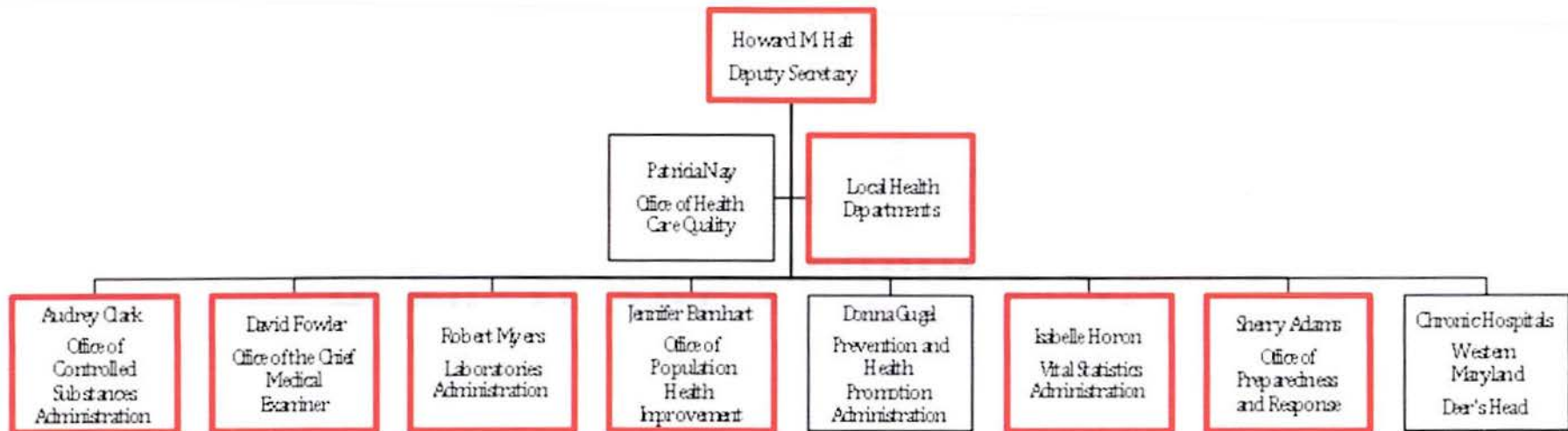# Public Health Administration
Fiscal Year 2018 Budget Overview

Dennis R. Schrader, Secretary
Howard Haft, MD, MMM, CPE, FACPE, Deputy Secretary
Department of Health and Mental Hygiene

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Public Health Services Overview


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                        Howard M Haft
                        Deputy Secretary

            Patricia Nay              Local Health
         Office of Health            Departments
          Care Quality

Audrey Clark   David Fowler   Robert Myers   Jennifer Barnhart   Donna Gugel      Isabelle Horon   Sherry Adams    Chronic Hospitals
Office of      Office of the  Laboratories   Office of           Prevention and   Vital Statistics Office of        Western
Controlled     Chief Medical  Administration Population          Health           Administration   Preparedness     Maryland
Substances     Examiner                      Health              Promotion                         and Response
Administration                               Improvement         Administration                                    Deer's Head
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MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Public Health Services (PHS)

100%

Provides a public health infrastructure and **safety net for all Marylanders**

$608.8

Million Budget*

Oversees

24 **Local Health Departments and the Baltimore City Health Department**

2 **Chronic Hospital Facilities**

1527.35 employees

1473.7 PIN*
53.65 SPP*
80 Academic/Federal**

*FY18 allowance, excluding local health departments
** As of 10.31.16

3

PHS Achievements

1. Health System Reform

- Comprehensive Primary Care Model: DHMH submitted a CPC model to CMS in December to improve the health of Marylanders and align payment incentives for providers

- Cigarette Restitution Fund: DHMH is proposing legislation to more efficiently expend CRF funds for cancer prevention, education, and screening promotion activities in local jurisdictions

- Maryland AIDS Drug Assistance Program: DHMH pursued legislation in 2015 and 2016 to expand services allowable under the federal Ryan White program, without affecting current program enrollee benefits

2. Sustainable Funding for Local Health Departments

- Fee for Service: DHMH is developing a billing manual to assist local health departments in billing health insurance for services provided

- Core Funding: This funding stream supports public health infrastructure including infectious disease control to support Zika prevention, substance use disorder prevention activities, inspections, and immunizations

PHS Achievements

3. **Strengthen Public Health Infrastructure: National Public Health Accreditation**

Completing final stages of accreditation process (June 2017)
- Incorporated systematic performance management within revised Public Health Services Strategic Plan
- Established Quality Improvement Council and cross-unit infusion of QI culture

- Conducted Training Needs Assessment for 800+ employees to improve the culture of learning and professional development expectations as part of succession planning
- Established workforce development program (TRAIN)

