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Health, Education and Human Services Division

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April 11, 1995

The Honorable Nancy L. Kassebaum
Chairman
The Honorable Edward M. Kennedy
Ranking Minority Member
Committee on Labor and Human Resources
United States Senate

The Honorable Thomas J. Bliley, Jr.
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Commerce
House of Representatives

Trauma--severe bodily injury--is the leading cause of death in Americans between the ages of 1 and 44, and the third-leading cause of death in the United States. Physical trauma is also expensive, resulting in an annual cost of $180 billion in medical expenses, insurance, lost wages, and property damage. The Congress, recognizing that the number of deaths from such incidents can be substantially reduced by improving the trauma-care components of the emergency medical services (EMS) systems across the country, passed the Trauma Care Systems Planning and Development Act of 1990.[1] The act authorized the Department of Health and Human Services (HHS) through the Health Resources and Services Administration (HRSA) to make grants to states for trauma systems planning and development. The act also required that we evaluate state trauma grant expenditures to determine whether the federal funds spent are consistent with the requirements of the law. We also examined whether states are making their required matching contributions.

To evaluate compliance with the act, we visited four states--Colorado, Montana, New Mexico, and Washington--that were awarded, through fiscal year 1994, a total of

[1]The Trauma Care Systems Planning and Development Act of 1990 (P. L. 101-590, Nov. 16, 1990) added title XII to the Public Health Service Act to promote the establishment of organized systems of trauma care.

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about $2 million in federal grants, or about 16 percent of the total amount awarded under the state trauma grant program. To determine the propriety of these states' use of federal payments, we reviewed selected transactions and supporting documentation to determine whether (1) the amount of each payment was correct, (2) the recipient was entitled to the payment, and (3) total state expenditures from federal funds matched the total expenditures reported in the state's final Financial Status Report to HRSA. To determine whether the states were complying with the requirement to match federal funds received, we reviewed documents relating to the states' matching contributions. We also interviewed state and HRSA officials about the states' expenditures and matching contributions. In addition, we interviewed officials from other states and obtained information from HRSA about the effects the match requirement has had on state participation in the trauma grant program. We performed our work from July 1994 to January 1995 in accordance with generally accepted government auditing standards.

In summary, the four states' expenditures from federal payments have been consistent with the provisions of the law. Also, three of the four states met the matching contributions required to continue receiving federal grants after the first year. The fourth state was in its first grant year and was not required to make a matching contribution at the time of our visit. State and HRSA officials said that the state match requirement discouraged some states' participation in the program after the first year.

BACKGROUND

Trauma systems are designed so that patients with severe injuries will have the quickest possible access to an established trauma center or a hospital that has the capabilities to provide comprehensive emergency medical care, as well as access to appropriate rehabilitative care. While certain components of trauma systems, such as ambulances, hospitals, and providers, exist throughout the country, not all states have developed trauma plans that combine these resources into comprehensive systems to provide the most appropriate care for trauma patients from the initial recognition of the injury through rehabilitation.

To enhance states' abilities to design such systems, the Congress enacted the Trauma Care Systems Planning and Development Act of 1990. The act established a program

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To enhance states' abilities to design such systems, the Congress enacted the Trauma Care Systems Planning and Development Act of 1990. The act established a program

under which states could receive federal funds to develop, implement, and monitor trauma care systems. The Congress authorized $60 million for fiscal year 1991, and "such sums as necessary" in fiscal years 1992 and 1993. However, the $60 million was not appropriated. In fiscal year 1992, the Congress appropriated $4.9 million to implement the provisions of the act. Through fiscal year 1995, a total of $18.8 million has been appropriated for the state trauma grant program and other trauma-related activities.[2]

Federal Administration of and State Participation in the Grant Program

HRSA administers the grant program through its Division of Trauma and Emergency Medical Systems (DTEMS).[3] In its fiscal year 1996 budget request, HHS proposed consolidating the state trauma grant program and the other trauma-related activities authorized under the act with HRSA's program to enhance and expand state emergency medical services systems for acutely ill and seriously injured children. The consolidation is expected to result in reduced administrative costs and administrative burden on states.

