



DEPARTMENT of HEALTH and HUMAN SERVICES

**Fiscal Year
2017**

General Departmental Management
Office of Medicare Hearings and Appeals
Office for Civil Rights
National Coordinator for Health Information Technology
Health Insurance Reform Implementation Fund
Nonrecurring Expenses Fund
Service and Supply Fund
Retirement Pay & Medical Benefits for Commissioned Officers
HHS General Provisions

**Justification of Estimates for
Appropriations Committees**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTAL MANAGEMENT

	FY 2017	
	FTE	Budget Authority
General Departmental Management	1,042	478,812,000
<i>Proposed Law (Pending A-19 Approval)¹ (non-add)</i>	16	2,000,000
Pregnancy Assistance Fund	2	25,000,000
PHS Evaluation Set-Aside – Public Health Service Act	141	66,078,000
HCFAC ²	46	10,000,000
GDM Program Level	1,247	579,890,000
Office of Medicare Hearings and Appeals	749	120,000,000
<i>Proposed Law (Pending A-19 Approval)¹</i>	559	130,000,000
Office of Civil Rights	195	42,705,000
Office of the National Coordinator for Health IT	200	82,000,000
Service and Supply Fund	1,325	0
TOTAL, Departmental Management	4,275	954,595,000

¹ The Recovery Audit Contractor (RAC) Collections for Department Appeals Board reflects \$2,000,000 and 16 FTEs, pending approval of A-19 Legislative Proposal.

² The reimbursable program (HCFAC) in the General Department Management (GDM) account reflects estimates of the allocation account for 2017. Actual allocation will be determined annually.

INTRODUCTION

The FY 2017 Congressional Justification is one of several documents that fulfill the Department of Health and Human Services' (HHS) performance planning and reporting requirements. HHS achieves full compliance with the Government Performance and Results Act of 1993 (GPRA) and Office of Management and Budget Circulars A-11 and A-136 through the HHS agencies' FY 2017 Congressional Justifications and Online Performance Appendices, the Agency Financial Report, and the HHS Citizens' Report. These documents are available at <http://www.hhs.gov/budget>.

The FY 2017 Congressional Justifications and accompanying Online Performance Appendices contain the updated FY 2017 Annual Performance Report and FY 2017 Annual Performance Plan. The Agency Financial Report provides fiscal and high-level performance results. The Summary of Performance and Financial Information summarizes key past and planned performance and financial information.



*Message from the Assistant Secretary
for Financial Resources*

I am pleased to present the Congressional Justification for Departmental Management activities within the Office of the Secretary. This Budget request represents the Administration's priorities for guiding the Department of Health and Human Services (HHS) to enhance the health and well-being of all Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services.

The Budget request supports the Secretary in her role as chief policy officer and general manager of HHS. The request totals \$955 million and will ensure the Secretary's ability to successfully manage the Department while increasing accountability in oversight functions and improving the transparency of information and decision-making. The request increases funding for the Office of Medicare Hearings and Appeals to ensure its continued ability to process cases within legally mandated timeframes while providing Medicare beneficiaries with unfettered access to coverage. The Office of the National Coordinator for Health IT budget request will allow ONC to continue responding to the evolving health IT landscape and ensure that health IT continues to meet the needs of a diverse set of users. The request also increases funding for the Office of Civil Rights to support OCR's centralized case management operations.

The Secretary looks forward to working with the Congress toward the enactment of an FY 2017 Budget that advances the Nation's health and supports families.

Ellen G. Murray
Assistant Secretary for Financial Resources

DEPARTMENTAL MANAGEMENT OVERVIEW

Departmental Management (DM) is a consolidated display that includes the Office of the Secretary (OS) activities funded under the following accounts:

- General Departmental Management (appropriation);
- Office of Medicare Hearings and Appeals (appropriation);
- Office of Civil Rights (appropriation);
- Office of the National Coordinator for Health Information Technology (appropriation); and
- Service and Supply Fund (revolving fund).

The mission of OS is to provide support and assistance to the Secretary in administering and overseeing the organization, programs, and activities of the Department of Health and Human Services.

