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**REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES**

RELEASED

090054

**Grant And Contract Activities
Of The National Center
For Health Services Research**

Department of Health, Education, and Welfare

The National Center for Health Research needs to correct some problems in its administration of research grants and contracts, including those noted in

- the project initiation process,
- the monitoring of grants and contracts, and
- the dissemination of information resulting from research efforts.

GAO makes several recommendations to the Secretary of HEW to resolve the problems.

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APRIL 6, 1976

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(5)

The Honorable William Proxmire
United States Senate

Dear Senator Proxmire:

This report is in response to your October 9, 1974, letter and subsequent discussions with your staff concerning the grant and contract activities of the National Center for Health Services Research. This report discusses (1) the grant and contract approval process, (2) monitoring of grants and contracts, and (3) the dissemination of research information.

As agreed, we obtained formal written comments from the Department of Health, Education, and Welfare and have included them as appendix II to the report.

Sincerely yours,

A handwritten signature in black ink, reading "James B. Stacks". The signature is written in a cursive style with a large initial "J" and a prominent "S".

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
NTIS	National Technical Information Service
OAS	Office of the Assistant Secretary for Health
RFC	requests for contract

COMPTROLLER GENERAL'S REPORT
TO THE HONORABLE
WILLIAM PROXMIRE
UNITED STATES SENATE

GRANT AND CONTRACT ACTIVITIES
OF THE NATIONAL CENTER FOR
HEALTH SERVICES RESEARCH
Department of Health, Educa-
tion, and Welfare

D I G E S T

Grant and contract approval process

Although the National Center for Health Services Research has formulated various goals and objectives, they are not well defined nor have they been adequately communicated to officials of several Center divisions. The Center lacks the ability to determine whether goals are being achieved. (See p. 3.)

In conducting its research program the Center has available to it either grants or contracts. A July 1974 report prepared by the Office of Administrative Management, Office of the Assistant Secretary for Health, stated that the Center had no guidelines for selecting the funding instrument.

Although Department of Health, Education, and Welfare instructions for selecting an award instrument were effective in July 1974, GAO found no indication that Center officials had used them. (See pp. 4 to 6.)

The grant application approval process includes a review by Center officials and a study section made up of individuals mainly from colleges and universities.

The results of the grant review process for a 1-year period showed that the study sections approved only 21 percent of the 340 applications reviewed. Since the Center generally funds only approved applications, its flexibility on funding projects is limited. (See pp. 8 and 9.) Possibly contributing to the high disapproval rate is the difficulty in defining the Center's mission, the lack of communication between prospective grantees and the Center, and the inadequacy of the grant application package.

Of 95 contracts awarded in 1974, 37 were sole-source awards. The July 1974 report showed that 67 percent of all Center contracts active as of March 30, 1974, were noncompetitive awards. (See p. 10.)

To evaluate the Center's administration of contracts, GAO reviewed the files for 22 contracts completed between February 22, 1973, and January 15, 1975. Of the 22 contracts, 21 had from 2 to 17 modifications after award. Many of the modifications were for increases in time and contract amount and for changes in scope. (See pp. 10 to 11.)

The large number of sole-source contracts plus the numerous modifications resulting in prolonged completion dates and large increases in contract amounts indicate that contract award and management practices could be improved. The Secretary of HEW should require the Center to

- identify and establish for its research efforts more specific goals and objectives that would have some degree of measurability,
- have its professional staff indoctrinated on the HEW instructions for selecting the appropriate funding mechanism,
- identify the reasons for the study sections' high disapproval rate and initiate any necessary improvements, and
- review its policies or procedures for awarding contracts and take necessary actions to improve competition and to lessen the use of modifications which result in increased time and costs. (See p. 12.)

AGENCY COMMENTS

HEW did not agree with some of GAO's conclusions; however, issue was not taken with the recommendations. HEW said that certain actions have been taken and others are planned which will improve the Center's grant and contract approval process. (See p. 13.)

Monitoring of grants and contracts

The Center has not clearly defined the role its project officers are to fulfill in the monitoring of grants and contracts, nor has the Center established any procedures or guidelines for carrying out such monitoring responsibilities.

Center officials varied in their concepts of the project officers' roles. Role perception ranged from a hands-off policy to a strict monitoring concept. With no established guidelines or procedures for monitoring projects it was difficult to assess the project officers' performance. However, adequate monitoring apparently did not occur in several instances in which projects were terminated after spending considerable time and money. (See pp. 14 to 18.)

The Secretary of HEW should have the Center

- clearly define and make known the project officers' role and also eliminate unnecessary rotation of project officers,
- establish a project officers training program to impress upon them their role and how it is to be performed, and
- develop guidelines or procedures for project officers to follow in carrying out their monitoring responsibilities. (See p. 18.)

AGENCY COMMENTS

HEW agreed with GAO's recommendations and mentioned actions taken and planned which should eliminate the problems discussed. (See pp. 18 to 19.)

DISSEMINATION OF INFORMATION

The law clearly sets forth the Center's responsibilities to publish, make available, and disseminate the research results. It also states that the Center is to make

available to the public data developed in its research. (See p. 20.)

Although final reports are required to be submitted to the Center when a grant or contract is terminated, the Center has had difficulty in obtaining final reports from projects. (See pp. 20 to 21.)

GAO also found that the publication of reports received by the Center and the availability of data developed by projects needs to be improved. (See pp. 21 to 24.)

The Secretary of HEW should have the Center

- increase efforts to acquire final reports in a timely manner and
- implement data dissemination policies and methods consistent with the provisions of Public Law 93-353. (See p. 24.)

AGENCY COMMENTS

HEW stated that it agrees with GAO's recommendations and advised GAO of steps taken that are responsive to the recommendations. (See p. 24.)

CHAPTER 1

INTRODUCTION

The National Center for Health Services Research is operated under authority provided by sections 304(b), 305, and 308 of the Public Health Service Act, as amended (42 U.S.C. 201), to improve health-care delivery through research and demonstrations. The Center's major goals are to increase the availability and accessibility of health care, promote a higher quality of care, and contain health care costs.

The Center's program of grants and contracts to public and private entities is aimed at developing new and more effective methods of health-care delivery. During fiscal years 1974 and 1975 its expenditures for research grants and contracts amounted to about \$62 million and \$33 million, respectively. The Center has maintained a level of about 375 active research grants and contracts during that period.

At the start of our review in February 1975, the Center was organized around seven divisions.

- Health Services Research Strategy.
- Health Services Evaluation.
- Health Services Research and Analysis.
- Health Services Quality Research.
- Health Services Design and Development.
- Health Care Information Systems and Technology.
- Long Term Care.

