



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 1, 2019

MEMORANDUM

TO: Calvin S. Hawkins, II, Chair
Health, Human Services and Public Safety Committee (HHSPS)

THRU: David H. Van Dyke, County Auditor *DHV*
Turkessa M. Green, Deputy County Auditor *TMG*

FROM: Deneen Mackall, Auditor *DM*

RE: Health Department
Fiscal Year 2020 Budget Review

Budget Overview

The FY 2020 Proposed Budget for the Health Department is \$71,720,400, a decrease of \$2,556,800, or 3.4%, under the FY 2019 Approved Budget. Of the Department's total FY 2020 Proposed Budget, General Funds of \$26,366,900 represent 36.8%, and Grants in the amount of \$45,353,500 represent 63.2%.

The Grant funded portion of the Department's budget is \$45,353,500 which decreases by \$2,376,700, or 5.0%, when compared to the FY 2019 approved budget level.

FY 2019 estimated General Fund expenditures are \$24.7 million, which is approximately 7.1% below the FY 2019 budgeted level, therefore the Department will not require a supplemental budget appropriation. The Department expects to request a supplemental appropriation of grant funding of approximately \$5.4 million for FY 2019.

Budget Comparison – All Funds

Fund	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	% Change - Est vs App	FY 2020 Proposed	\$ Change	% Change
General Fund	\$ 24,301,299	\$ 26,547,000	\$ 24,671,400	-7.1%	\$ 26,366,900	\$ (180,100)	-0.7%
Grants	32,737,893	47,730,200	50,667,100	6.2%	45,353,500	(2,376,700)	-5.0%
Total	\$ 57,039,192	\$ 74,277,200	\$ 75,338,500	1.4%	\$ 71,720,400	\$ (2,556,800)	-3.4%

Budget Comparison - General Fund

The FY 2020 Proposed General Fund Budget for the Health Department is approximately \$26.4 million, a decrease of \$180,100, or 0.7%, below the FY 2019 Approved Budget.

Approved Fiscal Year 2018 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 13,556,090	\$ 16,421,200	\$ 14,612,100	\$ 15,944,500	\$ (476,700)	-2.9%
Fringe Benefits	4,510,680	5,337,100	5,169,800	5,548,700	211,600	4.0%
Operating Expenses	8,259,371	7,075,900	7,131,000	7,260,200	184,300	2.6%
Sub-Total	\$ 26,326,141	\$ 28,834,200	\$ 26,912,900	\$ 28,753,400	\$ (80,800)	-0.3%
Recoveries	(2,024,842)	(2,287,200)	(2,241,500)	(2,386,500)	(99,300)	4.3%
Total	\$ 24,301,299	\$ 26,547,000	\$ 24,671,400	\$ 26,366,900	\$ (180,100)	-0.7%

Authorized Staffing Count - General Fund				
	FY 2019 Approved	FY 2020 Proposed	Change Amount	Percentage Change
Full-Time	214	217	3	1.4%
Part-Time	1	1	0	0.0%
Limited Term	0	0	0	0.0%
Total	215	218	3	1.4%

Staffing Changes and Compensation

- The FY 2020 Proposed Budget includes authorization for 217 full-time and one (1) part-time General Fund position.
- FY 2020 General Fund compensation is proposed at \$15,944,500, a decrease of \$476,700, or 2.9%, under the FY 2019 Approved Budget. This decrease is a result of anticipated attrition and salary lapse, partially offset by merit increases and cost-of-living adjustments, and the addition of three (3) full-time positions.
- The Department reports that three (3) Community Health Nurses will be transitioned to the General Fund under the TB Refugee Program, effective June 30, 2019.

- As of February 28, 2019, the Department reported thirty-eight (38) vacant General Fund positions. The Department is actively recruiting for all of its vacant positions however, the Department reports that recruitment to fill critically needed positions and services continues to be a challenge due to issues in identifying, vetting, and hiring health professionals and support staff.
- The Department reported that its current rate of attrition is 11.4%. The Department cites the key factors contributing to the current attrition level are new job opportunities and performance/conduct related terminations.
- The following table provides the Department's rate of attrition for the last five fiscal years.

