

**M00B0103**  
**Office of Health Care Quality**  
**Maryland Department of Health**

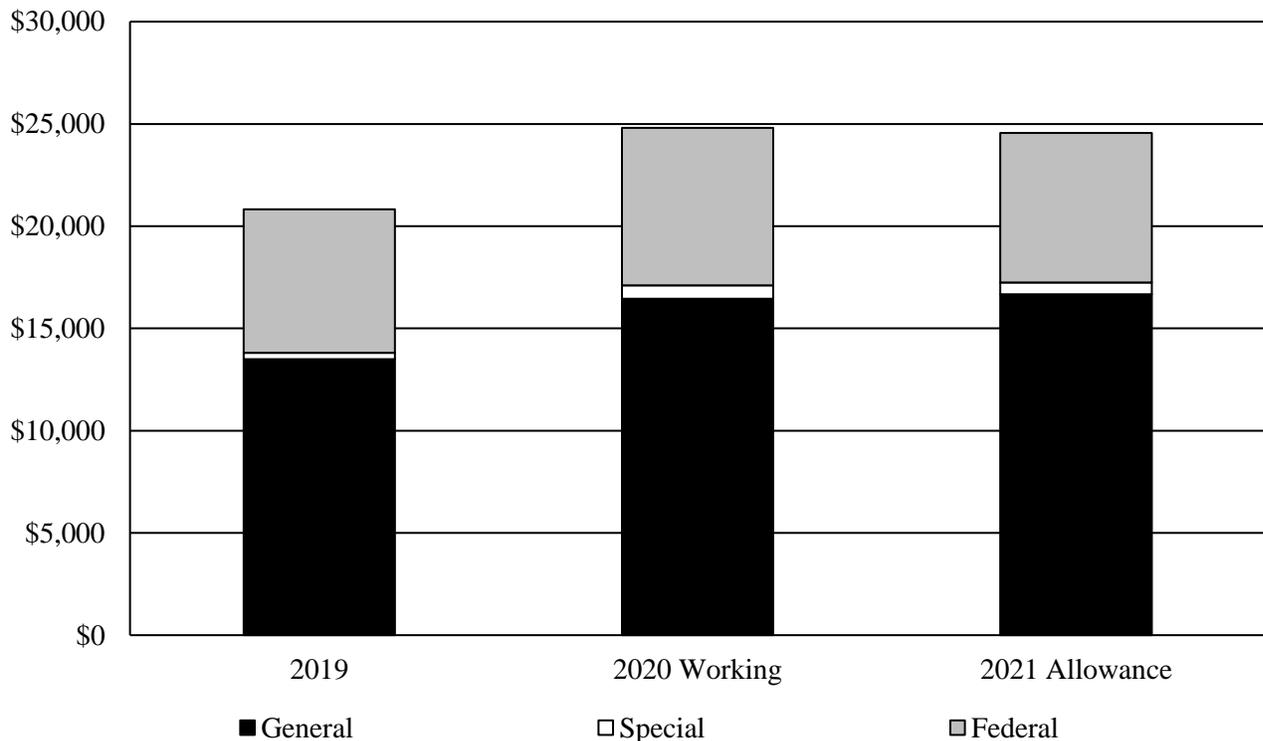
**Program Description**

The Office of Health Care Quality (OHCQ) is the agency within the Maryland Department of Health 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 State regulations as well as compliance with federal regulations in those facilities participating in Medicare and Medicaid. OHCQ is organized into six units that have separate facility licensing and regulatory responsibility: Clinical and Forensic Laboratories Unit; Developmental Disabilities Unit (DDU); Ambulatory Care Unit; Assisted Living Unit (ALU); Long Term Care Unit; and Hospital Unit.

***Operating Budget Summary***

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**Fiscal 2021 Budget Decreases by \$248,415 or 1% to \$24.6 Million**  
**(\$ in Thousands)**



