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HEALTH RESOURCES AND SERVICES ADMINISTRATION

Many Underserved Areas Lack a Health Center Site, and Data Are Needed on Service Provision at Sites

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Highlights

Highlights of GAO-09-667T, a testimony before the Committee on Health, Education, Labor, and Pensions, U.S. Senate

HEALTH RESOURCES AND SERVICES ADMINISTRATION

Many Underserved Areas Lack a Health Center Site, and Data Are Needed on Service Provision at Sites

Why GAO Did This Study

Health centers funded through grants under the Health Center Program—managed by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS)—provide comprehensive primary care services for the medically underserved. The statement GAO is issuing today summarizes an August 2008 report, *Health Resources and Services Administration: Many Underserved Areas Lack a Health Center Site, and the Health Center Program Needs More Oversight* (GAO-08-723). In that report, GAO examined to what extent medically underserved areas (MUA) lacked health center sites in 2006 and 2007. To do this, GAO obtained and analyzed HRSA data and grant applications and interviewed HRSA officials.

What GAO Recommends

In its report, GAO recommended, among other things, that HRSA collect site-specific data on services provided at each health center site. HHS commented that collecting these data would be helpful for many purposes, but would create a burden on grantees and add expense to the program. While GAO acknowledges that effort and cost are involved in program management activities, this information is essential for effective HRSA decision making on placement of new health center sites and for evaluating potential service area overlap in MUAs.

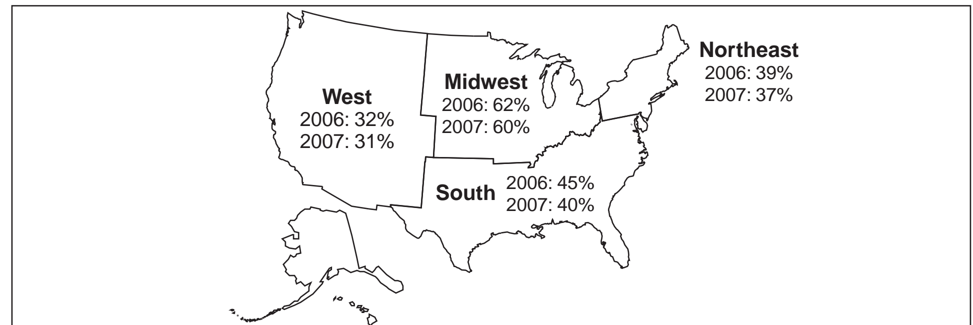
View GAO-09-667T or key components.
For more information, contact Cynthia A. Bascetta at (202) 512-7114 or bascettac@gao.gov.

What GAO Found

In its August 2008 report, which is summarized in this statement, GAO found the following:

- Grant awards for new health center sites in 2007 reduced the overall percentage of MUAs lacking a health center site from 47 percent in 2006 to 43 percent in 2007.
- There was wide geographic variation in the percentage of MUAs that lacked a health center site in both years. (See figure.)
- Most of the 2007 nationwide decline in the number of MUAs that lacked a health center site occurred in the South census region, in large part because half of all awards made in 2007 for new health center sites were granted to the South census region.
- HRSA lacked readily available data on the services provided at individual health center sites.

Percentages of MUAs that Lacked a Health Center Site, by Census Region, 2006 and 2007



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GAO concluded that from 2006 to 2007, HRSA's grant awards to open new health center sites reduced the number of MUAs that lacked a site by about 7 percent. However, in 2007, 43 percent of MUAs continued to lack a health center site, and the grants for new sites awarded that year had little impact on the wide variation among census regions and states in the percentage of MUAs lacking a health center site. GAO reported that HRSA's grants to open new health center sites increased access to primary health care services for underserved populations in needy areas, including MUAs. However, HRSA's ability to place new health center sites in locations where they are most needed was limited because HRSA does not collect and maintain readily available information on the services provided at individual health center sites. Because each health center site may not provide the full range of comprehensive primary care services, having readily available information on the services provided at each site is important for HRSA's effective consideration of need when distributing federal resources for new health center sites.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss our work on the extent to which health centers in the federal Health Center Program are located in areas having a shortage of health care services. Health centers provide comprehensive primary health care services—preventive, diagnostic, treatment, and emergency services, as well as referrals to specialty care—to federally designated medically underserved populations (MUP), or those individuals residing in federally designated medically underserved areas (MUA).[1] The people served by health centers include Medicaid beneficiaries, the uninsured, and others who may have difficulty obtaining access to health care. To fulfill the Health Center Program's mission of increasing access to primary health care services for the medically underserved, the Health Resources and Services Administration (HRSA)—the agency within the U.S. Department of Health and Human Services (HHS) that administers the Health Center Program—provides grants to health centers.[2] A health center grantee may provide services at one or more delivery sites—known as health center sites. HRSA does not require all health center sites to provide the full range of comprehensive primary care services; some health center sites may provide only limited services, such as dental or mental health services. In 2006, approximately 1,000 health center grantees operated more than 6,000 health center sites that served more than 15 million people. Additional people may need to rely on health centers for their care during the current economic period.

