



**MDH ATTENDEES:** Laura Herrera Scott, MD, MPH, Secretary  
Erin McMullen, Chief of Staff  
Amalie Brandenburg, Chief Financial Officer  
Rhonda Scott, Executive Director, Board of Nursing  
Lorraine Smith, Executive Director, Board of Psychologists

Available For Questions: TBD

**Maryland Department of Health (MDH) Health Occupation Boards**  
**Fiscal Year 2026 Operating Budget**  
**Response to Department of Legislative Services Analysis**

**House Appropriations Committee**  
**Health and Social Services Subcommittee**  
**Delegate Emily Shetty**  
**February 13, 2025**

**Senate Budget and Taxation Committee**  
**Health and Human Services Subcommittee**  
**Senator Cory McCray**  
**February 17, 2025**

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.

***The Department of Legislative Services (DLS) recommends reducing the fiscal 2026 allowance [for the Board of Nursing] by \$6.0 million in special funds to correct this technical error (p. 6).***

The Department concurs with the DLS recommendation to address this technical correction in the Allowance. MDH is working with the Department of Budget and Management on a supplemental budget item to reduce the Board’s special appropriation.

***DLS recommends amending the BRFA provision to authorize additional fund balance transfers from five boards that had a balance as a percentage of their allowance higher than 50%: the Board of Professional Counselors and Therapists (243%); the Board of Occupational Therapy (207%); the Board of Psychologists (158%); the Board of Podiatric Examiners (57%); and the Board of Massage Therapy Examiners (51%). DLS also recommends increasing the proposed BRFA transfers for the Board of Physical Therapy Examiners due to its high adjusted balance as a percentage of their allowance.***

***Additionally, DLS recommends eliminating the proposed fund balance transfer for the Board of Optometry, so that they are not left with a negative fund balance, after accounting for estimated expenditures. These modifications would increase the proposed fund balance transfer by \$6.1 million, resulting in a total transfer of \$10.1 million in special funds to BHA (p. 8).***

Please see attached responses from the health occupation boards.

***MDH and the Board of Nursing should explain why the infrastructure costs would be supported with general funds on an ongoing basis if these activities are transferred to the MDH Office of the Secretary through July 1, 2030, and whether the increased board fees are necessary if the General Fund will continue to support infrastructure costs (p. 16).***

The existing legislative requirement regarding infrastructure support ends in the current fiscal year. The FY 2026 Governor's Allowance did not anticipate sunset legislation that would continue to fund Board of Nursing infrastructure using general funds; therefore, no general funds are included in the FY 2026 Allowance for this purpose. Should the board's sunset legislation pass as introduced, additional general fund support would be needed to support its infrastructure budget.

Fee increases are needed. The fee increase proposal phases-in new fees through FY 2029; that additional revenue influx is needed to prepare the board to be self-sustaining, even if infrastructure support is extended.

## **Response from the Maryland Board of Professional Counselors and Therapists**

I write to formally express the Board of Professional Counselors and Therapists' concerns regarding the recommended budget realignment, which proposes reallocating \$3,642,578 from our Board's revenue to the Behavioral Health Administration.

The Board has financial needs that this funding directly supports. These include:

- Addressing Staffing Shortages – We are actively working to fill vacant positions to ensure operational efficiency and timely licensing services, which are essential for maintaining high professional standards.
- IT System Upgrades – We expect to use a significant portion of our budget to revamp our website and licensing application software to enhance processing times and overall efficiency.
- Operational Expenses – The Board has ongoing administrative and regulatory obligations that require sustainable funding to uphold our mission of protecting the public and ensuring qualified professionals enter the workforce.

Reallocating these funds would significantly impact our ability to meet these obligations and could delay licensure, compliance monitoring, and essential regulatory functions.

We urge you to consider the operational impact this reduction would have on our ability to effectively serve the public and licensed professionals and request that you reconsider the full reallocation or, at a minimum, reduce the amount to mitigate the adverse effects on our Board's operations

Thank you for your time and consideration.

Tomiloba Olaniyi-Quadri, MAPP  
Executive Director  
Maryland Board of Professional Counselors and Therapists

**Board of Physical Therapy Examiners**  
**4201 Patterson Avenue, Suite 304**  
**Baltimore, MD 21215-2299**

**POSITION:** The negative impact of transferring \$473,000 to the Behavioral Health Administration from the Board of Physical Therapy Examiners

**RATIONALE:** “Any unspent portions of the Fund may not be transferred or revert to the General Fund of the State, but shall remain in the Fund to be used for the purposes specified in this article” (§13–207.(d)(3)).

**Rising Operational Expenses**

“The Fund shall be used to cover the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the Board as provided by the provisions of this article” (§13–207(d)(1)). “The fees charged shall be set so as to approximate the cost of maintaining the board” (§13–207(b)(2)).

The MDH trend over the past four years shows an increase in the percentage of the allowance (see Figure 1).

<b>FIGURE 1</b>	
<b>Fiscal Year</b>	<b>Increase of MDH % Allowance</b>
FY22 to FY23	3%
FY23 to FY24	14%
FY24 to FY25	20%
FY25 to FY26	14%

The Board Fund covers direct and indirect costs to fulfill its statutory duties and maintain a budget-neutral position.

<b>Fiscal Year</b>	<b>Actual Revenue</b>	<b>Actual Expense</b>	<b>Margin</b>
FY22	\$1,083,098	\$967,742	12%
FY23	\$1,081,936	\$1,051,840	3%
FY24	\$1,254,689	\$1,217,960	3%

## Licensing Fees

The primary source of revenue is derived from licensing fees. “The fees charged shall be set so as to approximate the cost of maintaining the Board” (§13–207.(d)(4)). The proposed transfer of \$473,000 will necessitate an evaluation and potential increase in fees. An increase in licensing fees may discourage physical therapists and physical therapist assistants from obtaining licensure in Maryland, undermining efforts to recruit a qualified workforce. Should an increase in licensing fees or associated fees be submitted for regulation amendment, the review process by MDH and implementation can take up to 12 to 18 months resulting in a revenue delay.

