



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Funding Highlights:

- Supports health insurance reform by expanding patient-centered health research to give patients and physicians the best available information on what treatments will work the best for them; supporting investments in health information technology; expanding prevention and wellness activities; and launching payment reform demonstration programs in Medicare.
- Adds \$290 million for health centers to expand health care access to the medically underserved.
- Expands support for biomedical research, by providing an increase of \$1 billion for the National Institutes of Health.
- Invests approximately \$1.4 billion to strengthen food safety efforts and implement core principles of the President's Food Safety Working Group.
- Supports over 8,500 health care professionals in medically underserved areas through the National Health Service Corps.
- Continues a commitment to invest in the Indian health system to eliminate health disparities by increasing access to health care services among American Indians and Alaska Natives.
- Invests in our Nation's prevention and wellness activities to improve health outcomes and lower costs, through the Federal workforce, community-based and State and local efforts.
- Invests more than \$3 billion for HIV/AIDS prevention and treatment activities to expand access to affordable health care and prevention services.
- Includes \$25.5 billion for a six-month extension of the American Recovery and Reinvestment Act (ARRA) temporary increase in the Federal Medicaid match.
- Improves preparedness by increasing funding for biodefense medical countermeasure development.
- Places a renewed emphasis on preventing, detecting, and recouping fraudulent, wasteful, and abusive payments in Medicare, Medicaid, and the Children's Health Insurance Program.
- Expands and strengthens early education and child care programs by extending the ARRA expansion of Head Start and Early Head Start, providing an increase of \$1.6 billion for child care to serve 235,000 more children than could be served without the additional funds in 2011, and supporting work with the Congress to improve quality in the Child Care and Development Fund.
- Increases help for families caring for aging relatives at home.

The Department of Health and Human Services (HHS) is the principal Federal agency charged with protecting the health of all Americans and providing essential human services. This Budget includes \$81.3 billion to support HHS's mission.

Builds on Health Information Technology (IT) Adoption Momentum. The Administration continues to prioritize adoption and use of health IT. The Budget includes \$110 million for continuing efforts to strengthen health IT policy, coordination, and research activities. Combined with the ARRA Federal grant and incentives programs designed to assist providers with adoption and meaningful use of electronic health records, these efforts will positively affect and improve the quality of health care while protecting privacy and security of personal health information.

Increases Investment in Patient-Centered Health Research. The Budget includes \$286 million in the Agency for Healthcare Research and Quality for research that compares the effectiveness of different medical options, building on the expansion of this research begun under ARRA. The dissemination of this research is expected to lead to higher quality, evidence-based medicine, arming patients and physicians with the best available information to allow them to choose the medical option that will work the best for them.

Expands Affordable High-Quality Primary and Preventive Care. The Budget includes \$2.5 billion for health centers to provide affordable high quality primary and preventive care to underserved populations, including the uninsured. This will allow health centers to continue to provide care to the 2 million additional patients they served under ARRA and support approximately 25 new health center sites. In 2008, health centers provided direct health care services to 17 million people. In 2011, the Health Center program will expand its partnerships with other Federal agencies as part of the Administration's place-based initiative to revitalize neighborhoods. The Budget also includes funding to expand the integration of behavioral health into

existing primary health care systems, enhancing the availability and quality of addiction care.

Funds Innovative Efforts to Improve Services for Seniors and People with Disabilities. The Budget includes new Medicare and Medicaid demonstration projects that evaluate reforms to provide higher quality care at lower costs, improve beneficiary education and understanding of benefits offered, and better align provider payments with costs and outcomes. Special emphasis will be placed on demonstrations that improve care coordination for beneficiaries with chronic conditions, that better integrate Medicare and Medicaid benefits, and that provide higher value for dollars spent. The Budget will also support the Year of Community Living Initiative to promote collaboration between HHS and the Department of Housing and Urban Development to expand access to housing and community supports to enable people with disabilities to live in the community, as opposed to in institutional settings.

Supports Biomedical Research at the National Institutes of Health (NIH). To accelerate progress in biomedical research, NIH investments will focus on priority areas including genomics, translational research, science to support health care reform, global health, and reinvigorating the biomedical research community. The Budget includes \$6,036 million to support a range of bold and innovative cancer efforts, including the initiation of 30 new drug trials in 2011, and a doubling of the number of novel compounds in Phase 1–3 clinical trials by 2016. In addition, the Budget will support the completion of a comprehensive catalog of cancer mutations for the 20 most common malignancies, setting the stage for complete genomic characterization of every cancer as part of medical care within 10 years.

