DEPARTMENT OF HEALTH & HUMAN SERVICES Office of Inspector General

Memorandum

Date APR 15 1996

From June Gibbs Brown
Inspector General

Subject Administration of Emergency Flood Grants for the Midwestern Flood of 1993 (A-07-94-00821)

To Ciro V. Sumaya, M.D., M.P.H.T.M.
Administrator, Health Resources and Services Administration

Attached is our final report entitled *Administration of Emergency Flood Grants for the Midwestern Flood of 1993*. It presents our analysis of emergency grants in the amount of $8.2 million to 17 grantees by the Bureau of Primary Health Care (the Bureau). Our objective was to determine whether the grants provided flood relief to victims in accordance with guidelines established by the Midwest Flood Health and Medical Task Force.

We found that the grant awards were not always consistent with Task Force guidelines. We are recommending that the Bureau develop procedures for objectively evaluating applications against established criteria. Officials in your office have generally concurred with our recommendations and have taken, or agreed to take, corrective action. We appreciate the cooperation given us in this audit.

We would appreciate your views and the status of any further action taken or contemplated on our recommendations within 60 days. If you have any questions, please call me or have your staff contact Joseph J. Green, Assistant Inspector General for Public Health Service Audits, at (301) 443-3582. To facilitate identification, please refer to Common Identification Number A-07-94-00821 in all correspondence pertaining to this report.

Attachment

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

ADMINISTRATION OF EMERGENCY FLOOD GRANTS FOR THE MIDWESTERN FLOOD OF 1993

JUNE GIBBS BROWN
Inspector General

APRIL 1996
A-07-94-00821

DEPARTMENT OF HEALTH & HUMAN SERVICES

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Date: APR 15 1996

From: June Gibbs Brown
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Subject: Administration of Emergency Flood Grants for the Midwestern Flood of 1993 (A-07-94-00821)

To: Ciro V. Sumaya, M.D., M.P.H.T.M.
Administrator, Health Resources and Services Administration

The purpose of this report is to provide you with the results of our review of grants awarded by the Bureau of Primary Health Care (the Bureau) under the *Emergency Supplemental Appropriations For Relief From The Major, Widespread Flooding In The Midwest Act of 1993.* The Bureau is a component of the Public Health Service's[1] (PHS) Health Resources and Services Administration (HRSA). The objective of our review was to determine whether grants totaling $8.2 million provided relief to flood victims in accordance with guidelines established by the Midwest Flood Health and Medical Task Force (Task Force).

Our review showed that awards totaling $4.2 million were not granted for purposes consistent with Task Force guidelines. Awards were made for three projects that did not provide benefits to victims within 12 months of the disaster.

- Two grantees whose clinics were undamaged by the flood received funds for new construction and acquisition of clinical facilities that would not be operational until years after the disaster. It was not clear to us or documented by HRSA how these projects provided relief to 1993 flood victims; and

- One grantee received funds to provide primary health care services, however, no services were provided for nearly 1 year after the grant award was made.

We are recommending that the Bureau review the justification used to fund the three questionable awards. If the justification is not consistent with legislative intent of the emergency appropriation, other appropriate PHS funding should be sought for these projects and flood funds should be returned to the Treasury. We are also recommending that the Bureau develop procedures for objectively evaluating applications against established criteria.

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[1]Effective October 1, 1995, the PHS management function (Office of the Assistant Secretary of Health) was merged with the Office of the Secretary and the PHS agencies became operating divisions reporting directly to the Secretary.

Officials at HRSA generally concurred with our recommendations. Their comments are presented in their entirety in Appendix 4.

BACKGROUND

Upon signing the Statute, the President stated the Act included $75 million in HHS funds for "repair and renovation of facilities that had been damaged by the flood". (August 12, 1993)

In response to the 1993 Midwest flooding, Congress passed the *Emergency Supplemental Appropriations For Relief From The Major, Widespread Flooding In The Midwest Act of 1993* (Public Law (P.L.) 103-75). In part, the statute provided $75 million for the Public Health and Social Services Emergency Fund for the Midwest Floods.

In October, the Office of Management and Budget requested the President to make the emergency appropriations available to the Department of Health and Human Services (HHS) and that the funds could only be used to support services specially requested by the States.