In March 1975 the Director of the Center dissolved the Health Care Information Systems and Technology Division and divided its projects between the Health Services Design and Development Division and the Health Services Quality Research Division.

PURPOSE AND SCOPE OF REVIEW

We made this review in response to a congressional request to assess the Center's administration of the grants and contracts. We looked at

- the grant and contract approval process,
- the monitoring of the grants and contracts, and
- the dissemination of information derived from the grants and contracts.

Our work was done at the Center's headquarters in Rockville, Maryland, and at nine project sites:

- Two in Cambridge, Massachusetts.
- One in Boston, Massachusetts.
- One in Burlington, Vermont.
- Two in Los Angeles, California.
- One in Palo Alto, California.
- One in Berkeley, California.
- One in San Francisco, California.

We gave HEW officials an opportunity to comment on the matters in this report and considered their comments in its preparation.

CHAPTER 2

GRANT AND CONTRACT APPROVAL PROCESS

NEEDS IMPROVING

The Center needs to better define and communicate its goals and objectives. It also must adopt sound decision-making policies for selecting the proper funding instrument (grants or contracts) and consider whether it needs to change its (1) grant review and approval process to permit more flexibility in the selection of grants to be funded and (2) contract award process to lessen the extensive use of modifications and promote more effective competition.

GOALS AND OBJECTIVES

In September 1973 the Center issued a statement of objectives and priorities intended to inform research investigators of the Center's primary areas of interest. As of September 1975 the statement still served as a guide to Center activities and listed the following categories of program objectives and priorities.

- Planning, regulation, and licensure.
- Productivity of health services.
- Economic analysis.
- Quality of health care.
- Health care data and information systems.

The statement discusses the type of research and demonstration activities desired under each category and lists questions to be answered through future research.

A July 1974 report prepared by the Office of Administrative Management, Office of the Assistant Secretary for Health (OAS), discussed the Center's goals. This report stated that, although Center staff was well aware that the Center's overall goals concerned cost, quality, and accessibility, it had difficulty expressing more definitive goals. The report also stated that Center staff questioned whether the Center was supporting projects which fit into the overall program objectives.

Our discussions with Center officials in the summer of 1975 disclosed that Center goals and objectives were still lacking specificity and that the Center had developed no way

for determining the extent to which goals and objectives were being accomplished by completed and ongoing projects.

A principal investigator of one of the projects we visited said that submitting a research application to the Center was like "shooting at the stars," relative to goals and objectives.

AVAILABLE FUNDING INSTRUMENTS

The Center's research program may use either grants or contracts to define the terms and conditions of research agreements. HEW instructions for selecting award instruments (grants or contracts), which were effective in July 1974, state that the two instruments have different purposes and applications and, when properly employed, create different relationships between the parties. The instructions further state that the ultimate factor is not which instrument is chosen but how the choice is made.

The instructions are intended to insure that the selection is made on the basis of sound management decisions, considering the basic type of undertaking, legal relationships, and expectations of performance. The proper choice of instrument, according to the instructions, is fundamental to sound decisionmaking. The instructions' selection criteria state that contracts shall be used for all procurement of goods or services, systems, or property to be used by the Government. The criteria further state that, unless a grant is required by statute, contracts are to be used for the following types of procurement:

- Evaluation of the performance of Government programs or projects or grantee activity. This does not include evaluative research unless the supporting agency requests it.
- Technical assistance rendered to the Government or any third party.
- Surveys and studies to provide information to the agency.
- Consulting or personal services.
- Training projects for selected individuals or groups.
- Production of publications other than the results of research projects.
- The generation of information for management purposes.

The criteria state that grants are the appropriate instrument when authorizing legislation mandates their use or one of the following nonprocurement conditions exist.

- When an award is intended to render general financial assistance to State or local units of government or to nonprofit organizations or individuals eligible under specific legislation authorizing such assistance. This includes financial assistance to support a specific program activity eligible for such assistance.
- When funds are available to financially aid an effort requiring creative and imaginative proposals and when the unsolicited proposal process for contracts is inappropriate.
- When legislation prohibits Federal control over the details of curriculum, program design, or performance.

The July 1974 OAS report stated that no guidelines or criteria existed at any level in the Center concerning the selection of funding instrument nor was the responsibility for such a decision assigned to any official or organizational level. The report further stated that, from interviews with project officers and staff, it was found that the selection of funding instruments is based on the project officer's personal judgment. Some examples given in the report of reasoning used to select funding instruments were:

Personal preference--The individual project officer, having always used one particular instrument and having no one advising him on the propriety and advantages of other instruments, continued to use the instrument he was most familiar with.

Avoidance of competition--Although the situation may call for a contract, the project officer may be unable to justify a sole-source award and thus may turn to a grant to insure that the desired organization receives the award.

Avoidance of study section reviews--Confronted with a continuing low approval rate for grants, the project officer may feel that only by using a contract, which is not reviewed by a study section, can he be assured that the project will be funded.

Avoidance of clearances--Faced with mounting demands for more detail, justifications, and time-consuming clearances, the project officer may take the path of least resistance.

A Center official said that about 60 percent of the Center-supported projects are funded through grants and the remainder through contracts. We could not identify any clear-cut selection criteria for the use of the funding instrument (grant or contract) the Center was using.

Center officials gave us various reasons for selecting either the grant or contract instrument, including:

- A preference for grants because contracts were cumbersome and presented problems.
- The contract was best if monitoring was to take place.
- Mission-oriented projects ran the risk of being disapproved if a grant was used.

We found no indication that Center officials had implemented HEW guidelines on the use of funding instruments.

GRANT APPROVAL PROCESS

The Center's Office of Review and Advisory Services is responsible for the initial review of all research grant applications referred to the Center. The Center's referral officer initially assigns all research grant applications to a study section for review and to one of the Center's appropriate divisions for monitoring and for assignment of a project officer.

Center staff review

The project officer monitors the application through the review process and oversees the project if approved and funded. The project officer reviews the application taking into account the following points: (1) whether any issue, scientific or nonscientific, is likely to be raised during the review, (2) whether the applicant will need to clarify the aims, methodology, or interpretation of data, (3) whether certain specialists not represented on the study section would provide valuable information as collateral reviewers, and (4) whether new and renewal grant applications would profit from a premeeting site visit in the formal review process. If, during the review, the project officer makes any one of the judgments (1 through 4), the study section chairman is notified of such judgment and a determination is made as to any special actions required to complete the review.

