

# Reorganizing DHHS to Promote Prevention and the Health of Americans

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## Executive Summary

Throughout his campaign, President-elect Obama emphasized his belief in the important roles that prevention and health promotion play as cost-effective means for advancing the health of Americans. Many of the federal government policies he will have to rely on to achieve these objectives depend on the focus and effective performance of the Department of Health and Human Services (DHHS) – an agency with a broad range of missions and a complex management structure. This paper outlines a series of approaches that would improve DHHS’ ability to effectively advance the prevention and health promotion agendas. In order to accomplish this, the author argues for an overall shift in emphasis to a Health of Americans Agenda. While there are numerous actions that are recommended, the following four stand out as the most critical:

- Appoint as HHS Secretary an individual with outstanding leadership and management skills, but especially one who is totally committed to promoting the Health of Americans Agenda and to re-energizing HHS agencies to pursue it.
- Create a National Council on the Public’s Health, chaired by a rejuvenated Surgeon General, and committed to building a private and public consensus around implementing community and clinical prevention policies.
- Draw on Healthy People 2020 and select 10-15 specific, quantifiable goals that serve as the metrics for an annual report by the Surgeon General entitled “Spotlight on the Nation’s Health”; and use these goals as internal planning and budget parameters for HHS agencies.
- Reassess and redesign the mission and staffing of the U.S. Centers for Disease Control and Prevention (CDC) to clarify its role in preparedness, epidemiological research and pandemic disease control; its relationships with state and local agencies; and its ability to play a leadership role with public agencies at all levels of government in pursuit of a Health of Americans Agenda effort.

A basic premise of this paper is that “reorganization” does not necessarily mean restructuring, especially since restructuring alone often can be counterproductive and wasteful. Instead, there are a number of other management strategies that might be more effective. Among the most urgently needed organizational goals are the following:

- Ensure the appointment of a leadership team that is committed to the Health of Americans Agenda, including the rejuvenation of the Surgeon General position as a force for communicating to the American people.
- Develop clear vision statements and goals for each major component of HHS related to promoting the Health of Americans Agenda. Use these statements to guide planning and budgeting decisions within HHS, and to build an array of shared values among the Operating Divisions (OpDivs).

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- Build effective mechanisms for managing cross-cutting and collaborative functions among the OpDivs.
- Build information systems to support transparency and accountability structures, especially regarding public commitments.

*Note: The views expressed in this paper are those of the authors. They do not necessarily represent the views of Partnership for Prevention.*

## **Introduction: Stating the Problem and the Potential**

The paper is organized into the following sections:

- A. The Underlying Premise: Why is this report important and relevant?
- B. Some Background Observations on “Reorganization”
- C. Challenges of reorganizing HHS
- D. Options

### **The Underlying Premise: Why is this Report Important and Relevant?**

While health reform has been a recurring leitmotif over the past 35 years, in recent years most of the progress has been on the access and financing side. Although helpful, this has done little to bring about any fundamental changes in health outcomes, or a demonstrable slowing of the alarming growth in health care spending.

More recently, there has been a growing interest, especially during the presidential debates, in the role that prevention strategies might play in improving the health of Americans. There is a growing awareness that these measures would be effective in improving outcomes, and that they would be cost-effective as well. Thus, given the grave fiscal crisis currently facing the nation, it is possible that such strategies may be particularly appealing in the immediate future as an alternative to the more costly and politically difficult fundamental reforms also being considered. (See Partnership for Prevention’s “Principles for Prevention-Centered Health Reform” for an outline of such an approach.)

As discussed in some detail below, there are many challenges that appear to prevent HHS from focusing effectively on improving America’s health outcomes. Overcoming these challenges will require organizational and managerial changes very early in the new administration. Transition teams and new appointees will have to have a clear picture of what challenges must be overcome, and what the administration’s most urgent priorities should be. The department’s employees and professional leadership will be watching these early moves carefully to determine the policy priorities of the President, the Secretary, and other HHS leadership.