The Task Force was formed to develop and implement a coordinated multi-state strategy to address issues resulting from the flood. The PHS agencies represented on the task force were: HRSA's Bureau of Primary Health Care; Substance Abuse and Mental Health Services Administration; Centers for Disease Control and Prevention; and the Food and Drug Administration. The Primary Care Work Group of the Task Force met with representatives of the affected States and issued guidelines in October 1993 to assist them in the preparation of their primary care applications. The guidelines in their entirety are attached as Appendix 1. An excerpt of the guidelines applicable to our findings follows:

- "States should include both their current flood related primary care needs as well as projected needs over the next 12 months;"

- "Funds are on a one-time basis, so requests that would require ongoing funding should not be included;"

- "Requests should not be for pre-existing needs, but rather for needs that have been created by or exacerbated by the floods;" and

- "States should include all current and anticipated needs. However, States are encouraged to focus on services."

A representative of the Bureau assisted the States in the preparation of the primary care component of the States' applications.

The HRSA received a total of $8.2 million of the emergency supplemental appropriation for primary health care awards. The Bureau authorized 17 grants totaling $8,169,457 to the entities listed in Appendix 2. Collectively, the primary care centers and State health departments received over 95 percent of the funds awarded.

The Bureau annually awards grant funding to over 600 Community and Migrant Health Centers (C/MHCs) under sections 329 and 330 of the PHS Act. In Fiscal Year 1994, the Bureau was appropriated over $650 million for supplementing C/MHCs' funding received from other sources for providing comprehensive ambulatory health services which are family-oriented, community-based and community-controlled.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of the review was to determine whether grants totaling $8.2 million were awarded consistent with guidelines established for submitting grant applications for the emergency appropriations.

Our review was performed in accordance with generally accepted government auditing standards. Six grantees, receiving $6.4 million of the $8.2 million awarded, were judgmentally selected for on-site evaluation based primarily on the amount of the award. Five of the grantees selected were primary care providers and one was a State health department.

For on-site evaluation, we selected six grantees, who had been authorized grants totaling nearly $6.4 million.

The review included an evaluation of the emergency grant application and selection processes at both the regional and central office level, for a summary of the processes see Appendix 3. At the PHS Regional Office in Kansas City, we examined the official grant files and interviewed staff involved in the grant awarding and monitoring processes. At the Bureau's central office, we (1) identified and evaluated procedures used to determine the amount of the respective grant awards as compared to procedures used to administer continuation grants for primary care; and (2) interviewed officials to determine the extent of the information that was available to the persons that administered the emergency appropriation. Cash disbursement data from the Department's Payment Management System was reviewed to determine the amount of funds drawn by the respective grantees. We also reviewed the reports from the technical assistance teams that conducted on-site evaluations for the Bureau at several grantee locations.

Our on-site evaluation at six grantees included (1) interviews of grantee officials involved in the grant application and administration; (2) reviews of the emergency grant applications and other non-emergency applications filed by the grantees that were similar in purpose, whether they preceded or followed the flood grant application; and (3) discussions of progress being made toward grant objectives.

On December 27, 1994, we issued a memorandum alerting the PHS Deputy Assistant Secretary for Health Management Operations of our concerns with the awarding of emergency flood grants. Subsequently, the Bureau sent its technical assistance teams back to the grant sites identified in our memo for a re-evaluation, and the PHS Regional Office requested that all grantees file progress reports. Results of the visits and the progress reports were made available for our review and considered in our evaluation. Officials of PHS responded to our early alert memorandum on March 13, 1995. We held several meetings with Bureau management to obtain their views on our conclusions and recommendations over the period August through October 1995.

Our review was conducted during the period August 1994 to October 1995, at Bethesda, Maryland; St. Louis and Kansas City, Missouri; and Davenport and Des Moines, Iowa.

FINDINGS AND RECOMMENDATIONS

In our opinion, the Bureau awarded emergency flood funds totaling $4.2 million inconsistent with the Task Force guidance established for making the awards. Awards were made for non-emergency projects involving long term acquisition, construction, and renovation of facilities or to grantees that may not have served flood victims. Some of the funds were awarded for conditions that pre-existed the flood. Further, the completion dates for the three projects in question were so far removed from the date of the disaster, in some cases more than 2 years, that it is unclear how they benefitted persons with 1993 flood-related health care needs.

