



Grants & Contracts

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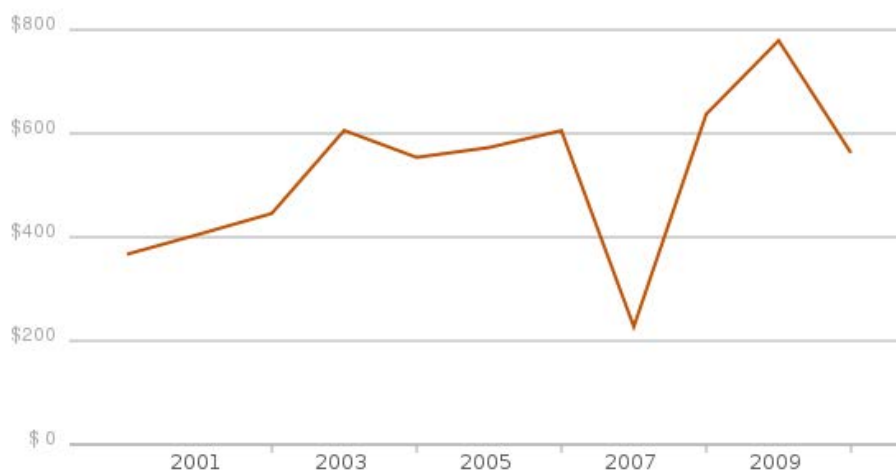
Direct Expenditures in the Health Sector

Grants in the Health Sector

The federal government spent approximately \$555.7 billion in fiscal year 2010 on grant programs that may provide a subsidy to the Health sector.¹ This funding, administered by seven agencies² across more than 270 active programs (Table 1), accounted for almost 68 percent of all government grants made that year (\$822.6 billion).³ This makes grants in the Health sector the largest of all the sectors analyzed by Subsidyscope. This is due to the fact that Medicare and Medicaid make up 60 percent of all grants payments reported in USASpending.gov in fiscal year 2010; the same programs make up 89 percent of all health grants in the same year.⁴

Subsidyscope reports the total amount spent on grants and contracts that are most likely to contain any subsidy. Since not all the spending in these programs would properly be counted as a subsidy, the spending estimates presented here constitute the upper bound of government subsidies in a sector. For example, there is a distinction between *spending* on grants and contracts and the *subsidies* conveyed through that spending. Not all of the money obligated to a grant or contract ends up subsidizing the sector. Some funds are devoted to administering the grants or other activities that do not affect supply or prices. However, little data are available that would help estimate just the subsidy portion of spending on grants and contracts.

Figure 1: Expenditures on Grant Programs in the Health Sector, Fiscal Years 2000-2010 (\$ billions)



Source: Subsidyscope analysis of data from USASpending.gov. Estimates are in nominal dollars and reflect the data as they appear in USASpending.gov at the time of this analysis.

Note: Data presented are obligations to programs that Subsidyscope deems likely to contain a subsidy. All grant programs in Subsidyscope's definition of the Health sector are included, despite the fact that some programs may not have reported dollar amounts. Changes in government reporting methods during fiscal year 2007 make the estimates for that year highly unreliable. Moreover, the dip in FY2007 for our Health sector grants data is primarily attributable to the fact that totals for Medicare Parts A, B, and D were not reported to USASpending.gov. Of the \$373.6 billion drop in reporting between FY2006 and FY2007, \$360.2 billion, or 96 percent, is attributable to non-reporting by these three programs. For more information about the quality of these data sources, visit Clearspending.org.

The direct expenditure totals presented on this Web page are compiled using government data from USASpending.gov and the Catalog of Federal Domestic Assistance (CFDA).⁵ As [previously noted](#), these data may not include some types of subsidies and may contain gaps that prevent allocating some published subsidy data to the Health sector. All of these limitations can result in omissions of federal support that may, nonetheless, influence markets. However, they are the best data available and they provide a baseline for comparing subsidies across economic sectors. By publishing these estimates, Subsidyscope makes these data more accessible and their shortcomings can be more easily identified and, ultimately, improved.

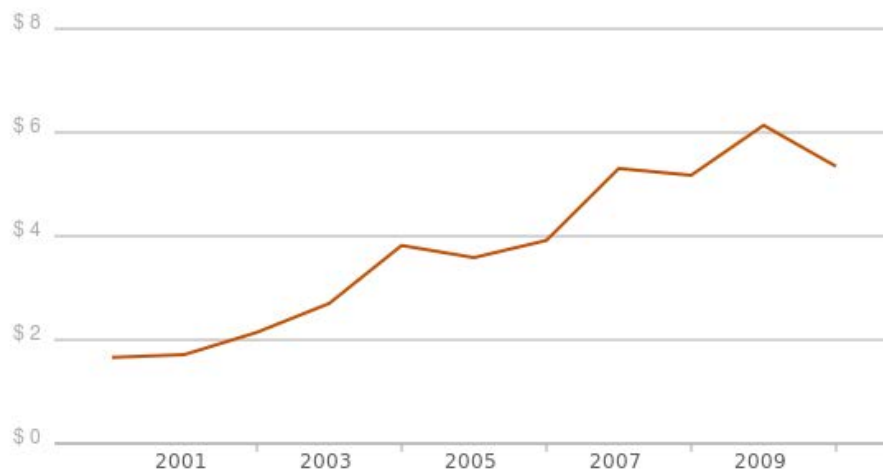
Contracts in the Health Sector

In addition to awarding grants, the government directly contracts with organizations to provide health-related goods and services. During fiscal year 2010, all reported health-related contracts totaled \$32.6 billion, 6 percent of all government contracts (\$537.8 billion).⁶ Of the \$32.6 billion in total health-related contracts, \$5.3 billion, or 16 percent, were not competed.⁷ While not all contracts contain a subsidy, non-competed contracts are more likely to contain a subsidy than competed contracts.

Subsidyscope's focus on non-competed contracts reflects that the federal government generally prefers agencies to compete contracts because competition is expected to result in lower costs and/or better quality goods and services. In contrast, non-competed contracts generally are assumed to be more likely to cost the government more than the fair market value.⁸

Subsidyscope presents spending on programs deemed likely to contain a subsidy, rather than the subsidy amount itself. Under a contract, a subsidy occurs when the government pays more than fair market value for a good or service. It is difficult to determine when and how much of a subsidy is included, as the fair market value may be open to interpretation. Subsidyscope does not differentiate between specific contracts that may or may not include a subsidy or measure the amount of the subsidy. However, competed contracts—contracts that are subject to an open bidding process—generally are less likely to have a subsidy component, even though the bidding process may include certain preferences. Therefore, Subsidyscope does not analyze competed contracts. This does not mean non-competed contracts contain a significant subsidy, only that they are more likely to do so. There may be various reasons why the government uses non-competed contracts, for example, there may be only one provider of the service, there may be unique experience required, or it may be more expedient or convenient. For more information on contracts, see Subsidyscope's [Contracts](#) page.

