

Attachment 7A(1)

Explanatory Notes for Department of Health and Human Services (HHS) Report August 2, 2010

Office of the Secretary (OS)

The OS appropriations include:

- General Departmental Management; Office of the National Coordinator for Health Information Technology (ONC HIT); [OS 1609(c) Page 1, Line 1] and
- Public Health and Social Services Emergency Fund (IT Security) [OS 1609(c) Page 1, Line 2].

NEPA reviews for OS ARRA funding are completed. The spend plans for ONC HIT and the IT Security were reviewed in accordance with Health and Human Services (HHS) National Environmental Policy Act (NEPA) procedures and determined to be categorically excluded from further NEPA review.

Additionally, the Agency for Healthcare Research and Quality (AHRQ) transferred \$400 million of the appropriation for Comparative Effectiveness Research to the Office of the Secretary and categorically excluded the amount from further review. AHRQ will report on the NEPA work associated with those funds in its ARRA Section 1609(c) report.

ONC HIT: Obligated funds for this period are reported in the Section 1609(c) report and reflect **69** new activities (HITECH grants and contracts awarded by ONC, the HHS Office for Civil Rights, the HHS Office for Planning and Evaluation, CDC, NIH/NLM, SAMHSA, and AHRQ) for this reporting period. There are now a total of **190** activities that are categorically excluded. Additionally, OS transferred \$20M of ONC's ARRA appropriation to National Institute of Standards and Technology in September 2009 and thus does not report this amount.

IT Security: Obligated funds for this period are reported in the Section 1609(c) report and reflect **13** new activities (contracts and purchase orders) for this reporting period. There are now a total of **66** activities that are categorically excluded and are in support of the following initiatives:

- Security Incident Response & Coordination
- Operating Division (OPDIV) Security Engineering and Technical Staff Support
- Enterprise-wide Security Situational Awareness
- Endpoint (Desktop Computer) Protection, Internet Content Web Security Filtering, and Data Loss Prevention
- Enhanced OPDIV Security Architecture, Engineering, and Implementation

Through Interdepartmental Delegation of Authority (IDDA), OS received the following funds from the CDC Prevention and Wellness Funds:

- OS/Office of Public Health and Sciences (OPHS) \$10,000,000
- OS/Office of the Assistant Secretary for Planning and Evaluation (ASPE) \$1,500,000 :
- OS/Office of the Assistant Secretary for Public Affairs (ASPA) \$1,900,000 ;

The spend plan for these funds were included in the CDC NEPA review and are incorporated in the CDC 1609(c) report (see CDC narrative below and 1609(c) report attached).

Administration for Children & Families (ACF)

The Administration for Children & Families has two ARRA Programs: Child Care and Development Block Grants and the Children and Family Services Program.

Child Care and Development Block Grant (page 1, row 1 of the ACF spreadsheet) total represents the 315 awards issued to date. One CE was prepared for the grants. \$1,988,693,527 has been obligated through June 30, 2010.

Children and Family Services Program (page 1, row 2 of the spreadsheet) total represents 4,182 awards issued to date. NEPA actions on this program include 3,487 Environmental Assessments and two Programmatic Categorical Exclusions. \$2,299,502,927 has been obligated through June 30, 2010.

- **Head Start Expansion Program** (page 2, row 2) has issued an additional 181 awards this reporting cycle for a total of 588 awards issued to date. The NEPA completion date for Programmatic EA (PEA) evaluation for the additional awards reflects the single award date for the awards.
- **Early Head Start Expansion Program** (page 2, row 3) has issued an additional 515 awards for a total of 1,076 awards issued to date. The NEPA completion date for Programmatic EA (PEA) evaluation for the additional awards reflects the single award date for the awards.
- **Head Start Cost of Living Adjustment (COLA) and Quality Improvement (QI) Actions** (page 2, row 4) has issued an additional 122 awards for a total of 1,823 awards issued to date.
 - **NOTE 1:** Each of these three programs allows for construction and major renovations; therefore, Categorical Exclusions (CEs) are not applicable. Under the ACF's Programmatic Environmental Assessment (PEA) for Head Start and Early Head Start programs, applicants are required to prepare an Environmental Report. The reports received from the applicants undergo a final evaluation and ACF completes the work necessary for NEPA compliance.
 - **NOTE 2:** The **Head Start Cost of Living Adjustment (COLA) and Quality Improvement (QI) Actions** ARRA awards were issued to existing Head Start grantees that were awarded in previous years, under ACF's established PEA and prior to the ARRA reporting requirements.

