

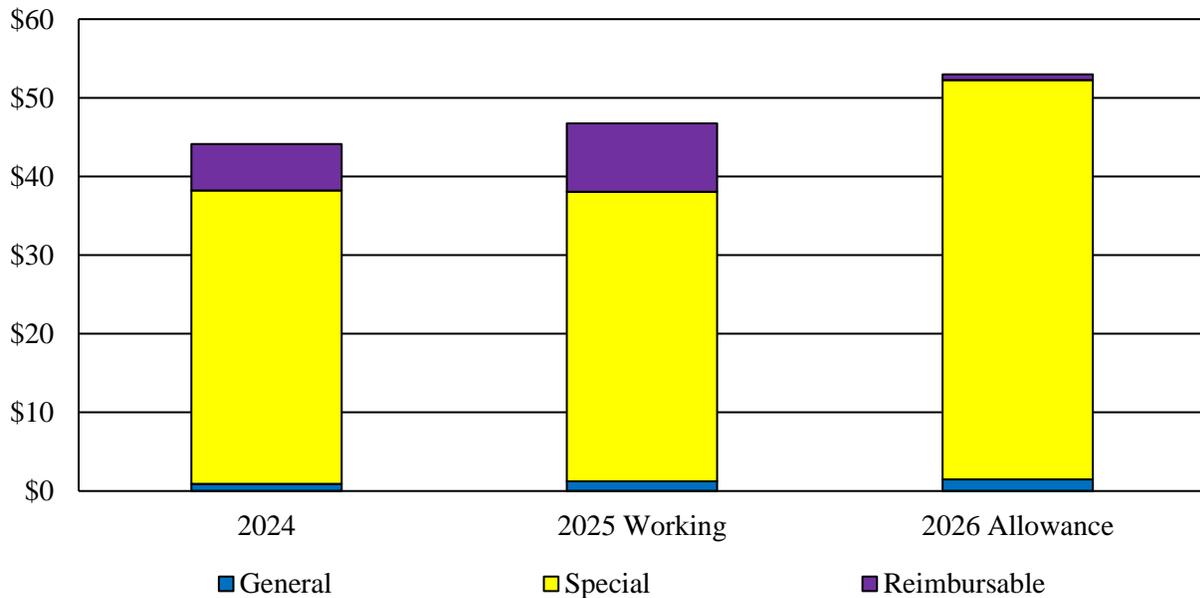
M00B0104
Health Professional Boards and Commissions
Maryland Department of Health

Program Description

The Health Professional Boards and Commissions (HPBC) within the Maryland Department of Health (MDH) is comprised of 20 health professional boards and one commission. Their purpose is to certify, license, resolve consumer complaints, and assist in establishing parameters for various providers through regulations. The boards share the same goals of (1) protecting the public by ensuring that practicing health professionals are properly credentialed and licensed to provide high-quality services and (2) receiving, investigating, and resolving complaints in a timely manner. The Natalie M. LaPrade Maryland Medical Cannabis Commission (MMCC) was previously included in HPBC, but its duties were transferred to the Maryland Cannabis Administration (MCA) in fiscal 2024, as required by Chapters 254 and 255 of 2023 (Cannabis Reform).

Operating Budget Summary

Fiscal 2026 Budget Increases \$6.2 Million, or 13.4%, to \$53.0 Million
(\$ in Millions)



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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M00B0104 – MDH – Health Professional Boards and Commissions

- HPBCs are primarily funded by special funds generated through licensing fees. There are three boards that are funded by general funds in the fiscal 2026 allowance: the State Board of Environmental Health Specialists; the State Board of Examiners of Nursing Home Administrators; and the State Board of Residential Child Care.
- The Budget Reconciliation and Financing Act (BRFA) of 2025 includes a provision to utilize surplus fund balances from nine of the health occupation boards: the State Board of Physicians; the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists; the State Board of Social Work Examiners; the State Board of Dietetic Practice; the State Board of Acupuncture; the State Board of Physical Therapy Examiners; the State Board of Examiners in Optometry; the Commission on Kidney Disease; and the State Board of Chiropractic Examiners. These fund balance transfers total \$4 million and backfill general funds in the MDH Behavioral Health Administration (BHA).

