

**The Department of Health and Mental Hygiene's  
Responses to the DLS FY 2018  
Health Professional Boards and Commissions Budget Analysis  
February 3, 2017 (Senate) and February 8, 2017 (House)**

*The Medical Cannabis Commission should comment, to the extent possible, on what effect pending litigation as well as legislative changes will have on the implementation timeline for medical cannabis in the State as well as legislative changes will have on the implementation timeline for medical cannabis in the State as well as on the commission's ability to raise revenues to meet expenses. (pg. 11)*

The Commission does not anticipate any delays and is proceeding forward with the program.

The Commission's FY 2017 budget was increased by budget amendment to \$6.5 million. This increase was supported by anticipated revenues from grower, processor and dispensary application and license fees, as well as ID card fees. The funding was used to support projected costs for hiring additional staff, contracts with RESI and auditors, office relocation costs, and purchase of DP and office equipment.

Based on our most recent projection (FMIS activity through January 9, 2017), actual revenues are currently \$3.4 million. While 102 dispensaries have been pre-approved for licenses, there is still an outstanding receivable of \$3.8 million for their application and license fees.

Additionally, the ID card fees have an outstanding receivable of approximately \$300,000. On the expense side, the projected expenditures for FY 2017 were estimated at \$5.1 million. Budget savings from the earlier plan/budget amendment are projected from hiring delays (approximately \$523,000), lower bids on the audit contract (approximately \$630,000) and reduced equipment purchases (approximately \$246,000).

Based on current budget projections, the Commission needs to achieve additional revenues of \$1.7 million to meet projected expenditure levels. The outstanding receivable from the dispensary applicants pre-approved for licenses is more than double that amount. To the extent that the pre-approved dispensary applicants have not paid these fees by June 30, 2017, the Commission will record a special fund receivable sufficient to meet expenditures. I would not recommend creating a receivable for ID cards, as the number to be purchased is unknown and these revenues were not pre-approved.

*Reduce funding by \$1,220,000 SF for new licensing software for the Board of Dental Examiners and the Board of Pharmacy. Should additional funding be required either for the Board of Physicians project, or after the Department of Information Technology makes a recommendation that neither board should be included in the enterprise project solution, funds may be replaced through budget amendment to the appropriate program. (pg. 16)*

We concur with the recommendation as we are currently undergoing an analysis of our information technology needs across all of our Boards.

**STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
OFFICE OF THE SECRETARY**

**HEALTH PROFESSIONALS BOARDS AND COMMISSION**

**FY 2018 BUDGET OVERVIEW**

**PRESENTED TO**

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN RESOURCES**

**DELEGATE KIRILL REZNIK - CHAIR**

**February 8, 2017**

**Dennis R. Schrader  
Secretary**

**STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
OFFICE OF THE SECRETARY**

**HEALTH PROFESSIONALS BOARDS AND COMMISSION**

**FY 2018 BUDGET OVERVIEW**

**PRESENTED TO**

**SENATE BUDGET & TAXATION SUBCOMMITTEE ON HEALTH, EDUCATION AND  
HUMAN RESOURCES**

**SENATOR RICHARD S. MADALENO - CHAIR**

**February 3, 2017**

**Dennis R. Schrader  
Secretary**

**STATE OF MARYLAND**  
**DEPARTMENT OF HEALTH AND MENTAL HYGIENE**  
**OFFICE OF THE SECRETARY**

**HEALTH PROFESSIONALS BOARDS AND COMMISSIONS**  
**FY 2018 BUDGET OVERVIEW**

MB01.04

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Eva Schwartz (764-4784) – Personnel Liaison

**PROGRAM OVERVIEW**

**(This report does not include information on the Board of Physicians and the Board of Nursing.)**

The Health Professionals Boards and Commissions program consists of seventeen (18) regulatory boards and two (2) regulatory commissions. The Boards are responsible for licensing health care professionals or organizations; setting standards of care; monitoring continuing education requirements; investigating/handling complaints; and ensuring compliance of orders involving health care professionals. The Commission on Kidney Disease sets physical and medical standards for kidney dialysis and transplant facilities.

