AcademyHealth

Non-Continuation of AHRQ Research and Training Awards:

Sequence, Authority, and Portfolio Composition

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Executive Summary

Between the fall of 2025 and the summer of 2026, the Agency for Healthcare Research and Quality (AHRQ) did not issue continuation funding for 150 research and training awards held by 78 institutions across 33 states, representing approximately $94 million in obligated but unspent funds. The awards lapsed on a rolling basis as their budget periods ended without continuation. On July 15, 2026, the agency sent affected recipients a letter stating that their awards would not be continued. For most recipients, this letter arrived a median of 349 days after their funding had already stopped. Reconstructing the agency's full award record shows that the 150 lettered awards are the documented portion of a larger set: at least 200 awards that were eligible for continuation and had project time remaining did not receive fiscal year 2026 funding. This paper confines its regulatory and topic analysis to the 150 awards that received letters, because only those carry an action by the agency. The broader figure is discussed as context in Part One.

This paper documents what occurred and examines it against the regulations that govern continuation decisions, the priorities the letters cite, and the federal grant record. It is confined to what can be established from those sources.

The governing regulation is 42 C.F.R. § 67.17. Subsection (d) provides that continuation decisions are made after consideration of the grantee's progress, its management practices, and the availability of funds, and that in all cases continuation awards require a determination by the Administrator. Subsection (h), which addresses non-competing continuation awards specifically, identifies four award-specific criteria on which continuation recommendations are to be based. The letters cite subsections (d) and (e). They do not discuss progress, management practices, or the availability of funds. They recite a list of agency priorities that does not appear in the subsections cited, in language that is identical across the awards reviewed. AcademyHealth has not identified, in the letters or in the federal grant record, documentation of an award-specific determination for any affected award.

The paper also compares the priorities the letters cite against the subjects of the affected awards, drawn from the awards' own abstracts. Of the 134 discretionary awards that received letters, funded from the agency's discretionary appropriation, at least 52 have as their subject a priority the letters specifically name, including patient safety, the prevention of antibiotic resistance, digital health tools, telehealth, and artificial intelligence. Among the affected awards is a forty-hospital randomized trial of antibiotic stewardship, discontinued by a letter citing the prevention of antibiotic resistance, while in the same period the agency reinstated funding for a companion antibiotic stewardship study. Most of the affected awards that do not match a named priority are training and career development awards, which support the preparation of researchers rather than a specified line of research.

Several features of the manner in which these actions were taken are documented in the sections that follow. The awards were discontinued through the absence of a continuation award rather than through an affirmative action. To date, there have been no reports of Notices of Award being issued to effect them, and they do not appear in the federal systems that record grant transactions. The letters characterize the actions as non-awards of applications rather than as terminations, a distinction examined against the definition of termination in 2 C.F.R. § 200.1. And the letters cite a realignment of priorities rather than a lack of available funds, although the availability of funds is among the factors the regulation identifies and is the basis on which such a discontinuation would ordinarily rest.

The paper takes no position on the research priorities an administration may set. It is intended to equip those examining these actions, in legal, regulatory, and appropriations contexts, with an accurate account of what was done and how it relates to the governing requirements.

How this document is organized

The paper is organized in four parts, followed by supporting material. Parts One and Two outline the events that took place. Part Three is the regulatory analysis. Part Four addresses related considerations, including the distinct case of the sixteen center awards. A methodological note and details about the award notifications appear in the appendix.

Part One. What Happened

The awards and the population

On July 15, 2026, AHRQ issued 150 letters informing recipients that their non-competing continuation awards would not be funded. The awards were held by 78 institutions across 33 states. Together they carried approximately $229.6 million in obligated funds, of which approximately $94 million remained unspent.

The affected awards span most of the instruments through which AHRQ supports work outside the agency. They include investigator-initiated research projects, which fund studies proposed by investigators and selected through peer review; mentored career development awards, which support early-career investigators through a defined period of protected research time; institutional training grants, which fund no particular study but support predoctoral and postdoctoral fellows at a host institution; individual fellowships; cooperative agreements; and center awards. Roughly two-fifths of the affected portfolio was directed at building the health services research workforce rather than at any particular research question. That distinction matters throughout the analysis, because a rationale keyed to research topic cannot readily be applied to an award that has no research topic.

The awards also divide by funding source. One hundred thirty-four were supported by AHRQ's annual discretionary appropriation. Sixteen, the center awards, were supported by the Patient-Centered Outcomes Research Trust Fund and constitute a single program. Those sixteen received a letter different in substance from the one sent to the other awards, and they are addressed separately in Part Four. Except where noted, the account that follows concerns the 134 discretionary awards.

