



October 2023

# NATIVE HAWAIIAN HEALTH CARE SYSTEMS PROGRAM

## Services, Funding, and Oversight

# GAO Highlights

Highlights of [GAO-24-106407](#), a report to congressional committees

## Why GAO Did This Study

The estimated 328,000 Native Hawaiians living in the state of Hawaii as of 2022 face significant health disparities compared to other populations in the state. The Native Hawaiian Health Care Systems Program, administered by HRSA, aims to improve Native Hawaiians' access to disease prevention, health promotion, and primary care services in Hawaii. The systems are part of the broader health care infrastructure in Hawaii, which includes other medical service providers from which Native Hawaiians can seek care.

House Report 117-96 includes a provision for GAO to review health care services available to Native Hawaiians living in Hawaii. This report describes (1) the provision of services and other characteristics of the Native Hawaiian Health Care Systems; (2) how Native Hawaiian Health Care Systems Program funds are awarded; and (3) how HRSA oversees the program.

GAO reviewed reports that the systems submitted to HRSA, which include data on the services provided, patients served, and revenue received in 2022. GAO also reviewed agency documents and program funding data from fiscal years 2018 through 2022 to cover at least one full (3-year) grant cycle and include the most recent fiscal year data available at the time of the review. In addition, GAO interviewed HRSA officials and officials from each of the five systems and Papa Ola Lokahi.

View [GAO-24-106407](#). For more information, contact Michelle B. Rosenberg at (202) 512-7114 or [RosenbergM@gao.gov](mailto:RosenbergM@gao.gov).

October 2023

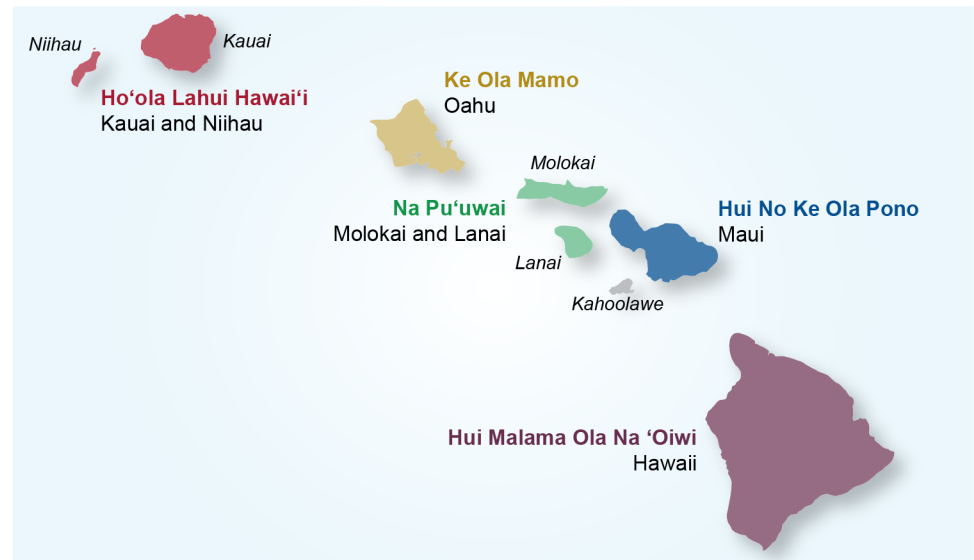
# NATIVE HAWAIIAN HEALTH CARE SYSTEMS PROGRAM

## Services, Funding, and Oversight

## What GAO Found

The Native Hawaiian Health Care Systems Program, administered by the Health Resources and Services Administration (HRSA), aims to improve access to services for Native Hawaiians living in Hawaii. The program provides funding to five Native Hawaiian Health Care Systems—each serving different islands—and an oversight body named Papa Ola Lokahi. (See figure.)

Map of the Native Hawaiian Health Care Systems



Source: GAO analysis of Health Resources and Services Administration information (information); bonilla1879/stock.adobe.com (map). | GAO-24-106407

The systems, which vary in size, offer a range of health care and other services, including primary care, mental health, and fitness programs. The systems also serve as a bridge to Western medicine and integrate traditional Native Hawaiian values, beliefs, and practices. In 2022, across the five systems, the number of patients who had medical visits ranged from 315 to 3,413, and the amount of revenue received ranged from \$3.5 to nearly \$9.7 million. Federal grants, which include the Native Hawaiian Health Care Systems Program awards, were the primary source of revenue for all the systems.

HRSA awards program funds via a limited competition grant that is open only to the five systems and Papa Ola Lokahi. According to HRSA and Papa Ola Lokahi officials, HRSA relies on recommendations from Papa Ola Lokahi to determine the amount of funding to award each of the systems each year. Fiscal year 2022 program funding for each system ranged from \$2.8 to \$3.4 million.

HRSA uses several processes to oversee the program and help the systems and Papa Ola Lokahi meet program requirements. These include: annual reviews of operational and financial reports, in-person operational site visits once every 3 years, and monitoring calls to discuss program updates and other topics.

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## **Abbreviations**

HRSA            Health Resources and Services Administration

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October 23, 2023

The Honorable Tammy Baldwin  
Chair  
The Honorable Shelley Moore Capito  
Ranking Member  
Subcommittee on Labor, Health and Human Services, Education, and  
Related Agencies  
Committee on Appropriations  
United States Senate

The Honorable Robert Aderholt  
Chair  
The Honorable Rosa DeLauro  
Ranking Member  
Subcommittee on Labor, Health and Human Services, Education  
Committee on Appropriations  
House of Representatives

The Native Hawaiian Health Care Improvement Act (the act) was enacted in 1988 with the goal of raising the health status of Native Hawaiians, as defined in the act, living in Hawaii by improving their access to disease prevention, health promotion, and primary care services, as well as to Native Hawaiian practitioners.<sup>1</sup> In the act, Congress stated its intention to fulfill its special responsibilities and legal obligations to the indigenous people of Hawaii and created the Native Hawaiian Health Care Systems Program.<sup>2</sup> Specifically, the act authorized grants to support the provision of health services to five Native Hawaiian Health Care Systems, referred to in this report as “the systems,” and an oversight body—Papa Ola Lokahi. It also specified the comprehensive health promotion, disease prevention, and primary health services that the systems are required and permitted to provide, referred to in this report as “health care and other services.” The Health Resources and Services Administration’s (HRSA)

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<sup>1</sup>Pub. L. No. 100-579, 102 Stat. 2916 (1988) (codified as amended at 42 U.S.C. § 11701 et seq.).

<sup>2</sup>The act states that, since Hawaii’s statehood, Congress has consistently recognized and affirmed its trust relationship with, and legal responsibility for the betterment of the conditions of, Native Hawaiians through the enactment of federal laws that extend the same rights and privileges accorded to American Indian and Alaska Native communities to Native Hawaiians, and through laws that authorize the provision of health, education, and other services to them. See 42 U.S.C. § 11701.

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Bureau of Primary Health Care, which is in the Department of Health and Human Services, administers these grants.

The estimated 328,000 Native Hawaiians living in the state of Hawaii as of 2022 face significant health disparities compared to other populations in the state, according to studies.<sup>3</sup> For example, Native Hawaiians have higher rates of chronic diseases, such as heart disease and diabetes, than the general population in Hawaii, and they have the shortest life expectancy compared to other racial and ethnic groups in the state.<sup>4</sup>

These disparities are likely exacerbated by limited availability of health services. All of Hawaii's five counties have medically underserved geographic areas that lack access to primary health care services, according to HRSA data. In addition, all seven inhabited Hawaiian Islands have areas designated by HRSA as health professional shortage areas for primary care, mental health, or dental health. Native Hawaiians are more likely than other populations to live in Hawaii's rural communities and on islands other than Oahu—Hawaii's most populous island. Additionally, according to Hawaii State Department of Health officials, in some cases, Native Hawaiians must travel long distances to receive specialty care.<sup>5</sup>

House Report 117-96, accompanying the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2022, includes a provision for us to review health care services available to Native Hawaiians living in Hawaii.<sup>6</sup> This report describes (1) the provision of services and other characteristics of the Native Hawaiian Health Care Systems; (2) how Native Hawaiian Health

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<sup>3</sup>U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates.

<sup>4</sup>For example, see Mokuau, N., et al. "Challenges and Promises of Health Equity for Native Hawaiians" (Washington, DC: National Academy of Medicine, 2016); and Look, M.A., Soong S., Kaholokula, J.K. *Assessment and Priorities for Health and Well-Being in Native Hawaiians and Pacific Islanders* (Honolulu, HI: Department of Native Hawaiian Health, John A. Burns School of Medicine, University of Hawaii, 2022).