The Director of the Center, with his staff, reviews applications approved by study sections to determine if a

project is consistent with the Center's goals and objectives. This review is made during the course of deciding whether the applications in question will be funded.

Study section review

The Center has four study section groups which provide expertise in various research areas. The study sections, ranging from 12 to 20 members, are made up of individuals mainly from colleges and universities. The members can serve a maximum of 4 years. New members are selected by the Center Director who seeks suggestions from a variety of sources which may include current study section members.

Applications are assigned to a study section based on the type of health services research proposed in the grant application and the disciplines represented on the study section. Each study section has an executive secretary whose responsibilities include assigning study section members to each grant application. The executive secretary, based upon knowledge of the study section members' areas of expertise and his review of the application, assigns three or four reviewers to each application. A primary reviewer is assigned to each application with two or three additional members assigned as secondary reviewers. Each reviewer prepares a review and evaluation which is presented to the full study section at the meeting. Discussion takes place, with the entire study section participating in each application's review. The reviewers make a recommendation, and a vote is taken with the majority ruling.

The Center's criteria for reviewing applications include (1) training, experience, and research organization, (2) adequacy of experimental design, (3) importance of proposed research problem, (4) availability of facilities, (5) need for stimulus in certain fields, and (6) reasonableness of proposed budget in relation to work proposed.

After the meeting, the executive secretary is responsible for preparing summary statements for each research grant application reviewed by the study section. Using each reviewer's comments and notes of the meeting, the executive secretary prepares a summary statement, which includes a final recommendation. If a site visit was conducted, a site report will be included in the summary. Once the project officer approves the final draft, the summary statement is typed, reproduced, and given to study section members for information purposes only. The reviewers' comments are destroyed since they were incorporated into the final product and would serve no useful purpose thereafter. (Note: Destruction of the individual comments is done to assure the anonymity of the individual reviewer and not to destroy critical comments.)

At most of the projects we visited, project officials expressed satisfaction with the study group review process and most were pleased with the site visits made to their projects.

Results of process

The Center's decision to fund a project is based on two considerations.

1. The priority rating set by the study section which concerns the application's technical merits.
2. The relevance of the project to the Center's missions or priorities.

At the study section meetings, which are normally held three times annually, the application review team or the site visit review team presents a summary of the results of its review. Then the full study section, by vote, recommends approval, disapproval, or deferral.

If the vote is for approval, each member rates the priority of the application on a 1 to 5 scale. The ratings are averaged and multiplied by 100. The lowest scores are the applications with the highest priority.

During our review of the Center's grant process, we obtained information on the review of 340 applications in April and September 1974 and January 1975, as summarized below.

Number of applications

<u>Revised</u>	<u>Approved</u>	<u>Deferred (note a)</u>	<u>Funded</u>
340	73	44	47

a/Applications are deferred when the information available is not considered adequate to permit a recommendation of approval or disapproval and the study section wishes to obtain additional material by a site visit, correspondence, or other appropriate means.

As shown by the table, the study sections approved only 73, or 21 percent, of the applications submitted. Since the Center generally funds only the applications approved by the study section, its flexibility for funding projects is limited.

The OAS report noted that the Center study sections' approval rate was twice as low as that of other public health service agencies. This, according to the report, gave management only minimal opportunity to make decisions in the funding process. Some of the possible reasons the report gave for the low approval rate were:

1. Difficulty in defining the Center's mission. Without stated goals and objectives, the study sections may be perceiving many proposals as inappropriate for Center support.
2. Lack of communication between prospective grantees and the Center. Prospective grantees appear to be unaware of the Center's intentions or areas of emphasis.
3. Inadequacy of the grant application package. The package contains no guidelines for the Center's programs. Without guidelines, prospective grantees have no idea of what critical areas the grant proposal should address, the relative importance of each, and how the proposal will be evaluated. For example, the study sections usually place great emphasis on an evaluation component in each proposal, yet a number of proposals reviewed did not mention evaluation and were subsequently disapproved.

CONTRACT AWARD PROCESS

The Center's Director, together with division directors, identifies and sets priorities on important health service issues and formulates questions central to understanding those issues. Following that process, the division directors assign project officers who develop, with the advice of non-Federal experts, requests for contract (RFC) that respond to the identified health issues and questions within the constraint of allocated funds. The draft RFC is submitted to the Center's director for review and approval. The approved RFC serves as the basis for the preparation and issuance of a request for proposal by the contracting officer.

The Director of the Center, with his staff, reviews applications approved by study sections to determine if a project is consistent with the Center's goals and objectives. This review is made during the course of deciding whether the applications will be funded. The request for proposal is sent to a prospective contractor(s) considered capable of performing the work. The list of prospective contractors is prepared from suggestions of Center officials and consultants. A request for proposal may also be publicly advertised.

As an indication of the extent to which competitive proposals are being received, we reviewed 95 contracts funded in fiscal year 1974 and found that 37 were sole-source awards. The OAS report issued in July 1974 showed that 67 percent of all Center contracts active as of March 30, 1974, many of which were awarded in fiscal years 1970, 1971, and 1972, as well as those awarded in 1973, were noncompetitive awards. The report questioned whether the Center was attempting to promote competition for its proposed contracts.

To evaluate the Center's administration of contracts, we reviewed the files for 22 contracts completed between February 29, 1972, and January 15, 1975. Twenty-one of the 22 contracts were modified from 2 to 17 times after award. For some of the contracts, costs were substantially increased after award, completion dates were extended, and scopes of work were changed. Also, the products produced by some of these contracts were not useful, as shown in the following examples.

Example A

A June 1971 contract had 12 modifications which increased the initial amount from \$152,500 to \$573,553 and extended the completion date 26 months. The results of the contract turned out to be cost prohibitive to potential users.

Example B

A 1-year contract had 13 modifications which increased the initial award from \$400,000 to \$1,243,570 and extended the contract period by 37 months. After 2 years of work under this contract, the original approach was judged impractical and the scope was modified to make the goals more achievable. However, after 2 more years of effort, the Center decided to terminate the contract because the desired results were not being obtained. The project officer believed that dissemination of the final report was not warranted because outside interest in the project was minimal.

Example C

An April 1969 contract with 17 modifications had an increase in time of 41 months and an increase in cost from \$284,330 to \$1,820,760. A review of the final results by consultants did not support widespread dissemination.

Example D

A 1-year contract with seven modifications experienced an increase in cost from \$325,000 to \$1,255,000 and an extension of time of 31 months. A site visit team report dated about 5 months before project termination concluded that the contractor had done the work called for by the contract, but the report stated that the work had generally been of low quality, particularly when the amount of resources spent was considered. The report also said it did not appear that the work would either contribute to or expand the existing body of theoretical knowledge in the area or be particularly useful for policy formulation.

