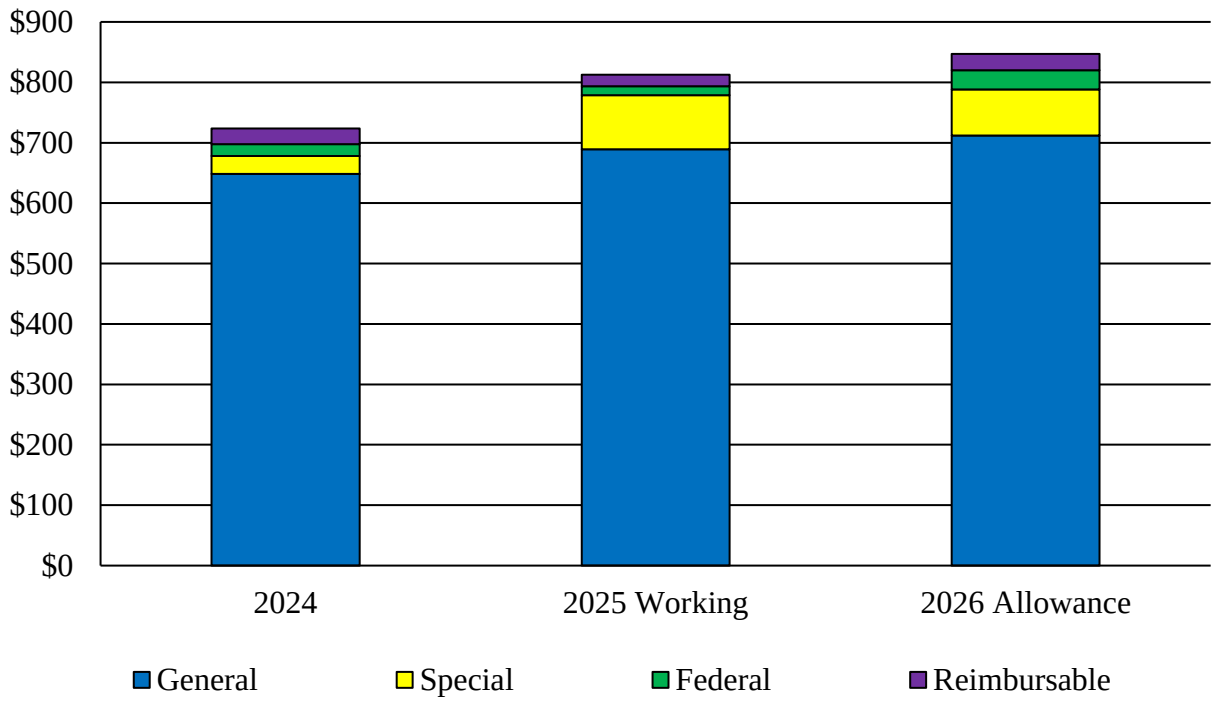
# M00A01
# Administration
## Maryland Department of Health

## *Executive Summary*

The Maryland Department of Health (MDH) Administration establishes policies regarding health services and supervises the administration of the health laws of the State while also providing for the main operations components of the entire department, including administrative, financial, information technology (IT), and general services. This budget includes all State hospital facilities and the Office of the Inspector General for Health (OIGH).

## *Operating Budget Summary*

**Fiscal 2026 Budget Increases $30.9 Million, or 3.8%, to $847.1 Million**
**($ in Millions)**




Note: The fiscal 2025 working appropriation accounts for deficiencies and planned reversions. 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.

For further information contact: Naomi Komuro naomi.komuro@mlis.state.md.us

# *Key Observations*

- ***Demand for Space at State Facilities Outpaces Capacity:*** State-owned psychiatric facilities house and treat patients deemed not criminally responsible (NCR) or incompetent to stand trial (IST) by a Maryland State judge. Insufficient staffing levels and bed capacity at these five facilities present challenges in placing patients; ensuring patient and staff safety; and ensuring ideal conditions for treatment, rehabilitation, and release. MDH is taking steps to increase hospital discharge capacity and invest in behavioral health infrastructure to reduce the number of individuals who need these types of inpatient services.

- ***Center for Firearm Violence Prevention and Intervention:*** Chapters 706 and 707 of 2024 established the Center for Firearm Violence Prevention and Intervention. MDH plans to transfer the Center for Firearm Violence Prevention and Intervention from the Prevention and Health Promotion Administration (PHPA) to the MDH Office of the Secretary in fiscal 2026. The fiscal 2026 allowance includes $2.0 million for the center in the Office of the Secretary for grants ($1.0 million) and administration.

## Operating Budget Recommended Actions

1. Report on Clifton T. Perkins Hospital Center bed capacity and patient length of stay.

## Updates

- As of June 30, 2024, the Opioid Restitution Fund (ORF) had a balance of $158.4 million. The fiscal 2026 allowance includes $67.6 million in ORF grant expenditures for local governments and community-based organizations in the State working to prevent and treat substance use.

# M00A01
# Administration
## Maryland Department of Health

## *Operating Budget Analysis*

### Program Description

The MDH Administration budget analysis includes the Office of the Secretary, which is divided into Executive Direction and Operations functions. These offices establish State health policies; supervise the administration of State and local health laws; and manage departmentwide operations, including administrative, financial, IT, and general services such as central warehouse management, inventory control, fleet management, space management, and management of engineering/construction projects.

The Operations function also oversees 12 State-run facilities:

- four regional adult psychiatric hospitals (Thomas B. Finan Hospital Center (Finan), Eastern Shore Hospital Center, Springfield Hospital Center, and Spring Grove Hospital Center);
- one maximum security forensic psychiatric hospital, Clifton T. Perkins Hospital Center (Perkins);
- two Regional Institutes for Children and Adolescents (RICA) in Baltimore City and Montgomery County (RICA – Baltimore City and RICA – John L. Gildner (JLG), respectively);
- two chronic and long-term care hospitals (Western Maryland Hospital Center (WMHC) and Deer's Head Hospital Center (DHHC)); and
- two Developmental Disabilities Administration (DDA) State residential centers serving individuals with developmental disabilities (Potomac Center and Holly Center) and a Secure Evaluation and Therapeutic Treatment (SETT) Center housed at the Potomac Center.

Other components of the Office of the Secretary include the Maryland Office of Overdose Response (MOOR) and the Office of Minority Health and Health Disparities as well as major IT spending for projects across the department, excluding Medicaid. This analysis also includes the budget for OIGH.

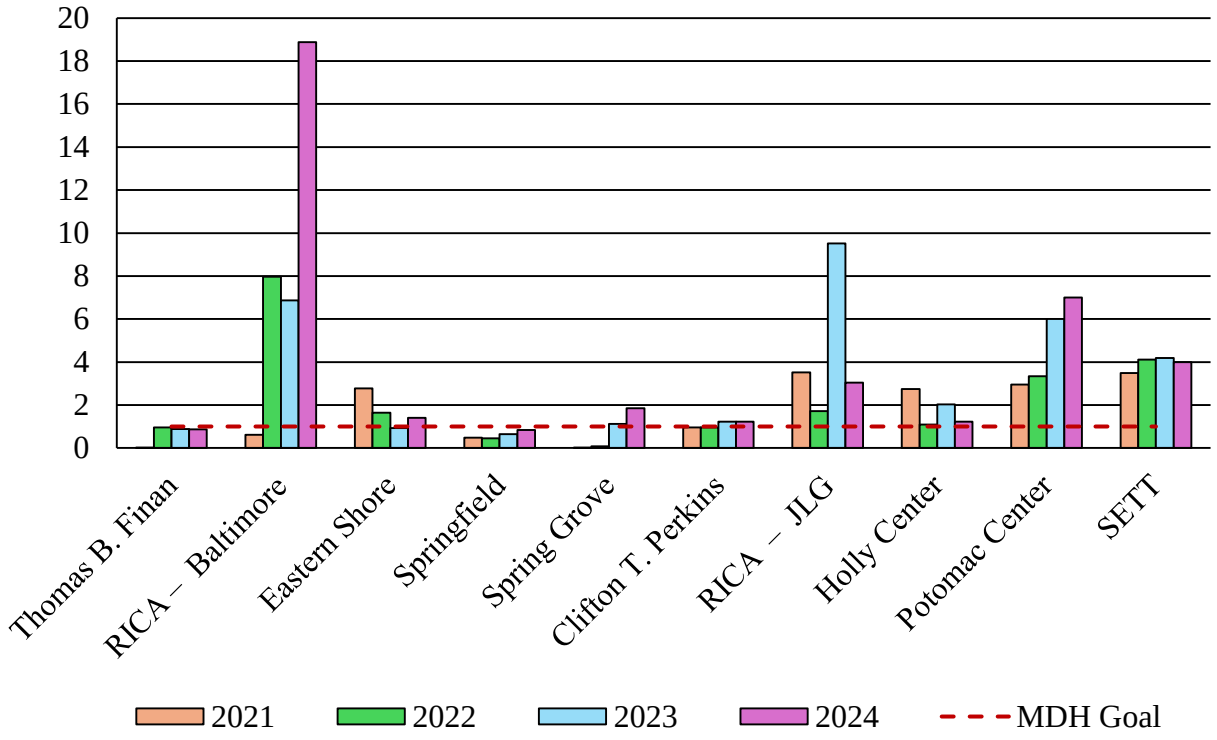
# *Performance Analysis: Managing for Results*

## 1. Resident and Staff Safety at MDH Facilities

MDH collects multiple safety measures at 10 State health facilities (all except the chronic and long-term care hospitals) and publishes the data with its annual submission of Managing for Results (MFR) performance measures. Safety-related data measures include the rate of patient-on-staff assaults per 1,000 bed days and the rate of patient injuries per 1,000 bed days. Patient bed days are defined as the number of days an inpatient receives services. Other relevant data submitted include the number and rate of restraint hours and seclusion hours.

Between fiscal 2023 and 2024, patient-on-staff assaults increased at 5 of the 10 facilities, including Eastern Shore Hospital Center, Springfield Hospital Center, Spring Grove Hospital Center, RICA – Baltimore City, and the Potomac Center. As shown in **Exhibit 1**, in fiscal 2024, 8 of the 10 facilities did not meet the MDH goal of fewer than one assault per 1,000 patient days. The rate of assaults increased most dramatically at RICA – Baltimore City during this time, with the number of assaults in fiscal 2024 increasing by 175% to a rate of 18.88 patient-on-staff assaults per 1,000 patient days. Conditions and staffing at RICA – Baltimore City will be included with a discussion of mental health service delivery in the M00L – MDH – Behavioral Health Administration (BHA) analysis.

