July 10, 2026

Russell Vought
Director
Office of Management and Budget
Executive Office of the President
725 17th Street, NW
Washington DC 20503

Submitted electronically via regulations.gov

Re: FR Doc. 2026-10817; Regulation for Federal Financial Assistance (OMB-2026-0034)

Dear Director Vought,

The Society of General Internal Medicine (SGIM) appreciates the opportunity to provide comments on the Office of Management and Budget (OMB)'s proposed rule for federal financial assistance. SGIM is a member-based medical association of more than 3,000 of the country's leading general internal medicine physicians, who are dedicated to delivering high-quality clinical care for adults of all ages, especially those with multiple chronic diseases who would benefit from having a physician to coordinate a comprehensive approach to their care. Many of our members are physician-scientists committed to advancing biomedical research, as well as delivering high-quality care and ensuring patients have access to a well-trained physician workforce.

SGIM appreciates and shares the proposed rule's stated goals of enhancing transparency, accountability, and oversight of taxpayer dollars while decreasing administrative burden. However, we are concerned that many of the proposed changes would have the opposite effect, decreasing transparency and accountability, increasing administrative burden for federal agencies and current and prospective grant recipients, and weakening the federal grantmaking process from award through administration and termination. **Therefore, SGIM urges you to withdraw the rule.**

Federally funded research, including medical and health services research supported by agencies like the National Institutes of Health (NIH) and the Agency for Healthcare Research and Quality (AHRQ), is what makes our nation a global leader in science and innovation. Workforce development programs, such as the Title VII programs administered by the Health Resources and Services Administration (HRSA), are federal grants designed to support primary care education and the supply of health professionals in rural and medically underserved communities. These are just a few examples of the countless programs across the Department of Human and Health Services (HHS) that advance scientific discovery, strengthen the healthcare workforce, and improve patients' access to high-quality care.

Since last year, several of the changes proposed in this rule have already been implemented by the Department of HHS. As a result, significant delays in funding and abrupt cancellation of grants have disrupted care for patients and have hindered critical medical research that could lead to discovery of lifesaving cures. This proposed rule exacerbates these issues by codifying these practices and

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broadening them across the entire federal government, making federally funded research and workforce programs less rigorous and less responsive to the public needs.

To ensure that taxpayer investments translate into meaningful benefits for all Americans, SGIM urges you to withdraw the rule. Specifically, we offer comments on the following: Sections 200.205, 200.220, 200.340, 200.342, 200.432, and 200.461.

[200.205] Federal agency merit review of proposals. This section includes a proposal to require a pre-issuance review by senior political appointees or their designees to determine that awards advance the President's policy priorities. This change would expand federal agencies' discretion in funding decisions, undermining a decades-old peer review process based on merit and public need that our nation has relied on. Rather than advancing OMB's stated goals of stewardship, accountability, transparency, and efficiency, this proposal would weaken stewardship and accountability while increasing administrative burden.

We are concerned that introducing broad, insufficiently defined standards like "gold standard science" would lead to subjective and inconsistent decision-making across federal programs. In August 2025, NIH has released guidance on this topic that lists a series of characteristics of "gold standard science," such as "reproducible," "transparent," "communicative of error and uncertainty," and "collaborative and interdisciplinary," among others. However, it is unclear how these qualities would be measured and evaluated, and grantees and institutions still have no clear guidance on how they would demonstrate compliance.

In addition, the administration's priorities are already incorporated at the beginning of the grant cycle when agencies develop funding opportunities. Adding additional review that supersedes scientific excellence, rigorous peer review at the final step of the grant review process to confirm whether each grant is aligned with the administration's priorities is unnecessary and redundant to an existing process. Final award decisions should not be left up to those without subject matter expertise, especially when it comes to important matters like public health and health research. SGIM is concerned that any political control of grants, especially in science, will hinder innovation and set our nation back, as appropriate investment in innovative research requires understanding of the subject matter.

