NATIONAL HEALTH POLICY FORUM

THE BASICS

The Public Health Service

FEBRUARY 11, 2015

The Public Health Service (PHS) includes three offices and eight agencies within the U.S. Department of Health and Human Services (HHS) that together support a range of public health activities. These activities include, but are not limited to: biomedical and health services research; technical support to improve public health and health care systems; grant and direct service programs to reduce health risks, improve access to care, and address disparities; and regulation to ensure the safety and efficacy of food and medical products.

The three offices are the Office of the Assistant Secretary for Health (ASH), the Office of the Assistant Secretary for Preparedness and Response (ASPR), and the Office of Global Affairs (OGA). The eight agencies are listed below in descending order from largest budget to smallest:[1]

- the National Institutes of Health (NIH),
- the Centers for Disease Control and Prevention (CDC),
- the Health Resources and Services Administration (HRSA),
- the Indian Health Service (IHS),
- the Food and Drug Administration (FDA),
- the Substance Abuse and Mental Health Services Administration (SAMHSA),
- the Agency for Healthcare Research and Quality (AHRQ), and
- the Agency for Toxic Substances and Disease Registry (ATSDR).

Public health service agencies are funded primarily through annual, discretionary appropriations, but most also receive part of their funding from other sources, including interdepartmental transfers, mandatory funds from the Patient

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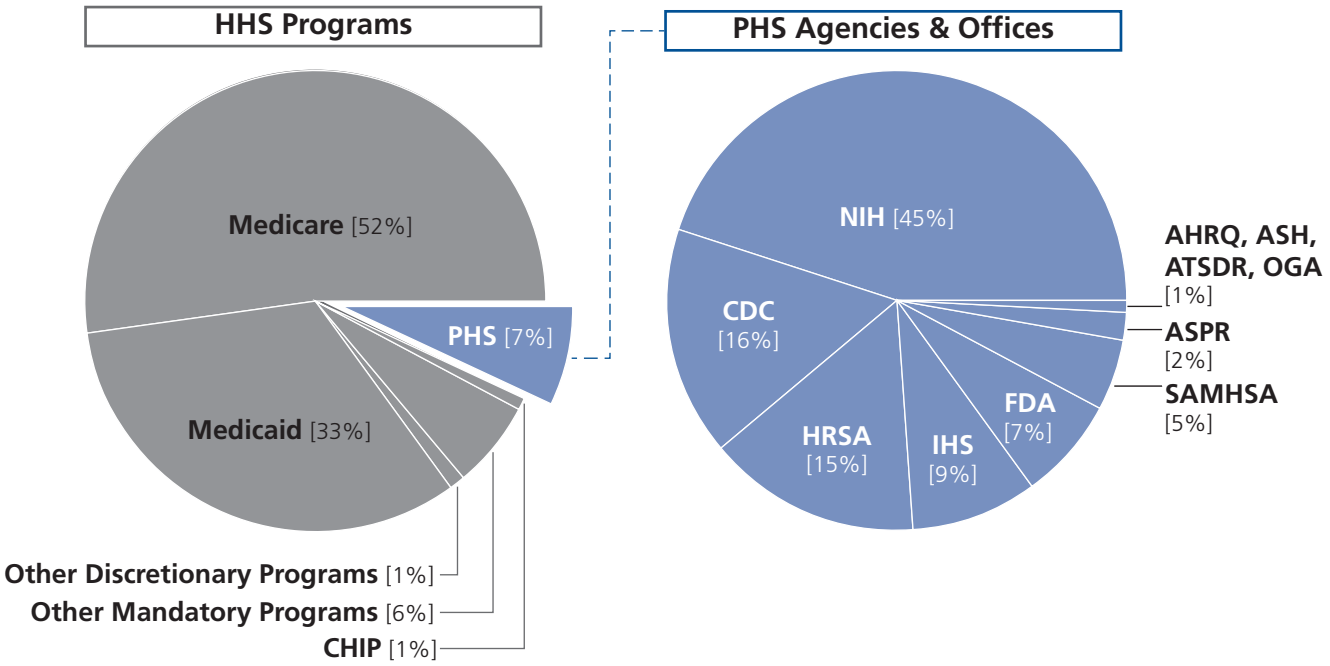
FIGURE 1: Fiscal Year 2015 Budgets for HHS Programs (left) **and PHS Agencies and Offices** (right)**, in Percent**



Source: Calculated using data from HHS, Fiscal Year 2016: Budget in Brief, www.hhs.gov/budget/fy2016/fy-2016-budget-in-brief.pdf, *and HHS,* Fiscal Year 2016: Justification of Estimates for Appropriations Committees, General Departmental Management, www.hhs.gov/budget/fy2016/fy2016-general-departmental-budget-justification.pdf.

