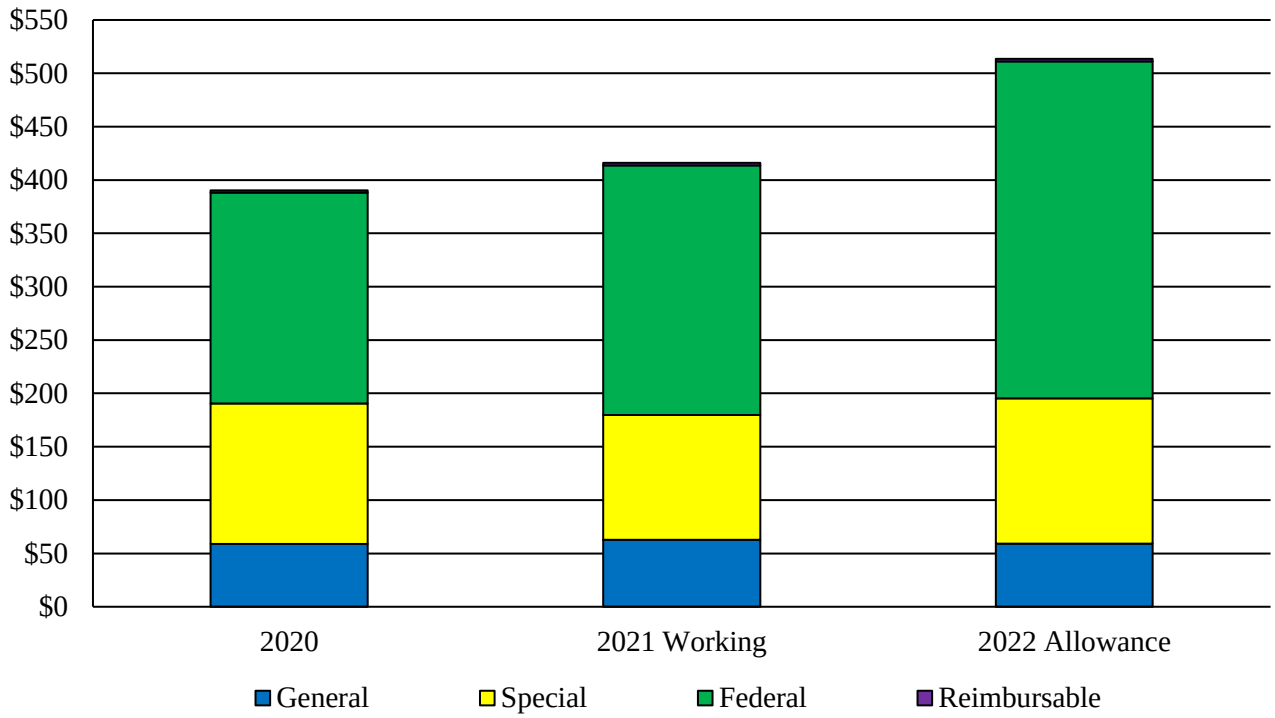
M00F03
Prevention and Health Promotion Administration
Maryland Department of Health

Executive Summary

The mission of the Maryland Department of Health (MDH) Prevention and Health Promotion Administration (PHPA) is to protect, promote, and improve the health and well-being of Marylanders and their families through the provision of public health leadership and community-based health efforts.

Operating Budget Summary

Fiscal 2022 Budget Increases $97.6 Million, or 23.5%, to $513.6 Million
($ in Millions)



Note: The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes annualization of general salary increases and annual salary reviews.

- Unlike other MDH offices in which federal support for the COVID-19 response appears predominantly in fiscal 2020, PHPA's $97.6 million increase in fiscal 2022 is driven by approximately $85.1 million in COVID-19-related federal fund spending.

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Key Observations

- ***Maternal Mortality Rates Show Worsening Health Disparities Based on Race:*** MDH's *Maternal Mortality Review 2019 Annual Report* depicted substantial racial disparities in Maryland as non-Hispanic Black women showed maternal mortality rates that were about four times higher than non-Hispanic White women. Multiple committees and task forces have proposed recommendations for improving maternal health outcomes and lessening racial disparities.

- ***Nutrition Program for Women, Infants, and Children Sees Program Changes and a Lower Rate of Decline in Enrollment during Pandemic:*** The U.S. Department of Agriculture approved multiple waivers for Maryland to adapt services in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as a result of the COVID-19 pandemic. While WIC enrollment nationally has declined over the past decade, Maryland WIC most recently reported only a 1.5% decrease in enrollment between fiscal 2019 and 2020.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

M00F03
Prevention and Health Promotion Administration
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Operating Budget Analysis

Program Description

The mission of the Prevention and Health Promotion Administration (PHPA) is to protect, promote, and improve the health and well-being of Marylanders and their families through the provision of public health leadership and through community-based public health efforts in partnership with local health departments, providers, community-based organizations, and public- and private-sector agencies. PHPA is organized into five bureaus: the Office of Infectious Disease Prevention and Health Services; the Office of Infectious Disease Epidemiology and Outbreak Response; the Maternal and Child Health Bureau; the Environmental Health Bureau; and the Cancer and Chronic Disease Bureau.

PHPA accomplishes its mission by focusing, in part, on the prevention and control of infectious diseases; investigation of disease outbreaks; protection from food-related and environmental health hazards; and helping impacted persons live longer, healthier lives. Additionally, the administration works to assure the availability of quality primary prevention and specialty care health services with special attention to at-risk and vulnerable populations. Finally, the administration aims to prevent and control chronic diseases, engage in disease surveillance and control, prevent injuries, provide health information, and promote healthy behaviors.

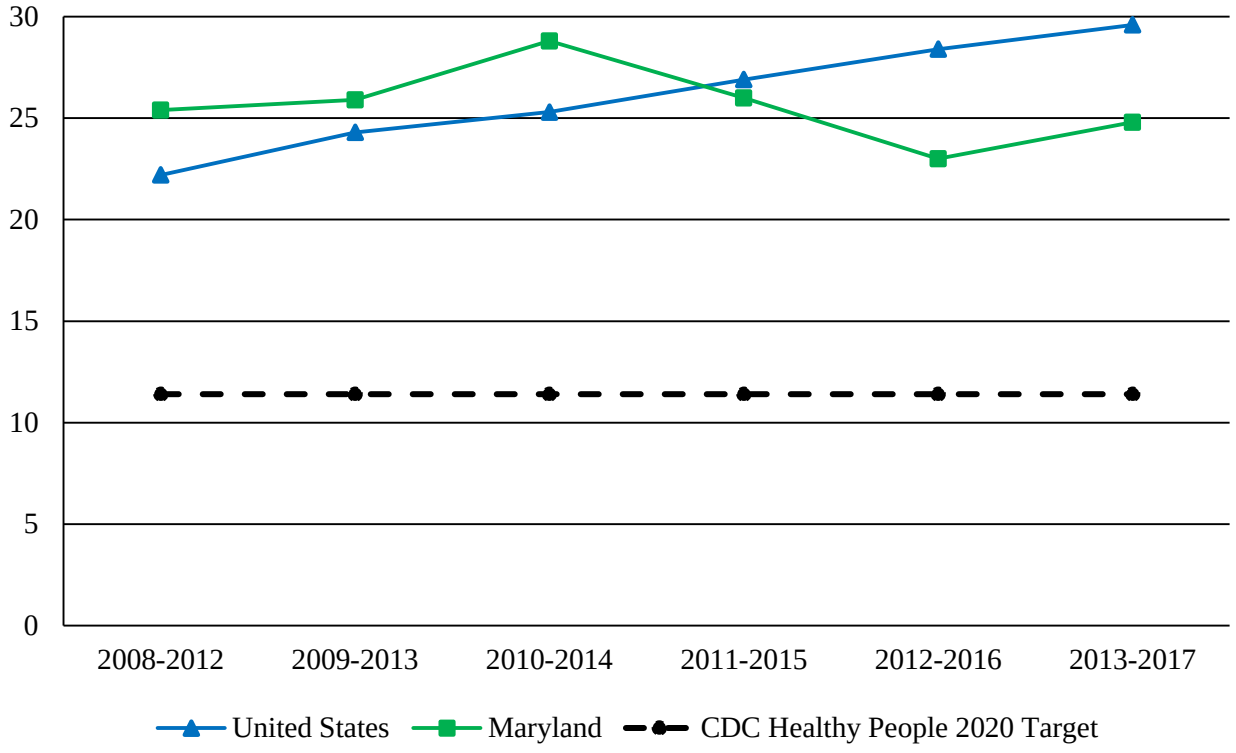
Performance Analysis: Managing for Results