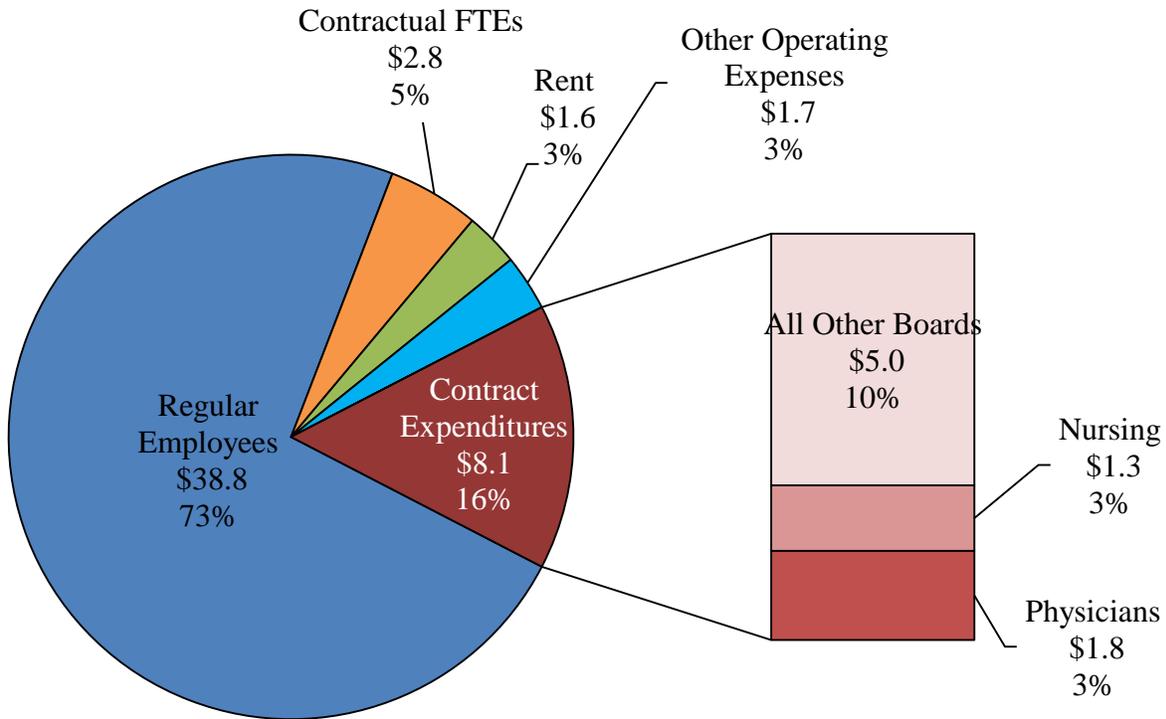
Fiscal 2024

HPBC reported several cancellations at the fiscal 2024 closeout, most of which were special funds. The largest special fund cancellation was \$2,377,605 in the Board of Nursing due to eligible infrastructure expenditures being charged as general funds, per Chapters 222 and 223 of 2023, that supported the infrastructure operations transfer to MDH Office of the Secretary. Special fund cancellations also included \$1,398,300 due to MMCC being established as MCA as required by Chapters 254 and 255. There was also a \$149,292 cancellation in the Board of Physicians due to less than expected spending on communications, travel, and contractual services.

Fiscal 2026 Overview of Agency Spending

The fiscal 2026 allowance for HPBC totals \$53.0 million. The boards are largely administrative in nature, as their primary functions involve issuing certifications and licenses. As shown in **Exhibit 1**, 73% of the fiscal 2026 allowance is dedicated to personnel costs for 280.5 regular positions, and 5% of the budget supports contractual personnel costs for 21.67 full-time equivalents (FTE). Expenditures for contracts account for an additional 16% of the budget, with more than one-third occurring within the Board of Physicians and the Board of Nursing (each accounting for 3% of the total fiscal 2026 allowance). The health occupation boards vary significantly in size and expenditures. Across the boards, the fiscal 2026 allowance ranges from \$311,729 for the State Commission on Kidney Disease to \$17.5 million budgeted under the Board of Nursing.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



FTE: full-time equivalent

Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Department of Budget and Management

Proposed Budget Change

As shown in **Exhibit 2**, the HPBC fiscal 2026 budget increases by \$6.2 million from the fiscal 2025 working appropriation. The fiscal 2026 spending growth is largely attributed to personnel expenses, which increase by a net \$7.9 million, including \$6.0 million for miscellaneous adjustments that is a technical error in the budget in the Board of Nursing.

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

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
Fiscal 2024 Actual	\$918	\$37,305	\$5,883	\$44,106
Fiscal 2025 Working Appropriation	1,248	36,811	8,674	46,733
Fiscal 2026 Allowance	<u>1,467</u>	<u>50,781</u>	<u>726</u>	<u>52,974</u>
Fiscal 2025-2026 Amount Change	\$219	\$13,971	-\$7,948	\$6,242
Fiscal 2025-2026 Percent Change	17.5%	38.0%	-91.6%	13.4%

Where It Goes:	Change
Personnel Expenses	
Revenue from proposed Board of Nursing fee increases included in the fiscal 2026 allowance as a technical error	\$5,970
Board of Nursing personnel costs, driven by fiscal 2026 infrastructure operations (special funds)	4,088
Salary increases and associated fringe benefits including fiscal 2025 COLA and increments	1,503
Turnover decreases from 7.08% to 6.53%	164
Payroll reimbursements	39
Accrued leave payout	8
Reclassification	-59
Employee and retiree health insurance	-307
Board of Nursing personnel costs for fiscal 2025 infrastructure operations (reimbursable funds supported by general funds in the MDH Office of the Secretary)	-3,470
Other fringe benefits	-78
Board of Nursing	
Fiscal 2026 nonpersonnel infrastructure operation costs (special funds)	1,999
Nonpersonnel costs for fiscal 2026 infrastructure operations (reimbursable funds supported by general funds in the MDH Office of the Secretary)	-4,530
Board of Physicians	
Peer review/expert testimony contracts	169
Data processing equipment	-29
Board of Physical Therapy Examiners	
Software consultant for licensing, compliance, and case management system	200
Education and training contracts	-42

M00B01.04 – MDH – Health Professional Boards and Commissions

Where It Goes:	<u>Change</u>
Other Boards	
Computer licensing and imaging system for the Board of Examiners of Psychologists.....	100
Continuing Education Units audit for the Board of Examiners of Professional Counselors.....	50
Legacy licensing software maintenance for the State Board of Dental Examiners and State Board of Pharmacy.....	57
DocuExplorer subscriptions for the Board of Social Work Examiners.....	24
New licensing management system for the State Board of Massage Therapy Examiners in fiscal 2025.....	-175
Administrative Costs	
Contractual personnel	709
Share of Attorney General personnel costs	175
Office supplies and equipment	-25
Rent.....	-122
Cost allocations.....	-176
Other changes	-1
Total	\$6,242

COLA: cost-of-living adjustment

MDH: Maryland Department of Health

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Several changes account for the sunset of Chapters 222 and 223 that temporarily required the MDH Office of the Secretary to manage infrastructure operations of the Board of Nursing, which were supported with general funds in the Office of the Secretary and reimbursable funds in the board. Increases totaling \$6.1 million in special funds and decreases totaling \$8.0 million in reimbursable funds account for Board of Nursing personnel changes and the transfer to return infrastructure operations to the board in fiscal 2026. Infrastructure operation costs include the cost for personnel, communications, travel, contractual services, supplies and materials, and fixed charges. The remaining increase in the fiscal 2026 allowance is attributed to smaller changes in other boards for various operational expenses, such as software development, maintenance, and systems for the Board of Physical Therapy Examiners and the Board of Examiners of Psychologists.

