

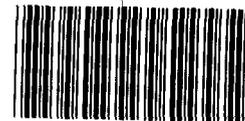
GAO

Report to the Chairman, Committee on
Labor and Human Resources, U.S.
Senate

April 1993

PUBLIC HEALTH SERVICE

Evaluation Set-Aside Has Not Realized Its Potential to Inform the Congress



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Program Evaluation and
Methodology Division

B-252587

April 8, 1993

The Honorable Edward M. Kennedy
Chairman, Committee on Labor and Human Resources
United States Senate

Dear Mr. Chairman:

This report describes the use of the evaluation set-aside authorized under the Public Health Service Act and examines its efficacy in providing information on federal health programs to the Congress. As you know, the Secretary of Health and Human Services (HHS) can dedicate up to 1 percent of the annual Public Health Service (PHS) appropriations to the evaluation of federal health programs. This means that over the last 5 fiscal years more than \$500 million could have been made available for the evaluation of PHS programs through the set-aside authority. This is the first of two reports addressing your concern about the information that you receive from the executive branch on the effectiveness of programs under the Committee's jurisdiction. The second report will examine the kinds of information needed for the varied types of programs authorized by the Committee.

Background

Executive branch evaluations—studies of the implementation and effectiveness of programs—are helpful to the Congress in determining accurately and comprehensively what the public is getting in return for its investment in federal programs. The Congress can encourage the evaluation of federal programs by writing specific requests for information into legislation or by allowing agencies to set aside some portion of their appropriation for evaluation. Unless attached to a specific request for information, evaluation set-asides give the responsibility for identifying evaluation priorities to the executive branch.

Public Law 91-296, passed in 1970, allows the Secretary to use up to 1 percent of the appropriations for programs authorized under the Public Health Service Act and related acts for the evaluation of PHS programs.¹ Because it is not linked to a specific request for information, the legislative language authorizing the PHS evaluation set-aside gives considerable latitude to the Secretary of HHS. The legislation neither specifies what kinds of information the evaluations should generate nor requires HHS to communicate the results of the information to the Congress. However,

¹The statutory authority is currently classified at section 300aaa-10 of title 42, United States Code.

Senate Report No. 91-657 indicates that the intent of the PHS set-aside is to develop information about the effectiveness of federal health programs in order to inform legislative deliberations.

HHS has chosen a decentralized approach to implementing the PHS evaluation set-aside. The set-aside funds are not pooled to support an overall PHS evaluation system. Instead, they remain in program accounts in the PHS agencies unless withdrawn to support three major purposes. First, for several years the Congress has directed some of the evaluation set-aside to support the National Medical Expenditure Survey and the Provider Study Program in the Agency for Health Care Policy and Research (AHCPR) as well as the national health surveys administered by the Centers for Disease Control (CDC). Second, HHS policy allows the Office of the Assistant Secretary for Planning and Evaluation (OASPE) and the Office of the Assistant Secretary for Health (OASH) to fund evaluation projects through a tap on the PHS agencies' set-aside accounts. Finally, the funds remaining after the congressional earmarks and the taps for OASPE and OASH are withdrawn constitute the available evaluation set-aside under the control of the individual PHS agencies. Funds not dedicated to evaluation projects remain in the program budgets from which the set-aside is drawn. (Appendix I contains a detailed description of how the set-aside is calculated and distributed.)

Focusing on the last 5 fiscal years (1988-92), we examined the PHS evaluation set-aside with the objective of assessing its efficacy in generating information for the Congress on federal health programs. Interviews with officials in OASPE, OASH, and the PHS agencies and reviews of planning and budget documents provided information on the calculation and distribution of the set-aside. In addition, projects supported by the set-aside were categorized as focused on demonstration programs, data collection, established programs, or other activities.² The classification of projects funded by the evaluation set-aside was based on brief project descriptions obtained from PHS agencies and the HHS Policy Information Center data base of research and evaluation projects. Projects for which no (or insufficient) descriptions were obtained were not classified. We conducted our review between May and October 1992 in accordance with generally accepted government auditing standards.

²We assessed the reliability of our categorization scheme by comparing two independent reviewers' classification of 60 randomly selected projects. The classifications agreed in 80 percent of the cases. In 88 percent of the cases, the reviewers agreed about the distinction between other activities and the first three categories (demonstrations, data collection activities, and established programs).

Results in Brief

Although some of the PHS evaluation set-aside supported studies of the implementation and effectiveness of federal health programs, we find that it has been less effective than it could have been in providing information to the Congress on PHS programs. The major factors limiting the ability of the evaluation set-aside to respond to congressional needs for information are (1) the use of a portion of the set-aside funds for projects that are not evaluations of PHS programs and (2) the failure to synthesize and communicate evaluation results regularly to the Congress.

Not only evaluations of federal health programs but also a range of other activities were financed by the funds that the agency identified as allocated to the set-aside for evaluation by OASPE, OASH, and the component PHS agencies. Of the \$107 million so identified for fiscal years 1988-92, at least \$24 million went to some combination of administrative expenses and interagency transfers. While agency officials characterized administrative expenses as supporting evaluation, the activities funded with these expenses cannot be considered direct evaluations of PHS programs. Of the funds tracked to specific projects, we found more than \$26 million supporting projects that did not evaluate PHS programs. In addition, some of the almost \$10 million spent for data collection projects would not constitute an evaluation of federal programs. Approximately \$36 million did directly support evaluations of PHS programs—a little less than \$26 million funding studies of established programs and more than \$10 million designated for evaluations of demonstration programs.³

Neither OASPE nor the PHS agencies have a system for summarizing what is known about the effects of PHS programs. An existing compendium of HHS evaluation and research projects consists only of abstracts of individual projects. As a result, there is no body of knowledge that accumulates over the years what we have learned from the investment in program evaluation in PHS.

Principal Findings

The Use of the Evaluation Set-Aside

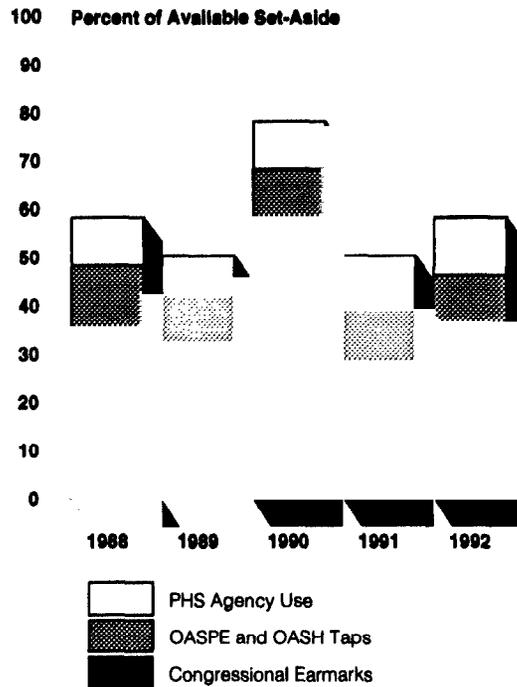
In 4 of the last 5 fiscal years, PHS allocated less than 60 percent of the maximum 1 percent of the appropriations for PHS agencies covered under the Public Health Service Act. (See table I.1 in appendix I for the

³Of the \$11 million remaining of the original \$107 million, \$3 million financed evaluation projects that were not classified because project descriptions were not obtained and \$8 million consisted of planned fiscal year 1992 expenditures that were not tracked to specific projects.

maximum amount available through the set-aside and the amount allocated in fiscal years 1988-92.) PHS officials suggested several reasons for the limited use of the set-aside. First, because the set-aside is drawn from program accounts, evaluation must compete with program needs for funding. Similarly, evaluation may compete with program needs for staff resources. Thus, the agencies typically do not reserve the full amount that they could set aside for evaluation. Second, decisions about the amount to be obligated for earmarks and taps are sometimes delayed, with the result that PHS agencies are uncertain about the amount of evaluation funds they will have. Third, the National Institutes of Health (NIH), which accounted for more than 60 percent of the available set-aside in each of the fiscal years 1988-92, has a policy restricting set-aside funding to projects that are relevant to all NIH components. Of the PHS agencies, NIH used the smallest proportion of the set-aside funds available to it, less than 15 percent in the last 5 fiscal years. Finally, agency officials noted that constraints on spending for consulting services, such as that included in the fiscal year 1989 appropriations bill, may limit the use of the set-aside.

As shown in figure 1, the majority of the evaluation set-aside funds actually used in the last 5 fiscal years were earmarked by the Congress for programs in AHCPR and CDC. Over fiscal years 1988-92, a total of \$192 million, or 38 percent of the maximum available set-aside of \$506 million, were directed by the Congress to the support of the national health surveys administered by CDC and the National Medical Expenditure Survey and Provider Study Program in AHCPR. (Table I.2 in appendix I contains more information on the amount directed to congressional earmarks.) In contrast, \$53 million (10 percent) were tapped by OASPE and OASH and \$53 million (10 percent) were used by the individual PHS agencies to support evaluation projects. (Appendix I furnishes more information: table I.3 provides details of the OASPE and OASH taps for the last 5 fiscal years; table I.4 and figures I.1 through I.4 describe PHS agency use of the evaluation set-aside.)

Figure 1: Distribution of the PHS Evaluation Set-Aside, Fiscal Years 1988-92



Evaluation Funding Sources

PHS evaluation projects were funded not only through the set-aside but also with program money. Since the set-aside is drawn from program accounts, this distinction is relevant only because of the difficulties created when evaluations supported with different sources of funds are tracked separately. Because evaluation projects funded with program money were not necessarily tracked by the central evaluation offices of the PHS agencies that oversee set-aside projects, the total amount of funds committed to evaluation by PHS could not be calculated. Moreover, some PHS agencies were therefore also unable to list all the evaluation projects under way. (See table I.5 in appendix I for details on the use of program funds to support PHS evaluation projects.)