The sequence

Budget periods for the affected awards ended on a rolling basis between March 2025 and June 2026, clustering in the late spring and summer of 2025. In each case the budget period ended and no continuation award was issued.

This can be tested rather than assumed. Cross-referencing the affected awards against AHRQ's fiscal year 2026 transaction records returns no overlap. None of the awards that received letters received a fiscal year 2026 obligation. This is not a case where the awards were funded and subsequently de-obligated. They were not funded at all.

For discretionary awards, AHRQ guidance describes the consequence of that silence. Where an award is not multi-year funded, non-competing continuation awards must be made from consecutive fiscal year appropriations, and where that does not occur, funding ends. The lapse therefore required no affirmative act. It required only that nothing be done.

Nothing further occurred until July 15, 2026, when all 150 letters were issued on a single day. Across those awards, the interval between the end of the budget period and the date of the letter ranged from 196 to 471 days, with a median of 349. Not one award received a letter before its budget period had ended. The sixteen center awards illustrate the pattern with unusual clarity. All sixteen shared a budget period ending December 31, 2025, and all sixteen received letters six and a half months later.

The distinction between the lapse and the letter determines what act is under review. If the operative event was the failure to issue continuation awards, then the decisions at issue were made across many months, by omission, without contemporaneous documentation. The letters are then best understood as a retrospective account of those decisions rather than as the decisions themselves.

The full portfolio of non continuations

The 150 letters are not the full extent of the non-continuations. Reconstructing the agency's active portfolio from the federal project record and comparing it against fiscal year 2026 obligations identifies the complete set of awards that were positioned for continuation and did not receive it.

Among AHRQ awards whose next continuation had come due by July 15, 2026, and whose project periods had time remaining, 36 received a fiscal year 2026 obligation and 200 did not. The 200 comprise the 150 that received letters, 3 that were reinstated during fiscal year 2025 where funding subsequently lapsed in fiscal year 2026, and 47 additional awards identified through the federal record where funding has lapsed without receiving any letter. A further 48 eligible awards have project time remaining but had not yet reached their continuation dates as of July 15, 2026. Their outcome remains open.

A temporal boundary distinguishes the awards that received letters from those that lapsed without them. Every discretionary award that received a July 15 letter had a budget period ending on or before late September 2025. Every award identified as lapsed without a letter had a budget period ending afterward. The distinction between the two groups is not one the letters address and does not appear to be substantive. It corresponds to when in the cycle each award's budget period ended.

Part Two. The Stated Rationale and the Awards

This part examines only the affected awards supported by AHRQ's discretionary appropriation (n=134). The sixteen center awards are excluded because the letter they received did not assert a priorities rationale. They are addressed in Part Four.

The letters identify ten priority areas and state that the portfolio is being adjusted toward them. Whether the affected awards fall outside those areas is a question the letters themselves raise, and it can be answered from the awards' own abstracts, which are available for the full set.

The comparison

Nine of the ten priority areas name a subject: patient safety, preventing antibiotic resistance, telehealth, overmedication of children, digital health tools, long COVID, artificial intelligence, nutrition, and autism. The tenth is a general clause addressed below. Each award was assessed against the nine at the level of its stated subject, meaning its title and its statement of public health relevance, rather than by the incidental appearance of a term.

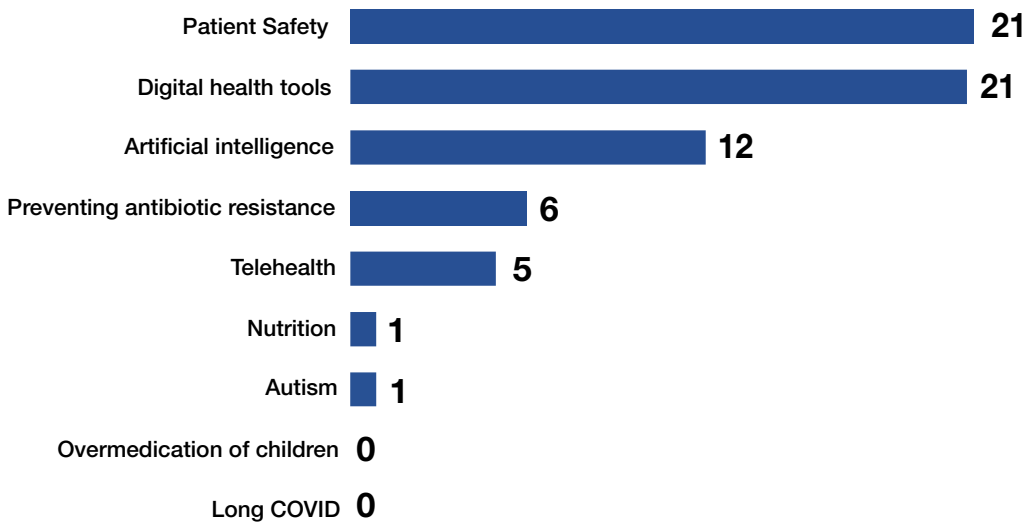
On that measure, 52 of the 134 discretionary awards that received letters fall within a priority the letters specifically name. The largest concentrations are in patient safety and digital health tools, with 21 awards each, followed by artificial intelligence with 12, the prevention of antibiotic resistance with 6, and telehealth with 5. Patient safety and antibiotic resistance are the two priorities the letters name most prominently.

