

M00F02
Community and Family Health Administrations
Department of Health and Mental Hygiene

Operating Budget Data

	(\$ in Thousands)				
	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 03 - 04</u>	<u>FY 03 - 04</u>
	<u>Actual</u>	<u>Approp.</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
General Funds	\$117,349	\$118,416	\$115,725	-\$2,691	-2.3%
FY 2003 Cost Containment	0	-1,789	0	1,789	
Contingent & Back of Bill Reductions	0	-14	-63	-49	
Adjusted General Funds	\$117,349	\$116,613	\$115,662	-\$951	-0.8%
Special Funds	52,767	84,361	50,362	-33,999	-40.3%
Contingent & Back of Bill Reductions	0	-20,001	-11	19,990	
Adjusted Special Funds	\$52,767	\$64,361	\$50,351	-\$14,010	-21.8%
Federal Funds	92,916	100,977	100,512	-466	-0.5%
Contingent & Back of Bill Reductions	0	-7	-54	-47	
Adjusted Federal Funds	\$92,916	\$100,970	\$100,457	-\$513	-0.5%
Reimbursable Funds	759	742	218	-525	-70.7%
Adjusted Grand Total	\$263,791	\$282,686	\$266,688	-\$15,998	-5.7%

- The fiscal 2004 allowance reduces the amount of Cigarette Restitution Funds for the Tobacco Use Prevention and Cessation Program by \$4.8 million and the amount of funds for the Cancer Prevention, Education, Screening, and Treatment Program by \$4.6 million.

Personnel Data

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	382.40	390.90	343.90	-47.00
Contractual FTEs	15.43	25.06	26.04	0.98
Total Personnel	397.83	415.96	369.94	-46.02

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	13.76	4.00%
Positions Vacant as of 12/31/02	44.00	12.79%

- The allowance eliminates 21.5 vacant positions in the Community Health Administration and 25.5 vacant positions in the Family Health Administration at a savings of \$2 million. The reduction is partially offset by a reduction in the turnover expectancy resulting from the abolition of vacant

Note: Numbers may not sum to total due to rounding.

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positions.

Analysis in Brief

Major Trends

Managing for Results Data Incomplete: Managing for Results data reported by the Community Health Administration and Family Health Administration reflect the diversity of functions performed by the administrations as well as difficulty in compiling statewide health statistics.

Issues

Emergency Preparedness Efforts Continue: In its role as the link between the Department of Health and Mental Hygiene and local health departments, the Community Health Administration has assumed primary responsibility for the coordination of State emergency preparedness efforts.

Maryland Primary Care Enrollment Resumes: Program enrollment was frozen during fiscal 2002 to contain a projected program deficit. The Family Health Administration has resumed enrollment with the implementation of several measures to maximize enrollment while containing costs.

Breast and Cervical Cancer Programs Unable to Contain Costs: The Family Health Administration began enrolling eligible individuals in Medical Assistance-supported treatment in fiscal 2002. Despite an increase in federal assistance, general fund expenditures for breast and cervical cancer screening and treatment programs exceed budgeted resources.

Cost Savings Can Be Realized through Reorganization: Reorganization involving the AIDS Administration can produce savings while maintaining program effectiveness.

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Add language transferring the Sexually Transmitted Disease Program from the Community Health Administration to the AIDS Administration.		
2. Reduce positions and general funds for the Community Health Administration's Sexually Transmitted Disease program because transfer of the unit to the AIDS Administration should produce personnel and cost efficiencies.	\$ 300,000	3.0
3. Reduce the general fund appropriation to the Women, Infants, and Children Supplemental Nutrition Program, as federal funds have been sufficient historically to cover program costs.	800,000	

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Total Reductions	\$ 1,100,000	3.0
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Operating Budget Analysis

Program Description

As of July 1, 2001, the Community and Public Health Administration was divided into two separate administrations: the Community Health Administration and the Family Health Administration.

The Community Health Administration seeks to protect the health of the community by preventing and controlling infectious diseases, investigating disease outbreaks and environmental health issues, and protecting the health and general welfare of the public from foods, substances, and consumer products which may cause injury or illness.

The Family Health Administration promotes public health by ensuring the availability of quality primary, preventive, and specialty health care services, with special attention to at-risk and vulnerable populations. Charges include control of chronic diseases, injury prevention, public health education, and promotion of healthy behaviors.

Performance Analysis: Managing for Results

Managing for Results (MFR) data for the Community Health Administration and Family Health Administration reflect the diversity of functions performed by the administrations as well as difficulty in compiling statewide health statistics.

The Community Health Administration, in its charge to protect the public health, monitors public health data and conducts programs to reduce the incidence of illness and disease. The administration's MFR data reflect both functions. **Exhibit 1** provides an example of the sorts of operations undertaken by the administration, including surveillance, education, and outreach; however, immunization data, last reported in calendar 2000, provides minimal feedback on program efforts. Syphilis rates, reported more recently, show a continued decline in the rate of infection, largely due to a concentrated effort to identify those infected through coordinated efforts by local health departments and State correctional facilities.

Exhibit 1

**Managing for Results Data
Calendar 2000 through 2004**

	CY 00 <u>Actual</u>	CY 01 <u>Actual</u>	CY 02 <u>Est.</u>	CY 03 <u>Est.</u>	CY 04 <u>Est.</u>
Community Health Administration					
Percent of two-year-olds with current immunizations	82%	80%*	80%	80%	80%
Number of primary/secondary syphilis per 100,000 residents	5.7	5.0	4.2	3.7	3.3
Percent reduction in syphilis rate	15%	12%	16%	12%	11%
Family Health Administration					
Percent of at-risk children tested for blood lead poisoning at age one	33%	n/a	40%	45%	50%
Percent of at-risk children tested for blood lead poisoning at age two	21%	n/a	35%	40%	50%
CRF tobacco prevention spending per fiscal year	\$0	\$7,321,183	\$16,914,219	\$22,353,305	\$15,236,813
CRF tobacco prevention spending as percentage of CDC recommendation	0%	24%	56%	74%	50%

* Estimated

CRF = Cigarette Restitution Fund

CDC = Centers for Disease Control and Prevention

Source: Department of Health and Mental Hygiene; Centers for Disease Control and Prevention

Family Health Administration MFR data also reflect the breadth of the agency's mission. Areas of responsibility include infant mortality, blood lead poisoning, chronic disease control, and cancer incidence. Although many of the variables that influence public health are outside of administration control, the administration operates a variety of programs to improve the wellbeing of the State's residents. Blood lead poisoning reduction efforts coordinated by the administration, for example, have been successful in reaching a greater portion of at-risk children and reducing the incidence of blood lead poisoning statewide; however, the administration last reported calendar 2000 data. Data reported in the administration's MFR submission does not include either actual or estimated 2001 blood lead testing data.