Protection and Affordable Care Act of 2010 (ACA), user fees, and third-party reimbursements.[2]

In context of the overall HHS budget, the PHS budget is dwarfed by that of the Centers for Medicare & Medicaid Services whose programs—Medicare, Medicaid, and the Children's Health Insurance Program—are expected to consume about 86 percent of HHS spending in FY 2015. Spending for PHS programs is expected to account for about 7 percent of the HHS budget.[3] (**FIGURE 1**)

AGENCIES AND OFFICES

The **National Institutes of Health** is by far the largest of the PHS agencies in budgetary terms, and its 27 institutes and centers are the primary source of federal funding for biomedical research. (**TABLE 1**, next page) Between FY 1998 and FY 2003, the agency benefited from a congressional

and administration priority to double its budget from $13.6 billion to $27.2 billion, but growth in recent years has been incremental or negative. Over the FY 2010 to FY 2013 period, the NIH budget fell by $2.1 billion, before rising again by $1.0 billion in FY 2014.[4] More than 80 percent of NIH funds are awarded to external researchers at universities, medical schools, hospitals, and other research facilities.[5]

The **Centers for Disease Control and Prevention** seeks to protect the health of individuals and communities by preventing disease, injury, and disability; promoting health; and preparing for new health threats. Its original focus on infectious disease has expanded over the years to include environmental and behavioral threats to health such as tobacco use and obesity. The CDC's core functions are carried out through centers, institutes, and offices that focus on public health functions and specific health issues. Top-level units include: the Office for State, Tribal, Local, and Territorial Support; the Office of Public Health Preparedness and Response; the Office of Public Health Scientific Services; the Center for Global Health; the Office of Noncommunicable Diseases, Injury, and Environmental Health; the Office of Infectious Diseases; and the National Institute for Occupational Safety and Health.

TABLE 1: PHS Component Budgets for Fiscal Years 2012 to 2015 (in billions)

AGENCY/OFFICE	FY 2012	FY 2013	FY 2014	FY 2015
NIH	$30.86	$29.15	$30.07	$30.31
CDC	11.11	10.17	10.68	11.18
HRSA	8.20	8.10	8.90	10.33
IHS	5.42	5.31	5.65	5.91
FDA	3.83	4.03	4.39	4.51
SAMHSA	3.57	3.35	3.62	3.62
ASPR	0.92	0.90	1.06	1.11
AHRQ	0.41	0.43	0.44	0.47
ASH	0.23	0.27	0.28	0.28
ATSDR	0.08	0.07	0.08	0.09
OGA	0.006	0.006	0.006	0.006
Total PHS	**$64.64**	**$61.79**	**$65.17**	**$67.81**
Total HHS	**$848.15***	**$886.47***	**$936.22***	**$1,013.05†**

* *Actual outlays.*
† *Estimated outlays based on program budgets.*

Note: Amounts for PHS agencies and offices are program-level budgets, which include funding from discretionary appropriations, transfers between HHS budget accounts, mandatory appropriations under the Patient Protection and Affordable Care Act of 2010 (ACA), user fees, and third-party collections from public and private payers. Most PHS funding comes from discretionary appropriations. The ASH and OGA budgets come from the HHS appropriation for general departmental management.

Sources: Data compiled from U.S. Department of Health and Human Services budget documents, including Budget in Brief *and* Justification of Estimates for Appropriations Committees, General Departmental Management, *for fiscal years 2014 through 2016, available at* www.hhs.gov/budget.

The **Agency for Toxic Substances and Disease Registry** was created by Congress in 1980 to implement the health-related activities of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), commonly known as the Superfund Act.[6] In that role, the agency assesses the health hazards of Superfund sites, works to prevent or reduce further exposure, and strives to expand the knowledge base about the health effects of exposure to toxic substances. The director of the Centers for Disease Control and Prevention serves as the administrator of ATSDR.

The **Health Resources and Services Administration** works to improve access to quality health care services with particular emphasis on low-income, uninsured, and vulnerable populations. The agency's five bureaus focus on primary health care, HIV/AIDS, maternal and child health, health workforce, and health care systems. The agency also houses the Federal Office of Rural Health Policy, which advises the HHS Secretary on rural health policy issues. Programs to support community health centers and the Ryan White HIV/AIDS programs dominate the agency's budget.

The **Indian Health Service** strives to provide comprehensive, culturally appropriate personal and public health services to American Indians and Alaska Natives. Part of the agency's budget is used to directly administer a health care system for 566 federally recognized tribes across the country, and part is transferred to tribal governments to manage their own health care services under the Indian Self-Determination and Education Assistance Act of 1975.

The **Substance Abuse and Mental Health Services Administration** seeks to reduce the impact of substance abuse and mental illness on communities throughout the United States. The agency focuses its work through strategic initiatives to promote prevention and early intervention; integrate health care systems to increase access to behavioral health services; address behavioral health needs in the criminal and juvenile justice systems; reduce the harmful effects of trauma and violence; support partnerships for recovery from mental and substance abuse disorders; advance the use of information technologies to support behavioral health care; and increase the supply of trained, culturally aware health care professionals and paraprofessionals. Most of the agency's funding is distributed as block grants to states and communities through the Center for Mental Health Services, the Center for Substance Abuse Prevention, and the Center for Substance Abuse Treatment. A

fourth center, the Center for Behavioral Health Statistics and Quality, is the lead federal body for behavioral health statistics.