**Exhibit 1**
**Staff Safety at State Health Facilities**
**Patient-on-staff Assaults Per 1,000 Patient Days**
**Fiscal 2021-2024**

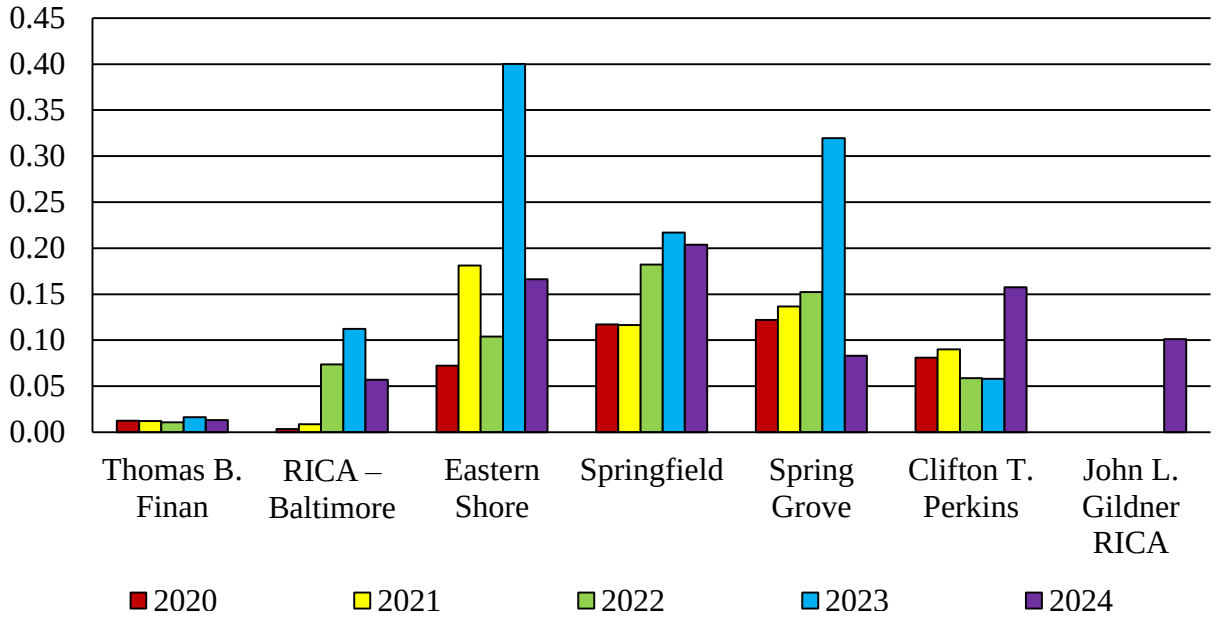



MDH: Maryland Department of Health
RICA – Baltimore: Regional Institute for Children and Adolescents – Baltimore City
RICA – JLG: Regional Institute for Children and Adolescents – John L. Gildner
SETT: Secure Evaluation and Therapeutic Treatment

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

The MFR submission includes the rate of patient injuries per 1,000 bed days at each facility and patient-on-patient assaults at Holly Center, Potomac Center, and the SETT Center. **Exhibit 2** shows the patient injury rate at the five adult psychiatric facilities and two RICAs. Between fiscal 2023 and 2024, patient injuries decreased in each of the nine facilities except Perkins and RICA – JLG. During this period, the rate of patient injuries at RICA – JLG increased from 0 to 1, and from 0.06 to 0.16 at Perkins. In summer 2024, Perkins became the subject of a third-party evaluation to assess conditions at the facility. Further discussion of staff and patient safety at State-owned facilities is included in Issue 1 of this analysis.

**Exhibit 2**
**Patient Injury Rate at State Psychiatric Facilities**
**Fiscal 2020-2024**




RICA: Regional Institute for Children and Adolescents
RICA – Baltimore: Regional Institute for Children and Adolescents – Baltimore City

Note: Patient injury rates are calculated as the number of patient injuries divided by the number of registered bed days, divided by 1,000. There were no recorded patient injuries at John L. Gildner RICA from fiscal 2020 to 2023.

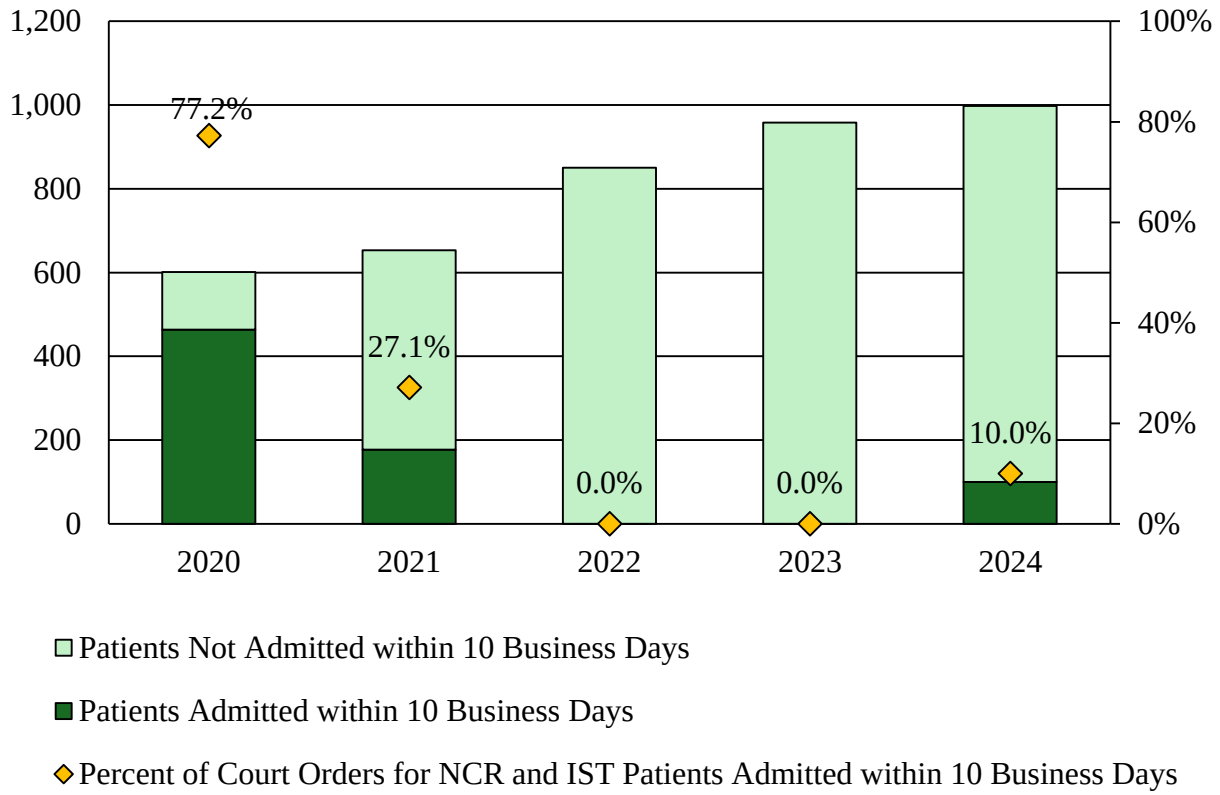
Source: Maryland Department of Health; Department of Budget and Management; Department of Legislative Services

## 2. Average Admission Times for Court-ordered Patients Continue to Increase

Chapters 188 and 189 of 2018 mandated MDH to admit individuals who are determined IST or NCR to an appropriate State hospital facility within specific timeframes. In most cases, MDH must admit patients within 10 business days. Patients required to seek treatment for substance use disorder (SUD) must be admitted within 21 days. Depending on the court's determination, MDH must admit patients into one of the State's five adult psychiatric facilities (Finan, Eastern Shore Hospital Center, Springfield Hospital Center, Spring Grove Hospital Center, or Perkins) or the SETT Center, located at the Potomac Center, for individuals with developmental disabilities. The law also authorizes the courts to impose sanctions on MDH if the department does meet required timelines.

As seen in **Exhibit 3**, the proportion of patients admitted within 10 days of a court order decreased sharply from fiscal 2020, when 77.2% of patients were admitted within 10 days, to fiscal 2021, when just 27.1% of patients were admitted within 10 days. In fiscal 2022 and 2023, MDH admitted 0% of NCR and IST patients to appropriate facilities within the required 10 days. MDH indicated that current available bed capacity is insufficient to meet the court-ordered demand. When MDH does not meet this requirement, it is found in contempt, and MDH staff must appear in court.

**Exhibit 3**
**Court-ordered Placements**
**Fiscal 2020-2024**




IST: incompetent to stand trial
NCR: not criminally responsible

Note: Data included in chart were included with the Managing for Results data submission and may differ slightly from figures recorded by the Maryland Department of Health.

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

Between fiscal 2020 and 2024, the number of commitment orders from the Maryland Judiciary increased by 66.1%. MDH has indicated that the increase of commitment orders, the acuity of patients, the commitment order process, and the availability of appropriate bed space to discharge patients all impact the department's ability to meet the statutorily required 10-day placement timeframe. As of December 31, 2024, the State's five psychiatric hospital facilities were each at 95% or greater capacity. The length of stay for patients in these facilities varies widely based on the severity of the offense and the patient's needs. Once a judge issues a ruling placing an individual in MDH's care, forensic evaluators at the Office of Court Order Evaluation (OCOE) conduct a comprehensive evaluation to assess the clinical needs of the individual. A judge will then assign them to an appropriate facility based on their offense and the results of their clinical evaluation. Administrative processes between the Judiciary, the public defender, OCOE, and the facility can delay placement up to multiple weeks. For lower-level offenses requiring a shorter facility stay, this may result in missing the window for a person's treatment requirement.

When MDH determines that a patient in its care can safely leave the facility, the department will present alternative options for placement to the court. These options may include a residential recovery program, an assisted living facility, or reentry back into the community. It is up to the judge to accept one of the options presented by MDH or order the patient to continue their stay in one of MDH's facilities. To address lengthy waitlists and increase opportunities for State psychiatric hospital discharges, MDH oversees several initiatives to improve hospital throughput, including:

- ***Assertive Community Treatment:*** intensive outpatient treatment via mobile mental health care and supportive services;

- ***Community Navigators Pilot:*** a pilot program to support discharge from State psychiatric hospitals through home visits and counseling on various life skills such as interviews and financial literacy;

- ***Residential Rehabilitation Program (RRP):*** program that offers residential, clinical, and other supportive services to help individuals reintegrate into the community;

- ***Permanent Supportive Housing:*** program that offers various services to those who have recently reintegrated into the community from an RRP;

- ***Residential Rehabilitation Bed Expansion:*** expansion of 40 RRP beds for individuals discharged from State hospitals that still require some level of care that would make entering a traditional community setting difficult; and

- ***State Hospital Discharge Initiative to Assisted Living Facilities:*** BHA pays for assisted living facility services and care coordination for individuals discharged from State hospitals.

