

**MDH ATTENDEES:** Laura Herrera Scott, MD, MPH, Secretary  
Bryan Mroz, Deputy Secretary, Operations  
Amalie Brandenburg, MDH Chief Financial Office

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

**House Appropriations Committee**  
**Health and Social Services Subcommittee**  
**Delegate Emily Shetty**  
**February 7, 2024**

**Senate Budget and Taxation Committee**  
**Health and Human Services Subcommittee**  
**Senator Cory McCray**  
**February 8, 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 discuss the transition of Board of Nursing oversight responsibilities, including a brief description of the activities involved, the timing of when the transition occurred, the number of staff responsible for oversight, reasons for the underspending in fiscal 2024, and an explanation of the Board of Nursing's role in operational oversight given the fiscal 2025 allocation of reimbursable funds in the Board of Nursing (p. 8).**

In accordance with Chapters 222/223 of 2023, the Secretary of Health is responsible for oversight of operations and infrastructure at the Board of Nursing. The assumption of these duties took effect on April 24, 2023, when Chapters 222/223 were signed into law, and several staff provide oversight and support of Board activities. In addition to the Secretary, this includes:

- **The Department's Chief of Staff, and a Health Policy Analyst in the Office of the Secretary.** Within the Office of the Secretary, these individuals provide leadership and project management support to ensure adequate oversight of Board infrastructure operations. These staff are in close contact with the Board on a daily basis. Among other things, these staff have supported milestones such as procuring an independent evaluation of the Board that was required by Chapters 222/223, expediting hiring and recruitment initiatives, and working with the Board and the Governor's Appointment Office to ensure new appointments to the 14-member volunteer Board.
- **The Department's Chief Information Officer, Chief Portfolio Officer, and other IT Staff.** Since the enactment of Chapters 222/223 these individuals have been instrumental

in ensuring the Board has the IT infrastructure to effectively and securely operate. Effective June 30, 2023, the Board was reconnected to the Department's network for the first time since the 2021 network security incident. These staff also ensured that the Board's licensure database, LARS, was successfully migrated from Oracle to Windows, and secured a new server for the Board. Finally, these team members are supporting a Major IT Development Project (MITDP) to implement a new licensing system for the Board.

- **The Department's Chief Financial Officer and other Fiscal Staff.** In recent years, the Board's expenditures are exceeding the revenues they obtain in licensure and certification fees. The Department's Budget Management Office (BMO) has allocated a staff member to assist with budget forecasting and rate updates for the Board. These analyses will be used by the Board to update fees in the summer of 2025. In addition, BMO has provided the board with additional support for budget development and quarterly projection exercises.

The fiscal 2024 budget includes \$8 million in General Funds to support infrastructure operations at the Board. These funds are in addition to the Board's special funds which are derived from licensure fees. Per Chapters 222/223, the Department is limited in how it can spend the \$8 million General Funds. Specifically, these funds are meant to support infrastructure operations, defined as administrative activities of the Board, including tools and resources for the use and support of deliberative actions. It does not include licensing, investigation or disciplinary activities, or policy or regulatory issues. Based on the statute, the Department anticipates spending \$5.3 million in fiscal 2024. As such, changes in the Board's appropriation should not be characterized as savings, or the result of changes in payroll; rather the Governor's proposed allowance reflects alignment with actual program expenditures.

**MDH should provide a breakout of new positions and their function, indicating which were created through contractual conversion in fiscal 2024 through BPW authorizations or will be converted in fiscal 2025 (p. 13).**

The Governor's Allowance includes 435 additional full-time state merit positions within the Office of the Secretary and facility program budgets. The Department's Healthcare System provides healthcare services to some of the State's most vulnerable residents through the operation of the eleven Healthcare System facilities. The Department's Healthcare System operates four major service lines providing care to individuals who often do not receive needed healthcare services in the community due to their acuity or the level of their needs:

- **Five Adult Psychiatric Hospitals** – Clifton T. Perkins Hospital Center, Spring Grove Hospital Center, Springfield Hospital Center, Thomas B. Finan Hospital Center, and The Eastern Shore Hospital Center;
- **Two Regional Institutes for Children and Adolescents (RICA)** – RICA Baltimore and The John L. Gildner RICA;
- **Two Chronic Acute Care Hospitals** – Deer's Head Hospital Center and Western Maryland Hospital Center; and

- **Two Residential Centers for Individuals with Intellectual/Developmental Disabilities**  
– The Holly Center and The Potomac Center (which includes the Secure Evaluation & Therapeutic Treatment program on the campus).