Beginning in fiscal year 2002, HRSA significantly expanded the Health Center Program under a 5-year effort—the President's Health Centers Initiative—to increase access to comprehensive primary care services for underserved populations, including those in MUAs. Under the initiative, HRSA set a goal of awarding 630 grants to open new health center sites—such grants are known as new access point grants—and 570 grants to expand services at existing health center sites by the end of fiscal year 2006. New access point grants fund one or more new health center sites operated by either new or existing health center grantees. In July 2005, we

[1]The Health Resources and Services Administration designates MUAs based on a geographic area, such as a county, while MUPs are based on a specific population that demonstrates economic, cultural, or linguistic barriers to primary care services.

[2]In 2006, Health Center Program grants made up about 20 percent of all health center grantees' revenues. Other federal benefits include enhanced Medicaid and Medicare payment rates and reduced drug pricing.

reported challenges HRSA encountered during this expansion of the Health Center Program.[3] In particular, we found that HRSA's process for awarding new access point grants might not sufficiently target communities with the greatest need for services, although we concluded that changes HRSA had made to its grant award process could help the agency appropriately consider community need when distributing federal resources. We also reported that HRSA lacked reliable information on the number and location of the sites where health centers provide care, and we recommended, among other things, that HRSA collect this information. In response to our recommendation, HRSA took steps to improve its data collection efforts in 2006 to more reliably account for the number and location of health center sites funded under the Health Center Program.

By the end of fiscal year 2007, HRSA had achieved its grant goals under the original President's Health Centers Initiative and launched a second nationwide effort, the High Poverty County Presidential Initiative. In fiscal year 2007, HRSA held two new access point competitions, one focused on opening new health center sites in up to 200 HRSA-selected counties that lacked a health center site—part of the High Poverty County Presidential Initiative—and one that was an open competition.[4]

My statement today is based largely on our August 2008 report entitled *Health Resources and Services Administration: Many Underserved Areas Lack a Health Center Site, and the Health Center Program Needs More Oversight*.[5] In the August 2008 report, we examined, among other things, (1) for 2006, the extent to which MUAs lacked health center sites and the services provided by individual sites in MUAs, and (2) how new access point grants awarded in 2007 changed the extent to which MUAs lacked health center sites.

In carrying out the work for our August 2008 report examining the extent to which MUAs lacked health center sites and the services provided by

[3]GAO, *Health Centers: Competition for Grants and Efforts to Measure Performance Have Increased*, GAO-05-645 (Washington, D.C.: July 13, 2005).

[4]This new access point competition is described as open because applicants were not required to be located in certain geographic areas in order to apply, but were required to demonstrate in the proposal that the health center and its associated sites would serve, in whole or in part, an MUA or MUP.

[5]GAO, *Health Resources and Services Administration: Many Underserved Areas Lack a Health Center Site, and the Health Center Program Needs More Oversight*, GAO-08-723 (Washington, D.C.: Aug. 8, 2008).

individual sites in 2006, we interviewed HRSA officials and obtained health center site data from HRSA's uniform data system (UDS), and then compared the location of health center sites with the location of MUAs by census region and state.[6] We limited our analysis to health center sites operated by grantees that received community health center funding—the type of funding that requires sites to provide services to all residents of the service area regardless of their ability to pay.[7] In addition, because HRSA takes into account the location of federally qualified health center look-alike sites—facilities that operate like health center sites but do not receive HRSA funding[8]—when deciding where to award new access point grants, we obtained from HRSA the location of health center look-alike sites in 2006 and compared them with the location of MUAs. To examine how new access point grants awarded in 2007 changed the extent to which MUAs lacked health center sites nationwide, we obtained data from HRSA and compared the location of proposed and funded new health center sites in 2007 with the location of MUAs in 2007.[9] As with the 2006 analysis, we limited our review to health center sites operated by grantees that requested community health center funding, and we obtained from HRSA the location of health center look-alike sites in 2007 and compared them to

[6]In our report, we considered the District of Columbia a state.