The **Food and Drug Administration** is primarily a regulatory agency. It is responsible for assuring the safety of food and cosmetics, and the safety and efficacy of human and veterinary drugs, biological products (blood, tissue, vaccines), medical devices, and radiation-emitting products. FDA is also charged with regulating the manufacture, marketing, and distribution of tobacco products to protect the public health and reduce tobacco use by minors. Much of the agency's budget depends on user fees the agency collects from the companies whose products it evaluates ($1.83 billion out of its total $4.39 billion budget in FY 2014);[7] this relationship has prompted concern about the danger of industry bias in FDA regulation. The FDA, HHS, and the U.S. Department of Agriculture (USDA) share responsibility for regulating food. The FDA regulates all domestic and imported food, including shell eggs, but not meat and poultry. (The USDA regulates domestic and imported meat and poultry and processed egg products.)

The **Agency for Healthcare Research and Quality** is the health services research complement to NIH's biomedical research. Its mission is to produce evidence for improving quality and safety, increase access to care, and make health care more equitable and affordable. In the first years after its 1989 authorization, some provider organizations voiced concern that the agency was overstepping its role by developing federal clinical guidelines and standards of practice. When reauthorized in 1999, it was renamed from the Agency for Health Care Policy and Research (AHCPR) to the Agency for Healthcare Research and Quality to emphasize its focus on research to improve quality. Since then, AHRQ has further shifted its focus to building the evidence base for quality health care and working with public and private partners to help ensure the evidence is understood, as opposed to setting guidelines or standards. From FY 2003 through FY 2014, the agency did not receive any discretionary annual appropriations.[8] Instead, the agency's funding came from interdepartmental transfers and, more recently, from two sources created by the ACA: the Prevention and Public Health Fund and the Patient-Centered Outcomes Research Trust Fund.

The **Office of the Assistant Secretary for Preparedness and Response** was created after Hurricane Katrina to lead the nation in preventing, preparing for, and responding to public health emergencies and disasters. Originally authorized in 2006 by the Pandemic and All-

Hazards Preparedness Act (PAHPA), ASPR activities focus on promoting community preparedness; strengthening the nation's health and response systems; building research and development partnerships with federal agencies, academic institutions, and private industry; and enhancing national security. About two-thirds of the FY 2015 budget is allocated to programs for developing and procuring medical countermeasures, and more than 20 percent is for grants to hospitals and health care coalitions to improve their preparedness through planning and infrastructure investment.[9]

The **Office of the Assistant Secretary for Health** oversees the public health service and coordinates public health policy and programs across HHS agencies and offices. The ASH includes the Office of the Surgeon General, ten regional health offices, and numerous presidential and secretarial advisory committees. It also includes public health offices that focus on a variety of topics, including the Office of Disease Prevention and Health Promotion (ODPHP), the Office of Minority Health, the National Vaccine Program Office, the Office on Women's Health, and the Office of HIV/AIDS and Infectious Disease Policy, among others. The 6,800 member U.S. Public Health Service Commissioned Corps lies within the Office of the Surgeon General. It is a mobile group of health professionals prepared to respond to emergencies and to promote health in a variety of clinical and administrative positions. Commissioned Corps officers are largely employed by the PHS agencies described above.

The **Office of Global Affairs** promotes the health and well-being of Americans and the world's population by advancing HHS's global health strategies and working with other government partners—including the National Security Staff, the U.S. Department of State, the U.S. Department of Defense, and the U.S. Agency for International Development—to coordinate global health policies. The office develops policy recommendations and provides staff support to the Secretary, Deputy Secretary, and other senior HHS officials.

ENDNOTES

1. U.S. Department of Health and Human Services (HHS), "HHS Organizational Chart," www.hhs.gov/about/orgchart.

2. For more information on PHS agencies, including their mission, statutory authority, and budgets, see Steve Redhead *et al*., Congressional Research Service (CRS), *Public Health Service Agencies: Overview and Funding*, R43304, October 8, 2014.

3. These percentages are based on HHS program budgets and estimates of total department outlays for FY 2015, as reported in the HHS document, *Fiscal Year 2016 Budget in Brief*, www.hhs.gov/budget/fy2016/fy-2016-budget-in-brief.
4. Redhead *et al*., *Public Health Service Agencies*, p. 33.
5. Redhead *et al*., *Public Health Service Agencies*, p. 31.
6. For more information on ATSDR and the Superfund Act, see www.atsdr.cdc.gov/about/congress.html.
7. HHS, *Fiscal Year 2016 Budget in Brief*, pp. 19-20.
8. Redhead *et al*., Public Health Service Agencies, p. 10.
9. HHS, *Fiscal Year 2016 Budget in Brief*, p. 148.

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