4. **Improve Business Processes**

- OCSA: The Office of Controlled Substances Administration reduced CDS turnaround time from 53 days to 9 days and will release an online application system before July 2017
- OHCQ: The Office of Health Care Quality updated 35 sets of regulations in FY 16 and reduced their surveyor staffing deficit by 133% since FY 13
- Hospitals: Maryland's Specialty Hospitals (Deer's Head, Western Maryland) continued to score high on customer satisfaction
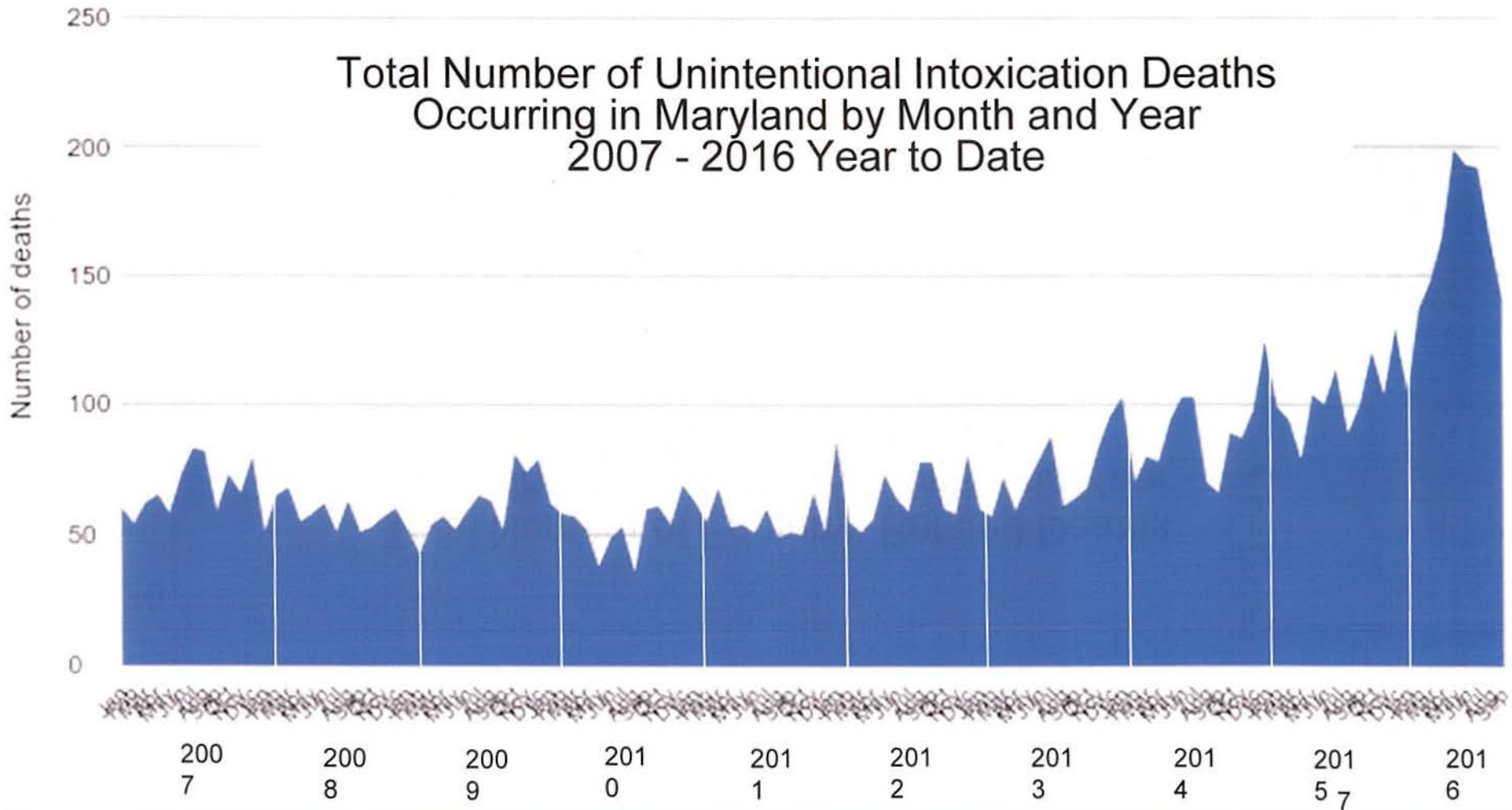
MARYLAND
DEPARTMENT OF HEALTH
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PHS Achievements

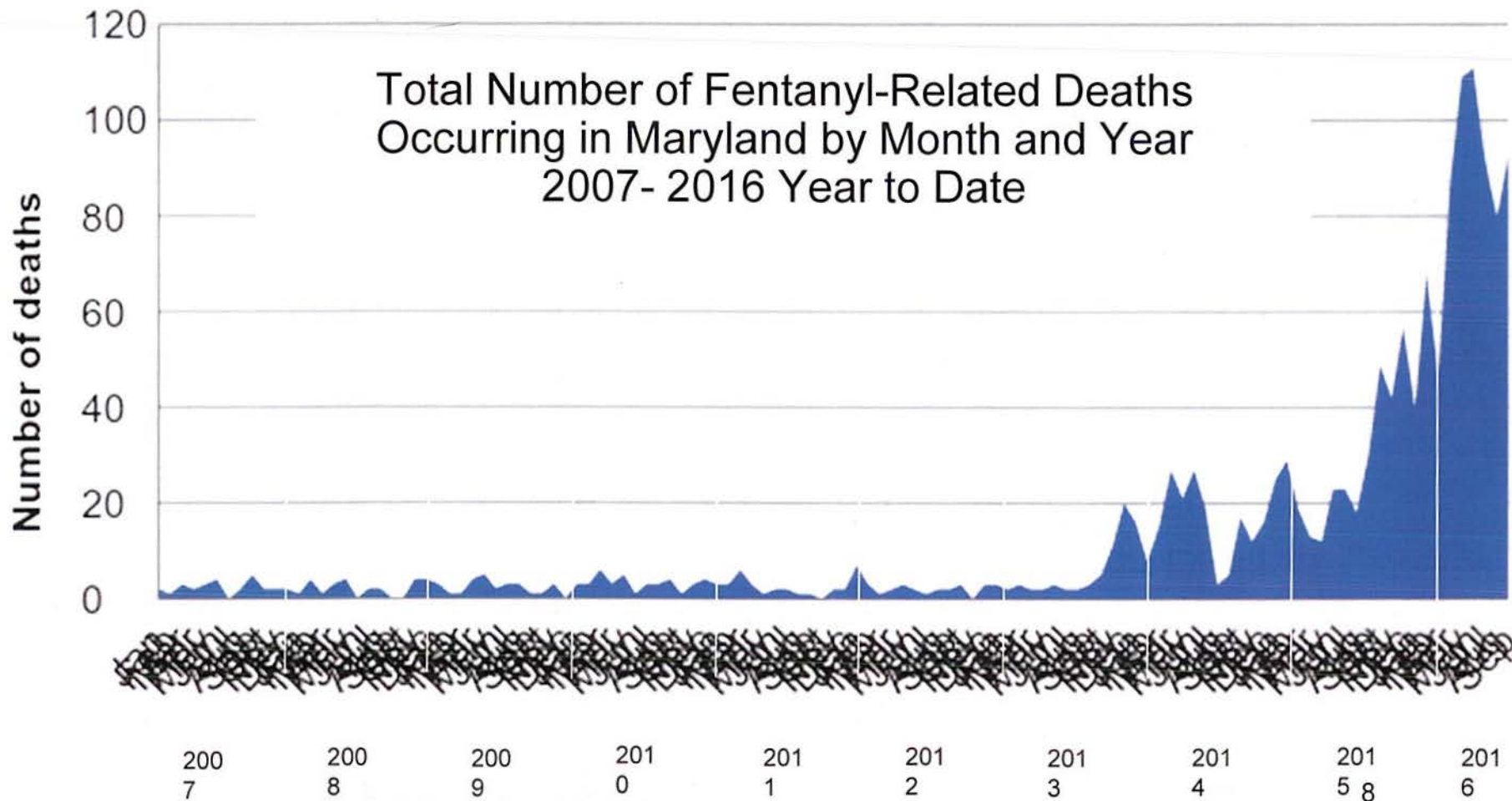5. **Provide World-Class Public Health Services to All Marylanders**

