

M001
Chronic Disease Services
Department of Health and Mental Hygiene

Operating Budget Data

	(\$ in Thousands)				
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</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	32,261	34,785	34,382	-403	-1.2%
FY 2003 Cost Containment	0	-575	0	575	
Contingent & Back of Bill Reductions	0	-10	-153	-143	
Adjusted General Funds	32,261	34,200	34,229	29	0.1%
Special Funds	5,539	5,985	5,734	-251	-4.2%
Contingent & Back of Bill Reductions	0	0	-13	-13	
Adjusted Special Funds	5,539	5,985	5,722	-264	-4.4%
Federal Funds	46	0	0	0	0.0%
Reimbursable Funds	1,343	1,404	1,250	-154	-11.0%
Contingent & Back of Bill Reductions	0	0	-6	-6	
Adjusted Reimbursable Funds	1,343	1,404	1,245	-160	-11.4%
Adjusted Grand Total	39,189	41,590	41,196	-395	-0.9%

- Due to increased patient recoveries and reduced costs, the general fund appropriation for the Deer's Head Center renal dialysis program was reduced in fiscal 2003 for cost containment.

Personnel Data

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>Change</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	
Regular Positions	626.00	609.00	595.00	-14.00
Contractual FTEs	20.35	24.57	24.75	0.18
Total Personnel	646.35	633.57	619.75	-13.82

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	23.80	4.00%
Positions Vacant as of 12/31/02	47.50	7.80%

- The elimination of fourteen vacant positions in the fiscal 2004 allowance reduces personnel expenses by \$0.5 million in fiscal 2004, offset by a \$1.1 million increase in employee and retiree health insurance.

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

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Analysis in Brief

Major Trends

Centers Unable to Reach Census Targets: Plans to increase the patient census at Western Maryland Hospital Center and Deer’s Head Hospital Center have been revised as a result of fiscal constraints and personnel reductions.

Issues

Hospital Centers Improve Financial Condition: In recent years, growth in expenditures at the chronic hospitals has outpaced the growth in appropriations, resulting in years of deficit spending. Both hospital centers closed fiscal 2002 without a budget deficit due to aggressive cost management, identification of purchasing efficiencies, and maintenance of a lower census.

Centers Improve Renal Dialysis Collections: The renal dialysis units at Western Maryland Center and Deer’s Head Center were entirely supported by collections from patients and third-party payors until fiscal 2000. Although both centers are increasing their collection rate, it is unlikely the need for general funds will be eliminated unless Medicare reimbursements rise.

Recommended Actions

	<u>Funds</u>	Positions
1. Reduce funds for replacement medical equipment to fiscal 2003 working appropriation.	\$ 94,476	
2. Reduce general funds for renal dialysis services at Deer’s Head Center.	254,182	
Total Reductions	\$ 348,658	

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Operating Budget Analysis

Program Description

The State's two chronic hospital centers, Western Maryland Center and Deer's Head Center, provide specialized services for those in need of complex medical management, comprehensive rehabilitation, long-term care, or dialysis. Specifically, both centers provide:

- chronic care and treatment to patients requiring rehabilitation at a level greater than that available at a nursing home;
- long-term nursing home care for patients no longer in need of hospital-level care but unable to function in traditional nursing homes; and
- inpatient and outpatient renal dialysis services.

Performance Analysis: Managing for Results

Fluctuations in the average daily census at Western Maryland Hospital Center and Deer's Head Hospital Center, detailed in **Exhibit 1**, reflect recent fiscal constraints. The combination of cost containment and rising pharmaceutical costs at each of the centers has necessitated maintaining vacancies to reduce expenditures. Although positions were added in fiscal 2002, hiring for these positions was contingent on verification that the centers did not expect to incur a deficit in non-dialysis services; midyear fiscal 2002 estimates, inclusive of cost containment, indicated small deficits in non-dialysis expenses. Although the positions were made available in fiscal 2003 under the same conditions, many positions were lost through position abolition exercises, mitigating plans to significantly increase the census. Despite reductions, the census is anticipated to rise at Deer's Head Hospital Center, where increases in census help the center to achieve economies of scale.

