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LRM ID: RJP15

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Thursday, February 4, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT: Robert J. Pellicci
PHONE: (202)395-4871 FAX: (202)395-6148
SUBJECT: **HHS Testimony on the Department's FY 2000 Budget**

DEADLINE: **10:00 a.m. Monday, February 8, 1999**

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: Hearing is before the House Committee on Appropriations on Wednesday, February 10th. HHS Secretary Shalala is the witness.

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LRM ID: RJP15 **SUBJECT:** HHS Testimony on the Department's FY 2000 Budget

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RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:
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(2) sending us a memo or letter
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Testimony of

The Honorable Donna Shalala

U.S. Secretary of Health and Human Services

before the

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

Committee on Appropriations

United States House of Representatives

February 10, 1999

Good morning, Chairman Porter, Congressmen Obey, and members of the Subcommittee. I am pleased to appear before you today to discuss the President's FY 2000 budget for the Department of Health and Human Services.

STANDING AT THE CROSSROADS OF THE NEW MILLENNIUM

This is the seventh time I have come before you to present the President's annual budget. What makes this appearance distinct from all the others is that, as I come here today, we are not only submitting a balanced budget for the second straight year, but we are also celebrating a landmark bipartisan achievement -- last year's budget surplus, the first on the books in three decades. In the past, we have spoken at great length about the need to balance the budget, and thanks to the hard work and cooperation of the Congress and the Administration, we have been able to achieve that goal.

Mr. Chairman, while we can all take pride in helping to achieve this success, we must now look ahead together to the challenges that still confront us. These challenges are many: helping Americans live not only longer but also healthier lives, extending protections to those without health insurance or who are at-risk, safeguarding our public health, and working to better the lives of our nation's children. As we stand at the crossroads of the new millennium, the combination of our fiscal discipline, the expanding economy, and a new age of scientific breakthroughs provide us with a unique opportunity to meet these challenges.

The budget I present to you today begins to meet these challenges through critical

investments in the health and well being of our citizens. It is a budget that keeps faith with the President's vision of a 21st Century America where every family can get ahead and no one is left behind.

Mr. Chairman, the total HHS budget request for FY 2000 is $400.3 billion (Outlays). The amount before this committee totals $230.7 billion (BA), of which $38.527 billion is discretionary. This discretionary component represents an increase of $1.352 billion over last year. Let me now highlight the main components of our FY 2000 budget request.

THE PROMISE OF A RETIREMENT WITH DIGNITY FOR ALL AMERICANS

Thanks to advances in medical science and health care, Americans are now living longer than ever before. By 2030, the number of Americans over 65 will double, from 34 million to 69 million. This change creates a new set of demands on our health care system, from an increasing need for long-term care services to preparing Medicare to meet the needs of an expanding pool of beneficiaries. Meeting these demands will help older Americans live not just longer lives, but healthier ones.

Long-Term Care

America's aging population, which continues to increase, needs better long-term care. Our budget includes this need with a multi-faceted initiative to provide support to the three to four million Americans who require long-term care and to those who care for them.

Studies show that those who need long-term care prefer to remain in their own homes

and communities rather than receive care in nursing homes or other institutional settings. The majority of caregivers are women, and one-third have full time jobs. Sadly, research shows that rates of depression among caregivers are significantly higher than those of non-caregivers of the same age. We must assist these caregivers in their difficult task.

Our budget invests $125 million in FY 2000 for a new National Family Caregiver Support program in the Administration on Aging to assist approximately 250,000 families nationwide who are caring for elderly relatives with chronic diseases and disabilities. This investment will enable states to create comprehensive support systems that provide a range of community-based services to caregivers, including quality respite care, information about local services, counseling, and training for complex care needs.

Our budget also provides seniors, as well as younger Medicare beneficiaries, with critical information to help them better understand their long-term care options. We have requested $10 million for a national Medicare information campaign to provide Medicare beneficiaries of all ages with information on the long-term care coverage available under Medicare and Medicaid, private insurance options, and community-care services. The budget also expands access to home and community-based care services to people of all ages with significant disabilities by allowing states to provide Medicaid coverage to people with incomes up to 300 percent of the federal SSI level who need nursing home care but choose to live in the community. This new Medicaid option will help make eligibility for nursing homes and

community based services more comparable and eliminate one of the sources of Medicaid's "institutional bias."