1. Maternal Mortality Rates Continue to Show Worsening Racial Disparities

In accordance with Sections 13-207 and 13-208 of the Health General Article, the Maryland Department of Health (MDH) submits the *Maryland Maternal Mortality Review* annual reports that outline the findings of case reviews for all deaths of Maryland resident women during pregnancy or up to one year after the conclusion of pregnancy and offer recommendations from the Maternal Mortality Review Committee and Stakeholder Group. PHPA's Maternal and Child Health Bureau collaborates with the Office of the Chief Medical Examiner and Vital Statistics Administration and contracts with MedChi to identify maternal death cases and conduct these case reviews.

As shown in **Exhibit 1**, Maryland's most recent five-year average maternal mortality rate increased slightly from the prior five-year average to 24.8 maternal deaths per 100,000 live births, following two periods of declining average mortality rates. While Maryland's maternal mortality rate has changed inconsistently over the period shown, the U.S. average maternal mortality rate increased in each year since the 2008-2012 five-year average. The national average maternal mortality rate grew higher than Maryland's rate starting with the 2011-2015 five-year average. Both the national and Maryland maternal mortality rates are well above the U.S. Centers for Disease Control and Prevention (CDC) Healthy People 2020 goal of 11.4 maternal deaths per 100,000 live births.

Exhibit 1
Five-year Average Maternal Mortality Rates
Maternal Deaths Per 100,000 Live Births
2008-2012 to 2013-2017 Five-year Averages

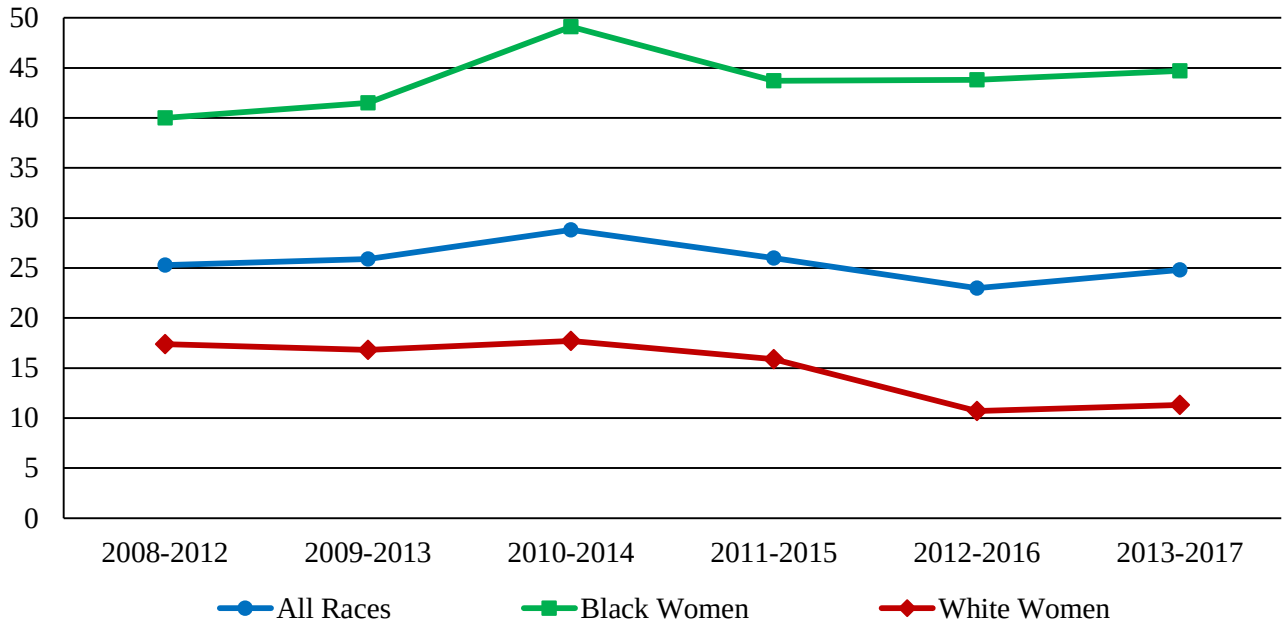


CDC: U.S. Centers for Disease Control and Prevention

Source: *Maryland Maternal Mortality Review* 2015-2019 Annual Reports; Maryland Department of Health

MDH reported in the *Maryland Maternal Mortality Review 2019 Annual Report* that national maternal mortality rates show significant racial disparities with Black women experiencing 2.4 times greater rates than White women. **Exhibit 2** reflects the extent of this issue in Maryland, showing that Black women in Maryland experienced 4.0 times higher average maternal mortality rates over 2013-2017. Further, this disparity grew far worse over the period, almost doubling from a rate that was already 2.3 times higher than White women in Maryland from 2008-2012.

Exhibit 2
Maryland Five-year Rolling Average Maternal Mortality Rates by Race
2008-2012 to 2013-2017 Five-year Averages



Source: *Maryland Maternal Mortality Review 2019 Annual Report*; Maryland Department of Health

The average maternal mortality rate among Black women in Maryland rose from 40 to 44.7 maternal deaths per 100,000 live births (11.8%) from 2008-2012, whereas the rate for White women in Maryland declined from 17.4 to 11.3 maternal deaths per 100,000 live births (35.1%). Notably, the maternal mortality rate for White women in Maryland met the CDC Healthy People target of falling below 11.4 maternal deaths per 100,000 live births, while Black women did not meet this goal. In the 2019 annual report, MDH indicates that the State experienced declining pregnancy-related maternal deaths, with this decline primarily occurring among non-Hispanic White women. Non-Hispanic Black women continued to be overrepresented in both nonpregnancy-related and pregnancy-related maternal deaths compared to the share of the State's population in 2017.

Maternal Mortality Review Committee Recommendations

The Maternal Mortality Review Committee proposed the following recommendations in the 2019 annual report specifically related to increasing training and awareness regarding disparities in maternal health, including:

- providing implicit bias training for obstetric providers and hospital staff; and

- requiring all hospitals with delivery services to review and analyze internal maternal health outcomes data for racial disparities.

Maternal Mortality Review Stakeholder Group Recommendations

To address disparities in maternal mortality, the Maternal Mortality Review Stakeholder Group issued the following 2019 recommendations:

- assure that the team conducting maternal mortality reviews is diverse (race, ethnicity, gender, professional field, geographic representation, *etc.*) and includes representation of community-based organizations that directly serve the communities most affected by poor maternal health outcomes;

- include community groups addressing intimate partner violence prevention and support in the review process;

- investigate risk factors, such as pre-existing medical conditions and social determinants of health, by race among maternal death cases;

- evaluate data on hemorrhage deaths, including geographic information on site of care;

- evaluate birth outcomes, severe maternal morbidity, adherence to clinical practice guidelines, quality metrics, and patient satisfaction data by patient and provider race at each delivery hospital;

- fund additional opportunities to gather qualitative data on the quality of maternity care by race; and

- require local health departments to complete an inventory of services and resources available to address social determinants of health in their locale.