Renal dialysis services were funded entirely by patient recoveries prior to fiscal 2000. Since that time rates under Medicare, which covers the majority of renal dialysis patients, have not kept pace with the cost of providing services, necessitating the use of general funds to maintain services. Western Maryland Center was recovering the entire cost of treatment in fiscal 1999, detailed in Exhibit 1; however, the center was able to recover only half the cost of treatment two years later. Due to aggressive cost recovery strategies, such as renegotiating purchasing contracts, both centers require a declining proportion of general funds to finance these services relative to prior years. Without a rate increase from Medicare, it is unlikely that either of the centers will be able to recover the full cost of treatment. (See Issue 2 for more detail on renal dialysis cost recoveries.)

Exhibit 1

**Managing for Results Data
Fiscal 1999 through 2004**

	<u>1999 Actual</u>	<u>2000 Actual</u>	<u>2001 Actual</u>	<u>2002 Actual</u>	<u>2003 Estimated</u>	<u>2004 Estimated</u>
Western Maryland Center						
Hospital patients	109	112	103	99	99	103
Dialysis patients	24	24	24	24	24	24
Dialysis collections as percentage of cost of treatment	100%	70%	53%	84%	80%	80%
Deer's Head Center						
Hospital patients	71	76	75	78	81	81
Dialysis patients	229	216	233	233	213	213
Dialysis collections as percentage of cost of treatment	100%	100%	84%	85%	89%	80%

Source: Department of Health and Mental Hygiene

Fiscal 2003 Actions

Cost containment actions produce \$584,951 in cost savings in fiscal 2003. The majority of the reduction, \$575,000, was realized from increased patient recoveries and reduced costs in the Deer's Head Center renal dialysis program, obviating the need for that amount of general funds. The Department of Health and Mental Hygiene is expected to introduce a \$115,000 special fund budget amendment this fiscal year to appropriate the increase in patient recoveries. The remainder of cost savings, \$9,951, is due to the reversion of appropriations to support free transit ridership for State employees, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2003.

Governor's Proposed Budget

The fiscal 2004 allowance for Western Maryland Center and Deer's Head Center is \$41.2 million, a \$0.4 million reduction from the adjusted fiscal 2003 working appropriation. The decrease is due to reductions in staff levels and efficiencies achieved in purchasing and prescribing. As detailed in **Exhibits 2 and 3**, the budget changes marginally between fiscal 2003 and 2004, with reductions in hospital expenses offset by small increases in renal dialysis services.

Exhibit 2

**Budget Trends in Chronic Disease Services Funding
(\$ in Millions)**

	Fiscal 2002 <u>Actual</u>	Fiscal 2003 Working <u>Appropriation</u>	Fiscal 2004 <u>Allowance</u>	<u>Difference</u> 2003 - 2004	<u>Percent</u> <u>Change</u>
Western Maryland Center					
Hospital	\$17.7	\$18.9	\$18.6	-\$0.4	-2%
Renal Dialysis	0.8	0.8	0.8	0.0	3%
Total	\$18.5	\$19.7	\$19.3	-\$0.4	-2%
Reimbursement for Hospital Expenses	9.9	6.4	6.6	0.2	3%
Reimbursement for Dialysis Expenses	0.7	0.6	0.6	0.0	2%
Deer's Head Center					
Hospital	\$15.1	\$16.0	\$15.9	-\$0.1	-1%
Renal Dialysis ¹	5.6	6.1	6.1	0.1	1%
Total	\$20.7	\$22.0	\$22.0	\$0.0	0%
Reimbursement for Hospital Expenses	9.7	4.0	4.1	0.1	2%
Reimbursement for Dialysis Expenses	4.7	5.3	4.9	-0.4	-8%

¹Fiscal 2003 Working Appropriation reflects cost containment and anticipated special fund budget amendment.

