

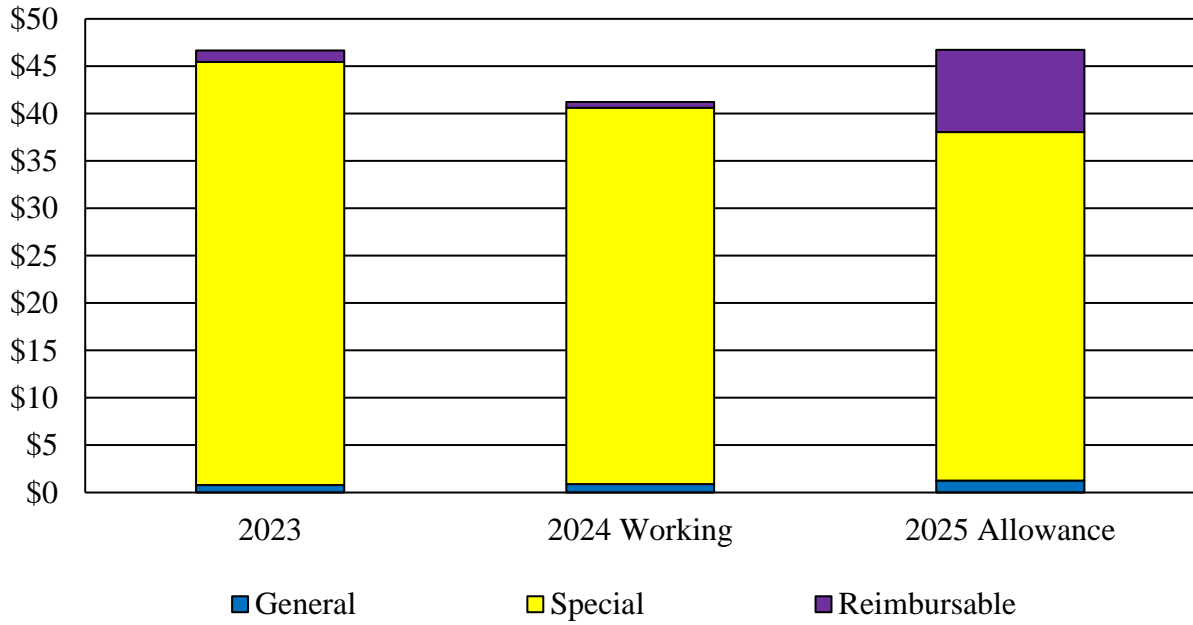
M00B0104
Health Professional Boards and Commissions
Maryland Department of Health

Program Description

The Health Professional Boards and Commissions (HPBC) within the Maryland Department of Health (MDH) is comprised of 20 health professional boards and one commission. Their purpose is to certify, license, resolve consumer complaints, and assist in establishing parameters for various providers through regulations. The boards share the same goals of (1) protecting the public by ensuring that practicing health professionals are properly credentialed and licensed to provide high-quality services and (2) receiving, investigating, and resolving complaints in a timely manner. The Natalie M. LaPrade Maryland Medical Cannabis Commission (MMCC) was previously included in HPBC, but its duties were transferred to the Maryland Cannabis Administration (MCA) as required by Chapters 254 and 255 of 2023 (Cannabis Reform).

Operating Budget Summary

Fiscal 2025 Budget Increases \$5.5 Million, or 13.4%, to \$46.7 Million
(\$ in Millions)



Note: The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

For further information contact: Victoria Martinez Victoria.Martinez@mlis.state.md.us

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- HPBCs are primarily funded by special funds generated through licensing fees. There are three boards that are funded by general funds in the fiscal 2025 allowance: the State Board of Environmental Health Specialists; the State Board of Examiners of Nursing Home Administrators; and the State Board of Residential Child Care.
- The Budget Reconciliation and Financing Act (BRFA) of 2024 utilizes surplus fund balances from three of the health occupation boards: the Board of Professional Counselors and Therapists; the State Board of Occupational Therapy Practice; and the State Board of Examiners for Psychologists. These fund balance transfers total \$3 million and backfill general funds in the MDH Behavioral Health Administration (BHA).
- The fiscal 2025 allowance increases by \$8 million in reimbursable funds for infrastructure operations for the Maryland Board of Nursing, supported with general funds in the MDH Office of the Secretary following the transition of those responsibilities from the Board of Nursing to MDH as required by Chapters 222 and 223 of 2023. These costs were included in the Board of Nursing’s fiscal 2023 budget as special funds. However, the fiscal 2024 working appropriation supports these costs with general funds in MDH Office of the Secretary only. Further discussion of Board of Nursing infrastructure operations can be found in Key Observation 2.

Fiscal 2024

Implementation of Legislative Priorities

Board of Social Work Examiners Support

Section 19 of the fiscal 2024 Budget Bill (Chapter 101) added \$75,000 in general funds to support the operations of the Board of Social Work Examiners, contingent on enactment of SB 145 or HB 103 of 2023 and on the enactment of SB 871 of 2023. SB 145 (Chapter 317 of 2023) was enacted and authorized the State Board of Social Work Examiners to issue a conditional license to practice bachelor social work or master social work to an applicant who, except for passing the required examination, has met the appropriate education and experience requirements for licensure. SB 871 (Chapter 228 of 2023) was enacted and required that the board within certain time periods notify an applicant of whether the application is complete. Chapter 228 also established the Workgroup on Social Worker Requirements for Licensure and extended the board’s termination date to July 1, 2025.

