



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 (\$191.5 million), NHSC Scholarship Program (\$37.3 million), and State Loan Repayment Program (\$11.2 million). Column 1 identifies the specific programs that will be funded, column 8 provides the total appropriated amount, and columns 2, 4, and 6 provide the distribution of funds across programs and years. In addition, columns 3, 5, and 7 provide the distribution of outlays of funds cumulatively across programs and years. NHSC expects making outlays until 2014 since scholarship recipients are supported up to 4 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)

Program/ Project/Activity	Total Appropriated	FY 2009 Actual Obligations	FY 2010 Estimated Obligations	FY 2011 Estimated Obligations
NHSC Loan Repayment Program	\$191.50	\$37.5	\$98.0	\$56.0
NHSC Scholarship Program	\$37.30	\$8.5	\$28.8	\$0.0
State Loan Repayment Program	\$11.20	\$5.8	\$5.4	\$0.0
NHSC Field	\$60.00	\$14.7	\$28.0	\$17.3
Total	\$300.00	\$66.5	\$160.2	\$73.3

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 health care clinicians/students to serve vulnerable populations (e.g., uninsured, Medicaid, Medicare) within health professional shortage areas (HPSAs).



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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 332 clinicians supported through the State Loan Repayment Program.

The objectives of these awards support objectives of the U.S. Department of Health and Human Services (HHS) Strategic Plan, relating to increasing access to health care and strengthening the primary care workforce.

C. Activities

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

D. Characteristics

	NHSC Loan Repayment	NHSC Scholarship	SLRP
Type of Award	Direct Payment for Specified Use (Service Contract)	Direct Payment for Specified Use (Service Contract)	Grant
Non-Federal Recipients	\$190.54	\$37.11	\$11.15
Federal Administration and Support (0.5%)	\$0.96	\$0.19	\$0.05
Total Funding Amount (Million)	\$191.5	\$37.3	\$11.2
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:
 FY09: March 5, 2009/April 6, 2009



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FY10: May 4, 2010/June 3, 2011

Service Contracts Awarded: starting Summer 2009

NHSC Loan Repayment

New Application Open/Period: Summer 2009/Open and Continuous for 18 months

Service Contracts Awarded: Summer 2009

SLRP

Application Open/Due: Spring 2009

Grants Awarded: Summer 2009

To date, NHSC has made over 3,000 loan repayment awards and 70 scholarship awards.

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)

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.



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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 new NHSC loan repayment service contract awards (jobs created/preserved)	Awards	TARGET	829	1504	2494	3000	3000	3500	4000	4000	4000	4000
		ACTUAL	829	1602	2538							
Number NHSC scholarship service contract awards (jobs created)	Awards	TARGET	70	70	70	70	214	214	214	214	214	214
		ACTUAL	70	72	72							
Increase in NHSC field strength	Field Strength	TARGET	829	1504	2494	3332 ²	3332	3832	4332	4332	4083 ¹	4083
		ACTUAL	829	1602	2586							
Number new State Loan Repayment Program contract awards (jobs created/preserved)	Awards	TARGET			332	332	332	332	332	332	332	332
		ACTUAL			26							
18 Grants to States												

¹ Decrease in Field Strength due to an estimated 249 FY 2009 loan repayments who will have fulfilled their service obligation and are no longer counted in the Field Strength

² SLRP Awards made in one quarter were expected to appear in the NHSC Field Strength in the next quarter.



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Measure	Reporting Period	How data made available to public	Frequency of making data available to public
Outputs/Jobs			
# new NHSC loan repayment service contract awards (# new Direct Payments for Specified Use Awards) (jobs created/preserved)	Quarterly	Recovery.gov, HHS website	Quarterly
# new State loan repayment (SLRP) contracts awarded (jobs created/ preserved)	Quarterly	Recovery.gov, HHS website	Quarterly
# NHSC scholarship service contract awards (#new Direct Payments for Specified Use Awards) (future jobs created)	Quarterly	Recovery.gov, HHS website	Quarterly
# NHSC loan repayment service 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	Quarterly	Recovery.gov, HHS website	Annually
<p>Data Sources: NHSC – Award package, BMISS is a database containing information collected from: individual scholarship and loan repayment applications, recruitment and retention assistance applications, and monitoring data and compliance data. Validation: NHSC – Application data is entered through a web-based system that incorporates extensive validation checks. Applications also include many hard copy documents that are reviewed for completeness. Data Sources: SLRP – Semi-Annual Report. 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 validates this data by reviewing each report and contact State to verify when a discrepancy exists.</p>			

H. Monitoring and Evaluation

All Recovery Act programs are assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle 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



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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 programs to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets biweekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, HRSA will present 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.

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 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. In addition, all HRSA budget and finance offices work closely together to manage and monitor Recovery Act activities.

I. Transparency

HRSA is open and transparent in all 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



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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 staff to ensure compliance with reporting requirements.

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 has built upon and strengthened existing processes. Senior HRSA and BCRS 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. The personnel performance appraisal system also incorporates 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 2010.

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.

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 expanding the number of positions that can be filled by sites with NHSC



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clinicians, and extending the application period to increase the application pool.

- 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. HRSA continues to work on identify timely and viable options for expediting the application review. For example, HRSA decreased the required documentation for NHSC LRP application by 50 percent to streamline the process. In addition, Recovery Act funding will be used for additional program support contract and temporary Federal staff to assist in processing these applications. Since the beginning of FY 2010, HRSA has increased hiring of temporary staff to support the recruitment; application review; and monitoring of awardees.
- Monitoring the compliance of new NHSC clinic sites and clinicians stretches the programs' current capability. NHSC will monitor service contract obligations from a minimum of 2 years to as long 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, HRSA is reengineering business processes to efficiently handle the additional case load. Furthermore, HRSA is reviewing contractor support to ensure that both federal and contractor resources are leveraged efficiently and effectively in a synergetic effect.

L. Federal Infrastructure

Not applicable.

Summary of Significant Changes:

- Changes have been made to the funding allocation based on program implementation.
- Increased NHSC Loan Repayment and NHSC Scholarship Program funds. Decreased State Loan Repayment Program funds.
- Targets for measures have been updated to reflect distribution of obligations and outlays.