M00F
Public Health Administration
Maryland Department of Health

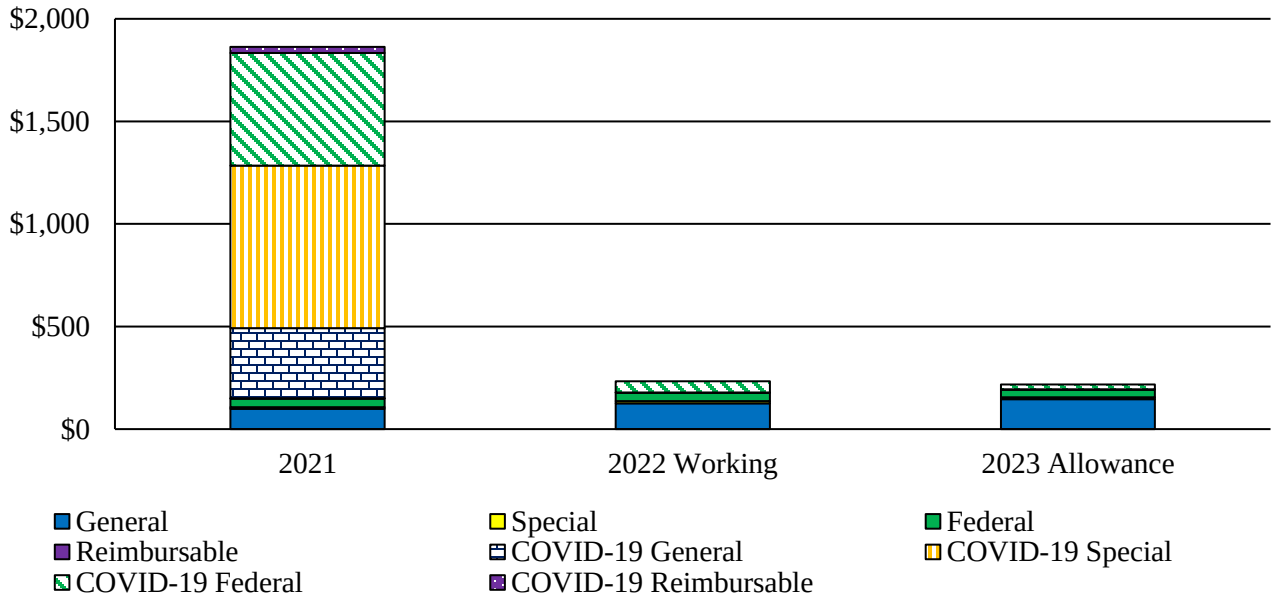
Program Description

The Maryland Department of Health (MDH) Public Health Administration (PHA) includes the Deputy Secretary for Public Health Services, the Office of Provider Engagement and Regulation (including the Prescription Drug Monitoring Program), the Office of Population Health Improvement (OPHI), Core Public Health Services (formula funding for local health departments (LHD)), the Office of the Chief Medical Examiner (OCME), the Office of Preparedness and Response (OPR), and the Laboratories Administration.

Key goals of PHA are to provide timely death investigation and autopsy reports on all cases where further investigation is deemed advisable; improve Maryland's ability to maintain operational readiness to respond to public health emergencies; improve the prescribing and dispensing of controlled dangerous substances (CDS); and promote quality and reliability of public health laboratory practices.

Operating Budget Summary

Fiscal 2023 Budget Decreases by $17.0 Million, or 7.3%, to $216.9 Million
($ in Millions)



Note: The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

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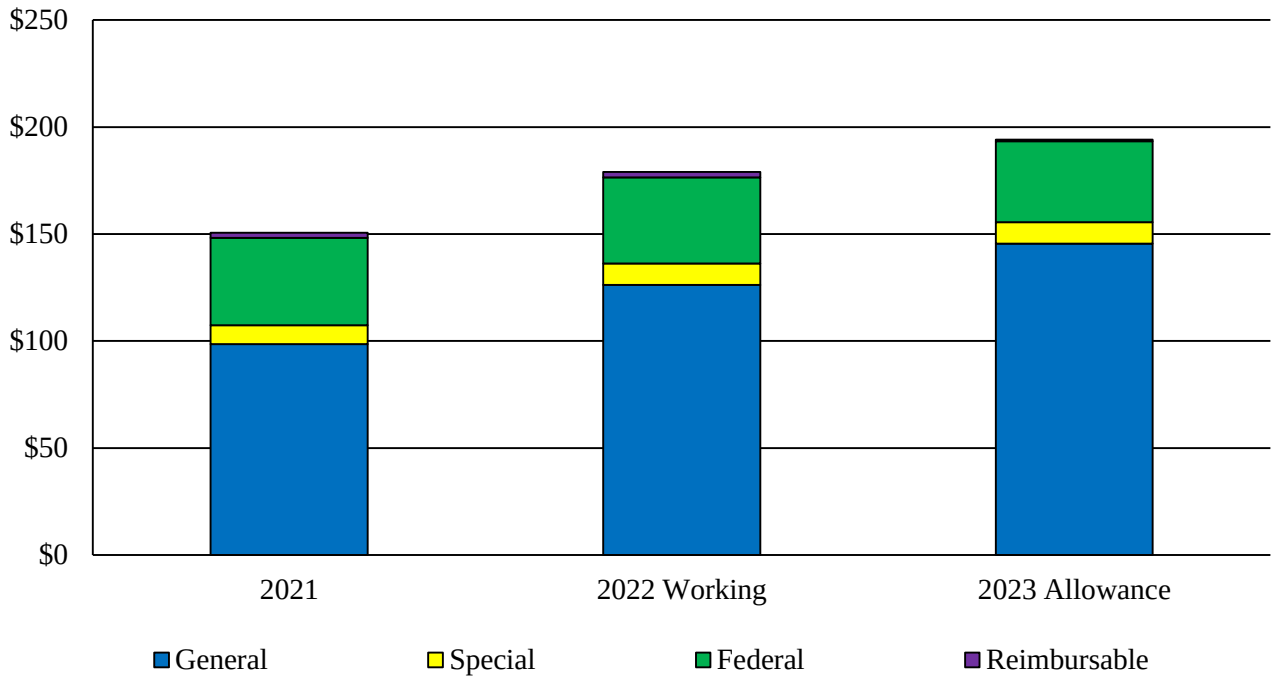
When examining PHA's budget without COVID-19-related expenditures, the fiscal 2023 allowance grows by a net total of $15.2 million, which is driven by $19.4 million in general fund growth, as shown in **Exhibit 1**. General fund growth results primarily from backfilling some of the ongoing spending that was supported in fiscal 2022 with federal stimulus funds. For example, LHD funding increases by $14.5 million in general funds, including $10.4 million in additional formula funding and the replacement of American Rescue Plan Act (ARPA) State Fiscal Recovery Funds that were used to support COVID-19-related personnel costs.

Exhibit 1
Three-year Funding Trends, Excluding COVID-19 Spending
Fiscal 2021-2023
($ in Millions)



Note: The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

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

Fiscal 2021 Federal Stimulus and Other Pandemic-related Funds

PHA spent $1.86 billion in total funds in fiscal 2021 predominantly due to $1.68 billion in COVID-19 public health response expenditures allocated in OPR. A small portion of fiscal 2021 spending is double counted as $30.4 million in COVID-19 public health, and safety personnel expenses are shown as reimbursable funds in PHA offices and supported with federal funds budgeted under OPR.

The remaining $1.65 billion in OPR COVID-19 expenditures was used in the following ways.

- $792.4 million in special funds from the Local Income Tax Reserve Fund added through a budget amendment as a placeholder for Federal Emergency Management Agency (FEMA) Public Assistance Grant Program reimbursement. Maryland receives 100% reimbursement of certain allowable expenses, including personal protective equipment (PPE), emergency medical care, some COVID-19 testing costs, vaccination supplies, and other expenses related to public safety through the FEMA Public Assistance Grant Program. The Budget Reconciliation and Financing Act (BRFA) of 2021 authorized special funds to be charged temporarily for COVID-19 response expenditures eligible for reimbursement from FEMA's Public Assistance process. These funds will be reimbursed pending federal approval and disbursement.

- $534.2 million in federal funds reflect Coronavirus Relief Fund (CRF) spending. OPR's portion of the CRF allocation supports public health and safety salaries across many agencies and includes pass-through funding to county governments and LHDs.

- $341.2 million in general funds for additional spending that would be eligible for FEMA reimbursement. These funds were appropriated through a fiscal 2021 general fund deficiency included in Supplemental Budget No. 5 to the fiscal 2022 budget. According to MDH, FEMA provided notice on January 21, 2021, that a $341.2 million grant was approved. **The department should discuss how allowable uses under the FEMA Public Assistance Grant program have changed over the course of the pandemic and provide an update on when it will secure reimbursement for all eligible spending in fiscal 2021 and 2022.**

MDH initially applied for FEMA reimbursement for its own eligible expenditures and those of other agencies (shown as reimbursable funds) in fiscal 2020 and 2021. In fiscal 2022 and 2023, more FEMA Public Assistance Grant funding is budgeted under the Maryland Department of Emergency Management (MDEM). Further discussion of FEMA reimbursement can be found in the MDEM analysis.