Transfer of the Maryland Medical Cannabis Commission to the Maryland Cannabis Administration

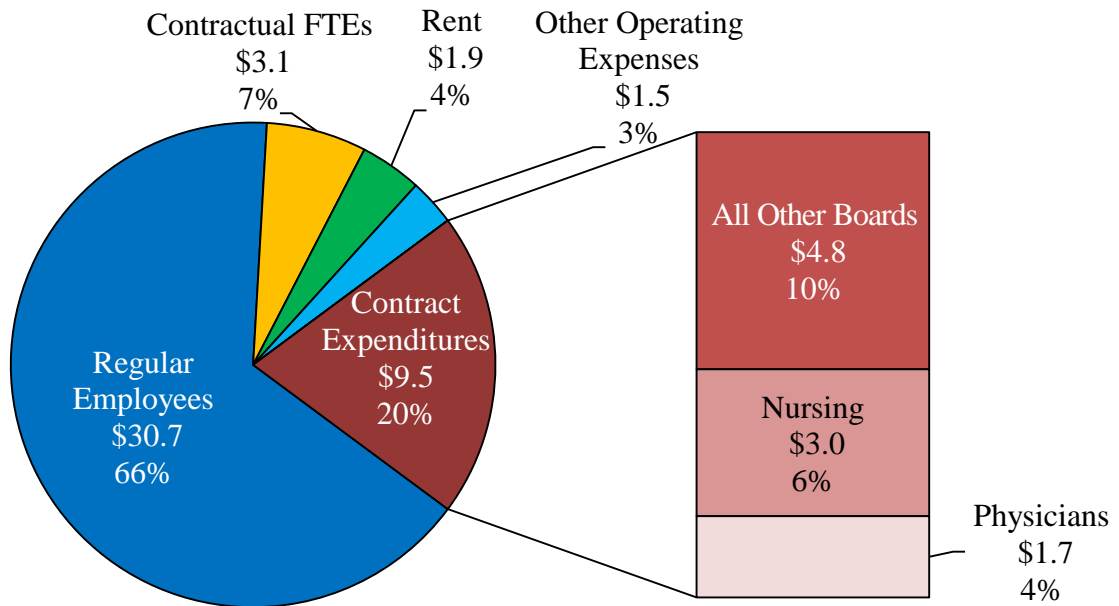
MMCC was established in calendar 2014 to implement and regulate the State’s medical cannabis program and ensure accessibility to qualifying patients. Pursuant to Chapters 254 and 255, the funds and duties of MMCC were transferred to a newly established independent agency,

MCA. MCA is now the agency responsible for regulating and licensing both the medical- and adult-use cannabis industries. Due to the legislation transferring MMCC to MCA, MMCC is no longer included in HPBC’s budget beginning with the fiscal 2024 working appropriation.

Fiscal 2025 Overview of Agency Spending

The fiscal 2025 allowance for HPBC totals \$46.7 million. The boards are largely administrative in nature, as their primary functions involve issuing certifications and licenses. As shown in **Exhibit 1**, 66% of the fiscal 2025 allowance is dedicated to personnel costs for 270.5 regular positions, and 7% of the budget supports contractual personnel costs for 40.54 full-time equivalents. Expenditures for contracts account for an additional 20% of the budget, with approximately half occurring within the Board of Nursing and the Board of Physicians (accounting for 6% and 4% of the total fiscal 2025 allowance, respectively).

Exhibit 1
Overview of Agency Spending
Fiscal 2025 Allowance
(\$ in Millions)



FTE: full-time equivalent

Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2025 Budget Books

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The health occupation boards vary significantly in size and expenditures. Across the boards, the fiscal 2025 allowance ranges from \$263,430 for the Board of Environmental Health Specialists to \$13 million budgeted under the Board of Nursing.

Proposed Budget Change

As shown in **Exhibit 2**, HPBC’s budget increases by \$5.5 million from the fiscal 2024 working appropriation to the fiscal 2025 allowance. The fiscal 2025 spending growth is largely attributed to personnel expenses, which increase by \$3.7 million. The fiscal 2025 allowance also includes an increase of \$8 million in reimbursable funds for Board of Nursing infrastructure operations that are supported with general funds in MDH Office of the Secretary following the transition of those responsibilities as required by Chapters 222 and 223. Of this funding, \$4.4 million supports regular and contractual personnel, and \$3.6 million supports operating costs.

Exhibit 2
Proposed Budget
MDH – Health Professional Boards and Commissions
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
Fiscal 2023 Actual	\$799	\$44,647	\$1,225	\$46,671
Fiscal 2024 Working Appropriation	905	39,698	620	41,223
Fiscal 2025 Allowance	<u>1,248</u>	<u>36,811</u>	<u>8,674</u>	<u>46,733</u>
Fiscal 2024-2025 Amount Change	\$343	-\$2,888	\$8,054	\$5,509
Fiscal 2024-2025 Percent Change	37.9%	-7.3%	1299.6%	13.4%

Where It Goes:	Change
Personnel Expenses	
Salary increases and associated fringe benefits including fiscal 2024 COLA and increments	\$2,052
Turnover adjustments (decrease from 8.91% to 5.78%).....	805
Personnel costs associated with 13 new positions	666
Payroll adjustments	101
Reclassification	59
Payroll reimbursements	46
Other fringe benefits	9
Maryland Board of Nursing	
Reimbursable funds for infrastructure operating costs supported with general funds under the MDH Office of the Secretary, per Chapters 222 and 223 of 2023	3,622
Supplies and equipment	-110
Telecommunications and postage	-\$111

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Where It Goes:	<u>Change</u>
Contract with Edge for Licensing Application Retrieval System, to align more closely with prior year expenditures	-304
Rent	-329
State Board of Physicians	
Practitioner rehab services	51
Peer review/expert testimony contracts	-97
State Board of Dental Examiners	
Rent increase due to board relocating	138
Software contract to maintain legacy licensing software	74
Software consultant for new licensing, compliance, and case management system.....	-126
State Board of Pharmacy	
One-time purchase of two new vehicles in fiscal 2024	-65
Reduction in pharmacist rehabilitation and educational services due to technical error	-90
Other Changes	
New licensing systems for the State Board of Physical Therapy Examiners, State Board of Psychologists, and State Board of Massage Therapy Examiners.....	605
Share of Attorney General personnel costs.....	187
Rent increases in other boards	86
Credit card processing fees to align with prior year actuals	55
New Continuing Education Unit audit contract for the State Board of Professional Counselors and Therapists.....	50
Cost allocations	-67
Downward adjustment as the Maryland Medical Cannabis Commission is no longer paying indirect MDH costs due to the transfer to the Maryland Cannabis Administration, an independent agency	-245
Administrative allocations	-679
Contractual personnel costs associated with a net decrease of 17.27 full-time equivalent positions	-732
Other changes.....	-142
Total	\$5,509

COLA: cost-of-living adjustment

MDH: Maryland Department of Health

Note: Numbers may not sum to total due to rounding. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Proposed Budget Reconciliation and Financing Act Actions

The BRFA contains three separate fund balance transfers from various health occupations boards, totaling \$3 million to replace general fund spending under BHA. These transfers are:

- \$1.6 million from the Board of Professional Counselors and Therapists fund balance;
- \$776,646 from the State Board of Occupational Therapy Practice fund balance; and
- \$588,771 from the State Board of Examiners for Psychologists fund balance.