Example E

For a 9-month contract the Center received price proposals from 24 organizations--3 organizations were considered technically qualified to do the work. One of the three was eliminated before a final technical review meeting because its cost proposal was not considered competitive with the other two. At the final technical review meeting one of the two organizations was determined to be technically unqualified. This organization's proposed amount was \$90,633. The 9-month contract was awarded to the remaining organization for \$136,800. Before the project was completed the contract was modified 12 times, the time was extended from 9 months to 31 months, and the final contract amount increased to \$1,105,611. The organization which was determined technically unqualified at the final technical review meeting became the prime subcontractor for the project and received about \$250,000.

We asked why the contracts reviewed had so many modifications. A Center official told us that a few years ago contracts were being used when a grant would have been the more appropriate funding instrument and that the scope of work the contracts called for was probably ill defined. The July OAS report contained the following comment on the Center's contract administration.

"In numerous cases, proposed reviewers, usually the non-Government reviewers, commented that the scopes of work were poor, similar work was already being done or that the scope of work was of little value to the field."

CONCLUSIONS

Although the Center has formulated certain goals and objectives, they are stated in general terms and lack the specificity needed to measure their achievement. Although reasons for the high disapproval rates for grant applications are not readily apparent, the lack of clear goals for the Center could be a contributing factor, in that

- prospective grantees are confused about the Center's intentions and areas of emphasis and
- study sections are unsure whether proposals are appropriate for Center support.

The Center should select the type of funding instrument it will use to support individual projects by applying the criteria promulgated in HEW's guidelines--whether the Center and the recipient of funds will have a procurement or an assistance relationship.

In developing requests for proposals, the Center should clearly delineate the (1) proposed project's objective, (2) scope of the work to be done, and (3) estimated time for completion. Coupled with the selection of the appropriate funding instrument, these steps should promote effective completion and reduce the number of project modifications which has led to extended completion dates and increased project costs.

RECOMMENDATIONS

We recommend that the Secretary of HEW require the Center to:

- Identify and establish for its research efforts more specific goals and objectives which would have some degree of measurability. These goals and objectives, when established, should be communicated to the research community and all levels of Center staff.
- Have its professional staff indoctrinated on HEW instructions for selecting the appropriate funding instrument.
- Identify the reasons for the high disapproval rate of the Center's study sections and initiate any necessary improvements.
- Review its policies or procedures in awarding contracts and take any necessary actions to improve competition and lessen the use of modifications which result in increased time and costs.

AGENCY COMMENTS AND OUR EVALUATION

HEW informed us that the Center has, since our fieldwork was completed in September 1975, (1) issued and distributed within the research community and among Center staff, a document entitled "The Program in Health Services Research" which delineated the Center's priorities and (2) begun using a grant solicitation process to focus researchers on specific priority areas.

Regarding the Center's study sections' high disapproval rate of applications, HEW does not believe that the disapproval rate stems from a lack of clear goals since the study sections are responsible only for assessing technical merit of proposals. HEW said that the response to a major grant solicitation, which stimulated a large number of applications, was disappointing in that the study sections approved only 10 percent of the applications. As a result, the Center is scheduling a thorough review of study section operations in an effort to make them more effective. Among other things, the review will carefully examine and possibly resolve the high disapproval rates.

We believe that HEW's communication of definite goals and objectives for the Center and its planned review of study section operations are positive steps to improve the Center's overall grant approval process.

In response to our recommendations on selecting the appropriate funding instrument, improving competition, and lessening the use of time-consuming and costly modifications, HEW said that it has taken actions to improve competition and lessen the use of contract modifications which result in increased costs. HEW said that every project is given careful scrutiny and is assigned to be competitive unless sole source can be justified. Such justifications, according to HEW, are challenged by Center staff and by HEW's contracting officer. HEW also advised us that, in the past 1-1/2 years, judgments made regarding the proper funding instruments have been in accordance with HEW policy. However, HEW concurs in our recommendation that continual attention to the criteria promulgated in HEW guidelines is essential.

We found no evidence during our review that HEW guidelines for selecting the appropriate funding instrument were being used. We encourage HEW to emphasize to its professional staff the importance of following HEW criteria for selecting funding instruments.

Our subsequent work indicates that the Center has improved competition regarding its contracts and we encourage HEW to continue to emphasize the need for competition.

CHAPTER 3

MONITORING OF GRANTS AND CONTRACTS

The Center has not clearly defined the role of its project officers in monitoring grants and contracts, nor has it established any procedures or guidelines for carrying out such responsibilities.

ROLE OF PROJECT OFFICER

Division directors listed the following monitoring functions expected of the project officers.

- Match project accomplishments against goals and objectives.
- Spot problem areas.
- Determine the adequacy of project methodology.
- Insure the delivery of the intended product.

Project officers had varied concepts of the their role, ranging (for grants) from a hands-off policy with minimal input from the project officer to a strict monitoring concept requiring frequent reporting by the researchers. The July 1974 OAS report stated

"Project Officers had a general understanding of what they should be doing but this was a self-ascribed role with no formal basis, and reflected their own personality, perceptions of program goals and theory of research."

Our discussions with 11 project officers from 4 of the 7 divisions at the Center disclosed that little change has occurred during the year since the report was issued. The report recommended that the Center insure that professional personnel receive training on the project officer's role in administering grants and contracts.

Selection, background, and training

Generally, project officers are selected on the basis of their background and technical training. The Center offers very little formal training for project officers. Some of those interviewed stated that they had not received any formal training when they assumed their position. Most training took place on the job through help from experienced

staff members or the division director. One division director said he assigns relatively uncomplicated projects to inexperienced project officers.

The July 1974 OAS report recommended that the Center work with other HEW agencies to insure that professional personnel received training on the project officer's role in grants and contracts. Action has not been taken on this recommendation.

One division director said some division directors feel that formal courses on project officers' duties are not useful because the mechanics cannot be taught. Therefore, they simply explain to the new project officer what is expected of him or her; any later training depends on the direction's management style and methods.

Duration of assignment

We asked various project officers about the length of time they remain on assignments. One project officer said frequent rotation of project officers does not provide the management or continuity necessary to produce or promote a satisfactory result. Another project officer stated that a project could be affected adversely during review and funding periods if it did not have an advocate in the Center to speak on its behalf. He added that frequent rotation of project officers hinders such an advocate relationship.

