



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. 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	FY 2009 Actual Obligations	FY 2010 Estimated Obligations
Capital Improvement Program (CIP) Grants	\$857.7	852.9	4.8
Facility Investment Program (FIP) Grants	\$521.8	0	521.8
Health Information Technology (HIT) Systems/Networks Grants	\$120.5	36.1	84.4
Total	1,500.0	889.0	611.0

B. Objectives

The Health Center Capital Recovery Act funding is preserving and creating jobs, promoting economic recovery, and helping people most impacted by the recession. These funds 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 Program (FIP) grants are consistent with the objectives and requirements of the Recovery Act as well as the mission of the Health Center Program.

Together, all capital funding opportunities 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.



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1,127 CIP grants are funding capital improvements in health centers including construction, repair, and renovations as well as equipment/health information technology systems.

To date, 53 HIT systems/networks grants are supporting Electronic Health Record (EHR) and HIT systems for health centers. HRSA anticipates awarding the remaining grants in June 2010.

86 FIP grants are funding major facility investments in health centers including construction and major renovations.

All capital funding opportunities 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.

The objectives of these awards also support multiple objectives of the U.S. Department of Health and Human Services (HHS) Strategic Plan, including ensuring access to high quality health care, particularly for vulnerable populations..

C. Activities

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

D. Characteristics

	<i>Capital Improvement Program</i>	<i>HIT Systems/ Networks</i>	<i>Facility Investment</i>
Types of Award	Grant	Grant	Grant
Non-Federal Recipients, Federal Support Administration (0.5%)	\$853.4	\$119.9	\$520.4
	\$ 4.3	\$ 0.6	\$ 1.4
Total Funding Amount (Millions)	\$857.7	\$120.5	\$521.8
Recipients	Private and Nonprofit Institution/Organizations, Public and Nonprofit Institutions (existing section 330-funded health centers ¹)	Private Nonprofit and Institution/Organizations, Public and Nonprofit Institutions (existing section 330-funded health centers and health center controlled networks ¹)	Private Nonprofit and Institution/Organizations, Public and Nonprofit Institutions (existing section 330-funded health centers ¹)



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	Capital Improvement Program	HIT Systems/ Networks	Facility Investment
Beneficiaries	general public (medically underserved populations)	general public (medically underserved populations)	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	Limited Grant Competition

¹Health centers that receive operating grants under section 330 of the Public Health Service Act

E. Delivery Schedule

Capital Improvement Program Awards

Guidance Released: May 1, 2009

Application Phase: May 1 – June 2, 2009

Award Date: June 29, 2009

Project Period: June 29, 2009 – June 28, 2011

Quarterly Reports: October 1, 2009 through July 1, 2011

Monitoring: Ongoing

HIT Systems/Networks Awards: Includes supplements, current FY 2009 competition and new competition

HIT/Noncompeting:

Guidance Released: February 25, 2009

Application Phase: February 25, 2009 – April 15, 2009

Award Date: September 1, 2009

Project Period: September 1, 2009 – August 31, 2011

Quarterly Reports: October 1, 2009 through October 1, 2011

Monitoring: Ongoing

HIT/Current FY 2009 Competition (includes two separate competitions):

Guidance Released: January 6, 2009 and February 5, 2009

Application Phase: January 6 – March 4, 2009 and February 5 – April 1, 2009

Award Date: September 29, 2009

Project Period: September 29, 2009 – August 31, 2011

Quarterly Reports: October 1, 2009 through October 1, 2011

Monitoring: Ongoing

HIT/New Competition:

Guidance Released: December 9, 2009

Application Phase: December 9 – February 5, 2009

Award Date: July 1, 2010



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Project Period: July 1, 2010 – June 30, 2012
Quarterly Reports: October 1, 2010 through July 1, 2012

Facility Investment Program Awards

Guidance Released: June 19, 2009
Application Phase: June 19, 2009 – August 6, 2009
Award Date: December 9, 2009
Project Period: December 9, 2009 through December 10, 2011
First Quarterly Report: January 1, 2010 through January 1, 2012
Monitoring: Ongoing

F. Environmental Review Compliance

Working with HHS and the Council on Environmental Quality, HRSA 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 reviews submissions and conducts additional review and monitoring as needed. Compliance status is regularly reported on the Section 1609(c) report.

