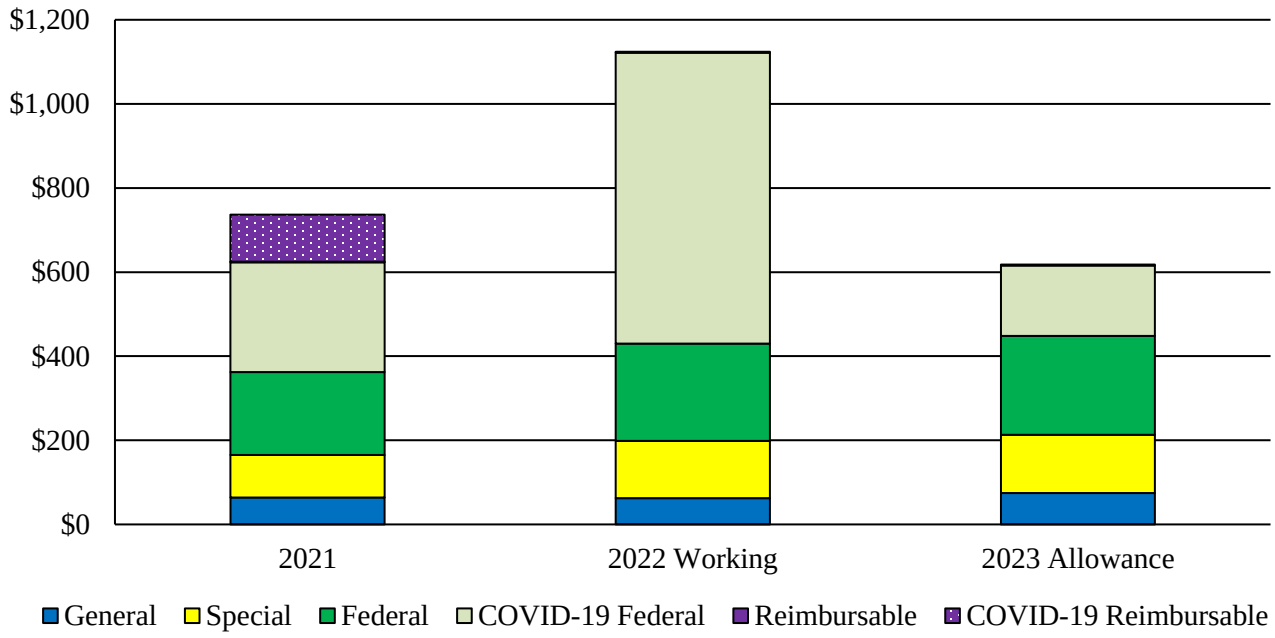
M00F03
Prevention and Health Promotion Administration
Maryland Department of Health

Executive Summary

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

Operating Budget Summary

Fiscal 2023 Budget Decreases $505.8 Million, or 45.0%, to $618.1 Million
($ in Millions)



Note: 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 may include annual salary review adjustments. Numbers may not sum due to rounding.

- Reduced spending in the fiscal 2023 allowance compared to the fiscal 2022 working appropriation is driven by the end of one-time federal supplemental grants distributed from the U.S. Centers for Disease Control and Prevention (CDC) to support the State's COVID-19 pandemic response. Although the fiscal 2023 allowance includes approximately $167 million in continued COVID-19-related federal fund spending, this is still a substantial decline from fiscal 2022, when over $630 million in federal funds was attributed to COVID-19 expenditures.

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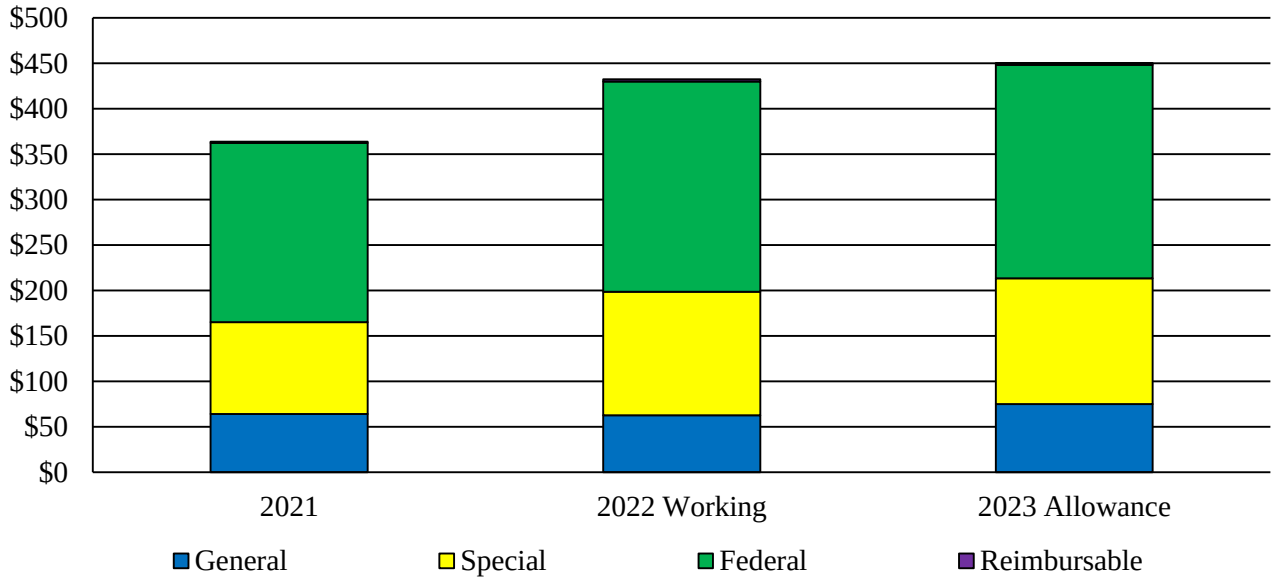
As shown in **Exhibit 1**, when excluding COVID-19-related spending, the fiscal 2023 allowance increases by $18.2 million in total funds, or 4.2%. This overall increase is driven by an increase of $12.3 million in general fund expenditures. In accordance with legislation passed during the 2021 session (Chapters 37, 494, and 495), general fund growth supports increased spending on tobacco prevention and cessation activities and grants supporting maternal and child health.

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



Note: 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 may include annual salary review adjustments. Numbers may not sum due to rounding.

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

Key Observations

- ***Diabetes Prevention and Maternal and Child Health Selected as Statewide Population Health Goals:*** A component of the State's Total Cost of Care (TCOC) model is identifying population health domains that the statewide health care system prioritizes to achieve better health outcomes and cost savings. By choosing diabetes and maternal and child health, new programs and funding opportunities have become available for hospitals and community partners to work with PHPA, the Health Services Cost Review Commission (HSCRC), Medicaid, and other partners.

- ***School-based Health Center (SBHC) Grants Transition to MDH:*** In accordance with Chapters 605 and 606 of 2021, PHPA's Maternal and Child Health Bureau is planning to begin managing SBHC grants, effective July 1, 2022. MDH has been working with the Maryland State Department of Education (MSDE) through a yearlong transition period and will continue to collaborate as funding for the program expands, as required by Chapter 36 of 2021 (the Blueprint for Maryland's Future – Implementation).

- ***Workforce Shortages among Partnering Organizations Cause Continued Underspending of Maryland AIDS Drug Assistance Program (MADAP) Rebates:*** PHPA has consistently underspent its special fund appropriation of MADAP rebates, which are generated from the State spending more on pharmaceuticals for people with HIV or AIDS than a certain federally set rate. Simultaneously, MDH is upgrading its MADAP Program Case Management System to a Major Information Technology Development Project (MITDP) using mainly general funds, rather than rebate funds. The December 4, 2021 ransomware attack has also affected PHPA's ability to reenroll established clients and enroll new clients in MADAP.

- ***Maryland's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Continues to Experience Enrollment Declines:*** For the fifth consecutive year, Maryland WIC has reported declining total enrollment. In fiscal 2021, enrollment among children actually grew slightly, but this was offset by reductions in the number of women and infant participants. This correlates with national trends as PHPA has previously described certain barriers to accessing WIC benefits and WIC participants choosing to use other food assistance benefits instead.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

- ***Medicaid Administrative Claiming for School-based Health Services:*** MDH does not currently employ an administrative claiming program for school-based services and does not anticipate doing so until the Centers for Medicare and Medicaid Services (CMS) issues updated guidance on school-based administrative claiming.

Operating Budget Analysis

Program Description

PHPA's mission is to protect, promote, and improve the health and well-being of Marylanders and their families through the provision of public health leadership and community-based health efforts in partnership with local health departments (LHD), public- and private-sector agencies, health care providers, and community-based organizations. PHPA is organized into five bureaus:

- the Office of Infectious Disease Prevention and Health Services;
- the Office of Infectious Disease Epidemiology and Outbreak Response;
- the Maternal and Child Health Bureau;
- the Environmental Health Bureau; and
- the Cancer and Chronic Disease Bureau.

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

Performance Analysis: Managing for Results

1. Diabetes Prevalence Has Grown as New Funding Opportunities and Statewide Efforts to Prevent and Manage Diabetes Are Implemented

As part of the TCOC model, CMS approved reducing the incidence of diabetes as a Statewide Integrative Health Improvement Strategy (SIHIS) population health domain, thereby incentivizing Maryland's health care system to focus on meeting key metrics related to diabetes. The specific outcome being tracked is reduction of the mean body mass index (BMI) for adult Marylanders as reported in the Behavioral Risk Factor Surveillance System (BRFSS) compared to a group of control states. In a July 2021 independent evaluation of the TCOC model, Mathematica published findings about Maryland's diabetes prevalence, obesity prevalence, and mean BMI in calendar 2018, just before the model began. **Exhibit 2** shows that Maryland residents ages 45 to 74 were generally ranked in the middle compared to other states.