Fiscal 2022

Proposed Deficiency

The fiscal 2023 budget includes three proposed general fund deficiency appropriations totaling $10.8 million for the following purposes:

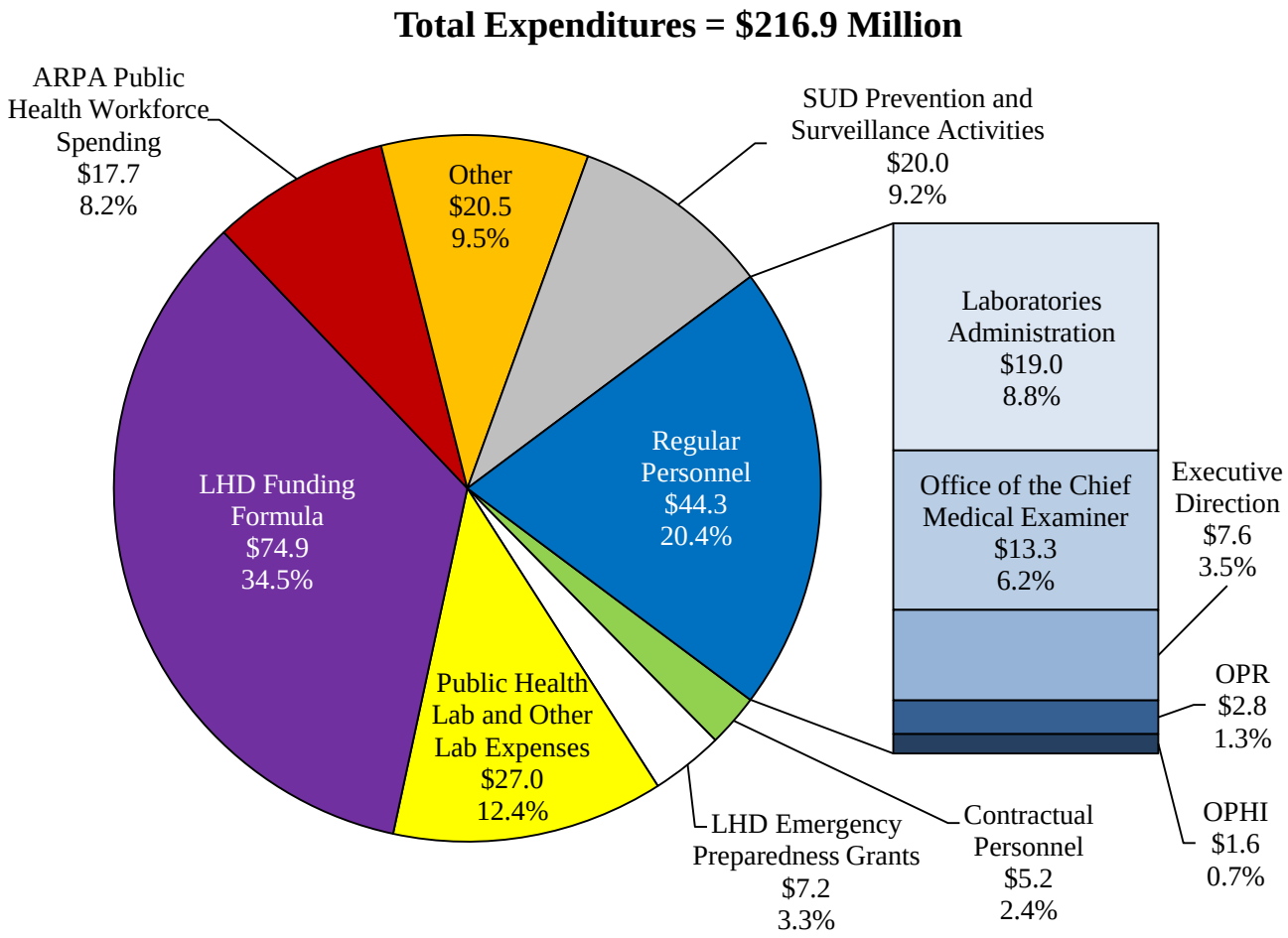
- $9.4 million for fee-for-service (FFS) clinics administered by LHDs that experienced lower utilization during the pandemic;
- $1.3 million for a new contract for PPE storage; and
- $101,744 for overtime expenses in OCME.

MDH should discuss whether COVID-19-related federal funds, such as ARPA funds, would be available to support these expenses.

Fiscal 2023 Overview of Agency Spending

Exhibit 2 presents the PHA fiscal 2023 allowance by use of funding. LHD formula funding and regular personnel account for the largest shares of PHA expenditures, accounting for 34.5% and 20.4%, respectively. With 202.0 regular positions, the Laboratories Administration makes up slightly under half of PHA's personnel count and 42.9% of all regular personnel spending. This translates to 8.8% of PHA's entire budget. COVID-19-related spending mostly ends after fiscal 2021 and 2022, but 8.2% of the fiscal 2023 allowance is still budgeted using ARPA funds for efforts to support the public health workforce.

Exhibit 2
Overview of Agency Spending
Fiscal 2023 Allowance
($ in Millions)



ARPA: American Rescue Plan Act
LHD: local health department
OPHI: Office of Population Health Improvement
OPR: Office of Preparedness and Response
SUD: substance use disorder

Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

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

Proposed Budget Change

Exhibit 3 shows an itemized list of changes between the fiscal 2023 allowance and fiscal 2022 working appropriation, totaling a net reduction of $17.0 million. This reduction is mainly driven by the end of one-time COVID-19-related federal fund spending under OPHI, OPR, and the Laboratories Administration.

Exhibit 3
Proposed Budget
Maryland Department of Health – Public Health Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2021 Actual	$440,269	$801,193	$589,143	$32,760	$1,863,365
Fiscal 2022 Working Appropriation	126,140	10,129	95,102	2,552	233,924
Fiscal 2023 Allowance	145,519	9,938	60,603	839	216,899
Fiscal 2022-2023 Amount Change	$19,379	-$192	-$34,499	-$1,713	-$17,025
Fiscal 2022-2023 Percent Change	15.4%	-1.9%	-36.3%	-67.1%	-7.3%

Where It Goes:	Change
Personnel Expenses	
Regular earnings for 21 new positions added to the Office of the Chief Medical Examiner	$1,730
Turnover adjustments (reduced from 10.15% in fiscal 2022 to 7.91% in fiscal 2023)	716
Retirement contributions	362
Overtime earnings	283
Other fringe benefit adjustments	116
Social Security contributions	108
Employee and retiree health insurance	-97
Other regular earnings	-308
Miscellaneous adjustments, primarily for COVID-19 laboratory and emergency response employees supported with CDC grant funding in fiscal 2022	-2,148
Population Health Improvement	
LHD formula funding, after accounting for a proposed fiscal 2022 deficiency for fee-for-service clinics facing COVID-19-related deficits (discussed in further detail in Key Observation 1)	1,000
Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants, in accordance with Chapters 402 and 203 of 2020 ($1.0 million in new general funds offset by a $600,000 reduction in special funds)	400
Contract for State Health Improvement Program and quality improvement program staff support	-296

Where It Goes:	**Change**
Change in substance use prevention spending, primarily due to one-time spending on a partnership with higher education institutions to reduce college drinking	-330
One-time CDC disparities grants budgeted to address COVID-19-related health disparities and specifically prevent infection among high risk populations (CRRSA funding)	-16,122
Preparedness and Response	
Net change in two-year cooperative agreements with LHDs to strengthen and expand the public health workforce, with at least 25% recommended to support school-based health personnel (ARPA funding)	5,908
Personal protective equipment storage at the Candlewood facility and Curtis Bay warehouse, growth in expenditures is partially offset by a proposed fiscal 2022 deficiency (general funds)	2,247
One-time spending on data scientist services under DoIT that support the State's COVID-19 response (ARPA funding)	-321
One-time funding for MIEMSS to support the Critical Care Coordination Center and to provide educational stipends for emergency medical technicians (ARPA funding)	-1,104
Contractual staff, supplies, and rent related to COVID-19 surge response	-3,968
Laboratories Administration	
Operating costs associated with the State's central public health laboratory	55
Contract with Johns Hopkins Hospital for Alternative to Animal Testing services	-200
Laboratory equipment, supplies, medicine, drugs, and chemicals	-739
One-time specimen evaluation and other laboratory services contracts (ARPA funding)	-1,960
Other	
Net change across the Office of Controlled Substances Administration and Prescription Drug Monitoring Program, driven by a new major information technology project (discussed in Appendix 2)	457
Overdose Data to Action cooperative agreement with the CDC to address the opioid crisis (federal funds)	444
Operating costs for the Vital Statistics Administration	-111
Funding under the Center for Population Health Initiatives for diabetes education programs and other diabetes services	-779
Maryland Primary Care Program Management Office transfer to the Medical Care Programs Administration	-1,930
Other expenses	-438
Total	**-$17,025**

ARPA: American Rescue Plan Act
CDC: U.S. Centers for Disease Control and Prevention
CRRSA: Coronavirus Response and Relief Supplemental Appropriation Act
DoIT: Department of Information Technology
LHD: local health departments
MIEMSS: Maryland Institute for Emergency Medical Services Systems

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

COVID-19 Federal Grants and Cooperative Agreements Administered under PHA

Funding for High-risk and Underserved Populations

OPHI showed the largest decline in COVID-19 federal support due to the termination of a $16.1 million grant through the U.S. Centers for Disease Control and Prevention (CDC) National Initiative to Address COVID-19 Health Disparities among Populations at High-risk and Underserved, including Racial and Ethnic Minority Populations and Rural Communities. This two-year grant was authorized in the Coronavirus Response and Relief Supplemental Appropriations Act and distributes $2.25 billion nationally. Of this, MDH's award is $21.2 million with a rural carveout of $1.2 million. The Baltimore City Health Department also received a direct award totaling $6.7 million through this program. MDH reported the following uses of $16.1 million budgeted in fiscal 2022:

- increasing the capacity of the community health workforce through training scholarships and specialty community health worker training resources;
- developing a comprehensive and sustainable system for gathering, analyzing, and reporting health care workforce data, referred to as the Maryland Healthcare Workforce Data Center Blueprint;
- establishing a rural residency training track within the University of Maryland School of Medicine;
- providing technical assistance and other grant funding to LHDs and community-based organizations to support the COVID-19 response among high-risk groups; and
- supporting 3 contractual positions to implement and monitor the grant.

