The Department of Health and Mental Hygiene's Responses to the DLS FY 2018 Administration Budget Analysis January 26, 2017 (House) and February 2, 2017 (Senate)

After declining to 18% in fiscal 2015, the percentage of repeat audit findings across the department increased to 27% in fiscal 2016. (pg. 5)

Unlike many State agencies which have just one audit performed by OLA each cycle, the DHMH, as defined by OLA parameters, has 21 Administrations and Programs that are audited on rotating three-year cycles. That means OLA conducts 21 separate audits throughout DHMH and in any given year there are several audits at different stages of the auditing process.

The number of audits conducted and completed is determined by OLA. The time it takes for an audit to be completed depends on the size of the Administration, its budget and the scope chosen by OLA.

Every audit varies in complexity, therefore, each fiscal year the Department has a fluid number of audits that are completed. In FY 2015, eight (8) audits were completed. By contrast, in FY 2016 there were five (5) audits completed. Comparing the percentage of repeat findings from fiscal year to fiscal year is arguably a bit misleading as it is based upon a fluctuating number of audits that were completed and cannot reflect how complex and nuanced each Administration (and therefor its audit) really is.

It is an on-going objective of the Department to continually take affirmative actions to decrease actual repeat findings for each given Administration and Program while maintaining an overall goal of less than 30% repeat audit findings.

The Department of Legislative Services recommends that the cost of contractual health insurance for local health departments be covered using the same budgeting methodology as for regular local health department employees. This action would yield a reduction to the local health departments of $1,594,466 GF. (pg. 10)

The Department respectfully disagrees with the DLS recommendation to reduce funding for local health departments' contractual health insurance costs. Complying with the recommendation would be administratively burdensome and inequitable with other State agencies.

First, contractual health insurance is not comparable to health insurance premiums or other salary and fringe benefit costs for local health departments' regular employees. While regular employees' salary and fringe benefit costs are incurred on a biweekly basis through payroll, contractual health insurance is supported by a single invoice at a predetermined amount by the Department of Budget and Management using May 2016 contractual employee data. Once the invoice is received, DHMH Administration will simply pay the invoice for itself and on behalf of the local health departments. This arrangement avoids the significant administrative burden of issuing invoices to or seeking reimbursements from 24 local health departments.

Also, in FY 2017 the Department of Budget and Management provided general funds to State agencies for contractual employees who were enrolled in health insurance and supported by general funds. The local health departments did not receive similar assistance. The FY 2018 Governor's Allowance addresses this equity issue by providing an additional $1,594,466 GF in the Department's Administration budget on the local health departments' behalf. If the recommended reduction is approved without a supplemental budget increasing the Core funding formula by the same amount, the local health departments will once again absorb contractual health insurance costs without the State's assistance.

DHMH should comment on the status of submitting a report on the establishment of mobile sexual assault forensic exam (SAFE) teams as requested by the 2016 Joint Chairmen's Report. (pg. 11)

As of January 24, 2017, the Department respectfully submits its report on the establishment of mobile sexual assault forensic exam (SAFE) teams as requested by the 2016 Joint Chairmen's Report.