

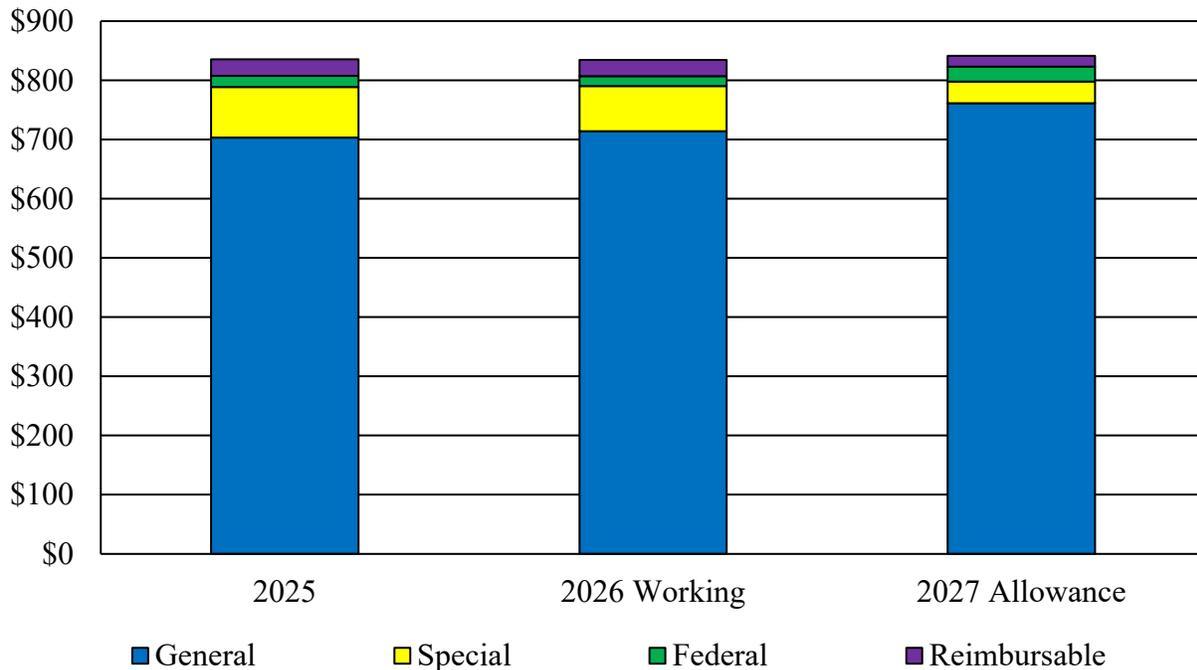
M00A01
Administration
Maryland Department of Health

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. All State hospital facilities are included in the MDH Administration budget, as well as the Office of the Inspector General for Health (OIGH), the Maryland Office of Overdose Response (MOOR), the Office of Minority Health and Health Disparities, and major IT spending for projects across the department, excluding Medicaid.

Operating Budget Summary

**Fiscal 2027 Budget Increases \$6.9 Million, or 0.8%, to \$841.2 Million
(\$ in Millions)**



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

For further information contact: Naomi Komuro

naomi.komuro@mga.maryland.gov

M00A01 – MDH – Administration

- The fiscal 2027 allowance includes \$14.9 million (\$7.4 million in general funds) for the State’s share of Family and Medical Leave Insurance (FAMLI) employer contributions for community health care providers. Chapter 48 of 2022 established the State FAMLI Program and subsequent legislation delayed the Act’s implementation to January 1, 2027.
- Special funds decrease by \$39.1 million in the fiscal 2027 allowance compared to the fiscal 2026 working appropriation due to reduced revenue from settlements with opioid manufacturers and distributors.

Key Observations

- ***MDH Addresses Vacancies and Maintenance Issues at State Facilities:*** State hospital facilities, in particular the Clifton T. Perkins Hospital Center (Perkins), have faced issues such as decreased staff and patient safety, high vacancies, and outdated and inadequate infrastructure. The five adult psychiatric facilities in the State only accept court-ordered patients, and each maintain a waitlist; in addition, in fiscal 2025, MDH failed to admit any individuals court-ordered to participate in inpatient mental health services at a forensic hospital within the statutorily required 10-day timeframe, creating a backlog of people unable to access appropriate care.

Operating Budget Recommended Actions

1. Adopt committee narrative requesting a report on staffing levels and efforts to improve recruitment and retention at State hospital facilities.

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. This analysis also includes the budget for OIGH.

The Operations function oversees 11 State-run facilities:

- four regional adult psychiatric hospitals (Thomas B. Finan Hospital Center (Finan), Eastern Shore Hospital Center (Eastern Shore), Springfield Hospital Center (Springfield), and Spring Grove Hospital Center);
- one maximum security forensic psychiatric hospital, Perkins;
- two Regional Institutes for Children and Adolescents (RICA) in Baltimore City and Montgomery County, (Regional Institute for Children and Adolescents – Baltimore City (RICA – Baltimore) and John L. Gildner Regional Institute for Children and Adolescents (JLG RICA), 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 unit currently housed at the Potomac Center.

Performance Analysis: Managing for Results

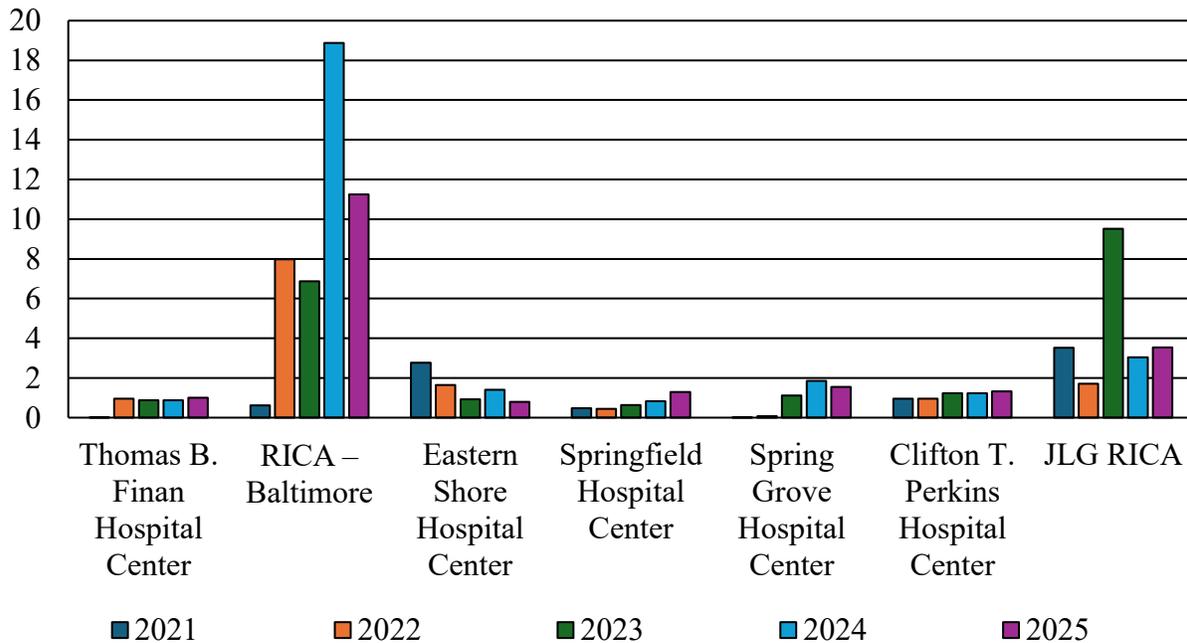
1. Staff Safety at MDH Facilities

MDH collects multiple safety measures at State health facilities and publishes the data with its annual submission of Managing for Results 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. Data is provided most consistently for the five adult and two adolescent psychiatric facilities.