The measure is deliberately conservative. It counts an award only where a named priority is the subject of the work, as stated in the award's title and public health relevance statement, rather than counting any award whose abstract mentions a priority term in passing. The approach is a proxy for subject matter and not a determination of it, and its errors run toward undercounting; an award whose purpose is patient safety but which does not use the phrase in either field will not register. The figure of 52 should therefore be read as a floor.

Two illustrations

The first concerns two projects that carry nearly the same title and pursue the same objective. R01 HS029482 is titled Reducing Overuse of Antibiotics at Discharge: The ROAD Home Trial, a forty-hospital cluster randomized trial. R01 HS029331 is titled Reducing Overuse of Antibiotics with Decision Support: The ROADS Study. Both address the prevention of antibiotic resistance, which the letters name as a priority. The budget period for the ROAD Home Trial ended in August 2025, with a project period running to 2028. It required a continuation and did not receive one. The ROADS Study was within a funded budget period, was interrupted in April 2026, and was reinstated and funded weeks later. The point is not that two identical decisions came out differently. It is that in the same period the agency was obligating funds to research on reducing antibiotic overuse while citing the prevention of antibiotic

Figure 1. **Non-continued awards matching a named priority**



**Non-continued discretionary awards (n=134) whosesubject matches a priority named in the letters. Awards may match more than one priority. Subject-level match counts are a conservative floor (see Methodological Note).*

resistance as the priority toward which it was realigning, in a letter discontinuing research on reducing antibiotic overuse.

The second concerns a study framed around the agency's own patient safety framework. R01 HS030246 examines institutional responses to sexual harassment and their effect on physician well-being. Its abstract states that the project aligns directly with the National Action Plan to Advance Patient Safety, which AHRQ administers. The award was discontinued by a letter reciting patient safety.

The comparison with awards that were funded

Among the awards whose continuation had come due, 36 received fiscal year 2026 funding. Seven of those 36 are antibiotic or antimicrobial stewardship projects, the same subject as the ROAD Home trial that was discontinued. Awards addressing the same named priority were funded and not funded within the same cycle, which indicates that the named priority was not the criterion that separated them.

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Several of the 36 funded awards were funded by reinstatement following an earlier disruption rather than by routine continuation, three of them on a single day in April 2026. The funded group is therefore not 36 uninterrupted continuations, and the reinstatements are themselves reversals of earlier stoppages.

The awards outside the named priorities

The 82 affected discretionary awards that do not match a named priority would fall, if anywhere, under the letters' closing clause concerning scientifically valid, measurable health outcomes and solution-oriented approaches in health disparities research. The meaning of that clause is contested and the letters do not resolve it. Read as an inclusive statement it encompasses nearly all health services research, and read as a set of qualifying conditions it is a filter the agency would say these awards failed. Nothing in the letters indicates which reading was applied. Analysis is therefore confined to the nine priorities whose subjects bear no such ambiguity, which leaves these awards outside the comparison.

> Notably, training is a statutory function of the agency, not a discretionary emphasis.

What can be observed about them is their composition. Thirty-seven of the 82 are training and career development awards. The letters' list of ten priorities contains no training priority. The priorities webpage the letters cite lists sixteen areas, one of which is the training of future health services researchers. The recited list omits the single category into which every affected training grant and career development award most naturally falls. Notably, training is a statutory function of the agency, not a discretionary emphasis. Congress, in establishing AHRQ under Title IX of the Public Health Service Act, directed it to provide for the training of health services researchers, which is the activity these awards carry out. Measured against the standard the letters themselves invoke, these awards are not a departure from the agency's stated priorities. They are, in a training grant's case, awards to which a topic-based rationale cannot be applied at all, because they fund the preparation of researchers rather than a research subject.

