

# FISCAL YEAR 2011

Summary of Performance and  
Financial Information



HEALTH CARE



PUBLIC HEALTH



RESEARCH & DEVELOPMENT



HUMAN SERVICES



U.S. Department of Health & Human Services  
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## Message from the Secretary

We in the Department of Health and Human Services (HHS) strive to keep Americans safe and healthy by administering effective health and human services programs and fostering advances in the sciences underlying medicine, public health, and social services. The past year has been a momentous one, as HHS has worked to deliver the benefits of the Affordable Care Act to the American people, including expanding health insurance to 2.5 million young adults. At the same time, we have remained focused on spending public funds as wisely as possible, such as by combating health care fraud, where every dollar we spend returns four dollars to the U.S. Treasury and the American taxpayers.

We have made tremendous progress in our efforts to be effective stewards of public funds, but there is always more we can do to deliver the results that the American people expect and deserve. The HHS Strategic Plan for Fiscal Year (FY) 2010—FY 2015, updated in 2012, helps guide the Department's programs and activities.

As required by the Government Performance and Results Modernization Act of 2010 (GPRAMA), the plan identifies our top five priorities, supported by objectives and performance measures that will help us achieve these goals:

1. Strengthen Health Care
2. Advance Scientific Knowledge and Innovation
3. Advance the Health, Safety, and Well-Being of the American People
4. Increase Efficiency, Transparency, and Accountability
5. Strengthen the Nation's Health and Human Services Infrastructure and Workforce



This report, the FY 2011 Summary of Performance and Financial Information, summarizes the Department's performance over the last year. Our Department is committed to serving the American people as effectively and efficiently as possible and has emphasized better performance measurement and stronger data analysis to help us do so. In FY 2011, we began quarterly data-driven reviews of HHS priorities and addressed our first set of HHS Priority Goals. And looking ahead, we have established a new set of goals for FY 2012—FY 2013.

The financial and performance information presented in this report is reliable, complete, and provides the latest data available. It demonstrates the Department's commitment to ensuring the highest measure of accountability to the American people. For the thirteenth consecutive year, HHS earned an unqualified or "clean" opinion from our independent auditors Ernst & Young LLP on the Department's consolidated financial statements. The Annual Financial Report contains more information on our financial condition. Additional performance information can be found in our [Online Performance Appendix](#).

Kathleen Sebelius  
Secretary  
Health and Human Services

## Overview of Performance

Through its eleven Operating Divisions and sixteen Staff Divisions ([see organizational chart](#)) HHS implements several hundred programs affecting the health, safety, and welfare of every American. Detailed information about each HHS program can be found in HHS [Congressional Budget Justifications](#) and the [Online Performance Appendix](#). HHS performance measures, compelling success stories, and challenges are presented in this document to increase transparency about HHS activities and results. The HHS Strategic Plan for FY 2010–FY 2015 provides the framework for this document, which discusses the progress made toward achieving each of the HHS Strategic Goals. The full [HHS Strategic Plan](#) includes a discussion of strategies that will be used to achieve these goals.

In FY 2010-FY 2011, HHS completed work on nine ambitious Priority Goals, whose progress was evaluated during quarterly data-driven reviews per the 2010 GPRA Modernization Act:

1. Increase the number of low-income children in quality early care and education settings
2. Improve the quality of early childhood education programs
3. Improve availability and accessibility of health insurance coverage by increasing enrollment of eligible children in CHIP and Medicaid (see also [InsureKidsNow.gov](#))
4. Decrease by 10 percent the rate of Salmonella Enteritidis
5. Increase to 75 percent the percentage of communities that have smoke free policies
6. Increase to 10,500 the number of primary health care providers in the National Health Service Corps
7. Increase emergency preparedness of state health agencies
8. Improve the health information technology infrastructure
9. Reduce the fully loaded cost of genome sequencing to \$25,000

Significant progress was made for all of these goals, including those that were not fully achieved, despite encountering challenges associated with the fiscal environment, legislative barriers, data lags and other data challenges. A detailed discussion of progress with each goal is provided in the HHS [Online Performance Appendix](#).

Going forward in FY 2012-FY 2013, HHS will have six Priority Goals and our review process will be more data-focused and strategic in nature. These Priority Goals are largely cross-cutting, requiring active management across HHS components for success. Additional information about the new Priority Goals is available on [Performance.gov](#).

