



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



January 10, 2017

TO: Pat O'Rourke
Chief Financial Officer
Health Resources and Services Administration

FROM: /Gloria L. Jarmon/
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Health Resources and Services Administration
Fiscal Year 2016 Detailed Accounting Submission and Performance Summary
Report for National Drug Control Activities and Accompanying Required
Assertions (A-03-17-00354)

This report provides the results of our review of the attached Health Resources and Services Administration (HRSA) detailed accounting submission, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2016. We also reviewed the Performance Summary Report, which includes management's assertions and related performance information for the fiscal year ended September 30, 2016. HRSA management is responsible for, and prepared, the detailed accounting submission and Performance Summary Report to comply with the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013 (the ONDCP Circular).

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

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination, the objective of which is to express an opinion on management's assertions contained in its report. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that HRSA's detailed accounting submission and Performance Summary Report for fiscal year 2016 were not fairly stated, in all material respects, based on the ONDCP Circular.

HRSA’s detailed accounting submission and Performance Summary Report are included as Attachments A and B.

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 and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Amy J. Frontz, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Amy.Frontz@oig.hhs.gov. Please refer to report number A-03-17-00354 in all correspondence.

Attachments




DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Sheila Conley
Deputy Assistant Secretary of Finance
Department of Health and Human Services

FROM: 
Pat O'Rourke
Chief Financial Officer
Health Resources and Services Administration

DATE: 12/15/2016

SUBJECT: Health Resources and Services Administration Drug Control
Accounting for Fiscal Year 2016

In accordance with the Office of National Drug Control Policy Circular: Drug Control Accounting issued January 18, 2013, the Health Resources and Services Administration's (HRSA) Fiscal Year 2016 Drug Control Obligation Summary is enclosed. I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are actual obligations from HRSA's financial accounting system for this 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 6b(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 6a of the Circular.

Reprogrammings or Transfers:

I assert that the data presented are associated with obligations against HRSA's financial plan. HRSA had no reportable reprogrammings or transfers in FY 2016 related to drug control obligations.

Fund Control Notices:

I assert that the data presented are associated with obligations against HRSA's operating plan which complied fully with all ONDCP Budget Circulars.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Health Resources and Services Administration

Resource Summary	Dollars in Millions
	FY 2016 Obligated
Drug Resources by Function	
Prevention	\$14
Treatment	\$105
Total Drug Resources by Function	\$119
Drug Resources by Decision Unit	
Bureau of Primary Health Care	\$119
Total Drug Resources by Decision Unit	\$119

- Methodology:** 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. The UDS reporting provides a reasonable basis for estimating the share of the Health Center Program grant funding used for substance abuse treatment by health centers. Using the data reflected in the most current UDS at the time estimates are made (2015 UDS), total costs of substance abuse services is divided by total costs of all services to obtain a substance abuse percentage (SA%).

In FY 2016, the Health Center Program awarded \$94 million for a targeted supplemental funding opportunity for substance abuse service expansion in existing health centers.

The funding estimates in the table above were computed as described below:

FY 2016 Obligated Level: \$119 million

\$25 million SA% (.59%) x FY 2016 Health Center Program grants awarded for health center services – net of targeted SA funding (\$4.2 billion); and,

\$94 million A total of \$94 million in targeted SA funding awarded to health centers FY 2016.

Obligations by Drug Control Function – HRSA estimates a distribution of drug control funding into two functions, prevention and treatment.

The percentage of drug control funding expended by health centers on prevention services is estimated using UDS data and funding opportunity parameters. The percentage of health center visits attributed to prevention services is approximately 20%, and this percentage is applied to the estimate of health center drug control funding from non-targeted obligations (FY 2016: \$25 million). Additionally, due to the FY 2016 SA funding opportunity focus on treatment services, it is estimated that the percentage of drug control funding from targeted obligations (\$94 million) spent on prevention services

is approximately 10% of total targeted SA funding. The estimates for the breakout of prevention and treatment services are calculated as follows:

Total Prevention Funding: \$14 million

- Non-targeted SA funding: \$25 million x 20% = \$5 million.
- Targeted SA funding: \$94 million x 10% = 9.4, rounded to \$9 million.

