



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



January 12, 2021

TO: Elizabeth DeVoss
Acting Chief Financial Officer
Health Resources and Services Administration

FROM: /Amy J. Frontz/
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Health Resources and Services Administration
Fiscal Year 2020 Detailed Accounting Report, Performance Summary Report for
National Drug Control Activities, Budget Formulation Compliance Report, and
Accompanying Required Assertions (A-03-21-00354)

This report provides the results of our review of the attached Health Resources and Services Administration (HRSA) Office of National Drug Control Policy (ONDCP) Detailed Accounting Report, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2020. We also reviewed the Performance Summary Report, which includes management's assertions and related performance information for the fiscal year ended September 30, 2020. Lastly, we reviewed the Budget Formulation Compliance Report, which includes budget formulation information for the fiscal year ending September 30, 2022, and the Chief Financial Officer's or accountable senior executive's assertions relating to the budget formulation information. HRSA management is responsible for, and submitted, the Detailed Accounting Report, Performance Summary Report, and Budget Formulation Compliance Report, which were prepared in accordance with the ONDCP Circular *National Drug Control Program Agency Compliance Reviews*, dated October 22, 2019 (ONDCP Compliance Reviews Circular). It is our responsibility to express a conclusion about the reliability of management's assertions based on our review.

We performed this review as required by 21 U.S.C. § 1704(d)(1) and as authorized by 21 U.S.C. § 1703(d)(7) and in compliance with the ONDCP Compliance Reviews Circular.

We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements, as described in the U.S. Government Accountability Office (GAO) publication, *Government Auditing Standards* (July 2018). Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertions to be in accordance with the criteria. A review is substantially less in

scope than an examination, the objective of which is to obtain reasonable assurance and express an opinion about whether management's assertions are in accordance with the criteria in all material respects. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

The ONDCP Compliance Reviews Circular related to the Detailed Accounting Report, section 7b(1), requires that HRSA include an assertion that obligations reported by budget decision units are either: (1) actual obligations derived from the bureau's accounting system of record or (2) consistent with the application of the approved methodology for calculating drug control funding against the bureau's accounting system of record. HRSA did not indicate in its assertion that it reported both actual and estimated obligations. Although HRSA asserted that the obligations reported by its budget decision unit were actual obligations, we noted that HRSA has two budget decision units and only one reported actual obligations. HRSA reported actual obligations for its Federal Office of Rural Health Policy (FORHP) and reported estimated obligations for its Bureau of Primary Health Care (BPHC). Due to the methodology described in the report, obligations for BPHC are estimates. HRSA should have indicated the reported obligations were estimated obligations, consistent with the ONDCP Compliance Reviews Circular, which allows reporting of estimated obligations. HRSA told us that it will ensure future reports accurately reflect either actual or estimated obligations, as described in the methodology.

Our review identified that HRSA incorrectly asserted that its reported drug obligations were only actual obligations. This resulted in a deviation from the ONDCP Compliance Reviews Circular.

Based on our review, except for the matter described in the preceding paragraphs, we are not aware of any other material modifications that should be made to HRSA's Detailed Accounting Report and Performance Summary Report for fiscal year 2020 and HRSA's Budget Formulation Compliance Report for fiscal year 2022 for them to be in accordance with the ONDCP Compliance Reviews Circular.

HRSA's Detailed Accounting Report, combined Performance Summary Report, and Budget Formulation Compliance Report assertions¹ are included as Attachments A, B, and C, respectively.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and HRSA. It is not intended to be, and should not be, used by anyone other than those specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Carla J. Lewis, Assistant Inspector General for Audit Services, at (202) 205-9125 or at Carla.Lewis@oig.hhs.gov. Please refer to report number A-03-21-00354 in all correspondence.

Attachments

¹ Only the Budget Formulation report assertions are included as Attachment C since the report contains prospective information.

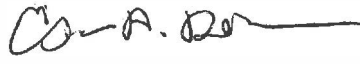


DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Elizabeth DeVoss
Chief Financial Officer 
Health Resources and Services Administration

DATE: October 20, 2020

SUBJECT: Health Resources and Services Administration
Detailed Accounting Report for FY 2020

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated October 22, 2019, I make the following assertions regarding the attached Detailed Accounting Report:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are actual obligations from HRSA's financial accounting system for the budget decision unit.