Between fiscal 2024 and 2025, patient-on-staff assaults increased at Finan, Springfield, Perkins, and JLG RICA. As seen in **Exhibit 1**, the rate of assaults decreased by 40.4% at RICA – Baltimore and by 43.6% at Eastern Shore in fiscal 2025, compared to fiscal 2024. Despite the decline, the number of assaults remains highest at RICA – Baltimore, which averaged a rate of 11.25 patient-on-staff assaults per 1,000 patient days in fiscal 2025. Also in fiscal 2025, Eastern Shore is the only facility that met the MDH goal of fewer than one assault per 1,000 patient days. Finan just missed the goal with a rate of 1.01 assaults per 1,000 patient days. Further discussion of changes to facility staffing and operations is included in **Issue 1** of this analysis.

Exhibit 1
Staff Safety at State Facilities
Patient-on-staff Assaults Per 1,000 Patient Days
Fiscal 2021-2025



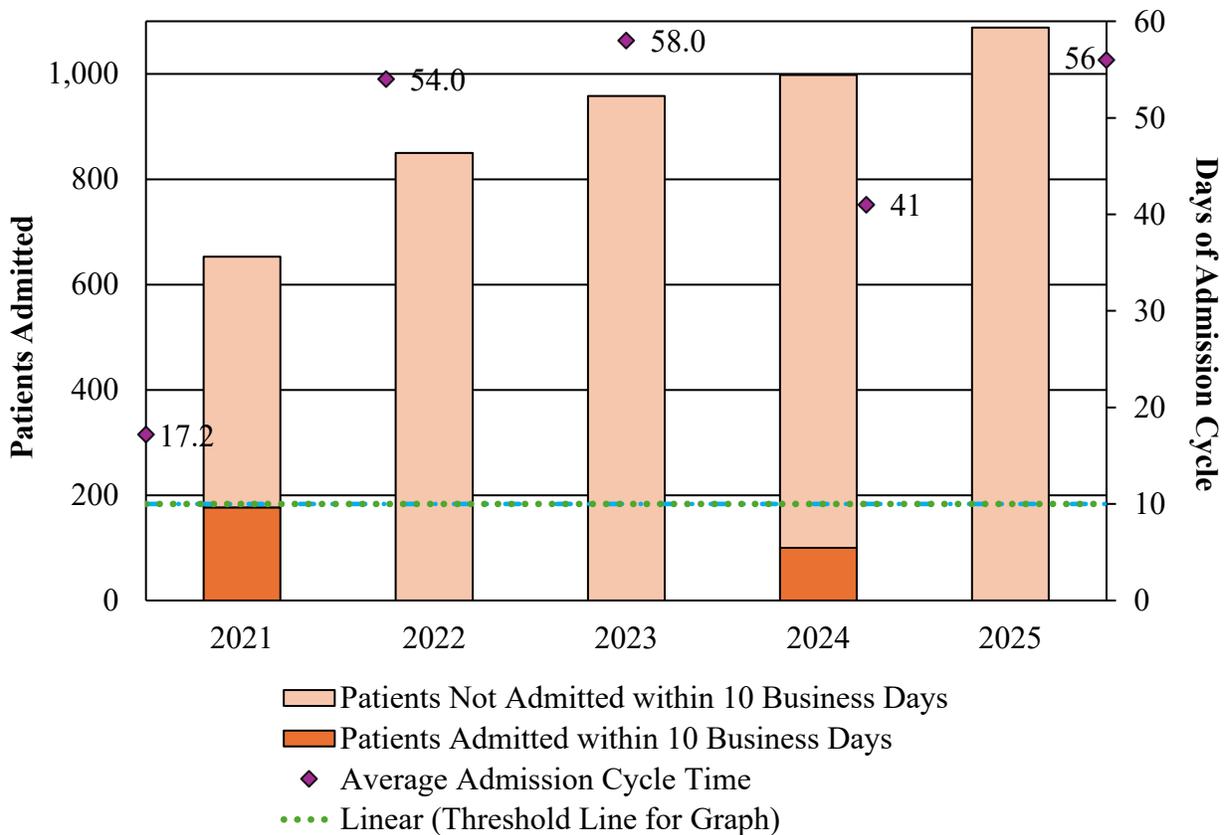
RICA – Baltimore: Regional Institute for Children and Adolescents – Baltimore City
 JLG RICA: John L. Gildner Regional Institute for Children and Adolescents

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

2. MDH Continues to Face Challenges Placing Court-ordered Patients

Chapters 188 and 189 of 2018 mandate MDH to admit individuals who are determined incompetent to stand trial (IST) or not criminally responsible (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. As seen in **Exhibit 2**, since fiscal 2021, MDH has admitted fewer than 30% of patients within 10 days of a court order, and in fiscal 2022, 2023, and 2025, the department admitted zero patients within 10 days. In fiscal 2025, MDH placed patients an average of 56 days following a commitment order. The fiscal 2027 budget includes a fiscal 2026 deficiency appropriation of \$1.5 million in general funds for fines related to exceeding the 10-day placement requirement.

Exhibit 2
Placement of Court-ordered Patients
Fiscal 2021-2025



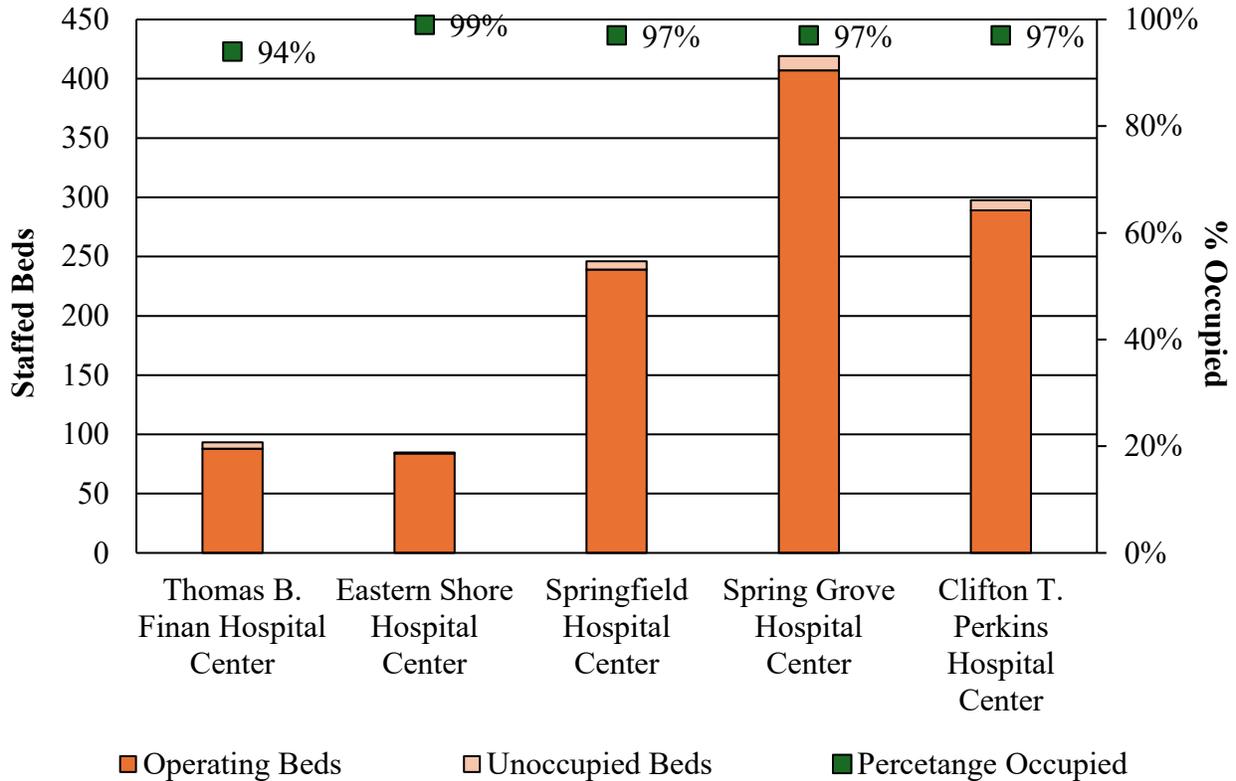
Source: Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

M00A01 – MDH – Administration

Previous analyses have noted several reasons for the slow placement time: increasing numbers of commitment orders from the Maryland Judiciary; MDH operating the State's five psychiatric hospital facilities at near-full capacity; and lack of sufficient appropriate community options for discharged placements. Between fiscal 2021 and 2022, the number of court orders that MDH received from the Judiciary increased by 30.2%. Since then, the numbers have increased annually. In fiscal 2025, MDH received 1,088 court orders, a nearly 67% increase since fiscal 2021. MDH indicates that it received 544 court orders in the first half of fiscal 2026, suggesting that the upward trend will continue in the current fiscal year. MDH has attributed the rise in court orders to higher acuity of the court-involved population in need of treatment.

