances in which incorrect cost allocation formulas were used for claims in fiscal 2013 and 2014. In addition, the review estimated that the fiscal 2015 and 2016 budgets also likely overstate federal fund revenues by an estimated $456,000 and $339,000, respectively.

The review identifies several steps that the agency should take to mitigate the impact of these unprovided-for expenditures and to prevent similar problems in future years:

- submitting adjusted claims where possible, increasing federal fund reimbursements by an estimated $150,000;

- studying the time allocations for nursing home surveyors ensuring that all allowable claims are being submitted to the Centers for Medicare and Medicaid Services (CMS), making adjustments where necessary to increase federal fund reimbursements for fiscal 2015; and

- investigating the differences between CMS-approved claims and Financial Management Information Systems (FMIS) expenditures and revenues, reconciling these differences so that the agency's accounting records are accurate and all federal funds approved by CMS are recognized in the FMIS.

The review also posited that the agency's current staff, consisting of just 1 employee with training and expertise in accounting and fiscal matters, is insufficient to handle the agency's federal grant oversight among other accounting tasks. **The agency should comment on its plans to implement the identified steps to prevent similar problems in future years, how it intends to resolve the issue of the $2.5 million in unprovided-for payables given the absence of a deficiency appropriation, and how projected shortfalls in federal funds in fiscal 2015 and 2016 will impact OHCQ's budget and the ability to fulfill its oversight role.**

Cost Containment

In January 2014, DHMH received a 0.6% across-the-board general fund reduction totaling $25.4 million. If allocated proportionally, that reduction would approximate $69,000 in this agency. However, as noted before, OHCQ cannot fulfill its mission with its existing resources and it is already taking issues with over-stated federal funds.

Proposed Budget

As shown in **Exhibit 5**, after adjusting for deficiencies and contingent reductions, the fiscal 2016 allowance for OHCQ is $366,000 (1.9%) over the fiscal 2015 working appropriation. This increase is due to personnel costs and consists primarily of general funds.

Exhibit 5
Proposed Budget
DHMH – Office of Health Care Quality
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
Fiscal 2014 Actual	$10,016	$524	$4,422	$14,962
Fiscal 2015 Working Appropriation	11,448	344	7,346	19,138
Fiscal 2016 Allowance	11,809	343	7,352	19,504
Fiscal 2015-2016 Amt. Change	$361	-$1	$6	$366
Fiscal 2015-2016 Percent Change	3.2%	-0.3%	0.1%	1.9%

Where It Goes:	
Personnel Expenses	
Increments and general salary annualization[1] (prior to cost containment)	$613
Employee and retiree health insurance	415
Employee retirement contributions	260
New positions	194
Workers' compensation	60
Social Security contributions	50
Other fringe benefit adjustments	-3
Section 20: 2% salary reduction	-287
Section 21: elimination of employee increments	-304
Turnover adjustments	-449
Other Changes	
Rent	62
Reimbursements to Montgomery County for nursing home certifications	38
Other changes	-9
Elimination of funding for the National Background Check program	-114
Contractual employment (excluding the National Background Check program)	-159
Total	**$366**

[1] Includes annualization of 5 new positions included in the fiscal 2015 deficiency appropriation.

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

Cost Containment

In fiscal 2016, the Administration has implemented several across-the-board reductions. This includes an elimination of employee increments and a 2.0% salary reduction. The agency's share of these reductions are $304,000 and $287,000, respectively. The Administration has also implemented a general 0.6% across-the-board reduction for DHMH totaling $27.2 million. The implications for OHCQ are unknown but, if allocated proportionally, that reduction would approximate $71,000 in this agency.

Personnel Expenses

Personnel expenses increase by $548,000 and represent the majority of budgetary change in the agency. Prior to cost containment, increments and general salary annualization increase the budget by $613,000, including annualization of 5 new positions included in the proposed fiscal 2015 deficiency appropriation. Additional new positions included in the fiscal 2016 allowance represent 4 contractual conversions (3 fire and safety inspectors and 1 office secretary) and increase the budget by $194,000. The budget also increases by $415,000 for employee and retiree health insurance and by $260,000 for employee retirement. In addition, workers' compensation and Social Security contributions collectively increase the budget by $110,000. However, the elimination of employee increments and the 2.0% general salary reduction decrease the budget by $304,000 and $287,000, respectively.

