

# GAO@100 Highlights

Highlights of [GAO-22-105380](#), a report to congressional committees

## Why GAO Did This Study

COVID-19 put the U.S. health care system under severe strain, affecting federal agencies' ability to buy and maintain critical medical supplies to help treat patients and protect health care workers. The federal government's COVID-19 response included a significant use of DPA authorities, as well as other actions focused on expanding domestic production of medical supplies to help stabilize the medical supply chain. The CARES Act and other supplemental appropriations provided at least \$11 billion for DPA purchases and other actions related to COVID-19 or other public health emergencies through September 2025.

The CARES Act includes a provision for GAO to monitor funds provided for the COVID-19 pandemic. This report summarizes federal agencies' use of the DPA to respond to COVID-19 and industry perspectives, as well as implementation challenges and steps agencies have taken to address these challenges. This report summarizes information contained in reports issued in [June](#), [September](#), and [November 2020](#), and [January](#), [March](#), [April](#) and [July 2021](#), and provides data updates through September 2021.

## What GAO Recommends

In November 2020, GAO recommended that HHS identify how the DPA and other actions will be used to increase production of domestic medical supplies and reduce U.S. reliance on foreign sources. HHS agreed but has not yet determined what specific actions it will take.

View [GAO-22-105380](#). For more information, contact W. William Russell at (202) 512-4841 or [RussellW@gao.gov](mailto:RussellW@gao.gov)

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## COVID-19

# Agencies Are Taking Steps to Improve Future Use of Defense Production Act Authorities

## What GAO Found

Federal agencies used the Defense Production Act (DPA) and other actions over 100 times to help address COVID-19 medical supply needs through September 2021. Agencies used DPA authorities to 1) prioritize contracts so those orders can get preference over others, (2) fund projects to expand domestic production of supplies, and (3) enter into partnerships with private companies (see figure).

### Defense Production Act and Other Actions, March 2020-September 2021

Defense Production Act Authorities	Priority-rated contracts	Domestic production expansion	Public-private partnerships
			
<b>Number of actions</b>	73 contracts and orders	60 projects and other actions <sup>a</sup>	1 overarching agreement
<b>Examples of output</b>	<ul style="list-style-type: none"> <li>Supported manufacturing of COVID-19 vaccines</li> <li>Prioritized delivery of over 800 million N95 respirators</li> </ul>	<ul style="list-style-type: none"> <li>Increased production capacity of N95 respirators by over 50 million per month</li> </ul>	<ul style="list-style-type: none"> <li>Developed plan that helps coordinate distribution of personal protective equipment.</li> </ul>

Source: GAO analysis of federal agency information. | [GAO-22-105380](#)

<sup>a</sup>Other actions refer to production expansion projects not executed under DPA Title III authority.

Representatives from companies that received DPA awards generally stated that the use of the DPA gave them timely access to raw materials and supplies and helped them expand production faster than they could have on their own.

GAO previously reported that federal agencies faced challenges using DPA authorities. Agencies have taken some steps to address these obstacles as well as one of two recommendations GAO made.

- The Department of Health and Human Services (HHS), which had limited DPA experience prior to COVID-19, reported establishing offices to review DPA priority rating requests and to manage industrial base expansion efforts. However, it has not developed a plan for using DPA and other actions to address future medical supply needs as GAO recommended.
- The Department of Defense, which has been providing significant contracting support to HHS, documented procedures to facilitate the timely transfer of funds between the two agencies and established a permanent office in October 2020 to support interagency needs.
- The Office of Management and Budget established a web page to collect and publish data on DPA priority ratings, which addressed a prior GAO recommendation concerning transparent reporting of these DPA actions.

Additional DPA and other actions are expected through 2025 as agencies use \$10 billion appropriated in the American Rescue Plan Act for medical supply investments and implement a September 2021 national strategy to strengthen the domestic medical industrial base. GAO plans to monitor agencies' efforts.