Miscellaneous personnel adjustments increase by \$6.0 million, from \$60,313 in the fiscal 2025 working appropriation to \$6 million in the fiscal 2026 allowance. MDH initially attributed this increase to a proposed Board of Nursing fee increase. The department later clarified

that the additional appropriation in the fiscal 2026 allowance is an error and that there is no planned use of that appropriation. **The Department of Legislative Services (DLS) recommends reducing the fiscal 2026 allowance by \$6.0 million in special funds to correct this technical error.**

Budget Reconciliation and Financing Act

The BRFA as introduced would authorize nine separate fund balance transfers by June 30, 2026, from various health occupations boards, totaling \$4 million to replace general fund spending under BHA. These transfers include:

- \$1,570,750 from the State Board of Physicians Fund;
- \$720,938 from the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists Fund;
- \$408,218 from the State Board of Social Work Examiners Fund;
- \$371,904 from the State Board of Dietetic Practice Fund;
- \$332,957 from the State Board of Acupuncture Fund;
- \$284,592 from the State Board of Physical Therapy Examiners Fund;
- \$191,016 from the State Board of Examiners in Optometry Fund;
- \$96,654 from the Kidney Disease Fund; and
- \$40,699 from the State Board of Chiropractic Examiners Fund.

Additionally, the BRFA of 2024 included fund balance transfers totaling \$2.6 million from the Board of Professional Counselors and Therapists, the Board of Occupational Therapy, and the Board of Psychologists.

In all, 18 of the 21 boards are funded through special funds that are derived from user fees. Generally, MDH recommends that each board maintain a fund balance between 20% and 30% of its annual expenditures. Fund balances assist the boards in meeting unanticipated expenses and/or maintaining operations through periods of revenue instability. **Exhibit 3** shows the fund balance as the various boards closed fiscal 2024, the expenditures that are anticipated in fiscal 2026 given the board's allowances, and the share of the fund balance as a percent of expenditures before and after the proposed BRFA transfers.

Exhibit 3
Special Fund Balances as a Share of Projected Expenditures
Fiscal 2024 Closing Fund Balance versus Fiscal 2026 Allowance
(\$ in Thousands)

Analysis of the FY 2026 Maryland Executive Budget, 2025

7

M00B0104 – MDH – Health Professional Boards and Commissions

	<u>Closing Fund Balance Fiscal 2024</u>	<u>Allowance Fiscal 2026</u>	<u>Balance as % of Allowance</u>	<u>Fund Balance Transfers in BRFA as Introduced</u>	<u>Adjusted Fund Balance from BRFA as Introduced</u>	<u>Adjusted Balance as % of Allowance</u>	<u>DLS Recommended Transfers</u>	<u>DLS Recommended Adjusted Fund Balance</u>	<u>DLS Recommended Adjusted Balance as % of Allowance</u>
Acupuncture	\$354	\$382	92%	-\$333	\$21	5%	-\$333	\$21	5%
Audiologists	975	\$717	136%	-721	255	36%	-721	255	36%
Chiropractic	589	746	79%	-41	548	73%	-41	548	73%
Counselors/Therapists	4,584	1,884	243%		4,584	243%	-3,643	942	50%
Dental	717	2,615	27%		717	27%		717	27%
Dietetic	409	338	121%	-372	37	11%	-372	37	11%
Kidney Disease	111	312	36%	-97	15	5%	-97	15	5%
Massage Therapy	422	835	51%		422	51%	-5	418	50%
Morticians	262	694	38%		262	38%		262	38%
Nurses	1,798	17,538	50%		1,798	10%		1,798	10%
Occupational Therapy	1,237	598	207%		1,237	207%	-938	299	50%
Optometry	152	383	40%	-191	-39	-10%	0	152	40%
Pharmacy	2,016	5,236	39%		2,016	39%		2,016	39%
Physical Therapy	1,472	1,997	74%	-285	1,187	59%	-473	999	50%
Physicians	3,368	11,976	28%	-1,571	1,798	15%	-1,571	1,798	15%
Podiatric	253	446	57%		253	57%	-31	223	50%
Psychologists	2,116	1,339	158%		2,116	158%	-1,446	670	50%
Social Work	1,011	2,744	37%	-408	603	22%	-408	603	22%

BRFA: Budget Reconciliation and Financing Act

DLS: Department of Legislative Services

Source: Maryland Department of Health; Department of Legislative Services

DLS recommends amending the BRFA provision to authorize additional fund balance transfers from five boards that had a balance as a percentage of their allowance higher than 50%: the Board of Professional Counselors and Therapists (243%); the Board of Occupational Therapy (207%); the Board of Psychologists (158%); the Board of Podiatric Examiners (57%); and the Board of Massage Therapy Examiners (51%). DLS also recommends increasing the proposed BRFA transfers for the Board of Physical Therapy Examiners due to its high adjusted balance as a percentage of their allowance. Additionally, DLS recommends eliminating the proposed fund balance transfer for the Board of Optometry, so that they are not left with a negative fund balance, after accounting for estimated expenditures. These modifications would increase the proposed fund balance transfer by \$6.1 million, resulting in a total transfer of \$10.1 million in special funds to BHA.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	257.50	277.50	280.50	3.00
Contractual FTEs	<u>45.51</u>	<u>11.79</u>	<u>21.67</u>	<u>9.88</u>
Total Personnel	303.01	289.29	302.17	12.88