The Projects Supported by the Evaluation Set-Aside

Both OASPE and OASH have responsibilities for overseeing PHS program evaluation. They issue annual guidance on evaluation priorities and the process of planning evaluation projects. Until fiscal year 1992, OASPE and OASH also reviewed all proposals for projects to be funded with the PHS evaluation set-aside. In fiscal year 1992, the authority for approving these projects was delegated to the individual PHS agencies covered by the set-aside legislation in order to minimize lengthy reviews of each

evaluation project. However, OASPE and OASH still participated in the PHS agencies' process of reviewing proposals for evaluation projects. Despite OASPE's and OASH's role in providing guidance to the agencies and reviewing agency proposals, each agency is responsible for generating new evaluation ideas, monitoring evaluation projects, and disseminating evaluation results. Congressional needs for information are considered in this process through responses to specific congressional requests for information and attention to the legislative cycle of programs. (See appendix II for more information on the process of evaluation planning in PHS.)

Although congressional needs for information play some role in PHS evaluation planning, a number of the projects supported with set-aside funds during fiscal years 1988-92 either were not evaluations or were not focused on PHS programs. Included in this category are (1) support of evaluations of federal programs not administered by PHS, (2) evaluations of state and local health programs, (3) the support or coordination of conferences, (4) prospective studies of future programs or policies, and (5) the evaluation of methodologies. Of the 489 projects that we identified as funded at least in part with the evaluation set-aside, as many as 133 (27 percent) did not appear to generate information on the implementation or effectiveness of federal health programs. These projects accounted for over \$26 million (35 percent) of the \$75 million tracked to specific projects.

More projects (191, or 39 percent) assessed established PHS programs than were focused on activities that were not evaluations of PHS programs, but these projects did not account for more of the set-aside funds. Just under \$26 million (34 percent) of the funds tracked to specific projects were dedicated to studies of established PHS programs. However, an additional 31 projects (6 percent), using more than \$10 million (14 percent), evaluated PHS demonstration programs. Fifty-seven projects (12 percent) directed to the implementation or evaluation of data collection activities accounted for somewhat less than \$10 million (13 percent).⁴ (Table II.1 in appendix II describes the distribution of the projects by focus and agency. Table II.2 and figures II.1 through II.6 outline the distribution of the set-aside funds by focus and agency.)

Administrative expenses were another use of set-aside funds that did not directly finance evaluations of PHS programs. In the Health Resources and

⁴The remaining 77 (16 percent) of the total 489 projects were not classified because project descriptions were insufficient or not obtained. These projects accounted for only 3 percent of the set-aside funds tracked to specific projects.

Services Administration (HRSA), NIH, OASPE, and OASH, the PHS evaluation set-aside funded such activities as the acquisition of computer equipment and travel to conferences. The Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) and CDC, however, did not use the evaluation set-aside for administrative expenses. (See the discussion of each agency's use of the evaluation set-aside in appendix II for more information about the use of the set-aside for administrative expenses.)

PHS agencies use a common set of guidelines to determine whether a project is eligible for funding through the evaluation set-aside. Some of the activities funded through the overhead accounts as well as some of the projects categorized as not evaluating a PHS program are eligible under these guidelines. For example, set-aside support for PHS employees to attend conferences is allowed, but evaluations of local programs or prospective policies is not. (Appendix III contains the HHS guidelines on activities eligible for funding with the evaluation set-aside.) OASPE uses a different set of criteria. Its evaluation projects can receive PHS evaluation set-aside funding even if not directly focused on a federal health program if the project is an evaluation or supports evaluation activities; includes PHS programs, issues, subjects, services, or functions; or provides a service to PHS.

The Synthesis and Dissemination of PHS Program Evaluation Results

We found no systematic effort to synthesize PHS evaluation results by program area or to communicate such syntheses to the Congress. Unless specifically responding to a congressional request for information, the results of individual projects are not necessarily communicated to the Congress. The major mechanism for disseminating the results of the evaluation projects supported by the PHS set-aside is OASPE's Policy Information Center data base of HHS research and evaluation projects. This data base consists of a compilation of project descriptions. When a project is begun, an abstract of the study is supposed to be incorporated in the data base. The abstract is then updated when the project is completed. Upon request, OASPE will conduct searches of the data base by program area or keyword and will print out relevant project abstracts. However, two problems with this dissemination mechanism exist. First, the data base is incomplete. Several of the studies funded with the set-aside had not been recorded by the Policy Information Center. Second, the vast number of project abstracts makes the use of the data base difficult, especially for busy policymakers.

The absence of a system for summarizing what is known about the effects of agency programs not only makes the communication of evaluation findings cumbersome but also raises questions about the ability of PHS to produce a coherent body of knowledge about the effects of its programs. Without regular syntheses of evaluation results, it is difficult to identify gaps in knowledge so that those gaps can be effectively addressed by subsequent evaluations. The ability of evaluation plans to address gaps in knowledge may be further limited by the delegation of evaluation planning to PHS agencies. Despite the guidance provided by OASPE and OASH during the planning process, there is no assurance that the set of evaluation plans developed by the PHS agencies will be comprehensive.

Recommendations

To improve the efficacy of the set-aside in informing the Congress about the effectiveness of federal health programs, we recommend that the Secretary of HHS (1) take steps to ensure that funds set aside for evaluation are in fact used to support evaluations of PHS programs and (2) ensure that evaluation results are synthesized by program area (regardless of how the evaluation was funded) and communicated to the Congress.

Matters for Congressional Consideration

As noted above, some of the projects that we identified as not evaluating a federal health program are allowed under HHS policy for the evaluation set-aside. The Secretary of HHS has considerable latitude in the implementation of the PHS set-aside because the legislative language authorizing the set-aside is quite broad and discretionary. The Committee may want to consider whether to provide more guidance on the permissible uses of the evaluation set-aside funds, such as for the direct evaluation of the implementation and effectiveness of PHS programs.

Agency Comments

We requested and received comments from HHS on a draft of this report. The agency disagrees with our finding that some projects supported by the set-aside are not evaluations of PHS programs. HHS argues that our definition of evaluation is too "narrow," but most of the kinds of activities we classified as not evaluating PHS programs were also excluded from HHS guidelines for projects eligible for funding by the set-aside (see appendix III). Examples of funded projects that appear to be outside HHS's definition and ours include OASPE's support of computer applications and a HRSA primary care conference. A smaller set of funded projects is outside our definition but is not excluded by HHS. Our definition focused on evaluations of PHS programs—justified by the reference in the legislation

to programs authorized under the Public Health Service and related acts—but HHS's definition does not. An example of an activity considered eligible by HHS but classified as not evaluating PHS programs in our review is OASPE's use of the set-aside to support an evaluation of HHS's welfare-to-work program.

The bottom line here is that neither of these two kinds of projects (those that are not evaluations and those that evaluate programs run by other agencies) is likely to generate information on the implementation or effectiveness of PHS programs. Of the \$75 million we tracked to specific projects, over a third was directed to activities that were not evaluations of PHS programs. Thus, HHS needs to act to ensure that the set-aside is directed to the evaluation of PHS programs. This is not a semantic issue of definition; what is required is an effort to guarantee that funds that are set aside are in fact used for the evaluation of PHS programs.

HHS agrees with us that the agency needs to bolster its efforts to synthesize and disseminate evaluation results and states that HHS will pursue both ongoing and new efforts. While the efforts HHS describes may be useful internally, there is no method of systematically communicating evaluation findings to the Congress. As reflected in our recommendation to the Secretary of HHS, we believe that HHS should examine how to better communicate program evaluation results to the Congress. Evaluations need to be planned, conducted, and disseminated in a way that permits an evolving understanding of the effects of PHS programs. In part, this may require PHS to move from current systems built upon individual project abstracts toward, perhaps, publications that combine and synthesize evaluations to accumulate knowledge on PHS programs. (Appendix IV contains the letter from HHS and our response on other points.)

As we arranged with your office, we will be sending copies of this report to the Secretary of Health and Human Services and to others upon request. If you have any questions or would like additional information, please call me at (202) 512-2900 or Robert York, Director of Program Evaluation in Human Services Areas, at (202) 512-5885. Other major contributors to this report are listed in appendix V.

Sincerely yours,



Eleanor Chelimsky
Assistant Comptroller General

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Abbreviations

| | |
|--------|--|
| ADAMHA | Alcohol, Drug Abuse, and Mental Health Administration |
| AHCPR | Agency for Health Care Policy and Research |
| CDC | Centers for Disease Control and Prevention |
| FDA | Food and Drug Administration |
| GAO | General Accounting Office |
| HHS | Department of Health and Human Services |
| HRSA | Health Resources and Services Administration |
| IHS | Indian Health Service |
| NCHSR | National Center for Health Services Research |
| NIH | National Institutes of Health |
| OASH | Office of the Assistant Secretary for Health |
| OASPE | Office of the Assistant Secretary for Planning and Evaluation |
| PHS | Public Health Service |

The Use of the PHS Evaluation Set-Aside

This appendix identifies the PHS agencies that are covered by the PHS evaluation set-aside legislation, describes how the maximum available set-aside is calculated, and reports on the distribution of the evaluation set-aside to data collection programs in AHCPR and CDC earmarked by the Congress for set-aside support, the taps on the set-aside by OASPE and OASH, and evaluation projects in the PHS agencies.

PHS Agencies Using the Evaluation Set-Aside

The evaluation set-aside is not used by all PHS agencies. According to PHS officials, the Food and Drug Administration (FDA) and the Indian Health Service (IHS) do not participate in the set-aside because they are not authorized under the Public Health Service Act. The PHS components that do contribute to the set-aside are AHCPR, ADAMHA, CDC, HRSA, NIH, and OASH.¹ As described below, each of the covered PHS agencies contributes to the maximum possible set-aside in proportion to the size of its appropriation, minus some exclusions.