<sup>5</sup>According to U.S. Census Bureau data from 2020 and 2021, Native Hawaiians comprise about 26 percent of the population of Hawaii County (which includes the island of Hawaii), Maui County (which includes the islands of Maui and Lanai and most of Molokai), and Kauai County (which includes Kauai and Niihau). By contrast, Native Hawaiians make up about 19 percent of the population of Oahu County (which includes Oahu).

<sup>6</sup>See H.R. Rep. No. 117-96, at 48 (2021); H.R. 4502, 117th Cong. (2021) (as introduced in House).

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Care Systems Program funds are awarded; and (3) how HRSA oversees the Native Hawaiian Health Care Systems Program.

To describe the provision of services and other characteristics of the systems, we reviewed the 2022 Native Hawaiian Data System Reports that the systems provided to HRSA.<sup>7</sup> These reports, which were the most recent reports available at the time of our review, include data on the services each system provided, patients served, staffing levels, and revenue.<sup>8</sup> We reviewed these data for anomalies and reviewed information about the data obtained from officials from each of the five systems. Based on this review, we determined the data were reliable for the purposes of our reporting objective. We also interviewed officials from the five systems to better understand what health care and other services they provided and other system characteristics, such as the number of facilities they operate.

To describe how Native Hawaiian Health Care Systems Program funds are awarded and how HRSA oversees the program, we reviewed documents and data pertaining to program awards and oversight from fiscal years 2018 through 2022 to cover at least one full (3-year) grant cycle and include the most recent fiscal year data available at the time of our review.<sup>9</sup> The documents reviewed included grant application instructions and notices of awards; guidance documents used by HRSA officials in their oversight of the program; reports submitted to HRSA by Papa Ola Lokahi and the systems; and documentation of HRSA oversight activities. We also interviewed HRSA officials to identify the program's requirements and award processes, and learn more about the agency's oversight activities and responsibilities. In addition, we interviewed an official from Papa Ola Lokahi to better understand the organization's role in administering and overseeing the program.

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<sup>7</sup>The systems are required to submit the Native Hawaiian Data System Report to HRSA annually based on calendar year operations. HRSA officials told us that they review the self-reported data to determine if there are any significant changes or anomalies in data trends.

<sup>8</sup>Revenue data includes income from all sources, including patient service revenue and other federal, state, local, and other income.

<sup>9</sup>Specifically, we reviewed program funding data for the 3-year grant cycle that began in fiscal year 2018, and the first 2 years of the grant cycle that began in fiscal year 2021. Funding for the third year of this grant cycle was awarded in June 2023. The Native Hawaiian Health Care Systems Program's budget period begins August 1 and ends July 31 each year.

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We conducted this performance audit from November 2022 to October 2023 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.

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## Background

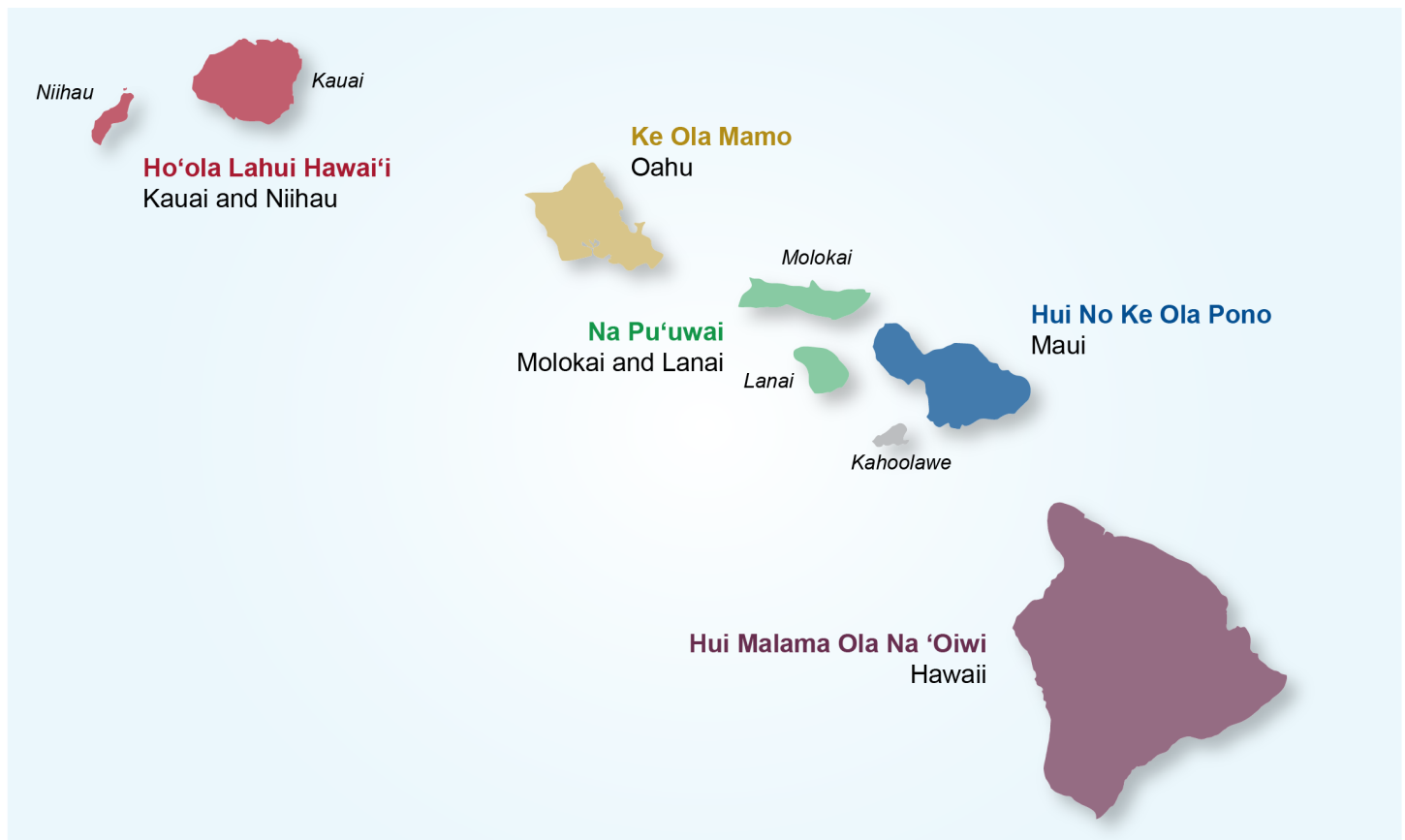
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### Native Hawaiian Health Care Systems Program

The Native Hawaiian Health Care Systems Program consists of five systems. Each system is responsible for serving at least one of Hawaii's inhabited islands. The systems are: (1) Ho'ola Lahui Hawai'i (serving Kauai and Niihau); (2) Ke Ola Mamo (serving Oahu); (3) Na Pu'uwai (serving Molokai and Lanai); (4) Hui No Ke Ola Pono (serving Maui); and (5) Hui Malama Ola Na 'Oiwī (serving Hawaii) (see fig. 1).



**Figure 1: Map of the Native Hawaiian Health Care Systems**



Source: GAO analysis of Health Resources and Services Administration information (information); bonilla1879/stock.adobe.com (map). | GAO-24-106407

Note: Kahoolawe is an uninhabited island reserve managed by a Hawaii State commission.

The program has several requirements related to what services the systems offer and how the systems provide those services. Specifically, the systems are required to offer several health and outreach services. For example, systems must provide physician services, diabetes and high blood pressure prevention services, nutrition services, and health education services specific to the Native Hawaiian population.<sup>10</sup> Whenever possible, health education services should be provided by Native Hawaiian health care practitioners, community outreach workers, and cultural educators. The systems may also provide other health services, including those offered by traditional Native Hawaiian healers. In

<sup>10</sup>See 42 U.S.C. § 11705(c).

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addition, the systems must provide services without regard to the ability of a patient to pay for them, and charges for health services must be adjusted based on a patient's income. While the systems focus on providing services tailored to Native Hawaiians, the systems provide services to anyone who seeks care from them.

The systems must, unless the requirement is waived by the Secretary of Health and Human Services, accrue non-federal matching funds in an amount equal to at least \$1 for every \$5 in federal funds for costs of providing health services under the grant, known as the fund match requirement.<sup>11</sup> Also, the systems cannot spend more than 10 percent of federal award funds for administrative activities, including on administrative salaries and to purchase office supplies, known as the administrative cap.