- 2. Methodology Modification:** Addition of targeted SA funding awarded to health centers.
- 3. Material Weaknesses or Other Findings:** None
- 4. Reprogrammings or Transfers:** None
- 5. Other Disclosures:** None

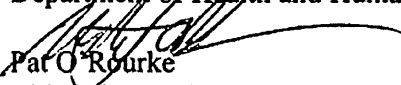


DEPARTMENT OF HEALTH & HUMAN SERVICES

Rockville MD 20857

MEMORANDUM TO: Director
Office of National Drug Control Policy

THROUGH: Norris Cochran
Deputy Assistant Secretary, Budget
Department of Health and Human Services

FROM: 
Pat O'Rourke
Chief Financial Officer
Health Resources and Services Administration

DATE: 12/15/2016

SUBJECT: Health Resources and Services Administration Performance
Summary Report for Fiscal Year 2016

In accordance with the requirements of the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013, I make the following assertions regarding the attached Performance Summary Report for National Drug Control Activities:

Performance Reporting System

For the data reported in the 2016 Performance Summary Report, I assert that HRSA has systems to capture performance information accurately and that these systems were properly applied to generate the performance data presented in the attached report.

Explanations for Not Meeting Performance Targets

I assert that the explanations offered in the attached report for failing to meet a performance target are reasonable and that any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

Methodology to Establish Performance Targets

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

Performance Measures Exist for All Significant Drug Control Activities

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

FY2016 Performance Summary Report for National Drug Control Activities

Decision Unit: Bureau for Primary Health Care

Table 1: Measure 1

Performance Measures	CY 2015 Target	CY 2015 Results	CY 2016 Target	CY 2016 Results	CY 2017 Target	Data Source
Percentage of Health Center grantees providing substance abuse counseling and treatment services.	23%	21%	300 Health Centers*	Available Aug. 1, 2017	300 Health Centers*	Uniform Data System

* Program has proposed to revise reporting methodology beginning in FY 2016, to measure number of Health Center grantees providing substance abuse counseling and treatment services.

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 abuse services. A total of 1,375 health centers reported in the 2015 UDS. In a query of the 2015 UDS a total of 289 health centers reported FTEs, patients, and/or patient visits in the substance abuse category, representing 21 percent of the total number of health centers.

The target for 2015 was not met by two percentage points, primarily due to the significant expansion of the health center program under the Affordable Care Act, including the increase in the number of newly funded health center organizations in the timeframe between setting the performance target (2011) and the receipt of 2015 results. However, in that same time period, the number of health centers providing substance abuse services increased by 19 percent over the 2010 base level.

The performance targets for 2016 and 2017 were set using a methodology based on the number of health centers providing substance abuse services. The targets were set at 300 health centers for each of the respective years, and are increases from the number reported in 2015, reflecting known Health Center Program awards for substance abuse services in FY 2016 and the current level of program appropriations projected in FY 2017.

Procedures used to ensure quality of performance data – UDS

BPHC requires that grantees 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 IT practices. Reviewers receive annual training.

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

1. **At grantee, prior to submission.** As the grantees enter data into the 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 logical errors being corrected prior to submission. In addition, EHB system will check to determine that all required information has been submitted. Missing tables and, especially, missing sub-tables relating to individual programs, are identified and grantees are contacted to obtain the missing information. These submissions are held until complete.
2. **By reviewers.** Once submitted, the EHB system will forward the reports to reviewers for actual review, and correction (as needed).
3. **Quality Control.** After reviewers completed reviewing the report, the reports will then forward to the Quality Control reviewer for quality assurance review as the final step.