

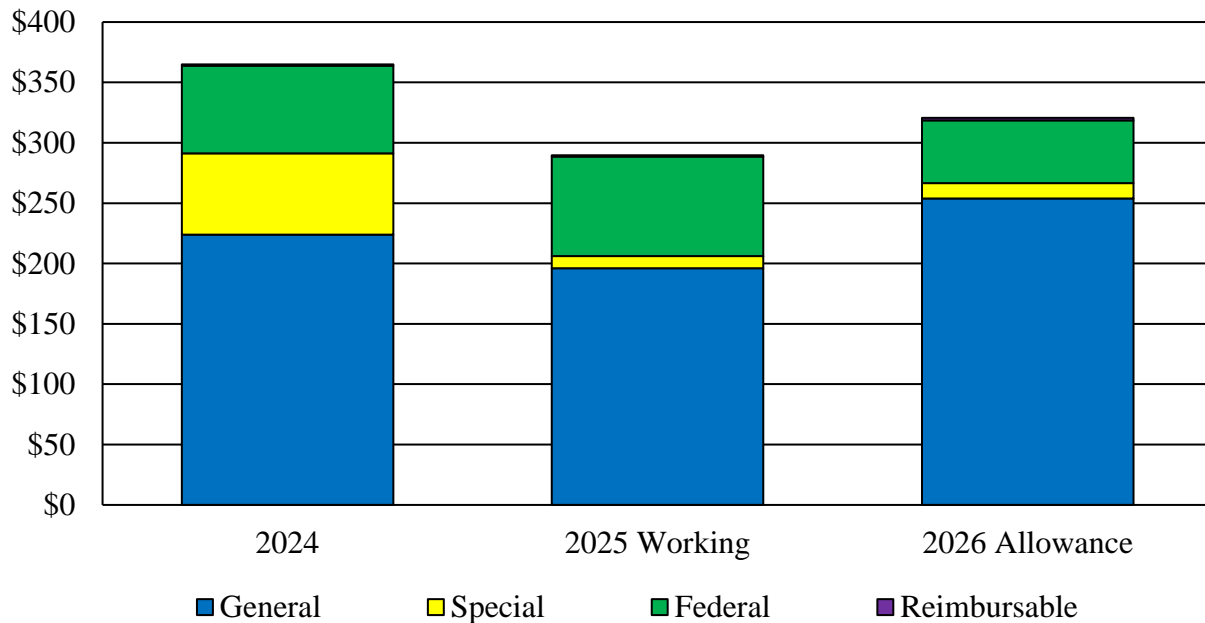
M00F
Public Health Administration
Maryland Department of Health

Program Description

The Maryland Department of Health (MDH) Public Health Administration (PHA) includes the Office of the Deputy Secretary for Public Health Services, the Office of Provider Engagement and Regulation (OPER), the Office of Population Health Improvement (OPHI), Core Public Health Services (CPHS) (formula funding for local health departments (LHD)), the Office of the Chief Medical Examiner (OCME), the Office of Preparedness and Response (OPR), and the Laboratories Administration. The key goals of PHA are to complete timely death investigations, strengthen Maryland’s capacity to respond to public health emergencies, minimize irresponsible prescription of controlled dangerous substances (CDS), and promote the quality and reliability of public health laboratory practices.

Operating Budget Summary

**Fiscal 2026 Budget Increases by \$31.0 Million, or 10.7%, to \$320.6 Million
(\$ in Millions)**



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

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Fiscal 2025

Cost Containment

In July 2024, the Board of Public Works (BPW) authorized cost-containment measures in several areas of the fiscal 2025 working appropriation. This action included reducing the fiscal 2025 legislative appropriation for CPHS by \$12 million, from \$115.8 million to \$103.8 million in general funds. To implement the cut, MDH reduced each jurisdiction’s allocation by 9.7%. A fiscal 2025 budget amendment added \$25 million in federal stimulus funds available through the American Rescue Plan Act (ARPA) award to CPHS appropriation, bringing the total fiscal 2025 working appropriation for the program to \$128.8 million.

