

## **HRSA Failing to Ensure Health Center Grantees Comply with Program Requirements**

The Government Accountability Office (GAO) released a report today that identifies significant shortcomings in HRSA's management of the federal Health Center Program and administration of grant funding to community health centers (CHCs). Senators Tom Coburn, Michael Enzi, and Richard Burr requested this report because of concerns that the valuable work that CHCs perform in their communities is being undermined by a misallocation of resources and improper oversight by HRSA.

Funding for the Health Center Program has increased substantially during the past decade. The Health Center Program's annual funding more than doubled from approximately \$1.3 billion to about \$2.8 billion, from FY 2002 through FY 2012. The Health Center Program has also received \$2 billion from the American Recovery and Reinvestment Act of 2009 and \$2.2 billion from authorizations in the Patient Protection and Affordable Care Act (PPACA). The President's health care law also appropriated an additional \$7.3 billion to HRSA to provide grants for the operation and expansion of health centers.

**This massive expansion of funding requires Congress to ensure that these funds are being properly managed. However, the GAO has stated that HRSA has provided "insufficient" oversight to date.**

**Specifically, the GAO noted:**

- **HRSA does not require project officers to document their reasons for determining a grantee is in compliance**
- **HRSA project officers frequently determine a grantee is in compliance with selected program requirements without having sufficient information to make such a decision**
- **HRSA's use of site visits to assess compliance is unclear, but appears to be limited**
- **HRSA project officers do not consistently identify when a grantee is or is not in compliance**

This lack of program oversight is unfortunately part of a disturbing pattern, illustrated by a series of GAO reports, where HRSA has time and again failed to responsibly administer programs, such as the Ryan White HIV/AIDS program, the 340B drug discount program, and the CHC program, in a manner that protects the populations that these programs are intended to serve and ensure responsible management of taxpayer funds.

HRSA does not need more money for management. They have already devoted substantial resources to overseeing grantees—including having over 100 project officers to perform annual compliance reviews and having a more than \$30-million contract for consultants who conduct site visits and provide other assistance. HRSA needs stronger leadership, a comprehensive management plan, a culture change, and better Congressional oversight.

## **HRSA Management of New Access Point Grants Needs Better Oversight**

The GAO released a second report today that reviewed HRSA's process for awarding New Access Point grants to CHCs in FY 2011. Due to reductions in program funding, HRSA awarded fewer grants than it previously had expected. Additionally, HRSA implemented new program criteria that prioritized grantees focused on special populations – migrant and seasonal farmworkers, homeless people, and public housing residents. These new criteria resulted in new grantees leapfrogging other applicants with the same or higher scores on HRSA's grant award metric. The prioritizing of certain grantees over other programs with equal or superior scores and the lack of transparency in HRSA's decision to reprioritize grantees are of concern.

Additionally, the GAO noted the potential CHC grantees to compete with other local providers, especially in rural areas. Senators Coburn, Enzi, and Burr welcome the GAO's analysis of this program, and look forward to working with HRSA in the future to ensure that the New Access Point grant program operates in a transparent and balanced manner that operates collaboratively with other providers.