HRSA was able to obtain a categorical exclusion for HIT System/Network grants.

For CIP and FIP, HRSA conducts reviews on a project-specific basis. Many grants include more than one project.

HRSA obtained a categorical exclusion for CIP equipment-related projects. For the majority of CIP construction and alteration/repair/renovation projects, HRSA has completed programmatic environmental assessments or reviewed and approved standard environmental assessments. As of March 30, 2011, 67 standard environmental assessments and 105 programmatic environmental assessments are still pending. Pending projects are due to revisions to projects, reviews currently occurring, or grantees that are still preparing necessary documentation to submit to HRSA.

For FIP construction and alteration/renovation projects, HRSA has completed many programmatic environmental assessments or reviewed and approved standard environmental assessments. As of March 30, 2011, 66 standard environmental assessments and 7 programmatic environmental assessments are still pending. Pending projects are due to reviews currently occurring or grantees that are still preparing necessary documentation to submit to HRSA.

For all grants, compliance status is regularly reported on the Section 1609(c) report.

G. Measures

Measurement for these grants focuses on 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. Outcomes are measured by grantees based on the completion status of



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their project(s) as proposed in their grant applications. Grantees report on each project that they complete, using existing HRSA electronic reporting and information systems. Through the quarterly progress reports, grantees are 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 are also asked to include major accomplishments and/or progress made as well as any factors that may have impeded progress to date, where appropriate.

In the table below, actual data may not meet targets due to grantees' updated project timelines for meeting program requirements and schedules



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Outcome/ Achievement	Units	Type	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	Program End*
Number of Health Center sites with new space (construction)	Sites	TARGET	2	25	20	30	40	60	80	100	200	491
		ACTUAL	2	10								
Number of Health Center sites with improved space (alteration/repair/renovation)	Sites	TARGET	15	60	100	150	200	300	400	500	600	1,181
		ACTUAL	16	63								
Number of Health Centers with new equipment	Health Centers	TARGET	5	25	40	65	85	125	175	225	275	490
		ACTUAL	5	27								
Number of Health Centers with new health information technology	Health Centers	TARGET	1	10	15	20	25	35	50	75	100	176
		ACTUAL	1	8								
Number of Health Centers with a new certified Electronic Health Record	Health Centers	TARGET	0	5	10	20	30	40	50	75	100	295
		ACTUAL	0	3								
Number of Health Centers w/upgraded/expanded certified Electronic Health Record	Health Centers	TARGET	0	4	10	15	20	25	35	45	65	89
		ACTUAL	0	2								
Earned Value Management: Percent of Projects On Schedule and On Budget (construction and alteration/repair/renovation over \$1M)	Percent Projects	TARGET	NA	NA	NA	80%	80%	80%	80%	80%	80%	80%
		ACTUAL	NA	NA	NA							

***Program End: CIP Project Periods conclude on June 28, 2011. FIP project periods conclude on December 10, 2011.**

Data Sources and Validation: The Outcomes are measured by grantees based on the completion status of their project(s) as proposed in their grant applications.



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All measures:

Frequency : Quarterly

Direction : Increasing

Type : Outcome

Explanation : The Health Centers Capital Recovery Act funding preserves and creates jobs, promotes economic recovery, and helps people most impacted by the recession. These funds 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 Health Center Capital program includes three major components: the Capital Improvement Program (CIP), Health Information Technology (HIT) Systems/Networks, and Facility Investment (FIP) grants. Together, all capital funding opportunities 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 fund capital improvements in health centers including construction, repair, and renovations as well as equipment/health information technology systems. HIT systems/networks grants support Electronic Health Record (EHR) and HIT systems for health centers. FIP grants fund major facility investments in health centers, including construction and renovation.