Public Health Workforce Supplemental Funding

PHA's COVID-19-related expenditures include $31.3 million in ARPA funding ($13.2 million in fiscal 2022 and $19.0 million in fiscal 2023) under OPR to strengthen and train a response-ready public health workforce at the State and local levels. Most of this funding is passed through from the CDC to LHDs, with $11.8 million in fiscal 2022 and $17.7 million in fiscal 2023 supporting LHD cooperative agreements and grants. CDC guidance specified that at least 25% of the local allocations should support nurses and other personnel working in school-based health programs. MDH indicated that the CDC also recommended that at least 40% of the remaining funds be used on local hiring in LHDs or community-based organizations.

Aside from distributing funds to LHDs, MDH budgeted $1.4 million of its public health workforce allocation in fiscal 2022 for personnel supporting the pandemic response under the

Department of Information Technology and Maryland Institute for Emergency Medical Services Systems, such as data scientists and emergency medical technicians.

Other COVID-19-related Spending

The Laboratories Administration fiscal 2023 allowance also declined due to the end of one-time federal aid as $1.9 million for specimen collection and other lab contracts ended in fiscal 2022. The fiscal 2022 working appropriation also covered some of PHA's ongoing personnel expenses with one-time federal aid, mainly using funding from the ARPA State Fiscal Relief Fund (SFRF). These ongoing costs, such as $13.5 million for personnel under the LHD funding formula and $100,000 in OCME overtime expenses, are backfilled with general funds in the fiscal 2023 allowance.

Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants

The Maryland Loan Assistance Repayment Program (MLARP) for physicians and physician assistants provides student loan repayment assistance in exchange for a two-year service commitment to help ensure that underserved areas of the State have sufficient primary care physicians and physician assistants. In fiscal 2022, MLARP was funded with $1.0 million in special funds from the Board of Physicians Fund.

Chapters 402 and 403 of 2020 transferred oversight of MLARP from the Maryland Higher Education Commission (MHEC) to OPHI and established a stakeholder workgroup to review and report on a permanent funding structure for the program. The MLARP for Physicians and Physician Assistants Stakeholder Workgroup final report, dated December 13, 2021, presented 10 recommendations for permanent funding sources, an advisory council, and other program operations. The following recommendations address the program's funding structure:

- invest in a permanent general fund appropriation for health care workforce educational loan repayment in the State budget;

- seek nongeneral fund resources to supplement the MLARP Fund, ensuring a diverse revenue pool that is predictable and sustainable; and

- invest in a permanent general fund appropriation for the administration of State-level workforce development activities.

In its submittal letter for the December 2021 stakeholder workgroup report, MDH stated that it did not concur with the first recommendation that a permanent general fund appropriation should support health care workforce education loan repayment, indicating that it disagreed with the State's General Fund being the primary funding source of the MLARP Fund. Otherwise, the department agreed with seeking nongeneral fund resources and mentioned its willingness to discuss a capped State match of non-State funding sources. The workgroup report considered options such as sliding scale employer site matching funds, board licensure fees, health facility assessments, and grants, among other funding

sources as other potential non-State funding sources, though it specified Board of Physicians fees should not serve as the main funding source of the MLARP Fund.

Despite MDH's disapproval of using general funds as the MLARP Fund's main source of funding, the fiscal 2023 allowance provides $1.0 million in general funds and $400,000 in special funds from Board of Physicians fees.

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	417.00	420.75	436.75	16.00
Contractual FTEs	82.89	94.90	82.22	-12.68
Total Personnel	**499.89**	**515.65**	**518.97**	**3.32**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		34.55	7.91%	
Positions and Percentage Vacant as of 12/31/21		50.50	12.00%	
Vacancies Above Turnover		15.95		

- The fiscal 2023 allowance for PHA includes a net increase of 16 regular positions mainly due to a net transfer of 20 positions to OCME. A discussion of OCME personnel trends can be found in Key Observation 2 of this analysis. Other position transfers across the department add 1.0 additional position.

- In fiscal 2023, the Maryland Primary Care Program Management Office will be transferred to the Medical Care Programs Administration, including 5 positions, which partially offsets transfers into PHA. Further discussion of the Maryland Primary Care Program can be found in the MDH Administration analysis.

- The fiscal 2023 allowance reduces the turnover expectancy in PHA from 10.15% in fiscal 2022 to 7.91%, despite PHA having 15.95 more vacant positions than required to meet the budgeted turnover in fiscal 2023. The current level of 50.5 vacancies as of December 31, 2021, also increased by 33% compared to the 38.0 vacant positions recorded on December 31, 2020.

- The 2021 *Joint Chairmen's Report* (JCR) requested that MDH submit a report due on January 15, 2022, on State and local public health vacancy rates and efforts to recruit and retain staff. As of January 31, 2022, this report had not been submitted, and MDH indicated that it planned to provide a report in February 2022. Further discussion of public health and departmentwide personnel trends can be found in the MDH Overview. **The Department of**

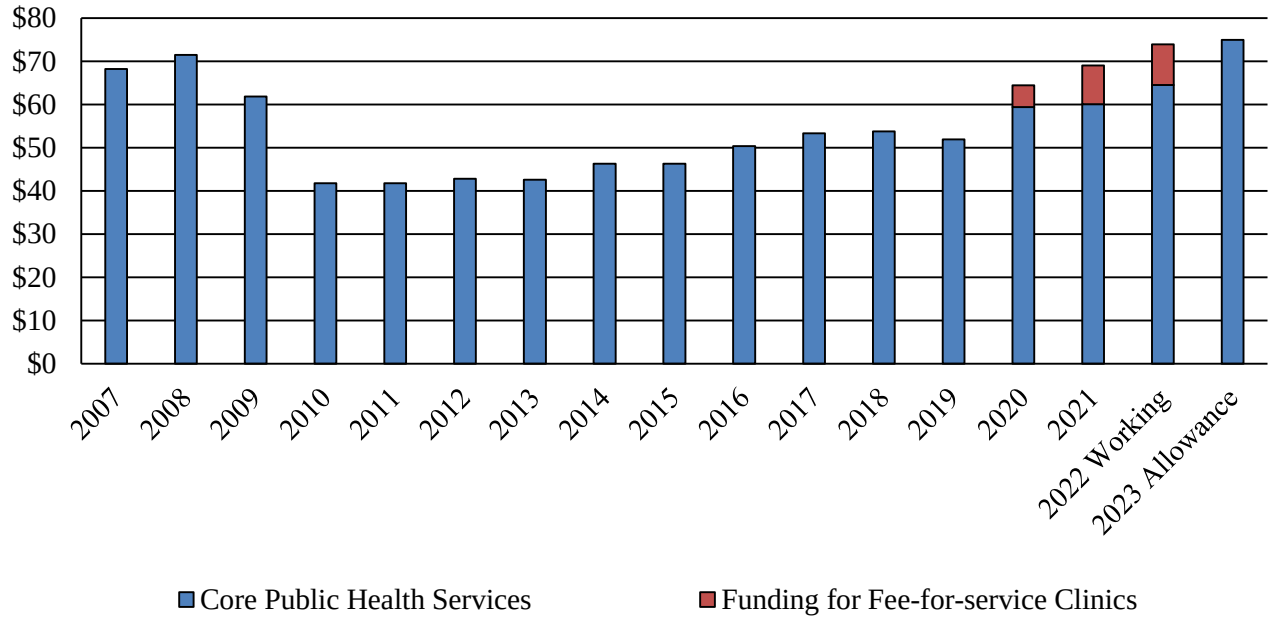
Legislative Services (DLS) recommends adding budget language that would restrict funding for administrative expenses in the Executive Direction budget under the Deputy Secretary of Public Health Services until MDH submits a report on public health recruitment and retention.

