

D80Z01
Maryland Insurance Administration

Operating Budget Data

(\$ in Thousands)

	FY 06	FY 07	FY 08	FY 07-08	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
Special Fund	\$113,798	\$162,416	\$160,708	-\$1,708	-1.1%
Federal Fund	<u>4,886</u>	<u>4,742</u>	<u>0</u>	<u>-4,742</u>	<u>-100.0%</u>
Total Funds	\$118,684	\$167,158	\$160,708	-\$6,450	-3.9%

- The fiscal 2008 allowance is \$6.5 million less than the current year's budget representing a 3.9% decline. The true change in the budget is masked by one-time health savings and one-time moving expenses. Adjusting for these items results in a decrease of \$7.2 million representing a 4.3% decline. The decrease is largely due to a \$10.0 million reduction in the budget for the Rate Stabilization Fund as directed in statute.
- Federal grants for operation of qualified high risk pools (\$3.0 million) and for educational and administrative activities of the senior drug program (\$1.7 million) are not budgeted in fiscal 2008.
- The fiscal 2008 allowance includes \$1.7 million to move the Maryland Insurance Administration (MIA) into new office space and \$341,000 for increased rent.

Personnel Data

	FY 06	FY 07	FY 08	FY 07-08
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	289.00	289.00	294.00	5.00
Contractual FTEs	<u>7.05</u>	<u>9.95</u>	<u>10.50</u>	<u>0.55</u>
Total Personnel	296.05	298.95	304.50	5.55

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	8.94	3.04%
Positions Vacant as of 12/31/06	17.00	5.88%

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

For further information contact: Steve McCulloch

Phone: (410) 946-5530

- Regular positions increase by five in the fiscal 2008 allowance comprising two database administrators to help address information technology issues raised in the last legislative audit; one fraud investigator to focus on auto theft in the Washington DC metro area; one analyst in the Life and Health unit to respond to health medical necessity and health and life insurance complaints; and one administrator position to supervise five contractual employees currently performing market conduct exams.
- Contractual positions increase by 0.55 full-time equivalents (FTE) comprising a 1.25 FTE increase in the Education and Advocacy unit to supplement regular staff at 180 educational events throughout the State, offset by a 0.7 FTE decrease in the Compliance and Enforcement unit due to decreased need for additional help.

Analysis in Brief

Major Trends

Filings Reviewed Promptly: MIA reviews all insurance filings in the State. It has consistently met the statutory timelines.

Complaints Handled Quickly: Although MIA resolved at least 95% of complaints in all areas in fiscal 2006, the projected level for fiscal 2007 for Life and Health Non-medical Necessity complaints drops to 75% due to understaffing. An additional position is included in the fiscal 2008 allowance to address this issue.

Issues

Rate Stabilization Fund Maintains a Balance: An estimated \$18 million fund balance will exist in the Rate Stabilization Fund at the end of fiscal 2007. Use of these funds for anything other than covering revenue shortfalls to the fund in fiscal 2008 and 2009 will require legislation.

Maryland Health Insurance Plan Enrollment Grows but Fund Balance Still High: Despite increased enrollment, the 2007 year end balance is currently projected to be \$53.1 million higher than anticipated last year.

Senior Prescription Drug Assistance Program Continues to Provide Premium-only Subsidies Despite Enactment of Legislation Broadening the Use of Funds: Although legislation was enacted in 2006 to broaden the permissible uses of funds in the Senior Prescription Drug Assistance Program, lack of funding, lack of authority to provide differing levels of subsidies, and lack of authority to coordinate with a subset of MedicareRx plans have resulted in continuation of subsidizing only participants' premium expenses.

D80Z01 – Maryland Insurance Administration

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete administrator II position that has remained vacant for over 21 months.	\$ 58,463	1.0
Total Reductions	\$ 58,463	1.0

D80Z01 – Maryland Insurance Administration

D80Z01
Maryland Insurance Administration

Operating Budget Analysis

Program Description

The Maryland Insurance Administration (MIA) develops policies, procedures, and regulations as well as implements laws that affect Maryland's insurance industry. The agency performs actuarial valuations, rate and form reviews, financial audits, licensing examinations, market conduct examinations, and fraud investigations; resolves consumer complaints; and issues producer licenses (formerly agents and brokers) and company licenses. The Maryland insurance law, in conformity with national standards, no longer makes a distinction between agents and brokers, which are now known as producers.