Implementation of Legislative Priorities

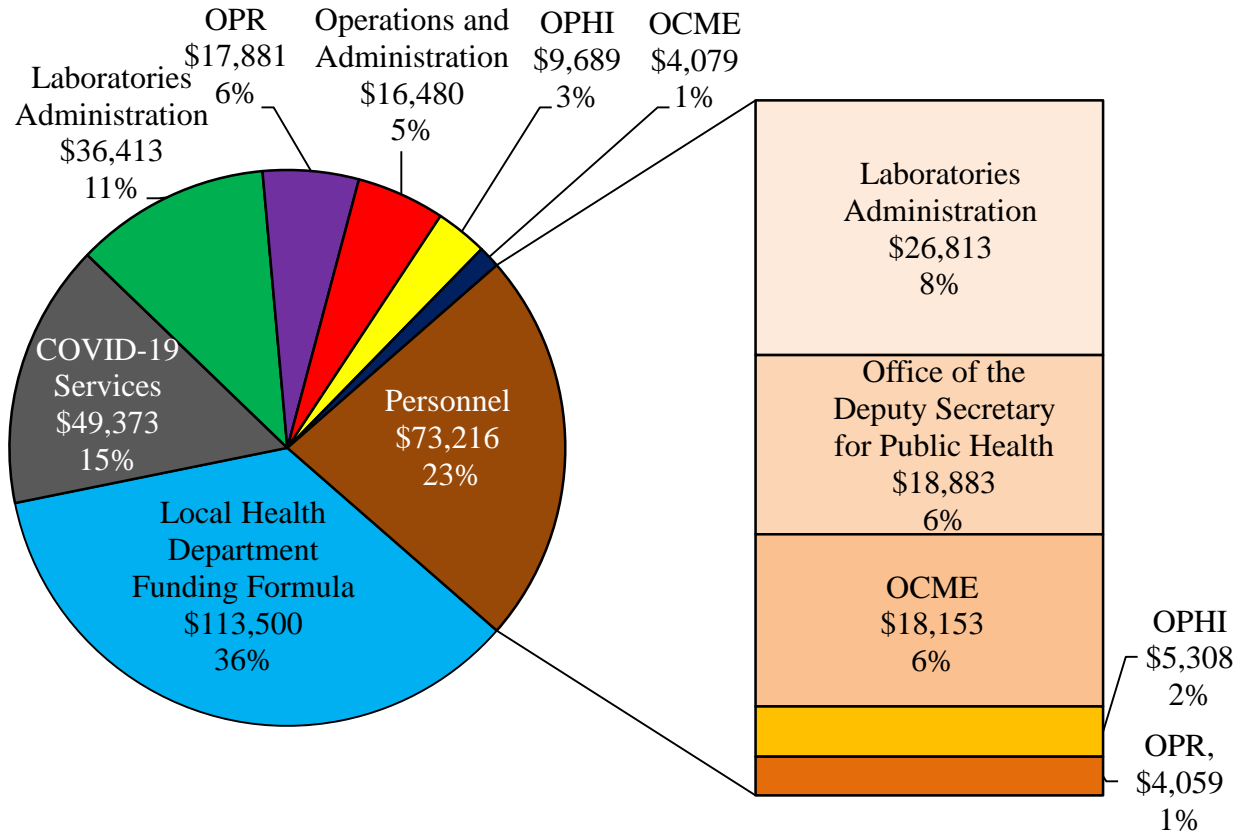
Section 21 of the fiscal 2025 Budget Bill (Chapter 716 of 2024) included a total of \$2.25 million in general funds for the following uses:

- \$2 million in OPHI to supplement the Maryland Loan Assistance Repayment Program for nurses and nursing support staff. The total fiscal 2025 working appropriation for the program is \$3 million, and the fiscal 2026 allowance includes \$1 million; and
- \$25,000 to support contracts for research, writing, and graphic design of required reports and travel expenses for members of the commission on Public Health. Established by Chapter 385 of 2023, the commission assesses several components of the State’s public health system: governance and organizational capabilities; funding; workforce; data and information technology; and communication and public engagement. The commission will submit recommendations to the General Assembly related to improving the State’s public health system in October 2025. The commission submitted the 2023 interim report in January 2024 and the 2024 interim report on December 1, 2024. Both reports outline the work that the commission has undertaken thus far to study current processes and structures, and research various solutions that may work to serve the health needs of Maryland.

Fiscal 2026 Overview of Agency Spending

As shown in **Exhibit 1**, the fiscal 2026 allowance includes for \$320.6 million for PHA. The largest portion of expenditures supports CPHS for local jurisdictions, allocated per LHD funding formula defined in statute. CPHS funding mandate is discussed in Issue 1 of this analysis. The allowance also includes \$49.3 million in general funds for previous COVID-19 expenditures that MDH indicated were not eligible for Federal Emergency Management Agency reimbursement. These funds are budgeted in OPR and are one-time in nature. Personnel expenses account for nearly one-quarter of the budget (\$73.2 million), with the highest number of staff employed at the Laboratories Administration.

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



OCME: Office of the Chief Medical Examiner
 OPHI: Office of Population Health Improvement
 OPR: Office of Preparedness and Response

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

Source: Department of Budget and Management

Proposed Budget Change

As seen in **Exhibit 2**, the fiscal 2026 allowance increases by \$30.9 million compared to the fiscal 2025 working appropriation. The general fund backfill for the COVID-19 services contract drives the change (\$49.3 million) and is partially offset by the end of one-time enhancement grants to LHDs using available ARPA funds totaling \$25.0 million and the realignment of federal Substance Abuse Block Grant funding previously budgeted in PHA to the Behavioral Health Administration (BHA) (\$10.5 million). After accounting for one-time federal funds, formula funding for LHDs increased by \$9.7 million in general funds, due in part to the \$12 million reductions in fiscal 2025 authorized by BPW.

