

Maryland Department of Human Services (DHS)

Fiscal Year 2025 Operating (Administration) Budget Response to Department of Legislative Services Analysis

Senate Budget and Taxation Committee
Health and Human Services
Senator Cory McCray
February 19, 2024

House Appropriations Committee
Health and Social Services
Delegate Emily Shetty
February 15, 2024

Honorable Chair and members of the Subcommittee, my name is Rafael López, and I serve as the Secretary of the Maryland Department of Human Services (DHS). On behalf of our department, I thank Governor Moore, Lieutenant Governor Miller, the Department of Budget and Management (DBM), and the Budget Committees for their support. We are also grateful to the Department of Legislative Services Analyst Nathaly Andrade for her assistance leading up to today's hearing. Joining me at the table is Deputy Secretary for Operations Daniel Wait, MDTHINK Executive Director Pat McLoughlin, and Acting Chief Financial Officer Kirill Reznik. We have senior members of our leadership team, including Principal Deputy Secretary Carnitra White, Chief of Staff Webster Ye, and directors of our local departments of social services present in the audience as well.

We are honored to serve the people of Maryland. The DHS Administration units provide the operational support and technological services that enable us to serve millions of Marylanders a year. DHS manages human services programs through a State-supervised and locally administered system. DHS Administration provides direction through four major units:

1. Office of the Secretary;
2. Operations Office;
3. MDTHINK; and
4. Local Departments of Social Services.

During the past year, we found:

- A DHS culture that was demoralized by years of under budgeting and understaffing that has resulted in a lack of responsiveness to customers and a failure to treat our customers with the respect and dignity they expect and deserve.
- During COVID, employee vacancy rates ballooned from about 7.5% to over 15% resulting in higher caseloads and an expectation that staff would do more with less.



- A customer call center that did not meet expectations including having excessive wait times that in 2023 alone resulted in over 500,000 customers abandoning calls out of a total of 1.9 million total calls to the call center. Processes were not in place with the call center to give customers answers even when their calls were answered; and no system to track customer complaints and corresponding action across the department.
- An MDTHINK platform that was plagued by overspending and design flaws that made it difficult, and at times impossible, for DHS staff and customers to navigate. At the core, the design, development, and implementation work to move and modernize DHS applications was not completed prior to 2023.

Over the past nine months, we have:

- Focused on filling vacant positions. We have 338 more positions filled on December 31, 2023 than on January 1, 2023. Our vacancy rate has been reduced from 15.20% to 9.69% within less than a year.
- Prioritized building a new partnership with all 24 local departments of social services and are driving every interaction at the leadership table and across the department with the Moore-Miller Administration Values.
- Designed and launched our own process to track complaints received by the Office of the Secretary on a daily basis to provide better awareness of how we might generate solutions to practical problems and hold each other accountable across the Department for customer complaint resolution.
- Taken significant steps to course correct the MDTHINK platform, including completing a forensic audit of MDTHINK business processes, replacing the MDTHINK leadership, building practices that will hold vendors accountable and listening to users to ensure that we are now moving in a direction that will meet the needs of staff and customers.

In 2024, we need to:

- Proactively fill positions, especially key managerial and leadership roles, while focusing on high quality, authentic employee engagement and continuing to increase our retention rates.
- Implement a new call center by summer 2024 that is responsive to our customers in real time, and which fully integrates the local departments of social services into a new Customer Relationship Management (CRM) system with world class standards and accountability.
- Modernize MDTHINK to be mobile friendly and connected to universal access to benefits across agencies (e.g., Maryland Department of Health, Department of Juvenile Services, Department of Public Safety and Correctional Services, etc.).
- Cross agency collaboration to deliver more seamless services in real time.

These are the baseline efforts that we must make to create the workplace culture where world class customer service is the new normal and Marylanders are treated with the respect and dignity they deserve. We intend to do more, in partnership with the General Assembly, and our community partners.