## Licensing and Regulatory Management System (LRMS) Project

The LRMS project is dependent on the Fund (see Figure 2). On February 5, 2024, the Board submitted a draft Request for Proposals (RFP) to the Office of State Procurement. The purpose of the RFP is to identify qualified vendors with the relevant expertise and experience to provide an LRMS solution. An assessment of the Board's current licensing system has highlighted the necessity of replacing an outdated technology platform developed in 2015. On February 13, 2024, the status of the OCMP ticket was “In Progress”. On March 14, 2024, the Board was informed that the project was placed on hold by the MDH Secretary’s office. The project is a pending FY25-FY26 expense.

<b>FIGURE 2</b>	<b>Expense</b>
One-time implementation fee	\$400,000
Annual fee	\$576,000

## Conclusion

“No other State money may be used to support the Fund” (§13–207.(d)(4)) .

The Board of Physical Therapy Examiners recommends the transfer of \$473,000 not proceed, as it will negatively impact the fulfilling of its statutory duties. The Board requests transparency regarding the analysis used to determine this transfer amount.



## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

Board of Podiatric Medical Examiners  
4201 Patterson Avenue, Third Floor  
Baltimore, Maryland 21215

February 10, 2025

### **RE: Health Professional Boards and Commissions (HPBC) - Proposed FY 2026 Executive Budget Transfers**

Dear Esteemed Members of the Committee:

The Maryland Board of Podiatric Medical Examiners (the “Board”) is submitting this letter concerning the recommended revenue transfer of \$30,569 from their Fund Balance.

**Note: Appropriation for FY2025 was \$464,700, Revenue collected from July 1, 2024-December 31, 2024, was \$257,855, no further substantial revenue expected to be generated before July 1, 2025.**

While the Board understands the intent behind the proposed revenue transfers, there are several significant concerns regarding the impact it will have on the Board’s security driven functions and Maryland licensed podiatrists, which will ultimately impact the public’s overall access to patient care and trust in the Board’s activities:

#### **1. Detailed effect on the Efficiency of Security Functions of the Board**

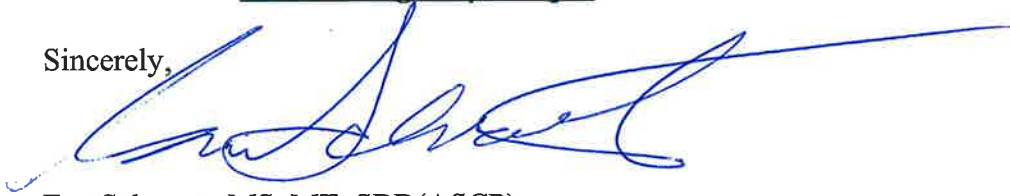
The Board is required to replace all laptops, desktops, etc. due to their inability to support the required Windows 11 software update for proper encryption and security functions. The Board has assigned and committed \$20,000 for this active purchase. The Board will be incorporating DOCUXPLORER to increase security on the licensing/case files with a contract estimated cost of \$5,300. Another \$5,000 was allocated for January salary increments, longevity increments, and health insurance increase for Board staff.

#### **2. Fee Raises for licensed Practitioners**

An option to offset the revenue transfer and the already reduced revenue collections would be to immediately promulgate regulations to increase the **annual licensing fee** for practitioners. This raises the risk of podiatrists leaving the State or declining to apply for new licenses in Maryland, creating a greater financial burden on the Board’s finances and the practitioners. This will lead to impacting overall access to podiatric care in Maryland, limited insurance acceptance, more out-of-pocket costs for patients, and hinder patient-practitioner relationships.

If you would like to discuss this further, please contact Eva Schwartz, Executive Director for the Board of Podiatric Medical Examiners at (410)764-4784 or at [eva.schwartz@maryland.gov](mailto:eva.schwartz@maryland.gov), or Lillian Reese, the Legislative Liaison for the Health Occupations Boards & Commissions at 443-794-4757 or at [lillian.reese@maryland.gov](mailto:lillian.reese@maryland.gov).

Sincerely,



Eva Schwartz MS, MT, SBB(ASCP)  
Executive Director  
Board of Podiatric Medical Examiners

*The opinion of the Board expressed in this letter of concern does not necessarily reflect that of the Department of Health or the Administration.*

## **Board of Examiners of Psychologists**

The Board of Examiners of Psychologists (the Board) acknowledges the financial situation of the Behavioral Health Administration and sympathizes with them. However, the Board and likely the licensees would disagree with the Department of Legislative Services recommendation to transfer the Board's revenue of \$1,446,036 to the Behavioral Health Administration. The Board has several expenditures that may not have been fully considered in this recommendation.

**Office of the Attorney General** - The Board incurs significant costs when referring investigative complaints to the Office of the Attorney General (OAG). Currently, there are several cases with the OAG that require payment.

**Office of Administrative Hearings** - The Board also incurs costs associated with referring investigative cases to the Office of Administrative Hearings for hearings.

**Fully Automatic Licensing System and File Management Imaging System** – The Board is in discussions with state vendors to establish a fully automatic licensing system and file management services. While this will be a considerable expense, these improvements will expedite work processes and save money in the long run.

**Direct Cost and Indirect Cost** – The consistently rising cost of conducting business create significant demands on the Board's budget.