Exhibit 2
Proposed Budget
MDH – Public Health Administration
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2024 Actual	\$223,941	\$67,219	\$72,695	\$939	\$364,794
Fiscal 2025 Working Appropriation	195,942	10,299	82,201	1,235	289,677
Fiscal 2026 Allowance	<u>253,745</u>	<u>12,891</u>	<u>51,917</u>	<u>2,079</u>	<u>320,631</u>
Fiscal 2025-2026 Amount Change	\$57,802	\$2,592	-\$30,284	\$845	\$30,955
Fiscal 2025-2026 Percent Change	29.5%	25.2%	-36.8%	68.4%	10.7%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Salary increases and associated fringe benefits including fiscal 2025 COLA and increments					\$2,618
Turnover adjustments (decrease from 8.95% to 8.15%)					514
Employee and retiree health insurance					211
Overtime					127
Other fringe benefits					-70
Realignment of funding for personnel in the Laboratories Administration					-372
Local Health Departments					
Local health department funding formula					9,735
Supplement of \$25 million in fiscal 2025 for local health departments, supported with ARPA federal funds.....					-25,000

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Where It Goes:	<u>Change</u>
Office of Population Health Improvement	
One-time supplement in fiscal 2025 for MLARP for nurses and nursing support staff	-2,000
Federal Substance Abuse Block Grant spending for SUD prevention realigned to BHA	-10,542
Laboratory Expenditures	
Increased cost of laboratory supplies due to inflation	2,845
Laboratory expenditures at OCME supported by biannual U.S. Bureau of Justice Assistance Coverdell Forensic Science Improvement Grant award	500
Replacement laboratory equipment expenditures to account for additional grant and contract award amounts in the Laboratories Administration.....	368
Other Changes	
One-time replacement of COVID-19 spending initially charged to federal funds	49,373
Chesapeake Regional Information System for our Patients	2,107
Increase in costs for per diem medical examiners in OCME	271
Decrease of 4.95 contractual FTE	-105
Other changes	375
Total	\$30,955

ARPA: American Rescue Plan Act
 BHA: Behavioral Health Administration
 COLA: cost-of-living adjustment
 FTE: full time equivalent
 MDH: Maryland Department of Health
 MLARP: Maryland Loan Assistance Repayment Program
 OCME: Office of the Chief Medical Examiner
 SUD: substance use dependency

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

Personnel Data

	<u>FY 24 Actual</u>	<u>FY 25 Working</u>	<u>FY 26 Allowance</u>	<u>FY 25-26 Change</u>
Regular Positions	470.75	565.75	558.75	-7.00
Contractual FTEs	<u>71.12</u>	<u>39.15</u>	<u>34.70</u>	<u>-4.45</u>
Total Personnel	541.87	604.90	593.45	-11.45

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	45.54	8.15%
Positions and Percentage Vacant as of 12/31/24	105.50	18.65%
Vacancies Above Turnover	59.96	

- The fiscal 2026 allowance for PHA includes 558.75 regular positions, 7.0 positions fewer than the fiscal 2025 working appropriation due to internal transfers to other areas of MDH from OCME (6.0 positions) and OPR (1.0 positions). MDH also transferred 24.0 positions from the Office of the Deputy Secretary for Public Health Services, primarily to shift OPER to OPHI. There is a net increase of 24.0 positions in OPHI, including transfers for workforce development from BHA, and transfers out of OPHI to BHA for substance use disorder prevention.
- As of December 31, 2024, there were 105.50 vacancies in PHA, 59.96 above the number required to meet budgeted turnover in fiscal 2026. Of these vacancies, 26 have been vacant for more than one year, and 42.0 are new merit positions created in fiscal 2025 by converting contractual positions. **PHA should comment on the reason for the December 2024 vacancies, including the contractual conversions, and the impact of the 18.65% vacancy rate on PHA operations.**

Key Observations

1. Core Funding for Local Health Departments

Per §2-302 of the Health – General Article, the annual State budget must include CPHS funding for LHDs. The statute stipulates that through fiscal 2024, funding must be adjusted annually based on population growth and inflation factors. Additionally, the statute requires the formula to be budgeted at a minimum of \$70.0 million in fiscal 2025 and \$80.0 million in fiscal 2026. Beginning in fiscal 2027, annual change in population and the consumer price index (CPI) will again be applied to a base amount to calculate the statewide formula funding. The statute also mandates that total CPHS funding cannot fall below the amount provided in fiscal 2026.

In recent years, the funding formula has been applied inconsistently, sometimes applying the growth rate to only the prior year base amount, and in other cases to both the prior year's base amount, and the salary adjustments included in the legislative appropriation for State employees. In response to language in the fiscal 2025 Budget Bill, MDH and the Department of Budget and Management (DBM) reported on October 9, 2024, that between fiscal 2019 and 2024, CPHS funding was calculated by applying the formula to a base amount from the immediately preceding year and not to salary adjustments included in the legislative appropriations.