Another of the Family Health Administration's functions is oversight of the Cigarette Restitution Fund. Funding for the program's tobacco prevention and cancer control initiatives has been dependent on the availability of funds, the State's settlement with independent counsel, and funding needs for the Maryland Medical Assistance Program. As a result of these considerations, funding for tobacco prevention activities

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did not reach the levels recommended by the Centers for Disease Control and Prevention. The fiscal 2003 working appropriation, though it does not meet recommended levels of funding, still places the State in ninth place in rankings of per capita State funding for tobacco prevention.

The Community Health Administration and Family Health Administration should comment on means to provide timely data in future MFR submissions.

Fiscal 2003 Actions

Cost containment actions reduce the fiscal 2003 working appropriation for the Community Health Administration by \$0.3 million and the working appropriation for the Family Health Administration by \$1.5 million. The reduction is the result of the following actions approved by the Board of Public Works in January 2003:

- Funding for human service contracts was reduced by 2.8% across administrations in fiscal 2003, producing \$0.8 million in cost savings. The majority of this funding supports communicable disease control and prevention activities in the local health departments. This action will reduce the level of activity across health departments unless local jurisdictions are willing to provide resources to compensate for the reduction in State funds.
- The Family Health Administration will spend down a \$0.7 million surplus in the federal Maternal and Child Health block grant, obviating the need for that amount of general funds. This action will redirect surplus funds from information systems development to general program operating expenses.
- Continuation of the State hiring freeze results in \$0.2 million in cost savings in the Community Health Administration. This action primarily impacts the administration's food control and inspection sanitarians. The administration will prioritize interstate inspections required for compliance with federal regulations among remaining resources.
- The Community Health Administration will spend down a \$0.1 million surplus in funds from the Centers for Disease Control and Prevention for immunization activities. This action will have no impact on the provision of services.

A smaller portion of cost savings, \$22,312, is due to reversion of appropriations to support free transit ridership for State employees, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2003.

In addition to these measures, the Family Health Administration anticipates a \$20 million reduction in funding for the Cigarette Restitution Fund program in fiscal 2003. The fiscal 2003 Cigarette Restitution Fund legislative appropriation was developed prior to the State's settlement with the Law Offices of Peter G. Angelos, P.C.; however, language in the BRFA of 2002 stipulated that, in the event of a settlement, \$20 million of the funds held in escrow would be used to increase the appropriation for the Cigarette Restitution Fund's Cancer Prevention, Education, Screening, and Treatment Program and the Tobacco Use Prevention and Cessation program. The funds increased the fiscal 2003 working appropriation, but

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funds were not distributed to the program. The Governor’s allowance assumes this amount reverts to the Cigarette Restitution Fund for use in fiscal 2004, though no formal action yet has been taken. As a result, fiscal 2003 appropriations are overstated by \$20 million, inflating the difference between the fiscal 2003 working appropriation and the fiscal 2004 allowance.

Governor’s Proposed Budget

The allowance for the Community and Family Health Administrations decreases in fiscal 2004, detailed in **Exhibits 2 and 3**. The reduction in the Community Health Administration, \$4 million, is primarily due to declining federal fund attainment for bioterrorism and emergency response; the reduction in the Family Health Administration, \$12 million, is primarily due to reductions in Cigarette Restitution Fund appropriations for tobacco and cancer programs.

Exhibit 2

Distribution of Funding by Administration Fiscal 2003 and 2004

	<u>FY 03</u> <u>Working</u>	<u>Withheld</u>	<u>FY 03</u> <u>Revised</u>	<u>FY 04</u> <u>Allowance</u>	<u>Difference</u>	<u>%</u> <u>Change</u>
Community Health Administration						
Administration	\$1,715,447		\$1,715,447	\$1,413,127	-\$302,320	-18%
Community Health Services	29,451,629		29,451,629	25,878,543	-3,573,086	-12%
Core Public Health	66,428,704		66,428,704	66,428,704	0	0%
Subtotal	\$97,595,780		\$97,595,780	\$93,720,374	-\$3,875,406	-4%
Family Health Administration						
Administration	\$2,337,708		\$2,337,708	\$1,955,130	-\$382,578	-16%
Family Health Services	91,725,176		91,725,176	90,159,037	-1,566,139	-2%
Prevention and Disease Control	32,120,941		32,120,941	31,909,028	-211,913	-1%
Cigarette Restitution Funds	78,906,534	-20,000,000	58,906,534	48,944,554	-\$9,961,980	-17%
Subtotal	\$205,090,359		\$185,090,359	\$172,967,749	-\$12,122,610	-7%
Total	\$302,686,139		\$282,686,139	\$266,688,123	-\$15,998,016	-6%

Source: Department of Budget and Management; Department of Legislative Services

Exhibit 3

**Governor’s Proposed Budget
Community and Family Health Administrations
(\$ in Thousands)**

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 03 - 04</u>	<u>FY 03 - 04</u>
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Where It Goes:

Personnel Expenses

Turnover adjustments	\$1,076
Employee and retiree health insurance	455
Workers’ compensation premium assessment	-73
Employees’ retirement system	-85
Deferred compensation match.....	-97
47 abolished positions	-2,142
Other adjustments.....	-158

Other Community Health Administration Changes

Federal grant for Maryland Bioterrorism Hospital Preparedness Program	699
Attainment of federal funds for tuberculosis research and prevention.....	339
Increase in federally-sponsored emerging infection research at academic health centers	112
Restoration of funding for human service contracts reduced in fiscal 2003 for cost containment	36
Reduction in West Nile Virus hotline expenses	-134
Reduction of Hepatitis C investigation and prevention funds for academic health centers and local health departments.....	-317

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Where It Goes:

Reduction in federal funding for surveillance and epidemiology related to bioterrorism and emergency response.....	-890
Completion of federal grant program supporting Estuary Associated Syndrome research and surveillance.....	-1,271
Reduction in federal funds for preparedness planning at local health departments.....	-2,403
Other Family Health Administration Changes	
Women, Infants, and Children Supplemental Nutrition Program expenditures for food, local administration, and information technology systems	2,617
Restoration of funding for human service contracts and preventive health services reduced in fiscal 2003 for cost containment.....	1,453
Outreach, education, screening, and follow-up activities for the Breast and Cervical Cancer Program.....	337
Attainment of federal funds for ovarian cancer research and surveillance.....	156
Attainment of federal funds for asthma surveillance and control.....	134
Attainment of federal funds for development of comprehensive cancer control plan.....	122
Transfer oversight of Lake Clifton school-based health center to Office for Children, Youth, and Families	-183
Completion of federal grant program to prevent fire- and burn-related injuries.....	-192
Completion of breast and cervical cancer screening software development	-297
Cost containment in maternal and child health and family planning contract funds and reduction in contraceptive purchase.....	-340
Elimination of operating subsidy for Prince George’s Hospital Center.....	-2,000
Elimination of operating subsidy for University of Maryland Medical Systems urban primary care clinics	-3,000
Other Cigarette Restitution Fund Changes	
Growth in Cigarette Restitution Fund management costs, attributable to increases in contractual personnel.....	194
Reduction in Cigarette Restitution Fund support for the Maryland Health Care Foundation.....	-750
Reduction in Cigarette Restitution Fund support for Cancer Prevention, Education, Screening, and Treatment Program.....	-4,565
Reduction in Cigarette Restitution Fund support for Tobacco Use Prevention and Cessation Program	-4,757
Other operating expenses	-74
Total	-\$15,998

Note: Numbers may not sum to total due to rounding.

Emergency Response

The Community Health Administration has served as an intermediary in increasing the State’s

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emergency response capabilities. Federal funds for bioterrorism and emergency response have been primarily directed to the administration, which in turn has redistributed a majority of funds to local health departments and the State's hospital network. These funds, initially designed to compensate for costs incurred in responding to the immediate threat caused by anthrax, have been since invested in building a public health network sufficient to improve surveillance and long-term emergency response capabilities.

The total amount of federal funding for emergency response is expected to decrease in fiscal 2004, as the administration has already made many of the one-time investments in technology and equipment necessary to improving the public health infrastructure. Funding to develop systems to detect infectious disease and other agents of bioterrorism is expected to decrease \$0.9 million in fiscal 2004, as the administration has already made initial purchases of software and data processing equipment. Preparedness planning among local health departments is also anticipated to decline \$2.4 million. The exception to these reductions is the hospital preparedness program, which distributes funds to the State's 50 acute care hospitals for training, communications, and equipment. This program is anticipated to increase \$0.7 million in fiscal 2004.

Community Health Administration Public Health Initiatives

Approximately one quarter of the budget of the Community Health Administration is derived from federal contracts and grant programs. Among these programs are several changes in fiscal 2004:

- Federal funds for tuberculosis control and prevention activities are expected to increase \$0.3 million with the establishment of a multi-state tuberculosis research consortium in fiscal 2004.
- Federal funds for research relating to foodborne illness and invasive bacterial diseases, provided by the University of Maryland Medical System and the Johns Hopkins Bloomberg School of Public Health, are expected to increase \$0.1 million.
- The cost of providing a public West Nile Virus hotline, a project supported by federal funds, is anticipated to decrease \$0.1 million from fiscal 2003 to 2004.
- Expiration of federal funds for research and prevention activities related to Estuary Associated Syndrome, commonly known as Pfiesteria, results in a reduction of \$1.3 million in fiscal 2004.

In addition to changes in these federal initiatives, the allowance discontinues general funds for Hepatitis C reporting and investigation by the local health departments at savings of \$0.3 million. Restoration of funding for human service contracts in fiscal 2004, reduced in fiscal 2003 for cost containment, partially offsets the reduction.

Women, Infants, and Children Supplemental Nutrition Program

The Women, Infants, and Children Supplemental Nutrition Program (WIC) grows \$2.6 million in the fiscal 2004 allowance. The program, which is almost entirely federally funded, provides nutrition and

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education services to low-income women, pregnant and postpartum, and their young children. The fiscal 2004 federal fund increase, \$1.8 million, provides for food and ongoing maintenance of the WIC WINS information technology system. The remainder of the increase, \$0.8 million, represents the difference in the amount of general funds State law requires the Governor to include in the annual allowance and the amount of prior year funding. State law requires the Governor to include \$1 million in general funds for the WIC program in the allowance. This amount of general funds was reduced by the General Assembly in fiscal 2003; restoration of these funds appears as an \$0.8 million increase in funding for local administration of the program in fiscal 2004.

Breast and Cervical Cancer Programs

Breast and cervical cancer programs, provided by local health departments and supported by a combination of general and federal funds, provide cancer screening and treatment services to underinsured men and women with incomes at or below 250% of the federal poverty level. The fiscal 2004 allowance includes a \$0.8 million increase in federal funds for education, screening, and follow-up services, partially offset by a \$0.5 million reduction in general funds for these services and related instructional supplies. In addition, completion of software development specific to the Breast and Cervical Cancer Screening Program is due for completion in fiscal 2003, reducing the fiscal 2004 allowance by an additional \$0.3 million.

Family Health Administration Public Health and Local Initiatives

The fiscal 2004 allowance continues cost containment measures in maternal and child health and family planning. The action maintains funding for human service contracts at fiscal 2003 working appropriation levels at savings of \$0.2 million. An additional reduction of \$0.1 million in contraceptive purchase in family planning is based on prior year actual utilization. Reductions were also made in adolescent and child health services, as oversight of the Lake Clifton school-based health center will be transferred from the Family Health Administration to the Office for Children, Youth, and Families in fiscal 2004.

The fiscal 2004 allowance also discontinues operating subsidies originally intended as time-limited supplements to local health care systems. The allowance discontinues funding for Prince George's Hospital Center, which received \$2.5 million intended as a one-time subsidy in fiscal 2002 and a \$2 million general fund subsidy in fiscal 2003, pending the provision of matching funds from Prince George's County. The allowance also discontinues funding for University of Maryland Medical Systems' urban medical clinics, a three-year subsidy originally intended to continue through fiscal 2002 and subsequently extended through fiscal 2003 at a cost of \$3 million by a provision in the BRFA of 2002.

Cigarette Restitution Funds

The fiscal 2003 Cigarette Restitution Fund legislative appropriation was developed prior to the State's settlement with the Law Offices of Peter G. Angelos, P.C.; however, language in the BRFA of 2002 stipulated that, in the event of a settlement, \$20 million of the funds held in escrow would be used to increase the appropriation for the Cigarette Restitution Fund's Cancer Prevention, Education, Screening, and Treatment Program and the Tobacco Use Prevention and Cessation program. The funds increased the

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fiscal 2003 working appropriation, detailed in **Exhibit 4**, but funds were not distributed to the program. The Governor’s allowance assumes this amount reverts to the Cigarette Restitution Fund for use in fiscal 2004, though no formal action yet has been taken. As a result, fiscal 2003 appropriations are overstated by \$20 million, inflating the difference between the fiscal 2003 working appropriation and the fiscal 2004 allowance. The department has indicated that withheld funds may be redistributed among programs in fiscal 2003. **The Department of Health and Mental Hygiene should comment on the allocation of fiscal 2003 withheld funds.**

The allowance further reduces funding for Cigarette Restitution Fund programs \$10 million below the fiscal 2003 revised appropriation, a reduction of 17%. The reduction spans the Cigarette Restitution Fund’s cancer and tobacco subprograms as well as funding for the Maryland Health Care Foundation. The majority of Cigarette Restitution Funds are redirected to the Maryland Medical Assistance Program in fiscal 2004. The implications of these reductions will be explored further in the Department of Legislative Services analysis of the Cigarette Restitution Fund.