DTEMS selects states for grant awards through its competitive grant application review and approval process.[4] The office also monitors state activities after

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[2]Of the $18.8 million appropriation, $12.2 million was awarded for state trauma care grants through fiscal year 1994. Another $3.8 million has been earmarked for state trauma grants but has not yet been awarded. The remaining $2.8 million was for other trauma-related activities, such as improving trauma care and EMS in rural areas and increasing the availability of 911 emergency telephone coverage.

[3]Other federal entities that have responsibility for trauma and emergency medical services activities include HRSA's Bureau of Maternal and Child Health, the National Center for Injury Prevention and Control of the Centers for Disease Control and Prevention, and the National Highway Traffic Safety Administration of the Department of Transportation.

[4]Given a sufficient appropriation, the legislation authorizing the program allowed a minimum allotment for each state in an amount determined by a formula. Because

grant awards are made. DTEMS requires states to submit quarterly and end-of-grant-year reports that contain information on (1) progress in implementing the grant activities; (2) issues or problems that arise that may impede implementation, and strategies for resolving them; and (3) federal funds spent toward accomplishing each program objective. States are also required to submit Financial Status Reports to HRSA at the end of the grant year, documenting federal and state funds, which include cash and in-kind contributions,[5] expended for or committed to accomplishing the grant program objectives.

Since 1992, $12.2 million in federal grants has been awarded to 42 states over 3 grant years to improve their trauma care systems.[6] The annual single grant awards ranged from $60,645 to $267,895. The median grant was $159,546. Washington was awarded the largest total grant amount, about $639,000, over 3 fiscal years. See enclosure 1 for information on all of the state trauma grant awards, including the actual amounts received and states whose applications were not funded.

STATES MADE APPROPRIATE USE OF GRANT FUNDS

The act requires that grant funds be expended to develop, implement, and monitor modifications to states' trauma care plans. The act specifically excludes the use of funds for such purposes as making cash payments to patients or providers; purchasing or improving real property; or purchasing major medical or communications equipment, ambulances, or aircraft.

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annual appropriations have not been sufficient to provide for the required minimum allotment, DTEMS is authorized to award grants competitively for states that have the greatest need and can demonstrate the greatest commitment to establishing and maintaining a trauma care system.

[5]In-kind contributions include buildings, equipment, and services.

[6]Grant awards for this program are made at the end of the fiscal year, with the state activities and expenditures occurring during the following fiscal year. For example, states used fiscal year 1992 grant awards during fiscal year 1993. All time frames in this correspondence refer to the fiscal year in which the grant was awarded.

We found that state expenditures for trauma care systems have been consistent with the provisions of the law. The four states we visited spent the major share of their funds on consultants, salaries and wages, or contractual services. Together these items accounted for 72 percent of total expenditures. Table 1 shows trauma grant money spent for each of the four states, by budget category.

Table 1: State Expenditures of Federal Trauma Grant Funds for Selected States, by Budget Category (Grants awarded during fiscal years 1992, 1993, and 1994)

	State expenditures[a]					
Category	Colorado[b]	Montana	New Mexico	Washington	Total expended	Percent of expenditures
Salaries and wages	$ 5,448	$ 0	$ 66,337	$ 99,131	$170,916	22.0
Fringe benefits	1,019	0	16,394	26,015	43,428	5.6
Equipment	0	0	0	5,934	5,934	0.8
Consultants	0	255,243	0	0	255,243	32.9
Supplies	0	1,943	18,278	32,869	53,090	6.8
Travel	2,786	40,416	10,214	9,262	62,678	8.1
Other	0	6,353	4,880	0	11,233	1.4
Contractual[c]	574	0	100,882	31,200	132,656	17.1
Indirect costs	1,805	0	27,050	12,385	41,240	5.3
Total expenditures	$11,632	$303,955	$244,035	$216,796	$776,418	100.0

[a]Amounts represent total expenditures at the time of our state visits.

[b]Colorado was first awarded grant funds in fiscal year 1993.

[c]Contractors were used for such tasks as writing a state trauma plan and producing training materials.

Source: Information provided by the states visited.

