



# **HRSA COMPLIED WITH FEDERAL AND HHS GRANT POLICIES WHEN AWARDING ZIKA RESPONSE AND PREPAREDNESS APPROPRIATIONS ACT FUNDS DURING FISCAL YEAR 2017**

**October 19, 2017**

**A-04-17-02003**





# Overview

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# Overview

- This report will:
  - state why and how we performed this review;
  - provide background information on the Health Resources and Services Administration (HRSA), its Zika response, and its grant award process for the Zika grants; and
  - present the results of our audit.





# Introduction

- The Zika Response and Preparedness Appropriations Act, 2016 (P.L. No. 114-223, Division B, Sep. 29, 2016)(the Zika Act) provided \$933 million to the Department of Health and Human Services (HHS) for Zika response and preparedness activities.
- The PHSSEF appropriation supported preparedness and response activities by HRSA and other entities.
- The Zika Act allocated \$387 million to the Public Health and Social Services Emergency Fund (PHSSEF) of which HRSA received \$66 million. HRSA used the \$66 million to award grants.





# Introduction

- We performed this review because:
  - OIG had not previously audited HRSA's award process.
  - A similar audit conducted at a different HHS operating division (OPDIV) found deficiencies in the award process.





# Objective

To determine whether HRSA awarded Zika Act funds during Fiscal Year (FY) 2017 in compliance with Federal and HHS grant policies.





# Scope

- We selected all 30 grants, totaling \$57,288,930, that HRSA awarded from October 1, 2016, through March 15, 2017 (audit period), for Zika response activities.
- The 30 grants that we reviewed included:
  - 27 supplemental awards to existing grantees totaling \$40,288,930, and
  - 3 new awards totaling \$17,000,000.
- We limited our review of internal controls to those related to our objective.





# Methodology

- We reviewed relevant Federal laws and regulations and HHS guidance (Appendix).
- We reviewed HRSA's official award files for the 30 grants to determine compliance with Federal and HHS grant policies in awarding Federal funds.





# Methodology

- We reviewed 9 areas of the grant-award process:
  - submissions of grant applications
  - review of applications
  - approval of applications
  - applicant compliance with pre-award requirements
  - distribution of decision notices
  - distribution of notices of award
  - compliance with deviation requirements
  - use of noncompetitive awards
  - supplementing existing grants





# Methodology

- We interviewed and conducted meetings with HRSA officials.
- We discussed our findings with HRSA officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.





# Background: HRSA

- HRSA is an OPDIV within HHS that focuses on improving access to health care by strengthening the health care workforce, building healthy communities, and achieving health equity.
- HRSA works with States, local public health agencies, and partners throughout the U.S. to accomplish its mission.





# Background: HRSA's Zika Response

- HRSA's Zika response funding comprised:
  - \$40 million to HRSA's Bureau of Primary Health Care to expand the delivery of primary health care services in Puerto Rico and other territories;
  - \$20 million to HRSA's Maternal and Child Health Bureau to support public health departments and entities in Puerto Rico and other territories to ensure access to recommended services for pregnant women, infants, and children; and
  - \$6 million to HRSA's Bureau of Health Workforce to assign National Health Service Corps members to Puerto Rico and other territories to provide primary health care services and to make loan repayment awards to those members.





# Background: HRSA's Zika Response

- HRSA worked closely with the Centers for Disease Control and Prevention, Centers for Medicare & Medicaid Services, and other U.S. Government, State, and local partners in response to Zika.





# Background:

## HRSA's Grant Award Process

- *The Grants Policy Administration Manual (GPAM)*, effective December 31, 2015, implements HHS's grant regulations and provides grant management policies that are common to all OPDIVs.
- Grant regulations at 45 CFR part 75 outline pre-award requirements that all Federal agencies are to follow when selecting award recipients.
- Because of the public health threat posed by Zika and the need to support local response, coordination, and outreach, the HHS Office of Grants Policy, Oversight and Evaluation delegated its authority to adjudicate requests for class deviations from HHS grants policy to HRSA's Chief Grants Management Officer (CGMO) for the Zika grants.
- HRSA's CGMO approved HRSA Bureau requests to deviate from the competitive award process and award Zika grants noncompetitively.





# Results of Audit

For the 30 grants we reviewed, HRSA awarded Zika Act funds during FY 2017 in compliance with applicable Federal and HHS grant policies. Accordingly, this report contains no recommendations.





# APPENDIX: Regulatory and Policy Requirements

- **GPAM, Part A, Chapter 1, b.(4), b.(8), and b.(11)**
- **GPAM, Part C, Chapter 2, b.(4) and b.(8)iii**
- **GPAM, Part F, Chapter 2, b.(8)**
- **GPAM, Part G, Chapter 1, b.(42) and b.(43)**
- **GPAM, Part H, Chapter 1, b.(3)i, b.(5), and b.(21)i**
- **GPAM, Part I, Chapter 1, b.(17)**