Supports Americans with Autism Spectrum Disorders (ASD). The Budget includes \$222 million across HHS to expand research, detection, treatment, and other activities related to improving the lives of individuals and families affected by ASD. NIH will pursue comprehensive

and innovative approaches to defining the genetic and environmental factors that contribute to ASD, investigate epigenomic changes in the brain, and accelerate clinical trials of novel pharmacological and behavioral interventions by 2016.

Improves Access to and the Quality of Health Care in Rural Areas. The Budget includes \$79 million for an initiative to strengthen regional and local partnerships among rural health care providers, increase the number of health care providers in rural areas, and improve the performance and financial stability of rural hospitals.

Increases Number of Primary Health Care Providers. The Budget invests \$169 million in the National Health Service Corps (NHSC) to place providers in medically underserved areas to improve access to needed health care services. Under NHSC, primary health professionals such as physicians, nurse practitioners, and dentists agree to serve in a medically underserved community in exchange for receiving a portion of their student loans paid off. In 2011, the requested increase will add 400 NHSC clinicians to the more than 8,100 that will be providing essential primary and preventative care services in health care facilities across the country.

Continues Efforts to Increase Access to Health Care for American Indians and Alaska Natives (AI/ANs). The Budget includes \$4.4 billion for the Indian Health Service (IHS) to expand investments initiated in 2010. Increases for IHS will strengthen existing Federal, tribal, and urban programs that serve 1.9 million AI/ANs at approximately 600 facilities nationwide, and will expand access to Contract Health Services to cover health care services provided outside of the Indian health system when services are not available at IHS-funded facilities. The Budget will also fund staff and operating costs at new and expanded facilities to increase access to health care services and enhance the Indian health system. The efforts supported in the Budget to expand health services in Indian communities also include an analysis of how IHS can

improve distribution of resources throughout the Indian health system.

Expands and Strengthens Prevention and Wellness Activities. The Budget bolsters core prevention activities by expanding community health activities, strengthening the public health workforce, and enhancing surveillance and health statistics to improve detection and monitoring of chronic disease and health outcomes. The Budget funds a new effort in up to 10 of the largest cities in the United States to reduce the rates of morbidity and disability due to chronic disease through effective policy and environmental change strategies. The Budget also supports a new health prevention workforce to improve capacity of State and local health departments.

Invests in Wellness Initiatives for the Federal Workplace to Improve Health and Lower Costs. The Budget invests \$10 million for the Federal employee workplace wellness initiative. This initiative will implement prototype wellness programs in select locations that will be rigorously evaluated for their ability to produce a healthier workforce and lower healthcare costs. By encouraging the adoption of these programs, we can improve the productivity of our workforce, delay or avoid many of the complications of chronic disease, and slow medical cost growth.

Expands and Focuses HIV/AIDS Treatment, Care, and Prevention Activities. The Budget expands access to HIV/AIDS prevention and treatment activities consistent with the President's pledge to develop a National HIV/AIDS Strategy that will focus on reducing HIV incidence, increasing access to care and optimizing health outcomes, and reducing HIV-related health disparities. The Budget focuses HIV testing among high-risk groups, including men who have sex with men, African Americans, and Hispanics. The Budget increases resources for the Ryan White program to support the care and treatment needs for persons living with HIV/AIDS who are unable to afford health care and related support services. The Budget directs resources to reduce HIV-related health disparities by expanding HIV/AIDS medical services within

populations disproportionately impacted by the epidemic. The Budget also enhances funding for collaboration and integration activities to improve overall health outcomes for those with HIV/AIDS and co-infections with tuberculosis, hepatitis, and sexually transmitted diseases.

Expands Substance Abuse Prevention and Treatment Activities. The Budget expands substance abuse treatment services at IHS facilities and federally qualified health centers, and provides \$23 million for comprehensive substance abuse prevention services targeting early risk factors that can improve health outcomes for children and young adults. To assist in recovery to reduce recidivism, the Budget provides \$56 million to expand the treatment capacity at drug courts and \$23 million for re-entry programs. These activities are a part of over \$150 million in new funding for the Departments of Health and Human Services and Justice (DOJ) to reduce the Nation's demand for drugs by strengthening efforts to detect and prevent illicit drug use in our communities, expanding early drug abuse intervention in the primary health care system, enhancing specialty addiction treatment services, and breaking the cycle of illicit drug use, crime, and incarceration.

