

Secretary Leavitt established a 500-Day Plan to achieve the Department's strategic goals and to provide a management tool for guiding its energies toward fulfilling the President's vision to improve the health and quality of life for our fellow Americans. The plan offers a core set of public policy principles that form the philosophical standard to uphold fiscal responsibility and good stewardship. It provides the Department a prism through which those who work with the Secretary look to: determine how best to approach goals associated with transforming the U.S. healthcare system; modernize Medicare and Medicaid; advance medical research; help to secure the Homeland; protect life, family and human dignity; as well as improve the human condition around the world.

The strategies in the plan focus on actions during a rolling 500-day period that will achieve significant progress for the American people over a 5,000-day horizon. A 250-day update has been prepared to reflect the values in the original 500-day plan. The Program Performance Overview and the Strategic Goal Highlights in this section, and the Performance Report in Section II, provide examples of accomplishments and other information related to the individual strategic goals.

HHS' FY 2004 - FY 2009 Strategic Plan can be viewed at <http://aspe.hhs.gov/hhsplan/>. For more information on the 500-Day Plan: 250-Day Update, visit <http://www.hhs.gov/500DayPlan/250Update.html>.

Strategic Goal Highlights

The Department accomplishes its eight strategic goals and implements the Secretary's 500-Day Plan by managing and delivering hundreds of programs across several disciplines. The Department's ability to meet the health and human service needs of Americans is tied directly to the commitment, cooperation, and success generated by its employees and partners that include other Federal agencies, state and local governments, tribal organizations, community-based organizations, faith-based organizations, and the business community. Highlights on various activities carried out by the Department as they relate to the strategic goals are as follows:

Strategic Goal 1. Reduce the major threats to the health and well-being of Americans

The Center for Disease Control and Prevention (CDC) has begun a crosscutting approach to improving adolescent health through the development and implementation of adolescent health protection goals. More than 20 divisions within six National Centers are involved in better integration of adolescent health activities across the agency. Existing activities related to adolescents include school health programs, motor vehicle safety, and immunizations. For example, the Advisory Committee on Immunization Practices recently recommended the first vaccine developed to prevent cervical cancer and other diseases in females caused by certain types of genital human papillomavirus. Additionally, CDC promoted the uptake of a newly improved vaccine to prevent acellular pertussis among adolescents.

The Agency for Toxic Substances and Disease Registry (ATSDR) measures the effectiveness of its interventions by documenting the reduced occurrence or risk of health effects at sites with documented exposures. ATSDR tracks the sites where human health risks or disease have been mitigated. Since FY 2004, ATSDR determined that its efforts had mitigated health risks or disease at 54 percent of its urgent and public health hazard sites. ATSDR selects the most appropriate measure(s) for each site that poses an urgent or public health hazard. These measures include comparative morbidity/mortality rates, biomarker tests, levels of environmental exposures, and/or behavior change of community members and/or health professionals.

ATSDR also responds to toxic substance releases when they occur or as they are discovered and provides recommendations for protecting public health to the U.S. Environmental Protection Agency, state regulatory agencies, or private agencies. As a non-regulatory agency, ATSDR is able to prevent or mitigate exposures most effectively when these other agencies adopt and implement its recommendations. ATSDR has reported 4 consecutive years of performance data showing an increase in the percentage of adopted recommendations.

The Department is coordinating and mobilizing resources at the local, state, and national levels to prepare and protect the American public from an influenza pandemic. The President signed legislation that provides \$3.3 billion to HHS to expand

domestic capacity for, and stockpiles of, vaccines; to fund cell-based approach to producing influenza vaccines; to procure and stockpile antiviral drugs; to enhance local and state preparedness; and to improve domestic and international surveillance efforts. For the first time, a vaccine was developed that produced an immune response against an avian flu virus.

Strategic Goal 2. Enhance the ability of the Nation's healthcare system to effectively respond to bioterrorism and other public health challenges

HHS established a Health Information Technology Federal Advisory (FACA) Committee to develop critical breakthroughs that will help lead to fewer medical errors, improved deficiencies and better health outcomes. HHS will help develop the infrastructure, including prototypes for a nationwide health information network that will allow secure and seamless exchange of information while protecting confidentiality. This work is complemented by proposed rules permitting healthcare organizations to furnish hardware, software, and related training services to physicians for e-prescriptions and for electronic health records. HHS is coordinating related efforts with the Department of Veterans Affairs, Department of Defense, and the Office of Personnel Management.