Nursing Home Quality Initiative

While we develop the means to support those who receive long term-care in home and community- based settings, we must also continue to ensure that those in nursing homes and institutional settings are getting the quality care they deserve. Last summer, the President announced an initiative to strengthen enforcement and oversight of nursing home quality and to crack down on those who repeatedly violate program standards. While key provisions of this initiative are already being implemented, this year's budget will provide the $60.1 million needed to complete implementation of these provisions. Funds will support increased state surveys of nursing homes, Federal oversight and development of a national criminal abuse registry to screen potential employees, as well as the costs of the additional litigation and appeals that result from stepped-up enforcement efforts.

Reforming HCFA Management and Combating Medicare Fraud, Waste, and Abuse

As steward for some of the most important programs for our elders, the Health Care Financing Administration faces the daunting challenge of reorganizing and modernizing while at the same time meeting pressing statutory deadlines for program changes mandated in the Balanced Budget Act (BBA) and the Health Insurance Portability and Accountability Act (HIPAA). HCFA must be highly sensitive to the needs of its customers as it undertakes these reforms. While HCFA's recent reorganization has made some progress in achieving the necessary changes, more needs to be done. The

President's budget outlines a five-part reform plan that will increase HCFA's administrative flexibility while also enhancing accountability, thereby enabling HCFA to be responsive to its customers and serve as a more prudent purchaser of health care. As HCFA begins to accomplish the basic objectives of these reforms, we will also be reviewing legislative proposals to increase the stability of HCFA's funding, bringing it in line with the agency's increasing programmatic responsibilities.

While we pursue our efforts to strengthen HCFA management, we also will continue our fight against fraud, waste, and abuse in the Medicare program. Since 1993, we have increased prosecutions for health care fraud by over 60 percent and increased convictions by 40 percent, and I would like to thank the Subcommittee for supporting these efforts so strongly. This budget continues the fight by providing $864 million for the Medicare Integrity Program and the Health Care Fraud and Abuse Control Account, which support the efforts of both HHS and the Department of Justice in fighting fraud and abuse. It also includes proposals to spend Medicare dollars more wisely by eliminating the overpayment for Epogen and excessive mark-ups for outpatient drugs, requiring private insurance companies to provide secondary payer information, reducing the misuse of partial hospitalization services, and making "Centers of Excellence" a permanent part of the Medicare program. In total, these programs will save an estimated $240 million in FY 2000 and $2.9 billion over the next five years.

QUALITY, AFFORDABLE HEALTH CARE FOR AMERICA'S WORKING FAMILIES

Today, too many people are denied the benefits of health breakthroughs because they

lack insurance or access to care. We must take steps to ensure that in the new millennium our health care delivery system keeps pace with advances in medical science and provides high quality and affordable health care to every American family. To do so, our budget expands access to health care and health insurance, particularly for our most vulnerable populations.

Increasing Access to Health Care for Uninsured Individuals

Nearly 43 million Americans lack health insurance. Many of these individuals receive care only sporadically in hospital emergency rooms. To help these people get the primary care and other services they need, the President is proposing a five year, $1 billion initiative to help communities and health care providers to develop integrated systems that can deliver a more coordinated array of health care services more efficiently to uninsured workers. This program would provide $25 million in grants this year, and $250 million a year from 2001 to 2004, to assist over 100 communities in establishing the infrastructure necessary to develop and participate in coordinated care arrangements and finance additional core health services for uninsured workers within integrated systems of care.

Improving Mental Health Services

Every year approximately 44 million American adults experience some form of mental disorder, including 10 million who suffer serious mental illness. In addition, up to 4 million children ages 9 to 17 experience a serious emotional disturbance. Yet estimates show that less than one quarter of these people are treated for their disorders. Our budget includes $359 million for the Mental Health Block Grant, an

increase of $70 million, to provide additional funds for states to create comprehensive, community based systems of care for both adults and children. It also provides $31 million for the Projects for Assistance in Transition from Homelessness (PATH) grant program, an increase of $5 million, which will increase by approximately 13,000 the number of individuals served and increase the number of services provided to those already enrolled.