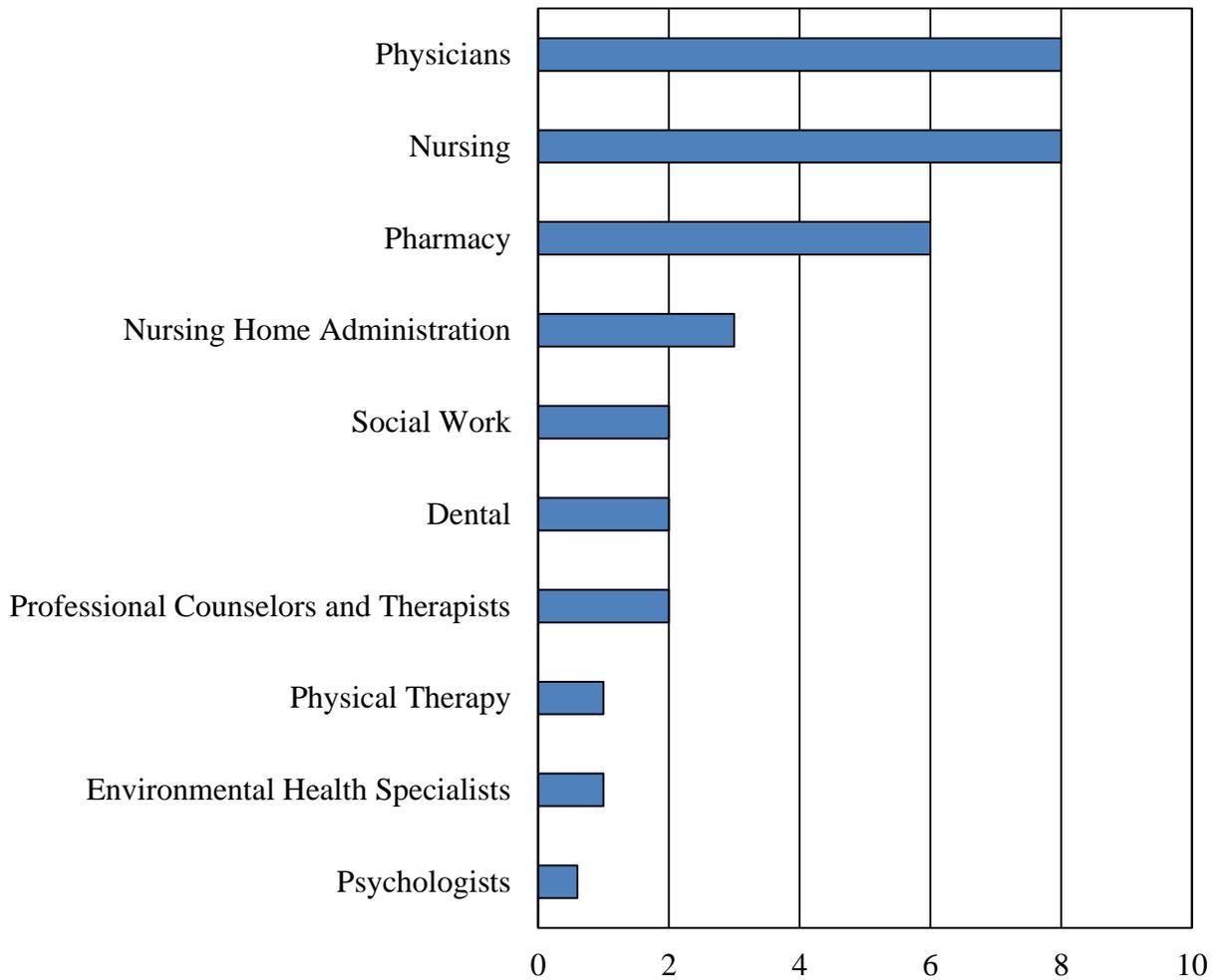
Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	18.32	6.53%
Positions and Percentage Vacant as of 12/31/24	33.60	12.11%
Vacancies Above Turnover	15.28	

- The fiscal 2026 allowance provides an increase of 3 regular positions for HPBC and an increase of 9.88 contractual FTE positions. All 3 regular positions are contractual conversions in the Board of Nursing for nursing program consultants.
- As of December 31, 2024, HPBC had 33.6 vacant positions, reporting 15.28 more vacant positions than needed to meet the fiscal 2026 budgeted turnover. The vacancy rate of 12.11% has not improved significantly since last year, when the vacancy rate was 12.43% as of December 31, 2023. **Exhibit 4** shows the vacancies by board, with just under one-half of all vacant positions in the Board of Physicians and the Board of Nursing. In February 2024, the boards reported various challenges in recruiting and retaining employees, such as staff burnout due to employees needing to take on additional responsibilities from the unfilled positions. The Board of Nursing highlighted recent improvements in filling vacancies while infrastructure operations and human resource

functions are under MDH’s oversight, with the vacancy rate decreasing from 21% in April 2023 to 14% in February 2024. Since then, the Board of Nursing has continued to reduce its vacancy rate to 11% as of December 31, 2024.

Exhibit 4
Vacant Positions by Board
As of December 31, 2024



Source: Department of Budget and Management

Key Observations

1. Boards’ Status in Meeting Managing for Results Goals

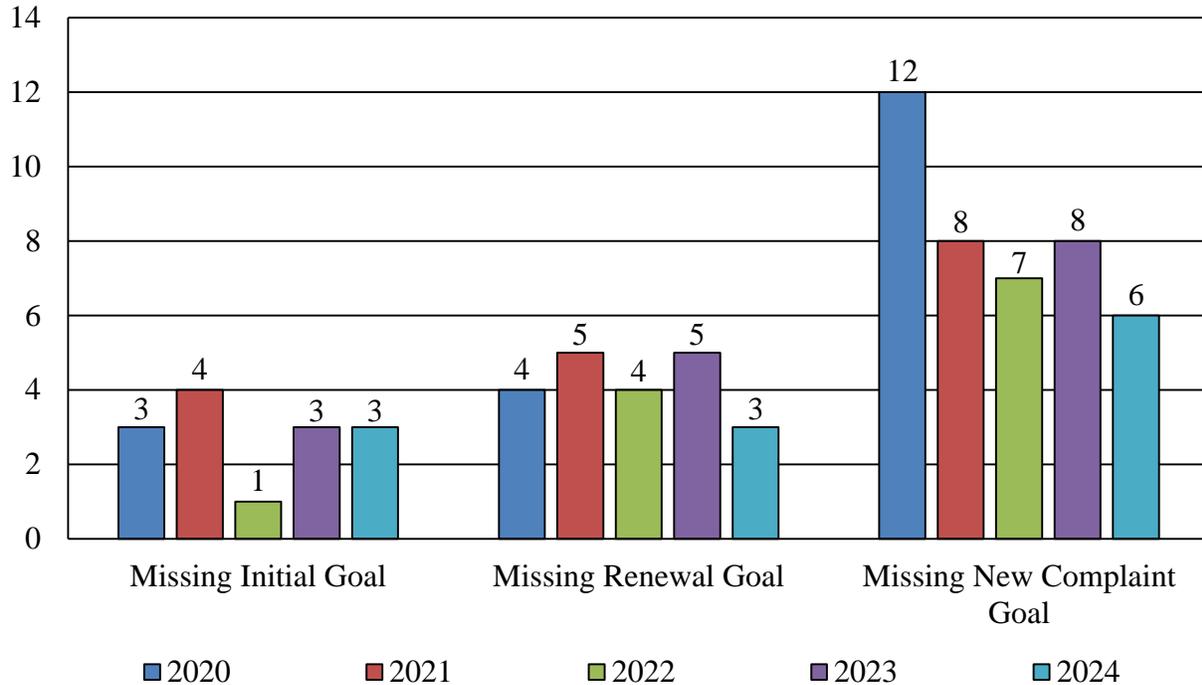
HPBC aims to ensure the delivery of quality health care and protection of the public through the licensing of providers in the State. DLS analyzes Managing for Results (MFR) performance data that tracks licensing, renewal processes, and timeliness of investigations into providers to determine efficiency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