Calculation of the Set-Aside

To calculate the amount available through the set-aside, PHS uses the following algorithm. First, exclusions defined by PHS policy are subtracted from the appropriation of each agency except FDA and IHS. These exclusions include appropriations for buildings and facilities, program management, entitlements, funds that do not have to be obligated in a specific fiscal year, and block grants. PHS exempts block grants from the set-aside on the basis that tapping the grants for federal evaluations is counter to the intent of block grant programs to maximize states' discretion. In fiscal year 1992, these exclusions came to \$3.7 billion, or 23 percent of the appropriations for the PHS agencies other than FDA and IHS. Then, the maximum set-aside in each agency is determined by deriving 1 percent of the agency's appropriation remaining after exclusions are subtracted. The maximum possible PHS set-aside equals the sum of each agency's 1 percent. Over the last 5 fiscal years (1988-92), the amount of money available for evaluation through the set-aside steadily increased, from \$77 million in fiscal year 1988 to \$119 million in fiscal year 1992. However, as shown in table I.1, PHS allocated less than 60 percent of the maximum available funds in 4 of those years.

¹As of October 1, 1992, the service components of ADAMHA became the Substance Abuse and Mental Health Services Administration (SAMHSA), while the research components were moved to the National Institutes of Health.

**Appendix I
The Use of the PHS Evaluation Set-Aside**

Table I.1: Total PHS Evaluation Set-Aside Funds Available and Used, Fiscal Years 1988-1992^a

| Set-aside funds | 1988 | 1989 | 1990 | 1991 | 1992 | Total |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|
| Available | \$76,864 (100%) | \$93,148 (100%) | \$103,600 (100%) | \$113,749 (100%) | \$118,918 ^b (100%) | \$506,279 (100%) |
| Used for congressional earmarks | 26,910 (35%) | 29,355 (32%) | 60,443 (58%) | 32,444 (28%) | 42,844 (36%) | 191,996 (38%) |
| Used for OASPE and OASH taps | 9,770 (13%) | 9,150 (10%) | 9,860 (10%) | 12,500 (11%) | 12,116 (10%) | 53,396 (10%) |
| Used for PHS agency evaluations | 7,626 (10%) | 7,799 (8%) | 10,624 (10%) | 12,342 (11%) | 14,792 ^c (12%) | 53,183 (10%) |
| Total used | \$44,306 (58%) | \$46,304 (50%) | \$80,927 (78%) | \$57,286 (50%) | \$69,752 (59%) | \$298,575 (59%) |

^aDollars are in thousands.

^bThe fiscal year 1992 available set-aside includes a rescission of \$7,500,000 from the original total available set-aside of \$126,418,000.

^cThe fiscal year 1992 amount used by PHS agencies is a PHS estimate as of July 1, 1992.

Distribution of the Set-Aside

PHS distributed the set-aside funds to support three purposes: (1) major data collection programs earmarked for PHS evaluation set-aside funding by the Congress, (2) taps by OASPE and OASH to support their evaluation projects, and (3) evaluation in the covered PHS agencies. Each agency contributes to the support of the congressional earmarks and the OASPE and OASH taps in proportion to their share of the total set-aside. Whatever remains after their contributions to the earmarks and taps may be used by the PHS agencies to support their own evaluation projects. For example, in fiscal year 1992, 1 percent of CDC's appropriation (minus any exclusions and a rescission) was \$10.8 million, or approximately 9 percent of the maximum PHS set-aside. Because its portion of the maximum set-aside was 9 percent, CDC contributed 9 percent (\$3.9 million) of the support for congressional earmarks and 9 percent (\$1.1 million) of the support for OASPE and OASH, leaving \$5.9 million available for CDC evaluation projects.

Congressional Earmarks

The first allocation from the total set-aside is to major data collection activities designated by the Congress to receive some portion of the set-aside funding. Table I.2 describes the amount of the evaluation set-aside that was dedicated to congressional earmarks in fiscal years 1988-92. In each of these years, appropriations legislation directed set-aside funds to the National Center for Health Statistics for its national

health surveys, such as the National Health and Nutrition Examination Survey. In fiscal years 1988 and 1989, earmarked funds also supported major data collection activities in OASH's National Center for Health Services Research (NCHSR) through two mechanisms. First, the Public Health Service Act authorized the use of 7.5 percent of the set-aside for the support of evaluations of health care services and health care technology. Second, appropriations legislation earmarked additional amounts of set-aside support for the National Medical Expenditure Survey. In fiscal year 1990, when NCHSR was reorganized as AHCPR, the 7.5 percent earmark was repealed and the Public Health Service Act was amended to direct 40 percent of the maximum set-aside to the new agency for the support of general research activities and the Medical Treatment Effectiveness Program. AHCPR received 40 percent in only one fiscal year, 1990. In fiscal years 1991 and 1992, the Congress capped AHCPR's set-aside support at \$13.8 and \$13.4 million, respectively, in order to limit the funds siphoned from other agencies. Through the appropriations process, the set-aside funds that AHCPR receives have been designated to the National Medical Expenditure Survey and the Provider Study Program.

Table I.2: Evaluation Set-Aside Funds Directed to Congressional Earmarks, Fiscal Years 1988-92^a

| Statutory earmarks | 1988 | 1989 | 1990 | 1991 | 1992 |
|--|-----------------|-----------------|------------------|------------------|------------------|
| National Center for Health Services Research | \$21,083 | \$17,019 | \$0 ^b | \$0 ^b | \$0 ^b |
| Agency for Health Care Policy and Research | 0 ^b | 0 ^b | 41,443 | 13,444 | 13,444 |
| National Center for Health Statistics | 5,827 | 12,336 | 19,000 | 19,000 | 29,400 |
| Total | \$26,910 | \$29,355 | \$60,443 | \$32,444 | \$42,844 |

^aDollars are in thousands.

^bWhen AHCPR was created in fiscal year 1990, it replaced NCHSR.

OASPE and OASH Taps

The second purpose for which set-aside funds are used is the support of evaluation projects in OASPE and OASH. HHS's policy allows OASPE and OASH to tap up to 25 percent of the set-aside that remains after the earmarked funds are subtracted. The rationale for the OASPE and OASH taps is (1) OASPE and OASH are more likely than the program offices to examine issues that cut across traditional program divisions and (2) PHS agencies have disincentives to use the set-aside funds because using them reduces program funding. (As described below, the PHS agencies generally devote considerably less of the set-aside to evaluation than is available.)

Although agency policy allows OASPE and OASH to tap up to 25 percent each, in the last 5 years neither has taken that much. (See table I.3.) Instead, averaging over fiscal years 1988-92, OASH used only about one fifth and OASPE used less than half of what they could have tapped. OASPE combines the funds it receives through the tap on the PHS set-aside with other evaluation funds tapped from the Administration on Aging and the Administration for Children and Families. However, in fiscal years 1988-92, the PHS funds made up approximately 95 percent of OASPE's set-aside account. As described in appendix II, both OASPE and OASH use the set-aside funds they receive through their taps on the PHS agencies to support a range of projects.

Table I.3: Maximum Tap Allowed to OASPE or OASH and the Actual Amount They Tapped, Fiscal Years 1988-92^a

| Taps on the PHS agencies' set-aside accounts | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Maximum OASPE or OASH tap ^b | \$12,488 (25%) | \$15,948 (25%) | \$10,789 (25%) | \$20,326 (25%) | \$19,018 (25%) |
| Actual OASPE tap | 6,420 (13%) | 6,000 (9%) | 6,860 (16%) | 9,500 (12%) | 8,865 (12%) |
| Actual OASH tap | 3,350 (7%) | 3,150 (5%) | 3,000 (7%) | 3,000 (4%) | 3,251 (4%) |

^aDollars are in thousands.

^bBy HHS policy, the maximum amount that either OASPE or OASH can tap is 25 percent of the set-aside funds available after the congressional earmarks are subtracted. Together, they could tap as much as 50 percent of the funds remaining after the earmarks.

Use of the Set-Aside by PHS Agencies

The PHS agencies can use whatever remains after their contributions to congressional earmarks and agency taps for evaluation. PHS agencies as a whole used less than 25 percent of the funds that were available after taps and earmarks in 4 of the 5 years we examined. In fiscal year 1990, when available funds were less than in other years because of the large earmark for AHCPR, the agencies used 32 percent. (See table I.4.) Reasons suggested by PHS officials for the limited use of the set-aside by the agencies include (1) competition with program needs for the funds, (2) limited staff resources for monitoring evaluation contracts, (3) uncertainty about the amount of funding that will be available after the earmarks and taps, and (4) limits on spending for consultant services, such as that included in fiscal year 1989 appropriations language. Moreover, the decentralized system of managing the set-aside leaves to the individual agencies the decision of how much of the maximum possible evaluation set-aside to

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The Use of the PHS Evaluation Set-Aside

reserve for evaluation. NIH, which accounts for a large proportion of the unused funds, limits the use of its set-aside by requiring that projects requesting set-aside funding have cross-NIH implications.

Table I.4: Availability and Use of Evaluation Set-Aside Funds Remaining With PHS Agencies After Congressional Earmarks and OASPE and OASH Taps, Fiscal Years 1988-92^a

| Set-aside funds | 1988 | 1989 | 1990 | 1991 | 1992 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Available after taps and earmarks | \$40,184 (100%) | \$54,643 (100%) | \$33,297 (100%) | \$68,805 (100%) | \$63,958 (100%) |
| Used by PHS agencies for evaluation | 7,626 (19%) | 7,799 (14%) | 10,624 (32%) | 12,342 (18%) | 14,792 ^b (23%) |
| Remaining in program accounts | 32,558 (81%) | 46,844 (86%) | 22,673 (68%) | 56,463 (82%) | 49,166 (77%) |

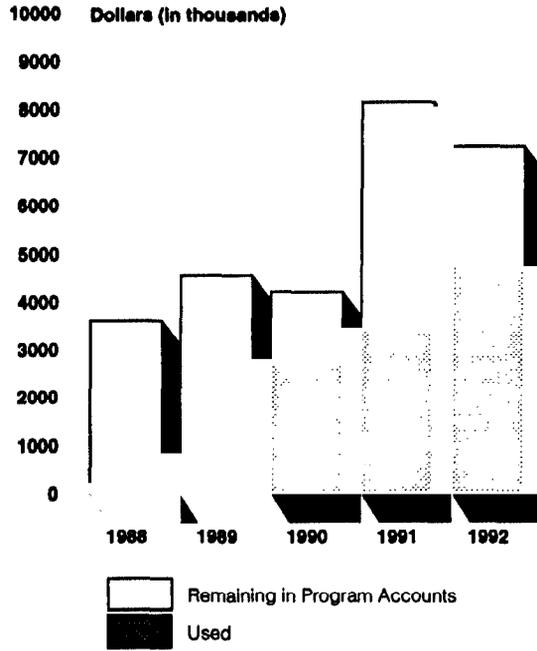
^aDollars are in thousands.