Ensuring Access to AIDS Therapies (Ryan White)

We have made significant progress in the fight against HIV and AIDS. Due to the widespread use of combination anti-retro viral therapy, the AIDS death rate in 1997 was its lowest in nearly a decade. But the news is not all good. While the overall AIDS death rate is declining, the disease is exacting an excruciating toll in minority communities. In 1997, 47 percent of those newly diagnosed with HIV were African American and 20 percent were Hispanic. We must continue our efforts to expand access to drug therapies and improve the quality of care, particularly in minority communities. The President's budget continues the fight against HIV and AIDS by providing $1.5 billion for the Ryan White Program, an increase of $100 million. Included in this amount is an increase targeted to communities to provide state of the art clinical care to an additional 10,000 people living with AIDS. In addition, the AIDS Drug Assistance Program (ADAP) will receive a $35 million increase to help individuals gain access to combination drug therapy. The budget also continues to build on the effort by the by the Committee in the FY 1999 budget to address the AIDS crisis in minority communities. The budget for FY 2000 includes $171 million that will be specifically targeted to HIV/AIDS prevention, treatment, and capacity development needs within the African-American and other racial and ethnic minority communities.

Reducing Racial Health Disparities

Unfortunately, members of minority groups are often less healthy than Americans as a whole. Despite improvements in overall health outcomes, minorities continue to bear a disproportionate burden of the nation's disease and illness. For example, the infant mortality rate for African-Americans is more than twice that of Caucasians, and American Indian and Alaska Natives are about three times as likely to die from diabetes compared to other Americans. The President is committed to ending these racial disparities in health status, and the budget provides $145 million to target many other Department resources in the effort to provide health education, prevention, and treatment services targeted to minority populations.

Expanding Access to Medicare and Medicaid

Our budget also includes a variety of legislative proposals to expand access to Medicare and Medicaid for groups that would otherwise be denied health insurance for any number of reasons. It allows Americans ages 62 to 65 to buy into Medicare by paying a premium, provides a buy-in option for displaced workers ages 55 to 62 who have lost employer-provided health coverage, and allows retirees between the ages of 55 and 65 whose companies have reneged on their health benefits to buy into their company's health plan at a reasonable price. Another proposal would give states the option of providing Medicaid coverage to legal immigrant children, pregnant women, and certain groups of immigrants with disabilities who have entered the United States after the enactment of the welfare reform legislation in 1996.

Making Work Pay for People with Disabilities

Our Budget also promotes opportunities for Americans with disabilities. All too often, disabled Americans are prevented from working by their legitimate fears of losing access to Medicaid and Medicare coverage once they go to work. To enable these Americans to work and earn a living wage, our FY 2000 budget extends Medicare coverage, and at the option of states, Medicaid coverage, to working people with disabilities. This proposal also includes new incentives for states to help them start their programs and to link workers to necessary support services.

MOBILIZING AMERICA'S SCIENTIFIC GENIUS TO MAKE AMERICA A HEALTHIER – AND A SAFER – PLACE TO LIVE

As we enter the 21st century, new threats to our public health are continually emerging. From the challenge of confronting infectious diseases, to possibility of a bioterrorist attack and the ongoing problems of foodborne illness, we must constantly be vigilant. The only way to successfully combat the public health problems of tomorrow is by investing today in the necessary medical research and public health and disaster response infrastructure.

The International Challenge of Infectious Diseases

If you will permit me, Mr. Chairman, I would also like to speak briefly to the importance of fulfilling our commitment to support the World Health Organization and the work it does to improve the health of people throughout the world, including our own citizens.

I recognize that funds for the WHO are appropriated to the Department of State through another subcommittee. But those of us responsible for the health of the American people need to understand that WHO's ability to fulfill its mission and responsibilities can make a real diffeerence in fulfilling our own public health goals. Key areas include the WHO's work in the surveillance and outbreak control of infectious diseases, headed by a distinguished American (David Heymann), the Tobacco Free Initiative, Roll-back Malaria, the elimination of polio, and the Stop TB initiative.

International trade, commerce, and tourism have truly created a global village. Because infectious diseases do not recognize borders, it is increasingly necessary to protect the health and safety of American citizens by investing in a global public health strategy.

Tuberculosis provides a striking example. In this decade, we have had to aggressively combat a resurgence of TB in the United States. We have made extraordinary progress, with the number of cases declining dramatically.