    - The Prevention and Health Promotion Administration was named by CDC as one of two state agencies with nearly perfect performance on early childhood health

    - The Maryland Public Health Laboratory was competitively selected to serve as a multi-state reference laboratory for a White House initiative on antibiotic resistance

    - The OCME and the University of Maryland, in collaboration with The China University of Political Science and Law (Beijing), established the State's first international Dual Masters program – in Forensic Medicine

    - The Vital Statistics Administration continues to analyze and disseminate drug overdose data activities for the Department and other public health purposes

    - The Office of Preparedness and Response developed Maryland's Emerging Infectious Disease Plan, Zika Virus Plan, Ebola Virus Plan, and HHS's Region 3 Ebola Virus Disease Response Plan

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

The Opioid Epidemic

Total Number of Unintentional Intoxication Deaths Occurring in Maryland by Month and Year 2007 - 2016 Year to Date

The Opioid Epidemic

Total Number of Fentanyl-Related Deaths Occurring in Maryland by Month and Year 2007- 2016 Year to Date

Office of Controlled Substances Administration

19,546 CDS registrations issued in FY 16

695 inspections of health care practitioners completed in FY 16

Reduced turnaround time for CDS registrations from **53** days

to **9** days

$1.2M budget*

17 Employees**

*FY18 allowance, $1.2M GF
**12 pin, 5 contractual

Major Responsibilities

Enforces the Controlled Dangerous Substance (CDS) Act and ensures the availability of drugs for legitimate medical and scientific purposes.

Issues CDS permits to practitioners, researchers and establishments that administer, prescribe, dispense, distribute, manufactures, conduct research and conduct chemical analysis of CDS.

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Office of Controlled Substances Administration

Accomplishments

- Reduced registration fee/expanded CDS registration issue period from 2 year renewal periods ($120) to 3 year renewals ($120) to align with DEA requirements

- Revising CDS COMAR 10.19.03

- Streamlining disciplinary procedures needed to suspend/revoke CDS registration of registrants involved in over-prescribing and dispensing of opioids not written for a legitimate medical purpose

Goals Moving Forward

- Implement the CDS Online Application, Payment and Fee Collection System

- Continue to maintain the turnaround time of 7-9 days for processing and issuing CDS Registrations

- Develop a broader, more far-reaching plan for addressing the opioid, prescription drug crisis from a preventive approach, through the development of the Enforcement, Policy & Adjudication Unit

- Raise awareness in the community with law enforcement agencies and community health professionals about OCSA's functions and how we can successfully collaborate

Laboratories Administration

9.1 million public health tests conducted in FY 16, including --

75,000 Maryland newborns tested for over 50 treatable hereditary and developmental disorders

100,000 military personnel and dependents served through a new contract to provide newborn screening at 13 Military Medical Facilities in five countries

Moved to a new laboratory building and decommissioned the old lab tower *on time and under budget*

$46.7 Million budget*

207 Employees**

*FY18 allowance, $35.3M GF, $7.1M SF, $3.8M FF
**202 pin, 5 contractual

Major Responsibilities

Disease surveillance, reference and specialized testing

Testing services in support of investigations of outbreaks infectious diseases or possible exposures to environmental hazards

Laboratory quality assurance

Environmental health and protection programs

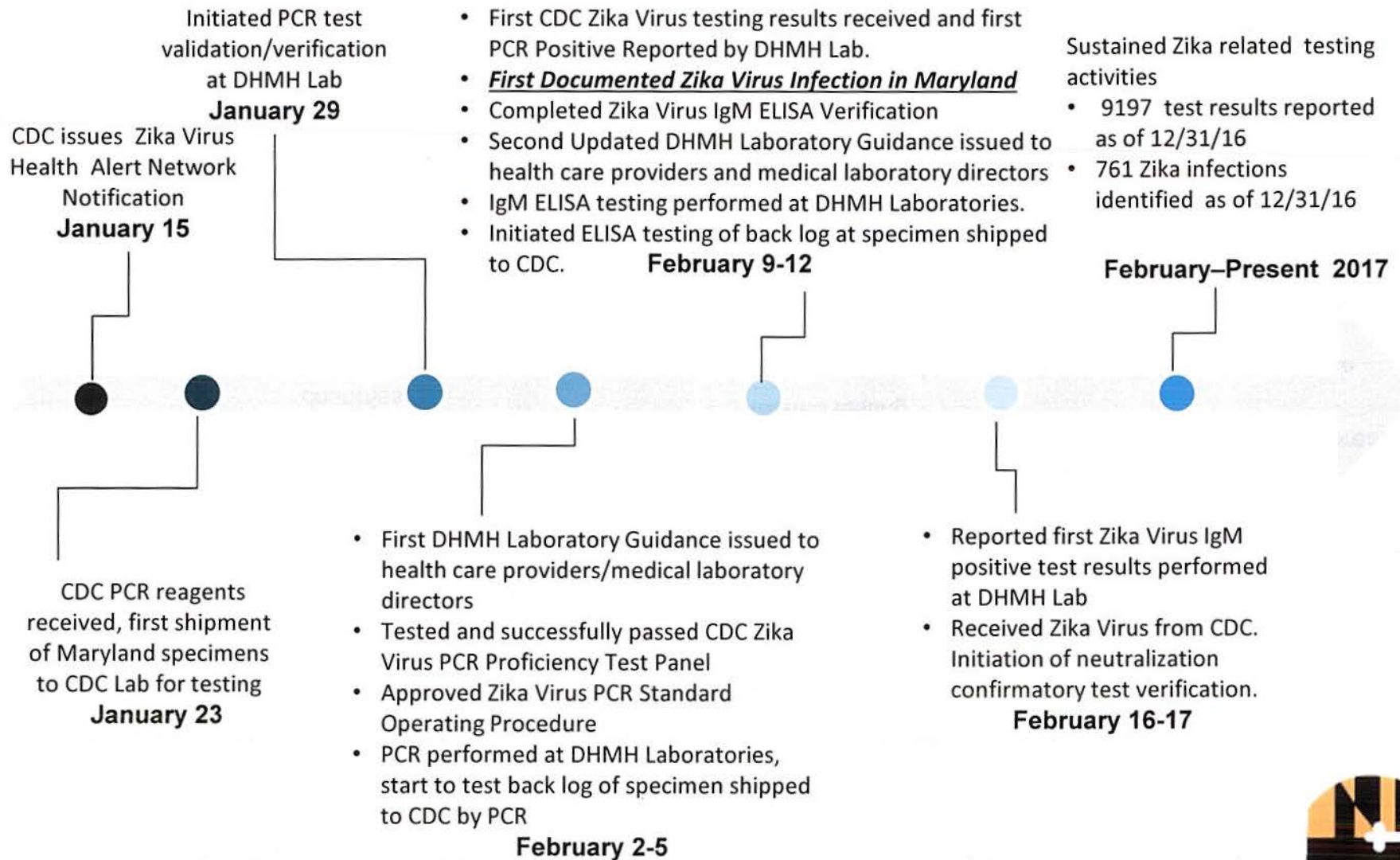Food safety assurance through surveillance and outbreak-related testing

