Health Resources and Services Administration: Community Health Centers - Capital (Construction, Renovation, and Equipment, and for the Acquisition of Health Information Technology (HIT))

A. Funding Table

The table below provides an overview of the plan for the use of the $1.5 billion for Community Health Center capital programs in Recovery Act funding. Column 1 identifies the specific programs that will be funded, column 2 provides the total appropriated amount, and columns 3 and 4 provide the distribution of funds across programs and years. The Recovery Act provides for 0.5% of the total appropriated amount to be used to support the administrative costs of implementation, which totals $7.5 million across the two years of implementation.   These amounts are included the program totals listed below.

(Dollars in Millions)

Program/Project/Activity	Total Appropriated	Planned Obligations FY 2009	Planned Obligations FY 2010
Capital Improvement Program (CIP) Grants	$862.5	$862.5	$0.0
Health Information Technology (HIT) Systems/Networks Grants	125.0	125.0	0.0
Facility Investment (FI) Grants	512.5	0.0	512.5
Total	1,500.0	987.5	512.5

B. Objectives

The Health Centers Capital Recovery Act funding will preserve and create jobs, promote economic recovery, and help people most impacted by the recession. These funds will support new and improved health center facilities and equipment, including the acquisition of health information technology systems, in many of the nation's most underserved communities.

The objectives of the Capital Improvement Program (CIP), Health Information Technology (HIT) Systems/Networks, and Facility Investment (FI) grants are consistent with the objectives and requirements of the Recovery Act as well as the mission of the Health Centers Program.

Together, all capital funding opportunities will support health center efforts to modernize facilities and systems, and in turn improve access to quality, comprehensive, culturally competent and affordable primary and preventive health care for medically underserved populations.

CIP grants will fund capital improvements in health centers including construction, repair, renovation, and equipment purchase, including health information technology

systems. An estimated 1,130 health centers will receive grants to support capital improvements.

HIT systems/networks grants will support Electronic Health Record (EHR) and HIT systems for health centers.

FI grants will fund major facility investments in health centers including construction, repair, renovation, and equipment purchase. FI grants will fund an estimated 100 significant facility projects.

The objectives of these awards also support multiple objectives of the U.S. Department of Health and Human Services (HHS) Strategic Plan, including:

- Increase health care service availability and accessibility (Objective 1.2);
- Improve health care quality, safety, cost, and value (Objective 1.3);
- Address the needs, strengths, and abilities of vulnerable populations (Objective 3.4).

C. Activities

The CIP, HIT systems/networks, and FI grants support the development of health center infrastructure. Projects including construction, alteration/repair/renovation, purchase of equipment and HIT, and purchase and enhancement of EHR systems will enhance access to comprehensive, culturally competent and quality primary and preventive health care services for medically underserved populations.

D. Characteristics

	Capital Improvement Program	HIT Systems/ Networks	Facility Investment
Types of Award	Grant	Grant	Grant
Non-Federal Recipients Federal Support and Administration (0.5%) Total Funding Amount (Millions)	$858.2 $ 4.3 $862.5	$124.4 $ 0.6 $125.0	$509.9 $ 2.6 $512.5
Recipients	Private Nonprofit Institution/ Organizations, Public Nonprofit Institutions (existing section 330-funded health centers[1])	Private Nonprofit Institution/ Organizations, Public Nonprofit Institutions (existing section 330-funded health centers and health center controlled networks[1])	Private Nonprofit Institution/ Organizations, Public Nonprofit Institutions (existing section 330-funded health centers[1])

	Capital Improvement Program	*HIT Systems/ Networks*	*Facility Investment*
Beneficiaries	Anyone/general public (medically underserved populations)	Anyone/general public (medically underserved populations)	Anyone/general public (medically underserved populations)
Methodology for Award Selection	Grants to existing health centers based on number of patients served and described project	Health Center Network/ Supplemental Grants; current FY 2009 HIT competitions; new competition for EHR and other HIT adoption support[2]	Limited Grant Competition

[1]Health centers that receive operating grants under section 330 of the Public Health Service Act
[2]Final decisions on the methodology used for selecting the HIT award are still being determined and may change.

E. Delivery Schedule

Capital Improvement Program Awards
Guidance Released: May 1, 2009
Application Phase: May 1 – June 2, 2009
Award Date: July 1, 2009
Project Period: July 1, 2009 – June 30, 2011
First Quarterly Report: October 1, 2009

HIT Systems/Networks Awards: Includes supplements, current FY 2009 competition and new competition
Guidance Released: FY 2009
Application Phase: FY 2009
Review Phase: FY 2009
Award Date: FY 2009
Project Period: FY 2009 – FY 2010
First Quarterly Report: October 1, 2009

Facility Investment Awards
Guidance Released: FY 2009
Application Phase: FY 2009
Review Phase: FY 2010
Award Date: FY 2010
Project Period: FY 2010 – FY 2011
First Quarterly Report: January 1, 2010

F. Environmental Review Compliance

Working with HHS and the Council on Environmental Quality, HRSA has established a protocol and a set of procedures that ensure all activities funded under the Recovery Act will comply with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), and related statutes. All applicants are

required to submit environmental information and documentation with projects, as applicable. HRSA will review submissions and conduct additional review and monitoring as needed. Compliance status will be reported on the Section 1609(c) report.