In addition, turnover adjustments decrease the budget by $449,000. The agency's fiscal 2016 vacancy rate of 7.56% approximates the agency's three-year average. In this regard the turnover rate makes sense. However, given the agency's inability to meet its own goals for surveys and inspections, this turnover rate becomes another hurdle for OHCQ to overcome.

Operating Expenses

Rent for the agency increases the budget by $62,000, while reimbursements to the Health Facility Licensing Unit of the Montgomery County Health Department for certification surveys performed by the county (and designed to reduce duplication of effort by DHMH personnel) increase the budget by $38,000 (all federal funds).

These increases are offset by a $114,000 decrease (all federal funds) representing the elimination funding for contractual employment and postage for the National Background Check program, which would have created a background check program for direct care employees. This project was arguably beyond the scope of the agency's mission and was never fully implemented. Other contractual employment costs decrease by $159,000 due to contractual conversions, as described above.

Issues

1. Staffing Concerns and Group Home Oversight

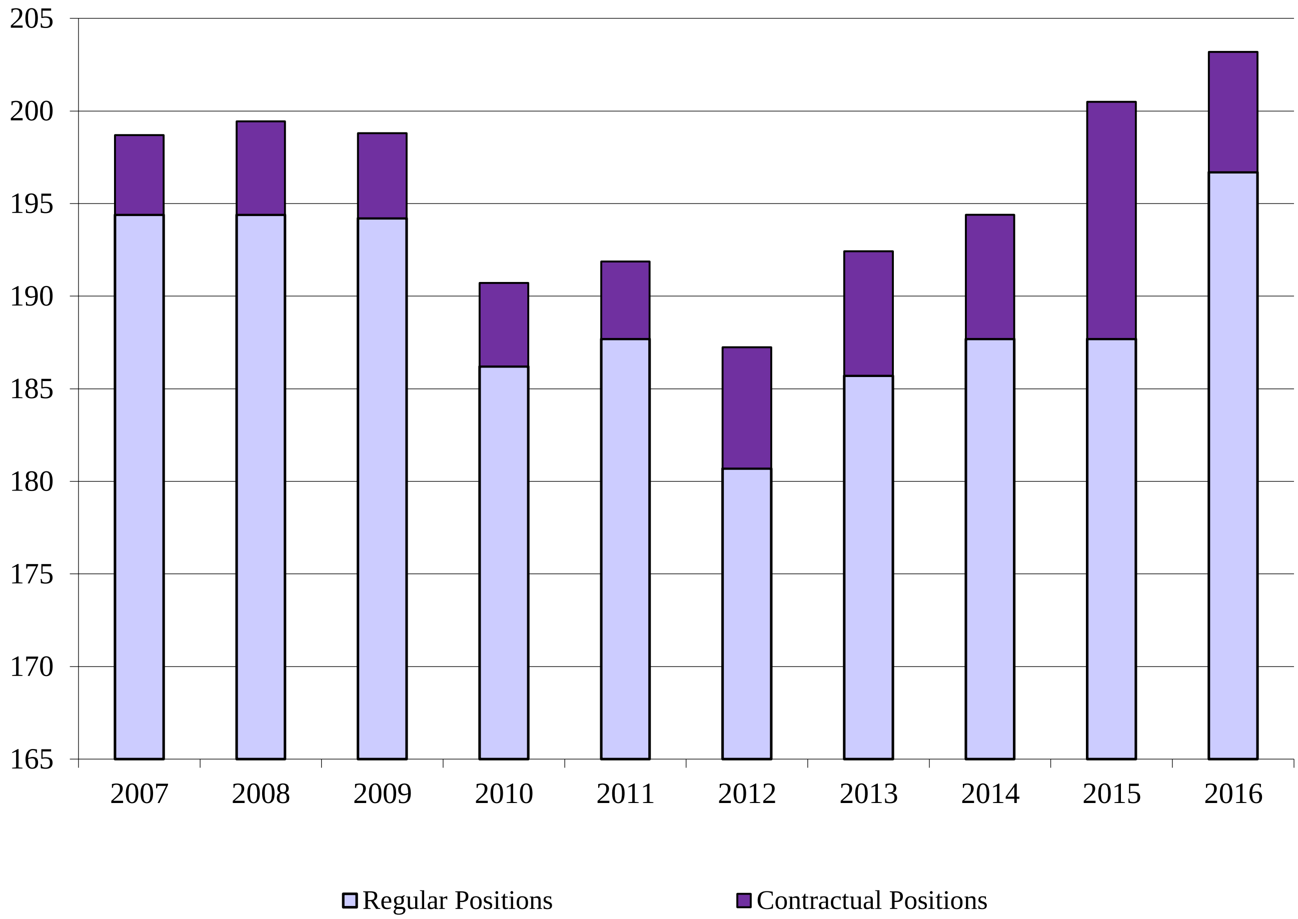
Included among the nearly 15,000 medical facilities licensed and regulated by OHCQ are facilities for the developmentally disabled – including the group home ("LifeLine") where a developmentally disabled foster child died in July 2014. There are only three group homes in the State that serve developmentally disabled foster children and, notably, OHCQ conducted an annual survey of LifeLine several months prior to this incident (in February 2014). It should also be noted that the child's death was ultimately determined to have resulted from previous injuries and complications from cerebral palsy rather than from any ill-treatment by employees of the home. However, this incident brought attention to the fact that OHCQ has long struggled to meet its statutory mandates due to the combination of an increased workload, a structural deficiency in positions allotted for survey and inspection activities, and chronic vacancies.

