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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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B-164031(5)

APRIL 12, 1979

The Honorable Edward M. Kennedy
Chairman, Subcommittee on Health
and Scientific Research
Senate Committee on Labor and
Human Resources

Title on form #115
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SEM07102 - code



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The Honorable Alan D. Cranston
United States Senate

This report summarizes the information we provided to your offices for hearings on February 28, 1979, on the emergency medical services (EMS) systems program.

As you requested, we reviewed the Department of Health, Education, and Welfare's (HEW's) implementation of the Emergency Medical Services Amendments of 1976; specifically, we reviewed the extent that the amendments have helped obtain community financial support to continue operating EMS systems.

EMS regional management organizations are not adequately planning for their financial self-sufficiency, nor are they obtaining firm financial commitments from local governments to continue regional systems at the conclusion of Federal funding, although plans for financial self-sufficiency and local government endorsement of these plans are required by the 1976 amendments.

HEW regulations conform to legislative intent both with respect to grantee financial planning and with obtaining local financial support when Federal funding stops. However, HEW issued these regulations 2 years after the amendments were passed. We could not assess their effect on grantee compliance with legislative intent because HEW has awarded no grants since publishing them. HEW has also not yet published corresponding program guidelines.

The effect of the 1976 amendments can be better assessed after HEW requires that grantees comply with these regulations and guidelines.

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Letter Report

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SCOPE OF REVIEW

Our review included an examination of (1) the Emergency Medical Services Amendments of 1976 and their legislative history, (2) HEW's implementing regulations, (3) approximately 75 percent of the funded EMS system expansion and improvement grant applications for fiscal year 1978, and (4) supplemental information submitted to HEW regional offices by grantees to support their applications. We also interviewed various HEW program officials.

BACKGROUND

As part of the Public Health Services Act, the Congress enacted the Emergency Medical Services Systems Act of 1973 (42 U.S.C. 300d) to promote the development of comprehensive regional EMS systems. In October 1976 the Congress enacted the Emergency Medical Services Amendments of 1976, which extended the act and made several changes based largely on findings discussed in our 1976 report: "Progress in Developing Emergency Medical Services Systems" (HRD-76-150, July 13, 1976).

We pointed out in that report that, while services had improved, overall development of regional EMS systems had been slow. Self-sustaining regional systems, which retain areawide control of resources and facilities, had not been completed, as intended by the 1973 legislation. Regional management organizations--the grant recipients--lacked assurance of permanent financing for administrative and operating costs that were initially paid for by Federal grant funds. The regional management organizations also had little control over the financial support made available for EMS systems by local governments and other providers. Consequently, when Federal funding stopped, the organizations could not assure continued services at the level established with Federal support.

The 1976 amendments required grantees to assure that local government units in the systems' service area supported and cooperated with the regional EMS systems. Local governments were also to endorse plans to continue financial support of the system after Federal funding ended.

HEW HAS IMPLEMENTED THE AMENDMENTS SLOWLY

Although the Congress enacted the 1976 amendments on October 21, 1976, HEW did not publish implementing regula-

tions until November 3, 1978; therefore, no EMS grants have been awarded under those regulations.

The Deputy Director of HEW's Division of Emergency Medical Services said the delay occurred primarily during the review process after the Division had drafted the regulations. He gave the following chronology of events:

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- October 1976: EMS amendments were enacted.
- February 1977: draft specifications for regulations were submitted by the Division of Emergency Medical Services to the Public Health Service, Office of General Counsel.
- April 1977: the Under Secretary of HEW approved the development of final regulations (it was decided that it was not necessary to publish proposed regulations in the Federal Register for comment by interested parties).
- June 1977: draft final regulations were submitted by the Division of Emergency Medical Services to the Public Health Service, Office of General Counsel.
- January 1978: draft final regulations were forwarded by the Public Health Service, Office of General Counsel, to the Public Health Service and the Office of the Secretary of HEW.
- June 1978: the Public Health Service forwarded comments to the Office of the Secretary of HEW; the Office of the Secretary of HEW forwarded regulations and comments to its Office of General Counsel.
- July 1978: the HEW Secretary's Office of General Counsel returned regulations with comments to the Division of Emergency Medical Services.
- August 1978: the HEW Secretary's Office of General Counsel requested "common sense" 1/ changes to regulations.