Details of our review at three grantees follows:

Community Health Care, Inc.

In December 1993, Community Health Care proposed a flood relief project totaling $4,819,349. The proposal included construction costs of $4,675,000 for building and equipping a new 36,000 square-foot facility, twice as large as the existing facility. According to the application, the occupancy date was to be January 1995. (As of June 1995, this project was scheduled for completion in the summer of 1996). The balance ($144,349) was for operation of a temporary facility to meet the immediate demands for primary care services related to the flood. The Bureau grant provided $2,556,558 toward the project costs, including $2,426,609 for new construction and $129,949 for operation of the temporary facility. As to future operational funding, the application stated "we understand that this is a one-time only grant and that on-going expenses will be covered under the scope of our 330 and 340 grants."

Previously, the grantee had applied in June 1993, for a section 330 expansion grant in the amount of $510,000 to establish a new 35,000 square-foot facility. The Bureau did not respond to the expansion application.

Our review of the new construction portion (over $2.4 million) of this award showed that the following specific award criteria was not met:

- scheduled completion of the construction per the grant application was months beyond the Task Force criteria of 12 months. At the time of our site visit in September 1994, the construction project was scheduled for completion in the summer of 1996. The technical assistance report to the Bureau stated: "The part of the challenge not addressed by this alternate (sic) is the issue of timing, that of getting services to those in need as soon as possible";

- expanded capacity would require higher level of section 330 funding on an ongoing basis as stated in the grant application; and

- expanded capacity need existed prior to the flood and the flood relief application did not demonstrate a need created by the flood or discuss how the pre-existing conditions were exacerbated by the flood.

In response to our preliminary finding, the Bureau acknowledged that expansion was desirable before the flood. They stated that "...the flood did cause an increase in patients, therefore the grantee was eligible." Our site work at Davenport, Iowa, as well as HRSA headquarters in Bethesda, did not produce adequate documentation substantiating HRSA's contention that the flood exacerbated the increased patient workload at Davenport.

It is also unclear how this new construction is going to benefit victims of the flood more than 2 years after the flood. As noted above, the scheduled opening of the new center is the summer of 1996.

Primary Health Care

In December 1993, Primary Health Care submitted a supplemental flood disaster relief application for $1,500,000, which consisted of $500,000 for uncompensated care and service delivery costs and $1,000,000 for construction. The construction portion of the project was to purchase an existing clinical building in southeast Des Moines, construct an addition to double its size to 10,000 square feet, and then renovate the original portion of the building. The grant application stated the proposal for purchase and construction "...is based upon being operational by February 1, 1994." The application did not state when the new facility would be fully operational. The application stated: "Future operational dollars for the continuation of the program after the two year period of this award is, of course, a concern ..." and "We would assume that we would be eligible to apply on a competitive basis for enhancement/expansion funding based on documented increased need."

This grantee also had previously applied in June 1993, for a section 330 expansion grant of $446,000 to add approximately three medical staff to increase capacity by nearly 12,000 patient visits a year for a total of 46,000 annual patients visits by 1996. The prior flood application also stated "The existing service delivery site, a newly remodeled facility, has the physical space to handle this increased volume." The Objective Review Committee Report on the pre-flood application noted the application received a relatively low score and was not funded.

Our review of the $1 million portion of the award for acquisition, construction and renovation showed that the following specific award criteria was not met:

- initially, the acquisition and construction portion was scheduled for completion within the 12-month guideline. However, at the time of our site visit in October 1994, the opening date had been delayed to December 1994, and the fully operational date was anticipated to be November 1995, or 13 months beyond the guideline milestone--more that 2 years after the disaster;

- expanded capacity would require higher level of future section 330 funding on an ongoing basis as stated in the application; and

- need for expanded capacity existed prior to the flood and the flood relief application did not demonstrate a need created by the flood or discuss how the pre-existing conditions were exacerbated by the flood. The flood expansion project was based on a projected increase capacity for 20,000 new visits. The unfunded pre-flood application was for 12,000 new visits per year. The flood relief application also noted that the flood resulted in an upsurge in volume of 450 patient visits per month or 5,400 per year. The 5,400 patient-visits-per-year increase is less than half of the capacity increase that was the basis for the pre-flood application. The flood application also stated that the increase in the number of patient visits was met by an expansion in clinic hours.

