



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



January 11, 2017

TO: Debra Houry, MD, MPH
Director, National Center for Injury Prevention and Control
Centers for Disease Control and Prevention

Christa Capozzola
Chief Financial Officer
Centers for Disease Control and Prevention

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

SUBJECT: Independent Attestation Review: Centers for Disease Control and Prevention
Fiscal Year 2016 Detailed Accounting Submission and Performance Summary
Report for National Drug Control Activities and Accompanying Required
Assertions (A-03-17-00355)

This report provides the results of our review of the attached Centers for Disease Control and Prevention (CDC) 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. CDC 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 CDC'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.

CDC'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 CDC 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-03-17-00355 in all correspondence.

Attachments



Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

November 21, 2016

To: Director
Office of National Drug Control Policy
Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services
From: Chief Financial Officer
Centers for Disease Control and Prevention (CDC)
Subject: Assertions Concerning Drug Control Methodology

In accordance with the requirements of the Office of National Drug Control Policy Circular *Accounting of Drug Control Funding and Performance Summary*, I make the following assertions regarding the attached annual accounting of drug control funds for the Centers for Disease Control and Prevention (CDC):

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from CDC's accounting systems of record Unified Financial Management System (UFMS) for this budget decision unit.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior year budgetary resources by function for CDC 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/identified data that support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived (see Exhibit A). The CDC methodology for determining the drug control budget was established using the amounts appropriated for the Prescription Drug Overdose (PDO) and Illicit Opioid Use Risk Factors programs appropriated under P.L. 114-113, Consolidated Appropriations Act, 2016. \$7,964,112 in prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were obligated to support the Prescription Drug Overdose (PDO) program.

CDC is committed to an approach that protects the public's health and prevents opioid overdose deaths. CDC is fighting the opioid overdose epidemic through improving data quality and surveillance to monitor and respond to the epidemic, strengthening state efforts by scaling up effective public health interventions, and supplying health care providers with the data, tools, and guidance needed to improve the safety of their patients.

Application of Drug Methodology

I assert that the drug methodology disclosed in this section was the actual methodology used to generate the table required by Section 6a of the Circular.

Reprogramming or Transfers

I assert that CDC did not reprogram or transfer any FY 2016 appropriated funds included in its financial plan as presented in the FY2017 CDC Congressional Justification. \$7,964,112 in prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were obligated to support the Prescription Drug Overdose (PDO) program.

Funds Control Notices

I assert that CDC was not issued any Fund Control Notices by the Director under 21 U.S.C. 1703 (f) and Section 9 of the ONDCP Circular, Budget Execution, dated January 18, 2013.



Christa Capozzola

Drug Resources by Decision Unit Table

FY 2016 Drug Resources by Decision Unit	FY 2016 Enacted	FY 2016 Obligations
National Center for Injury Prevention and Control (NCIPC)		
• Prescription Drug Overdose (PDO) – Budget Authority	\$70,000,000	\$69,962,571
• Illicit Opioid Risk Use Factors	\$5,579,000	\$5,556,042
• Prescription Drug Overdose (PDO) – PPHF prior year balances ¹	N/A	\$7,964,112
Total Drug Resources by Decision Unit	\$75,579,000	\$83,482,725

¹ In FY2016, prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were obligated to support the Prescription Drug Overdose (PDO) program.

Drug Resources Table by Function Table

FY 2016 Drug Resources by Budget Function	FY 2016 Enacted	FY 2016 Obligations
Prevention ¹	\$75,579,000	\$83,482,725
Total Drug Resources by Function	\$75,579,000	\$83,482,725

¹ In FY2016, prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were obligated to support the Prescription Drug Overdose (PDO) program.

Differences Between Actual Obligations and FY2016 Enacted Column in FY2017 CDC Congressional Justification; CDC Drug Control Program Agency Exhibit	
Total 2016 Column of the FY 2017 CJ; CDC Drug Control Program Agency	\$75,579,000
Lapse of Funds	\$(60,387)
Prior Year PPHF Balances	\$7,964,112
Total Obligations	\$83,482,725

Exhibit A – Drug Methodology

- (1) **Drug methodology** – Actual obligations of prior year drug control budgetary resources are derived from CDC Unified Financial Management System (UFMS).
 - a. **Obligations by Budget Decision Unit** – CDC’s budget decision units have been defined by ONDCP Circular, Budget Formulation, dated January 18th, 2013. CDC reports its entire drug control budget to ONDCP. These units are referred to as:
 - National Center for Injury Prevention and Control (NCIPC)**
 1. Prescription Drug Overdose (PDO) – Budget Authority
 2. Illicit Opioid Risk Use Factors
 3. Prescription Drug Overdose (PDO) – PPHF Prior Year Balances
 - b. **Obligations by Drug Control Function** – CDC drug control funding serves one function, Prevention.
- (2) **Methodology Modifications** – none
- (3) **Material Weaknesses or Other Findings** – none
- (4) **Reprogrammings or Transfers** – The obligations data presented are associated with budget activity lines defined in the FY 2016 Conference Report. CDC did not reprogram or transfer any FY 2016 appropriated funds included in its drug control budget. Prior year balances from the Prevention and Public Health Fund (PPHF) which remain available until expended were reallocated in support of the Prescription Drug Overdose (PDO) program.
- (5) **Other Disclosures** - none



Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

November 28, 2016

TO: Director
Office of National Drug Control Policy

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

FROM: Director, National Center for Injury Prevention and Control
Centers for Disease Control and Prevention

SUBJECT: Assertions Concerning Performance Summary Report

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 CDC 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

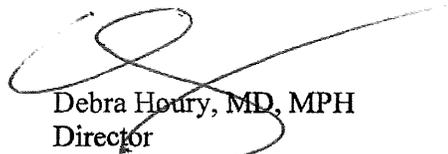
Not applicable.