1/"Common sense" is the name given to an HEW initiative to simplify regulations to make them readable at the 10th grade level.

--October 1978: "common sense" changes completed.

--November 1978: final regulations were published in the Federal Register.

HEW's Division of Emergency Medical Services had attempted to implement the 1976 amendments informally by notifying the 10 regional EMS program coordinators that grantees were responsible for adhering to the statutes. However, without HEW-approved regulations the Division was not in a position to provide detailed, consistent interpretations of the 1976 amendments.

All HEW regions told grantees of the new requirements; however, regional interpretation of statutory language varied and regional enforcement of requirements during fiscal year 1978 was generally lax. Regional EMS program officials had difficulty providing guidance and enforcing the requirements without regulations and program guidelines. Although the 1978 expansion and improvement grant applications contained some financial data, these data were not as detailed as now specified in HEW's regulations.

EMS REGIONAL SYSTEMS ARE SHOWING
LITTLE PROGRESS TOWARD PLANNING
FOR SELF-SUFFICIENCY

We examined 25 of the 34 applications for first- and second-year expansion and improvement grant funds (section 1204 grants) which were funded in fiscal year 1978. We found that regional EMS systems have done little to plan for financial self-sufficiency after Federal funding stops.

The amendments require that the applications contain specific financial plans for funding after the Federal grant period terminates and that these plans be endorsed by government bodies in the system. Using the application requirements set forth in HEW's November 1978 regulations, we found that only 1 of the 25 applications met these requirements; this application was from a one-county system--the grantee and the primary government body were the same unit.

Results of our analysis of grant applications are:

Regional EMS Systems Receiving
First- or Second-Year
Expansion and Improvement Grants

	<u>First year</u>	<u>Second year</u>	<u>Total</u>
Total systems funded	20	14	34
Total applications reviewed by our office	14	11	25
Number obtaining general endorsements	14	11	25
Number developing financial plan	4	2	6
Number developing endorsements of plan	1	-	1
Number preparing progress report	(a)	-	-

a/Progress reports are not applicable to first-year expansion and improvement grants.

All the applications reviewed contained community endorsements of the regional EMS system concept, and most contained commitments from local governments to maintain some emergency medical services within their jurisdiction after their Federal grant terminates. However, only 6 of the 25 grant applications reviewed had developed specific financial plans, and only 1 of the 6 was properly endorsed. Two unendorsed financial plans called for substantial funding reductions for the regional management organization without showing that the level of services established by Federal funds would be maintained.

Twelve of the 25 reviewed...
Many regional entities ~~are looking to~~ their State government for support for regional management operations, ~~of 25~~ grant applications reviewed, 12 were planning for State funds to support regional operations.

CONCLUSIONS AND RECOMMENDATIONS
TO THE SECRETARY OF HEW

We cannot determine what effect the 1976 EMS amendments might have on EMS systems' financial planning. We believe that the recently published HEW regulations are consistent with legislative intent; implementing them should improve

grantee financial planning for self-sufficiency. The extent to which the 1976 amendments foster the development of community support for regional EMS systems after Federal funding stops can only be evaluated after HEW requires that grantees comply with the implementing regulations.

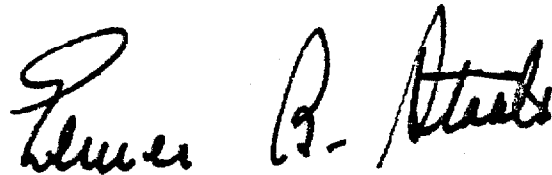
We also believe that State legislation offering support for the regional system concept and funding for regional management organizations shows promise for continuing EMS regional services after Federal funding stops.

We recommend that the HEW Secretary require the Administrator of the Health Services Administration to

- implement the new EMS regulations and promptly develop and issue program guidelines,
- provide technical assistance to (1) grantees in developing plans for self-sufficient EMS systems and (2) States that are developing legislation providing continuing support for regional EMS systems, and
- place greater importance on the requirement for financial plans and commitments in the grant application review and ranking process.

We discussed the matters covered in this report with the Deputy Director of HEW's Division of Emergency Medical Services. His comments are incorporated, where appropriate.

As arranged with your offices, we will send a copy of this report to the Secretary of HEW in 5 days and will then make copies available to others upon request.



Comptroller General
of the United States