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OFFICE OF THE STATE COMPTROLLER

July 2, 2009

Richard F. Daines, M.D.
Commissioner
Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

Re: Report 2009-F-7

Dear Dr. Daines:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Health (Department) to implement the recommendations contained in our audit report, *Flu Pandemic Preparedness* (Report 2007-S-9).

Background, Scope and Objective

The United States Center for Disease Control (CDC) and the United States Department of Health and Human Services (DHHS) provides grant funds to the Department for health emergency preparedness. The Department's Health Emergency Preparedness Program (Preparedness Program) is responsible for planning and responding to all health emergencies in the State, including a flu pandemic. A pandemic occurs when a novel strain of influenza emerges that has the ability to infect many people. People often have relatively low immunity to new strains of influenza, and consequently, the virus (and corresponding illness) can spread rapidly. Since 1900, flu pandemics have occurred three times (in 1918, 1957, and 1968), resulting in the deaths of millions of people worldwide.

Through its Preparedness Program, the Department distributes Federal grant funding that can be used for flu prevention efforts. Specifically, the Department distributes CDC funding to the 57 counties outside of New York City, and DHHS funding is distributed to 145 hospitals Statewide (also outside of New York City). In addition, eight large hospitals in different regions of the State have been identified as Regional Resource Centers, and they receive additional DHHS funding to coordinate planning in their respective areas. Each year, the Department establishes grant deliverables which include activities that the counties and hospitals must perform to receive funds through the Preparedness Program. For the 2008-09 grant year (August 10, 2008 through August 9, 2009), CDC funding for emergency health preparedness totals about \$23 million. In addition, DHHS funding for hospital preparedness totals about \$14 million. These funds are available for a range of public health emergencies, including flu pandemics. The City of New York receives

funding directly from federal agencies for health emergency preparedness and was not included in our initial audit.

Our initial audit report, which was issued on November 6, 2007, sought to determine whether the Department had taken steps to adequately prepare for and respond to a flu pandemic. We found the Department had done so. For example, the Department had developed a formal plan to address a flu pandemic and, as noted previously, distributed federal grant funds to counties and hospitals to perform certain health emergency preparedness activities. We found that the counties and hospitals generally performed these activities, as prescribed. The objective of our follow-up was to assess the extent of implementation, as of May 28, 2009, of the three recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that Department officials made significant efforts to address the recommendations from the initial report. We determined that each of the three prior audit recommendations was implemented.

Follow-up Observations

Recommendation 1

Continue to address regulatory barriers that may affect planning at counties and hospitals.

Status - Implemented

Agency Action - Department officials identified and addressed a number of regulatory barriers that could impede quick protection or treatment of a large population in a fast moving flu pandemic. For example, a list of potential waivers for drug dispensers has been updated and attached to the State Pandemic Influenza Plan. One of the waivers would eliminate the requirement that a pharmacist provide counseling when dispensing drugs, which could take time and limit progress, if a large population must be immunized or treated quickly with medicines due to an outbreak of the flu. In addition, the Department has instructed preparedness project leaders about information the Department's Division of Legal Affairs (DLA) needs to research waivers relating to preparedness projects. Specific document formats have been provided to preparedness leaders to submit waiver information to DLA. Further, the Department's mass fatality workgroup has submitted questions regarding potential waivers to the DLA for guidance. In addition, the Department instructed alternate care site grantees to list potential waivers they needed to operate their sites. Department officials also stated that they have compiled a list of federal regulatory barriers for future consideration by the federal government.

Recommendation 2

Ensure counties maintain sufficient documentation of all activities related to the grant funds.

Status - Implemented

Agency Action - Department officials stated they have developed templates for each grant and have distributed them to the counties. The templates provide, among other things, guidance about the documentation required for each grant. Progress in the preparation of the documentation is monitored by the Department's four regional offices on a web-based computer application. The counties send quarterly reports with supporting documentation to Preparedness Program officials for assessment, and officials request and obtain additional or revised documentation from the counties when necessary.

Recommendation 3

Continue to facilitate the relationships between the Centers and hospitals to allow better information-sharing so required planning activities can be completed.

Status - Implemented

Agency Action - Department officials continue to conduct biweekly conference calls that include the hospital associations, the Department's eight Regional Resource Centers and Department regional offices. Participating hospital associations include the Greater New York Hospital Association and the Healthcare Association of New York State. At the regional level, participants include the Northern Metropolitan Hospital Association, Western New York Hospital Association, Finger Lakes Hospital Association, Iroquois Hospital Association and the Nassau-Suffolk Hospital Association. During the conference calls, plans for emergency situations, education and training, and drills and exercises are discussed. When hospitals perform these activities with other governmental and public safety entities, written results are sent to the Department for review and recommendations for improvements, if necessary. In addition, Department officials stated the Regional Resource Centers and the hospital associations participate in quarterly meetings and periodic leadership conferences.

Major contributors to this report were Karen Bogucki, Don Collins and David Pleeter.

We also thank the management and staff of the Department for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Brian E. Mason
Audit Manager

cc: Mr. Thomas Lukacs, DoB
Mr. Stephen Abbott, DoH