Note: Reimbursements for hospital expenses are deposited into the general fund; reimbursements for dialysis expenses appear in the centers' budgets as special funds

Source: Maryland Operating Budget

Exhibit 3

**Governor’s Proposed Budget
Chronic Disease Services
(\$ in Thousands)**

	FY 2002 <u>Actual</u>	FY 2003 <u>Approp</u>	FY 2004 <u>Allowance</u>	FY 03 - 04 <u>Change</u>	FY 03 - 04 <u>% Change</u>
General Funds	\$32,261	\$34,785	\$34,382	-\$403	-1.2%
FY 2003 Cost Containment	0	-575	0	575	
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Adjusted Special Funds	\$5,539	\$5,985	\$5,722	-\$264	-4.4%
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Reimbursable Funds	1,343	1,404	1,250	-154	-11.0%
Contingent & Back of Bill Reductions	0	0	-6	-6	
Adjusted Reimbursable Funds	\$1,343	\$1,404	\$1,245	-\$160	-11.4%
Adjusted Grand Total	\$39,189	\$41,590	\$41,196	-\$395	-0.9%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance.....	\$1,097
Turnover adjustments.....	255
Deferred compensation	-151
Adjustments, including leave payouts and reclassifications.....	-290
Abolished positions.....	-540
Workers’ compensation premium assessment	-926
Other adjustments	-12

Other Changes

Replacement medical equipment	139
Anticipated fiscal 2003 Deer’s Head Center special fund budget amendment. Fiscal 2003 renal dialysis appropriation is understated because budget amendment has not yet been processed.....	115

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Where It Goes:

Increased food expenditures.....	94
Fuel and utilities.....	-80
Reduction in on-call medical services due to filling of physician position	-95
Total	-\$ 81

Note: Numbers may not sum to total due to rounding

Personnel Expenses

Personnel expenses decrease \$0.6 million in the fiscal 2004 allowance. The reduction is driven by the abolition of 14 vacant positions at savings of \$0.5 million and a reduction in workers’ compensation premiums at savings of \$0.9 million. Reductions are offset by a \$1.1 million increase in employee and retiree health insurance and a \$0.25 million reduction in the turnover expectancy. Smaller changes include the elimination of the appropriation for matching employee deferred compensation contributions, a \$0.15 million reduction, and the elimination of salary adjustments, a \$0.3 million reduction.

Operating Expenses

Operating expenses increase \$0.2 million in the fiscal 2004 allowance, due to efficiencies in purchasing and procurement. In fiscal 2003, the Deer’s Head Center general fund appropriation was reduced \$0.6 million for cost containment due to increased patient recoveries and reduced costs. The Department of Health and Mental Hygiene is expecting to process a \$0.1 million special fund budget amendment to appropriate increased patient recoveries in fiscal 2003. Until the amendment is processed, the change in the fiscal 2003 allowance is understated by \$0.1 million. Other changes include:

- \$0.1 million to replace used and outdated medical equipment, namely two dialysis machines at Western Maryland Center and five dialysis machines and 19 manual crank beds at Deer’s Head Center. Manual crank beds are a high priority for replacement as they may pose dangers to both patients and staff.
- \$0.1 million reduction in utility costs due to a shift from fuel oil to natural gas at Deer’s Head Center.
- \$0.1 million reduction in on-call medical services, mainly due to increased availability of these services on premises.

Anticipated growth of \$0.1 million in food expenditures for hospital patients further increases the fiscal 2004 allowance, resulting in a \$0.2 million net increase in operating expenses.

Issues

1. Hospital Centers Improve Financial Condition

In recent years, growth in expenditures at the chronic hospitals has outpaced the growth in appropriations, resulting in years of deficit spending. **Exhibit 4** details the magnitude of recent deficits in the chronic hospitals' operating budgets, including a \$1.1 million shortfall in fiscal 2001. These deficits, primarily due to inflation in pharmaceuticals and medical supplies, have required the Department of Health and Mental Hygiene to transfer surplus funds from other programs to close the gap. Overspending, in addition to requiring departmental funds, mitigated the hospitals' ability to increase their patient census. In many cases, the hospitals have reduced the number of people they treat in order to stem losses.