MIA also administers the Rate Stabilization Fund which is used to pay health care provider medical malpractice rate subsidies. The source of funds is a premium tax imposed upon Health Maintenance Organizations and Managed Care Organizations.

Within MIA organizationally, although not managerially, is the Health Insurance Safety Net Program which includes the Maryland Health Insurance Program (MHIP) and the Senior Prescription Drug Assistance Program (SPDAP). MHIP is an independent unit of MIA, whose purpose is to provide access to affordable, comprehensive health benefits for the medically uninsurable. The program is governed by a board, which has contracted out operational administration of the program to Maryland Physicians Care. SPDAP provides subsidies that reduce out-of-pocket costs under MedicareRx and Medicare Advantage Prescription Drug Coverage to Medicare beneficiaries with incomes at or below 300% of the federal poverty level. Funding for SPDAP is provided from a portion of the value of CareFirst's premium tax exemption.

MIA's key goals are:

- to ensure that the terms and conditions of insurance contracts are reasonable and meet the requirements of Maryland law;
- to adjudicate consumer complaints in accordance with insurance law and in a prompt and fair manner;
- to protect the public from unfair trade practices and other violations of the Insurance Code;
- to enforce solvency standards to ensure that insurers have the financial ability to pay claims when due;
- to reduce the time for approving Producer License paper applications;

- to protect Maryland citizens through enforcement of the Annotated Code of Maryland provisions relating to insurance fraud; and
- to provide access to affordable health insurance coverage and prescription drug benefits for individuals with no alternative.

Performance Analysis: Managing for Results

Filings Reviewed Promptly

MIA reviews all insurance filings for compliance with insurance statutes and regulations. As **Exhibit 1** shows, MIA has been successful in reviewing filings within the statutorily required 60 days.

Exhibit 1
Insurance Filings Processed within 60 Days
Fiscal 2004-2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Estimated</u> <u>2007</u>	<u>Estimated</u> <u>2008</u>
Total filings	13,472	13,365	12,975	12,800	11,400
# processed within 60 days	13,254	13,358	12,969	12,800	11,400
% processed within 60 days	98.4%	99.9%	100.0%	100.0%	100.0%

Source: Governor's Budget Books, Fiscal 2008

Complaints Handled Quickly

A key service the agency provides to the public is to investigate and resolve consumer complaints. Consumer complaints may range from concerns about unwarranted policy cancellations to failure to pay a claim, to premium increases. **Exhibit 2** shows that MIA resolved at least 95% of complaints in all areas within the specified time frame. For fiscal 2007, however, it is forecasting that for life and health non-medical necessity complaints, only 75% will be resolved within 90 days due to understaffing. MIA lost 10 vacant positions in fiscal 2005 to 2006 through administrative and legislative position abolitions. At the time, MIA thought the Life and Health unit could operate without the position it lost but have found that the position is needed to handle complaints within the 90-day time frame. The additional position for the Life and Health unit included in the fiscal 2008 allowance should allow improvement in this measure in fiscal 2008.

Exhibit 2
Complaints Resolved in a Timely Manner
Fiscal 2004-2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Estimated</u> <u>2007</u>	<u>Estimated</u> <u>2008</u>
Health Medical Necessity complaints received	1,050	963	811	900	900
% resolved within 60 days	98%	95%	95%	100%	100%
Life and Health Non-medical Necessity complaints received	6,000	3,429	3,002	3,100	3,100
% resolved within 90 days	92%	90%	96%	75%	75%
Property and Casualty complaints received	15,918	10,859	8,906	10,500	12,000
% adjudicated within 90 days	75%	89%	95%	95%	95%

Source: Governor's Budget Books, Fiscal 2008

Governor's Proposed Budget

As illustrated in **Exhibit 3**, the fiscal 2008 allowance for MIA decreases \$6.5 million from the current year for a decrease of 3.9%. One-time health savings and one-time moving expenses mask the true change in the budget, however. When these items are adjusted the budget declines by \$9.1 million representing a 5.4% decline.