Figure 2: Expenditures on Non-competed Contracts in the Health Sector, Fiscal Years 2000-2010 (\$ billions)



Source: Subsidyscope analysis of data from USASpending.gov. Estimates are in nominal dollars and reflect the data as they appear in USASpending.gov at the time of this analysis.

Note: Government spending on non-competed contracts is likely more consistent during this time period than the figure represents. Any increases or decreases may reflect poor data resulting from reporting variation, in addition to actual spending increases or decreases in health-related contracts.

To search Subsidyscope's direct expenditures data from the federal government's USASpending.gov Web site, click [here](#) for grants and [here](#) for non-competed contracts. The table below provides an aggregate summary of the grants made by each program in the Health sector in fiscal years 2009 and 2010, retrieved from Subsidyscope's searchable database of grants.

Table 1: Health Sector Direct Expenditure Programs, Fiscal Years 2009 and 2010 (\$ thousands)

CFDA #	CFDA Program Title	FY 2009	FY 2010
93.778	Medical Assistance Program [Medicaid]	\$245,777,290	\$253,675,134
93.773	Medicare_Hospital Insurance [Part A]	\$235,645,664	\$119,268,719 ⁱ
93.774	Medicare_Supplementary Medical Insurance [Part B]	\$200,113,170	\$99,705,378 ⁱⁱ
93.770	Medicare_Prescription Drug Coverage [Part D]	\$29,095,026	\$20,847,928
93.767	Children's Health Insurance Program [CHIP]	\$12,643,951	\$10,730,095
93.701	Trans-NIH Recovery Act Research Support	\$4,317,183	\$3,868,364
93.855	Allergy, Immunology and Transplantation Research	\$2,567,902	\$2,635,775
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	\$1,942,319	\$1,968,579
93.859	Biomedical Research and Research Training	\$1,871,831	\$1,896,054
93.959	Block Grants for Prevention and Treatment of Substance Abuse	\$1,689,661	\$1,708,661
93.837	Cardiovascular Diseases Research	\$1,473,757	\$1,582,819
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	\$1,426,269	\$1,524,873
93.210	Tribal Self-Governance Program: IHS Compacts/Funding Agreements	\$1,194,163	\$1,417,334
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$1,320,806	\$1,354,189
64.012	Veterans Prescription Service	not reported	\$1,264,591

93.917	HIV Care Formula Grants	\$1,177,560	\$1,228,221
93.389	National Center for Research Resources	\$1,199,814	\$1,216,431
93.242	Mental Health Research Grants	\$1,098,803	\$1,130,568
93.865	Child Health and Human Development Extramural Research	\$790,420	\$921,244
93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	\$883,068	\$911,026
93.866	Aging Research	\$890,543	\$901,418
93.067	Global AIDS	\$719,057	\$818,667
93.279	Drug Abuse and Addiction Research Programs	\$779,687	\$818,040
93.069	Public Health Emergency Preparedness	\$2,037,006	\$778,040
93.702	National Center for Research Resources, Recovery Act Construction Support	\$31,025	\$762,690
93.395	Cancer Treatment Research	\$736,267	\$757,889
64.029	Purchase Care Program	not reported	\$754,874
93.393	Cancer Cause and Prevention Research	\$689,278	\$733,258
93.718	Health Information Technology Regional Extension Centers Program	not reported	\$676,637
93.914	HIV Emergency Relief Project Grants	\$633,029	\$648,295
93.243	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	\$565,169	\$630,176
93.703	ARRA Grants to Health Center Programs [The American Recovery and Reinvestment Act of 2009]	\$1,384,494	\$608,182
93.867	Vision Research	\$574,451	\$581,258
93.994	Maternal and Child Health Services Block Grant to the States	\$555,491	\$551,838
93.719	ARRA - State Grants to Promote Health Information Technology	not reported	\$547,703
93.397	Cancer Centers Support Grants	\$458,162	\$534,612
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	\$478,766	\$511,575
93.396	Cancer Biology Research	\$500,294	\$507,314
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	\$439,901	\$443,444
93.838	Lung Diseases Research	\$480,040	\$440,992
93.889	National Bioterrorism Hospital Preparedness Program	\$428,890	\$420,584
93.724	ARRA - Prevention and Wellness Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)	not reported	\$402,111
93.958	Block Grants for Community Mental Health Services	\$399,735	\$399,735
93.172	Human Genome Research	\$379,353	\$388,952
93.310	Trans-NIH Research Support	\$354,289	\$381,934
93.113	Environmental Health	\$335,226	\$358,020
93.173	Research Related to Deafness and Communication Disorders	\$323,083	\$332,641
93.839	Blood Diseases and Resources Research	\$363,299	\$327,976
93.273	Alcohol Research Programs	\$313,947	\$327,063
93.394	Cancer Detection and Diagnosis Research	\$279,095	\$318,607