The states incurred these expenses by implementing various trauma care planning efforts, such as the following:

-- Colorado hired a trauma program manager and selected a contractor to perform a statewide assessment of EMS and trauma care needs and resources.

-- Montana's projects included developing a statewide trauma plan, preparing trauma system authorization and funding legislation, and improving training and education for EMS providers and trauma nurses.

-- New Mexico's projects included developing a statewide trauma plan, implementing trauma system regulations, and expanding the statewide trauma registry database.

-- Washington's projects focused on including rural and Native American communities in the trauma system, providing technical assistance to facilities seeking designation as trauma centers, and implementing regional trauma-care quality assurance programs.

States report financial information to DTEMS in quarterly and end-of-grant-year reports by project objective (for example, expenses to establish an advisory committee or to sponsor committee meetings). DTEMS officials stated that this information gives them sufficient assurance that states are spending grant funds on the objectives of the program as authorized by the legislation.

STATES MET FEDERAL MATCH REQUIREMENTS

The act requires states to match federal funds received with nonfederal contributions after the first year of grant payments.[7] In the second grant year, the state matching contribution is $1 in nonfederal funds for each $1 of federal funds spent. In subsequent years, the state match increases to $3 for each $1 of federal funds spent. The nonfederal contributions may consist of cash, in-kind contributions, or a combination of both.[8]

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[7]The states must meet a maintenance-of-effort requirement that specifies the state match must exceed the amount of nonfederal contributions made by the state during federal fiscal year 1990.

[8]State cash contributions can be state-appropriated dollars, funds provided by local government and other public entities, and private donations.

Twenty-seven states are required to make nonfederal matching contributions toward improving EMS, including trauma care. The total matching contribution these states are required to make, based on the grant awards, totals $8.5 million for grants awarded in fiscal years 1993 and 1994. Of the 27 states, 7 indicated in their follow-on grant applications to DTEMS that they would contribute nonfederal cash payments to trauma-care activities. The remaining 20 states proposed to use in-kind contributions exclusively or combined with cash.

Three of the four states we visited--Montana, New Mexico, and Washington--were required to make matching contributions to trauma system development activities, and all three made the required contributions for fiscal year 1993. Both New Mexico and Washington provided cash, while Montana provided cash and in-kind contributions. All three states reported that they planned to use the same matching method in fiscal year 1994, their third grant year. The fiscal year 1993 matching requirements of New Mexico, Washington, and Montana were $146,262, $185,104, and $156,890, respectively.[9] Colorado was in its first grant year at the time we visited and had no matching requirement. The state reported that it plans to provide cash to meet its second grant year matching requirement.

For the cash portion of their match, all three states with a matching requirement for fiscal year 1993 received trauma contributions through their legislatures' general fund appropriations for state EMS. For its in-kind contributions, Montana used the value of volunteer services provided by physicians, nurses, hospital administrators, and emergency medical technicians to develop a trauma care system, provide training, and compile data on trauma incidents. As required, the three states filed their annual Financial Status Reports with HRSA showing their total cash and in-kind matching contributions.

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[9]States are only required to match the amount of federal funds they spent. Because none of these states spent its entire fiscal year 1993 grant, the actual match requirements were less than the fiscal year 1993 award amounts shown in enclosure 1.

Match Requirement Changed Some States' Participation in the Program

The state matching contribution requirement has caused some grantees to discontinue their participation in the trauma grant program. The match requirement ensures that states maintain a certain level of effort and commitment to improving trauma care. However, some states indicated that the requirement can be a disincentive to continued participation in the program. Our analysis of follow-on grants showed that eight states did not reapply after their first or second year in the program. Officials in five of the eight states told us that the matching requirement was the sole or primary reason their states did not reapply.[10] A DTEMS official said that another five states reduced the amount of their follow-on grant requests because they could not meet a larger matching requirement.

AGENCY COMMENTS

In commenting on a draft of this correspondence, HRSA agreed with our findings and suggested technical changes that we incorporated as appropriate.

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We are sending copies of this correspondence to the Secretary of Health and Human Services; the Administrator, HRSA; and other interested parties. We will make copies available to others on request.

[10]The remaining three states did not reapply for reasons unrelated to the match requirement.