The NEPA status for these actions is reflected as “Done” with an aggregate completion date of December 31, 2008.

- **Community Services Block Grant Program** (page 2, row 5) **mandatory awards** remain unchanged from the previous reporting cycle, for a total 105. The number of **discretionary awards** (page 2, row 6) remains unchanged from the previous reporting cycle, for a total of 149. (Please note: **Mandatory** awards are formula-based entitlement grants that ACF issues as a result of legislative action [e.g., mandated by Congress, appropriations acts, authorizing legislation]. ACF provides **discretionary** awards as a result of a competitive review.) This program has been reviewed and categorically excluded in accordance with HHS NEPA procedures.
- **Strengthening Communities Fund Grant Program** (page 2, row 7) remains unchanged from the previous reporting cycle, for a total of 126 awards. This program was reviewed and categorically excluded in accordance with HHS NEPA procedures

Administration on Aging (AoA)

AoA is reporting a total of 406 ARRA funded projects. AoA received \$100 million in funding for the Aging Services Programs for a total of 358 awards (see AoA spreadsheet page 1, row 1). All of this funding has been obligated for projects and activities for three types of ARRA projects:

- Congregate Nutrition Services (page 2, row 1) – includes 56 awards totaling \$65 million to provide meals and related nutrition services for seniors who are homebound;
- Home-Delivered Nutrition Services (page 2, row 2) - includes 56 awards totaling \$32 million; and
- Nutrition Services for Native Americans (page 2, row 3) - included 246 awards totaling \$3 million to provide meals and related nutrition services for American Indian, Alaskan Native and Native Hawaiian elders.

AoA received an additional \$32.5 million from the Centers for Disease Control and Prevention ARRA Prevention and Wellness funding for the Chronic Disease Self Management Program (CDSMP; see page 1, row 2 of the AoA spreadsheet). A total of \$2.5 million of this amount has been transferred to the Centers for Medicaid and Medicare Services (CMS) Quality Improvement Organization to evaluate the impact of chronic-disease self management on the health care utilization of Medicare beneficiaries (see CMS report). On March 31, \$30 million in CDSMP funding was awarded to 47 States and Territories, as well as for a Technical Assistance Resource Center, for a total of 48 grants (page 2, row 4).

All programs have undergone NEPA review and Categorical Exclusions (CE) have been determined to be the appropriate level of NEPA review.

Agency for Healthcare Research & Quality (AHRQ)

Under American Recovery and Reinvestment Act (Recovery Act) the Department of Health and Human Services (HHS) appropriated \$1.1 billion for comparative effectiveness research, of which:

- \$300 million is for AHRQ (see page 2, row 1 of the AHRQ spreadsheet)
- \$400 million is for allocation by the Office of the Secretary (OS) (page 2, row 2)
- \$400 million is for the National Institutes of Health (NIH) (see page 2, row 20 of the NIH spreadsheet, attachment 7J under the program “Office of the Director, Scientific Research.”)

Please note that the allocation to OS is distributed at the discretion of OS but is listed on AHRQ’s spreadsheet. The allocation to NIH is likewise distributed at the discretion of NIH but is listed on NIH’s spreadsheet. The AHRQ, OS-CER and NIH programs reported here have undergone NEPA review and categorical exclusions have been determined to be appropriate.