Part Three. The Governing Requirements

This part examines the actions against the regulations the letters invoke and against the Uniform Guidance that governs federal awards generally. It establishes what the regulation requires of a continuation decision, what the record contains, whether the actions meet the regulatory definition of termination notwithstanding their characterization, and the agency's principal defense.

Whether these actions are terminations

The Uniform Guidance defines the operative term at 2 C.F.R. § 200.1:

> *Termination means the action a Federal agency or pass-through entity takes to discontinue a Federal award, in whole or in part, at any time before the planned end date of the period of performance. Termination does not include discontinuing a Federal award due to a lack of available funds.*

Two features of this definition bear on the present question. First, the test is stated by reference to the period of performance, not the budget period. Every affected award had period of performance remaining when funding ceased; several were discontinued after a single funded year with multiple years remaining. On the face of the definition, discontinuing an award with years left on its period of performance is a termination whatever it is called. Second, the definition excludes discontinuation for lack of available funds. That exclusion was available and was not used. The letters assert a realignment of priorities, not a lack of funds, and so the actions are not removed from the definition of termination by the one exclusion it contains.

What 42 C.F.R. Part 67 requires

Subsection (a): award authority and the place of priorities

Subsection (a) permits the Administrator, within the limits of available funds, to award grants to applicants whose projects will best promote the purposes of Title IX of the Public Health Service Act, AHCPR priorities, and the regulations of the subpart. This is the only place in the section where agency priorities appear. They are named alongside, and constrained by, the statutory purposes of Title IX, and the subsection governs the decision to make an award rather than the decision to continue one. The letters do not cite it.

Subsection (b): the project period is fixed in the award

Subsection (b) provides that the Notice of Grant Award specifies how long the Administrator intends to support the project without re-competition, that this interval is the project period, and that it will usually run three to five years. The project period is therefore a term of the award, stated in the instrument, expressing the agency's own intended duration of support. It is the baseline against which the definition of termination operates.

Subsection (d): how continuation decisions are to be made

Subsection (d) provides that a grantee must submit a separate continuation application for each subsequent year, that decisions regarding continuation awards will be made after consideration of such factors as the grantee's progress and management practices and the availability of funds, and that in all cases continuation awards require a determination by the Administrator that continuation is in the best interest of the Federal Government. The factors named are award-specific: the progress of the particular grantee and the management of the particular project. The letters address none of them. They do not discuss progress, they do not discuss management practices, and they do not assert that funds were unavailable. The continuation applications the regulation requires contain the progress information the regulation directs the agency to consider, and nothing in the letters indicates that any of it was engaged.

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Subsection (e): the agency's principal defense

Subsection (e), which the letters cite, provides that neither the approval of an application nor the award of a grant commits or obligates the government to make any continuation award. This provision does substantial work and will be the agency's first response. It does not, however, answer the question raised here. Subsection (e) negates entitlement; it does not dispense with process. An agency may be entirely free of any obligation to renew an award and remain bound to reach that decision in the manner its own regulations prescribe. The claim is not that these grantees were owed money. It is that subsection (d) requires a determination in all cases, that subsection (h) specifies the basis for continuation recommendations, and that the record contains no evidence either occurred.

Subsection (h): the provision governing this category of award

Subsection (h), titled Noncompeting continuation awards, is the only subsection addressed specifically to the action at issue, and the letters do not cite it. It provides that recommendations for continuation support will be based upon evaluation of the project's progress in meeting its objectives, the appropriateness of the management of the project and allocation of resources,

the adequacy of the plan for the coming budget period in light of prior accomplishments, and the reasonableness of the proposed budget. All four criteria are award-specific and three cannot be applied without reading the particular application. None appears in the letters.

What the letters cite and what they omit

The letters cite subsections (d) and (e). They engage none of the factors in (d). They do not cite subsection (a), where priorities appear, or subsection (h), which governs this category of award. The rationale they offer, a list of agency priorities, appears in neither subsection they cite. A determination, in the sense the regulation uses, is a finding about a particular award. One hundred fifty letters issued on a single day, a median of 349 days after the funding lapse to which they refer, reciting text that does not vary across substantively different research projects, career development awards, and institutional training programs, are not readily characterized as individual determinations.

The Uniform Guidance provisions invoked and omitted

The letters invoke Part 200 selectively. They cite § 200.472, titled Termination and standard closeout costs, and §§ 200.344 and 200.345, the closeout provisions, imposing a 120-day period to liquidate. They do not cite § 200.340, which supplies the authority to terminate, including the authority to terminate where an award no longer effectuates agency priorities; § 200.341, governing notification; or § 200.342, which affords recipients an opportunity to object and appeal. Subpart D is an integrated sequence running from authority through notification, objection, effects, and closeout. The letters enter that sequence at the closeout stage, claiming the cost consequences that attach to termination while declining to invoke the provision that authorizes it and the provisions that afford recourse against it. The citation to § 200.472 is the sharpest instance, because that provision is not incidentally applicable to terminations; it is about them, and invoking it is an acknowledgment within the letter that a termination has occurred.

