



Department of Legislative Services
Office of Legislative Audits

**Maryland Department of Health (MDH)
Regulatory Services**

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Presentation to Joint Audit and Evaluation Committee

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Report Overview

- Regulatory Services consists of 22 Health Professional Boards and Commissions (HPBCs) and the Office of Health Care Quality (OHCQ). The various HPBCs and OHCQ are responsible for licensing and regulating health professionals (such as physicians, nurses, and pharmacists) and health care facilities in the State.
- This report covers the period from September 25, 2019 to July 31, 2023. The report contains 9 findings including 3 non-cybersecurity-related findings that are repeated from one or more prior audits dating back to 2004.



Key Findings

- The Board of Nursing could not document its investigation of 259 individuals who may have obtained nursing licenses using fraudulent credentials.
 - Certain HPBCs did not investigate complaints timely.
 - OHCQ did not inspect all facilities and providers as required.
 - Ten HPBCs did not require criminal background checks when individuals applied for a license and/or did not obtain subsequent alerts of criminal activity.
 - Certain cybersecurity-related findings were identified (see **confidential** addendum).
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Investigation of Potentially Fraudulent Nursing Licenses (Finding 1)

The Board of Nursing could not document that it investigated and took appropriate action for 259 individuals who may have obtained a Maryland nursing license using fraudulent credentials.

- In January 2023, the U.S. Attorney's Office announced that a joint investigation by the Federal Bureau of Investigations and the Department of Health and Human Services Office of Inspector General (DHHS – OIG) had identified individuals who used fraudulent credentials to qualify for the national nursing board exam, enabling them to obtain licensure in various states.
- Between September 2022 and October 2023, the DHHS – OIG identified 287 individuals with a Maryland nursing license.
- The Board of Nursing could not document that it had investigated 259 of these individuals as of February 2024, including 131 individuals who were employed by a Maryland medical facility as of December 2023.



Complaint Investigations (Finding 2) (Repeat)

The HPBCs did not ensure that investigations against licensees were completed timely.

HPBC	MDH Investigation Timeframe	Open Complaints		
		Total Open	Open Beyond MDH Timeframe	Open More than 2 Years
Nursing	9 months	3,307	2,543	2,411
Dental Examiners	6 months	458	371	279
Social Worker Examiners	6 months	428	401	261
Professional Counselors and Therapists	6 months	290	200	83
Pharmacy	6 months	82	19	1
Long-Term Care Administrators	6 months	40	33	16
Remaining 14 Boards	6 - 18 months	311	27	0
	Total	4,916	3,594	3,051

- Our review of the Board of Nursing and the Board of Professional Counselors and Therapists disclosed certain deficiencies that may have contributed to the failure to complete the reviews timely.



Inspections (Finding 3) (Repeat)

OHCQ did not conduct required annual inspections of certain assisted living facilities, developmental disabilities service providers, and long-term-care facilities.

- State law requires OHCQ to conduct annual inspections to ensure compliance with State and federal regulations regarding patient care and safety. These audits frequently identify deficiencies requiring corrective action.
 - OHCQ did not complete the required annual inspections during fiscal years 2020 through 2023. For example, OHCQ only inspected 19 percent of Long-Term-Care facilities in fiscal year 2023.
 - Similar conditions have been noted in MDH audit reports dating back to 2004. In July 2018, OHCQ initiated a 7-year staffing plan to add 74 inspectors. Although OHCQ added 64 inspectors between fiscal years 2018 and 2023, the increase has not had a significant impact on OHCQ's ability to complete the required number of inspections.
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Cash Receipts (Finding 4) (Repeat)

Controls over collections received and deposited by certain HPBCs were not adequate, and duties related to cash receipts and licensing were not properly segregated.

- Three HPBCs did not verify that credit card collections were deposited in the State's bank account and recorded in the State's accounting records.
- Five employees who processed collections at four HPBCs could also issue or renew licenses, certificates, or permits, or adjust the related billing records.
- Seven HPBCs did not conduct comprehensive reconciliations of licenses to the related collections. Our test of 20 licenses issued by the 7 HPBCs disclosed that the Board of Dental Examiners and Board of Professional Counselors and Therapists could not support that \$1,600 in fees associated with 4 licenses was received and deposited. Our review also disclosed that the value of licenses issued by the Board of Pharmacy exceeded the amount deposited by \$46,000.



Criminal Background Checks (Finding 5) (Policy Issue)

Certain HPBCs did not require criminal background checks to become a licensed health professional and/or obtain subsequent alerts of criminal activity.

- State laws and regulations provide that HPBCs may deny licenses to applicants or licensees convicted of, or who plead guilty to, a crime of moral turpitude.
- Our review disclosed that 10 HPBCs did not require criminal background checks and/or obtain subsequent alerts of criminal activity because these requirements were not authorized by State law. Specifically, State law did not include a criminal background provision for 6 HPBCs and did not include the subsequent alert provision for 10 of the HPBCs.
- We identified 16 licensed dental professionals and 14 licensed pharmacy professionals who were convicted of crimes including assault and theft. State regulations provide for disciplinary action ranging from probation to license revocation depending on the severity of the crime.



Information Systems Security and Control (Findings 6 through 9)

Redacted cybersecurity-related findings.
See **confidential** addendum.



Conclusions

Our audit of Regulatory Services identified concerns related to licensing, complaint investigations, inspections, cash receipts, and criminal background checks.

We made detailed recommendations to the various HPBCs and OHCQ and we will assess the status of the recommendations during the course of our next audit.

We are happy to answer any questions.