The Boards and the Commissions licensed, certified and/or registered over 95013 individuals and health organizations. The Boards and Commission are planning to operate with an aggregate FY 2018 appropriation of 20.7 million. A summary of the professions regulated by each Board/Commission is provided. In addition, an overview of the Boards funding, staffing, licensing, and disciplinary activities is provided in the attached charts.

**SPECIAL FUNDED**

As a result of Senate Bill 655 (1992), the majority of the Boards are Special funded. Revenue is generated solely by the collection of fees and is used exclusively to cover the costs to operate. State funds may not be used to fund a Special-funded Board. However, House Bill 1246 (1992) specified that if the Commission on Kidney Disease is unable to collect enough fees by surveying and certifying facilities, the Department of Health and Mental Hygiene (the Department) will provide the funding to cover the Commission's expenditures. In addition, House Bill 1246 requires the Department to waive all indirect costs that the Commission incurred.

**GENERAL FUNDED**

The Board of Examiners of Nursing Home Administrators is generally funded. The State of Maryland participates in the Title XIX Medical Assistance Program and the existence of a Nursing Home Administrators Board is a requirement.

The Board for the Certification of Residential Child Care Program Professionals is also Generally Funded. Chapter 438 of the Acts of the 2004 General Assembly Session established the Board. The Board certifies Residential Child Care Program Administrators.

**PROGRAM ADMINISTRATION**

The Boards and the Commissions within the program retain independent responsibility for the administration of their professional practice and associated mandates. This independent authority gives each Board/Commission the

responsibility for its own actions. However, the Boards and the Commission must adhere to State budgetary, procurement and personnel rules and regulations.

A liaison system is used to facilitate the management of common administrative activities. Specific Board/Commission administrators serve as liaisons for key administrative areas (i.e., Fiscal Management, Regulations Development, Training, Board Member Orientation, Personnel, Legislation, Public Relations, IT and Building Related matters).

A fiscal officer and a regulations/legislation specialist provide program support. A shared computer network manager and shared data specialists support the Boards information technology (IT) needs. In addition, a few Boards have their own IT person. Funding is also provided for shared legal positions that facilitate the handling of disciplinary cases and the cost for shared investigator positions.

## **BOARD OF ENVIRONMENTAL HEALTH SPECIALIST – FUND ISSUES**

### **FUND REVENUES:**

#### **Background:**

In FY 2013, based on recommendations from the Department of Legislative Services' (DLS) 2011 sunset review report, the legislature transferred the Board of Environmental Sanitarians from the Maryland Department of Environment (MDE) to the Department of Health and Mental Hygiene (DHMH) and renamed the Board as the Board of Environmental Health Specialists. At the insistence of DHMH the Board's fund source went from General Fund to Special Fund. The funding change was made in spite of the recommendation of DLS to maintain the Board's General Fund status.

#### **Direct Staffing:**

Prior to the Board's transfer, MDE staffing consisted of 4 hours per week for administrative support and 20 hours per week for an administrative specialist's time. Under DHMH, there is a loaned Executive Director and a 40-hour per week Administrative Officer.

#### **Fees, Revenues and Funding Sources:**

The Board revenue structure is that all licensees are renewed every two years. This leads to a revenue imbalance between the odd fiscal years and the even fiscal years. The Board generates more revenue in the odd fiscal years.

Currently all health occupations boards are prohibited from increasing fees or instituting additional fees. Even if the Board could increase its fees, it would not be practical for this licensing base. The typical licensees are highly trained public-sector employees who earn modest salaries. Unlike other health care providers that typically work in a private practice and can adjust the revenues to make up or increased licensing fees, these licensees have little or no discretion on setting their salaries. The Board believes that a significant fee increase could result in fewer individuals entering the profession.