93.940	HIV Prevention Activities_Health Department Based	\$335,393	\$312,796
93.121	Oral Diseases and Disorders Research	\$299,396	\$311,392
93.715	Recovery Act Comparative Effectiveness Research - AHRQ	\$297	\$311,210
93.255	Children's Hospitals Graduate Medical Education Payment	\$136,010	\$301,458
93.217	Family Planning_Services	\$282,964	\$292,486
93.441	Indian Self-Determination	\$146,851	\$290,350
93.268	Immunization Grants	\$289,825	\$287,142
93.941	HIV Demonstration, Research, Public and Professional Education Projects	\$390,491	\$285,250
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	\$275,430	\$280,836
93.887	Health Care and Other Facilities	\$257,680	\$267,693
93.727	ARRA - Health Information Technology - Beacon Communities	not reported	\$250,000
93.262	Occupational Safety and Health Program	\$215,516	\$205,432
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	\$187,926	\$192,600
93.398	Cancer Research Manpower	\$195,470	\$188,537
64.015	Veterans State Nursing Home Care	not reported	\$176,226
93.510	Affordable Care Act (ACA) Primary Care Residency Expansion Program	not reported	\$167,356
93.307	Minority Health and Health Disparities Research	\$148,720	\$156,220
93.399	Cancer Control	\$236,839	\$152,529
93.110	Maternal and Child Health Federal Consolidated Programs	\$144,108	\$150,492
93.266	Rapid Expansion of Antiretroviral Therapy Programs for HIV-Infected Persons in Selected Countries in Africa and the Caribbean Under the President's Emergency Plan for AIDS Relief	\$176,279	\$148,050
93.185	Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improvement Projects	\$133,530	\$143,751
93.226	Research on Healthcare Costs, Quality and Outcomes	\$89,822	\$135,573
93.237	Special Diabetes Program for Indians_Diabetes Prevention and Treatment Projects	\$135,205	\$134,342
93.145	AIDS Education and Training Centers	\$116,057	\$131,081
93.361	Nursing Research	\$123,663	\$120,330
93.723	ARRA - Prevention and Wellness-State, Territories and Pacific Islands	not reported	\$120,160
93.791	Money Follows the Person Rebalancing Demonstration	\$246,593	\$107,832
93.228	Indian Health Service_Health Management Development Program	\$118,955	\$107,274
93.977	Preventive Health Services_Sexually Transmitted Diseases Control Grants	\$106,542	\$103,199
93.297	Teenage Pregnancy Prevention Program	not reported	\$100,000
93.926	Healthy Start Initiative	\$95,434	\$99,196
93.213	Research and Training in Complementary and Alternative Medicine	\$101,834	\$98,870
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	\$92,681	\$97,708
93.136	Injury Prevention and Control Research and State and Community Based Programs	\$99,299	\$95,815
93.275	Substance Abuse and Mental Health Services-Access to Recovery	\$97,550	\$94,788

93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	\$69,848	\$93,595
93.991	Preventive Health and Health Services Block Grant	\$95,635	\$93,028
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	not reported	\$91,813
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	\$84,230	\$87,744
93.989	International Research and Research Training	\$70,101	\$80,502
93.768	Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	\$64,566	\$79,934
93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	\$72,075	\$73,159
93.888	Specially Selected Health Projects	\$48,513	\$73,005
93.256	State Health Access Program	\$70,945	\$70,661
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	\$64,235	\$64,023
93.150	Projects for Assistance in Transition from Homelessness (PATH)	\$52,978	\$62,121
93.939	HIV Prevention Activities_Non-Governmental Organization Based	\$61,525	\$61,967
93.728	ARRA - Strategic Health IT Advanced Research Projects (SHARP)	not reported	\$60,000
93.241	State Rural Hospital Flexibility Program	\$62,080	\$59,427
64.024	VA Homeless Providers Grant and Per Diem Program	not reported	\$59,277
93.780	Grants to States for Operation of Qualified High-Risk Pools	\$75,000	\$55,000
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	not reported	\$54,877
93.103	Food and Drug Administration_Research	\$47,976	\$52,133
93.411	ARRA Equipment to Enhance Training for Health Professionals	not reported	\$50,572
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention	\$63,514	\$50,307
93.884	Grants for Training in Primary Care Medicine and Dentistry	\$44,371	\$50,249
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges	not reported	\$48,788
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	\$44,046	\$48,423
93.879	Medical Library Assistance	\$54,271	\$48,216
93.403	ARRA Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement	not reported	\$47,267
93.143	NIEHS Superfund Hazardous Substances_Basic Research and Education	\$46,340	\$47,041
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	not reported	\$46,000
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	\$41,989	\$45,588
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	\$40,014	\$44,892
93.233	National Center on Sleep Disorders Research	\$36,601	\$44,323
64.005	Grants to States for Construction of State Home Facilities	\$141,307	\$44,139

93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	\$44,898	\$43,780
93.281	Mental Health Research Career/Scientist Development Awards	\$43,507	\$43,744
93.507	Strengthening Public Health Infrastructure for Improved Health Outcomes	not reported	\$42,500
93.247	Advanced Nursing Education Grant Program	\$43,369	\$42,138
17.503	Occupational Safety and Health_State Program	\$54,968	\$38,839
93.129	Technical and Non-Financial Assistance to Health Centers	\$58,562	\$37,943
93.142	NIEHS Hazardous Waste Worker Health and Safety Training	\$36,416	\$36,910
93.138	Protection and Advocacy for Individuals with Mental Illness	\$35,930	\$36,291
93.721	ARRA - Health Information Technology Professionals in Health Care	not reported	\$35,726
93.520	Centers for Disease Control and Prevention Affordable Care Act (ACA) Communities Putting Prevention to Work	not reported	\$34,232
93.359	Nurse Education, Practice and Retention Grants	\$34,476	\$33,395
93.282	Mental Health National Research Service Awards for Research Training	\$31,234	\$31,663
93.513	Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative	not reported	\$31,044
93.070	Environmental Public Health and Emergency Response	\$25,561	\$30,346
93.514	Affordable Care Act (ACA) Expansion of Physician Assistant Training Program	not reported	\$30,118
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	\$5,889	\$28,901
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	\$3,521	\$28,618
93.184	Disabilities Prevention	\$25,900	\$27,462
93.061	Innovations in Applied Public Health Research	\$35,091	\$27,047
93.725	ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management Program	not reported	\$27,000
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements	not reported	\$26,740
17.502	Occupational Safety and Health_Susan Harwood Training Grants	\$9,877	\$26,659
93.253	Poison Center Support and Enhancement Grant Program	\$25,438	\$26,509
93.197	Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	\$26,218	\$25,995
93.500	Pregnancy Assistance Fund Program	not reported	\$24,000
93.157	Centers of Excellence	\$19,218	\$23,640
93.264	Nurse Faculty Loan Program (NFLP) ⁱⁱⁱ	\$10,680	\$23,481
93.928	Special Projects of National Significance	\$23,730	\$23,269
93.822	Health Careers Opportunity Program	\$18,329	\$21,130
93.945	Assistance Programs for Chronic Disease Prevention and Control	\$28,673	\$20,940
93.407	ARRA - Scholarships for Disadvantaged Students	\$19,342	\$20,458
93.933	Demonstration Projects for Indian Health	\$6,264	\$20,336
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards	\$18,128	\$20,032