It is the overarching view expressed in this paper, a view shared by many in America’s health care leadership, that as compared with previous administrations, early efforts by the new administration should involve a significantly greater focus on clinical preventive services and chronic disease management, and, importantly, on community-based prevention policies and practices. This refocused effort will also need to address related research and include the dissemination of knowledge and best practices to health professionals and the public, and the building of a robust public health infrastructure at the federal, state, and local levels.

The current DHHS organizational structure, planning and budgeting practices, as well as reimbursement and regulatory policies, do not provide adequate support for these priorities. Thus, it seems both appropriate and timely to identify a series of

“organizational” options to inform and guide those in a position to influence DHHS’s future organizational focus and culture with respect to prevention, wellness, and the health of Americans, in general.

This paper is not intended to be a comprehensive analysis of how HHS should be reorganized in 2009, but focuses instead on approaches that would make HHS more effective in pursuing an explicit agenda of improving the health of Americans. This is not to say that the health of Americans has not been a goal of HHS, but, rather, that key components of the effort to achieve this goal have been less effective than others, thus compromising the effort as a whole.

While this paper focuses primarily on HHS, it is important to note that many other federal, state and local government agencies, as well as private players, have major roles to play in advancing the health of Americans.

**Some Background Observations on “Reorganization”**

The term “organization” (or “reorganization”) implies much more than organizational structure. The key determinants of organizational success are shown in the chart below, suggesting the analogy between the determinants of organizational success and those of individual success.

The six determinants of individual and organizational effectiveness:

**INDIVIDUAL SUCCESS**

**ORGANIZATIONAL**

<b>Anatomy</b>	<b>Structure</b>
Physiology	Process: Planning, Budgeting, Accountability Systems
Psyche/Personal Goals, Adaptability	Leadership/Culture/Shared Values and Priorities
Genetics	History and Tradition
Fuel, Fitness	Financial and Human Resources, Productivity
Knowledge/Intellect/Learning Capacity	Knowledge, Data, Technology, Feedback

Much has been written about organizational structure and process. In reality, leadership, shared values, and adequate resources that are focused on measurable goals invariably trump structure and process in determining results in complex organizations. There is considerable research and experience that demonstrates that structural reorganization, unless specifically designed to achieve fundamental change, or to remove obstacles to accountability or collaboration (specific objectives of the Homeland Security

reorganization of 2002), can often prove to be counterproductive. In addition, it can lead to confusion, delay, and the loss of key personnel.

Accountability is also a critical element in converting priorities into results. External and measurable commitments to the White House, the Congress, and the public can be at least as important as internal accountability in motivating public agencies, especially where financial incentives may be inadequate. A key aspect of knowledge is the ability to create “learning organizations” in which knowledge transfer among agencies, as well as with groups outside the department, is effective. This requires information systems that facilitate transparency and communication, but these, as well, must be driven by a clear and a shared statement of purpose.

Finally, in federal agencies, changing structures and major shifting of resources (and sometimes priorities) are usually complicated by turf battles among Congressional Authorization and Appropriations Committees. White House preferences must also be aligned for any change in priorities or funding to take place.

### **Challenges of Reorganizing HHS**

There are many challenges to be addressed in designing a more effective HHS. Among the most significant affecting a Health of Americans Agenda are the following:

- As yet, there is no effective advocate for population health, prevention, or wellness within HHS’s Office of the Secretary. This is not to say that the Secretary or his predecessors have not been responsive to specific policy options. But other pressing issues such as stewardship of Medicare and Medicaid, Medicare Part D implementation, FDA regulatory issues, reimbursement reform, etc., have tended to crowd out a strategic policy focus on the health of Americans as an overriding, transformative goal. The Healthy People 2020 program and its staff come closest to such a focus, but the program is understaffed, devoid of a strong communications process, and the goals have not become the mission of the Operating Divisions (OpDivs).
- The roles of the Office of the Assistant Secretary for Health (OASH) and the Surgeon General, which might be expected to be policy manager and advocate, respectively, have been weakened to the point of ineffectiveness, leaving the department with no one below the Secretary with the appointment or budget authority to direct or enforce department-wide policies among the OpDivs.
- Even when OASH had authority (e.g., under Ed Brandt), special offices operating out of OASH rarely had either adequate staff or budget. Mike McGinnis’ success with Healthy People 2000 is the best example of how an effort can succeed when led by a talented and respected champion, while backed by a committed and supportive OASH (Brandt). Healthy People has proved to be surprisingly durable, but it could be much more valuable as an instrument of departmental priorities and policy.