The absence of award instruments

Federal grant actions are ordinarily effected through Notices of Award, which enter the federal reporting systems. AcademyHealth has identified no Notice of Award corresponding to any of these actions, and a query of AHRQ transactions for fiscal year 2026 returns none of the affected awards. That absence is consistent with the sequence described in Part One. If no continuation award was issued, no transaction exists to record. The result is that there are at least 150 letters asserting decisions, no award instruments recording them, no contemporaneous determinations evidenced, and no entries in the systems that make federal spending visible. Whether the letters constitute final agency action is a separate question, and they likely do, since they announce a decision, disallow costs, and impose a liquidation deadline. But an action accomplished by declining to issue an award instrument leaves little administrative record, which is at once an obstacle to review and direct evidence bearing on whether the determination the regulation requires was made.

Part Four. Related Considerations

The Patient-Centered Outcomes Research Trust Fund cohort

The sixteen center awards require separate treatment. They constitute a single program, the Learning Health System Embedded Scientist Training and Research (LHS E-STaR) centers. They share a budget period ending December 31, 2025. They are supported by the Patient-Centered Outcomes Research Trust Fund rather than by AHRQ's annual discretionary appropriation. And they received a letter materially different in substance from the one sent to the discretionary awards.

The center letter recites the same regulatory authority, 42 C.F.R. § 67.17(d and e), and the same closeout provisions, 2 C.F.R. §§ 200.472 and 200.344 through 200.345. But its account of why the awards were not continued differs in a notable way. The letter states that continuation awards are to be issued only where AHRQ determines that continuation is in the best interest of the Federal Government, and then provides:

> *The program through which your grant was previously awarded, and the funding contract that served as the source of support for this award have been canceled on this basis, resulting in the unavailability of funds necessary to continue the award.*

Three features of this passage distinguish the center cohort from the discretionary awards.

First, the letter invokes the unavailability of funds. The discretionary letters did not. As discussed above, unavailability of funds is the one rationale that would both satisfy § 67.17(d), which names the availability of funds as a permissible consideration, and fall outside the definition of termination in 2 C.F.R. § 200.1, which excludes discontinuation for lack of available funds. The center letter reaches for that rationale where the discretionary letters declined it.

Second, the unavailability the letter invokes is one the agency created. The letter does not assert that the Trust Fund lacked money, or that the appropriation had lapsed. It states that the program and the funding contract "have been canceled," and that this cancelation is what rendered the funds unavailable. The contract, however, was the vehicle through which AHRQ disbursed the funds, not the source of the funds themselves. The source is the statutory transfer to the Trust Fund, which remains available until expended. What the agency canceled was its own mechanism for delivering that money to the centers. The sequence is explicit in the letter's own words: continuation requires a best-interest determination. On that basis the program and its funding contract were canceled, and the cancelation produced the unavailability now cited as the reason continuation cannot occur. The unavailability is therefore not a fact about the appropriation, which persists, but a consequence of the agency dismantling the contract through which the appropriation reached the grantees.

This distinguishes the center letter from a genuine lack-of-funds situation, and the distinction matters legally. Where funds are unavailable as a matter of fact, discontinuation falls outside the definition of termination and outside much of the process the discretionary analysis describes. Where the unavailability is manufactured by the agency's own cancelation of the funding source, the exclusion does not straightforwardly apply, because the operative act is the cancelation, not any external exhaustion of funds.

Third, the determination the letter claims is categorical, not award-specific. The letter asserts that the program was canceled on the basis of a best-interest determination. But § 67.17(d) requires that determination for continuation awards, and § 67.17(h) specifies that continuation recommendations rest on four award-specific criteria: the progress of the particular project, the management of the particular project, the adequacy of its plan for the coming period, and the reasonableness of its budget. A single conclusion that a program is no longer in the best interest of the Federal Government, applied to sixteen recipients at once, is not sixteen determinations about sixteen projects. The letter supplies the vocabulary of the required determination while describing a categorical program decision that the vocabulary does not fit.