The program's requirements for Papa Ola Lokahi differ from those of the systems. The act specifies a variety of administrative functions for which Papa Ola Lokahi is responsible.<sup>12</sup> For example, Papa Ola Lokahi must provide technical support and training to the systems and certify that the systems have the qualifications and capacity to provide health care services and meet the requirements of the program. Papa Ola Lokahi is also responsible for coordinating a comprehensive health care master plan for all Native Hawaiians, training health care professionals working with Native Hawaiians, and serving as a clearinghouse for health data related to Native Hawaiians.

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## Hawaii's Health Care Infrastructure

The five systems are part of the broader health care infrastructure in Hawaii, which comprises a wide range of Western medicine service providers from which Native Hawaiians can seek care. These include health care networks and hospitals, health centers funded through HRSA's Health Center Program (referred to as health centers throughout

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<sup>11</sup>See 42 U.S.C. § 11705(e). Non-federal contributions may be in cash or in-kind. Federal sources can be used as matching funds if received as fees, payments, or reimbursements for the provision of a specific service, such as patient care reimbursements received from Medicare or Medicaid.

<sup>12</sup>See 42 U.S.C. § 11704.

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this report), and rural health clinics.<sup>13</sup> For example, according to HRSA data, Hawaii has a total of 14 health centers that provided health care services to over 150,000 patients across the state in 2021, 20 percent of which were Native Hawaiian.<sup>14</sup>

The availability of health providers varies widely by island. For example, Oahu—Hawaii’s most populated island—has 16 hospitals and six health centers. In contrast, Lanai—one of the smaller Hawaiian Islands—has only one hospital (a critical access hospital) and one health center.<sup>15</sup> According to officials from the Hawaii State Department of Health, specialty providers, such as behavioral health service providers, primarily reside in Oahu or the metropolitan areas of Hawaii and Maui, rather than in the more rural areas of the state.

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<sup>13</sup>The Health Center Program, authorized in section 330 of the Public Health Service Act (42 U.S.C. § 254b), is administered by HRSA’s Bureau of Primary Health Care and makes grants—known as Section 330 grants—to four types of health centers that primarily serve low-income populations: community health centers, health centers for the homeless, health centers for residents of public housing, and migrant health centers. A rural health clinic is a clinic located in a rural area designated as a shortage area, such as a medically underserved area or health professional shortage area.

In addition, Native Hawaiians who served in the military may also be able to obtain care from Department of Veterans Affairs’ medical centers and outpatient clinics in the state. Also, there are nine military treatment facilities in Hawaii, including health clinics and a medical center.

<sup>14</sup>In addition to the 14 health centers, Hawaii also has one health center look-alike on Oahu. Health center look-alikes do not receive Health Center Program funding, but they must meet the Health Center Program requirements to receive other federal benefits associated with the program.

<sup>15</sup>Critical access hospitals are small hospitals located in rural areas that are certified by the Centers for Medicare & Medicaid Services as such if they meet certain criteria, such as being a certain distance from other hospitals; providing emergency services 24 hours per day, 7 days a week; and having 25 or fewer inpatient beds.

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## Native Hawaiian Health Care Systems Provide Culturally-Sensitive Services, and Vary in Size and Other Characteristics

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### Systems Provide Health Care and Other Services Intended to Reflect Native Hawaiian Culture and Priorities

According to our review of documentation and statements from system officials, the five Native Hawaiian Health Care Systems offer a range of health care and other services, including primary care, mental health, and fitness programs, in a way that reflects the culture and priorities of the island communities they serve. For example, as of 2023, all five systems provided traditional Native Hawaiian healing, such as Lomilomi, a Native Hawaiian massage therapy treatment. See figure 2 for examples of services offered by the five systems.

**Figure 2: Selected Health Care and Other Services Offered by the Native Hawaiian Health Care Systems, 2023**

Services	Ho'ola Lahui Hawai'i (Kauai and Niihau)	Ke Ola Mamo (Oahu)	Na Pu'uwai (Molokai and Lanai)	Hui No Ke Ola Pono (Maui)	Hui Malama Ola Na 'Oiwī (Hawaii)
Dental care	●	●	○	●	○
Heart disease prevention	●	●	●	●	●
Mental health services	●	●	●	●	●
Mobile medical unit/home visits	●	●	○	○	●
Nutrition	●	●	●	●	●
Physical fitness	●	●	●	●	●
Primary care	●	●	●	●	●
Substance abuse reduction/prevention	●	○	●	○	○
Telehealth	●	●	●	●	●
Traditional Native Hawaiian healing	●	●	●	●	●

● Service offered  
○ Service not offered

Source: GAO analysis of 2022 Native Hawaiian Data System Reports and system written responses from 2023. | GAO-24-106407

Furthermore, our review found that the systems work to build trust in the Native Hawaiian community, serve as a bridge to Western medicine, and integrate medical care with traditional Native Hawaiian values, beliefs, and practices. For example, an official from the system that serves the island of Hawaii told us the system has traditional Native Hawaiian practitioners who incorporate plant medicine into health care delivery. In addition, officials from four of the systems told us they try to not duplicate services offered by other health providers located on their islands, such as health centers. For example, an official from the system that serves

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Oahu told us that, while the system provides medical services, such as primary care, it focuses on providing what they referred to as community health services, such as a mobile fitness program, to address needs in the community. Officials from all five systems told us they refer patients to other providers for services not offered by their system.

Additionally, system officials told us they take into account the needs of their respective communities when determining what services to provide and where they should be offered. For example, officials from all five systems told us they use results from community needs assessments, patient satisfaction surveys, and informal feedback from the island communities they serve to determine what services to provide. Regarding where to offer services, some officials told us they take into account the unique features of their islands to make those decisions. For example, an official from the system that serves Kauai and Niihau told us the system cannot offer services directly on Niihau because the island is privately owned.<sup>16</sup> Instead, patients must travel by barge from Niihau to access the system's services on Kauai. In addition, this system has providers that speak the specific dialect of Native Hawaiian that some Niihau residents speak.

#### **Example of Access Challenges for Patients in Hawaii's Remote Areas**

According to officials from the system that serves Molokai and Lanai, the system faces unique challenges providing services across two geographically remote islands.

Specifically, only one air carrier services the two islands. Some of the system's patients have struggled to access specialty and preventative care on other islands because of persistent flight delays and cancellations and the rising cost of air travel. These air travel issues have also prevented the system from providing consistent care to its patients on Lanai.

Source: Information from system officials. | GAO-24-106407

The officials told us that they also take steps to help make health care more accessible and affordable for their communities. For example, some system officials noted that it is challenging to make services accessible to patients in Hawaii's remote areas, and three of the systems have deployed mobile units that provide in-home health services or transportation services for remote and bed-bound patients, according to statements from system officials. In addition, officials from two of the systems told us they assist patients with enrolling in health insurance programs, such as Medicaid and Medicare. The systems are also required to provide services to all patients, regardless of their ability to pay, as specified in the act.

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## **Systems Vary by Size, Including Number of Patients Served, and Total Revenue**




The five systems vary in size, as measured by the total numbers of patients served, facilities operated, and staff employed. For example, according to our review of systems' data from 2022, the total number of patients the systems served ranged from 315 to 3,413 and the number of

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<sup>16</sup>Niihau has been privately owned since 1864.

clinical facilities the systems operated ranged from one to five.<sup>17</sup> In addition, the number of staff the systems employed ranged from 19 to 62, which included medical staff, such as physicians and nurses, as well as case managers and community health workers (see fig. 3).

**Figure 3: Selected Characteristics of the Native Hawaiian Health Care Systems, 2022**

Characteristic	Ho'ola Lahui Hawai'i (Kauai and Niihau)	Ke Ola Mamo (Oahu)	Na Pu'uwai (Molokai and Lanai)	Hui No Ke Ola Pono (Maui)	Hui Malama Ola Na 'Oiwi (Hawaii)
 Total Number of Patients <sup>a</sup>	3,413	315	564	1,464	1,057
 Total Number of Clinical Facilities	4	5 <sup>b</sup>	2 <sup>c</sup>	1	1
 Total Number of Staff <sup>d</sup>	62	19	32	28	42

Source: GAO analysis of 2022 Native Hawaiian Data System Reports and statements from system officials (data); GAO (icons). | GAO-24-106407

<sup>a</sup>Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>b</sup>This includes one main clinic that offers a range of clinical services, and four other clinics that offer select services, such as telehealth services.

<sup>c</sup>System has one facility on each island it serves.

<sup>d</sup>These include medical staff, such as physicians, nurses, dentists, licensed clinical psychologists, and registered dietitians, as well as support services staff, such as case managers, community health workers, and patient and community education specialists.