Attrition Rate - Historical Trend					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 (YTD)
# of Separations	58	7	43	46	20
# of Filled Positions	173	152	157	186	176
Rate of Attrition	33.5%	4.6%	27.4%	24.7%	11.4%

Source: Responses to 1st Round Questions provided to A&I during respective budget reviews.

Fringe Benefits

- Fringe benefit expenditures are proposed to increase by \$211,600, or 4.0%, to align with compensation adjustments and the change in the fringe benefit rate.
- A five-year trend analysis of fringe benefit expenditures is included below.

General Fund Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefit Expenditures	\$ 3,979,953	\$ 4,248,205	\$ 4,510,680	\$ 5,169,800	\$ 5,548,700
As a % of Compensation	34.7%	32.0%	33.3%	35.4%	34.8%
Annual % Change	-2.4%	6.7%	6.2%	-3.1%	7.3%

Operating Expenses

- In FY 2020, Operating Expenses are proposed at \$7,260,200 and are comprised of the following major items:
 - General and Administrative Contracts \$2,987,000
 - Office Automation 1,616,800
 - Utilities 442,300
 - General Office Supplies 429,800
 - Operating Contract Service 350,000

- Overall, Operating Expenses are increasing by \$184,300, or 2.6%, over the FY 2019 Approved Budget. The table below provides the comparison of the FY 2020 Proposed Budget operating expenditures to the FY 2019 Approved Budget operating expenditures.

Operating Objects	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
			\$ Change	% Change
General and Administrative Contracts	\$ 2,357,800	\$ 2,987,000	\$ 629,200	26.7%
Office Automation	1,416,600	1,616,800	200,200	14.1%
Vehicle Equipment Repair/Maintenance	217,600	290,200	72,600	33.4%
Training	68,900	101,000	32,100	46.6%
Advertising	18,800	31,600	12,800	68.1%
Building Repair/Maintenance	5,800	15,800	10,000	172.4%
Office and Operating Equipment Non-Capital	73,300	81,600	8,300	11.3%
General Office Supplies	421,800	429,800	8,000	1.9%
Telephone	334,300	342,000	7,700	2.3%
Membership Fees	21,600	27,600	6,000	27.8%
Mileage Reimbursement	34,400	39,200	4,800	14.0%
Equipment Lease	63,800	65,000	1,200	1.9%
Travel Non-Training	1,500	2,200	700	46.7%
Gas and Oil	35,100	35,100	-	0.0%
Miscellaneous	700	700	-	0.0%
Periodicals	1,200	1,200	-	0.0%
Printing	29,400	29,400	-	0.0%
Postage	27,000	25,600	(1,400)	-5.2%
Other Operating Equipment Maintenance	10,100	8,100	(2,000)	-19.8%
Utilities	458,900	442,300	(16,600)	-3.6%
Office/Building Rental/Lease	391,300	338,000	(53,300)	-13.6%
Operating Contract Service	1,086,000	350,000	(736,000)	-67.8%
TOTAL	\$ 7,075,900	\$ 7,260,200	\$ 184,300	2.6%

- In five (5) of the categories, the FY 2020 Proposed Budget reduces planned spending from the FY 2019 Approved Budget. In four (4) of the categories, the FY 2020 Proposed Budget level remains unchanged compared to FY 2019 budget. FY 2020 expenditures increase in thirteen (13) categories.
- The most significant dollar increase between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is General and Administrative Contracts (\$629,200 increase) largely due to a transfer of \$600,000 from Operating Contracts. Additionally, Office Automation has increased due to the increase in charges by the Office of Information Technology (\$200,200 increase).
- The most significant dollar decrease between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is Operating Contract Services (\$736,000 decrease). The Department reports that the decrease is largely due to the transfer of \$600,000 to General and Administrative Contracts.
- A comprehensive list of General & Administrative Contracts as well as Operating Contracts is provided in the 1st Round Responses, Attachment G.