**Staffing** - The Board recently became fully staffed and does not expect to have any salary savings.

In light of this information, the Board respectfully requests that this information be seriously considered and that these considerations be taken seriously and that the recommendation to remove \$1,446,036 from the psychology board's budget be rejected or, at the very least, reduced to a level that allows the Board to fulfill its obligations and enhance its operational processes. The Board appreciates your attention to this matter.

Lorraine Smith, MA, MPH  
Executive Director  
Maryland Board of Examiners of Psychologists



Agency Response Form  
 Board of Social Work Examiners (BSWE)  
 Audit Period: September 25, 2019 to July 31, 2023

**Background Information**

**Finding 2**

**The Health Professional Boards and Commissions (HPBCs) did not ensure that complaints against licensees were investigated timely. Our review disclosed that numerous complaints were not investigated timely.**

**The Board of Social Work Examiners had 428 total complaints. Of that 428, 401 were beyond 6 months and 261 were open beyond 2 years. Please see below for BSWE’s response to the audit finding.**

Agency Response	
<b>Agency Responsibilities</b>	<b>Ensure complaints are resolved within mandated time frames</b>
<b>Please explain any concerns with factual accuracy.</b>	BSWE has a backlog of complaints including 261 open beyond 2 years. Staffing has been the number one issue in investigating and resolving complaints. For FY 2025, BSWE added two full time Health Occupation Investigator III Merit PINs. One of these PINs is filled and the other is in the active recruitment stage. Unfortunately, in August 2024, one of the Board’s Health Investigators passed away. This left BSWE with another vacancy in the Compliance Unit. A new hire for this vacancy was onboarded in January 2025 for this vacancy. As of Feb 9, 2025, BSWE has two full time Health Investigators with one open PIN in active recruitment. Once the third Health Investigator PIN is hired, BSWE will have a fully staffed compliance unit with a Director, Administrator I and three Health Investigators. With staffing issues addressed, BSWE anticipates that the backlog of complaints will be eliminated, and future complaints will be handled within required time frames.

Agency Response Form  
 Board of Social Work Examiners (BSWE)  
 Audit Period: September 25, 2019 to July 31, 2023

**Complaint Tracking**

**Finding 2 – HPBCs did not ensure that complaints against licensees were investigated timely. Our review disclosed that numerous complaints were not investigated within two years.**

We recommend that the HPBCs

- a. properly monitor complaints (such as by periodically reviewing the tracking logs) and develop a strategy to ensure the timely disposition of complaints (repeat); and
- b. properly maintain the tracking logs to ensure that the logs reflect all complaints (repeat).

Agency Response			
<b>Background / Analysis</b>	<b>Partially Accurate</b>		
<b>Please explain any concerns with factual accuracy.</b>	In the past, the Compliance Unit has utilized a Microsoft Access database to track complaints. Therefore, tracking logs are used and available; however, due to staff shortages, consistent updates of the database fell short during this audit period.		
<b>Recommendation a</b>	<b>Agree</b>	<b>Estimated Completion Date:</b>	April 17, 2024
<b>Please provide details of corrective action or explain disagreement.</b>	An Administrator I was hired on April 17, 2024, to assist the Compliance Unit Director with a variety of functions in the unit including investigations. With the hiring of two new full time Health Investigators, this staff member has been focusing on developing and updating the unit’s tracking logs – including developing easier to use Excel Spreadsheets and the Google Drive.		
<b>Recommendation b</b>	<b>Agree</b>	<b>Estimated Completion Date:</b>	May 29, 2024
<b>Please provide details of corrective action or explain disagreement.</b>	An Administrative Aide was hired on May 29, 2024. She assists with Compliance Unit with taking and entering new complaints into the tracking logs. This staff member works with the Administrator I and the Compliance Unit Director to assure that new complaints are tracked, and materials are distributed to the Board Members for the closed Monthly Administrative meetings.		

Agency Response Form  
 Board of Social Work Examiners (BSWE)  
 Audit Period: September 25, 2019 to July 31, 2023

**Licensing System**

**Finding 5 – Five HPBCs did not ensure user capabilities were adequately restricted and four did not have controls to ensure that all licenses were subject to independent review and approval. As a result, we noted numerous employees with unnecessary or improper capabilities.**

We recommend that the HPBCs

- a. perform documented periodic access reviews of the licensing systems (repeat);
- b. ensure that users are assigned only those capabilities needed to perform job duties and to eliminate unnecessary access, including those noted above (repeat); and
- c. establish online or manual controls to prevent users from unilaterally issuing or renewing licenses, including those noted above (repeat).

Agency Response			
<b>Background / Analysis</b>			
<b>Please explain any concerns with factual accuracy.</b>	Licensing Database Access is delineated depending on staffs’ job functions and there are pre-existing processes for reviewing user access. During this audit period, there were changes in leadership with the retirement of the Executive Director in 2022.		
<b>Recommendation a</b>	<b>Periodic Access Reviews</b>	<b>Estimated Completion Date:</b>	Ongoing - quarterly
<b>Please provide details of corrective action or explain disagreement.</b>	The IT department send quarterly reports with all staff members and their access capabilities for review by the Executive Director.		
<b>Recommendation b</b>	<b>User Capabilities</b>	<b>Estimated Completion Date:</b>	Ongoing
<b>Please provide details of corrective action or explain disagreement.</b>	See above – regular review assuring only users who need access to perform their job duties.		

Agency Response Form  
 Board of Social Work Examiners (BSWE)  
 Audit Period: September 25, 2019 to July 31, 2023

Recommendation c	<b>Online Controls</b>	<b>Estimated Completion Date:</b>	Ongoing
<b>Please provide details of corrective action or explain disagreement.</b>	Online Controls are reviewed and access to licensing database is restricted to area in which staff work.		