MIA to Relocate

The fiscal 2008 budget contains \$1.7 million to relocate and consolidate MIA into a single location. Currently, the majority of MIA is located in office space on St. Paul Place in Baltimore City, while the Maryland Health Insurance Plan and the Insurance Fraud Division are located on separate floors of a second building on Baltimore Street approximately six blocks away. MIA indicates that the Department of General Services (DGS) will issue a Request for Proposal (RFP) in early February 2007 through which a new location will be selected. The target locations to be identified in the RFP are Baltimore City, White Marsh, and Towson.

Exhibit 3
Governor’s Proposed Budget
Maryland Insurance Administration
(\$ in Thousands)

How Much It Grows:	Special Fund	Federal Fund	Total
2007 Working Appropriation	\$162,416	\$4,742	\$167,158
2008 Governor’s Allowance	<u>160,708</u>	<u>0</u>	<u>160,708</u>
Amount Change	-\$1,708	-\$4,742	-\$6,450
Percent Change	-1.1%	-100.0%	-3.9%

Where It Goes:

Personnel Expenses

Increments and other compensation	\$479
Retirement contribution	293
New positions	252
Health insurance costs decline due to one-time savings.....	-753
Workers' compensation declines based on claims experience.....	-138
Increased turnover	-19
Other fringe benefit adjustments	11

Administration and Operations

Moving expenses	1,688
Increased rent associated with new office location	341
Software licenses	120
Office supplies budgeted at fiscal 2006 actual	22
Contractual telecommunications contract budgeted at 3% over fiscal 2006 actual.....	21
Increased travel for community outreach by Consumer Education and Advocacy unit.	18
Remove one-time-only management study costs	-65
Remove one-time-only car purchase	-29

Rate Stabilization Fund

Subsidies paid to insurers	-10,000
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Maryland Health Insurance Plan

Estimated increase in claims payments	3,332
Telecommunications budgeted at fiscal 2006 actual less one-time-only system installation costs	14

D80Z01 – Maryland Insurance Administration

Where It Goes:

Senior Prescription Drug Assistance Program

Postage for Senior Prescription Drug Assistance Program mailing	200
Federal grant for educational and administrative activities ends.....	-1,744
Decrease in advertising and printing/reproduction costs	-200
Other	-294
Total	-\$6,450

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

During the 2006 legislative session, a fiscal 2006 deficiency appropriation to relocate MIA was included in a supplemental budget. However, because the budget committees had not been briefed on the need for the relocation during the agency’s budget hearings, nor had they been apprised of the likelihood of funding being included in a supplemental budget, the funds were deleted from the budget.

Issues

1. Rate Stabilization Fund Maintains a Balance

The Maryland Health Care Provider Rate Stabilization Fund, created by Chapter 5 of the 2004 special session as the Maryland Medical Professional Liability Insurance Rate Stabilization Fund and subsequently renamed by Chapter 1 of 2005, was established for the purpose of retaining health care providers in the State by allowing insurers to charge lower premium rates for medical malpractice insurance and increasing Maryland Medical Assistance Program payment rates for physicians.

The fund receives revenues, the source of which is a premium tax on Health Maintenance Organizations and Medicaid Managed Care Organizations. Monies in the fund are then transferred to one of two accounts: the Rate Stabilization Account or the Medical Assistance Program Account. Monies in the Rate Stabilization Account are appropriated in the MIA budget and are used to pay subsidies to medical malpractice insurers. Monies in the Medical Assistance Program Account are appropriated in the budget of the Department of Health and Mental Hygiene.

Under the legislation, the Rate Stabilization Account is to receive decreasing amounts of funding from fiscal 2006 to 2009. In fiscal 2008, the budget includes \$35.00 million for the Rate Stabilization Account as required by statute. In fiscal 2009, the final year of the program, the account is slated to receive \$25.00 million. In addition, MIA receives an annual administrative allowance of \$350,000. The fund is non-lapsing and any balance must remain in the fund until otherwise directed by law. As of December 31, 2006, the balance in the Rate Stabilization Fund was \$22.30 million. MIA is currently projecting that fiscal 2007 revenues may be \$4.35 million lower than the required transfers which would reduce the fund balance to just under \$18.00 million. If legislation to make use of this balance is considered during the current legislative session, a determination would need to be made as to the amount that should prudently be left in the fund as a hedge against revenue shortfalls in fiscal 2007 through 2009.