93.127	Emergency Medical Services for Children	\$18,341	\$19,400
93.249	Public Health Training Centers Grant Program	\$5,199	\$19,124
93.729	ARRA Health Information Technology and Public Health	not reported	\$19,066
93.301	Small Rural Hospital Improvement Grant Program	\$17,530	\$17,972
93.004	Cooperative Agreements to Improve the Health Status of Minority Populations	\$20,751	\$17,641
93.236	Grants for Dental Public Health Residency Training	\$10,192	\$17,622
93.969	Geriatric Education Centers	\$16,471	\$17,227
93.523	The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	not reported	\$17,200
93.936	National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program	\$23,206	\$16,770
93.358	Advanced Nursing Education Traineeships	\$16,001	\$16,000
93.137	Community Programs to Improve Minority Health Grant Program	\$10,933	\$15,162
93.251	Universal Newborn Hearing Screening	\$14,371	\$15,009
93.515	Affordable Care Act (ACA) Nurse-Managed Health Clinics	not reported	\$14,848
93.722	ARRA - IHS Tribal Agreements	\$49,731	\$14,649
93.178	Nursing Workforce Diversity	\$14,851	\$14,520
93.712	ARRA - Immunization	\$99,971	\$14,487
93.506	ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	not reported	\$13,752
93.932	Native Hawaiian Health Systems	\$15,190	\$13,200
93.924	Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	\$12,828	\$12,938
93.240	State Capacity Building	\$12,339	\$12,433
64.014	Veterans State Domiciliary Care	not reported	\$12,080
93.995	Adolescent Family Life_Demonstration Projects	\$24,101	\$12,058
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	\$16,323	\$11,367
93.824	Area Health Education Centers Infrastructure Development Awards	\$12,480	\$10,787
93.604	Assistance for Torture Victims	\$10,260	\$10,628
93.260	Family Planning_Personnel Training	\$10,944	\$10,598
93.225	National Research Service Awards_Health Services Research Training	\$9,209	\$10,328
93.360	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	not reported	\$10,218
93.051	Alzheimer's Disease Demonstration Grants to States	\$10,225	\$10,140
93.731	ARRA - Prevention and Wellness - Leveraging National Organizations	not reported	\$10,000
93.730	ARRA Prevention Research Centers Comparative Effectiveness Research Program	not reported	\$9,997
93.193	Urban Indian Health Services	\$11,325	\$9,987
93.420	ARRA - Community Health Applied Research Network	not reported	\$9,953
93.272	Alcohol National Research Service Awards for Research Training	\$10,472	\$9,864

17.600	Mine Health and Safety Grants	\$8,226	\$9,851
93.913	Grants to States for Operation of Offices of Rural Health	\$9,239	\$9,840
93.211	Telehealth Programs	\$7,248	\$9,794
17.276	Health Coverage Tax Credit (HCTC)	not reported	\$9,783
93.720	ARRA - Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	\$734	\$9,265
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	\$9,458	\$9,078
93.155	Rural Health Research Centers	\$7,564	\$8,721
93.165	Grants to States for Loan Repayment Program	\$9,029	\$8,357
93.978	Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	\$7,982	\$8,275
93.156	Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	\$5,614	\$8,055
12.350	Department of Defense HIV/AIDS Prevention Program	\$24,609	\$7,996
93.134	Grants to Increase Organ Donations	\$7,353	\$7,800
93.910	Family and Community Violence Prevention Program	\$6,075	\$7,766
93.186	National Research Service Award in Primary Care Medicine	\$7,507	\$7,511
93.965	Coal Miners Respiratory Impairment Treatment Clinics and Services	\$7,399	\$7,338
93.008	Medical Reserve Corps Small Grant Program	\$7,350	\$6,880
93.524	The Affordable Care Act (ACA): Capacity Building Assistance to Strengthen Public Health Infrastructure and Performance	not reported	\$6,782
93.448	Food Safety and Security Monitoring Project	\$6,399	\$6,682
93.392	Cancer Construction	\$6,688	\$6,661
93.412	ARRA - Preventive Medicine Residency Program	not reported	\$6,652
93.408	ARRA - Nurse Faculty Loan Program ⁱⁱⁱ	\$5,328	\$6,544
93.982	Mental Health Disaster Assistance and Emergency Mental Health	\$29,754	\$6,525
93.191	Patient Navigator and Chronic Disease Prevention Program	\$4,952	\$6,513
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	\$5,143	\$6,489
93.068	Chronic Diseases: Research, Control, and Prevention	\$3,387	\$6,439
93.235	Affordable Care Act (ACA) Abstinence Education Program	\$22,949	\$6,420
93.974	Family Planning_Service Delivery Improvement Research Grants	\$5,512	\$6,261
93.015	HIV Prevention Programs for Women	\$5,500	\$5,975
93.856	Microbiology and Infectious Diseases Research	\$15,563	\$5,959
93.271	Alcohol Research Career Development Awards for Scientists and Clinicians	\$7,287	\$5,943
93.161	Health Program for Toxic Substances and Disease Registry	\$2,670	\$5,729
93.231	Epidemiology Cooperative Agreements	\$12,830	\$5,605
93.296	State Partnership Grant Program to Improve Minority Health	not reported	\$5,370
93.234	Traumatic Brain Injury State Demonstration Grant Program	\$5,087	\$5,204
93.250	Geriatric Academic Career Awards	not reported	\$5,032

93.522	Affordable Care Act (ACA) Prevention Center for Healthy Weight	not reported	\$4,984
93.088	Advancing System Improvements to Support Targets for Healthy People 2010	\$4,447	\$4,976
93.016	Postal Model for Medical Countermeasures Delivery and Distribution	\$9,987	\$4,952
93.402	ARRA - State Loan Repayment Program	\$5,814	\$4,566
93.891	Alcohol Research Center Grants	\$6,342	\$4,410
93.265	Comprehensive Geriatric Education Program(CGEP)	\$4,163	\$4,357
93.512	Affordable Care Act (ACA) Personal and Home Care Aide State Training Program (PHCAST)	not reported	\$4,213
93.704	Trans-NIH Recovery Act Loan Repayment Support	not reported	\$3,967
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	not reported	\$3,795
93.007	Public Awareness Campaigns on Embryo Adoption	\$3,725	\$3,693
93.970	Health Professions Recruitment Program for Indians	\$2,709	\$3,507
93.365	Sickle Cell Treatment Demonstration Program	\$2,658	\$3,501
93.419	ARRA - Maternal and Child Health (MCH) Pediatric Research Network Program	not reported	\$3,500
93.418	ARRA - Emergency Medical Services for Children	not reported	\$3,498
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	\$8,778	\$3,464
93.267	State Grants for Protection and Advocacy Services	\$3,274	\$3,272
93.063	Centers for Genomics and Public Health	\$500	\$3,225
93.118	Acquired Immunodeficiency Syndrome (AIDS) Activity	\$3,174	\$3,206
93.269	Complex Humanitarian Emergency and War-Related Injury Public Health Activities	\$2,790	\$3,060
93.508	Affordable Care Act (ACA) Tribal Maternal, Infant, and Early Childhood Home Visiting Program	not reported	\$3,000
93.117	Preventive Medicine Residency Program	\$1,261	\$2,831
93.449	Ruminant Feed Ban Support Project	\$2,267	\$2,645
93.284	Injury Prevention Program for American Indians and Alaskan Natives_Cooperative Agreements	\$1,623	\$2,490
93.503	Affordable Care Act (ACA) Nursing and Home Health Aides Training Program	not reported	\$2,412
93.942	Research, Treatment and Education Programs on Lyme Disease in the United States	\$1,632	\$2,321
93.259	Rural Access to Emergency Devices Grant	\$1,278	\$2,264
93.990	National Health Promotion	\$2,485	\$2,169
93.338	Foreign Public Health Construction	not reported	\$2,000
93.975	National All Schedules Prescription Electronic Reporting Grant	\$2,000	\$2,000
93.064	Laboratory Training, Evaluation, and Quality Assurance Programs	\$2,785	\$1,990
93.212	Chiropractic Demonstration Project Grants	\$1,814	\$1,945
93.290	National Community Centers of Excellence in Women's Health	not reported	\$1,900
93.414	ARRA - State Primary Care Offices	\$1,830	\$1,773
93.204	Surveillance of Hazardous Substance Emergency Events	\$1,634	\$1,733