## DEPARTMENT OF HEALTH

Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists & Music Therapists

### FY24 Budget Analysis Responses (Reporting Period July 1, 2023-June 30, 2024)

#### Missed Goals

- Staff shortages from April 2022 – March 2024
- Low employee retention rates
  - Five Executive Directors in five years
  - Four License Coordinators in five years
- Recurring Backlog for Criminal History Record Checks (Background)
- Delays in Disciplinary and/or Investigation process
- Changes in renewal requirements/delayed processing
- Lack of training and transitional procedures in place
- Pre-existing application backlog and unresolved disciplinary cases

#### Improvements

- All vacancies filled as of March 2024
- Training, transition and workplan procedures in place for newly hired staff
- Additional Full-time Investigator hired in November 2024
- Implementation of various processing and tracking procedures
- Streamlining of duties and defined responsibilities for each staff member
- Timely notifications to licensees, regarding licensure/ renewal changes
- Installation of a new phone system to better assist customers and constituents more effectively
- Website reconstruction and technical assistance, to assist current and potential licensees

#### TESTIMONIAL STATEMENT

Since assuming the role of Executive Director, in November 2023, I have worked diligently to place the Board in good standing, as the Board has suffered over the past several years. Low staffing and lack of proper training had a detrimental impact on Board operations. The Board is currently fully staffed and continues to improve on all procedures and processes. Although the Board cannot control how quickly the required documents are received for approval, all applications are reviewed by the Licensing Team within 48 “business” hours of initial receipt. Overall, the licensure process has improved in the past year. The Licensing team is dedicated to making licensure in Maryland as seamless and accessible as possible.

Pertaining to the Budget Reconciliation and Financing Act (BRFA) of 2025, the Board has strong concerns on the resulting operational impact...

To ensure that we provide the best possible service to our constituents, it is imperative that we maintain the resources and the funding to conduct that responsibility. Such a drastic cut in funding could force the Board to reduce licensing staff or even reduce the ability for necessary technological improvements and/or enhancements. In doing so, we will be setting the Board back to a “broken” state. If these changes occur, the Board will not be able to issue licenses in a timely manner. Additionally, the Board would not be able to review disciplinary issues, which cause a potential threat to public safety. The Board services over 6,200 licensees, with an average of 30 new licenses per month. We have responsibility for both our current and our future licensees. Therefore, we request that we are not placed in a position that may prohibit continuity of service or decrease the level of customer service that we are finally able to provide.

February 10, 2024

The Honorable Cory McCray  
Chair, Health and Human Services Subcommittee  
Maryland General Assembly  
3 West Miller Senate Office Building  
Annapolis, MD 21401

RE: 2026 Fiscal Year Operating Budget

Dear Senator McCray and Members of the Subcommittee:

On behalf of the American Speech-Language-Hearing Association (ASHA), I write to express concerns with the proposed 2026FY Operating Budget. If adopted, SB 321 will transfer \$720,938 from the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists Fund to the Behavioral Health Administration. This Board plays a critical role in protecting the public and ensuring the highest standards of care in our state.

ASHA is the national professional, scientific, and credentialing association for 234,000 members, certificate holders, and affiliates who are audiologists; speech-language pathologists (SLPs); speech, language, and hearing scientists; audiology and speech-language pathology support personnel; and students. Over 4,250 ASHA members reside in Maryland.<sup>1</sup>

This Board is responsible for:

- Licensing and regulating audiologists and SLPs to ensure that professionals have the necessary qualifications and training to provide safe and effective services
- Investigating complaints and taking disciplinary action to protect consumers from unqualified or unethical practitioners
- Enforcing ethical standards and continuing education requirements to promote ongoing professional development and ensuring that practitioners stay up to date with the latest advancements in their fields.

Cutting the Board's budget would have serious consequences. This would result in:

- Reduced oversight and enforcement, leading to an increase in unqualified practitioners and a decline in the quality of care
- Slower processing of licenses, which would create delays for professionals seeking to practice in our state, potentially impacting access to care
- Weakened consumer protection, which could leave vulnerable individuals at risk of harm from unqualified or unethical practitioners.

These professionals play a vital role in helping individuals of all ages overcome communication challenges and improve their quality of life. Employment is projected to grow 11% for audiologists and 18% for SLPs from 2023 to 2033.<sup>2,3</sup> At a time when the need for audiology and

speech-language pathology services is growing, particularly for children and seniors, it is crucial that we invest in the Board, not cut its funding.

ASHA urges you to reject any cuts to the Board budget and instead provide the Board with the resources it needs to fulfill its important mission.

Thank you for your consideration of ASHA's position. If you or your staff have any questions, please contact Susan Adams, ASHA's director of state legislative and regulatory affairs, at [sadams@asha.org](mailto:sadams@asha.org).