Please contact me at (202) 512-7119 if you or your staff have any questions. Major contributors to this correspondence were James O. McClyde, Assistant Director; Darrell J. Rasmussen, Evaluator-in-Charge; and Stephen P. Gaty, Evaluator.

Mark V. Nadel

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Public Health Issues

TRAUMA GRANT AWARDS, BY STATE AND FISCAL YEAR

	Grant awards				
State	1992	1993	1994	Total awarded	Total received[a]
Alabama	[b]	[c]	[c]	$ 0	$ 0
Alaska	$ 183,749	$ 172,457	$ 198,296	554,502	480,642
Arizona	[b]	88,200	[b]	88,200	88,200
Arkansas	[b]	171,435	83,890	255,325	213,325
California	[b]	[b]	[c]	0	0
Colorado	[c]	136,426	69,462	205,888	161,888
Connecticut	[b]	162,585	267,895	430,480	427,480
Delaware	[c]	139,096	159,546	298,642	298,642
District of Columbia	[b]	[b]	174,822	174,822	174,822
Florida	239,502	[c]	[c]	239,502	239,502
Georgia	[b]	160,991	125,000	285,991	285,991
Hawaii	148,217	[c]	[c]	148,217	148,217
Idaho	[c]	[b]	184,761	184,761	184,761
Illinois	135,270	177,189	[b]	312,459	304,563
Indiana	[c]	[b]	[c]	0	0
Iowa	163,444	138,110	60,645	362,199	331,369
Kentucky	[c]	[c]	118,797	118,797	118,797
Louisiana	[c]	[c]	68,436	68,436	68,436
Maine	181,983	[c]	[c]	181,983	181,983
Maryland	[c]	157,489	101,635	259,124	239,822
Massachusetts	152,834	142,718	142,931	438,483	308,536
Michigan	162,905	201,087	128,620	492,612	479,516
Minnesota	119,356	101,250	103,246	323,852	270,526
Missouri	189,064	[b]	168,626	357,690	357,690
Montana	171,337	188,236	233,111	592,684	562,298
Nebraska	[c]	[c]	76,982	76,982	76,982
Nevada	[b]	[c]	[c]	0	0
New Hampshire	196,202	[b]	205,766	401,968	384,956

ENCLOSURE 1

	Grant awards				
State	1992	1993	1994	Total awarded	Total received[a]
New Jersey	[c]	200,957	[c]	200,957	200,957
New Mexico	181,644	168,477	175,753	525,874	485,843
New York	191,601	160,474	[b]	352,075	246,252
North Carolina	[c]	190,773	[c]	190,773	190,773
North Dakota	128,727	134,946	66,000	329,673	329,673
Ohio	[c]	[c]	69,000	69,000	69,000
Oklahoma	[b]	145,768	180,000	325,768	325,768
Oregon	200,995	201,217	[c]	402,212	374,045
Rhode Island	129,919	98,646	[b]	228,565	163,258
South Carolina	145,347	[c]	117,014	262,361	243,773
South Dakota	[c]	[c]	138,442	138,442	138,442
Texas	202,176	[b]	83,878	286,054	286,054
Utah	[b]	131,520	140,586	272,106	272,106
Vermont	181,170	229,814	128,881	539,865	471,587
Virginia	148,220	[c]	[c]	148,220	148,220
Washington	208,065	240,942	189,837	638,844	504,878
West Virginia	153,473	[c]	[c]	153,473	153,473
Wyoming	[c]	172,006	116,000	288,006	268,006
Total	$3,915,200	$4,212,809	$4,077,858	$12,205,867	$11,261,052

Note: States and U.S. territories not included in this table did not submit applications to DTEMS.

[a]Amounts received will frequently be less than amounts awarded because states may carry over unexpended portions of the prior-year grant. For example, in fiscal year 1994 Wyoming was awarded $116,000 in federal funds. However, because the state carried over an unexpended balance of $20,000 from its fiscal year 1993 grant, the state actually received $96,000 in fiscal year 1994.

[b]Application was not approved by DTEMS.

[c]State did not apply.

Source: Information provided by DTEMS.

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