- ***Initial Licenses:*** All boards are expected to issue 95% of initial licenses within 10 days of the receipt of the last qualifying document.
- ***Renewal Licenses:*** HPBC will annually issue renewal licenses to 90% of qualified Board of Nursing applicants and 95% of all other boards within 10 days of receipt of the last qualifying document or to improve on that timeliness standard if met. This goal represents a modification in the fiscal 2026 MFR submission, which provides a longer processing timeframe compared to prior complaint investigation goals of 90% of qualified Board of Nursing applicants and 95% of all other boards completed within 5 days.
- ***Preliminary Investigations:*** The Board of Physicians will resolve 95% of preliminary investigations within 150 days.
- ***Complaint Investigation:*** HPBC will annually improve the percentage of complaint investigations completed by the Board of Physicians and the Board of Nursing to 90% within 540 days and by all other boards and commissions to 90% within 270 days.

Improvement in Boards’ Ability to Meet Goals

Although various boards continued to miss their goals relating to issuing initial licenses, renewal licenses, and complaint investigations, there has generally been an improvement in the number of boards meeting the performance goals in fiscal 2024. **Exhibit 5** shows the number of boards that missed each of these goals from fiscal 2020 through 2024. Out of a total of 21 boards, 3 missed the initial license goal, 3 missed the renewal license goal, and 6 missed the complaint goal.

Exhibit 5
Missed Managing for Results Goals
Fiscal 2020-2024



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

Exhibit 6 lists the boards that missed a goal and the percentage by which they missed these goals in fiscal 2024. The Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists and Music therapists is the only board that missed all goals in fiscal 2024. The percentage by which boards missed each goal ranges from the Board of Nursing missing the renewal goal by 1 percentage point for licensed practical nurses (LPN) to that same board missing the complaint goal by 78 percentage points for registered nurses (RN).

Exhibit 6
Missed Goals by Board and Percentage Points
Fiscal 2024

	<u>Initial</u>	<u>Renewal</u>	<u>Complaint</u>
Audiologists	12	45	15
Chiropractic			5
Dental			42
Nursing: Registered Nurse			78
Nursing: Licensed Practical Nurse		1	
Pharmacy	45	9	
Counselors/Therapists	6		66
Social Work			32

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

2. Missed Complaint Investigation Goals

As shown in **Exhibit 7**, the number of boards missing the complaint investigation goal decreased by one-half from fiscal 2020 to 2024. In fiscal 2024, most of the boards (15 out of the 21 boards) met their investigation goal of at least 90% completed within the goal timeframe, with 13 of those boards completing 100% of investigations within the goal timeframe. Three boards met the goal for less than 50% of their complaint investigations: the Board of Dental Examiners at 48%; the Board of Professional Counselors and Therapists at 24%; and the Board of Nursing at 12%.

Exhibit 7
Missed Complaint Investigation Goals
Fiscal 2020-2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Acupuncture	100%	100%	83%	90%	100%
Audiologists	68%	89%	95%	85%	75%
Chiropractic	60%	97%	89%	100%	85%
Dental	26%	29%	43%	46%	48%
Dietetic	110%	100%	100%	100%	100%
Environmental Health	0%	100%	100%	17%	100%
Kidney Disease	79%	100%	100%	100%	100%
Massage Therapy	73%	94%	93%	81%	93%
Morticians	100%	100%	100%	100%	171%
Nursing	32%	68%	100%	51%	12%
Nursing Home Administration	100%	16%	100%	100%	100%
Occupational Therapy	87%	76%	96%	92%	100%
Optometry	87%	100%	87%	100%	100%
Pharmacy	88%	88%	41%	42%	93%
Physical Therapy	100%	50%	97%	100%	100%
Physicians and Allied Health	100%	100%	100%	100%	100%
Podiatric	114%	100%	100%	100%	100%
Professional Counselors/Therapists	50%	50%	52%	21%	24%
Psychologists	100%	100%	100%	100%	100%
Residential Child Care	100%	100%	100%	100%	100%
Social Work	65%	92%	47%	67%	58%
Total Boards That Missed Goal	12	8	7	8	6

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

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

Update on Underperforming Boards

As required by language in the fiscal 2025 Budget Bill (Chapter 716 of 2024), the Board of Dental Examiners, the Board of Pharmacy, and the Board of Professional Counselors and Therapists submitted a report on their performance in meeting the complaint investigation goal. The Board of Pharmacy made significant improvement regarding timely complaint investigations, meeting the goal for 93% of investigations in fiscal 2024 compared to 58% investigations in

fiscal 2023. On the other hand, the Board of Dental Examiners and the Board of Professional Counselors and Therapists made slight progress in meeting the complaint investigation goal in fiscal 2024 but are significantly underperforming in meeting this goal, with neither board passing a 50% compliance rate in the past five fiscal years.