Any funds remaining in the Rate Stabilization Account after fiscal 2009 are directed by statute to be transferred to be used for the purposes of the Medical Assistance Program Account. In fiscal 2007, an estimated \$33.5 million will be paid out in subsidies, \$11.5 million less than the revenue to be credited to the account. This will add to the \$2.7 million balance that remained at the end of fiscal 2006 for a projected balance of \$14.2 million at the end of fiscal 2007.

MIA should inform the committees on the level of fund balance it believes should remain in the Rate Stabilization Fund until fiscal 2009 as a hedge against shortfalls in the estimated revenues.

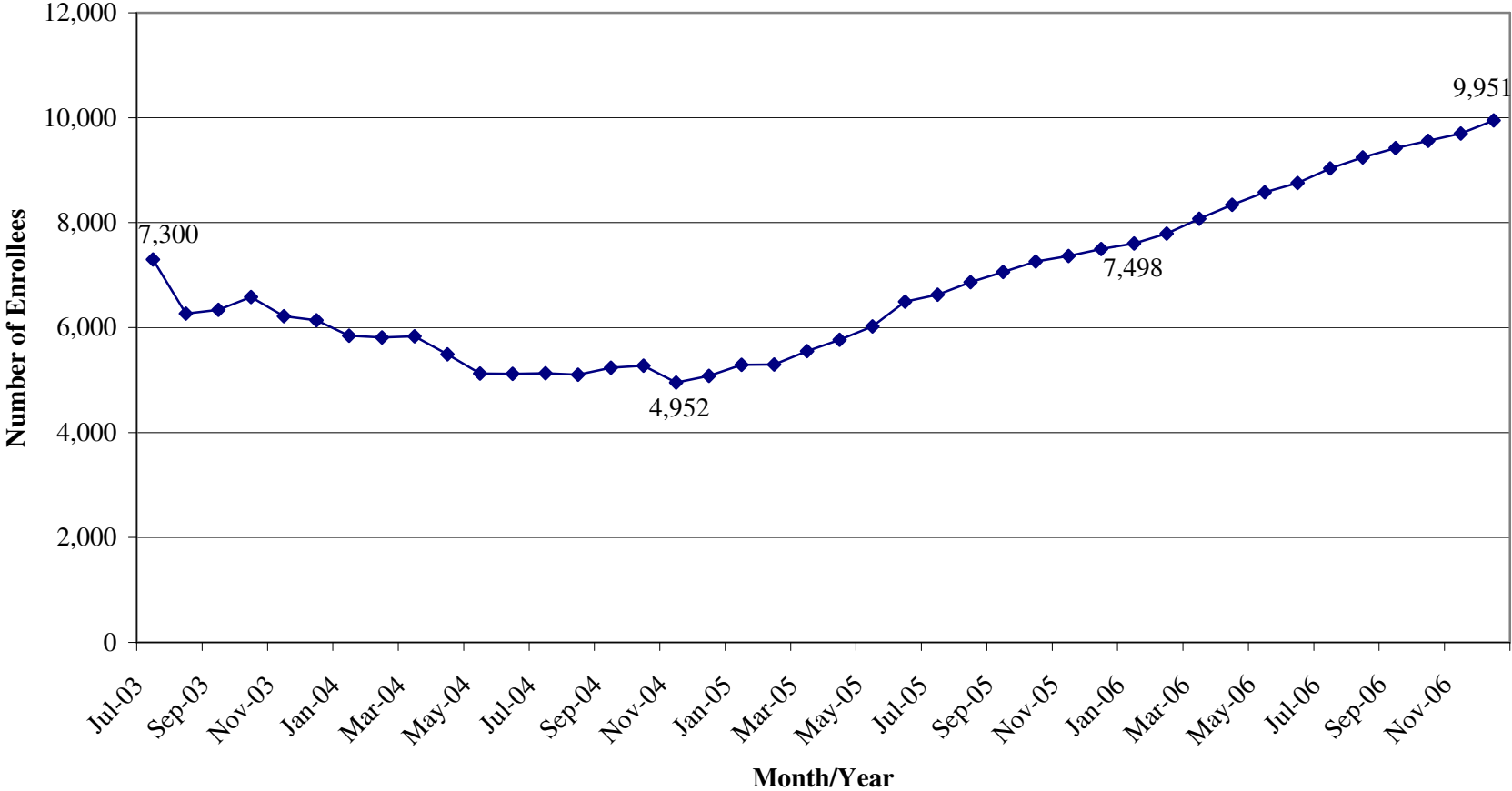
2. Maryland Health Insurance Plan Enrollment Grows but Fund Balance Still High