Exhibit 4

**Change in Cigarette Restitution Fund Appropriations
Fiscal 2003 and 2004**

	<u>2003 Working</u>	<u>Withheld</u>	<u>2003 Revised</u>	<u>2004 Allowance</u>	<u>Difference</u>	<u>Percent Change</u>
Cancer						
Administration	\$1,088,041	-\$20,000	\$1,068,041	\$977,426	-\$90,615	-8%
Surveillance and evaluation	1,827,104	-100,000	1,727,104	1,419,203	-307,901	-18%
Statewide academic health centers	25,000,000	-2,000,000	23,000,000	20,648,000	-2,352,000	-10%
Local public health	17,000,000	-5,980,000	11,020,000	8,625,390	-2,394,610	-22%
Statewide public health	739,000	-739,000	0	570,000	570,000	n/a
Database development	575,000	0	575,000	585,000	10,000	2%
Subtotal	\$46,229,145	-\$8,839,000	\$37,390,145	\$32,825,019	-\$4,565,126	-12%
Tobacco						
Administration	812,408	-45,000	767,408	546,558	-220,850	-29%
Surveillance and evaluation	2,766,142	-100,000	2,666,142	0	-2,666,142	-100%
Countermarketing	10,000,000	-5,500,000	4,500,000	5,939,000	1,439,000	32%
Local public health	14,000,000	-4,775,000	9,225,000	8,000,000	-1,225,000	-13%
Statewide public health	3,574,755	-741,000	2,833,755	749,755	-2,084,000	-74%
Subtotal	\$31,153,305	-\$11,161,000	\$19,992,305	\$15,235,313	-\$4,756,992	-24%
Management	524,084	0	524,084	634,222	110,138	21%
Maryland Health Care Foundation	1,000,000	0	1,000,000	250,000	-750,000	-75%
Total	\$78,906,534	-\$20,000,000	\$58,906,534	\$48,944,554	-\$9,961,980	-17%

Source: Department of Budget and Management; Department of Legislative Services

Family Health Administration Federal Research Initiatives

Nearly half of the budget of the Family Health Administration is derived from federal contracts and grant programs. Among these programs are several changes in fiscal 2004:

- Fiscal 2004 is the first year of a federal multi-state program to examine patterns of treatment and survival variables related to ovarian cancer. The program increases the allowance by \$0.2 million.
- The administration will augment current asthma programs with a \$0.1 million federal grant to develop a plan to decrease the incidence of asthma and a surveillance system to monitor its impact.
- The Centers for Disease Control and Prevention are providing \$0.1 million for the administration, in consultation with public and private stakeholders, to develop a comprehensive cancer control plan to address prevention, surveillance, and research related to cancer control.
- Fiscal 2004 also marks the expiration of a \$0.2 million annual grant to the Office of Injury and Disability Prevention to reduce fire- and burn-related injuries. Funds were used in prior years to purchase and install smoke detectors in areas reporting high fire death rates.

Issues

1. Emergency Preparedness Efforts Continue

Events of the fall of 2001 brought attention to inadequacies of the national public health system in anticipating and responding to terrorist activity. Initially the federal government responded with funds to compensate for costs incurred in responding to immediate threats; more recently, federal funds have been invested in building a public health infrastructure sufficient to improve surveillance and long-term emergency response capabilities. Although needs persist, it is unclear how long the federal commitment will continue.

One of the responsibilities of the Community Health Administration is to protect the health of the public by investigating disease outbreaks and controlling their spread. The administration also serves a role as the primary link between the Department of Health and Mental Hygiene and local health departments, agencies responsible for a majority of first response activities. Over the last year the administration, in conjunction with the local health departments, has strengthened its capacity to respond to bioterrorism, other outbreaks of infectious disease, and emergency public health threats with financial and programmatic support from the Centers for Disease Control and Prevention.

The Centers for Disease Control and Prevention have provided more than \$10 million to the Community Health Administration in fiscal 2003 to increase the administration's emergency response capacity. The department expects to receive approximately \$3 million less in fiscal 2004, as many of the one-time expenses related to these programs have already been incurred. Funding in both years is concentrated in two areas:

- ***Preparedness Planning and Readiness Assessment:*** This project establishes State leadership and coordination of activities among State and local agencies. These funds, which exceed \$8 million in fiscal 2003, are primarily distributed among the local health departments to build public infrastructure necessary to respond to an emergency situation. Funds have also supported coordination of exercises relating to the National Pharmaceutical Stockpile; the administration has trained more than 400 pharmacists statewide in stockpile protocol.
- ***Surveillance and Epidemiology Capacity:*** This project provides support for State and local development and enhancement of systems to detect unusual outbreaks of illness related to bioterrorism and other infectious disease. Funds have been used to improve data systems, add epidemiology personnel, and purchase specialized software. In addition to centralized surveillance programs, the administration has coordinated regional syndromic surveillance to identify possible patterns of infectious disease.

As a result of these two initiatives, the administration has extended outreach to health care providers, who have been trained in identification of possible symptoms associated with bioterrorist agents. The administration has also worked with other jurisdictions and facilities to increase security in the national capital region and among regional academic health centers.

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In addition, the Community Health Administration is the recipient of a federal Health Resources and Services Administration grant to increase hospital preparedness. These funds, which are expected to increase from \$2 million in fiscal 2003 to \$3 million in fiscal 2004, provide support to members of the Maryland Hospital Association. Funds have been distributed to the State's 50 acute care hospitals by a formula developed by the association with the input of its members. Funds are directed to providing training to hospital personnel, purchasing communications equipment, and building isolation and decontamination capacity. These planning efforts have encouraged regional planning and resource sharing in several areas. The Community Health Administration estimates that surge capacity for the hospitals involved in this program has grown to 5,000 beds statewide.