Exhibit 2
Maryland's Ranking among 50 States in Diabetes Population Health Measures
Calendar 2013 to 2018

Outcome among Residents Ages 45 to 74	2013 Ranking (Before All-payer Model)	2018 Ranking (Before TCOC Model)	Change
Diabetes Prevalence	36	30	Slight improvement
Obesity Prevalence	28	28	No change
Body Mass Index	26	27	Worse outcome

TCOC: Total Cost of Care

Source: *Evaluation of the Maryland Total Cost of Care Model: Implementation Report*; Mathematica

Mathematica categorized Maryland's rates of diabetes and obesity as components of the TCOC model that suggest room for improvement as they started near or above the national mean. The independent evaluation also discussed various funding opportunities and coordination activities being implemented to directly improve this measure.

State Diabetes Action Plan

MDH's *Maryland Diabetes Action Plan 2020* coordinates the statewide health system's approach to reducing the incidence of diabetes by providing certain strategies and action items and setting the following health indicator goals to be completed by 2024:

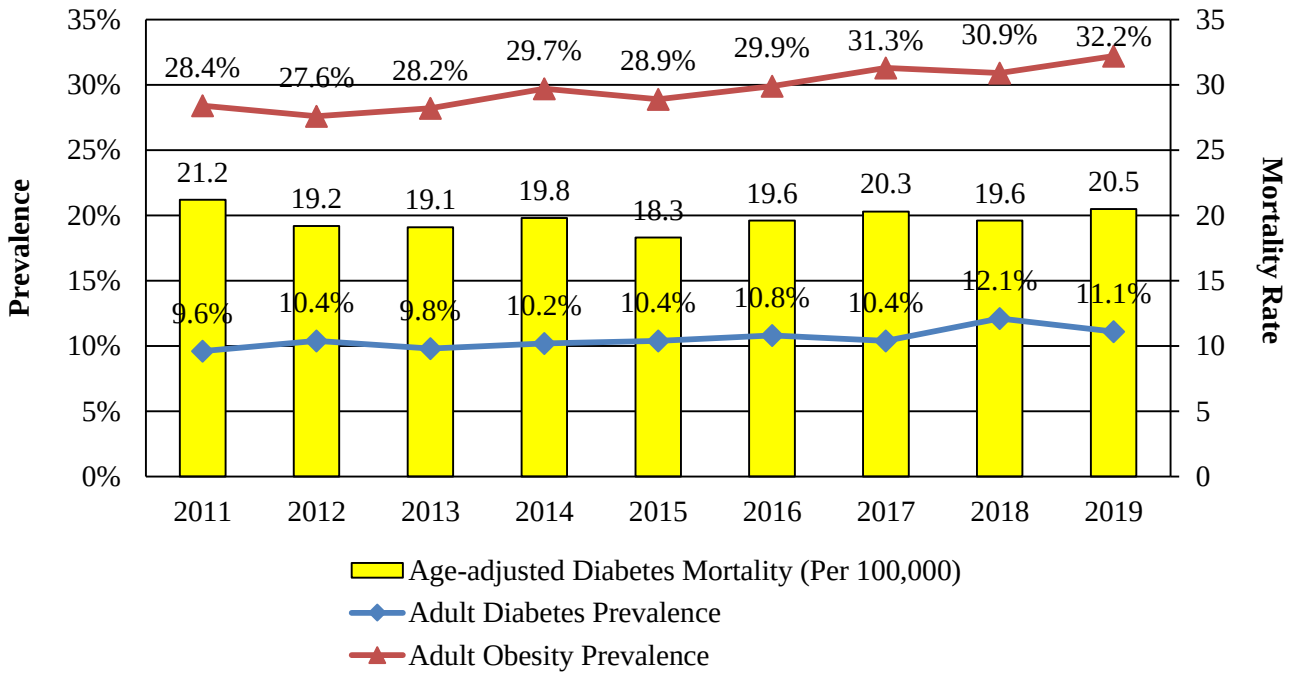
- ***Keeping People at a Healthy Weight Goal:*** 32% of Maryland adults will be of healthy weight;
- ***People Who Are Overweight and Obese Goal:*** Maryland will maintain the percent of adults with a BMI greater than 25 at 66.5% and reduce by 10% the BMI greater than the eighty-fifth percentile in high school students;
- ***People with Prediabetes and Gestational Diabetes Goal:*** Increase the prevalence of Maryland adults who know their prediabetes status by 30%; and
- ***People with Diabetes Goal:*** Reduce the age-adjusted diabetes mortality by 5%.

Despite outlining specific health outcomes as goals and including a link to a data dashboard on the MDH website, this data was not accessible on February 12, 2022, due to the MDH ransomware

attack taking information systems and business operations offline. **MDH should comment on when the data is expected to be available through the dashboard. Additionally, MDH should provide the most recent data available for each of the four goals outlined in its State diabetes action plan.**

Without access to the data dashboard that specifically shows the State's progress in meeting the goals outlined above, other general metrics for diabetes prevalence, obesity prevalence (a significant risk factor in developing prediabetes and diabetes), and age-adjusted diabetes mortality are shown in **Exhibit 3**. Maryland has shown slight improvement recently in reducing diabetes prevalence among adults from 12.1% in the 2018 BRFSS to 11.1% in 2019. However, the age-adjusted mortality rate from diabetes and obesity prevalence has grown worse. Over the period, adult obesity prevalence was 3.8% higher in 2019 than in 2011. In addition, despite the recent improvement, adult diabetes prevalence was 1.5% higher in 2019 than in 2011. These trends are especially concerning as the COVID-19 pandemic has highlighted that certain conditions, including obesity and type 2 diabetes, lead to an increased risk of severe illness and hospitalization.

Exhibit 3
Population Health Metrics Related to Diabetes and Obesity
Maryland 2011-2019 BRFSS



BRFSS: Behavioral Risk Factor Surveillance System

Source: Maryland Behavioral Risk Factor Surveillance System 2015-2019; Maryland Department of Health; U.S. Centers for Disease Control and Prevention; Department of Legislative Services

In a response to committee narrative in the 2021 *Joint Chairmen's Report* (JCR) dated December 1, 2021, MDH also discussed the disproportionate impacts of diabetes on different races and ethnicities, with the greater burden of diabetes affecting Black Marylanders. For example, the age-adjusted diabetes mortality for non-Hispanic Black Marylanders was 32.0 per 100,000 compared to 16.8 per 100,000 for non-Hispanic White Marylanders. This finding was also included in the State diabetes action plan. Some of the suggested actions related to this finding involve focusing the State's efforts for outreach and education, in partnership with community-based organizations and other local partners, on regions and communities that are especially affected by diabetes and prediabetes.

Departmentwide Efforts to Prevent Diabetes and Prediabetes in Vulnerable Communities

MDH described various activities and efforts that it implements through a diabetes action plan team, the Center for Chronic Disease Prevention and Control, the Medicaid HealthChoice program, the Office of Minority Health and Health Disparities, and local partnerships in its December 2021 report. Initiatives and resources specifically targeted to improving diabetes outcomes include, but are not limited to:

- contracting with the University of Maryland School of Public Health Horowitz Center for Health Literacy to provide technical assistance to Local Health Improvement Coalitions to prioritize diabetes in their communities;
- providing a web-based diabetes educational series for providers and community health workers who generally serve vulnerable or hard-to-reach populations;
- initiating a pilot study with medical laboratories to identify hotspots of diabetes and prediabetes;
- expanding Minority Outreach and Technical Assistance Program competitive grants that address diabetes prevalence and serve racial and ethnic minorities;
- partnering with the Notre Dame of Maryland University School of Pharmacies and local pharmacies to establish new diabetes self-management education and support programs;
- increasing access to national Diabetes Prevention Programs, which are yearlong CDC-recognized lifestyle change programs aimed at preventing type 2 diabetes; and
- administering the HealthChoice Diabetes Prevention Program to allow managed care organizations to provide national Diabetes Prevention Programs to HealthChoice enrollees.

Regional Partnership Catalyst Grant Funds Awarded for Diabetes Programs

The December 2021 report also described a significant amount of funding for diabetes programs made available through the Regional Partnership Catalyst Grant Program. Under this program, HSCRC

administers five-year competitive grants to fund hospital-led teams that work across statewide geographic regions to develop interventions addressing the public health domains identified in the SIHIS domains. In its November 2020 final grant award recommendation, HSCRC proposed $86.3 million in grants for the period of January 1, 2021, through December 31, 2025, which was approved and is underway. According to MDH's response to the 2021 JCR, HSCRC had allocated the $86.3 million to six partnerships:

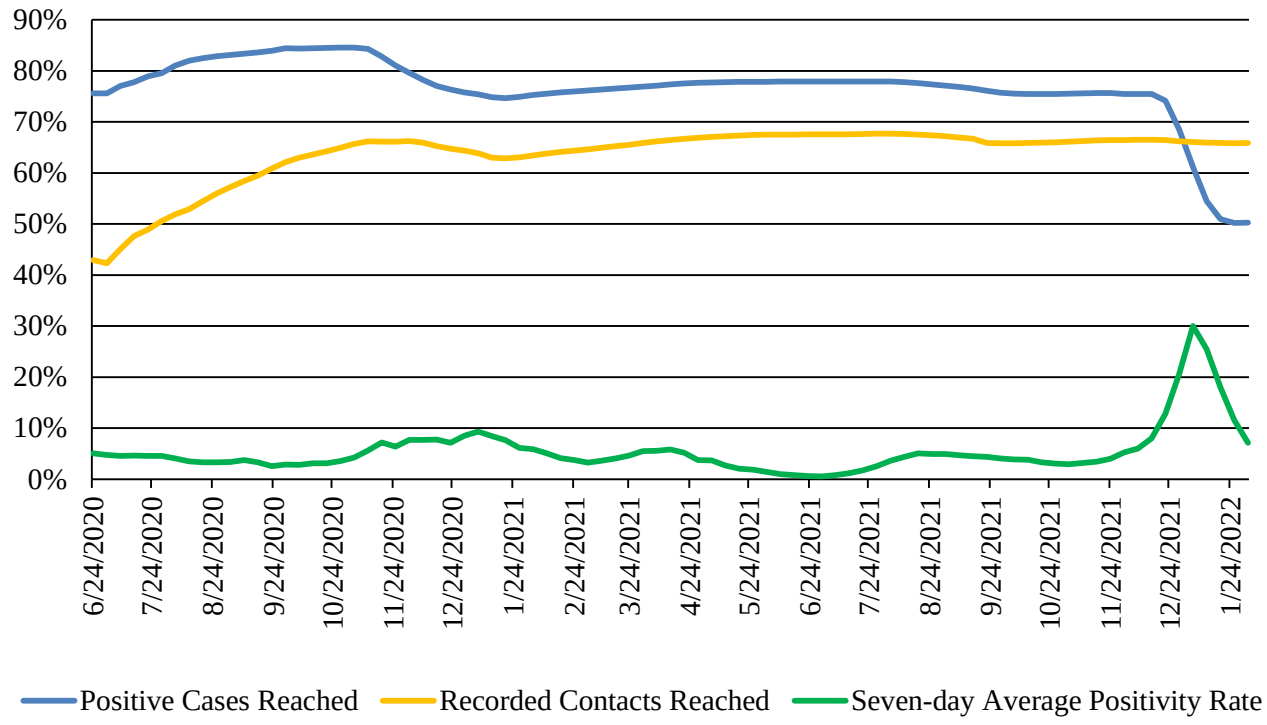
- $43.3 million to the Baltimore Metropolitan Diabetes Regional Partnership to serve Baltimore City;
- $15.7 million to the Western Regional Partnership to serve Allegany, Frederick, and Washington counties;
- $11.9 million to Nexus Montgomery to serve Montgomery County;
- $7.4 million to Totally Linking Care to serve Charles, Prince George's, and St. Mary's counties;
- $6.0 million to St. Agnes and LifeBridge Health Diabetes Care Collaborative to serve Baltimore City and Baltimore County; and
- $2.1 million to serve Full Circle Wellness for Diabetes in Charles County.

Each partnership, made up of multiple hospitals, also collaborates with many community partners. The six partnerships identified 110 community partners supporting program implementation. These partnerships and grants support different activities but common uses include operational and staffing support to administer and expand Diabetes Prevention Programs and Diabetic Self-Management Training sites and improving access to healthy food, nutrition training, and wraparound services to respond to food insecurity.

2. MDH Reported Significantly Worse Contact Tracing Measures during Omicron Surge

Since June 24, 2020, MDH has posted weekly measures related to the State's COVID-19 contact tracing activities, including the total number of records, the number of infected people reached, and the number of named contacts reached. As shown in **Exhibit 4**, over the 85 weeks shown, contact tracers reached 74% or more of MDH's recorded positive COVID-19 cases in 79 weekly reports. The percent of contacts reached has never risen above 68% over the same period. Despite MDH being substantially more successful in reaching people with positive COVID-19 cases compared to contacts named by those positive cases, the percentage of positive cases reached dropped sharply at the end of calendar 2021; and starting on January 5, 2021, MDH reported reaching a higher percentage of contacts than positive cases.

Exhibit 4
Weekly COVID-19 Contact Tracing Cases and Contacts Reached
June 24, 2020 to February 2, 2022



Source: Maryland Department of Health; Department of Legislative Services

The rapid decline in the percentage of reached positive cases coincided with the large increase in COVID-19 positivity rates (shown as the seven-day average positivity rate), while the omicron variant was causing a new surge. It is worth noting that MDH did not publish specific goals or benchmarks for its contact tracing activities. Further, MDH has maintained a contract with the National Opinion Research Center at the University of Chicago to manage a State call center with many contact tracing staff that support most LHDs' contact tracing efforts. Substantial amounts of federal aid have supported the State's contact tracing efforts, which includes $64.6 million budgeted in the fiscal 2022 working appropriation and $21.7 million in the fiscal 2023 allowance for contact tracing infrastructure costs.

Contact tracing is not a new public health strategy and has been in use for many other conditions over time. The COVID-19 pandemic caused states to ramp up contact tracing personnel, information technology (IT), and other operating costs in an attempt to limit COVID-19 cases by supporting infected people in their isolation periods and notifying potential contacts that they should quarantine. However, without clear benchmarks or points of comparison with contact tracing outcomes for other

conditions, it is not clear how successful Maryland's contact tracing efforts have been overall in limiting the spread of the virus. As the State transitions to a more ongoing COVID-19 public health response rather than the emergency pandemic response, there may also be a use for the contact tracing infrastructure that has been developed during the pandemic. **MDH should discuss the effectiveness of contact tracing in limiting the spread of COVID-19, specific benchmarks or goals that the department set for determining success, any lessons learned from ramping up contact tracing infrastructure, and the department's plan for transitioning its COVID-19 contact tracing resources for ongoing public health uses.**

Fiscal 2022

CDC Grants Make Up Majority of Fiscal 2022 Spending

The fiscal 2022 budget as introduced by Governor Lawrence J. Hogan, Jr., reflected only a small portion of the CDC grant funding that PHPA eventually received for testing, contact tracing, surveillance, and other activities related to the COVID-19 pandemic response. Supplemental appropriations to the fiscal 2022 budget allocated approximately $188.4 million in additional COVID-19-related federal funds, but the Administration continues to use the budget amendment process to appropriate substantial amounts of federal stimulus and pandemic aid. A budget amendment signed by the Governor on January 25, 2022, added a total of $418.4 million, mainly to PHPA's federal fund appropriation for the uses outlined in **Appendix 4**.

Most of PHPA's pandemic expenditures are supported with supplemental CDC grant funding through the Epidemiology and Laboratory Capacity (ELC) for Prevention and Control of Emerging Infectious Diseases cooperative agreement. Supplemental ELC grants were authorized through multiple federal stimulus bills with varying allowable uses and grant terms. The following ELC grants demonstrate these differences, for example:

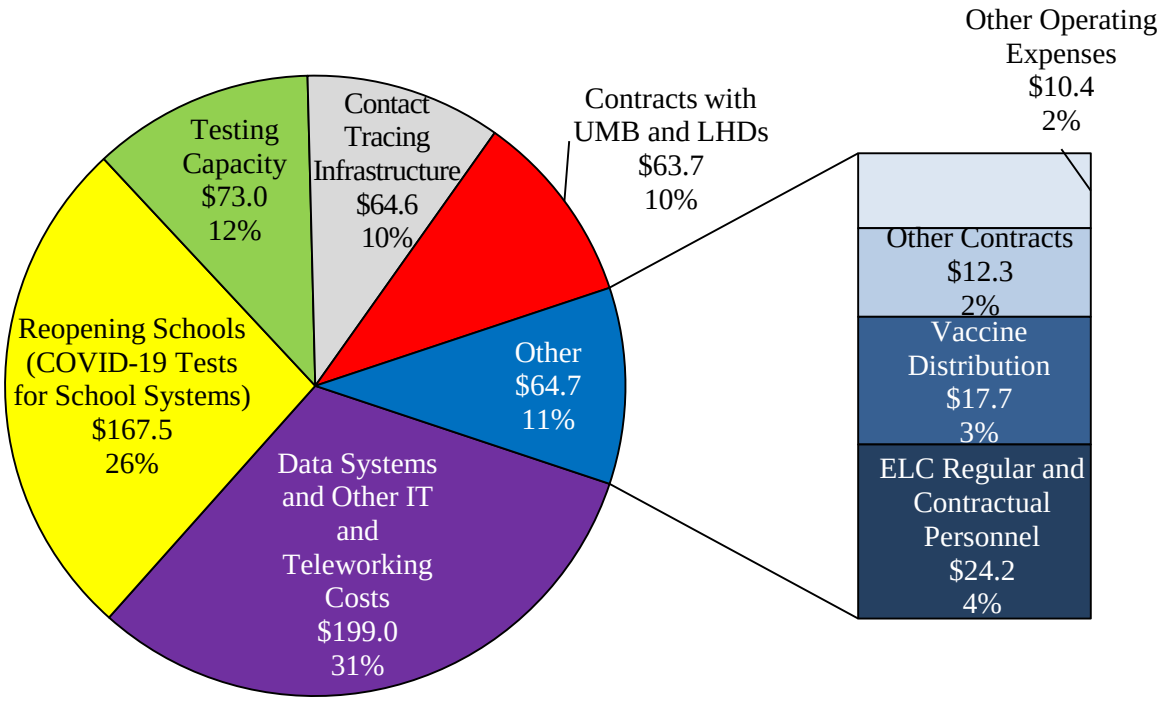
- the Coronavirus Response and Relief Supplemental Appropriations Act passed in December 2020 awarded $348.0 million in expansion funding for testing, contact tracing, and surveillance over a 30-month grant term that ends on July 31, 2023; whereas

- the American Rescue Plan Act (ARPA) was passed later in March 2021, authorizing a $182.1 million ELC Reopening Schools grant but with a shorter grant term (16-month term ending July 31, 2022) that was targeted for activities that would help schools reopen or remain open. Allowable costs included personnel, testing, personal protective equipment, and cleaning supplies.