[7]42 U.S.C. § 254b(a)(1). In contrast, HRSA grantees that operate health center sites targeting migrant farmworkers, public housing residents, and the homeless are not required to serve all residents of their service areas. 42 U.S.C. § 254b(a)(2). Because the UDS does not allow separate identification of individual health center sites for grantees that receive a combination of community health center funding and health center funding to target migrant farmworkers, public housing residents, or the homeless (27 percent of all grantees in 2006), we could not distinguish sites supported exclusively by community health center funding from sites supported exclusively by health center funding for migrant farmworkers, public housing residents, or the homeless. Therefore, we included all sites associated with health center grantees that received, at a minimum, community health center funding (90 percent of all grantees in 2006). As a result, some health center sites included in our analysis are not sites exclusively supported by community health center funding.

[8]Some organizations choose not to apply for funding under the Health Center Program; however, they seek to be recognized by HRSA as federally qualified health center look-alikes, in large part, so that they may become eligible to receive other federal benefits, such as enhanced Medicare and Medicaid payment rates and reduced drug pricing. For our purposes, federally qualified health center look-alike sites are referred to as health center look-alike sites.

[9]Because the UDS had not been updated for 2007 at the time of our review, we could not determine whether any health center sites that were in operation in 2006 were no longer operating in 2007; therefore, we assumed that all health center sites operating in 2006 were still operating in 2007.

the location of MUAs in 2007. We discussed our data sources with knowledgeable agency officials and performed data reliability checks, such as examining the data for missing values and obvious errors, to test the internal consistency and reliability of the data. After taking these steps, we determined that the data were sufficiently reliable for our purposes. We conducted the performance audit for the August 2008 report from April 2007 through July 2008, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. A detailed explanation of our methodology is included in our August 2008 report.

In brief, we found that grant awards for new health center sites in 2007 reduced the overall percentage of MUAs lacking a health center site from 47 percent in 2006 to 43 percent in 2007. In addition, we found wide geographic variation in the percentage of MUAs that lacked a health center site in both years. We reported that, for 2006, we could not determine the types of services provided by individual health center sites in MUAs because HRSA does not collect and maintain data on the types of services provided at each site. Because HRSA lacks readily available data on the types of services provided at individual sites, the extent to which individuals in MUAs have access to the full range of comprehensive primary care services is unknown. In reporting on geographic variation, we found that, for 2007, the West and Midwest census regions continued to show the lowest and highest percentages, respectively, of MUAs that lacked health center sites. In addition, three of the four census regions showed a 1 or 2 percentage point decrease since 2006 in MUAs that lacked a health center site, while the South census region showed a 5 percentage point decrease. The minimal impact of the 2007 awards on geographic variation overall was due, in large part, to the fact that the majority of the decline in MUAs that lacked a health center site was concentrated in the South census region, which received the largest proportion of the awards made in 2007. To help improve the agency's ability to measure access to comprehensive primary care services in MUAs, we recommended that HRSA collect and maintain readily available data on the types of services provided at each health center site. In commenting on a draft of our report, HHS raised concerns regarding this recommendation. HHS acknowledged that site-specific information would be helpful for many purposes, but said collecting this information would place a significant burden on grantees and raise the program's administrative expenses.