The Community Health Administration continues to respond to emerging public health threats related to bioterrorism. A current area of focus is coordinating the State's smallpox vaccination and preparation activities. The administration is in the process of providing training to the health care community, developing communication systems to relay information on suspected cases, and identifying those first responders capable of treating smallpox patients. The administration is also developing a mass vaccination plan in the case of an immediate threat.

The Community Health Administration should comment on continuing bioterrorism emergency preparedness needs and the future availability of federal funding.

2. Maryland Primary Care Enrollment Resumes

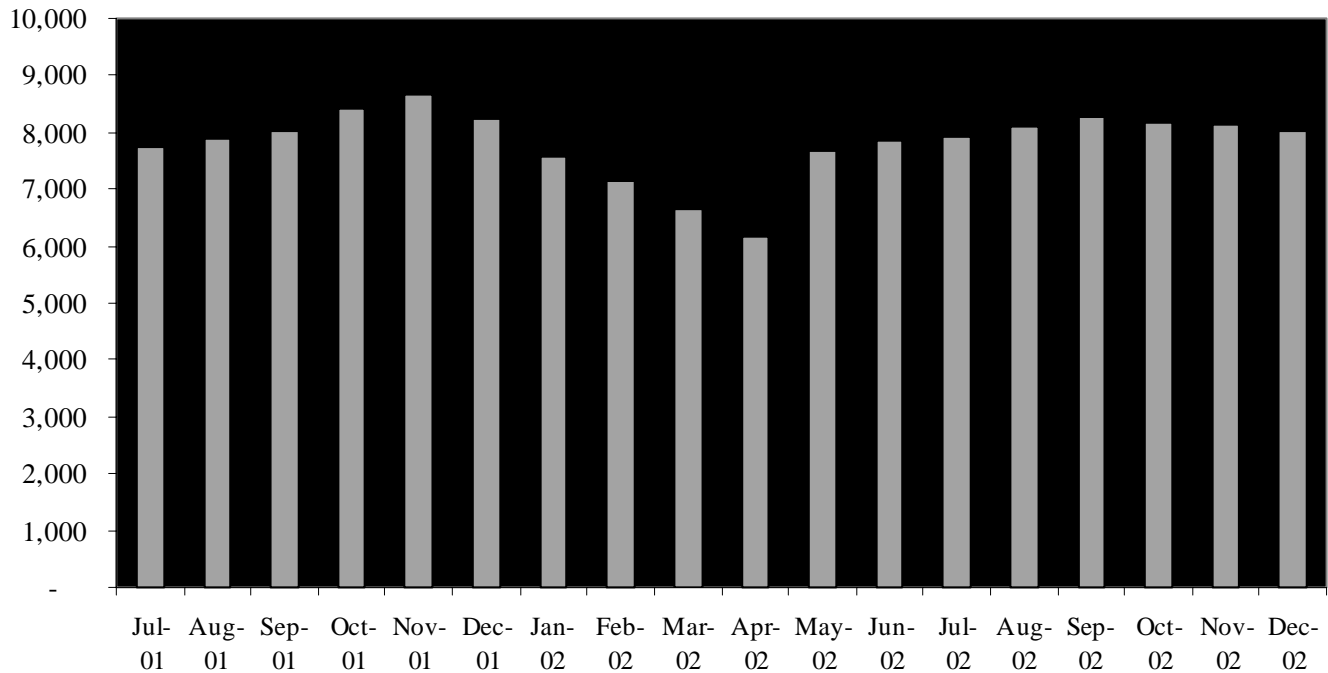
The Maryland Primary Care Program, administered by the Family Health Administration, provides access to a medical provider to uninsured participants in the Maryland Pharmacy Assistance Program. Eligibility is limited to individuals age 19 to 64 with a chronic condition and without access to other health care coverage.

In fiscal 2002, the combination of increased interest in the Pharmacy Assistance Program, worsening economic conditions, and expanded outreach efforts raised enrollment to levels that could not be supported by budgeted funds. Savings elsewhere in the department had covered program deficits in previous years; cost containment eliminated that possibility in fiscal 2002. To contain a projected \$0.8 million fiscal 2002 deficit, program enrollment was frozen and participants whose enrollment lapsed were not allowed to re-enroll. Enrollment data in **Exhibit 5** reflect the policy change implemented in November 2001. Enrollment declined by an average of 500 people each month as a result of the restrictions.

The fiscal 2003 allowance provided \$7.5 million for the Maryland Primary Care Program, a 9% increase over the fiscal 2002 working appropriation, but less than fiscal 2000 and 2001 actual expenditures. Anticipating further reductions to the program, \$1.1 million was included in the BRFA of 2002 to increase the appropriation for the program. Enrollment was re-opened in May 2002 with several provisions to contain costs:

Exhibit 5

**Maryland Primary Care Monthly Enrollment
Fiscal 2002 through Present**



Source: Department of Health and Mental Hygiene

- **Enrollment limits:** Total program enrollment was capped at 8,000 participants. Each of the 27 providers that participate in the program was assigned enrollment limits. In response to the change, several providers began waiting lists for services; others are privately providing services on a sliding scale to those waiting to enroll. As of January 30, 2003, the seven providers who maintain waiting lists reported that 528 people are waiting to enroll. Based on the number of providers who do not maintain waiting lists, the number turned away is likely many times higher.
- **Eligibility criteria:** The Family Health Administration is in the process of reviewing eligibility criteria and patient visit requirements to determine how to prioritize patients most in need of medical attention.
- **Active enrollment:** The administration has begun to discontinue services to enrollees who have not seen their medical provider in the last 12 months; the administration has also recovered funds from providers for non-active enrollees. This action will allow the administration to maximize enrollment for those most in need while containing costs.

The allowance continues funding for the Maryland Primary Care Program at the same level as the fiscal 2003 working appropriation, \$8.6 million, in fiscal 2004. Policy changes implemented in fiscal 2003 are expected to continue through the next fiscal year, maximizing the number of people served given fiscal

constraints. **The Family Health Administration should comment on possible changes to eligibility criteria and anticipated fiscal 2004 enrollment.**

3. Breast and Cervical Cancer Programs Unable to Contain Costs

The Family Health Administration, with support from the Centers for Disease Control and Prevention, provides breast and cervical cancer screening and treatment services to Maryland residents with family incomes less than 250% of the federal poverty level. The administration contracts with each of the 24 local health departments to provide outreach, screening, and referral services to eligible women. Through a variety of complementary programs, detailed in **Exhibit 6**, the administration provided for nearly 30,000 mammograms, clinical breast exams, and Pap smears in fiscal 2002 at a cost of \$6 million. The Family Health Administration estimates between 9,000 and 12,000 women are served annually by these programs.