New York City was among the hardest hit. Now, the only new cases are found among the City's immigrant population – among people who were exposed elsewhere.

Working in partnership with the WHO, and providing the necessary resources, we can develop the global strategy that is critical to protecting our citizens and people around the world.

Responding to the New Threat of Bioterrorism

Terrorism represents a serious threat to the peace and prosperity of our nation. While terrorist attacks can take numerous forms, the threat posed by bioterrorism is particularly deadly, because it can affect a large population, remain undetected for some time, and cause secondary illness or death if the agent is communicable. As the lead federal agency responsible for preparing for and responding to the medical and public health consequences of a bioterrorist event, we are mounting a comprehensive public health effort to combat this deadly threat.

The President's Budget includes $230 million for the Department to undertake a coordinated, four-pronged initiative to prepare for the medical needs and health consequences resulting from a potential terrorist use of biological weapons. First, our budget invests in the infectious disease surveillance infrastructure needed to detect the occurrence of a bioterrorist attack and to determine its cause, including improvements in case reporting, epidemiological and laboratory capacity, and the development of information technology to allow coordination among Federal, State and local public health officials. Second, it funds the purchase of a stockpile of the vaccines needed to treat the most likely biological agents. Third, the budget invests in developing the medical response capability at the local level to respond to an outbreak by training local health providers and supporting the creation of 25 Metropolitan Medical Response Systems. Finally, it provides funds for research and development activities to develop and expedite review of new vaccines and new rapid screens for diagnosing chemical agents.

Creating Superior Public Health Surveillance and Food Safety

Our nation needs a high quality surveillance system to collect and analyze epidemiologic information if we are to be able to respond effectively to a future outbreak of disease. The President's budget proposes to strengthen our surveillance system by providing a total of $65 million to support the implementation of a National Electronic Disease Surveillance Network Initiative (NEDSNI) at the Centers for Disease Control. This Initiative would integrate electronic communications related to surveillance for the Emerging Infectious Diseases ($15 million), Bioterrorism ($40 million), and Food Safety ($10 million) programs and will establish communication links with the public health and medical communities to enable them to furnish timely information on outbreaks of communicable diseases to State and local public health departments and assure better communications among public health entities.

Surveillance is just one of the keys to fighting outbreaks of foodbone illness. Food-related hazards are responsible for as many as 33 million illnesses and up to 9,000 deaths each year. To combat these outbreaks, the budget seeks $29.5 million for the CDC, a $10 million increase, to expand the PulseNet network of health labs which preform DNA "fingerprinting" of disease causing bacteria. In addition, FDA is seeking $79 million to support its food safety efforts.

Expanding Medical and Health Care Quality Research

Biomedical research has been the foundation of the unprecedented gains we have made in improving the health of both Americans and the world. Last year, the President made a commitment to increase the budget for the National Institutes of Health, the world's largest and most distinguished organization for biomedical research, by 50 percent over five years, and this Committee responded by passing an increase of almost $2 billion. This year's budget continues the President's commitment and keeps

us on the path set last year with an investment of $15.9 billion, an increase of $320 million. The FY 2000 request, combined with last year's 14.4 percent increase, represents a 17 percent increase over two years. This year's request will enable NIH to fund nearly 30,000 research projects grants, the highest total in history.

Along with his commitment to increase funding for biomedical research, the President last year also made a commitment to ensuring that scientific advances are translated into better health care for the American people. The President's budget honors this commitment as well, providing an increase of $35 million for the Agency for Health Care Policy and Research. These funds will be spent on health care research that will enhance knowledge about how to improve outcomes and quality of medical treatment and how to best translate research results into daily practice to improve health care for all Americans.

THE RIGHT TO A SAFE AND HEALTHY CHILDHOOD

Mr. Chairman, the health investments that I have outlined are critical to meeting the challenges that will confront us in the next century. But we must also invest now in what will undoubtedly be our greatest natural resource in the new century, our children.

Curtailing Youth Smoking

Last year's settlement of the State tobacco lawsuits affirmed the responsibility of the tobacco industry to pay for health care costs associated with smoking. While this agreement was a step in the right direction, there is more that needs to be done to preserve the public health -- and to protect our children from the dangers of smoking. It

is horrifying to think that over 400,000 deaths each year are due to cancer, respiratory illness, heart disease and other smoking-related illness. It is even more horrifying that three thousand young people will begin smoking each day, and one thousand of them will die earlier than they should as a result of smoking.