Staffing Deficits and Workload Limit the Agency's Efficacy

As demonstrated in **Exhibit 6**, OHCQ's staffing levels have fluctuated slightly in recent years but decreased overall by 4.6 total positions between fiscal 2007 and fiscal 2014, during which period the agency continuously struggled to meet its statutory mandates. However, total positions increased to 200.5 in fiscal 2015 due to an increase in contractual positions. Furthermore, as noted previously, the fiscal 2016 allowance includes 5.0 new regular positions (as well as several contractual conversions). As a result, staffing levels will reach their highest point in recent years in fiscal 2016.

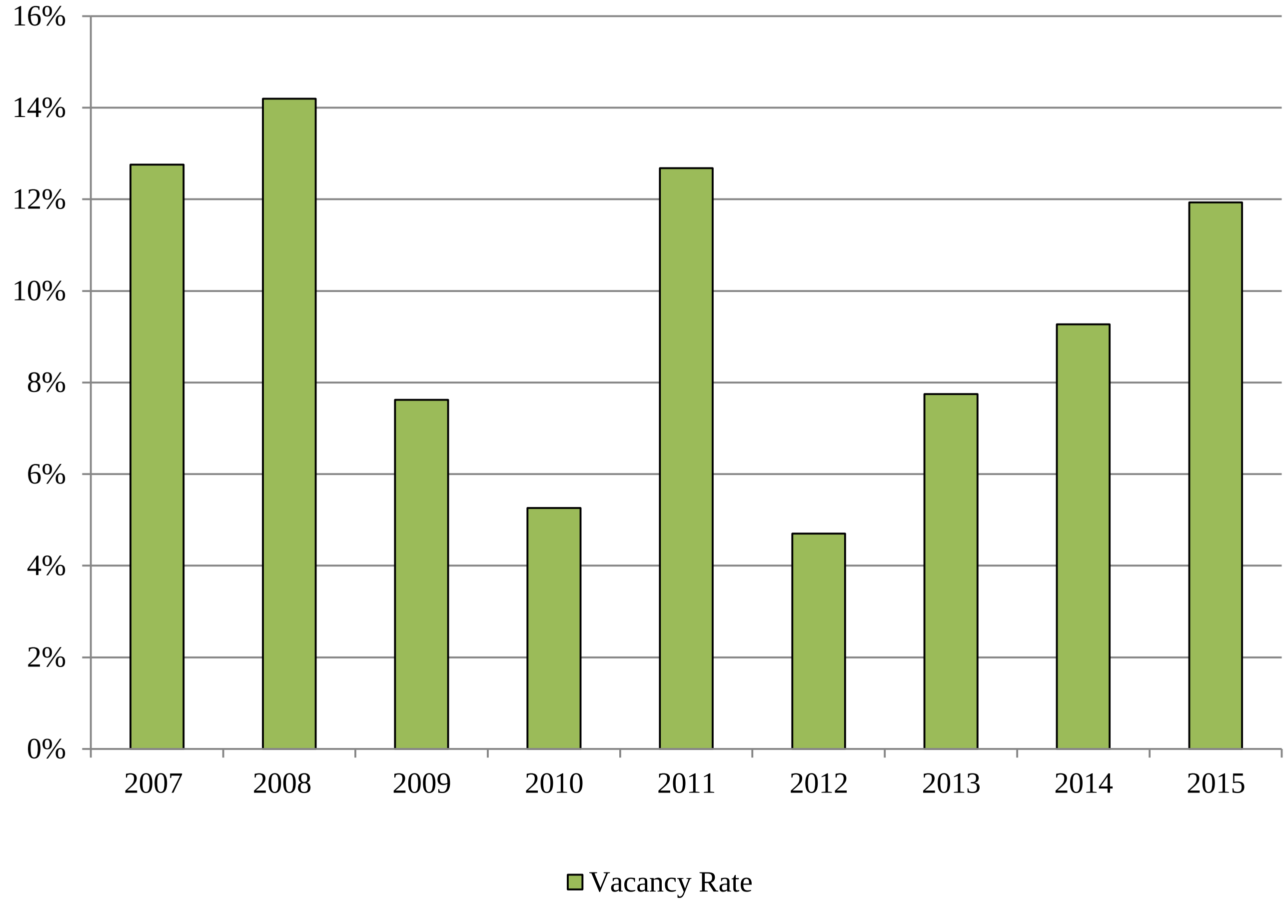
After reaching historically low staffing levels in fiscal 2012, the fiscal 2013 budget included 5 new nurse surveyor positions to help address longstanding budgetary constraints, low employee retention rates, a loss of positions through the Voluntary Separation Program (VSP), and an influx of new providers in community-based programs (including residential service agencies, assisted living providers, and homes for individuals with developmental disabilities). However, the agency's vacancy rate also rose during that period – and continues to rise. As demonstrated in **Exhibit 7**, OHCQ's vacancy rate – which has generally fluctuated in recent years – increased from 4.70% at the beginning of calendar 2012 to 11.93% at the beginning of calendar 2015. It should also be noted that the agency is once again at risk to lose positions through VSP in fiscal 2015 and 2016.

Exhibit 6
Staffing Levels in the Office of Health Care Quality
Fiscal 2007-2016



Source: Department of Health and Mental Hygiene; Department of Legislative Services

Exhibit 7
Vacancy Rates in the Office of Health Care Quality
Calendar 2007-2015



Note: Graph reflects vacancy rates at the beginning of each calendar year.

Source: Department of Health and Mental Hygiene; Department of Legislative Services