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

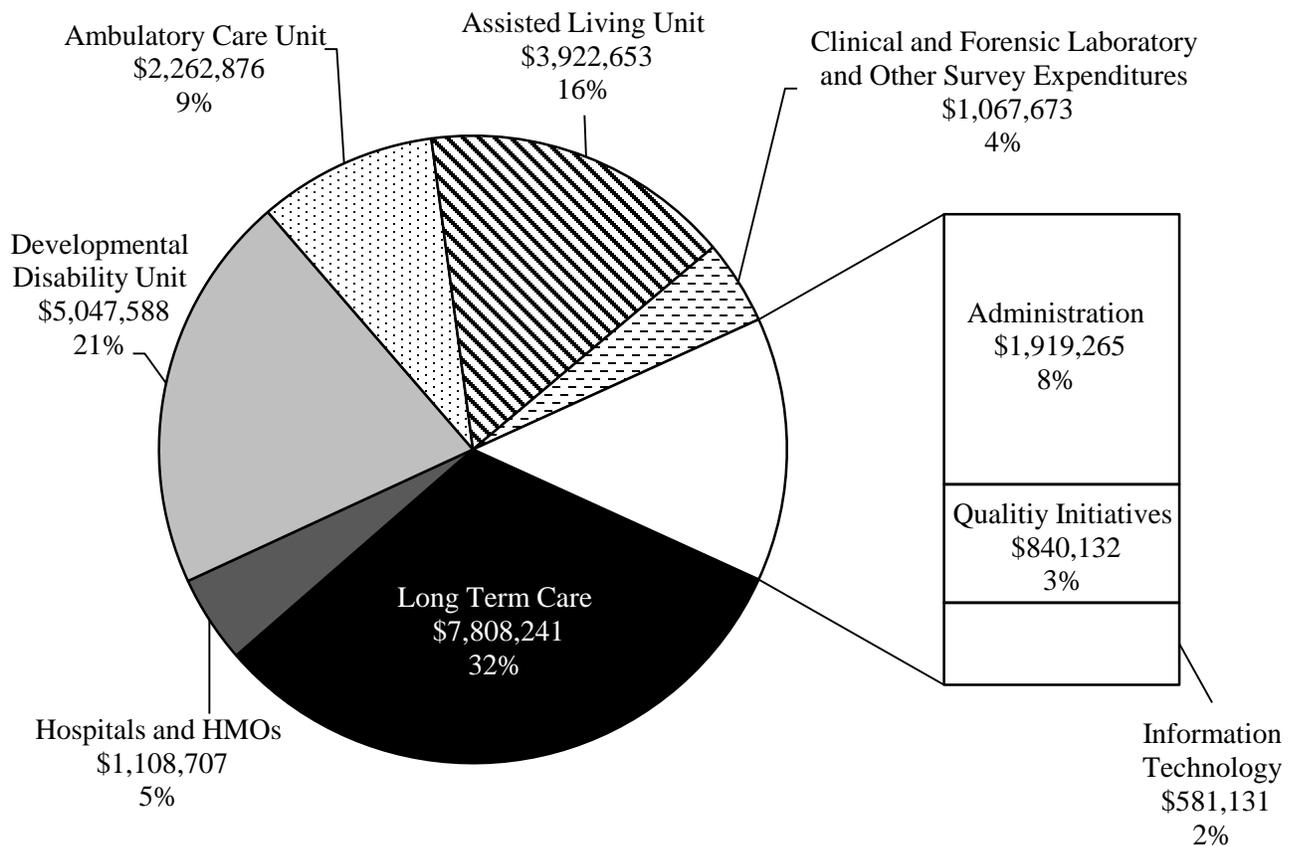
For further information contact: Andrew C. Garrison

Phone: (410) 946-5530

## Fiscal 2021 Overview of Agency Spending

OHCQ’s fiscal 2021 proposed budget is \$24,558,267. OHCQ is organized into five major units that provide oversight of different health care facilities throughout the State. Additional, smaller regulatory units oversee laboratories, hospice facilities, and adult medical day cares. **Exhibit 1** shows how the expenditures are distributed throughout the different units. Additionally, OHCQ dedicates some resources to services that assist all of the different monitoring units, including administrative expenses, information technology solutions, and quality performance measures, also itemized in Exhibit 1.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2021 Allowance**



HMO: health maintenance organization

Note: Program totals include estimated fiscal 2021 general salary increase.

Source: Governor’s Proposed Budget

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Considering the regulatory nature of OHCQ, the overwhelming amount of spending in each unit as well as agencywide, is personnel-related expenditures. In fiscal 2021, regular employees’ salaries and fringe benefits account for over 85% of agency spending.

**Proposed Budget Change**

The most substantive changes to OHCQ’s budget are personnel related: OHCQ gained 10 new positions again this year in hopes to improve their rate of inspecting health care facilities. However, this increase was offset by decreases in various personnel adjustments, as shown in **Exhibit 2**. Outside of personnel expenditures, the remainder of OHCQ’s budget only decreased by \$9,331. The shift of federal funds to general funds pertains to more accurate reflection of position expenditure fund splits in fiscal 2021.