The number of patients served across the systems varied, in part due to factors unique to some islands or systems. For example, the number of patients served by the system on Oahu was the lowest among all five systems, despite Oahu being the most populous Hawaiian island. According to an official from this system, it reaches several thousand individuals through its various outreach efforts. However, the system provides fewer of the medical services that are tracked in the annual health systems reports (and used for determining the number of patients) because individuals can get medical services from health centers, large

<sup>17</sup>Patients are individuals who had at least one countable visit during the calendar year. Countable visits are encounters between a patient and a licensed or credentialed provider, such as a physician, nurse practitioner, or social worker, who provides documented, individual services. These visits can be in-person or virtual.

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hospitals, and other providers located on Oahu. By contrast, the system that serves Kauai and Niihau served the largest number of patients among the five systems, largely because it is the only system that is also a health center, according to a system official.

In addition, the different islands face various challenges that affect the number of facilities and staff the systems manage, according to some system officials. For example, the system that serves Molokai and Lanai has one clinical facility on each island—a full service facility on Molokai and a facility that offers limited services on Lanai, according to officials. They also noted that the system had difficulty finding space to provide services on Lanai, because the majority of the island is privately owned.<sup>18</sup> Officials also told us the system has faced challenges hiring health professionals in the communities they serve, particularly on Lanai. To address this, the system has a workforce development program to provide training opportunities and increase the number of locally based health care professionals, such as medical assistants and physicians.

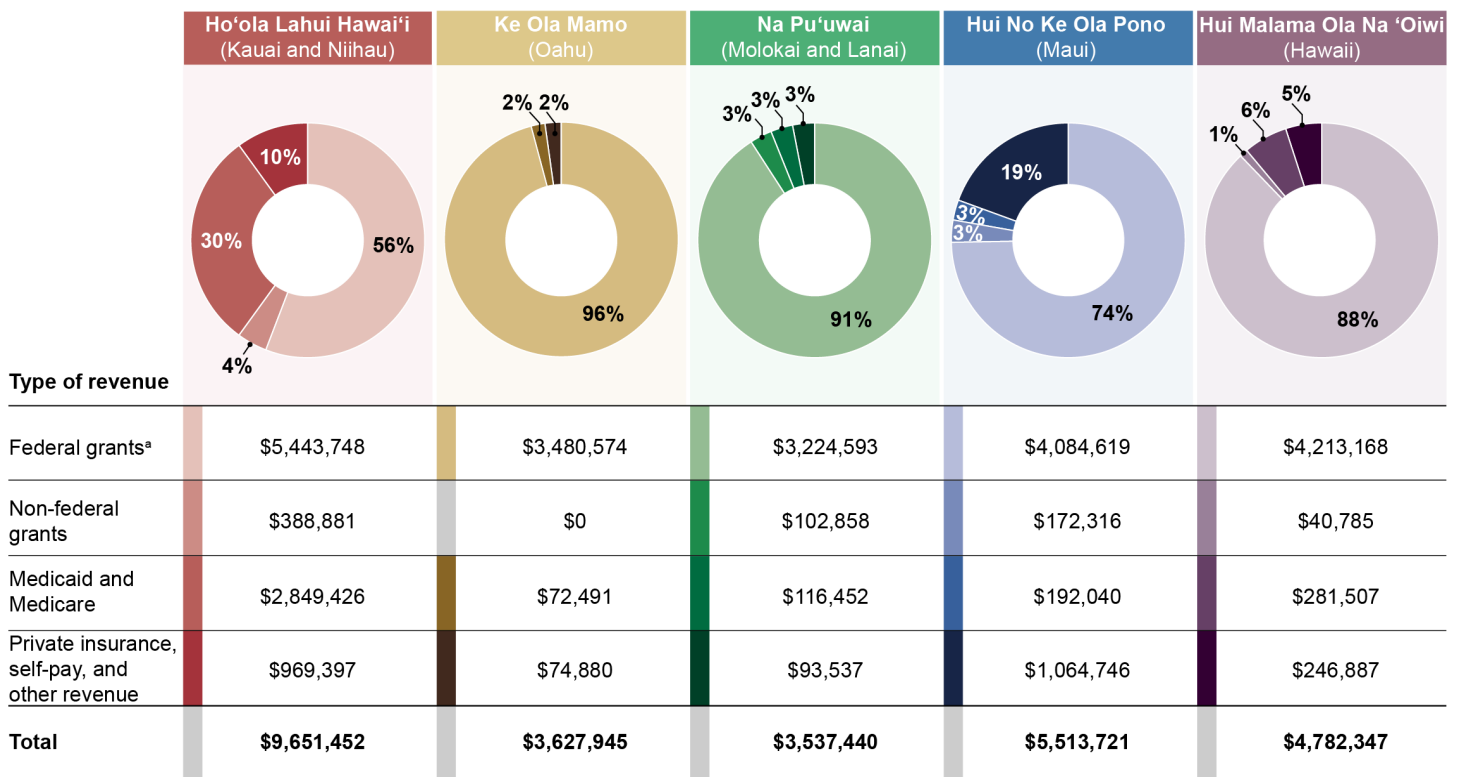
The systems varied in the amount of revenue they received. In 2022, the total revenue received from all sources ranged from approximately \$3.5 million to nearly \$9.7 million, according to systems' data. The primary source of revenue for all five systems was federal grants, including the Native Hawaiian Health Care Systems Program award funds. Other sources of revenue included Medicaid and Medicare, private insurance, and non-federal grants, including grants from the state. The system with the most total revenue (as well as the most revenue from federal grants), Ho'ola Lahui Hawai'i, is the only system that also receives funds from HRSA's Health Center Program. See figure 4 for more detail on each systems' revenue by source.

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<sup>18</sup>Most of Lanai (98 percent) has been privately owned since 2012.



**Figure 4: Native Hawaiian Health Care Systems Revenue by Source, 2022**



Source: GAO analysis of 2022 Native Hawaiian Data System Reports. | GAO-24-106407

Notes: Revenue data do not include in-kind contributions, such as donated facilities, services, and supplies. In-kind contributions, payments from Medicaid, Medicare, and private health insurance, and any non-federal sources of revenue can be used to meet the fund match requirement for the Native Hawaiian Health Care Systems Program grant. Under the fund match requirement, the systems must generally accrue non-federal matching funds in an amount equal to at least \$1 for every \$5 in federal funds for costs of providing health services under the grant.

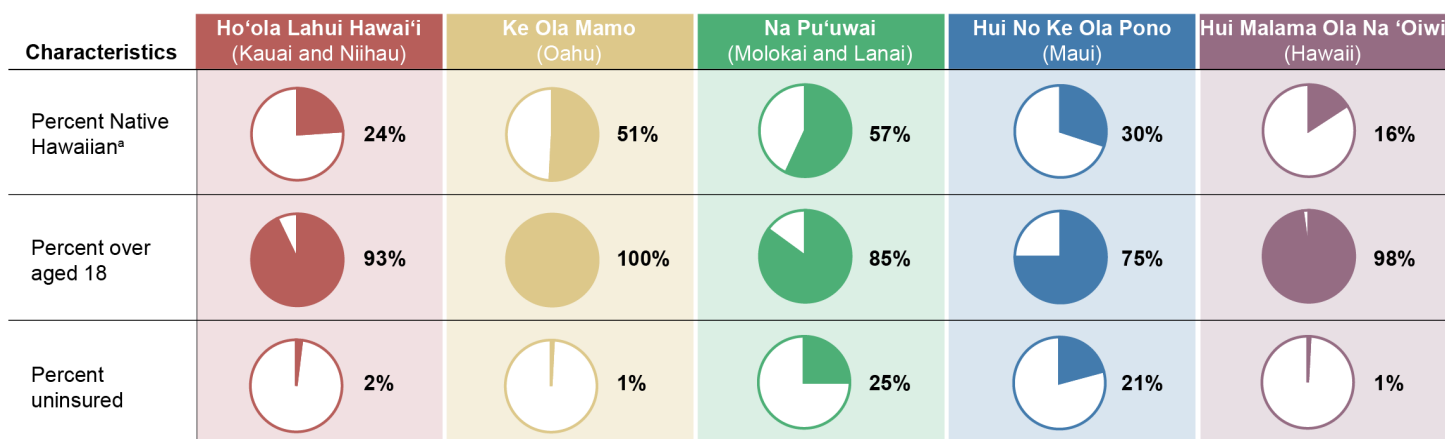
Percentages may not add to 100 due to rounding.

<sup>a</sup>Federal grant revenue includes funding from the Native Hawaiian Health Care Systems Program and other federal grants.