- The key elements of a coherent prevention strategy are widely dispersed among DHHS OpDivs: CDC (epidemiology research, disease prevention policy-making, responsibility for the nation's public health infrastructure); Agency for Healthcare Research and Quality (AHRQ) (research, management of the Preventive Services Task Force, clinical practice standards development); Health Resources and Services Administration (HRSA) (health professions development and some delivery programs); Indian Health Service (IHS) (health delivery and systems management); National Institutes of Health (NIH) (research); and Centers for Medicare and Medicaid Services (CMS) (coverage and reimbursement policies for Medicaid and Medicare). The Assistant Secretary for Planning and Evaluation (ASPE) also can be a player when the Secretary believes it is necessary. Because these key elements of a prevention and wellness strategy are understandably dispersed, a structural reorganization to achieve greater focus is unlikely, and almost certainly counterproductive. This problem of achieving collaboration among disparate groups is common. It is generally overcome primarily by setting shared goals, convening teams that can confer on strategies and methods, and then having an official with budget authority hold the various parties accountable for their contributions toward achieving the goals.
- Although there has been some limited progress in coordinating policy regarding clinical preventive services (Medicare's coverage of tobacco treatment and CMS's participation in the work of the National Commission on Prevention Priorities [NCPP]), there is, reportedly, much less progress seen on the community side of preventive practices.
- There is also very little attention being paid at the federal level to the viability of the nation's public health infrastructure, except, perhaps with respect to homeland security preparedness issues (epidemics, biological and chemical warfare defense, etc.). However, these efforts do little to address clean air, clean water, the built environment, diet, exercise, tobacco use, teen violence, substance abuse, etc., which are generally considered to be the necessary frontiers for improving the population's health.
- CDC is almost certain to become a key player, if not a lead agency, in pursuing an effective Health of Americans Agenda. But, in recent years, CDC has suffered from a more burdensome mission (bio-preparedness), a loss of experienced managerial and scientific talent, and a demoralizing and confusing reorganization. It sorely needs a reassessment of its mission and scope of services, a clearly defined role as a possible lead agency, and leadership that has the full confidence of the President and the Secretary.
- The history of numerous inter-OpDiv coordination efforts within HHS clearly suggests that they rarely succeed unless they have the following: the full support of the Secretary (and the White House) for a substantial period of time, the means and methods of measurement and disciplined accountability and reinforcement, buy-in by the OPDiv heads, and the acquiescence of key Congressional members and staffs.

- Now that the Congress has granted CMS the authority to cover clinical preventive services without legislation, CMS needs to develop a consistent set of value metrics for determining coverage and reimbursement; and not just for preventive services, but for treatment and diagnostic services as well.

## Options

As noted above, this paper does not set forth comprehensive recommendations regarding HHS reorganization; nor was its author asked to make specific recommendations. Rather, this section presents a number of options designed specifically to strengthen HHS as an instrument for reorienting the nation's health policies to focus on the health of Americans. These include policies and programs that do the following:

- Provide a stronger focus on developing knowledge about what actions and practices most influence health outcomes;
- Support and guide the building of professional capabilities;
- Shape federal taxation, budget, and reimbursement policies productively;
- Support the building of networks and infrastructure at state and local levels; and
- Educate the American people effectively regarding healthy behaviors, management of their own chronic diseases, and efficient use of health care services.

## Leadership: The Secretary and the Office of the Secretary

The most critical determinant in refocusing successfully on prevention and related public health policies will be whether the Administration taking office in January 2009, and especially the DHHS Secretary, is prepared to adopt the health of the nation as a priority. It is noteworthy that prevention and wellness were cornerstones of the health reform policies of both the Obama and McCain campaigns. However, continued advocacy through the presidential transition and briefing of new federal officials will be critical as well. To this end, a careful reformulation of the options outlined below into specific proposals might well be an essential contribution to the transition process.