As discussed in the Performance Analysis section of this document, OHCQ's inability to meet its statutory mandates has been felt across its various units – including notably, in the agency's DDU, which evaluates, monitors, and recommends licensure for all community residential, day habilitation, vocational, and support services provided for individuals receiving funding through DDA. In fiscal 2013, more than 200 such agencies (including LifeLine) operated over 3,100 sites throughout the State. As indicated in the Performance Analysis section of this document, the agency completed 36% of annual relicensure surveys for these facilities, marking its most significant improvement in recent years but falling short of its goal (45%).

Notably, OHCQ advised that it investigated complaints regarding LifeLine in January, April, and May 2014, before indicating to LifeLine that it would move toward revoking the provider's license. Moreover, following a joint briefing held by the Senate Education, Health, and Environmental Affairs and the House Health and Government Operations committees on group home regulation and oversight, with an emphasis on how the State could improve oversight of such facilities, DHMH conducted a review of the recent regulatory history of the four Maryland providers licensed to provide group home care for medically fragile children in order to identify areas for improvement in oversight. The review did not find serious gaps in the oversight of group homes for medically fragile children. Relicensure surveys were conducted with the required frequency, and complaints and self-reported incidents were triaged and investigated. However, the review did find multiple areas for improvement. Based on those findings, DHMH issued the following five recommendations and announced that DDA and OHCQ will convene a task force on the quality of services for individuals with developmental disabilities:

- Each government agency should maximize data point collection for each oversight activity that it carries out, and an analysis of that data should be shared with other agencies, as appropriate, through formal processes.