The Department’s Healthcare System serves approximately **1,900 patients per year** with a budget of approximately **\$500 million annually**.

These new positions support the operation of expansion of facilities and increased needs of the patient population served by the Department’s Healthcare System including:

- New units at the John L. Gildner RICA which will support staffing for the High-Intensity unit and Facility for Children.
- New Units at Thomas B. Finan Center which will provide staffing support for these new beds to address the Department’s Court-Ordered Waitlist.
- New positions at Spring Grove Hospital Center to reduce the facility's overtime rate and support discharge of patients.

For further information, see breakdown below.

<b>FY 2025 Governor’s Allowance MDH Healthcare System Facilities New Merit Positions</b>		
<b>Initiative</b>	<b>No. New PINs</b>	<b>Purpose</b>
New Units at Thomas B. Finan Center	110.0 new PINs <ul style="list-style-type: none"> <li>● Nurses (34)</li> <li>● Direct Care Assistants (25)</li> <li>● Security Attendants (18)</li> <li>● Psychiatrists (4)</li> <li>● Social Workers (4)</li> <li>● Other Positions (25)</li> </ul>	Staffing to support 44 additional in-patient psychiatric beds to address the Department’s Court-Ordered Hospital Waitlist
New Units at John L. Gildner RICA	68.0 new PINs <ul style="list-style-type: none"> <li>● Direct Care Assistants (22)</li> <li>● Security Attendants (22)</li> <li>● Nurses (12)</li> <li>● Instructional Assistants (3)</li> <li>● Social Workers (2)</li> <li>● Teacher (1)</li> <li>● Psychiatrist (1)</li> <li>● Psychologist (1)</li> <li>● Other Positions (4)</li> </ul>	Staffing for 12 new beds at JLG RICA to support the Facility for Children and High Intensity Residential Treatment Center Services
Security Attendant	203.0 new PINs	Staffing to address

Staffing		security needs at the Department's forensic hospitals. Mix of contractual conversions and new positions.
Additional Staffing for Spring Grove Hospital Center	25.0 new PINs <ul style="list-style-type: none"> <li>● Direct Care Assistants (9)</li> <li>● Activity Therapy Associates (6)</li> <li>● Art Therapist (1)</li> <li>● Nurse (1)</li> <li>● Health Records Reviewer (1)</li> <li>● Occupational Therapist (1)</li> </ul>	Staffing to support patient discharge initiatives and to address needs of the patient population. Includes 14 contractual conversions and 11 new positions.
Additional Staffing for MDH Healthcare System Facilities	17.0 new PINs	Staffing to support the work of the Department's facilities. These new positions are supported by existing budget resources.

Additionally, there are 12 positions which support the Department's Headquarters Administration including the Department's Office of Human Resources, Office of Finance, and the Office of Facilities Management & Development. For further information, see breakdown below.

<b>FY 2025 Governor's Allowance MDH Office of the Secretary New Merit Positions</b>		
<b>Initiative</b>	<b>No. New PINs</b>	<b>Purpose</b>
10/25/23 BPW Contractual Conversions	4.0 new PINs <ul style="list-style-type: none"> <li>● Executive Direction (1)</li> <li>● Finance (1)</li> <li>● Human Resources (1)</li> <li>● MDH Healthcare System (1)</li> </ul>	Conversion of SPP employees to merit status, per 10/25/23 BPW approval.
Operations Support	8.0 new PINs <ul style="list-style-type: none"> <li>● Finance (5)</li> </ul>	Staffing to support the work of the Department's Operations. These new

	<ul style="list-style-type: none"> <li>● Human Resources (2)</li> <li>● Facilities Management and Development (1)</li> </ul>	positions are supported by existing budget resources.
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It is important to note that the Department’s authorized state merit FTE count does not yet reflect 114 contractual conversions for Office of the Secretary and the Department’s Healthcare System that were approved by the Board of Public Works on January 3, 2024. Moreover, it does not reflect the creation of up to 540 additional state merit positions in classifications represented by AFSCME. Funding for the former is reflected in Object 2 in the programs where the conversions were approved, and funding for the latter is centrally budgeted within the Office of the Secretary, for later distribution.

