



RESTRICTED -- Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Congressional Relations,
 COMPTROLLER GENERAL OF THE UNITED STATES
 WASHINGTON, D.C. 20548

091312
 MWD-76-100
 3-9-76
 091312

B-164031(5)

RELEASED

MAR 09 1976

The Honorable Lloyd Meeds
 House of Representatives

Dear Mr. Meeds:

In a November 21, 1974, letter, you and Congressman Bell asked us to obtain information relating to the administration and subsequent termination by the National Center for Health Services Research, Department of Health, Education, and Welfare (HEW), of a 5-year research demonstration grant to the University of Southern California for Project SEARCH. SEARCH's objectives were to develop an automated information and referral system for medical and social services providers which would increase the percentage of appropriate health care referrals by health workers in Los Angeles County.

Our work was performed at Project SEARCH's Los Angeles offices, at offices of organizations that had agreed to contract to use the SEARCH system, and at the Center's headquarters in Rockville, Maryland.

As requested by your office, we have not obtained comments on this report from HEW. We have, however, discussed the information informally with Center officials.

BACKGROUND

Work on a project similar to SEARCH had been started under an HEW 2-year feasibility study contract awarded to the university in February 1968. Federal funds made available under this contract totaled about \$100,000. The contract was terminated after the Center awarded the grant in January 1970 for about \$757,000 in direct costs to fund SEARCH. The grant also provided for completion of the feasibility study.

During the 5-year grant period, the project staff substantially completed an inventory of individual and organizational providers of medical and social services and stored it in a computer data bank. The staff developed computer programs to provide access to the data by matching service needs with service providers and produced several publications, some of which were hundreds of pages in length.

MWD-76-100

~~907293~~
 091312

Computer terminals at six referral centers, necessary to test the impact of the system on referral outcomes, were never installed. According to the project director, problems in obtaining a satisfactory arrangement for supporting central computer service contributed to the failure to install the six terminals. As a solution to the computer service problem, in June 1974 the project staff requested additional funding of about \$340,000 and a 3-month extension of the grant. The Center had previously awarded funds totaling about \$977,000.

PROJECT TERMINATION

Because of the request for more time and funds, the Center sent a team of consultants to evaluate the project in August 1974. Based on the team's report, a Center study section concluded that (1) the project had not met its objectives and (2) weaknesses in the computer system design would preclude timely completion of the project. As a result, the study section unanimously disapproved the supplemental request and recommended that funding be provided for an orderly termination of the project.

The project director contended that

--the site review had been superficial,

--problems that the reviewers discerned were communicated to the project staff only after unreasonable delays and substantial effort by the staff to obtain them, and

--the reasons the Center advanced for terminating the project were invalid.

We make no conclusions on the objectivity of the study group's decision, but we question the fairness of the manner in which the site visit was conducted. The project director told of substantial last minute agenda changes required by the site visit team. These changes could have disrupted an orderly presentation by the project staff. The project director also said that the team did not communicate its observations and findings to the SEARCH staff before the study section meeting, thus denying the staff the opportunity to consider and possibly explain the events and problems that the team observed. For example, during its test of the system, the team reported observing (1) referral of a Spanish-speaking person to an agency that had a Chinese interpreter

but no Spanish interpreter and (2) referral of a person with a drug allergy to a hospital suicide prevention center.

According to the project director, the system did not and would not make such referrals. She added that the hospital in question did not have a suicide prevention center per se. A hospital medical case worker told us that the hospital did not have such a center but that the psychiatric department would treat persons with homicidal tendencies.

An official of an organization which was to have provided data-processing services for the project and who attended the site visit proceedings said that he saw neither of the two problems occur. He added that, if they had occurred, the site visit team did not mention them or question him or the SEARCH staff about them. The Center's letter of notification of the site visit, sent to the project director, stated that "at the conclusion of the visit, you will be permitted to make any additional points which you feel were not satisfactorily discussed before." Possibly contributing to the team's failure to communicate its findings or to comply with the aforementioned provision in the letter of notification was the fact that the team members had to leave the project site at 3 p.m. on the day of the visit to meet their flight schedules.

After terminating the project, the Center offered the project director three alternatives for obtaining Federal funds to continue the project:

- Have a second study section review preceded by a site visit by another team.
- Apply for a grant under HEW's emergency medical services program.
- Submit a new grant application demonstrating the feasibility and efficiency of an automated information and referral system based upon information assembled by the SEARCH project.

The director gave the following reasons for not pursuing any of the alternatives:

- At the time of the offer of a second site visit and study section review, the computer services had been terminated, the information base was becoming outdated, and the computer staff had been discharged.

--The application for a grant under HEW's emergency medical services program was contingent upon successful completion of the SEARCH project.

--On March 19, 1975, a Center official advised her that (1) no funds were then available for a demonstration of the feasibility and efficiency of such a system, (2) the proposal could not complete the HEW review process and obtain funding before January 1, 1976, and (3) the chances for funding were slim.

CENTER PROJECT MANAGEMENT

Information was available to Center officials as early as April 1972 showing that the project was not meeting established completion dates and was having trouble obtaining computer services. Center project officers had made only two site visits before the 1974 review by the study group. According to the project director, the principal matters discussed during these visits were administrative.

During the 5-year grant period, three different project officers were responsible for monitoring the project. The second, who was assigned to the project from 1971 through mid-1974, said she lacked the expertise to properly evaluate the complicated project. She added that she knew the project was in trouble but kept hoping that the project director would solve the problems. She said that the Center had no guidelines or procedures for monitoring projects and that this was her first assignment as a project officer for the Center. In retrospect, she believes that she could have prevented project termination by more closely monitoring and by arranging for technical assistance.

Although termination might have been avoided by adequate monitoring and technical assistance, we believe that Center officials were remiss in allowing the project to continue for such a long time without a firm agreement for vitally needed computer services.

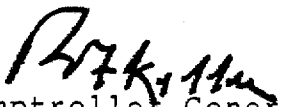
We trust that this information is responsive to your request. We are sending copies of this letter to other Members of Congress who have expressed an interest in Project SEARCH.

As agreed with your staff, we also conducted a review of the Center's administration of grants and contracts, including

B-164031(5)

an assessment of (1) the process for approving grants and contracts, (2) the monitoring of them, and (3) the dissemination of information derived from them. Our report on that review will be transmitted to you upon its issuance.

Sincerely yours,


Comptroller General
of the United States