- The initial licensure process for group homes for medically fragile children should be reviewed and revised to ensure that applicants have a sustainable business model.

- OHCQ should develop formal processes to ensure that coordination with other agencies occurs in a timely and consistent way.

- The children's unit at OHCQ should receive an additional position to serve as a coordinator to implement these recommendations and ensure oversight over group homes for medically fragile children.

- There should be clarification and documentation of the roles and responsibilities within and between State agencies that provide oversight to providers.

In addition, the Department of Human Resources (DHR) – which licenses all foster care group homes in Maryland – DHMH, and DDA formed a task force to improve State oversight of the State's medically fragile foster care group homes, improve care, and better define each agency's responsibilities. **The agency should comment on the implementation of the above recommendations as well as those made by the recently convened task force.** The operating budget analysis of DHR – Social Services Administration contains additional information concerning DHR's role in overseeing group home providers.

Agency Implements Programmatic Changes to Address Staffing Concerns

Health-General 19-308 (b) (4) requires DHMH to submit a report on the inspection of health care facilities in the State. Accordingly, OHCQ publishes the *Annual Report and Staffing Analysis* annually to report on the activities of each licensure unit. The report includes a labor-hour analysis that compares the number of surveyors assigned to each unit with the number of surveyors needed to perform all of the inspections and surveys required. The agency's 2014 report has not yet been made available. However, the agency's previous report indicated that, based on an analysis of the number of surveyors needed to perform all of the agency's mandated inspections and surveys, the projected surveyor staffing deficit for fiscal 2014 was 67.9. As shown in **Exhibit 8**, this deficit, while significant, reflected a significant improvement over fiscal 2013, when the deficit was 107.1.

Exhibit 8
Surveyor Staffing Deficits
Fiscal 2005-2014 Est.

Year	Staffing Deficit
2005	55.42
2006	70.98
2007	67.10
2008	67.20
2009	83.10
2010	91.90
2011	92.32
2012	95.63
2013	107.09
2014 Est.	67.90

Source: Department of Health and Mental Hygiene

Although OHCQ only received 5 new positions in the fiscal 2013 budget, the agency advised that the projected improvement in the surveyor deficit is attributable to several programmatic changes made within OHCQ to improve inspection levels, including:

- the development of targeted (and abbreviated) surveys;
- the agency's judgment that residential service agencies are not required by statute or regulation to be surveyed annually; and
- the use of accreditation as an alternative to State surveys for certain types of facilities (such as cosmetic surgery centers and behavioral health facilities), although this strategy has not been applied to group homes, such as LifeLine, for the developmentally disabled.

The agency should advise on the status of its 2014 staffing analysis.

In addition to implementing programmatic changes to address OHCQ's staffing deficit, it should be noted that DHMH has introduced a bill, SB 596 of 2015, which would lessen OHCQ's burden with respect to mandated inspection and survey activities. Among other changes, the bill would require that (1) nursing homes be surveyed once, rather than twice, annually; and (2) home health agencies be inspected on a triennial, rather than annual, basis. These changes would further assist OHCQ in improving its staffing deficit and making progress toward meeting its statutory mandates.

Recommended Actions

1. Concur with Governor's allowance.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
DHMH – Office of Health Care Quality
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Total
Fiscal 2014				
Legislative Appropriation	$11,082	$186	$7,249	$18,518
Deficiency Appropriation	-332	-1	-124	-457
Budget Amendments	-734	339	115	-281
Reversions and Cancellations	0	-1	-2,818	-2,819
Actual Expenditures	**$10,016**	**$524**	**$4,422**	**$14,962**
Fiscal 2015				
Legislative Appropriation	$11,271	$343	$7,266	$18,881
Cost Containment	0	0	0	0
Budget Amendments	87	0	51	138
Working Appropriation	**$11,358**	**$344**	**$7,316**	**$19,018**

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

Fiscal 2014

The budget for OHCQ closed at $15.0 million, $3.6 million below the original legislative appropriation.