**Exhibit 2**  
**Proposed Budget**  
**MDH – Office of Health Care Quality**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Total</u></b>
Fiscal 2019 Actual	\$13,491	\$324	\$7,005	\$20,820
Fiscal 2020 Working Appropriation	16,442	666	7,699	24,806
Fiscal 2021 Allowance	<u>16,665</u>	<u>577</u>	<u>7,316</u>	<u>24,558</u>
Fiscal 2020-2021 Amount Change	\$224	-\$89	-\$383	-\$248
Fiscal 2020-2021 Percent Change	1.4%	-13.4%	-5.0%	-1.0%

**Where It Goes:**

<b>Personnel Expenses</b>	<b><u>Change</u></b>
Salary and fringe benefits for 10 new positions .....	\$539
Employee retirement system contributions for existing employees .....	134
Fiscal 2021 general salary increase, 2% effective January 1, 2021 .....	215
January 1, 2020 1% general salary increase annualization.....	63
Other fringe benefit adjustments.....	18
Other regular salary adjustments for vacant positions and positions that received fiscal 2020 annual salary review. ....	-172
Employee and retiree health insurance .....	-490
Turnover adjustment for existing positions from 6.12% to 9.95% .....	-545

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**Where It Goes:**

<b>Other Changes</b>	<u><b>Change</b></u>
Salary adjustments for a net 0 FTE change in contractual staff: 2.0 new contractual FTEs (1 fire safety inspector and one lab surveyor); and 2.0 FTE increase in workload for existing contractual employees, offset by 4.0 FTEs decrease (3 contractual health facility surveyors eliminated and the term ending for 1 federally funded grant coordinator).....	49
Increase in contractual health insurance .....	32
Other .....	-2
Decrease in information technology contract expenditures.....	-12
Unsubscribed to cloud-based e-discovery system to manage documents for trials and hearings due to lack of need.....	-24
Decrease in rent expenditures .....	-25
Reduction in Civil Monetary Penalty Grants for long-term care.....	-26
<b>Total</b>	<b>-\$248</b>

FTE: full-time equivalent  
MDH: Maryland Department of Health

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

***Personnel Data***

	<u><b>FY 19 Actual</b></u>	<u><b>FY 20 Working</b></u>	<u><b>FY 21 Allowance</b></u>	<u><b>FY 20-21 Change</b></u>
Regular Positions	201.00	211.00	221.00	10.00
Contractual FTEs	<u>6.57</u>	<u>12.50</u>	<u>12.50</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>207.57</b>	<b>223.50</b>	<b>233.50</b>	<b>10.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	19.89	9.00%
Positions and Percentage Vacant as of 12/31/19	21.00	9.95%
Vacancies Above Turnover	1.11	0.95%

**New Positions**

The fiscal 2021 allowance authorizes 10 new positions to investigate health facilities in an attempt to meet mandated inspection goals. Chapter 454 of 2018, the Maryland Nursing Home Resident

Protection Act, mandated the addition of personnel to OHCQ through fiscal 2024, at which time 50 new positions will have been authorized. The fiscal 2021 budget complies with the statute, as did the fiscal 2020 budget. **Exhibit 3** shows how the new positions have been allocated within OHCQ for both fiscal 2020 and 2021.

**Exhibit 3  
New Employees  
Fiscal 2020-2021**

<u>Unit</u>	<u>Working Title</u>	<u>2020</u>	<u>2021</u>	<u>Cumulative</u>
Ambulatory Care	Nurse Surveyor I	0	1	1
Ambulatory Care	Health Facility Survey Coordinator	1	0	1
<b><i>Ambulatory Care Subtotal</i></b>		<b><i>1</i></b>	<b><i>1</i></b>	<b><i>2</i></b>
Assisted Living	Nurse Surveyor I	1	0	1
Assisted Living	Health Facility Survey Coordinator	0	1	1
<b><i>Assisted Living Subtotal</i></b>		<b><i>1</i></b>	<b><i>1</i></b>	<b><i>2</i></b>
Developmental Disability	Coordinator Special Programs IV	1	1	2
Developmental Disability	Nurse Surveyor I	2	2	4
Developmental Disability	Health Facility Survey Coordinator	1	0	1
<b><i>Developmental Disability Subtotal</i></b>		<b><i>4</i></b>	<b><i>3</i></b>	<b><i>7</i></b>
Long Term Care	Nurse Surveyor I	3	3	6
Long Term Care	Nursing Instructor	0	1	1
Long Term Care	Sanitarian IV	0	1	1
Long Term Care	Health Facility Survey Coordinator	1	0	1
<b><i>Long Term Care Subtotal</i></b>		<b><i>4</i></b>	<b><i>5</i></b>	<b><i>9</i></b>
<b>Total</b>		<b>10</b>	<b>10</b>	<b>20</b>