Recoveries

- Recoveries for the Department are proposed at \$2,386,500 in FY 2020, an increase of \$99,300, or 4.3%, over the FY 2019 approved level due to an increase in recoverable operating expenditures from various funds.
- A breakdown of recoveries is as follows:

	Description	FY 2019 Estimate	FY 2020 Proposed Budget
1	Salaries Recoveries - Solid Waste	\$ (134,000)	\$ (134,000)
2	Operating Recoveries - Solid Waste	(5,200)	(5,200)
3	Fringe Recoveries - Solid Waste	(48,000)	(48,000)
4	SR51 Drug Enforcement Education	(75,000)	(74,300)
5	Indirect from Grants	(1,979,300)	(2,125,000)
	Total	\$ (2,241,500)	\$ (2,386,500)

- The Drug Enforcement and Education Special Revenue Fund (“SR51”) was created to finance drug enforcement and drug-related education activities in the County. Funding is provided through the forfeiture and sale of property seized as a result of the enforcement of drug laws. Federal forfeiture funds are based on the level of participation in joint investigations. County legislation (CB-38-2013) allows for County SR51 funds to be used by the Police Department (65%), the Office of the State's Attorney (15%), Department of Corrections (15%), and the Health Department (5%).

Highlights

- The Department is actively pursuing Public Health Accreditation by June 2019. The initial cost for accreditation is \$28,000 with an annual cost of \$11,250. The Department reports that accreditation will lead to greater eligibility for funding sources, especially at the Federal level.
- The Department continues the Prince George’s County Health Alliance, formally Prince George’s County Healthcare Enterprise Zone (PGCHEZ), a group of primary care providers solicited to create Patient Centered Medical Homes (PCMH) to increase access to healthcare, reduce healthcare costs, improve health outcomes, expand the primary care workforce, and increase the community health workforce. Funding in the amount of \$750,000 is included in the Proposed FY 2020 General & Administrative Contracts for this program.
- During the mid-year review, the Department reported the following accomplishments with the Healthcare Alliance program:
 - Assisted and served 599 individuals for Care Coordination Services;
 - Completed 1,474 individual outreach calls;
 - Served and assisted 1,617 households with information about health insurance; and

- Enrolled 835 residents in health insurance plans.
- The Department reported that it has experienced a slight decline in fee-for-service charges in FY 2019 due to the loss of providers. However, the Department anticipates that the decline will be temporary as improvements to the revenue cycle and growth collection rates have increased by 6% from FY 2018 to FY 2019.
- The Department continues to use an interpretation group (Voiance and Language Link) for necessary translations. The Department also reports that it has approximately 70 employees that speak various languages including Spanish, Farsi, French, and various African dialects.

Information Technology

- The Department reports the following IT initiatives are planned for FY 2020 totaling \$815,000. The *First Round Response, Question 24* provides the project details including purpose, scope, and program benefits, as well as, estimated expenses for each initiative.
 - Electronic Medical Records (EMR) \$500,000
 - TMI Consulting 125,000
 - Case Management Records System 100,000
 - Care Coordination Software 60,000
 - Public Health Information Network 30,000
- The Department reports that a critical issue it will face over the next three years is the upgrade of the IT infrastructure to support the Electronic Health Record (EHR) system. The Department is actively securing a new EHR system to support both clinical and mental health and substance abuse services in FY 2020. The new system will support all clinical and mental health programs in one application, and will improve the overall efficiency, compliance, and reconciliation processes to the County's financial system (SAP).

Facilities

- The Department reported three (3) lease agreement renewals in FY 2020 for the Landover, Langley Park, and Riverdale locations.
- The following table below depicts the Department's leased facilities throughout the County.

District	Area	Address	Program	Lease End Date
District 1	Laurel	13900 Laurel Lakes Avenue, Suite # 220 Landover, MD 20707	MCH/WIC	1/31/2022
District 2	Hyattsville	6525 Belcrest Rd., Suite #280 Hyattsville, MD 20782	MCH/WIC	4/30/2020
District 2	Langley Park	1401 E. University Blvd. Langley Park, MD 20783	Health and Human Services: Health, Social Services, and Family Services Programs	9/30/2023
District 3	Riverdale	6200 Sheridan Ave.	Addiction: Adolescent Clubhouse	4/30/2021
District 5	Largo West Landover	Landover, MD 20785	MCH (MCHP) Admin (Vital Records) Addiction (Tobacco) Total S.F.	6/30/2019
District 6	Capital Heights	7824 and 7836 Central Ave. Capital Heights, MD 20743	MCH/Healthy Teens MCH/WIC	6/30/2019
District 9	Suitland	5001 Silver Hill Road Suitland, MD 20746	Bridge Center at Adams House	2/28/2022

Budget Comparison – Grant Funds

The FY 2020 Proposed Grant Budget for the Health Department is approximately \$45.5 million, a decrease of \$2,694,000, or 5.6%, under the FY 2019 Approved Budget.