1. Increase the proportion of health centers certified as Patient-Centered Medical Homes to 25 percent
2. Improve patient safety by reducing the national rates of hospital-acquired central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI)
3. Improve the use of health information technology by increasing to 140,000 the number of providers who receive Medicare and Medicaid Electronic Health Records (EHR) incentive payments
4. Improve the quality of early childhood care and education programs for low-income children

5. Reduce adult cigarette smoking consumption to 1,062 cigarettes per capita (-17.1 percent) from the 2010 baseline
6. Reduce foodborne illness in the population to 2.1 cases per 100,000 (-19.2 percent) from the 2007 baseline

In addition to these Priority Goals, HHS is working to improve the health of millions of Americans through implementation of the Affordable Care Act. To provide transparency to the public with regard to the Affordable Care Act, HHS launched [HealthCare.gov](http://HealthCare.gov) on July 1, 2010. The website is the first of its kind to bring information and links to health insurance plans and other coverage options into one place, to make it easy for consumers to learn about their insurance choices.

In 2012, HHS began its second year of the quarterly review process that engages agency stakeholders in meaningful and actionable discussions of HHS Priority Goals and other priorities. In addition, some HHS Operating and Staff Divisions have initiated the year-round use of dashboards and other analytical techniques to promote agency-wide focus on collected data and its use in improving program outcomes. For example, the Office of the National Coordinator for Health Information Technology (ONC) has modernized Electronic Health Records and begun crucial work on patient portals.

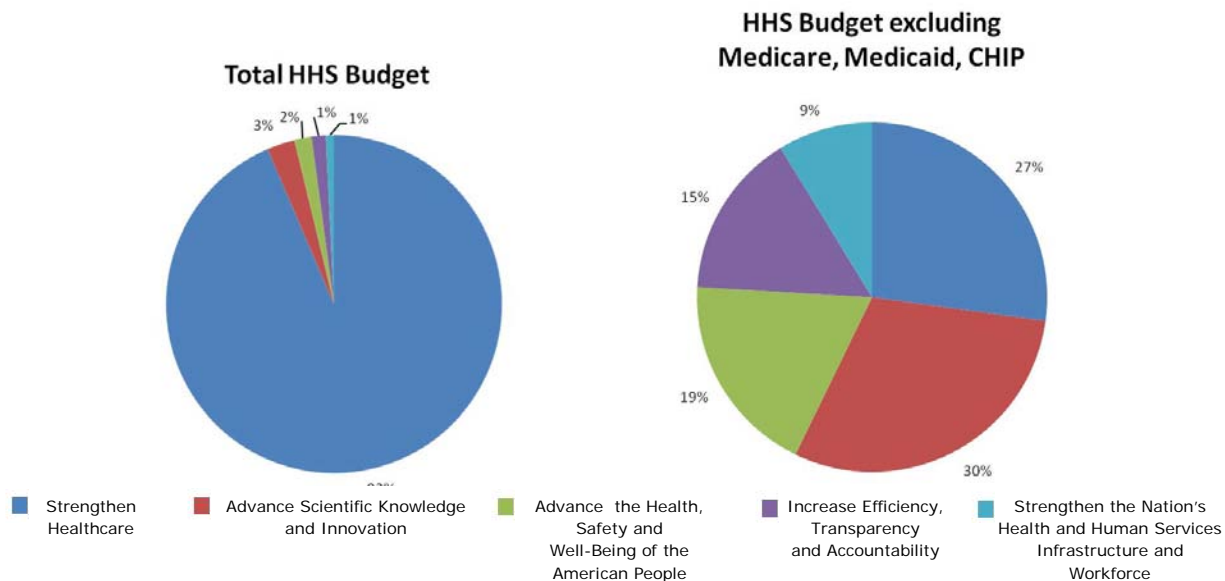
This year HHS streamlined the reporting of measures required by GPRAMA, focusing on 133 key measures, down dramatically from last year's 1,060. Performance experts across the Department collaborated together to ensure that the measures selected for GPRAMA reporting were more manageable, priority-driven and useful to the health care and human services communities. Data for FY 2011 are currently available for 62 percent of HHS performance measures. Out of the 75 targets with actuals reported thus far, 43 percent met or improved performance toward their targets. HHS does not yet have data for some measures due to data lag. This data lag is reflected (in blue) as 'To Be Reported' in the pie charts on goal status included in the following pages for each of the HHS Strategic Goals.