AHRQ – Comparative Effectiveness Research:

During this reporting period (Q3), AHRQ has obligated an additional \$18 million in training and career development grants which brings AHRQ’s total obligations to \$72,255,375. These obligations reflect salaries and benefits used to support this research. In addition, all grant funding opportunity announcements are now closed and an estimated \$180.5 million in research grants is in the review stage. AHRQ will employ grants (~68), contracts (~3), task order contracts (~21), and salaries and benefits to undertake this research for a total of 92 activities (see page 2, row 1 of the spreadsheet). We expect that the remaining AHRQ CER obligations will be made in Q4, which will bring the total AHRQ CER Obligations to \$300 million.

Office of the Secretary – Comparative Effectiveness Research:

During this reporting period (Q3), OS CER has obligated an additional \$62.6 million bringing OS’s total ARRA obligations to \$74,205,972. The recent obligations were associated with CDC and CMS awards. These obligations reflect salaries and benefits used to support this research.

- \$15.5 million in obligations for CMS project (A1) “Enhance Availability and use of Medicare Data to Support Comparative Effectiveness Research.”
- \$18.9 million in obligations for CDC project (A8) “Enhancing Cancer Registry data systems for Comparative Effectiveness Research”

The OS estimates that it will employ grants (~196), contracts (~23), task order contracts (~47), and salaries and benefits to undertake this research for total of 266 activities (see page 2, row 2). We expect that the remaining OS CER obligations will be made in Q4, which will bring the total OS CER Obligations to \$400 million.

CDC - Centers for Disease Control & Prevention

The CDC has three NEPA actions for the \$1,000,000,000 appropriations for Prevention and Wellness Fund: Section 317 Immunizations Program, Healthcare Associated Infections (HAI) and Communities Putting Prevention to Work (CPPW). The spending and implementation plans for these activities have been reviewed and the projects and activities have been found to be categorically excluded from further NEPA review in accordance with HHS NEPA procedures. During the period, CDC obligated \$140,926,260 since the last report to Congress for a total of \$873,456,073 [CDC 1609 (c) Page 1, Line 1]. The narrative information is derived from 375 grants and 77 contracts for a total of 452 ARRA Funded Projects / Activities [CDC 1609 (c) Page 1, Line 1].

The CDC appropriations cited above includes \$650 million, for a multi-facet approach to reducing chronic diseases entitled “Communities Putting Prevention to Work.” With this funding, CDC will obligate \$604.1 million (TAFS #75-0910-0942, TAFS #75-0910-0943) and transfer \$45.9 million through IDDA as follows:

- Administration on Aging (AoA) \$32,500,000 (see AoA and CMS narratives and reports)
- OS/Office of Public Health and Sciences (OPHS) \$10,000,000;
- OS/Office of the Assistant Secretary for Planning and Evaluation (ASPE) \$1,500,000;
- OS/Office of the Assistant Secretary for Public Affairs (ASPA) \$1,900,000.

(See the OS section of this report for OPHA, ASPE and ASPA activities)

The activities receiving Division A of the American Recovery and Reinvestment Act of 2009 funds include:

- 64 immunization programs that include all 50 states, Washington DC, 5 urban areas, the U.S. Territories, and selected Pacific Island nations [CDC 1609 (c) Page 2, Line 1];
- programs to reduce preventable healthcare associated infections through State health department efforts, including leveraging the National Healthcare Safety Network to support the dissemination of HHS evidence-based practices within hospitals [CDC 1609 (c) Page 2, Line 2]; and
- programs to expand the use of evidence-based strategies and programs, mobilize local resources at the community-level, and strengthen the capacity of states to reduce risk factors and prevent/delay chronic disease and promote wellness in both children and adults in large cities, urban areas, tribal communities, U.S. territories, state-coordinated small cities and rural areas [CDC 1609 (c) Page 2, Line 3].