Responses to DLS Analysis

1. ***DHS should discuss measures to sustain and enhance the timeliness of reporting by CRBC and strategies to enhance the provision of appropriate educational and health services. (Page 6)***

DHS Response:

The Citizens Review Board for Children (CRBC) is comprised of an independent State Board and local review boards. The CRBC is housed within DHS and is tasked with duties specified under Human Services Article § 5-539, including conducting case reviews of children in out-of-home care under Human Services Article § 5-539.1. Although CRBC is housed within the DHS organizational structure, it is an independent entity overseen by CRBC's State Board (please see **attached CRBC fact sheet**). The CRBC is required to provide a report to DHS and includes recommendations based on case reviews. DHS is required to review the annual report and provide a written response to the State Board describing the actions to be taken by the Department in response to the recommendations of the State Board.

In January 2024, the CRBC administrator retired, and an interim administrator was appointed. The CRBC worked in partnership with the Governor's Appointments Office to fill 26 vacancies (including new and re-appointments). DHS intends to continue supporting the CRBC in its efforts in 2024. We intend to continue supporting local boards in their independent review of cases, which will ultimately maintain and improve the timeliness of CRBC reporting.

DHS continues to enhance the provision of appropriate educational and health services. DHS' Social Services Administration (SSA) implemented a new unit in 2021, Audit Compliance and Quality Improvement (ACQI). This unit is responsible for monitoring educational services entries by the 24 local departments of social services (LDSS). In 2022 the ACQI unit added educational records to their list of monitoring practices. This monitoring practice has seen an increase in LDSS addressing educational services with 22 of the 24 meeting the 90% threshold.

2. ***DHS should comment on the timeline for the expenditure of proposed deficiencies throughout the remaining duration of fiscal 2024. (Page 7)***

DHS Response:

DHS anticipates that the expenditure of the proposed deficiencies during the remainder of FY2024 will be accomplished no later than May 8, 2024. DHS is proposing modifications to its Agile Scrum Team Resources for MDTHINK Task Order Agreements to the Board of Public Works for its consideration and approval for one year, and adding \$115,115,738 to these contracts for a revised total contract amount of \$561,033,180. Should these contract modifications be approved by the Board of Public Works and the relevant federal agencies, DHS will be able to expend all proposed deficiencies during FY2024.

For additional information, please see the **attached letters** to the Board of Public Works and to the United States Department of Agriculture's Food and Nutrition Services. Additional letters from the Maryland Department of Health (MDH) with the same information were sent to the relevant units at the United States Department of Health and Human Services.

We estimate that the funding breakdowns for DHS' \$115M contract modification is as follows:

Projected Cost by Agency				
	DHS	MDH	DJS	MHBE
Cost	\$98,485,978	\$12,629,760 (\$6,664,320 for MMT; \$5,965,440 for Non-MMT)	\$2,000,000	\$2,000,000
Total	\$115,115,738			

Fund Source Name and Percentage by Agency for Agency Cost				
	DHS	MDH	DJS	MHBE
General	40%	10% MMT 100% Non-MMT	100%	100%
Federal	60%	90% MMT		
Special				
Reimbursable				

DHS Fund Source Name and Percentage for Total Projected Cost	
General	34.22%
Federal	51.33%
Special	
Reimbursable	14.45%

As part of DHS, MDH, and the Department of Information Technology (DoIT)'s focus on rebuilding MDTHINK operations in 2024, we have project estimates, costs, and program priorities for each of the MDTHINK involved projects, including the three DHS applications (E&E, CJAMS, CSMS). These program priorities are revisited weekly, and are a continuation of the design, development, and implementation efforts to make these three critical software applications function.

3. ***DHS should comment on the current status of the transition process to the MD THINK Platform, specifically concerning external agency products that were anticipated to go live between August and December 2023. (page 16)***

DHS Response: MDTHINK continues to work closely with external agencies to support development and hosting of their applications. Of the products that were anticipated to go live between August and December of 2023, three are currently live. The remaining product

requirements received scope modifications, with new go-live dates defined between the external agency and MDTHINK. The following table provides an update to status with new go-live dates in bold:

<u>Agency</u>	<u>Business Suite - Project</u>	<u>Start Date</u>	<u>Go-live Date</u>	<u>Estimated Cost</u>	<u>Status</u>
MHEC	Document Management System	Pending SOW/ Approvals	TBD	\$75,000	On Hold
DJS	CJAMS – Juvenile Services	10/1/2017	TBD	\$14,451,176	On Hold
MDH	MES – Provider Management Module	3/1/2022	Q2/2025	\$2,455,349	Development
MDH	EVRRS – including birth records, death records, and others	3/1/2021	12/22/2025	\$6,200,619	Production
MDH	Eligibility and Enrollment – Hospice and Adult Medical Day Care	11/14/2022	5/31/2024	\$5,655,200	Development
MDH	Data Informed Opioid Risk Management Data Domain 3.0	7/1/2023	11/30/2023	\$381,128	Production
MDH	PHS – Kidney Disease Program	10/17/2022	6/10/2024	\$1,362,001	Development
MDH	PHS – Child Medical Services	10/17/2022	5/6/2024	\$1,172,566	Development
MDH	CRM – Breast and Cervical Cancer Diagnosis and Treatment	10/17/2022	7/1/2024	\$1,398,416	Development
MDH	Salesforce CRM – Recoveries and Financial Services	6/6/2022	9/29/2023	\$924,940	Production

4. ***The Department of Legislative Services (DLS) recommends adopting committee narrative requesting that DHS provide a report [per DLS 2/10, revised to December 15, 2024] detailing the implementation status of the project and utilization of resources (as related to Question #4 above). (Page 16)***

DHS Response: DHS concurs and we will provide this report. DHS thanks DLS for the adjusted due date of December 15, 2024, in order to provide a more comprehensive snapshot of project status and resource utilization.

5. DHS should comment on the correlation between the challenges faced and the proposed deficiency of \$72 million for maintenance and improvements to MD THINK. (Page 17)

DHS Response: Please see our response to prompt #2 about the proposed deficiency of \$72 million. Contrary to the previous assertions of DHS prior to 2023, design, development, and implementation work on MDTHINK applications, including the three DHS applications (E&E, CJAMS, CSMS), have not been completed. As such, there exists a substantial body of work with program priorities that must be done in FY2024 and FY2025 to bring MDTHINK closer to a “maintenance and operation” status.

6. DHS should comment on the improvement efforts undertaken to address challenges faced with MD THINK during fiscal 2023 and 2024 and highlight any milestones achieved since the identification of these challenges. Additionally, provide insights on any initiatives planned for fiscal 2025, with a specific emphasis on whether the allowance adequately supports all planned activities. (Page 18)

DHS Response: The MD THINK team restructured, introducing newly created roles to distribute tasks more effectively across the organization and introduce a more mature implementation structure. This restructuring resulted in the establishment and fulfillment of key positions, including Chief Product Officer, Budget Director, Product Director – CSMS, Product Director – Data, Analytics, and Shared Services, Deputy Director of Infrastructure, and Administrative Assistant. Furthermore, new roles have been created for HR Director, multiple Product Directors, and administrative support positions are currently open and anticipated to be filled by the end of March.

The MD THINK team enhanced transparency of the operational budget by implementing a near real-time budget tracker and spend plan dashboard. This allows program directors and leadership to promptly address spending issues and gain direct insight into program operations. Additionally, a revamped procurement process was introduced to ensure thorough vetting of each purchase by business stakeholders, the technical team, and agency leadership.

Furthermore, efforts were concentrated on stabilizing the platform and hosted applications, prioritizing improved architecture and design to enhance functionality and performance, while reducing costs. Analysis to address critical application bugs and defects resulted in a decrease in defects and time-to-resolution. For FY 25, application design revisions and enhancements will further improve functionality.

Additionally, collaboration with partner agencies (DHS, MDH, MHBE, DoIT, and DJS) aims to implement a more effective 360-degree view of the residents, enabling unified benefit enrollment and auto-enrollment services. This will include a human-centered redesign of the consumer-facing portal to streamline and simplify the enrollment process.

7. **DHS should comment on whether it possesses adequate funds to support the relocation. Furthermore, the agency should comment on any updates related to the date for the move. (pg. 23)**

DHS Response: DHS intends to complete its relocation by June 30, 2024, based on our latest construction and network equipment installation schedules, and within the budget proposed by the Governor.