In response to the emerging threat of pandemic influenza, the Food and Drug Administration (FDA) announced the formation of a Rapid Response Team to ensure that antiviral drugs are available to the American people, in the event they are needed. By using the Rapid Response Team approach, FDA estimates it could review a complete drug application in 6 to 8 weeks. In partnership with the Centers for Disease Control and Prevention, the National Institutes of Health, and industry, the Rapid Response Team will work to ensure every necessary measure is taken to provide an adequate and timely supply of antiviral drugs to treat avian flu, if it should emerge in the United States.

Strategic Goal 3. Increase the percentage of the Nation's children and adults who have access to healthcare services, and expand consumer choices

On January 1, 2006, the Centers for Medicare & Medicaid Services (CMS) implemented the Medicare prescription drug benefit as directed by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The CMS undertook an unprecedented outreach and education campaign to maximize enrollment. Through a multi-pronged strategy for educating and enrolling people in the new drug benefit, which included a massive grassroots education effort, more than 38 million beneficiaries had drug coverage as of June 2006. In addition, the broad participation of beneficiaries with relatively low drug cost, coupled with the overwhelming popularity of plans with low premiums and generally slower growth in drug costs, has lowered projected costs for Medicare.

The Administration on Aging (AoA) collaborated with the CMS to help the elderly learn about and enroll in the prescription drug coverage program. AoA utilized the infrastructure of the National Aging Services Network to provide specialized information, technical assistance, outreach, and education to beneficiaries, with a particular emphasis on reaching out to limited-English speaking and hard-to-reach populations.

The Indian Health Service (IHS) healthcare delivery sites successfully facilitated the enrollment of 18,100 Medicare-eligible patients in the prescription drug coverage program. IHS collaborated with the Centers for Medicare & Medicaid Services to provide outreach and education in tribal communities with special emphasis on the new drug benefits. Expanded enrollment of American Indians and Alaska Natives will help provide greater prescription drug coverage to all people with Medicare.

The CMS is implementing the provisions of the Deficit Reduction Act of 2005, which gives states the tools to modernize their Medicaid programs. States now have new options to create programs that are more aligned with today's Medicaid populations and the healthcare environment. CMS is planning to implement the Medicaid Integrity Program to contract with eligible entities to conduct reviews, audits, and identification and recovery of overpayments, as well as provide education. This effort includes national expansion of the Medicare-Medicaid Data Matching program to better coordinate Medicare and Medicaid program integrity. The Medicare-Medicaid Data Matching program has led to cost avoidances, savings, recoveries, investigations, and law enforcement referrals.

Through the Health Resources and Services Administration's (HRSA's) Ryan White CARE Act's State AIDS Drug Assistance program, more than 131,800 individuals received essential Human Immunodeficiency Virus (HIV)/(AIDS) medications during at least one quarter of the year in FY 2005.

The Indian Health Service's (IHS) Telehealth program exemplifies IHS' commitment to enhanced access to care, healthcare quality, and novel training in a cost-efficient and sustainable model. The program offers opportunities for improving access to care because many Indian health facilities have limited access to specialist care. The term "telemedicine" refers to the remote delivery of direct clinical care via advanced information technologies; "telehealth" includes telemedicine as well as the use of advanced technologies for distance learning, program planning, and public health. Telehealth offers tools to support a culture of clinical quality in healthcare service delivery. Indian health telehealth partnerships include Federal agency collaborations, state and university programs, and other special projects. One example is the IHS Joslin Vision Network (tele-ophthalmology), which enhances annual retinal surveillance opportunities for patients with diabetes via a standardized image acquisition and interpretation methodology developed by the Harvard-affiliated Joslin Diabetes Center. Timely diagnostic interpretation of retinal images and management recommendations are provided to Indian health facilities by the IHS Joslin Vision Network National Reading Center in Phoenix, Arizona. To date, more than 13,807 examinations have been performed.