93.257	Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	\$1,642	\$1,714
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.- Mexico Border Health Commission	not reported	\$1,465
93.964	Public Health Traineeships	\$1,436	\$1,437
93.223	Development and Coordination of Rural Health Services	\$776	\$1,325
93.124	Nurse Anesthetist Traineeships	\$1,250	\$1,252
93.100	Health Disparities in Minority Health	\$334	\$1,200
93.443	Health Promotion/Disease Prevention Program for American Indians and Alaska Natives	\$835	\$1,067
93.440	National Project Management of the Healthcare Communities Knowledge Gateway	not reported	\$999
93.410	ARRA Licensure Portability Grant Program	not reported	\$998
93.066	State Vital Statistics Improvement Program	\$732	\$889
93.300	National Center for Health Workforce Analysis	\$750	\$750
93.208	Great Lakes Human Health Effects Research	\$798	\$598
17.603	Brookwood-Sago Grant	\$410	\$500
93.206	Human Health Studies_Applied Research and Development	\$600	\$500
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	\$1,374	\$500
93.003	Public Health and Social Services Emergency Fund	\$50	\$450
17.505	OSHA Data Initiative	\$721	\$419
93.239	Policy Research and Evaluation Grants	not reported	\$400
64.026	Veterans State Adult Day Health Care	not reported	\$318
93.444	Tribal Self-Governance Program: Planning and Negotiation Cooperative Agreement	not reported	\$285
93.923	Disadvantaged Health Professions Faculty Loan Repayment (FLRP) and Minority Faculty Fellowship Program (MFFP)	\$68	\$257
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	not reported	\$185
93.760	Rural PACE (Program of All-Inclusive Care for the Elderly) Provider Grant Program	not reported	\$174
93.285	National Institutes of Health Pediatric Research Loan Repayment Program	not reported	\$68
93.252	Healthy Communities Access Program	\$iv	\$29
17.504	Consultation Agreements	\$31,172	-\$300
10.029	Avian Influenza Indemnity Program	not reported	not reported
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	\$135,543	not reported
10.477	Meat, Poultry, and Egg Products Inspection	not reported	not reported
10.479	Food Safety Cooperative Agreements	not reported	not reported
10.874	Delta Health Care Services Grant Program	not reported	not reported
14.128	Mortgage Insurance_Hospitals	not reported	not reported
17.601	Mine Health and Safety Counseling and Technical Assistance	not reported	not reported
17.602	Mine Health and Safety Education and Training	not reported	not reported

17.604	Safety and Health Grants	not reported	not reported
21.013	Qualifying Therapeutic Discovery Project Credit	not reported	not reported
64.007	Blind Rehabilitation Centers	not reported	not reported
64.008	Veterans Domiciliary Care	not reported	not reported
64.009	Veterans Medical Care Benefits	not reported	not reported
64.010	Veterans Nursing Home Care	not reported	not reported
64.011	Veterans Dental Care	not reported	not reported
64.013	Veterans Prosthetic Appliances	not reported	not reported
64.016	Veterans State Hospital Care	not reported	not reported
64.018	Sharing Specialized Medical Resources	not reported	not reported
64.019	Veterans Rehabilitation_Alcohol and Drug Dependence	not reported	not reported
64.022	Veterans Home Based Primary Care	not reported	not reported
64.127	Monthly Allowance for Children of Vietnam Veterans Born with Spina Bifida	not reported	not reported
64.128	Vocational Training and Rehabilitation for Vietnam Veterans' Children with Spina Bifida or Other Covered Birth Defects	not reported	not reported
93.010	Community-Based Abstinence Education (CBAE)	\$87,255	not reported
93.011	National Organizations of State and Local Officials	not reported	not reported
93.012	Improving, Enhancing, and Evaluating Outcomes of Comprehensive Heart Health Care Programs for High-Risk Women	not reported	not reported
93.013	Ambassadors for Change Program	not reported	not reported
93.014	Steps to Healthier Girls Program	not reported	not reported
93.017	Strengthening the Management and Services of the Women's and Children's Hospitals in Kabul	not reported	not reported
93.019	Technical Assistance and Provision for Foreign Hospitals and Health Organizations	\$11,647	not reported
93.043	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	not reported	not reported
93.055	Applied Leadership for Community Health Improvement	not reported	not reported
93.056	Initiative to Educate State and Territorial Officials about Maintaining and Strengthening Public Health in a Changing Environment	not reported	not reported
93.062	Biomonitoring Programs for State Public Health Laboratories	not reported	not reported
93.071	Medicare Enrollment Assistance Program	\$17,500	not reported
93.105	Bilingual/Bicultural Service Demonstration Grants	\$2,249	not reported
93.111	Adolescent Family Life Research Grants	\$507	not reported
93.123	Health Professions Pregraduate Scholarship Program for Indians	not reported	not reported
93.140	Intramural Research Training Award	not reported	not reported
93.162	National Health Service Corps Loan Repayment Program	not reported	not reported
93.164	Indian Health Service Educational Loan Repayment	not reported	not reported
93.181	Podiatric Residency Training in Primary Care	not reported	not reported
93.187	Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds	not reported	not reported
93.189	Health Education Training Centers Continuing Educational Support for	not reported	not reported