The statutory structure underlying the program compounds these difficulties. Twenty percent of amounts in the Patient-Centered Outcomes Research Trust Fund is transferred each year to the Secretary to carry out section 937 of the Public Health Service Act, codified at 42 U.S.C. § 299b-37, with a portion designated for AHRQ. Section 937(e) authorizes AHRQ to build capacity for comparative effectiveness research by establishing grant programs that provide training for researchers. The LHS E-STaR centers are an exercise of that authority. And the statute provides that amounts transferred to the Trust Fund remain available until expended. They are not annual appropriations that lapse at the close of a fiscal year.

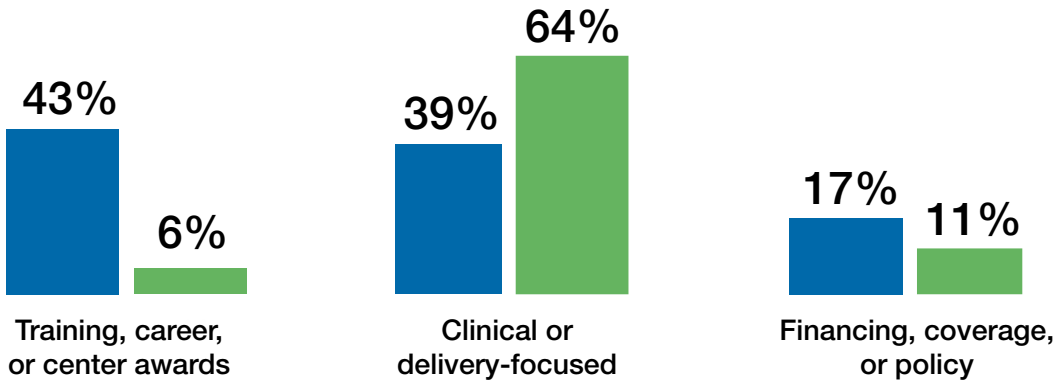
Two consequences follow. The consecutive-fiscal-year mechanism that describes the discretionary lapses cannot explain the centers, because Trust Fund transfers do not lapse. And the "unavailability of funds" the letter invokes cannot arise from the ordinary operation of the appropriation, because the appropriation remains available by statute until expended. The funds became unavailable, on the letter's own account, only because the agency canceled the contract through which they were disbursed. The distinction between the appropriation and the disbursement vehicle is not incidental. The centers competed for their awards through that vehicle, which confirms it was an administrative instrument AHRQ established and controlled, not the appropriation itself. Whether an agency may render statutorily available funds unavailable by canceling the administrative vehicle that disburses them, while the underlying appropriation remains available by statute, and then treat the resulting unavailability as a lawful basis for non-continuation, is a question this cohort presents that the discretionary awards do not.

Finally, the character of what was canceled bears on the congressional prerogative discussed below. Section 937(e) does not merely permit AHRQ to train researchers. It directs the agency to build research capacity through such programs, using funds Congress dedicated to that purpose. Canceling the program is therefore not a reallocation of discretionary resources among competing priorities. It is a decision to cease performing an activity Congress specifically directed the agency to perform, funded by a revenue stream Congress specifically dedicated to it.

Executive authority and congressional prerogative

The composition of the affected grants is not a random cross-section of the agency's work. Every center award in the portfolio of continuation-eligible grants is in the affected set, and nearly every institutional training grant. Of the 150 awards that received letters, 64 are training, career development, or center awards, including all 20 institutional training grants

Figure 2. **What was not continued versus what was funded**



and all 16 centers. Of the 36 that were funded, only two are. The awards the agency continued to fund are almost entirely investigator-initiated research projects.

The subject matter differs as well. Among the awards that received letters, 39 percent are clinical or delivery-focused and 17 percent concern health care financing, coverage, or policy. Among the funded awards, 64 percent are clinical or delivery-focused and 11 percent concern financing, coverage, or policy. The awards that were funded are more concentrated in clinical and bedside research, and the awards that were not are more likely to examine how care is organized, financed, and staffed. These patterns are consistent with a narrowing of what the agency treats as its subject matter, though the funded group is small and the comparison should be read as directional.

Congress established AHRQ and defined its purposes in Title IX of the Public Health Service Act, and separately directed the agency, in section 937(e), to build research capacity through training programs supported by a dedicated revenue stream. The training of health services researchers is therefore a function assigned by statute, not a discretionary emphasis. An agency that has not continued training programs or centers, while continuing investigator-initiated clinical research, is exercising a narrower conception of its mission than the authorizing statutes describe. Whether the agency's mission should be narrowed is a question for Congress. The observation here is that the practical scope of the authorization is being revised through the accumulation of individual non-continuations, each characterized as a routine exercise of discretion over a single award.