^bThe fiscal year 1992 amount used is a PHS estimate as of July 1, 1992.

Although the PHS agencies overall used a small proportion of their available set-aside funds during fiscal years 1988-92, the extent of use varied considerably by agency. ADAMHA dedicated an increasing amount of set-aside funds to evaluation each year. (See figure I.1.) CDC's use ranged from over 100 percent in fiscal year 1988 to 25 percent in fiscal year 1991; however, the actual amount spent on evaluation was fairly consistent over the 5 years, ranging from \$1.6 million to \$2 million in fiscal years 1988-91. (See figure I.2.) HRSA used a minimum of 68 percent of its set-aside in fiscal years 1988 through 1991 but planned to use only around 48 percent in fiscal year 1992. (See figure I.3.) NIH, with the largest amount available, used the smallest proportion, less than 15 percent in the last 5 fiscal years. (See figure I.4.)

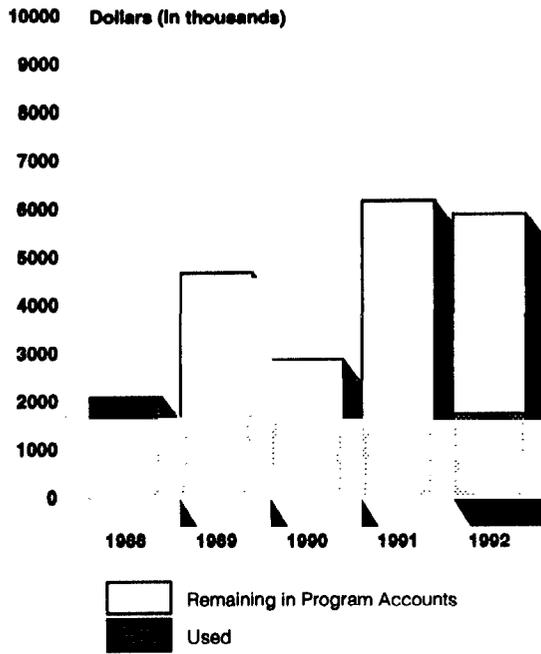
Appendix I
The Use of the PHS Evaluation Set-Aside

Figure I.1: ADAMHA's Use of the Evaluation Set-Aside Funds Available After Earmarks and Taps, Fiscal Years 1988-92



Appendix I
The Use of the PHS Evaluation Set-Aside

Figure I.2: CDC's Use of the Evaluation Set-Aside Funds Available After Earmarks and Taps, Fiscal Years 1988-92



Appendix I
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Figure I.3: HRSA's Use of the Evaluation Set-Aside Funds Available After Earmarks and Taps, Fiscal Years 1988-92

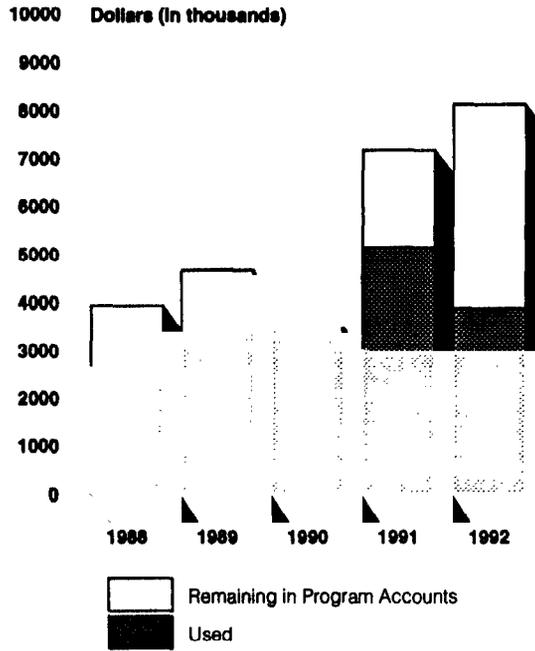
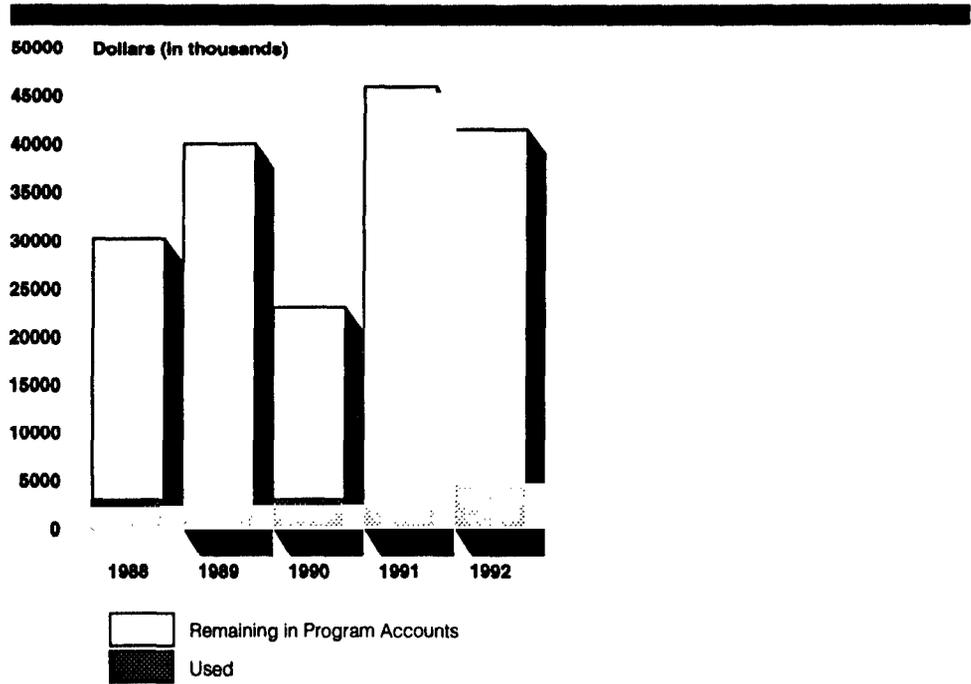


Figure I.4: NIH's Use of the Evaluation Set-Aside Funds Available After Earmarks and Taps, Fiscal Years 1988-92



Neither OASH nor AHCPR uses the set-aside mechanism directly to support its evaluation projects. Because the funds appropriated to these two agencies are small, the amount available to them through the set-aside (after their contributions to the earmarks and taps) is also small—less than \$1 million each in fiscal year 1992. As a result, OASH relies on its tap on the other agencies' evaluation funds (see table I.3) and AHCPR uses program funding to support evaluation projects.

The evaluation set-aside is not the only means of funding evaluation in PHS. Agency policy allows PHS agencies to use program funding for evaluation in place of or to supplement set-aside funding. All five agencies report some use of program funds for evaluation. (See table I.5.) However, they manage the use of program funds very differently.

Appendix I
The Use of the PHS Evaluation Set-Aside

Table I.5: A Comparison of Sources of Funding for Evaluation Projects by Agency

| Agency | Fiscal year | Funding for evaluation projects ^a | | |
|--------|----------------------|--|-----------------------------|-------------------|
| | | Set-aside | Program | Total |
| AHCPR | 1990-92 ^a | \$0 (0%) | \$5,258 (100%) | \$5,258 (100%) |
| ADAMHA | 1988-92 | 12,525 (14%) | 74,699 (86%) | 87,224 (100%) |
| CDC | 1988-92 | 7,416 (67%) | 3,816 ^b (33%) | 11,232 (100%) |
| HRSA | 1988-92 | 15,870 (96%) | 709 (4%) | 16,579 (100%) |
| NIH | 1988-92 | 13,623 | Not available ^c | Not available |

^aDollars are in thousands. Funding reported does not include interagency transfers.

^bCDC reported that in addition to the funds reported here, which either supplemented set-aside money or supported policy research conducted by CDC's office of program planning and evaluation, the individual centers could conduct evaluation with program funds. These evaluations were not necessarily monitored by CDC's central evaluation office.

^cNIH reported that some evaluations were supplemented by program funds, but the budget documents provided to us did not include program support. In addition, NIH components may conduct evaluations with program funds that are not monitored by NIH's central evaluation office.

AHCPR, ADAMHA, and HRSA monitor all evaluation contracts centrally, without reference to their source of funding. In contrast, the components of CDC and NIH may conduct evaluations without the approval or monitoring of the central evaluation office. (NIH has recently implemented a policy requiring the institutes, centers, and divisions to report the amount of program funds used to supplement set-aside funded projects.)

Projects Funded With the PHS Evaluation Set-Aside

In addition to the data collection programs that are earmarked by the Congress for support, the PHS evaluation set-aside funds evaluation projects in OASPE, OASH, and the PHS agencies except FDA and IHS. These projects are initiated by the agencies or respond to congressional requests for information. This appendix describes the planning and focus of the evaluation projects administered by OASPE, OASH, and the PHS agencies.