Aside from various ELC supplemental grants, Maryland also received multiple tranches of CDC funding through existing immunization agreements for COVID-19 vaccine distribution efforts. Overall, PHPA's fiscal 2022 working appropriation includes approximately $632.6 million in COVID-19-related spending across the budgeted awards and uses of CDC funding, as shown in **Exhibit 5**. More than half of this spending supports data systems, IT costs, and testing. Diagnostic and

screening tests in K-12 schools in particular makes up a large portion of total spending, as $167.5 million of the State's $182.1 million ELC Reopening Schools grant award is appropriated in fiscal 2022. It is important to note that this exhibit reflects only funding budgeted under PHPA and that many other funding sources, such as the Federal Emergency Management Agency reimbursement, supported public health costs and are shown in the Public Health Administration budget.

Exhibit 5
COVID-19 Federal Fund Spending by Use
Fiscal 2022 Working Appropriation
($ in Millions)



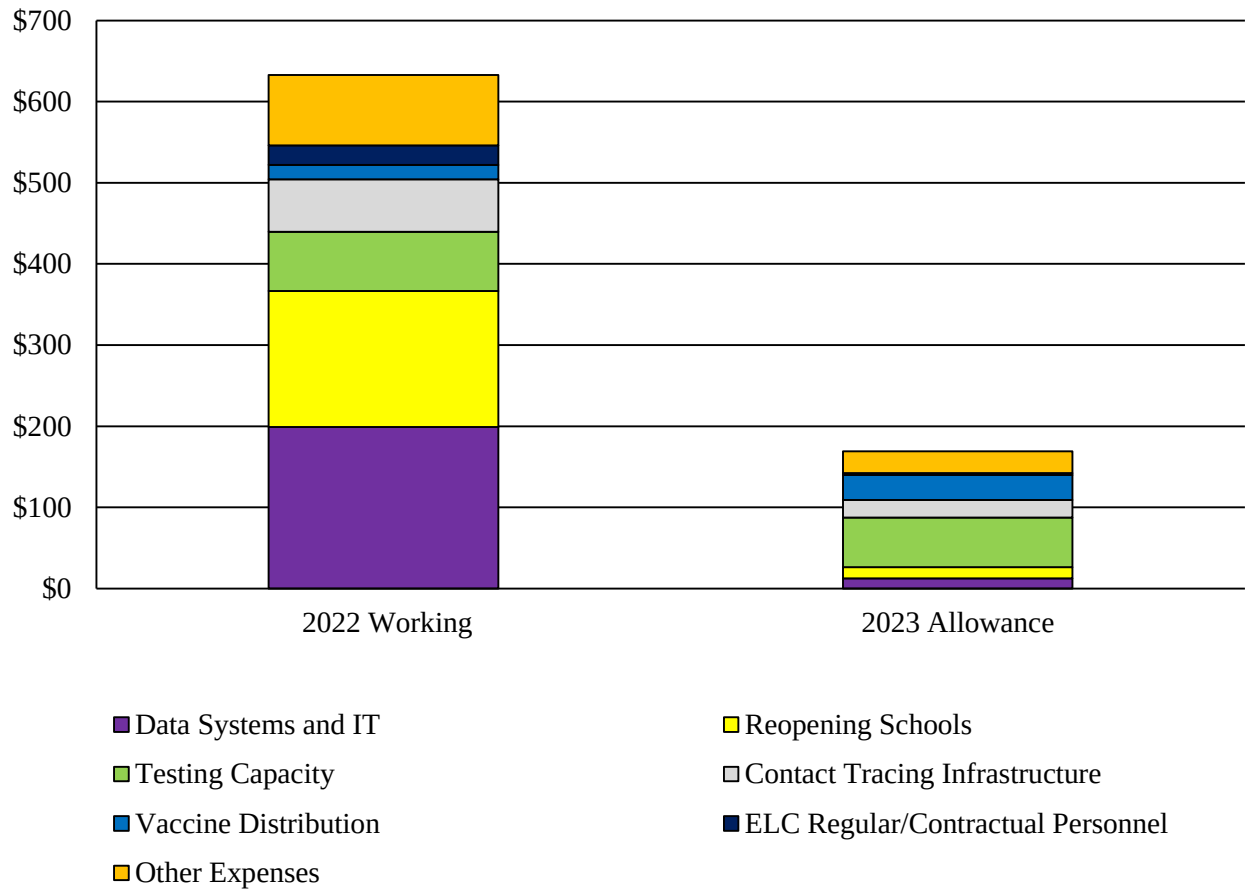
ELC: Epidemiology and Laboratory Capacity for Infectious Diseases
IT: information technology
LHD: local health department
UMB: University of Maryland Baltimore Campus

Note: Includes funding budgeted under the Public Health Administration and Behavioral Health Administration for fund sources that were not labeled by program in supporting documentation provided with the budget amendment. Numbers may not sum to total due to rounding.

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

Compared to the fiscal 2022 working appropriation, COVID-19-related federal fund spending falls sharply by $463.4 million, or 73.3%, in the fiscal 2023 allowance. As shown in **Exhibit 6**, almost all categories of spending are reduced in fiscal 2023. Vaccine distribution is the only category to increase in fiscal 2023, growing from $17.7 million in fiscal 2022 to $31.0 million. All other categories decrease by over 60% with the exception of testing capacity, which falls at the slowest rate of 16.5%.

Exhibit 6
Change in COVID-19 Federal Fund Spending
Fiscal 2022-2023
($ in Millions)



ELC: Epidemiology and Laboratory Capacity for Infectious Diseases
IT: information technology

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

To the extent that most of the State's CDC supplemental grants were appropriated in fiscal 2020 through 2022, and the pandemic response will eventually transition into a more typical, ongoing public health response, reduced COVID-19-related spending would be expected. However, considering the frequent use of supplemental budgets and amendments to add federal fund appropriations in fiscal 2021 and 2022, it is not clear whether the fiscal 2023 allowance includes MDH's total anticipated federal fund spending or if more federal funds will be added later. **MDH should:**

- **provide an update on how much of the CDC grant funding for COVID-19-related expenses has not been appropriated and a timeline for when remaining federal funds will be added to the budget;**

- **discuss whether the department currently has enough federal funding budgeted in fiscal 2022 to cover all expenses associated with the Omicron surge; and**

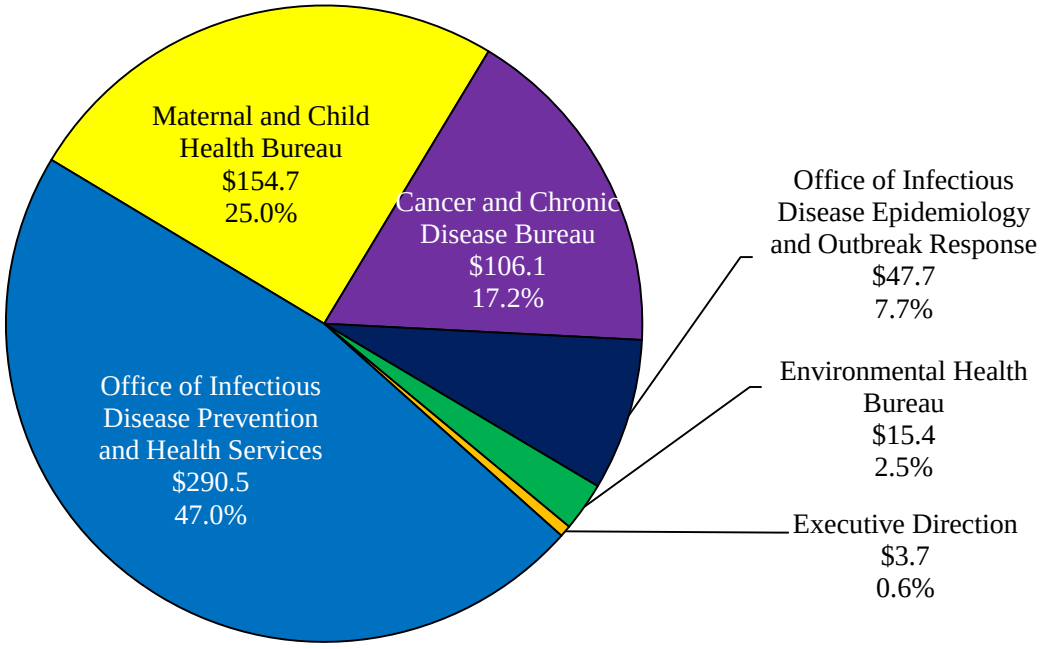
- **discuss when and how the department will support any pandemic response or ongoing costs that were initially paid for with COVID-19-related federal funds, such as maintenance costs for public health data systems and other IT systems.**

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance for PHPA totals $618.1 million. **Exhibit 7** shows PHPA's fiscal 2023 allowance by its five bureaus and Executive Direction budgets. The Office of Infectious Disease Prevention and Health Services accounts for the largest share of the fiscal 2023 allowance at 47.0%, mainly due to $135.8 million in CDC supplemental grants supporting the State's COVID-19 response. This office, in partnership with the Office of Infectious Disease Epidemiology and Outbreak Response, manages infectious disease surveillance, vaccine distribution programs and registries, and other infectious disease prevention and control activities that have grown substantially as the COVID-19 pandemic has greatly expanded MDH's overall workload. HIV/AIDS health services, harm reduction, and substance use disorder prevention programs also fall under that office.

Exhibit 7
Overview of Agency Spending by Bureau
Fiscal 2023 Allowance
($ in Millions)

Fiscal 2023 Total Expenditures = $618.1 Million



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

Approximately 25% of fiscal 2023 spending supports programs under the Maternal and Child Health Bureau. Of the Maternal and Child Health Bureau's $154.7 million budget, the State's allocation from federal WIC accounts for $103.0 million.