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 14,060,000	\$ 17,951,200	\$ 19,046,100	\$ 17,339,500	\$ (611,700)	-3.4%
Fringe Benefits	3,531,200	5,328,500	5,653,500	4,354,900	(973,600)	-18.3%
Operating Expenses	15,175,650	24,872,800	26,389,800	23,764,100	(1,108,700)	-4.5%
Capital Outlay	30,500	-	-	-	-	N/A
Total	\$ 32,797,350	\$ 48,152,500	\$ 51,089,400	\$ 45,458,500	\$ (2,694,000)	-5.6%
Authorized Staffing Count - Grant Funds						
	FY 2019 Approved		FY 2020 Proposed		Change Amount	Percentage Change
Full-Time	185		183		-2	-1.1%
Part-Time	3		8		5	166.7%
Limited Term	109		115		6	5.5%
Total	297		306		9	3.0%

Staffing Changes and Compensation

- Compensation in FY 2020 is anticipated to decrease by \$611,700, or 3.4%, under the FY 2019 approved level. Grant funds are provided for 183 full-time, eight (8) part-time, and 115 limited-term grant funded positions for FY 2020.
- The Department reports that the Ryan White HIV/Care Title I - Part A Program was eliminated, effective February 28, 2019. Limited Term Grant Funded employees will be funded through other grants, effective March 2019.
- As of February 28, 2019, the Department reported forty-seven (47) vacant Grant Funded positions. The Department reported that it has five (5) of its positions filled with temporary workers.
- The Department reports the current attrition levels are due to the lack of comprehensive benefits offered in Grant Funded contractual positions. The Department is actively recruiting for all of its vacant positions.
- The Department reports challenges maintaining and providing level services with inadequate staffing performing at the level of efficiency expected.
- As of April 5, 2019, the Department reports there are no staff being converted to Limited Term Grant Funded positions.

