

GAO Highlights

Highlights of [GAO-20-701](#), a report to congressional committees

Why GAO Did This Study

As of September 10, 2020, the U.S. had over 6.3 million cumulative reported cases of COVID-19 and over 177,000 reported deaths, according to federal agencies. The country also continues to experience serious economic repercussions and turmoil.

Four relief laws, including the CARES Act, were enacted as of September 2020 to provide appropriations to address the public health and economic threats posed by COVID-19. As of July 31, 2020, the federal government had obligated a total of \$1.6 trillion and expended \$1.5 trillion of the COVID-19 relief funds as reported by federal agencies on [USAspending.gov](#).

The CARES Act includes a provision for GAO to report bimonthly on its ongoing monitoring and oversight efforts related to the COVID-19 pandemic. This third report examines key actions the federal government has taken to address the COVID-19 pandemic and evolving lessons learned relevant to the nation's response to pandemics.

GAO reviewed data, documents, and guidance from federal agencies about their activities and interviewed federal and state officials, as well as industry representatives.

What GAO Recommends

GAO is making 16-new recommendations for agencies that are detailed in this Highlights and in the report.

View [GAO-20-701](#). For more information, contact A. Nicole Clowers (202) 512-7114 or clowersa@gao.gov.

COVID-19

Federal Efforts Could Be Strengthened by Timely and Concerted Actions

What GAO Found

In the government's ongoing response to the COVID-19 pandemic, the Congress and the administration have taken action on multiple fronts to address challenges that have contributed to catastrophic loss of life and profound economic disruption. These actions have helped direct much-needed federal assistance to support many aspects of public life, including local public health systems and private-sector businesses.

However, the nation faces continued public health risks and economic difficulties for the foreseeable future. Among other challenges, the public health system, already strained from months of responding to COVID-19 cases, will face the additional task of managing the upcoming flu season. At the same time, many of the federal, state, and local agencies responsible for responding to the ongoing public health emergency are called on to prepare for and respond to the current hurricane season. Timely and concerted federal leadership will be required in responding to these and other challenges.

GAO has identified lessons learned and issues in need of continued attention by the Congress and the administration, including the need to collect reliable data that can drive decision-making; to establish mechanisms for accountability and transparency; and to protect against ongoing cyber threats to patient information, intellectual property, public health data, and intelligence. Attention to these issues can help to make federal efforts as effective as possible.

GAO has also identified a number of opportunities to help the federal government prepare for the months ahead while improving the ongoing federal response:

Medical Supply Chain

The Department of Health and Human Services (HHS) and the Federal Emergency Management Agency (FEMA), with support from the Department of Defense (DOD), have taken numerous, significant efforts to mitigate supply shortages and expand the medical supply chain. For example, the agencies have coordinated to deliver supplies directly to nursing homes and used Defense Production Act authorities to increase the domestic production of supplies.

However, shortages of certain types of personal protective equipment and testing supplies remain due to a supply chain with limited domestic production and high global demand. The Food and Drug Administration (FDA) and FEMA have both identified shortages, and officials from seven of the eight states GAO interviewed in July and August 2020 identified previous or ongoing shortages of testing supplies, including swabs, reagents, tubes, pipettes, and transport media. Testing supply shortages have contributed to delays in turnaround times for testing results. Delays in processing test results have multiple serious consequences, including delays in isolating those who test positive and tracing their contacts in a timely manner, which can in turn exacerbate outbreaks by allowing the virus to spread undetected. In addition, states and other nonfederal entities have experienced challenges tracking supply requests made through the federal government and planning for future needs. **GAO is making the following recommendations:**

- HHS, in coordination with FEMA, should immediately document roles

and responsibilities for supply chain management functions transitioning to HHS, including continued support from other federal partners, to ensure sufficient resources exist to sustain and make the necessary progress in stabilizing the supply chain.

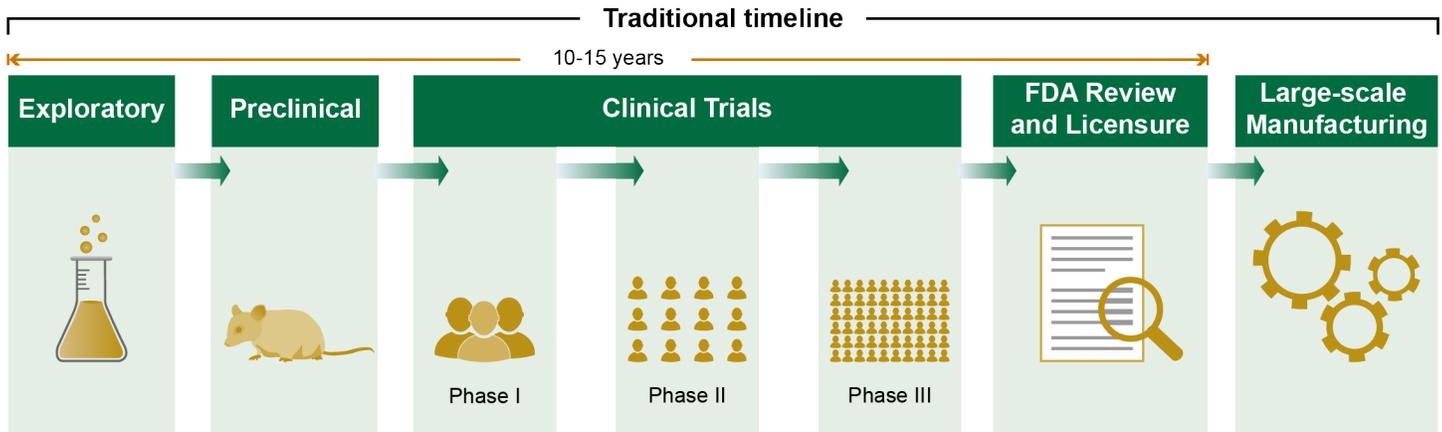
- HHS, in coordination with FEMA, should further develop and communicate to stakeholders plans outlining specific actions the federal government will take to help mitigate supply chain shortages for the remainder of the pandemic.
- HHS and FEMA—working with relevant stakeholders—should devise interim solutions, such as systems and guidance and dissemination of best practices, to help states enhance their ability to track the status of supply requests and plan for supply needs for the remainder of the COVID-19 pandemic response.

