

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1048 (Delegates Morhaim and Kach)
 Health and Government Operations

**Department of Health and Mental Hygiene - Consolidation and Streamlining Act
 of 2007**

This bill renames the Department of Health and Mental Hygiene (DHMH) as the Department of Health and transfers the Maryland Institute for Emergency Medical Services Systems (MIEMSS) to the Office of Preparedness and Response (OPR) in the department. The State Emergency Medical Services Board (EMS board) is abolished and its functions transferred to MIEMSS. The bill also authorizes money in the Maryland Emergency Medical System Operations Fund (MEMSOF) to be used for OPR.

Fiscal Summary

State Effect: Special fund expenditures for MIEMSS would decrease by \$1.0 million in FY 2008. Future year savings reflect inflation. No effect on revenues.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	(1,000,000)	(1,043,800)	(1,089,500)	(1,137,300)	(1,187,300)
Net Effect	\$1,000,000	\$1,043,800	\$1,089,500	\$1,137,300	\$1,187,300

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: The bill does not directly affect local finances. To the extent the positions eliminated under the bill provide technical assistance to local EMS jurisdictions, support to local governments could be reduced.

Small Business Effect: Minimal to none.

Analysis

Bill Summary: MIEMSS will assume the duties of the repealed EMS board, including:

- developing and adopting an EMS plan;
- adopting regulations for ambulance service licensing;
- approving EMS provider training courses;
- examining and certifying EMS personnel;
- appointing the Provider Review Panel;
- taking disciplinary action against EMS personnel; and
- administering the Automated External Defibrillator Program.

The Secretary of the renamed Department of Health must appoint an Executive Director for MIEMSS. The statewide Emergency Medical Services Advisory Council will advise and assist MIEMSS. Members of the advisory council are appointed by the Governor. The EMS Board Provider Fund is renamed the Institute Provider Fund.

Uncodified language authorizes the Governor, for fiscal 2008, to transfer up to 84.1 full-time equivalent regular positions and \$10.3 million in special funds to OPR. In order to meet these limits the Governor may only eliminate vacant positions, positions in the job family “Officials and Administrators,” and the Executive Director of MIEMSS. Any additional special funds budgeted for MIEMMS in fiscal 2008 must revert to MEMSOF.

Additional uncodified language requires the department to conduct a comprehensive review of the department to identify methods to streamline or consolidate duplicative or unnecessary boards, commissions, councils, and committees and catalog the reports required by the General Assembly. The department must submit a report on its review by December 1, 2007.

Current Law: MIEMSS is an independent agency located at the University of Maryland, Baltimore and governed by the EMS board. Funding for MIEMSS comes primarily from MEMSOF but includes a small amount of federal and reimbursable funds. The EMS board, with the approval of the Governor, appoints an Executive Director of MIEMSS, who serves at the pleasure of the EMS board. The advisory council, appointed by the EMS board subject to the approval of the Governor, advises and assists the EMS board in performing its functions.

OPR was created in 2006 within DHMH to oversee programs to enhance public health preparedness activities for the State and local jurisdictions and coordinate a public health emergency response in Maryland. OPR is not codified under current law.

MEMSOF is funded by an \$11 annual surcharge on motor vehicle registrations for certain classes of vehicles and must be used solely for the following components of Maryland’s EMS program:

- Maryland State Police, Aviation Division;
- Shock Trauma Center;
- the Maryland Fire and Rescue Institute;
- local grants under the Senator

William H. Amoss Fire, Rescue, and Ambulance Fund; and • the Volunteer Company Assistance Fund. MEMSOF expenditures must be made pursuant to an appropriation approved by the General Assembly in the annual State budget or by budget amendment submitted to and approved by the Legislative Policy Committee prior to the expenditure or obligation of funds.

Background: MIEMSS was established as a State agency in 1993, but had been in existence for 20 years prior to that – first under DHMH and then the University of Maryland, Baltimore. As structured, the EMS law established a system that encourages statewide participation and feedback through membership on the EMS board and the advisory council.

MIEMSS oversees an EMS system that includes over 30,000 Maryland-certified EMS providers, 48 emergency departments, and 9 trauma centers. In addition to the Department of State Police Medevac helicopter system that provides over 5,400 transports a year, MIEMSS regulates commercial ground and air ambulance services that provide 191,000 ground and 3,500 air transports annually.

The Governor's proposed fiscal 2008 budget for MIEMSS includes \$12.1 million in total funds (\$11.3 million in special funds) and 99.9 total personnel (94.1 regular positions), including one new regular position, a contractual conversion. MIEMSS had five vacancies at the close of calendar 2006. Supplemental Budget #1 reduces MIEMSS' federal fund appropriation from \$700,000 to \$100,000.

The Governor's proposed fiscal 2008 budget for OPR includes \$23.9 million in federal funds and 35 total personnel (all regular positions). OPR receives no general or special fund support in fiscal 2008. OPR had 14 vacancies at the close of calendar 2006. OPR projects are funded through four federal grants.

The Governor's proposed fiscal 2008 budget for MEMSOF provides for \$53.6 million in total expenditures. The Maryland State Police Aviation Division (33.2%), MIEMSS (20.3%), Amoss Fund (18.6%), and Maryland Fire and Rescue Institute (12.6%) make up the largest portions of MEMSOF expenditures.

State Fiscal Effect: Under the bill, MIEMSS will transfer under OPR in the renamed Department of Health along with \$10.3 million in special funds and 84.1 FTE positions. As MIEMSS' fiscal 2008 allowance includes \$11.3 million in special funds and 94.1 FTE regular positions, special fund expenditures will decrease by \$1.0 million in fiscal 2008 from the abolition of 10 positions. Savings will also be achieved from the repeal of the EMS board, but are expected to be minimal.

The bill specifies that only vacant positions, positions in the Department of Budget and Management's job family A "Officials and Administrators," and the executive director position can be eliminated. MIEMSS indicates that it has five vacancies and 27.6 filled positions that would qualify for elimination under these criteria. It is not known which of these positions would be eliminated under the bill.

DHMH advises that its expenditures would increase by more than \$1.0 million in fiscal 2008 to change the department's name. Legislative Services disagrees and believes that the name change could be completed in the ordinary course of business and within existing budgeted resources.

Future year special fund expenditure savings assume 4.5% growth in personnel expenses and 1% growth in other administrative expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Institute for Emergency Medical Services Systems, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2007
ncs/jr

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