The fiscal 2025 working appropriation includes \$128.8 million for CPHS. This total accounts for the \$12 million reduction approved by BPW and the \$25.0 million transfer of ARPA funding, authorized by budget amendment in fiscal 2025, but does not include cost-of-living adjustments (COLA) and increments that are centrally budgeted in DBM. DBM has indicated that the LHD share of the fiscal 2025 COLAs and increments is \$7,432,770. **PHA should provide a breakdown of the \$25.0 million federal fund appropriation for LHDs by jurisdiction.**

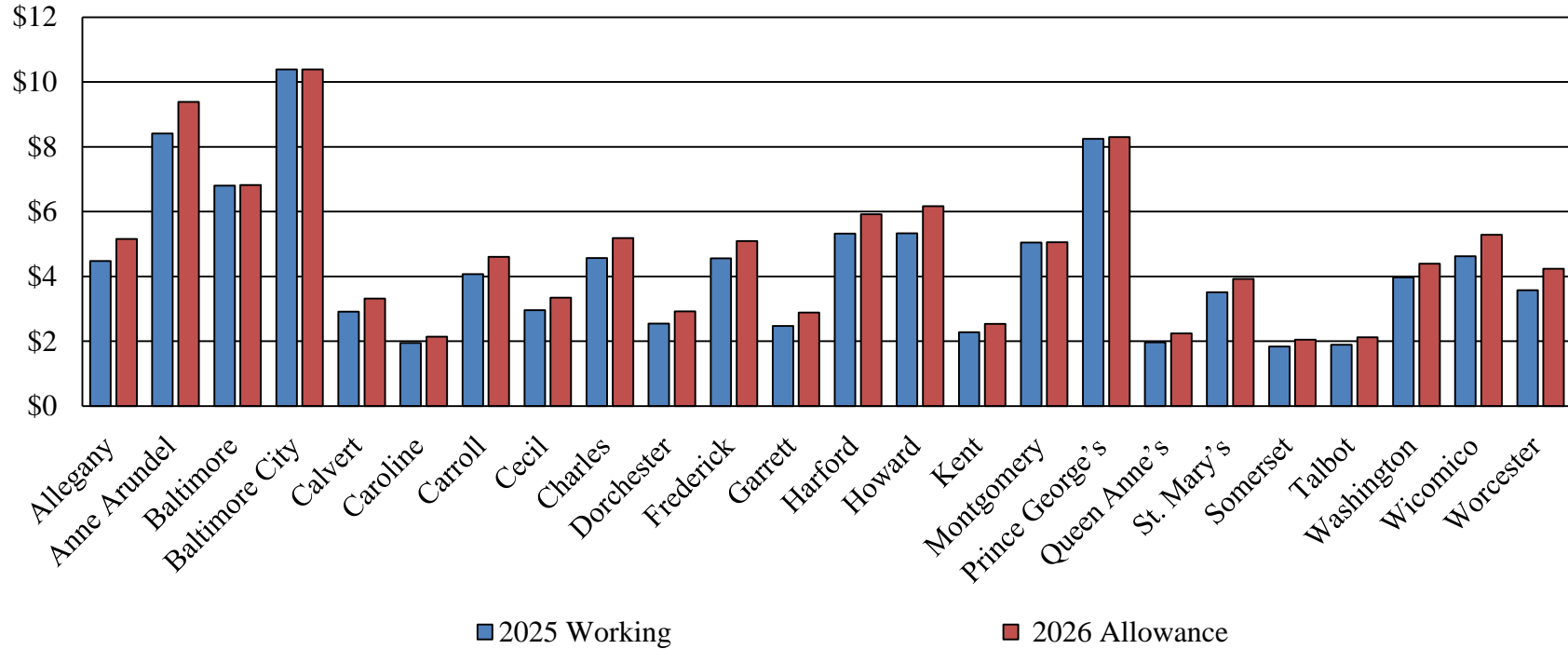
Compared to the State-funded portion of the fiscal 2025 appropriation, the fiscal 2026 allowance increases by \$9,734,600, to \$113,500,173 for CPHS. This change includes \$7.4 million for fiscal 2026 cost of fiscal 2025 salary adjustments (that are budgeted in DBM in fiscal 2025) but excludes fiscal 2026 COLAs and increments that are centrally budgeted in DBM. Although the Department of Legislative Services (DLS) has received COLA and increment data for State employees at LHDs in prior years, DBM has not provided clear expenditure data for fiscal 2026 COLAs and increments. Therefore, DLS is unable to include these adjustments in the discussion. Additionally, DBM and MDH have not sufficiently explained the remaining \$2,301,830 increase in CPHS because the departments have reported that no formula growth factor was applied in fiscal 2026. **DLS recommends cutting the unexplained increase.**

In order to better understand the increases allocated to LHDs, MDH and DBM should provide the total amount of funding allocated for COLAs and increments for State employees at LHDs from fiscal 2021 through 2026. MDH and DBM should also provide salary information and the number of State employees used to calculate COLAs and increments for LHDs in fiscal 2025 and 2026.

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Exhibit 3 shows the allocation by jurisdiction of CPHS in the fiscal 2025 working appropriation and fiscal 2026 allowance. Allocations to subdivisions are based on the Case formula, which was adopted in the Code of Maryland Regulations in fiscal 1956. Chapter 504 of 1995 mandated the minimum appropriation for each LHD to be no less than the amount received in the prior year, beginning in fiscal 1997. The methodology for this allocation has not been updated since then.

Exhibit 3
Core Public Health Services Funding from State Dollars by Local Health Department
Fiscal 2025-2026
(\$ in Millions)



Note: The fiscal 2025 allocation does not include: (1) the \$25.0 million federal fund enhancement using American Rescue Plan Act funding; and (2) \$7.4 million for cost-of-living adjustments and salary increments for State workers that is budgeted in DBM. The fiscal 2026 allowance includes funds for the fiscal 2025 salary adjustments but does not include funds budgeted in DBM for a fiscal 2026 cost-of-living adjustment and salary increments.

