

**Testimony before the House Appropriations Committee
Health and Human Resources Subcommittee
February 23, 2015
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Executive Director and Acting Medical Director
Office of Health Care Quality**

Good afternoon, Chair, Vice-Chair and members of the subcommittee. I am Patricia Nay, the Executive Director and the Acting Medical Director of the Office of Health Care Quality (OHCQ). It is my privilege to speak with you today on behalf of OHCQ's FY16 Budget Allowance.

OHCQ is the agency within the Department of Health and Mental Hygiene that oversees the quality of care in 15,043 health care facilities and community-based programs. In 2006, we monitored the quality of care in 7,000 providers with 187 employees, the same number of employees that we have today. OHCQ licenses and certifies health care facilities, conducts surveys to determine compliance with State and federal regulations, and educates providers, consumers and other stakeholders.

During the FY14 closeout process, OHCQ recorded an Unprovided For of \$2,477,879 in federal funds. This action transferred \$2.5 million in FY14 expenditures into FY15 because there were insufficient federal grant funds to support FY14 federal fund expenditures. OHCQ engaged a consultant, a former DHMH Budget Director and CFO, to unravel these issues and to recommend policies and procedures to prevent a recurrence. The \$2.5 million deficiency was the result of overestimating federal grant funds for several years. A deficiency appropriation has been requested. Moving forward, OHCQ is taking the following steps to address the problem: reviewing allocation methods for Medicaid claims for mental health, adult medical day care, and developmental disabilities; reviewing time allocations to determine if there was any under-

reporting of federal activities; and reconciling CMS-approved federal funding with Financial Management Information Systems (FMIS) expenditures and revenues.

Last year I described OHCQ's strategic planning process, including our goal of regulatory efficiency, that is, how to best use OHCQ's limited resources to fulfill its mission. Let me share two outcomes from our strategic planning process. In the assisted living unit, we developed a targeted survey process. Deficiencies regarding the quality of care and quality of life are being cited at approximately the same rate as in the previous survey process, but it takes less hours for each survey. In FY14, the assisted living unit completed 88 renewal surveys in the first quarter, 85 in the second, 170 in the third, and 336 in the fourth quarter. Concurrently the unit completed more initial surveys of new providers and more complaint investigations. With the same number of staff, we are on target to complete 75% of the renewal surveys compared to 45% last year.

In the adult medical day care unit, we developed survey tools for our staff and shared tools with the industry to help them organize paperwork in advance of surveys. We revised our data management and streamlined administrative functions. In FY 14 we completed 100% of our mandated renewal surveys and have already completed 69% of the mandated renewal surveys this fiscal year. During this period, we have processed new licensure applications timely and completed more complaint investigations. In addition, we have conducted three half-day training programs on the adult medical day care's revised regulations and have an additional program scheduled.

Our strategic planning process is working. OHCQ is better able to fulfill its mandates and are better stewards of our limited resources. Our projected surveyor staffing deficit continues to go down, from 67.9 surveyors in FY14, to about 52.5 in FY15. We remain

committed to regulatory efficiency, but staffing deficits limit our progress in several units. This is most pronounced in the developmental disabilities unit, where there is a shortage of 30 surveyors. The FY16 budget includes 5 new positions in this unit, beginning as a deficiency appropriation at the end of FY15, to begin to address this shortfall. OHCQ will continue to look for evidence-based efficient and effective methods to meet mandated goals, while working to protect the health, safety, and welfare of the citizens of Maryland.

Thank you for the opportunity to testify today.

Department of Health and Mental Hygiene
Office of Health Care Quality
M00B0103

Response to Recommended Issue

Issue:

The agency should comment on its plans to implement the identified steps to prevent similar problems in future years, how it intends to resolve the issue of the \$2.5 million in unprovided-for payables given the absence of a deficiency appropriation, and how projected shortfalls in federal funds in fiscal 2015 and 2016 will impact OHCQ's budget and the ability to fulfill its oversight role.

Response:

Interventions that have been implemented include:

- Reviewing cost allocation methods for Medicaid grants.
- Reviewing and revising the time allocations for nursing home surveyors to ensure that all allowable claims are being submitted to the Centers for Medicare and Medicaid Services (CMS).
- Making adjustments where necessary to increase federal fund reimbursements for fiscal 2015.
- Investigating the differences between CMS-approved claims and Financial Management Information Systems (FMIS) expenditures and revenues and reconciling these differences so that the agency's accounting records are accurate and all federal funds approved by CMS are recognized in the FMIS.
- Developing written policies and procedures for the budget process.

Issue:

The agency should comment on the implementation of the above recommendations as well as those made by the recently convened task force.

Response:

Note that this issue relates to group homes for medically fragile foster care youth. OHCQ has implemented all recommendations due thus far and are on schedule to implement the remaining recommendations. Our enhanced oversight of these group homes includes:

- Documenting the roles and responsibilities of government oversight of these providers (see attachment 1).
- Coordinating oversight through phone calls, shared spreadsheets, electronic means, and in-person meetings.

- Finalizing a new memorandum of understanding between OHCQ and DHR and also with MDLC to facilitate sharing information while adhering to federal and State privacy laws.
- Received an additional PIN for an administrator I, grade 16, to coordinate the children's programs. DBM approved the position and a hiring freeze exemption has been submitted.
- On January 28, 2015, the final recommendations of the task force on the quality oversight of services for individuals with developmental disabilities were presented to the legislature. All three recommendations relate to other State agencies.

Issue:

The agency should advise on the status of its 2014 staffing analysis.