In all, 19 of the 21 boards are funded through special funds that are derived from user fees. Generally, MDH recommends that each board maintain a fund balance between 20% and 30% of its annual expenditures. Fund balances assist the boards in meeting unanticipated expenses and/or maintaining operations through periods of revenue instability. **Exhibit 3** shows the fund balance as the various boards closed fiscal 2023, the expenditures that are anticipated in fiscal 2025 given the board's allowances, and the share of the fund balance as a percent of expenditures. The BRFA proposes fund balance transfers from the 3 boards with the highest fund balance as a percentage of the allowance, ranging from 169% to 228%.

Exhibit 3
Special Fund Balances as a Share of Projected Expenditures
Fiscal 2023 Fund Balance versus Fiscal 2025 Allowance
(\$ in Thousands)

	Closing Fund Balance <u>Fiscal 2023</u>	Allowance <u>Fiscal 2025</u>	Balance as % of <u>Allowance</u>	BRFA Proposed Fund Balance <u>Transfers</u>	Adjusted Fund Balance	Adjusted Balance as % of <u>Allowance</u>
Acupuncture	\$353.83	\$349.69	101%		\$353.83	101%
Audiologists	790.63	627.44	126%		790.63	126%
Chiropractic	290.41	633.19	46%		290.41	46%
Counselors/Therapists	3,711.29	1,627.91	228%	-\$1,648.67	2,062.62	127%
Dental	833.66	2,969.07	28%		833.66	28%
Dietetic	355.07	317.48	112%		355.07	112%
Environmental Health	0.00	263.43	0%		0.00	0%
Kidney Disease	160.25	228.63	70%		160.25	70%
Massage Therapy	864.27	929.00	93%		864.27	93%
Morticians	362.03	667.10	54%		362.03	54%
Nurses	309.40	13,481.44	2%		309.40	2%
Occupational Therapy	1,180.39	594.96	198%	-776.65	403.75	68%
Optometry	115.47	345.87	33%		115.47	33%
Pharmacy	3,368.52	4,382.53	77%		3,368.52	77%
Physical Therapy	1,441.47	1,755.46	82%		1,441.47	82%
Physicians	5,359.34	11,518.32	47%		5,359.34	47%
Podiatric	346.71	464.70	75%		346.71	75%
Psychologists	1,920.52	1,136.17	169%	-588.77	1,331.75	117%
Social Work	936.03	2,781.80	34%		936.03	34%

BRFA: Budget Reconciliation and Financing Act

Source: Maryland Department of Health; Department of Legislative Services

Personnel Data

	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24-25</u> <u>Change</u>
Regular Positions	330.50	257.50	270.50	13.00
Contractual FTEs	<u>67.27</u>	<u>57.81</u>	<u>40.54</u>	<u>-17.27</u>
Total Personnel	397.77	315.31	311.04	-4.27

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions

14.94 5.78%

Positions and Percentage Vacant as of 12/31/23

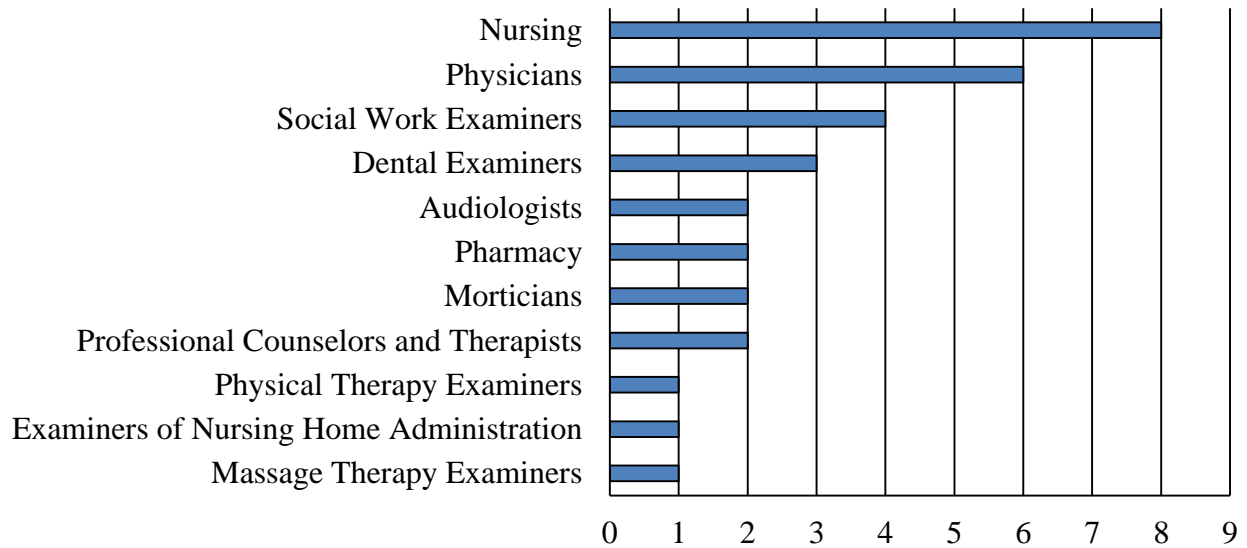
32.00 12.43%

Vacancies Above Turnover

17.06

- The fiscal 2025 allowance provides a net increase of 13 regular positions for HPBC, including 6 positions in the State Board of Social Work Examiners; 3 positions in the State Board of Examiners of Nursing Home Administrators; and 1 position increases in each of the following five boards: the Board of Professional Counselors and Therapists; the Board of Environmental Health Specialists; the Board of Physical Therapy Examiners; the State Commission on Kidney Disease; and the Board of Physicians. These additional positions are partially offset by a reduction of 1 position in the Board of Podiatric Examiners.
- As of December 31, 2023, HPBC had a vacancy rate of 12.43%, reporting 17.06 more vacant positions than are needed to meet the fiscal 2025 budgeted turnover. **Exhibit 4** shows the vacancies by board, with the most vacant positions in Board of Nursing and Board of Physicians. **The boards should comment on steps that it is taking to reduce vacancies and how these vacancies are impacting board operations. The board should also discuss how savings from vacant positions will be spent in fiscal 2024.**