In June of 2016, the Board proposed that the DHMH submit a request to the Governor's Office for legislation that would change the Board's funding back to the General Fund category as it was under MDE. DHMH turned the proposal down, stating, "this proposal is unworkable for a number of reasons. While we appreciate that the Board wants to try not to raise fees, they cannot solve their budget crisis by moving to a new budget category to avoid some of their current obligations. Furthermore, I don't think they can characterize the proposal as having no impact on other agencies, when it would eliminate their obligation to pay rent to DGS and indirect cost to DHMH."

If the Board does not obtain an additional funding source, it will be insolvent in FY 2019. The legislation extending the Board's statute date from July 1, 2017 to July 1, 2027 must now be reconciled with the financial viability of the Board to carry out its mission. The Board recommends that legislation be introduced in 2017 to change the Board's funding statutes back to general fund.

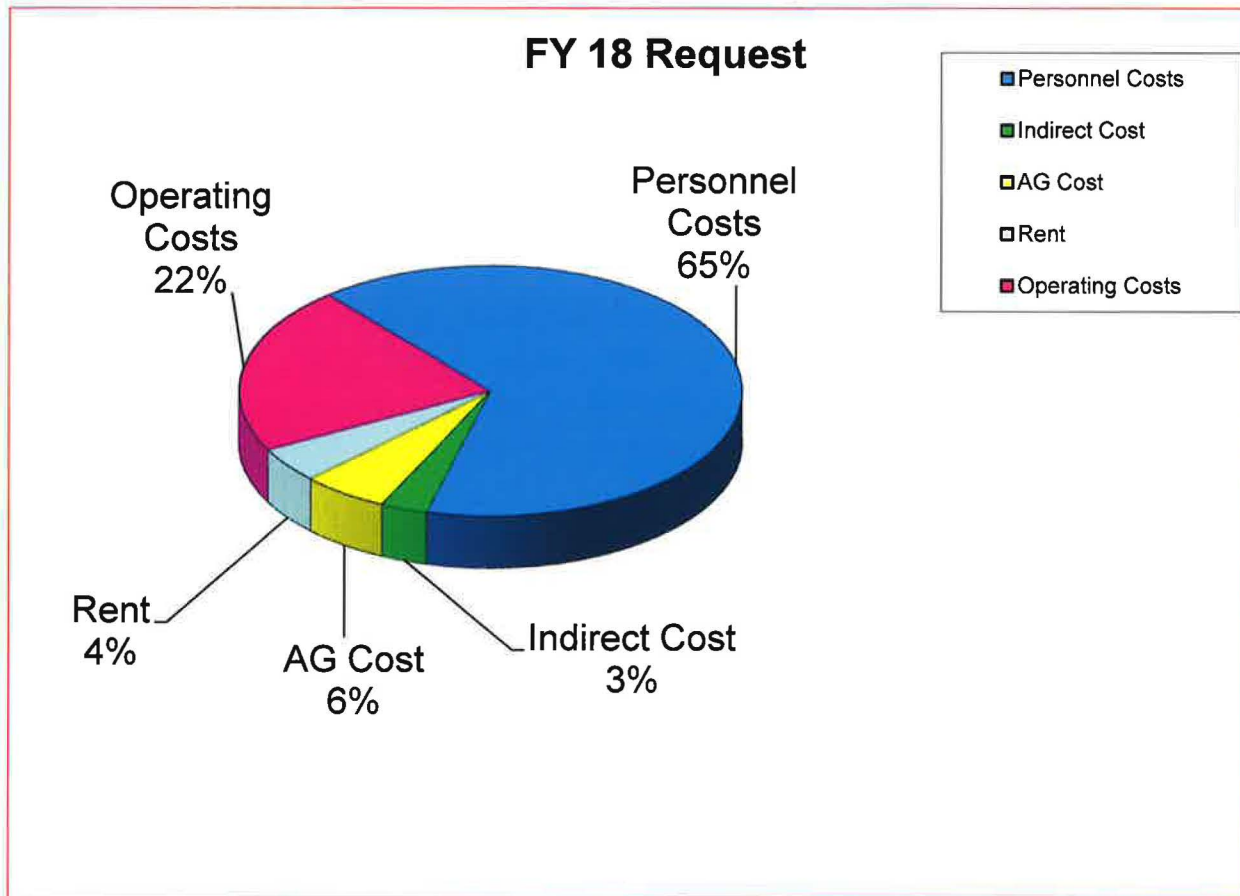
HEALTH PROFESSIONALS BOARDS AND COMMISSION  
TOTAL ACTIVE -LICENSED /CERTIFIED/REGISTERED  
FY 2018