Task Force on Maryland Maternal and Child Health Final Recommendations

Chapters 661 and 662 of 2019 established the Task Force on Maryland Maternal and Child Health, which published its final report in August 2020 with recommendations for ways that the State could improve health outcomes among women, children, adolescents, and families. The final report presented the following recommendations that focused particularly on maternal health and reducing racial disparities in addition to other recommendations on other aspects of maternal and child health.

- Making maternal and child health the third goal under the population health domain of Maryland's Integrated Health Improvement Strategy with the Centers for Medicare and

Medicaid Services as part of the Total Cost of Care (TCOC) Model. Maryland has since added maternal and child health as the third goal with diabetes prevention and addressing the opioid crisis. However, for fiscal 2021 only, the Health Services Cost Review Commission (HSCRC) authorized staff to direct grants to COVID-19-related grants for infection control and care management between hospitals and long-term care facilities rather than maternal and child health. Beyond fiscal 2021, grants from HSCRC will be available for meeting maternal and child health population goals.

- Setting metrics under the TCOC Model for reducing Maryland's maternal mortality rate and reducing the racial and ethnic disparity.

- Establishing a standing Maternal and Child Health Committee in MDH to develop a Blueprint for Maternal and Child Health. The committee would develop an action plan, implement strategies, and define and monitor outcomes to improve maternal and child health and eliminate racial and ethnic and socioeconomic disparities.

- Ensuring that all pregnant women receive comprehensive prenatal care by increasing awareness of and access to resources for all women, including a statewide Emergency Medicaid Program that covers undocumented immigrants.

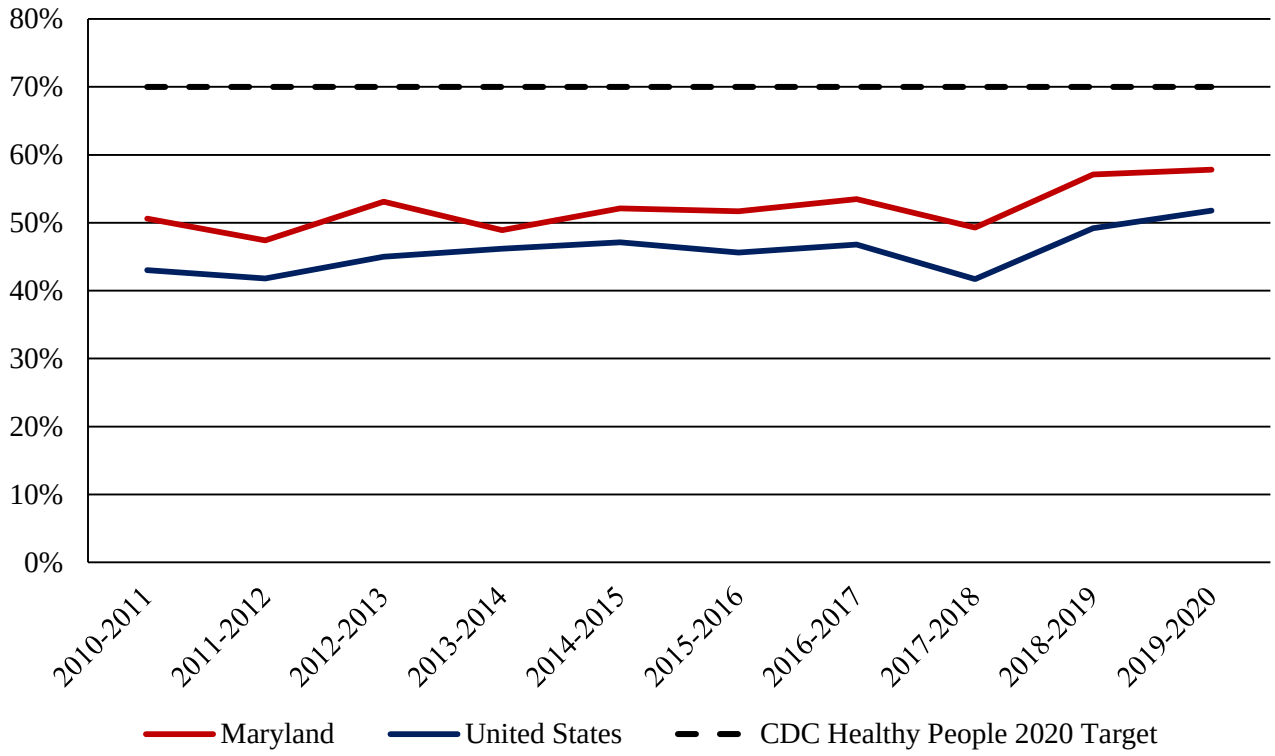
- Ensuring that statewide maternal and child health strategies and programs prioritize parent and community engagement, two-generation family approaches, and place-based outreach initiatives.

2. Recent Trends in Maryland Influenza Vaccination Coverage Rates

In scaling up the State's public health efforts to respond to the COVID-19 pandemic, MDH is expanding activities that the Office of Infectious Disease Prevention and Health Services and Office of Infectious Disease Epidemiology and Outbreak Response coordinate annually for other infectious diseases, especially influenza. Above all other recommendations for preventing influenza outbreaks and transmission, PHPA encourages vaccination and supports a statewide vaccination campaign by coordinating public health messaging and materials, monitoring vaccine supplies, distribution and adverse reactions, and supporting vaccination clinics with Maryland Responds professional volunteers when needed. These same activities are proving to be critical in the pandemic response, as the State rolls out a massive COVID-19 vaccination effort.

Exhibit 3 shows recent influenza vaccination coverage of residents aged six months and older in Maryland and in the United States by influenza season, as reported by CDC. CDC estimates this coverage rate through U.S. resident surveys and interviews conducted in the Behavioral Risk Factor Surveillance System (BRFSS). In all influenza seasons pictured, Maryland shows higher vaccination coverage than the United States. It is worth noting that CDC's Healthy People 2020 target was to reach 70% coverage but, at Maryland's maximum coverage shown in the 2019-2020 influenza season, only 57.8% of Marylanders interviewed in BRFSS reported receiving an influenza vaccination.

Exhibit 3
Influenza Vaccination Coverage for Age Six Months and Older
2010-2011 through 2019-2020 Influenza Seasons



CDC: U.S. Centers for Disease Control and Prevention

Source: U.S. Centers for Disease Control and Prevention

As of February 4, 2021, MDH reported that 7.6% of Maryland citizens had received the first dose of the COVID-19 vaccine, and 1.8% had received the second dose. At this early stage of the COVID-19 vaccine rollout, coverage rates are limited only to certain approved priority groups, and coverage rates will not approach influenza coverage rates until greater supply is available. CDC has not yet published a definitive projection for the percent of people who would need to receive the COVID-19 vaccine to reach herd immunity (*i.e.*, reaching a threshold where enough people have either been vaccinated or been infected and recovered so that the disease does not spread as easily from person to person, thus protecting those who have not been vaccinated). The percent of people needing vaccinations to reach herd immunity will also depend on the number of people who have been infected and recovered. Due to potential asymptomatic COVID-19 cases that were never confirmed through lab testing, the percentage of Maryland and U.S. residents who have recovered from COVID-19 is not known at this time. Still, it is useful to consider influenza vaccination coverage rates as at least a baseline estimate for vaccination acceptance in Maryland.