Our budget reaffirms our commitment to combat smoking among the nation's youth. First, the President has proposed raising the price of a pack of cigarettes by 55 cents to reduce teen smoking. The budget also includes $101 million, an increase of $27 million, to expand the Center for Disease Control's support for State tobacco control programs. The budget also provides $68 million for the Food and Drug Administration to support outreach and enforcement activities to curtail youth smoking, an increase of $34 million.

Last year, after extensive negotiations, the states' Attorneys General reached a settlement with the tobacco companies that was based in part on recovering the medical costs of those with tobacco-related diseases. An average of 57 percent of these state recoveries is reimbursement for costs borne by the federal government in Medicaid payments to states. Current law provides that HCFA should recoup these payments from the states that settle these third-party claims. The Administration believes that these funds should be spent on purposes related to tobacco, public health and children. We will work with the states and Congress to enact tobacco legislation that resolves the federal claim to settlement funds in exchange for a commitment by the states to use the federal share to support these shared state and national priorities.

Promoting Childhood Immunizations

The most cost-effective way to prevent infectious disease among young is to immunize every child. As a result of the Administration's Childhood Immunization Initiative, the nation exceeded its 1997 childhood vaccination goals, with over 90 percent of America's toddlers receiving each basic childhood vaccine. Thanks to these efforts, the incidence of vaccine-preventable diseases such as diptheria, tetanus, measles, and polio are at all-time lows.

The President's budget provides a total of $1.1 billion for childhood immunization, including $526 million in discretionary funding, an increase of $77 million over last year. These funds will allow the program to provide all the vaccines recommended by the Advisory Committee on Immunization Practices, including vaccines for rotavirus and catch-up vaccinations for hepatitis B. The budget also includes $99 million for global polio and measles eradication, an increase of $17 million, to support the efforts of the World Health Organization to eliminate polio throughout the world by the year 2000.

Advancing Innovative Treatments for Asthma

Over the past 15 years, the number of Americans afflicted with asthma has doubled to approximately 15 million, with the sharpest increase in rates among children under age 5. Asthma is one of the leading causes of school absenteeism, and often results in limitations in activity and disruption of family routines. To begin to arrest this growing epidemic, our budget proposes $50 million in demonstration grants to states to test innovative asthma disease management techniques, derived in large part from NIH-funded research, for children enrolled in Medicaid and CHIP. Participating States will measure success in reducing asthma related incidents such as emergency room visits and length of hospital stays.

Ensuring Continued Educational Excellence in the Nation's Children's Hospitals

Expertly trained pediatricians are a critical ingredient to keeping children healthy. Children's hospitals play an essential role in the education of the nation's physicians, training 25 percent of all pediatricians and more than half of many pediatric sub-specialties. To support the vital efforts that children's hospitals play in training physicians, our budget includes $40 million to provide financial assistance to support graduate medical education at free standing children's hospitals.

Medicaid/CHIP Outreach

The Children's Health Insurance and Medicaid programs represent a valuable means of providing health insurance to poor children who might otherwise go without care. But many families are unaware that their children are eligible to receive care under these programs. Our budget will allow states to increase spending by 1.2 billion over the next five years and give them additional flexibility to expand outreach efforts through development of new and innovative approaches.

Making Child Care Safe, Reliable, and Affordable

In millions of American families, both parents must work to support their children. In millions of others, single parents must work doubly hard to maintain family income. This Administration, working together with the Congress, has taken numerous steps to support families of all types, ranging from the Earned Income and Child Tax Credits to the Family and Medical Leave Act and the Children's Health Insurance Program. The

next step we must take is to help all parents who work find child care that is safe, reliable, and affordable. This is not only important as a way to support the needs of working families. Safe, quality child care is essential to the healthy development of our children. Study after study provides evidence that investments in quality care can have major benefits for children, their families, and our society.

Let me thank you for having made a down-payment towards the President's child care initiative with $173 million in quality funds and $10 million for child care related research. The President's FY 2000 budget again includes a requested increase of $10.5 billion in mandatory funding over five years for child care programs in HHS, as well as critical increases in the Departments of Treasury and Education. These additional funds will dramatically expand the availability of safe and affordable child care for working families, as well as improve early learning and the quality and safety of child care. The Child Care and Development Block Grant was used to serve 1.25 million children in 1997. With these additional funds, we are committed to increasing the number of children served by more than one million by 2004.

