



Health Resources and Services Administration: Health Professions Training Programs - National Health Service Corps (NHSC)

A. Funding Table

The table below provides an overview of the plan for the use of the \$300 million for the National Health Service Corps (NHSC) Health Professions Training Programs in Recovery Act funding. Within the \$300 million, the Recovery Act provides for 80 percent (\$240 million) to be used for recruitment of primary care clinicians; the remaining 20 percent to be used for NHSC field operations (\$60 million). The recruitment line is comprised of three programs: the NHSC Loan Repayment Program (\$196 million), NHSC Scholarship Program (\$24 million), and State Loan Repayment Program (\$20 million). Column 1 identifies the specific programs that will be funded, column 2 provides the total appropriated amount, and columns 3 through 6 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; this totals \$1.5 million across the three years of implementation. These amounts are included in the program totals listed below.

(Dollars in Millions)

	Total Appropriated	Planned Obligations FY 2009 (New Awards)	Planned Obligations FY 2010 (New Awards)	Planned Obligations FY2011 (New Awards)	Planned Obligations FY2011 (Amendments)
NHSC Loan Repayment Program	\$196.0	\$71.0.0	\$71.0.0	\$19.0	\$35.0
NHSC Scholarship Program	24.0	9.0	9.0	5.0	1.0
State Loan Repayment Program	20.0	10.0	10.0	0.0	0.0
NHSC Field	60.0	22.5	22.5	5.0	10.0
Total	300.0	112.5	112.5	29.0	46.0

B. Objectives

The objective of the NHSC Recovery Act funding is to increase public access to affordable primary health care by providing an incentive to primary health care clinicians/students to serve in underserved areas and thus increasing the number of NHSC primary health care clinician jobs. The NHSC program encourages primary



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health care clinicians/students to serve vulnerable populations (e.g., uninsured, Medicaid, Medicare) within health professional shortage areas (HPSAs). Prospective placement sites must be located in a HPSA and provide health care services to all individuals, regardless of the ability to pay. The NHSC provides incentives to primary care clinicians/students by offering loan repayment and scholarships. In doing so, it can create or preserve primary health care clinician jobs in communities with greatest need. It is estimated that the health workforce would be strengthened by more than 4,000 new/preserved primary health care clinician jobs supported through the NHSC, including 800 clinicians supported through the State Loan Repayment Program.

The objectives of these awards support specific 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)
- Recruit, develop, and retain a competent health care workforce (Objective 1.4)

C. Activities

The NHSC will award service agreement contracts to primary health care clinicians/students through the loan repayment and scholarship programs (service contracts are not subject to the Federal Acquisition Regulation), administrative contracts and supplements for support services. The State Loan Repayment Program (SLRP) will award grants to States.

D. Characteristics

	<i>NHSC Loan Repayment</i>	<i>NHSC Scholarship</i>	<i>SLRP</i>
Type of Award	Direct Payment for Specified Use (Service Agreement Contract)	Direct Payment for Specified Use (Service Agreement Contract)	Grant
<i>Non-Federal Recipients</i>	\$195.02	\$23.88	\$19.90
<i>Federal Administration and Support (0.5%)</i>	\$0.98	\$0.12	\$0.10
Total Funding Amount (Million)	\$196.00	\$24.00	\$20.00
Recipients	Individuals (Primary health care clinicians)	Individuals (Primary health care students)	States
Beneficiaries	Anyone/general public (medically underserved in HPSAs, e.g., Medicaid, uninsured)	Anyone/general public (medically underserved in HPSAs, e.g., Medicaid, uninsured)	Individuals
Methodology for Award Selection	New competitions; amendments	New competitions; continuations	New competitions



E. Delivery Schedule

NHSC Scholarship

Application Open/Due: March 5, 2009/April 6, 2009

Service Agreement Contracts Awarded: starting Summer 2009

NHSC Loan Repayment

New Application Open/Period: Summer 2009/18 months

New Amendments Open Period: Summer-Fall 2011

Service Agreement Contracts Awarded: Summer 2009

SLRP

Application Open/Due: Spring 2009

Grants Awarded: Summer 2009

F. Environmental Review Compliance

HRSA has reviewed this activity in accordance with the HHS GAM 30 and discussed the program with the HHS Environmental Program Manager. From this review, HRSA has concluded that it qualifies for a Category 2.a. Function Exclusion and there are no additional extraordinary circumstances that may cause significant effects. HRSA will maintain written documentation of all environmental reviews and they will be reported on the Section 1609(c) report.

G. Measures

Measurement under this program will focus on jobs created or retained, including:

- Number of new NHSC loan repayment awards (jobs created/preserved)
- Number of new State Loan Repayment Program awards (jobs created/preserved)
- Number of new NHSC scholarship awards (future jobs created)
- Number of NHSC loan repayment amendments awards (jobs preserved starting in FY 2011)

The program outcome measure will be the increase in NHSC field strength (total). Since awards under the NHSC program are made to individuals, not to grantees, direct reporting from those individuals is not required. Program performance information will be collected through the existing program data systems. Data will be consolidated and reported by HRSA to a Recovery Act central system, such as www.hhs.gov/recovery or recovery.gov.