Fiscal 2021

Proposed Deficiency

The allowance proposes three fiscal 2021 deficiencies totaling $11.8 million (a $2.5 million reduction in general funds and $14.3 million increase in federal funds), detailed in **Exhibit 4**.

Exhibit 4
Proposed Fiscal 2021 Deficiencies
($ in Millions)

Program	Recent Changes	General Fund	Federal Fund	Total Fund
State Opioid Response Grant	A new grant cycle for the two-year grant began in federal fiscal 2021.		$11.3	$11.3
Kidney Disease Program	This program transferred to the Prevention and Health Promotion Administration (PHPA) effective October 16, 2019. However, the program budget was only recently transferred through a fiscal 2021 amendment. This deficiency is requested for contract costs. Program operations have not changed following the transfer.	$0.5		0.5
Maryland Family Planning Program	PHPA was awarded a $4 million federal Title X Family Planning grant in federal fiscal 2021, following a federal court deciding to block a rule that prevented PHPA from receiving Title X funds (in accordance with Chapters 733 and 734 of 2019).	-3.0	3.0	0.0
	Total	**-$2.5**	**$14.3**	**$11.8**

Source: Governor's Fiscal 2022 Budget Books; Department of Legislative Services

Cost Containment

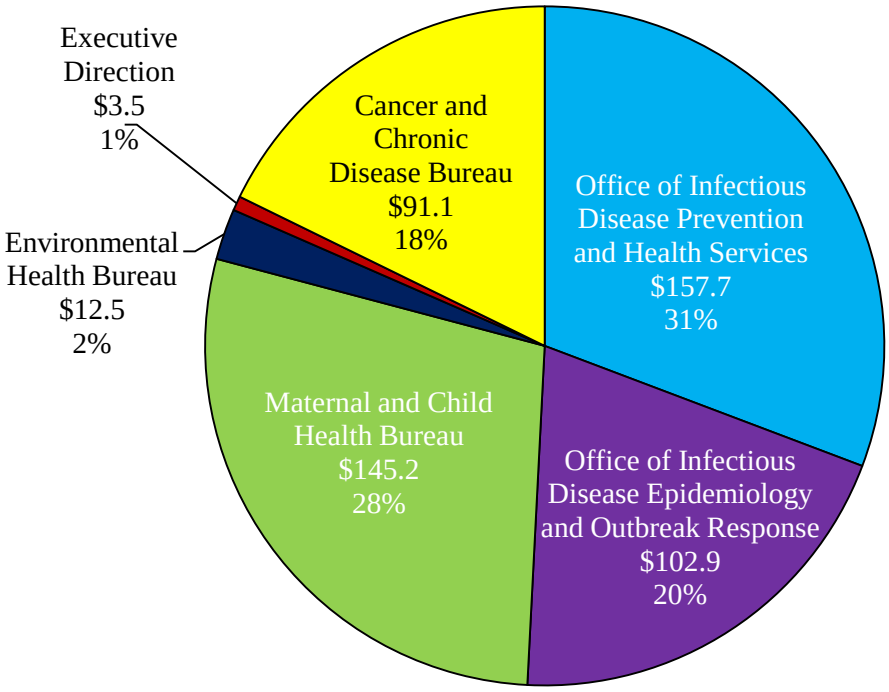
On July 1, 2020, the Board of Public Works (BPW) approved 10% reductions to an operating grant for the Capital Region Medical Center ($1.5 million in general funds) and cancer research grant to the Statewide Academic Health Centers ($1.5 million in special funds from the Cigarette Restitution Fund (CRF)). The CRF reduction allowed for equivalent general fund savings because the special funds were transferred as part of a fund swap in the Medicaid program. BPW further reduced the PHPA budget by $500,000 in general funds for the Advance Directives Fund. Of the statewide reductions, PHPA accounts for $94,137 in total funds.

Fiscal 2022 Overview of Agency Spending

Exhibit 5 displays PHPA's fiscal 2022 allowance by its five bureaus and executive direction budgets. Approximately 51% of PHPA's spending is focused on infectious disease prevention and control activities, with the Office of Infectious Disease Prevention and Health Services accounting for 31%. These offices manage HIV/AIDS health services, harm reduction and substance use disorder prevention programs, infectious disease surveillance, and vaccination distribution programs and registries, among other activities. The Maternal and Child Health Bureau accounts for the next largest share of agency spending at 28%, which is mainly due to the State's $104.2 million allocation from the federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

Exhibit 5
Overview of Agency Spending by Bureau
Fiscal 2022 Allowance
($ in Millions)

Total Expenditures = $512.7 Million

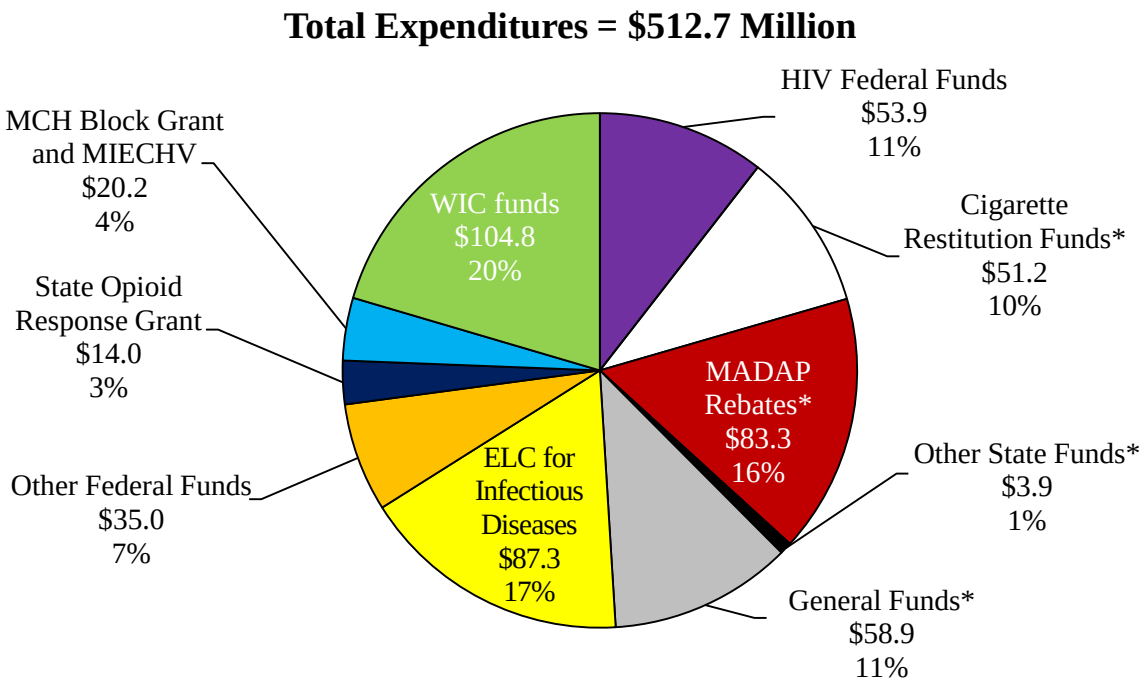


Note: Numbers may not sum to total due to rounding. Excludes statewide personnel funding centrally budgeted in the Department of Budget and Management that is attributable to the Prevention and Health Promotion Administration, totaling $862,142.