Key Observations

1. LHD Funding Formula Receives Enhancement Over Mandated Increment

Section 2-302 of the Health – General Article mandates an annual formula for determining State funding allocations for LHDs. The formula adjustment factor is calculated by combining an inflation factor with a population growth factor. As shown in **Exhibit 4**, significant cuts to the formula were made between fiscal 2008 and 2010 during the Great Recession. Since then, State formula funding had never returned to the fiscal 2008 funding level of $71.5 million until the fiscal 2023 allowance, which reaches that level due to a significant discretionary enhancement. Enacted prior to this discretionary enhancement, Chapter 805 of 2021 rebases the formula at $70.0 million in fiscal 2025 and $80.0 million in fiscal 2026; otherwise, the formula methodology has not been changed since a provision in the BRFA of 2018 clarified which years should be used for both the inflation and population growth adjustment.

Exhibit 4
Local Health Department Formula Funding Levels
Fiscal 2007-2023 Allowance
($ in Millions)



Note: Actual expenditures from fiscal 2007 through 2021 reflect all general salary increases and bonuses that the State has added for local health departments in budget amendments and other funding mechanisms.

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

Exhibit 5 presents the components that make up the total LHD formula funding between fiscal 2021 and 2023. The main components of the formula include:

- **base award**, defined in Section 2-302 as the amount of funding provided through the formula for the preceding fiscal year;

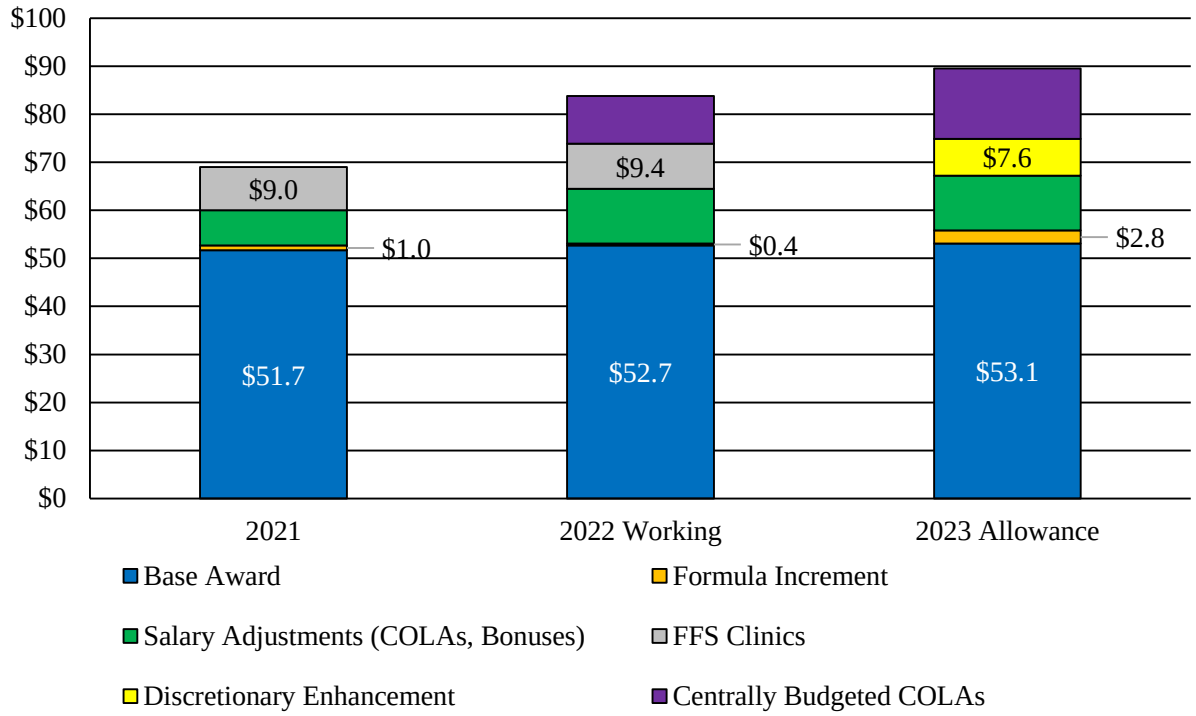
- **formula increment**, which applies the inflation and population growth adjustments and therefore varies each year as these growth factors change;

- **salary adjustments,** such as cost-of-living adjustments, bonuses, and annual salary reviews (ASR) as applicable. Section 2-302 does not require statewide personnel adjustments to be included in the formula calculation, so this component also includes annualized adjustments from prior years that did not get incorporated into the base. When the budget is introduced, salary adjustments are sometimes centrally budgeted under the Department of Budget and Management (DBM) that are later transferred through budget amendments to the relevant agencies and to this grant allocation;

- **FFS clinics,** reflecting additional funding distributed in fiscal 2021 and 2022 to backfill COVID-19-related deficits affecting LHDs' FFS clinics. These clinics are typically supported with patient billing revenue and experienced revenue shortfalls as patient volume was reduced during the pandemic; and

- **discretionary enhancement,** showing that $7.6 million was included in the fiscal 2023 allowance above the mandated increment of $2.8 million. DBM indicated that this enhancement was provided to bring the formula funding back in line with funding levels before the Great Recession. Combined, the enhancement and increment increase the fiscal 2023 allowance by $10.4 million, but this is partially offset by the $9.4 million provided in fiscal 2022 for FFS clinics that does not carry forward into fiscal 2023. Therefore LHD funding rises by a net $1.0 million over the fiscal 2022 grant to LHDs when accounting for the FFS clinics component.

Exhibit 5
Local Health Department Formula Funding Components and Temporary Aid
Fiscal 2021-2023 Allowance
($ in Millions)



COLA: cost-of-living adjustment
FFS: fee-for-service

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

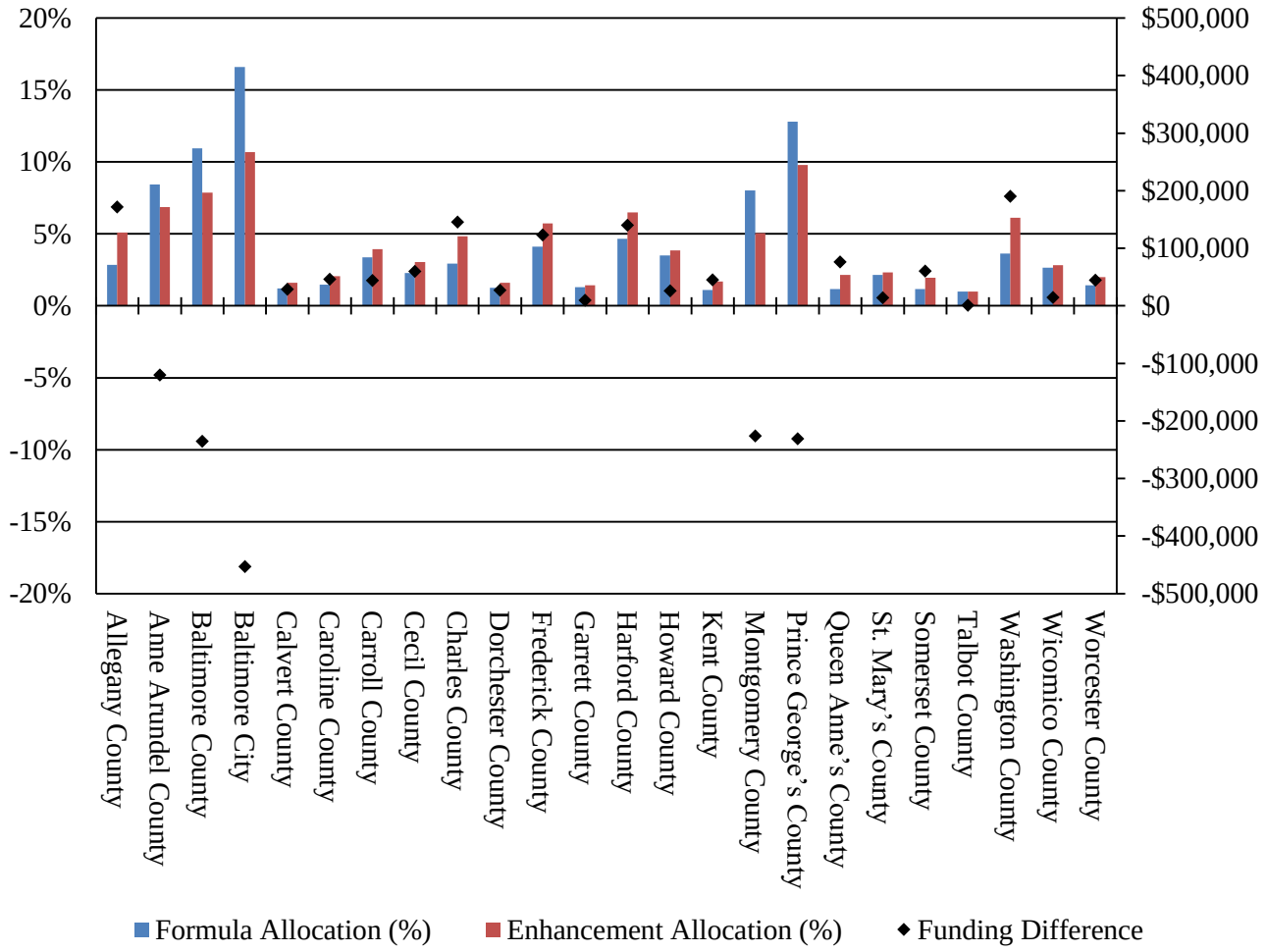
It is not clear whether the discretionary enhancement in fiscal 2023 would carry over into the fiscal 2024 base, considering the funding above the mandated level was not generated through the formula. To the extent that the enhancement is not part of the base in fiscal 2024, LHDs may receive reduced formula allocations in fiscal 2024 before the formula returns to $70 million in fiscal 2025, in accordance with Chapter 805. **MDH should comment on any plans to hold LHDs harmless in the future if discretionary enhancement funding is not included in the base award.**

Discretionary Enhancement Allocations Do Not Align with Annual Formula

Although § 2-302 lays out the methodology for calculating total State funding through the mandated formula, county allocations are largely determined in regulation. Code of Maryland Regulations 10.04.01.03 specifies that the annual formula adjustment for local health services be

allocated to each subdivision based on the percentage share of State funds distributed in the previous fiscal year. State funds can be distributed to address a substantial change in community health need in some cases at the discretion of the Secretary of Health (after consulting local health officers). Each county's allocation of the fiscal 2023 formula increment coincides with this regulation and matches the fiscal 2022 percentage share. However, the discretionary enhancement is allocated differently from the formula percentage share for each county, as shown in **Exhibit 6**.