MHIP, the State’s high-risk pool for medically uninsurable individuals, became operational in July 2003. Funded through an assessment on hospitals, MHIP as originally implemented had the capacity to serve approximately 15,000 enrollees based on 2004 medical cost projections. Enrollment has never approached this level as indicated in **Exhibit 4**. From an initial level of 7,300, enrollment fell steadily throughout 2003 and 2004. Higher premiums and a small health care provider network contributed to the decline. The MHIP board of directors took several steps to make the plan more attractive, and the decline reversed in 2005. These steps included:

- expanding the provider network;
- lifting the ban on coverage of preexisting conditions;
- enhancing the benefit package;
- reducing premiums;
- increasing the referral fee paid to insurance producers;
- increasing the premium subsidy for low-income enrollees;
- instituting a mass marketing campaign; and
- marketing the plan to providers, insurance producers, hospitals, and local health departments.

A particularly effective strategy was to work with CareFirst, the State’s largest carrier in the individual health insurance market, to enclose a “mini-application” for MHIP with all CareFirst denial notices. From a low of 4,952 participants in November 2004, enrollment has increased steadily and reached 9,951 in December 2006.

Exhibit 4
Maryland Health Insurance Plan Enrollment
Number of Enrollees



Source: Maryland Health Insurance Plan

MHIP Fund Balance Continues to Grow but Forecast Shows Decline in Fiscal 2008

Despite the increase experienced in enrollment, MHIP continues to accumulate a large fund balance as shown in **Exhibit 5**. MHIP is funded through a 0.8% assessment on the gross revenue of each acute care hospital in the State and through enrollee premiums. During the 2006 legislative session, the fiscal 2007 estimated ending balance was \$72.4 million. MHIP currently estimates that the fiscal 2007 ending balance will be \$125.5 million, over \$53.0 million more than last year's estimate.

Exhibit 5 Cash Flow Activity for MHIP Fund Fiscal 2006-2008

Fund Balance June 30, 2005		\$89,070,626
Fiscal 2006 Activity		
Revenues		
Hospital assessment	\$66,756,348	
Premiums and other	33,277,977	
Total Revenues	\$100,034,325	
Expenditures		
Basic MHIP program	-\$71,435,467	
Low-income subsidy	-6,360,783	
Total Expenditures	-\$77,796,250	
Change in Non-admitted Assets	\$220,099	
Fund Balance June 30, 2006		\$111,528,800
Fiscal 2007 Projected Activity		
Revenues		
Hospital assessment	\$78,100,428	
Premiums and other	37,403,182	
Total Revenues	\$115,503,610	
Expenditures		
Basic MHIP program	-\$89,265,000	
Low-income subsidy	-12,721,568	
Total Expenditures	-\$101,986,568	
Change in Non-admitted Assets	\$476,123	
Fund Balance June 30, 2007		\$125,521,965

D80Z01 – Maryland Insurance Administration

Fiscal 2008 Projected Activity

Revenues		
Hospital assessment	\$85,910,471	
Premiums and other	50,203,805	
Total Revenues	\$136,114,276	
Expenditures	-\$145,479,601	
Fund Balance June 30, 2007		\$116,156,640

Source: Maryland Health Insurance Plan

The increased balance is partially due to the failure to receive federal approval to utilize \$15.0 million of MHIP funds for the design and development of a computerized eligibility system for the Medicaid program. This expenditure had been anticipated in fiscal 2006. Other factors that increased the balance include \$9.3 million growth in hospital assessment revenues and lower than projected growth in per capita medical costs. According to MHIP's estimates, expenses in fiscal 2008 will exceed revenues by \$9.4 million resulting in an ending balance of \$116.2 million.