While the systems must provide certain services targeted to the Native Hawaiian community, their services are also available to other populations. Our review of data reported by the systems shows that Native Hawaiians made up between 16 and 57 percent of the patients served by the systems in 2022. Officials from one of the systems told us the actual percentage of patients who are Native Hawaiian may be higher than reported because some patients decline to report their race. Also, some patients who have Hawaiian ancestry may have selected a race or ethnicity other than Native Hawaiian that they also identify as.

Each of the systems predominately served patients over the age of 18; however, some systems partner with schools to offer programs that target youth. For example, officials from the system that serves the island of Hawaii told us the system partners with local schools to provide nutrition and fitness classes for kids from preschool through high school. In addition, the system that serves Kauai and Niihau partners with Hawaiian language immersion schools on Kauai to provide health education classes and fitness programs for youth.<sup>19</sup> See figure 5 for more information about the patients served by each system and appendix I for a snapshot of each of the five systems.

**Figure 5: Selected Patient Characteristics for the Native Hawaiian Health Care Systems, 2022**



Source: GAO analysis of 2022 Native Hawaiian Data System Reports. | GAO-24-106407

Notes: Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>a</sup>Officials from one of the systems told us the actual percentage of patients who are Native Hawaiian may be higher than reported, because some patients decline to report their race. Also, some patients who have Hawaiian ancestry may have selected a race or ethnicity other than Native Hawaiian that they also identify as.

<sup>19</sup>According to an official from this system, the Hawaiian immersion school teaches Hawaiian as a primary language.

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## HRSA Awards Program Funds via a Limited Competition Grant

HRSA awards Native Hawaiian Health Care Systems Program funds to the systems and Papa Ola Lokahi via a limited competition grant.<sup>20</sup> The program operates on a 3-year grant cycle. To obtain funding, the systems and Papa Ola Lokahi must provide HRSA a variety of budgetary, programmatic, and organizational information every year of the grant cycle—once as part of the limited competition grant application and in progress updates for each of two noncompeting continuation submissions. For example, each system must provide:

- a budget narrative that details the amount of funds requested by category (e.g., personnel), its plans for meeting the fund match requirement for services provided under the grant, and its plans to adhere to the administrative cap;
- a project narrative that describes the health care needs of its target population, services and activities planned to address those needs, and its personnel and organizational capacity to implement those services and activities;
- three service projections (e.g., the number of health professional visits) and six clinical performance measures that align with the required services specified in the act (e.g., percentage of patients who controlled their high blood pressure), and its plans to track progress toward these projections and measures; and
- an annual certification from Papa Ola Lokahi that the system has the qualifications and capacity to meet program requirements.<sup>21</sup>

In lieu of service projections and clinical performance measures, Papa Ola Lokahi must identify goals that address the health care environment and required activities of the act—such as training Native Hawaiian health care practitioners and community outreach workers—and report to HRSA on its progress meeting these goals.<sup>22</sup>

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<sup>20</sup>The grant is limited competition because it is open only to Papa Ola Lokahi and the five systems.

<sup>21</sup>A Papa Ola Lokahi official told us that, as part of the annual certification process, Papa Ola Lokahi provides each system with a memo of funding agreement that identifies the amount of award funds the system will receive that fiscal year, and the amount of the system's fund match requirement and administrative cap. Throughout the year, Papa Ola Lokahi monitors how the systems are meeting program requirements through monthly meetings and regular communications with the systems.

<sup>22</sup>See 42 U.S.C. § 11704(a)(2).

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Following successful review of the information submitted each year, HRSA issues a notice of award for each system and Papa Ola Lokahi specifying the amount of funding awarded. HRSA officials told us these funds are then made available to each recipient to draw down as needed. They also noted that their review of the limited competition grant application includes checks for completeness and eligibility; and their review of noncompeting continuation submissions assesses progress made over the course of the year and any significant changes to staffing and target population needs.

According to HRSA and Papa Ola Lokahi officials, HRSA relies on recommendations from Papa Ola Lokahi to determine the amount of funding to award each of the systems each year. HRSA officials told us that, to date, Papa Ola Lokahi has developed its recommendations for HRSA in consultation with the systems after Congress appropriates program funds. A Papa Ola Lokahi official said that a system's ability to meet the fund match requirement factors into these recommendations. For example, according to the official, Papa Ola Lokahi would recommend not increasing or potentially decreasing a system's award if in the previous year it had difficulty meeting its fund match requirement. HRSA officials told us that the agency has consistently incorporated Papa Ola Lokahi's recommendations into its annual grant application process. See figure 6 for the program funding award amounts for fiscal years 2018 through 2022.<sup>23</sup>

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<sup>23</sup>In the Joint Explanatory Statement accompanying HRSA's fiscal year 2023 appropriations, Congress specified that Papa Ola Lokahi receive no less than \$10 million in fiscal year 2023, an increase from the previous fiscal year, to expand its research and surveillance on the health status of Native Hawaiians and strengthen the capacity of the systems. See 168 Cong. Rec. S8875 (Dec. 20, 2022).

**Figure 6: Native Hawaiian Health Care Systems Program Funding, Fiscal Years 2018 to 2022**

Recipient	2018	2019	2020	2021	2022
Papa Ola Lokahi	\$1,651,059	\$1,551,059	\$1,854,631	\$2,554,935	\$3,254,935
Ho'ola Lahui Hawai'i (Kauai and Niihau)	\$2,853,366	\$2,853,366	\$3,067,651	\$3,167,651	\$3,417,651
Ke Ola Mamo (Oahu)	\$2,934,835	\$2,934,835	\$3,149,120	\$3,249,120	\$3,249,120
Na Pu'uwai (Molokai and Lanai)	\$2,247,614	\$2,347,614	\$2,561,902	\$2,661,902	\$2,811,902
Hui No Ke Ola Pono (Maui)	\$3,117,125	\$3,117,125	\$3,331,410	\$3,431,410	\$3,431,410
Hui Malama Ola Na 'Oiwi (Hawaii)	\$2,820,697	\$2,820,697	\$3,034,982	\$3,134,982	\$3,334,982
<b>Total</b>	<b>\$15,624,696</b>	<b>\$15,624,696</b>	<b>\$16,999,696</b>	<b>\$18,200,000</b>	<b>\$19,500,000</b>

Source: GAO analysis of Health Resources and Services Administration program data. | GAO-24-106407

## HRSA Has Several Processes to Oversee the Program, Including Annual Reviews

HRSA has several processes in place to oversee the Native Hawaiian Health Care Systems Program and help Papa Ola Lokahi and the systems meet program requirements. According to a HRSA official, these processes take into account the unique aspects of the act—namely, that award funds for the program are limited to Papa Ola Lokahi and the five systems. These processes include:

- Annual reviews.** HRSA officials told us they review progress reports the systems submit annually during the second and third years of the grant cycle. The agency assesses these reports for progress the systems have made in reaching the service projections, and clinical measures the systems proposed in their grant applications.

In addition, HRSA officials said they review federal financial reports submitted annually for compliance with the fund match requirement. These reports detail how award funds were expended. Officials told

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us all five systems met the fund match requirement from fiscal years 2018 through 2021.<sup>24</sup>

HRSA officials told us they also review single audits submitted annually by Papa Ola Lokahi and each of the five systems for any audit findings and follow up on any findings identified.<sup>25</sup> Specifically, if the audit results in any findings, the agency evaluates the corrective action plan the grantee develops to address the identified deficiency and any supporting documentation provided by the grantee. Based on this review, the agency issues a management decision letter within 6 months of the single audit submittal, and requests repayment for any funds, if applicable. Officials said they also review the grantee's single audit the following year to confirm the grantee took action to resolve the deficiency and ensure the finding does not repeat.

Our review of single audits for the five systems found that two systems had audit findings between fiscal years 2018 and 2021. Specifically, one system had audit findings in fiscal years 2020 and 2021 because it was not in compliance with procurement standards. In response, the system completed a corrective action plan to revise its procurement policies, and, as of January 2022, the audit findings were satisfactorily resolved and closed with HRSA. In addition, another system had audit findings in fiscal year 2021 resulting from weaknesses identified in the system's internal controls in financial reporting. According to HRSA officials, the system satisfactorily resolved these audit findings in July 2023.

- **Operational site visits.** HRSA began conducting what it calls operational site visits as part of its program oversight in the 2015 to 2017 grant cycle. These in-person site visits are to occur once during the 3-year grant cycle to help systems strengthen how they achieve

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<sup>24</sup>According to HRSA officials, federal financial reports that would be used to determine whether the systems met the fund match requirement for fiscal year 2022 are due at the end of October 2023.