G. Measures

Measurement for these grants will focus on construction related full-time equivalents (FTEs) created, health center FTEs created and retained, the number of health center sites with new/improved space, the number of health center sites with new equipment, and the number of health centers with new or upgraded/expanded certified electronic health records. HRSA will provide guidance to grantees on the appropriate formulas and calculations to use in measuring the first output below. Grantees will collect data on the first and second outputs using their existing personnel systems. Outcomes will be measured by grantees based on the completion status of their project(s) as proposed in their grant applications. Grantees will report on each project that they complete, using existing HRSA electronic reporting and information systems. Through the quarterly progress reports, grantees will be asked to report on the percent of each project completed (e.g., not started; less than 50 percent; more than 50 percent completed; fully completed). They will also be asked to include major accomplishments and/or progress made as well as any factors that may have impeded progress to date, where appropriate.

Measure	Reporting Period	How data made available to public	Frequency of making data available to public
Outputs/Jobs	*Reported by Grantees to federalreporting.gov*		
Construction-related full-time equivalents (FTEs) created	Quarterly	Recovery.gov	Quarterly
Health center FTEs created	Quarterly	Recovery.gov	Quarterly
Health center FTEs retained	Quarterly	Recovery.gov	Quarterly
Outcomes	*Reported by HRSA to Recovery Act Central System*		
Number of health center sites with new space (construction)	Quarterly	Recovery.gov	Quarterly
Number of health center sites with improved space (alteration/repair/renovation)	Quarterly	Recovery.gov	Quarterly
Number of health center sites with new equipment	Quarterly	Recovery.gov	Quarterly
Number of health centers with a new certified EHR	Quarterly	Recovery.gov	Quarterly
Number of health centers with an upgraded/expanded certified EHR	Quarterly	Recovery.gov	Quarterly
Data Sources and Validation: HRSA will provide guidance to grantees on the appropriate formulas and calculations to use in measuring Output 1. Grantees will collect data on			

Measure	Reporting Period	How data made available to public	Frequency of making data available to public
Outputs 2 and 3 using their existing personnel systems. The Outcomes will be measured by grantees based on the completion status of their project(s) as proposed in their grant applications.			

H. Monitoring and Evaluation

All Recovery Act programs will be assessed for risk and to ensure that appropriate internal controls are in place throughout the entire funding cycle. These assessments will be consistent with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act, as well as OMB's Circular A-123 "Management's Responsibility for Internal Control."

Only existing section 330-funded grantees are eligible to apply for CIP, HIT systems, and FI grants.

Pre-award: Applications for CIP and HIT grants will undergo internal HRSA review to ensure applicants propose to use funding as intended by the Recovery Act. Applications for competitive grants will be reviewed by an Objective Review Committee. HRSA will also conduct additional levels of review (e.g., environmental assessment, architectural and engineering review, etc.) on applicable proposals through the use of qualified environmental, architectural and engineering experts.

Post-award: HRSA will follow established policies and procedures for health center program training, technical assistance, reporting, data verification, documentation and corrective actions. Ongoing monitoring and evaluation will occur through at least quarterly communication between grantees and Project Officers, quarterly progress report, site visits as necessary, annual applications and annual performance reports, including audits. For construction-related projects, HRSA will utilize architectural and engineering consultants to review project progress and budget expenditures, quarterly. Additionally, HRSA utilizes an early alerts monitoring process to quickly identify potential issues and track corrective actions when needed.

I.   Transparency

HRSA will be open and transparent in all grant competitions that involve spending of Recovery Act funding, consistent with statutory and OMB guidance.

HRSA will ensure that recipient reporting required by Section 1512 of the Recovery Act and OMB guidance is made available to the public on Recovery.gov by October 10, 2009. HRSA will inform recipients of their reporting obligations through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. HRSA will provide technical assistance to grantees and contractors and fully utilize Project Officers to ensure compliance with reporting requirements. HRSA will continuously inform recipients of reporting requirements outlined by statutory, OMB, and HHS guidance. HRSA will ensure that recipients

understand and comply with these requirements through regular communication with and provision of technical assistance to grantees, through general guidance, and through the existing Project Officer relationships.

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, HRSA will build on and strengthen existing processes. Senior HRSA Health Centers Program officials will meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. HRSA's personnel performance appraisal system will also incorporate Recovery Act program stewardship responsibilities for program and business function managers.

Existing processes ensure that HRSA managers are held to high standards of accountability in terms of achieving program goals and facilitating improvement. As part of their Employee Performance Plans, HRSA program managers are required to assist health center grantees with implementation of program requirements and to improve program performance. HRSA managers will be held accountable to ensure the timely awarding and appropriate management of funds, and, as appropriate, HRSA Performance Management and Assessment Plans may be modified to incorporate the stewardship of Recovery Act funds.

HRSA has also implemented senior level governance boards, focused on accountability and internal controls, and a thorough and comprehensive A-123 internal controls testing and evaluation process that tests and ensures appropriate internal controls are in place throughout the entire funding cycle. The Health Centers Program is also subject to a complete improper payments risk assessment on a regular basis by the HRSA CFO, with the last assessment performed during FY 2009.

K. Barriers to Effective Implementation

HRSA has a history of working successfully with health center grantees that provide primary and preventive health care services to medically underserved populations. However, full implementation may be impeded by construction delays, cost overruns, and insufficient health information technology system readiness. HRSA plans to mitigate these risks via thorough review of all proposals, quarterly reporting, ongoing monitoring and technical assistance, regular grantee updates, and site visits.

Available resources will be sufficient to complete the awarding and monitoring activities associated with the Recovery Act. However, to help ensure that HRSA meets established timelines and monitoring requirements, additional staff may be needed. HRSA is working to address its hiring needs through the federal hiring process. To decrease the hiring timeframe for Recovery Act positions, HRSA worked closely with the Rockville HR Center (RHRC) to make one announcement to cover approximately 100 vacant positions. HRSA is also meeting weekly with RHRC to ensure selections meet OPM requirements and job offers are made in a timely manner.

L. Federal Infrastructure

Not applicable.