The sizable MHIP fund balance may prompt legislative proposals for alternative uses of the hospital assessment. **The MHIP executive director should inform the committees on what, if any, actions should be taken to reduce the fund balance and the minimum fund balance that should be maintained as a reserve.**

3. Senior Prescription Drug Assistance Program Continues to Provide Premium-only Subsidies Despite Enactment of Legislation Broadening the Use of Funds

The Senior Prescription Drug Assistance Program began operation on January 1, 2006, to provide subsidies to reduce out-of-pocket costs for low- and moderate-income Medicare recipients enrolled in the federal Medicare Part D prescription drug program. Enrollment currently stands at 30,000, and participants receive a premium subsidy of up to \$25 per month. The source of funding is a portion of the value of CareFirst's premium tax exemption. The plan is administered by Affiliated Computer Services, Inc.

As originally envisioned, SPDAP was to have provided subsidies for premium and deductible expenses. However, because some drug plans were approved with no deductible, SPDAP was limited to providing premium-only subsidies in order to maintain equitable treatment across all plans. Legislation that passed during 2006 (Chapter 345), allows SPDAP funds to be used for all or some of the deductibles, coinsurance payments, premiums, and copayments. However, with the \$14 million expenditure limit imposed by the legislation, there is insufficient funding to provide a meaningful additional benefit to all enrollees. SPDAP estimates that only \$201 per member would be available

D80Z01 – Maryland Insurance Administration

in fiscal 2007 to address Medicare Part D coverage gaps. Options identified by SPDAP for addressing the coverage gap are:

- to provide additional funding to SPDAP to provide a meaningful benefit copay and coverage gap subsidy;
- to authorize SPDAP to target subsidies within the current population (currently all participants between 150 and 300% of poverty must receive the same level of subsidy); and
- to authorize SPDAP to coordinate with a limited subset of MedicareRx plans (current law requires coordination with all plans, yet some are not able or willing to contractually administer benefit subsidies on behalf of Maryland SPDAP.)

SPDAP is scheduled to terminate on December 31, 2007. Legislation to extend the program is expected during the 2007 legislative session but has not yet been introduced. **SPDAP should provide the committees with detail related to closing the coverage gap, including the amount of additional funding that would be needed under each of the scenarios.**

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete administrator II position that has remained vacant for over 21 months.	\$ 58,463	SF	1.0
Total Special Fund Reductions	\$ 58,463		1.0

Current and Prior Year Budgets

Current and Prior Year Budgets Maryland Insurance Administration (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$0	\$88,792	\$0	\$0	\$88,792
Deficiency Appropriation	0	3,046	0	0	3,046
Budget Amendments	0	32,125	4,886	0	37,011
Reversions and Cancellations	0	-10,165	0	0	-10,165
Actual Expenditures	\$0	\$113,798	\$4,886	\$0	\$118,684
Fiscal 2007					
Legislative Appropriation	\$0	\$162,110	\$0	\$0	\$162,110
Budget Amendments	0	306	4,742	0	5,048
Working Appropriation	\$0	\$162,416	\$4,742	\$0	\$167,158

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

Fiscal 2006

The fiscal 2006 budget for the Maryland Insurance Administration closed out \$29.9 million higher than the legislative appropriation. This increase was the net result of increases by deficiency appropriations and budget amendments totaling \$40.1 million offset by cancellations at the end of the year totaling \$10.2 million.

The fiscal 2006 special fund deficiency appropriation (\$3,046,234) added two regular and two contractual positions for the Maryland Health Insurance Program along with \$3.0 million special funds for projected enrollment increases. Special fund budget amendments added \$32.1 million for a general salary increase and annual salary review (\$142,357); increased employee and retiree health insurance subsidies (\$218,200); and for subsidies for medical malpractice insurers through the Rate Stabilization Account (\$31,529,084). Federal fund budget amendments added \$4.9 million in the form of a grant to cover up to 50% of losses to MHIP's high risk pool (\$3,175,868) and a grant for outreach and educational services related to the Senior Prescription Drug Assistance Program (\$1,709,998).