Exhibit 4

Census and Spending Trends for Non-Dialysis Services (\$ in Thousands)

	<u>Fiscal 2000</u>	<u>Fiscal 2001</u>	<u>Fiscal 2002</u>	<u>Fiscal 2003</u>	<u>Fiscal 2004</u>
Western Maryland Center					
Targeted Census	\$110	\$114	\$118	\$103	\$103
Actual Census	112	103	99	99	n/a
Deficit in Non-Renal Expenses	660	697	0	0	n/a
Deer's Head Center					
Targeted Census	80	85	90	81	81
Actual Census	76	78	78	81	n/a
Deficit in Non-Renal Expenses	229	441	0	0	n/a
Total					
Targeted Census	190	199	208	191	184
Actual Census	188	181	177	180	n/a
Deficit in Non-Renal Expenses	889	1,138	0	0	n/a

Source: Department of Health and Mental Hygiene

One of the primary goals at the hospitals has been to expand operations to serve additional patients. Twenty-four clinical and administrative positions were added in fiscal 2002 to allow the hospitals to increase their census to targeted levels, an estimated increase of 13 patients at Western Maryland Hospital Center and an estimated increase of 12 patients at Deer's Head Hospital Center. Half the positions were restricted by the General Assembly, with hiring contingent on the hospitals' operating without incurring a deficit. The hospitals were on track to request the restricted positions after the first quarter of fiscal 2002; however, cost containment made filling the positions infeasible.

Both Western Maryland Hospital Center and Deer's Head Hospital Center closed fiscal 2002 without a

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budget deficit, due to aggressive cost management, identification of purchasing efficiencies, and maintenance of a lower census. Specifically:

- Both hospitals maintained staff vacancies to offset increases in pharmaceutical expenditures. With the elimination of 31 vacant positions since fiscal 2002, this is a decreasingly viable option.
- The centers have lowered their targeted census to ensure sufficient staff coverage while maintaining vacancies. Lowering the census has been one of the few ways to control increases in medical costs. Although increases had been planned for fiscal 2002, neither one of the centers had the resources to institute the change.
- Both centers renegotiated purchasing contracts for pharmaceuticals and supplies. In addition, Western Maryland Center established a workgroup to review prescribing patterns and recommend changes to the center's drug formularies.
- Both centers modified their nursing schedule to minimize the use of overtime.

In some instances, the centers also deferred the purchase of medical and maintenance equipment. Aggressive cost management, in addition to eliminating operating deficiencies, increased hospital patient recoveries 83% to \$19.5 million in fiscal 2002. These recoveries to the State's general fund indirectly offset the cost of care at the chronic hospitals.

The outlook for fiscal 2003 remains positive. After the first half of the fiscal year, both hospitals were meeting targeted spending levels, mainly due to continuation of many of the tactics implemented in fiscal 2002. Western Maryland Hospital Center has lowered its targeted census to reflect the financial situation and the reduction in personnel; Deer's Head Hospital Center has lowered its targeted census but still expects to increase the average daily population by three individuals in fiscal 2003. Fiscal 2004 census projections are contingent on the amount of available State funding.

Western Maryland Hospital Center and Deer's Head Hospital Center should comment on their current financial situation and efforts to contain costs in fiscal 2004.

2. Centers Improve Renal Dialysis Collections

The renal dialysis units at Western Maryland Center and Deer's Head Center were entirely supported by collections from patients and third-party payors until fiscal 2000. Low rates of reimbursement from Medicare and other third-party payors have not kept pace with increasing supply and medication costs for renal dialysis services, requiring an increasing amount of general funds to resolve the difference. **Exhibit 5** details the growth in general funds for renal dialysis services as well as the growth in total expenditures in recent years.