Measure	Reporting Period	How data made available to public	Frequency of making data available to public
Outputs/Jobs			
# new NHSC loan repayment service agreement contract awards (# new Direct Payments for Specified	Quarterly	Recovery.gov, HHS website	Quarterly



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Measure	Reporting Period	How data made available to public	Frequency of making data available to public
Use Awards) (jobs created/preserved)			
# new State loan repayment (SLRP) contracts awarded (jobs created/ preserved)	Quarterly	Recovery.gov, HHS website	Quarterly
# NHSC scholarship service agreement contract awards (#new Direct Payments for Specified Use Awards) (future jobs created)	Quarterly	Recovery.gov, HHS website	Quarterly
# NHSC loan repayment service agreement contract amendment awards (Direct Payments for Specified Use Amendment Awards) (jobs preserved beginning 2011)	Quarterly	Recovery.gov, HHS website	Quarterly
Outcome			
Increase in NHSC field strength	Annually	Recovery.gov, HHS website	Annually
<p>Data Sources: NHSC – Award package, BHCDANET is a mainframe database containing information collected from: individual scholarship and loan repayment applications, recruitment and retention assistance applications, and monitoring data and compliance data.</p> <p>Validation: NHSC – Application data is entered through a web-based system that incorporates extensive validation checks. Data is uploaded to BCHDANET, a mainframe legacy database with burdensome programming requirements for display, correction of information, and reports. Applications also include many hard copy documents (e.g., copy of professional license) that are reviewed for completeness.</p> <p>Data Sources: SLRP – Semi-Annual Report.</p> <p>Validation: Grantees must report the number of new contracts awarded, the amount of the contract, and the HPSA site where the practitioner is completing his/her service obligation in their semi-annual report. Program staff validate this data by reviewing each report and contact State to verify when a discrepancy exists.</p>			

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.”

NHSC: To ensure compliance and minimize exposure to risk, HRSA requires that the Office of the General Counsel review all application materials associated with the



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Recovery Act, performs a National Practitioner Data Bank check on all applicants as one determination of eligibility for the NHSC loan repayment, requires completion of a 6-month verification form confirming full-time service for all NHSC clinicians, and is taking steps to modify and compete contracts which will allow the program to uniquely report on Recovery Act activities. HRSA program staff work closely with the HRSA budget and finance organizations associated with managing and monitoring Recovery Act expenditures.

SLRP: To ensure compliance and minimize exposure to risk, HRSA will work with the Office of the General Counsel to review all application materials associated with the Recovery Act, and staff will perform SLRP database checks against NHSC Loan Repayment Program applicants to avoid dual program participation. HRSA also has a close working relationship with all HRSA budget and finance parties associated with managing and monitoring Recovery Act expenditures.

I. Transparency

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

The NHSC will report for NHSC loan repayment and scholarship programs on an aggregate level; SLRP will report the amount of funds expended and number of awards by State. HRSA will utilize existing reporting and information systems to organize program cost and performance information.

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 NHSC and SLRP 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. The personnel performance appraisal system will also incorporate Recovery Act program stewardship responsibilities for program and business function managers

HRSA program managers will monitor program outputs on a weekly basis. HRSA program 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, and a thorough and comprehensive A-123 internal controls testing and evaluation process, which tests, and ensures appropriate internal controls are in place throughout the entire funding cycle. The NHSC program is also subject to a complete improper payments risk assessment on a regular basis, with the last one performed during FY 2008.



K. Barriers to Effective Implementation

Overall Recovery Act implementation is not compromised by any regulatory impediment. 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 is needed. HRSA is working to address their 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.

The following implementation challenges have been identified:

- Securing an adequate number of applicants for the NHSC loan repayment program. Recovery Act funding represents a twofold increase above the program's annual appropriation base resulting in an increase in the number of needed NHSC clinician applicants. Recruiting for positions in underserved areas has proved challenging. To address this challenge, the program has developed an aggressive recruitment and technical assistance protocol to expand the pool of applicants for positions in health professional shortage areas. HRSA is analyzing whether to make programmatic changes such as expanding the number of positions that can be filled by sites with NHSC clinicians, and extending the application period.
- Complying with all program support contracting requirements in a timely manner is challenging and directly impacts the speed of the award process. For example, the program is hoping to receive no less than 6,000 but as many as 8,000 applications for Recovery Act award consideration. These applications must be processed for completeness, eligibility, and ranking for a funding determination. Recovery Act funding will be used for additional program support contract and temporary Federal staff to assist in processing these applications. HRSA is currently working to identify timely and viable options for expediting the procurement process.
- Monitoring the compliance of new NHSC clinic sites and clinicians stretches the programs' current capability. NHSC will monitor service agreement contract obligations from a minimum of 2-years and for as many as 8 years from the date of award (e.g., in school, in service, suspension of service for pregnancy or illness). To respond to the significant increase in the NHSC monitoring caseload over the next 2-8 years, NHSC is expanding use of contract support to perform all monitoring functions covered in Section I above.
- The current database, a 40-year old legacy system, utilized in collecting, tracking and reporting on NHSC clinicians is inadequate to meet the volume, reporting and timeliness requirements of the Recovery Act. HHS began its current modernization effort September 2008 through a negotiated IAA with NIH's Center for Information Technology to develop the new system. HRSA expects completion of the new system in 2011. Prior to this its completion date, HRSA has taken steps to develop and maintain alternate sub-systems to process and manage the increased Recovery Act workload; data then feeds into BHCDANET.



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These efforts will ensure that clinician applications are reviewed and reporting requirements are met.

L. Federal Infrastructure

Not applicable.



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