	Health Professionals Serving in Underserved Communities		
93.192	Quentin N. Burdick Program for Rural Interdisciplinary Training	not reported	not reported
93.202	Capacity Building Among American Indian Tribes	not reported	not reported
93.209	Contraception and Infertility Research Loan Repayment Program	not reported	not reported
93.220	Clinical Research Loan Repayment Program for Individuals from Disadvantaged Backgrounds	not reported	not reported
93.229	Demonstration Cooperative Agreements for Development and Implementation of Criminal Justice Treatment Networks	not reported	not reported
93.230	Consolidated Knowledge Development and Application (KD&A;) Program	not reported	not reported
93.232	Loan Repayment Program for General Research	not reported	not reported
93.244	Mental Health Clinical and AIDS Service-Related Training Grants	not reported	not reported
93.270	Adult Viral Hepatitis Prevention and Control	not reported	not reported
93.280	National Institutes of Health Loan Repayment Program for Clinical Researchers	not reported	not reported
93.288	National Health Service Corps Scholarship Program	not reported	not reported
93.289	President's Council on Fitness, Sports, and Nutrition	not reported	not reported
93.291	Surplus Property Utilization	not reported	not reported
93.294	Mentoring Partnership Program - Protege	not reported	not reported
93.295	Intergenerational Approaches to HIV/AIDS Prevention Education with Women across The Lifespan Pilot Program	\$1,300	not reported
93.303	Nursing Scholarship Program	not reported	not reported
93.308	Extramural Loan Repayment for Individuals from Disadvantaged Backgrounds Conducting Clinical Research	not reported	not reported
93.339	Public Health Conference Support	not reported	not reported
93.400	National Health Service Corps Scholarship Program	not reported	not reported
93.401	ARRA - National Health Service Corps Loan Repayment	not reported	not reported
93.404	ARRA Dental Public Health Residency Training Grants	\$811	not reported
93.405	ARRA - Public Health Traineeship Program	\$2,985	not reported
93.406	Nursing Education Loan Repayment Program (NELRP)	not reported	not reported
93.409	Faculty Loan Repayment Programs	not reported	not reported
93.415	ARRA - Centers of Excellence	\$5,029	not reported
93.416	ARRA - Health Careers Opportunity Program	\$2,504	not reported
93.417	ARRA - Nursing Workforce Diversity	\$2,618	not reported
93.442	Special Diabetes Program for Indians (SDPI) Competitive Grant Program	not reported	not reported
93.445	Indian Health Service Sanitation Facilities Construction Program	not reported	not reported
93.451	The Linkage to Life Program: Rebuilding Broken Bridges for Minority Families Impacted by HIV/AIDS.	not reported	not reported
93.452	Health Improvement for Re-entering Ex-offenders Initiative (HIRE) HIV/AIDS	not reported	not reported
93.453	Coalition for a Healthier Community	not reported	not reported
93.501	Affordable Care Act (ACA) Grants for School-Based Health Center Capital Expenditures	not reported	not reported
93.502	Affordable Care Act (ACA) Infrastructure to Expand Access to Care	not reported	not reported

93.504	Affordable Care Act (ACA) Family to Family Health Information Centers	not reported	not reported
93.516	Affordable Care Act (ACA) Public Health Training Centers Program	not reported	not reported
93.519	Affordable Care Act (ACA) Consumer Assistance Program Grants	not reported	not reported
93.526	Affordable Care Act (ACA) Grants for Capital Development in Health Centers	not reported	not reported
93.527	Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	not reported	not reported
93.528	National Forum for State and Territorial Chief Executives	not reported	not reported
93.529	Pre-existing Condition Insurance Program (PCIP)	not reported	not reported
93.530	Affordable Care Act - Teaching Health Center Graduate Medical Education Payments Program	not reported	not reported
93.531	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	not reported	not reported
93.533	Prevention and Public Health Fund (Affordable Care Act): Enhanced Surveillance for New Vaccine Preventable Disease	not reported	not reported
93.534	Affordable Care Act Program for Early Detection of Certain Medical Conditions Related to Environmental Health Hazards	not reported	not reported
93.535	Affordable Care Act (ACA) Childhood Obesity Research Demonstration	not reported	not reported
93.536	The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	not reported	not reported
93.537	Affordable Care Act Medicaid Emergency Psychiatric Demonstration	not reported	not reported
93.538	Affordable Care Act - National Environmental Public Health Tracking Program-Network Implementation	not reported	not reported
93.539	Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	not reported	not reported
93.540	Affordable Care Act Streamlined surveillance for ventilator-associated pneumonia: Reducing burden and demonstrating preventability	not reported	not reported
93.541	The Patient Protection and Affordable Care Act of 2010 (ACA)	not reported	not reported
93.542	Health Promotion and Disease Prevention Research Centers: Affordable Care Act (ACA) Special Interest Project Competitive Supplements (SIPS)	not reported	not reported
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease prevention and Health Promotion Program	not reported	not reported
93.717	ARRA - Preventing Healthcare-Associated Infections	\$39,800	not reported
93.726	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	not reported	not reported
93.769	Demonstration to Maintain Independence and Employment	not reported	not reported
93.775	State Medicaid Fraud Control Units	not reported	not reported
93.776	Hurricane Katrina Relief	not reported	not reported
93.781	Seed Grants to States for Qualified High-risk Pools	\$334	not reported
93.783	Medicare Transitional Drug Assistance Program for States	not reported	not reported
93.784	Federal Reimbursement of Emergency Health Services Furnished to Undocumented Aliens	not reported	not reported
93.785	Pilot Program for National and State Background Checks--Direct Patient Access for Long-term Care	not reported	not reported
93.786	State Pharmaceutical Assistance Programs	not reported	not reported