Performance goals and measurement are powerful tools to advance effective, efficient and productive government. HHS regularly collects and analyzes performance data to inform decisions. HHS' operating and staff divisions constantly strive to find lower-cost ways to achieve positive impacts, in addition to sustaining and fostering the replication of effective and efficient government programs.

As envisioned by the GPRAMA, HHS implemented significant improvements in performance management during FY 2011, including:

- Systematic review, analysis, reporting and management of nine Priority Goals.
- Implementation of quarterly performance reviews between Operating or Staff Divisions and HHS senior staff to monitor progress towards key performance objectives identified by each division.
- Performance Improvement Officer visits with each operating division and large staff divisions to better understand performance management implementation at all levels.
- Development of Priority Goals for FY 2012–FY 2013.
- Sharing of best practices in performance management through webinars and regular Performance Officer meetings.

Another way to gauge HHS' progress toward GPRAMA goals are these graphs that show the distribution of fiscal resources to the five HHS strategic goals:



### Implementing the Recovery Act

The [American Recovery and Reinvestment Act](#) (Recovery Act) has provided \$140 billion to HHS programs as part of a government-wide response to the economic downturn. HHS-funded projects around the country are working to achieve the goals of the Recovery Act, including assisting State Medicaid programs meet increasing demand for health services; supporting struggling families through expanded child care services and subsidized employment opportunities; and by making long-term investments in health information technology, biomedical research, and prevention and wellness efforts. Since the Recovery Act was enacted in 2009, the funds expended through September 30, 2011, have had a significant impact throughout the country:

- ONC's Regional Extension Centers (RECs) have signed up 95,898 primary care providers to receive technical assistance on becoming meaningful users of certified Electronic Health Records (EHRs). This means that roughly one-third of the nation's primary care providers are partnering with local RECs to become meaningful users of EHRs. [Click here](#) to learn more about ONC and its health IT initiatives.
- 114,644 eligible professionals and hospitals have registered for the Medicare and Medicaid EHR Incentive Payment Programs and over \$850 million in incentive payments have been made to support providers implementing and meaningfully using EHRs.
- Community health centers have provided access to affordable, high quality primary health care to more than 4.4 million new patients in underserved communities.
- The Administration on Aging's chronic disease self-management programs provided training to 67,158 elderly Americans with chronic conditions in 48 states/territories.
- 15,185 more American Indian and Alaska Native homes have safe drinking water.
- The Child Care and Development Block Grant has provided subsidies to an estimated 338,000 children (as of September 30, 2011, based on state expenditure reports of funds spent on direct services).

## Goal One: Strengthen Health Care

On March 23, 2010, President Obama signed the Affordable Care Act into law, transforming and modernizing our health care system. Through the implementation of this law, HHS is making health insurance coverage more secure and reliable for Americans, making coverage more affordable and accessible for families and small business owners, and reducing the growth of health care costs that have strained the Federal budget.

Goal One includes six objectives:

- Make coverage more secure for those who have insurance, and extend affordable coverage to the uninsured
- Improve health care quality and patient safety
- Emphasize primary and preventive care linked with community prevention services
- Reduce the growth of healthcare costs while promoting high-value, effective care
- Ensure access to quality, culturally competent care for vulnerable populations
- Promote the adoption and meaningful use of health information technology

### Partnership for Patients

Led by the Centers for Medicare & Medicaid Services (CMS) Innovation Center, this new public-private partnership aims to reduce hospital-acquired conditions by 40 percent and hospital readmissions by 20 percent by the end of 2013 compared to 2010. Achieving these goals will save lives, prevent injuries, and save billions of dollars. To date, just over 7,000 organizations—including more than 3,200 hospitals—have joined the Partnership for Patients and pledged to support its goals.

