

**The Maryland Department of Health's  
Responses to the DLS FY 2019 Administration Budget Analysis  
January 24, 2018 (House) and January 25, 2018 (Senate)**

***The Department should comment on which recommendations it plans to implement [related to loan repayment assistance programs], and by when each of the recommendations will be fully implemented. (pg. 3, 14)***

Since the Joint Chairmen's Report response on loan assistance repayment programs was submitted on December 12, 2017, the Department has not yet reconvened either internally or with its sister agencies, the Department of Human Services and the Maryland Higher Education Commission, to discuss which of the response's recommendations will be pursued. Further discussions are anticipated.

***The Department of Legislative Services recommends language requesting a report containing information on the appropriate salary and compensation levels necessary to better recruit and retain these employees. (pg. 3, 15)***

The Department concurs.

***[The Department of Legislative Services recommends to] add budget bill language requesting a report on the resolution of repeat audit findings. (pg. 3, 16)***

The Department concurs. Attached to this written testimony is the Department's most recent quarterly report on resolving the Office of Legislative Audit's (OLA's) findings. As of December 31, 2017, nine of the 17 findings (53 percent) have been resolved, which includes three of the six repeat findings. Of the OLA's 49 recommendations, 36 recommendations (73 percent) have been resolved.

The Department's Office of the Inspector General (OIG) will begin its follow-up audits on actions reported as complete in early 2018. The OIG will plan its work to coordinate with the OLA's follow-up that is currently scheduled to begin in February-March 2018.

***The Department should comment on the likelihood of actually achieving these savings, and if they do not, where will the additional general funds come from. (pg. 9, 16-17)***

A \$5 million GF reduction to the Department's current year budget at the September 6, 2017 Board of Public Works Hearing was taken to reflect an attempt to negotiate a lower price with private vendors whose contracts end in FY 2018 but also have a predetermined option to extend. The Department has contacted a number of private vendors to begin negotiating a lower price on contract extensions and hopes to report on successful negotiations soon. To the extent that the \$5 million GF reduction is not achieved through contract negotiations in the current fiscal year, the Department intends to realign savings from throughout the Department to cover the shortfall at fiscal-year-end. It should be noted that the Department's FY 2019 Allowance also reflects a \$5 million GF savings to negotiate large contracts, further emphasizing the importance of the Department's success in this endeavor.



**OLA Report on MDH Office of the Secretary  
Status Report as of January 22, 2018**

- The OLA report (issued August 30, 2017) contained 17 findings and 49 recommendations.
- Six of the 17 findings were repeats.
- As of December 31, 2017, Office of the Secretary units reported that corrective actions for nine of 17 findings (53 percent) are complete. This includes three of the six repeat findings.
- Office of the Secretary units reported that 36 of 49 recommendations (73 percent) are resolved.
- The OIG will begin its follow-up audits on actions reported as complete in early 2018. The OIG will plan its work to coordinate with OLA's follow-up, scheduled to begin in February or March 2018.