In addition to hospital discharge initiatives, MDH is focusing efforts upstream to prevent individuals with behavioral health challenges from becoming court involved, including expanding and investing in crisis response services and launching the new Assisted Outpatient Treatment program. Further discussion on behavioral health spending and prevention activities is included in the budget analysis for M00L – MDH – BHA.

Finally, while analyzing data for these different goals, the Department of Legislative Services (DLS) identified several errors in the information included in the MFRs. Specifically, rates and numbers appeared to be included in the same dataset and mislabeled, multiple years of data were repeated, and rates related to compliance with NCR/IST placement timeframes were miscalculated. While MDH responded to requests for clarification, the figures provided by the department did not always align with figures included with the MFR data. **MDH and the Department of Budget and Management (DBM) should comment on the process to populate and submit MFR performance data and how both agencies will ensure accurate data reporting in the future.**

## Fiscal 2025

### Planned Reversions

The fiscal 2026 budget plan assumes one reversion in fiscal 2025 of $1,971,117 in general funds in the Office of the Secretary for oversight of the Maryland Board of Nursing operations. Chapters 222 and 223 of 2023 transferred management of infrastructure operations of the Maryland Board of Nursing to the Office of the Secretary through June 30, 2025. The fiscal 2025 legislative appropriation included $4.3 million in general funds for this purpose. MDH indicated that it plans to revert nearly half of this funding because the work requires fewer resources than anticipated. There is no funding in the fiscal 2026 allowance under the Office of the Secretary for Board of Nursing oversight. However, departmental bills HB 19 and SB 216 of 2025 would extend the Secretary of Health's authority over infrastructure operations through July 1, 2030. Further discussion of Board of Nursing oversight can be found in the analysis for M00B0104 – MDH – Health Professional Boards and Commissions.

### Cost Containment

In July 2024, the Board of Public Works approved a general fund reduction of $2.5 million to delay hiring of 110 positions to staff new units at Finan that will open later in fiscal 2025. There is also a proposed fiscal 2025 negative deficiency withdrawing $6.8 million for staffing for these units, further reducing the fiscal 2025 general fund appropriation for Finan.

### Implementation of Legislative Priorities

Section 21 in the fiscal 2025 Budget Bill (Chapter 716 of 2024) included $100,000 in general funds to enhance the annual $500,000 grant for the ALS Association District of Columbia/Maryland/Virginia Chapter. MDH issued the full $600,000 grant on October 31, 2024. The fiscal 2026 allowance includes $500,000 for this grant.

## Proposed Deficiency

The fiscal 2026 budget includes 12 proposed fiscal 2025 deficiency appropriations, including two negative deficiencies, adding a net $13.3 million in the general fund appropriation of MDH Administration:

- $9,763,983 to supplement the appropriation for an emergency contract authorized in fiscal 2025 to temporarily replace HVAC systems at Perkins. Further discussion about the Perkins HVAC replacement project is included in the Updates section of this analysis and the M00A – MDH capital budget analysis;

- $4,830,224 to fund a settlement with the Internal Revenue Service (IRS) for the 2020 tax year;

- $3,606,775 to support operational costs at Spring Grove Hospital Center;

- $845,122 to fund operational costs at the Potomac Center;

- $545,219 to support overtime costs at the SETT Center;

- $429,162 to support lower than anticipated vacancy rates at DHHC;

- $410,385 to fund DHHC overtime expenses;

- $403,605 to fund WMHC overtime expenses;

- $400,760 to support overtime costs at the Potomac Center;

- $171,589 to support overtime costs at the Holly Center;

- -$1,273,903 to reduce funds appropriated for moving costs of the MDH Headquarter offices because the move has been delayed; and

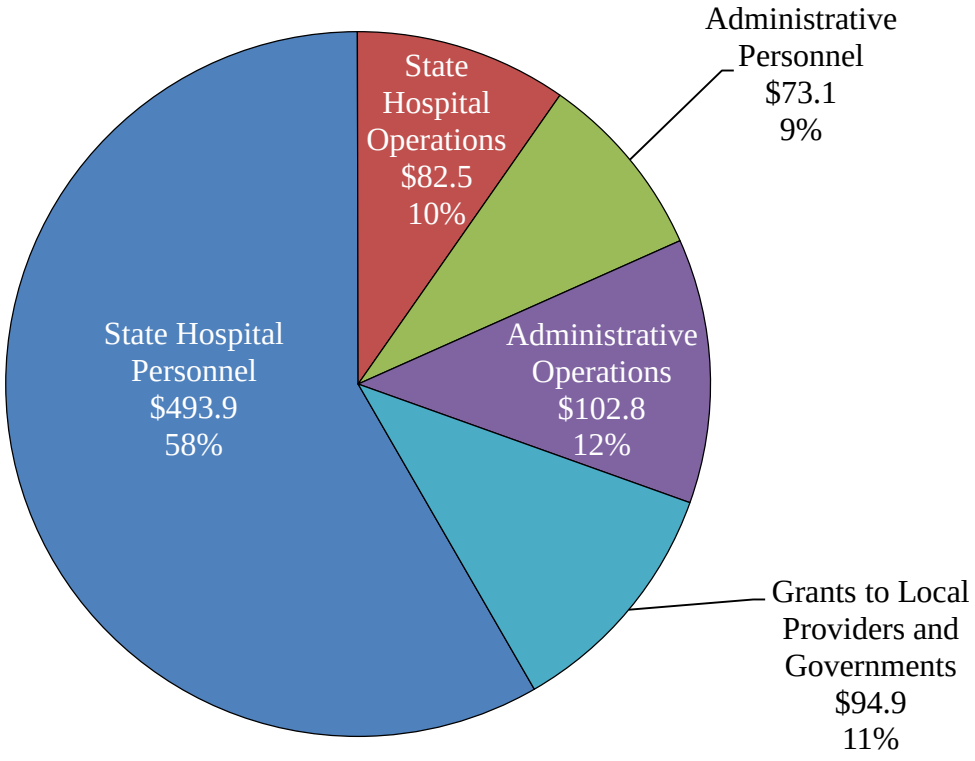
- -$6,791,559 to reflect a delay in opening new patient units at Finan.

## Fiscal 2026 Overview of Agency Spending

The fiscal 2026 allowance for MDH Administration totals $847.1 million. As shown in **Exhibit 4**, personnel costs for State hospital employees make up more than half of the budget, accounting for $493.9 million. Operational costs at these facilities total $82.5 million, or 9.7%, of the fiscal 2026 allowance. Staffing and operating costs for administrative functions comprise 8.6%

and 12.1% of the allowance, respectively, and total $175.9 million. This amount also includes expenses under OIGH. Grant funding to local jurisdictions and organizations account for $94.9 million of the budget, including $67.6 million in ORF grants and $10 million in general fund block grants through MOOR.

**Exhibit 4**
**Overview of Agency Spending**
**Fiscal 2026 Allowance**
**($ in Millions)**

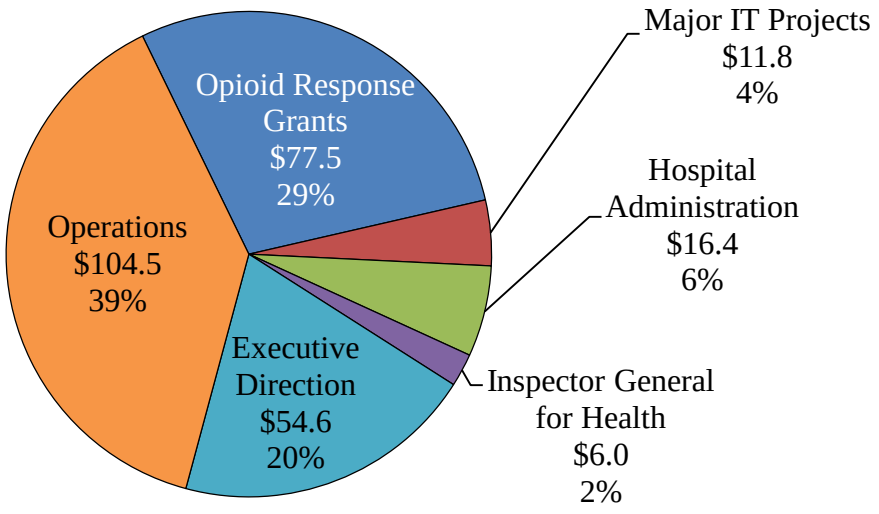



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Department of Budget and Management

The administrative units of MDH Administration make up 20.8%, or $175.9 million, of the fiscal 2026 allowance and include the Office of the Secretary, hospital administration, major IT projects, and the fiscal management function for MDH. As seen in **Exhibit 5**, the largest share of administrative dollars is allocated to operations ($104.5 million). Major IT projects for the department are budgeted in this unit and make up 4.4% of the MDH Administration fiscal 2026 allowance, or $11.8 million. Details on specific major IT projects are included in the appendices.

**Exhibit 5**
**Overview of Administrative Spending**
**Fiscal 2026 Allowance**
**($ in Millions)**




IT: information technology

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

The fiscal 2026 allowance grows by $30.9 million compared to the fiscal 2025 working appropriation, after accounting for deficiency appropriations and planned reversions. **Exhibit 6** shows the major changes, including $32.5 million in increased salary and fringe benefit costs for staff, including 13 transfers from other MDH agencies and contractual conversions, partially offset by decreases of $6.8 million for realigned personnel costs for fiscal 2025 contractual conversions and $4.8 million for health insurance. The budget also increases by $29.8 million in provider reimbursements for the Family and Medical Leave Act, which will be realigned to BHA, DDA, and Medicaid following the enactment of the budget. These increases are partially offset by the end of one-time fiscal 2025 deficiencies, including $9.8 million to support a temporary HVAC system at Perkins due to system failure in calendar 2024. Costs associated with a permanent HVAC system are included in the capital budget. Other one-time deficiencies include $1.6 million for operational expenditures at State facilities and a one-time payment of $4.8 million in fiscal 2025 to settle IRS claims for the 2020 tax year.