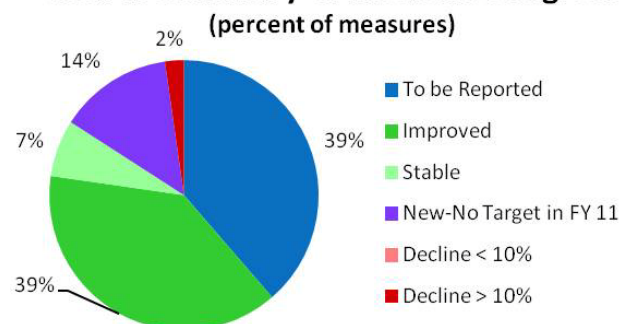
One of the Affordable Care Act's main objectives is to increase the proportion of Americans with health insurance, and HHS is giving grants to twenty-eight states and Washington D.C. to establish Affordable Insurance Exchanges.

The Department is implementing new programs that are designed to reform our delivery system and improve quality of care delivered across health care settings. For instance, Accountable Care Organizations aim to transform the current fragmented care system into a seamless, coordinated system by emphasizing patient-centered care and promoting accountability for an entire patient population. Expanded use of electronic health records in hospitals and provider offices will also improve the quality and safety of patient care while decreasing costs.

In the interest of improving access to quality, culturally competent care, the Health Resources and Services Administration (HRSA) works to increase the number of patients served by health centers. The Indian Health Service is ensuring that Tribes are heard and the consultation process is constantly improving care for American Indians and Alaska

Natives. IHS and HRSA partnered to increase IHS participation in the National Health Service Corps (NHSC), to recruit and retain health providers. As a result, there are now 494 IHS sites approved, and 220 NHSC clinicians providing care to 231,000 patients.

### Goal 1: Summary of Measure Progress



For this goal, 46 percent of measures showed stable or improved performance, and 2 percent showed a decline.

## Goal Two: Advance Scientific Knowledge and Innovation

HHS is continually expanding its scientific understanding of how best to advance health care, public health, human services, biomedical research, and the availability of safe medical and food products. Chief among these efforts is the identification, implementation, and rigorous evaluation of new approaches in science, health care, public health, and human services that reward efficiency, effectiveness, and sustainability.

Goal Two includes four objectives:

- Accelerate the process of scientific discovery to improve patient care
- Foster innovation to create shared solutions
- Invest in the regulatory sciences to improve food and medical product safety
- Increase our understanding of what works in public health and human service practice

HHS supports scientific developments to help bring new technology to research and patient care. The National Institutes of Health (NIH) reduced the fully-loaded cost of sequencing a human genome to \$10,497. This helps scientists understand the genetic basis of common, complex diseases like cancer, diabetes or heart disease, and supports personalized medicine, which can help patients get the right treatment and reduce side effects.

### Understanding Dangerous Flu-Related Complications

Recent NIH work has led to a breakthrough in understanding how certain viruses, including influenza, may trigger a severe immune reaction called a “cytokine storm” – a highly fatal condition that causes lungs to fill with fluid. These insights may help scientists predict which patients are most at risk for this deadly complication, and suggest potential therapeutic targets for drug development.

In addition to promoting groundbreaking research, HHS is also focusing on using evaluation and research to improve public health and human service practice. For example, the Agency for Healthcare Research and Quality’s goal is to increase the number of Effective Health Care Program products available for use by clinicians, consumers, and policymakers.

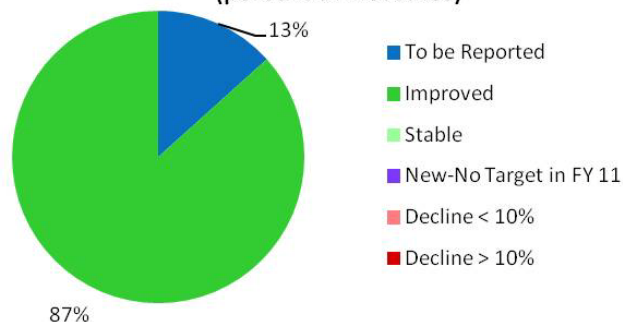
HHS and its [Open Government Initiatives](#) foster professional collaboration by increasing the number of high-value datasets and tools that are published by HHS. This sharing of critical information enables public health stakeholders to contribute their own ideas and expertise as HHS continues its innovative initiatives in scientific research.

HHS also has regulatory responsibility over food and medical product safety. The Food and Drug Administration is charged with ensuring these products are safe and meet certain

quality standards. They are now creating standards guiding the use of nanotechnology. These studies of manipulating matter allow scientists to create and manipulate materials measured in nanometers (billionths of a meter) found in products such as foods, cosmetics, and pharmaceutical drugs.