Proposed Budget Change

As shown in **Exhibit 8**, the fiscal 2023 allowance decreases by approximately $505.8 million compared to the fiscal 2022 working appropriation, as supplemental grants through the CDC ELC for Prevention and Control of Emerging Infectious Diseases cooperative agreement end. Multiple pieces of federal legislation authorized new funding through the ELC cooperative agreement for states to respond to different dimensions of the pandemic, including through testing and contact tracing, targeted diagnostic testing to keep K-12 schools open, and testing specifically in confinement facilities, among other uses.

Exhibit 8
Proposed Budget
Maryland Department of Health – Prevention and Health Promotion Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2021 Actual	$64,230	$101,110	$457,708	$113,852	$736,900
Fiscal 2022 Working Appropriation	62,631	136,212	922,674	2,330	1,123,847
Fiscal 2023 Allowance	74,952	138,508	402,201	2,432	618,093
Fiscal 2022-2023 Amount Change	$12,321	$2,296	-$520,473	$102	-$505,753
Fiscal 2022-2023 Percent Change	19.7%	1.7%	-56.4%	4.4%	-45.0%

Where It Goes:	Change
Personnel Expenses	
Regular earnings, mainly due to reclassification and budgeting vacant positions at base salaries	$712
Retirement contributions	175
Turnover expectancy (adjustment from 6.34% in fiscal 2022 to 5.96% in fiscal 2023)	109
Social Security contributions	65
Employee and retiree health insurance	-106
Regular earnings associated with net reduction of 2.0 positions transferred to other MDH offices and divisions	-161
Miscellaneous adjustments, primarily for COVID-19 response employees supported with the U.S. Centers for Disease Control and Prevention (CDC) grant funding in fiscal 2022	-11,611
Other fringe benefit adjustments	22
COVID-19-related Infectious Disease Services	
ELC Detection and Mitigation of COVID-19 in Confinement Facilities grant (ARPA funding)	530
ELC COVID-19 Data Modernization funding (CARES funding)	316
Immunization cooperative agreement supplement for COVID-19 vaccine efforts (CARES, CRRSA, and ARPA funding)	-11,478
Other ELC supplemental grant funding (mainly CRRSA funding)	-24,305
ELC Expansion grant with planned spending in fiscal 2022 and 2023 (CRRSA funding)	-59,500
ELC Reopening Schools federal grant to support K-12 testing (ARPA funding)	-153,551
ELC Enhanced Detection supplement fully expended in fiscal 2021 and 2022 (Paycheck Protection Program and Health Care Enhancement Act funding)	-251,513

Where It Goes:	**Change**
HIV/AIDS Services	
HIV health and support services partially funded with MADAP rebates generated from Ryan White Part B federal funding, primarily driven by increases in contractual personnel costs (special and federal funds)	694
Termination of a Salesforce contract for MADAP data infrastructure services as this IT upgrade becomes a Major IT Development Project budgeted under MDH Office of the Secretary (see **Appendix 2**)	-2,583
MADAP spending for pharmaceuticals and health care coverage for people living with HIV/AIDS (special and federal funds)	-6,382
Environmental Health Bureau and Other Infectious Disease Expenses	
Lead paint, environmental case management grants, and asthma prevention services, partially using special funds from the Maternal and Child Health Population Health Improvement Fund	2,538
Disease Intervention Specialists Workforce Development funding to strengthen the capacity of State and local health departments to respond to sexually transmitted infections, HIV, and other communicable diseases (federal funds)	2,000
Community-based interventions for asthma	250
Breathe Easy Baltimore Pilot Program ending in fiscal 2022	-100
Tuberculosis control prevention services and consortium	-312
Ending the HIV Epidemic grant, mainly due to reduced contractual staff	-370
Maternal and Child Health Bureau	
Transfer of school-based health center grants from MSDE to PHPA, in accordance with Chapters 605 and 606 of 2021 (general funds and special funds)	9,095
Maryland Prenatal and Infant Care Grant Program Fund – underbudgeted by $100,000 compared to the mandated $1.1 million funding level required in Chapters 494 and 495 of 2021 (general funds)	900
Eliminating disparities in maternal health initiative funded with special funds from the Maternal and Child Health Population Health Improvement Fund	750
Maternal, Infant, and Early Childhood Home Visiting (MIECHV) grant	376
Maternal and child health surveillance and quality improvement spending driven by additional general fund support for the Babies Born Healthy Grant	265
Grant funding from the CDC Enhancing Reviews and Surveillance to Eliminate Maternal Mortality, referred to as the ERASE MM Program	143
MIECHV Initiatives supplemental grant (ARPA funding)	-803
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) federal funding due to decreased enrollment (discussed in further detail in Issue 3)	-1,977
One-time federal funding to increase the WIC cash value benefit to $35 per month over four months for the purchase of fruits and vegetables (ARPA funding)	-9,696
Chronic Disease and Cancer Bureau	
Enhanced spending for tobacco prevention and cessation activities, in accordance with Chapter 37 of 2021 (general funds)	9,638

Where It Goes:	**Change**
Statewide initiatives aimed at preventing and controlling risk factors associated with diabetes, heart disease, and stroke (federal funds)	914
Maryland Breast and Cervical Cancer Early Detection Program	527
Behavioral Risk Factor Surveillance System	281
Evidence-based diabetes programming	250
Grants and contracts supported under the CDC Community Health Workers for Public Health Response and Resilient Communities Program (CARES funding)	118
Aligning administrative expenses under the Center for Chronic Disease Prevention and Control with fiscal 2021 actual expenditures	-656
Other Expenses	-1,317
Total	**-$505,753**

ARPA: American Rescue Plan Act
CARES: Coronavirus Aid, Relief, and Economic Security Act
CRRSA: Coronavirus Response and Relief Supplemental Appropriations
ELC: Epidemiology and Laboratory Capacity for Infectious Diseases
IT: information technology
MADAP: Maryland AIDS Drug Assistance Program
MDH: Maryland Department of Health
MSDE: Maryland State Department of Education
PHPA: Prevention and Health Promotion Administration

Note: Numbers may not sum to total due to rounding. 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 may include annual salary review adjustments. Numbers may not sum due to rounding.

Tobacco Prevention and Cessation Activities

In addition to imposing a tax on specified digital advertising and increasing various taxes on cigarettes, electronic smoking devices, and other tobacco products, Chapter 37 of 2021 requires that the Governor include at least $18.25 million annually for activities aimed at reducing tobacco use in Maryland beginning in fiscal 2022. Due to the timing of when the Governor vetoed the bill and that the legislature overrode the veto, fiscal 2023 is the first year that the allowance includes $18.25 million for this purpose, a $9.6 million general fund increase over the fiscal 2022 working appropriation. PHPA detailed the following uses of the increased funding:

- $3.5 million will be distributed to LHD tobacco control programs;
- $3.0 million will support media contracts for tobacco prevention messages;
- $2.5 million will be awarded as grants to evaluation and surveillance centers, health systems and behavioral health programs, and other community-based organizations. PHPA is still developing the grant program and deciding how these funds, in particular, will be used; and

- $600,000 will support the 24-hour Maryland Tobacco Quitline.

The remaining funds budgeted to meet the mandated funding level include $11.1 million in special funds from the Cigarette Restitution Fund that are allocated for tobacco enforcement, prevention, and cessation activities. This funding source is largely level funded compared to the fiscal 2022 working appropriation, so the funding for these activities surpasses the mandate with $20.7 million in total funds budgeted.

Fiscal 2023 Allowance Funds New Maternal and Child Health Programs

Regional Partnership Catalyst Grant Funds Awarded through PHPA

The third SIHIS population health domain chosen as a statewide focus for the health care system is maternal and child health, specifically reducing the severe maternal morbidity rate and decreasing asthma-related emergency department visit rates for ages 2 to 17. Further discussion of recent trends in maternal mortality rates can be found in the MDH Overview – M00 analysis. The measure for child health uses HSCRC case mix data with a target of reducing the calendar 2018 baseline rate from 9.2 emergency department visit rate per 1,000 for ages 2 to 17, to 7.2 per 1,000 in calendar 2023, or year five of the TCOC model. By calendar 2026, or year eight of the TCOC model, the target is for Maryland to have reduced the rate further to a 5.3 emergency department visit rate per 1,000.

HSCRC reserved funds from the Regional Partnership Catalyst Program for maternal and child health, but instead of distributing it to partnering hospitals, a provision in the Budget Reconciliation and Financing Act of 2021 authorized the funding to be transferred to Medicaid and PHPA through a newly established Maternal and Child Health Population Health Improvement Fund. Over four years, $72 million will be allocated through the fund (after accounting for Medicaid matching federal funds), and $2 million annually will pass through PHPA to support maternal and child health programs. Of this $2.0 million, approximately $1.25 million supports the Asthma Home Visiting Program, which serves children enrolled in or eligible for Medicaid and the Maryland Children's Health Program based on a diagnosis of asthma or lead poisoning. The remaining $750,000 in special funds support activities to eliminate disparities in maternal health.

Maryland Prenatal and Infant Care Grant Program Fund

Chapters 494 and 495 rename the Maryland Prenatal and Infant Care Coordination Services Grant Program Fund as the Maryland Prenatal and Infant Care Grant Program Fund and expand the fund's purpose to include grants to federally qualified health centers, hospitals, and other providers to increase access to prenatal care. The chapters also require the Governor to appropriate $1.1 million to the fund in fiscal 2023. However, the fiscal 2023 allowance budgeted only $1.0 million for this fund, and a supplemental appropriation or budget amendment would be required to meet the mandated funding level.