Bolsters the Safety of our Food and Medicines. The Budget provides \$2.5 billion in budget authority and \$4.0 billion in total program resources for the Food and Drug Administration (FDA). The Budget enables FDA to implement the core principles recommended by the President's Food Safety Working Group: prioritizing prevention; strengthening surveillance and enforcement; and improving response and recovery. The Budget also includes increases to bring more safe, effective, and lower cost generic drugs and generic biologics to market, expand postmarket safety surveillance of medical products, and support FDA's efforts to make such safety data more comprehensive and accessible to patients, providers, and scientists in a way that also protects privacy.

Strengthens the Nation's Preparedness Against Naturally Occurring Threats and Intentional Attacks. The Budget increases support to over \$400 million to enhance the Advanced Development of next generation medical countermeasures against chemical, biological, radiological and nuclear threats. The Department has invested \$5.6 billion since 2005 to enhance the Nation's ability to rapidly respond to an influenza pandemic. In April 2009, the President requested resources from the Congress to enable additional efforts to respond to the 2009 H1N1 virus that had recently emerged and in June, the Congress provided \$7.65 billion in the Supplemental Appropriations Act 2009. By the end of 2009, more than \$3.6 billion had been spent as the Federal Government procured H1N1 vaccines, mounted a mass vaccination campaign, provided resources to the States to enhance public health response efforts, and provided critical anti-viral medications and personal protective equipment. In 2010, HHS will continue to use these resources to build the U.S.-based influenza vaccine production capacity and shift to non-egg based production technologies and invest in the development of improved diagnostics. Approximately \$330 million of these resources is expected to be spent in 2011. These ongoing activities to reduce the impact of influenza pandemics will be funded from resources in the 2009 Supplemental for pandemic influenza.

Fights Waste and Abuse in Medicare, Medicaid, and the Children's Health Insurance Program (CHIP). Reducing fraud, waste, and abuse is an important part of restraining spending growth and providing quality service delivery to beneficiaries. In November 2009, the President signed an Executive Order to reduce improper payments by boosting transparency, holding agencies accountable, and creating incentives for compliance. This Budget puts forward a robust set of proposals to strengthen Medicare, Medicaid and CHIP program integrity actions, including proposals aimed at preventing fraud and abuse before they occur, detecting it as early as possible when it does occur, and vigorously enforcing all penalties and recourses available when fraud is identified. It proposes \$250 million in addition-

al resources that, among other things, will help expand the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, a joint effort by HHS and DOJ. As a result, the Administration will be better able to minimize inappropriate payments, close loopholes, and provide greater value for program expenditures to beneficiaries and taxpayers. Also, to improve quality and safety, the Administration will strengthen its Medicare requirements to assure that air ambulance operators comply with aviation safety standards.

Supports Young Children and Their Families. The Budget provides critical support for young children and their families by building on historic increases provided in ARRA. The Budget provides an additional \$989 million for Head Start and Early Head Start to continue to serve 64,000 additional children and families funded in ARRA. The Budget also provides an additional \$1.6 billion for the Child Care and Development Fund in preparation for reauthorization to expand child care opportunities, and improve health, safety, and outcomes for children. This request will allow States to provide child care subsidies to 1.6 million children, 235,000 more than could be served without the increase.

Helps Families Care for Aging Relatives. The Budget includes \$103 million for the Administration on Aging’s Caregiver Initiative, an effort to expand help to families and seniors so that caregivers can better manage their multiple responsibilities and seniors can live in the commu-

nity for as long as possible. Without creating new programs, this initiative provides new resources to support the network of agencies in local communities across the country that already provide critical help to seniors and caregivers.

Provides Energy Assistance to Low-Income Families. The Budget includes \$3.3 billion for the Low Income Home Energy Assistance Program to help low-income families with their home heating and cooling expenses. In addition, the Administration proposes a new trigger mechanism to provide automatic increases in energy assistance whenever there is a spike in energy costs or large numbers of families in poverty. The trigger allows the program to be more responsive to volatile energy markets and to increased demand for energy assistance during times of economic hardship. Using probabilistic scoring, we expect the trigger to provide roughly \$2 billion in additional assistance in 2011 and \$6.5 billion over 10 years.

Help States Provide Health Care Coverage to Low-Income Individuals. The Budget includes \$25.5 billion to support State Medicaid programs by temporarily increasing Federal Medicaid funding for six months through June 2011. The Federal Medical Assistance Percentage (FMAP) increase has been an effective way to help States maintain their Medicaid programs during a period of high enrollment growth and reduced State revenue, and provide immediate and ongoing State fiscal relief.