Source: Governor's Fiscal 2022 Budget Books; Department of Legislative Services

Exhibit 6 shows PHPA's fiscal 2022 allowance by fund source. The federal government supports a majority of public health spending under PHPA as federal grants make up approximately $315.3 million, or 61%, of the budget. Just under 25% of spending is supported by federal funds for maternal and child health-related expenses through WIC, the Maternal and Child Health Block Grant, and home visiting grants. Across federal and special funds, approximately 27% of the allowance is used for HIV/AIDS prevention, treatment, and support services for people living with HIV/AIDS.

Exhibit 6
Agency Spending by Fund Source
Fiscal 2022 Allowance
($ in Millions)



ELC: Epidemiology and Laboratory Capacity
MADAP: Maryland AIDS Drug Assistance Program
MCH: Maternal and Child Health services
MIECHV: Maternal, Infant, and Early Childhood Home Visiting program
WIC: Special Supplemental Nutrition Program for Women, Infants, and Children

*Denotes State funds

Note: Numbers may not sum to total due to rounding. Excludes statewide personnel funding centrally budgeted in the Department of Budget and Management that is attributable to the Prevention and Health Promotion Administration, totaling $862,142.

Source: Governor's Fiscal 2022 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 7**, the fiscal 2022 allowance shows an increase of $97.6 million compared to the fiscal 2021 working appropriation. This increase is largely driven by COVID-19-related expenses that are supported by supplemental grant funding from CDC.

Exhibit 7
Proposed Budget
Marylad Department of Health – Prevention and Health Promotion Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2020 Actual	$58,719	$131,781	$197,617	$2,208	$390,324
Fiscal 2021 Working Appropriation	62,611	117,092	233,988	2,307	415,999
Fiscal 2022 Allowance	59,252	136,203	315,797	2,330	513,583
Fiscal 2021-2022 Amount Change	-$3,359	$19,111	$81,809	$23	$97,584
Fiscal 2021-2022 Percent Change	-5.4%	16.3%	35.0%	1.0%	23.5%

Where It Goes:	Change
Personnel Expenses	
Regular salary change associated with reclassifications and budgeting vacant positions at lower salaries	$449
Net impact of a 2% general salary increase effective January 1, 2021, including annualization and annual salary reviews in fiscal 2022	456
Employee and retiree health insurance	106
Unemployment compensation	88
Other fringe benefit adjustments	81
Social Security contributions	28
Regular salaries related to a net decrease of 1 FTE transferred in the department	-22
Workers' compensation premium assessment	-64
Turnover adjustments	-838
HIV/AIDS Services	
HIV health and support services partially funded with MADAP rebates generated from Ryan White Part B federal funding (special and federal funds)	9,374
MADAP spending for pharmaceuticals and health care coverage for people living with HIV/AIDS (special and federal funds)	8,266
Supplemental Ryan White Part B competitive grant (federal funds)	7,975
Additional Ending the HIV Epidemic grant funding to Baltimore City, Montgomery County, and Prince George's County health departments (federal funds)	2,292
Emergency Relief grant authorized in the CARES Act for the Ryan White HIV/AIDS Program (federal funds)	-1,800

Where It Goes:	**Change**
HIV prevention activities supported with supplemental MADAP rebates generated from general fund expenditures (special funds)	-5,196
Infectious Disease Services	
Supplemental Epidemiology and Laboratory Capacity grant distributed by CDC for COVID-19-related laboratory services, contact tracing, testing, and surveillance	60,547
COVID-LINK information technology project for a contact tracing platform (see **Appendix 2** for more information)	24,003
Net change from SOR I grant expiring, offset by SOR II grant for prevention and harm reduction activities (federal funds)	1,030
Technical service and support for the immunization registry system	613
Maternal and Child Health Bureau	
State support for Maryland Family Planning Program	1,638
Maternal, Infant, and Early Childhood Home Visiting Grant (federal funds)	835
Infant and Child Health program to assure a coordinated approach to maternal and child health issues	510
Pregnancy Assistance Fund program established by the ACA and awarded to the Baltimore City health department to expand services to expectant mothers (federal funds)	-970
Federal Title X family planning funding	-1,673
Special Supplemental Nutrition Program for Women, Infants, and Children program grant due to declining enrollment, further discussed in Issue 1 (federal funds)	-8,727
Cancer and Chronic Disease Bureau	
Restoration of Statewide Academic Health Center grant following fiscal 2021 reduction approved by the Board of Public Works (Cigarette Restitution Funds)	1,500
Tobacco Use Prevention Program, specifically for grants to local lead agencies and the Maryland Tobacco Quitline	329
Net decrease in the Kidney Disease Program, partially due to a fiscal 2021 deficiency adding funds for contractual services	-262
Statewide initiatives aimed at preventing and controlling risk factors associated with diabetes, heart disease, and stroke (federal funds)	-596
Capital Region Medical Center operating grant, in accordance with Chapter 19 of 2017 (general funds)	-3,500
Other	
Technical and special fees, mainly related to a net increase of 3.1 contractual FTE	539
Other changes	574
Total	**$97,584**

ACA: Affordable Care Act
CARES: Coronavirus Aid, Relief, and Economic Security Act
CDC: U.S. Centers for Disease Control and Prevention
FTE: full-time equivalent
MADAP: Maryland AIDS Drug Assistance Program
SOR: State Opioid Response

Note: Numbers may not sum to total due to rounding. The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes annualization of general salary increases and annual salary reviews.

Epidemiology and Laboratory Capacity Enhanced Detection Grant

The federal Paycheck Protection Program and Health Care Enhancement Act of 2020 authorized CDC to allocate $10.3 billion nationally as a supplemental grant to existing cooperative agreements through the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) program. This supplement is referred to as ELC Enhancing Detection and was allocated based on grantees' populations and the number of COVID-19 cases, with Maryland receiving $205.7 million. Of this, only $85.1 million in spending is reflected in the fiscal 2022 budget as introduced.

The ELC Enhancing Detection grant is specifically targeted to supporting grantees' COVID-19 testing and contact tracing efforts through activities like enhancing laboratory workforce and surveillance capacity, strengthening laboratory testing, improving reporting of electronic health data, and supporting local health departments (LHD). **Exhibit 8** shows MDH's planned budget provided to the Department of Legislative Services on January 27, 2021, for the total $205.7 million grant.

Exhibit 8
Planned Spending of $205.7 Million ELC Enhancing Detection Grant
($ in Millions)

Use of Funds	Total
Contact Tracing	$58.9
Laboratory Services	49.0
Funding Distributed to Local Health Departments	30.0
Testing End-to-end Solution	21.1
Small Business, Employer Testing, and Prevention	10.0
Funding for the Office of Minority Health and Health Disparities	10.0
Funding for the MDH Office of Information Technology	8.9
Serology Testing for Surveillance, Referred to as Serosurvey	5.1
Staffing for Surveillance, Information Technology, and Grants	4.0
Testing Services	3.8
Funding for the Vital Statistics Administration	2.1
Vulnerable Population Testing	1.8
1 Program Coordinator Position Funded over Multiple Years for Work-related to Nursing Home and Vulnerable Populations	0.6
Funding for the Behavioral Health Administration	0.5
Total	**$205.7**

ELC: Epidemiology and Laboratory Capacity
MDH: Maryland Department of Health

Source: Maryland Department of Health

Subsequent federal stimulus passed in December 2020 through the Consolidated Appropriations Act of 2021 authorized additional ELC supplemental funding, adding $19.1 billion nationally to the grants. Of this, Maryland was awarded $348.0 million that is in addition to the initial $205.7 million grant. MDH reported that, as of February 5, 2021, it was developing a proposed budget to submit to CDC for approval and had not determined how these funds would be spent.