For this goal, 87 percent of measures showed stable or improved performance, and none showed a decline in performance.

**Goal 2: Summary of Measure Progress**  
(percent of measures)



## Goal Three: Advance the Health, Safety, and Well-Being of the American People

HHS is striving to promote the health, economic and social well-being of children, people with disabilities, and older adults while improving prevention and wellness for all.

Goal Three includes six objectives:

- Promote the safety, well-being, resilience and healthy development of children and youth
- Promote economic and social well-being for individuals, families, and communities
- Improve the accessibility and quality of supportive services for people with disabilities and older adults
- Promote prevention and wellness
- Reduce the occurrence of infectious diseases
- Protect Americans' health and safety during emergencies, and foster resilience in response to emergencies

### Taking Action to Promote Quality and Accountability in Head Start Programs

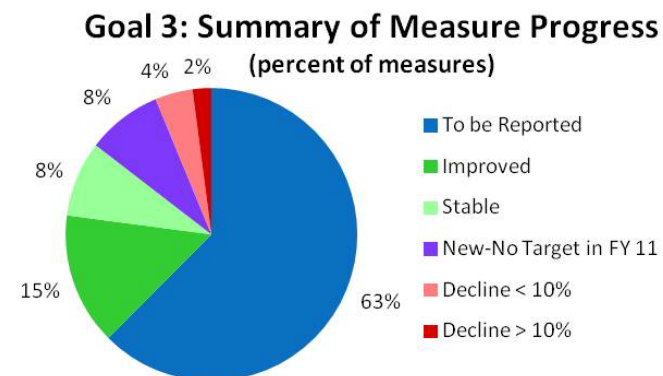
The Administration for Children and Families will implement new rules at Head Start centers across the country that will, for the first time, require all low-performing Head Start grantees that fail to meet a new set of rigorous benchmarks to re-compete for continued Federal funding. This reform will help direct taxpayer dollars to programs that provide high-quality Head Start services and ensure Head Start programs provide the best available early education services to children in every community.

The Office of HIV/AIDS Policy, part of the Office of the Assistant Secretary for Health, has restructured the Secretary's Minority AIDS Initiative Fund to align with the goal, objectives and priorities of the [National HIV/AIDS Strategy](#), enhancing the targeting and effectiveness of HIV prevention and care services. HHS has begun a key public-private sector wellness initiative, Million Hearts, whose goal is to prevent one million heart attacks and strokes over the next five years (two of the leading causes of death in the United States).

The Administration on Aging continues its commitment to the well-being of elderly individuals in their community while maintaining a commitment to high-quality services, with 90 percent of frail seniors rating home-delivered meals service quality as good to excellent. The Administration for Children and Families (ACF) is working to increase the number of low-income children receiving Federal support for access to high-quality early care and education settings, including Head Start, Early Head Start and Child Care.

The Substance Abuse and Mental Health Services Administration is measuring the consumer's overall health status, including both physical and emotional/mental health, based on the consumer's perception. SAMHSA has repeatedly demonstrated that prevention works, treatment is effective, and people recover from mental and substance use disorders.

For this goal, 23 percent of measures showed stable or improved performance, and 6 percent showed a decline in performance.



## Goal Four: Increase Efficiency, Transparency, and Accountability of HHS Programs

As the largest grant-awarding agency in the Federal Government and the Nation's largest health insurer, HHS places a high priority on ensuring the integrity of its investments. HHS manages hundreds of programs in basic and applied science, public health, income support, child development, and health and social services which award over 75,000 grants annually.

Goal Four includes four objectives:

- Ensure program integrity and responsible stewardship of resources
- Fight fraud and work to eliminate improper payments
- Use HHS data to improve the health and well-being of the American people
- Improve HHS environmental, energy, and economic performance to promote sustainability

In 2009, Secretary Sebelius established a Council on Program Integrity that is overseeing increased efforts to not only reduce waste, fraud, and abuse, but also to enhance the efficiency and effectiveness of HHS programs. This proactive, department-wide approach seeks to ensure that intended HHS beneficiaries are provided the proper payments, services, and benefits while ensuring quality, safety, and access.