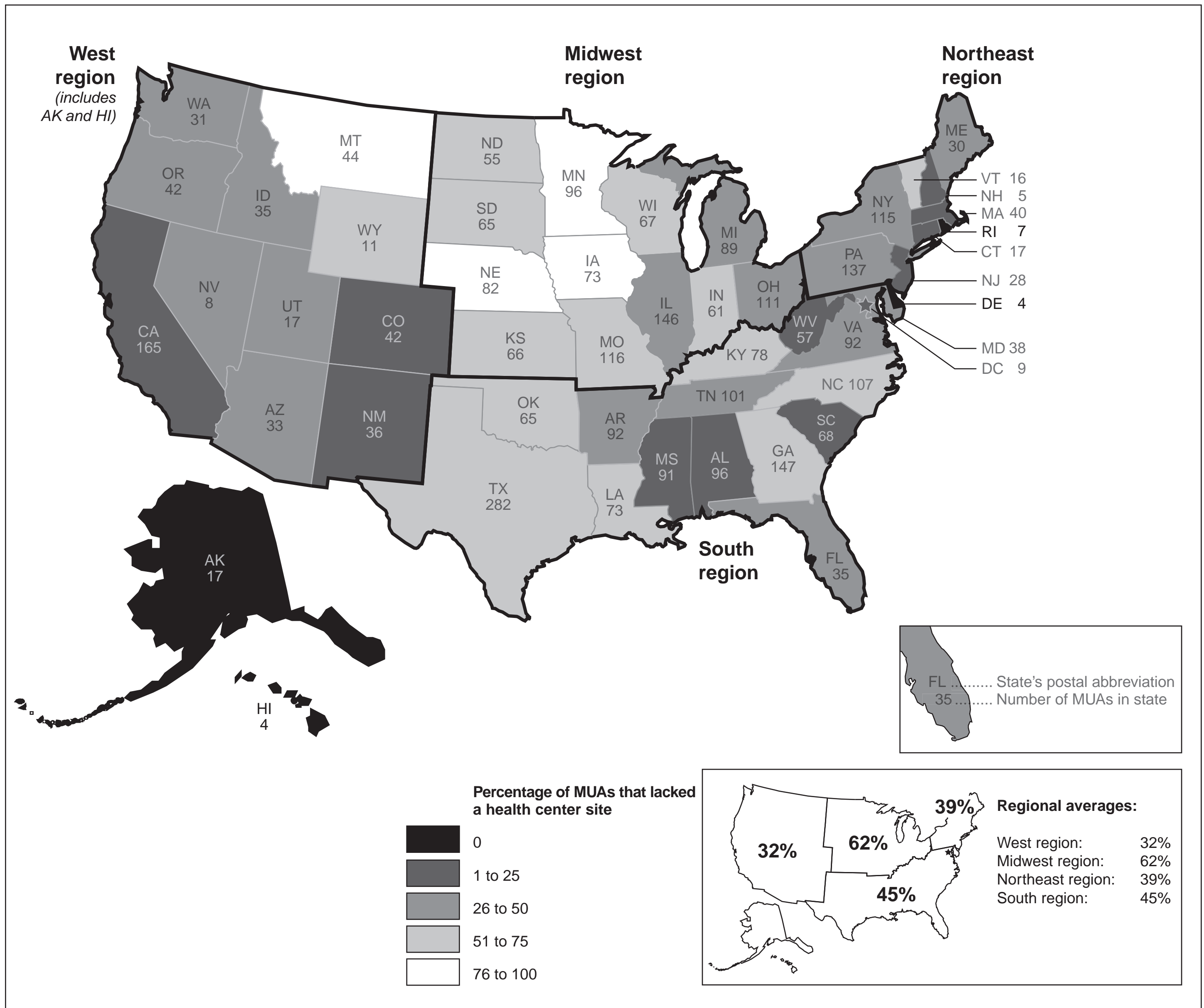
While we acknowledge that effort and cost are involved in program management activities, we believe that having site-specific information on services provided is essential to help HRSA better measure access to comprehensive primary health care services in MUAs when considering the placement of new health center sites and to facilitate the agency's ability to evaluate service area overlap in MUAs.

Almost Half of MUAs Lacked a Health Center Site in 2006, and Types of Services Provided by Each Site Could Not Be Determined

In August 2008, we reported that almost half of MUAs nationwide—47 percent, or 1,600 of 3,421—lacked a health center site in 2006,[10] and there was wide variation among the four census regions and across states in the percentage of MUAs that lacked health center sites. (See fig. 1.) The Midwest census region had the most MUAs that lacked a health center site (62 percent), while the West census region had the fewest MUAs that lacked a health center site (32 percent). More than three-quarters of the MUAs in 4 states—Nebraska (91 percent), Iowa (82 percent), Minnesota (77 percent), and Montana (77 percent)—lacked a health center site. (See app. I for more detail on the percentage of MUAs in each state and the U.S. territories that lacked a health center site in 2006.) In 2006, among all MUAs, 32 percent contained more than one health center site; among MUAs with at least one health center site, 60 percent contained multiple health center sites, with about half of those containing two or three sites. Almost half of all MUAs in the West census region contained more than one health center site, while less than one-quarter of MUAs in the Midwest contained more than one site. The states with three-quarters or more of their MUAs containing more than one health center site were Alaska, Connecticut, the District of Columbia, Hawaii, New Hampshire, and Rhode Island. In contrast, Nebraska, Iowa, and North Dakota were the states where less than 10 percent of MUAs contained more than one site.