This additional review on top of existing review processes only increases administrative burden and slows down the grantmaking process. The federal government must be more efficient in its grantmaking processes to meet health challenges as they arise. However, grantees of agencies under the Department of HHS have already been experiencing significant delays in receiving funding to conduct their work because of the policy of requiring approval by a political appointee within HHS. At NIH, award decisions previously only needed two levels of review—a peer review process, followed by approval of grants by the Advisory Council—now takes more steps and more time to finalize grant awards. In some cases, HHS requests substantive changes to the grant, which then must be returned to the agency to send back to the grant applicant who makes those changes for the grant to undergo another round of review by the agency and HHS prior to final approval.

Final award decisions should be left up to agency officials with subject matter expertise, especially when it comes to important matters like public health and health research. It is not possible for a political appointee at the department level to possess subject matter expertise for all HHS grants, as well as specific knowledge related to the grant mechanisms at various agencies. For instance, during HHS review, a counselor who approves grants for funding wanted a scientist training grant in its final year to add a clinical trial, work these awards by definition do not support.[1] Codifying this administrative review as proposed would exacerbate the delays that grantees have been experiencing and introduce more inefficiencies. **To ensure nimbleness, better accountability, and oversight of our tax dollars, and prevent unnecessary delays in federal grantmaking, we urge you to eliminate this section, remove any unnecessary and inefficient review processes, and protect the integrity of peer review that relies on independent technical judgment, not undefined standards like "gold standard science."**

[200.220] Prohibition of using federal funds for covered foreign collaborations. This proposal prohibits using federal funds to collaborate on any program with countries of particular concern, including but not limited to China, absent specific statutory authorization. While we appreciate the national security concerns posed by collaboration with certain countries, this may significantly impact the way American researchers conduct research in international partnerships or with their foreign collaborators, including those in China.

According to a report released in December 2025 by the National Security Commission on Emerging Biotechnology[2], China is already outperforming the United States in biotechnology, moving beyond copycat generic medicine manufacturing and driving a significant share of global biopharmaceutical innovation. This overall trend is expected to accelerate, with Chinese drugs projected to account for 35% of U.S. Food and Drug Administration approvals by 2040. Restrictions on biomedical research collaborations with China may widen the gap in biopharmaceutical innovation as China continues to advance rapidly in the field.

We are also concerned that this section as proposed would have a chilling effect on a wide range of international collaborations and discourage research institutions from pursuing any foreign collaborations. Restrictions on international collaboration could disproportionately disrupt important global health research in areas such as HIV, tuberculosis, and emerging infections. Historically, international collaborations have contributed to advances across biomedical research, public health, and clinical care, especially in areas where larger, more diverse populations, different disease burdens, shared infrastructure, or multinational data are essential. Ultimately, these types of investments often produce a "reverse innovation" effect in which discoveries made through international partnerships later improve care delivery, prevention, and diagnostics in the United States.

[1] https://www.science.org/content/article/exclusive-hhs-now-weighing-science-nih-grants
[2] https://www.biotech.senate.gov/wp-content/uploads/2025/12/NSCEB-Future-of-U.S.-China-Biotech-Competition-Dec-2025.pdf

SGIM believes that there must be flexibility at the agency level (e.g., NIH) to determine the types of international collaborations necessary and whether foreign components in a grant with certain countries are allowed, without requiring specific statutory authorization. This would help ensure that the United States maintains access to critical international collaborations that strengthen our position as a global leader in scientific innovation, while improving oversight of foreign collaborations.

[200.340] Termination and suspension, and [200.342] opportunities to object, hearings, and appeals. Proposed changes in these sections would expand the authority of the federal agencies to terminate grants, allowing agencies to terminate awards when they no longer advance program goals, agency priorities, or the national interest as those considerations exist at the time of termination. The proposal would also eliminate the requirement for agencies to provide administrative hearing or appeal rights for discretionary terminations and suspensions.

Termination or suspension of grants at an agency's discretion, also known as "discretionary termination/suspension" is particularly concerning as premature termination of grants will undermine the public health and research infrastructure needed to sustain high-quality federal programs. We have already seen consequences of discretionary termination of HHS grants. Since the beginning of 2025, abrupt federal grant cancellations under HHS have significantly disrupted researchers, state and local health departments, medical providers, and other public health grantees. Thousands of NIH grants, billions of dollars in CDC public health funding, and more than $1.7 billion in SAMHSA behavioral health grants have been terminated with little notice or explanation, leaving recipients unable to responsibly wind down projects. These sudden funding disruptions have wasted taxpayer dollars, forced workforce reductions, interrupted research and public health programs, and weakened public health infrastructure, disease surveillance, and emergency preparedness nationwide.