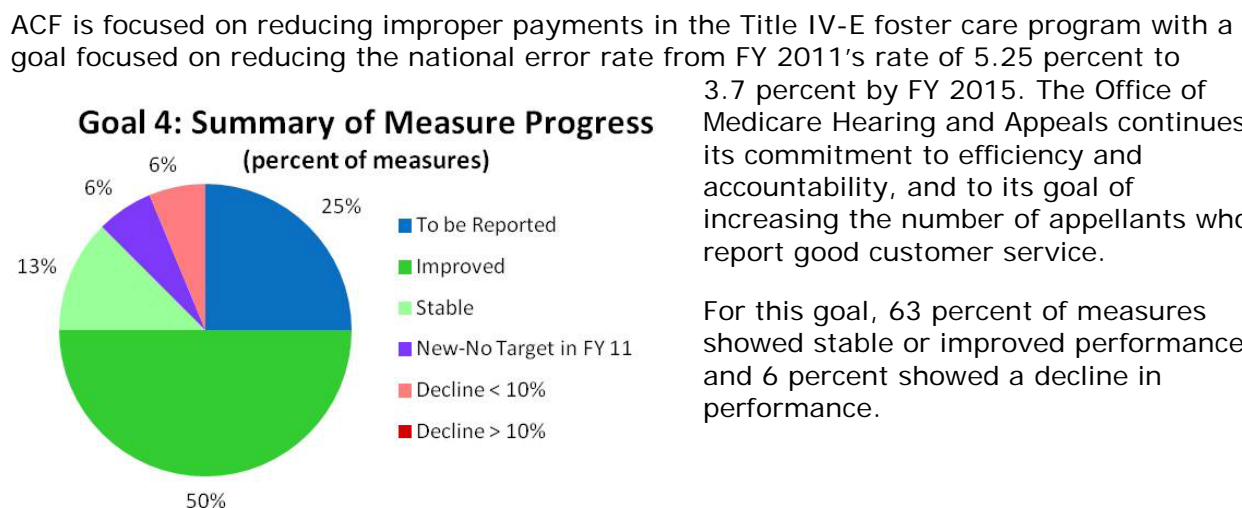
### Predictive Modeling

CMS launched the Fraud Prevention System in June 2011, significantly shifting from a “pay and chase” model to a pre-payment screening model similar to fraud prevention technology used by the credit card industry. This system uses algorithms to identify suspicious billing activity for CMS to investigate to determine if intervention to stop payment or referral to law enforcement is necessary.

Fighting fraud and abuse continues to be one of the top priorities for CMS. In an effort to keep fraudulent providers out of Medicaid, a provider must be terminated from any State Medicaid program or Children's Health Insurance Program (CHIP) if the provider has been removed from Medicare or another CHIP or Medicaid program for cause. Over the next five years, the newly established Medicaid Recovery Audit Contractors (RACs) are projected to save the Medicaid program \$2.1 billion, of which \$910 million will be returned to the states. The Medicare fee-for-service Recovery Audit Program corrected \$939.4 million in FY 2011.

ACF is focused on reducing improper payments in the Title IV-E foster care program with a goal focused on reducing the national error rate from FY 2011's rate of 5.25 percent to 3.7 percent by FY 2015. The Office of Medicare Hearing and Appeals continues its commitment to efficiency and accountability, and to its goal of increasing the number of appellants who report good customer service.

For this goal, 63 percent of measures showed stable or improved performance, and 6 percent showed a decline in performance.



## Goal Five: Strengthen the Nation’s Health and Human Services Infrastructure and Workforce

Currently, the Nation faces shortages of critical health care workers, including primary care physicians, nurses, behavioral health and long-term care workers, as well as public health and human service professionals. This shortage is anticipated to increase in the coming years. More than 64 million people currently live in an area that has a shortage of primary care health professionals.