A division director said frequent rotation of project officers has been caused by Center reorganizations. Reorganizations have occurred on the average of every 2 years.

We reviewed the files for 18 terminated grant projects and 22 terminated contract projects to determine the number of project officers assigned to each project during their active years. Five of the grant projects had more project officers than active years; only one had a single project officer through its duration. A 1-year grant had three different project officers assigned at various times. The average active years for the 18 grants was slightly over 4 and the average number of project officers was about 3.

Eleven of the contract projects had more project officers than active years, while only three projects had a single project officer through their duration. One contract which lasted 34 months had five different project officers assigned to it at various times. The average active years for the 22 contracts was about 3, and the average number of project officers was also about 3.

MONITORING PERFORMANCE

The Center has no established guidelines or procedures for monitoring projects, and assessing the project officers' performance of monitoring was difficult. In reviewing certain grants and contracts, however, we did note several instances in which adequate monitoring did not occur.

Reporting by projects

In addition to a final report (see ch. 4), projects are required to submit annual reports. The annual report is submitted along with an application for renewal or request for continued funding as appropriate.

The projects must submit annual progress reports to receive additional funds. The project officers receive these reports rather promptly since the following year's funding depends upon their receipt by the Center. Several of the project officers told us of progress reporting which they personally require of the projects in addition to annual reports.

We asked about the adequacy of the progress reports for management purposes. One division director said that the progress reports are totally inadequate for such purposes. Another said that the reports are not substantive. Most of the 11 project officers interviewed felt that the progress reports along with the information gained through site visits, telephone conversations, and other correspondence, were adequate for determining progress. However, some of them said that the annual progress report alone would not be useful to a project officer initially assigned to a project.

Review of reports and site visits

All the project officers interviewed said they review all annual reports and any interim reports their projects submit. The project officers said they also monitor their projects through correspondence, telephone conversations, and site visits.

Site visits are not made as frequently as desired because of the lack of travel funds, but some project officers are able to visit their projects at least once a year. Often these site visits last only a few hours or possibly a day.

Some of the project officers said that because of a decrease in site visits, their understanding of the project's work was similarly decreased. One of the project officers, who feels that site visiting is necessary to fully understand

the work involved, stated that because of a lack of travel funds he has "no sense of what his grantees are doing." To alleviate this situation he holds conferences (about 2 days) in Washington, D.C., with principal investigators of projects. Other project officers told us that they use similar arrangements to monitor their projects.

Our review of the 18 terminated grant projects determined the number of trip reports submitted by the various project officers in each grant file. A center official said that all visits are written up and reports are placed in the file. Our review did not consider visits made by the study section. We found no trip reports in the files of five projects that were active from 3 to 8 years. Only 2 of the 18 files contained trip reports showing that a visit was made to the site each year of its active life. Of the remaining 11 projects, only 3 had more than 1 trip report in its file, 4 had trip reports indicating visits made only during the last active grant year (active grant years for these 5 projects were 2, 3, 5, and 6), and 5 files contained a trip report for 1 of the active grant years other than the last. (Active grant years for these five projects ranged from 2 to 7.)

In certain projects, proper monitoring, we believe, would have resulted in either a savings to the Government or at least making available additional money for funding new applications through early termination of projects. We believe that the lack of site visits as discussed on page 16 may have contributed to the situations described below.

A project which remained active for 5 years at a total cost of \$1,590,845 was terminated because of poor productivity. A review by a study section of the project's application for a 5-year renewal concluded that the project's data was of questionable validity and that the project director seemed relatively uninformed about health services. Proper monitoring would have identified these weaknesses much earlier and resulted in earlier correction or termination of the project.

A second project which remained active for 5 years at a cost of about \$975,000 was terminated after a study section review of the project's application for renewal. The and that they had no confidence in the proejct director's ability to administer and complete the project. Again we believe that a project officer should have known about such project deficiencies and have had them corrected or terminated the project earlier.

Another such project originally had a 1-year contract for \$284,330 (also discussed on p. 10). Subsequently, many contract modifications extended the completion date and substantially increased the contract amount. When the contract was terminated, 4-1/2 years had elapsed and \$1,820,760 had been spent. A note in the files indicated the project officer's concern that someday the bureau might have to answer for spending \$2 million over a 4-year period with little being achieved. Through proper monitoring, project officers would have been aware of the project's difficulties in obtaining the desired results and possibly provided technical assistance or recommended earlier termination.

CONCLUSIONS

Center project officers' varying role perceptions, frequent rotation of project officers, lack of formal training for project officers, and absence of monitoring guidelines or procedures make project monitoring ineffective and adversely affect the way projects are carried out.

RECOMMENDATIONS

We recommend that the Secretary of HEW have the Center

- clearly define and make known the role of a project officer,
- eliminate unnecessary rotation of project officers,
- establish a training program for project officers to explain their role and how it is to be performed, and
- develop guidelines or procedures to be followed by project officers in carrying out their monitoring responsibilities.

AGENCY COMMENTS

HEW agrees with our recommendations. Previously, according to HEW, grants awarded for 3 to 5 years had been renewed on an annual basis without the level of review necessary to determine whether the continued funding was justified. An annual review of each continuing grant by a committee, including the project officer, the executive secretary most familiar with the project, the appropriate division director, and usually two or more outsiders with particular knowledge about the project's objectives, has been initiated. HEW believes that this procedure provides

a much better mechanism for monitoring grants and determining the nature of continued support.

HEW has also advised us that it is in the process of establishing a training program for project officers which is tailored to the Center's programs. HEW states that in developing the training program it will, of course, be essential to define the project officer's role more clearly. HEW further informed us that the Center staff is reviewing a monitoring system designed to eliminate the problems identified in this report.

CHAPTER 4

DISSEMINATION OF INFORMATION

One of the Center's major functions is to disseminate its research findings to improve the delivery of health services. In addition, the Congress, in passing Public Law 93-353, expressed the belief that it was important that the data used in health services research and the research results be available to the public. Section 308(g), which applies to the Center, the National Center for Health Statistics, and other units of HEW selected by the Secretary, states in part

"The Secretary shall -

- (A) publish, make available and disseminate, promptly in understandable form and on as broad a basis as practicable, the results of health services research, demonstrations, and evaluations undertaken and supported under sections 304 and 305;
- (B) make available to the public data developed in such research demonstrations, and evaluations; and
- (C) provide indexing, abstracting, translating, publishing and other services leading to a more effective and timely dissemination of information on health services research, demonstrations and evaluations in health care delivery to public and private entities and individuals engaged in the improvement of health care delivery and the general public, and undertake programs to develop new or improved methods for making such information available."