Exhibit 4
Vacant Positions by Board
As of December 31, 2023



Source: Department of Budget and Management

Key Observations

1. Boards' Status in Meeting Managing for Results Investigation Goals

HPBC aims to ensure the delivery of quality health care and protection of the public through the licensing of providers in the State. The Department of Legislative Services (DLS) analyzes Managing for Results (MFR) performance data that tracks licensing, renewal processes, and timeliness of investigations into providers to determine efficiency and effectiveness of the boards. In recent years, the boards have struggled to meet various MFR goals. The boards have the following goals relating to key performance measures:

- ***Initial Licenses:*** All boards are expected to issue 95% of initial licenses within 10 days of the receipt of the last qualifying document.
- ***Renewal Licenses:*** HPBC will annually issue renewal licenses to 90% of qualified Board of Nursing applicants and 95% of all other boards within five days of receipt of the last qualifying document.
- ***Preliminary Investigations:*** The Board of Physicians will resolve 95% of preliminary investigations within 150 days.
- ***Complaint Investigation:*** HPBC will annually improve the percent of complaint investigations completed by the Board of Physicians and the Board of Nursing to 90% within 540 days and by all other boards and commissions to 90% within 270 days. This goal reflects a modification in the fiscal 2025 MFR submission, which provides a longer processing timeframe compared to prior complaint investigation goals of 90% of complaint investigations being completed within 270 days for the Board of Nursing and 100% within 180 days for all other boards and commissions.

Exhibit 5 displays the changes to the complaint investigation performance measure. MDH stated that the change in the measure for the Board of Nursing was made because the adjusted timeframe is more appropriate to complete the board's investigative process, considering the volume of complaints received by the board and its limited resources. MDH and HPBC reported that the change in the measure for all other boards was made to reflect the HPBC's operating processes more accurately, including the dynamics and intricacies of the boards' investigative processes. In addition, MDH indicated that continuing to employ the measure of 100% of complaints investigated within a certain timeframe emphasized timeliness over quality. **The boards should discuss the anticipated impact of the new performance goal on the boards' timely investigation of complaints.**

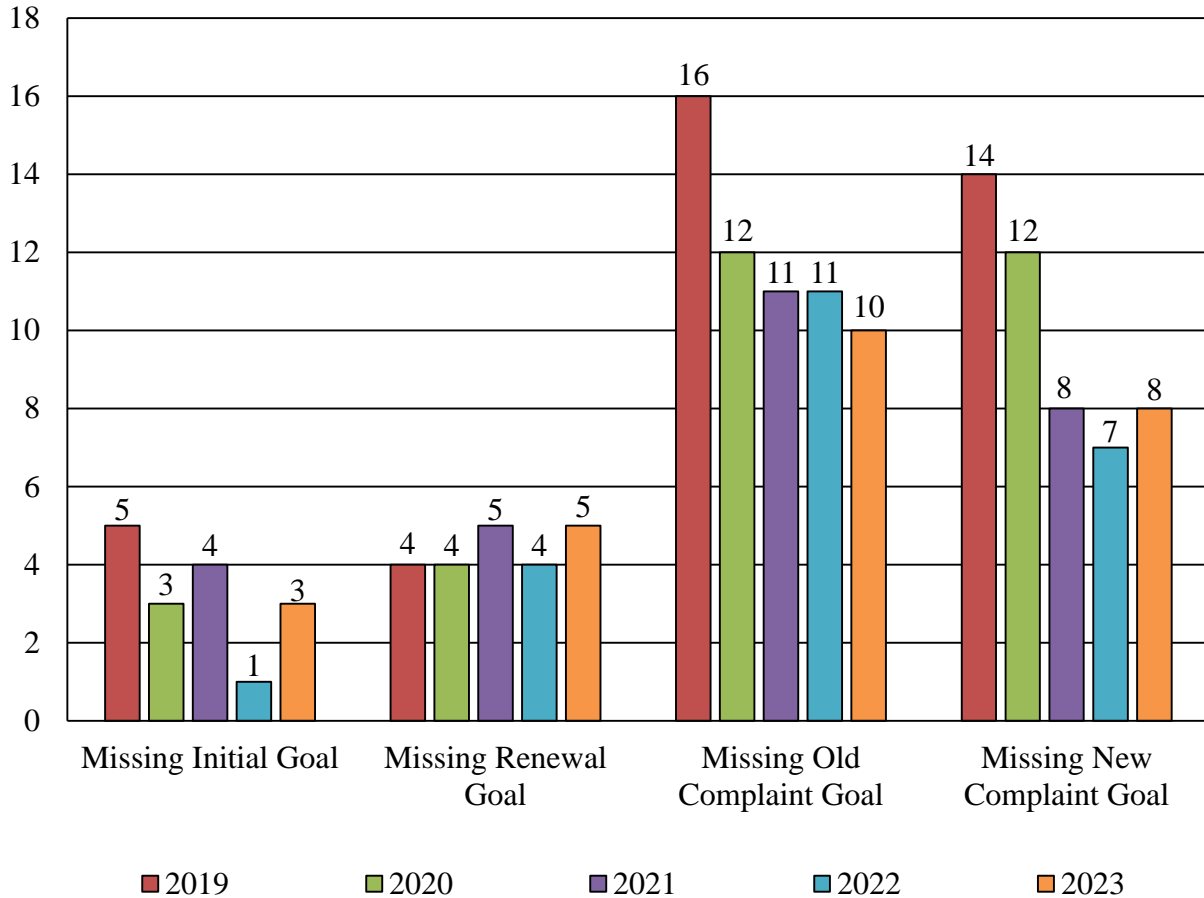
Exhibit 5
Revised Complaint Investigation Performance Measure

<u>Complaint Investigations Performance Measure</u>	<u>Original Goal</u>	<u>New Goal</u>
Board of Physicians	90% within 540 Days	No Change
Board of Nursing	90% within 270 Days	90% within 540 Days
All Other Boards	100% within 180 Days	90% within 270 Days

Source: Department of Budget and Management; Maryland Department of Health

As shown in **Exhibit 6**, various boards continued to miss their goals relating to issuing initial licenses, renewal licenses, and complaint investigations. In fiscal 2022, the boards were largely able to meet their initial and renewal licensing goals, with only one board missing its initial licensing goal and four boards missing their renewal licensing goal. However, there was an increase in the number of boards that missed goals in each of the categories from fiscal 2022 to 2023. There were three boards that missed all goals: the Board of Audiologists; the Board of Pharmacy; and the Board of Professional Counselors and Therapists. Although the boards continue to have various missed goals, they have generally shown improvement in the number of boards meeting their performance goals since fiscal 2019.