In response to our preliminary finding, the Bureau stated that a site visit was performed in February 1994, and verified the grantee's continued need for additional space. The site visit team reported that the additional costs associated with the extended hours of operations justified an additional facility. As noted above, the need for expanded capacity existed prior to the flood. There was no documentation supporting how the flood exacerbated those conditions.

Neighborhood Health Center, Inc.

The emergency grant application in the amount of $743,862 was submitted in November 1993, to initiate new primary care services at two locations in St. Charles County, Missouri. The grant funding was for 13 additional medical personnel and other support staff for a 18-month period from May 1994, through October 1995. The application stated that

43 percent of St. Charles County was under water, over 11,000 individuals had been displaced by the flood and the County did not have affordable and accessible primary care services for the medically indigent. As to future operational funding to maintain the new services, the application acknowledges that ongoing funding would be required and potential funding sources would include Federal community health center funding.

Our review of the $743,000 award for establishing primary care showed that the following specific award criteria were not met:

- the 18-month period for primary care service extended a year beyond the Task Force's 12-month criteria. At the time of our site visit in September 1994, neither site was functional due to delays in employing a physician. As a result, clinic officials were planning to commence primary care services at one of the sites in October 1994; and
- expanded capacity would require higher level of section 330 funding on an ongoing basis as stated in the application.

In response to our preliminary finding, the Bureau stated that services were provided in the locations and to the people identified in the grant application and acknowledged that due to difficulties in recruiting medical staff the clinics were not fully operational until January 1995. The Bureau also stated the application identified the long-term need caused by the flood and the remaining funds unspent at the end of the 2-year grant period would be offset against future non-emergency applications such as section 330 funding.

WHERE THE SYSTEM DID WORK PROMPTLY

Family Care Center of Carondelet

We did find several projects that delivered needed services promptly to flood victims. For example, the Family Care Center of Carondelet was awarded a grant for $260,000 to move the administrative staff out of the clinical building and into leased space, renovate the vacated area to add exam room space in their place, and hire additional staff. The grant was provisionally awarded in November 1993, and the funds were released in December 1993. By March 1994, the staff had been moved and the additional exam rooms had been added. The additional staff, including a social worker and nutrition assistant, were providing services by May 1994. These grant objectives were accomplished in a timely manner and the focus of the project was on services, as emphasized by the Task Force criteria.

CONCLUSIONS

In our opinion, the construction portions of the first two projects and the entire third project discussed above did not meet the criteria established by the Task Force. Specifically, the projects:

- did not focus on providing services within the 12-month period following the issuance of Task Force guidelines in October 1993;
- will require ongoing section 330 funding although the criteria exclude projects requiring ongoing funding; and
- three projects were clearly related to needs that predated the flooding and the applications did not clearly establish or discuss how the needs were exacerbated by the flood.

Also, the Primary Health Care's December 1993 grant application scheduled an operational date of February 1, 1994, for the purchase of a clinic, construction doubling the size of the purchased clinic, and renovation of the purchased clinic. We believe the operational date of February was unrealistic for what had to physically occur in 2 months. This should have been identified and addressed by the Bureau during the grant application review process.

As to the criteria contained in the Task Force guidelines, the Bureau's management stated their approach was developed in conjunction with other members of the Task Force. Further, the Bureau Management stated that the awards were appropriate because they did provide primary care to flood victims.

RECOMMENDATIONS

We recommend that HRSA:

- review the justifications for awarding emergency flood funds to Community Health Care, Inc., Primary Health Care, and Neighborhood Health Center, Inc.;
- determine whether the awards were consistent with Task Force Guidelines and legislative intent of P.L. 103-75;
- document the basis for the funding (if the key factor to support the funding was that the flood exacerbated the patient workload, data should be obtained to justify such assumption);

- replace the emergency funds with other appropriate funding, if the award was not consistent with Task Force Guidelines or the intent of the law; and

- develop procedures for objectively evaluating application for emergency awards against established criteria.