Source: Department of Budget and Management

Current Application of Statute

MDH distributes funding to LHDs as grants, and LHDs must allocate the funding according to its priorities, including supporting COLAs and increments for State employees. As noted previously, DBM typically budgets salary adjustments centrally in DBM's budget and redistributes the funding after the budget is finalized. Because the total CPHS appropriation in fiscal 2025 and 2026 exceeded \$70.0 million and \$80.0 million, respectively, the funding allocation is compliant with the statutory requirements. DBM indicates that in fiscal 2027, when the formula growth factors must be applied again, the department will use the fiscal 2026 legislative appropriation as the base to which it will apply population and inflation growth factors. This approach raises some questions about the appropriate application of statute.

First, by budgeting COLAs and increments for LHD employees classified as State employees, two different inflationary growth factors are used in years when both the formula growth and COLAs are provided. By applying both salary adjustments and a CPI factor to CPHS, the funding formula accounts for labor costs and changes in the cost of public health service delivery through multiple adjustments. Due to fiscal 2025 and 2026 appropriations exceeding the required minimum funding levels defined in statute, DBM and MDH have budgeted CPHS without formula growth and have provided only COLAs and increments on a discretionary basis.

Secondly, in the fiscal years when formula growth was not applied (fiscal 2025 and 2026), only LHDs with State employees received increases in their CPHS appropriations, and the amount of increase depended on the number of State employees on staff. LHDs employ a mix of State and local staff at their own discretion, and only State employees are eligible for statewide salary adjustments. Large health departments that employ few or no State employees, including Baltimore, Montgomery, and Prince George's Counties, have received nearly the same annual CPHS appropriation since fiscal 2024 – despite experiencing population and inflation growth. Baltimore City has not received any increase in its CPHS allocation since fiscal 2024.

Finally, because CPHS funding is budgeted as a lump sum of personnel costs and grants, growth factors are applied to past year salary adjustments, effectively compounding discretionary salary adjustments and complicating targeted budgetary actions, such as enhanced or accelerated salary adjustments or reductions like the July 2024 BPW cost-containment actions. Should the funding formula be applied to each current year legislative appropriation, growth factors will be applied to past COLAs and increments each year, ballooning figures that were calculated based on State employee personnel complements at that time. Furthermore, COLAs and increments for all other State employees are not escalated by a formula calculation.

Therefore, DLS recommends that the committees add budget bill language stating the intent of the General Assembly that beginning in fiscal 2027, COLAs and any other salary adjustments allocated for State employees at LHDs be budgeted in a separate program from CPHS funding and that the formula growth factors required by statute apply only to CPHS grant funding, exclusive of salary adjustments, from the prior year.