HIV/AIDS Programs

PHPA's fiscal 2022 allowance reflects a net increase of approximately $20.9 million over fiscal 2021, which is mainly attributed to $16.7 million growth in Maryland AIDS Drug Assistance Program (MADAP) rebate spending. Under federal law, states receive rebates on medications purchased at a price higher than a federally set rate. These rebates can then be used by State AIDS drug assistance programs to provide health care and support services to people living with HIV/AIDS, implement prevention programs, and fund other HIV/AIDS-related activities.

MADAP rebates can be generated from the medications purchased with federal Ryan White Part B grants or general funds. Rebates generated from general fund spending do not have the same restrictions on the use of funds as the rebates generated from federal fund sources. The fiscal 2022 allowance reflects lower spending of unrestricted rebates, which decrease by $5.2 million, compared to rebates on federal spending, which increase by $21.9 million. In Maryland, HIV/AIDS services provided by programs funded with MADAP rebates include:

- the purchase of pharmaceuticals;
- insurance premiums or copays;
- oral health care;
- housing stability;
- syringe services; and
- pre-exposure prophylaxis clinics.

Overall, MADAP annually generates approximately $50 million in special funds for the State via rebates and had accumulated a significant fund balance in prior fiscal years. Despite implementing a five-year spending plan to reduce the fund balance, PHPA still reported a fiscal 2020 closing fund balance of $53.9 million in rebate funds. HIV and AIDS services are primarily delivered through grants to LHDs and other providers, and PHPA indicated in 2020 testimony to the budget committees that persistent underspending of State grants results from workforce shortages in LHDs and delays in subrecipient contracting.

In the fiscal 2022 allowance, planned MADAP rebate spending grows to a total of $83.3 million in special funds as PHPA simultaneously budgets additional federal funding to account for the unspent

balance of federal grants from prior years and new grants. The new federal grants were awarded in part to respond to the COVID-19 pandemic. PHPA reports that increased MADAP rebate spending in fiscal 2022 will support initiatives to work with community-based organizations and competitively procure new service providers that will expand the capacity of networks serving Marylanders impacted by HIV, sexually transmitted infection, viral hepatitis, and drug use. PHPA expects to spend down more of its rebate fund balance by expanding grants from LHDs to new providers that may not focus specifically on HIV and AIDS populations but work with populations more at risk of acquiring the disease. The estimated balance at the close of fiscal 2022 is currently $13.7 million in special funds, if PHPA successfully spends its budgeted expenditures in fiscal 2021 and 2022.

Personnel Data

	FY 20 Actual	FY 21 Working	FY 22 Allowance	FY 21-22 Change
Regular Positions	466.50	461.40	460.40	-1.00
Contractual FTEs	43.04	72.19	75.25	3.06
Total Personnel	**509.54**	**533.59**	**535.65**	**2.06**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		29.19	6.34%	
Positions and Percentage Vacant as of 12/31/20		56.00	12.14%	
Vacancies Above Turnover		26.81		

- The fiscal 2022 allowance reflects a net reduction of 1.0 regular position transferred out of PHPA to another division in MDH. PHPA has no new or abolished positions in fiscal 2022.

- Budgeted turnover in fiscal 2022 increases by 1.96% compared to turnover in fiscal 2021. Even with this increase, PHPA reported 26.81 vacancies above budgeted turnover as of December 31, 2020, and continues to operate with a high vacancy rate of 12.14%.

Issues

1. WIC Operational Changes Resulting from the COVID-19 Pandemic and Efforts to Increase Enrollment

Federal Waivers Approved During the Pandemic

Through the federally funded Maryland WIC program, PHPA provides supplemental food; referrals to health care and social services; breastfeeding promotion and support; and nutrition education to low-income women, infants, and children. Eligible groups specifically include low-income (below 185% of federal poverty level) pregnant, postpartum, and breastfeeding women and children up to age five. The Families First Coronavirus Response Act allowed the U.S. Department of Agriculture Food and Nutrition Service (FNS) to reduce in-person visits to WIC clinics and otherwise adapt program requirements. As a result, FNS approved the following waivers (among other waivers) requested by Maryland WIC to change operations.

- ***Physical Presence:*** FNS allowed Maryland WIC to defer anthropometric and bloodwork requirements necessary to determine participants' nutritional risk. Maryland WIC staff were still required to assess nutrition risk based on online communication or referral data.

- ***Remote Benefit Issuance:*** FNS waived the requirement that WIC participants come in person to local WIC clinics to pick up food instruments. Maryland WIC could instead remotely issue benefits and was encouraged to reschedule nutrition education appointments or conduct remote appointments.

- ***Food Package Substitution:*** WIC participants were granted flexibility to purchase larger packages of foods, such as eggs and juice, or foods with different fat contents when the smaller packages or prescribed foods were unavailable. This waiver was requested due to shortages of certain supplemental foods during the stay-at-home order. However, FNS did not allow some substitutions, like purchasing white bread rather than whole wheat bread, based on the nutrition requirements of the food provided through WIC.

- ***Extended Certification:*** Maryland WIC was approved to extend the certification period from 30 days to 90 days for participating children only. Women, infants, and certain children receiving WIC benefits were not granted this same waiver of the 30-day certification period because FNS considered these critical periods and required nutrition assessment and education on changes in the approved food packages.

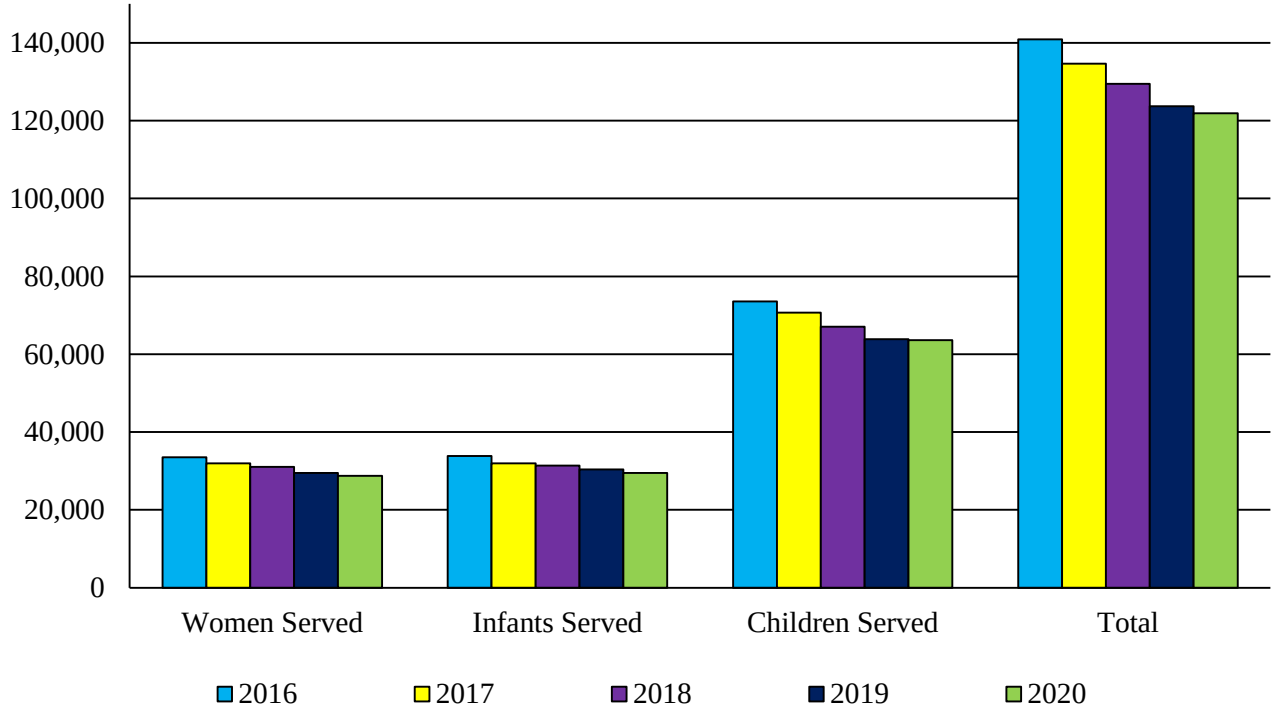
- ***Transaction without Presence of Cashier:*** FNS waived the program requirement that WIC transactions, including signing a paper check or entering a personal identification number in electronic benefit transfer systems, occur in the presence of a cashier. This allowed WIC participants to use self-checkout as a means for social distancing.