Sincerely,



A. B. Mayfield-Clarke, PhD, CCC-SLP  
2025 ASHA President

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<sup>1</sup> American Speech-Language-Hearing Association. (2023). *Maryland* [Quick Facts]. <https://www.asha.org/siteassets/advocacy/state-fliers/maryland-state-flyer.pdf>

<sup>2</sup> U.S. Bureau of Labor Statistics. (n.d.). *Occupational Outlook Handbook: Audiologists*. <https://www.bls.gov/ooh/healthcare/audiologists.htm>

<sup>3</sup> U.S. Bureau of Labor Statistics. (n.d.). *Occupational Outlook Handbook: Speech-Language Pathologists*. <https://www.bls.gov/ooh/healthcare/speech-language-pathologists.htm>





Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

**Commission on Kidney Disease**  
**Sumeska Thavarajah, M.D., Chairman**  
**Eva Schwartz, Executive Director**  
**4201 Patterson Avenue**  
**Baltimore, MD 21215.**  
[Sumeska.Thavarajah@maryland.gov](mailto:Sumeska.Thavarajah@maryland.gov)  
[Eva.Schwartz@maryland.gov](mailto:Eva.Schwartz@maryland.gov)

February 10, 2025

Dear Esteemed Committee Members:

Concerning the recommended revenue transfer of **\$96,654.00 from the Fund Balance of the State Commission on Kidney Disease**, please note that the Commission would be grievously impacted by the DLS Recommended Final [Adjusted Balance of 5% of the Allowance \(just \\$15,000 Remaining in the Kidney Fund\).](#)

The Commission would like to understand how most of the other Boards are permitted to retain at least 50% of their Adjusted Balance of their Funding Allowance carryover, (e.g. one Board is allowed to retain 75% of the Adjusted Fund Balance of the Allowance). The Commission is apparently being singled out with the transfer of \$96,654, to remain with 5%, the equivalent of \$15,000, to manage any future expenses and increases in fixed expenses as evidenced in the proposed Adjusted Fund Balance of 5% of the Allowance. (Please see the reference in Exhibit #3 in the DLS Analysis Report).

ADDITIONALLY, please note the following statement extrapolated directly from the DLS Report:

In all, 18 of the 21 boards are funded through special funds that are derived from user fees. Generally, MDH recommends that each board MAINTAIN a fund balance between 20% and 30% of its annual expenditures.

Fund balances assist the boards in meeting unanticipated expenses and/or maintaining operations through periods of revenue instability. Exhibit 3 shows the fund balance as the various boards closed fiscal 2024, the expenditures that are anticipated in fiscal 2026 given the board's allowances, and the share of the fund balance as a percent of expenditures before and after the proposed BRFA transfers.

The Commission cannot recover the loss in the funds, as the number of Commission Certified dialysis facilities and transplant centers that provide the Commission's revenue collections, is a relatively fixed number with only 1-2 dialysis units being added per year, it will not be sufficient to adjust for the loss of the collected Revenue. Revenue collections for the future fiscal years will not be able to be increased commensurately, to offset the revenue transfer even with a huge INCREASE of approximately \$1,000.00 per certification



fee per dialysis center. There are only a finite number of dialysis centers, thus recovery of revenue is not a feasibility without impacting the patients and the renal community.

The Commission is respectfully requesting that the DLS proposed Revenue Transfer from the Fund Balance as introduced, be reconsidered and the proposed revenue transfer be cancelled.

The proposed revenue transfer would cause irrevocable harm to the dialysis patients' safety, limit access to care, have an impact on their families, and the Commission's functions in maintaining compliance with the medical and physical standards of care, which can be prevented by adjudicating this proposal. Please see the Commission's mandated Annual Report to the Governor (Attachment) which was released by the Commission to the Governor's Office, to the Secretary and to the Chairs of Legislative Committees, to understand the magnitude of the Commission's functions and the importance of the outreach to dialysis and transplant patients, which will be endangered by this revenue transfer.

**Exhibit 3**

**Commission on Kidney Disease**

**Special Fund Balances as a Share of Projected Expenditures**

**NOTE: REVENUE COLLECTED BY END OF FY 2024=\$179,000, which is less than the FY 2026 Fiscal Allowance of \$312,000.**

**Fiscal 2024 Closing Fund Balance versus Fiscal 2026 Allowance**

(\$ in Thousands)

Closing Fund Balance Fiscal 2024

\$111,000

Allowance Fiscal 2026

\$312,000

Balance as % of Allowance

36%

Fund Balance Transfers in BRFA as Introduced

-\$97,000

Adjusted Fund Balance from BRFA as Introduced

\$15,000 Remaining in the Kidney Fund

Adjusted Balance as % of Allowance

5%

**ATTACHMENT-Annual Commission Report to the Governor**

Respectfully submitted,

Sumeska Thavarajah, M.D., Chairman

Eva Schwartz, MS, MT, SBB(ASCP), Executive Director

**GOVERNOR'S ANNUAL REPORT  
2024**

**MARYLAND COMMISSION ON KIDNEY DISEASE  
and  
TRANSPLANTATION**

**4201 PATTERSON AVENUE, Suite 309  
BALTIMORE, MD 21215  
Phone number 410-764-4799  
Website: <https://health.maryland.gov/mdckd>**

**Sumeska Thavarajah, M.D., Chairman**

**Sonal Korgaonkar, M.D.,**

**Vice-Chairman**

**Eva Schwartz, M.S., M.T. SBB (ASCP), Executive Director**

**Alice Pun, RN, MSN, CDN, Health Facilities Surveyor**

**Leslie Schulman, Assistant Attorney General, Commission Counsel**

**MARYLAND COMMISSION ON KIDNEY DISEASE  
REPORT TO THE GOVERNOR**

**January 1, 2024 – December 31, 2024**

“The Commission shall adopt physical and medical standards for the operation of dialysis and renal transplant centers...”

“The Commission shall adopt reasonable medical standards for acceptance of patients into the treatment phase of the Program...”

“The Commission shall annually evaluate the entire Kidney Disease Program. An annual report of such evaluation shall be made to the Governor...”

“The Commission shall survey periodically dialysis and transplant facilities...”

“The Commission shall evaluate patient complaints, including cases of verbally and physically abusive patients...”

“The Commission shall collect an annual certification fee from the facilities in order to meet its mandated responsibilities...”