<sup>25</sup>Federal award recipients that expend \$750,000 or more in federal awards in a fiscal year are required to undergo a single audit, which is an audit of an entity's financial statements and federal awards, or a program-specific audit, for the fiscal year. See 31 U.S.C. § 7502; 2 C.F.R. § 200.501. Recipients submit single audits to the Federal Audit Clearinghouse, the federal repository for single audit reporting packages. HRSA officials told us they receive audit reports for resolution through an audit tracking and analysis system.

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their mission and provide services.<sup>26</sup> However, HRSA officials told us that the agency did not perform site visits during the 2018 through 2020 cycle due to the COVID-19 pandemic. Officials reported that the site visits resumed in 2023 to cover the 2021 through 2023 cycle.

As part of these site visits, HRSA assesses compliance with the act's requirements and verifies a number of program elements. Specifically, the agency verifies that systems document the needs of their target populations, provide the services outlined in the act, and have a process in place to collect data for program reporting and management decision-making. HRSA officials told us the systems may also receive technical assistance and recommendations during the site visits. For example, according to an official from one system, HRSA recommended that the system develop memorandums of understanding with other health care organizations related to the provision of services or referrals for its patients.

HRSA verifies different program elements for Papa Ola Lokahi during the site visits. For example, based on our review of HRSA documentation, the agency verifies that Papa Ola Lokahi: has a comprehensive health master plan to improve the health status of Native Hawaiians; identifies diseases most prevalent among Native Hawaiians; and conducts training for Native Hawaiian health care practitioners and community outreach workers.

- **Monitoring calls.** HRSA conducts monitoring calls with Papa Ola Lokahi and the systems to discuss program updates, including staffing and funding, and other topics, such as operational site visits. The frequency of these calls depends on need and any financial discrepancies or findings identified in other oversight processes.

HRSA officials told us that if the agency identifies an issue in the course of its oversight of the program, HRSA takes several steps to address it. For example, for an issue identified with a particular system, HRSA reaches out to the system's point of contact to discuss the issue. HRSA then schedules additional monitoring calls, and the system initiates a corrective action plan, as needed. According to HRSA officials, Papa Ola

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<sup>26</sup>According to HRSA guidance and officials, operational site visits are conducted over the course of several days, and include a review of financial, organizational, and program documentation. The site visit team includes one HRSA representative and three outside consultants. HRSA officials told us these consultants serve as objective evaluators and have expertise in various areas, such as leadership and finance.

A Papa Ola Lokahi official told us it monitors systems' compliance with operational site visit requirements, and helps ensure that systems address issues identified during previous site visits.

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Lokahi and four of the five systems initiated corrective action plans in fiscal year 2018 in response to findings identified during operational site visits the agency conducted in 2017. Officials told us there were no corrective action plans initiated as part of the program from fiscal years 2019 to 2022. In addition, HRSA can provide technical assistance or recommendations to the systems. HRSA can also work with Papa Ola Lokahi during the course of its program oversight. For example, in instances when a system is delayed in responding to HRSA on an issue, officials told us HRSA coordinates with Papa Ola Lokahi to re-establish contact with the system.

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## Agency Comments

We provided a draft of this report to the Department of Health and Human Services for comment. The Department provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Health and Human Services, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-7114 or [RosenbergM@gao.gov](mailto:RosenbergM@gao.gov). Contact points for our Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.



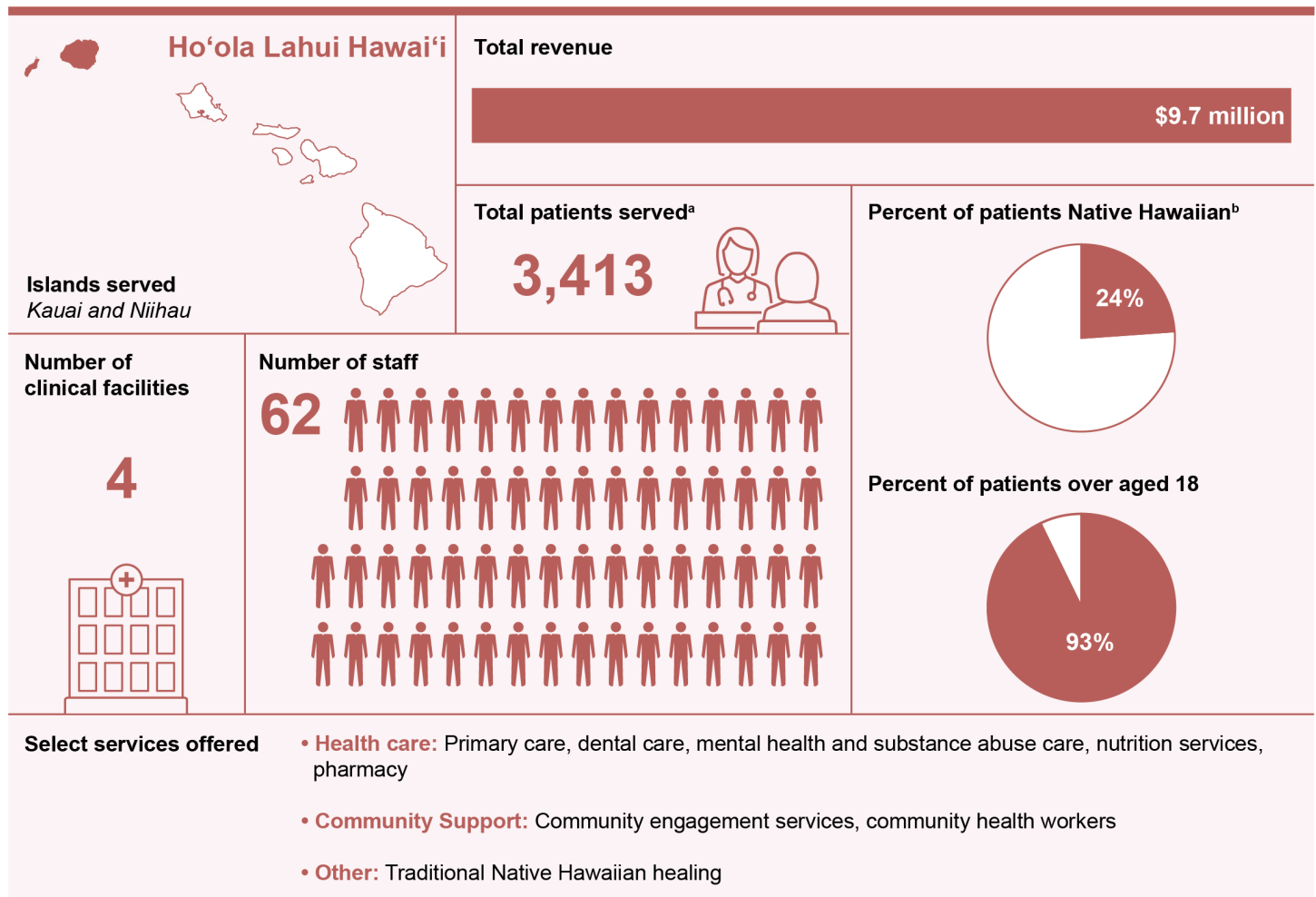
Michelle B. Rosenberg  
Director, Health Care



# Appendix I: Snapshots of the Native Hawaiian Health Care Systems

The following figures provide a snapshot of each of the five Native Hawaiian Health Care Systems, including information on the systems' revenue, size, services offered, and other characteristics.

**Figure 7: Snapshot of the Native Hawaiian Health Care System – Ho'ola Lahui Hawai'i, 2022**



Source: GAO analysis of information from the Native Hawaiian Health Care System and the Health Resources and Services Administration (information); GAO (icons); bonilla1879/lovemask/stock.adobe.com (map and doctor icon). | GAO-24-106407