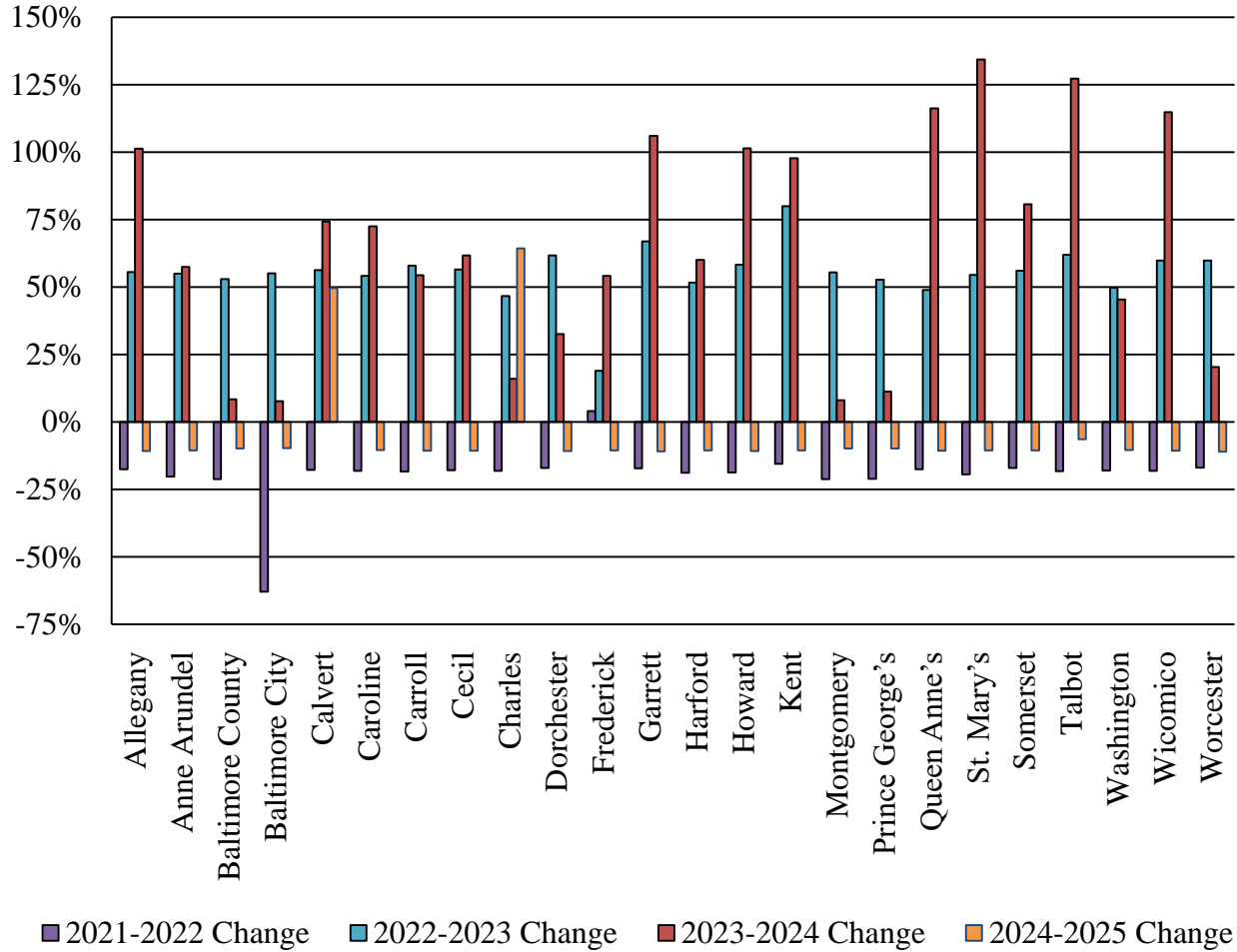
Local Match Requirement

Chapter 504 also requires LHDs to provide a partial match of State CPHS funding and established the match percentages for each jurisdiction using the Case formula. Like CPHS funding allocation, the match percentages have not been updated since fiscal 1997. The match requirement originally applied to only the base CPHS funding formula. However, MDH and DBM reported that starting in fiscal 2021, MDH expanded the match requirement to cover other portions of the total appropriation, including salary adjustments for State employees, increasing the amount of dollars local governments must match to access State funds.

In recent years, the match requirement has presented significant financial burdens on some LHDs. The match is based on each local jurisdiction's CPHS allocation. The annual growth in the CPHS appropriation between fiscal 2014 and 2025 averaged 10%, but between fiscal 2023 and 2024, the CPHS budget increased by 55%. In Worcester County, this resulted in a fiscal 2024 match requirement of \$11.0 million, nearly three times the amount required in fiscal 2023. The shift in fiscal 2021 to include salary adjustments in the match requirement contributes to the elevated amounts.

During fiscal 2024, multiple LHDs raised concerns that their match requirements far exceeded what was feasible to raise and, moreover, notification about the requirement came after the local jurisdictions' budgets were finalized. In addition, multiple jurisdictions took issue with needing to match State salary adjustments determined at the State level rather than by local governments. As seen in **Exhibit 4**, Charles and Calvert counties experienced match requirement increases of more than 50% between fiscal 2024 and 2025. Local jurisdictions can petition to change their match requirement in any given year, and adjustments are made at the discretion of the Secretary of Health. In fiscal 2024, five LHDs requested and received downward adjustments to their match requirement: Calvert; Charles; Dorchester; Talbot; and Worcester counties. In fiscal 2025, Dorchester and Worcester counties requested downward adjustments, but Dorchester County's request was not approved because after the BPW reduction, its match requirement was less than requested. Although this mechanism provides reliefs for some LHDs, it is not a sustainable solution for long-term budget planning.

Exhibit 4
Changes in the Local Health Department Match Requirement by Jurisdiction
Fiscal 2021-2025



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

In the October 2024 report, MDH and DBM recommended a change to the local match requirement to reduce strain on local governments' budgets. Both departments recommended adopting regulations to cap LHD match percentages at 10% of the prior year's local match plus the annual growth formula percentage if the total CPHS legislative appropriation increases by more than 10% over the prior year. Section 2-302 of the Health – General Article authorizes the Secretary of Health to implement regulations to define the local match requirements, MDH indicated that the Secretary plans to amend current regulations following the close of the 2025 session. **MDH should comment on why it is appropriate to require a match of State funds for salary adjustments for State employees.**

Operating Budget Recommended Actions

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

, provided that \$250,000 of this appropriation is contingent on the fiscal 2027 budget submission including in a separate program from core public health services formula funding all salary adjustments for State employees at local health departments provided since fiscal 2020, including but not limited to cost-of-living adjustments and increments. It is the intent of the General Assembly that beginning in fiscal 2027, the formula growth factors required by statute apply only to core public health services grant funding budgeted in program M00F02.07 from the prior year, exclusive of salary adjustments.

Explanation: The statute mandating annual formula growth to the core public health services budget for local health departments (LHD) does not specify what base amount should be used to apply an annual formula growth. As State employee salaries at LHD and core funding are budgeted together as grants, this growth factor has been applied to cost-of-living adjustments and increments in addition to a base of grant funding. This language states the intent of the General Assembly for budgets beginning in fiscal 2027 to apply formula growth factors only to the core grant funding for public health services, exclusive of salary-related adjustments, and to budget salary adjustments for State employees at LHD in a separate program from core public health services grant funding.