Emergency and terrorism preparedness and response activities

Response to emerging and re-emerging infectious diseases threats (Ebola, Dengue, Chikungunya, Middle Eastern Respiratory Syndrome Corona Virus, Zika virus) infections by validating, implementing assays and providing emergency testing services when needed to quickly and accurately diagnose these infections

Public health laboratory applied research to transfer technology and improve the practice of public health laboratory science

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Laboratories Administration: Zika Response

Initiated PCR test validation/verification at DHMH Lab
January 29

CDC issues Zika Virus Health Alert Network Notification
January 15

- First CDC Zika Virus testing results received and first PCR Positive Reported by DHMH Lab.
- *First Documented Zika Virus Infection in Maryland*
- Completed Zika Virus IgM ELISA Verification
- Second Updated DHMH Laboratory Guidance issued to health care providers and medical laboratory directors
- IgM ELISA testing performed at DHMH Laboratories.
- Initiated ELISA testing of back log at specimen shipped to CDC. **February 9-12**

Sustained Zika related testing activities
- 9197 test results reported as of 12/31/16
- 761 Zika infections identified as of 12/31/16

February–Present 2017

CDC PCR reagents received, first shipment of Maryland specimens to CDC Lab for testing
January 23

- First DHMH Laboratory Guidance issued to health care providers/medical laboratory directors
- Tested and successfully passed CDC Zika Virus PCR Proficiency Test Panel
- Approved Zika Virus PCR Standard Operating Procedure
- PCR performed at DHMH Laboratories, start to test back log of specimen shipped to CDC by PCR

February 2-5

- Reported first Zika Virus IgM positive test results performed at DHMH Lab
- Received Zika Virus from CDC. Initiation of neutralization confirmatory test verification.

February 16-17

MARYLAND DEPARTMENT OF HEALTH & MENTAL HYGIENE

Laboratories Administration: Updates

- In April 2016 the DHMH Laboratory validated and implemented a screening test for Severe Combined Immunodeficiency (SCID) "boy in the bubble syndrome." During the first 6 months of SCID testing approximately 90,000 tests have been performed to screen over 49,000 newborns.

- The Laboratories Administration identified the first SCID baby, born on 12/25/16. The child is being followed by an immunologist, with preventative therapies to keep it safe until the bone marrow transplant. The infant survival rate is *94% if cell transplant within 3.5 months of birth. *(N Engl J Med 2014;371:434-436/July 31, 2014)

- Zika test results from the DHMH Lab identified an unusual case of sexual transmission of the Zika virus from an asymptomatic male traveler to his female sexual partner. These findings were published nationally in CDC's Morbidity and Mortality Weekly Report (MMWR September 2, 2016 / 65(34);915–916)

- As part of a White House initiative to combat the growing public health crisis of antibiotic resistance the Laboratories Administration was competitively awarded over $1.7 million dollars in CDC ELC (Epidemiology and Laboratory Capacity) grant funding to serve as a multi-state regional reference laboratory in a new national laboratory network to perform advanced Antimicrobial Resistance (AR) testing.

CDC Antibiotic Resistance Laboratory Network: 7 Regional Labs
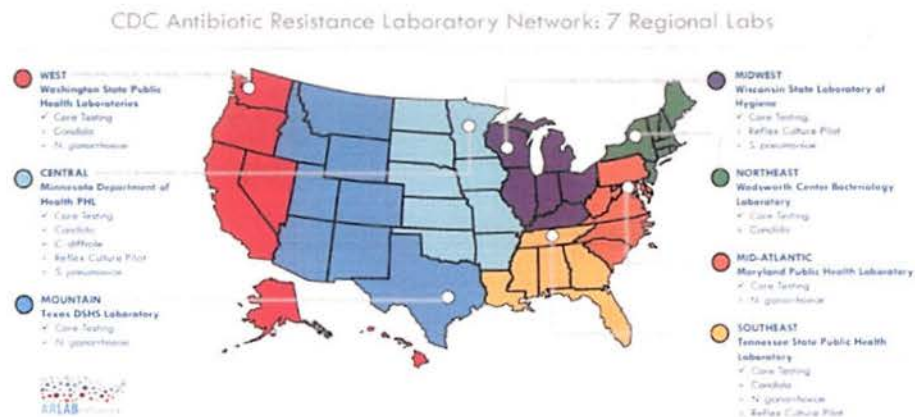
Office of the Chief Medical Examiner

14,385 case investigations conducted in 2016, representing --

28.8% increase over 2014 totals

5,439 autopsies conducted in 2016, representing --

29.3% increase over 2014 totals

Major Responsibilities

Statutory obligation to investigate deaths that are caused by injury, homicide, suicide, in suspicious circumstances, and when a person is not attended by a physician.

$ **$12.8** Million*

86.2 Employees**

*FY18 allowance, $12.8M GF
** 80.4 pin, 5.8 contractual

14

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Office of the Chief Medical Examiner

Accomplishments

OCME staff continue to receive national and international recognition in the field:

- The OCME and the Graduate School of the University of Maryland System in collaboration with The China University of Political Science and Law (Beijing) established a Dual Masters program in Forensic Medicine. This is the University of Maryland's first international dual masters program and the first class is presently in session.