Goal Five includes five objectives:

- Invest in the HHS workforce to meet America’s health and human service needs today and tomorrow
- Ensure that the Nation’s healthcare workforce can meet increased demands
- Enhance the ability of the public health workforce to improve public health at home and abroad
- Strengthen the Nation’s human service workforce
- Improve national, state, local, and tribal surveillance and epidemiology capacity

HHS is also strengthening the Nation’s health care workforce to meet the challenges posed by an aging population, a greater burden of chronic disease, an increasingly diverse population, and the need to increase access to care. For example, HRSA is

enhancing the field strength of the National Health Service Corps to improve access for the most vulnerable populations. Members of the Corps expand access by practicing in areas where health care providers are scarce in exchange for assistance with their student loans or scholarship support. In FY 2011, field strength included 10,279 primary care providers. This also represented one of the Department’s FY 2010-11 Priority Goals.

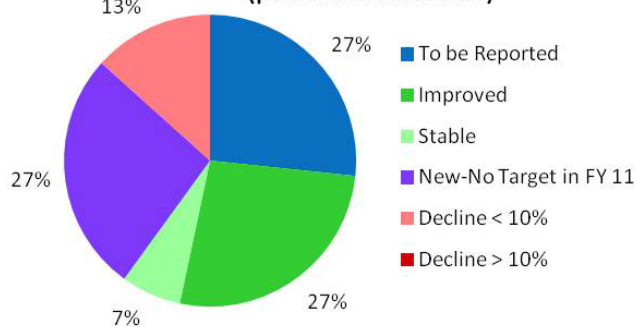
Federal government priorities emphasize improving hiring and retention, including streamlining the hiring processes. As part of this larger effort, HHS is working to reduce its hiring times. The current time is over 61 days from the time of the completed recruitment request until the date the new employee starts at their position. HHS would like to reduce this to 60 days by FY 2015, over a 50 percent reduction from FY 2010.

For this goal, 34 percent of measures showed stable or improved performance, and 13 percent showed a decline in performance.

### Strengthening the Public Health Workforce through CDC Fellowships

Less than 25 percent of graduates of schools of public health take jobs in the public sector, and most lack experience in the practice of public health. CDC’s experiential fellowships train fellows for careers in applied public health sciences (e.g., epidemiology, informatics) and policy, management, and operations. In FY 2011, 84 percent of 158 CDC fellowship graduates took positions in public health or obtained additional public health education upon graduation.

**Goal 5: Summary of Measure Progress**  
(percent of measures)



## Summary of Financial Statements and Stewardship Information

The financial statements were prepared in accordance with Federal accounting standards and audited by the independent accounting firm of Ernst & Young LLP under the direction of our Inspector General. The Chief Financial Officers Act of 1990 (P.L. 101-576) requires the preparation and audit of these statements, which are part of our efforts for continuous improvement of financial management. The production of accurate and reliable financial information is necessary for making sound decisions, assessing performance, and allocating resources. Section II of the HHS Annual Financial Report (AFR) presents the Department's audited financial statements and notes and is available at: <http://www.hhs.gov/afr>.

Financial Condition: The following table summarizes trend information concerning components of HHS financial condition. The Consolidated Balance Sheet presents a snapshot of HHS financial condition as of September 30, 2011, compared to FY 2010, and displays assets, liabilities and net position.

Table 1: Summary of Financial Condition Trends  
(in Billions)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Increase (Decrease)	Percent Change
<b>Total Assets</b>	\$ 503.8	\$ 529.3	\$ 562.8	\$ 563.7	\$ 532.9	\$ (30.8)	(5.5) percent
Fund Balance with Treasury	114.8	124.3	162.0	182.2	166.9	(15.3)	(8.4) percent
Investments, Net	365.9	385.4	381.1	359.9	325.4	(34.5)	(9.6) percent
Other Assets	23.1	19.6	19.7	21.6	40.6	19.0	88.0 percent
<b>Total Liabilities</b>	\$ 81.9	\$ 86.6	\$ 94.4	\$ 99.2	\$ 104.9	5.7	5.7 percent
Accounts Payable	1.0	1.0	1.1	1.6	1.2	(.4)	(25.0) percent
Entitlement Benefits Due and Payable	61.5	65.9	72.2	72.7	80.9	8.2	11.3 percent
Accrued Grant Liabilities	3.9	3.9	4.0	4.2	4.5	.3	7.1 percent
Federal Employee and Veterans Benefits	8.4	8.8	9.7	10.0	10.2	.2	2.0 percent
Other Liabilities	7.1	7.0	7.4	10.7	8.1	(2.6)	(24.3) percent
<b>Net Position</b>	\$ 421.9	\$ 442.7	\$ 468.4	\$ 464.5	\$ 428.0	\$ (36.5)	(7.9) percent
<b>Total Liabilities and Net Position</b>	\$ 503.8	\$ 529.3	\$ 562.8	\$ 563.7	\$ 532.9	\$ (30.8)	(5.5) percent