For fiscal years 1974 and 1975 the Center spent about \$132,000 to publish reports.

FINAL REPORTS

Final reports are required to be submitted to the Center when a contract or grant is completed or terminated. However, our review of project files and discussions with project officers revealed that such reports for both grants and contracts are not submitted in a timely manner. Generally, contractors are more prompt than grantees in filing final reports because of the financial incentive for them. Without such a report, a contractor does not receive final payment. Grantees, on the other hand, do not have such a financial incentive. However, one project officer stated that, if grantees are tardy or fail to submit their final reports, they lose favor with the scientific community.

Three project officers stated that some grantees have been as late as a year or more in submitting their final reports. One of the officers told us of similar problems with contractors. A Center official said that, when a final contract report is not submitted, the project officer should determine why and take appropriate action to obtain it. Withholding of the final payment until receipt of the report may be a course of action; however, a project officer told us that the final payment normally does not involve much money and withholding it may not produce the incentive to submit a final report. According to several project officers, they have no other recourse but to continually request submission of a final report when one is not forthcoming from a completed grant.

Of 18 grant projects which had terminated between June 30, 1974, and December 31, 1974, as of June 30, 1975, only 7 of 18 projects had copies of the final reports in their files. When no final report was available, we found instead (1) a progress report, (2) a notation that the final report was being assembled by the grantee, or (3) a letter stating that the final report had been submitted in letter form. We could not locate those letters. For 22 contract projects which had terminated between January 25, 1974, and February 20, 1975, 16 final reports had been received as of June 30, 1975.

Division directors said that the project officer along with other Center personnel and outside consultants review final reports on projects to determine whether or not they should be distributed outside the Center. Reports selected for distribution are sent to the National Technical Information Service (NTIS), Department of Commerce, which makes them available to anyone upon request.

PUBLICATION OF PROJECT RESULTS

To determine the extent to which the final reports were being sent to NTIS, we submitted a list of terminated grants and contracts to the Center's Office of Scientific and Technical Information in June 1975 and asked it to identify which reports had been made available for distribution. Of final reports received on 26 contract projects terminated between February 29, 1972, and February 20, 1975, and 10 grant projects terminated between June 30, 1974, and December 31, 1974, final reports on only 13 projects had been submitted to NTIS. Six other reports not submitted to NTIS were being maintained in HEW's library in Rockville, Maryland.

The project officer and/or the other reviewers did not recommend some reports for publishing by the Center. The

major reason given concerned the low quality or lack of value of the research work.

For example, a 4-year project with total contract costs of \$1.6 million failed to produce the desired results and the project officer recommended that the final report not be published because of lack of outside interest. Another project--a 3-1/2-year contract totaling \$1.3 million--resulted in a final report which the reviewer felt was of low quality. He concluded that the information would not contribute to or expand the area of knowledge.

AVAILABILITY OF PROJECT DATA

Although the Center is responsible for disseminating data developed by its grantees, the Center has occasionally had difficulty in obtaining such data from grantees and on other occasions requested data was not furnished on the grounds that it was not in a form that would be useful to a requester.

Part of our review was concerned with efforts made by a private citizen to obtain information about the use of computers to assist in the delivery of health care which had been developed under a Center-financed project. A Center official said the Center itself was having problems obtaining information from the same grantee. The official further stated that, if we could obtain information from the grantee, the Center would like to have that information.

The principal project investigator said the request for data developed under the project was not honored because (1) a safe, reliable mechanism (national repository for medical information) has not been set up to disseminate project displays, (2) the displays have been programed for machines no longer in use, and (3) the documentation is written in computer language which project personnel would have to interpret.

The principal investigator's understanding concerning data developed by the project was that dissemination is contingent upon establishment of a national library of medical displays and technology by the Federal Government. He said he had no agreement with the Center concerning dissemination of information. A Center official defended the principal investigator's refusal to provide his data to the requester by saying that the data was not ready for dissemination. As of September 17, 1975, the principal investigator had furnished no data to the requestor, although the original request was made in January 1972.

The Center has requested policy guidance from HEW's General Counsel on access to and dissemination of information developed under grants. According to Center officials, the HEW General Counsel was unwilling to address access to data with a general policy but would rather handle problem situations case by case.

A principal investigator, whose project concerns a computerized medical information system, told us that he usually honors requests for data developed by his project. He also said that requests have sometimes not been honored because the data requested could not be packaged so that it would be useful. He was also concerned that placing data in the hands of incompetent individuals would result in many inquiries to him for explanations which in turn would result in a waste of his time.

This principal investigator said that, although he was not aware of any requirement that project data be disseminated, he was in favor of providing meaningful data to any requester who could put the information to good use. He believes that the use of data by others is the best method of determining the project's merits.

The Center's project officer said that the project's work was in the developmental stage and had not been documented. To document, he explained, requires interpreting or translating raw data and preparing computer programs. He added that this function is that of a programmer and HEW does not provide funds for that purpose until the development phase is completed.

We noted, however, that the project's principal investigator has provided raw data to several commercial enterprises. One of these vendors is marketing systems similar to those which the project is researching. The principal investigator said that the vendor could customize its systems to fit the individual needs of users and that few hospitals have the programming capability to pick up on his work. In the past, he said, he has not had sufficient funds to document his systems and it is not likely that he will have sufficient funding in the future. This project was first initiated in 1962 and was supported with Federal funds through the National Institutes of Health. The Center began supporting the project in 1968, and National Institutes continued support into 1971. The Center has provided over \$4 million to the project from 1968 to the present. With similar systems being marketed and with the likelihood that documentation may never occur, it becomes questionable whether further research by this project should be supported.

CONCLUSIONS

The Center must be more aggressive in acquiring final reports. Presumably, projects which do not produce the desired results do generate data and information which may be useful to others.

Public Law 93-353 is quite clear in making the Center responsible for making project data available to the public. We believe that the Center should make it a condition of a grant or contract that data developed by projects be made available to the public upon request.

RECOMMENDATIONS

We recommend that the Secretary of HEW have the Center:

- Increase efforts to acquire final reports in a timely manner.
- Implement data dissemination policies and methods consistent with the provisions of Public Law 93-353.

AGENCY COMMENTS

HEW stated that it agrees with our recommendations. HEW also informed us that, at present, it makes it a requirement of a grant or contract that data developed by the projects be made available to the public upon request, subject to the provisions of the Privacy Act and the Freedom of Information Act.