**Exhibit 6**
## Proposed Budget
**MDH – Administration**
**($ in Thousands)**

| How Much It Grows: | General Fund | Special Fund | Federal Fund | Nonbud. Fund | Reimb. Fund | Total |
|---|---|---|---|---|---|---|
| Fiscal 2024 Actual | $648,191 | $30,091 | $19,354 | $0 | $25,854 | $723,490 |
| Fiscal 2025 Working Appropriation | 689,269 | 89,343 | 15,022 | 3,350 | 19,205 | 816,189 |
| Fiscal 2026 Allowance | 712,067 | 76,074 | 31,659 | 0 | 27,335 | 847,135 |
| Fiscal 2025-2026 Amount Change | $22,798 | -$13,269 | $16,637 | -$3,350 | $8,130 | $30,946 |
| Fiscal 2025-2026 Percent Change | 3.3% | -14.9% | 110.8% | -100.0% | 42.3% | 3.8% |

| Where It Goes: | Change |
|---|---|
| **Personnel Expenses** | |
| Salary increases and associated fringe benefits including fiscal 2025 COLA and increments and contractual conversion of staff at facilities and local health departments | $32,005 |
| Turnover adjustments (decrease from 10.88% to 10.55%) | 1,604 |
| Workers' compensation | 824 |
| Salaries and associated fringe benefits of 2 transfers from Office of the Inspector General of Health to Medical Care Programs Administration | -241 |
| Fringe benefit costs associated with conversion of facility and local health department employees to merit positions, authorized by the fiscal 2025 Budget Bill | 27 |
| Hiring of positions above base step in fiscal 2025 | -2,911 |
| Employee and retiree health insurance | -4,704 |
| Overtime earnings, driven by fiscal 2025 deficiencies to support overtime costs at State inpatient facilities | -5,276 |
| Other fringe benefits | -63 |
| **State-owned Facilities** | |
| Increased cost of supplies and equipment at State-owned facilities | 3,097 |
| Increased costs for a contract with the University of Maryland for pharmacy and medical services | 1,994 |
| Operating budget support to address a backlog of capital projects at State facilities that were delayed due to fiscal 2024 capital funding diverted to support other facility expenditures | 1,493 |
| Fiscal 2025 savings due to delayed MDH headquarters move | 1,274 |
| Fiscal 2025 deficiencies for operational expenditures at State hospital centers | -1,610 |
| Fiscal 2025 deficiency to pay for emergency contract to rent HVAC equipment at Clifton T. Perkins Hospital Center | -9,764 |
| **Grant Programs** | |
| Center for Firearm Violence Prevention and Intervention moved from PHPA to Office of the Secretary | 1,724 |
| Sickle Cell Grant program moved to PHPA | -1,275 |

| **Where It Goes:** | **Change** |
|---|---|
| Realignment of infrastructure grants for local health departments to support State-owned facilities | -4,000 |
| Lower anticipated ORF special fund revenue in fiscal 2026 | -13,417 |
| **Other Changes** | |
| Provider reimbursements to comply with the FAMLI Act (Chapter 48 of 2022) budgeted in the Office of the Secretary will be realigned to BHA, DDA, and Medicaid | 29,788 |
| Contracts for implementation of major IT projects; fiscal 2025 budget for MDH does not include fiscal 2025 costs | 11,816 |
| Nonpersonnel costs for Maryland Board of Nursing operations, accounting for planned reversion of $2.0 million in fiscal 2025 | -1,256 |
| Contractual personnel costs, driven by a net decrease of 34.3 full time equivalents due to conversions not included in the fiscal 2025 working appropriation | -4,180 |
| Fiscal 2025 deficiency to fund settlement claims in Internal Revenue Service assessment for the 2020 tax year | -4,830 |
| Other changes | -1,172 |
| **Total** | $30,946 |

BHA: Behavioral Health Administration
COLA: cost-of-living adjustments
DDA: Developmental Disabilities Administration
FAMLI: Family and Medical Leave Insurance
IT: information technology
MDH: Maryland Department of Health
ORF: Opioid Restitution Fund
PHPA: Prevention and Health Promotion Administration

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies and planned reversions. 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.

## *Personnel Data*

| | FY 24 Actual | FY 25 Working | FY 26 Allowance | FY 25-26 Change |
|---|---|---|---|---|
| Regular Positions | 3,935.80 | 4,476.80 | 4,489.80 | 13.00 |
| Contractual FTEs | 408.51 | 165.20 | 130.95 | -34.25 |
| **Total Personnel** | **4,344.31** | **4,642.00** | **4,620.75** | **-21.25** |

***Vacancy Data: Regular Positions***

| | | |
|---|---|---|
| Turnover and Necessary Vacancies, Excluding New Positions | 473.67 | 10.55% |
| Positions and Percentage Vacant as of 12/31/24 | 657.60 | 14.69% |
| Vacancies Above Turnover | 183.93 | |

- The fiscal 2026 allowance includes a net increase of 13 regular positions in MDH Administration compared to the fiscal 2025 working appropriation. This total includes 3 new positions in fiscal 2026 in MOOR that are supported by ORF special funds. The allowance also includes 12 transfers into MDH Administration offices from other areas of MDH, and 2 transfers from OIGH to MDH Medical Care Programs Administration (MCPA). These transfers are part of an agencywide effort to realign programming and budgets with the missions of specific agencies.

- As of December 31, 2024, MDH Administration had 657.6 vacant positions, which is 183.93 vacancies above the amount needed to meet budgeted turnover in fiscal 2026. The majority of these vacancies (596.6) are in the State-owned facilities. The highest vacancy rates are at Finan (37.64%) and Perkins (25.23%). However, Executive Direction in the Office of the Secretary also has a high vacancy rate of 18.56%. Of the December 2024 vacancies, 250 positions were created during fiscal 2025 by converting authorized contractual full-time equivalents to merit positions. Many of these new positions were vacant at time of conversion and appear to be driving the high vacancy rate. Discussion of MDH efforts to improve recruitment and retention are included in the analysis for M00 – MDH Overview.

- MDH indicated that regular positions are expected to increase further as it is still in the process of converting additional contractual positions to merit positions, which are not represented in this data. As of December 31, 2024, the department planned to create 121 positions at Spring Grove Hospital Center and 1 position in Executive Direction. This would bring the total number of authorized PINs to 1,009.3 at Spring Grove and 98 in Executive Direction.

# *Issues*

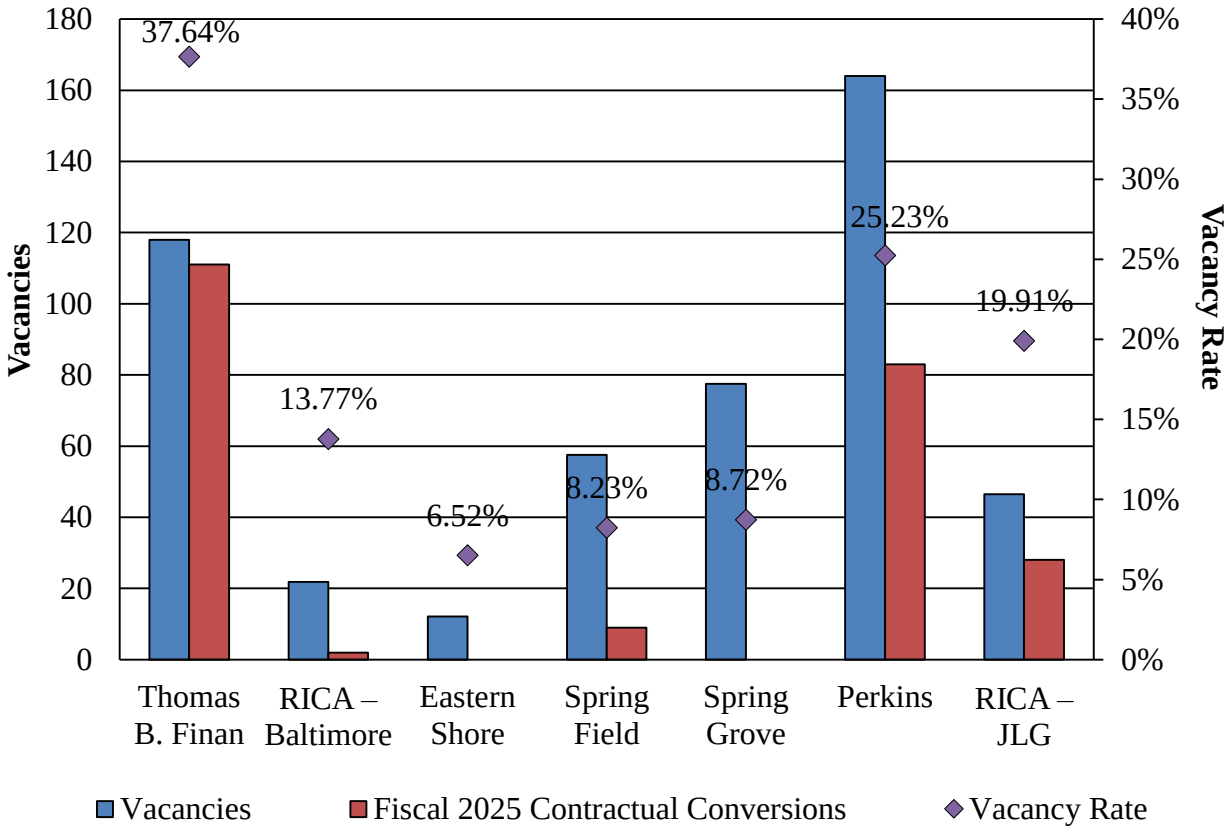
## 1. High Vacancies and Limited Bed Capacity at Perkins Complicate MDH's Ability to Meet State Need and Lead to Patient Safety Issues

As discussed previously, MDH manages five inpatient psychiatric facilities in the State, each operating at 95% capacity or more. Perkins is the only State-owned maximum-security hospital center and houses and treats individuals found NCR or IST due to mental illness. MDH operates Perkins at near-maximum capacity, and patients' length of stay vary based on the severity of their offense and their clinical needs. In January 2025, MDH indicated that six beds at Perkins were held vacant because the temporary HVAC system is not able to sufficiently heat rooms, and additional bed space at Perkins and Springfield were unoccupied due to COVID-19 outbreaks at the facilities.