The HRSA's Comments

In their response to our draft report, HRSA officials generally concurred with our recommendations. They stated that the Bureau had conducted a preliminary review of the awards, and HRSA had decided to conduct a full review incorporating the BPHC findings. Further, that HRSA would develop procedures for objectively evaluating applications for emergency funding against established criteria.

The entire text of HRSA's comments is contained in Appendix 4 to this report.

Appendices

APPENDICES

October 1993

Primary Health Response to the Midwest Flood Disaster

Background

The Midwest Flood Health and Medical Task Force, chaired by Dr. Frank E. Young, was formed to develop and implement a coordinated multi-state strategy to address health and medical issues resulting from the Midwest Flood Disaster. The Task Force consisted of the following seven Working Groups:

- o Primary Care (HRSA/BPHC)
- o Mental Health (SAMHSA)
- o Environmental Health (CDC)
- o Food Safety (FDA)
- o Disease Control and Surveillance (CDC)
- o Vector Control (CDC)
- o Public Communication and Information Management (CDC)

Applications for recovery efforts from each of the 9 flood-affected States addressed needs in these 7 areas.

Funding Process

Congress appropriated a total of $75 million in Supplemental Contingency funds for the PHS to address the health and medical needs in the 9 flood-affected States. To access these funds, a State must first submit an application through the State Coordinating Office to the Federal Emergency Management Agency (FEMA). Requests that are not approved by FEMA can be submitted to the PHS to be considered for Supplemental Contingency funding.

Awards from FEMA that are determined to be for recovery (not immediate health and safety needs) require a 25% State match. PHS Supplemental Contingency funds do not have a match requirement.

Requests that are approved by PHS go to the Secretary, DHHS, for approval, and

then to the Office of Management and Budget (OMB). If OMB approves the request, it is sent to the President, who must request that Congress release the funds.

Primary Care Work Group

The lead agency for Primary Care is the Health Resources and Services Administration (HRSA). The Primary Care Work Group, co-chaired by Mr. Phillip Killam, Deputy Director, Bureau of Primary Health Care (BPHC), HRSA, and Ms. Mary Weaver, Iowa Department of Health, was established to address primary health care needs of the 9 affected areas as a result of the floods. Also included under primary care are issues addressed through the Administration on Aging and the Administration on Children and Families. A meeting was convened in New Orleans to bring together key people from the nine affected States, share information, and develop strategies for addressing primary health care needs.

Following the New Orleans meeting, Ms. Corinne Axelrod of the Bureau of Primary Health Care went to the PHS Region VII office in Kansas City, Missouri to assist the Regional Emergency Coordinator with all emergency operations in the Region VII PHS Emergency Operations Center. Ms. Axelrod's primary task was to assist flood-impacted States with preparing the primary care component of State applications. This built upon the technical assistance that BPHC and others had already provided to BPHC programs in the flood affected areas, which included direct clinical assistance and the development of an assessment protocol for BPHC programs.

State Meetings- Region VII

Region VII States include Iowa, Missouri, Kansas, and Nebraska. Meetings were held with States to:

a) review the process of preparing and submitting the States' requests for FEMA and PHS Supplemental Contingency funds,

b) assure that all relevant entities were involved,

c) assure that the requests are as comprehensive as possible (e.g. all aspects of primary health care are included and all affected areas are addressed),

d) establish ongoing communication with each of the States, and

e) provide any other assistance necessary.

Missouri - Tuesday, September 7, 1993

A meeting was held in Jefferson City, Missouri with Mr. Phillip Brunner and Mr. George Thomas of the Missouri Department of Health, and Mr. Ben Pettus, Executive Director of the Missouri Coalition for Primary Health Care. Later that day, another meeting was held which also included other representatives from the Missouri Department of Health, the Missouri Department of Social Services, the Division of Aging, and the Missouri Hospital Association. A representative from the Maternal, Child and Family Health Division was invited but unable to attend.

Iowa - Wednesday, September 8, 1993

A similar meeting was held in Des Moines, Iowa, first with Mr. David Fries and Ms. Sharon Cook of the Iowa Department of Public Health. Later that day another meeting was held that also included the Iowa/Nebraska Primary Care Association, the Iowa Army National Guard, Iowa Department of Human Rights, Iowa Department of Elder Affairs, and Primary Health Care, Inc., a Federally-funded Community Health Center.