Capital Region Medical Center Operating Subsidy

The fiscal 2023 allowance provides a $10 million operating subsidy for the Capital Region Medical Center, showing no change from the fiscal 2022 amount. Chapter 19 of 2017 mandates an annual operating subsidy of $10 million in fiscal 2022 through 2028.

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	461.40	460.40	458.40	-2.00
Contractual FTEs	61.94	80.25	96.45	16.20
Total Personnel	**523.34**	**540.65**	**554.85**	**14.20**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		27.32	5.96%	
Positions and Percentage Vacant as of 12/31/21		51.80	11.25%	
Vacancies Above Turnover		24.48		

- Due to regular personnel transfers among MDH divisions and offices, the budget reflects a net reduction of 2.0 positions under PHPA. The Office of Infectious Disease Prevention and Health Services and the Environmental Health Bureau each lose a net 1.0 position. Other than interagency transfers, PHPA has no new or abolished regular positions.

- Despite the transfer of the SBHC grant administration, there were no position transfers from MSDE to MDH. Instead, existing MDH positions will provide clinical and administrative support to the centers. The transfer is discussed further in Issue 1 of this analysis.

- The fiscal 2023 allowance reduces turnover expectancy in PHPA from 6.34% in fiscal 2022 to 5.96%, even as there were 24.48 more vacancies than required to meet the fiscal 2023 budgeted turnover. Further discussion of MDH vacancies can be found in the MDH Overview – M00 analysis. **The department should comment on how it will fill a minimum of 24.48 vacancies to meet budgeted turnover, especially as it takes on new responsibilities related to SBHC grant administration.**

- Finally, contractual personnel increase by a net 16.20 full-time equivalents, even as COVID-19 federal grants that supported additional contractual staff decrease by almost 75%. **MDH should clarify how it is accounting for regular and contractual personnel funded with COVID-19 federal funds and detail which programs that the 16.2 additional contractual positions support.**

Issues

1. SBHC Grant Administration Transfers to MDH

Chapters 605 and 606 require the Governor to transfer administration of SBHC grants and any related functions from MSDE to the Maternal and Child Health Bureau by July 1, 2022. SBHCs provide on-site comprehensive preventive and primary health services in a school or on a school campus. Services may also include behavioral health, oral health, ancillary care, and supportive services. According to the *Council on Advancement of School-Based Health Centers 2021 Annual Report*, there are 89 SBHCs operating in 14 of Maryland's 24 jurisdictions as of January 14, 2022. The fiscal 2023 allowance recognizes the SBHC grant transfer with an increase of $9.1 million ($2.6 million in general funds and $6.5 million in special funds from the Blueprint for Maryland's Future Fund) under PHPA.

While MSDE had been the lead agency administering SBHC grants and establishing guidelines, MDH's Office of Population Health Improvement previously assisted MSDE with these activities. Further, Chapter 36 (Blueprint for Maryland's Future – Implementation) required MSDE and MDH to each designate a primary contact employee for SBHCs. In addition, Chapter 36 mandated that the Governor annually budget $6.5 million to maintain or establish SBHCs. Other than these newly established liaison roles, MSDE and MDH did not have dedicated personnel administering SBHC grants. Therefore, there are no positions transferred to the Maternal and Child Health Bureau from MSDE or the Office of Population Health Improvement. In a report mandated by Chapters 605 and 606 regarding the SBHC grant transition, MDH indicated that existing staff would provide clinical and administrative support. The report also outlined a transition timeline and future responsibilities, as shown in **Exhibit 9**.

Exhibit 9
SBHC Transition Timeline and Future MDH Grant Management Activities
May 2021 to July 2022

Date	Transition/Grant Management Activity
May 2021	MSDE began meeting with MDH on the transition and provided an overview of the SBHC grants, including list of grantees, awards, and application.
June 2021	MSDE and MDH updated SBHC standards. MSDE continued sharing current application and grant processing materials and discussed the site approval process. MDH began attending quarterly administrators' meetings.
July 2021	MSDE provided background information and data from the annual SBHC outcome survey.
August to September 2021	MSDE shared program applications and notice of grant awards with MDH.

Date	Transition/Grant Management Activity
October to December 2021	MDH determined application, invoicing, award, and data gathering processes with technical assistance from MSDE as needed.
January to February 2022	MDH is sharing the new processes with SBHC administrators at the quarterly meeting and issuing applications for sponsoring agencies with a four- to six-week application period. MSDE and MDH will update SBHC standards before March 2022.
March to May 2022	MDH will receive applications from sponsoring agencies (mainly local health departments, federally qualified health centers, and some hospitals), review the applications and budgets, and prepare agreements.
June 2022	MDH will send award letters to sponsoring agencies. MSDE will transfer all relevant records and annual outcome survey data to MDH before July 2022.
July 2022 (and ongoing management responsibilities)	• MDH begins taking the lead on approval of new sites, but the MSDE School Facilities Branch will continue reviewing the architectural floor plans, and the MSDE Student Services and Strategic Planning Branch will review physical capacity. • Maintenance and development of SBHC clinical standards and oversight transfers to MDH. This includes quality assurance and compliance. • MSDE ceases providing technical assistance to address SBHC challenges such as staffing challenges with recruitment, retention, or training, and MDH assumes this role. • MDH leads quarterly SBHC administrator meetings, in collaboration with MSDE. • Other future MDH responsibilities discussed in the report include developing programmatic budgets, reviewing and updating the SBHC billing manual, developing and implementing annual clinical quality improvement, and reviewing and updating telemedicine guidelines (authorized in Chapters 347 and 348 of 2021), among other duties.

MDH: Maryland Department of Health
MSDE: Maryland State Department of Education
SBHC: school-based health center

Note: This does not include all items that MDH outlined in its transition timeline. The full report and timeline can be found on the Department of Legislative Services Library website.

Source: Maryland Department of Health; Department of Legislative Services

The *Council on Advancement of School-Based Health Centers 2021 Annual Report* outlined many recommendations to inform the transition of the SBHC program from MSDE to MDH and for the SBHCs program overall. These recommendations addressed implementation concerns, such as staffing adequacy for data analysis and hosting SBHC data on a public facing platform and broad next steps for the program, including defining the overall purpose of the grant program and conducting a statewide needs assessment, along with other recommendations. **Considering the upcoming program transition and enhanced funding required in Chapter 36, MDH should discuss its goals for SBHC administration and expansion, including:**

- **how many new centers the department plans to add per year with the enhancement funding and any other uses of those funds;**

- **strategies it will use to recruit health care providers and other sponsoring agencies to establish new centers, especially in jurisdictions without any existing SBHCs;**

- **ways that the department will provide outreach and support to local school systems and schools that express interest in establishing new centers; and**

- **plans or a timeline for implementing any of the recommendations listed in the *Council on Advancement of School-Based Health Centers 2021 Annual Report.***

2. HIV/AIDS Programs Continue to Underspend MADAP Rebates as a MITDP Would Spend General Funds

Under federal law, states receive rebates on medications purchased at a price higher than a federally set rate. These rebates can then be used by State AIDS drug assistance programs to provide health care and support services to people living with HIV/AIDS, implement prevention programs, and fund other HIV/AIDS-related activities. MADAP rebates can be generated from medications purchased with federal Ryan White Part B grants or general funds. Rebates generated from general fund spending do not have the same restrictions on the use of funds as rebates generated from federal fund sources. In Maryland, HIV/AIDS services provided by programs funded with MADAP rebates include:

- the purchase of pharmaceuticals;

- insurance premiums or copays;

- oral health care;

- housing stability;

- syringe services; and

- pre-exposure prophylaxis clinics.

Overall, MADAP annually generates approximately $50 million in special funds for the State via rebates and has accumulated a significant fund balance in prior fiscal years. PHPA continues to hold a fund balance as it only spent $51.4 million in fiscal 2021, underspending the fiscal 2021 working appropriation by about $15.4 million. There was a closing balance of $59.4 million in MADAP rebates at the end of fiscal 2021. HIV and AIDS services are primarily delivered through grants to LHDs and other providers. PHPA has previously indicated that workforce shortages in LHDs and delays in subrecipient contracting have led to persistent underspending of State grants, creating the fund balance. Partnering LHDs and community-based organizations also underspent their allocations of rebate funds since the onset of the COVID-19 pandemic. The pandemic caused programs to reduce their HIV/AIDS services as care access points temporarily closed and programs redirected personnel and resources to the pandemic response.

MADAP rebate spending budgeted under PHPA decreases by $6.2 million in fiscal 2023 compared to the fiscal 2022 working appropriation, primarily attributed to a $4.2 reduction for HIV client services under MADAP. This spending level is still over $25.7 million higher than fiscal 2021 actual spending, and it is unclear that the actual costs of the program will reach this level without new uses of funds or a spending plan. Additional MADAP rebate funds are budgeted under MDH's MITDP Program in fiscal 2023 ($2.1 million), but only for one year, with out-year costs fully supported by general funds (described in further detail in **Appendix 3**). This project is anticipated to cost $5.4 million in general funds from fiscal 2024 to 2026.

MDH should explain its spending plan to draw down its balance of MADAP rebate funds and describe new expenditures planned in fiscal 2023 that would effectively use the $78.4 million in budgeted special funds. In addition, MDH should explain why MADAP rebate funds are not budgeted in the out-years for the MADAP Program Case Management System project and discuss whether this project would be an eligible use of the persistent rebate fund balance.

Impact of Ransomware Attack

As of February 7, 2022, MADAP continues to be impacted by network outages caused by a December 4, 2021 ransomware attack on MDH's information systems. MDH reported that PHPA is unable to access its MADAP client database and has, therefore, created a workaround for eligibility determinations for established MADAP clients. However, PHPA was unable to enroll new clients, and no alternative method was described. According to a February 7, 2022 notice on MDH's website, a solution was expected by the end of the week, which also coincides with the planned transition to a new office space on February 10 and 11, 2022.