HEW further advised us that an executive summary, suitable for widespread distribution, must be prepared as part of the final report for contracts and that such a summary has been informally requested for all outstanding grants. It will be required for new grant awards.

HEW added that the Center has made arrangements so that the documentation of a computerized health care delivery system (see pp. 23 to 24.) will be available for use by interested parties throughout the nation.

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JAMES R. CALLOWAY
 CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

October 9, 1974

The Honorable Elmer Staats
 Comptroller General of the United States
 General Accounting Office
 441 G Street, NW
 Washington, D. C. 20548

Dear Elmer:

My staff has been in touch with _____
 at the _____ Space Institute regarding his difficulty
 in obtaining information arising from research sponsored with Federal
 grant dollars.

_____ is particularly concerned about the failure of
 the Federal government to require the early dissemination of inform-
 ation arising from Federally-supported work on the use of computers
 in delivering health care. He has documented his case with tape
 recordings and other materials.

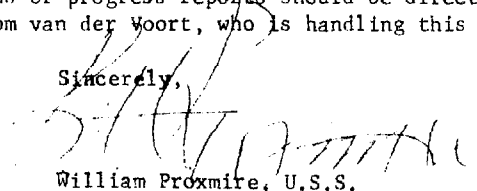
This is an issue that would seem to have substantial policy
 implications. It raises questions as to the obligation of Federal
 grantees to share their work product with the educational and scientific
 community, the deadening effect a failure to do so can have on advances
 that could save millions of Federal and private dollars, and the degree
 to which a requirement that Federally supported work be shared impinges
 on traditional norms of academic independence and freedom.

Because of the magnitude of the issue, as well as the degree
 to which _____ seems to have documented this particular
 illustration of the problem, I would like you to investigate
 charges and report to me on your findings, giving any recommendations
 that might be appropriate.

My staff has discussed the possibility of a General Accounting
 Office investigation with _____. He will be delighted to
 cooperate with your staff.

I am enclosing a letter I received on this matter from _____
 Any questions or progress reports should be directed to
 my legislative assistant, Tom van der Voort, who is handling this issue
 for me.

Sincerely,


 William Proxmire, U.S.S.

WP:tvm

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20201

March 18, 1976

Mr. Gregory J. Ahart
Director, Manpower and
Welfare Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report entitled, "Grant and Contract Activities of the National Center for Health Services Research." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received. I trust that these comments will be most carefully considered in the development of the final report. They point out that many of the situations discussed by the draft report are now quite outdated.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

John D. Young
Assistant Secretary, Comptroller

Enclosure

Comments

Comments of the Department of Health, Education, and Welfare on the
Comptroller General's Draft Report entitled "Grant and Contract
Activities of the National Center for Health Services Research"

General Comments

The draft GAO report concerning the administration of grants and contracts by the National Center for Health Services Research generally represents practices that evolved prior to the establishment of the Health Resources Administration. Some of the examples are activities that took place several years ago.

The National Center has made changes during and since the conduct of this review which will be discussed later in these comments. A number of these changes were stimulated by the Office of the Assistant Secretary for Health (OASH) report referred to in the draft GAO report.

The following comments are provided in a page by page reference to correct some of the facts and clarify or amplify other aspects of the report. Comments specifically related to the conclusions and recommendations portion of the draft then follow.

Page 4 - It is correct that in September 1975, the 1973 statement of objectives and priorities was still in use, but a new document entitled "The Program in Health Services Research" which addresses the priorities of the Center in detail was issued in October 1975.

Page 5 - The statement that a principal investigator said that submitting a research application to the Center was like "shooting at the stars" had certain validity at the time the report was being written. Since then, the document, "The Program in Health Services Research" (mentioned above) has been widely distributed. In addition, the National Center is now utilizing the grant solicitation process to focus researchers on specific priority areas. The first such solicitation was

GAO note: Page references in this appendix
may not refer to the final report.

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"Health Care for the Disadvantaged;" the second was "Emergency Medical Services." A third, "Long-Term Care" is at the printers. A fourth solicitation dealing with health research with respect to health manpower is in final draft stages and is assigned high priority for release. These solicitations and "The Program in Health Services Research" represent the National Center's continuing efforts to assure that researchers are not shooting at the stars.

(See GAO note)

GAO note: Deleted comments pertain to material presented in the draft report which has been revised or which has not been included in the final report.

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(See GAO note, p. 28.)

Page 10- Comparisons between the relative approval rates of our review process and those of other PHS agencies are apt to be misleading. Because of the categorical focus of other programs, their applications for research grants cover a narrower range of subjects and involve similar analytic and methodological techniques. The review process is, therefore, more easily defined and prospective applicants are less likely to submit technically unacceptable applications. Health services research, conversely, involves a great variety of types of research undertaken by scientists from many different disciplines often working together in interdisciplinary projects. For such research, methodologies are less clear cut and criteria for review require study sections with varied expertise and judicious use of collateral reviewers. In such cases, fewer projects are screened out prior to submission to the study section. The nature of health services research, at its present stage, therefore, inherently leads to a high disapproval rate.

It should be noted that almost all disapproved proposals are rejected because of inadequate design, inappropriate methodology, or unrealistic commitments built into the project, not because they fail to address important questions.

Study sections should not be making judgments with respect to the appropriateness of proposals for support and to our knowledge this is not the case. Study sections are restricted to assessing technical merit. Appropriateness for National Center support is determined by judgments made first by the referral officer who screens grant applications and later by the Center Director and his staff, who then determine which approved grant applications will be funded.

Page 10a - The statement in the OASH report that the grant application package "does not contain guidelines for the Center's Programs" is no longer true. The document, "The Program in Health Services Research," is included in all grant application kits. With respect to the OASH report comments on evaluation components, the Center now includes in each application kit a brief discussion of a need for an evaluation component in our demonstration projects (R18). Other types of grant applications do not require an evaluation component.

(See GAO note, p. 28.)

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(See GAO note, p. 28.)

Page 11- It is stated that "The report issued in July 1974 by OASH showed that 67 percent of all Center contracts active as of March 30, 1974, were noncompetitive awards." This statement is misleading. Among this group of contracts were many that had been awarded in Fiscal Years 1970, 1971, and 1972, as well as those awarded in FY 1973. Based upon the GAO report, an improvement is indicated inasmuch as the number of competitive procurements awarded increased to 61 percent for FY 1974. Further improvement was made in FY 1975; 30 new contracts were awarded, of which two-thirds were competitive.

Page 14- The quotation from the OASH report which appears at the top of page 14 is totally accurate in terms of what obtained in 1974. Since that time, a policy has been implemented which calls for the advice of non-government experts. Experts are now used, not only in the review process but to provide advice in the preparation of the scopes of work.