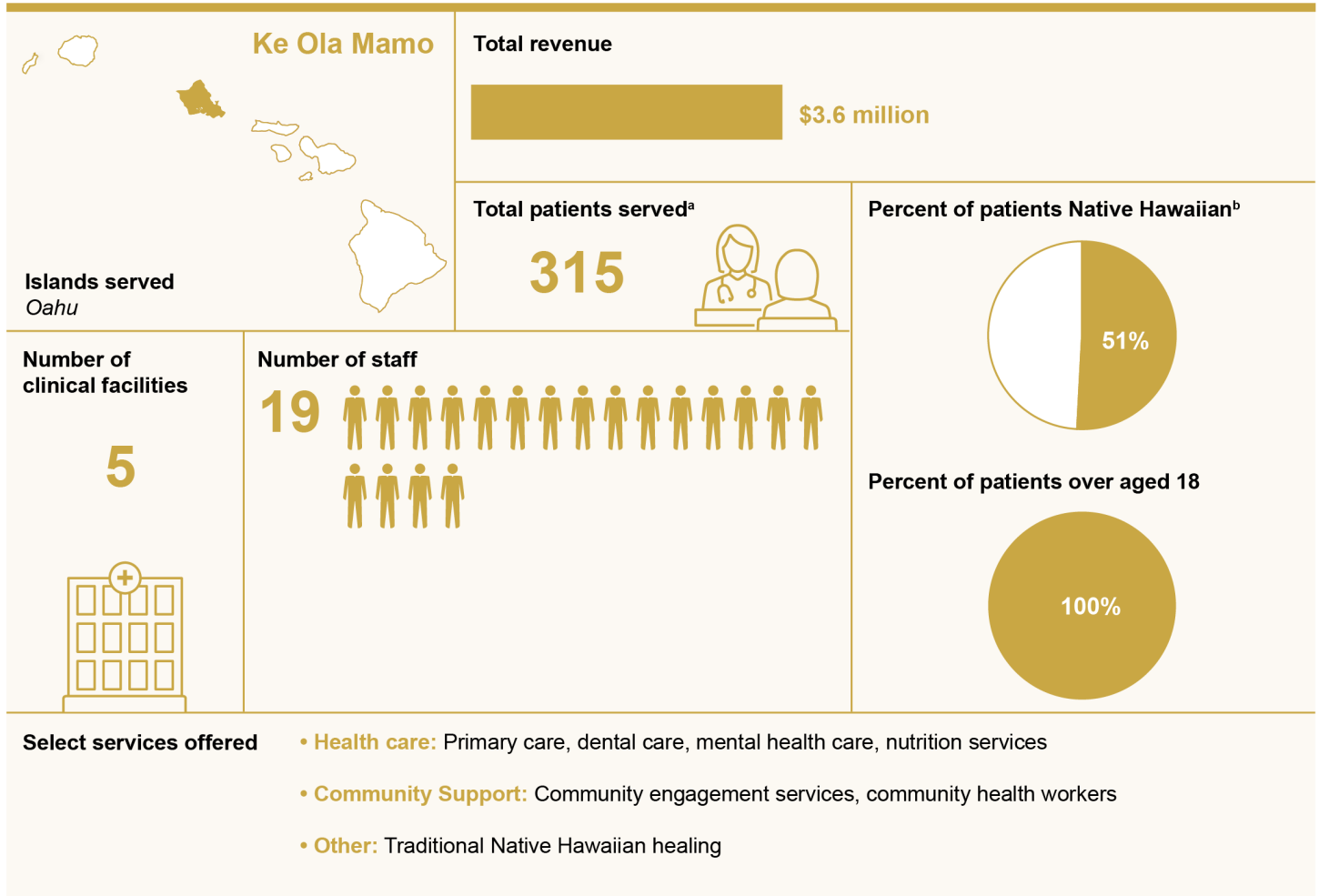
Notes: In addition to receiving funding from the Native Hawaiian Health Care Systems Program, Ho'ola Lahui Hawai'i also receives funding from the Health Resources and Services Administration's Health Center Program.

<sup>a</sup>Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>b</sup>While the system must provide certain services targeted to the Native Hawaiian community, its services are also available to other populations.

Appendix I: Snapshots of the Native Hawaiian Health Care Systems

Figure 8: Snapshot of the Native Hawaiian Health Care System – Ke Ola Mamo, 2022



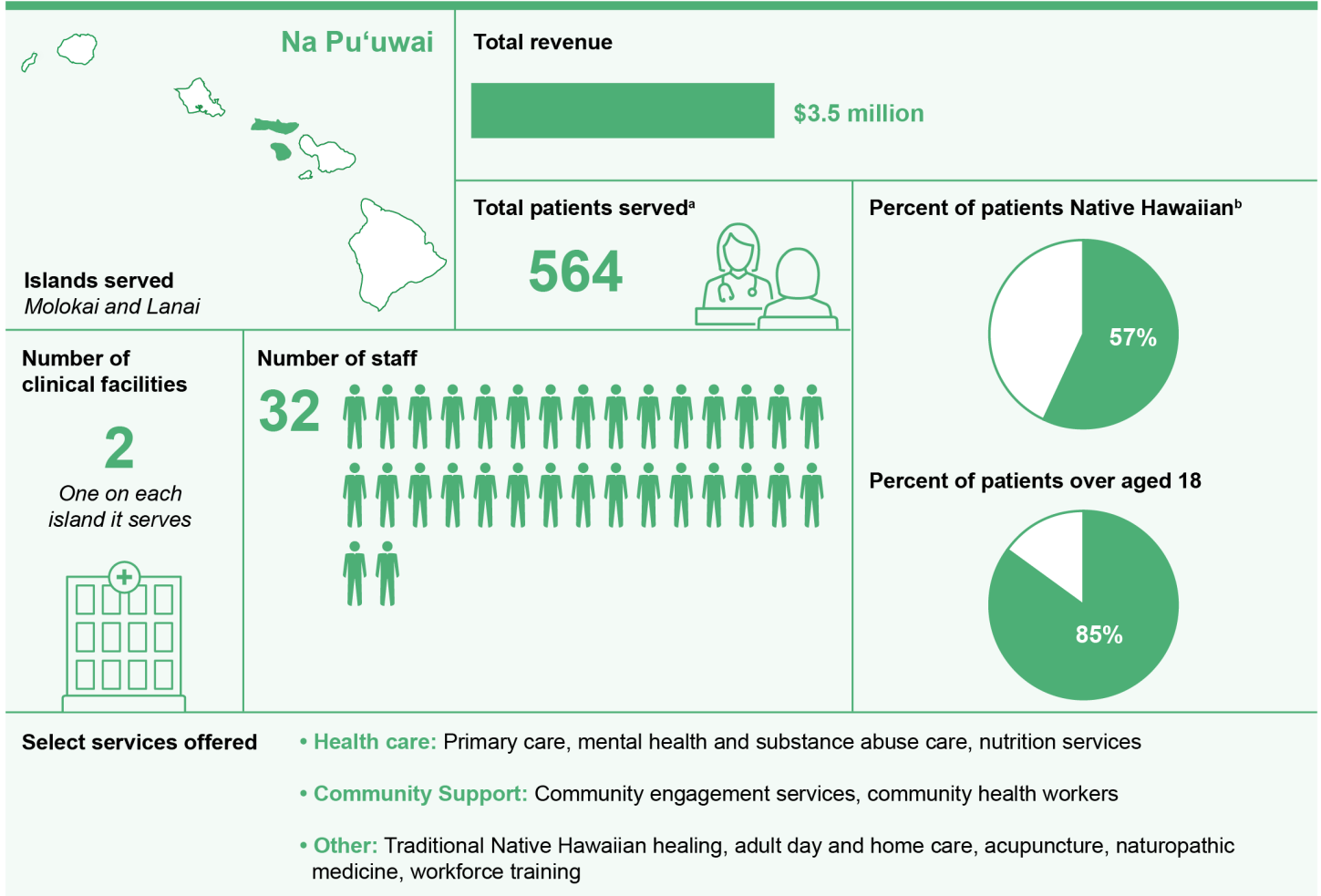
Source: GAO analysis of information from the Native Hawaiian Health Care System and the Health Resources and Services Administration (information); GAO (icons); bonilla1879/lovemask/stock.adobe.com (map and doctor icon). | GAO-24-106407

<sup>a</sup>Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>b</sup>While the system must provide certain services targeted to the Native Hawaiian community, its services are also available to other populations.