In August 2004, the Substance Abuse and Mental Health Services Administration (SAMHSA) began its Access to Recovery Initiative, which centers on a voucher-based payment system for a variety of clinical and recovery services. The use of vouchers strongly supports client choice. The program also seeks to expand the network of providers to include faith-based and community organizations. Fifteen grants were awarded to 14 states and one tribal organization with the goal of expanding client choice, improving access to clinical treatment and recovery support services, and increasing substance abuse treatment capacity. By the end of the 3-year grant program, SAMHSA expects that at least 125,000 clients will have received clinical treatment and/or recovery support services funded with Access to Recovery vouchers.

Strategic Goal 4. Enhance the capacity and productivity of the Nation's health science research enterprise

The Food and Drug Administration's Critical Path Initiative identifies and prioritizes the most pressing medical product development problems and the greatest opportunities for rapid improvement in public health benefits. Its primary purpose is to ensure that basic scientific discoveries translate more rapidly into new and better medical treatments by creating new tools to find answers about how the safety and effectiveness of new medical products can be demonstrated in faster timeframes with more certainty, at lower costs, and with better information.

The National Institutes of Health (NIH) are supporting the creation of an Alaskan Native Stroke Registry to address the lack of information on the causes of stroke in Alaska Natives. This registry will provide critical information on the disparity in stroke mortality.

Investigators at the Washington Hospital Center, where NIH has established an acute stroke research and care center, found that cerebral micro-hemorrhages (visualized by magnetic resonance imaging or MRI) may be predictive of strokes in African-Americans. The NIH-funded Northern Manhattan Study of Stroke recently demonstrated that Hispanic populations with increased left ventricular mass in the heart have a greater risk of vascular problems, including stroke, than the general population. Researchers have recruited approximately 22,000 out of a projected 30,000 individuals for the NIH-funded Reasons for Geographic and Racial Differences in Stroke (REGARDS) study, an observational study that is exploring the relationships between race and stroke prevalence, incidence, and mortality in a region of the country with particularly high stroke mortality rates. This rapid progress represents a major achievement in clinical study recruitment of both minorities and non-minorities.

Three NIH-supported drug treatment interventions are being tested in community-based settings and have enrolled a total of 1,187 patients (187 more than targeted). The patients enrolled in the drug treatment interventions include a high percentage of women (48 percent), African Americans (33 percent), Hispanics (21 percent), and multi-racial persons (8 percent), who are frequently under-represented in drug and alcohol abuse research and are often underserved in drug and alcohol abuse treatment centers.

Strategic Goal 5. Improve the quality of healthcare services

The Agency for Healthcare Research and Quality (AHRQ) Data Development Portfolio has successfully implemented a Healthcare Cost and Utilization Project and quality indicators to improve the quality of care delivered in a hospital setting. Covenant Healthcare, a system in Milwaukee, Wisconsin, used quality indicators to measure the effectiveness of its Rapid Response Teams, which are trained to intervene early and aggressively when a patient begins showing signs of decline. Use of these teams resulted in a drop in the failure to rescue rate (an AHRQ patient safety indicator) where teams and measures have been in place for more than 12 months. Mortality rates dropped as well.

AHRQ Patient Safety Improvement Corps, a partnership with the Department of Veterans Affairs, trained a team in every state (except Louisiana, which could not participate due to Hurricane Katrina) to improve patient safety by: (1) providing the knowledge and skills to conduct effective investigations of reports of medical errors; (2) preparing meaningful reports on findings; (3) developing and implementing sustainable system interventions; (4) measuring and evaluating the impact of the safety intervention; and, (5) transforming effective safety interventions into standard clinical practice. To continue the Corps' outstanding success, AHRQ is working to extend the program to a fourth year.

Data quality improvement is one of the areas that the Indian healthcare system continues to focus on for increasing efficiency, effectiveness, and the quality of healthcare delivery. In FY 2006, IHS received the Nicholas E. Davies Award of Excellence from the Healthcare Information and Management Systems Society for its role as a national leader in information technology and management systems such as the IHS Clinical Reporting System. This system is designed for national reporting and local and regional tracking of clinical performance indicators, such as assessment, care, and control of diabetes; immunization; and treatment of cardiovascular disease. The system intends to eliminate manual chart audits for evaluating and reporting clinical indicators for local performance improvement initiatives and for national agency reporting to Congress. The Clinical Reporting System produces reports on demand from local databases for one or more of 50 clinical topics, comprised of 349 individual indicators. Reports also compare the site's performance in the current report year to the previous year and to a user-defined baseline year. Users also can request patient lists for each of the measures, displaying patients who do and do not meet the indicator criteria. Local health facilities can run reports for individual or all indicators as often as needed and can use the system to transmit national-level data to their regional offices for quarterly reporting. The IHS regional offices can use Clinical Reporting System to produce an aggregated area report for national-level data.