8. **Adopt the following narrative (pg. 24):**

Maryland Total Human-services Integrated Network (MD THINK) Status and Utilization of Resources: The Department of Human Services (DHS) has encountered several challenges during the implementation of the MD THINK program. The committees request that DHS submit a report providing information on the program's implementation status, including:

- an updated timeline detailing the status of past, present, and future phases of the MD THINK project;
- details of the allocation and utilization of financial resources within the program for fiscal 2023, 2024, and 2025;
- impact of the implemented improvement efforts on the overall functionality and efficiency of the MD THINK program, including providing insights into how these changes have reduced system errors, improved user experience, and altered project timelines;
- an updated list of non-DHS agencies that have transitioned, or plan to transition, to the MD THINK platform, implementation timeline and cost estimates for the transition phase for each agency; and
- details on upcoming initiatives or strategies aimed at achieving long-term functionality.

DHS Response: DHS concurs and will provide this report. DHS thanks DLS for the adjusted due date of December 15, 2024, in order to provide a more comprehensive snapshot of project status and resource utilization.



Citizen Review Board for Children (CRBC) Fact Sheet

Maryland's Citizens Review Board for Children (CRBC) is comprised of volunteer citizens and Department of Human Services (DHS) staff that provide child welfare expertise, guidance and support to the State and Local Boards. Formerly the Foster Care Review Board, CRBC was created in 1978 to provide a mechanism for ensuring that children would not languish in foster care. CRBC is charged with examining the policies, practices and procedures of Maryland's child protective services, evaluating and making recommendations for systemic improvement in accordance with §5-539 and § 5-539.1 and the Federal Child Abuse and Treatment Act (CAPTA) (Section 106 (c)). CRBC is one Maryland's three citizen review panels created by the General Assembly in 1999 to evaluate the extent to which State and local agencies are effectively discharging their child protection responsibilities and to provide for public outreach and comment in order to assess the impact of current procedures and practices upon children and families in the community and in order to meet its obligations. The other two citizen review panels are the State Council on Child Abuse and Neglect (SCCAN) and the State Child Fatality Review Team (SCFRT). CRBC reviews cases of children and youth in out-of-home placement, monitors child welfare programs and makes recommendations for system improvements. Although CRBC is housed within the DHS organizational structure, it is an independent entity overseen by CRBC's State Board. CRBC has three main functions:

1. Conduct case reviews of children in out-of-home care;
2. Identify barriers and make individual case and systemic recommendations; and
3. Advocate for legislative and systematic child welfare improvements to promote safety and permanency.

The CRBC State Board reviews and coordinates the activities of the local review boards. The board also examines policy issues, procedures, legislation, resources and barriers relating to out-of-home placement and the permanency of children. The State Board makes recommendations to the General Assembly around ways of improving Maryland's child welfare system.

There are 34 local Boards, located in every jurisdiction in the state, comprised of volunteers appointed by the Governor for 4 year terms, which can be renewed. Volunteers receive pre-service and annual in-service training. The local Boards meet for each Jurisdiction to conduct reviews of children in out-of-home placement. Individual recommendations regarding the permanency, placement, safety and wellbeing are sent to the local Juvenile Courts, the local Department of Social Services and the interested parties involved with the child's care.

CRBC provides a quarterly report to the Department of Human Services, summarizing reviews completed and offering recommendations for improvement of the child welfare system as a whole. An annual report is submitted to the General Assembly and DHS which includes information relating to individual reviews completed and systematic recommendations.

Our volunteers are available to provide input in matters involving the child welfare system. Via an internal committee, Children's Legislative Action Committee, CRBC reviews bills and provides input via written and verbal testimony during the legislative session. CRBC can also assist legislators with any questions about child welfare issues. Additionally, CRBC is a voting member of the Coalition to Protect Maryland's Children.