[10]When we included the 294 health center look-alike sites operating in 2006, we found that the percentage of MUAs lacking either a health center site or health center look-alike site in 2006 was 46 percent (or 1,564 MUAs).

Figure 1: Percentage of MUAs That Lacked a Health Center Site, by Census Region and State, 2006



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Note: U.S. territories are not included in this map.

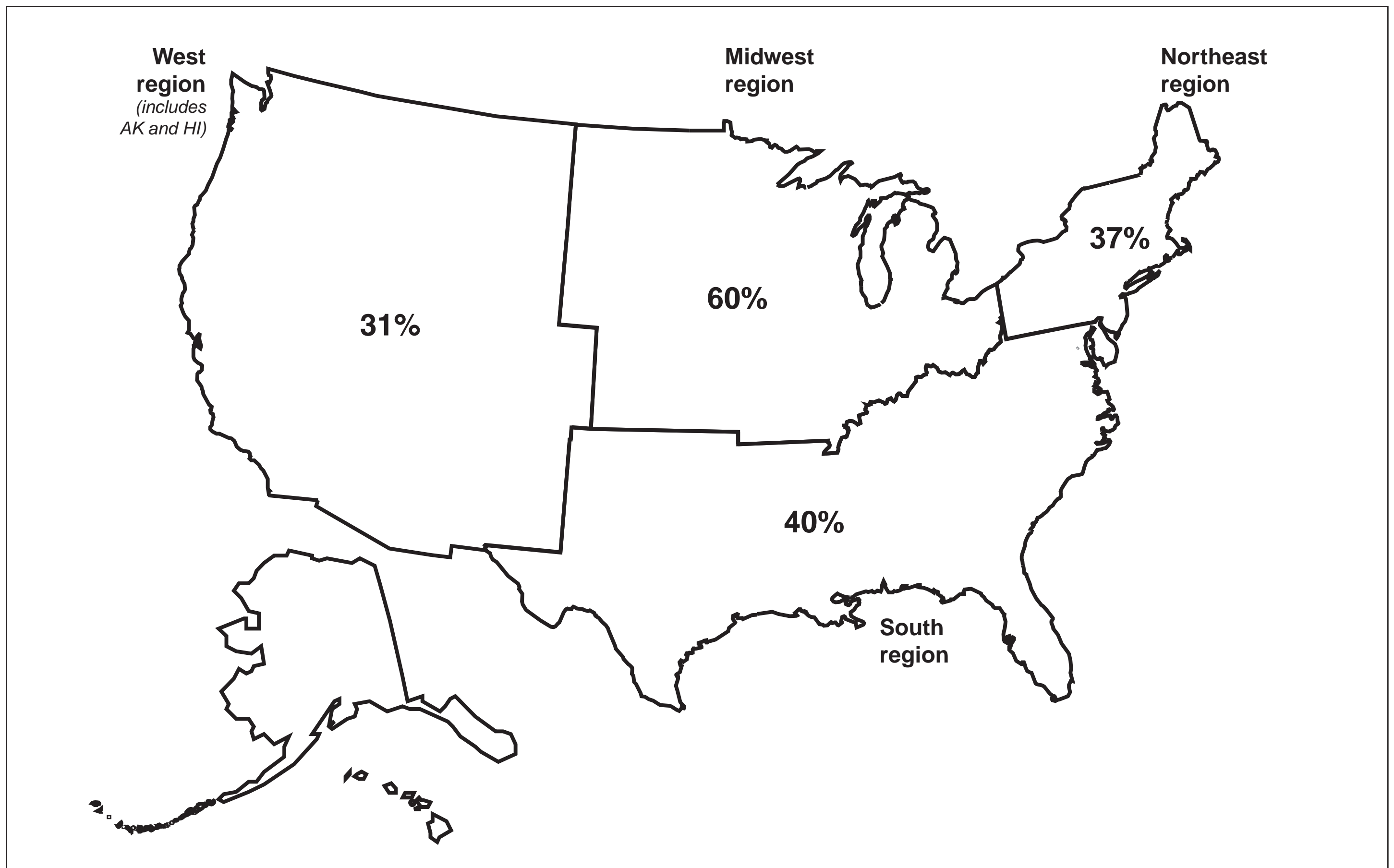
We could not determine the types of primary care services provided at individual health center sites because HRSA did not collect and maintain readily available data on the types of services provided at individual sites. While HRSA requests information from applicants in their grant applications on the services each site provides, in order for HRSA to access and analyze individual health center site information on the services provided, HRSA would have to retrieve this information from the grant applications manually. HRSA separately collects data through the UDS from each grantee on the types of services it provides across all of its health center sites, but HRSA does not collect data on services provided at each site. Although each grantee with community health center funding is required to provide the full range of comprehensive primary care services, HRSA does not require each grantee to provide all services at each health center site it operates. HRSA officials told us that some sites provide limited services—such as dental or mental health services. Because HRSA lacks readily available data on the types of services provided at individual sites, it cannot determine the extent to which individuals residing in MUAs have access to the full range of comprehensive primary care services provided by health center grantees. This lack of basic information can limit HRSA's ability to assess the full range of primary care services available in needy areas when considering the placement of new access points and can also limit the agency's ability to evaluate service area overlap in MUAs.