The overall FY 2017 Budget request for DM totals \$954,595,000 in program level funding, including 4,275 full-time equivalent (FTE) positions, an increase of \$194,037,000 above the FY 2016 Enacted Level.

The **General Departmental Management (GDM)** appropriation supports those activities associated with the Secretary's roles as chief policy officer and general manager of the Department in administering and overseeing the organization, programs, and activities of HHS. These activities are carried out through eleven Staff Divisions (STAFFDIVs), including the Immediate Office of the Secretary, the Departmental Appeals Board, and the Offices of: public affairs; legislation; planning and evaluation; financial resources; administration; intergovernmental and external affairs; general counsel; global affairs; and assistant secretary for health. For FY 2017, the GDM Budget includes a total of \$478,812,000 in budget authority and 1,042 FTE.

The **Office of Medicare Hearings and Appeals (OMHA)** was created in response to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). As mandated by MMA, OMHA opened its doors on July 1, 2005, to hear Medicare appeals at the Administrative Law Judge level, for cases under titles XVIII and XI of the Social Security Act. OMHA is funded from the Medicare Hospital Insurance and Supplemental Medical Insurance Trust Funds. OMHA is requesting \$130,000,000 for a series of legislative proposals to permit HHS to make regulatory and policy changes and would authorize the Secretary to reimburse OMHA for administrative costs related to adjudicating Recovery Audit (RA) appeals. For FY 2017 OMHA is requesting a total of \$250,000,000 and 1308 FTE.

The **Office of Civil Rights (OCR)** is the primary defender of the public's right to privacy and security of protected health information and the public's right to non-discriminatory access to Federally-funded health and human services. For FY 2016 President's Budget, OCR is requesting a total of \$42,705,000 in budget authority and 195 FTE.

The **Office of the National Coordinator for Health Information Technology (ONC)** was authorized by the Health Information Technology for Economic and Clinical Health Act, signed by President Obama on February 17, 2009. ONC became codified on August 19, 2005, in response to Executive Order 13335, signed on April 27, 2004. For FY 2017 President's Budget, ONC requests \$82,000,000 and 200 FTE, to coordinate national efforts related to the implementation and use of electronic health information exchange.

Departmental Management

The **Service and Supply Fund** (SSF), the HHS revolving fund, is composed of two parts: the Program Support Center (PSC) and the Non-PSC activities. For FY 2016 Enacted Level, the SSF is projecting total revenue of \$1,275,352,000 and usage of 1,325 FTE.

DEPARTMENTAL MANAGEMENT BUDGET BY APPROPRIATION

(Dollars in thousands)

Details	FY 2015 Final	FY 2016 Enacted	FY 2017 President's Budget
General Departmental Management	\$448,034	\$456,009	\$478,812
<i>Proposed Law (non-add) (Pending A-19 Approval)¹</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,000</i>
Pregnancy Assistance Fund	\$23,175	\$23,175	\$25,000
PHS Evaluation Funds	\$64,828	\$64,828	\$66,078
HCFAC Funds ²	\$10,000	\$10,000	\$10,000
<i>Subtotal, GDM Program Level</i>	<i>\$546,037</i>	<i>\$554,012</i>	<i>\$579,890</i>
Office of Medicare Hearings and Appeals	\$87,381	\$107,381	\$120,000
<i>Proposed Law (Pending A-19 Approval)¹</i>	<i>\$0</i>	<i>\$0</i>	<i>\$130,000</i>
Office of Civil Rights	\$38,798	\$38,798	\$42,705
Office of the National Coordinator for Health Information Technology	\$60,367	\$60,367	\$82,000
Total, Departmental Management	\$732,583	\$760,558	\$954,595

¹The RAC Recoveries reflect \$2,000,000 in GDM and \$125,000,000 in OMHA and a \$5,000,000 Refundable Filing Fee in OMHA, pending approval of A-19 Legislative Proposal.

²The reimbursable program (HCFAC) in the General Department Management (GDM) account reflects estimates of the allocation account for 2016. Actual allocation will be determined annually.