**Exhibit 6
Missed Managing for Results Goals
Fiscal 2019-2023**



Source: Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

The change in the complaint investigation performance measure generally reduced the number of boards that missed goals. For example, in fiscal 2023, 10 boards would have failed to meet the old complaint investigation goal, but 2 of those boards were able to meet the threshold for meeting the new goal. Still, 8 boards missed the new goal in fiscal 2023 even after revising the goal to have less stringent requirements. This result is concerning, as the boards should be investigating practitioners with whom consumers have filed complaints in a timely manner. Without timely investigations, it is possible that there are practitioners who may be practicing improperly or providing subpar care.

As shown in **Exhibit 7**, using the new complaint investigation goal for all years, fiscal 2019 had the highest number of boards that missed the complaint investigation goal. In fiscal 2019, 14 boards failed to investigate complaints against providers within their designated timeframe. In recent years, the boards have shown improvement in meeting this goal, with 7 missing this goal in fiscal 2022 and 8 missing this goal in fiscal 2023. In fiscal 2023, most of the boards (13 out of the 21 assessed boards) met their investigation goal of at least 90% completed within the goal timeframe, with 11 of those boards meeting 100%.

Exhibit 7
Missed Complaint Investigation Goals
Fiscal 2019-2023

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Acupuncture	50%	100%	100%	83%	90%
Audiologists	85%	68%	89%	95%	85%
Chiropractic	77%	60%	97%	89%	100%
Dental	59%	26%	29%	43%	46%
Dietetic	81%	110%	100%	100%	100%
Environmental Health	33%	0%	100%	100%	17%
Kidney Disease	100%	79%	100%	100%	100%
Massage Therapy	95%	73%	94%	93%	81%
Morticians	57%	100%	100%	100%	100%
Nursing	4%	32%	68%	100%	51%
Nursing Home Administration	100%	100%	16%	100%	100%
Occupational Therapy	100%	87%	76%	96%	92%
Optometry	65%	87%	100%	87%	100%
Pharmacy	80%	88%	88%	41%	42%
Physical Therapy	100%	100%	50%	97%	100%
Physicians and Allied Health	93%	100%	100%	100%	100%
Podiatric	87%	114%	100%	100%	100%
Professional Counselors/Therapists	53%	50%	50%	52%	21%
Psychologists	100%	100%	100%	100%	100%
Residential Child Care	0%	100%	100%	100%	100%
Social Work	75%	65%	92%	47%	67%
Total Number of Boards with Missed Goal	14	12	8	7	8

Note: Timeliness goals are measured as 90% of complaint investigations completed within specified timeframes. Bolded percentages indicate missed goals experienced by each board per year.

Source: Department of Budget and Management; Maryland Department of Health

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Four boards were under 50% of their complaint investigation goal, and of these boards, three missed all three performance measures in fiscal 2023. MDH gave the following reasons for why these three boards missed all three of their goals:

- ***Board of Audiologists:*** staffing shortages, including multiple staff vacancies and a steadily increasing workload;
- ***Board of Pharmacy:*** unanticipated significant impact of the COVID-19 pandemic and the MDH ransomware attack in application receipt and processing; and
- ***Board of Professional Counselors and Therapists:*** unanticipated staffing shortages and employee turnover.

Three boards showed significant decreases in complaint investigation outcomes from fiscal 2022 to 2023. The following identifies the boards, the decreases from fiscal 2022 to 2023, and the reasons that MDH gave for these worse outcomes:

- ***Board of Environmental Health Specialists from 100% to 17%:*** vacant board positions and problems with getting a quorum to close complaints;
- ***Board of Nursing from 100% to 51%:*** caseload ratio of investigations per investigator increases due to cases resulting from Operation Nightingale, in which the U.S. Federal Bureau of Investigation reported a fraudulent nursing degree scheme, and limited investigative team members; and
- ***Board of Professional Counselors and Therapists from 52% to 21%:*** unanticipated staffing shortages and employee turnover including the vacant compliance manager position, which handled all investigations for nine months of fiscal 2023.

In addition, three boards missed the complaint investigation goal in the last five fiscal years: the Board of Dental Examiners; the Board of Pharmacy; and the Board of Professional Counselors and Therapists. Language in the fiscal 2024 Budget Bill restricted funding from multiple boards until reports were submitted related to the boards' MFR performance. The first report was to be submitted by the Board of Dental Examiners on the steps being taken to assist the board in reaching their MFR goals, as the board has not been able to meet its established timeliness goals for initial licensing, renewals, and complaint investigations over the last five fiscal years. This report was due on July 1, 2023. As of January 31, 2024, the report had not been submitted to the budget committees.

The second piece of language restricted \$25,000 for each of the following boards pending the submission of two joint reports detailing efforts made to improve the timeliness of investigations for each board: the Board of Dental Examiners; the Board of Pharmacy; the Board of Physical Therapy Examiners; the Board of Professional Counselors and Therapists; the Board of Social Work Examiners; and the Board of Audiologists. The joint reports were due on

August 1, 2023, and January 1, 2024. As of January 31, 2024, neither of these reports had been submitted.

The Board of Audiologists, the Board of Pharmacy, and the Board of Professional Counselors and Therapists should comment on efforts being made to meet all three of their MFR goals. The Board of Dental Examiners, the Board of Pharmacy, and the Board of Professional Counselors and Therapists should discuss reasons for missing the complaint investigation goal for the past five fiscal years, including what efforts are being made to ensure timely complaint investigations are taking place.

Considering that none of the required reports on the boards' MFR performance were submitted, and that various boards continue to fail to meet their MFR goals in fiscal 2023, DLS recommends adding language restricting funds until a joint report is submitted by MDH and the relevant boards providing the backlog of cases to be investigated by each board, plans to remedy the low completion percentage of the complaint investigation goal, and a timeline for performance improvement for the Board of Dental Examiners, the Board of Pharmacy, and the Board of Professional Counselors and Therapists.