2007 Awards Reduced the Number of MUAs That Lacked a Health Center Site, but Wide Geographic Variation Remained

In August 2008, we reported that our analysis of new access point grants awarded in 2007 showed that these awards reduced the number of MUAs that lacked a health center site by about 7 percent. Specifically, 113 fewer MUAs in 2007—or 1,487 MUAs in all—lacked a health center site when compared with the 1,600 MUAs that lacked a health center site in 2006. (See app. I.) As a result, 43 percent of MUAs nationwide lacked a health center site in 2007.[11] Despite the overall reduction in the percentage of MUAs nationwide that lacked health center sites in 2007, regional variation remained. The West and Midwest census regions continued to show the lowest and highest percentages of MUAs that lacked health center sites, respectively. (See fig. 2.) Three of the four census regions showed a 1 or 2 percentage point decrease since 2006 in the percentage of MUAs that lacked a health center site, while the South census region showed a 5 percentage point decrease.

[11]When we included the 265 health center look-alike sites operating in 2007, we found that 1,462 MUAs lacked a health center site or health center look-alike site in 2007, which did not change the overall percentage (43 percent) of MUAs in 2007 that lacked a health center site.

Figure 2: Percentage of MUAs That Lacked a Health Center Site, by Census Region, 2007



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We found that the minimal impact of the 2007 awards on regional variation was due, in large part, to the fact that more than two-thirds of the nationwide decline in the number of MUAs that lacked a health center site—77 out of the 113 MUAs—occurred in the South census region. In contrast, only 24 of the 113 MUAs were located in the Midwest census region, even though the Midwest had nearly as many MUAs that lacked a health center site in 2006 as the South census region. While the number of MUAs that lacked a health center site declined by 12 percent in the South census region, the other census regions experienced declines of about 4 percent. The South census region experienced the greatest decline in the number of MUAs lacking a health center site in 2007 in large part because it was awarded more new access point grants that year than any other

region. Specifically, half of all new access point awards made in 2007—from the two separate new access point competitions—went to applicants from the South census region. For example, when we examined the High Poverty County new access point competition, in which 200 counties were targeted by HRSA for new health center sites, we found that 69 percent of those awards were granted to applicants from the South census region. The greater number of awards made to the South census region may be explained by the fact that nearly two-thirds of the 200 counties targeted were located in the South census region. When we examined the open new access point competition, which did not target specific areas, we found that the South census region also received a greater number of awards than any other region under that competition. Specifically, the South census region was granted nearly 40 percent of awards; in contrast, the Midwest received only 17 percent of awards.

Concluding Observations

In our August 2008 report, we noted that awarding new access point grants is central to HRSA's ongoing efforts to increase access to primary health care services in MUAs. From 2006 to 2007, HRSA's new access point awards achieved modest success in reducing the percentage of MUAs that lacked a health center site nationwide. However, in 2007, 43 percent of MUAs continued to lack a health center site, and the new access point awards made in 2007 had little impact on the wide variation among census regions and states in the percentage of MUAs lacking a health center site. The relatively small effect of the 2007 awards on geographic variation may be explained, in part, because the South census region received a greater number of awards than other regions, even though the South was not the region with the highest percentage of MUAs lacking a health center site in 2006.