Maryland WIC received multiple extensions and, as of February 3, 2021, the waivers were set to expire 30 days after the end of the nationally-declared public health emergency.

Maryland WIC Enrollment

PHPA indicates that WIC enrollment has declined nationally over the past 10 years. **Exhibit 9** displays the same trend in Maryland WIC with total enrollment decreasing by 19,027 participants, or 13.5%, from fiscal 2016 to 2020. The enrollment change over this period is almost evenly spread across all three participant categories with the number of women participating showing a slightly larger decrease at 14.4%, compared to the 12.8% and 13.4% decreases seen in infant and children enrollment, respectively. Most recently in fiscal 2020, the decline in participants slowed as total enrollment showed only a 1.5% decrease compared to fiscal 2019. Federal fund allocations for WIC rely on formulas based on enrollment trends; and, in fiscal 2022, WIC funds decreased by $8.7 million compared to fiscal 2020 as a result of decreased enrollment.

Exhibit 9
Maryland WIC Enrollment by Participant Category
Fiscal 2016-2020

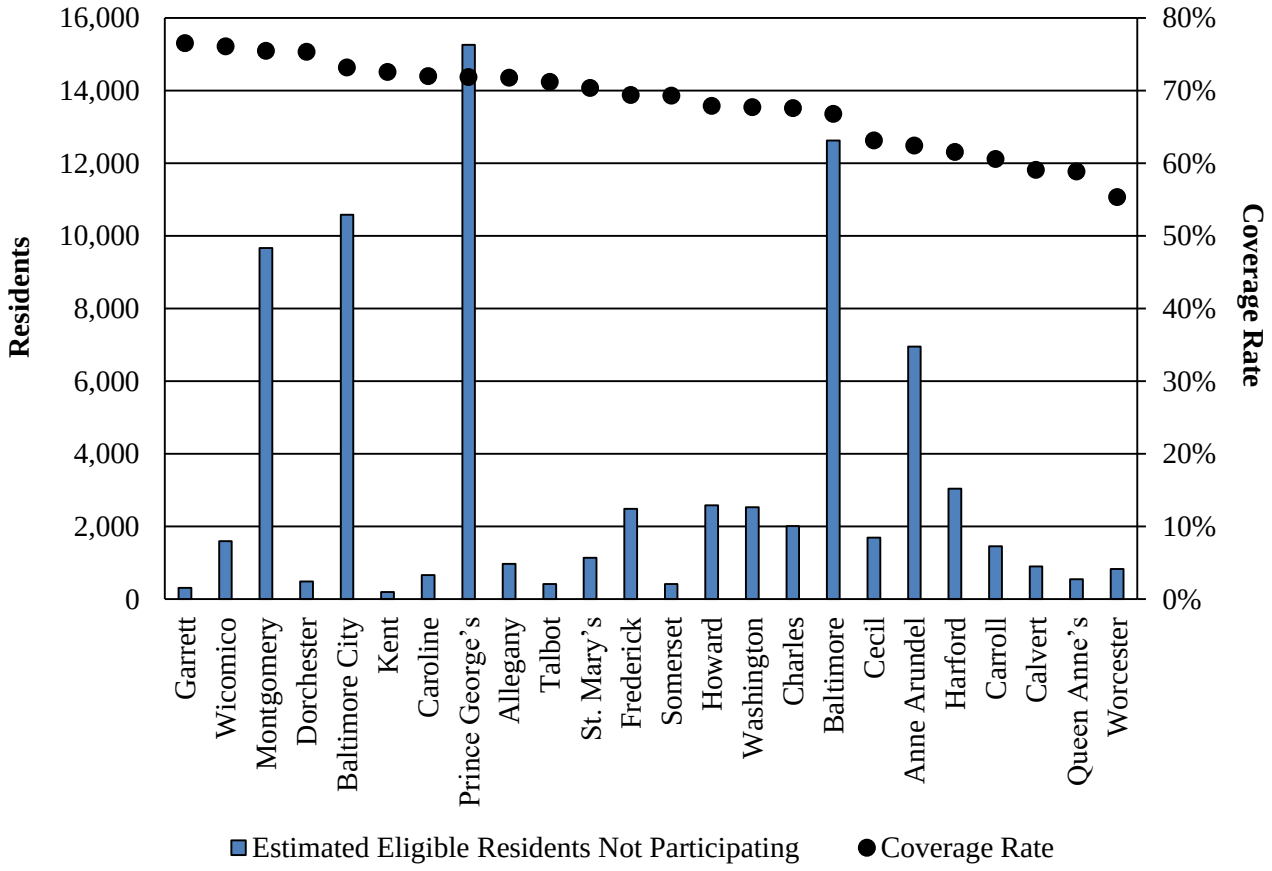


WIC: Special Supplemental Nutrition Program for Women, Infants, and Children

Source: Governor's Fiscal 2022 Budget Books

Statewide, PHPA estimated that the Maryland WIC fiscal 2019 coverage rate was approximately 70%, which was measured as the percent of State residents likely eligible for WIC benefits who actually participated in the program. PHPA uses Medicaid enrollment data to estimate the number of eligible Maryland residents. This translates to approximately 79,388 Maryland residents potentially being eligible for WIC benefits but not participating in the program. As shown in **Exhibit 10**, the coverage rate varies by jurisdiction from 55.4% in Worcester County to 76.5% in Garrett County. These coverage rates translate to a range of 193 to 15,259 potentially eligible residents not receiving benefits in Kent County and Prince George's County, respectively.

Exhibit 10
Maryland WIC Enrollment and Coverage Rates by Jurisdiction
Fiscal 2019



WIC: Special Supplemental Nutrition Program for Women, Infants, and Children

Source: Maryland Department of Health; Department of Legislative Services

In a February 2020 report published in accordance with Chapter 478 of 2019, MDH provided the findings from a user experience survey distributed to WIC participants to determine the barriers preventing increased enrollment and retention. The survey included questions on problems when redeeming WIC benefits, use of online nutrition education and problems encountered, and challenges getting to WIC appointments among other topics. One finding that MDH discussed was that 34% of respondents reported issues redeeming benefits, and these respondents described being unable to find the food they were looking for and store employees refusing to run a WIC transaction as the most common issues. The report outlined certain policy changes and strategies that Maryland WIC planned to use to improve enrollment, including:

- implementing customer service training;
- developing partnerships with other programs throughout the State to increase outreach;
- using technology to make it easier for Maryland residents to participate in WIC by optimizing the WIC shopping experience;
- sharing information between Maryland WIC and other social services, such as the Supplemental Nutrition Assistance Program and Medicaid; and
- focusing on training staff, participants, and vendors to streamline benefits redemption for participants.