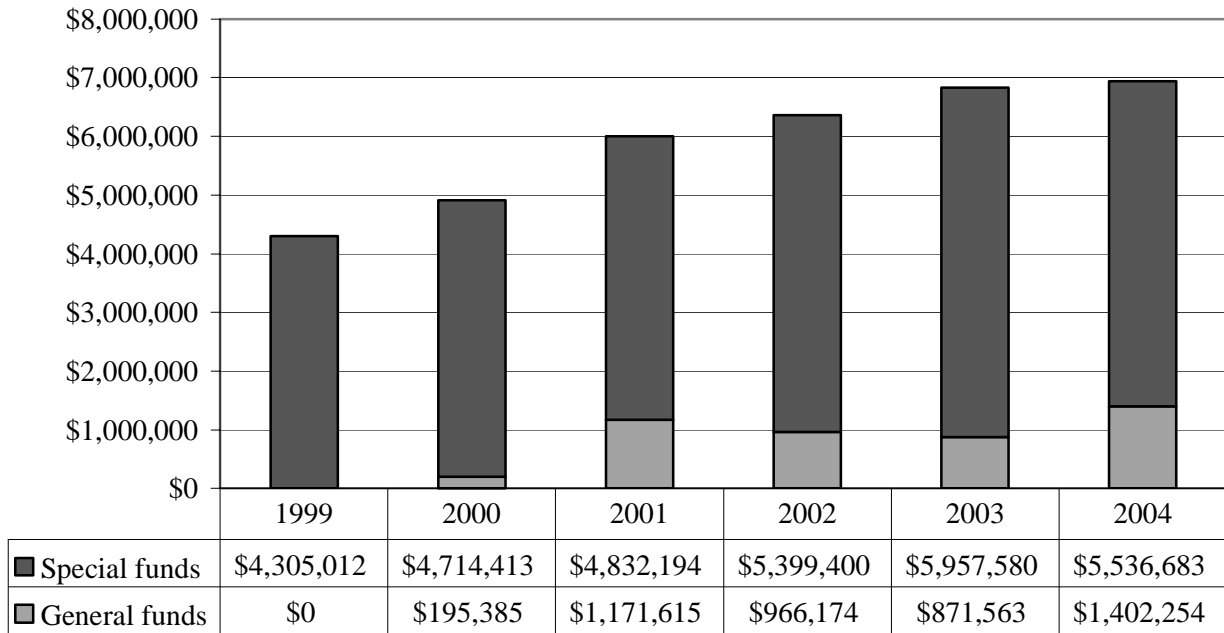
General fund expenditures for renal dialysis reached \$1.2 million in fiscal 2001, 20% of total expenditures. In the year following, general fund expenditures decreased due to cost management

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strategies similar to those implemented at the hospital centers, such as renegotiating purchasing contracts and review of prescribing activity. The centers have also been renegotiating contracts with private insurance carriers to maximize reimbursement. These measures were components of a strategy that allowed Deer’s Head Center to return \$575,000 to the general fund for cost containment in fiscal 2003.

Exhibit 5

**Funding for Renal Dialysis Services by Source
Fiscal 1999 through 2004**



Note: Fiscal 2003 appropriation reflects cost containment and anticipated special fund budget amendment.

Source: Maryland Operating Budget

Exhibit 6 details trends in general fund expenditures for dialysis services. General funds for renal dialysis totaled \$0.3 million at Western Maryland Center in fiscal 2003, 47% of such expenditures; in contrast, the center expects to recoup 20% of the total cost of providing these services from the general fund in fiscal 2004. Deer’s Head Center has required general funds to subsidize the cost of renal dialysis since fiscal 2001. Since that time, general fund expenditures have decreased while the total cost of treatment has increased. In fiscal 2004, however, Deer’s Head Center anticipates general fund expenditures of \$1.2 million for renal dialysis, a 73% increase over fiscal 2003 levels. The fiscal 2004 Deer’s Head Center allowance increases general fund expenditures above previous high levels, despite several years of reduced dependence on general funds.

It is unlikely that either Western Maryland Center or Deer’s Head Center will be able to eliminate their dependence on general funds for renal dialysis services. Medicare reimbursement has not kept pace with

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the cost of providing renal dialysis treatment; as the majority of dialysis patients at the centers are Medicare patients, a certain portion of such treatments are unrecoverable. The centers are not able to recoup the difference from private insurers, as State law prohibits them from charging parties more than the cost of treatment. The Department of Health and Mental Hygiene has submitted several rate increase requests to the Centers for Medicare and Medicaid Services, but recent requests have been denied. The centers will likely require general fund support for renal dialysis services until a significant Medicare rate increase is approved.