We reported that HRSA awards new access point grants to open new health center sites, which increase access to primary health care services for underserved populations in needy areas, including MUAs. However, HRSA's ability to target these awards and place new health center sites in locations where they are most needed is limited because HRSA does not collect and maintain readily available information on the services provided at individual health center sites. Having readily available information on the services provided at each site is important for HRSA's effective consideration of need when distributing federal resources for new health center sites, because each health center site may not provide the full range of comprehensive primary care services. This information could also help HRSA assess any potential overlap of services provided by health center sites in MUAs.

Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions that you or Members of the Committee may have.

GAO Contacts and Staff Acknowledgments

For further information about this statement, please contact Cynthia A. Bascetta at (202) 512-7114 or bascettac@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Key contributors to this statement were Helene Toiv, Assistant Director; Stella Chiang; Karen Doran; and Karen Howard.

Appendix I: Number and Percentage of Medically Underserved Areas (MUA) Lacking a Health Center Site, 2006 and 2007

	Total number of MUAs		Number of MUAs lacking a health center site		Percentage of MUAs lacking a health center site	
	2006	2007	2006	2007	2006	2007
Midwest census region	**1,027**	**1,029**	**641**	**617**	**62**	**60**
Illinois	146	143	71	63	49	44
Indiana	61	61	35	34	57	56
Iowa	73	73	60	56	82	77
Kansas	66	71	49	52	74	73
Michigan	89	89	44	43	49	48
Minnesota	96	97	74	75	77	77
Missouri	116	116	62	58	53	50
Nebraska	82	82	75	73	91	89
North Dakota	55	55	40	39	73	71
Ohio	111	110	48	42	43	38
South Dakota	65	65	40	40	62	62
Wisconsin	67	67	43	42	64	63
Northeast census region	**395**	**400**	**153**	**147**	**39**	**37**
Connecticut	17	17	1	1	6	6
Maine	30	32	10	11	33	34
Massachusetts	40	40	10	9	25	23
New Hampshire	5	5	1	1	20	20
New Jersey	28	28	1	1	4	4
New York	115	116	56	53	49	46
Pennsylvania	137	139	63	61	46	44
Rhode Island	7	7	0	0	0	0
Vermont	16	16	11	10	69	63
South census region	**1,435**	**1,441**	**651**	**574**	**45**	**40**
Alabama	96	96	24	19	25	20
Arkansas	92	93	38	33	41	35
Delaware	4	4	0	0	0	0
District of Columbia	9	8	1	1	11	13
Florida	35	35	17	15	49	43
Georgia	147	149	88	78	60	52
Kentucky	78	78	51	45	65	58
Louisiana	73	73	39	33	53	45
Maryland	38	38	11	10	29	26
Mississippi	91	91	18	17	20	19

	Total number of MUAs		Number of MUAs lacking a health center site		Percentage of MUAs lacking a health center site	
	2006	**2007**	**2006**	**2007**	**2006**	**2007**
North Carolina	107	108	59	55	55	51
Oklahoma	65	66	34	30	52	45
South Carolina	68	69	17	15	25	22
Tennessee	101	101	38	35	38	35
Texas	282	283	167	145	59	51
Virginia	92	93	38	34	41	37
West Virginia	57	56	11	9	19	16
West census region	**485**	**487**	**155**	**149**	**32**	**31**
Alaska	17	17	0	0	0	0
Arizona	33	33	13	13	39	39
California	165	167	33	31	20	19
Colorado	42	42	9	9	21	21
Hawaii	4	4	0	0	0	0
Idaho	35	35	15	14	43	40
Montana	44	44	34	33	77	75
Nevada	8	8	4	4	50	50
New Mexico	36	36	5	4	14	11
Oregon	42	42	17	16	40	38
Utah	17	17	7	7	41	41
Washington	31	31	12	12	39	39
Wyoming	11	11	6	6	55	55
U.S. territories	**79**	**79**	**0**	**0**	**0**	**0**
American Samoa	4	4	0	0	0	0
Guam	0	0	n/a	n/a	n/a	n/a
Northern Mariana Islands	0	0	n/a	n/a	n/a	n/a
Puerto Rico	72	72	0	0	0	0
U.S. Virgin Islands	3	3	0	0	0	0

Source: GAO analysis of Health Resources and Services Administration and U.S. Census Bureau data.

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