The \$10.2 million special fund cancellation comprised unused funds for contractual employees in the Examination and Auditing unit (\$116,967), funds not paid out from the Rate Stabilization Account to subsidize medical malpractice insurers (\$2.9 million), and funding that had been budgeted for the Senior Prescription Drug Program but exceeded the \$8.0 million in allowed expenditures once that program converted to the Senior Prescription Drug Assistance Program (\$7.1 million).

Fiscal 2007

The fiscal 2007 working appropriation is \$5.0 million higher than the legislative appropriation and reflects an increase in special funds by budget amendment for a general salary increase (\$305,587) and a federal fund increase of \$4.7 million from two grants to cover up to 50% of losses to the Maryland Health Insurance Program's high risk pool (\$2,997,813) and for outreach and educational services related to the Senior Prescription Drug Assistance Program (\$1,742,007).

Audit Findings

Audit Period for Last Audit:	April 1, 2005 – December 31, 2005
Unit:	Maryland Health Care Provider Rate Stabilization Fund
Issue Date:	March 2006
Number of Findings:	2
Number of Repeat Findings:	n/a
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

Finding 1: MIA should develop formal policies and procedures addressing certain critical functions relating to the required annual audits and the verification of data that is used for calculating subsidy payments.

Finding 2: Fund revenue was not recorded in a manner which would facilitate accountability and reporting of fund transactions and balances.

**Object/Fund Difference Report
Maryland Insurance Administration**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	289.00	289.00	294.00	5.00	1.7%
02 Contractual	7.05	9.95	10.50	0.55	5.5%
Total Positions	296.05	298.95	304.50	5.55	1.9%
Objects					
01 Salaries and Wages	\$ 18,465,532	\$ 20,387,742	\$ 20,512,855	\$ 125,113	0.6%
02 Technical and Spec. Fees	432,657	735,552	612,901	-122,651	-16.7%
03 Communication	599,776	386,599	618,493	231,894	60.0%
04 Travel	436,264	375,700	397,220	21,520	5.7%
07 Motor Vehicles	56,785	88,391	69,938	-18,453	-20.9%
08 Contractual Services	96,795,216	143,285,812	136,181,531	-7,104,281	-5.0%
09 Supplies and Materials	356,268	289,186	334,641	45,455	15.7%
10 Equipment – Replacement	122,797	148,942	148,434	-508	-0.3%
11 Equipment – Additional	69,220	57,569	56,734	-835	-1.5%
12 Grants, Subsidies, and Contributions	437,052	416,874	446,813	29,939	7.2%
13 Fixed Charges	912,180	985,538	1,328,065	342,527	34.8%
Total Objects	\$ 118,683,747	\$ 167,157,905	\$ 160,707,625	-\$ 6,450,280	-3.9%
Funds					
03 Special Fund	\$ 113,797,881	\$ 162,415,898	\$ 160,707,625	-\$ 1,708,273	-1.1%
05 Federal Fund	4,885,866	4,742,007	0	-4,742,007	-100.0%
Total Funds	\$ 118,683,747	\$ 167,157,905	\$ 160,707,625	-\$ 6,450,280	-3.9%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
Maryland Insurance Administration**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
01 Administration and Operations	\$ 22,584,712	\$ 24,442,980	\$ 26,375,509	\$ 1,932,529	7.9%
05 Rate Stabilization Fund	28,605,785	45,350,000	35,350,000	-10,000,000	-22.1%
01 Maryland Health Insurance Program	45,640,669	81,620,731	84,982,116	3,361,385	4.1%
02 Senior Prescription Drug Program	21,852,581	15,744,194	14,000,000	-1,744,194	-11.1%
Total Expenditures	\$ 118,683,747	\$ 167,157,905	\$ 160,707,625	-\$ 6,450,280	-3.9%
Special Fund	\$ 113,797,881	\$ 162,415,898	\$ 160,707,625	-\$ 1,708,273	-1.1%
Federal Fund	4,885,866	4,742,007	0	-4,742,007	-100.0%
Total Appropriations	\$ 118,683,747	\$ 167,157,905	\$ 160,707,625	-\$ 6,450,280	-3.9%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.