MDH should explain how the COVID-19 pandemic and approved federal waivers have impacted Maryland WIC enrollment and participant retention in fiscal 2021 year to date. The department should also discuss whether it is requesting that FNS extend any of the waivers or program flexibilities after the COVID-19 pandemic ends. MDH should provide an update on how it has implemented any of the recommended policy changes included in the February 2020 report.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Audit Findings – Maryland Department of Health Pharmacy Services

Audit Period for Last Audit:	August 9, 2016 – June 30, 2019
Issue Date:	August 2020
Number of Findings:	2
Number of Repeat Findings:	1
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

Note: This audit included a review of pharmacy services in Medicaid, the Maryland AIDS Drug Assistance Program (MADAP), and the Breast and Cervical Cancer Diagnosis and Treatment Program. Of the seven findings, two pertained to MADAP, and this summary is limited to those two findings but references the finding number in the audit.

Finding 5: The Maryland Department of Health (MDH) did not submit certain MADAP drug utilization data to two drug manufacturers, resulting in the untimely collection of approximately $20.6 million in rebates, including $1.6 million that is no longer collectable and lost investment income totaling approximately $187,800.

Finding 6: **MDH did not ensure that drug manufacturers provided timely and proper MADAP drug rebate payments and, as a result, did not pursue collection of $7.3 million in outstanding rebates. This was due to MDH not establishing accounts receivable records to track outstanding MADAP rebates, preventing MDH from determining the amount due and implementing any collection efforts on outstanding rebates.**

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 2
COVID-LINK – Supporting Technology for Contact Tracing
Major Information Technology Project
Maryland Department of Health

New/Ongoing: New								
Start Date: April 10, 2020				**Est. Completion Date:** Ongoing during pandemic				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2021**	**2022**	**2023**	**2024**	**2025**	**Remainder**	**Total**
GF	$0.00	$0.00	$0.05	$0.00	$0.00	$0.00	$0.00	**$0.05**
FF	0.00	0.00	24.54	3.53	0.00	0.00	0.00	**28.07**
Total	**$0.00**	**$0.00**	**$24.59**	**$3.53**	**$0.00**	**$0.00**	**$0.00**	**$28.12**

- ***Project Summary***: To support contact tracing efforts as part of the State's COVID-19 pandemic response, the Maryland Department of Health (MDH) developed an application on the Salesforce Platform called COVID-LINK to track COVID-19 positive patients, alert close contacts of exposure, and allow statewide information sharing based on cases reported in the Chesapeake Regional Information System Portal (referred to as CRISP). Contact tracers use the COVID-LINK platform to enter information gathered from interviews with infected patients and their contacts. The platform also sends guidance for self-isolation and self-quarantine to infected patients and close contacts.

  It should be noted that this project is not directly related to the MD COVID Alert application developed by Apple and Google that uses Bluetooth technology for exposure notifications. Apple and Google developed the exposure notifications system at no cost to public health agencies. However, MDH reported that it spent $500,000 on a communication campaign to explain the technology and encourage usage.

- ***Need:*** The rapid outbreak of COVID-19 infections from asymptomatic and symptomatic individuals required the State to scale up a robust contact tracing operation. In Maryland, this included hiring personnel and diverting existing staff to conduct contact tracing. Multiple entities including local health departments, MDH, and a State call center all play a role in contact tracing and require the COVID-LINK platform for data sharing. According to the department, the platform will be used after the COVID-19 pandemic is over to support contact tracing as an essential public health need for other diseases.

- ***Observations and Milestones:*** MDH reports that core requirements for the contact tracing platform have been developed successfully in fiscal 2021. The project team is developing a second stage of enhancements to be added to the platform. However, MDH was unable to provide detail for the second stage of development and had not completed an information technology project request as of February 3, 2021.

- ***Other Comments:*** COVID-LINK is entirely supported with federal funds from the U.S. Centers for Disease Control and Prevention. Federal support is provided as part of a $207.0 million supplemental grant for COVID-19 testing and tracing.

Appendix 3
Object/Fund Difference Report
Maryland Department of Health – Prevention and Health Promotion Administration

Object/Fund	FY 20 Actual	FY 21 Working Appropriation	FY 22 Allowance	FY 21 - FY 22 Amount Change	Percent Change
Positions					
01 Regular	466.50	461.40	460.40	-1.00	-0.2%
02 Contractual	43.04	72.19	75.25	3.06	4.2%
Total Positions	**509.54**	**533.59**	**535.65**	**2.06**	**0.4%**
Objects					
01 Salaries and Wages	$ 42,360,111	$ 45,727,559	$ 45,555,246	-$ 172,313	-0.4%
02 Technical and Spec. Fees	2,169,175	3,360,856	3,900,340	539,484	16.1%
03 Communication	240,954	226,071	241,782	15,711	6.9%
04 Travel	398,298	630,461	711,839	81,378	12.9%
07 Motor Vehicles	148,218	187,709	188,649	940	0.5%
08 Contractual Services	250,209,187	267,977,051	335,993,469	68,016,418	25.4%
09 Supplies and Materials	44,270,938	29,624,406	59,156,304	29,531,898	99.7%
10 Equipment – Replacement	118,076	124,147	135,771	11,624	9.4%
11 Equipment – Additional	471,432	692,235	984,296	292,061	42.2%
12 Grants, Subsidies, and Contributions	49,783,054	55,071,827	65,664,398	10,592,571	19.2%
13 Fixed Charges	154,712	151,032	188,817	37,785	25.0%
Total Objects	**$ 390,324,155**	**$ 403,773,354**	**$ 512,720,911**	**$ 108,947,557**	**27.0%**
Funds					
01 General Fund	$ 58,718,691	$ 64,886,323	$ 58,921,169	-$ 5,965,154	-9.2%
03 Special Fund	131,780,604	117,075,519	136,165,768	19,090,249	16.3%
05 Federal Fund	197,616,709	219,504,341	315,307,928	95,803,587	43.6%
09 Reimbursable Fund	2,208,151	2,307,171	2,326,046	18,875	0.8%
Total Funds	**$ 390,324,155**	**$ 403,773,354**	**$ 512,720,911**	**$ 108,947,557**	**27.0%**

Note: The fiscal 2021 appropriation does not include deficiencies or general salary increases. The fiscal 2022 allowance does not include annualization of general salary increases or annual salary reviews.

Appendix 4
Fiscal Summary
Maryland Department of Health – Prevention and Health Promotion Administration

Program/Unit	FY 20 Actual	FY 21 Wrk Approp	FY 22 Allowance	Change	FY 21 - FY 22 % Change
01 Administrative, Policy, and Management	$ 173,794,382	$ 158,019,372	$ 276,499,549	$ 118,480,177	75.0%
04 Family Health and Chronic Disease Services	216,529,773	245,753,982	236,221,362	-9,532,620	-3.9%
Total Expenditures	**$ 390,324,155**	**$ 403,773,354**	**$ 512,720,911**	**$ 108,947,557**	**27.0%**
General Fund	$ 58,718,691	$ 64,886,323	$ 58,921,169	-$ 5,965,154	-9.2%
Special Fund	131,780,604	117,075,519	136,165,768	19,090,249	16.3%
Federal Fund	197,616,709	219,504,341	315,307,928	95,803,587	43.6%
Total Appropriations	**$ 388,116,004**	**$ 401,466,183**	**$ 510,394,865**	**$ 108,928,682**	**27.1%**
Reimbursable Fund	$ 2,208,151	$ 2,307,171	$ 2,326,046	$ 18,875	0.8%
Total Funds	**$ 390,324,155**	**$ 403,773,354**	**$ 512,720,911**	**$ 108,947,557**	**27.0%**

Note: The fiscal 2021 appropriation does not include deficiencies or general salary increases. The fiscal 2022 allowance does not include annualization of general salary increases or annual salary reviews.