Evaluation Planning

OASPE and OASH are responsible for providing guidance on evaluation priorities and overseeing the evaluation programs in the PHS agencies. Until fiscal year 1992, OASPE and OASH reviewed and had approval authority over each project outlined in the evaluation plans developed in the PHS agencies. Fiscal year 1992 marked the beginning of a new process in which OASPE and OASH delegated their authority for the approval of projects to the PHS agencies covered by the set-aside legislation.

Under the new system, each agency's central evaluation office calls for proposals from program staff. The descriptions of proposed new projects are reviewed by the agency's evaluation officer for adherence to the HHS definition of appropriate uses of evaluation set-aside funds. (HHS's guidelines for the use of the set-aside are provided in appendix III.) The proposals then undergo two sets of reviews by committees established within each agency. One committee, made up of PHS representatives who have expertise in research methods, reviews the proposals for technical merit. Representatives from OASPE and OASH may participate in these meetings as nonvoting members. The other committee—generally made up of senior officials of the agency—reviews the proposals for policy relevance. For example, in NIH (which pioneered the new system), the policy review committee consists of institute and center directors. If both committees recommend approval of a proposal and the agency administrator approves it, the process of awarding a contract begins. Evaluations are conducted primarily by means of contracts.

Focus of Projects Funded With the PHS Evaluation Set-Aside

As shown in table II.1, OASPE, OASH, ADAMHA, CDC, HRSA, and NIH monitored 489 projects during fiscal years 1988-92 that were funded either wholly or partially with evaluation set-aside money. The set-aside funds obligated by the monitoring agencies for these projects came to almost \$75 million.¹ (See table II.2.) PHS programs were the primary focus of the agencies' evaluation projects, with 191 projects examining established programs and

¹The set-aside funding described here includes neither interagency transfers nor supplementary funding from program accounts because these funds are not uniformly tracked by the different agencies.

**Appendix II
Projects Funded With the PHS Evaluation
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31 evaluating demonstrations, such as ADAMHA's study of grants for projects aimed at youths at risk. Projects focused on established programs included both evaluations of discrete program efforts, such as the Health Education Assistance Loan program in HRSA, and assessments of administrative procedures, such as CDC's study of its evaluation planning strategy. Projects in these two categories—established and demonstration programs—accounted for 48 percent of the set-aside funds obligated for evaluation projects in fiscal years 1988-92.

Table II.1: Number of Evaluation Projects Supported by the PHS Evaluation Set-Aside by Focus and Agency, Fiscal Years 1988-92

| Agency ^a | Focus of evaluation projects | | | | | Total |
|---------------------|------------------------------|---------------------|----------------------|----------------------|---------------------|-----------------------|
| | Demonstrations | Data collection | Established programs | Other | Not coded | |
| OASPE | 2 | 4 | 9 | 44 | 26 | 85 |
| OASH | 2 | 8 | 38 | 23 | 1 | 72 |
| ADAMHA | 13 | 1 | 14 | 4 | 0 | 32 |
| CDC | 1 | 16 | 21 | 8 | 4 | 50 |
| HRSA | 11 | 16 | 73 | 46 | 46 | 192 |
| NIH | 2 | 12 | 36 | 8 | 0 | 58 |
| Total | 31 (6%) | 57 (12%) | 191 (39%) | 133 (27%) | 77 (16%) | 489 (100%) |

^aThe projects supported by AHCPR are not classified because AHCPR does not use the funds available through the evaluation set-aside. Instead, these funds, which totaled less than \$700,000 in fiscal years 1991 and 1992 after congressional earmarks and HHS taps, remain in program accounts, and other appropriated funds are used to support AHCPR's evaluation program.

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Projects Funded With the PHS Evaluation
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Table II.2: PHS Evaluation Set-Aside Funds Obligated by Focus and Agency, Fiscal Years 1988-92^a

| Agency ^b | Focus of evaluation projects | | | | | Total |
|--------------------------|------------------------------|-------------------------|--------------------------|--------------------------|------------------------|---------------------------|
| | Demonstrations | Data collection | Established programs | Other | Not coded | |
| OASPE | \$145 | \$885 | \$852 | \$17,583 | \$1,238 | \$20,703 |
| OASH | 202 | 1,144 | 4,297 | 2,233 | 25 | 7,902 |
| ADAMHA | 7,072 | 15 | 3,605 | 1,833 | 0 | 12,525 |
| CDC | 441 | 2,593 | 2,797 | 1,039 | 546 | 7,416 |
| HRSA | 1,981 | 1,906 | 8,138 | 3,117 | 727 | 15,870 |
| NIH | 653 | 3,003 | 6,190 | 723 | 0 | 10,569 |
| Total^c | \$10,494 (14%) | \$9,546 (13%) | \$25,879 (34%) | \$26,528 (35%) | \$2,536 (3%) | \$74,985 (100%) |

^aDollars are in thousands.

^bThe projects supported by AHCPR are not classified because AHCPR does not use the funds available through the evaluation set-aside. Instead, these funds, which totaled less than \$700,000 in fiscal years 1991 and 1992 after congressional earmarks and HHS taps, remain in program accounts, and other appropriated funds are used to support AHCPR's evaluation program.

^cColumn totals do not add to grand total because of rounding.

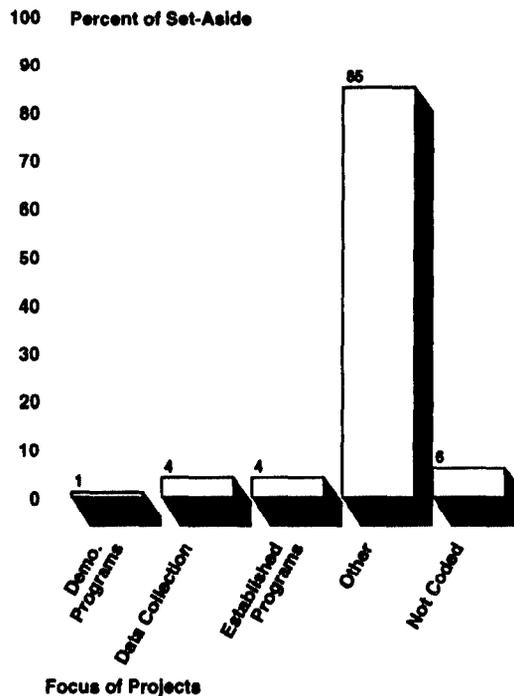
However, a large portion of the funds, 35 percent, was directed to the 133 projects that either were not focused on PHS programs or were not evaluations. For example, although the Job Opportunities and Basic Skills program for welfare recipients is not administered by PHS, OASPE used set-aside funds to support its evaluation because of the program's potential significance for the health of children in welfare families. An additional 13 percent of the funds supported 57 data collection projects, including NIH's development of the National Maternal and Infant Health Survey and CDC's study of the quality of the data obtained with the National Health Interview Survey. (The remaining 3 percent of the funds financed 77 projects that were not classified because either they were not available through OASPE's Policy Information Center data base or the information that was available was not sufficient.)

Examining the projects supported with the evaluation set-aside by each agency reveals the different emphases of their evaluation programs. OASPE emphasized projects that were not evaluating PHS programs. These projects, accounted for in the "other" column of figure II.1, included evaluations of programs run by other components of HHS, such as the Job Opportunities and Basic Skills program operated by the Administration for Children and Families. Other projects were health-focused but did not

**Appendix II
Projects Funded With the PHS Evaluation
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address PHS programs. For example, during fiscal years 1988-92, OASPE spent over \$1 million of the evaluation set-aside on actuarial analyses to support administrative health policies. Close to \$7 million were spent on the design and support of various computer systems, applications, and models. OASPE considers such activities eligible for evaluation set-aside funding if they have some effect on health issues, even if not directly focused on a federal health program. OASPE's criteria for using the PHS evaluation set-aside are that (1) the project must either be an evaluation or support evaluation activities and (2) "the project must include, but not necessarily be limited only to, PHS programs, issues, subjects (e.g. health status, health care utilization), services, or functions (e.g. health care services, health promotion, health safety), or must provide a service to agencies that include the PHS."

Figure II.1: Distribution of OASPE's Fiscal Year 1988-92 Evaluation Set-Aside Obligations by Project Focus*



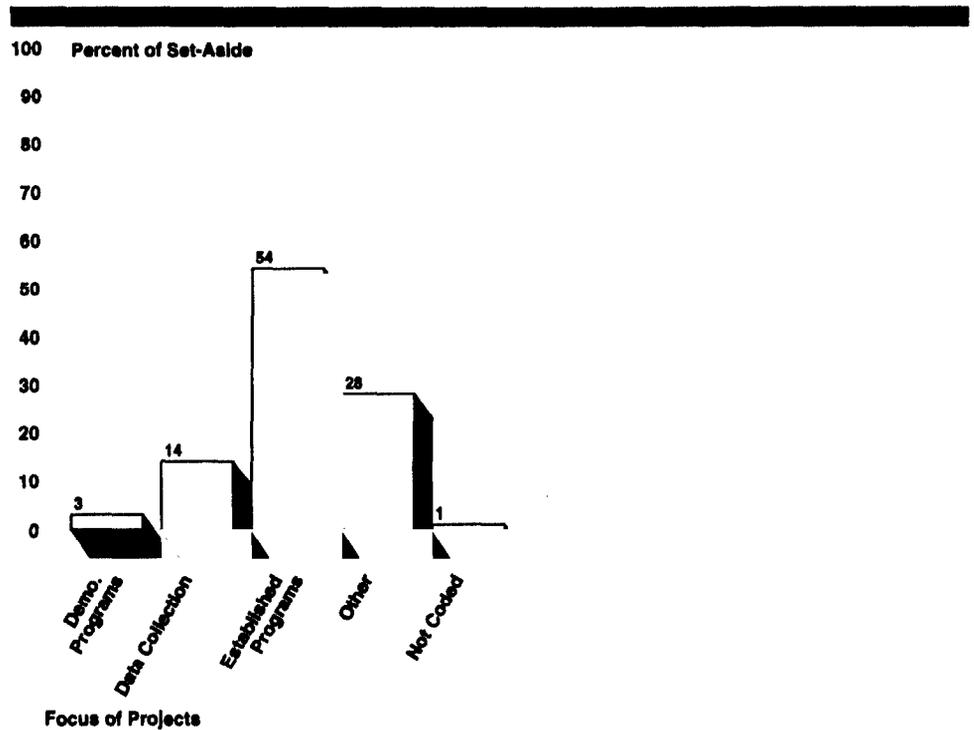
*OASPE combines the funds it receives through the PHS set-aside with evaluation funding from two other agencies. In fiscal years 1988-92, the PHS set-aside was approximately 95 percent of OASPE's set-aside account.