MDH should:

- **provide an update on PHPA's access to the MADAP client database, including whether long-term solutions have been put into effect for resuming eligibility determinations for established clients and enrolling new clients;**

- **provide the number of new clients that were unable to enroll while the database was down and the number of existing clients affected by the required workarounds to redetermine eligibility; and**

- **discuss how the department is providing outreach to any existing or new clients that may have lost access or never began to access MADAP support, due to the database being down.**

3. Despite Pandemic-related Flexibilities and Increased Fruit and Vegetable Benefit, WIC Enrollment Continues to Decline

Through the federally funded Maryland WIC Program, PHPA provides supplemental food, referrals to health care and social services, breastfeeding promotion and support, and nutrition education to low-income women, infants, and children. Eligible groups specifically include low-income (below 185% of federal poverty level) pregnant, postpartum, and breastfeeding women and children up to age five.

Pandemic-related Waivers and Supplemental Funding

The Families First Coronavirus Response Act gave the U.S. Department of Agriculture Food and Nutrition Service (FNS) the authority to reduce in-person visits to WIC clinics and otherwise waive certain program requirements. FNS is not issuing any new waivers, as its authority expired December 31, 2021, but some waivers remain active through 90 days after the end of the national declaration of a public health emergency. In mid-January, the Secretary of Health and Human Services extended the national public health emergency by 90 days, so that it is currently set to expire on April 16, 2022.

As of January 26, 2022, the following waivers were among those still in effect for Maryland WIC:

- ***Physical Presence:*** Allowing Maryland WIC to defer in-person checks on height, weight, length, and bloodwork requirements to determine participants' nutritional risk. Maryland WIC staff are still required to assess nutrition risk based on online communication or referral data.

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

- ***Food Package Substitution:*** Granting flexibility for WIC participants to purchase larger packages of foods, such as eggs and juice, or foods with different fat contents when the smaller packages or prescribed foods are unavailable. This waiver was requested due to shortages of certain supplemental foods during the stay-at-home order. However, FNS did not allow some

substitutions, like purchasing white bread rather than whole wheat bread, based on the nutrition requirements of the food provided through WIC.

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

According to PHPA's budget hearing testimony during the 2021 legislative session, Maryland WIC has also implemented programmatic and operational changes that did not require a federal waiver, including:

- offering virtual/telehealth meetings with Breastfeeding Peer Counselors;

- converting annual vendor training and nutrition education for all categories to an online format; and

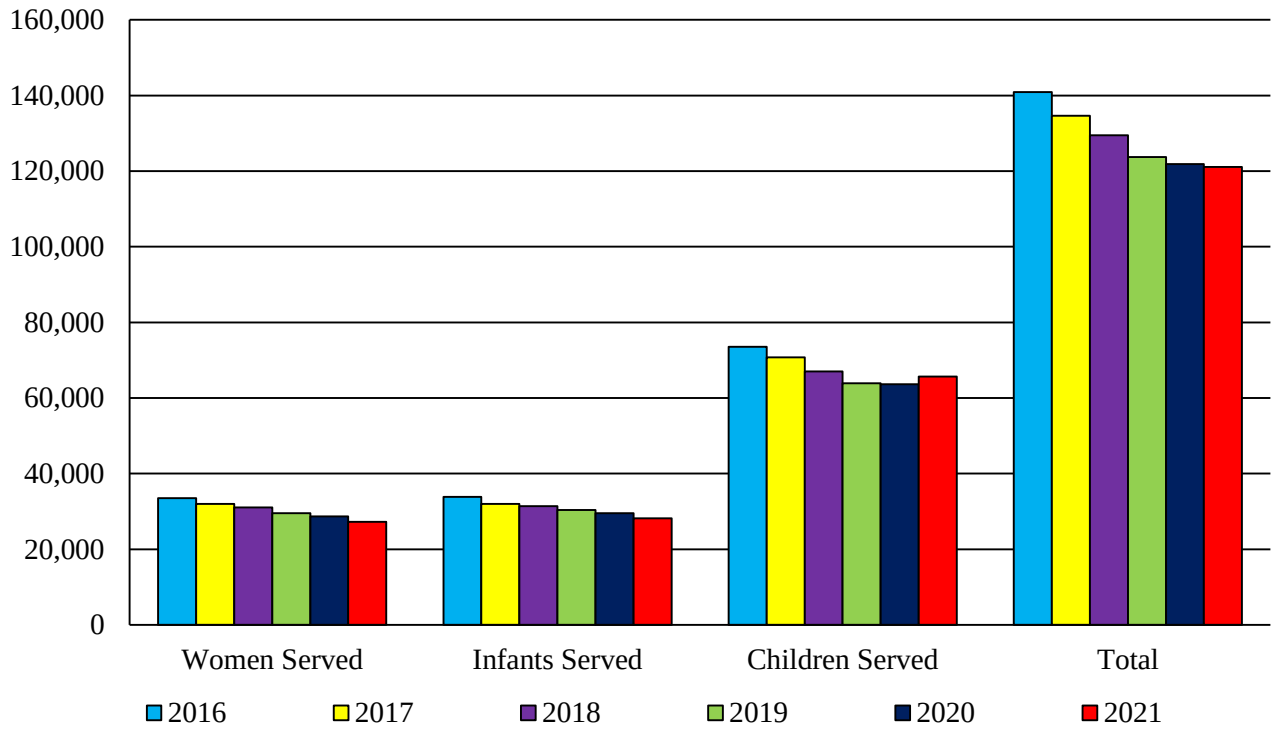
- allowing staff to perform "split-day certifications" in which they can gather required participant information and upload it over multiple days.

In addition to waivers temporarily changing program operations, Maryland WIC received $9.7 million in ARPA funding to temporarily increase the monthly cash-value voucher for fruits and vegetables from $9 per child and $11 for women to $35 per child and adult. States were authorized to increase the benefit for four consecutive months and had to have a termination date of September 30, 2021. Maryland WIC implemented this expanded benefit from June 2021 to September 2021. After accounting for this one-time federal stimulus, other federal support for Maryland WIC decreases by $2.0 million, as enrollment continues to decline.

Steady Declines Experienced in Maryland WIC Enrollment

Following national trends, total Maryland WIC enrollment fell for the fifth consecutive year, albeit at a slower rate at 0.6% compared to past years when enrollment declined by 1.5% to 4.5%. **Exhibit 10** displays enrollment trends among the total participants and participant categories. Most recently, enrollment among children increased by just under 2,000 in fiscal 2021 compared to fiscal 2020. This was offset by 2,787 fewer women and infants being served. Total enrollment of 121,092 in fiscal 2021 reflects a net reduction of 19,816 people in the program since fiscal 2016, with children making up the largest share of that decline (7,884 fewer children being served) despite the increase in fiscal 2021.

Exhibit 10
Maryland WIC Enrollment by Participant Category
Fiscal 2016-2021



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

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

PHPA has previously described certain barriers preventing increased enrollment and retention. In a user experience survey distributed to WIC participants, PHPA found the most common issues with redeeming benefits were being unable to find the food that a participant was looking for and store employees refusing to run a WIC transaction. Another reason for lower enrollment compared to other food and nutrition assistance programs is that many WIC participants also receive Supplemental Nutrition Assistance Program (SNAP) benefits and did not fully utilize WIC benefits or reenroll in the program, while SNAP has continued to provide greatly enhanced benefits during the pandemic. Other financial assistance has also become available for families and contribute to lower demand for WIC benefits, such as the increased child tax credit. **MDH should discuss the factors that are causing enrollment among children to increase and whether the increased benefit authorized in the ARPA led to any increase in enrollment. Additionally, MDH should provide an update on new efforts that it has implemented or will implement to enroll more eligible individuals in Maryland WIC moving forward.**

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Medicaid Administrative Claiming for School-based Health Services

In July 2018, Medicaid hired a consulting firm to review its existing business process and organizational structure and to make recommendations for improvement, which ultimately included recommendations concerning how local education agencies claim administrative costs through Medicaid for certain school-based services. Schools can receive Medicaid funding in three ways: through SBHCs that act as providers; through services, such as speech therapy and counseling, provided as part of an Individualized Education Plan; and school-based administrative services that support the provision of Medicaid services to children in schools and activities related to outreach and enrollment.

An MSDE response to the 2019 JCR on maximizing Medicaid claims for school-based health services found that Maryland would need to take the following steps to initiate an administrative claiming program for school-based services:

- conduct a program needs assessment based on updated federal guidance;
- develop an allocation methodology and time study procedure for school districts to calculate reimbursable administrative activities based on revised federal guidelines;
- obtain CMS approval;
- implement the program; and
- maintain ongoing oversight and program management functions.

In the first two quarterly reports on this same subject submitted in response to the 2021 JCR, MDH and MSDE repeated that Medicaid does not employ an administrative claiming program for school-based services at this time. MDH is also not assessing the feasibility or timeline for completing the steps outlined above to implement an administrative claiming program in the future, until CMS issues updated federal guidance.

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

The 2021 JCR requested that MDH prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***COVID-19 Vaccine Distribution:*** MDH was asked to provide two status reports regarding COVID-19 vaccination data by race and ethnicity, activities of the Vaccine Equity Task Force, and funding made available for community partners. These reports were submitted in April 2021 and July 2021, so the data on Maryland's mass vaccination sites and outreach activities shifted from a period when vaccine doses were scarce and access was limited to certain groups to a period when vaccines were readily available to the general public and mass vaccine sites began to close. The July report also indicated that MDH would provide $3 million to community-based partners assisting the State with vaccine outreach to disadvantaged, vulnerable, and underserved populations, as intended by the legislature.