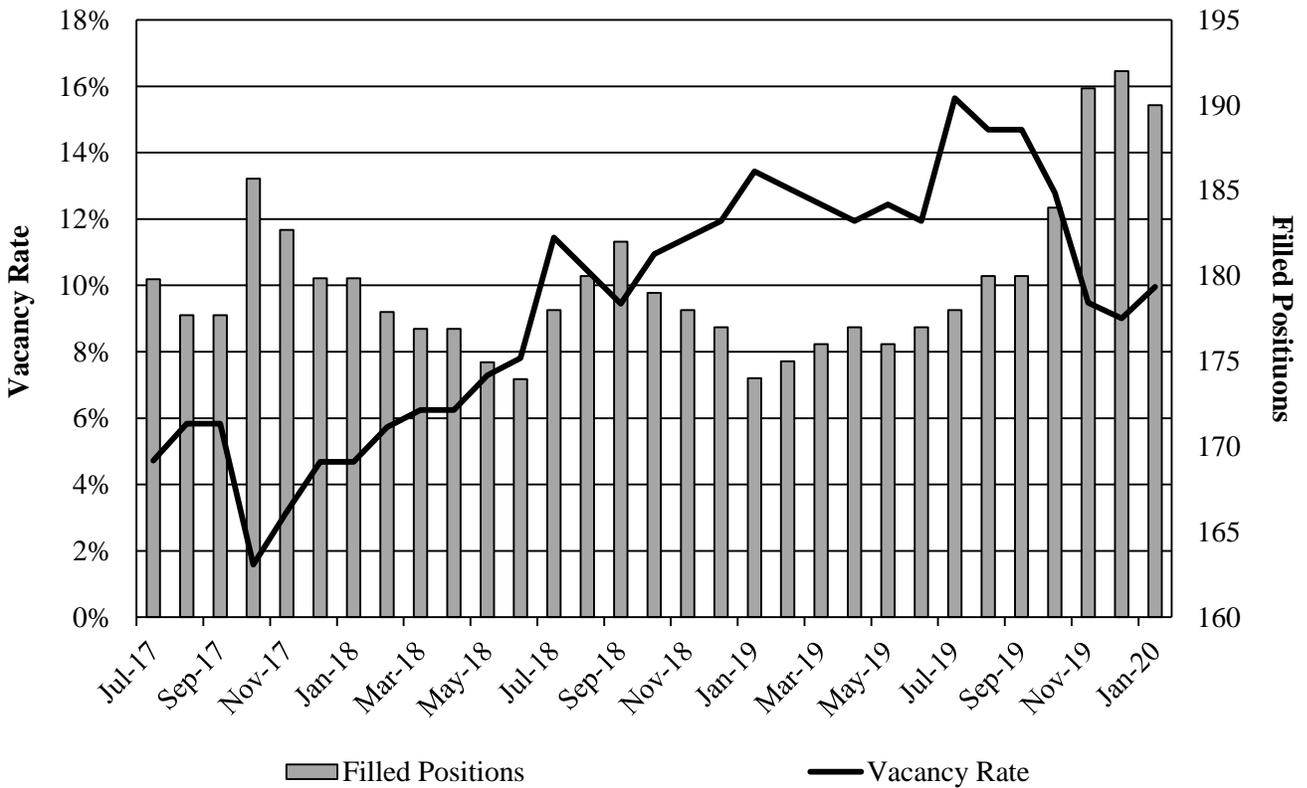
Source: Governor’s Proposed Budget

In addition to the new positions added, OHCQ moved positions within the programs and units. OHCQ added 2 positions to the administrative function and Hospitals/Health maintenance organization investigations each at the expense of personnel in ALU (-1), Laboratory Certification (-1), and Quality Initiatives (-2).

**Employee Turnover and Vacancy Rates**

The budgeted turnover rate increases from 6.12% in fiscal 2020 to 9.95% in 2021, accurately reflecting existing vacancies. After consistently low vacancy rates in calendar 2017, OHCQ experienced increasing vacancy rates through May 2019, as shown in **Exhibit 4**.