As shown in figure II.2, OASH used the evaluation set-aside funds received through its tap on the other PHS agencies primarily for the examination of

**Appendix II
Projects Funded With the PHS Evaluation
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established PHS programs. Because of its administrative functions, a number of these projects evaluated management issues. For example, an OASH project assessed its planning processes. Similarly, one of the data collection projects is focused on developing a new system for monitoring evaluation projects supported with the set-aside both in OASH and in the other PHS agencies. However, OASH also devoted a large portion (28 percent) to other projects, such as the development of a communications strategy for health promotion information and annotated bibliographies and conferences on violence. In addition, OASH allows up to 10 percent of its tap to be used for overhead purposes, such as equipment for evaluation staff, travel, and other administrative expenses.

**Figure II.2: Distribution of OASH's
Fiscal Year 1988-92 Evaluation
Set-Aside Obligations by Project
Focus**

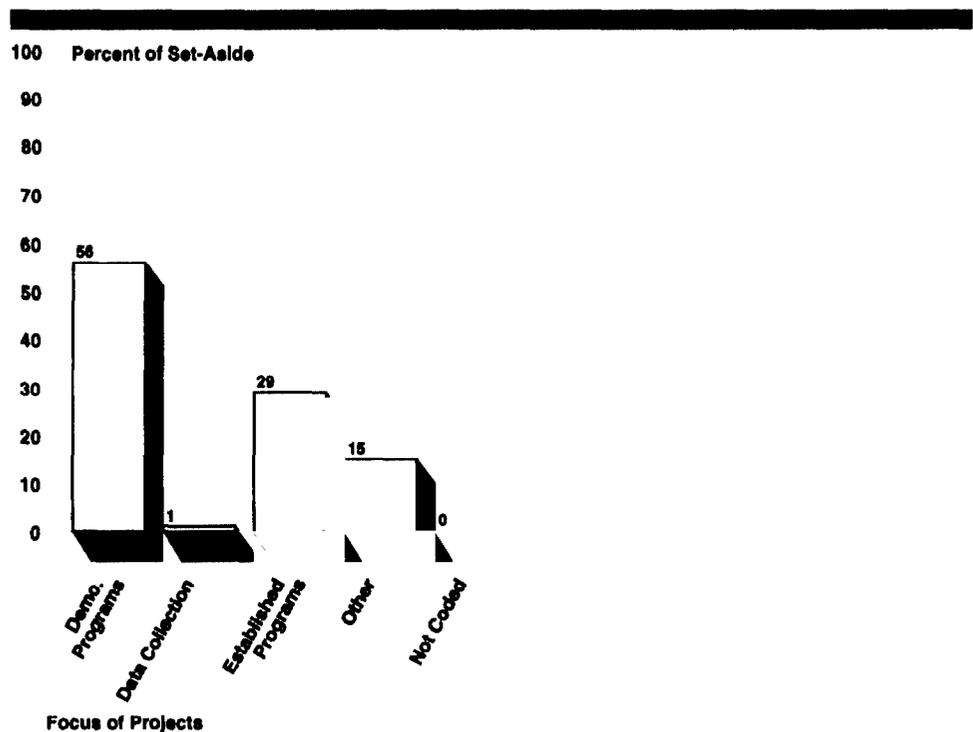


With 13 projects focused on demonstrations and 14 focused on established programs, ADAMHA's evaluation program appears to be almost equally divided between the two emphases. However, as shown in figure II.3, the majority of the funds ADAMHA obligated (56 percent) supported demonstrations, such as the evaluation of demonstration treatment

**Appendix II
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programs in Job Corps. Unlike OASPE and OASH, ADAMHA spent only 15 percent of its evaluation set-aside obligations on projects that were neither evaluations nor data collection activities focused on PHS programs. These projects included the development of a research agenda for the prevention of mental disorders and research on federal, state, and local barriers to the care of severely mentally ill homeless persons. ADAMHA does not use its evaluation set-aside funds for overhead expenses.

Figure II.3: Distribution of ADAMHA's Fiscal Year 1988-92 Evaluation Set-Aside Obligations by Project Focus

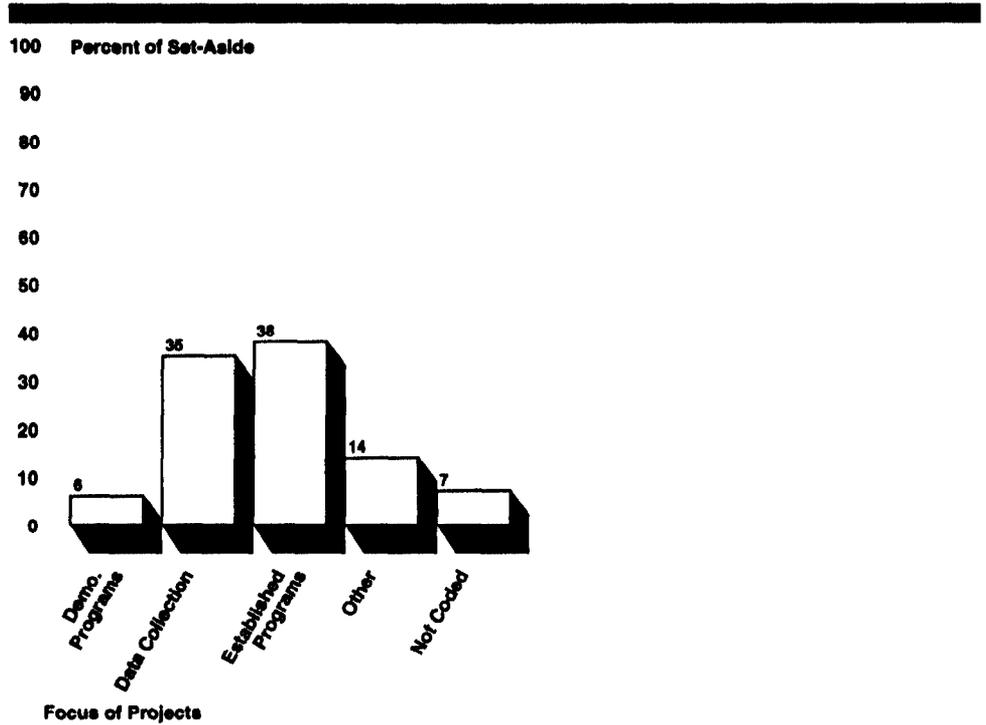


In contrast to ADAMHA's focus on demonstration programs, CDC directed a larger proportion of its evaluation set-aside funds to data collection activities and the study of established programs. (See figure II.4.) CDC's emphasis on data collection activities reflects its role in collecting and analyzing national data on health. Thus, for example, one of the major data collection activities supported with the evaluation set-aside examined the quality of the information obtained through the National Health Interview Survey by comparing it with information reported on medical records. CDC also spent 14 percent of its funds on other projects, such as the evaluation

**Appendix II
Projects Funded With the PHS Evaluation
Set-Aside**

of state and local strategies for preventing infectious diseases and injuries in day care centers. Like ADAMHA, CDC does not use evaluation set-aside funds to support administrative expenses.

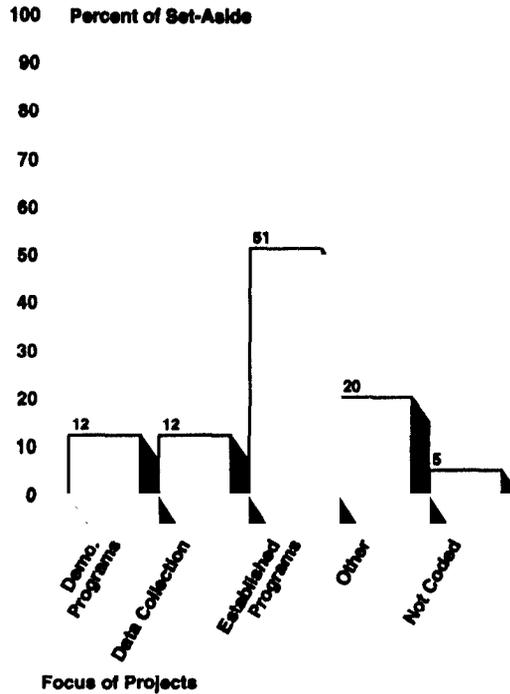
Figure II.4: Distribution of CDC's Fiscal Year 1988-92 Evaluation Set-Aside Obligations by Project Focus



HRSA focused its evaluation projects on established programs. Figure II.5 shows that over 50 percent of the evaluation set-aside funds HRSA obligated in fiscal years 1988-92 supported studies of established programs, such as the evaluation of the effect of case management in Community and Migrant Health Centers on health status and the assessment of the National Area Health Education Center Program. However, after established programs, HRSA was most likely to support a project that was either not an evaluation or not focused on a PHS program, such as the conferences on primary care and small area analysis. Over fiscal years 1988-92, HRSA spent an additional \$855,390 (or 5 percent of the evaluation set-aside funds used by HRSA) on overhead expenses.