Exhibit 6

Family Health Administration Breast and Cervical Cancer Programs

<u>Program</u>	<u>Eligibility</u>	<u>Description</u>
Breast and Cervical Cancer Screening Program	Screening provided to low-income, uninsured women 40-64 years of age. Seventy-five percent of participants must be age 50 or older.	Federal funds provided by the Centers for Disease Control and Prevention. The majority of women diagnosed under this program are eligible for the Women's Breast and Cervical Cancer Health Program.
Breast Cancer Program	Screening provided to low-income, uninsured women 40-49 years of age at or below 250% of the federal poverty level.	General fund program administered by local health departments. The majority of women diagnosed under this program are eligible for the Women's Breast and Cervical Cancer Health Program.
Women's Breast and Cervical Cancer Health Program	Treatment available through Medical Assistance to women diagnosed with breast or cervical cancer through the State's Breast Cancer Program or Breast and Cervical Cancer Screening Program.	Federal government provides 65% match to State funds through Medical Assistance program. Requires participants to have been screened through a state breast and cervical cancer-screening program.
Breast and Cervical Cancer Diagnosis and Treatment Program	Treatment provided to Maryland residents with a family income below 250% of the federal poverty level with a documented breast or cervical abnormal finding.	General fund program administered by DHMH. The majority of participants are referred from private providers and are therefore ineligible for the Women's Breast and Cervical Cancer Health Program.

Source: Department of Health and Mental Hygiene

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An estimated 4,000 to 5,000 women annually require State diagnosis and treatment services. These services include diagnostic procedures, such as ultrasound, biopsy, and colposcopy, and treatment procedures, including physical therapy, medical equipment, and pharmaceuticals. The federal Breast and Cervical Cancer Prevention and Treatment Act of 2000 gave states the option to extend Medicaid to women found to have breast or cervical cancer or pre-cancerous conditions as part of the National Breast and Cervical Cancer Early Detection Program. The Family Health Administration submitted the required revisions to the Maryland State Medicaid plan and received approval from the Center for Medicare and Medicaid Services to expand coverage to include treatment. This program, the Women’s Breast and Cervical Cancer Health Program, has provided diagnosis and treatment services to many of the women screened through the State’s breast and cervical screening programs since April 2002.

The Women’s Breast and Cervical Cancer Health Program serves many of the individuals previously served by the general-fund supported State Breast and Cervical Cancer Diagnosis and Treatment Program; however, the State maintains the general fund program to serve individuals ineligible for Medical Assistance, including individuals who are not American citizens, have not resided in the State for at least five years, or referred by private providers. The overall financial impact of providing treatment through Medical Assistance is still unclear, as participation in the program entitles participants to other health services as medically necessary. Although the number of new enrollees has remained relatively stable, as has the number of patients for which claims have been paid, increases in physician and hospital rates and the rising cost of pharmaceuticals have created a \$2.2 million deficit in screening and treatment programs. These increases contradict figures in **Exhibit 7**, which reflect projected reductions in the average cost of service in fiscal 2003 and 2004. Even if the average cost of diagnosis and treatment were to remain constant from fiscal 2002 to 2003, the program would be more than \$1 million above budget. In contrast, inflation in hospital and pharmaceutical rates will likely increase the average cost of service above fiscal 2002 rates. State law fixes screening eligibility at 250% of the federal poverty level, leaving treatment reductions as the only option to reduce costs.

Exhibit 7

**Breast and Cervical Cancer Program Trends
Fiscal 2003 and 2004**

	2001	2002	2003	2004
	<u>Actual</u>	<u>Actual</u>	<u>Est.</u>	<u>Est.</u>
Breast and Cervical Cancer Screenings				
Number of mammograms, clinical breast exams, and Pap smears	33,005	29,492	28,856	27,313
Total cost	\$5,506,962	\$5,849,867	\$6,639,492	\$6,724,501
Cost per screening	\$167	\$198	\$230	\$246
Breast and Cervical Cancer Diagnosis and Treatment				
Number of diagnosis and treatment invoices	37,143	40,837	41,555	41,555
Total cost	\$9,785,591	\$10,992,736	\$10,153,266	\$10,027,993
Cost per service	\$263	\$269	\$244	\$241

Source: Maryland Operating Budget

The Family Health Administration should comment on the potential for under funding or the means to be used to control costs in breast and cervical cancer programs and the effect on services in fiscal 2003 and 2004.

4. Cost Savings Can Be Realized through Reorganization

During the 2002 interim, the council on Management and Productivity spent time looking at the potential for organizational changes at DHMH. The thrust of that work was around the effectiveness of the department rather than potential cost savings. The council did not issue a final report, but structural change around the AIDS Administration was not considered as part of the discussion.

The effectiveness of the AIDS Administration has not been a subject of debate. As noted above, the administration utilizes the research tools at its disposal to effectively target funding, administers a generous Maryland AIDS Drug Assistance Program (MADAP), and has utilized federal funds to develop a supplemental insurance program (MADAP-Plus) that expands coverage beyond that originally developed by the State (Maryland AIDS Insurance Assistance Program).

Nevertheless, given the State's continuing structural deficit, reorganization as the basis for cost savings needs to be considered. As noted above, direct reductions to the AIDS Administration budget are limited by federal constraints. However, reorganization involving the Administration could still yield cost savings. Two avenues of reorganization are readily identifiable:

- merging the AIDS Administration with the Community Health Administration; and
- transferring the Sexually Transmitted Disease (STD) Program from within the Community Health Administration into the AIDS Administration.

Merging the AIDS and Community Health Administrations

The principal rationale behind merging these two administrations is the argument that there is necessarily overlap between the functions of the two organizations. Certainly, the mission of the Community Health Administration, which includes the prevention of communicable diseases and the performance of epidemiological and consumer awareness work meshes closely with that of the AIDS Administration. Cost savings would come from duplicative administrative functions: executive direction, fiscal, and administrative support staff for example. General fund savings should amount to \$500,000.

Arguments against the merging of the administrations involve the belief that the AIDS Administrations' single-minded focus on AIDS produces results. Further, being organized as a separate administration allows the ability to retain senior staff (the concern here being that a merger could result over time in a downward reclassification of positions). Interestingly, the ten states with the largest AIDS populations (in addition to Maryland, New York, Florida, California, Texas, Pennsylvania, New Jersey, Georgia, Illinois, and Virginia) have an organizational structure similar to Maryland's, distinct HIV/AIDS administrations that report to a level equivalent to a Deputy Secretary or similar official as in Maryland.