Department of Health and Human Services
(In millions of dollars)

| | Actual 2009 | Estimate | |
|--|----------------|----------|-------|
| | | 2010 | 2011 |
| Spending | | | |
| Discretionary Budget Authority: | | | |
| Food and Drug Administration ¹ | 2,061 | 2,362 | 2,508 |
| <i>Program Level (non-add)</i> | 2,691 | 3,284 | 4,031 |
| Health Resources and Services Administration | 7,243 | 7,484 | 7,512 |
| Indian Health Service | 3,581 | 4,053 | 4,406 |

Department of Health and Human Services—Continued

(In millions of dollars)

| | Actual 2009 | Estimate | |
|---|----------------|--------------|---------------|
| | | 2010 | 2011 |
| Centers for Disease Control and Prevention | 6,357 | 6,467 | 6,342 |
| National Institutes of Health | 30,096 | 31,089 | 32,089 |
| Substance Abuse and Mental Health Services Administration | 3,335 | 3,432 | 3,541 |
| Agency for Healthcare Research and Quality | — | — | — |
| <i>Program Level (non-add)</i> | 372 | 397 | 611 |
| Centers for Medicare & Medicaid Services (CMS) ² | 3,522 | 3,415 | 3,601 |
| Discretionary Health Care Fraud and Abuse Control | 198 | 311 | 561 |
| Administration for Children and Families | 17,225 | 17,336 | 17,480 |
| Administration on Aging | 1,488 | 1,513 | 1,625 |
| General Departmental Management | 395 | 500 | 544 |
| Office of Civil Rights | 40 | 41 | 44 |
| Office of the National Coordinator for Health Information Technology | 44 | 42 | 78 |
| <i>Program Level (non-add)</i> | 61 | 61 | 78 |
| Office of Medicare Hearings and Appeals | 65 | 71 | 78 |
| Public Health and Social Services Emergency Fund | 1,399 | 1,347 | 735 |
| Office of Inspector General | 45 | 50 | 52 |
| All other | 58 | 61 | 61 |
| Subtotal, Discretionary budget authority | 77,152 | 79,574 | 81,257 |
| Unallocated Bioshield Balances Transferred from Department of Homeland Security ³ | — | 2,424 | — |
| Total, Discretionary budget authority | 77,152 | 81,998 | 81,257 |
| <i>Memorandum:</i> | | | |
| Budget authority from American Recovery and Reinvestment Act | 22,397 | — | — |
| Budget authority from supplementals | 9,119 | — | — |
| Total, Discretionary outlays ² | 74,921 | 82,266 | 82,803 |
| <i>Memorandum: Outlays from American Recovery and Reinvestment Act</i> | <i>682</i> | <i>8,437</i> | <i>10,100</i> |
| Mandatory Outlays: | | | |
| Medicare | | | |
| Existing law ⁴ | 424,828 | 450,664 | 489,305 |
| Legislative proposal | — | — | -722 |
| Medicaid ⁵ | | | |
| Existing law | 226,885 | 245,118 | 264,498 |
| Legislative proposal | — | 15 | 25,280 |
| All other | | | |
| Existing law | 34,503 | 34,872 | 35,915 |
| Legislative proposal | — | — | 3,774 |
| Total, Mandatory outlays | 686,216 | 730,669 | 818,050 |

Department of Health and Human Services—Continued
(In millions of dollars)

| | Actual 2009 | Estimate | |
|--|----------------|----------------|----------------|
| | | 2010 | 2011 |
| <i>Memorandum: Outlays from American Recovery and Reinvestment Act</i> | 32,673 | 45,674 | 21,520 |
| Total, Outlays | 761,137 | 812,935 | 900,853 |

¹ FDA 2009 budget authority increased by \$6 million due to timing and availability of user fees.

² Amounts appropriated to the Social Security Administration (SSA) from the Hospital Insurance and Supplementary Medical Insurance accounts are included in the corresponding table in the SSA chapter.

³ In 2010, \$3,033 million from the Bioshield Special Reserve Fund (SRF) was transferred from the Department of Homeland Security to the Department of Health and Human Services. Of this amount, \$609 million was redirected to support Advanced Development and NIH, and \$2,424 million remains as balances in the SRF. In 2011, \$476 million from the SRF will be used to support the Biomedical Advanced Research and Development Authority.

⁴ Includes \$44 million in 2009, \$36 million in 2010, and \$3 million in 2011 of CMS Program Management mandatory funding. Social Security Medicare Improvements for Patients and Providers Act (MIPPA) funding is included in the corresponding table of the SSA chapter.

⁵ Totals include Medicaid, CHIP, and CHIP Child Enrollment Contingency Fund outlays.