**Exhibit 4  
Vacancy Rates  
July 2017 to January 2020**



Source: Maryland Department of Health

Vacancies for OHCQ peaked at nearly 16% over this period, but since then, OHCQ has been able to fill positions, including all but 1 of the new positions authorized in fiscal 2020. One possible contributing factor to the success in hiring these positions is that nurse surveyors employed by OHCQ received an Annual Salary Review (ASR) increase in fiscal 2020 as part of an ASR for all nurse classifications. Last year, OHCQ reported that challenges with the office on Spring Grove Hospital Center flooding and the relocation to a new office impacted the agency’s hiring ability. OHCQ currently has 21 vacancies, which are listed in **Appendix 1**.

## ***Key Observations***

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### **1. OHCQ Still Falling Short of Meeting Inspection Goals**

Although OHCQ has made tremendous strides with its hiring and personnel, as previously discussed, that has not perfectly translated to success in improving inspection goals. There are three different types of facilities and corresponding investigative units within OHCQ that continue to miss the goals and statutory mandates for investigations: Long Term Care; ALU; and DDU. Encouragingly, all of these investigative units have made improvements over fiscal 2018. However, OHCQ and the related investigative units still have a long way to go to meet their statutory mandates. **Exhibit 5** outlines the goals for these units, the improvements they have made over prior year actuals, and what further improvement is needed to meet statutory obligations.

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#### **Exhibit 5 Performance Evaluation Summary Fiscal 2019 over 2018**

	<u>Measurement</u>	<u>Goal</u>	<u>Improvement over 2018</u>	<u>Remaining Improvement Needed</u>
Nursing Homes	Days to Initiate Investigation for Complaints Alleging Actual Harm	10 Days	Initiated investigations on average 1 day sooner	Investigations initiated on average 24 work days sooner
Assisted Living Programs	Programs Receiving Annual Survey	All programs in the State (1,563 in fiscal 2019)	290 more programs received annual survey	485 programs need annual survey
Developmental Disabilities Programs	Programs Receiving Annual Survey	All programs in the State (253 in fiscal 2019)	36 more programs received annual survey	162 programs need annual survey

Source: Governor’s Fiscal 2021 Budget Books

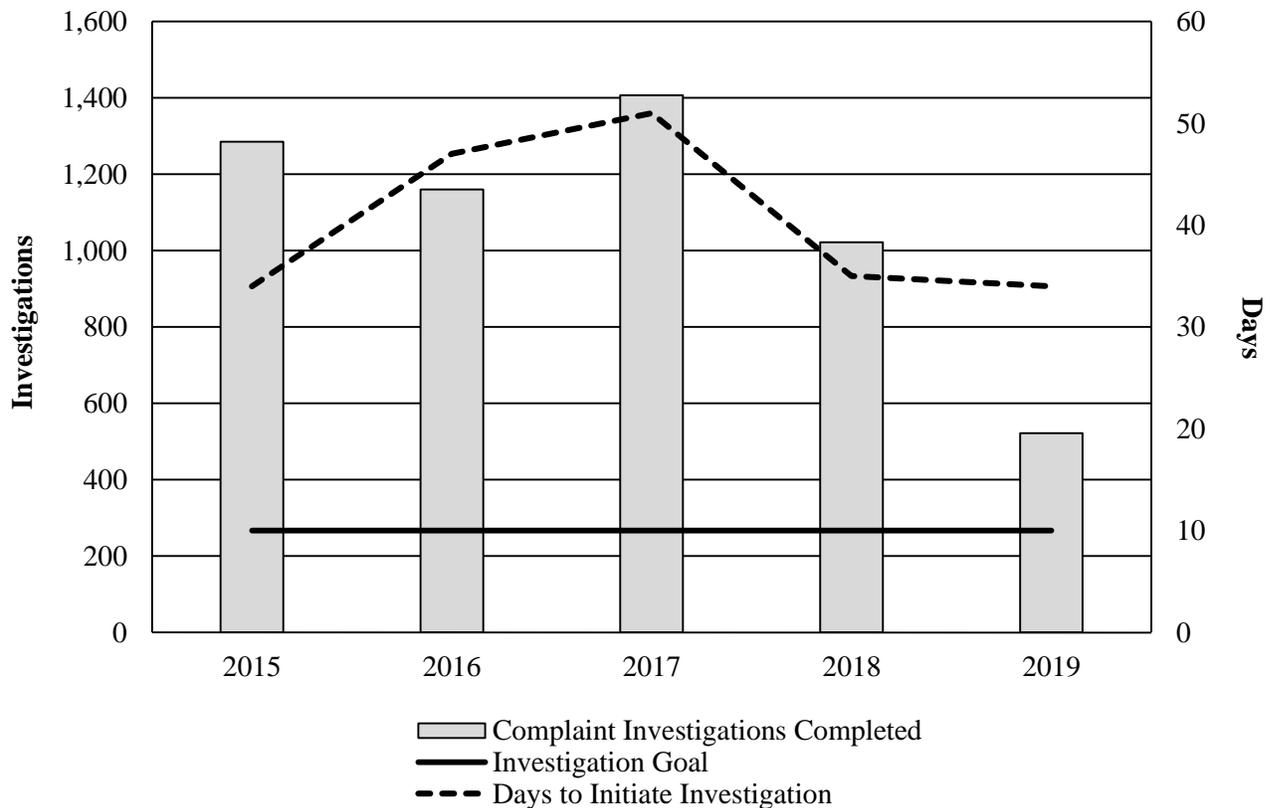
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The sections below discuss in greater depth the relative improvements each unit has made over fiscal 2018 and places fiscal 2019 numbers in a historical context.