SAMHSA initiated expansion of its National Registry of Evidence-Based Programs and Practices to include interventions to prevent and/or treat mental and substance use disorders. The registry's precursor identified interventions with demonstrated success in preventing or reducing substance use and other related high-risk behaviors that had been tested in communities, schools, social service organizations, and workplaces across America. SAMHSA developed the current expansion with input from public comments solicited through a Federal Register notice in August 2005. The resulting system, described in a March 2006 Federal Register notice, will be available to the public through a new website in early 2007.

Strategic Goal 6. Improve the economic and social well-being of individuals, families, and communities, especially those most in need

AoA helped seniors remain in their homes and communities by providing a variety of supportive, nutrition, and caregiver services in FY 2004, including approximately 36 million rides to doctors offices, grocery stores, and other critical daily activities; 249 million congregate and home-delivered meals; 13.5 million information contacts on caregiver program and service; and 21 million hours of in-home services such as personal care, homemaker, and chore services.

AoA continued to implement initiatives to create greater balance in long-term care, to improve access, and to emphasize prevention. Aging and Disability Resource Centers, funded in partnership with the CMS, provide consumers in 43 states with objective information about their care options and help states to streamline access and control costs. Evidence-based Disease Prevention projects assist aging service provider organizations in 12 communities to translate research findings into high-quality preventive interventions targeted to seniors.

The number of recipients for the Administration for Children and Families' (ACF's) Temporary Assistance to Needy Families' continued to decline through December 2005 as large numbers of people continue to move from welfare to work. In FY 2004, 30 percent of adult recipients were working (including employment, work experience, and community service), compared with less than 7 percent in 1992 and 11 percent in 1996. The recent welfare reform reauthorization and the interim final regulations published in June 2006 reinstate a more meaningful work participation rate so that even more families will achieve self-sufficiency. The new regulations further strengthen work participation requirements.

Strategic Goal 7. Improve the stability and healthy development of our Nation's children and youth

The ACF's Child Support Enforcement program established approximately 11.8 million child support orders from 15.9 million cases in FY 2004. This program collected \$21.9 billion for child support in FY 2004, representing a 22 percent increase since FY 2000. More than 52,000 children were adopted from the child welfare system in FY 2004, according to preliminary data. This number may increase as additional adoptions for that year are reported. This represents a significant growth in the number of adoptions over the years, up from approximately 47,000 adoptions in FY 1999 and 31,000 adoptions in FY 1997. While the number of adoptions has held fairly constant in the most recent years, adoptions as a percentage of children in foster care increased from 8.4 percent in FY 1999 to 9.8 percent in FY 2004.

Overall, children in Head Start programs are gaining in word knowledge, emergent literacy, language skills, mathematics, and social skills. In addition, their parents are showing increased involvement in the children's education. One measure tracks improvements in learning readiness of infants, toddlers, and preschoolers during the 9-month school year. In FY 2004, Head Start increased the percentage of programs that achieved gains in word knowledge, letter identification of at least six letters, and at least four counting items. In FY 2005, 69 percent of Head Start teachers held an associate, bachelor, or advanced degree, or a degree in a field related to early childhood education, exceeding the Department's target of 65 percent. Finally, Head Start completed a third year of implementing a national child outcomes and assessment reporting system (National Reporting System) to strengthen program effectiveness; more than 400,000 4-year olds were assessed both in fall 2005 and spring 2006. Information on children's growth from this system will be used to assess technical assistance efforts with Head Start programs.

Strategic Goal 8. Achieve excellence in management practices

Unified Financial Management System—FY 2006 was an eventful year in the implementation of what will eventually be the world's largest financial management system—the HHS Unified Financial Management System (UFMS). The UFMS will eventually replace the Department's legacy systems with one modern accounting system having two components: 1) The Healthcare Integrated General Ledger Accounting System (HIGLAS) will support CMS and the Medicare contractors; and 2) UFMS Global will serve the rest of the Department. During FY 2006, the UFMS program met or exceeded its targets by remaining on schedule and on budget, an extraordinary accomplishment given its size and complexity.

