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Russell Vought
Director
Office of Management and Budget (OMB)
725 17th Street, NW
Washington, DC 20503

RE: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Proposed Rule [2 CFR Parts 300, 376, and 382]

Dear Director Vought,

On behalf of The Society of Thoracic Surgeons (STS), I write to provide comments on the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Proposed Rule.

Founded in 1964, STS is a not-for-profit organization representing more than 8,000 surgeons, researchers, and allied health care professionals worldwide who are dedicated to ensuring the best possible outcomes for surgeries of the heart, lungs, and esophagus, as well as other surgical procedures within the chest.

Section 200.205—Federal Agency Review of Merit of Proposals

OMB proposes to revise §200.205 to strengthen requirements for agency merit review and to establish a new pre-issuance review process. Under the proposed requirements for pre-issuance review, agencies ensure proposals selected for funding are consistent with applicable law, Federal agency priorities, and national interest. Senior appointees must conduct these reviews and apply specific principles when evaluating proposals. The proposed pre-issuance review principles state that, all else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates.

Additionally, OMB clarifies that peer review remains advisory and does not replace agency discretion.

Federal investments in biomedical and clinical research have played a critical role in advancing cardiothoracic care, leading to innovations that have reduced mortality, improved quality of life, expanded treatment options, and enhanced the safety and effectiveness of complex surgical procedures. STS supports efforts to ensure that federal research and grant funding is administered responsibly, consistent with applicable law, and aligned with the public interest. We recognize the important role federal agencies play in ensuring taxpayer resources are used effectively, and that awarded projects advance meaningful scientific, clinical, and public health objectives.

However, STS is concerned that the proposed revisions could diminish the central role of objective, expert-driven scientific and technical review in federal funding decisions. While the proposal appropriately notes that peer review is advisory and does not replace agency discretion, STS urges OMB to ensure that scientific merit remains the primary consideration in funding determinations for biomedical, clinical, and health services research.

Cardiothoracic research is uniquely dependent on sustained federal support because many of the most pressing challenges facing patients with cardiovascular and thoracic diseases require long-term, resource-intensive investigation. Federally funded research has contributed to significant advances in the prevention, diagnosis, and treatment of conditions such as coronary artery disease, heart failure, valvular heart disease, congenital heart defects, lung cancer, and thoracic aortic disease. These investments have helped drive innovations in surgical techniques, mechanical circulatory support devices, transplantation, structural heart interventions, perioperative care, and quality measurement. Continued progress in these areas depends on a funding environment that prioritizes scientific excellence, clinical relevance, and patient impact.

Federal investments in medical research have historically produced substantial improvements in healthcare because funding decisions have relied heavily on rigorous evaluation by subject matter experts. Research priorities and funding decisions should continue to be informed by transparent, evidence-based assessments conducted by individuals with relevant scientific and clinical expertise. Additional layers of review should complement, not supplant, the scientific merit review process.

STS also encourages OMB to provide greater clarity regarding how senior appointees will evaluate proposals under the proposed pre-issuance review process. Specifically, OMB should clearly define the criteria used to assess whether a proposal advances agency priorities or national interest and should establish safeguards to ensure that such determinations are applied consistently across agencies and funding programs. Greater transparency regarding review standards will help applicants understand funding priorities and maintain confidence in the fairness and predictability of the award process.

Additionally, OMB should require agencies to document the rationale for funding decisions when final determinations differ substantially from the recommendations of peer reviewers. Such documentation would promote accountability while preserving agency discretion and public trust in the integrity of the grant-making process.

STS emphasizes that implementation of the proposed pre-issuance review requirements should not create unnecessary delays in the award process. Timely funding decisions are particularly important for biomedical research, clinical studies, workforce development programs, and quality improvement initiatives that directly affect patient care and healthcare innovation.

Finally, STS is concerned that a preference for institutions with lower indirect cost rates could unintentionally disadvantage research-intensive academic medical centers and teaching hospitals that conduct much of the nation's cardiothoracic research. Indirect costs support the infrastructure necessary to conduct complex clinical and translational research, including laboratory facilities, data systems, regulatory compliance, and patient safety protections. While responsible stewardship of federal funds is essential, funding decisions should prioritize scientific merit, research capacity, and potential patient benefit rather than institutional

indirect cost rates alone, to ensure continued advancement of innovative research that improves patient outcomes.

Section 200.340—Termination and Suspension

Under the proposed rule, a federal agency or pass-through entity may terminate a federal award, in part or in its entirety, if the agency determines that termination is in the interest of the Federal agency or the pass-through entity, including where the award does not effectuate program goals, Federal agency priorities, or the national interest as they exist at the time of the termination.

Additionally, a new provision allows federal agencies and pass-through entities to issue written orders temporarily suspending a federal award, in part or in its entirety, for up to 90 days (or longer by mutual agreement) if the agency or pass-through entity determines that suspension is in the interest of the agency or pass-through entity. During suspension, recipients must minimize costs allocable to suspended activities, and the federal agency may proceed to terminate the federal award, in whole or in part.

STS is concerned that the proposed authority to suspend or terminate awards based on changing agency priorities or interpretations of the national interest could undermine the reliability and predictability of federal research funding. Biomedical and cardiothoracic research projects often span multiple years and require stable funding commitments to support personnel, infrastructure, patient enrollment, and data collection. Unanticipated suspensions or terminations can disrupt ongoing studies, delay scientific progress, and reduce the return on federal investments. STS urges OMB to ensure that grant recipients can rely on awarded funding, absent clear evidence of noncompliance or failure to meet program requirements and to establish transparent standards and due process protections before awards are suspended or terminated.

Section 200.461—Publication and Printing Costs

OMB is proposing to make publication costs unallowable unless such costs are expressly required by statute or approved in advance by the Federal agency on a case-by-case basis. OMB believes publication costs are not inherently necessary to carry out the core programmatic objectives of most Federal awards. By limiting allowability to circumstances in which publication is required by statute or explicitly incorporated into the award, OMB believes that such costs are incurred only when they are directly tied to a statutory or programmatic requirement.

STS opposes the proposed restriction on publication costs. Dissemination of research findings through peer-reviewed publications is a fundamental component of the scientific and research process and an essential mechanism for ensuring that federally funded discoveries advance scientific knowledge, inform clinical practice, and improve patient outcomes. Publication costs are not ancillary expenses; they are often necessary to communicate research results to the scientific community, healthcare providers, policymakers, and the public.

For cardiothoracic research in particular, timely publication of study findings supports the development of evidence-based guidelines, quality improvement initiatives, and innovations in patient care. Restricting the allowability of publication costs could impede the dissemination of federally funded research and reduce the

return on federal investments. STS urges OMB to continue recognizing reasonable publication costs as allowable expenses under federal awards rather than requiring case-by-case approval, which would create unnecessary administrative burden and uncertainty for researchers and institutions.

Thank you for the opportunity to provide these comments. Please contact Molly Peltzman, Associate Director of Health Policy, at mpeltzman@sts.org should you need additional information or clarification.

Sincerely,

Vinay Badhwar, MD
President