Methodology to Establish Performance Targets

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

Performance Measures Exist for All Significant Drug Control Activities

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



Debra Houry, MD, MPH
Director
National Center for Injury Prevention and Control

Attachment: FY 2016 Performance Summary Report for National Drug Control Activities

FY 2016 Performance Summary Report for National Drug Control Activities

Decision Unit 1: Prescription Drug Overdose

Reduce the age-adjusted annual rate of overdose deaths involving opioids per 100,000 population among the 29 states funded through Prescription Drug Overdose: Prevention for States (PFS) program.

2013 Historical Actual	2014 Historical Actual	2015 Baseline	2016 Actual	2017 Target
12.5 per 100,000 residents	13.3 per 100,000 residents	Will be derived using 2015 mortality data available Dec. 2016 or Jan. 2017	Data available Dec. 2017 or Jan. 2018	TBD

*2013 and 2014 data were calculated based on data from five states (KY, OK, UT, WV, and TN) funded under a previous CDC program (Prescription Drug Overdose: Prevention Boost) and reflect age-adjusted rates of overdose deaths involving all opioid analgesics per 100,000 residents.

Performance Measures—The report must describe the performance measures used by the agency to assess the National Drug Control Program activities it carried out in the most recently completed fiscal year and provide a clear justification for why those measures are appropriate for the associated National Drug Control Program activities. The performance report must explain how the measures: clearly reflect the purpose and activities of the agency; enable assessment of agency contribution to the National Drug Control Strategy; are outcome-oriented; and are used in agency management. The description must include sufficient detail to permit non-experts to understand what is being measured and why it is relevant to those activities.

This measure reflects the health impact of CDC programs to prevent opioid overdose. Deaths involving prescription opioid analgesics quadrupled from 4,030 in 1999 to 16,235 in 2013. Responding to this crisis, in FY 2014, CDC initiated direct funding in a modest amount to five states at the intersection of high public health burden and demonstrated readiness to implement prevention activities. These states had a combined age-adjusted death rate of 12.5 per 100,000 in 2013, rising to 13.3 per 100,000 in 2014.

In FY 2015, CDC launched the Prescription Drug Overdose: Prevention for States (PFS) program and with additional appropriations received in FY 2016, the program now funds 29 states to conduct activities that contribute to the *National Drug Control Strategy* to “prevent drug use in our communities.” The 29 PFS states are funded to implement activities within the following four categories:

- Enhancing PDMPs and leveraging them as public health and clinical decision making tools
- Improving health system and insurer practices to improve opioid prescribing
- Evaluating state policies in place to address the epidemic
- Implementing rapid response projects to allow states heightened flexibility in using dollars to address opioid overdose as it manifests within their borders

These strategies are implemented in collaboration with state health departments and will ultimately improve patient care and safety and reduce high-risk prescribing. In 2016, CDC also funded most of the remaining states through the Prescription Drug Overdose: Data-Driven Prevention Initiative (DDPI) to advance and evaluation state-level prevention opioid overuse, misuse, abuse, and overdose. And in that same year, CDC funded 12 states to monitor illicit opioid use risk factors and improve the timeliness and quality of opioid overdose data.

Agency management uses this performance measure as a tool to monitor the effectiveness of these strategies in addressing prescription drug overdose. For example, these data are discussed in leadership meetings reviewing injury prevention goals, strategies, and planned activities.

Prior Years Performance Targets and Results—For each performance measure, the report must provide actual performance information for the previous four fiscal years and compare the results of the most recently completed fiscal year with the projected (target) levels of performance established for the measures in the agency's annual performance budget for that year. If any performance target for the most recently completed fiscal year was not met, the report must explain why that target was not met and describe the agency's plans and schedules for meeting future targets. Alternatively, if the agency has concluded it is not possible to achieve the established target with available resources, the report should include recommendations concerning revising or eliminating the target.

CDC is establishing a new measure for reducing overdose, focusing on the 29 states supported through CDC's main prescription drug overdose prevention program—PfS. The baseline will be derived using 2015 data from these 29 states for overdose deaths involving opioid analgesics. The data will be released in December 2016 or January 2017. Given the initiation of the PfS program in FY 2015, using 2015 mortality data is an appropriate means to establish a baseline from which new target metrics for 2017 and beyond will be established to measure programmatic progress across the 29 funded states.

Current Year Performance Targets—Each report must specify the performance targets established for National Drug Control Program activities in the agency's performance budget for the current fiscal year and describe the methodology used to establish those targets.

CDC will use 2015 mortality data to establish a new baseline from which targets for 2017 and 2018 will be derived. Targets will be set based upon an understanding of scientific findings and current and planned CDC-funded state-level activities to address and prevent opioid overdoses across the 29 PfS-funded states.

Quality of Performance Data—The agency must state the procedures used to ensure that the performance data described in this report are accurate, complete, and unbiased in presentation and substance. Agency performance measures must be supported by data sources that are directly pertinent to the drug control activities being assessed and ideally allow documentation of small but significant changes.

These data are from CDC's National Center for Health Statistics National Vital Statistics System (NVSS). NVSS data are provided through contracts between NCHS and vital registration systems operated in the various jurisdictions legally responsible for the registration of vital events including deaths.

The age-adjusted rates of overdose deaths involving opioid analgesics per 100,000 are based on death certificate data captured in NVSS.

- Numerator=Annual number of drug poisoning deaths involving opioid analgesics among Prescription Drug Overdose Prevention for State (PFS) funded states
- Denominator=Bridged-race population estimates for states funded through PFS (produced by U.S. Census Bureau in collaboration with NCHS)