Appropriations

The appropriations dimension runs through a single omission. Availability of funds is the one rationale that would have placed these actions on express regulatory authority under § 67.17(d) while removing them from the Uniform Guidance definition of termination under § 200.1. The agency did not invoke it. The reason is evident: the funds were appropriated, and they remain, on the available evidence, substantially undisbursed. An assertion that they were unavailable cannot be reconciled with an appropriation that Congress enacted and that sits, unspent, in the account from which these awards would have been paid.

The record does not stop at non-continuation. In late March 2026, AHRQ cancelled its remaining open grant competitions and funding opportunity announcements, closing the mechanisms through which the appropriated funds would have been obligated. The Patient-Centered Outcomes Research Trust Fund cohort sharpens the point, because those funds do not lapse at the close of a fiscal year but remain available until expended. An appropriation that cannot expire, paired with the deliberate closure of every vehicle for obligating it, describes funds that are not merely unspent but that the agency has, by its own affirmative actions, put beyond the possibility of being spent.

The relationship between these actions and the status of the appropriation is a matter for Congress and the Government Accountability Office (GAO). As of this writing, the GAO has opened a formal investigation into illegal impoundments at the Agency related to FY25 and FY26 funds. The Consolidated

Appropriations Act of FY26 **called for the Agency to invest** $214.1 million in the Research on Health Costs, Quality, and Outcomes function, which as of this writing less than 10 percent has been awarded with only weeks left in the fiscal year. This paper establishes only what the record shows: that funds were appropriated, that awards which would have drawn on them were not continued, that the agency subsequently canceled the competitions and announcements through which the funds would have been obligated, and that the stated reason for non-continuation was not a lack of available funds.

The issue that funds have been appropriated and not disbursed is the established basis of active federal litigation. In Society of General Internal Medicine v. Kennedy, filed in the District of Maryland in August 2025, plaintiffs challenged the halt of AHRQ grantmaking as an unlawful impoundment of appropriated funds. The government did not oppose extending the September 30, 2025 deadline by which the agency's fiscal year 2025 grant appropriations would otherwise expire. On September 29, 2025, the court ordered AHRQ to preserve and set aside $70M of those funds until the litigation is resolved, and provided that the agency may continue to obligate the funds through grant awards while the case is pending. The order confirms, from a source independent of this analysis, that substantial fiscal year 2025 grant funds remained appropriated and unobligated as of the end of that fiscal year. The awards whose budget periods ended in the late summer and fall of 2025 fell within that same fiscal year appropriation. The record of that litigation therefore establishes what the non-continuation letters do not acknowledge--that funds appropriated for the relevant period existed and had not been spent. The broader legal question these cases present, whether the Administrative Procedure Act permits suits to compel obligation of appropriated funds, or whether the Impoundment Control Act channels such disputes elsewhere, is contested and unsettled, and has been the subject of adverse interim rulings in related litigation. This paper relies on the SGIM record not for any proposition of law but for the factual matter it establishes. The funds existed and were unobligated.

Closing

Awards presently unresolved

Forty-eight awards had project time remaining and had not yet reached their continuation dates as of July 15, 2026. If the sequence described in Part One holds, these awards occupy the position the discontinued awards occupied before July 15, 2026. They represent the portion of the record on which attention can still operate before the decisions are made rather than after.

Questions the agency should answer

- How many AHRQ awards were eligible for non-competing continuation in fiscal year 2026, and how many received continuation funding?
- For each award not continued, what determination was made under 42 C.F.R. § 67.17(d), by whom, and on what date?
- Was the evaluation described in 42 C.F.R. § 67.17(h) conducted for any affected award, and if so, by whom?
- Was any Notice of Award issued to effect these actions? If not, by what instrument does the agency consider the awards to have been discontinued?
- Under what authority were awards discontinued on the basis of agency priorities, given that the letters cite neither 42 C.F.R. § 67.17(a) nor 2 C.F.R. § 200.340(a)(4)?
- What became of the Patient-Centered Outcomes Research Trust Fund amounts that would have supported the canceled program, given that such amounts remain available until expended?

Methodological Note

This analysis draws on four sources: a public dataset of AHRQ grant disruptions **maintained by Grant Witness,** comprising 190 records with award identifiers, status categories, budget and project period dates, abstracts, and obligated and unobligated balances; letters and award abstracts obtained by AcademyHealth directly from affected investigators; an export of AHRQ project records from **NIH RePORTER**, used to reconstruct the agency's active portfolio and each award's budget and project period history; and an export of AHRQ transactions from the **HHS Tracking Accountability in Government Grants System (TAGGS)**, used to identify fiscal year 2026 obligations. All were retrieved on August 3, 2026.

