Howard Brown Health

July 13, 2026

The Honorable Russell Vought
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

RE: Regulation for Federal Financial Assistance (OMB-2026-0034)

Director Vought,

Howard Brown Health is one of the largest community health centers in the Midwest, serving more than 40,000 patients across seven clinic locations in Chicago. Howard Brown serves adults and youth in its diverse health and social service delivery system focused around seven major programmatic divisions: medical care, behavioral health, dental care, HIV/STI prevention, young adult care, and aging adult care. As a federally qualified health center (FQHC), Howard Brown provides services regardless of a patient's ability to pay or insurance status. As such, we utilize federal grants and financial assistance in order to provide comprehensive and affordable care to all patients who step through our doors, and to advance health equity particularly among marginalized populations disproportionately burdened by health disparities.

The proposed Regulation for Federal Assistance from the Office of Management and Budget (OMB) would shape how federally funded programs, like FQHCs, operate by expanding agency power to review, condition, suspend, and terminate federal awards. It would give agencies broader discretion to assess recipient activities and decide whether awards remain aligned with evolving political priorities of the Executive Branch. This would create uncertainty and financial instability for grantees, making it difficult for us to manage and implement programs to improve health outcomes in the communities that we serve. We believe that the proposed expanded authorities would only serve to worsen rather than improve program performance, accountability, and stewardship of federal resources. For FQHCs, this would also worsen the care that our patients receive. **As such, we strongly urge OMB to withdraw this proposed rule and preserve the Uniform Guidance.**

Under this proposed rule, OMB would create a pre-approval process that allows grant proposals to be excluded from consideration if they are not consistent with "federal agency priorities." Grantees would not be informed why their proposal was rejected in the pre-approval process, and they would not be given an opportunity to challenge this

decision. Furthermore, the proposed rule directs agencies to consider a grantee's affiliation with organizations that are inconsistent with current federal priorities. Taken together, these provisions could exclude grantees who work to advance health equity, racial equity, or other topic areas that are not aligned with current federal priorities from even being considered for federal awards. Each subsequent federal administration could then make significant changes to federal grant eligibility based on shifting partisan ideology. **Federal awards should be distributed based on programmatic merit, community need, and congressional intent, not the changing policy priorities of the Executive Branch.**

Even post-award, the proposed rule continues to create uncertainty and instability for grantees. Under the proposal, federal agencies would be allowed to suspend or completely terminate grants without cause. Additionally, agencies would be given broader authority to change grant terms, monitor recipient activities, and make compliance decisions mid-performance. Many of these provisions are again contingent on vague and changing federal priorities. For example, the proposed rule stipulates that agencies may terminate grants if grantees "damage the reputation" of the federal government, a term that is not defined. Moreover, grantees have very limited ability to challenge these funding disruptions. Agencies are not required to hold hearings or implement an appeals process for grantees should funding be suspended or terminated. Given the vast array of services provided by FQHCs, we require long-term planning and stability of grants in order to reliably provide care to communities we serve. The proposed rule jeopardizes our ability to provide consistent and ongoing care due to the instability caused by the prospect of mid-award compliance shifts, suspensions, and terminations without cause and lack of protections for grantees.

Beyond the operational difficulties that this proposed rule presents, we also believe that the proposals will hinder our ability to advance health equity in serving the most vulnerable communities. FQHCs serve a diverse patient population, reflecting our statutory obligation and mission to serve everyone regardless of ability to pay. According to KFF, 90% of health center patients are at or below 200% of the federal poverty level; 64% are people of color; and 28% are people best served in a language other than English.[1] The proposed rule's restrictions on demographic, socioeconomic, and epidemiological data that it characterizes as diversity, equity, and inclusion or "gender ideology" will make it more difficult to identify and serve patients with the

[1] https://www.kff.org/medicaid/community-health-center-patients-financing-and-services/?entry=health-center-patients-special-patient-populations

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greatest unmet need. FQHCs are meant to act as the nation's safety net, and this proposal will hinder our ability to meaningfully serve patients who are most vulnerable.

In conclusion, we urge OMB to withdraw the proposed rule and preserve the Uniform Guidance. Before taking any further action, OMB should provide the data, analysis, and assumptions supporting these proposed changes. OMB should provide estimates on how restrictions on data-driven planning, targeted services, research dissemination, subrecipient partnerships, and mid-award termination would affect FQHC operations and patient health outcomes. Federal funding rules should support the purposes set by Congress and allow recipients to deliver measurable results for communities and taxpayers.

Thank you for the opportunity to provide comment. If you have any questions, please reach out to Tim Wang, Director of Policy and Advocacy, at timothyw@howardbrown.org.

Sincerely,
Dr. Travis Gayles, MD, PhD
CEO and President