Kansas - Thursday, September 9, 1993

A meeting was held in Topeka, Kansas, with Ms. Joyce Volmut of the Kansas State Department of Health, Mr. Richard Wagner of the Department on Aging, Mr. David O'Brien of the Department of Social and Rehabilitative Services, and Ms. MaryAnn Humphries of the Kansas Department of Health and Environment.

Nebraska

Discussions were held by telephone with Mr. David Palm of the Nebraska Department of Health. Effects of the flood were less severe in the State of Nebraska and they did not feel that a meeting was necessary.

Region V and Region VIII

Since the BPHC was unable to provide on-site assistance to Region V and Region VIII, the Regional Health Administrators in those regions were contacted and offered assistance in working with the affected States in their regions. Region V indicated that they were in regular and frequent contact with the States in Region V and that they would request assistance if it became necessary. Region VIII believed that it would be beneficial to contact North and South Dakota as a followup to the assistance the Regional Office had been providing.

South Dakota indicated that they had not received a solicitation regarding these funds, and that the Primary Care Association and the Community Health Centers had not requested any assistance. Attempts to contact North Dakota were unsuccessful.

Approach

The following information was provided to the States to assist them in the preparation of their applications:

- All requests must be related to the flood, either directly or indirectly, and it is extremely important to clearly explain how each request was related to the floods. Requests should not be for pre-existing needs, but rather for needs that have been created by or exacerbated by the floods.

- All areas that have been affected by the floods, regardless of whether they currently have any Federal resources (e.g. a Federally-funded C/MHC), should be assessed and included if there are flood-related primary care needs.

- Funds are on a one-time basis, so requests that would require ongoing funding should not be included.

- Issues that are addressed by programs funded by the Administration on Aging and the Administration for Children and Families should be included in the primary care component. Although these agencies are not part of the Public Health Service, it was determined that primary care was the most appropriate section to address these needs.

- While the legislation permits the disbursement of the PHS Supplemental funds through September 30, 1994, the application due date was set for September 11, 1993 so that the Federal government could distribute the money to the States and to people who need help as soon as possible. However, there is some flexibility in the date.

- States should take a broad approach to primary care and should include all areas of health, such as chronic and acute illness, maternal and child health, immunizations, prevention, injuries, dental care, homelessness, etc. Case management, outreach, and coordination of services should be addressed in all these areas.

- All primary health services should be assessed to determine if access to care has been impacted by the flood. People who previously had access to care may have been made homeless or may be displaced.

Others may have lost jobs or may be facing financial barriers. Transportation may be a barrier because of loss of vehicles, damaged roads, or reduced public services. The increased demand for services may make providers unavailable, and health care systems may not be operating at adequate capacity. Therefore, access to care should be assessed for all services provided.

- o The increased demand for services provided at sites such as community health centers may continue for a long time. States should view primary care as a system of community-based, family-oriented, comprehensive, coordinated, quality services, and address the restoration of this type of system in their proposals.

- o States should examine the flood-related needs of special populations such as the homeless/displaced, migrants, people with HIV/AIDS, adolescents, women and children, seniors, etc.

- o Coordination and efforts to avoid duplication among agencies providing services should also be addressed (e.g. mental health outreach).

- o States should include both their current flood related primary care needs as well as projected needs over the next 12 months. This would include issues such as changes in disease morbidity, health problems resulting from lack of access to care, and health needs that are likely to appear if more flooding occurs in the spring when the winter snow begins to thaw.

- o For each request, applications should describe the current status, activities currently underway, projected need over the next 12 months, estimated cost, and any private sector support that has been sought or received.

- o Due to the limited time allotted for the preparation of the application, States should explain and justify requests to the best of their ability. The level of data and substantiating information usually required in a Federal grant application is not expected.

- o Since there are no official documents that state what will or will not be funded either by FEMA or by PHS, States should include all current and anticipated needs. However, States are encouraged to focus on services.

- o Other areas to assess include staffing (health care providers, administrative and support staff) and sites/facilities.

Additional Assistance

Additional assistance was provided to the States at their request to answer any subsequent questions and provide any additional information needed as they prepared their applications.