The Board of Dental Examiners reported that staff vacancies created challenges in meeting the timely complaint investigation goal. According to the board, in fiscal 2023 and 2024, there have been fewer than 2 investigator positions and 1 supervisor position conducting complaint investigations. At one point in fiscal 2023, all investigator positions were vacant, and only 1 supervisor was completing cases. The board reported that plans to improve the percentage of cases meeting the complaint investigation goal include:

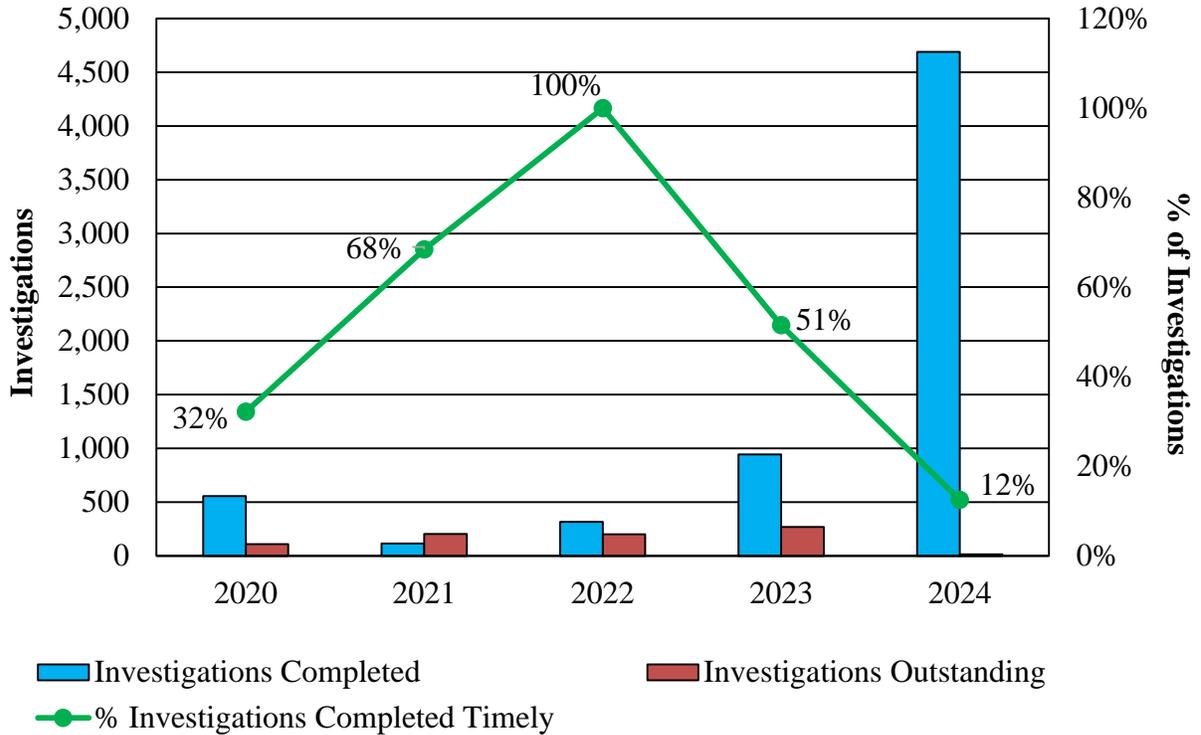
- reinstating an ad hoc committee to focus on closing backlogged cases;
- hiring an additional investigator who started in July 2024; and
- reviewing and updating case-handling processes and procedures.

The Board of Professional Counselors and Therapists reported three challenges that have hindered its ability to meet the MFR goal for timely complaint investigation. The first challenge is vacancies in executive leadership that impacted the board's ability to remain fully staffed. The resulting second challenge is low investigative staff retention, leading to the board operating with fewer than the 4 investigators needed to be considered fully staffed. The last challenge relates to difficulties in locating patients of alcohol and drug counselors and therapists. These complaints often involve a transient population that does not have a consistent place of residence to secure the patients' release of records for investigations. The board reported that efforts include hiring a new executive director who has prior regulatory board experience and reviewing applications for 2 open investigator positions, with the expectation that they will be fully onboarded by fall 2024. The board reported that its hope is to have 50% of backlogged cases completed by spring 2025.

Board of Nursing Complaint Investigation Backlog Partially Resolved

All complaints received by the Board of Nursing are either (1) assigned for investigation and resolved by disciplinary action, consent agreement, or recommended no action or (2) not assigned for investigation and resolved by recommended no action or referred to the board's Safe Practice Program. **Exhibit 8** demonstrates completed and outstanding complaint investigations, and the percentage resolved in a timely manner. In fiscal 2024, the Board of Nursing had the lowest level of timely complaint investigations out of all boards at 12%, representing a significant decline from 100% of timely complaint investigations in fiscal 2022. The decrease in the percentage of timely investigations reflects a Board of Nursing effort taken in January 2024 to evaluate and administratively close outstanding complaints prior to fiscal 2020. Criteria to administratively close backlogged cases include stale evidence; nonpracticing, retired, or deceased respondents; and uncooperative witnesses. These cases were administratively closed if there was no significant physical, mental, or financial harm or death, and no new complaints were received for the respondent.

**Exhibit 8
Board of Nursing Complaint Investigations Completed
Fiscal 2020-2024**



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

Although backlogged cases prior to fiscal 2020 have been resolved, MDH reported that as of January 29, 2025, there are 797 outstanding investigations from fiscal 2020 to 2024. The Board of Nursing is working to resolve the current backlog by administratively closing cases and is recruiting 5 new investigators to further prevent backlogged cases.

3. Board of Nursing Infrastructure Operations Transfer

The Board of Nursing is responsible for the regulatory oversight of the practice of nursing in the State, including RNs and LPNs, through licensure, certification, and education. In regulating the nursing industry, the board is responsible for processing nursing applications and issuing initial and renewal licenses that individuals need to enter the workforce, in addition to investigating complaints made against professionals in the field. The board has experienced various challenges, including staffing shortages and budgetary constraints, that led to a significant backlog of nurse applications and complaint investigations.