Patient injury has been a focus at Perkins from late fiscal 2024 through the current fiscal year, due to the death of a patient, the rape of another patient, and a riot resulting in patient injury. Secretary of Health Laura Herrera Scott testified on December 11, 2024, at a hearing of the Joint Committee on Fair Practices and State Personnel Oversight about the recent events at Perkins. Secretary Herrera Scott indicated that lack of direct communication between her office and facility leadership resulted in staff reports of unsafe conditions at the facility going unaddressed. Staff at Perkins began reporting inadequate staffing and unresponsive and toxic leadership beginning in calendar 2020. As of December 11, 2024, MDH removed individuals in leadership roles at Perkins. MDH hired a new chief financial officer for the facility on January 8, 2025, and is currently recruiting for a chief operations officer. The new chief executive officer will start on February 18, 2025. As a result of the concerning reports from Perkins, external, independent evaluators visited Perkins in October 2024 to assess the facility and review its policies and procedures. As of January 2025, the evaluation is complete and is under review with the Office of the Attorney General. Following any necessary redactions of patient and staff data, the evaluation will be released.

In addition to insufficient bed capacity, high vacancies at Perkins impact MDH's ability to ensure sufficient patient-to-staff ratios and improve patient outcomes. As shown in **Exhibit 7**, as of December 31, 2024, the highest vacancy rates were at Perkins (25.23%) and Finan (35.64%). Of the 118 vacancies at Finan, most (111) were new positions created in fiscal 2025 for contractual conversions. Of the 164 vacancies at Perkins, about half (83) were new positions created for contractual conversions in fiscal 2025.

**Exhibit 7**
**Vacancies at State Psychiatric Facilities**
**As of December 31, 2024**

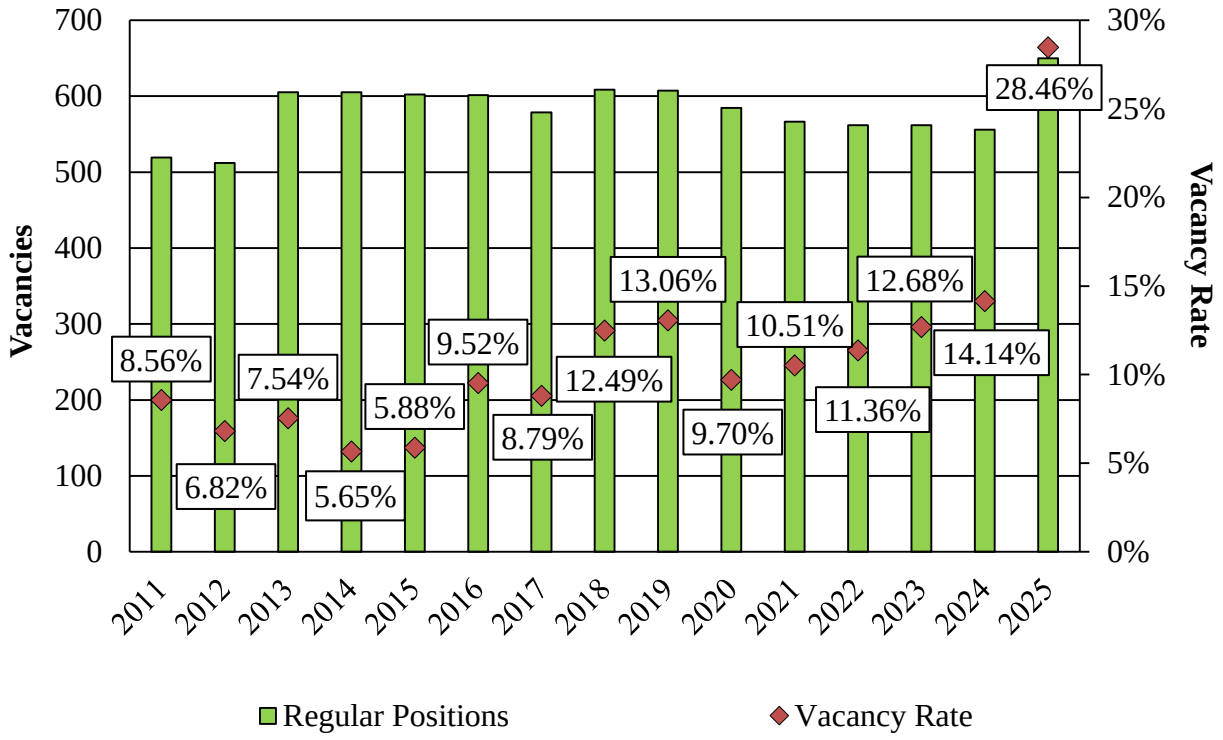



RICA – Baltimore: Regional Institute for Children and Adolescents – Baltimore City
RICA – JLG: Regional Institute for Children and Adolescents – John L. Gildner

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

Perkins is the second largest facility after Spring Grove Hospital Center and operates 289 beds. In fiscal 2024, Perkins admitted 163 patients. In response to inquiries arising from the issues concerning Perkins, MDH submitted employment and vacancy data in recent years. **Exhibit 8** shows the total number of authorized positions and vacancy rates as of October in each year from fiscal 2015 to 2025. The vacancy rate as of October 2024 is more than double the rate in October 2023.

**Exhibit 8**
**Authorized Regular Positions and Vacancy Rate at Perkins**
**Fiscal 2011-2025**




Note: Vacancy rates are calculated as point in time counts as of October 31, 2024.

Source: Maryland Department of Health

MDH has reported taking several immediate actions to address the vacancy rate at Perkins, including:

- establishing a dedicated human resources committee tasked with addressing vacancies at Perkins by streamlining the recruitment process and implementing outreach strategies to attract qualified candidates;
- ensuring all current vacancy classification series have active job announcements posted;
- using MDH social media platforms to highlight job opportunities;

- hosting an onsite career fair on November 19, 2024, focused on recruiting clinical positions, at which 103 candidates had onsite interviews, 15 of which are in various stages of the background and reference check process; and

- implementing interview committees including a staff shadowing component for second-round interviews for clinical positions.

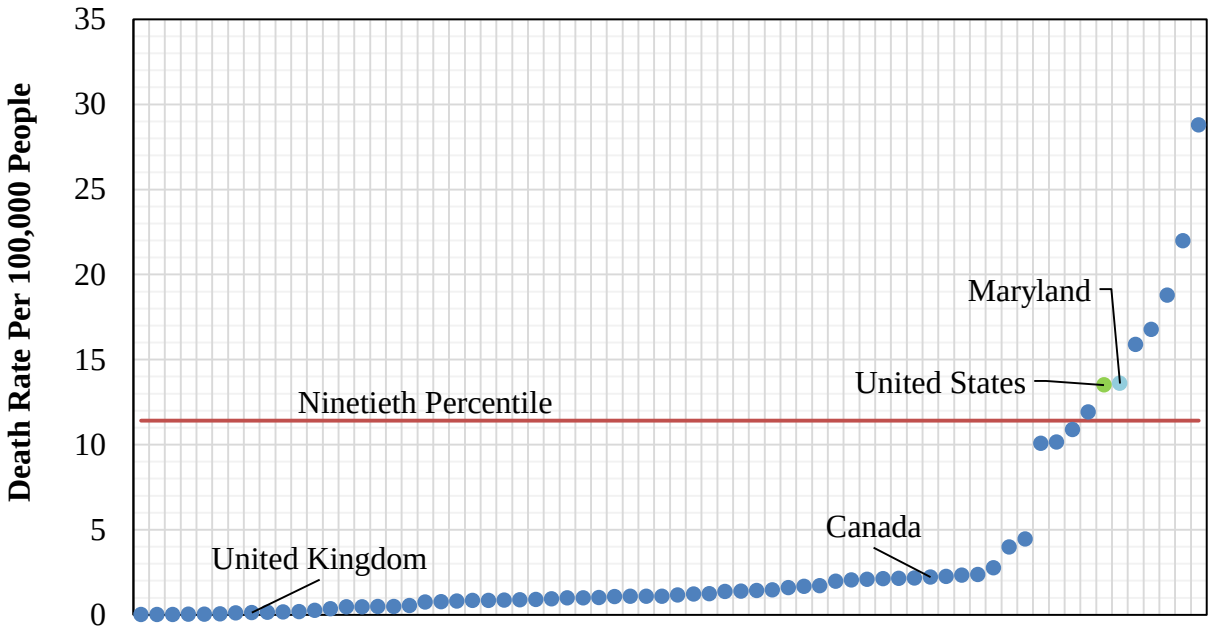
Each of the issues mentioned in this analysis (rising number of commitment orders, lack of bed capacity at facilities, lack of appropriate discharge placements, high vacancy rates at facilities) contribute to, perpetuate, and exacerbate the challenge of rehabilitating this population. To address the high demand for these services, MDH is investing in efforts to address mental health crises before they escalate to the point of requiring criminal justice intervention. In the shorter term, MDH is also attempting to expand hospital discharge capacity to transition individuals ready for lower-level care out of the facilities and into appropriate housing and care.

**DLS recommends adopting committee narrative requiring MDH to submit a report with information on bed capacity and patients' length of stay at Perkins.**

## 2. MDH Establishes Center for Firearm Violence Prevention and Intervention

According to the U.S. Centers for Disease Control and Prevention (CDC), in calendar 2022, the United States had the sixteenth highest firearm mortality rate in the world, out of 204 countries and territories. Compared to other states, Maryland ranks in the lower half of states and close to the U.S. average, with a calendar 2022 firearm mortality rate of 13.6 (813 deaths). However, because the U.S. rate is so high, Maryland still has one of the highest firearm mortality rates in the world. **Exhibit 9** shows that Maryland and the United States ranked above the ninetieth percentile for rate of death by firearm, compared to 67 high-income countries.

**Exhibit 9**
**Firearm Mortality Rate Among High-income Countries and Maryland**
**Calendar 2022**




Note: Death rates are age-adjusted rates of death by firearm per 100,000 population. U.S. territories are measured separately.

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

## Center for Firearm Violence Prevention and Intervention

Chapters 706 and 707 established the Center for Firearm Violence Prevention and Intervention within MDH to coordinate firearm prevention efforts across State, local, and federal agencies. The center will collect and analyze data to inform evidence-based strategies and established best practices and will provide education to the public about the dangers and risks of firearms, such as safe storage techniques. Effective October 1, 2024, Chapters 706 and 707 require the center to submit a State Plan for a Public Health Approach to Reducing Firearm Violence by May 1, 2025, and a State Strategic Plan for Firearm Violence Reduction Using Public Health Strategies by May 1, 2029, and every four years thereafter. As a part of internal program realignment, MDH moved the center from PHPA to the Office of the Secretary in fiscal 2026. The fiscal 2025 working appropriation for PHPA includes $2.4 million in general funds for the center, including $1.0 million for grants. The fiscal 2026 allowance for the Office of the Secretary includes $2,038,450 in general funds, including $1.0 million for grants. MDH plans to pursue federal and private funding sources to supplement State support to expand the center's efforts.