The dataset of non-continuations was constructed as follows. From the RePORTER export, each award's latest funded budget period and its project period end were identified. An award was treated as eligible for a further continuation where its project period extended beyond its last funded budget period. Among eligible awards, those whose continuation had come due by July 15, 2026 were compared against the TAGGS record of fiscal year 2026 obligations, netted per award to account for paired

corrections. Awards with no positive net obligation constitute the affected set of 200. This construction is independent of award topic and of the letters, and it recovers the great majority of the awards independently tracked by Grant Witness, which serves as its principal validation. The regulatory analysis in Part Three, the priorities analysis in Part Two, and the composition analysis in Part Four are confined to the 150 awards that received non-continuation letters, because only those awards reflect a documented agency action. The reconstructed set of 200 is used in the executive summary and Part One to establish the scale of non-continuation and is not the basis for any claim about the agency's stated rationale.

Alignment with the priorities named in the letters was assessed at the level of each project's subject, as stated in its title and public health relevance statement, rather than by the presence of a term anywhere in the abstract. Awards were counted as matching only where a named priority is the subject of the work. The letters' closing clause concerning measurable outcomes and disparities research was excluded from the specific-match count, for the reason stated in Part Two.

Three limitations bear on interpretation. The conclusion that an award did not receive fiscal year 2026 funding rests on the TAGGS export being a complete record of obligations. If agency reporting lagged, the affected count would be overstated. The awards identified only through the federal record, and not independently tracked, are inferred from the absence of an obligation and require individual verification before public use. And the counts are current as of August 3, 2026.

Appendix

NOTIFICATION LETTER TO RECIPIENT OF NON-AWARD OF APPLICATION OF NON-COMPETING CONTINUATION GRANT.

To [RECIPIENT NAME REDACTED]:

Funding for Grant Application Number 5 P30 [GRANT NUMBER REDACTED] was not awarded pursuant to 42 C.F.R. § 67.17(d and e). This letter constitutes a notice of non-award, effective July 15, 2026.

Pursuant to the terms of the award and 42 C.F.R. § 67.17(d and e), the Agency for Healthcare Research and Quality ("AHRQ") is to issue continuation awards only where it is determined that continuation is in the best interest of the Federal Government.

The program through which your grant was previously awarded, and the funding contract that served as the source of support for this award have been canceled on this basis, resulting in the unavailability of funds necessary to continue the award.

Costs resulting from financial obligations incurred after non-continuation are not allowable other than in accordance with 2 CFR § 200.472 or as may be provided in further instruction from the agency. Nothing in this notice excuses either AHRQ or you from complying with the closeout obligations imposed by 2 C.F.R. §§ 200.344-200.345. Consistent with 2 C.F.R. 200.344, you will have 120 days from the effective date of this letter to liquidate all financial obligations incurred prior to non-continuation of this award.

Sincerely,

AHRQ Grants Management Office

NOTIFICATION LETTER TO RECIPIENT OF NON-AWARD OF APPLICATION OF NON-COMPETING CONTINUATION GRANT.

To [RECIPIENT NAME REDACTED]:

Funding for grant application 5 R01 [GRANT NUMBER REDACTED] was not awarded pursuant to 42 C.F.R. § 67.17(d and e). This letter constitutes a notice of non-award, effective July 15, 2026.

Pursuant to the terms of the award and 42 C.F.R. § 67.17(d and e), the Agency for Healthcare Research and Quality ("AHRQ") is to issue continuation awards only where it is determined that continuation is in the best interest of the Federal Government.

AHRQ's current priorities include focusing agency resources on patient safety, preventing antibiotic resistance, telehealth, overmedication of children, use of digital health tools to improve health, long COVID, artificial intelligence, nutrition, furthering understanding of autism, promoting research focused on scientifically valid, measurable health outcomes and solution-oriented approaches in health disparities research, https://www.ahrq.gov/cpi/about/index.html#priorities. As a result, AHRQ is adjusting its discretionary health services research award portfolio in order to better prioritize agency resources towards the above-mentioned priorities to best serve the interests of the Federal Government.

Costs resulting from financial obligations incurred after non-continuation are not allowable other than in accordance with 2 CFR § 200.472 or as may be provided in further instruction from the agency. Nothing in this notice excuses either AHRQ or you from complying with the closeout obligations imposed by 2 C.F.R. §§ 200.344-200.345. Consistent with 2 C.F.R. 200.344, you will have 120 days from the effective date of this letter to liquidate all financial obligations incurred prior to non-continuation of this award.

Sincerely,

AHRQ Grants Management Office