Denise Wheeler, Administrator can be reached at 410-238-1337 or via email at denise.wheeler@maryland.gov

Citizens Review Board for Children

1100 Eastern Boulevard, Baltimore, Maryland 21221 • Phone: (410) 238-1320 • Fax: (410) 238-1395
email: crbc.mail.maryland.gov website: <http://dhr.maryland.gov/crbc>

February 8, 2024

The Honorable Wes Moore, Governor
The Honorable Brooke E. Lierman, Comptroller
The Honorable Dereck E. Davis, Treasurer
Louis Goldstein Treasury Building
80 Calvert Street
Annapolis, MD 21401

Dear Members of the Board of Public Works:

The Maryland Department of Human Services (DHS) respectfully requests your approval at the next available Board of Public Works meeting of our contract modification request to extend the term and add funds to thirteen (13) information technology human services vendor contracts that comprise the Agile Scrum Team Resources Task Order Agreements (TOA) that together provide information technology staffing services to the Maryland Total Human-services Integrated Network (MDTHINK).

The contract modification would add one year to the existing contract, from May 8, 2024, through May 7, 2025, and would add an additional \$115,115,738 to the contract for a revised total not to exceed (NTE) contract amount of \$561,033,180. The additional funds are contingent upon the consideration and approval by the General Assembly of the Governor's proposed FY2025 budget.

This extension is critical for the continuity of operations of the MDTHINK platform and existing tenant applications, including the development and migration of Maryland Department of Health (MDH) applications, while a new Agile Scrum Team Resources contract is procured and established for new information technology resources pursuant to Maryland's procurement processes by the Department of General Services.

Since the inception of the MDTHINK initiative, DHS has deployed the state's Consulting and Technical Services (CATS+) master contract and its task order request for proposal (TORFP) to procure Agile development scrum team resources with the required skill sets to establish the MDTHINK shared services platform. These resources are used to develop and maintain applications within 12 major technological areas that support human service delivery in the state, including child support, eligibility determination business rules, data integration and management, data repositories, document generation and notices, reports and dashboards, and other support activities related to MD THINK.

The table below shows the breakdown of costs for the Agile Scrum TOA that has been approved to date by the Board of Public Works and our federal partners including three (3) base years, both option years (1 and 2), and the 1-year extension.



Agile Scrum Team Resources TOA		
Base 3-years	5/8/2018 – 5/7/2021	\$167,334,111
Option Year-1	5/8/2021 – 5/7/2022	\$73,094,225
Option Year-2	5/8/2022 – 5/7/2023	\$104,769,018
Extension 1	7/1/2023 – 5/7/2024	\$100,720,088
Extension 2	5/8/2024 – 5/7/2025	\$115,115,738
Revised Total NTE Amount		\$561,033,180

Thank you for your consideration. Please contact Nneka Willis-Gray, Procurement Director, at 410.767-7675 or nneka.willisgray@maryland.gov, for any questions.

In service,



Rafael López
Secretary

February 7, 2024

David Gagliardi, Director
Supplemental Nutrition Assistance Program, Mid-Atlantic Region
U.S. Department of Agriculture, Food and Nutrition Service (FNS)
300 Corporate Blvd.
Robbinsville, NJ 08691-1598

RE: Agile Scrum Team Resources Task Order Agreement (TOA) extension -
Maryland's Total Human-services Integrated Network (MD THINK)

Dear Mr. Gagliardi:

Maryland's Agile Scrum Team Resources Task Order Agreement (TOA) for MD THINK will expire on May 7, 2024. Maryland is requesting our Federal Partners' review and approval of this extension to the existing Agile Scrum Team Resources TOA for one (1) additional year beginning May 8, 2024 and ending May 7, 2025. This extension is critical for the continuity of operations of the MD THINK platform and existing tenant applications, including the development and migration of Maryland Department of Health (MDH) applications, while a new Agile Scrum Team Resources contract is procured and established for new vendor resources pursuant to Maryland's procurement processes.

This extension approval request is not a request for additional federal funding. The funding for this extension is included in the existing Federal Advance Planning Document (APD) for MD THINK, submitted to our federal partners on December 22, 2023 (MD-2023-12-22). This Agile contract vehicle may be used to facilitate other state agency projects beyond the scope of MD THINK APD, and these other APD and non-federally funded projects and activities will be covered by other funding sources (including state general funds).