Drug Methodology

I assert that the drug methodology used to calculate obligations of budget resources was reasonable and accurate in accordance with the criteria listed in Section 7.b.(2) of the Circular. In accordance with these criteria, I have documented data, which support the drug methodology, explained and documented estimation methods and determined that the financial and programmatic systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

Application of Drug Methodology

I assert that the drug methodology disclosed in this report was the actual methodology used to generate the table required by Section 7.a.(1) of the Circular.

Material Weakness or Other Findings

I assert that all material weaknesses or other findings by independent sources, or other known weaknesses, including those identified in HRSA's Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations as required by Section 7.a.(4) of the Circular have been disclosed.

Methodology Modifications

I assert that no modifications were made to the methodology for reporting drug control resources from the previous year's reporting.

Reprogramming or Transfers

I assert that the data presented are associated with obligations against HRSA's financial plan. HRSA has no reportable reprogrammings or transfers in FY 2020 related to drug-control obligations.

Fund Control Notices

I assert that the data presented are associated with obligations against HRSA's financial plan, which complied fully with all Fund Control Notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Detailed Accounting Report

Resource Summary

Budget Authority (in millions)		
	FY 2020 Appropriated	FY 2020 Enacted
Prevention	\$109.500	\$109.300
Treatment	\$545.500	\$543.700
Total Drug Resources by Function	\$655.000	\$653.000
Bureau of Primary Health Care	\$545.000	\$543.000
Federal Office of Rural Health Policy	\$110.000	\$110.000
Total Drug Resources by Decision Unit	\$655.000	\$653.000
Total FTEs (direct only)	--	--
Total Agency Budget (in Billions)	\$11.9	\$11.9
Drug Resources percentage	5.5%	5.5%

METHODOLOGY

BPHC

For each of fiscal years 2016 – 2019, HRSA provided new annual ongoing grant funding supporting SUD/MH service expansion in health centers totaling \$545 million projected to remain in Health Center Program base continuation funding in subsequent fiscal years. Subsequently in FY 2020, HRSA found that 36 health centers were unable to demonstrate sufficient progress to merit continuing their AIMS awards, resulting in a \$2 million total reduction in drug control funding. For FY 2021, HRSA found that 63 health centers were unable to demonstrate sufficient progress to merit continuing their SUD-MH awards, resulting in a \$3 million total reduction in drug control funding. All of this targeted supplemental funding is scored as drug control funding.

FORHP

The allocation of funds for the Rural Community Opioid Response Program (RCORP) is through competitive grants and cooperative agreements. The entirety of these programs is scored as drug control funding.

METHODOLOGY MODIFICATIONS

N/A

MATERIAL WEAKNESSES OR OTHER FINDINGS

N/A

REPROGRAMMINGS OR TRANSFERS

N/A

OTHER DISCLOSURES

N/A



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Elizabeth DeVoss
Chief Financial Officer
Health Resources and Services Administration

DATE: October 20, 2020

SUBJECT: Health Resources and Services Administration
Performance Summary Report for FY 2020

A handwritten signature in black ink, appearing to read "Elizabeth DeVoss", is written over the printed name and title of the Chief Financial Officer.

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated October 22, 2019, I make the following assertions regarding the attached Performance Summary Report:

Performance Reporting System is Appropriate and Applied

For the data reported in the 2020 Performance Summary Report, I assert that HRSA has a system to capture performance information accurately and that system was properly applied to generate the performance data.

Explanations for Not Meeting Performance Targets are Reasonable

I assert that all targets were met and that this section is not applicable.

Methodology to Establish Performance Targets is Reasonable and Consistently Applied

I assert that the methodology used to establish performance targets presented in this report is reasonable given past performance and available resources.

Adequate Performance Measures Exist for all Significant Drug Control Activities

I assert that adequate performance measures exist for all significant drug control activities.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Performance Summary Report

PERFORMANCE

Information regarding HRSA's Health Center Program's performance is based on the UDS. The table and accompanying text represent highlights of their achievements for the latest year for which data are available.