93.790	Alternate Non-Emergency Service Providers or Networks	\$24,021	not reported
93.793	Medicaid Transformation Grants	not reported	not reported
93.794	Reimbursement of State Costs for Provision of Part D Drugs	not reported	not reported
93.796	State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	not reported	not reported
93.890	Healthy Communities Access Program (HCAP) Demonstration Authority	not reported	not reported
93.908	Nursing Education Loan Repayment Program	not reported	not reported
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	not reported	not reported
93.947	Tuberculosis Demonstration, Research, Public and Professional Education	\$855	not reported
93.952	Trauma Care Systems Planning and Development	not reported	not reported
93.954	Tribal Recruitment and Retention of Health Professionals into Indian Health Programs	not reported	not reported
93.962	Health Administration Traineeships Program	not reported	not reported
93.971	Health Professions Preparatory Scholarship Program for Indians	not reported	not reported
93.972	Health Professions Scholarship Program	not reported	not reported
93.993	Public Health Research Accreditation Project	not reported	not reported
93.996	Bioterrorism Training and Curriculum Development Program	not reported	not reported
Grand Total		\$769,966,530	\$555,662,655

i. The Medicare Part A spending reported in USASpending.gov for FY2010 is significantly less than what is reported in the [Catalog of Federal Domestic Assistance](#), which shows Medicare Part A obligations for FY2010 to be \$245.3 billion. Additionally, the Historical Tables in the President's Budget for FY2013 display outlays for Medicare spending, in which Medicare Part A (Hospital Insurance) totaled \$250.2 billion in FY2010 ([Table 11.3](#)).

ii. The Medicare Part B spending reported in USASpending.gov for FY2010 is significantly less than what is reported in the [Catalog of Federal Domestic Assistance](#), which shows Medicare Part B obligations for FY2010 to be \$209.8 billion. Additionally, the Historical Tables in the President's Budget for FY2013 display outlays for Medicare spending, in which Medicare Part B (Supplementary Medical Insurance) totaled \$268.9 billion in FY2010 ([Table 11.3](#)).

iii. The Nurse Faculty Loan Program (NFLP) is a direct loan program not captured in the Federal Credit Supplement (FCS) portion of the President's Budget. NFLP refers to loan programs set up by nursing schools with direct grants from the Department of Health and Human Services (HHS). HHS gives nursing schools grants with which to establish loan programs for nurses pursuing advanced degrees, up to 85 percent of which students can cancel after graduation. Therefore, Subsidyscope treats NFLP as a grant program.

iv. This program reported a dollar amount of -\$1 for FY2009 in USASpending.gov.

Source: Subsidyscope analysis of data from USASpending.gov. Program names are copied directly from USASpending.gov. For more information about the quality of these data sources, visit [Clearspending.org](#).

Notes: Individual estimates may not sum to the reported total due to rounding. Some programs report negative totals for FY2010. This reflects a downward adjustment to obligations made in previous years. Table excludes loans and loan guarantees.

1. Subsidyscope analysis of USASpending.gov.
2. The seven agencies are the Department of Health and Human Services (CFDA # 93.***), Department of Agriculture (10.***), the Department of Defense (12.***), the Department of Housing and Urban Development (14.***), the Department of Labor (17.***), the Department of the Treasury (21.***), and the Department of Veterans Affairs (64.***). For the purpose of counting the number of agencies that administer funding in a sector, Subsidyscope relies on the CFDA's designation of what constitutes a federal agency.
3. Subsidyscope analysis of USASpending.gov. This total is the aggregate of grant spending in Subsidyscope's Agriculture, Education, Energy, Health, Housing, National Defense, Natural Resources and Environment, Science, Space, and Technology, and Transportation sectors. The Nonprofit sector is not included in this total, as it is not mutually exclusive in scope and cuts across all other sectors.
4. Subsidyscope analysis of USASpending.gov. See table footnotes i and ii above for more on Medicare Part A and B.
5. The Catalog of Federal Domestic Assistance (CFDA) captures domestic grant programs and thus does not include grants

administered in a foreign capacity.

6. *Subsidyscope analysis of USASpending.gov. This total is the aggregate of total contract spending (competed and non-competed) in Subsidyscope's Agriculture, Education, Energy, Health, Housing, National Defense, Natural Resources and Environment, Science, Space, and Technology, and Transportation sectors. The Nonprofit sector is not included in this total, as it is not mutually exclusive in scope and cuts across all other sectors.*
7. *Subsidyscope analysis of USASpending.gov. Subsidyscope has previously determined that there can be problems with the quality of the contracts data that are reported by agencies to USASpending.gov. In order to sort government contracts by economic sector, Subsidyscope uses North American Industry Classification System (NAICS) codes to match contracts to the appropriate economic sector, or Product Service Codes if NAICS codes are not available. (See Section C of Subsidyscope's [methodology](#) for more on how contracts are organized by sector.) Specifically, Subsidyscope found that there is significant variation in agencies' use of NAICS codes when reporting contracts to USASpending.gov over the 10-year period from fiscal year 2000 to 2010. For instance, despite there being a requirement that contracting officers identify NAICS codes for each contract, for fiscal year 2000, approximately 88 percent of all contract records are missing NAICS codes while in fiscal year 2010, only 3 percent of records are missing NAICS codes. This inconsistent application of NAICS codes as well as other reporting variations may be responsible for some of the increase in health-related contracts spending in fiscal years 2000 to 2010, as presented in Figure 2 above.*
8. *U.S. Department of Energy (DOE). "[Competition in Contracting Guide](#)." p. 1.*

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Tax Expenditures in the Health Sector

Tax expenditures are government revenue losses resulting from provisions in the tax code that allow an individual or business to reduce their tax liabilities by taking certain deductions, exemptions, exclusions, preferential rates, deferrals, or credits. Tax expenditures reduce the amount of revenue that would otherwise have been collected by the government, and thus have a similar effect on the federal budget as a spending program. They also can benefit recipients in much the same way as direct spending. Subsidyscope illuminates the budgetary costs of these programs; however, any use of these data for policy evaluation must weigh those costs against the benefits they provide. The costs of tax expenditures are estimated by two government entities: the US Department of the Treasury (Treasury), in the executive branch, and the nonpartisan staff of the Joint Committee on Taxation (JCT), a congressional committee. Each uses different methods and formats for calculating and presenting its estimates (see this [Methodology](#) page for more detail). Subsidyscope presents Treasury estimates below that are published by the Office of Management and Budget (OMB).

Table 1: Health Related Tax Expenditures for Individuals and Corporations, Fiscal Years 2009 and 2010 (\$ millions)

Tax Expenditure	FY 2009	FY 2010
Exclusion of employer contributions for medical insurance premiums and medical care	\$144,412	\$160,110
Deductibility of medical expenses	\$8,760	\$9,090
Self-employed medical insurance premiums	\$4,870	\$5,680
Deductibility of charitable contributions (health)	\$4,150	\$3,850
Exclusion of interest on hospital construction bonds	\$2,690	\$3,530
Credit for employee health insurance expenses of small business	*	\$2,300
Medical Savings Accounts / Health Savings Accounts	\$1,930	\$1,790
Special Blue Cross/Blue Shield deduction	\$760	\$750
Tax credit for orphan drug research	\$270	\$470
Distributions from retirement plans for premiums for health and long-term care insurance	\$260	\$260
Refundable Premium Assistance Tax Credit	*	\$0
Tax credit for health insurance purchased by certain displaced and retired individuals	\$10	\$0
Total¹	\$168,112	\$187,830

Source: Subsidyscope analysis of data from OMB. Budget of the U.S. Government. Fiscal year 2009 figures are from [Analytical Perspectives, FY2011](#), p. 211; fiscal year 2010 figures are from [Analytical Perspectives, FY2012](#), p. 243.