HHS and the Department of Homeland Security (DHS) objected to GAO’s initial draft recommendations. GAO made revisions based on their comments. GAO maintains that implementation of its modified recommendations is both warranted and prudent. These actions could contribute to ensuring a more effective response by helping to mitigate challenges with the stability of the medical supply chain and the ability of nonfederal partners to track, plan, and budget for ongoing medical supply needs.

Vaccines and Therapeutics

Multiple federal agencies continue to support the development and manufacturing of vaccines and therapeutics to prevent and treat COVID-19. These efforts are aimed at accelerating the traditional timeline to create a vaccine (see figure).

Traditional Timeline for Development and Creation of a Vaccine



Source: GAO analysis of Food and Drug Administration (FDA) and Pharmaceutical and Manufacturers of America information. | GAO-20-701

Note: See figure 5 in the report.

As these efforts proceed, clarity on the federal government’s plans for distributing and administering vaccine, as well as timely, clear, and consistent communication to stakeholders and the public about those plans, is essential. DOD is supporting HHS in developing plans for nationwide distribution and administration of a vaccine. In September 2020, HHS indicated that it will soon send a report to Congress outlining a distribution plan, but did not provide a specific date for doing so. **GAO recommends that HHS, with support from DOD, establish a time frame for documenting and sharing a national plan for distributing and administering COVID-19 vaccine, and in developing such a plan ensure that it is consistent with best practices for project planning and scheduling and outlines an approach for how efforts will be coordinated across federal agencies and nonfederal entities. DOD partially concurred with the recommendation, clarifying that it is supporting HHS in developing plans for nationwide distribution and administration of vaccine. HHS neither agreed nor disagreed with the recommendation, but noted factors that complicate the publication of a plan. GAO maintains that a time frame is necessary so all relevant stakeholders will be best positioned to begin their planning. On September 16, 2020, HHS and DOD released two documents outlining a strategy for any COVID-19 vaccine. GAO will evaluate these documents and report on them in future work.** GAO will also continue to conduct related work, including examining federal efforts to accelerate the development and manufacturing of COVID-19 vaccines and therapeutics.

COVID-19 Data

Data collected by the Centers for Disease Control and Prevention (CDC) suggest a disproportionate burden of COVID-19 cases, hospitalizations, and deaths exists among racial and ethnic minority groups, but GAO identified gaps in these data.

To help address these gaps, on July 22, 2020, CDC released a COVID-19 Response Health Equity Strategy. However, the strategy does not assess whether having the authority to require states and jurisdictions to report race and ethnicity information is necessary to ensure CDC can collect such data. CDC's strategy also does not specify how it will involve key stakeholders, such as health care providers, laboratories, and state and jurisdictional health departments. **GAO recommends that CDC (1) determine whether having the authority to require the reporting of race and ethnicity information for cases, hospitalizations, and deaths is necessary for ensuring more complete data, and if so, seek such authority from Congress; (2) involve key stakeholders to help ensure the complete and consistent collection of demographic data; and (3) take steps to help ensure its ability to comprehensively assess the long-term health outcomes of persons with COVID-19, including by race and ethnicity. HHS agreed with the recommendations.**

In addition, HHS's data on COVID-19 in nursing homes do not capture the early months of the pandemic. HHS's Centers for Medicare & Medicaid Services (CMS) began requiring nursing homes to report COVID-19 data to CDC by May 17, 2020, starting with information as of May 8, 2020, but made reporting prior to May 8, 2020 optional. By not requiring nursing homes to submit data from the first 4 months of 2020, HHS is limiting the usefulness of the data in helping to understand the effects of COVID-19 in nursing homes. **GAO recommends that HHS, in consultation with CMS and CDC, develop a strategy to capture more complete data on COVID-19 cases and deaths in nursing homes retroactively back to January 1, 2020. HHS partially agreed with this recommendation by noting the value of having complete data, but expressed concern about the burden of collecting it. GAO maintains the importance of collecting these data to inform the government's continued response and recovery, and HHS could ease the burden by incorporating data previously reported to CDC or to state or local public health offices.**