**MDH should comment on the function of this new [JLG RICA] unit (p. 16).**

Two new units (12 beds) were completed at the John L. Gildner Regional Institute for Children and Adolescents (RICA) in November 2023, a final unit is anticipated to be completed in mid-2024. This increases capacity by 18 beds, 6 Facility for Children (FFC) beds and 12 for High-Intensity Residential Treatment Center (HRTC) beds.

The FFC is a multiagency program with participation from the Department of Health, the Department of Juvenile Services, the Department of Human Services, and the Maryland State Department of Education. The FFC supports children and adolescents who have been ordered by the court to undergo a competency evaluation at a Department of Health facility. These 6 additional beds increase capacity in the FFC Program and ensure that these services are provided in a safe and secure environment addressing the high-acuity needs of this patient population.

The HRTC will serve some of the State’s most vulnerable youth with high-intensity behavioral health needs particularly those who have experienced hospital overstay or have been denied care by private providers. To further support these needs, the Department is planning for the new FFC and HRTC, which will be built on the grounds of RICA Baltimore, which the Department looks forward to discussing more at the Department’s Capital Budget Hearings.

**Therefore, the Department of Legislative Services (DLS) recommends budget bill language restricting funds pending a staffing and salary study (p. 16).**

The Department estimates releasing the request FY 2024 staffing and salary study by mid February.

**DLS recommends adopting committee narrative requesting that MDH submit a report on the department’s current efforts to respond to overdoses and how it measures the impact of each initiative (p. 22).**

The Department agrees with providing the requested information; however we respectfully request that this information be included in the Commission on Behavioral Health Care

Treatment and Access's Annual Report, rather than requiring a separate report. Established under Chapters 290/291 of 2023, this Commission is tasked with examining 14 different aspects of the public behavioral health system. As part of its mandate, the Commission has taken several initial steps, including:

- reviewing prior reports issued by the Opioid Operational Command Center (OOCC) including the Data-Informed Overdose Risk Mitigation (DORM) reports; and
- examining life expectancy, and morbidity and mortality data related to drug use and overdose.

A review of overdose-related activities, including determining whether our current tactics are effective should be addressed by the Commission. In the near term, the Commission is addressing other relevant mandates, including examining and reviewing the use of harm reduction strategies to facilitate access to care; and examining methods to assist consumers in accessing behavioral health services.



# MDH Administration Budget

Laura Herrera Scott, MD, MPH  
Secretary

Bryan Mroz, RN  
Deputy Secretary for the MDH Healthcare System & Operations

# MDH Operations

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- Supports Operations of the Maryland Department of Health through:
  - Office of Contract Management & Procurement
  - Office of Facilities Management & Development
  - Office of Human Resources
  - Secured Transport and Investigation Unit
- **Major Initiatives**
  - Relocation of MDH Headquarters to 300 North Greene Street
  - Implementation and Analysis of the MDH Facilities Master



# MDH Healthcare System

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- In July 2021, the MDH Healthcare System was formed within the MDH's Operations Administration to oversee all eleven of the Department's healthcare facilities.
- **Service Lines**
  - **Five Adult Psychiatric Hospitals** – Clifton T. Perkins Hospital Center, Spring Grove Hospital Center, Springfield Hospital Center, Thomas B. Finan Hospital Center, and The Eastern Shore Hospital Center;
  - **Two Regional Institutes for Children and Adolescents (RICA)** – RICA Baltimore and The John L. Gildner RICA;
  - **Two Chronic Acute Care Hospitals** – Deer's Head Hospital Center and Western Maryland Hospital Center; and
  - **Two Residential Centers for Individuals with Intellectual/Developmental Disabilities** – The Holly Center and The Potomac Center (which includes the Secure Evaluation & Therapeutic Treatment program on the campus).
- The MDH Healthcare System currently serves approximately **1,900 patients annually** with a budget of over **\$500 million dollars**.

# Budget Highlights: MDH Workforce

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- Governor Moore's Fiscal Year 2025 allowance includes a significant investment in the MDH Workforce which makes **Maryland a State that Serves**
- The MDH Administration budget creates **more than 400 new State merit positions** to support critical MDH initiatives including:
  - Opening **12 new beds** at the **John L. Gildner Regional Institute for Children and Adolescents** to support children and adolescents experiencing hospital overstay or requiring competency attainment services
  - Open **44 new beds** at **Thomas B. Finan Center** which will provide staffing support for these new beds to address the MDH Court-Ordered Waitlist.
  - New positions at **Spring Grove Hospital Center** to reduce the facility's overtime rate and support timely discharge of patients.