"Improved Oversight Needed to Ensure Grantee Compliance with Requirements"

Why GAO Did This Study

Under the Health Center Program, HRSA provides grants to eligible health centers. HRSA is responsible for overseeing over 1,100 health center grantees to ensure their compliance with Health Center Program requirements. GAO was asked to examine HRSA’s oversight. This report describes HRSA’s oversight process and assesses the extent to which the process identifies and addresses noncompliance with what HRSA refers to as the 19 key program requirements. GAO reviewed and analyzed HRSA’s policies and procedures and available programwide data related to HRSA’s oversight of health centers, interviewed HRSA officials, and reviewed documentation of HRSA’s oversight from 8 selected grantees that varied in their compliance experience, as well as other factors.

What GAO Found

The Department of Health and Human Services’ (HHS) Health Resources and Services Administration (HRSA) relies on three main methods to oversee grantees’ compliance with the 19 key program requirements.

- Annual compliance reviews. HRSA project officers review available information, including that submitted by grantees, to determine whether the grantee is in compliance with each of the 19 program requirements.
- Site visits. HRSA and its consultants visit grantees to review documentation, meet with officials, and tour the health center. Some of these visits are intended to assess compliance with some or all program requirements.
- Routine communications. Project officers communicate with grantees via phone and e-mail to learn about issues that may affect their compliance.

When HRSA identifies noncompliance with program requirements, it uses a process, implemented in April 2010, to address this with a grantee. This process provides a grantee with defined time frames for addressing any identified noncompliance. If a grantee is unable to correct the compliance issue by the end of the process, HRSA’s policy is to terminate the health center’s grant.

HRSA’s ability to identify grantees’ noncompliance with Health Center Program requirements is insufficient.

- HRSA does not require project officers to document their basis for determining that a grantee is in compliance with a requirement. When project officers are uncertain about compliance, HRSA instructs them to consider a grantee in compliance and to note the lack of certainty in a text field of their evaluation tool. However, HRSA has no centralized mechanism to ensure this occurs. Thus, it is unclear whether project officers’ decisions that a grantee is in compliance with a requirement are because there was sufficient evidence demonstrating compliance or the project officer failed to document that compliance was uncertain.

- The number of compliance-related visits conducted may be limited. HRSA’s available data indicates that only 11 percent of grantees had a compliance-related site visit from January through October 2011; less than half of which had a visit that assessed compliance with all 19 program requirements.

- HRSA’s project officers do not consistently identify and document grantee noncompliance. Project officers GAO interviewed had different interpretations of what constitutes compliance with some program requirements and therefore when they should cite a grantee for noncompliance.

HRSA’s process for addressing grantee noncompliance with program requirements seems to provide both the agency and grantees with a uniform structure for addressing noncompliance. However, the extent to which this process is adequately resolving grantee noncompliance or terminating grantee funding is unclear because HRSA’s experience with this process is too recent for GAO to make an overall assessment.

What GAO Recommends

GAO recommends that, among other things, HRSA improve its documentation of compliance decisions, strengthen its ability to consistently identify and cite grantee noncompliance, and periodically assess whether its new process for addressing grantee noncompliance is working as intended. HHS concurred with all of GAO’s recommendations, and stated that HRSA has already begun implementing many of them. HHS, however, did not concur with what it characterized as certain conclusions drawn from the findings. HHS based its comments on only some of the evidence. GAO’s analysis of all the evidence and HRSA’s planned implementation of the recommendations confirm the validity of the findings and conclusions.

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