PCA	Board/Commission		Total
402	<b>Acupuncture</b>		2,115
	Acupuncturists	2,070	
	Auricular detoxification specialists	45	
403	<b>Dietetic Practice</b>		1,802
404	<b>Professional Counselors</b>		7,828
	Certified Professional Counselors	24	
	Marriage and Family Therapists	302	
	Licensed Clinical Counselors	4,494	
	Licensed Professional Art Therapists	157	
	Alcohol & Drug	1,623	
	Registered Alcohol and Drug Trainees	943	
	Licensed Behavior Analysts	285	
405	<b>Massage Therapy</b>		4,455
	Licensed Massage Therapists	2,976	
	Registered Massage Practitioners	1,479	
406	<b>Chiropractic</b>		1,636
	Chiropractor	905	
	Chiropractic Assistant	731	
407	<b>Dental</b>		16,467
	Dentist	5,143	
	Dental Teachers	14	
	Dental Hygienist	3,613	
	Dental Radiation Technologist	7,697	
408	<b>Environmental Health Specialists</b>		998
	Licensed Environmental Health Specialists	566	
	Environmental Health Specialists in Training	99	
	Active Certificates of Eligibility	317	
	Environmental Health Specialist in Training (Seasonal)	16	
409	<b>Morticians</b>		1,824
	Morticians/Funeral Dir. /S. Spouse	956	
	Courtesy Card	47	
	Corporations /Establishments	348	
	Apprentice	50	
	Crematories	37	
	Crematory Operators	152	
	Mortuary Transport Companies	39	
	Registered Transporters	195	

<b>410</b>	<b>Medical Cannabis Commission</b>		<b>0</b>
	Growers	0	
	Processors	0	
	Distributors	0	
<b>411</b>	<b>Nursing Home Administrators</b>		<b>557</b>
<b>412</b>	<b>Occupational Therapy</b>		<b>4,144</b>
	Occupational Therapist	3,221	
	O.T. Assistant	923	
<b>413</b>	<b>Optometry</b>		<b>975</b>
<b>414</b>	<b>Pharmacy</b>		<b>24,124</b>
	Pharmacist	11,301	
	Pharmacy Establishment	2,067	
	Distributor	1,196	
	Pharmacy Technicians	9,560	
<b>415</b>	<b>Physical Therapy</b>		<b>8,196</b>
	Physical Therapist	6216	
	Physical Therapist Assistant	1,980	
<b>417</b>	<b>Podiatry</b>		<b>610</b>
	Full License	447	
	Limited license	47	
	Inactive license	116	
<b>418</b>	<b>Psychology</b>		<b>3,535</b>
	Psychologists	3,085	
	Psychology Associates	450	
<b>419</b>	<b>Social Work</b>		<b>13,977</b>
	Bachelor	574	
	Graduate	4,084	
	Certified	330	
	Certified - Clinical	8,989	
<b>420</b>	<b>Audiology/HAD/SLP</b>		<b>4,702</b>
	Speech-Language Pathologists	3,852	
	Speech-Language Pathologists Asst.	50	
	Audiologist	475	
	Hearing Aid Dispensers	121	
	Limited Licensees	204	
<b>421</b>	<b>Kidney Disease Commission (facilities)</b>		<b>135</b>
<b>422</b>	<b>Residential Child Care Professionals</b>		<b>1,077</b>
	Residential Child Care Program Admin	97	
	Acting Residential Child Care Program Admin	0	
	Residential Child 7 Youth Care Practitioners	980	
			<b>95,013</b>