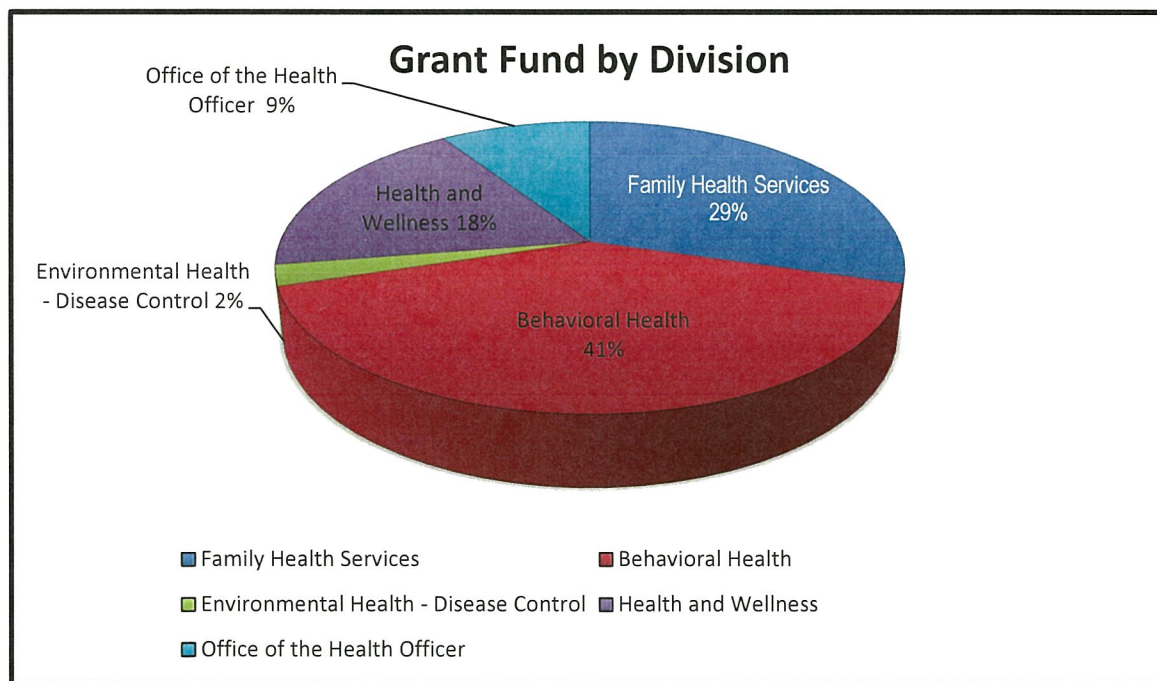
Operating Expenses

- Grant Funded operating expenses are proposed at \$23,764,100 which is a decrease of \$1,108,700, or 4.5%, under the FY 2019 approved budget.

Highlights

- The Department applied and was awarded \$2.4 million in funding from the Center for Disease Control and Prevention (CDC) for the next five years to support the design, testing and evaluation of novel approaches to address evidence – based strategies aimed to reduce risk, complications and barriers to prevent and control diabetes and cardiovascular disease in high problem populations.
- In FY 2019, the Step Forward county – wide campaign was launched to address the stigma related to mental health challenges. The campaign aims to increase the understanding of mental illness, promote access to and the utilization of treatment services in the continuum of care, and improve stability and recovery. A series of advertisements and a newly designed website will educate the public about prevention and intervention strategies, as well as provide a map showing the location of mental health and substance use treatment providers, and a summary of the services they provide. The Step Forward campaign is also the official launch of the County's partnership with Crisis Text Line, a national crisis assistance service intended to reach residents ages 13 to 25.

- The Department anticipates a reduction in grant funding for the Wrap Around Prince George's (System of Care) Implementation Program from \$997,200 in FY 2019 (\$1,000 decrease). The grant is awarded by the Substance Abuse and Mental Health Services Administration (SAMSHA), which allows County representatives to engage in a strategic planning process focused on the development and implementation of a system of care for children and youth with serious mental health issues and their families.
- The Department received a Federal matching fund grant in the amount of \$634,500 for the State of Maryland's Medicaid Health Choice Waiver Program for the Assistance in Community Integration Services (ACIS) Program.
- The Department reports several long-term (5 year) goals such as a decrease of 25% in the number of patients with diabetes A1C >9, 50% increase in the number of patients with known high blood pressure who achieve blood pressure control, and a 50% increase in the number of patients at risk for cardiovascular events whose cholesterol is controlled.
- The Department's major grant program divisions for FY 2020 are shown on the graph below.



Source: FY 2020 Proposed Budget Book, pages 417- 419

- Division of Behavioral Health Services (FY 2020 Proposed Grant Funding: \$18.4 million) – This represents an increase of \$1,355,700, or 7.9%, over the FY 2019 approved level. This Division represents 41% of the Department's proposed FY 2020 grants.
 - The Department anticipates an increase of \$419,800, or 312.4%, for the Offender Reentry Program (PGCORP) in FY 2020. The Offender Reentry program is designed for restaurant owners that have 2+ food safety violations in one year. The Department offers training to help restaurant owners to learn about food safety and avoid future offenses.

- The Department anticipates receiving \$650,000 for the Pre – Exposure Prophylaxis (PREP) program. This grant supports individuals who do not have HIV, but who are at substantial risk, reduce the probability of contracting the infection. Medication(s) offered through the program has been shown to reduce the risk of HIV infection in individuals who are at high risk by up to 92%.
- Division of Environmental Health and Disease Control (FY 2020 Proposed Funding: \$1,058,400) This represents a decrease of \$92,800, or 8.1%, under the FY 2019 approved level. This Division represents 2% of the Department's proposed FY 2020 grants.
 - The Department anticipates receiving \$189,900 for the Childhood Lead Poisoning Prevention Program in FY 2020. This grant supports educational programs concerning lead exposure and safe lead paint abatement techniques. Environmental assessments of residences for the presence of lead, in response to confirmed medical reports of elevated blood levels in children and adults.
- Division of Family Health (FY 2020 Proposed Funding: \$13,408,000) This represents a decrease of \$1,429,600, or 9.6%, under the FY 2019 approved level. This Division represents 29% of the Department's proposed FY 2020 grants.
 - The Department anticipates an increase (\$70,500) in the Babies Born Healthy Program. The program offers services to promote healthy pregnancy outcomes and early health care practices for infants and children. Nurses and support staff provide case management through assessments, interventions, and referrals to help clients relieve the psychosocial and behavioral risk factors associated with poor health and developmental outcomes.
 - The Department anticipates a decrease (\$134,600) in funding for the Women, Infants and Children (WIC) Program. The WIC program provides nutrition education and counseling and referrals for services to healthcare providers, government, and community-based organizations.
- Division of Health and Wellness (FY 2020 Proposed Funding: \$8,301,400) This represents an increase of \$153,900, or 1.9%, over the FY 2019 approved level. This Division represents 18% of the Department's proposed FY 2020 grants.
 - In FY 2020, the Department anticipates receiving \$2.2 million, an increase of \$95,800 over the FY 2019 grant award for the Maryland Children Health Program/ Eligibility Determination Program (PWC). This program supports uninsured children under the age of 19, whose household modified adjusted gross income is at or below 211% of the federal poverty level for their family size.