As of December 31, 2024, MDH had not expended any of its fiscal 2025 appropriation for the center. However, the department indicated that it plans to fully expend the working appropriation before the close of the fiscal year and that it has been engaging in various activities to build the center's infrastructure and determine funding priorities for the grant program. These activities include the following.

- ***Stakeholder Engagement and Community Input:*** Existing MDH staff have held meetings with various stakeholders, such as community organizations and other State agencies, to better understand how fiscal 2025 funding from the center should be directed and to solicit feedback on the executive director job description.

- ***Hiring:*** In January 2025, MDH hired an executive director, a data analyst, and a program manager.

- ***Inventory Existing Firearm Violence Prevention and Intervention Programs in Maryland:*** MDH identified existing programs and categorized them as primary prevention, intervention and response, reentry support and empowerment, or community transformation and healing. The department requested other State agencies to review the list and add additional programs to the inventory. MDH will use this to identify collaborations for the center and identify programmatic gaps.

MDH plans to expend fiscal 2025 dollars as follows:

- $225,000 for 3 staff positions;

- $15,000 for supplies and travel; and

- $1.25 million for grants.

By the end of March 2025, MDH plans to release a request for proposals to support violence prevention programs in the State and anticipates awarding grants shortly thereafter, prior to the end of the fiscal year. MDH has also been developing a firearm violence dashboard with data on firearm-related injuries, homicides, and suicides. MDH plans to launch the dashboard before the end of fiscal 2025. The dashboard will include victim demographics, incident location by zip code and jurisdiction, the type of firearm used, and nonfatal emergency department visits. Data will be updated monthly, and sources for the dashboard include the Electronic Death Registration System from the Vital Statistics Administration, the Electronic Surveillance System for the Early Notification of Community-based Epidemics, and the Maryland Violent Death Reporting System.

The combination of the new data repository and program inventory aims to enable MDH to target and prioritize its work in specific geographies as well as tailor its approach based on the needs of each region. For example, MDH reports that while firearm-related death by suicide is more common in rural areas in the State, firearm-related death by homicide is more prevalent in

urban parts of the State. MDH said that among its first priorities is to work with partners in Prince George's County and Baltimore City, which both have high rates of firearm mortality.

## Local Violence Prevention Initiatives

All local health departments (LHD) either operate their own violence intervention or response programs related to intimate partner violence (IPV) or share community resources with constituents seeking support. However, Anne Arundel, Prince George's, and St. Mary's counties and Baltimore City also operate violence prevention programs. Anne Arundel County and Baltimore City operate programs modeled off the global Cure Violence program, which works directly in communities to interrupt and deescalate potentially violent situations. In Baltimore City, the program is called Safe Streets. Baltimore City has several other initiatives related to violence prevention through the Mayor's Office of Neighborhood Safety and Engagement, established in calendar 2021 to address high rates of violence in the city through a public health approach. These include violence mediations, training, and collecting and sharing data on violent interactions and interventions.

In Prince George's County, the Hope in Action project is comprised of the Violence Prevention Taskforce and the Hope Collective. The taskforce identifies early interventions among youth to prevent violent behaviors, identifies gaps and community needs, and makes recommendations to reduce violence. The Hope Collective is a group of nonprofits funded by the county that provide school and community-based services in areas of the county experiencing high levels of violence.

The Anne Arundel County Health Department operates another violence prevention program, the Gun Violence Intervention Team, which focuses more on education, messaging, and engaging the public in conversations, and then implementing various programs and interventions based on community feedback. The St. Mary's County Health Department operates a similar program, the Group Violence Intervention collaboration, which is an interagency effort to reduce violence among youth. The St. Mary's County Health Department also has a Violence, Injury, and Trauma Action Team aimed at reducing adverse childhood experiences, community violence, IPV, and injuries. The activities include mentorship programs for youth and raising awareness about the risks of violent behaviors.

## Other Violence Prevention Efforts

While State and local governments and private organizations operate myriad programs to respond to violence and support individuals and communities impacted by violence, few operate programs focused squarely on violence prevention or firearm violence prevention. At the State level, the Center for Injury and Violence Prevention (CIVP) in PHPA aims to prevent injury and violence by promoting safe behaviors at home and on the road by leveraging data, providing education, and promoting evidence-based interventions. CIVP provides trainings and technical assistance to LHDs. CIVP is supported entirely with federal funds.

Chapters 504 and 505 of 2022 require Medicaid to provide community violence prevention services by a certified violence prevention professional to Medicaid recipients who (1) have been exposed to community violence or have a personal history of injury sustained as a result of an act of community violence and (2) have been referred by a health care provider or social services provider. Maryland Medicaid began covering evidence-based, trauma-informed community violence prevention services on July 1, 2023.

The Governor's Office of Crime Prevention and Policy (GOCPP) oversees several violence prevention efforts, including the Maryland Statistical Analysis Center, which conducts and publishes research related to violent crimes in Maryland and evaluates violence prevention programs, and the Violence Intervention and Prevention Program, established by Chapter 148 of 2018 to develop violence reduction strategies and distribute grants to local governments and nonprofit organizations. GOCPP also operates multiple grant programs to support local efforts to interrupt violence. GOCPP supports rape crisis centers, which operate in each jurisdiction to provide services to victims of sexual violence with federal funds from PHPA.

Outside of government, the University of Maryland Medical System (UMMS) and Johns Hopkins University operate violence prevention initiatives through their medical institutions. At UMMS, the Center for Injury Prevention and Policy (CIPP) (located at the University of Maryland Medical Center (UMMC)) conducts research related to prevention strategies, studies trends, and provides educational programs across the State. The Violence Prevention Program at R Adams Cowley Shock Trauma Center (Shock Trauma Center) houses the violence prevention programs under CIPP and is funded through the Shock Trauma Prevention Fund. These programs include the Saving Maryland At Risk Teens program, which gives tours of the Shock Trauma Center to court-ordered youth and their families in Baltimore City to learn about the impact of violent behavior. Because it is based at UMMC, participants are often patients who are then connected to additional services besides medical care or specialized medical care. The University of Maryland, Baltimore Campus also operates the Center for Violence Prevention, which started in 2023 as an interdisciplinary initiative to address violence in Baltimore City. The center's work includes community-based participatory research, education, and advocacy.

In calendar 2023, Johns Hopkins launched Break the Cycle, a hospital-based violence intervention program funded by Johns Hopkins Hospital. The program consists of a team of case managers, social workers, clinicians, and violence intervention experts that work with victims of firearm or stab wounds at the hospital. In addition to medical care, these patients are connected to supportive services such as temporary housing, job training, behavioral health care services, or transportation. Patients may also receive conflict mediation training. This program is one of more than 40 other hospital-based violence intervention programs that operate across the country.

Despite the array of violence prevention programs in the State, there are dozens of State, local, and private efforts focused on violence response, not including criminal justice activities and initiatives. As the Center for Firearm Violence Prevention and Intervention begins to take shape and fund programs, it will be critical to ensure that it is tapping into existing work and identifying gaps in programs and resources across the State. The forthcoming State plan due in May 2025 will provide insight into the extent to which MDH plans to connect and collaborate with public agencies and private organizations working in this space.

## 3. Fiscal Compliance and Audit Findings Related to MDH Accounting

In recent years, the Office of Legislative Audits (OLA) has released several findings related to MDH's accounting procedures leading to lack of documentation to support federal fund revenue and potential unfunded liabilities to the State. In October 2023, OLA released a fiscal compliance audit covering the period between February 2019 and June 2022 for the MDH Office of the Secretary and other units that covered MDH's federal fund accounting policies and procedures and included 17 findings with 28 recommendations. MDH reported that as of September 2024, it had implemented 9 of the 28 recommendations. The department is working with an external accounting firm, per several of OLA's recommendations, to review and reconcile relevant accounts and establish more robust controls and processes to ensure proper documentation and avoid failure to recover federal monies in the future. MDH reported other corrective actions were in progress and anticipated completely addressing all findings by June 30, 2025.

In the *Statewide Review of Budget Closeout Transactions for Fiscal Year 2024* released in January 2025, OLA included two findings related to MDH's accounting of federal fund dollars. OLA found that MDH lacked proper documentation to support $1.7 billion in accrued federal fund revenue or recovery of the funds. MDH also reported $273.6 million in unprovided for liabilities as of the close of the fiscal 2024 year, including:

- $34.2 million in claims from DDA that were denied by the Centers for Medicare and Medicaid Services;

- $213.7 million for provider reimbursements for fiscal 2024 Medicaid services that had not been submitted to MCPA; and

- $25.7 million in potential federal fund liability related to enhanced funding received for the MCPA Money Follows the Person program.

**MDH should comment on the steps that it plans to take to address the findings included in the latest fiscal 2024 closeout analysis by OLA.**

# *Operating Budget Recommended Actions*

1. Adopt the following narrative:

**Report on Bed Capacity and Patient Length of Stay at Clifton T. Perkins Hospital Center (Perkins):** Perkins is a State-owned, maximum-security hospital center that houses and treats individuals court-ordered to seek treatment with the Maryland Department of Health (MDH). Several concerning patient and staff safety issues at the facility in calendar 2024 led to the dismissal of multiple employees in leadership positions. As of December 31, 2024, the facility carried a vacancy rate of more than 25%. In addition, MDH continues to receive increased numbers of commitment orders, and there is a dearth of appropriate beds to place patients ready for discharge. To better understand the extent to which Perkins can meet the needs of this population in Maryland, the committees request that MDH submit a report with data as of June 30, 2025. The report should include:

- number of total beds at Perkins;
- number of staffed beds at Perkins;
- number of occupied beds at Perkins;
- reasons for unoccupied beds;
- average (mean) length of stay, in days, of patient population each year since fiscal 2018;
- average (median) length of stay, in days, of patient population each year since fiscal 2018;
- number of court orders received to place individuals at Perkins each year between fiscal 2018 through 2024;
- description of current organizational oversight of the facilities; and
- description of reporting systems in place at Perkins for staff to express workplace safety concerns and the processes to evaluate and address concerns.

| **Information Request** | **Author** | **Due Date** |
|---|---|---|
| Report on bed capacity and patient length of stay at Perkins | MDH | August 1, 2025 |

# *Updates*

## 1. Opioid Restitution Fund

The ORF is a nonlapsing special fund that holds revenue from settlement awards resulting from litigation between Maryland and opioid manufacturers and distributors. The fiscal 2026 allowance includes $67,624,866 in anticipated ORF expenditures. As of the close of fiscal 2024, MDH received $158.4 million in the ORF. MOOR distributes this funding to local governments and community organizations per settlement agreement terms and recommendations and guidance from the ORF Advisory Council, which is comprised of behavioral health providers and advocates, members of the General Assembly and MDH and LHD staff. Further discussion about the ORF and how the opioid crisis has impacted Maryland is included in the analysis for M00 – MDH Overview.