**Annotated Code of Maryland  
Health-General Article, Title 13, Subtitle 3 and Title 16, Subtitle 2**

**MEMBERSHIP**

**Sumeska Thavarajah, M.D. – Chairman**

**Sonal Korgaonkar, M.D. -Vice- Chairman**

**Adam Berliner, M.D.**

**Donna Hanes, M.D.**

**Susan Leon, R.N.**

**Nadiesda Costa, M.D.**

**Tisha Guthrie, LMSW**

**Andrene Townsend, R.N.**

**Jacqueline Hires, LCSW, NSW-C**

**Jerome Chiat**

**Arul Vigg, M.D.**

**Maurice Davis, effective 7/2024 - was removed by the Governor’s Appointment Office**

## STAFF

During the calendar year 2024, Eva H. Schwartz, M.S., M.T. (ASCP) SBB held the position of Executive Director of the Commission. Leslie Schulman, AAG, served as Counsel to the Commission. Alice Pun, R.N., MSN, CDN served as the Health Facilities Nurse Surveyor of the dialysis and transplant centers. The website manager is Oladunni Akinpelu, Boards and Commission IT specialist.

## COMMISSION MEETINGS

The Commission met virtually in January 2023, April 2024, and July 2024, October 2024 complying with regulatory mandates.

## PHYSICAL AND MEDICAL STANDARDS COMMITTEE

The Physical and Medical Standards Committee reviews on-site inspections, and approves facilities requesting certification by the Commission on Kidney Disease for reimbursement purposes by the Kidney Disease Program of Maryland (KDP). The Committee is responsible for research, recommendation and presentation of physical and medical issues affecting the renal community and investigation of patient complaints in an expeditious manner. The recommendations for complaint resolution cases are then voted on by the full Commission and appropriate corrective action is implemented and enforced. **If necessary, a facility will be resurveyed because of non-compliance with their own submitted Plan of Correction (POC).**

Additional responsibilities of the Commission are to conduct on-site surveys of the dialysis and transplant facilities throughout the State of Maryland. The Commission surveys the dialysis and transplant facilities to meet the regulatory standards as promulgated by the Commission. An annual certification fee collected by the Commission is an additional requirement of the facilities for certification with the Commission and eligibility for reimbursement from the KDP. Enclosed is the roster of all certified dialysis and transplant centers in Maryland. This informational roster is available upon request from the Commission, and is posted on the Commission's website: [health.maryland.gov/mdckd](http://health.maryland.gov/mdckd).

## COMMISSION ACCOMPLISHMENTS

- The Commission investigated and resolved complaints between patients and facilities. The Commission surveyed seventy-six (76) facilities for compliance with standards of care, and addressed all corrective action plans that emerged from such surveys. Additionally, surveys are scheduled based on need related to compliance of the facilities and transplant centers with submitted corrective plans and in response to patient complaints.
- The Commission reserves the right to schedule surveys to administer and manage the program as statutorily mandated and according to budgetary allowances and available funds.

**The Commission maintains an active and up to date website ([health.maryland.gov/mdckd](http://health.maryland.gov/mdckd)) for the latest information in the chronic kidney disease field and transplantation, as well as references the Commission's activities in the community through educational sources and accomplishments.**

- In the calendar year 2024, the Commission surveyed seventy-six (76) dialysis facilities including the requirement for compliance through the Plan of Correction (POC); all Federal and State regulations were enforced by the Commission, thus the Commission has met its

mandate. By enforcing compliance with State, Federal and Commission regulations, the quality of care rendered to the End Stage Kidney Disease (ESKD) population in the state of Maryland was enhanced and its citizenry protected.

- The Commission continues to work with the Office of Healthcare Quality (OHCQ) to foster communication between the two entities. The collaborative relationship between the Commission and OHCQ enables both entities timely responses to complaints relating directly to patients and facility events, and therefore patients' welfare and safety is addressed through immediate intervention.
- Commission representatives participated in the Quality Insights meetings presented by the Mid-Atlantic Federal Network 5 (Network) quarterly teleconferences. The teleconferences provide a forum for Network staff to foster communication with the Commission and the OHCQ, to discuss any facility issues and provide updates on Network projects. The Network is involved in an educational process concerning Involuntary Patient Discharges (IVD) from dialysis facilities.
- The Commission provides invaluable resources to the Renal Community and the Maryland Department of Health (MDH), by providing patients information concerning the diabetic and End Stage Kidney Disease patients. Such educational information is posted on the Commission and MDH website, respectively. The Commissioners offer a wealth of information, experience and expertise, regarding the care and treatment of End Stage Kidney Disease patients. **The Commission membership is comprised of extremely dedicated and talented volunteers.**
- The Commission reports as applicable, on legislative efforts that affect the renal community.
- **Commission meetings are forums for Community Education. Commissioners present educational topics at each Commission meeting. This year's educational topics included: strategies for excelling in dialysis facility survey, requirement for supervision hours with an approved supervisor for a social worker with LMSW, preventing involuntary patient discharges (IVD), hemodialysis staffing manuscripts, introducing trends in the nephrology care by promoting more direct patient care such as addressing obesity's effects on kidney health, outcomes and transplant eligibility, provide discussion opportunities about the impact on undocumented patients with transplant option, the impact on care due to nursing staff shortage including recommended best practices.**
- The Commission meetings are forums to inform and educate the Renal Community, professionals, patients, and the public at large. Facilities are encouraged to participate in the meetings and present best practice scenarios. All Open Sessions are accessible via videoconference or telephonically, and the meetings' minutes are posted on the Commission's website for public consumption.
- The Commission addressed ongoing issues surrounding dialysis facilities' discharge practices and continuity of care issues. The Commission utilizes the Involuntary Discharge Packet and the process for handling and conducting investigations of complaints. The Commission works collaboratively with the Network to review Involuntary Patient Discharges, concerning these actions initiated by facility discharges.
- HB 218 was introduced by the Maryland Board of Nursing (MBON) and became law in 2022, repealed

the requirement for a dialysis technician to be a Certified Nursing Assistant (CNA) and established a separate certification for a Certified Dialysis Technician (CDT). BON and the Commission through multiple meetings, were continuously engaged in the process of drafting and promulgating regulations to achieve compliance with the new law.

