

Chairman's Statement
Senator Tom Coburn, M.D. (R-OK)
Hearing: "Responsible Resource management at the Nation's Health Access Agency"
Subcommittee on Federal Financial Management, Government Information, and
International Security
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We're here to talk about responsible resource management at the Nation's Health Access Agency – otherwise known as the Health Resources and Services Administration (HRSA). In essence, we're here today for nothing more than a routine health checkup.

As a practicing physician, I have often learned that sometimes you treat symptoms in patients because they're a real problem. Other times, those symptoms are really alerting you to a much bigger problem in the patient. Today we're going to look closely at some programs that aren't performing well. And while we expect these programs to make improvements, they are only symptoms of a bigger problem at HRSA – a universal lack of performance measures and therefore, a lack of accountability to the taxpayers for how public funds are being used.

I recently held a hearing on President Bush's efforts to take a multi-trillion dollar government and apply some sort of standardized outcome evaluation on it – even if it's a crude instrument – known as the Performance Assessment Rating Tool (or PART). The PART is a tool to review the strengths and weaknesses of government programs as agencies go through the annual budget process. PART findings, as the agency before us today knows, *do* influence funding and programmatic decisions. As we found at that hearing, the Office of Management and Budget has reviewed 793 programs, accounting for \$1.47 trillion in taxpayer money. Almost a third of these programs came up either totally ineffective or are "not demonstrating results." One-third of \$1.5 trillion is *\$500 billion*.

So, how do you manage a multi-trillion dollar federal government with literally hundreds of agencies and departments? First, you ask each agency: "what are we trying to accomplish?" You set measurable goals that can be tied directly to the outcome you're trying to achieve. And then you work diligently to achieve those benchmarks, keeping good track of your money and your data along the way.

An agency's success will in large part depend on its mission being realistic, measurable, and whether it has a role appropriate for the Federal government. HRSA is a \$6 billion-a-year agency with the stated goal to "provide national leadership, program resources and services needed to improve access to high quality, culturally competent health care." What do you get when you have an unrealistic and unmeasurable goal like this? You get seven out of twenty-one programs that have been measured so far failing when it comes to rating program performance – that's *a third* of the programs – and those are only the ones that have been measured so far.

When you're talking about healthcare, the results of inadequate performance can mean the difference between life and death. We had a hearing a few months ago on another HRSA program – the Ryan White CARE Act – the nation's safety net for people infected with HIV/AIDS. Due in part to HRSA decisions, some patients are stuck indefinitely on waitlists for drugs that could save their lives – some have even died on the waitlists. GAO reported that the government is being overcharged for those same life-saving drugs by unacceptable amounts. Backing up this finding, the HHS Office of the Inspector General released a report last week on HRSA's "340B" affordable drug pricing program. The report found that 14% of purchases were made at prices that were higher than they should have been - resulting in \$3.9 million in projected overpayments during just one month last year. HRSA has known about the weaknesses in the 340B program but has never corrected the problems. In this and other areas, HRSA has not been accountable.

Let's take another example. HRSA spends \$6.2 million on its "Stop Bullying Now" campaign, an initiative launched in early 2005 that occupies quite a bit of "real estate" on HRSA's internet home page. The recently updated webpage includes a "stop bullying now" jingle, 12 games, 12 "webisodes" of short animated stories featuring characters that "just might remind you of people you know" (and a promise for new episodes every couple of weeks) as well as quirky cartoon "experts" that answer questions about bullying. I don't doubt that there are good intentions behind this program, that HRSA wants to deter violence and stress in schools. But how does this program fit into HRSA's goal of "ensuring access to culturally competent health care for all?" HRSA's own web site lists nearly 30 private groups addressing the problem, and a host of other programs at HHS, including violence prevention at the Centers for Disease Control and Prevention, and mental health programs at the Substance Abuse and Mental Health Administration, as well as the Departments of Justice and Education are working towards the same goal. I wonder why this campaign even belongs at HHS. Duplication and priorities that are out of whack are the natural results of poorly conceived mission statements and a lack of measurable objectives.

We could go on. But today we'll be examining two programs in particular. First, Healthy Start – a program originally conceived to reduce infant mortality. The program is currently going through the PART process. Healthy Start was first intended in 1991 as a five-year pilot funded at \$345.5 million, and today continues to receive large sums of money - about 90 - \$100 million a year since 2000. Healthy Start was designed to reduce infant mortality, but has floundered in achieving results. It is a great shame for our nation that the U.S. ranks second worst among developed nations in infant mortality rates.

The second program in the spotlight today is HRSA's National Bioterrorism Hospital Preparedness program. The program received low PART scores, and the federal government has poured over 2 billion dollars into this program since it was created in 2002 in the Public Health Security And Bioterrorism Preparedness And Response Act in answer to the anthrax attacks of the fall of 2001. It's also expected to receive another \$474 million in 2007. The primary purpose of the program is to assist communities to develop adequate surge capacity to handle a moderate bioterrorism or natural health disaster. Building surge capacity is hard, and expensive. In the case of a massive epidemic or a disaster with catastrophic casualties, it's likely that *no* community would

have “adequate” capacity, but there’s a lot that can be done today make us as prepared as possible. However, with poor oversight, the taxpayers have poured in billions of dollars to the program, but there remain well-documented wide-spread deficiencies in the capacity, communication, coordination and training elements required for preparedness and response in the efforts made so far. This is simply unacceptable.

In addition, the Emergency System for Advance Registration System of Volunteer Healthcare Personnel (ESAR-VHP), as authorized in law in 2002, is a critical portion of the Hospital Preparedness program. The law required the Secretary to *directly* develop and implement a coordinated national database for the advance registration of health professionals for federal use in case of a nationally declared emergency. Without this program, in a disaster situation, when volunteer doctors and nurses show up and want to volunteer their desperately needed services, they will not be able to do so. Despite clear need, with the program authorized after 9/11 and addressed by the 2002 law, the Department has done stunningly little. Finally, even as a program which does not match the requirements of the law, is still in the *design stage*. Officials are simply passively sending funds to states to develop their own systems – an approach rife with problems that we’ll address later today with our witnesses.

I want to thank our witnesses for being here today and for the time they spent preparing testimony. I’d like to quote a man whose work I admire – Mr. Hank McKinnell, Chairman and CEO of Pfizer Inc., who rightly points out in his new book that “the hopes and dreams of grandchildren everywhere depend on us today – since the future they will inherit is ours to create.”

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