## Long Term Care Unit and Nursing Home Investigations

Federal and State regulations require the investigation of complaints and incidents that allege actual harm. The OHCQ Long Term Care Unit is responsible for these investigations as well as monitoring, licensing, and certification of all nursing homes in the State. The current State and federal regulations require that these investigations be initiated within 10 days. **Exhibit 6** shows the number of these types of investigations and the average number of days to initiate the investigation.

**Exhibit 6**  
**Nursing Home Investigations**  
**Fiscal 2015-2019**



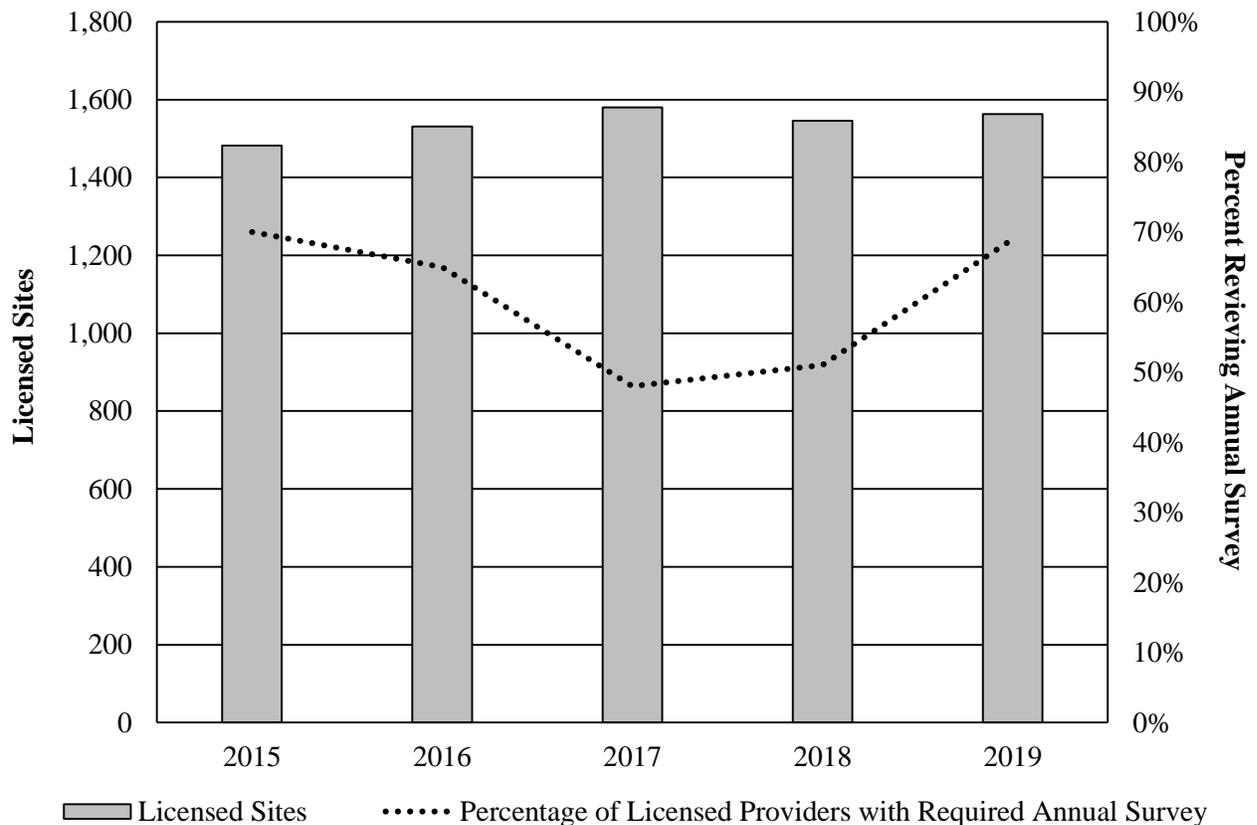
Source: Governor’s Fiscal 2021 Budget Books