	Amount Change	
2. Reduce general funds for Core Public Health Services to eliminate growth from the fiscal 2025 working appropriation level. Per statute, the growth formula does not apply in fiscal 2026.	-\$ 2,000,000	GF
Total General Fund Net Change	-\$ 2,000,000	

Updates

- **OCME Accreditation Status:** Following an inspection on February 9, 2024, OCME was issued provisional accreditation status from the National Association of Medical Examiners (NAME) through May 14, 2025. Although provisional accreditation is typically valid for 12 months, NAME extended the timeline of the status because of the delay in completing the inspection. The inspection found that OCME had two phase II violations due to some forensic pathologists performing more than the maximum standard of 325 death investigation cases per year and not completing 90% of autopsies within 90 days (OCME completed 89.5% of cases within 90 days). NAME also recommended that OCME have a total of 19 to 20 full-time equivalent forensic pathologists (excluding the chief medical examiner and deputy chief medical examiners) to adequately handle the caseload overseen by OCME. To address the findings, OCME hired 4 assistant medical examiners in July 2024 and is recruiting and interviewing for open assistant medical examiner positions. In May 2025, OCME will self-report to NAME the status of addressing the violations.
- **Building a Healthier Maryland Initiative – State Health Improvement Plan (SHIP):** In September 2024, MDH released SHIP, informed by the State Health Assessment (SHA), both under the umbrella of the Building a Healthier Maryland Initiative. The initiative is meant to ensure alignment with the All-Payer Health Equity Approaches and Development model (commonly referred to as the AHEAD model) and the State Equity Health Plan that is in development. SHA collected data on a wide range of health topics and outcomes and population data in Maryland, including socioeconomic indicators. Between December 2023 and March 2024, MDH convened steering committee meetings to review the SHA, identify broad goals to address the needs that emerged from the data related to health equity. As a result of this work, the Building a Healthier Maryland Initiative names five health priority areas:
 - chronic disease;
 - access to care;
 - women’s health;
 - violence; and
 - behavioral health.

Each priority area has a dedicated workgroup, comprised of members from State agencies, LHDs, and community-based organizations. Each workgroup has developed specific objectives and strategies to achieve each goal. MDH will continue to convene monthly workgroup meeting and will host an annual steering committee meeting to share work and progress.

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 DLS Library website.

- ***Report on LHD Funding Formula:*** LHDs receive annual formula-based funds to support CPHS in their jurisdictions. Some jurisdictions also receive additional funding to pay for COLAs and other salary increments based on the number of State employees in their LHD. The annual formula growth has been inconsistently applied to a base amount of funding and to the appropriation, including COLAs. In addition, recent increases in CPHS appropriation have resulted in elevated match requirements that some LHDs have had trouble paying. Language in the fiscal 2025 Budget Bill restricted \$250,000 in general funds pending the submission of a report on the LHD formula. MDH submitted a report discussing these issues and clarifying its processes for funding LHDs and requiring a match amount, and the withheld general funds were released in December 2024. LHD’s formula is discussed further in Key Observation 1 of this analysis.

- ***Report on Physician Dispensing Permit Process:*** Language in the fiscal 2025 Budget Bill restricted \$100,000 in general funds pending a report on the dispensing permit process for physicians providing CDS and non-CDS to patients to take at home or on-site. MDH submitted a report on October 11, 2024, and the withheld general funds were released in December 2024. The report includes information on the current requirements of physicians to hold this permit and the feasibility and impacts of proposed changes to the permitting structure and process. MDH indicated that it was working with the Board of Physicians to determine alternatives to the process that could streamline operations.

- ***Report on Nurse Degree Apprenticeships:*** The budget committees requested that MDH and the Maryland Department of Labor submit a report on the feasibility of developing and implementing a registered nurse degree apprenticeship program in Maryland. The report is due June 30, 2025, and thus has not been submitted at the time of this writing.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	October 21, 2019 - June 30, 2023
Issue Date:	August 2024
Number of Findings:	3
Number of Repeat Findings:	1
% of Repeat Findings:	33.3%
Rating: (if applicable)	N/A

Finding 2: OPER did not conduct required biennial inspections of assisted living facilities licensed to dispense controlled dangerous substances CDS.

Finding 3: OPR did not establish adequate controls over its inventory of equipment and supplies stored for use during public health emergencies.

Note: This audit included a review of the Prevention and Health Promotion Administration, the Office of Population Health Improvement, the Office of Preparedness and Response, and the Office of Provider Engagement and Regulation. Of the three findings, two pertained to the Public Health Administration, and this summary is limited to those findings but references the finding number in the audit.

Appendix 3
Audit Findings
Laboratories Administration

Audit Period for Last Audit:	January 8, 2020 – October 31, 2023
Issue Date:	June 2024
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	N/A

Finding 1: The Laboratories Administration did not establish adequate controls over cash receipts and accounts receivable.

Finding 2: The Administration did not refer certain delinquent accounts receivables to the State’s Central Collections Unit as required.