## Appendix 1
## 2024 *Joint Chairmen's Report* Responses from Agency

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

- ***MDH Staffing and Salary Update:*** Language in the fiscal 2025 Budget Bill restricted funds pending a report providing an update on MDH staffing and salaries. MDH provided an update on new positions added in fiscal 2024 and 2025 and the impact of annual salary reviews and other measures to improve hiring and retention at the department. Further discussion of this report is included in the analysis for M00 – MDH Overview. The withheld general funds were released in November 2024.

- ***Overdose Response Efforts:*** The State's overdose response includes coordination and service delivery from MDH, LHDs, and community service organizations. The committees requested that MDH provide a comprehensive reporting of ongoing programs and initiatives involved in the response to overdoses across the State. The committees asked MDH to include the requested information in the annual report of the Commission on Behavioral Health Care Treatment and Access, which MDH indicated would be released January 31, 2025. Discussion of the efforts covered in that report are included in the write-up on the overdose crisis in the analysis for M00 – MDH Overview.

- ***Implementation of Recommendations from Financial Compliance Audit:*** In the *Statewide Review of Budget Closeout Transactions for Fiscal Year 2022* released in January 2023, OLA included 28 findings related to a review of 16 MDH accounts. MDH submitted information on the implementation of each of OLA's recommendations on September 16, 2024, reporting that as of the report submission, the department had addressed 9 of the 28 findings. Corrective actions taken by MDH include engaging an external accounting firm to reconcile expenditures and improving processes and accounting procedures.

## Appendix 2
## Audit Findings
## State Psychiatric Hospital Centers

| | |
|---|---|
| Audit Period for Last Audit: | May 21, 2018 – June 30, 2022* |
| Issue Date: | May 2024 |
| Number of Findings: | 7 |
| Number of Repeat Findings: | 2 |
| % of Repeat Findings: | 28.6% |
| Rating: (if applicable) | n/a |

* The audit of the five State psychiatric hospital centers covers the following time periods for each unit:

- ***Eastern Shore Hospital Center:*** May 21, 2018, through June 30, 2022;
- ***Springfield Hospital Center:*** May 30, 2018, through June 30, 2022;
- ***Finan:*** October 22, 2018, through June 30, 2022;
- ***Spring Grove Hospital Center:*** February 19, 2019, through June 20, 2022; and
- ***Perkins:*** May 15, 2019, through June 30, 2022.

***Finding 1:*** The State psychiatric hospital centers did not always use the appropriate payment method for certain contractual services.

***Finding 2:*** **Perkins did not adequately monitor its housekeeping vendor to ensure that services totaling approximately $2.1 million were performed in accordance with the related contract.**

***Finding 3:*** The State psychiatric hospital centers did not ensure amounts paid for pharmaceutical purchases were in accordance with contract terms.

***Finding 4:*** The State psychiatric hospital centers had not established adequate controls over disposed controlled dangerous substances.

***Finding 5:*** The State psychiatric hospital centers had not established adequate controls over payroll and leave adjustments processed on the Statewide Personnel System (SPS).

***Finding 6:*** The State psychiatric hospital centers did not have adequate procedures to ensure the propriety of time recorded by timekeepers into SPS on behalf of direct care employees.

***Finding 7:*** **Both Spring Grove Hospital Center and Perkins had not established adequate accountability and control over certain collections and funds.**

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

## Appendix 3
## Statewide Electronic Health Records
### (Formerly Computerized Hospital Record and Information System)
### Major Information Technology Development Project
### MDH – Administration

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **New/Ongoing:** Ongoing | | | | | | | | |
| **Start Date:** February 2017 | | | | **Est. Completion Date:** January 5, 2027 | | | | |
| **Implementation Strategy:** Agile | | | | | | | | |
| **($ in Millions)** | **Prior Year** | **2025** | **2026** | **2027** | **2028** | **2029** | **Remainder** | **Total** |
| **GF** | $25.662 | $0.423 | $4.438 | $6.277 | $0.000 | $0.000 | $0.000 | $36.800 |
| **Total** | **$25.662** | **$0.423** | **$4.438** | **$6.277** | **$0.000** | **$0.000** | **$0.000** | **$36.800** |

- ***Project Summary:*** MDH is replacing its legacy patient record system with a new Electronic Health Record (EHR) system for 11 State facilities. The new EHR will house the Mental Health and SUD Registry and Referral System, which MDH is required to develop and manage per Chapter 29 of 2021. This registry will connect with the Health Information Exchange to ease data sharing between the two systems. MDH anticipates the entire project to be completed in fiscal 2027 but EHR implementation to be completed in January 2027. The fiscal 2026 allowance includes $150,000 for oversite and $500,000 for the Independent Verification and Validation phase.

- ***Need:*** The project is needed to better facilitate sharing of patient data between appropriate public health employees and enable staff to identify available relevant services more easily for their patients. Two State facilities, DHHC and WMHC, lost support for their EHRs in fiscal 2022 and required upgrading.

- ***Changes:*** The total estimated project cost decreased by $1.8 million between the spending plans submitted in the fiscal 2025 and 2026 budget books. The project timeline also decreased by about one year and is projected to be completed in fiscal 2027.

## Appendix 4
## Integrated Electronic Vital Records Registration System
### Major Information Technology Development Project
### MDH – Administration

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **New/Ongoing:** Ongoing | | | | | | | | |
| **Start Date:** December 2019 | | | | **Est. Completion Date:** September 30, 2029 | | | | |
| **Implementation Strategy:** Agile | | | | | | | | |
| **($ in Millions)** | **Prior Year** | **2025** | **2026** | **2027** | **2028** | **2029** | **Remainder** | **Total** |
| **GF** | $16.863 | $1.117 | $0.050 | $8.306 | $5.027 | $5.027 | $0.000 | $36.389 |
| **FF** | 3.054 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 3.054 |
| **Total** | **$19.917** | **$1.117** | **$0.050** | **$8.306** | **$5.027** | **$5.027** | **$0.000** | **$39.443** |

- ***Project Summary:*** This project will modify the code for the existing California Integrated Vital Records System to Maryland's specifications and allow it to run on the Maryland Total Human-services Integrated Network – MD THINK – platform. This system will contain modules to allow secure web-based entry of all birth and fetal death records along with the import of marriage and divorce records. The system will also support the search, retrieval, and issuance of certificates based upon these records, including modules to track the acceptance of fees and the use of security paper. This new system will be integrated with the existing Maryland Electronic Death Registration System, previously customized from California's death registration system. The fiscal 2026 allowance includes $50,000 for oversight.

- ***Need:*** The current electronic birth registration system is cumbersome for users to access, difficult to keep secure, and is not maintainable. It cannot be extended to provide the Motor Vehicle Administration with limited access to issue birth certificates as authorized under statute. The current fetal death system is paper-based and results in long delays for these registrations.

- ***Observations and Milestones:*** The fiscal 2026 general fund cost decreased from $3.9 million to $50,000 between spending plans submitted in the fiscal 2025 and 2026 budget books, due to cost containment measures taken by MDH and DBM. MDH intends to allocate $2.5 million in federal funding to support this project in fiscal 2026, using available funding from the CDC Epidemiology and Laboratory Capacity (ELC) grant. The ELC grant is budgeted in PHPA. MDH indicated that it will work with DBM to adjust the fiscal 2026 federal fund legislative appropriation for this purpose.

- ***Changes:*** Between the fiscal 2025 and 2026 budget books, the total project cost has increased by $10.2 million, and the projected fiscal 2027 general fund allocation nearly doubled to $8.3 million. This increase is due to additional costs for a contractor, software licensing, and Department of Information Technology (DoIT) licensing associated with an enhanced scope. The project must comply with federal requirements and standards,

including visual accessibility, enabling Fast Healthcare Interoperability Resources standards for the birth and death data exchanges, and adding Tablet-Based Mother's Worksheet for birth registrations. These changes have also resulted in the project timeline to extend to fiscal 2029.

## Appendix 5
# Non-Medicaid Case Management Modernization
### Major Information Technology Development Project
### MDH – Administration

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **New/Ongoing:** Ongoing | | | | | | | | |
| **Start Date:** July 2021 | | | | **Est. Completion Date:** September 30, 2028 | | | | |
| **Implementation Strategy:** Agile | | | | | | | | |
| **($ in Millions)** | **Prior Year** | **2025** | **2026** | **2027** | **2028** | **2029** | **Remainder** | **Total** |
| **GF** | $1.050 | $0.000 | $0.050 | $4.389 | $4.384 | $2.289 | $0.000 | $12.162 |
| **SF** | 0.000 | 0.050 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.050 |
| **Total** | **$1.050** | **$0.050** | **$0.050** | **$4.389** | **$4.384** | **$2.289** | **$0.000** | **$12.212** |

- ***Project Summary:*** MDH is building a customer relationship management (CRM) solution through Salesforce to consolidate multiple case management systems and workflows. The new CRM will enable MDH staff to provide better customer services by sharing data between business units serving the same individuals. This project includes a number of subprojects supporting services across MDH agencies, including PHPA, BHA, the Vital Statistics Administration, and some State hospital facilities.

- ***Need:*** MDH reports inefficiencies in management software for the following programs: Office of Procurement and Support Services Contracts Tracking system; Office of Population Health Improvement – Community Health Worker Certification Program, J1 Visa Tracking, and Maryland Loan Assistance Repayment Program; Shared Service Hospitals – replacement of more than 50 legacy systems for hospital operations; Public Health Services – outbreak reporting system, cancer screening and tracking system, and sickle cell and birth defects; and Office of Controlled Drug Substance Abuse.

- ***Observations and Milestones:*** MDH is procuring staffing resources for the project. The department indicated that it experienced delays due to updates to the statewide process to procure staff but believes the project end date of September 2028 is still accurate.