Evaluation of Applications

AoA and ACF conducted the reviews of their portions of the primary care applications. BPHC, including the PHS Region VII Office, reviewed the primary health care component of the State applications. The following criteria was utilized in the review:

a) Is the request flood-related?
b) Is the request for one-time funding?
c) Is the request likely to be covered by other agencies?
d) Is the request reasonable and appropriate?

Followup - Tracking and Coordination

BPHC will develop a system for the continued tracking and coordination of flood-response activities. This includes establishing baseline indicators, following trends, identifying continuing issues, and evaluating outcomes. BPHC will also continue to coordinate with AoA and ACF to assure ongoing communication and planning.

Recommendations

Although the process utilized to respond to the primary care needs of the States affected by the Midwest flood disaster is newly developed and subject to revision, following are some preliminary recommendations for improvement:

1) Increase coordination between FEMA and PHS to clarify each agency's funding priorities for emergency response efforts, the process for applying for these funds, and the process for disbursing these funds.

Questions which arose included:

- Will FEMA automatically disapprove all State applications, rendering them eligible for PHS Supplemental Contingency funds, or approve and fund parts of the applications?

- What is eligible for FEMA funding and does the 25% State match

requirement includes in-kind resources?

- What is eligible for PHS funding? (Some health centers and other facilities suffered structural damage from the flood. Since no official guidelines were issued that indicated whether construction costs were eligible for funding, States were told to include them in their applications.)

- How will States will be notified of the FEMA decision and what happens if they approve part of an application? Can States withdraw any request that FEMA chooses to fund and still have it considered by PHS ? (States prefer PHS funding because there is no match requirement.)

- Can States request funds for recovery efforts that were started when the State received its Presidential Disaster Declaration or can these funds only be used for activities commencing on the date of the Notice of Grant Award?

2) Improve communication with the States by officially notifying eligible States as to the availability of funds, funding guidelines, evaluation criteria, and other pertinent information.

- States were delaying preparation of their applications because of the lack of information and confusion over what they needed to do. Valuable time was lost in assessing the primary health care needs in the affected areas.

- On-site assistance should have been provided sooner and to all the States impacted. FEMA should consider supporting this kind of assistance.

3) Improve coordination among the 7 working groups of the Task Force.

- Opportunities for the 7 working groups of the Task Force to meet together, particularly within each State, should have been provided.

- Information on the process should have been more consistently communicated to each of the 7 groups and a common format for the applications should have been developed.

4) Develop an assessment tool (e.g. protocols, guidelines) to assist States in quickly assessing and responding to primary care needs in all affected areas in the State.

- BPHC should develop a community needs assessment tool that States can use to quickly assess their primary care needs in a disaster. This should be

consistent with the data and analysis used in the State Primary Care Access Plans. (BPHC developed a protocol to conduct needs assessments at BPHC programs.)

5) Develop criteria for the selection of Chairs, Co-chairs, and State contact persons to assure the timely involvement of the appropriate people.

- In some cases, the appropriate people may not have been included in the process or may have been brought into the process late. If the model of using 7 Working Groups of the Task Force will continue to be used, appropriate persons should be identified as part of the emergency planning process.

FLOOD GRANTS AWARDED BY THE BUREAU OF PRIMARY HEALTH CARE UNDER P.L 103-75

Grant Period: November 1, 1993 Through October 31, 1995

GRANTEE NAME	LOCATION	GRANT AMOUNT		GRANTEE TYPE (See Key)
Community Health Care	Davenport, Ia.	$2,556,558	a/	1
Primary Health Care	Des Moines, Ia.	1,500,000	a/	1
Iowa Dept. of Public Health	Des Moines, Ia.	1,249,365	a/	2
Neighborhood Health Center	St. Louis, Mo.	743,862	a/	1
Missouri Dept. of Health	Jefferson City, Mo.	304,000		2
North East Mo. Health Council	Kirksville, Mo.	304,000		1
Family Care Center	St. Louis, Mo.	260,000	a/	1
New Madrid Group Practice	New Madrid, Mo.	253,345		1
Migrant Health Services	Moorehead, Mn.	225,000		3
Kansas Dept. of Health	Topeka, Ks.	194,150		2
Northwest Health Services	Mound City, Mo.	154,800		1
Peoples Comm. Health Center	St. Louis, Mo	140,000	a/	1
Peoples Comm. Health Center	Waterloo, Ia.	125,000		1
Mo. Coalition for Primary Health Care	Jefferson City, Mo.	113,457		4
Nebraska Dept. of Health	Lincoln, Ne.	20,530		2
Henderson Co. Rural Health Ctr.	Oquawka, Il.	20,000		1
Iowa Primary Care Association	De Moines, Ia.	5,390	b/	4
		$8,169,457		