Appendix 4
Public Health Services Data Modernization Project
Major Information Technology Project
Maryland Department of Health

New/Ongoing: Ongoing								
Start Date: July 10, 2023					Est. Completion Date: December 31, 2029			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2025	2026	2027	2028	2029	Remainder	Total
GF	\$1.050	\$0.000	\$0.050	\$4.200	\$2.263	\$4.526	\$0.000	\$12.090
SF	0.000	0.050	0.000	0.000	0.000	0.000	0.000	0.050
Total	\$1.050	\$0.050	\$0.050	\$4.200	\$2.263	\$4.526	\$0.000	\$12.140

- **Project Summary:** This project will update the Public Health Services Administration data systems to allow for an integrated system to support MDH’s daily operations and data management. The new system will improve functionality in the following areas: health information system assessment; data exchange and interoperability; data governance; and data analytics, visualization, and reporting. The fiscal 2026 allowance includes \$50,000 for oversight.
- **Need:** As part of MDH’s efforts to modernize its public health infrastructure, data collection and exchange upgrades will improve the agency’s ability to plan, prepare, and address public health needs.
- **Observations and Milestones:** In fiscal 2024, MDH identified five programs in need of modernization: OCME; Cancer Prevention and Control; OPHI, the Center for Harm Reduction Services; and HIV/AIDS surveillance and client engagement. MDH onboarded the selected project team in December 2024.

Appendix 5
OPER Systems Integration and Modernization
Major Information Technology Project
Maryland Department of Health

New/Ongoing: Ongoing								
Start Date: October 1, 2022					Est. Completion Date: July 30, 2027			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2025	2026	2027	2028	2029	Remainder	Total
GF	\$3.806	\$0.975	\$2.407	\$2.595	\$0.000	\$0.000	\$0.000	\$9.782
Total	\$3.806	\$0.975	\$2.407	\$2.595	\$0.000	\$0.000	\$0.000	\$9.782

- Project Summary:** This project replaces the Office of Controlled Substances Administration (OCSA)’s legacy registrant application processing of CDS registrations, which consists of three distinct databases. The systems integration and modernization project will develop and deploy an integrated case management and field inspection tracking system supporting the office’s activities.
- Need:** OCSA monitors more than 39,000 CDS registrants that must renew their registrations every three years using an outdated and low-tech analog system. In fiscal 2023, OCSA received 13,605 registration renewals. This project will expedite services for CDS registrants in the State by adding a customer portal with 24/7 access to the CDS registration application and payment submission, automating the registration process, and consolidating information gathering into one management system. The new platform will also function off-site using cloud-based data storage, which helps facilitate continuation of operations during emergency situations.
- Observations and Milestones:** MDH has selected a vendor to lead the project and updated the project charter and functional requirements. MDH is now working with the Department of Information Technology (DoIT) to leverage the statewide Salesforce Master contract to solicit a customized system from the vendor
- Changes:** Compared to the fiscal 2025 major information technology development projects, the estimated project timeline increases by about one year to July 2027. The total project request increases by \$4.7 million from the fiscal 2025 request, with costs split between fiscal 2026 and 2027.
- Concerns:** MDH previously reported that the project was behind schedule and has updated the timeline based on the new procurement schedule. DoIT cites resource availability and implementation as high risk factors for the project, due to the many specialized contractors needed and the timeline delay, and the interdependencies of the system.

Appendix 6
Object/Fund Difference Report
Maryland Department of Health – Public Health Administration

<u>Object/Fund</u>	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u> <u>Appropriation</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25 - FY 26</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	470.75	565.75	558.75	-7.00	-1.2%
02 Contractual	<u>71.12</u>	39.15	34.70	-4.45	-11.4%
Total Positions	541.87	604.90	593.45	-11.45	-1.9%
Objects					
01 Salaries and Wages	\$ 55,887,932	\$ 66,362,046	\$ 69,389,658	\$ 3,027,612	4.6%
02 Technical and Special Fees	8,319,858	3,658,962	3,825,861	166,899	4.6%
03 Communication	2,570,288	536,808	500,314	-36,494	-6.8%
04 Travel	247,430	247,006	354,998	107,992	43.7%
06 Fuel and Utilities	3,473,798	3,076,937	3,154,476	77,539	2.5%
07 Motor Vehicles	65,806	24,155	23,935	-220	-0.9%
08 Contractual Services	68,835,290	39,402,149	87,065,386	47,663,237	121.0%
09 Supplies and Materials	44,625,933	9,738,152	12,834,961	3,096,809	31.8%
10 Equipment – Replacement	210,624	255,899	1,098,093	842,194	329.1%
11 Equipment – Additional	890,246	2,086,422	2,121,546	35,124	1.7%
12 Grants, Subsidies, and Contributions	149,297,602	141,389,409	117,455,673	-23,933,736	-16.9%
13 Fixed Charges	30,368,806	22,898,798	22,806,522	-92,276	-0.4%
Total Objects	\$ 364,793,613	\$ 289,676,743	\$ 320,631,423	\$ 30,954,680	10.7%
Funds					
01 General Fund	\$ 223,940,835	\$ 195,942,032	\$ 253,744,500	\$ 57,802,468	29.5%
03 Special Fund	67,218,915	10,298,923	12,890,993	2,592,070	25.2%
05 Federal Fund	72,694,889	82,201,218	51,916,839	-30,284,379	-36.8%
09 Reimbursable Fund	938,974	1,234,570	2,079,091	844,521	68.4%
Total Funds	\$ 364,793,613	\$ 289,676,743	\$ 320,631,423	\$ 30,954,680	10.7%

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