- Dr. David Fowler continues to participate in the federal National Institute for Science and Technology (NIST) Organization for Scientific Area Committees (OSAC) for medicolegal death investigation and Dr. Warren Tewes serves on the OSAC for Odontology.

- Dr. David Fowler served as President of the National Association of Medical Examiners.

- Dr. David Fowler was Guest Editor for Academic Forensic Pathology.

- Dr. Russell Alexander was an invited Speaker at a federal prosecutors conference.

- Dr. Fowler was an invited speaker at the Michigan Association of Medical Examiners

- Established a Cornell/OCME/Cardiovascular Pathology GE healthcare cardiovascular program with a donated high resolution, dual energy CT scanner

Office of the Chief Medical Examiner

OCME Deficiency Appropriation

- OCME attempted to recruit 2 Medical Examiners in 2016
  - Only one suitable applicant
  - Only would accept salary close to current in Michigan
  - This placed the ME at a higher salary than 10 year tenure MEs
- Salaries raised 16% as approved by DBM
  - One additional suitable candidate
  - Accepted at a salary lower than in current position (Montana)
- New Salary scales created by DBM for Medical Examiners
  - MEB001- MEB004
- Continued caseload increase indicates OCME will exceed the 325 limit in first quarter of FY18

Office of the Chief Medical Examiner

Moving Forward: FY 2018

- A **2015** NAME survey showed the average for an accredited office is $3.68. OCME cost on FY17 budget is approximately $2.02 per citizen. With 6 million residents that is an underfunding of over 9 million dollars compared to national average.

- In 2016 the Medical Examiners each performed an average of 342 autopsies, which is above the 250 recommended NAME level with no surge capacity.

- All of the 15 Medical Examiners exceeded the maximum limit of 325 autopsies on an individual basis, with 10 (8) over 400 cases - exceeding national autopsy practice standards.

- Present support staff (Autopsy, Investigations, Secretarial, Administration, Toxicology and Histology) are at approximately 50% of national guidelines.

- High risk of accreditation being downgraded to provisional in first quarter FY18.

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Office of Population Health Improvement

Coordinates the integration of Maryland's high-performing public health system with value-based health care to:

Improve Maryland's population health and Reduce Maryland's health care spending

Health Care Transformation
- State Innovation Model, Primary Care Model, Population Health Quality Measurement: Health Equity & Social Determinants

Workforce Development for Healthcare Professionals
- Maryland and State Loan Assistance Repayment Program, J-1 Visa Waiver, Preceptor Tax Credit, National Health Service Corps

Primary Care Improvement
- Health Professional Shortage Area designations

Rural Health Improvement
- Maryland's Rural Health Plan

Quality Improvement
- Public Health Accreditation, Public Health Services Training Needs and Employee Workforce, Customer Service

School Health
- Naloxone / Opioids & SUD, Disaster Preparedness, Immunization, School Telehealth

State Health Improvement Plan (SHIP)
- DHMH Dashboard for 39 health measures by jurisdiction

Local Health
- Core Funding, Local Health Improvement Coalitions

$57.7 Million Budget*

12 Employees**

*FY18 allowance, $51.6M GF, $6.1M FF
**9 pin allowance, with other contractual employees

Core Funding For

24 **Local Health Departments and the Baltimore City Health Department**

18

Office of Population Health Improvement: Accomplishments

Quality Improvement

- <u>Public Health Accreditation</u>: 5 Local Health Departments are accredited; 2 in-process; 8 are applying
- <u>PHS Quality Improvement Plan (Pilot)</u>: designed and executed
- <u>DHMH Public Health Services Quality Improvement Council established</u>
- <u>PHS Training Needs Assessment</u>: developed and disseminated as part of Workforce Development Collaborative
- <u>State Health Improvement Process (SHIP)</u>: Maintenance of 39 health targets implemented through Local Health Improvement Coalitions

School Health

- <u>Diabetes management</u>: Establish guidelines for public schools regarding administration of health care services to students with diabetes.
- <u>Disaster communication</u>: Facilitate school disaster communication assessments and development of resources for local school systems.
- <u>Naloxone</u>: Technical assistance and guidance to local programs for school nurses on administration of naloxone.
- <u>Immunization</u>: Technical assistance for local public school immunization goals.
- <u>Telehealth</u>: School Based Health Center (SBHC) telehealth expansion (6 sites currently operating)

Rural Health

- <u>Maryland's Rural Health Plan</u>: development begins with funding from Robert Wood Johnson Foundation
- <u>Rural prosperity Investment Fund</u>: grant awarded for rural healthcare program
- <u>Maryland Rural Health Day</u>: proclamation from Governor Hogan for November 17th

Office of Population Health Improvement: Accomplishments

Healthcare Transformation

- Population Health Improvement Plan, Population Health Measures Framework, and Care Plan Exchange Solution: completed with funding from Centers for Medicaid and Medicare Services (CMS) State Innovation Model Design Award (12/31/2016).
- Comprehensive Maryland Primary Care Model: design application to Centers for Medicare and Medicaid Services (CMS) (12/31/2016)
- Progression to Total Cost of Care: preparation for responsibility in Maryland under All Payer Model (7/1/2017).

Primary Care Office

- Shortage Designations: 26 Dental HPSAs (9% population), 35 Mental Health HPSAs (23% of population), 32 Primary Care HPSAs (14% of population), 59 MUAs/MUPs (19.3% (1,118,289) residents within designated areas), 21 FQHC organizations for a total of 136 service delivery sites serving 301,322 patients.
- HPSA Designations: began analyzing current HPSA designations for continued designation and any new areas that meet eligibility. Highest Shortage Designation Primary Care: Baltimore City, Somerset, Caroline, Dorchester, Frederick, & Wicomico