Exhibit 6
LHD Discretionary Enhancement – County Allocations
Fiscal 2023 Allowance



LHD: local health department

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

Based on the estimated county allocations for the discretionary enhancement included with the allowance, the five most populous jurisdictions see the largest reductions, both on a percentage basis and dollar basis, compared to their share of the $7.6 million if the typical formula allocation had been applied. Baltimore City, for example, receives 16.6% of the fiscal 2023 formula increment but would receive 10.7% of the discretionary enhancement, which translate to a reduction of $453,144.

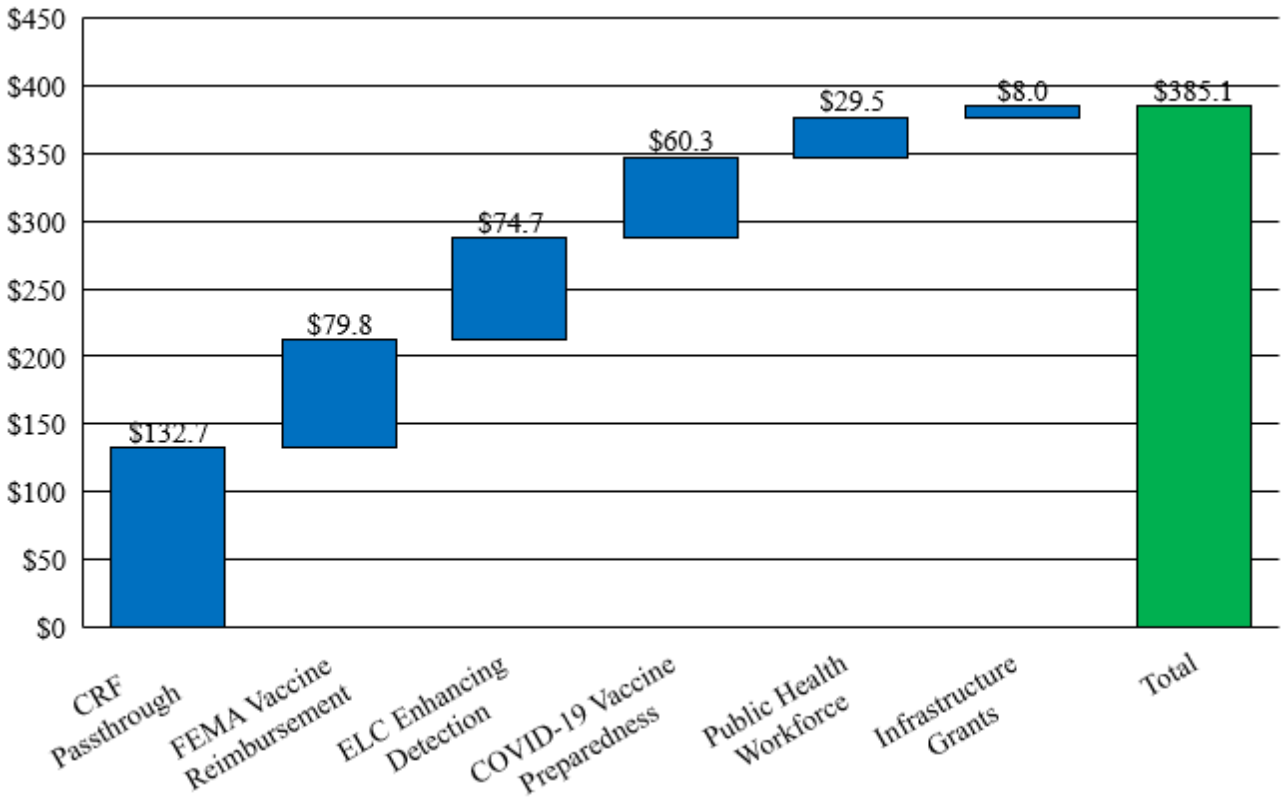
The five counties that receive the largest increases in percentage share and additional funding through the methodology used to distribute the enhancement are Allegany, Charles, Frederick, Harford, and Washington counties. Of this group, Washington County would receive the most additional funding as it receives 3.6% through the formula but would receive 6.1% based on estimated enhancement allocations, or a difference of $189,860.

DBM reported that the county allocations for the discretionary enhancement are still estimates but did not provide a reason for the estimated county distributions differing from the formula allocation. Estimated enhancement allocations do not align with jurisdictions' relative share of the State population either, as the Maryland Department of Planning projects that Allegany County accounts for 1.2% of the State's calendar 2020 population. yet it receives 5.1% of the enhancement funding. **MDH should clarify how the final county allocations for the $7.6 million discretionary enhancement will be determined and provide the finalized amount that will be distributed to each LHD.**

One-time COVID-19-related Funding Passed through to LHDs

LHDs have played a crucial role in responding to the COVID-19 public health emergency and have received significant amounts of one-time federal funding to aid these efforts. Although federal funding from the ARPA SFRF budgeted under the LHD formula mainly backfilled State fund support in fiscal 2021 and 2022, multiple sources of federal and State funds were provided outside of the formula, as shown in **Exhibit 7**.

Exhibit 7
Local Health Department Funding Allocated from Fiscal 2020 through 2023 for COVID-19 Pandemic, Excluding Formula Funding
($ in Millions)



CRF: Coronavirus Relief Fund
ELC: Epidemiology and Laboratory Capacity
FEMA: Federal Emergency Management Agency

Note: This shows COVID-19-related funding appropriated from fiscal 2020 to 2023 to local health departments as of January 31, 2022. To the extent that new or alternative funding sources become available or additional funds are appropriated to the State budget, funding allocations would change. Funding allocated to county governments and local school systems are also not shown in this exhibit.

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

The largest source of nonformula funding passed through MDH was $132.7 million in CRF allocations authorized in the Coronavirus Aid, Relief, and Economic Security Act to certain jurisdictions that did not receive an allocation directly. Anne Arundel, Baltimore, Montgomery, and

Prince George's counties and Baltimore City received CRF allocations directly from the federal government. MDH also distributed $4 million in infrastructure grants to LHDs using funds from the State's flexible ARPA SFRF award. This grant program is also funded in the fiscal 2023 allowance using general funds. Other funding sources were made available from fiscal 2020 to 2023 that could be used to support LHDs' pandemic response efforts that were not necessarily distributed to LHDs directly, such as COVID-19 testing funds allocated to local school systems.

The COVID-19 public health emergency required LHDs to rapidly expand services, supplies, and personnel that were greatly supported with one-time federal stimulus. As this federal aid ends, some new funding sources have the potential to become ongoing sources of support, like infrastructure grants budgeted in the Office of the Secretary that support broad LHD operating costs. This grant funding and the $7.6 million above the mandated increment in the LHD formula funding were made available as the COVID-19 pandemic has highlighted the importance of the State's public health system, especially LHDs' role in the statewide system.

While the $7.6 million discretionary LHD formula enhancement was determined because it restored the grant to levels seen prior to the Great Recession, it is not clear how the $4 million in annual infrastructure grants was determined. By choosing seemingly arbitrary grant allocations, funding for the State's public health system is not necessarily in line with the actual cost of providing sufficient public health services or meeting community health need. **MDH should discuss how the infrastructure grant awards in fiscal 2022 and 2023 were determined and if they sufficiently meet LHDs' operational needs, in combination with formula allocations.**

In accordance with Chapters 29 and 31 of the 2021 special session, MDH must collaborate with LHDs to adopt and implement a two-year plan to respond to COVID-19 and convene a Maryland Public Health Modernization Workgroup. The workgroup will be tasked with assessing the current public health infrastructure and resources in the State, then making recommendations for how to establish a modern and effective public health system.