In accordance with Chapters 222 and 223, authority for the Board of Nursing’s infrastructure and oversight operations was transferred to the MDH Office of the Secretary for a two-year period from fiscal 2024 to 2025. Infrastructure operations refer to the administrative activities of a health occupations board or commission, including tools and resources for the use and support of deliberative action. Chapters 222 and 223 also repealed the board’s authority to employ staff and an executive director and to define duties of its staff and prohibited the use of special funds from the Board of Nursing Fund to pay for infrastructure operations while the Office of the Secretary retains authority. The legislation also terminated the terms of board members who were in office on the date the emergency bill took effect, including the terms of seven members on May 1, 2023, and seven members on November 1, 2023. Affected board members could apply for reappointment.

Departmental Bill to Extend Sunset of MDH Infrastructure Operations Oversight

Departmental bills HB 19/SB 216 of 2025 would extend the termination date for the Board of Nursing from July 1, 2025, to July 1, 2030. Although infrastructure operations are set to return to the board in fiscal 2026, the departmental bills were introduced to extend MDH’s authority over the board’s infrastructure and human resources operations for an additional five years. The bills would also:

- rename the Maryland Loan Assistance Repayment Program (MLARP) for Nurses and Nursing Support Staff (and the associated fund budgeted within MDH Public Health Services) to MLARP for Nurses;
- remove nursing support staff as eligible MLARP for Nurses participants and expand eligibility to additional nurses; and
- alter education requirements for licensure, add an exception for licensure by endorsement, and repeal provisions regarding nursing assistant training programs.

The board reported that the departmental bills to extend MDH’s oversight of its infrastructure operations are a result of successful partnership with MDH, including in operational support, technological expertise, staff recruitment and onboarding support, and infrastructure cost assistance. The bills are expected to increase MDH general fund expenditures by \$5.3 million annually, beginning in fiscal 2026, to continue covering Board of Nursing infrastructure operations. The Board of Nursing budget would continue to include reimbursable funds; however, the fiscal 2026 budget as introduced transfers infrastructure operations back to the board and supports these costs with special funds. **MDH and the Board of Nursing should explain why the infrastructure costs would be supported with general funds on an ongoing basis if these activities are transferred to the MDH Office of the Secretary through July 1, 2030, and whether the increased board fees are necessary if the General Fund will continue to support infrastructure costs.**

Status in Implementing Evaluation Recommendations

Two independent evaluations of the Board of Nursing were conducted – one by Ernst and Young (EY) in September 2023 and one by the DLS Office of Program Evaluation and Government Accountability (OPEGA) in December 2023. Both reports highlighted personnel, process, and technology related deficiencies and provided recommendations for resolving findings. **Exhibit 9** summarizes OPEGA’s recommendations, in addition to the board’s status in implementing the recommendations. Out of the 16 recommendations, 7 have been resolved and 9 are in progress. In response to OPEGA’s fourth recommendation, the board developed a plan to increase fee schedules in five phases to increase revenues.

Exhibit 9 Status in Implementing Office of Program Evaluation and Government Accountability Evaluation Findings

<u>OPEGA Recommendation</u>	<u>Status</u>
1. BON – Update website to make it user-friendly, organized, and current.	In progress. Working on transitioning BON website to MDH SharePoint.
2. BON – Participate in Rap Back to eliminate need for renewal applicants’ fingerprints and/or SAM to track criminal convictions for active licensees.	In progress. Conducted two trainings on Rap Back but need additional staff to comply with requirements.
3. BON – Allow applicants to upload documentation electronically on license application system.	In progress. Steps taken to procure modernized licensure system.
4. BON – Study fee structure and issue a report.	In progress. Will promulgate revised fee schedule (see Exhibit 10).
5. BON – Standardize complaint form and internal database to monitor complaint sources objectively.	In progress. Identified complaint form as a licensing system requirement.
6. BON – Develop a written policy for staff to triage cases requiring immediate action.	Resolved.
7. BON – Delegate certain triage authority to staff.	Resolved.
8. Triage Committee – Meet every two weeks and ensure that complaints are triaged within 30 days of receipt.	Resolved.
9. Full Board – Give more direction to Triage Committee on case prioritization.	Resolved.

M00B0104 – MDH – Health Professional Boards and Commissions

OPEGA Recommendation

Status

- | | | |
|-----|---|--|
| 10. | BON – Staff appropriately to ensure phone calls are answered. | In progress. Hired 3 staff to answer phone and upgrading phone system. |
| 11. | BON – Post meeting minutes as required by law. | Resolved. |
| 12. | MDH/DBM – Conduct full review of hiring timelines to streamline hiring practices. | In progress. MDH conducting this analysis. |
| 13. | Contractor – Assess adequacy of BON salaries and compensation. | Resolved. |
| 14. | MDH/ DBM – Convene stakeholder workgroup to review BON hiring practices and employee retention. | In progress. MDH reviewing policies and procedures. |
| 15. | MGA – Request report from MDH regarding acquisition of new licensing and phone systems. | In progress. |
| 16. | MGA – Repeal requirement that BON executive director be a licensed nurse. | Resolved. |

BON: Board of Nursing

DBM: Department of Budget and Management

MDH: Maryland Department of Health

MGA: Maryland General Assembly

OPEGA: Office of Program Evaluation and Government Accountability

Rap Back: FBI's Next Generation Identification Rap Back Service

SAM: Subscription Application Manager

Source: Department of Legislative Services; Board of Nursing

The EY and OPEGA evaluations identified budgetary constraints that presented challenges to effective operations. The board's expenditures exceeded revenues for each year from fiscal 2021 through 2023. **Exhibit 10** summarizes the fee increases by category and total estimated revenue. The highest increase in estimated revenue is of \$5.4 million from fee changes in the RN/LPN fee category to be implemented at the end of fiscal 2025. The highest proposed individual fee increases are an increase from \$50 to \$230 for initial certifications for advanced practice RN, and from \$100 to \$230 for initial licenses by endorsement for RN and LPN.