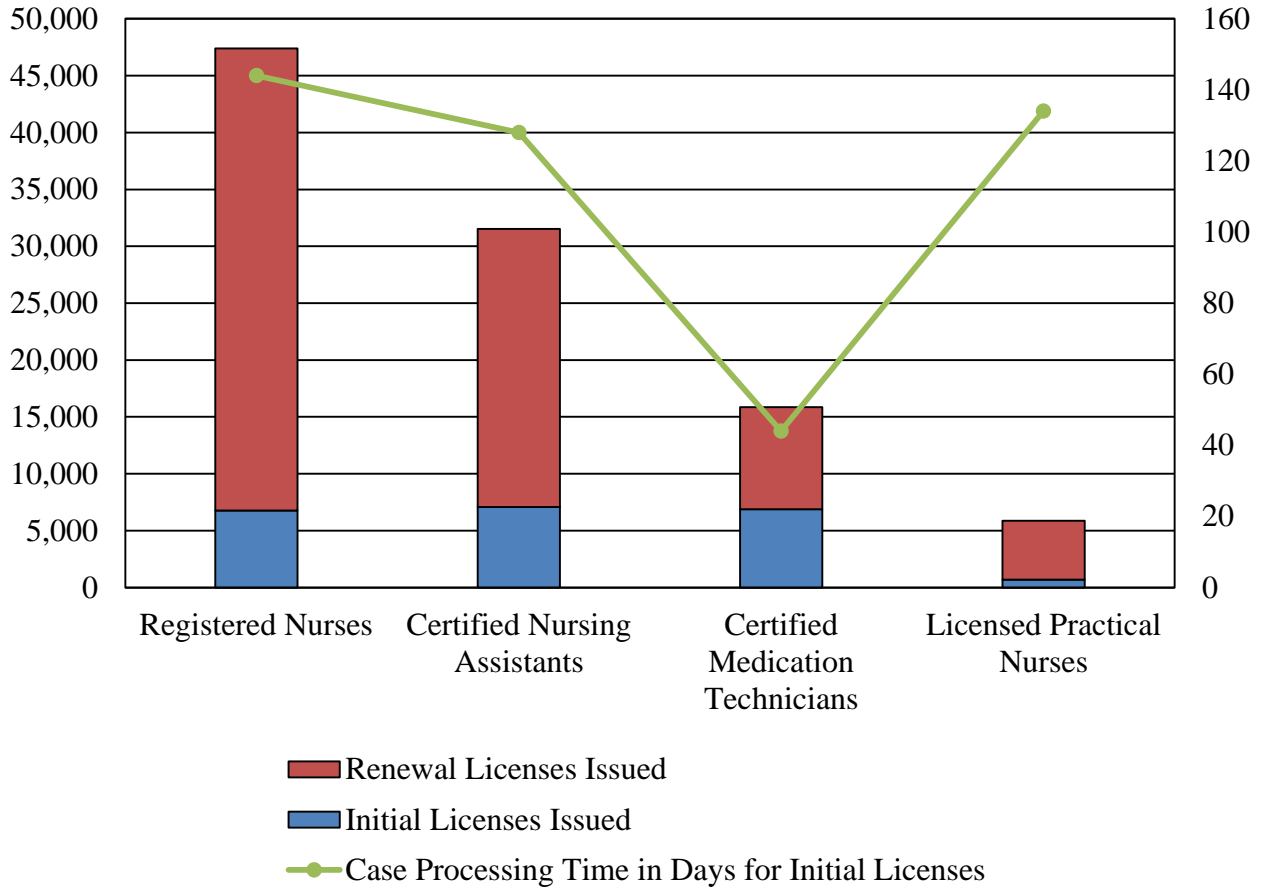
2. Board of Nursing Infrastructure Operations and Funds Transferred to the Maryland Department of Health Office of the Secretary

The Board of Nursing is responsible for the regulatory oversight of the practice of nursing in the State, including registered nurses (RN) and licensed practical nurses (LPN), through licensure, certification, and education. The Board of Nursing is composed of 14 members appointed by the Governor, including 9 RNs.

Backlog of License Issuance and Complaint Investigation

In regulating the nursing industry, the Board of Nursing's Licensure and Certification department processes nursing applications and issues initial and renewal licenses that individuals need to enter the workforce. The board has staff members that are responsible for interviewing and screening individuals for licensure. The board has experienced a significant backlog of nurse applications and high case processing times. In fiscal 2023, the most popular types of licenses and certificates for both initial and renewal types were RN licenses, certified nursing assistant certificates, certified medication technician certificates, and LPN licenses. As shown in **Exhibit 8**, the case processing times among these types of licenses remained high, ranging from 44 days to 144 days, depending on the license or certification. Resolving the backlog of license issuance cases will contribute to addressing nurse shortages in Maryland.