Grantee Type (Key):

1 - Primary Care Center
2 - State Department of Health
3 - Migrant Health Center
4 - Association of Primary Care Providers

a/ These grants were included in our on-site examination.

b/ The grant period, for this grantee only, was December 1, 1993, through November 30, 1994.

APPLICATION REVIEW AND SELECTION PROCESS

In general, the Bureau's process used to evaluate the flood grant applications was as follows:

- a three member team was assembled which consisted of two headquarters and one regional personnel;
- the team selected projects for provisional awards from State-wide applications in October 1993;
- conditional award notices were sent to successful applicants requesting formal applications;
- technical assistance teams under contract to the Bureau performed site visits to provide assistance in the preparation of the formal applications;
- formal applications were received by the Bureau; and
- notice of grant awards were sent out removing conditional funding and finalizing the award.

During the Bureau's review and selection process, it was clear that concerns relating to criteria that would exclude projects requiring ongoing funding or which were based on conditions that pre-existed the flood arose at more than one step in the review process. These concerns involved two of the three awards detailed in the report. We also noted the lack of formal documentation in the initial team review process, such as a criteria checklist or other objective basis for evaluation or scoring of each of the applications against the criteria established by the Task Force.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Health Resources and
Services Administration
Rockville MD 20857

MAR 25 1996

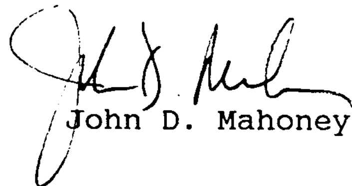
TO: Inspector General

FROM: Deputy Administrator

SUBJECT: Office of Inspector General (OIG) Draft Report, Administration of Emergency Flood Grants For The Midwestern Flood of 1993." (CIN A-07-94-00821)

This is in response to your memorandum dated January 31, 1996 which requested comments on the subject draft report. Attached are the comments of the Health Resources and Services Administration.

Staff questions may be referred to Deirdre Walsh on x35181.



John D. Mahoney

Attachment

IG
SAIG
PDIG
DIG-AS ✓
DIG-EI
DIG-OI
DIG-MP
AIG-CFAA
OGC/IG ✓
EXSEC
DATE SENT 3/28

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1996 MAR 28 A 11: 20
OFFICE OF INSPECTOR GENERAL

HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) COMMENTS ON THE ADMINISTRATION OF EMERGENCY FLOOD GRANTS FOR THE MIDWESTERN FLOOD OF 1993
A-07-94-00821

GENERAL COMMENTS

We appreciate the review conducted by the Office of the Inspector General and believe the actions of the Agency were appropriate under the circumstances. There was considerable urgency associated with the award of these grants and it is often difficult to fully document all actions and decisions in such urgent situations. In addition, on page one of the draft report you state that you are, "...recommending that the Bureau develop procedures for objectively evaluating applications against established criteria." Although it is not included in your list of recommendations on page 8 of the draft report, we have addressed this issue in our comments on the following page.

OIG repeated recommendatio on Page 8.

OIG RECOMMENDATION:

The OIG recommends that:

- HRSA review the justifications for awarding emergency flood funds to Community Health Care, Inc., Primary Health Care, and Neighborhood Health Center, Inc.;
- HRSA determine whether the awards were consistent with Task Force Guidelines and legislative intent of P.L. 103-75;
- HRSA document the basis for the funding (if the key factor to support the funding was that the flood exacerbated the patient workload, data should be obtained to justify such assumption; and
- HRSA replace the emergency funds with other appropriate funding, if the award was not consistent with Task Force Guidelines or the intent of the law.