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Additionally, it could also be argued that the nature of the HIV/AIDS epidemic in Maryland, with exposure to the virus through injection drug use, does not make the fit with communicable disease programs as neat as it might appear at first glance. Similarly, the Community Health Administration does include other programs, such as food inspections, which bear little relation to the work of the AIDS Administration. Finally affecting such a merger would have to be done carefully to avoid federal fund issues, although those should be surmountable.

Transferring the STD Program into the AIDS Administration

Transferring the STD program into the AIDS Administration makes sense given the linkage between the work carried out by the programs. Indeed, the linkage is stronger and currently, for example, the AIDS Administration provides condom supplies for STD programs. General fund savings should amount to \$300,000.

The transfer of the STD program into the AIDS Administration would alleviate concerns about keeping senior staff in the AIDS Administration. However, while the AIDS Administration could accommodate most of the seven FTE staff currently operating the STD program (through use of their vacancies and also by retaining federally-funded positions currently in the STD program), some might have to find other positions within the department or other State agencies as the principal savings derived from the transfer come from eliminating positions as well as other operating expenses (excluding purchase of care services) in the STD program. Finding such positions within the department can be readily done.

What about the issue of loss of focus? Here again the argument is not as strong. Of the nine other states with the largest AIDS populations, four (Georgia, New York, Virginia, and Texas) have STD responsibility combined into the HIV/AIDS organization. A fifth, California, is looking to do the same thing. It is unclear why the AIDS Administration should lose focus by adding a relatively small(\$1.525 million total budget, \$675,000 general funds, \$850,000 federal funds) and related program.

Finally, again, federal fund issues will have to be considered in such a transfer. However, it would seem that it should be easier to manage those issues.

Recommendation

Added to the options considered above is the option of doing nothing based on the notion that the results provided under the current organizational structure in the Community Health Administration and the AIDS Administration are worth the price of not doing some form of consolidation. **However, the Department of Legislative Services (DLS) recommends transferring the STD program into the AIDS Administration for a general fund savings of \$300,000 and a reduction of three FTE positions.** DLS believes that this option provides a balance of significant costs savings with minimum dislocation and distraction to either organization.

Recommended Actions

1. Add the following language:

All positions and funds appropriated to the Sexually Transmitted Disease Program within the Community Health Administration (Subprogram E321) shall be transferred to the AIDS Administration.

Explanation: The language transfers positions and funds appropriated to the Sexually Transmitted Disease Program within the Community Health Administration (Subprogram E321) to the AIDS Administration. The consolidation provides administrative savings with minimum distraction or dislocation to either organization.

	<u>Amount Reduction</u>		<u>Position Reduction</u>
2. Reduce positions and general funds for the Community Health Administration's Sexually Transmitted Disease program because transfer of the unit to the AIDS Administration should produce personnel and cost efficiencies. Consolidation of these units provides a balance of significant cost savings with minimum dislocation and distraction to either organization. Other positions within the department are available to staff that would be displaced due to the consolidation of units.	\$ 300,000	GF	3.0
3. Reduce the general fund appropriation to the Women, Infants, and Children Supplemental Nutrition Program, as federal funds have been sufficient historically to cover program costs. This action would maintain general funds for this program at fiscal 2003 working appropriation levels.	800,000	GF	
Total General Fund Reductions	\$ 1,100,000		3.0

Current and Prior Year Budgets

Current and Prior Year Budgets Community and Family Health Administrations (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$117,881	\$75,191	\$87,201	\$614	\$ 280,886
Deficiency Appropriation	0	0	940	0	940
Budget Amendments	2,068	350	10,688	251	13,357
Reversions and Cancellations	-2,600	-22,773	-5,913	-106	-31,392
Actual Expenditures	\$117,349	\$52,767	\$92,916	\$759	\$263,791
Fiscal 2003					
Legislative Appropriation	\$118,468	\$58,958	\$88,756	\$742	\$ 266,924
Budget Amendments	-1,855	25,403	12,215	0	35,763
Working Appropriation	\$116,613	\$84,361	\$100,970	\$742	\$302,686

Note: Numbers may not sum to total due to rounding.

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Fiscal 2002

The fiscal 2002 general fund appropriation decreased \$0.5 million as the net result of the following actions:

- \$1.4 million in departmental funds was redistributed to the Community and Family Health Administrations due to inability to meet budgeted turnover, the fiscal 2002 annual salary review for nurses, health insurance costs, and performance awards;
- \$0.7 million increase for the Maryland Primary Care Program;
- \$0.2 million was transferred to the Maryland State Department of Education for sexual assault prevention and education for school-age students; and
- \$2.6 million was reverted to the general fund as a result of cost containment, primarily due to the effects of the hiring freeze.

The special fund appropriation increased \$0.3 million due to grants from the American Legacy Foundation for the Statewide Youth Movement Against Tobacco Use in Maryland, the American Speech-Language Hearing Association to increase cultural competence in administering universal newborn hearing screening, and the Spinal Cord Injury Research Trust Fund. This increase was offset by a reduction in Cigarette Restitution Funds due to the State's obligation to place 25% of tobacco settlement revenue in escrow pending settlement with the Law Offices of Peter G. Angelos, P.C.

Federal fund budget amendments increased available funds by \$10.7 million:

- \$1.7 million to supplement the amount previously appropriated for the Women, Infants, and Children (WIC) program to provide training, computer installation, and technical assistance for the WIC/WINS management information system.
- \$0.8 million to increase funding available to rape crisis centers through the Preventive Health and Health Services Block Grant.
- \$0.6 million to increase funding to local health departments to provide family planning services, including \$0.1 million for the integration of HIV/AIDS prevention services in family planning projects.
- \$0.6 million to increase the appropriation for the Maryland Cancer Registry. Funds supported secondhand smoke education campaigns, management of the Maryland Cancer Registry database system, purchase of personal computer equipment, and out-of-state travel.
- \$0.3 million to the appropriation for the Breast and Cervical Cancer Early Detection Program administered through each of the local health departments.
- \$0.2 million to increase funding for the Office for Genetics and Children with Special Health Care Needs to cover the cost of salaries and wages for five positions.

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- \$0.2 million for a new grant award for injury prevention and surveillance. Funds were used to enhance the Traumatic Brain Injury Surveillance System as well as develop and implement injury prevention programs administered by the University of Maryland and local health departments.
- \$0.2 million increased the appropriation for the Universal Newborn Hearing Screening Program. Funds provided for data programming and scanning services as well as a part-time contractual epidemiologist.
- \$0.2 million supported the development of primary care screening and preventive services at Towson University and the Baltimore County Health Department. Funds also supported primary care coordination at the Allegany County and Baltimore City Health Departments and Morgan State University.
- \$1.1 million was distributed to local health departments to support the development of emergency preparedness plans.
- \$0.7 million supported the expansion of immunization activities at local health departments.
- \$2.2 million supported the activities of the Maryland Bioterrorism Hospital Preparedness Program in developing emergency response capabilities.
- \$0.7 million supported research of Estuary Associated Syndrome.
- \$0.7 million supported emerging infection and infectious disease research and surveillance.
- \$0.4 million was transferred from other agencies within the department for local health emergency services.