Health Resources and Services Administration												
Selected Measures of Performance	FY 2016 Target	FY 2016 Result	FY 2017 Target	FY 2017 Result	FY 2018 Target	FY 2018 Result	FY 2019 Target	FY 2019 Result	FY 2020 Target	FY 2020 Result	FY 2021 Target	Data Source
» Number of Health Center Program grantees providing substance use disorder (SUD) counseling and treatment services	300	401	425	491	515	688	760	865	865	Available August 2021	865	Uniform Data System
» Number of Health Center Program grantees providing SBIRT services	260	488	525	548	580	665	730	802	802	Available August 2021	802	Uniform Data System

The Health Center Program Uniform Data System (UDS) tracks a variety of information, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues. UDS data are collected annually from grantees and reported at the grantee, state, and national levels. In the annual UDS report, Table 5 – Staffing and Utilization, each health center reports on the number of FTEs, patients and patient visits supported by their Health Center Program grant, separated into clinical service categories, including substance use disorder services. A total of 1,385 health centers reported in the 2019 UDS. In a query of the 2019 UDS, a total of 865 health centers reported FTEs, patients and/or patient visits in the substance use disorder (SUD) category, exceeding the program target.

Also in the annual UDS report, Table 6A – Selected Diagnoses and Services Rendered, each health center reports on the number of patients and patient visits supported by their Health Center Program grant, separated into clinical service categories, including Screening, Brief Intervention, and Referral to Treatment (SBIRT) services. In a query of the 2019 UDS, a total of 802 health centers reported patients and/or patient visits in the SBIRT category, exceeding the program target.

The FY 2020 and FY 2021 performance targets for the two Health Center Program performance measures were set using a methodology based on the number of health centers providing SUD services and SBIRT services. The target for health centers providing SUD services was set at 865 for each of the respective target years, which is a maintenance level from the FY 2019 actual results. Additionally, the target for health centers providing SBIRT services was set at 802 for each of the respective target years, which is a maintenance level from the FY 2019 actual results. These projections reflect no additional Health Center Program awards targeting SUD or SBIRT services provided in FY 2020 and the level of program appropriations projected for FY 2021.

The Rural Communities Opioid Response Program's goal is to reduce the morbidity and mortality associated with opioid overdoses in rural communities through the strengthening of the organizational and infrastructural capacity of multi-sector consortiums. HRSA has developed OMB-approved performance measures to support this large-scale initiative, and data collection and analysis of the first reporting period (September 1, 2019 to February 29, 2020) began in spring 2020 and will be completed by fall 2020.

QUALITY OF PERFORMANCE DATA

BPHC requires that recipients submit an annual UDS Report on a standardized (calendar) year. Because of the importance of accuracy in these data, all reports are subjected to an intensive editing process. This process, conducted under contract, involves substantial computer editing plus the use of highly skilled, highly experienced, reviewers who are familiar with health center operations, and business and information technology practices. Reviewers receive annual training.

Editing takes place at three distinct points in the overall process:

1. **At recipient, prior to submission.** As the recipients enter data into the Electronic Handbooks (EHB), they are informed prior to their submission of the data to BPHC, of any of slightly over 1,000 errors, which might be detected. This process generally results in all of the mathematical errors and most of the logic errors being corrected prior to submission. In addition, the EHB system checks to determine that all required information has been submitted. Missing tables and, especially, missing sub-tables relating to individual programs, are identified and recipients are contacted to obtain the missing information. These submissions are held until complete.
2. **By Reviewers.** Once submitted, the EHB system forwards the reports to reviewers for actual review, and correction (as needed).

3. **Quality Control.** After the reviews, the reports are forwarded to quality control for quality assurance reviews as the final step.




DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville, MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

FROM: Elizabeth DeVoss
Chief Financial Officer 
Health Resources and Services Administration

DATE: October 20, 2020

SUBJECT: Health Resources and Services Administration
Budget Formulation Compliance Report for FY 2022

In accordance with the requirements of the Office of National Drug Control Policy (ONDCP) Circular: *National Drug Control Program Agency Compliance Reviews*, dated October 22, 2019, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

I assert that the summer drug budget submitted to ONDCP under the cover letter provided in response to Section 6.a.(1) in response to ONDCP Circular: Budget Formulation, Section 9.a.(1) was provided to ONDCP at the same time as the budget request was submitted to our superiors in accordance with 21 U.S.C. § 1703(c)(1)(A).

Funding Levels Represent Bureau-Level Request

I assert that the funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department.