Please note that MDH will be sending a separate Agile TOA Extension request for the MDH Medicaid Enterprise Systems Modular Transformation (MMT) supported resources to the Medicaid Enterprise System (MES) Team at the U.S. Department of Health and Human Services' Centers for Medicaid and Medicare Services (CMS).

Following the inception of the MD THINK initiative, the Department of Human Services (DHS) has deployed the Consulting and Technical Services (CATS+) TORFP to procure Agile development scrum team resources with the required skill sets that are being used to establish the MD THINK shared services platform. These resources are used to develop and maintain applications within 12 major technological areas that support human service delivery in the state, including child support, eligibility determination business rules, data integration and management, data repositories, document generation and notices, reports and dashboards, and other support activities related to MD THINK.



The table below shows the breakdown of costs for the Agile Scrum TOA that has been approved to date, including three (3) base years, both option years (1 and 2), and the 1-year extension approved under MD-2023-05-12. Of the \$100,720,088 total cost of Extension 1, DHS' costs amounted to \$74.7M (MD THINK E&E APD); whereas, the MDH MMT implementation advance planning document (IAPD) costs amounted to \$8.6M. The remaining costs, \$17.4M were supported by external agencies and other Agile contract costs outside of the APDs receiving Federal Financial Participation (FFP). Under this new request (Extension 2), MD THINK's APD (MD-2023-12-22) will support \$98.5M in resources; MDH's MMT IAPD FFY23-25 will support \$6.7M in resources; and the remainder will be supported by external agencies and other Agile contract costs outside of the APDs receiving FFP. Taken together, the total of Extension Request 2 is \$115,115,738. If this extension is approved, then the new not to exceed (NTE) for the contract would be \$561,033,180.

Agile Scrum Team Resources TOA		
Base 3-years	5/8/2018 – 5/7/2021	\$167,334,111
Option Year-1	5/8/2021 – 5/7/2022	\$73,094,225
Option Year-2	5/8/2022 – 5/7/2023	\$104,769,018
Extension 1	7/1/2023 – 5/7/2024	\$100,720,088
Extension 2	5/8/2024 – 5/7/2025	\$115,115,738
Revised NTE Amount		\$561,033,180

Thank you in advance for our Federal Partners' consideration, continuous guidance, and support. Please do not hesitate to contact me or Pat Mcloughlin (pat.mcloughlin@maryland.gov) with any questions.

In service,



Rafael López
Secretary

CC:

Gregg Saxton (USDA/FNS)
Geraldine Alphe-Igiehon (USDA/FNS)
Bill Jenkins (USDA/FNS)
Morris Olitsky (USDA/FNS)
Holly Tomassini (USDA/FNS)
Denise Valdez (USDA/FNS)

Webster Ye (DHS)
Carnitra White (DHS)
Daniel Wait (DHS)
Kevin Guistwite (DHS)
Augustin Ntabaganyimana (DHS)
Alger Studstill, Jr. (DHS)
Kirill Reznik (DHS)
Jessica Smith (DHS)
Rashmi Golay (DHS)
Mahnoosh Alemi (DHS)
Pat McLoughlin (DHS/MD THINK)
Patrick O'Malley (DHS/MD THINK)
Aqib Khan (DHS/MD THINK)
Ogechi Nwafor (DHS/MD THINK)
Suresh Nair (DHS/MD THINK)
Prabhu Prasad (DHS/MD THINK)
Sachin Bhatt (DHS/MD THINK)

Katie Olson Savage (DoIT)

Laura Herrera Scott (MDH)
Amalie Brandenburg (MDH)
Erin McMullen (MDH)
Clint Hackett (MDH)
Feyella Toney (MDH)
Ryan Moran (MDH)
Tricia Roddy (MDH)
Warren Waters (MDH)
Jennifer McIlvaine (MDH)
Alyssa Brown (MDH)
Elizabeth Kasameyer (MDH)
Claire Gregory (MDH)
Edouard Niyonshuti (MDH)