Complicating the rising need for placements is the limited capacity of State facilities to absorb the growth. Each of the five adult psychiatric facilities currently operate at an average of 97% capacity and maintain a waitlist. As seen in **Exhibit 3**, each of the five adult psychiatric facilities operate at 94% capacity or higher. The hospitals currently only accept patients deemed NCR or IST, but MDH indicates there are approximately 127 individuals across the five hospitals who sought treatment voluntarily. In addition, MDH has had to address facility infrastructure issues at multiple sites in the last few years, which put a strain on hospital operational capacity. The department has also indicated that staffing levels have in some cases been inadequate to safely intake patients, slowing the process for admission.

**Exhibit 3
Capacity at Adult Psychiatric Facilities
Fiscal 2025**



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

These placement issues are multifaceted and systemic. There is both high demand and low supply of these services, and discharging patients can be difficult given limited availability of supportive residential options in the community. MDH has also reported that it is trying to invest in upstream interventions to support prevention measures that can reduce the need for high intensity care or reduce rates of court involvement among this population. While such approaches require sustained and long-term investment and programming, MDH is addressing immediate needs at State hospitals. Some of the challenges facing the State psychiatric hospital system are discussed in Issue 1 of this analysis.

Fiscal 2026

Proposed Deficiency

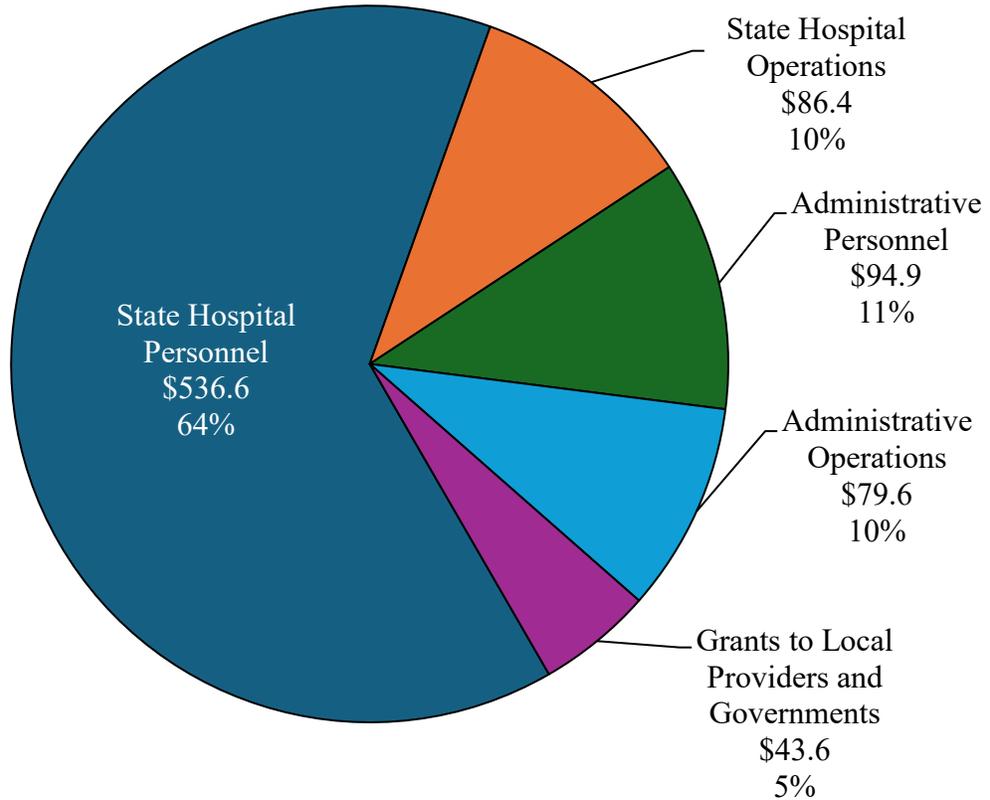
The fiscal 2027 budget includes five proposed deficiency appropriations that provide a net increase of \$10 million to the fiscal 2026 general fund appropriation under MDH Administration, including:

- \$6.9 million in general fund savings withdrawn due to lower than anticipated network security expenditures;
- \$600,000 for updates and survey work at Rosewood Center per the MDH Facilities Master Plan, which requires MDH to maintain the property although the facility has been closed since June 2009;
- \$595,000 to pay a grievance settlement to a Perkins employee;
- \$1.5 million in fines paid to local jurisdictions related to noncompliance with admitting forensic patients within statutorily required time frames; and
- \$14.3 million to pay departmentwide overtime expenditures. The Department of Budget and Management (DBM) reported that MDH had the second highest level of overtime hours and overtime expenses among State agencies in fiscal 2025. **MDH should provide an explanation for the high levels of overtime in fiscal 2025 and 2026 and discuss efforts that it is taking to reduce overtime usage.**

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for MDH Administration totals \$841.2 million. As shown in **Exhibit 4**, the largest portion of the budget (64%) supports personnel costs at the 11 State-owned hospital facilities. Operational costs at the facilities account for \$86.4 million (10%) of the total budget. Staffing and operations for MDH Administration offices, including OIGH, comprise 11.3% and 9.5% of the allowance, respectively, and together total \$174.5 million. The budget also includes \$43.6 million for grants to local governments and organizations, including \$38.3 million allocated to address opioid use and overdoses. These grants are distributed as special funds from the Opioid Restitution Fund (ORF) (\$28.5 million) and general funds from MOOR (\$9.8 million).

Exhibit 4
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Millions)

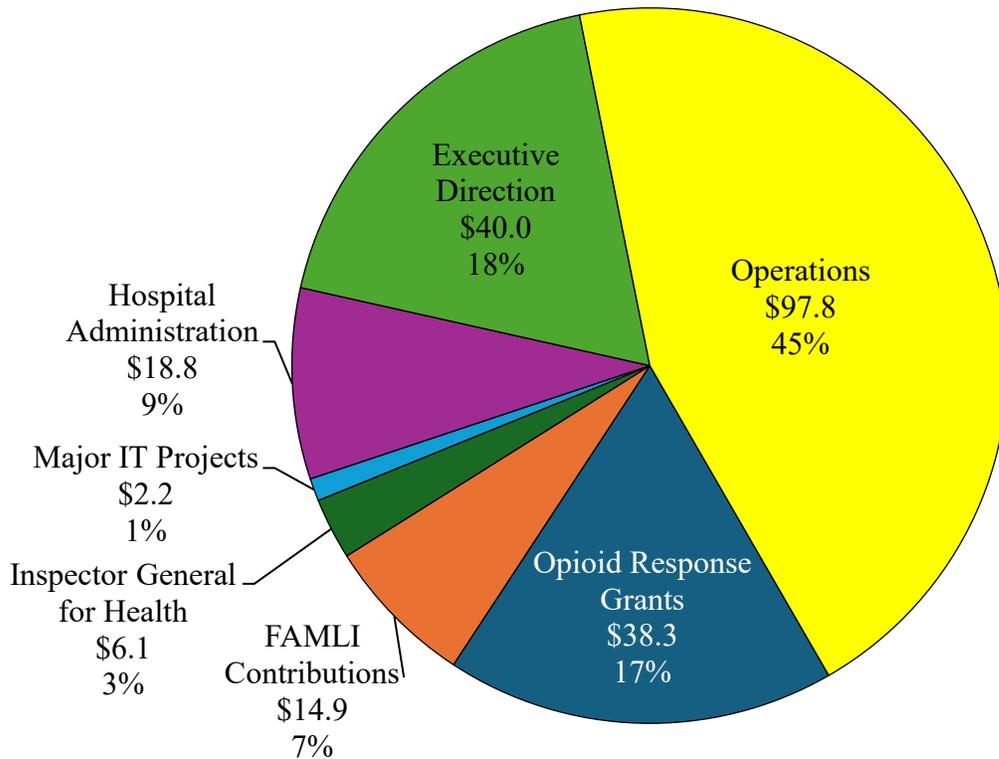


Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2027 Budget Books; Department of Legislative Services