OHCQ has succeeded in reducing the days to initiate an investigation in fiscal 2018 and 2019. However, as shown, the days to initiate investigations is still well above the State and federal standards, with an average of 34 days to initiate in fiscal 2019.

## Assisted Living Facilities Surveyed

In fiscal 2019, ALU continued to improve the share of assisted living programs that received the mandated annual surveys to 69% of the 1,563 programs operating in Maryland, shown in **Exhibit 7**.

**Exhibit 7**  
**Assisted Living Unit Surveys**  
**Fiscal 2015-2019**



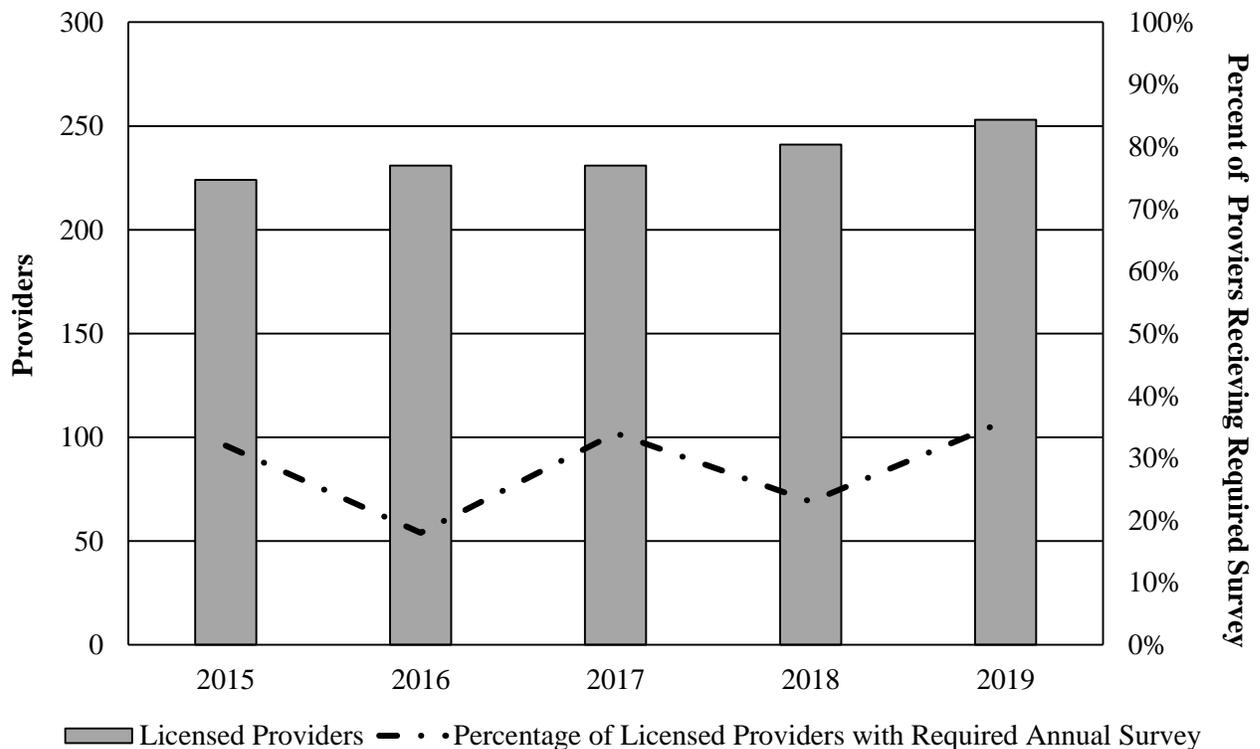
Source: Governor’s Fiscal 2021 Budget Books

ALU’s 18 percentage-point increase in surveys between fiscal 2018 and 2019 is the largest improvement made by these three units. However, the ultimate goal for OHCQ and ALU is to complete annual surveys of all programs in the State each year, as outlined in Exhibit 5.