Boards & Commission  
 FY18 budget

FY	Total	Personnel Costs	Indirect Cost	AG Cost	Rent	Operating Costs
18	20,779,602	13,546,371	616,374	1,153,968	942,260	4,520,629



Personnel costs includes merit system employees salaries and fringe, contractual employee salaries and fringe, temporary employees from temp agency .

Indirect cost includes health department indirect cost (DIC) and the statewide cost allocation (SCAP).

Attorney General's costs includes cost for attorneys, prosecutors, board counselors and support staff from the Attorney General's office.

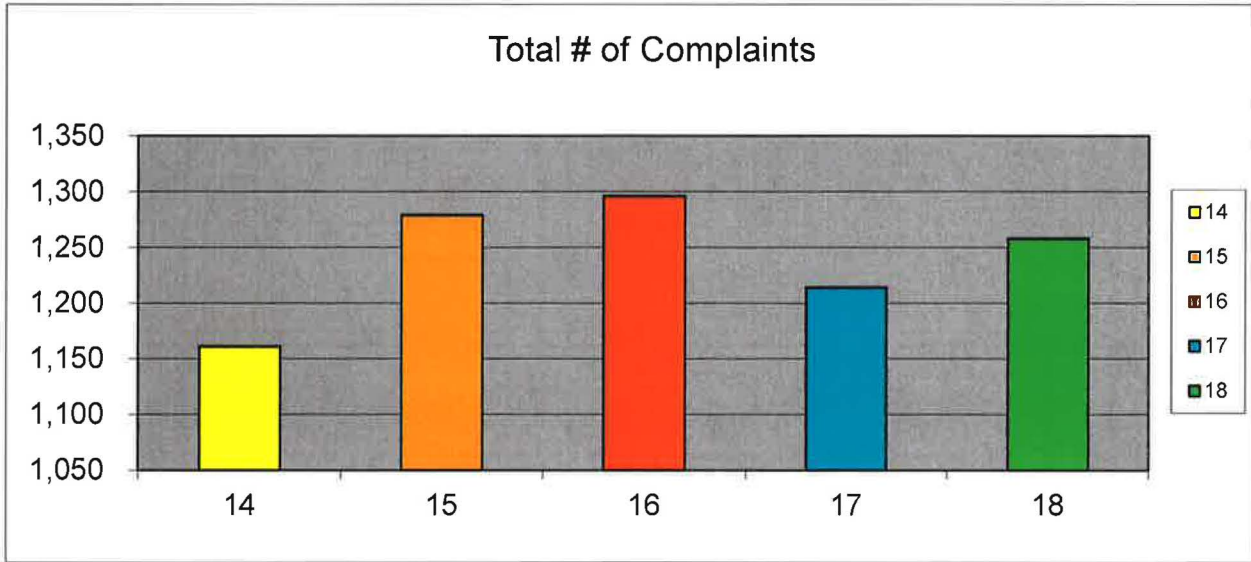
Rent cost includes the Boards' office space at both Spring Grove and Patterson Ave.

Operating cost includes all other cost incurred by the boards. (e.g. - per diems for board members, phone charges, postage, travel, printing, software, special projects, office supplies, equipment, etc.)



Boards & Commission  
 FY18 budget

	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Estimate	FY18 Estimate
	14	15	16	17	18
Total # of Complaints	1,161	1,279	1,296	1,214	1,258



	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Estimate	FY18 Estimate
	14	15	16	17	18
Total # of Licensees	86,210	90,720	101,551	97,642	100,690