Federal fund cancellations totaled \$5.9 million, as funds for the Maryland Bioterrorism Hospital Preparedness were not available until fiscal 2003. Cancellations were also due to lower-than-anticipated WIC food expenditures and double booking of rape prevention funds.

Fiscal 2003

The fiscal 2003 general fund appropriation decreased \$1.8 million, primarily due to cost containment. The administration will realize \$0.8 million in cost savings by reducing contracts for public health services, resulting in reductions in primary and secondary prevention activities unless local government compensates local clinics for the difference. In addition, FHA plans to spend down a \$0.7 million surplus in federal Maternal and Child Health block grant and CHA plans to spend down federal immunization funds to obviate the need for general funds. The remainder of savings results from continuation of the hiring freeze in selected programs.

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Special funds increase \$25.4 million mainly due to actions mandated in BRFA of 2002. Increases include \$20 million in Cigarette Restitution Funds for the Cancer Prevention, Education, Screening, and Treatment and Tobacco Use Prevention and Cessation programs as a result of the State settlement with the Law Offices of Peter G. Angelos, P.C. The act also increased the appropriation for the Maryland Primary Care Program by \$1.1 million and included \$3 million for the University of Maryland Medical System's West Baltimore Clinic. The appropriation also reflects the attainment of a \$1 million grant from the Spinal Cord Research Trust Fund and \$0.3 million from the American Legacy Foundation.

Federal funds increase \$12.2 million due to higher-than-anticipated attainment of federal funds. The funds support emergency response activities, including \$8.0 million for local health departments, \$1.9 million for CHA to add positions, increase surveillance, and upgrade equipment, and \$2.3 million for hospital preparedness.

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Appendix 2

Object/Fund Difference Report
DHMH – Community and Family Health Administration

<u>Object/Fund</u>	<u>FY 02 Actual</u>	<u>FY 03 Working Appropriation</u>	<u>FY 04 Allowance</u>	<u>FY 03 – FY 04 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	382.40	390.90	343.90	-47.00	-12.0%
02 Contractual	15.43	25.06	26.04	0.98	3.9%
Total Positions	397.83	415.96	369.94	-46.02	-11.1%
Objects					
01 Salaries and Wages	\$ 19,760,989	\$ 23,070,365	\$ 22,151,338	-\$ 919,027	-4.0%
02 Technical & Spec Fees	684,821	855,173	1,004,077	148,904	17.4%
03 Communication	427,930	407,100	379,638	-27,462	-6.7%
04 Travel	441,084	639,507	523,551	-115,956	-18.1%
07 Motor Vehicles	103,348	77,571	111,638	34,067	43.9%
08 Contractual Services	144,886,099	175,121,837	146,545,258	-28,576,579	-16.3%
09 Supplies & Materials	2,686,583	2,585,090	2,246,391	-338,699	-13.1%
10 Equip - Replacement	127,820	4,350	700	-3,650	-83.9%
11 Equip - Additional	578,415	451,606	104,746	-346,860	-76.8%
12 Grants, Subsidies, Contr	94,049,799	101,234,024	93,669,119	-7,564,905	-7.5%
13 Fixed Charges	44,285	50,300	80,167	29,867	59.4%
Total Objects	\$ 263,791,173	\$ 304,496,923	\$ 266,816,623	-\$ 37,680,300	-12.4%
Funds					
01 General Fund	\$ 117,349,262	\$ 118,415,992	\$ 115,724,994	-\$ 2,690,998	-2.3%
03 Special Fund	52,767,146	84,361,270	50,362,363	-33,998,907	-40.3%
05 Federal Fund	92,915,778	100,977,349	100,511,566	-465,783	-0.5%
09 Reimbursable Fund	758,987	742,312	217,700	-524,612	-70.7%
Total Funds	\$ 263,791,173	\$ 304,496,923	\$ 266,816,623	-\$ 37,680,300	-12.4%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary
DHMH – Community and Family Health Administration

<u>Unit/Program</u>	<u>FY02 Actual</u>	<u>FY03</u>		<u>FY03 Working Appropriation</u>	<u>FY02 - FY03 % Change</u>		<u>FY04 Allowance</u>	<u>FY03 - FY04 % Change</u>
		<u>Legislative Appropriation</u>	<u>Appropriation</u>		<u>% Change</u>	<u>% Change</u>		
01 Administrative, Policy, and Management Support	\$ 1,359,408	\$ 1,769,063	\$ 1,717,155	\$ 1,717,155	26.3%		\$ 1,419,627	-17.3%
03 Consumer Health and Facility Services	19,131,241	17,573,777	29,795,354	29,795,354	55.7%		25,930,043	-13.0%
07 Core Services	63,114,913	66,428,704	66,428,704	66,428,704	5.3%		66,428,704	0%
01 Administrative, Policy, and Management Systems	2,392,476	2,901,765	2,339,736	2,339,736	-2.2%		1,961,130	-16.2%
02 Family Health Services and Primary Care	94,400,385	89,074,085	93,185,085	93,185,085	-1.3%		90,189,537	-3.2%
06 Prevention and Disease Control	83,392,750	89,176,841	111,030,889	111,030,889	33.1%		80,887,582	-27.1%
Total Expenditures	\$ 263,791,173	\$ 266,924,235	\$ 304,496,923	\$ 304,496,923	15.4%		\$ 266,816,623	-12.4%
General Fund	\$ 117,349,262	\$ 118,467,900	\$ 118,415,992	\$ 118,415,992	0.9%		\$ 115,724,994	-2.3%
Special Fund	52,767,146	58,958,251	84,361,270	84,361,270	59.9%		50,362,363	-40.3%
Federal Fund	92,915,778	88,755,772	100,977,349	100,977,349	8.7%		100,511,566	-0.5%
Total Appropriations	\$ 263,032,186	\$ 266,181,923	\$ 303,754,611	\$ 303,754,611	15.5%		\$ 266,598,923	-12.2%
Reimbursable Fund	\$ 758,987	\$ 742,312	\$ 742,312	\$ 742,312	-2.2%		\$ 217,700	-70.7%
Total Funds	\$ 263,791,173	\$ 266,924,235	\$ 304,496,923	\$ 304,496,923	15.4%		\$ 266,816,623	-12.4%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.