Response:

The OHCQ staffing analysis draft is being reviewed and is expected to be distributed by the end of March 2015.

**Department of Health and Mental Hygiene
Office of Health Care Quality
M00B0103**

Recommended Actions

Recommended Actions:

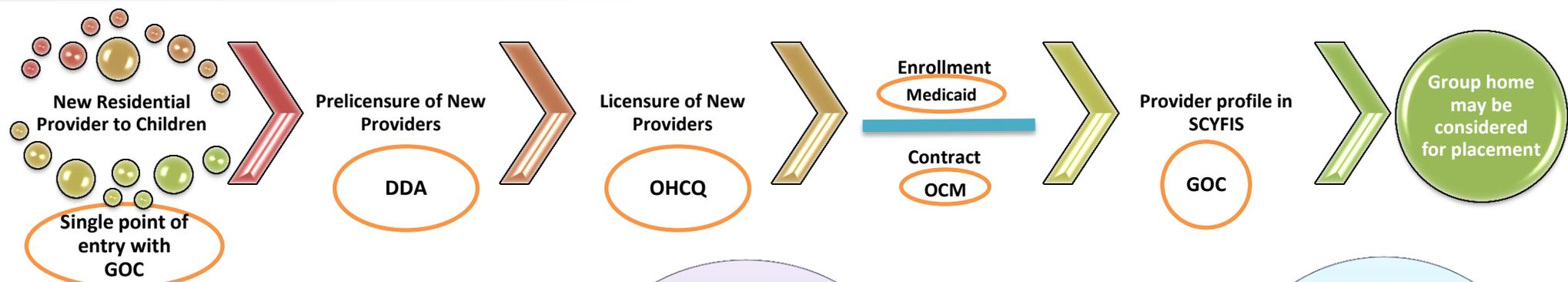
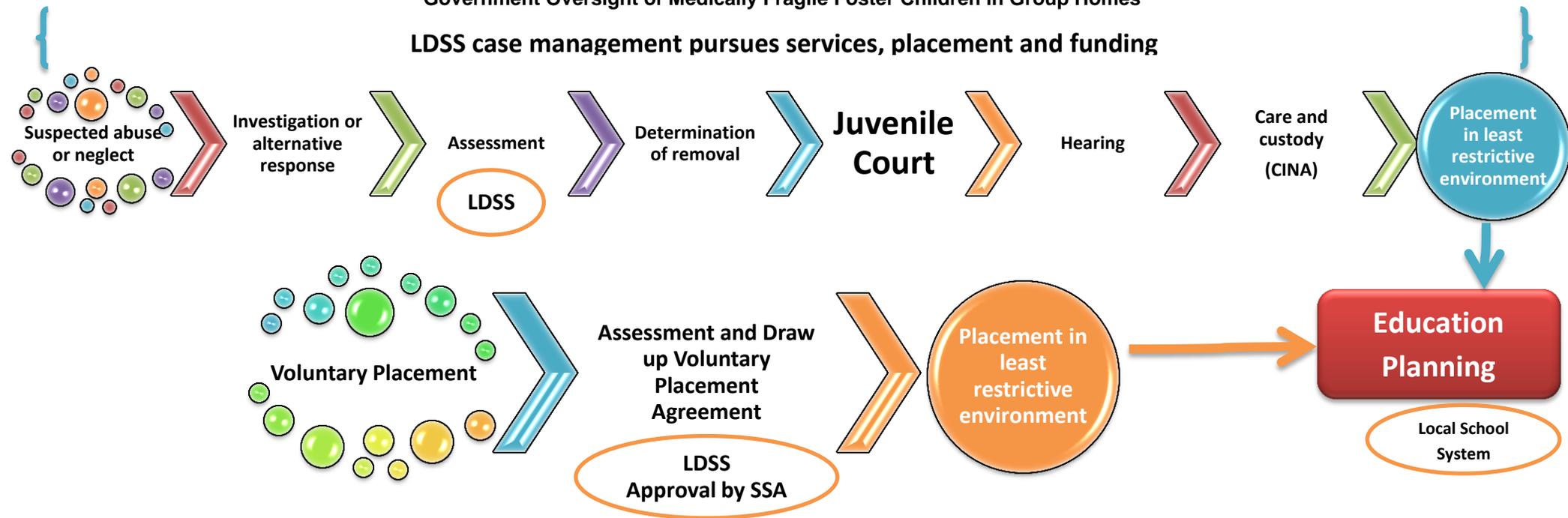
Concur with Governor's Allowance.

Response:

Concur with recommendation.

Government Oversight of Medically Fragile Foster Children in Group Homes

LDSS case management pursues services, placement and funding



Abbreviations key:
 CINA = Child in need of assistance (temporary state custody of a minor)
 CPS = Child Protective Services (unit of the local departments)
 DDA = Developmental Disabilities Administration (agency of DHMH)
 DHR = Department of Human Resources
 GOC = Governor's Office for Children
 IEP = Individualized education plan
 LDSS = Local departments of social services (agencies of SSA)
 MSDE = Maryland State Department of Education
 OCM = Office of Contracts and Monitoring (agency of SSA)
 OHCQ = Office of Health Care Quality (agency of DHMH)
 OLM = Office of Licensing and Monitoring (agency of DHR)
 PORII = Policy on Reportable Incidents and Investigations
 SSA = Social Services Administration (agency of DHR)
 SCYFIS = State Children Youth and Family Information System
 VPA = Voluntary placement agreement (family consent to out-of-home placement)