Statewide negative deficiencies reduced OHCQ's spending on employee and retiree health insurance, retirement reinvestment, and the creation of a new employee information system by $332,189 in general funds, $123,973 in federal funds, and $686 in special funds. In addition, budget amendments over the course of fiscal 2014 reduced the budget of OHCQ by approximately $281,000. General funds decreased by $827,677 to realign general fund appropriations within DHMH. Special funds (available from Civil Money Penalty Fees) increased by $338,276 to issue grants to benefit nursing home residents and assisted living residents. In addition, the fiscal 2014 budget included centrally budgeted funds for the 2014 cost-of-living adjustment (COLA) and salary increment increase for State employees, which resulted in the transfer of funds to OHCQ ($165,250 in general funds, $100,727 in federal funds, and $536 in special funds). General and federal funds increased (by $19,341 and $13,987, respectively) to realign the State Retirement Administrative Fee and the Department of Information Technology Services Allocation appropriations within DHMH. Finally, general funds decreased by $91,000 due to a transfer of funds for the Advanced Directive Registry from OHCQ to the Maryland Health Care Commission.

At the end of the year, approximately $2.8 million of the federal fund appropriation was cancelled, due largely to underreported federal survey activities.

Fiscal 2015

To date, the fiscal 2015 legislative appropriation for OHCQ has been increased by $138,000 ($86,583 in general funds, $50,808 in federal funds, and $289 in special funds), all of which relates to the fiscal 2015 COLA and increments approved during the 2014 session but not included in the fiscal 2015 allowance.

Object/Fund Difference Report
DHMH – Office of Health Care Quality

Object/Fund	FY 14 Actual	FY 15 Working Appropriation	FY 16 Allowance	FY 15 - FY 16 Amount Change	Percent Change
Positions					
01 Regular	187.70	187.70	196.70	9.00	4.8%
02 Contractual	6.70	12.80	6.50	-6.30	-49.2%
Total Positions	**194.40**	**200.50**	**203.20**	**2.70**	**1.3%**
Objects					
01 Salaries and Wages	$ 13,577,450	$ 16,270,963	$ 17,410,116	$ 1,139,153	7.0%
02 Technical and Spec. Fees	273,993	467,137	223,659	-243,478	-52.1%
03 Communication	57,709	84,931	65,426	-19,505	-23.0%
04 Travel	271,655	350,080	341,651	-8,429	-2.4%
07 Motor Vehicles	154,780	148,209	181,325	33,116	22.3%
08 Contractual Services	-314,642	958,257	1,069,047	110,790	11.6%
09 Supplies and Materials	52,169	61,218	62,505	1,287	2.1%
10 Equipment – Replacement	5,402	9,500	10,066	566	6.0%
11 Equipment – Additional	30,004	1,562	5,159	3,597	230.3%
12 Grants, Subsidies, and Contributions	493,776	300,000	300,000	0	0%
13 Fixed Charges	359,208	366,348	425,861	59,513	16.2%
Total Objects	**$ 14,961,504**	**$ 19,018,205**	**$ 20,094,815**	**$ 1,076,610**	**5.7%**
Funds					
01 General Fund	$ 10,016,014	$ 11,358,059	$ 12,215,657	$ 857,598	7.6%
03 Special Fund	523,568	343,749	343,505	-244	-0.1%
05 Federal Fund	4,421,922	7,316,397	7,535,653	219,256	3.0%
Total Funds	**$ 14,961,504**	**$ 19,018,205**	**$ 20,094,815**	**$ 1,076,610**	**5.7%**

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

Fiscal Summary
DHMH – Office of Health Care Quality

Program/Unit	FY 14 Actual	FY 15 Wrk Approp	FY 16 Allowance	Change	FY 15 - FY 16 % Change
03 Office of Health Care Quality	$ 14,961,504	$ 19,018,205	$ 20,094,815	$ 1,076,610	5.7%
Total Expenditures	**$ 14,961,504**	**$ 19,018,205**	**$ 20,094,815**	**$ 1,076,610**	**5.7%**
General Fund	$ 10,016,014	$ 11,358,059	$ 12,215,657	$ 857,598	7.6%
Special Fund	523,568	343,749	343,505	-244	-0.1%
Federal Fund	4,421,922	7,316,397	7,535,653	219,256	3.0%
Total Appropriations	**$ 14,961,504**	**$ 19,018,205**	**$ 20,094,815**	**$ 1,076,610**	**5.7%**

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.