Exhibit 6

**General Funds for Renal Dialysis
Fiscal 1999 through 2004**

	<u>FY 1999</u> <u>Actual</u>	<u>FY 2000</u> <u>Actual</u>	<u>FY2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Est.</u>	<u>FY 2004</u> <u>Est.</u>
Western Maryland Center						
Special funds	\$439,917	\$453,712	\$348,687	\$650,887	\$623,118	\$638,036
General funds	\$0	\$195,385	\$310,947	\$125,830	\$152,954	\$158,919
Total	\$439,917	\$649,097	\$659,634	\$776,717	\$776,072	\$796,955
General funds (as percentage of appropriation)	0%	30%	47%	16%	20%	20%
Deer's Head Center						
Special funds	\$3,865,095	\$4,260,701	\$4,483,507	\$4,748,513	\$5,334,462	\$4,898,647
General funds	\$0	\$0	\$860,668	\$840,344	\$718,609	\$1,243,335
Total	\$3,865,095	\$4,260,701	\$5,344,175	\$5,588,857	\$6,053,071	\$6,141,982
General funds (as percentage of appropriation)	0%	0%	16%	15%	12%	20%

Note: Fiscal 2003 appropriation to Deer's Head Center reflects cost containment and anticipated special fund budget amendment.

Source: Maryland Operating Budget

Western Maryland Center and Deer's Head Center should be prepared to comment on anticipated future costs of providing renal dialysis services and the rate of reimbursement for these services. The centers should also brief the committees on the next opportunity to request a Medicare rate review.

Recommended Actions

	<u>Amount Reduction</u>	<u>Position Reduction</u>
1. Reduce general funds for replacement medical equipment at the chronic hospital centers to fiscal 2003 working appropriation, a net increase over fiscal 2002 actual spending. This action would reduce the fiscal 2004 appropriation for Western Maryland Hospital Center by \$82,712 and the appropriation for Deer’s Head Hospital Center by \$11,764, still allowing for full replacement of manual crank beds at Deer’s Head Hospital Center in fiscal 2004.	\$ 94,476	GF
2. Reduce general funds for renal dialysis services at Deer’s Head Center. Since fiscal 2001, Deer’s Head Center had been reducing its reliance on general funds through increased recoveries and lowered costs, strategies expected to continue in the coming fiscal year. This action would reduce general funds to 16% of the total cost of treatment, equivalent to fiscal 2001 levels when general funds were at a previous high. The reduction would still allow for a 38% increase in general funds for renal dialysis at Deer’s Head Center above the fiscal 2003 working appropriation.	254,182	GF
Total General Fund Reductions	\$ 348,658	

Current and Prior Year Budgets

Current and Prior Year Budgets Chronic Disease Services (\$ 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	\$32,232	\$4,308	\$0	\$1,427	\$37,967
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	780	1,836	46	0	2,662
Reversions and Cancellations	-750	-606	0	-84	-1,440
Actual Expenditures	\$32,261	\$5,539	\$46	\$1,343	\$39,189
Fiscal 2003					
Legislative Appropriation	\$34,785	\$5,985	\$0	\$1,404	\$42,175
Budget Amendments	-585	0	0	0	-585
Working Appropriation	\$34,200	\$5,985	\$ 0	\$1,404	\$41,590

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

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The fiscal 2002 general fund appropriation increased \$779,932 as the net result of the following budget amendments:

- \$643,593 to increase the appropriation for the annual salary review for nursing personnel, contractual physician assistance, and inflation in the cost of medical supplies;
- redistribution of health insurance premiums totaling \$168,402 within the Department of Health and Mental Hygiene; and
- \$304,741 for rising food and pharmaceutical costs.

This increase was offset by general fund cost containment measures totaling \$750,440. Reductions were made in the appropriation for salaries at Western Maryland Center and renal dialysis supplies at Deer's Head Center.