- ***Education and Outreach to Address Disparities in Diabetes Prevalence:*** Further discussion of the State's implementation of diabetes prevention efforts outlined in its State diabetes action plan that can be found in Performance Analysis Item 1 of this analysis.

Appendix 2
Audit Findings

Audit Period for Last Audit:	August 9, 2016 – October 20, 2019
Issue Date:	February 2021
Number of Findings:	3
Number of Repeat Findings:	2
% of Repeat Findings:	66.7%
Rating: (if applicable)	n/a

Finding 1: PHPA did not monitor a State grant to the University of Maryland Medical System to provide operating assistance in the transition of the former Prince George's County Hospital Center to the Capital Region Medical Center, with funding totaling $55 million for fiscal 2018 and 2019.

Finding 2: **The Office of Provider Engagement and Regulation had not established adequate controls over controlled dangerous substance permits and related collections. The budget for this office is discussed in the MDH – Public Health Administration – M00F analysis.**

Finding 3: **PHPA did not conduct timely inspections to ensure that food processing facilities were operating in accordance with State regulation.**

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

Appendix 3
MADAP Program Case Management System
Major Information Technology Project
Maryland Department of Health

New/Ongoing: New								
Start Date: January 10, 2022				**Est. Completion Date:** June 25, 2026				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2022**	**2023**	**2024**	**2025**	**2026**	**Remainder**	**Total**
GF	$0.000	$0.000	$0.111	$2.326	$2.326	$0.698	$0.000	$5.461
SF	0.000	0.000	2.105	0.000	0.000	0.000	0.000	2.105
Total	**$0.000**	**$0.000**	**$2.215**	**$2.326**	**$2.326**	**$0.698**	**$0.000**	**$7.566**

Note: Funding for this project is budgeted under MDH Administration in the MITDP program.

- ***Project Summary***: This project automates and modernizes MADAP's case management system using a Salesforce application that will integrate the system with the Department of Information Technology's (DoIT) OneStop Portal Service and applications managed by MDH's partnering agencies and stakeholders. MDH uses the case management system to ensure that MADAP participants living with HIV or AIDS receive timely and proper amounts of financial support for medication.

- ***Need:*** MADAP's upgraded case management system will enhance program implementation with increased automation, integration with other systems, and management reporting. System improvements will also support new operational workflows and continued program implementation with a leaner staff count.

- ***Changes:*** The project was originally planned as a work order on a DoIT master custom and technical services plus contract but, due to the scope changes to establish a new system and move off of the current WebFOCUS system, the project is now classified as a MITDP. MDH is in the process of updating the requirements for the case management system and is considering submission of an out-of-cycle Information Technology Project Request (ITPR) in fiscal 2022.

- ***Concerns*:** In the fiscal 2023 ITPR for this project, DoIT identified funding as a high-risk factor and discussed its concerns with agencies funding one-time solutions without budgeting for ongoing maintenance or controlling who received licenses (resulting in inefficient use of licenses).

  Another funding concern, identified by DLS, relates to the use of $5.4 million in general funds between fiscal 2024 and 2026. The fiscal 2023 allowance includes $2.1 million in special funds from MADAP rebates, otherwise the program is fully supported with general funds. MDH has persistently underspent its MADAP rebate revenue and holds a large fund balance. It is concerning that this MITDP is predominantly funded with general funds, considering MADAP rebates could be an alternative source of funding and are only planned in fiscal 2023.

Appendix 4
COVID-19 Federal Fund Spending under PHPA Added by Budget Amendment
Fiscal 2022 Working Appropriation
($ in Millions)

Program	Use of Funds	Federal Funds	Source of Funding	Authorizing Federal Legislation
PHPA	Additional grant funding was provided to Maryland through the existing ELC Cooperative Agreement to support COVID-19 testing, contact tracing, surveillance, and other public health activities. This funding predominantly supports contracts for these activities, such as the State call center used for contact tracing.	$179.0	ELC Expansion Award	Paycheck Protection Program and Health Care Enhancement Act
PHPA	MDH received targeted funding to expand COVID-19 testing and other activities to reopen schools and keep schools open. Funding supports statewide contracts for screening in schools, with a portion distributed to local school systems (based on population) and nonpublic schools to assist with testing costs.	168.0	ELC Reopening Schools	ARPA
PHPA	Multiple installments of supplemental grants for COVID-19 vaccination efforts support strategies to ensure greater equity and access to vaccinations in the community among groups disproportionately affected by COVID-19. A portion will also fund a vaccine confidence strategy to improve COVID-19 and routine vaccination rates.	49.9	COVID-19 Vaccination Preparedness	CARES Act, CRRSA Act, and ARPA
PHPA	MDH received funds to increase cash value benefits given to women and children receiving WIC benefits to $35 per month for four consecutive months to purchase fruits and vegetables.	9.7	WIC	ARPA

Program	Use of Funds	Federal Funds	Source of Funding	Authorizing Federal Legislation
PHPA, BHA	Additional funds are allocated to the existing Substance Abuse Prevention and Treatment Block Grant for behavioral health services to underserved populations; further recruitment, training, and supervision of peer support workers; and COVID-19 testing for individuals in the behavioral health system.	7.4	Substance Abuse Prevention and Treatment Block Grant	CRRSA Act and ARPA
PHA, PHPA	ELC grants generally support the State's COVID-19 testing, contact tracing, surveillance, and containment strategies. Some ELC allocations are targeted to specific uses, such as data modernization.	$6.0	Other ELC Funding	CARES Act and ARPA
PHPA	In partnership with the U.S. Department of Justice, CDC awarded grants to states to respond to COVID-19 outbreaks in adults' prisons and jails, juvenile confinement facilities, police lock up, mental health centers, and rehabilitation centers.	4.8	ELC Detection and Mitigation of COVID-19 in Confinement Facilities	ARPA
PHA, PHPA	Miscellaneous grants.	4.2	Other Miscellaneous Grant Awards	
Total		**$429.0**		

BHA: Behavioral Health Administration
CARES: Coronavirus Aid, Relief, and Economic Security Act
PHA: Public Health Administration

Note: Includes funding budgeted under PHA and BHA for fund sources that were not labeled by program in supporting documentation provided with the budget amendment. Numbers may not sum to total due to rounding.

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

Appendix 5
Object/Fund Difference Report
MDH – Prevention and Health Promotion Administration

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	461.40	460.40	458.40	-2.00	-0.4%
02 Contractual	61.94	80.25	96.45	16.20	20.2%
Total Positions	**523.34**	**540.65**	**554.85**	**14.20**	**2.6%**
Objects					
01 Salaries and Wages	$ 45,845,772	$ 58,073,911	$ 47,278,081	-$ 10,795,830	-18.6%
02 Technical and Special Fees	4,260,253	16,600,626	5,022,150	-11,578,476	-69.7%
03 Communication	339,738	243,769	261,196	17,427	7.1%
04 Travel	163,893	806,966	719,793	-87,173	-10.8%
06 Fuel and Utilities	32,507	0	0	0	0.0%
07 Motor Vehicles	73,530	188,649	122,454	-66,195	-35.1%
08 Contractual Services	571,807,519	852,903,518	437,243,932	-415,659,586	-48.7%
09 Supplies and Materials	55,005,517	118,061,025	34,462,711	-83,598,314	-70.8%
10 Equipment – Replacement	416,798	135,771	108,194	-27,577	-20.3%
11 Equipment – Additional	2,587,944	3,099,238	728,146	-2,371,092	-76.5%
12 Grants, Subsidies, and Contributions	55,622,473	73,544,510	91,403,144	17,858,634	24.3%
13 Fixed Charges	743,859	188,817	743,670	554,853	293.9%
Total Objects	**$ 736,899,803**	**$ 1,123,846,800**	**$ 618,093,471**	**-$ 505,753,329**	**-45.0%**
Funds					
01 General Fund	$ 64,229,775	$ 62,630,579	$ 74,951,892	$ 12,321,313	19.7%
03 Special Fund	101,110,392	136,211,657	138,508,019	2,296,362	1.7%
05 Federal Fund	457,707,867	922,674,492	402,201,255	-520,473,237	-56.4%
09 Reimbursable Fund	113,851,769	2,330,072	2,432,305	102,233	4.4%
Total Funds	**$ 736,899,803**	**$ 1,123,846,800**	**$ 618,093,471**	**-$ 505,753,329**	**-45.0%**

Note: 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.

Appendix 6
Fiscal Summary
MDH – Prevention and Health Promotion Administration

Program/Unit	FY 21 Actual	FY 22 Wrk Approp	FY 23 Allowance	Change	FY 22 - FY 23 % Change
01 Administrative, Policy, and Management	$ 524,474,650	$ 872,912,088	$ 357,245,095	-$ 515,666,993	-59.1%
04 Family Health and Chronic Disease Services	212,425,153	250,934,712	260,848,376	9,913,664	4.0%
Total Expenditures	**$ 736,899,803**	**$ 1,123,846,800**	**$ 618,093,471**	**-$ 505,753,329**	**-45.0%**
General Fund	$ 64,229,775	$ 62,630,579	$ 74,951,892	$ 12,321,313	19.7%
Special Fund	101,110,392	136,211,657	138,508,019	2,296,362	1.7%
Federal Fund	457,707,867	922,674,492	402,201,255	-520,473,237	-56.4%
Total Appropriations	**$ 623,048,034**	**$ 1,121,516,728**	**$ 615,661,166**	**-$ 505,855,562**	**-45.1%**
Reimbursable Fund	$ 113,851,769	$ 2,330,072	$ 2,432,305	$ 102,233	4.4%
Total Funds	**$ 736,899,803**	**$ 1,123,846,800**	**$ 618,093,471**	**-$ 505,753,329**	**-45.0%**

Note: 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.