Economic Impact Payments

The Department of the Treasury's (Treasury) Internal Revenue Service (IRS) has issued economic impact payments (EIP) to all eligible individuals for whom IRS has the necessary information to do so; however, not everyone eligible was able to be initially identified. To help ensure all eligible recipients received their payments in a more timely manner, IRS took several actions to address challenges GAO reported on in June, including a policy change—reopening the Non-Filers tool registration period for federal benefit recipients and extending it through September 30—that should allow some eligible recipients to receive supplemental payments for qualifying children sooner than expected. However, Treasury and IRS lack updated information on how many eligible recipients have yet to receive these funds. The lack of such information could hinder outreach efforts and place potentially millions of individuals at risk of missing their payment. **GAO recommends that Treasury, in coordination with IRS, (1) update and refine the estimate of eligible recipients who have yet to file for an EIP to help target outreach and communications efforts and (2) make estimates of eligible recipients who have yet to file for an EIP, and other relevant information, available to outreach partners to raise awareness about how and when to file for EIP. Treasury and IRS neither agreed nor disagreed with the recommendations and described actions they are taking in concert with the recommendations to notify around 9 million individuals who may be eligible for an EIP.**

Coronavirus Relief Fund

The Coronavirus Relief Fund (CRF) is the largest program established in the four COVID-19 relief laws that provides aid to states, the District of Columbia, localities, tribal governments, and U.S. territories. Audits of entities that receive federal funds, including CRF payments, are critical to the federal government's ability to help safeguard those funds. Auditors that conduct single audits follow guidance in the Single Audit Act's Compliance Supplement, which the Office of Management and Budget (OMB) updates and issues annually in coordination with federal agencies. OMB issued the 2020 Compliance Supplement in August 2020, but the Compliance Supplement specified that OMB is still working with federal agencies to identify the needs for additional guidance for auditing new COVID-19-related programs, including the CRF payments, as well as existing programs with compliance requirement changes. According to OMB, an addendum on COVID-19-related programs, including the CRF payments, will be issued in the fall of 2020. Further delays in issuing this guidance could adversely affect auditors' ability to issue consistent and timely reports. **GAO recommends that OMB, in consultation with Treasury, issue the addendum to the 2020 Compliance Supplement as soon as possible to provide the necessary audit guidance, as many single audit efforts are underway. OMB neither agreed nor disagreed with the recommendation.**

Guidance for K-12 Schools

State and local school district officials tasked with reassessing their operating status and ensuring their school buildings are safe are generally relying on guidance and recommendations from federal, state, and local public health and education officials. However, portions of CDC's guidance on reopening K-12 schools are inconsistent, and some federal guidance appears misaligned with CDC's risk-based approach on school operating status. Based on GAO's review, Education has updated the information and CDC has begun to do so. **GAO recommends that CDC ensure that, as it makes updates to its guidance related to schools' operating status, the guidance is cogent, clear, and internally consistent. HHS agreed with the recommendation.**

Tracking Contract Obligations

Federal agencies are tracking contract actions and associated obligations in response to COVID-19 using a National Interest Action (NIA) code in the Federal Procurement Data System-Next Generation. The COVID-19 NIA code was established in March 2020 and was recently extended until March 31, 2021, while a draft of this report recommending that DHS and DOD extend the code beyond September 30, 2020, was with the agencies for comment. GAO has identified inconsistencies in establishing and closing these codes following previous emergencies, and has continued concerns with the criteria that DHS and DOD rely on to determine whether to extend or close a code and whether the code meets long-term needs. **GAO recommends that DHS and DOD make updates to the 2019 NIA Code Memorandum of Agreement so as to enhance visibility for federal agencies, the public, and Congress on contract actions and associated obligations related to disaster events, and to ensure the criteria for extending or closing the NIA code reflect government-wide needs for tracking contract actions in longer-term emergencies, such as a pandemic. DHS and DOD did not agree, but GAO maintains implementation of its recommendation is essential.**

Address Cybersecurity Weaknesses

Since March 2020, malicious cyber actors have exploited COVID-19 to target organizations that make up the health care and public health critical infrastructure sector, including government entities, such as HHS. GAO has identified numerous cybersecurity weaknesses at multiple HHS component agencies, including CMS, CDC, and FDA, over the last 6 years, such as weaknesses in key safeguards to limit, prevent, and detect inappropriate access to computer resources. Additionally, GAO's March 2019 high-risk update identified cybersecurity and safeguarding the systems supporting the nation's critical infrastructure, such as health care, as high-risk areas. As of July 2020, CMS, FDA, and CDC had made significant progress by implementing 350 (about 81 percent) of the 434 recommendations GAO issued in previous reports to address these weaknesses. **Based on the imminent cybersecurity threats, GAO recommends that HHS expedite implementation of GAO's prior recommendations regarding cybersecurity weaknesses at its component agencies. HHS agreed with the recommendation.**