Appendix I: Snapshots of the Native Hawaiian Health Care Systems

Figure 9: Snapshot of the Native Hawaiian Health Care System – Na Pu‘uwai, 2022



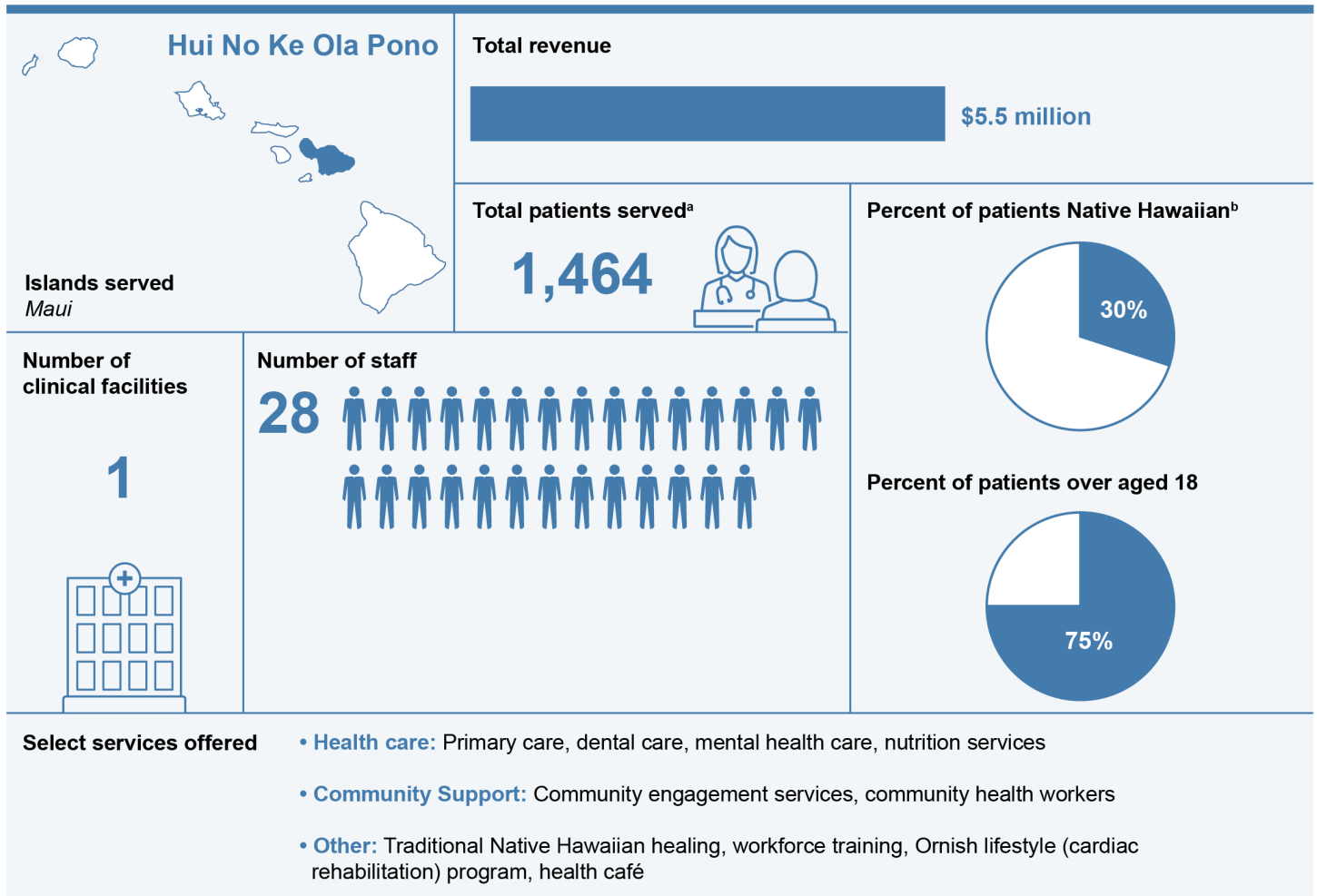
Source: GAO analysis of information from the Native Hawaiian Health Care System and the Health Resources and Services Administration (information); GAO (icons); bonilla1879/lovemask/stock.adobe.com (map and doctor icon). | GAO-24-106407

<sup>a</sup>Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>b</sup>While the system must provide certain services targeted to the Native Hawaiian community, its services are also available to other populations.

Appendix I: Snapshots of the Native Hawaiian Health Care Systems

Figure 10: Snapshot of the Native Hawaiian Health Care System – Hui No Ke Ola Pono, 2022



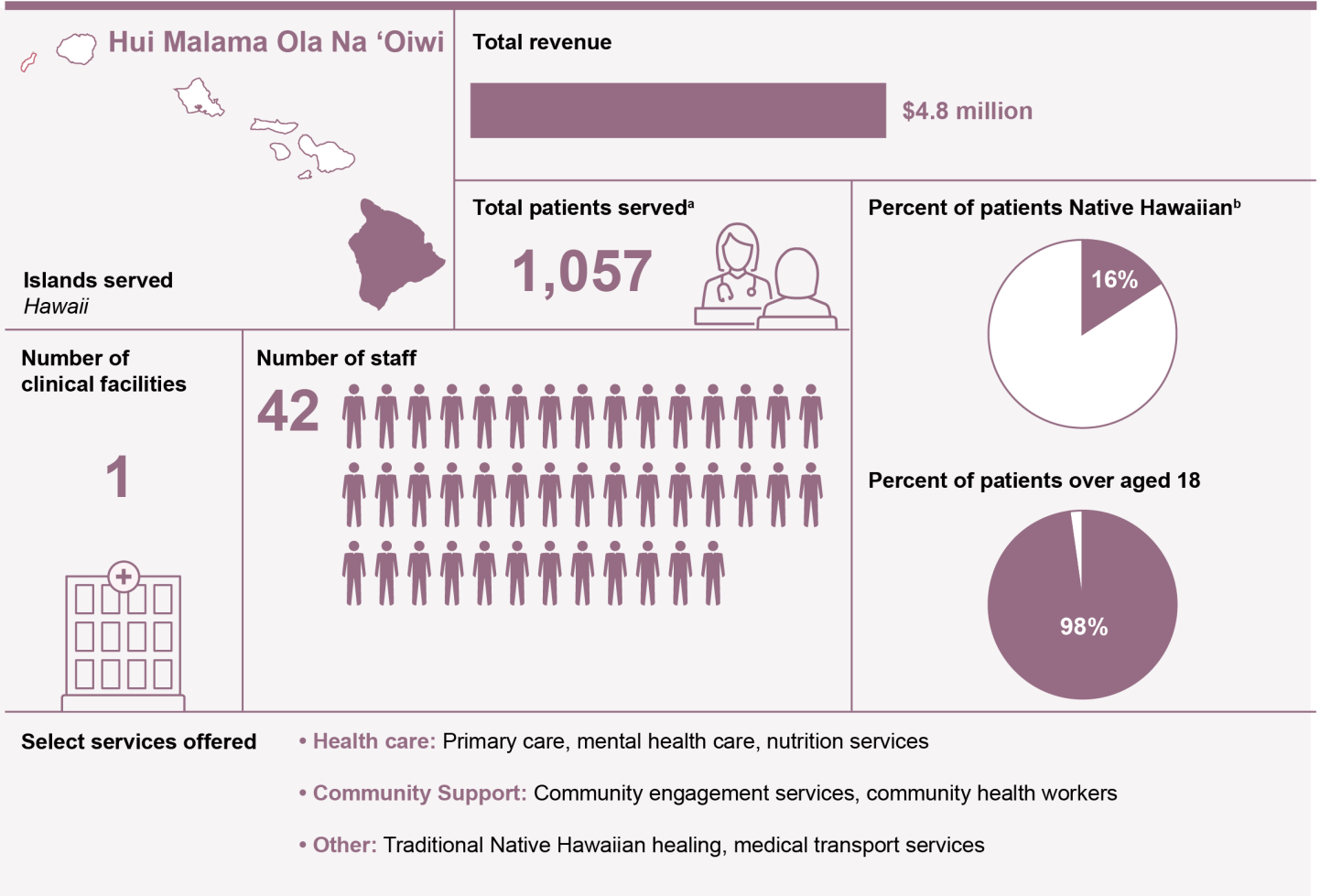
Source: GAO analysis of information from the Native Hawaiian Health Care System and the Health Resources and Services Administration (information); GAO (icons); bonilla1879/lovemask/stock.adobe.com (map and doctor icon). | GAO-24-106407

<sup>a</sup>Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>b</sup>While the system must provide certain services targeted to the Native Hawaiian community, its services are also available to other populations.

Appendix I: Snapshots of the Native Hawaiian Health Care Systems

Figure 11: Snapshot of the Native Hawaiian Health Care System – Hui Malama Ola Na ‘Oiwī, 2022



Source: GAO analysis of information from the Native Hawaiian Health Care System and the Health Resources and Services Administration (information); GAO (icons); bonilla1879/lovemask/stock.adobe.com (map and doctor icon). | GAO-24-106407

<sup>a</sup>Patients are individuals who had at least one countable medical visit during the calendar year and do not reflect individuals the systems may reach via other services, such as community outreach and patient education services.

<sup>b</sup>While the system must provide certain services targeted to the Native Hawaiian community, its services are also available to other populations.

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# Appendix II: GAO Contact and Staff Acknowledgments

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## GAO Contact

Michelle B. Rosenberg, (202) 512-7114 or [RosenbergM@gao.gov](mailto:RosenbergM@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Gerardine Brennan (Assistant Director), Corinne Quinones (Analyst-in-Charge), and Lauren Anderson made key contributions to this report. Sam Amrhein, Hamza Mohamoud, Roxanna Sun, and Emily Wilson Schwark also made important contributions.

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