Centers for Medicaid and Medicare Services (CMS)

Prevention and Wellness(CMS 1609(c) Page 1 Line 1 and Page 2, Line 1):

CMS has made 55 funding awards to 43 states. The total appropriation available is \$10,000,000. The total obligation as of June 30, 2010 is \$8,943,208 to a total of 43 states. CMS has determined that these activities fall within a Categorical Exclusion for NEPA under the HHS General Accounting Manual (GAM). The NEPA determination has been written and approved as a Categorical Exclusion.

Prevention and Wellness -Communities Putting Prevention to Work (CMS 1609(c) Page1, Line3 and Page 2 Line 3): CMS has received \$2,500,000 from the Administration on Aging under the Communities Putting Prevention to Work program. CMS plans to use these funds to award a contract to a Quality Improvement Organization to evaluate the impact of chronic-disease self management on the health care utilization of Medicare beneficiaries. This work is covered by an existing NEPA finding of Categorical Exclusion made by the Administration on Aging and approved September 9, 2009. An award is anticipated by 09/30/2010.

Health Information Technology for Economic and Clinical Health (HITECH):

CMS has made one modification to existing contract to add additional information security and FISMA requirements under the Health Information Technology for Economic and Clinical Health (HITECH) sections of the ARRA act of 2009. This work is covered by an existing NEPA finding of Categorical Exclusion made by the Office of the Secretary at the Department of Health and Human Services (HHS) approved September 30, 2009.

Health Resources and Services Administration (HRSA)

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One new grant program was awarded during the last quarter. The Licensure Portability Special Initiative grant provided 2 awards to support State-based professional licensing board programs to develop and implement policies to reduce regulatory barriers to telemedicine. The allowable activities under the award (salaries and related administrative activities), were determined to be Categorically Excluded from further review under NEPA (HRSA spreadsheet row 18).

Health Information Technology

In the last quarter 45 additional awards under the existing Health Information Technology Initiative program were awarded, bringing the total number of awards to 98. This program was Categorically Excluded from further review under NEPA (HRSA spreadsheet row 13).

Increased Demand for Services

There are no changes from May 2010.

Health Center Cluster Program

There are no changes from May 2010.

New Health Care Services

There are no changes from May 2010.

Federal Investment Program (FIP)

In December 2009, 108 Federal Investment Program projects were approved. One new FIP grant—representing two new projects—was awarded March 11, 2010, bringing the total number of projects to 110.

Thirty-two projects were listed under a Programmatic Environmental Assessment. Twenty of these projects were completed during the last reporting period (HRSA spreadsheet row 19). Only two of these projects are still pending, as explained below. Seventy-eight projects required Environmental Assessments (EA). Twenty-one EA's for individual FIP projects were completed during the reporting period (HRSA spreadsheet rows 22-53). Forty-six Environmental Assessments are under development and are pending, as explained below.

In total there are 48 pending actions:

Two FIP projects may fall under one Programmatic Environmental Assessment. These projects are pending a final determination (HRSA spreadsheet row 20). One grantee is initiating Section 106 review, and another grantee is making revisions to the scope of work, which will delay completion of environmental and historic preservation reviews.

Forty-six projects for which Environmental Assessment's are being prepared are still pending (HRSA spreadsheet row 21). These were pending in the last CEQ report as well:

- Twenty draft Environmental Assessments are under review. Of those projects, 6 are completed pending additional documentation and coordination with other Federal and State Agencies due to issues with National Landmarks, Historic Buildings, Brownfields and related hazardous materials abatement.
- Twenty-two grantees are still working on preparation of draft Environmental Assessment's and Section 106 consultations.
- Four grantees are making revisions to their project scope of work, which delay preparation and completion of environmental and historic preservation reviews.

The following example of a benefit afforded by the NEPA process to HRSA projects was listed in the previous report.