Enhancing Head Start

Head Start has been and will continue to be one of the Administration's top priorities. This program has been successful in ensuring that low-income children start school ready to learn. Since 1993, enrollment in Head Start has grown by 17 percent. The President's budget invests $5.3 billion, an increase of $607 million, to allow Head Start to serve an additional 42,000 children, bringing the total number of children served to 877,000 and moving forward on our commitment to enroll one million children by 2002. Consistent with last year's Head Start reauthorization, our budget provides funds to

improve program quality, enhance staff development, and reduce staff turnover. This request includes over $420 million for the Early Head Start program, which will provide almost 45,000 infants and toddlers and their families with early, continuous, intensive, and comprehensive child development and family support services.

Curtailing Violence Against Women

Each year an estimated 2.1 million women are raped or physically assaulted in this country. The President's budget provides $218 million, an increase of $28 million, to combat this serious problem that affects families across our nation. This includes $102 million for the Grants for Battered Women Shelters program, which will provide approximately 40,000 survivors of domestic violence and sexual assault with counseling, shelter, and other services. Funds will also be targeted to activities designed to change the social norms that condone violence against women.

MANAGEMENT IMPROVEMENTS AND INNOVATIONS

Managing the complex problems that will confront us in the 21st century requires the development of innovative management strategies that enhance productivity while promoting accountability. We have and will continue to work closely with the Congress and this Subcommittee to develop management reforms that allow us to put every dollar to efficient and effective use.

Y2K

As this Committee is well aware, I have taken the Year 2000 millennium problem (Y2K)

very seriously. In fact, in September 1998, I informed all of the HHS Operating Division heads that Y2K was this Department's "Job #1". With your agreement, I redirected $40 million from other HHS activities to ensure that HCFA had the funds it needed for Medicare contractor renovations. As a Department we have engaged in a series of strong administrative actions, undertaken a comprehensive review of our funding needs to ensure millennium compliance, and encouraged staff throughout the Department to work diligently to see that our equipment, facilities and systems are all Y2K OK. Although I cannot declare total victory today, I can assure you that 85 percent of our mission critical systems are now Year 2000 compliant and I expect the remainder to be fully compliant within the next couple of months. While this part of the work will be completed prior to FY 2000, we must not relax our efforts, and we must continue our work on other Y2K activities including outreach to communities, infrastructure and biomedical equipment remediation, and business continuity and contingency planning. It will take continued, intense efforts, working together with our colleagues in State and local governments and our public and private partners, to overcome this daunting challenge. We cannot allow the millennium bug to impair our mission or disrupt our services to the American people. Therefore, as part of the FY 2000 budget, I am requesting $165 million to ensure that all of our systems are Y2K ready.

GPRA

Our budget submission also includes HHS' FY 2000 GPRA performance plans. We have been working hard to improve our performance plans and our GPRA process within the Department. Our plans are much better than the first set of GPRA plans we submitted last year. They reflect increased involvement of senior staff, increased consultation with our partners, clearer linkages with the Strategic Plan, and the

refinement of measures, baselines and targets. Still, there are several significant challenges facing HHS in GPRA performance measurement. We continue to work toward the increased use of outcome measures, to confront complex data issues, and to work closely with our partners and stakeholders in the development of performance goals and measures. We are confident that our GPRA performance plans for FY 2000 are sound ones and we look forward to continued discussions with the Congress on our plans.

THE MOMENT IS NOW

Mr. Chairman, I have put before you today a blueprint for preparing our health and social service systems to meet the challenges of the new millennium. The goals of making health and happiness the defining characteristic of our senior's retirement, of providing a better future for our children, and of enabling all Americans to live a longer and healthier lives are ones that we all share. And like you, I am committed to achieving these goals while maintaining the balanced budget discipline we have all worked so hard to create.

Chairman Porter, Congressmen Obey, and members of the subcommittee: I appreciate the support you have provided us in the past and I look forward to working with all of you to meet the challenges before us in this budget. We have much to accomplish, and no time to waste. I would be happy to address any questions you may have.