- Office of the Health Officer (FY 2020 Proposed Funding: \$4,164,500) This represents a decrease of \$2,363,900, or 36.2%, under the FY 2019 approved level. This Division represents 9% of the Department's proposed FY 2020 grants.
 - In FY 2020, the Department anticipates receiving an award in the amount of \$2.4 million for the Diabetes, Heart Disease, and Stroke program as a part of a five-year cooperative agreement to improve access to chronic disease care for an estimated 1.2 million residents in Prince George's, Calvert, Charles and St. Mary's counties.
 - The Department also anticipates receiving an award in the amount of \$1.0 million for the Alzheimer's Disease program, a new 36-month grant to assist the Department in its efforts to combat the disease.
- A complete list of grants for the Department's various Divisions is shown on pages 417 – 419 of the FY 2020 Proposed Budget book.

Capital Improvement Program (CIP)

- The FY 2020 Proposed Capital Budget for the Health Department is \$25,572,000. This represents a decrease of \$4,928,000, or approximately 16.2%, below the FY 2019 Approved Capital Budget. This decrease is primarily attributed to construction and site development costs associated with the Regional Health and Human Service Center.

2020 Funding Source

General Obligation Bonds	\$25,572,000 (100%)
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2020 CIP Project Overview

Proposed FY 2020 - FY 2025 CIP Budget:

		Approved FY 2019- 2024 CIP		Proposed FY 2020- 2025 CIP		Change in Fiscal Year Budget FY 19 to FY 20	Change in Total Funding (FY19 to FY20 CIP)	
Project Name	Est. Comp.	Approved FY19 Capital Budget	Total Approved Project Funding	Proposed FY20 Capital Budget	Total Proposed Project Funding	% Change	\$ Change	% Change
Health Facilities Renovations	06/2025	\$ 500,000	\$ 6,143,000	\$ 572,000	\$ 6,715,000	14.4%	\$ 572,000	9.3%
Regional Health and Human Services Center	11/2020	30,000,000	45,250,000	25,000,000	45,250,000	-16.7%	-	0.0%
Residential Treatment Facility	06/2026	-	500,000	-	500,000	0.0%	-	0.0%
		\$ 30,500,000	\$ 51,893,000	\$ 25,572,000	\$ 52,465,000	-16.2%	\$ 572,000	1.1%

- The proposed FY 2020 - FY 2025 CIP total project budget of \$52.5 million includes the following three (3) projects.
 - **Heath Facilities Renovations** (FY 2020 Funding Proposal: \$572,000) In FY 2020, the project will include HVAC control system repair/ upgrade; auditorium, lunchroom, 3 kitchenettes, new cabinetry and plumbing, and new casement windows.
 - **Regional Health and Human Services Center (HHSC)** (FY 2020 Funding Proposal: \$25,000,000) Project consists of a 100,000 to 120,000 square foot administrative office building within the mixed used development identified as Kingdom Square Mall. The project is scheduled to be completed 11/2020.
 - **Residential Treatment Facility** (FY 2020 Funding Proposal: \$0) Will encompass a 40 - bed residential treatment facility that will include detoxification, intermediate care and continuing care services for persons with substance abuse and mental health problems. The facility should serve both men and women. There are no plans for this project for FY 2020. (Revised completion date: June 2026)