Furthermore, the fact that a grant could be cancelled at any time without any process for appeal, increases uncertainty and threatens serious disruptions to research in process. The lack of predictability and stability makes it extremely challenging to conduct long-term planning that includes hiring, building infrastructure, and other strategic investments in necessary resources to sustain high-quality research. This will not only inhibit researchers and institutions from fully investing their efforts in ambitious, long-term projects but also create an unstable environment among the workforce, demoralizing young investigators from staying in or entering the research workforce and exacerbating the workforce shortage issues and weakening our medical research enterprise and healthcare.

The U.S. federal government's support for science has been successful largely due to the stability that the government funding provides. Allowing discretionary midstream termination puts long-term, multi-year studies at significant risk. Once these studies are interrupted, they often cannot be resumed without losing years of scientific progress, patient participation, and federal investment. This is the opposite of good stewardship. **SGIM urges OMB to maintain the long-standing rule that multi-year research grants can be canceled only for noncompliance or misuse of funds and to restore the requirement for appeals processes for discretionary terminations and provide opportunities to object.**

[200.432] Conferences and [200.461] publication and printing costs. Changes in these two sections expand the current scope of the unallowable costs under federal grants. We have concerns that these changes would increase grant recipient burden and introduce unnecessary barriers in disseminating results from federally funded research. By delaying the translation of scientific discoveries into clinical practice and reducing the transparency and accountability of federally funded research, this proposal would undermine OMB's stated goals.

First, conferences [200.432] would be allowable only if pre-approved and written into the award at the time of issuance. Researchers in academic institutions typically do not know which meetings and conferences that they would be attending during their third or fourth year of a multi-year grant. Attending conferences to present research findings, get feedback on ongoing work, and exchange ideas with colleagues is an important part of science. This will make it a lot more challenging for grantees to have flexibility to attend timely and up and coming conferences where they can share results, learn, and collaborate. Adding an unnecessary per-conference approval process also puts significant paperwork burden on grantees.

Second, publication costs, Article Processing Charges (APCs), and open access fees [200.461] would no longer be allowable. These changes would make it more difficult for grantees to conduct "gold standard science" as journal subscriptions are what allow access to the literature in order to do rigorous, non-duplicative work while public-access, peer-reviewed publications help disseminate publicly-funded results widely. Dissemination of scientific work is an essential part of science.

Currently, NIH has a public access policy to make sure that any findings that result from NIH-funded grants must be made publicly available through a public database, PubMed. This shift in federal government policy to make government-funded work publicly accessible has greatly benefited patients, families, and health care providers in understanding diseases and creating care plans but has inevitably been pushing publishers to adopt a pay-to-publish model where federally funded researchers need to pay open access fees to publish in peer-reviewed journals. Junior investigators or research institutions that often don't have sufficient funds to cover these fees if not through federal grant funds will be disproportionately impacted. We appreciate the intent to manage the rising costs of these publication-related fees that are spent with federal funds[3], but prohibiting coverage of these costs completely is in direct conflict with the existing public access policy and the infrastructure in which peer-reviewed science is communicated.

To increase transparency and ensure that the public's investment is delivered in a timely manner, SGIM urges OMB to undo these harmful restrictions on conferences, journal subscriptions and publication-related costs. The proposed changes will only increase the per-award administrative workload and suppress scientific output and communication.

[3] https://files.gao.gov/reports/GAO-26-107738/index.html?_gl=1*115l11l*_ga*MTYwNjk2MTY3NC4xNzgxMDM2MTY1*_ga_V393SNS3SR*czE3ODIyNDQ0ODAkbzEkZzEkdDE3ODIyNDQ1MzUkajUkbDAkaDA.

Thank you for the opportunity to provide our feedback on OMB's proposed rule on federal financial assistance. Should you have any questions or require further information, please contact Erika Miller at emiller@dc-crd.com.

Sincerely,

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