Considering recent efforts to provide enhanced funding to LHDs and modernize public health service delivery in the State overall, MDH should:

- **provide a timeline for when the Public Health Modernization Workgroup will begin meeting;**

- **outline its priorities for the Public Health Modernization Workgroup, including whether changes to the LHD funding formula will be considered and if there are any elements of the public health system that have shown deficiencies or lack of financial support in the past;**

- **describe any preliminary efforts that it is taking to support ongoing LHD operating costs and personnel needs as one-time federal and State support ends; and**

- **discuss how LHDs used $4 million in infrastructure grants in fiscal 2022.**

2. OCME Shows Worsening Caseload Ratios and Staffing Levels

OCME is required by statute to investigate all violent or suspicious deaths, including all deaths unattended by a physician. If the cause of death cannot be established during the initial investigation, a pathologist must perform an autopsy on the deceased. In fiscal 2021, 6,744 bodies were transported to OCME for examination with 6,281 autopsies performed by medical examiners (ME).

Accreditation Status

Although OCME can continue to operate without accreditation, being accredited by the National Association of Medical Examiners (NAME) improves the public's trust that the office is performing its work in a proper environment and limits questions about the validity of MEs' findings at trials. OCME indicated that, as of March 19, 2021, NAME granted the office full accreditation status following multiple years of OCME receiving provisional accreditation due to two separate phase II violations. Phase II requirements are considered essential requirements for an adequate medicolegal system.

To maintain full accreditation, an office ordinarily may not have any phase II violations. Due to the substantial impact of the COVID-19 public health emergency on ME and coroner offices nationwide, NAME decided to waive staffing-related phase II violations from consideration in 2021 and announced that it would not demote an office's accreditation status for issues resulting from the pandemic until further notice. Therefore, OCME was able to receive full accreditation despite its continued work on a roof repair project that created a phase II safety violation and persistent staffing and caseload issues that have caused phase II staffing violations.

Roof Repair Project

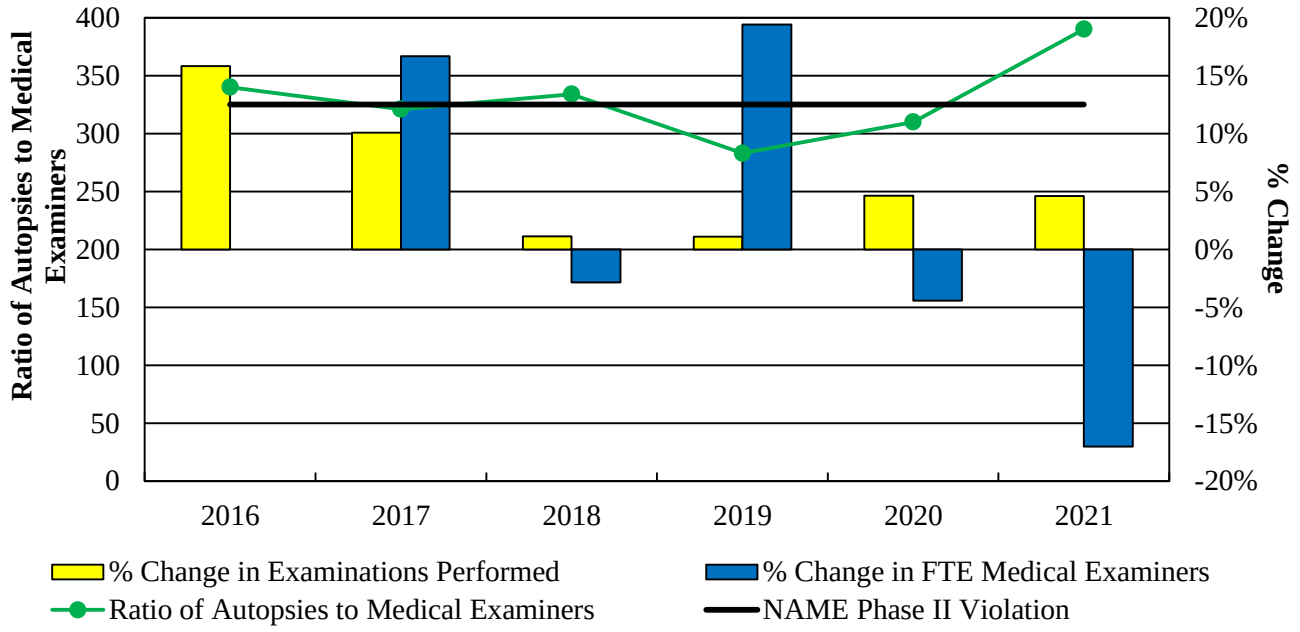
During a July 2019 inspection, NAME found that OCME's Baltimore City building had a structural defect in the roof, causing a water leak and flooding. This prevented OCME from receiving full accreditation at that time because the flooding was in a carpeted corridor and, as a result, NAME determined that the warped carpet presented a physical hazard and risk for serious injury to employees.

On November 4, 2020, the Board of Public Works approved a $2.6 million contract with Cole Roofing Co., Inc. to replace the roof and siding in OCME's Baltimore City building. Funding for the project appeared in the Department of General Services' budget as part of a master contract. The vendor began working on the roof replacement project in January 2021 and was expected to complete the project in September 2021. OCME reported that there were delays in receiving the new siding and updated the completion date to November 29, 2021. **The department should provide a status update and final budget of the roof and siding replacement project. MDH should also discuss whether it has received notice from NAME for when the association will begin enforcing accreditation requirements, including demoting or removing full accreditation status.**

Caseload Ratio Standards

A long-standing challenge for OCME has been maintaining adequate staffing to perform increasing numbers of autopsies and meet NAME's standard that no autopsy physician should be required to perform more than 325 autopsies per year. This standard is measured as the caseload ratio of autopsies to full-time equivalent (FTE) MEs. **Exhibit 8** shows recent caseload ratios by fiscal year and the percent change in the two factors that affect this ratio (examinations performed and FTE MEs). In fiscal 2021, OCME reported its highest ratio over the period with 390 autopsies performed per FTE ME, greatly surpassing the phase II standard. Although the number of autopsies performed increased by 4.61% in that year, the sharp 17.0% decline in FTE MEs was the driving factor in Maryland's caseload ratio rising to 390, demonstrating the importance of staffing to long-term improvement in this ratio.

Exhibit 8
Medical Examiner Caseload Ratios and Caseload Factors
Fiscal 2016-2021



FTE: full-time equivalent
NAME: National Association of Medical Examiners

Note: NAME announced that it would not demote an office or remove accreditation for issues relating to the COVID-19 pandemic. Therefore, the Office of the Chief Medical Examiner received full accreditation in calendar 2021 despite violating a phase II caseload requirement in fiscal 2021.

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

Examinations Performed

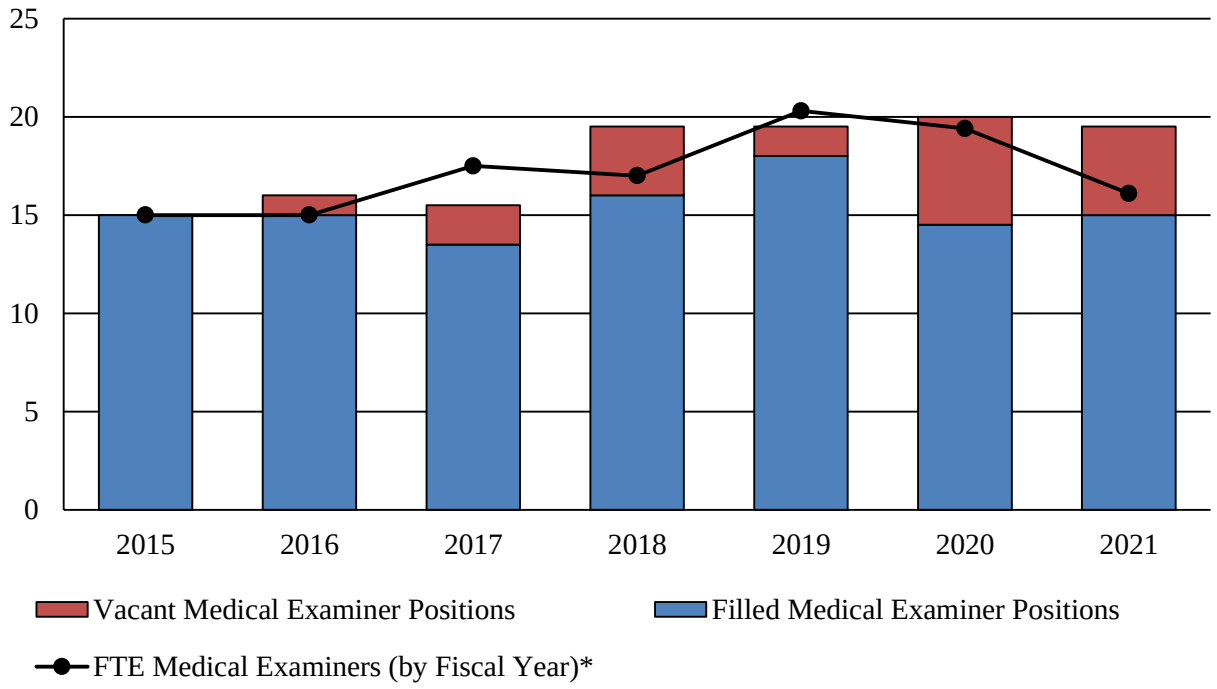
ME and coroner offices nationally have experienced increased caseloads resulting from the opioid crisis as unintentional drug-related intoxication deaths have risen substantially. Further, overdose deaths nationally and in Maryland increased as a direct result of the COVID-19 pandemic. Preliminary data from the Vital Statistics Administration showed that these cases have remained heightened as 1,204 and 1,217 opioid-related deaths were reported from January through June in 2020 and 2021, respectively, compared to 1,085 over the same period in 2019. These cases have contributed to the 4.61% increase in examinations performed shown in Exhibit 8.