Exhibit 10
Proposed Fee Structure and Estimated Revenue Increase

<u>Phase</u>	<u>Fee Category</u>	<u>Estimated Increased Revenue</u>	<u>Implementation Date</u>
1	RN and Licensed Practical Nurse	\$5,392,758	End of fiscal 2025
2	Advanced Practice Registered Nurse	549,864	Early fiscal 2026
3	Nurse Training Programs	22,500	End of fiscal 2026
4	RN-FNE, RN-WCCM, CNA, CMT, and CDT	977,115	Early fiscal 2027
5	CNA, CMA, and CDT Training Programs	77,000	End fiscal 2027

CDT: Clinical Decision Tool
CMA: Certified Medication Technician
CNA: Certified Nurse Assistant
FNE: Forensic Nurse Examiner
RN: Registered Nurse
WCCM: Workers' Compensation Case Manager

Source: Maryland Department of Health

Operating Budget Recommended Actions

	<u>Amount Change</u>
1. Reduce special funds in the Board of Nursing to address a technical error.	-\$ 6,030,085 SF
Total Special Fund Net Change	-\$ 6,030,085

Budget Reconciliation and Financing Act Recommended Actions

1. Amend the provision in the Budget Reconciliation and Financing Act (BRFA) of 2025 authorizing fund balance transfers from various health professional boards and commissions to the Behavioral Health Administration by adding fund balance transfers of \$3,642,578 from the Board of Counselors and Therapists Fund; \$938,057 from the Board of Occupational Therapy Fund; \$1,446,036 from the Board of Psychologists Fund; \$4,673 from the Board of Massage Therapy Examiners Fund; and \$30,569 from the Board of Podiatric Examiners Fund, increasing the proposed fund balance transfers in the BRFA as introduced from \$284,592 to \$473,088 from the Board of Physical Therapy Examiners Fund, and eliminating the proposed fund balance transfer in the BRFA as introduced for the Board of Optometry.

Appendix 1
2024 Joint Chairmen’s Report Responses from Agency

The 2024 *Joint Chairmen’s Report* (JCR) requested that HPBC prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on HPBC’s Timely Investigation Goal:*** The Board of Dental Examiners, the Board of Pharmacy, and the Board of Professional Counselors and Therapists have experienced challenges meeting their timely complaint investigation goals in recent years. Language in the fiscal 2025 Budget Bill restricted special funds from each of the boards pending a report on their recent MFR performance. The boards reported various challenges in completing timely complaint investigations, mainly reporting staff vacancies, and described efforts to improve performance. The withheld special funds were released in December 2024. Further discussion can be found in Key Observation 2.

- ***Report on the Transfer of Board of Nursing Infrastructure Operations:*** Chapters 222 and 223 transferred oversight of the Board of Nursing infrastructure operations to MDH. The board provided additional detail on how these transferred responsibilities have functioned and provided updates on progress in implementing recommendations made by evaluations of the board. Further discussion can be found in Key Observation 3.

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

Funding allocated in M00A01.08

New/Ongoing: Ongoing								
Start Date: March 2019					Est. Completion Date: March 2027			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2025	2026	2027	2028	2029	Remainder	Total
GF	\$5.736	\$0.528	\$2.442	\$2.382	\$2.560	\$0.000	\$0.000	\$13.698
SF	0.438	0.000	0.000	0.000	0.000	0.000	0.000	0.438
Total	\$6.225	\$0.528	\$2.442	\$2.382	\$2.560	\$0.000	\$0.000	\$14.136

- **Project Summary:** The project aims to develop an enterprise licensing and regulatory management solution to manage all aspects of licensing. The goal of the program is to advance and protect the public’s health and welfare through proper credentialing, permitting, licensing, examination, inspection, and discipline of health providers, distributors, and facilities. Stakeholders include the boards, licensing applicants, licensees, public facilities, and the public.
- **Need:** HPBC utilizes different licensing systems to provide services, with many of these being outdated or insufficient for the level of service required. This project ensures that all boards are using the same updated system to provide services to their customers.
- **Changes:** Since the 2024 session, the project cost for fiscal 2026 increased from \$0 to \$2.4 million. This reflects the current progress in procurement and implementation expected to be ongoing in fiscal 2026.
- **Observations and Milestones:** The project has made recent progress. Procurement was started in September 2024 and is anticipated to be finalized in January 2025.
- **Concerns:** MDH reported that the project did not make any measurable progress in calendar 2023 and that the project’s complexity was increased due to expanded scope from primarily supporting the needs of the Board of Nursing to providing an enterprise solution for the use of all 23 boards and commissions. MDH reported that the expansion required additional convergence of objectives to meet the needs of all boards, which was a difficult process, as boards could not come to an agreement. As a result, the project’s progress and funding stalled in fiscal 2021.

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

<u>Object/Fund</u>	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u> <u>Appropriation</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25 - FY 26</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	257.50	277.50	280.50	3.00	1.1%
02 Contractual	45.51	11.79	21.67	9.88	83.8%
Total Positions	303.01	289.29	302.17	12.88	4.5%
Objects					
01 Salaries and Wages	\$ 28,672,259	\$ 30,940,153	\$ 38,798,167	\$ 7,858,014	25.4%
02 Technical and Special Fees	3,846,169	2,914,334	2,782,156	-132,178	-4.5%
03 Communication	516,618	466,810	516,008	49,198	10.5%
04 Travel	230,502	521,337	527,721	6,384	1.2%
07 Motor Vehicles	90,356	16,921	41,980	25,059	148.1%
08 Contractual Services	8,573,332	9,487,185	8,055,764	-1,431,421	-15.1%
09 Supplies and Materials	324,170	279,954	276,433	-3,521	-1.3%
10 Equipment – Replacement	62,145	136,328	86,233	-50,095	-36.7%
11 Equipment – Additional	18,615	39,140	35,995	-3,145	-8.0%
13 Fixed Charges	1,771,981	1,930,663	1,853,972	-76,691	-4.0%
Total Objects	\$ 44,106,147	\$ 46,732,825	\$ 52,974,429	\$ 6,241,604	13.4%
Funds					
01 General Fund	\$ 917,944	\$ 1,248,145	\$ 1,466,688	\$ 218,543	17.5%
03 Special Fund	37,304,977	36,810,757	50,781,394	13,970,637	38.0%
09 Reimbursable Fund	5,883,226	8,673,923	726,347	-7,947,576	-91.6%
Total Funds	\$ 44,106,147	\$ 46,732,825	\$ 52,974,429	\$ 6,241,604	13.4%

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.