**Appendix II
Projects Funded With the PHS Evaluation
Set-Aside**

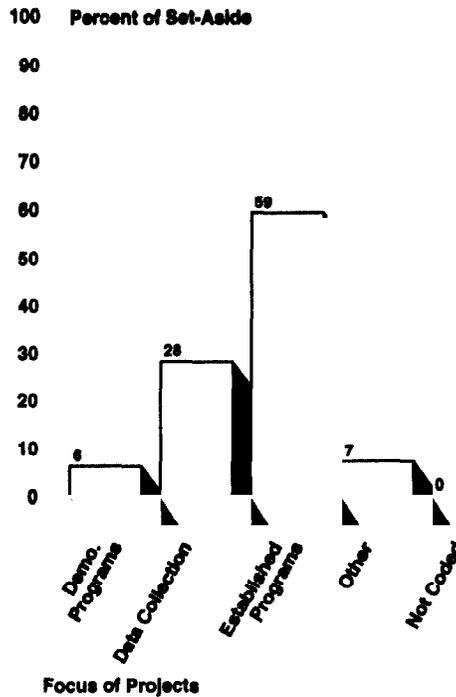
**Figure II.5: Distribution of HRSA's
Fiscal Year 1988-92 Evaluation
Set-Aside Obligations by Project
Focus**



Like HRSA, NIH focused its evaluation funding primarily on established programs, but it also emphasized data collection activities. (See figure II.6) Unlike the other PHS agencies, NIH set aside a very small portion of the funds remaining after congressional earmarks and OASPE and OASH taps. One reason for its limited use of the evaluation set-aside is a self-imposed policy of using the set-aside only for projects that are relevant across NIH. For example, major projects, such as an evaluation of the implementation of a program for the protection of research subjects and the assessment of national needs for biomedical and behavioral research personnel, appear to have assessed issues that have implications for several, if not all, NIH components. Compared to the other agencies, NIH devoted a smaller proportion (7 percent) of its evaluation set-aside obligations to projects that were not focused on demonstration projects, data collection, or established programs. However, it spent a larger proportion (\$1.9 million or 14 percent of the evaluation set-aside used by NIH in fiscal years 1988-92) on overhead expenses. One of the major costs included in NIH's administrative expenses is the support and acquisition of data bases, such as the Survey of Earned Doctorates.

**Appendix II
Projects Funded With the PHS Evaluation
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**Figure II.6: Distribution of NIH's Fiscal
Year 1988-92 Evaluation Set-Aside
Obligations by Project Focus**



Although the majority of the evaluation set-aside-funded projects for which we have descriptions were focused on PHS programs, we found no evidence that the results of the projects were synthesized by program area. However, a system for compiling evaluation information by program area is currently under development in OASPE.

In addition, evaluation reports are not routinely sent to the Congress, unless the project responds to a specific congressional request for information. Evaluation information is primarily disseminated through the data base maintained by OASPE. This data base includes a brief abstract and can be searched by program area or key word. However, we found it to be an incomplete record of the projects supported by the set-aside. OASH is in the process of taking over the maintenance of the PHS portion of this data base and plans to maintain additional information on the use of program funding and interagency transfers for evaluation.

HHS Guidelines for the Use of the Evaluation Set-Aside

This appendix reproduces the text of HHS's guidelines for the use of evaluation set-asides for PHS and other HHS agencies. These are the guidelines used in the PHS agencies to determine whether a project is eligible for set-aside funding.

Evaluation Projects Eligible for "Set-Aside" Funds

"For a number of years, the Department has defined evaluation as follows:

"Evaluation is the measurement of program performance (efficiency, effectiveness, responsiveness), the making of comparisons based on those measurements, and use of the resulting information in policy-making and program management.

"Questions frequently arise, however, regarding the criteria that govern the types of evaluation projects eligible for evaluation 'set-aside' funds. The term 'set-aside' refers to programs with authorizing legislation that permit program funds to be used for evaluation of the Public Health Service and some programs in the Office of Human Development Services. Limited set-aside funds are available for programs in the Food and Drug Administration, and none are authorized for programs in the Social Security Administration, and the Health Care Financing Administration.

"In reviewing a project's eligibility for set-aside funding, the following criteria (not listed in priority order) will be used:

1. Evaluation of HHS funded national programs.
2. Evaluation of demonstration programs which have major implications for design or redesign of national programs. (Evaluation of research and development 'demonstrations' are generally not eligible for set-aside funding.)
3. Evaluation of program or program management processes, procedures, intervention techniques, or information systems, except those specific to a single local project.
4. Evaluation of existing policies to determine their impact on program activities or currently authorized programs. (The assessment of prospective policies, where no programs yet exist, is not eligible for set-aside funds.)
5. The design and development of general evaluation methods and methodology developed for the assessment of specific programs. Support

for the development of methodologies to assess individual projects is appropriate, and may include preparation of project evaluation manuals or handbooks for grantees. (The execution of these methodologies to evaluate individual local projects is not eligible for set-aside.)

6. The initial design and development of management information systems and other data systems whose primary purposes are to evaluate programs of national scope. The use of evaluation funds to finance the design and development of these systems is limited to two years, starting from the design phase. After two years, agencies are expected to support systems from operating funds.

7. Initial development and pilot testing of instruments and procedures which will be used for on-site project review and monitoring. While initial development and pilot testing are eligible for evaluation support, agencies are expected to fund ongoing monitoring systems from program funds.

8. Securing technical assistance to help with the evaluation of eligible programs, excluding assistance to a single local project.

9. Short-term evaluation training of Federal employees whose professional concern is primarily evaluation of programs. Evaluation training for State and local officials is not eligible for 'set-aside' funding.

10. The addition of evaluation questions to an on-going general purpose survey. However, the cost to be incurred by evaluation funds is limited to the marginal cost of adding the questions and analyzing the evaluation data. Proposed add-on projects will be reviewed according to the following criteria:

- a. Evaluation is the primary purpose for the added questions (i.e., the questions would not be asked unless the evaluation were undertaken).
- b. The information sought is essential to the evaluation of the program.
- c. The desired information is not obtainable from other, more appropriate sources.
- d. The proposed add-on survey is methodologically sound with regard to the goals of specific evaluation projects.

e. The information to be gained from the study is 'worth' the dollar expenditure involved."

**Examples of Projects Not
Eligible for "Set-Aside"
Funds**

"As a general rule, the following types of projects are not eligible for 'set-aside' funding:

1. The evaluation of individual local projects.
2. The evaluation of individual 'R&D' experiments and demonstration projects.
3. The continuing operation of management information systems or ongoing monitoring systems. As noted in 6 above, the use of evaluation funds to finance the design and development of management information systems is to be limited to a maximum of two years.
4. The continuing collection of baseline data.
5. On-site review and monitoring of local projects. The development and pilot testing of instruments and procedures for on-site project review and monitoring is eligible for set-aside funding (as noted in 7 above) but the operation of ongoing monitoring systems is not."

Comments From the Department of Health and Human Services

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

FEB 17 1993

Ms. Eleanor Chelimsky
Assistant Comptroller General
United States General
Accounting Office
Washington, D.C. 20548

Dear Ms. Chelimsky:

Enclosed are the Department's comments on your draft report, "Public Health Service: Evaluation Set-Aside Has Not Realized Its Potential To Inform Congress." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely yours,

A handwritten signature in cursive script that reads "Bryan B. Mitchell".

Bryan B. Mitchell
Principal Deputy Inspector General

Enclosure

**Appendix IV
Comments From the Department of Health
and Human Services**

**COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON
THE GENERAL ACCOUNTING OFFICE DRAFT REPORT "PUBLIC HEALTH
SERVICE: EVALUATION SET-ASIDE HAS NOT REALIZED ITS POTENTIAL
TO INFORM CONGRESS," DECEMBER 18, 1992**

GENERAL COMMENTS

The General Accounting Office (GAO) raised several questions concerning the 1 percent evaluation set-aside (henceforth, set-aside) and its effectiveness in providing useful information on the success of Federal health care programs. However, the Department takes a broader view than GAO regarding appropriate uses of set-aside funds. The Department believes that set-aside funds can be appropriately used to evaluate all aspects of the health environment, not just individual Public Health Service (PHS) programs but the PHS programs collectively, as well, in order to gain a greater understanding of and guide Federal health programs and policy. This includes cross-cutting evaluations in which, to understand the success or failure of the targeted program, it is necessary to evaluate the role of supportive/related health care programs.

See comment 1.

The Department is concerned that GAO has employed a more narrow definition of "evaluation" than the Department's. For this reason, GAO may have classified some of the Department's evaluation projects financed with set-aside funds as not directly supporting evaluations of health care programs (i.e., categorized as "other" in the GAO classification schema; GAO's criteria for placing projects in the "not coded" category of its classification schema is not clear).

The Department agrees with GAO that it needs to bolster its efforts to synthesize and disseminate evaluation results and will continue to promote previously initiated efforts to these ends and seek other ways to do this.

Each of GAO's major findings and recommendations is addressed below.

The Use of the Evaluation Set-Aside

See comment 2.

The GAO noted that during the last 5 fiscal years (FY), PHS used significantly less than the maximum 1 percent set-aside available for its use (after congressional earmarks and Office of the Assistant Secretary for Planning and Evaluation taps) and cited explanations offered by PHS officials. GAO appears to conclude that PHS' use of less than the maximum amount of available set-aside funds indicates a lack of commitment to evaluation. Although, as GAO noted, PHS agencies also support evaluations with other (non set-aside) monies, we would not agree that the total dollars spent on evaluations undertaken

**Appendix IV
Comments From the Department of Health
and Human Services**

by PHS agencies is an appropriate measure of its commitment to evaluation. At no time has the Office of the Secretary or PHS used the full set-aside available. The legislative authority is up to 1 percent and neither authorizing nor appropriating committees have ever criticized the Secretary or the Assistant Secretary for Health for spending less than the maximum authorization. In fact, during FY 1993 the House Appropriations Committee directed a reduction in the availability of 1 percent evaluation funding.

Evaluation Funding Sources

See comment 3.