The administrative units of MDH Administration comprise 25.9%, or \$218.1 million, of the fiscal 2027 allowance and include the Office of the Secretary, hospital administration, major IT projects, and the MDH financial office. As seen in **Exhibit 5** department operations make up the largest share of this part of the budget, totaling \$97.8 million (45%) in fiscal 2027. Operations expenses include \$17.9 million for IT systems overall and data recovery efforts following the MDH security breach and cybersecurity activities. The fiscal 2027 budget includes \$14.9 million for the MDH share of FAMLII employer contributions for community health care providers. In addition to opioid response grants, the administration budget includes \$5.3 million for other grant awards including to address social determinants of health (\$2.5 million) and study and prevent gun violence (\$1 million).

Exhibit 5
Overview of Administrative Spending
Fiscal 2027 Allowance
(\$ in Millions)



FAML: Family and Medical Leave Insurance
IT: information technology

Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2027 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 6**, the MDH Administration budget increases by \$6.9 million in fiscal 2027, compared to the fiscal 2026 working appropriation after accounting for deficiency appropriations. The largest driver of the increase is for health insurance for employees and retirees (\$23 million). Personnel cost increases are partially offset by general fund savings due to the abolition of 15.0 positions at Perkins. The allowance includes \$14.9 million for provider

M00A01 – MDH – Administration

reimbursements to cover their employer share of contributions under the FAMILI Act, established by Chapter 48 of 2022. These increases are partially offset by a lower level of opioid settlement revenue compared to fiscal 2026 (\$39.1 million) and lower funding for major IT projects (\$9.6 million) due to cost containment measures. Despite the pause on many IT projects, the fiscal 2027 budget includes \$2.2 million in MDH for a feasibility study and project management of the Bed Registry and Referral System, which will be used to support the State’s efforts to coordinate patients’ access to inpatient behavioral health care slots. Details about that project will be included with the M00L – MDH – Behavioral Health Administration budget analysis.

Exhibit 6
Proposed Budget
Maryland Department of Health – Administration
(\$ in Thousands)

| How Much It Grows: | General Fund | Special Fund | Federal Fund | Reimb. Fund | Total |
|----------------------------|-------------------------|-------------------------|-------------------------|------------------------|--------------|
| Fiscal 2025 Actual | \$703,344 | \$85,362 | \$18,822 | \$27,722 | \$835,250 |
| Fiscal 2026 Working | 714,270 | 76,046 | 16,649 | 27,335 | 834,300 |
| Fiscal 2027 Allowance | 761,245 | 36,589 | 25,252 | 18,090 | 841,176 |
| Fiscal 2026-2027 \$ Change | \$46,975 | -\$39,457 | \$8,602 | -\$9,245 | 6,876 |
| Fiscal 2026-2027 % Change | 6.58% | -51.89% | 51.67% | -33.82% | 0.82% |

| Where It Goes: | Change |
|---|---------------|
| Personnel Expenses | |
| Employee and retiree health insurance | \$22,989 |
| Salary increases and associated fringe benefits | 12,339 |
| Turnover adjustments (decrease from 10.58% to 9.98%) | 3,032 |
| Overtime, including \$14.3 million fiscal 2026 deficiency | 1,872 |
| Accrued leave payout, shift differential, additional assistance, and deferred compensation | 1,528 |
| Workers’ compensation premium assessment | 746 |
| Miscellaneous adjustments | 638 |
| Other fringe benefit adjustments | -513 |
| Data Systems and Information Technology | |
| Expenses for departmentwide software licenses increase at facilities..... | 631 |
| Lower costs for cybersecurity contracts and recovery efforts related to the Maryland Department of Health data security breach | -1,155 |
| Delayed major information technology projects, offset by \$2.2 million for the behavioral health Bed Registry and Referral System | -9,581 |

M00A01 – MDH – Administration

| Where It Goes: | <u>Change</u> |
|--|----------------------|
| Other Changes | |
| FAMLI contributions for health care providers beginning January 1, 2027 | 14,894 |
| Costs associated with 19.82 additional contractual full-time equivalents | 458 |
| New Home Care Registry Grant..... | 200 |
| ORF special funds for new Buprenorphine Training Grant Program..... | 50 |
| Contractual medical services | -456 |
| Reduced facility maintenance costs, including fiscal 2026 costs to address the emergency HVAC system at Clifton T. Perkins Hospital Center..... | -2,093 |
| Opioid settlement revenue | -39,051 |
| Other | 349 |
| Total | \$6,876 |

FAMLI: family and medical leave insurance program

ORF: Opioid Restitution Fund

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Opioid Restitution Fund

Overdose fatalities in Maryland continue to decrease in calendar 2025, which is aligned with nationwide trends. In calendar 2025, there were 1,315 overdose fatalities in Maryland, compared with 1,767 in calendar 2024. The majority of these fatalities in both years involved opioids. The overall number of overdose fatalities in calendar 2025 remains higher than the number in calendar 2014, and disparities exist across demographic groups, with Black men over the age of 55 comprising nearly 17% of total deaths and white men over the age of 55 comprising 9.7% of total deaths. MDH administers and supports multiple overdose prevention and opioid abatement programs across the State, funded with general, special, and federal funds. Maryland receives special fund revenue from settlement awards resulting from litigation between Maryland and opioid manufacturers and distributors. A portion of these awards (25%) is distributed directly to local subdivisions that participated in litigation, and the other 75% is distributed into the ORF, a nonlapsing special fund.

The ORF is managed by MOOR, and funding recommendations are provided annually by the Opioid Restitution Fund Advisory Council (ORFAC), which is comprised of behavioral health providers and advocates, members of the General Assembly, and MDH and local health department staff. Per the settlement terms, the 75% of award revenue held in the ORF must be distributed as follows:

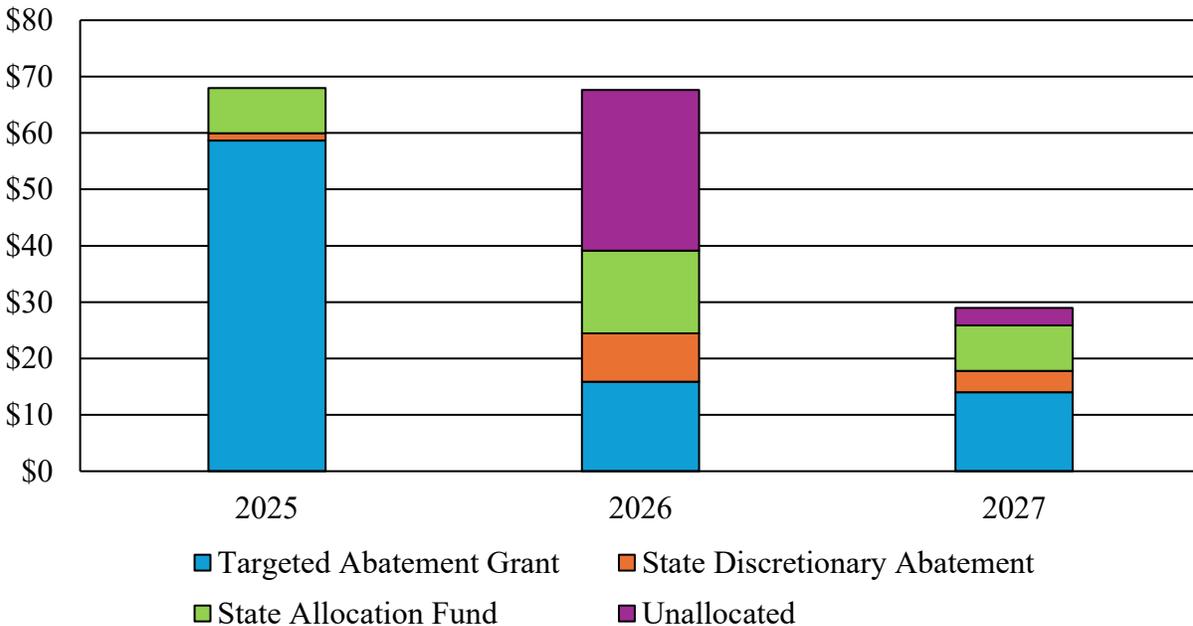
- 45% for targeted abatement grants distributed as block grants to participating local governments;

M00A01 – MDH – Administration

- 15% for State discretionary abatement grants awarded in amounts up to \$1 million through a competitive process; and
- 15% for the State Allocation to support various projects and efforts allowable under the terms of the settlement and in alignment with ORFAC recommendations.

MDH indicates that as of the close of fiscal 2025, the ORF balance totaled \$116.9 million, and projected revenue for fiscal 2026 is \$24.5 million. The fiscal 2026 working appropriation includes \$67.6 million in expenditures and the fiscal 2027 allowance includes \$28 million in anticipated ORF expenditures. As seen in **Exhibit 7**, ORF expenditures decrease by nearly 4% between fiscal 2025 and 2026, and by about 57% between fiscal 2026 and 2027. Unallocated funding is included in the State budget, but specific expenses are not identified in the MOOR spending plan. **MDH should clarify how unallocated dollars will be spent in fiscal 2026 and 2027, and discuss its plans to spend down the balance.**

Exhibit 7
Opioid Restitution Fund Spending
Fiscal 2025-2027
(\$ in Millions)



Note: Unallocated resources are included in the appropriation, but have not yet been distributed.

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

M00A01 – MDH – Administration

The fiscal 2026 working appropriation includes \$14.7 million for various uses under the State Allocation, including funding for the Buprenorphine Initiative (\$2.4 million), which expands access to buprenorphine; medication for the treatment of opioid use disorder in State correctional facilities (\$5 million); and the Centers for Medicare and Medicaid Systems Re-entry Waiver in the Behavioral Health Administration (BHA) (\$4.4 million). Funding also supports the development of the public opioid settlement dashboard and a SUD fiscal map, which will collect and share spending data on SUD services across all relevant State agencies in Maryland. Chapter 759 of 2025 established the Buprenorphine Training Grant Program to assist local jurisdictions with the cost of training paramedics to administer buprenorphine. MOOR will assess and award grants through a competitive process and distribute grants in fiscal 2026. The program includes \$50,000 for fiscal 2026, and local jurisdictions may apply for up to \$10,000.

The fiscal 2027 Budget Bill includes language that authorizes the transfer of general funds from the MDH Office of the Secretary to other State agencies to support activities related to opioid abatement. In addition to the ORF special funds, the MDH Administration budget includes general funds for block grants to local jurisdictions and competitive grants available to local governments and community organizations, distributed through MOOR. Other funding related to opioid abatement is included in BHA and the Prevention and Health Promotion Administration (PHPA) budgets.

Personnel Data

| | FY 25 | FY 26 | FY 27 | FY 26-27 |
|------------------------|----------------------|-----------------------|-------------------------|----------------------|
| | <u>Actual</u> | <u>Working</u> | <u>Allowance</u> | <u>Change</u> |
| Regular Positions | 4,473.80 | 4,465.80 | 4,453.60 | -12.20 |
| Contractual FTEs | <u>299.99</u> | <u>131.95</u> | <u>151.77</u> | <u>19.82</u> |
| Total Personnel | 4,773.79 | 4,597.75 | 4,605.37 | 7.62 |

Vacancy Data: Regular Positions

| | | |
|--|--------|--------|
| Turnover and Necessary Vacancies, Excluding New Positions | 445.69 | 9.98% |
| Positions and Percentage Vacant as of 12/31/25 | 549.60 | 12.31% |
| Vacancies Above Turnover | 103.91 | |

- The fiscal 2027 allowance includes 4,453.6 regular positions across the MDH Administration budget, which decreases by 12.2 positions from fiscal 2026. The main source of decrease is the abolition of 15.0 positions at Perkins, partially offset by 3.0 contractual conversions in OIGH. **MDH should provide a reason for the position abolitions given the facility’s challenges with vacancies. Additionally, MDH should comment on the amount of savings resulting from abolishing the positions and discuss the impact that the position abolitions will have on facility operations.**

M00A01 – MDH – Administration

- There is an increase of 19.82 contractual full-time equivalents (FTE) in fiscal 2027, driven by an additional 11.56 contractual FTE in the Office of the Secretary and an additional 12.0 contractual FTE at Perkins. **MDH should comment on the reason for the increase in each program.**
- The fiscal 2027 allowance reflects personnel transfers between various MDH agencies, resulting in a net decrease of 0.2 positions across MDH Administration programs. The Office of the Secretary gained a net of 23.0 positions from the Public Health Administration (PHA) (6.0), PHPA (3.0), BHA (6.0), DDA (1.0), facilities (7.0), and Medicaid (-1.0); while the facilities lost a net of 23.2 positions transferred to the Office of the Secretary (-7.0), PHA (-5.0), Medicaid (-12.0), and Health Regulatory Commission (- 1.1), partially offset by 1.0 position transferred from PHPA and 0.9 FTE which was unassigned.
- As of December 31, 2025, there were 549.6 vacancies in MDH Administration programs, 103.91 above budgeted turnover. About 90% of these vacant positions (494.6) are in State hospital facilities. The vacancy rate as of December 31 is 12.3% across State facilities and 11.4% in the Office of the Secretary.
- The fiscal 2027 allowance also includes \$1.5 million (\$825,358 general funds) for approved annual salary reviews, budgeted centrally in DBM. Various MDH positions receive grade increases, including community health educators, forensic investigators, health planners, and Medicaid program associates. DBM will realign the funding in MDH via budget amendment during the fiscal year.

Fiscal 2026 Personnel Changes

On October 22, 2025, the Board of Public Works (BPW) approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program (VSP). In MDH Administration, 22.0 positions were abolished, of which 1.0 was vacant and 21.0 were due to the VSP. Six of the positions were located in the Office of the Secretary (5.0) and OIGH (1.0). The remaining 15.0 positions were at State facilities: 6.0 at WMHC, 4.0 at DHHC, 4.0 at Springfield, and 1.0 at Holly Center.

Also in fiscal 2026, MDH realigned 31 vacant position identification numbers (PINs) from Finan to JLG RICA to staff additional beds in an effort to address pediatric hospital overstay. The fiscal 2026 Budget Bill included \$3 million in BHA for this purpose. MDH has indicated that it will realign the funding into the JLG RICA budget by budget amendment in fiscal 2026. As of this writing, that funding has not been expended. The fiscal 2027 allowance reflects the additional JLG RICA personnel spending in that program's budget. **MDH should clarify if the realigned PINs will be supported with the \$3 million supplement included in the fiscal 2026 budget or supported with existing resources in the JLG RICA budget.**

Issues

1. State Hospitals Address Infrastructure and Operational Issues

The State's five adult psychiatric hospitals provide residential behavioral health treatment for adults who either voluntarily seek treatment or for whom MDH receives a court order to place at an appropriate facility. However, MDH indicates that today, it only admits individuals with court orders due to the high volume of forensic patients on the waitlist. In fiscal 2025, the adult facilities treated a total of 1,073 patients, and across the five facilities, there are 127 patients who are participating in treatment voluntarily. As noted previously, all five of the adult psychiatric facilities operate at 94% capacity or more. Each of these facilities is supported primarily with State general funds.