Workforce Development

- State Loan Repayment Program (SLRP) & Maryland Loan Repayment Program (MLRP): awarded 28 & 30 recipients, respectively ($10,000-$50,000/each)
  - Increased eligible applicants for MLRP (Opened up to specialist) : 6 recipients
  - J-1 Visa Waiver: 30 recipients & updated waiver policy
  - J1 retention/recruitment data: 19 providers retained and 7 providers recruited for Maryland
- Income Tax Credit Preceptor Program: Promulgate regulations for physician and nurse practitioner tax credits
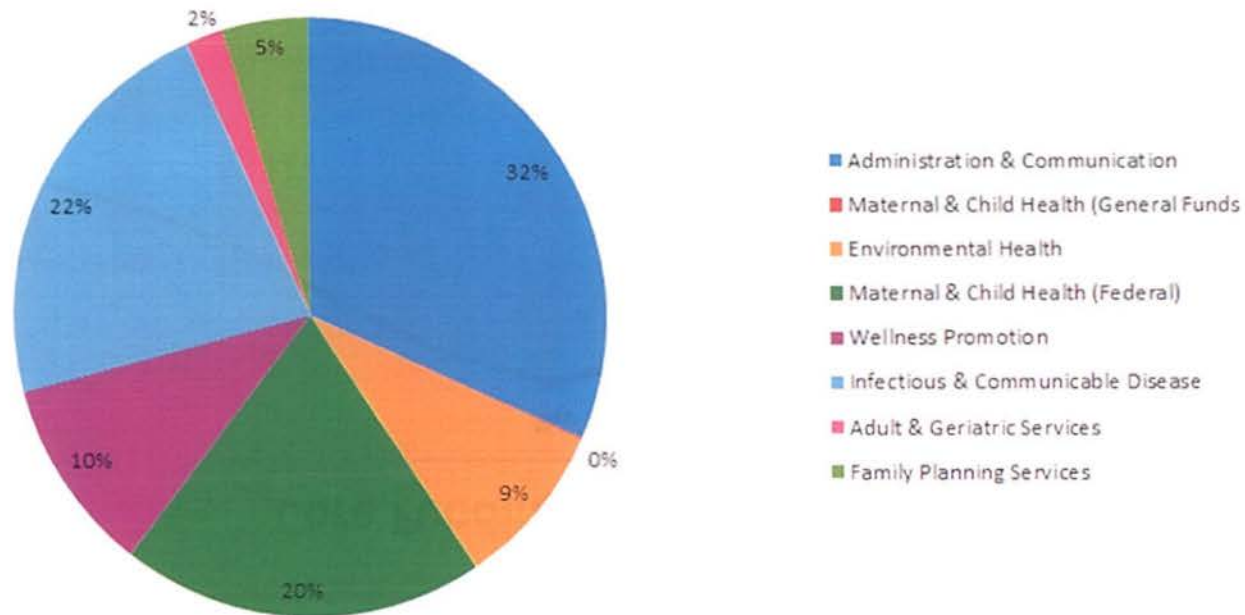- effective July 2016

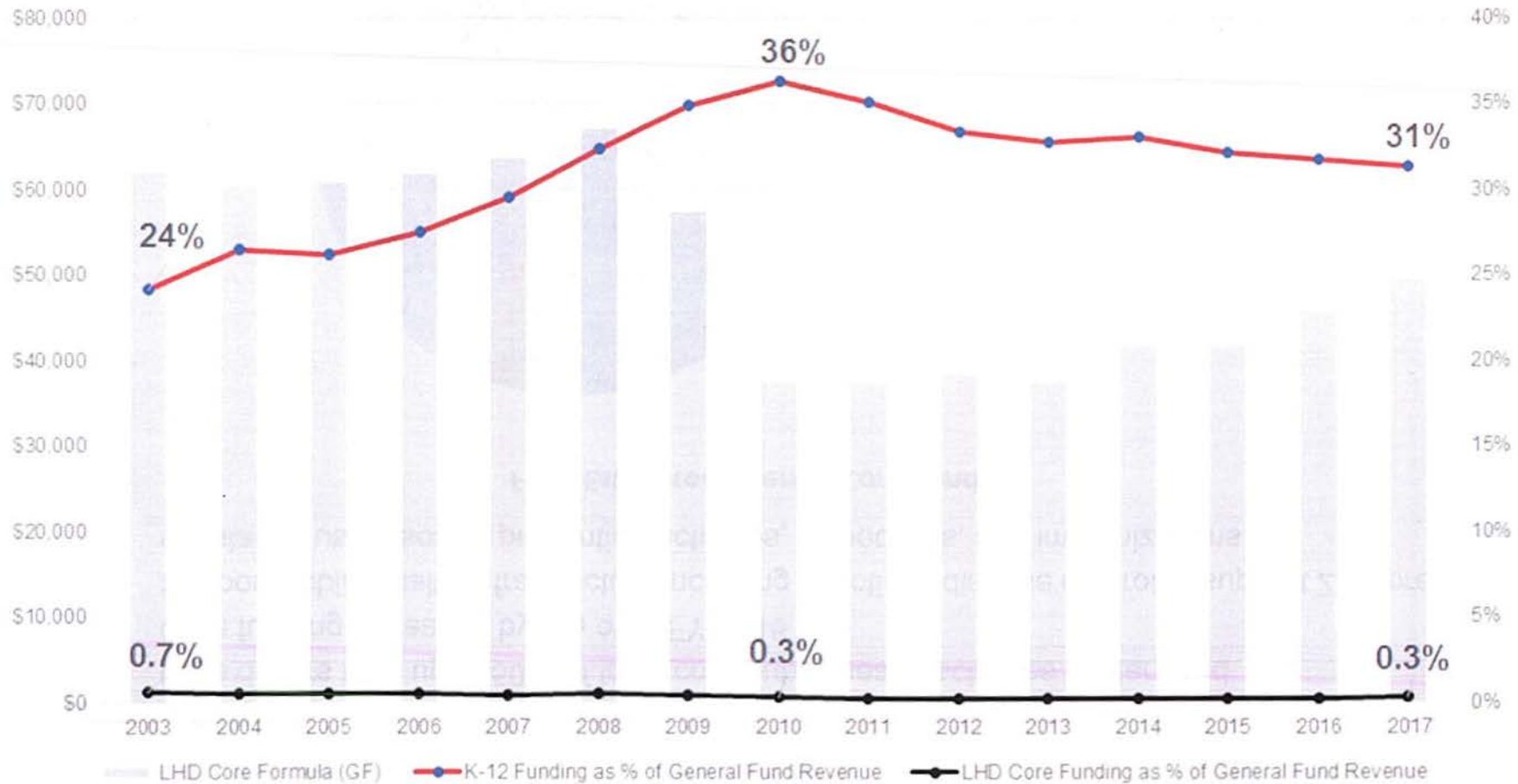# Office of Population Health Improvement: Core Funding

Core Funding

- Core dollars fund up to 50% of local core public health activities in Maryland
- Core funding increased by 2% over FY 2016
- Support public health infrastructure including infectious disease control to support Zika prevention, substance use disorder prevention activities, inspections, and immunizations.