This finding seems to say that all program evaluations should be funded from the set-aside to ease project tracking. For various reasons, agencies sometimes choose to fund evaluations out of funds that are not part of the set-aside. For instance, support for the evaluation of a program may have been provided as part of a budget line-item. The important point here, we believe, is that the agencies should have a rational, easy-to-use process for tracking all of their evaluations, regardless of funding source.

Projects Supported by the Evaluation Set-Aside

See comment 1.

The GAO draft report states that a significant number of the projects fully or partially funded with set-aside funds during the study years do not appear to generate information on the implementation or effectiveness of Federal health programs (these are classified in the "other" category by GAO; it is not clear what the projects in the "not coded" category represent). The Department takes a broader view than GAO regarding appropriate uses of set-aside funds and has a broader definition of "evaluation."

See comment 4.

The Department believes that it is appropriate to use set-aside funds to evaluate health care programs authorized under the Public Health Service Act (henceforth, the Act) as well as related programs that could affect programs authorized by the Act. The Department believes that evaluations which review a significant aspect of the health environment, not just PHS operating programs, are important to understanding and guiding Federal health program policy. For example, it could be beneficial to use set-aside funds to support cross-cutting evaluations that look at the results of several different health programs affecting the same target group.

See comment 5.

The GAO seems to have adopted a narrower definition of evaluation than the Department. GAO describes evaluations as "... studies of the implementation and effectiveness of programs" Although these types of evaluation activities are clearly covered by the definition, there are other

Appendix IV
Comments From the Department of Health
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legitimate and necessary types of evaluation activities. For example, evaluation design, selected data gathering needed to measure results, and evaluation syntheses, are all appropriate evaluation activities.

See comment 6.

In addition, GAO cited examples of several set-aside expenses that it does not appear to consider appropriate. For instance, GAO does not consider conference support to be a legitimate use of set-aside funds. The Department believes that such expenditures are legitimate if the supported conferences directly contribute to the evaluation of Federal health programs. For instance, conferences can be useful when it is necessary to weigh many different viewpoints of program effectiveness. In addition, conferences are often an effective means for disseminating evaluation results.

See comment 7.

In the draft report, GAO also concludes that interagency transfers of set-aside funds and other "administrative" expenses are inappropriate uses of set-aside funds. An interagency transfer is simply a mechanism for pooling resources to carry out a common objective; it is not a use of funds in and of itself. Interagency transfers of set-aside funds are undertaken in direct support of evaluation projects, both extramural and intramural. Further, in-house evaluation is just as valuable as contract evaluation. Financing the expenses of having an organized evaluation program is appropriately chargeable to the set-aside. There is nothing in regulation or appropriation committee report guidance that precludes any of these uses of the evaluation set-aside.

See comment 8.

The GAO has not provided the Department with a listing of those projects it has categorized in the "other" or "not coded" categories. As a result, we are unable to comment on the results of this classification. Had we been afforded an opportunity to review and comment on such a list, we believe that we would have been able to provide further information to substantiate the legitimacy of the projects in these categories as evaluation activities.

The Synthesis and Dissemination of PHS Program Evaluation Results

See comment 9.

The departmental evaluation set-aside program would benefit from greater emphasis on the synthesis and dissemination of evaluation results and, in the last several years, the Department has done this.

The Department has been strongly encouraging agencies to examine how they are using evaluation results and increase their dissemination. PHS agencies have undertaken several

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efforts in this area. The Health Resources and Services Administration (HRSA), for instance, is now publishing annual summaries of completed studies as well as a quarterly intra-agency newsletter that includes evaluation results. The Centers for Disease Control and Prevention is publicizing evaluation results through peer review journals. For example, the evaluations of the School Health Curriculum and the Teenage Health Teaching Modules were published in professional journals. The Substance Abuse and Mental Health Services Administration's new Office of Applied Studies will provide support for integrated reporting of evaluation and survey findings. The Office of the Assistant Secretary for Health (OASH) is developing a PHS-wide database for managing the PHS evaluation program, promoting coordination, and improving dissemination of results.

In addition, the Office of the Assistant Secretary for Planning and Evaluation currently has a computerized evaluation matrix system in the early stages of development. The system has a component--extracted from the evaluations--which lists funded, in-progress, and planned evaluations with abstracts by program as well as a short synthesis of what we know and do not know.

The Office of the Assistant Secretary for Planning and Evaluation has also undertaken efforts in the last several years to correct problems with its evaluation database housed in its Policy Information Center (PIC). This database is a major mechanism for disseminating the results of evaluation projects. GAO pointed out two problems with the PIC database --it is incomplete and the vast number of project abstracts makes use of the database difficult. PHS is taking steps through its new PHS-wide evaluation database to improve the flow of information to PIC. In the future, information on PHS evaluations will flow to PIC through OASH. Regarding the second problem cited, the PIC has both a program and topic search capability which enables users to narrow the evaluation information to target specific areas of interest.

The Department provides information on evaluation results to its decisionmakers and the Congress through various mechanisms. The results of evaluation studies are communicated to the Congress as the result of specific requests for information, as part of budget deliberations, as well as through oversight and appropriation hearings.

GAO RECOMMENDATION

To improve the efficacy of the set-aside in informing Congress about the effectiveness of federal health programs, GAO recommends that the Secretary of HHS:

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- (1) Take steps to ensure that set-aside funds are in fact used to support evaluations of federal health programs.

DEPARTMENT COMMENT

The Department and its agencies have acted appropriately in the use of set-aside funds; their use directly carries out or supports the evaluation of Federal health programs. The Department agrees that set-aside funds are to be used to support evaluation of Federal health programs.

GAO RECOMMENDATION

- (2) Ensure that evaluation results are synthesized by program area (regardless of how the evaluation was funded) and communicated to Congress.

DEPARTMENT COMMENT

The Department agrees with this recommendation and began implementing it before GAO's review. As discussed above, the Department is taking steps to emphasize the synthesis and dissemination of program evaluation results. Further, evaluation results are routinely included in annual reports required by authorizing committees for many PHS programs.

MATTERS FOR CONGRESSIONAL CONSIDERATION

The GAO suggested that the Committee on Labor and Human Resources may want to consider whether to provide more guidance on the permissible uses of the evaluation set-aside funds.

DEPARTMENT COMMENT

The Department's evaluation program fully complies with the guidance Congress has given us in the past. We see no need for new guidance to define the program. However, we welcome suggestions on how we might be more responsive in providing useful information to Congress.

The following are GAO's comments on the February 17, 1993, HHS letter.

GAO Comments

1. We placed evaluations in the "not coded" category when no or insufficient information was obtained.
2. We do not conclude that PHS's use of less than the maximum amount of available set-aside funds indicates any lack of commitment to evaluations.
3. Our point is not that all evaluation should be funded from the set-aside, but rather—as HHS states—that the PHS agencies should have a rational process for tracking their evaluations, regardless of funding source. We found that some PHS agencies are currently unable to account for all their evaluation activity because no such process is in place.
4. Many of the activities that we categorized as not evaluating a PHS program were clearly related to health and the mission of the PHS agencies. However, our task was to clarify which of these activities were evaluations. For example, HHS's example of a project that examined the effects of several PHS programs on a single target group would have been classified as focused on "established" or "demonstration" programs. In contrast, a project that studied the health status of that target group without reference to the group's receipt of PHS services would have been categorized as not focused on PHS programs.
5. HHS objects to some decisions it believes we made in classifying projects. In fact, we would classify several of the examples HHS cites as program evaluations. For example, we classified evaluation designs as evaluations of established or demonstration programs, as appropriate. Evaluation syntheses would be classified as focused on established or demonstration programs, unless conducted for prospective purposes. Data collection activities had their own category, unless they were specifically focused on PHS programs. Prospective studies, identified as not eligible for set-aside funding in HHS guidelines, were also classified as not evaluating PHS programs in our review.
6. Since the purpose of the set-aside is to evaluate PHS programs, we thought it useful to classify projects supported with the set-aside according to the kinds of information they were likely to generate on PHS programs. For example, while conferences are a potential tool in evaluation, the conferences that we reviewed did not appear to be a systematic means of producing information on PHS programs. HHS guidance

appears to support our classification: Most of the activities that we identified—by placement in the “other” category—as not evaluating PHS programs are also excluded from HHS’s list of activities eligible for set-aside support (see appendix III).

7. We do not conclude that interagency transfers and administrative uses of the set-aside are inappropriate. We report a single figure for these two kinds of expenses because the budget documents provided to us by PHS did not allow us to disaggregate them. We agree that the evaluation set-aside funds that were transferred from agency to agency may have directly financed evaluations of PHS programs. In contrast, the activities described by PHS officials as included in administrative expenses, while potentially supporting evaluation, were not in themselves evaluations. Whether the research was conducted internally or not was immaterial to us.

8. At an “exit conference” in which we discussed our findings with PHS, we expressed our willingness to provide listings showing how we coded projects. Only HRSA made such a request and we used its response to the information we provided to review our classification of HRSA projects.

9. HHS cites several activities in response to our concern about the synthesis and dissemination of evaluation findings. Of these activities, only two are of relevance to the issue of conveying information in a functional form to congressional users. First, OASH reported to us that the PHS-wide evaluation data base, when it is in place, will track evaluations regardless of funding source. Thus, the first step toward synthesizing evaluation findings—identifying the evaluations—will be facilitated. OASH’s data base otherwise does not address the synthesis or communication issue. Second, OASPE’s planned data base of what is known and not known about HHS programs will begin to address the need for systematic syntheses of evaluation findings. However, this data base was portrayed to us in November 1992 as being in very preliminary stages, with progress toward its completion uncertain because of a lack of staff resources. Moreover, neither of these activities addresses the issue of how the information will be communicated to the Congress. While recognizing HHS’s progress toward improving its ability to synthesize evaluation findings, we reiterate our concern about the ability of the agency to inform congressional deliberations by developing and communicating a coherent body of knowledge about the effects of PHS programs.

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