It is important to note that the total number of examinations performed does not acknowledge changes in complexity of cases over time. The fiscal 2023 Managing for Results submission includes a new metric for total homicide cases, showing 687 reported in fiscal 2021. Homicide cases are often more complex than other autopsies and can require MEs to provide court testimony, limiting their time to examine other cases. Increased homicide cases may also be contributing to Maryland's ME staffing issues as ME and coroner offices in other states and regions may not be dealing with similar trends or the level of growth in homicide cases, therefore making Maryland's caseload and work requirements less attractive relative to other states.

ME Staffing Levels

As shown in **Exhibit 9**, OCME experienced a sharp decrease in filled ME positions between December 2019 and December 2020 and, as of December 2021, the number of filled positions has only improved by 0.5 positions. Vacant ME positions rose from 1.5 vacancies in December 2019 to 5.5 vacancies in December 2020. The December 2020 vacancy count also included the chief ME position that was later filled in February 2021. Since then, OCME has not reported any change from 4.5 vacant ME positions. Overall, 5 MEs have either retired or resigned since 2019, and OCME anticipates more vacancies in fiscal 2022 and 2023 as at least 3 MEs are expected to retire in the next year.

Exhibit 9
Medical Examiner Vacancy Trends
December 2015 to December 2021



FTE: full-time equivalent

* Includes caseloads from medical examiners working on a per diem basis at a rate of 1.0 full-time equivalent per 250 autopsies conducted.

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

In addition to regular ME positions, OCME is able to count examinations performed by MEs paid on a per diem basis to calculate a ratio of FTE MEs to autopsies. These MEs are board certified in forensic pathology and count toward the State's FTE MEs as 1.0 FTE for every 250 cases performed. Exhibit 9 shows that in some years, like fiscal 2017 and 2019, the per diem program has been able to fill in the gaps for vacant ME positions to levels even higher than the authorized number of regular MEs. In an August 6, 2021 response to committee narrative included in the 2020 JCR, MDH discussed the benefits of the per diem program including:

- familiarizing pathologists with OCME and potentially serving as a source for recruitment and advocacy; and

- providing necessary staffing and assistance required on weekends.

FTE MEs declined from 19.4 in fiscal 2020 to 16.2 in fiscal 2021 as the supply of per diem pathologists decreased at a time when regular ME vacancies remained high and full-time MEs could not offset the loss of per diem pathologists. The number of per diem FTE MEs decreased from 10 in calendar 2019 to 7 in calendar 2020. The COVID-19 pandemic partially contributed to the reduction in per diem cases as MEs serving in the military were restricted from traveling early in the pandemic, and travel restrictions prevented at least one civilian ME from working for OCME on a per diem capacity. In addition, according to the August 2021 response, staffing and caseload issues at other ME offices have prevented some MEs from scheduling work outside of their primary office.

Efforts to Recruit and Retain OCME Personnel

In combination, increased ME vacancies and higher caseloads have led to a ratio of FTE MEs to autopsies that is likely to have lasting impacts on recruitment and retention efforts, regardless of whether OCME temporarily maintains full NAME accreditation. The practical impacts of high caseload ratios meant that in fiscal 2021, MEs in Maryland had to perform 65 more autopsies per person than NAME's maximum standard ratio. Multiple JCRs and DLS budget analyses have requested that MDH provide updates on ME recruitment and retention efforts and, across these reports and budget hearing testimony, the department has described the following actions:

- dedicating a recruitment specialist specifically for OCME;
- posting job announcements on the State recruitment website and on NAME's website;
- using the fellow program both to count 0.5 FTE ME per fellow for their work and as a way to recruit full-time MEs that have trained with the State;
- partnering with the Armed Forces Medical Examiner to have another trainee and sometimes recruit per diem pathologists; and
- approving salary enhancements through the ASR process that increased ME salaries by 16% in fiscal 2017 and 12% effective December 1, 2020.

Notably, most of these information requests have focused on ME vacancies and recruitment, while OCME has also indicated that it struggles with filling other positions such as forensic investigators. The fiscal 2023 allowance provides funding for a significant personnel expansion of 21 total PINs that is partially offset by 1.0 administrative position that was transferred to Springfield Hospital Center. As shown in **Exhibit 10,** only 3 of the transferred positions are board-certified assistant MEs. The fiscal 2023 allowance does not include another ASR adjustment for ME salaries but does include a two-grade increase in salary for forensic investigators.

Exhibit 10
Net 20 Positions Transferred to Office of the Chief Medical Examiner
Fiscal 2023 Allowance

Job Title*	Positions
Forensic Investigator	5
Administrative positions	4
Autopsy Assistant	4
Assistant Toxicologists	3
Board-certified Assistant Medical Examiners	3
Epidemiologist	1
Total	**20**

*Job titles are subject to change as positions are reclassified from their former Maryland Department of Health offices.

Source: Maryland Department of Health

Once filled, the additional ME, forensic investigator, and autopsy assistant positions would better equip the office to respond to increasing caseloads. It is important to note though that OCME's 17.2% vacancy rate as of December 2021, including 3.5 positions that have been vacant for over nine months, suggests that the office may have difficulty in filling these additional positions.

MDH should discuss the reason for adding OCME positions rather than or in addition to allocating funds for ME salary enhancements or other uses that would support recruitment of the office's current vacant slots. The department should describe efforts that it is taking to improve recruitment to prevent caseload ratios from rising even higher given the anticipated retirements in the next year. DLS recommends adding budget language that would restrict funding for administrative expenses in the Executive Direction budget under the Deputy Secretary of Public Health Services until MDH submits a report on OCME accreditation status and recruitment and retention efforts. DLS also recommends adopting committee narrative requesting a report from OCME, in consultation with the University of Maryland, Baltimore Campus and MHEC, specifically on efforts to recruit and provide financial assistance to forensic pathologists in higher education institutions.

Operating Budget Recommended Actions

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

   Further provided that $500,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Health submits a report to the budget committees on public health personnel recruitment and retention. The report shall include:

   (1) an analysis of the causes of public health staffing shortages at the State and local health department (LHD) levels;

   (2) LHD vacancy rates as of December 2019, 2020, 2021, and 2022;

   (3) an evaluation of how the State's COVID-19 pandemic response activities impacted recruitment and retention of State and LHD personnel;

   (4) a discussion of salary enhancements, programs, and any other strategies that the department is implementing to recruit and retain public health staff;

   (5) an evaluation of how the department spent COVID-19-related federal funds to expand, recruit, and train the public health workforce, including any performance measures or data collected on how this funding filled vacant slots and improved retention; and

   (6) a discussion of any partnerships or programs with higher education institutions to recruit students and recent graduates to work for the department.

   The report shall be submitted by December 1, 2022, 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 revert to the General Fund if the report is not submitted to the budget committees.

   Explanation: The budget committees are concerned by the vacancy rate in the Maryland Department of Health (MDH), specifically the vacancies among the public health workforce both at the State and local levels. This language restricts funding until MDH submits a report with data on MDH and LHD staffing levels and evaluations of how recent salary adjustments and COVID-19-related federal funds to strengthen the public health workforce have worked in filling vacant positions and improving retention, among other information.

Information Request	**Author**	**Due Date**
Report on public health personnel recruitment and retention	MDH	December 1, 2022

2. Add the following language to the general fund appropriation:

, provided that $500,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Health submits a report to the budget committees on the Office of the Chief Medical Examiner (OCME) accreditation status and recruitment and retention efforts for medical examiner staffing and other OCME personnel. The report shall include:

(1) OCME's accreditation status and any updates on when the National Association of Medical Examiners (NAME) will begin demoting or removing accreditation statuses due to phase I and II violations related to the COVID-19 pandemic;

(2) phase I and II violation findings from any inspections conducted by NAME in fiscal 2022 or 2023;

(3) year-to-date full-time equivalent (FTE) medical examiners (identifying the number attributed to per diem medical examiners) and the calendar year-to-date ratio of FTE medical examiners to examinations performed;

(4) an update on hiring 21 positions that were transferred to OCME in fiscal 2023, including medical examiner, forensic investigator, and autopsy assistant positions;

(5) information on other efforts to fill vacant positions to ensure that OCME can maintain full accreditation; and

(6) a comparison of salaries offered by OCME for board-certified medical examiners compared to medical examiner offices in other jurisdictions and other pathology jobs available in Maryland.

The report shall be submitted by September 1, 2022, 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 revert to the General Fund if the report is not submitted to the budget committees.

Explanation: In fiscal 2021, OCME reported a medical examiner caseload ratio that was significantly higher than the NAME maximum standard to maintain an adequate medicolegal system. OCME has experienced persistently high-vacancy rates in multiple positions, including medical examiners and forensic investigators, and these staffing issues have been exacerbated by increased caseloads stemming from the opioid crisis and increasing homicides in the State. This language restricts funding budgeted for administration under the Deputy Secretary for Public Health Services until the Maryland Department of Health (MDH) submits a report to the budget committees on OCME recruitment and retention efforts.