- The Commission in collaboration with MBON continues to enforce the licensure requirements concerning care provided for dialysis patients.
- **The Commission continues to provide the KDP with expert medical advice, as well as the professional review and update of the KDP Pharmaceutical Formulary.**
- The Commission reviews out of State transplant center requests for KDP reimbursement as well as evaluates requests for inclusion of new medications in the KDP Pharmaceutical Formulary.
- Commission meetings provide a forum for Renal Community education regarding KDP policies and requirements.
- The Commission continues to work with local hospitals to assist with the placement of difficult patients in community dialysis facilities.
- The Commission communicates with the medical and management leadership of facilities that are cited with concerning deficiencies. The discussions serve as an educational tool and encourage enforcement of compliance with the Commission's COMAR.
- The Commission remains vigilant regarding nursing and staffing ratios in dialysis facilities. Facility representatives are educated on current staffing requirements; including the requirement of the facility's Governing Body to assure staffing in the facilities meet the needs of the patients. **The Commission urges facility Administrators, Medical Directors, and Governing Bodies to routinely evaluate the monitoring staffing ratios as well as the adequacy of RN staffing per shift, commensurate with the number of actively run treatment stations, in order that compromises in patients' health and safety may be avoided.**
- The Commission continues to use a new electronic payment system for Commission certification and certification renewals.
- The Commission utilizes the Govdelivery system to disseminate useful information to expand the networking opportunities to the dialysis facilities.
- The Commission updates the renal community regarding National Kidney Foundation educational and fund- raising opportunities.

### **PATIENT GRIEVANCES**

During the calendar year of 2024, the Commission resolved to the satisfaction of the patients and the dialysis facilities more than fifteen (15) complaints. The Commission and staff have availed themselves to the renal community to expeditiously resolve problems arising between patients and facilities. Additionally, the Commission has mandated improvement in the quality of care provided at the facilities cited for deficiencies and violations during the ESKD Commission Surveys. These goals were accomplished to the satisfaction of the Commission, thus protecting the safety and welfare of this vulnerable patient population.

## **COMMUNITY EDUCATION**

The Commission has fulfilled its community education responsibilities by surveying and educating facilities according to the promulgated regulations by the Commission on Kidney Disease, COMAR 10.30.01. The Commission, public member volunteers, and patient advocates have addressed numerous groups in the renal community regarding sources for reimbursement for renal care, prevention of renal disease, transplantation criteria, and methods for reimbursement for life saving medications.

## **STATUS OF THE KIDNEY DISEASE PROGRAM**

The purpose of the Kidney Disease Program (KDP) is to provide financial assistance to certified beneficiaries for the treatment of ESRD (end stage renal disease). This stage of renal impairment is almost always irreversible and requires dialysis or kidney transplantation to maintain life. As a payer of last resort, the Program may provide financial assistance only after all other medical and federal insurance coverage has been pursued. Covered services include chronic maintenance, in-center and home dialysis, renal transplantation, approved inpatient and/or outpatient hospital care, physician and laboratory fees, and medications specified on the KDP Reimbursable Drug List and certain ancillary services which are directly attributable to the beneficiaries' ESKD.

## **PROGRAM STATISTICS**

In Fiscal Year 2024, the Kidney Disease Program provided coverage to approximately 1,184 beneficiaries. KDP net expenditures for FY 2024 totaled \$ 4,640,460 **with a budget reduction of \$3,500,000**. KDP recovered \$ 276,679 in premiums and \$ 127,421 in provider refunds. Drug Rebate recoveries totaled \$ 371,970 in FY 2024. These recoveries are projected annually and are incorporated into the Program's reimbursement budget.

## **FISCAL YEAR 2024 ACCOMPLISHMENTS**

The Kidney Disease Program (KDP) enhanced the Program's website with information and updates relative to the Program. The address of this website is:

<https://health.maryland.gov/pha/Pages/maryland-kidney-disease-program.aspx>

This website includes helpful information, such as: KDP notices of updates/changes, information resources, web links, phone numbers, e-mail address for questions about KDP, billing instructions, KDP COMAR regulations and the KDP drug formulary.

This website will undergo continuing development to provide the renal community with the most up to date information available regarding the Kidney Disease Program. The KDP Brochure has also been updated. The brochure may be viewed at <https://health.maryland.gov/pha/Documents/KDPBrochure%2010312018.pdf>. Enhancements and system developments to the KDP electronic claims management system (eCMS) and Conduent pharmacy point-of-sale system (POS) continues to provide more efficient and timelier processing of claims. These systems continue to allow KDP to accept and return HIPAA compliant transactions from Medicare trading partners and all participating providers.

ESKD providers of service continue to be granted access to the KDP Portal. User agreements must be submitted online through the updated portal. Approval of user agreements has improved to a 48 hour or less processing window. To gain access to the current KDP Provider Portal, users must utilize their username and password to log into [www.mdeclaims.health.maryland.gov](http://www.mdeclaims.health.maryland.gov). The KDP portal allows providers to verify claims' status and



view detailed payment information, which includes, check numbers, check dates and voucher numbers. This information assists providers in maintaining an accurate and up to date accounts receivable system and minimizes duplicate billing. In addition, providers of service may access up to date eligibility information for all ESKD patients certified with the Kidney Disease Program of MD.

