

Maryland Department of Health (MDH) Overview
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis

House Appropriations Committee
Health and Social Services Subcommittee
Delegate Emily Shetty
January 25, 2024

Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Senator Cory McCray
January 29, 2024

The Department thanks the Governor, the Department of Budget and Management (DBM), and the Budget Committees for their support. We thank the Department of Legislative Services for its insightful budget analysis and for its recommendations to concur with the Governor's allowance.

MDH should comment on its plans to sustain its progress on filling vacancies given the addition of several hundred new positions added across the agency.

MDH Response: In line with Governor Moore's pledge to build back state government, over the past year, the Department has made strides to reduce the agency's vacancy rate from 14% to 10%. This has been accomplished through a multipronged strategy to address employee recruitment and retention that will continue in fiscal year (FY) 2025:

- **Merit Positions.** The Department, in conjunction with the Department of Budget and Management (DBM) has taken steps to improve job stability for Marylanders through the contractual conversion process. In FY24, this was accomplished by converting 279 contractual employees to merit positions at the October 2023 and January 2024 Board of Public Works meetings. The FY 25 budget includes funding for additional contractual conversions of 540 contractual employees who are in classifications represented by the American Federation of State, County, & Municipal Employees.

- **Investing in state employees.** The Governor's FY25 allowance invests in the public health workforce through a 3 percent cost of living increase, step increments based on an employee's entry date, and an additional one-step longevity increment for employees with at least 5-years of service. The actions will help retain qualified public servants.

- **Increasing recruitment efforts.** The Department has increased recruitment efforts and continues to identify new avenues to improve employee retention and recruitment. Among other things, this includes reinstating in person agency-wide job fairs at headquarters, participating in multi-agency job fairs, and holding hiring fairs at MDH State Hospitals. MDH is also working to develop pipelines through the establishment of a Public Health Workforce Internship program. Other strategies include reviewing and

modifying job requirements to increase employment, using more descriptive titles in job postings, and utilizing continuous job postings as appropriate.

MDH should provide an update on efforts to fill OLTSS EDD vacancies that would support Medicaid HCBS waiver programs. The department should also discuss whether the fiscal 2024 working appropriation or fiscal 2025 allowance includes any new regular or contractual positions that were outlined in the waitlist reduction plans. Finally, MDH should describe how the \$10 million in new funding in the DPA will be used to support HCBS provider capacity in fiscal 2025.

There are several efforts underway to support Medicaid home and community based services waiver programs. First, the FY25 proposed allowance includes additional staffing in the Medicaid Office of Long Term Support Services (OLTSS) and Office of Eligibility Services (OES) (8.1 positions). These positions will bolster the resources needed to support HCBS waiver programs. Further, OES is implementing standard operating procedures for caseworkers to ensure efficient utilization of resources. In addition, the Department is taking steps to automate systems, including MDThink, to allow for more streamlined workflows for EDD employees where applicable.

The Department has also taken steps to improve employee retention and recruitment in OES to reduce the high turnover and vacancy rates. This includes reviewing eligibility positions to determine whether they are appropriately classified. Some eligibility positions do not require a college degree and the Department continues to review positions to determine if educational requirements are appropriate. The Department is also establishing partnerships with a variety of organizations, community colleges, and higher education institutions to create a workforce pipeline for these positions, as well as other vacancies across the Department.

Finally, the Department and DBM are committed to working together to determine the best approach to use the \$10 million allocation to support the infrastructure of Medicaid's HCBS, as well as provider capacity. We will share that plan with the General Assembly when it is available.

MDH should provide the committees with an update on the status of the [rate-setting] study [for community-based behavioral health services].

MDH Response: The Department is actively engaged in procuring a vendor to accomplish this work. We anticipate bringing this contract before the Board of Public Works in Spring 2024.

The Department of Legislative Services recommends the release of \$250,000 in general funds restricted in fiscal 2024 pending the submission of a report regarding current Medicaid rates, rate enhancements, and rate-setting studies and will process a letter to this effect if no objections are raised by the subcommittees.

MDH Response: The Department thanks DLS for its review.