**Exhibit 8
Licenses and Certificates Issued and Case Processing Times
Fiscal 2023**



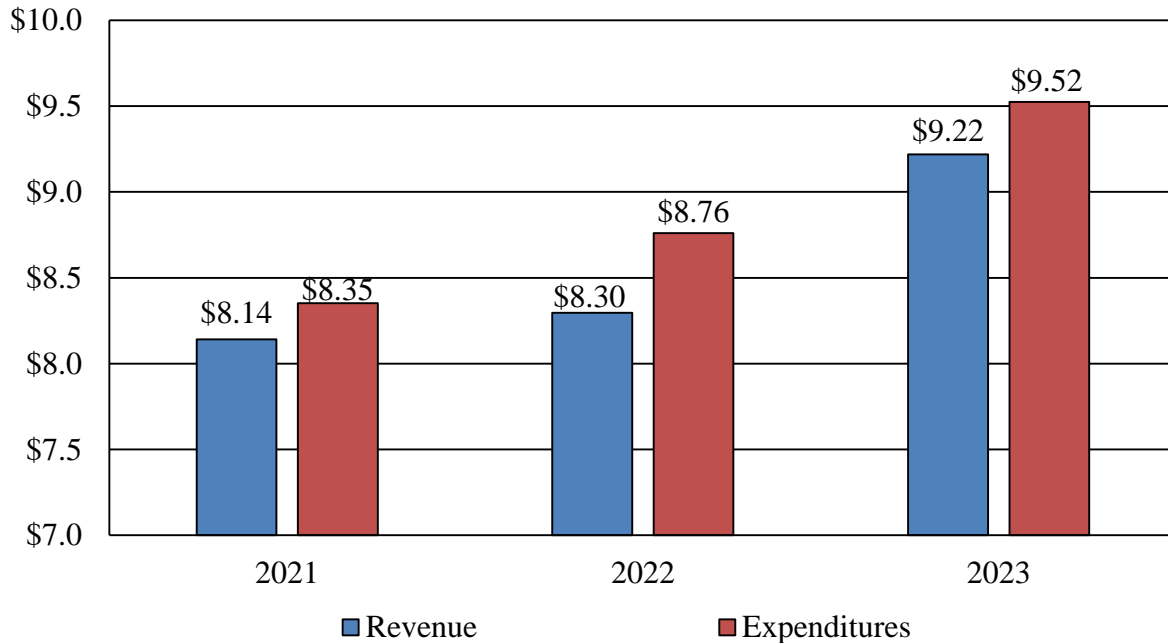
Source: Maryland Board of Nursing

In addition to issuing renewal and initial license and certifications, the board is responsible for investigating complaints made against professionals in the field and has also experienced a significant backlog of complaint investigations. The board has a complaint triage committee that reviews incoming complaints, determines next steps to be taken, and assigns a priority level if recommended for investigation. An evaluation of the Board of Nursing by the DLS Office of Program Evaluation and Government Accountability (OPEGA) issued in December 2023 found that many complaints including those of highest priority did not get triaged for investigation for weeks or months. Most complaints were not triaged until 21 days to 40 days or 41 days to 60 days, while some cases took over 200 days. Some complaints had even been open since calendar 2013. OPEGA stated that at the current rate of complaints resolution and if no new complaints were received, it would take five years for the Board of Nursing to clear the backlog.

Deficiencies Found within Board of Nursing Infrastructure Operations

The Board of Nursing has experienced various challenges that limit its ability to process license applications and resolve the backlog of complaints, including staffing shortages and budgetary constraints. The board experienced a vacancy rate of 12.43% as of December 31, 2023, which limits its ability to process applications for licenses. In addition, as shown in **Exhibit 9**, the Board of Nursing’s expenditures exceeded revenues for each of the past three fiscal years. The board’s closing special fund balance for fiscal 2023 was approximately \$309,000. Fiscal constraints further limit the board’s ability to function effectively and provide competitive compensation to current and prospective employees. In the fiscal 2023 annual report, MDH stated that application fees at the Board of Nursing have not changed since fiscal 2008, and that the revenue generated from fees cannot sufficiently support the board’s operations. According to a report by OPEGA, Maryland’s licensing fees are generally below national averages and many other nearby states. Although the Board of Nursing’s licensing and certification fees for RN, LPN, and Advanced Practice RN applicants were lower than many other states, its renewal fees for these license types were above the national average.

Exhibit 9
Maryland Board of Nursing Revenue and Expenditures
Fiscal 2021-2023
(\$ in Millions)



Source: Maryland Board of Nursing

In accordance with Chapters 222 and 223, the Board of Nursing was required to hire an external consultant to conduct an independent evaluation of the board’s infrastructure and operations, which was completed by Ernst and Young on September 1, 2023. The evaluation utilized board interviews and observations and public data to benchmark the Board of Nursing against other states’ regulatory agencies for nursing licensure. The report findings highlighted infrastructure and personnel gaps, including inefficiencies in payment processes, prelicensure and endorsement processes, reporting, manual processes, and constituent communication. The report also found redundancies and technological inefficiencies regarding application processing. The report highlighted inefficiencies in three key areas within the Board of Nursing:

- ***Personnel-related:*** issues with recruitment, retention, training, and engagement;
- ***Process-related:*** opportunities for streamlining operations, reorganization of process steps, or removal of steps; and
- ***Technology-related:*** outdated and unsophisticated system infrastructure, including inefficient telephone, application tracking and management, and reporting systems.

In addition to an evaluation of the Board of Nursing, Ernst and Young developed an action plan for the implementation of the recommendations of the evaluation. The action plan must be developed in partnership with the Department of Budget and Management (DBM), the Department of Information Technology, and MDH. The report provided various immediate next steps, including 6-month and 12-month action plan recommendations relating to people, processes, and technology, such as focusing on improving retention, considering increasing licensure fees, upgrading technology, and streamlining the application process. **MDH should comment on the details of its plan and timeline to implement the action plan developed.**

Transfer of Infrastructure Operation Functions

In accordance with Chapters 222 and 223, authority for the Board of Nursing’s infrastructure and oversight operations was transferred to MDH Office of the Secretary. Infrastructure operations refer to the administrative activities of a health occupations board or commission, including tools and resources for the use and support of deliberative action. Chapters 222 and 223 temporarily repeal the Board of Nursing’s authority to employ staff and an executive director and to define duties of its staff and prohibit the use of special funds from the Board of Nursing Fund to pay for infrastructure operations while the Secretary retains authority. The bill also terminated on a staggered basis the terms of board members who were in office on the date the emergency bill took effect, including the terms of seven members on May 1, 2023, and seven members on November 1, 2023. Affected board members can apply for reappointment.

To implement the legislation and transfer responsibility of Board of Nursing infrastructure operations to MDH, Section 19 of the fiscal 2024 Budget Bill (Chapter 101) added \$8 million in general funds to the MDH Office of the Secretary budget, though the fiscal 2025 budget includes a proposed deficiency reducing this amount to \$5.3 million. Considering the Office of the

Secretary's expenditure in fiscal 2024, the fiscal 2025 allowance provides \$4.3 million in general funds for this purpose. However, the Board of Nursing's fiscal 2025 allowance includes \$8 million in reimbursable funds to account for the infrastructure operations that are now being administered by the Office of the Secretary within MDH. MDH reported that it will work with DBM to make a technical correction to reduce the Board of Nursing's reimbursable funds from \$8.0 million to \$4.3 million to align with the general funds provided in the Office of the Secretary budget. Considering that the infrastructure operations are being performed by MDH, it is unclear why the Board of Nursing's fiscal 2025 allowance includes reimbursable funds that would support this function, while the fiscal 2024 working appropriation does not.