By the end of FY 2006, CMS had successfully implemented HIGLAS at several Medicare contractor sites. Additionally, CDC and FDA migrated to UFMS. In October 2006, PSC will also be on-line adding numerous Departmental components to the system, including ACF, AoA, AHRQ, HRSA, and SAMHSA. NIH and IHS will be going online during FY 2007.

Property Management Information System—The PSC is successfully leading the Department-wide initiative to consolidate data from multiple legacy property systems into the Department's Property Management Information System. Asset records are in the new system for HRSA and CMS. Indian Health Service records are scheduled to be completed by the end of the fiscal year. The migration process with CDC is starting and FDA records are being analyzed for future migration. Also, the PSC is leading the implementation of the Enterprise Workflow Information Tracking System, a workflow application designed to track and monitor human resources performance and metrics. PSC led the successful implementation of an enterprise-wide pilot release of the system, and began the full implementation during the fourth quarter of FY 2006.

Implementation of Office of Management and Budget (OMB) Circular A-123, Appendix A—Revisions to OMB Circular A-123, "Management's Responsibility for Internal Control," require that Agencies conduct rigorous assessments of internal controls over

financial reporting beginning in FY 2006. During FY 2006, the Department developed and implemented a plan for conducting assessments of internal controls across the Department and completed the assessments according to plan. The Department is working to correct any internal control deficiencies identified in the assessments.

Program Performance Overview

HHS manages hundreds of programs that improve the health and well-being of the American public. The Office of the Secretary is responsible for providing overall policy guidance and direction to the components to help achieve the Department’s strategic goals. The HHS Strategic Plan encompasses eight strategic goals which cover all HHS activities. The strategic goals, performance goals, and program results reflect the combined commitment and effort of HHS programs, and their state, local, Federal, Tribal and non-government partners. To gauge program effectiveness, HHS uses performance measures as a basis for comparing actual program results with established program performance goals, as required by the Government Performance and Results Act (GPRA). Given the complexity and vast number of programs and measures, HHS, along with OMB’s concurrence, focuses on selected programs in this report to illustrate HHS’ significant efforts and achievements during FY 2006.

The programs and corresponding measures in this report are presented according to the strategic goal each supports. The Department’s FY 2006 Performance Scorecard, presented below, provides a summary of the Department’s recent performance results. For FY 2006, the scorecard presents the performance targets, available results, and whether the measure was met, unmet or deferred. For the 35 performance measures highlighted in this report, HHS met 16 targets and deferred 18 targets [unable to report the necessary data until a specified date]. The remaining measure has two targets - one met and one deferred. The scorecard also presents available results for FY 2004 and FY 2005 to show the trend in how the programs have been performing. Analyses of these results and information on data quality can be found in Section II of this report.

FY 2006 Performance Scorecard					
Programs	Measures	2004	2005	2006	
		Result	Result	Target	Result
Strategic Goal 1- Reduce the major threats to the health and well-being of Americans.					
1a - National Immunization Program (CDC)	Achieve or sustain immunization coverage of at least 90% in children 19- to 35-months of age for: 4 doses DTaP vaccine, 3 doses Hib vaccine, 1 dose MMR vaccine, 3 doses hepatitis B vaccine, 3 doses polio vaccine, 1 dose varicella vaccine, 4 doses PCV	DTaP 86%; Hib 94%; MMR 93%; Hepatitis B 92%; Polio 92%; Varicella 88% PCV: N/A	DTaP 86%; Hib 94%; MMR 92%; Hepatitis B 93%; Polio 92%; Varicella 88% PCV: N/A	90% coverage	Deferred 8/2007
1b -HIV/AIDS Prevention (CDC)	Reduce the number of HIV infection cases diagnosed each year among people under 25 years of age.	2,606 in 25 states; 3,465 in 30 areas	11/2006	Overall: 2,420 reported cases in 30 areas	Deferred 11/2007
1b -HIV/AIDS Prevention (CDC)	Decrease the number of perinatally acquired AIDS cases from the 1998 base of 235 cases.	48	11/2006	<100 cases	Deferred 11/2007