On December 12, 2025, MDH submitted a report in response to the 2025 *Joint Chairmen's Report* (JCR) describing data at Perkins about the patient population, facility capacity, and administrative oversight. Perkins is the only hospital in the State with maximum security capacity. Of the 12 units at the facility, 6 are maximum security, while the other 6 operate at medium or minimal security. Perkins operates at 97% capacity, and each of its 289 beds are currently staffed. The 3% of beds that are not occupied are within the medium or minimal security units. MDH explained in the report that some beds remain empty to allow necessary movement between security levels, which is determined by several factors. Individuals deemed IST who are pretrial must be held in a maximum-security environment until their sentence is decided and their security level is determined. Patients deemed NCR can be moved from maximum to lower security levels dependent on a decision from a forensic review panel, which determines a person's capacity to be treated in a lower security unit.

In calendar 2025, across all facilities, the average waitlist length was 212 people. MDH noted in its report that the waitlist includes many people in need of a maximum-security bed, which are in shorter supply and rarely unoccupied. Excluding Perkins, individuals stay on a facility's waitlist for an average of 53 days. The waitlist is prioritized by date of court order, except in certain cases, including for individuals with symptoms of untreated mental illness who cannot be treated in detention, or for individuals with an active warrant, which is issued because a person who was discharged violated the conditions of release. While awaiting placement, individuals' access to care depends largely on the available services in the jurisdiction in which they are held. The Office of Court Ordered Evaluations and Placements conducts acuity checks of individuals on the waitlist every two weeks. MDH may also reevaluate individuals and submit findings to the court in case there is a change in competency status.

Facility Upgrades and Staffing Updates

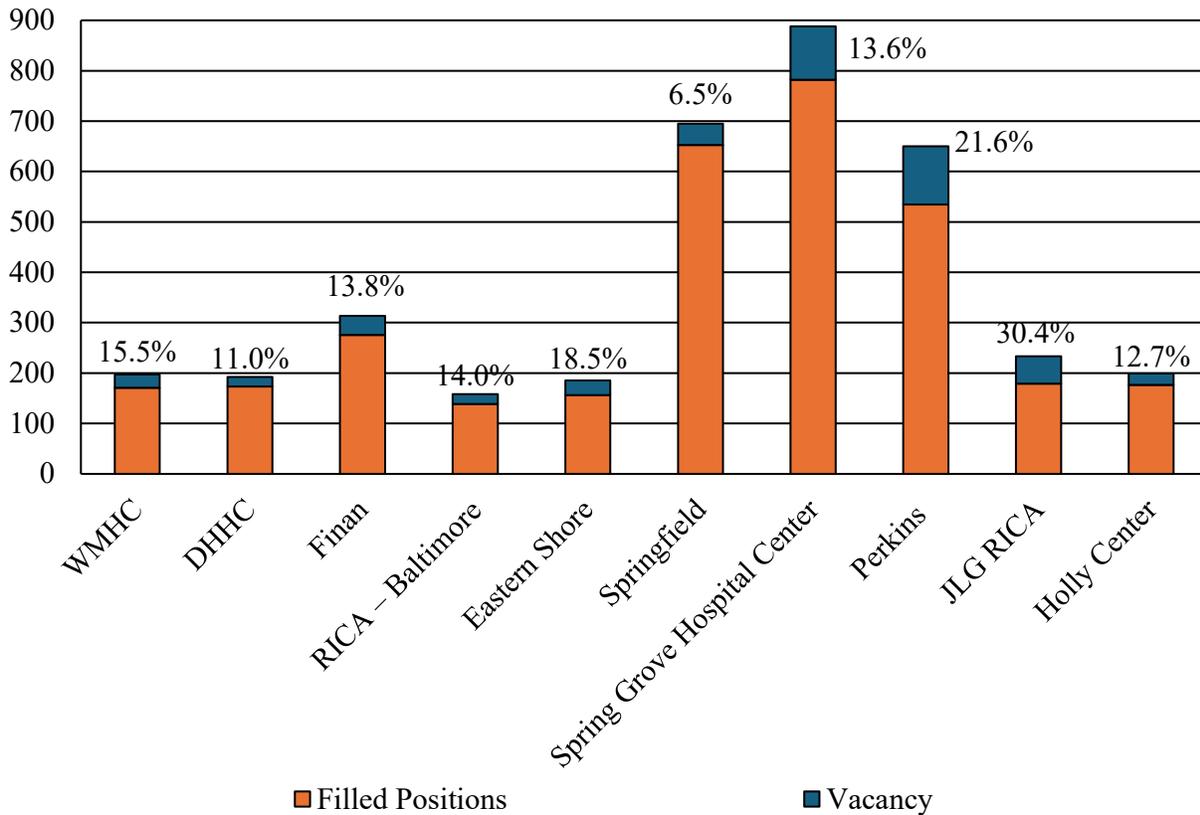
To increase the supply of maximum-security beds, MDH is renovating the north wing of Perkins to accommodate higher demand. The renovation will reduce the number of beds in this unit from 80 of a lower-security level to 68 maximum-security beds, increasing MDH's capacity

M00A01 – MDH – Administration

to serve individuals requiring maximum-security level placement. This project is described in more detail in the M00* – Maryland Department of Health – Capital budget analysis. The renovation was put on hold in fiscal 2026 due to a heating system emergency at Perkins. In November 2023, the HVAC system experienced a complete shutdown, leaving the hospital facility without heat. MDH immediately procured a vendor on December 1, 2023, and over the course of calendar 2024, BPW authorized several modifications to the emergency procurement, bringing the total emergency contract amount to \$21.3 million, and extended the emergency contract by an additional 18 months to March 30, 2026. The funding was appropriated in fiscal 2025 and 2026. **MDH should comment on how other facilities will accommodate the reduction in medium or minimal security units at Perkins.**

As noted earlier, State hospitals continue to report a high number of vacant positions. **Exhibit 8** shows the vacancy rates and the number of vacant and filled positions at each of the five adult and two youth behavioral health facilities, reflecting vacancy rates of over 10% at all facilities except Springfield. As of December 31, 2025, Perkins had a vacancy rate of 21.9% and 115.5 vacant positions. JLG RICA had the highest vacancy rate at this point (30.4%) with 54.5 vacancies. The fiscal 2026 Budget Bill included \$3 million to increase staff at JLG RICA. The funding was added to the BHA budget, but MDH indicated that it would process a budget amendment to realign the funding to the JLG RICA personnel budget. The funding is budgeted in JLG RICA in fiscal 2027. In addition, MDH realigned 31.0 vacant PINs from Finan to JLG RICA in fiscal 2026 to increase staffing levels. **MDH should comment on how it will fill these positions and clarify why it transferred vacant PINs to JLG RICA while the facility maintains a high vacancy rate with its existing authorized positions.**

**Exhibit 8
Vacant and Filled Positions at State Hospital Facilities
As of December 31, 2025**



DHHC: Deer’s Head Hospital Center
 Eastern Shore: Eastern Shore Hospital Center
 Finan: Thomas B. Finan Hospital Center
 JLG RICA: John L. Gildner Regional Institute for Children and Adolescents

Perkins: Clifton T. Perkins Hospital Center
 RICA – Baltimore: Regional Institute for Children and Adolescents – Baltimore City
 Springfield: Springfield Hospital Center
 WMHC: Western Maryland Hospital Center

Note: The percentage labels show the vacancy rate out of total authorized positions for each facility.