Net Cost of Operations: Another component of the HHS financial picture is the HHS Consolidated Statements of Net Cost. HHS net cost of operations represents the difference between the costs incurred by HHS programs less revenues. We receive the majority of HHS funding through Congressional appropriations and reimbursement for the provision of goods or services to other Federal agencies. Our Net Cost of Operations for the year ended September 30, 2011, totalled \$878.1 billion. The majority of FY 2011 net costs relate to Medicare (\$474.0 billion) and Health (\$348.7 billion) programs, or more than 93 percent of our annual net costs.

The following table depicts HHS net cost of operations by major component for the last 5 years. The FY 2011 Net Cost represents an increase of \$21.4 billion or 2.5 percent more than the FY 2010 Net Cost. Approximately 86 percent of the Net Cost of Operations (\$753.7 billion) relates to Medicare, Medicaid, CHIP, and other health programs managed by the Centers for Medicare & Medicaid Services. Further information on the net cost of operations is available at: <http://www.hhs.gov/afr>.

**Table 2: Net Cost of Operations**  
(in Billions)

	2007	2008	2009	2010	2011	\$ Change	Percent Change
<b>Responsibility Segments</b>							
Centers for Medicare and Medicaid Services (CMS) Gross Cost	\$ 612.4	\$ 657.9	\$ 749.0	\$ 789.7	\$ 817.4	\$ 27.7	percent 3.5
CMS Exchange Revenue	(50.3)	(54.1)	(57.3)	(60.7)	(63.7)	(3.0)	percent 4.9
CMS Net Cost of Operations	562.1	603.8	691.7	729.0	753.7	24.7	percent 3.4
<b>Other Segments:</b>							
Other Segments Gross Cost of Operations	105.4	108.4	116.0	130.9	128.2	(2.7)	percent (2.1)
Exchange Revenue	(2.9)	(3.1)	(3.8)	(3.2)	(3.8)	(0.6)	percent 18.8
Other Segments Net Cost of Operations	102.5	105.3	112.2	127.7	124.4	(3.3)	percent (2.6)
<b>Net Cost of Operations</b>	<b>\$ 664.6</b>	<b>\$ 709.1</b>	<b>\$ 803.9</b>	<b>\$ 856.7</b>	<b>\$ 878.1</b>	<b>\$ 21.4</b>	<b>percent 2.5</b>

### Summary of Management Challenges

The Department of Health and Human Services carries out multiple complex programs. Although the Department is continually striving to improve efficiency and effectiveness, some specific areas merit a higher level of focus and attention. These require long-term strategies for ensuring stable operations and representing the most daunting leadership challenges. These challenges include:

- Implementing the Affordable Care Act
- Preventing and Detecting Medicare and Medicaid Fraud
- Identifying and Reducing Improper Payments
- Patient Safety and Quality of Care
- Integrity and Security of Information Systems and Data
- Availability and Quality of Data for Effective Program Oversight
- Oversight of CMS Program and Benefit Integrity Contractors
- Ensuring Integrity In Health Care Benefits Delivered By Private Plans
- Avoiding Waste in Health Care Pricing Methodologies
- Grants Management and Administration of Contract Funds
- Ensuring the Safety of the Nation's Food Supply
- Oversight of the Approval, Safety, and Marketing of Drugs and Devices
- Oversight and Enforcement of HHS Ethics Programs

Detailed information about each management challenge can be found in the FY 2011 Annual Financial Report which can be accessed at the <http://www.hhs.gov/afr>. In addition, the Government Accountability Office (GAO) has placed four HHS programs on its “[High Risk List](#)” which lists programs that may have greater vulnerabilities to fraud, waste, abuse and mismanagement. As a responsible steward to taxpayer resources, HHS is committed to making improvements related to these challenges and high-risk areas.

For more information contact:

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200 Independence Avenue, S.W., Washington, D.C. 20201  
Toll Free: 1-877-696-6775 or <http://www.hhs.gov/feedback.html>