To align the accounting of Board of Nursing infrastructure operations with the fiscal 2024 working appropriation, DLS recommends striking the fiscal 2025 language that allows the Board of Nursing to receive reimbursement for services provided for the Office of the Secretary. The Board of Nursing should also comment on how the infrastructure operations are being conducted, including:

- **reasons for reduced funding levels of \$5.3 million in the fiscal 2024 working appropriation and \$4.3 million in the fiscal 2025 allowance for Board of Nursing infrastructure operations within the Office of the Secretary;**
- **the status and estimated timeline of working with DBM to make the technical correction reducing reimbursable funds from \$8.0 million to \$4.3 million within the Board of Nursing;**
- **reasons for the Board of Nursing receiving reimbursable funds for infrastructure operations in fiscal 2025 only; and**
- **details on the implementation of the transfer of Board of Nursing infrastructure operations to the Office of the Secretary.**

Operating Budget Recommended Actions

1. Add the following language to the special fund appropriation:

, provided that \$100,000 for the Board of Dental Examiners, \$100,000 for the Board of Pharmacy, and \$100,000 for the Board of Professional Counselors and Therapists, made for the purposes of administrative expenses may not be expended until a joint report is submitted by the Maryland Department of Health detailing the backlog of cases to be investigated by each board, plans to remedy the low completion percentage of the timely complaint investigation goal, and a timeline for improvement on annual performance goals. The report shall be submitted by August 1, 2024, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: Several of the health professional boards have missed their annual Managing for Results performance goals relating to timely investigations for the last five fiscal years. This language restricts funds from the boards that have missed these goals for five consecutive years until the Maryland Department of Health (MDH) submits a joint report outlining plans to correct the low percentage of timely investigations and clear any case backlogs.

Information Request	Author	Due Date
Report on the Health Professional Boards and Commissions' timely investigation goal	MDH	August 1, 2024

2. Strike the following language:

~~Funds are appropriated in other agency budgets to pay for services provided by this program. Authorization is hereby granted to use these receipts as special funds for operating expenses in this program.~~

Explanation: Chapters 222 and 223 of 2023 temporarily repeal the Maryland Board of Nursing's authority to employ staff and an executive director and to define duties of its staff. Instead, authority of the board's infrastructure and oversight operations are assigned to the Secretary of Health. This action strikes language allowing the Board of Nursing to receive reimbursement from the Maryland Department of Health for services related to infrastructure operations for the board.

Appendix 1
2023 Joint Chairmen’s Report Responses from Agency

The 2023 *Joint Chairmen’s Report* (JCR) requested that HPBC prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on the Board of Dental Examiners MFR Goals:*** As of January 31, 2023, this report had not been submitted. The Board of Dental Examiner’s performance in these measures is discussed in Key Observation 1 of this analysis.
- ***Report on the Health Occupation Boards’ Timely Investigation Goal:*** As of January 31, 2023, this report had not been submitted. Further discussion of this data can be found in Key Observation 1 of this analysis.

Appendix 2
Maryland Department of Health
Licensing and Regulatory Management System Project
Major Information Technology Development Project
Maryland Health Professional Boards and Commissions

Funding allocated in M00A01.08

New/Ongoing: Ongoing								
Start Date: March 2019					Est. Completion Date: December 2025			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2024	2025	2026	2027	2028	Remainder	Total
GF	\$2.216	\$4.050	\$0.528	\$0.000	\$0.000	\$0.000	\$0.000	\$6.794
SF	0.454	0.000	0.000	0.000	0.000	0.000	0.000	0.454
Total	\$2.670	\$4.050	\$0.528	\$0.000	\$0.000	\$0.000	\$0.000	\$7.248

- **Project Summary:** The project aims to develop an enterprise licensing and regulatory management solution to manage all aspects of licensing. The goal of the program is to advance and protect the public’s health and welfare through proper credentialing, permitting, licensing, examination, inspection, and discipline of health providers, distributors, and facilities. Stakeholders include the boards, licensing applicants, licensees, public facilities, and the public.
- **Need:** HPBCs utilize different licensing systems to provide services, with many of these being outdated or insufficient for the level of service required. This project ensures that all boards are using the same updated system to provide services to their customers.
- **Changes:** Since the 2023 session, the project cost for fiscal 2025 decreased from \$3.6 million to \$527,500 due to significant delays in the project’s design stage.
- **Concerns:** MDH reported that the project did not make any measurable progress in calendar 2023 and that the project’s complexity was increased due to expanded scope from primarily supporting the needs of the Board of Nursing to providing an enterprise solution for the use of all 23 boards and commissions. MDH reported that the expansion required additional convergence of objectives to meet the needs of all boards, which was a difficult process as boards could not come to an agreement. As a result, the project’s progress and funding stalled in fiscal 2021 and has not resumed.
- **Observations and Milestones:** Design, development, and implementation are expected to be completed by the end of fiscal 2025.

Appendix 3
Object/Fund Difference Report
Maryland Department of Health – Health Professional Boards and Commissions

<u>Object/Fund</u>	<u>FY 23</u> <u>Actual</u>	<u>FY 24</u> <u>Working</u> <u>Appropriation</u>	<u>FY 25</u> <u>Allowance</u>	<u>FY 24 - FY 25</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	330.50	257.50	270.50	13.00	5.0%
02 Contractual	67.27	57.81	40.54	-17.27	-29.9%
Total Positions	397.77	315.31	311.04	-4.27	-1.4%
Objects					
01 Salaries and Wages	\$ 28,356,845	\$ 26,991,083	\$ 30,729,895	\$ 3,738,812	13.9%
02 Technical and Special Fees	5,358,702	3,856,800	3,124,592	-732,208	-19.0%
03 Communication	685,363	396,054	466,810	70,756	17.9%
04 Travel	230,843	512,305	521,337	9,032	1.8%
07 Motor Vehicles	384,318	81,154	16,921	-64,233	-79.1%
08 Contractual Services	8,975,655	7,252,858	9,487,185	2,234,327	30.8%
09 Supplies and Materials	373,427	255,485	279,954	24,469	9.6%
10 Equipment – Replacement	108,082	129,474	136,328	6,854	5.3%
11 Equipment – Additional	180,172	42,962	39,140	-3,822	-8.9%
13 Fixed Charges	2,017,528	1,705,271	1,930,663	225,392	13.2%
Total Objects	\$ 46,670,935	\$ 41,223,446	\$ 46,732,825	\$ 5,509,379	13.4%
Funds					
01 General Fund	\$ 799,053	\$ 905,410	\$ 1,248,145	\$ 342,735	37.9%
03 Special Fund	44,646,611	39,698,308	36,810,757	-2,887,551	-7.3%
09 Reimbursable Fund	1,225,271	619,728	8,673,923	8,054,195	1299.6%
Total Funds	\$ 46,670,935	\$ 41,223,446	\$ 46,732,825	\$ 5,509,379	13.4%

Note: The fiscal 2024 appropriation does not include across-the-board reductions. The fiscal 2025 allowance does not include cost-of-living adjustments.