The Kidney Disease Program is successfully transmitting a KDP recipient eligibility file, resource file and a COB Connect document to HMS (Health Management Services) on a monthly basis to gather patients' third-party insurance information to maximize collection efforts, update the KDP eligibility file with accurate TPL information and ensure that KDP is the payer of last resort. KDP is working with HMS under a new contract, to continue maximizing the State's collection efforts and ensure cost effectiveness among all MDH programs.

KDP has transitioned to working with MD Think to implement a new workflow automation system using the Salesforce platform. This platform will include a Patient Enrollment and Case Management system, Recovery and Recoupment capabilities, Premium Management system, Online Provider and Patient Portals and additional functionalities. The schedule platform Programs will go live on March 17, 2025.

KDP, along with MD Medicaid, BCCDT and MADAP, has secured a new contract with Conduent for a pharmacy point-of-sale electronic claims management system (POSECMS). The new contract went into effect October 31, 2022. This enhanced system provides updates and adds compliance to the existing pharmacy point-of-sale claims processing system.

KDP, along with BCCDT and CMS, contracts with Santeon, the current KDP electronic claims processing (eCMS) vendor, to continue the KDP claims functioning processes, financial payments, and recoveries, in addition to reporting requirements. This contract has been extended through FY 2025.

Customer service in the areas of patient certification, accounts payable and accounts receivable continue to improve. KDP personnel strive to assist KDP recipients, in processing applications as quickly and efficiently as possible, adjudicate claims in a timely manner, assist with explaining the calculation and billing of program participation fees, and provide guidance to members of the renal community to assist them in receiving the most accurate information possible. Training sessions have been held with Free Standing Dialysis Unit (FSDU) social workers and Senior Health Insurance Program (SHIP) personnel to educate the ESKD personnel and community in the KDP patient certification process, advise those personnel of KDP, Medicare and Medicaid regulations, and address frequent problems and concerns occurring with those processes.

### **PROJECTIONS FOR THE KIDNEY DISEASE PROGRAM**

The Kidney Disease Program continues to work with our contractors, Santeon, HMS, Conduent and MD Think, in addition to data processing analysts and programmers, to ensure compliance with State and Federal mandated requirements. The Kidney Disease Program will strive to deliver the best services possible to ensure that each KDP recipient continues to receive quality medical care and efficient customer service from KDP staff.

KDP will continue to work with its colleagues in defining the best possible route to obtaining and developing a new KDP electronic claims processing system and completing the development of the Patient Enrollment, Case Management and Premium Management systems. In addition, the KDP will continue to work with the Commission on Kidney Disease to provide quality service and education to End Stage Kidney Disease (ESKD) patients in the State of Maryland and the ESKD community.





## DEPARTMENT OF HEALTH

*Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary*

State Board of Acupuncture  
4201 Patterson Avenue, Third Floor  
Baltimore, MD 21215

February 10, 2025

Nick Napolitano  
Budget Director  
Maryland Department of Health

### **RE: SB 321 – Budget Reconciliation and Financing Act of 2025**

Dear Mr. Napolitano:

The State Board of Acupuncture (the “Board”) has reviewed the draft Department of Legislative Services (DLS) analysis, detailing the reasoning employed to determine the amount of fund balance to be transferred from the Health Professions Boards and Commissions (HPBC) to the Behavioral Health Administration (BHA). The Board understands the budgetary challenges being faced by both the Secretary and the Governor and appreciates the strategy being employed to ensure services to Marylanders into perpetuity. Further, the Board appreciates this opportunity to share a few points for DLS to ponder as it finalizes its decision about the fund balance transfers.

The draft analysis makes reference to the Maryland Department of Health’s (MDH) recommendation that the HPBCs maintain a fund balance of 20 - 30% of its annual expenditures. The reasons mentioned to support this theory are echoed by the Board: 1) meeting unanticipated expenses and/or 2) maintaining operations through periods of revenue instability. Such reasoning is especially crucial for MDH’s special-funded entities like the Board. A little background, the Board is a two staff operation (1 FTE and 1 PTE) whose fund balance can be attributed to the transitional periods after the prior Executive and Deputy Directors retired, but before the current Executive and Deputy Directors were able to be hired. The Board did not accumulate this level of fund balance through a slow, year over year, underutilized budget resulting in a surplus, but rather through brief periods due to position vacancies that the Board had not experienced in multiple decades. Transferring more than 90% of the Board’s fund balance to BHA, as in the current version of the BRFA, would not allow the Board to maintain a fund balance at MDH’s recommended level.

The cost of regulatory operations has grown over the past few years. The predictability of Board revenue via licensing fees (the assumption that the number of licensees will remain static) is also of concern. This includes an increased investment in complaint investigations, the cost not only

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to maintain but improve operational resources (e.g., MIS and electronic record storage), and the potential for resource drain secondary to additional unplanned expenditures such as anti-trust reviews by the Office of Administrative Hearings.

Based on the aforementioned, the Board hopes that DLS would consider reproposing a figure – from the current \$333,000 to \$267,400 – thus allowing the Board to maintain a fund balance that aligns with MDH’s recommended levels. Thank you for your consideration.

For more information, please contact me at 410-764-4766 or [tiffany.smith-williams@maryland.gov](mailto:tiffany.smith-williams@maryland.gov).

Respectfully,

A handwritten signature in blue ink that reads "Tiffany L. Smith-Williams". The signature is written in a cursive style with a large initial "T" and "S".

Tiffany L. Smith-Williams  
Executive Director  
The State Acupuncture Board