Providence Community Health Center EA (HRSA Spreadsheet, page 2, row 148)

This is an important Brownfield redevelopment (formerly Federated Lithographers site) project for the community in South Providence in terms of services and job creation. The NEPA process uncovered the existence of potential residual contaminants from lithography chemicals and historic underground historic tanks that were on this EPA Brownfield's Site. Contacts have been made with the EPA Region 1 and State DEQ who are providing additional oversight to enable confirmation that the cleanup goals are being met and that they are protective of human health

The EA findings have lead to higher scrutiny from regulatory agencies to aid in ensuring that the redevelopment is protective of human health and the potential for future liability is minimal. Upon receipt of appropriate findings that remediation standards have been met to ensure that the future health of workers and patients is protected, HRSA can move forward with funding the project.

Capital Improvement Program (CIP)

Equipment Projects

The overall number of equipment projects to support health center medical, administrative, and information technology remained at 1097 (HRSA spreadsheet row 54). These projects were determined to be Categorical Excluded from further review under NEPA.

Alteration/Renovation/Repair Projects

The overall number of alteration/renovation/repair projects remains the same at 1,172. A total of 1,100 alteration/renovation/repair projects have been completed under a Programmatic Environmental Assessment (HRSA spreadsheet row 58). Forty-six projects may fall under one Programmatic Environmental Assessment (HRSA spreadsheet row 59). These were reported as pending in the last CEQ report:

- Thirty grantees are still working on preparation of Section 106 consultations.
- Sixteen grantees are making revisions to their project scope of work, which delay preparation and completion of environmental and historic preservation reviews.

A total of 23 Environmental Assessment's have been completed for individual alteration/renovation/repair projects (HRSA spreadsheet rows 61-83). Three alteration/renovation/repair projects require preparation of draft Environmental Assessment's that are still pending (HRSA spreadsheet row 60). Of those:

- One grantee is making revisions to the scope of work, which will delay completion of environmental and historic preservation reviews.
- Two grantees are in the process of preparing draft EA documentation to submit to HRSA.

Please note a decrease of about 12 alteration/renovation/repair projects that fell under the Programmatic Environmental Assessment from the last report. This is due to a technical

reporting error. These projects required standard environmental assessments, which have since been completed.

Construction

The overall number of construction projects remains the same at 362. A total of 151 alteration/renovation/repair projects have been completed under a Programmatic Environmental Assessment (HRSA spreadsheet row 55). Fourteen projects may fall under one Programmatic Environmental Assessment (HRSA spreadsheet row 56). Of these projects, 7 grantees are initiating Section 106 consultation, and 7 are revising their project scope of work, which will delay completion of environmental and historic preservation reviews.

One-hundred and sixty-five Environmental Assessments have been completed (HRSA spreadsheet rows 61-248), and thirty-two are still pending (HRSA spreadsheet row 57). Of those:

- 5 grantees are making revisions to their project scope of work, which delay preparation and completion of environmental and historic preservation reviews.
- 19 are preparing draft Environmental Assessments, and Section 106 consultations.
- 11 EA's are under review, 5 require additional documentation and coordination with other Federal Agencies due to issues with Brownfields, historic buildings, and floodplains.

Indian Health Service (IHS)

The 'Indian Health Facilities' report includes the number of funded projects that were obligated by contracts, Memorandum of Agreements (MOA), Indian Sanitation Facilities Act (Public Law 86-121) arrangements, or other authorized obligating agreements through June 30, 2010.

During the last reporting period (ending June 30), 63 new projects were identified, for a total of 761 completed NEPA actions. One additional project was withdrawn during the period. The number of pending NEPA actions was reduced from 13 to 5. The projects with pending NEPA actions are currently under review for equipment procurement. Completion is expected by next reporting cycle. Unless there are extraordinary or exceptional circumstances, most of these 'pending' projects are being processed as CEs.

Indian Health Facilities

The 'Indian Health Facilities' appropriations include maintenance and improvement projects, repair and renovation projects, acquisition of medical equipment and CT scanners, and sanitation projects. See spreadsheet page 1, row 1 and page 2, rows 1-323 and 329-492.