Information Request	Author	Due Date
Report on OCME accreditation and recruitment and retention efforts	MDH	September 1, 2022

3. Adopt the following narrative:

Report on Forensic Pathologist Recruitment and Financial Assistance in Higher Education Institutions: The Office of the Chief Medical Examiner (OCME) under the Maryland Department of Health (MDH) has reported persistent issues filling vacant medical examiner positions. This coincides with national shortages of forensic pathologists at a time when the opioid crisis and rising homicide rates have caused a higher need for autopsies. Contributing to the workforce shortage is an insufficient number of physicians graduating from higher education institutions choosing to pursue forensic pathology. Therefore, the committees request that OCME, in consultation with the University of Maryland, Baltimore Campus (UMB) and the Maryland Higher Education Commission (MHEC), submit a report by November 1, 2022, including:

- current and upcoming efforts to increase the number of forensic pathologists graduating from higher education institutions in Maryland;
- a description of any partnerships between OCME and higher education institutions for informing students of OCME job opportunities and recruiting recent graduates and fellows;
- funding opportunities for scholarships and other financial aid at higher education institutions for students in forensic pathology programs or other programs that could support OCME staffing needs;
- any changes or additional funding that could make existing Loan Assistance Repayment Programs (LARP) accessible to forensic pathologists; and
- steps that would be needed to develop a new LARP for forensic pathologists and the resource availability to implement this type of program.

Information Request	Author	Due Date
Report on forensic pathologist recruitment and financial assistance in higher education institutions	MDH UMB MHEC	November 1, 2022

Appendix 1
2021 *Joint Chairmen's Report* Responses from Agency

The 2021 JCR requested that MDH prepare one report. Once MDH submits the report, an electronic copy of the full JCR response will be available on the DLS Library website.

- ***Public Health Personnel Recruitment and Retention:*** As of January 31, 2022, MDH had not submitted a report.

Appendix 2
Office of Provider Engagement and Regulation Systems Integration and Modernization
Major Information Technology Project
Maryland Department of Health

New/Ongoing: New								
Start Date: November 1, 2021				**Est. Completion Date:** February 1, 2023				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2022**	**2023**	**2024**	**2025**	**2026**	**Remainder**	**Total**
GF	$0.000	$0.000	$1.170	$0.410	$0.000	$0.000	$0.410	$1.580
Total	**$0.000**	**$0.000**	**$1.170**	**$0.410**	**$0.000**	**$0.000**	**$0.410**	**$1.580**

- ***Project Summary:*** This project will replace the Office of Controlled Substances Administration's (OCSA) legacy registrant application processing of CDS registrations. OCSA issues CDS permits to practitioners, researchers, and establishments for legitimate medical and scientific uses, and OCSA pharmacists perform regulatory inspections to ensure compliance with applicable laws. The systems integration and modernization project will develop and deploy a case management system and field inspection tracking system supporting these activities.

- ***Need:*** OCSA monitors more than 39,000 CDS registrants that must renew their registrations every three years using an outdated and low-tech analogue system. By adding a customer portal that would allow access for CDS registration application and payment submission at all times, automating the registration process, and consolidating information gathering into one management system, this project will expedite services for CDS registrants in the State. The new platform will also function off-site using cloud-based data storage, which helps facilitate continuation of operations during emergency situations.

- ***Observations and Milestones:*** OCSA partnered with Enovational to perform a requirements analysis and develop a quote for development and hosting on the Maryland OneStop Portal.

- ***Concerns:*** The Information Technology Procurement Request classified 7 out of 11 risk factors as high risk for this project with 2 of the risk factors relating to funding and resource availability. OCSA is planning to implement this project as State funding becomes available because a federal grant that would have supported this project is ending. Additionally, OCSA would rely on the Department of Information Technology's statewide resource contracts for maintenance and operations as the office does not have dedicated information technology personnel.

Appendix 3
Local Health Department Formula Funding Allocation by Jurisdiction
Fiscal 2019-2023

	2019 Actual	2020 Actual	2021 Actual	2022 Working*	2023 Allowance*	Amt. Change 2022-2023	% Change 2022-2023
Allegany County	$1,536,198	$488,410	$1,940,041	$2,194,653	$2,662,339	$467,686	21.3%
Anne Arundel County	4,318,309	4,327,460	4,829,301	5,093,574	5,849,834	756,260	14.8%
Baltimore City	8,366,564	8,575,374	8,746,841	8,962,567	10,236,646	1,274,079	14.2%
Baltimore County	5,518,725	5,668,282	5,769,560	5,814,563	6,718,449	903,886	15.5%
Calvert County	658,153	574,742	870,148	991,355	1,146,765	155,410	15.7%
Caroline County	784,810	912,372	996,620	1,105,735	1,304,352	198,617	18.0%
Carroll County	1,796,826	2,224,992	2,289,303	2,603,139	2,997,612	394,473	15.2%
Cecil County	1,223,669	1,608,120	1,593,443	1,812,488	2,108,261	295,773	16.3%
Charles County	1,570,553	1,471,432	1,995,355	2,090,384	2,540,953	450,569	21.6%
Dorchester County	691,977	787,641	961,725	1,160,429	1,317,732	157,303	13.6%
Frederick County	2,170,544	2,679,432	2,668,845	2,877,823	3,428,282	550,459	19.1%
Garrett County	710,014	636,549	973,219	1,212,986	1,357,113	144,127	11.9%
Harford County	2,460,920	2,716,646	3,017,473	3,232,188	3,857,218	625,030	19.3%
Howard County	1,851,364	2,323,989	2,305,303	2,602,171	2,992,476	390,305	15.0%
Kent County	624,305	617,150	847,396	1,175,462	1,335,383	159,921	13.6%
Montgomery County	4,038,950	4,148,406	4,222,528	4,338,014	4,945,672	607,658	14.0%
Prince George's County	6,465,328	6,708,450	6,819,285	6,885,732	7,986,428	1,100,696	16.0%
Queen Anne's County	629,921	839,250	830,511	899,187	1,096,234	197,047	21.9%
St. Mary's County	1,121,792	977,155	1,344,211	1,451,099	1,688,529	237,430	16.4%
Somerset County	643,105	762,279	879,678	1,017,349	1,199,388	182,039	17.9%
Talbot County	525,250	678,255	672,769	789,591	892,580	102,989	13.0%
Washington County	1,948,406	2,500,689	2,484,059	2,675,358	3,242,880	567,522	21.2%
Wicomico County	1,417,913	1,428,839	1,842,600	2,138,185	2,427,125	288,940	13.5%
Worcester County	791,121	751,087	1,143,712	1,371,137	1,563,392	192,255	14.0%
Funding for FFS clinics		5,000,000	8,988,425	9,400,474	0	-9,400,474	-100.0%
Total	**$51,864,717**	**$59,407,001**	**$69,032,351**	**$73,895,643**	**$74,895,643**	**$1,000,000**	**1.4%**

FFS: fee-for-service

*Based on estimated county allocations for FFS Clinics and the fiscal 2023 discretionary enhancement.

Source: Department of Budget and Management

Appendix 4
Object/Fund Difference Report
Maryland Department of Health – Public Health Administration

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	417.00	420.75	436.75	16.00	3.8%
02 Contractual	82.89	94.90	82.22	-12.68	-13.4%
Total Positions	**499.89**	**515.65**	**518.97**	**3.32**	**0.6%**
Objects					
01 Salaries and Wages	$ 157,240,161	$ 43,565,200	$ 44,327,254	$ 762,054	1.7%
02 Technical and Special Fees	8,281,379	6,346,558	5,224,724	-1,121,834	-17.7%
03 Communication	839,603	525,522	621,182	95,660	18.2%
04 Travel	130,095	268,668	295,056	26,388	9.8%
06 Fuel and Utilities	4,185,024	2,311,132	2,547,420	236,288	10.2%
07 Motor Vehicles	70,272	35,157	30,840	-4,317	-12.3%
08 Contractual Services	723,416,214	69,921,199	53,971,238	-15,949,961	-22.8%
09 Supplies and Materials	794,046,094	11,759,296	8,350,147	-3,409,149	-29.0%
10 Equipment – Replacement	1,062,319	172,830	499,768	326,938	189.2%
11 Equipment – Additional	33,604,430	721,144	363,223	-357,921	-49.6%
12 Grants, Subsidies, and Contributions	118,890,771	68,366,769	78,816,659	10,449,890	15.3%
13 Fixed Charges	21,598,873	19,154,183	21,851,397	2,697,214	14.1%
Total Objects	**$ 1,863,365,235**	**$ 223,147,658**	**$ 216,898,908**	**-$ 6,248,750**	**-2.8%**
Funds					
01 General Fund	$ 440,269,114	$ 115,363,957	$ 145,519,489	$ 30,155,532	26.1%
03 Special Fund	801,192,757	10,129,407	9,937,575	-191,832	-1.9%
05 Federal Fund	589,143,104	95,101,936	60,602,676	-34,499,260	-36.3%
09 Reimbursable Fund	32,760,260	2,552,358	839,168	-1,713,190	-67.1%
Total Funds	**$ 1,863,365,235**	**$ 223,147,658**	**$ 216,898,908**	**-$ 6,248,750**	**-2.8%**

Note: The fiscal 2022 working appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.