

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

HHS faces a major management challenge in creating “One HHS” from a highly decentralized structure. Progress on government-wide initiatives has been uneven, but HHS has established internal accountability standards that strengthen reform efforts.

### President’s Management Agenda

	<i>Status</i>	<i>Progress</i>
<i>Human Capital</i>	(R)	(G)
Ambitious programs to address recruitment and succession challenges are in place, and HHS is expanding its use of performance-based employment contracts. HHS has completed difficult personnel office consolidations at NIH and FDA, and is de-layering from as many as seven management levels in some agencies to no more than four Department-wide.		
<i>Competitive Sourcing</i>	(R)	(G)
HHS has competitively sourced more than 700 commercial positions in areas such as cleaning services, IT development and support, building maintenance, and clerical support.		
<i>Financial Performance</i>	(R)	(Y)
HHS has implemented a corrective action plan to resolve internal control weaknesses and identified common accounting functions for the Unified Financial Management System. HHS is also implementing Medicaid error rate pilots in 12 states.		
<i>Expanding E-Government</i>	(R)	(Y)
HHS has developed a standard federal electronic grant application to be linked to a single identifying grant number.		
<i>Budget and Performance Integration</i>	(R)	(G)
Budget and performance staff has been integrated within the Office of the Secretary, and HHS has developed for the first time a draft “One-HHS” action plan that identifies key performance goals for 2004 program activities. This plan has been streamlined from reporting 800 performance measures in 15 volumes to about 40 performance measures in one report.		
<i>Broadening Health Insurance Coverage Through State Initiatives</i>	(Y)	(G)
Since the beginning of the initiative, HHS has approved seven HIFA demonstrations and five Pharmacy Plus demonstrations. Of the approved HIFA demonstrations, four support enrollment in employer-sponsored health insurance. HHS is working with an independent evaluator to determine whether or not implemented demonstrations are decreasing the number of uninsured.		

*Faith-based and Community Initiative*



HHS progress is strong in encouraging the full participation of faith-based and community organizations (FBCBOs) in service delivery. Efforts are focused on providing FBCBOs with the tools to compete for federal grants. Additional work is needed to ensure that FBCBOs can compete for federal programs administered by States.

**Program Assessments**

HHS undertook an ambitious agenda to evaluate, with OMB, 31 programs, one of the highest numbers of programs evaluated for any department government-wide. In general, HHS programs rated slightly above the overall government-wide average. Twenty-two of the 31 programs evaluated developed new performance measures, including 14 new long-term performance measures. The PART highlighted general weaknesses across HHS programs in the financial management area and in budget and performance integration. HHS's development of a Unified Financial Management System should help address these deficiencies. The PART summaries follow.