All of IHS' 5 pending NEPA actions are Indian Health Facilities projects. Of these, all are pending actions that remain pending from the previous cycle. These remain pending due to the tribal agreements and the tribal consultation process.

Thirteen projects were withdrawn. Seven of the twelve withdrawn projects were reported in the December report (spreadsheet page 2, row 310). Five additional projects were withdrawn during the March cycle (page 2, rows 200, 173, 121, 120, 103). One project withdrawn in June cycle (row 231)

There are four types of Indian Health Facilities program projects:

* Maintenance and Improvement Projects (page 2, rows 1- 301, 395-398, 437-439, 442): A total of 325 CEs and 4 EAs are completed.

* Equipment (page 2, rows 302-321, 394, 397, 440-441): There are 210 CEs completed. There are 5 CEs that remain pending from the previous report.

* Health Facilities Construction (page 2, rows 322 and 323): Both projects have completed their NEPA and other environmental requirements and are not expected to change.

* Sanitation Projects (page 2, rows 329 – 393, 399-492): All 151 CEs and 2 EAs are complete. Of these projects 15 sanitation projects are jointly funded with EPA ARRA funds and 62 sanitation projects are funded with EPA ARRA funds only; however, IHS is reporting on all these projects.

Indian Health Services

The 'Indian Health Services' (spreadsheet page 1, row 2 and page 2, rows 324-328) appropriations includes 63 categorically excluded activities, mostly acquisition, related to Health information technology (HIT) Electronic Health Record Development & Deployment, Telehealth and Network Infrastructure and Project Management, Transparency.

* Health Information Technology (page 2, rows 324-328): All CEs are complete.

National Institutes of Health (NIH)

The NIH has the following ARRA funded programs:

- "Building and Facilities"; [NIH 1609(c) Page 1. Lines 1] (TAFS 75-0839)
- "NCRR Extramural construction/Shared Instrumentation" (National Center for Research Resources); [NIH 1609(c) Page 1. Line 2] (TAFS 75-0847) and
- "Office of the Director, Scientific Research" [NIH 1609(c) Page 1. Line 3] (TAFS 75-0845) (also includes 75-08xx and 75-09xx sub-series for Institutes and Division obligations and activities).

- \$400 million of the appropriation for “Comparative Effectiveness Research” from AHRQ has been transferred to NIH and used the Office of the Director Treasury Appropriation Fund Symbol, 75-0845.
1. “Building and Facilities” [NIH 1609(c) Page 2. Lines 1-16] currently has 16 projects/activities with 13 categorical exclusions (CE) (one is pending and 12 are completed), one completed environmental assessment (EA) and one Master Plan completed Environmental Impact Statements (EISs) which covers two projects. The one project [NIH 1609(c) Page 2. Line 10] with pending NEPA is on hold for a letter from the Maryland State Historic Preservation Officer.
 2. The NCRR [NIH 1609(c) Page 2. Lines 17-19] specializes in extramural grants and grantees are authorized to conduct initial environmental reviews which have resulted in 152 CEs and 20 EAs. The pending [NIH 1609(c) Page 2. Line 18] are waiting on final confirmation from the grantees and NCRR. After confirmation of acceptance the EAs will be coordinated with the NIH and completed prior to construction grants being dispersed. A difference of 90 grants was due to grants being dropped by either the potential grantee or NCRR due to lack of information from the grantees.
 3. The OD [NIH 1609(c) Page 2. Lines 20-45] appropriations are made available to the various Institutes and Centers through grants which may be intramural or extramural research and are usually determined to be CE. Appropriations to OD for Comparative Effectiveness Research include 23 projects which have been incorporated into the OD line item. Those projects/activities with approved spend plans have completed NEPA reviews. Those pending spend plan approvals will be reviewed for extraordinary circumstances. Extraordinary circumstances, such as, major construction or a high containment laboratory, or controversial issues would require additional environmental review under an EA or EIS. Currently, there have been 1,449 activities under the OD resulting in CEs.

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