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

Although the RICA facilities are not operating at full capacity, these facilities, and JLG RICA in particular, have high personnel vacancy rates and inadequate space for patients. Both RICA facilities were designed with two beds per room, but because of the health needs of the population, the facilities operate rooms as single bed occupancy. There is an active capital project to increase the bed space at the RICA – Baltimore campus by 48 beds that is expected to be completed in September 2029; however, the fiscal 2027 capital budget as introduced does not

include any funding for the project. The expansion will serve youth in the Facility for Children (FFC) program, in which participants have been court-ordered to seek treatment, and the high-intensity residential treatment center for those with severe behavioral health challenges. In addition, there is funding in the Department of Juvenile Services (DJS) to reopen the Alfred D. Noyes Children’s Center (Noyes) as an adolescent treatment center. facility. The Noyes facility is located next to JLG RICA. There is a provision in the Budget Reconciliation and Financing Act of 2026 that would authorize DJS to provide drug treatment services at other youth-serving facilities (such as JLG RICA) and reopen Noyes as an FFC. **MDH should clarify if operational funding for a FFC at Noyes would be budgeted in MDH or DJS and how much it would cost to operate an additional FFC.**

These efforts, including the \$3 million increase to the JLG RICA budget, all aim to address the issue of pediatric hospital overstay. Chapters 479 and 480 of 2025 establish a Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays, which began meeting in the fall of 2025. Chapters 479 and 480 require that the group submit a report to the General Assembly by October 1, 2025, but due to delays in convening the group, an extension was granted to April 1, 2026. This issue and the efforts of the workgroup are discussed in greater detail in the N00B – DHS – Social Services Administration analysis.

Audit Identifies Issues with Accounting Procedures

A May 2024 fiscal compliance audit of all five hospitals found issues with financial controls and procedures related to contractor payments, payroll, timekeeping, and collections. Auditors found that the hospitals did not always use the appropriate payment method for certain contractual services and did not ensure amounts paid for pharmaceutical purchases were in accordance with contract terms. Perkins did not adequately monitor its housekeeping vendor to ensure that services were performed in accordance with the related contract. With regard to personnel accounting, the hospitals lacked adequate controls over payroll and leave adjustments processed on the Statewide Personnel System (SPS) and did not ensure the propriety of time recorded by timekeepers into SPS on behalf of direct care employees. An August 2025 audit, summarized in **Appendix 2** of this report, produced similar findings at the two RICA facilities.

The Office of Legislative Audits also noted, in a March 2025 report, MDH’s failure to properly follow State procurement procedures related to an emergency contract to repair the heating system at Perkins. The report follows up on a prior review of MDH Office of the Secretary and other units.

MDH Response

In response to staff reports of abuse and mistreatment and lack of response following the death and assault of two patients at Perkins, MDH overhauled leadership at the facility. During an October 2025 briefing to the Joint Committee on Fair Practices and State Personnel Oversight, Secretary of Health Meena Seshamani and Perkins Chief Executive Officer Aliya Jones provided

M00A01 – MDH – Administration

an update on changes taking place at the facility. Dr. Jones' team identified key areas for improvement, including staffing shortages, inadequate crisis response procedures, limited safety oversight, poor internal communication practices, and unsafe physical threats such as the HVAC system and mold. Dr. Jones outlined the various measures taking place to address mold, hot water access, and the HVAC system, as well as the review and implementation of environmental safety procedures for the facility. MDH also said that it prioritized hiring positions at facilities to ensure staff and patient safety and improve the quality of patient care. At Perkins, leadership has instituted a suite of internal initiatives aimed at improving communication, safety reporting mechanisms, employee/employer feedback tools, and trust between staff and leadership. At the October 2025 hearing, Dr. Jones shared that Perkins filled 95 vacancies between January and October 2025. Despite this, Perkins abolished 15 positions between the fiscal 2026 working appropriation and the fiscal 2027 allowance. **MDH should explain why these positions were eliminated and whether the number of authorized positions in fiscal 2027 aligns with the department's goal to maintain adequate staffing levels at hospital facilities.**

The Department of Legislative Services (DLS) recommends adopting committee narrative requesting a report on staffing at the State facilities.

Operating Recommended Actions

1. Adopt the following narrative:

Report on Staffing at State Hospital Facilities: As of December 31, 2025, 90% of vacant positions in the Maryland Department of Health (MDH) Administration programs were located at State hospital facilities (494.6 vacancies). Each of the five adult psychiatric hospital facilities in the State operate at near-full capacity and maintain a waiting list. The fiscal 2026 and 2027 budgets include significant funding for overtime costs at hospital facilities. In addition, recent concern regarding pediatric hospital overstay resulted in a funding increase of \$3 million to expand bed space at the John L. Gildner Regional Institute for Children and Adolescents (JLG RICA) facility beginning in fiscal 2026. To better understand the staffing challenges at State hospital facilities and the steps MDH has taken to fill vacant positions, the committees request that the department prepare a report with data as of June 30, 2026. The report should include:

- the number of vacant and filled positions at each of the State’s five adult psychiatric hospital facilities and the two youth psychiatric hospital facilities;
- the average length of employment of staff at each facility;
- the number of staff needed to avoid overtime shifts among existing employees at each facility;
- the number of MDH staff and the number of Department of Juvenile Services staff necessary to operate the proposed facility for children at JLG RICA;
- the primary reasons employees give for leaving a State hospital facility; and
- efforts MDH has taken to improve recruitment and retention at each of the facilities.

| Information Request | Author | Due Date |
|---|---------------|-------------------|
| Report on staffing at State hospital facilities | MDH | September 1, 2026 |

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 JCR requested that MDH Administration prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on Bed Capacity and Patient Length of Stay at Perkins:*** In December 2025, MDH submitted a report detailing the number of beds, average length of stay, and facility capacity at Perkins, as well as measures the department has taken to improve conditions at the facility. Further discussion of MDH psychiatric facilities is included in this report in Issue 1.

Appendix 2
Audit Findings
MDH – Regional Institutes for Children and Adolescents

| | |
|-----------------------------|-----------------------------------|
| Audit Period for Last Audit | April 1, 2021 – February 28, 2025 |
| Issue Date | August 25, 2025 |
| Number of Findings | 4 |
| Number of Repeat Findings: | 3 |
| % of Repeat Findings: | 75% (3/4) |
| Rating (if applicable) | n/a |

The audit included reviews of accounts for JLG RICA and RICA – Baltimore (Institutes).

Finding 1: **The Institutes did not consolidate procurements for similar goods and services. As a result, they did not maximize their leverage as high-volume purchasers and circumvented the competitive procurement process and control agency oversight.**

Finding 2: The Institutes paid vendors using a method that was not in accordance with State policies and did not take advantage of enhanced online controls.

Finding 3: **RICA – Baltimore did not use available output reports to ensure that payroll and leave balance adjustments processed on the SPS were proper.**

Finding 4: **RICA – Baltimore did not perform independent documented verifications of collections to deposit since January 2024.**

*Bold denote 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: April 2028 | | |
| Implementation Strategy: Agile | | | | | |
| (\$ in Millions) | Prior Year | 2026 | 2027 | Remainder | Total |
| GF | \$24.278 | \$1.263 | \$6.867 | -\$2.407 – \$7.593 | \$30.000 – \$40.000 |
| Total | \$24.278 | \$1.263 | \$6.867 | -\$2.407 – \$7.593 | \$30.000 – \$40.000 |

- 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 2028, but EHR implementation to be completed in January 2027.
- 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. Software for the pharmacy system as well as EHRs at two State facilities, DHHC and WMHC, lost support in fiscal 2022 and required upgrading.
- Observations and Milestones:** The next steps of the project are to finalize the project plan to track progress and manage risk and continue the design phase, including planning organizational change management.
- Changes:** The total estimated project cost range is consistent with the spending plans submitted with the Governor’s Fiscal 2026 Budget Books. However, the major information technology development project (MITDP) notes project delays. The project has been delayed several times. Originally estimated to be completed in fiscal 2024, the Governor’s Fiscal 2026 Budget Books estimated completion in January 2027. At the time of the fiscal 2027 budget submission, MDH estimated the end date to be in calendar 2029 but revised its estimate to April 2028 in November 2025 after reviewing and approving an updated project schedule from the implementation partner.
- Concerns:** Supporting information in the Governor’s Fiscal 2027 Budget Books for this MITDP estimates the remaining project cost to be between \$20 million and \$30 million; however, the difference between the maximum estimated total cost and funding allocated to date is \$7.6 million. **MDH should explain why the estimated remaining cost is listed**

M00A01 – MDH – Administration

at a level more than twice the amount needed for the project to meet the maximum estimated total cost. MDH should also comment if it anticipates project costs to exceed the estimated maximum total cost of \$40 million listed in the Governor’s Fiscal 2027 Budget Books.