## Appendix 6
# Migration of the Cloud Data Center
### Major Information Technology Development Project
### MDH – Administration

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **New/Ongoing:** Ongoing | | | | | | | | |
| **Start Date:** July 1, 2019 | | | | **Est. Completion Date:** October 30, 2028 | | | | |
| **Implementation Strategy:** Agile | | | | | | | | |
| **($ in Millions)** | **Prior Year** | **2025** | **2026** | **2027** | **2028** | **2029** | **Remainder** | **Total** |
| **GF** | $18.189 | $0.050 | $0.000 | $4.023 | $3.050 | $0.000 | $0.000 | $25.311 |
| **Total** | **$18.189** | **$0.050** | **$0.000** | **$4.023** | **$3.050** | **$0.000** | **$0.000** | **$25.311** |

- ***Project Summary:*** The project includes a phased migration of all the applications currently in the MDH Headquarters data center to a cloud-based solution. The migration requires preparing and migrating MDH servers, applications, and databases located in multiple MDH locations into a commercial private cloud, before selecting, building, and migrating the servers and applications to public cloud environments. In fiscal 2021, the project scope was updated to include an MDH website modernization component. There is no funding included in the fiscal 2026 allowance for the project.

- ***Need:*** MDH currently maintains a data center, which is challenging because this function is outside of the department's core competency. In addition, MDH reports that this project and the new environment for data storage will reduce the department's vulnerability to cybersecurity threats.

- ***Change:*** Because there is no funding budgeted in fiscal 2026, the project end date has been pushed from July 2027 to October 2028.

## Appendix 7
# MDH Voiceover Internet Protocol Conversion
### Major Information Technology Development Project
### MDH – Administration

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **New/Ongoing:** Ongoing | | | | | | | | |
| **Start Date:** January 17, 2022 | | | | **Est. Completion Date:** September 30, 2030 | | | | |
| **Implementation Strategy:** Agile | | | | | | | | |
| **($ in Millions)** | **Prior Year** | **2025** | **2026** | **2027** | **2028** | **2029** | **Remainder** | **Total** |
| **GF** | $6.892 | $0.000 | $0.000 | $4.077 | $4.077 | $4.077 | $4.077 | $23.202 |
| **SF** | 0.000 | 0.050 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.050 |
| **Total** | **$6.892** | **$0.050** | **$0.000** | **$4.077** | **$4.077** | **$4.077** | **$4.077** | **$23.252** |

- ***Project Summary:*** MDH is updating the 5,500 outdated phones in 18 MDH offices to a hybrid Voice over Internet Protocol (VoIP)-based environment to ensure the telephones at its hospital facilities are up to date and fully operable. This project under MDH will convert phone systems at 11 State hospital facilities, while DoIT will support the conversion at the remaining 7 MDH offices. There is no funding in the fiscal 2026 for this project.

- ***Need:*** Existing telephone systems at MDH hospital facilities are outdated, and MDH cannot reliably repair or manage the hardware the systems use. Larger hospital facilities have resorted to using mobile devices in lieu of faulty telephone systems.

- ***Observations and Milestones:*** The project is delayed after assessments of some hospital facilities revealed that some require underground and above-ground cable replacement to fully utilize the VoIP tool. As a result, the fiscal 2025 budget is reduced from nearly $2 million in general funds for the project in the legislative appropriation to $50,000 in special funds for oversight in the working appropriation. The fiscal 2026 allowance does not include any funding for the project.

**Appendix 8**
**Object/Fund Difference Report**
**Maryland Department of Health – Administration**

| Object/Fund | FY 24 Actual | FY 25 Working Appropriation | FY 26 Allowance | FY 25 - FY 26 Amount Change | Percent Change |
|---|---|---|---|---|---|
| **Positions** | | | | | |
| 01 Regular | 3,935.80 | 4,476.80 | 4,489.80 | 13.00 | 0.3% |
| 02 Contractual | 408.51 | 165.20 | 130.95 | -34.25 | -20.7% |
| **Total Positions** | **4,344.31** | **4,642.00** | **4,620.75** | **-21.25** | **-0.5%** |
| **Objects** | | | | | |
| 01 Salaries and Wages | $ 519,532,588 | $ 533,121,538 | $ 551,164,434 | $ 18,042,896 | 3.4% |
| 02 Technical and Special Fees | 34,790,768 | 19,717,359 | 15,779,972 | -3,937,387 | -20.0% |
| 03 Communication | 2,536,752 | 2,360,690 | 2,541,872 | 181,182 | 7.7% |
| 04 Travel | 283,855 | 506,216 | 410,678 | -95,538 | -18.9% |
| 06 Fuel and Utilities | 9,362,874 | 9,789,639 | 9,889,103 | 99,464 | 1.0% |
| 07 Motor Vehicles | 1,355,974 | 1,502,470 | 1,349,559 | -152,911 | -10.2% |
| 08 Contractual Services | 81,631,877 | 95,863,863 | 137,889,899 | 42,026,036 | 43.8% |
| 09 Supplies and Materials | 26,879,957 | 21,821,825 | 23,585,123 | 1,763,298 | 8.1% |
| 10 Equipment – Replacement | 1,737,604 | 2,698,796 | 3,555,392 | 856,596 | 31.7% |
| 11 Equipment – Additional | 905,589 | 583,298 | 683,844 | 100,546 | 17.2% |
| 12 Grants, Subsidies, and Contributions | 27,486,759 | 100,722,697 | 82,856,575 | -17,866,122 | -17.7% |
| 13 Fixed Charges | 3,269,643 | 4,123,989 | 3,819,596 | -304,393 | -7.4% |
| 14 Land and Structures | 13,715,348 | 12,006,495 | 13,609,258 | 1,602,763 | 13.3% |
| **Total Objects** | **$ 723,489,588** | **$ 804,818,875** | **$ 847,135,305** | **$ 42,316,430** | **5.3%** |
| **Funds** | | | | | |
| 01 General Fund | $ 648,190,659 | $ 677,898,617 | $ 712,066,730 | $ 34,168,113 | 5.0% |
| 03 Special Fund | 30,090,541 | 89,343,173 | 76,074,373 | -13,268,800 | -14.9% |
| 05 Federal Fund | 19,354,305 | 15,021,945 | 31,659,304 | 16,637,359 | 110.8% |
| 07 Nonbudgeted Fund | 0 | 3,349,882 | 0 | -3,349,882 | -100.0% |
| 09 Reimbursable Fund | 25,854,083 | 19,205,258 | 27,334,898 | 8,129,640 | 42.3% |
| **Total Funds** | **$ 723,489,588** | **$ 804,818,875** | **$ 847,135,305** | **$ 42,316,430** | **5.3%** |

Note: The fiscal 2025 appropriation does not include deficiencies or planned reversions. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 9**
**Fiscal Summary**
**Maryland Department of Health – Administration**

| Program/Unit | FY 24 Actual | FY 25 Wrk Approp | FY 26 Allowance | Change | FY 25 - FY 26 % Change |
|---|---|---|---|---|---|
| 01 Unknown Title | $ 4,842,514 | $ 6,093,277 | $ 5,954,970 | -$ 138,307 | -2.3% |
| 01 Executive Direction | 56,887,624 | 131,799,747 | 132,073,679 | 273,932 | 0.2% |
| 02 Financial Management Administration | 76,453,341 | 102,335,002 | 104,494,687 | 2,159,685 | 2.1% |
| 07 Maryland Department of Health Hospital System | 15,964,904 | 15,216,314 | 16,400,549 | 1,184,235 | 7.8% |
| 08 Major Information Technology Projects | 7,980,664 | 0 | 11,816,054 | 11,816,054 | 0% |
| 01 Services and Institutional Operations | 28,516,882 | 27,122,800 | 27,832,187 | 709,387 | 2.6% |
| 01 Services and Institutional Operations | 28,593,450 | 26,520,061 | 27,689,822 | 1,169,761 | 4.4% |
| 01 Services and Institutional Operations | 32,176,277 | 37,341,667 | 38,267,660 | 925,993 | 2.5% |
| 01 Services and Institutional Operations | 23,752,504 | 24,358,447 | 25,016,706 | 658,259 | 2.7% |
| 01 Services and Institutional Operations | 29,337,776 | 28,189,688 | 29,015,761 | 826,073 | 2.9% |
| 01 Services and Institutional Operations | 109,737,770 | 105,650,710 | 109,064,400 | 3,413,690 | 3.2% |
| 01 Services and Institutional Operations | 131,093,324 | 124,082,517 | 135,536,478 | 11,453,961 | 9.2% |
| 01 Services and Institutional Operations | 92,505,652 | 94,210,356 | 97,878,759 | 3,668,403 | 3.9% |
| 01 Services and Institutional Operations | 23,362,167 | 25,595,197 | 27,775,709 | 2,180,512 | 8.5% |
| 01 Behavioral Health Administration | 779,024 | 716,238 | 790,951 | 74,713 | 10.4% |
| 01 Services and Institutional Operations | 21,006,257 | 20,930,430 | 21,561,674 | 631,244 | 3.0% |
| 01 Court Involved Service Delivery | 11,176,202 | 10,111,072 | 10,466,531 | 355,459 | 3.5% |
| 01 Potomac Center | 28,316,211 | 23,848,886 | 24,763,724 | 914,838 | 3.8% |
| 01 Services and Institutional Operations | 1,007,045 | 696,466 | 735,004 | 38,538 | 5.5% |
| **Total Expenditures** | **$ 723,489,588** | **$ 804,818,875** | **$ 847,135,305** | **$ 42,316,430** | **5.3%** |
| General Fund | $ 648,190,659 | $ 677,898,617 | $ 712,066,730 | $ 34,168,113 | 5.0% |
| Special Fund | 30,090,541 | 89,343,173 | 76,074,373 | -13,268,800 | -14.9% |
| Federal Fund | 19,354,305 | 15,021,945 | 31,659,304 | 16,637,359 | 110.8% |
| Nonbudgeted Fund | 0 | 3,349,882 | 0 | -3,349,882 | -100.0% |
| **Total Appropriations** | **$ 697,635,505** | **$ 785,613,617** | **$ 819,800,407** | **$ 34,186,790** | **4.4%** |
| Reimbursable Fund | $ 25,854,083 | $ 19,205,258 | $ 27,334,898 | $ 8,129,640 | 42.3% |
| **Total Funds** | **$ 723,489,588** | **$ 804,818,875** | **$ 847,135,305** | **$ 42,316,430** | **5.3%** |

Note: The fiscal 2025 appropriation does not include deficiencies or planned reversions. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.