Number of Health Center sites with new space (construction):

Unit : Sites

Number of Health Center sites with improved space (alteration/repair/renovation):

Unit : Sites

Number of Health Centers with new equipment:

Unit : Health Centers

Number of Health Centers with new Health Information Technology:

Unit : Health Centers

Number of Health Centers with a new certified Electronic Health Record:

Unit : Health Centers

Number of Health Centers with a upgraded/expanded certified Electronic Health Record:

Unit : Health Centers

Percent of Projects On Schedule and On Budget (Earned Value Management for construction and alteration/repair/renovation over \$1 million):

Unit: Projects



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H. Monitoring and Evaluation

All Recovery Act programs are assessed for risk to ensure that appropriate internal controls are in place throughout the entire life cycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act as well as OMB Circular A-123, "Management's Responsibility for Internal Control" (including Appendices A, B, and C).

HRSA's risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. HRSA's Senior Assessment Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. The team met weekly during the first year of ARRA and continues to meet biweekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, HRSA has presented its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act programs and address the obstacles and risks that could impact on their success.

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

Pre-award: Applications for CIP and HIT grants undergo internal HRSA review to ensure applicants propose to use funding as intended by the Recovery Act. Applications for competitive grants are reviewed by an Objective Review Committee. HRSA also conducts 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 continues to follow established policies and procedures for health center program training, technical assistance, reporting, data verification, documentation and corrective actions. Ongoing monitoring and evaluation occur through at least quarterly communication between grantees and Project Officers, quarterly progress reports, site visits as necessary, annual applications and annual performance reports, including audits. For construction-related projects, HRSA utilizes 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.



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I. Transparency

HRSA is open and transparent in all of its contracting and grant competitions and regulations depending on what is appropriate for program activities that involve spending of Recovery Act funding consistent with statutory and OMB guidance.

HRSA ensures that recipient reports required by Section 1512 of the Recovery Act are submitted and reviewed for material omissions and significant errors that would mislead or confuse the public. HRSA informs recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. In addition, HRSA provides key award information to recipients and other technical assistance to grantees and contractors and fully utilizes Project Officers to ensure compliance with reporting requirements.

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, HRSA has built upon and strengthened existing processes. Senior HRSA Health Center Program officials 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 also incorporates 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 are 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 Center 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 mitigates these risks via thorough review of all proposals, quarterly reporting, ongoing monitoring and technical assistance, regular grantee updates, and site visits.



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Available resources are 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 were hired. 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 also met weekly with RHRC to ensure selections met OPM requirements and job offers were made in a timely manner.

L. Federal Infrastructure

This program does not support Federally-owned assets. However, HHS grants policy emphasizes sustainable design considerations should be included to the maximum extent feasible in construction or modernization grants or activities funded at \$1 million or more (AAGAM Chapter 6.99.106-3). Implementing sustainable design principles serves to mitigate health, social and environmental impacts and further the National commitment to reducing energy, and green house gas and related emissions. HRSA included the requirement to incorporate sustainable design practices in the grants announcement. Approximately 7% of proposed CIP projects and more than 95% of proposed FIP projects are implementing major renovation or construction projects with total costs of \$1 million or more. In their applications, 73% of all CIP recipients and 99% of all FIP recipients indicated that they will implement green/sustainable design practices for their proposed project(s), including using low-impact materials, ensuring energy efficiency, maximizing reuse/recycling capabilities, and building LEED-certified structures.

Summary of Significant Changes:

- Specific award phase dates have been added.
- Updated status of Environmental Review Compliance and added information on sustainable design considerations
- Actual measures data through 12/31/10 have been added.
- Targets for measures have been updated to reflect the anticipated completion date of Capital grant projects. These targets have been adjusted to reflect the grantees' updated project timelines for meeting program requirements and schedules.