*This tax expenditure was not recorded in the [FY2011 Analytical Perspectives](#).

Under current law, employer-paid health insurance premiums and other medical expenses (including long-term care) are not taxed as income to the employee. With an estimated revenue loss of \$160.1 billion in fiscal year 2010 (as seen in Table 1), the Exclusion of employer contributions for medical insurance premiums and medical care dwarfs all other tax expenditures in the Health sector. Moreover, according to both Treasury and JCT estimates, it is the largest tax expenditure in the tax code (see [Table 1](#) on Pew's Tax Expenditure Database Summary page showing the five largest tax expenditures).

1. *Summing tax expenditures often provides a reasonably good estimate for the total cost of groups of tax expenditures, though it does not capture potential interactions among tax expenditures or behavioral responses if any single one is changed or repealed. For more on summing tax expenditures and their interaction effects, see Burman, Leonard, Eric Toder and Christopher Geissler. "How Big Are Total Individual Income Tax Expenditures, and Who Benefits from Them?" The Urban Institute. Washington, DC. December 2008. For more on why tax expenditure estimates are not exact estimates of the amount of federal revenue that would be raised if they were eliminated, see the [Methodology](#) page of Pew's Tax Expenditure Database.*

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- + Grants & Contracts
- Tax Subsidies
- Loans & Loan Guarantees**

Loans and Loan Guarantees in the Health Sector

Health Sector Direct Loan Programs

In the case of direct loans, the government lends money directly to the borrower and services the loan by collecting repayments. When the government offers direct loans at below market interest rates, or terms more generous than what private markets would provide, there is a subsidy. The government estimates the subsidy conveyed through such credit programs as the net cost to the government of a loan or loan guarantee, calculated by summing all the expected future cash flows to and from the government; this is the cost the government is required to present under the 1990 Federal Credit Reform Act (FCRA).¹

Many argue that there is also an implicit subsidy, not measured by the government under FCRA, that results from excluding the costs of program administration and market risk (which arises from volatility in the economy).² This implicit subsidy is generally the difference between the terms the recipient would get in a competitive market and those offered by the government.

Using Subsidyscope's methodology for identifying loans, there are no direct loan programs that fit into the Health sector in the Federal Credit Supplement (FCS) portion of the President's Budget for fiscal year 2010 or fiscal year 2011.

Health Sector Loan Guarantees

In the case of a government loan guarantee, a private lender disburses the loan to the borrower, and the government acts as the guarantor of the loan by agreeing to make payments should the borrower fail to do so. Such a guarantee often allows a borrower to secure a loan at a lower interest rate than the borrower could otherwise obtain. Even if the interest rate is a market rate and the loan is repaid in full, there could be a subsidy if the borrower did not pay an upfront fee for the guarantee as may be the case with a private lender. In addition, a government guarantee encourages lenders to offer loans to borrowers to whom they might otherwise not extend credit because they are more of a credit risk. As with loans, the government does not include administrative costs or market risks in the subsidy calculation.

In Table 1 below, Subsidyscope provides information about loan guarantee programs. The "commitments" column illustrates the breadth of the government's role in the sector, but it does not measure the subsidy costs that will ultimately be incurred. The "subsidy rate" column presents the government's reported subsidy rate for these programs, as required by FCRA, which can be broadly defined as the ratio of the subsidy to the disbursement.³

Table 1: Loan Guarantees in the Health Sector, Fiscal Years 2009 and 2010

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Program	Agency	2009 Subsidy Rate (%)	2009 Commitments (\$ millions)	2010 Subsidy Rate (%)	2010 Commitments (\$ millions)
Health Facilities Construction Loans	HHS - Health Resources and Services Administration	2.42	6
Managed Care Network Loans (called HMO Network Loans in 2009)	HHS - Health Resources and Services Administration	8.73	2	9.61	2
Managed Care Plan Loans (called HMO Plan Loans in 2009)	HHS - Health Resources and Services Administration	5.49	4	5.72	4
Facilities Renovation Loans	HHS - Health Resources and Services Administration	2.92	10
Hospitals [Section 242]	HUD - Housing Programs (FHA)	-2.51	1,400	-4.28	3,450
Total Commitments			1,412		3,466

Source: Subsidyscope analysis of data from the Federal Credit Supplement (FCS). 2009 figures are from the [FCS FY2010](#), Table 2; 2010 figures are from the [FCS FY2011](#), Table 2.

Note: Two health-related programs were previously presented in Subsidyscope's Housing sector and are therefore not listed here. They are Health Care and Nursing Homes and Health Care Refinance, both part of HUD's Federal Housing Administration's (FHA) General Insurance and Special Risk Insurance (GI/SRI) Fund. (See Subsidyscope's [Risk Transfers page](#) in the Housing sector for more information.)

Loan guarantees in the Health Sector are administered through the Department of Health and Human Services (HHS) and the Department of Housing and Urban Development (HUD). In fiscal year 2010, the largest loan guarantee program was for Section 242 Hospitals, which provides mortgage insurance to finance construction or rehabilitation of public or private nonprofit and proprietary hospitals.⁴

1. Congressional Budget Office (CBO). "[Estimating the Value of Subsidies for Federal Loans and Loan Guarantees](#)." August 2004. p. 1.
2. *Ibid*.
3. Federal Credit Supplement (FCS). FY2010. p.iii. The Federal Credit Supplement includes four components that sum together to create the subsidy rate: defaults as a net of recoveries, interest accrued, fees, and an "all other" category. A positive subsidy rate indicates there is a net cost to the government, and that a subsidy is being provided to the borrower. A negative subsidy rate by contrast means that the government predicts it will receive more money than it pays out in a particular program. However, as noted at the top of this page, the government does not take into account the implicit subsidy in these calculations, potentially making government estimates an undercount of the subsidy. See [this page](#) for more on how the government calculates subsidy rates for loans and loan guarantees.
4. U.S. Department of Housing and Urban Development (HUD). "[Housing: General and Special Risk Insurance Fund](#)." 2011.

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