FY17 Estimated Spend - Core Funding

Pie chart legend:
- ■ Administration & Communication — 32%
- ■ Maternal & Child Health (General Funds) — 0%
- ■ Environmental Health — 9%
- ■ Maternal & Child Health (Federal) — 20%
- ■ Wellness Promotion — 10%
- ■ Infectious & Communicable Disease — 22%
- ■ Adult & Geriatric Services — 2%
- ■ Family Planning Services — 5%

Office of Population Health Improvement

Core Funding ($ thousands)

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Office of Preparedness and Response

OP&R provides situational awareness to agency/ESF-8 partners, manages the ESSENCE program, conducts health systems and surge planning, and coordinates with other state and Federal agencies for communications, response capabilities and planning.

Mostly federally funded by the Public Health and Emergency Preparedness (PHEP) and Hospital Preparedness Program (HPP) Cooperative Agreement

$16.7 **Million budget**

35 **Employees****

*FY18 allowance, $16.4M FF, $366K GF
**25 pin, 10 contractual

Major Responsibilities

Lead agency for Maryland's Emergency Support Function (ESF-8) and is responsible for the overall public health emergency preparedness for the state.

Manages the following plans:

- Heat and Cold Emergency Plans

- Seasonal and Pandemic Influenza Plans

- Emerging Infectious Disease Plans –
    . Zika and Ebola

- Public Health Radiation Response Plan

- Strategic National Stockpile Plan

- Risk Communications Plan for Public Health
. Emergencies

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Office of Preparedness and Response

Accomplishments

- Completed the Maryland Emerging Infectious Disease Plan

- Led the completion of the Maryland and HHS Region 3 Ebola Virus Disease Response Plans

- Led the development and facilitation of the National Governor's Association (NGA) Workshop on improving preparedness and response to public health emergencies

- Led DHMH response for Winter Storm Jonas

- Led DHMH coordination for response/recovery for Ellicott City floods

- Supported the National Guard Strategic National Stockpile Full Scale Exercise

- Completed the Maryland Zika Virus Response Plan
    - Zika Awareness Week
    - Zika Awareness Toolkit for State Agencies
    - Statewide Zika Table-Top Exercise
    - Assembled and distributed 15,000 Zika kits to local health departments for community outreach

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Vital Statistics Administration

175,000 registered births, deaths, marriages and divorces in Maryland

520,000 copies of vital records issued

Lowered fees in accordance with Chapter 389 of the Acts of 2016

$4.8 Million budget

66 Employees**

Major Responsibilities

Registration of all vital events (birth, death, fetal death, marriage, divorce) occurring in Maryland

Issuance of certified copies of vital records (birth, death, fetal death, and marriage certificates; divorce verifications)

Analysis and dissemination of vital statistics data for state, local and national public health and administrative purposes

Coordination of drug overdose data activities for the Department

*FY18 allowance
**60 pin, 6 contractual

MARYLAND
DEPARTMENT OF HEALTH
& MENTAL HYGIENE

Vital Statistics Administration

2016 Accomplishments

- Registered 175,000 vital events and issued 520,000 certified copies of vital records

- Collected ~ $8M in fees for issuance of vital records

- Relocated the Division of Vital Records with minimal impact on customer service and operations

- Analyzed all Maryland vital statistics data; prepared and disseminated data for wide-ranging public health and administrative purposes

- Prepared and disseminated statewide drug death data and reports

- Continued expansion of the Department's Electronic Death Registration System (MD-EDRS)

Moving Forward: 2017 Goals

- Expand use of MD-EDRS by increasing the number of medical facilities and medical providers using system

- Evaluate IT systems used by VSA to collect vital event data; where necessary, develop long term plan for modernizing systems

- Implement process improvement measures to continuously improve customer service at the Division of Vital Records

- Work collaboratively with other Departmental and State agencies to improve the dissemination of vital statistics and drug-related data

**The Department of Health and Mental Hygiene's
Responses to the DLS FY 2018 Public Health Budget Analysis
February 1, 2017 (House) and February 2, 2017 (Senate)**

The agency should comment on how it intends to reduce the barriers that LHDs still face in contracting with third-party payors and whether it intends to form a centralized process for LHD third-party payor contract negotiation now that funding for that position has been eliminated. (pg. 16)

The Department agrees that revenues derived from collections are an important role in local health department (LHD) financing to ensure their sustainability. As more Marylanders now have expanded access to health care through the Affordable Care Act, safety net providers, such as LHDs, need to continue to assess their capabilities, readiness and challenges to bill insurance providers and collect for health care services. To that end, the Department has been engaged for a number of years in seeking to address barriers to billing private insurers. As part of a federal immunization billing project, the Department hired a contractual attorney to assist with contract negotiations, and hired RS&F Associates (formerly SHR Associates) to assist with other billing barriers. As noted in the analysis, the Department, with the assistance of the attorney, successfully negotiated a Department contract with UnitedHealthcare.

The Department has continually engaged private insurers to negotiate contracts similar to United. One insurer indicated that it was only interested in contracting with LHDs individually; so, the Department negotiated sample form amendments to assist LHDs with this process. Two other private insurers indicated that they were not interested in negotiating contract terms with LHDs. One of the private insurers invited LHDs to use the insurer's standard contract, but since it contained some provisions that were in violation of state law, these efforts were unsuccessful.

Through Departmental support, each of the 24 LHDs are at variable stages of formalized payer contracts, commercial and managed care billing. The variable stages are a function of LHD capability and infrastructure, such as billing processes, information technology and operations. In an effort to strengthen the LHD internal operations to increase the number of LHDs engaged in billing, the Department entered into a new contract with RS&F Associates to develop a comprehensive billing manual for local health departments ($10,000 contract). The project is nearing completion, and as a next step, the Department will work with RS&F and the Maryland Association of County Health Officers to determine what kind of training is necessary to make this manual useful for the LHDs and additionally School Based Health Centers.

Once the billing manual is complete and training is underway, the Department will explore new options for forming a centralized negotiation process, including the use of a revenue cycle management company. The Department will also re-engage the private insurers who have been unwilling to negotiate with LHDs. The Department's attorneys general are available to assist with this effort.

Discussion of OCME Deficiency (pg. 16)

The Governor's budget includes a deficiency of $401,416 in FY 17 for Medical Examiner salaries. The Department thanks the General Assembly and DLS for their support in maintaining the deficiency.