MDH and the Department of Information Technology caution that the project faces high risks from project delays that could result in increased project costs due to prolonged project staffing and vendor services. MDH indicates that certain system functionality and capabilities were more complex than previously estimated.

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

| <u>Object/Fund</u> | <u>FY 25</u> <u>Actual</u> | <u>FY 26</u> <u>Wrk Approp</u> | <u>FY 27</u> <u>Allowance</u> | <u>FY 26 - 27</u> <u>\$ Change</u> | <u>% Change</u> |
|--|-------------------------------|-----------------------------------|----------------------------------|---------------------------------------|-----------------|
| Positions | | | | | |
| 01 Regular | 4,473.80 | 4,465.80 | 4,453.60 | -12.20 | -0.3% |
| 02 Contractual | 299.99 | 131.95 | 151.77 | 19.82 | 15.0% |
| Total Positions | 4,773.79 | 4,597.75 | 4,605.37 | 7.62 | 0.2% |
| Objects | | | | | |
| 01 Salaries, Wages, and Fringe Benefits | \$558,278,588 | \$573,140,013 | \$615,770,117 | \$42,630,104 | 7.4% |
| 02 Technical and Special Fees | 29,455,159 | 15,779,972 | 15,745,025 | -34,947 | -0.2% |
| 03 Communications | 2,295,090 | 2,462,567 | 2,158,780 | -303,787 | -12.3% |
| 04 Travel | 260,896 | 330,430 | 318,353 | -12,077 | -3.7% |
| 06 Fuel and Utilities | 9,791,946 | 9,888,132 | 10,126,131 | 237,999 | 2.4% |
| 07 Motor Vehicle Operation and Maintenance | 1,027,200 | 965,394 | 1,808,656 | 843,262 | 87.3% |
| 08 Contractual Services | 103,022,995 | 102,686,809 | 104,175,499 | 1,488,690 | 1.4% |
| 09 Supplies and Materials | 22,516,785 | 23,585,123 | 23,541,670 | -43,453 | -0.2% |
| 10 Equipment – Replacement | 7,360,047 | 3,297,392 | 7,525,974 | 4,228,582 | 128.2% |
| 11 Equipment – Additional | 5,443,516 | 683,844 | 663,012 | -20,832 | -3.0% |
| 12 Grants, Subsidies, and Contributions | 76,595,473 | 82,856,575 | 43,890,220 | -38,966,355 | -47.0% |
| 13 Fixed Charges | 3,721,743 | 4,414,596 | 3,452,231 | -962,365 | -21.8% |
| 14 Land and Structures | 15,480,760 | 14,209,258 | 12,000,000 | -2,209,258 | -15.5% |
| Total Objects | \$835,250,198 | \$834,300,105 | \$841,175,668 | \$6,875,563 | 0.8% |
| Funds | | | | | |
| 01 General Funds | \$703,344,294 | \$714,269,655 | \$761,245,141 | \$46,975,486 | 6.6% |
| 03 Special Funds | 85,361,954 | 76,046,299 | 36,588,967 | -39,457,332 | -51.9% |
| 05 Federal Funds | 18,821,707 | 16,649,253 | 25,251,615 | 8,602,362 | 51.7% |
| 09 Reimbursable Funds | 27,722,243 | 27,334,898 | 18,089,945 | -9,244,953 | -33.8% |
| Total Funds | \$835,250,198 | \$834,300,105 | \$841,175,668 | \$6,875,563 | 0.8% |

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 5
Fiscal Summary
Maryland Department of Health – Administration**

| <u>Program/Unit</u> | <u>FY 25 Actual</u> | <u>FY 26 Wrk Approp</u> | <u>FY 27 Allowance</u> | <u>FY 26 - 27 \$ Change</u> | <u>% Change</u> |
|---|-------------------------|-----------------------------|----------------------------|---------------------------------|-----------------|
| A01 Maryland Office of the Inspector General for Health | \$5,832,314 | \$5,792,335 | \$6,058,789 | \$266,454 | 4.6% |
| A01 Office of the Secretary | 237,407,038 | 243,165,740 | 212,068,441 | -31,097,299 | -12.8% |
| I03 Western Maryland Center | 30,283,758 | 28,208,189 | 29,640,390 | 1,432,201 | 5.1% |
| I04 Deer's Head Center | 30,138,521 | 28,028,060 | 29,616,485 | 1,588,425 | 5.7% |
| L04 Thomas B. Finan Hospital Center | 33,030,539 | 39,236,618 | 34,217,181 | -5,019,437 | -12.8% |
| L05 Regional Institute for Children and Adolescents-Baltimore | 25,350,468 | 25,286,609 | 27,557,650 | 2,271,041 | 9.0% |
| L07 Eastern Shore Hospital Center | 32,702,169 | 29,517,579 | 34,469,197 | 4,951,618 | 16.8% |
| L08 Springfield Hospital Center | 114,202,319 | 110,541,458 | 122,489,449 | 11,947,991 | 10.8% |
| L09 Spring Grove Hospital Center | 138,316,945 | 137,698,856 | 142,977,889 | 5,279,033 | 3.8% |
| L10 Clifton T. Perkins Hospital Center | 96,816,555 | 99,633,343 | 105,245,381 | 5,612,038 | 5.6% |
| L11 John L. Gildner Regional Institute for Children and Adolescents | 27,160,421 | 28,095,280 | 33,300,315 | 5,205,035 | 18.5% |
| L15 Behavioral Health Administration Facility Maintenance | 812,548 | 785,189 | 827,593 | 42,404 | 5.4% |
| M05 Holly Center | 22,696,044 | 21,932,872 | 23,329,204 | 1,396,332 | 6.4% |
| M06 Developmental Disabilities Administration Court Involved Service Delivery System | 12,655,780 | 10,604,355 | 12,245,432 | 1,641,077 | 15.5% |
| M07 Potomac Center | 26,905,211 | 25,038,052 | 26,225,984 | 1,187,932 | 4.7% |
| M15 Developmental Disabilities Administration Facility | 939,568 | 735,570 | 906,288 | 170,718 | 23.2% |
| Total Expenditures | \$835,250,198 | \$834,300,105 | \$841,175,668 | \$6,875,563 | 0.8% |
| General Funds | \$703,344,294 | \$714,269,655 | \$761,245,141 | \$46,975,486 | 6.6% |
| Special Funds | 85,361,954 | 76,046,299 | 36,588,967 | -39,457,332 | -51.9% |
| Federal Funds | 18,821,707 | 16,649,253 | 25,251,615 | 8,602,362 | 51.7% |
| Total Appropriations | \$807,527,955 | \$806,965,207 | \$823,085,723 | \$16,120,516 | 2.0% |
| Reimbursable Funds | \$27,722,243 | \$27,334,898 | \$18,089,945 | -\$9,244,953 | -33.8% |
| Total Funds | \$835,250,198 | \$834,300,105 | \$841,175,668 | \$6,875,563 | 0.8% |

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.