(See GAO note, p. 28.)

Pages 27-

30 We now require that all active contractors and grantees furnish an Executive Summary of their research results. This will continue to be a requirement of all future contracts and grants. The Executive Summaries are disseminated broadly to the health services research community.

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The project requirements described on page 29 and 30 deal with documentation of a computerized health care delivery system so that it can be utilized by interested parties throughout the nation. It is a reasonably fair description of the situation at that time. However, since then, the Center has negotiated a contract which should assure the necessary documentation referred to in the report.

GAO Recommendation

That the Secretary, HEW, require the Center to:

--Identify and establish for its research efforts more specific goals and objectives which would have some degree of measurability. These goals and objectives when established, should be communicated to the research community and all levels of Center staff.

--Have its professional staff indoctrinated on the HEW instructions for selecting the appropriate funding mechanism.

--Identify the reasons for the study sections' high disapproval rate and initiate any necessary improvements.

--Review its policies or procedures for awarding contracts and take any necessary actions to improve competition and to lessen the use of modifications which result in increased time and costs.

Department Comment

We agree that the goals and objectives of the National Center were not well formulated at the time the Health Resources Administration was established. The document printed in October 1975 entitled "The Program in Health Services Research" corrects this situation. Moreover, the published grant solicitations are further steps toward describing research objectives.

The National Center has provided more specific goals and objectives in the publication, "The Program in Health Services Research," and in the grant solicitations. These documents have been distributed to the health services research community as well as to our staff. We are now reconstructing our entire mailing list with the objective of improving our ability to reach potential researchers.

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The following listed National Center internal issuances illustrate its demand for accountability and applications of procedures to ensure clarity of program intent and equity in award of contracts:

- Guidelines for Evaluation of Competitive Contract Proposals
- Guidelines for Evaluation of Noncompetitive (Sole Source) Contract Proposals
- Guide for Processing Unsolicited Contract Proposals
- Review of Contract Proposals
 - Instructions to Chairperson regarding Evaluation of Competitive Proposals received in response to RFP
 - Instructions to Chairperson regarding Evaluation of Noncompetitive Proposals received in response to RFP

Requests for Additional Funds to Support Ongoing Contracts

- Instructions to Chairperson regarding Evaluation of a Request for Additional Funding
- Guidelines for Evaluation of Request for Additional Funding to Support Ongoing Contracts

The recommendation regarding selection of the appropriate funding instrument is based upon a faulty conclusion which appears on page 14. An examination of the judgments the National Center has made in the past year and a half in selecting types of funding instruments will reveal that selections are made in accordance with Departmental policy. However, we do agree with the report's recommendation that continual attention to the criteria promulgated in HEW guidelines is essential and the brochure entitled "The Research Contracts Program" emphasizes the distinction between the two instruments.

We believe that an examination of the contracts awarded in the past year and a half will show that improving staff performance with advice from outside experts in the development of RFC's has resulted in an increase in the quality of our contracts being awarded.

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These recommendations are in part based upon the GAO conclusion: "While reasons for the high disapproval rates for grant applications are not readily apparent, the lack of clear goals and objectives for the Center could be contributing factors." We do not agree with this conclusion. The response we received to the grant solicitation, "Health Care and the Disadvantaged" (which stimulated a large number of grant applications), was disappointing in the sense that only 10 percent of the applications were approved by study section. We are scheduling a thorough review of the entire matter of study section operations utilizing National Center staff including present and past study section members in an effort to modify study section mechanisms in a manner that will make them more effective. This review will include careful examination of and possible resolutions to the high disapproval rates. However, our earlier comments suggest that such results might require major modifications in the review process.

As mentioned earlier, a review of the whole study section mechanism is planned in an effort to find ways of improving the system. This will include focusing on the problem of high disapproval rates.

We feel we have taken action to improve competition and to lessen the use of contract modifications which result in increased costs. Every project is given careful scrutiny and is assigned to be competitive as described on Page 1 of the "The Research Contracts Program" unless sole source can be justified. Justifications for noncompetitive procurements are challenged by both Center staff and by the HRA Contracting Officer. Contracts are awarded on a sole source basis only under circumstances set forth in the Federal Procurement Regulations.

GAO Recommendation

That the Secretary, HEW, have the Center

--clearly define and make known the role of a project officer,

--eliminate unnecessary rotation of project officers,

--establish a training program for project officers to explain their role and how it is to be performed, and

--develop guidelines or procedures to be followed by project officers in carrying out their monitoring responsibilities.

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Department Comment

We agree with the recommendations.

We are currently in the process of establishing a training program for project officers specifically tailored to the programs of the Center. In developing this training program it will, of course, be essential to define the role of a project officer more clearly.

We have under review a monitoring system designed to eliminate the problems identified in the report.

A request for reorganization of the National Center for Health Services Research is now under review. We believe the proposed reorganization and a current project to update position descriptions throughout the Center will minimize project officer rotation.

The criticism levelled with respect to project monitoring actually reflects the situation when the Health Resources Administration was formed. Grants awarded for 3 to 5 years had been continued on an annual basis without the level of review necessary to determine whether the continued funding was justified. HRA initiated an annual review of each continuing grant by a committee including the project officer, the Executive Secretary most familiar with the grant application, the Division Director concerned and usually two or more outsiders who, either by service on the study section and/or participation in a site visit of the project, had particular knowledge about the objectives of the project. During the first year, the Director of the Center chaired these sessions. This procedure has provided a much better mechanism for monitoring grants and determining the nature of continued support.

The use of consultants to advise project officers in the development of RFC's and the review of contract proposals was mentioned earlier. We also use these consultants to advise our project officers in monitoring the progress of the contract. We feel that this provides us with a better mechanism for identifying problems which might develop as well as opportunities for project improvement.

GAO Recommendation

That the Secretary, HEW, have the Center:

--Increase efforts to acquire final reports in a timely manner.

--Implement data dissemination policies and methods which are consistent with the provisions of Public Law 93-353.

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Department Comment

We agree with the recommendations. The National Center conforms to HEW Grants Administration Manual Chapter 1-42: "Delinquent Reports - Discretionary Grants" and PHS implementations related thereto.

At the present time, it is an HRA requirement of a grant or contract that data developed by the projects be made available to the public upon request, subject to the provisions of the Privacy Act and the Freedom of Information Act.

We now also require that an Executive Summary, suitable for wide-spread distribution, be prepared as part of the final report for our contracts and have requested the same of all outstanding grants. For new grant awards, it will be required.