OCME has experienced an increase in workload in recent years in part due to the opioid crisis in Maryland. In anticipation of this increase, OCME requested and received an additional ME in the FY 17 budget. The Department also transferred a PIN to OCME to allow for 2 new MEs.

Despite these two new PINs, OCME has experienced significant recruitment challenges. In June 2016, OCME aggressively recruited through the Maryland Job Aps website, the national professional organizations (NAME, AAFS), and sent bulk emails to all known practicing forensic pathologists. This resulted in only one suitable applicant who requested a salary above several veteran MEs at OCME. At the same time, one ME from OCME had interviewed and received an offer from the Washington DC Medical Examiner Office. OCME was facing a serious recruitment and retention problem in the face of a national shortage of forensic pathologists.

Meanwhile, the Postmortem Examiners Commission undertook a rigorous nationwide review of Medical Examiner salaries and secured a 16% salary increase and new job classification through the Department of Budget and Management. The new salary scales were then advertised, resulting in one additional applicant. Fortunately, this applicant was of suitable caliber to be accepted.

As noted in the analysis, the workload of Medical Examiners is regulated by accreditation standards and separately by national practice standards at a maximum of 325 cases per pathologist for each calendar year. The accreditation checklist also states that 250 cases is the recommended workload and exceeding this adds a phase 1 violation to OCME's list. Since OCME is in danger of exceeding the 325 case limit, the Department is seeking this deficiency to assist in fully staffing the program.

The agency should brief the committees on the goals of the Maryland CPC Model, the expected level of provider participation, and how the model will improve on similar programs launched in other states. (pg. 25)

The primary goal of the Maryland CPC Model is to improve the health of Maryland's six million residents. The State has a strong and fundamental belief that in order to meet this goal it must make significant improvements in the manner in which care is delivered to Maryland residents. Furthermore, the goals of the Maryland CPC Model are consistent with Maryland's vision for the second term of the All-Payer Waiver:

- Align community providers with hospitals and specialists to foster collaboration in the care of shared patients in order to reduce potentially avoidable utilization;
- Reduce the pool of high needs and super-utilizing patients through better management of the rising risk population to avoid the development of advanced disease;
- Move care to the safest, most appropriate, and most cost-efficient care setting possible;

- Allow clinicians to assume greater overall responsibility for patient populations, thereby providing a path toward sustainability and success for the Maryland CPC Model and All-Payer Model;
- Identify and reduce disparities in care delivery and health outcomes; and
- Foster and implement innovations in health care delivery, including multidisciplinary integration of services.

Maryland has undertaken a quantitative analysis for project participation in the Maryland CPC Model by providers. The projections are based on data provided by CRISP and other state agencies and reflect the eligibility requirements of the Maryland CPC Model. The projections demonstrate three scenarios: optimistic, standard, and conservative. The range of provider participation for year 1 (2018) is 544 through 2,042 providers. The standard scenario reflects what is considered to be the most likely occurrences given the scope of existing practice transformation, while the other two are more and less optimistic than the standard forecast.

Table: Provider Participation by Year, Projections

	2018	2019	2020	2021	2022	2023
Conservative	544	871	1,138	1,302	1,361	1,299
Standard	1,286	1,864	2,276	2,533	2,571	2,507
Optimistic	2,042	2,573	3,022	3,249	3,403	3,348

It is estimated that this opportunity could bring up to an additional $100M into Maryland in 2018 for model participants. A combination of direct financial assistance and technical assistance from a State/Federal partnership will enable primary care and specialist practices that serve as the patient's designated provider to redesign the way care is delivered and change their workflows to accommodate the varying needs of patients. The Maryland CPC Model emphasizes after-hours access, e-visits, group visits and telemedicine. It will directly link the delivery of care for physical problems with care for mental illness and substance use disorders along with social services.

The key new operational entities and design features that make this possible and build upon previous primary care initiatives are:

- *Care Transformation Organizations (CTOs):* CTOs are private entities that provide a suite of enhanced services and resources to practices. The CTOs generate economies of scale in the provision of services that are challenging or impossible for many small and medium-size practices to engage in financially or operationally, such as care managers, pharmacist services, behavioral health counseling services, social services, and support from health educators and Community Health Workers (CHWs), in addition to data tools and informatics.

- *Coordinating Entity (CE):* The CE is the State, privately partnering entity that administers the program. A diverse advisory body will define the rule sets by which the CE administers the program. MHCC will operationalize the CE.

- *Person Centered Home:* Person Centered Homes are the end result of the practice transformation process. A practice is considered the central hub, or home, where facilitation and coordination to other healthcare professionals takes place. PCHs improve access and efficiency to care by providing more seamless coordination of care and meeting patients where they are.

- *Payment Redesign:* Maryland will be implementing a modified and enhanced version of the national CPC+ model used by the federal government to promote practice transformation, with the opportunity to bring up to an additional $100M into Maryland in 2018 for providers, care transformation organizations, and the Coordinating Entity.

- *The Role of CRISP:* Practice transformation will be greatly facilitated by Maryland's Health Information Exchange (HIE). The Chesapeake Regional Information System for our Patients (CRISP) provides an array of advanced health information technologies improving the exchange of information and care coordination between all types of providers..

- *Improving Population Health:* The Maryland CPC Model will strive to improve population health by addressing the non-medical factors that lead to the onset of diseases and the forces in both the environment and lifestyle that are driving people into the health care system.

Reduction to LHD contractual health insurance funding totaling $1.6 million (DLS' DHMH Administration Analysis, 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.

Accreditation for Local Health Departments (pg. 14-15)

As noted in the analysis, many local health departments have either received accreditation through the Public Health Accreditation Board (PHAB). Six LHDs are accredited (Allegany, Frederick, Garrett, Harford, Wicomico, and Worcester), one is awaiting accreditation decisions, one has submitted a letter of intent, and 8 others have initiated the process by working on prerequisites. The purpose of National Public Health Accreditation is to measure local health department performance against nationally recognized, practice-focused and evidence-based standards of public health. This improves and protects the health of the public by advancing the quality and performance of public health services.

In the national funding arena, future competitive grant dollars will be awarded with preference to those who have achieved accreditation. To that end, the Department has encouraged local health departments to pursue accreditation, and the Department is also pursuing accreditation through PHAB.