## Developmental Disabilities Programs Surveyed

The OHCQ 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). As shown in **Exhibit 8**, even though this unit has made improvements over fiscal 2018, fewer than 40% of providers in the State receive the annual surveys required year-over-year.

**Exhibit 8**  
**Developmental Disabilities Provider Surveys**  
**Fiscal 2015-2019**



Source: Governor’s Fiscal 2021 Budget Books

Fiscal 2019 is the high watermark for DDU in recent years, at 36%, but this is only two percentage points higher than fiscal 2017 and still well short of all DDA providers receiving the needed oversight.

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1  
Vacancies  
Fiscal 2020**

<u>Unit</u>	<u>Position Title</u>	<u>Current Vacancies</u>	<u>Vacancy Rate</u>
<b>Administration</b>	<b>Administrative Officer</b>	<b>1</b>	<b>6.70%</b>
<b>Ambulatory Care Unit</b>	<b>Nurse Surveyor I</b>	<b>1</b>	<b>5.00%</b>
<b>Assisted Living Unit</b>			
	Health Facility Survey Coordinator	2	
	Nurse Surveyor I	1	
<b>Subtotal</b>		<b>3</b>	<b>8.30%</b>
<b>Developmental Disability Unit</b>			
	Nurse Surveyor I	2	
	Health Facility Survey Coordinator	1	
<b>Subtotal</b>		<b>3</b>	<b>6.10%</b>
<b>Hospital Unit</b>			
	Nurse Surveyor I	2	
	Health Facility Survey Coordinator	1	
<b>Subtotal</b>		<b>3</b>	<b>30.00%</b>
<b>Long Term Care Unit</b>			
	Nurse Surveyor I	6	
	Program Manager	1	
	Sanitarian Surveyor IV	1	
<b>Subtotal</b>		<b>8</b>	<b>13.30%</b>
<b>Forensic Labs</b>	<b>Lab Supervisor</b>	<b>1</b>	<b>100.00%</b>
<b>Quality Initiatives</b>	<b>Nursing Program Consultant/Administrator</b>	<b>1</b>	<b>20.00%</b>
<b>Total</b>		<b>21</b>	<b>9.95%</b>

**Appendix 2**  
**Object/Fund Difference Report**  
**MDH Office of Health Care Quality**

<u>Object/Fund</u>	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u> <u>Appropriation</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20 - FY 21</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	201.00	211.00	221.00	10.00	4.7%
02 Contractual	6.57	12.50	12.50	0.00	0%
<b>Total Positions</b>	<b>207.57</b>	<b>223.50</b>	<b>233.50</b>	<b>10.00</b>	<b>4.5%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 17,382,292	\$ 21,157,110	\$ 20,640,409	-\$ 516,701	-2.4%
02 Technical and Spec. Fees	476,932	670,357	750,491	80,134	12.0%
03 Communication	154,932	180,026	190,510	10,484	5.8%
04 Travel	419,584	191,134	212,116	20,982	11.0%
07 Motor Vehicles	166,479	103,389	243,316	139,927	135.3%
08 Contractual Services	879,107	763,005	745,488	-17,517	-2.3%
09 Supplies and Materials	36,102	214,709	34,921	-179,788	-83.7%
10 Equipment – Replacement	193,779	21,000	7,000	-14,000	-66.7%
11 Equipment – Additional	45,428	0	17,500	17,500	N/A
12 Grants, Subsidies, and Contributions	324,229	532,663	506,388	-26,275	-4.9%
13 Fixed Charges	740,795	910,000	869,582	-40,418	-4.4%
<b>Total Objects</b>	<b>\$ 20,819,659</b>	<b>\$ 24,743,393</b>	<b>\$ 24,217,721</b>	<b>-\$ 525,672</b>	<b>-2.1%</b>
<b>Funds</b>					
01 General Fund	\$ 13,490,627	\$ 16,401,504	\$ 16,423,395	\$ 21,891	0.1%
03 Special Fund	324,229	665,712	575,886	-89,826	-13.5%
05 Federal Fund	7,004,803	7,676,177	7,218,440	-457,737	-6.0%
<b>Total Funds</b>	<b>\$ 20,819,659</b>	<b>\$ 24,743,393</b>	<b>\$ 24,217,721</b>	<b>-\$ 525,672</b>	<b>-2.1%</b>

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.