The fiscal 2002 special fund appropriation increased \$1,836,446 primarily as a result of increased renal dialysis collections at each of the centers. These increases were offset by special funds cancelled as a result of inability to generate projected levels of employee meal revenue.

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Appendix 2

Object/Fund Difference Report
DHMH - Chronic Disease Services

Object/Fund	FY 02	FY 03	FY 04	FY 03 – FY 04	Percent Change
	Actual	Working Appropriation	Allowance	Amount Change	
Positions					
01 Regular	626.00	609.00	595.00	-14.00	-2.3%
02 Contractual	20.35	24.57	24.75	0.18	0.7%
Total Positions	646.35	633.57	619.75	-13.82	-2.2%
Objects					
01 Salaries and Wages	\$ 28,245,780	\$ 29,781,132	\$ 29,375,313	-\$ 405,819	-1.4%
02 Technical & Spec Fees	864,028	858,110	914,574	56,464	6.6%
03 Communication	117,624	116,641	120,843	4,202	3.6%
04 Travel	12,084	34,474	18,701	-15,773	-45.8%
06 Fuel & Utilities	676,508	778,726	698,232	-80,494	-10.3%
07 Motor Vehicles	34,836	97,534	40,312	-57,222	-58.7%
08 Contractual Services	2,516,337	2,880,354	2,687,610	-192,744	-6.7%
09 Supplies & Materials	6,247,083	7,239,825	6,967,826	-271,999	-3.8%
10 Equip - Replacement	371,974	226,050	361,810	135,760	60.1%
11 Equip - Additional	35,074	77,444	83,863	6,419	8.3%
12 Grants, Subsidies, Contr.	16,079	14,289	14,289	0	0%
13 Fixed Charges	51,276	70,474	83,249	12,775	18.1%
Total Objects	\$ 39,188,683	\$ 42,175,053	\$ 41,366,622	-\$ 808,431	-1.9%
Funds					
01 General Fund	\$ 32,261,023	\$ 34,785,310	\$ 34,381,846	-\$ 403,464	-1.2%
03 Special Fund	5,538,872	5,985,333	5,734,306	-251,027	-4.2%
05 Federal Fund	45,612	0	0	0	0.0%
09 Reimbursable Fund	1,343,176	1,404,410	1,250,470	-153,940	-11.0%
Total Funds	\$ 39,188,683	\$ 42,175,053	\$ 41,366,622	-\$ 808,431	-1.9%

Notes: 1. Full-time and contractual positions and salaries are reflected for operating budget programs only.
2. Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary
DHMH - Chronic Disease Services

<u>Unit/Program</u>	<u>FY 02 Actual</u>	<u>FY 03</u>		<u>FY 02 – FY 03 % Change</u>	<u>FY 04 Allowance</u>	<u>FY 03 – FY 04 % Change</u>
		<u>Legislative Appropriation</u>	<u>Working Appropriation</u>			
03 Western Maryland Center	\$ 18,520,469	\$ 19,698,100	\$ 19,698,100	6.4%	\$ 19,349,781	-1.8%
04 Deer's Head Center	20,668,214	22,476,953	22,476,953	8.8%	22,016,841	-2.0%
Total Expenditures	\$ 39,188,683	\$ 42,175,053	\$ 42,175,053	7.6%	\$ 41,366,622	-1.9%
General Fund	\$ 32,261,023	\$ 34,785,310	\$ 34,785,310	7.8%	\$ 34,381,846	-1.2%
Special Fund	5,538,872	5,985,333	5,985,333	8.1%	5,734,306	-4.2%
Federal Fund	45,612	0	0	-100.0%	0	0.0%
Total Appropriations	\$ 37,845,507	\$ 40,770,643	\$ 40,770,643	7.7%	\$ 40,116,152	-1.6%
Reimbursable Fund	\$ 1,343,176	\$ 1,404,410	\$ 1,404,410	4.6%	\$ 1,250,470	-11.0%
Total Funds	\$ 39,188,683	\$ 42,175,053	\$ 42,175,053	7.6%	\$ 41,366,622	-1.9%

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