The new Obama administration and its health transition planners must understand that important changes in the way DHHS is "organized" (i.e., the broad definition) will be essential. The current approach is too fragmented and poorly managed to support an effective transformation to a Health of Americans Agenda.

- Without question the most immediate concern of the transition planning should be the **selection of the Secretary of HHS** and the organization of the Office of the Secretary (OS)/HHS. If there is to be a refocusing of HHS in the direction of population health outcomes, then the selection of the Secretary should not only signal such a refocusing, but the commitments, convictions, and managerial skill of the appointee must be consistent with the highest quality levels in these areas.

Over time, the Secretary's constancy of policy focus and political skill will be tested, as myriad issues and diverse interest groups vie for attention.

- Because the demands on the Secretary's attention, time, and energy will be considerable, the Secretary will need to organize the OS to leverage his/her time. While there are many options for organizing the OS, one model that appeared to work well in previous administrations (e.g., Richardson and Califano) is a **Secretary** who is focused on policy and external affairs, and an **Under Secretary** or Deputy Secretary who is focused on internal management and implementation. Even with such an allocation of functions, it remains critical for the Secretary to maintain direct involvement with and oversight over HHS's constituent agencies, especially with respect to priority efforts.
- One of the major dilemmas facing any large and complex organization is how to maintain focus and accountability within component groups, while seeking to integrate those functions that require joint planning and collaboration. (The author believes the term "collaboration," which denotes positive activities, is preferable to "coordination," which denotes avoiding stepping on one another's toes.) Experience suggests that trying to achieve an integration of functions by restructuring is usually a time-consuming and costly option unless it is essential in achieving major policy or strategic objectives. Another option is to use a combination of a consensus vision/implementing strategy, supported by appropriate budget commitments (often requiring inter-Op/Div transfers), and disciplined and periodic oversight by the Secretary and Under Secretary.
- An alternative is to vest the leadership for the Health of Americans Agenda with an **Assistant Secretary for Health (ASH)** (usually with CMS reporting to the Secretary independently), with the Surgeon General, or with a lead agency such as CDC. Traditionally, the **Surgeon General** has served as the focal point for such efforts, but the Surgeon General's role has been educational and the SG's office is too thinly staffed to take on managerial functions. In addition, the SG role has been seriously weakened in recent years, in large measure because of the very independence that is often cited as a plus. The OASH also has little authority at present, and "lead agency" strategies often confound effective integration, absent a strong leadership presence from OS. If the ASH is to play such a role it will be necessary to restore some budget, planning and appointment authority to the ASH.
- The most logical **lead agency** for a Health of Americans Agenda would be CDC. But at the present time, that might not be appropriate since CDC's mission and structure are likely to need a serious reassessment, and it may well be an agency in transition in the immediate future. Nevertheless, CDC will undoubtedly be the main operational superstructure for a stepped-up population health agenda.

### **A Rejuvenated Surgeon General and a Council on the Health of Americans**

- Another option is to rejuvenate/restore the Surgeon General to a position of influence within the federal government and capitalize on his/her ability as "the

nation's doctor" to lead the charge on public education for behavior change and for creating a positive political climate for the Health of Americans Agenda. While there is some interest in combining the ASH and SG functions as they were under Julius Richmond in the late 1970s, the operational demands on the ASH, and the inter-agency and public demands on the SG, make this a less attractive option. There is also vigorous disagreement on whether the appointment of the SG should be co-terminus with and at the pleasure of the President, or, as at present, a fixed term of four years, not necessarily co-terminus, designed deliberately to increase the independence of the SG. An opposing view is that the "independence" of the SG is less important than his/her support from the Secretary and the White House. The extent to which the nominally independent SG has been seriously weakened by recent administrations illustrates and supports the latter argument.

- The impact of the Surgeon General could be greatly enhanced by the creation of a **National Council on the Health of Americans (NCHA)** to be chaired by the SG and appointed by the President. Its members likely would be drawn from Congress, state and local agencies, other federal agencies (e.g., Education, Homeland Security, Agriculture, VA, DoD), and would also include public health advocates, and academics. The NCHA would be advisory to the Secretary regarding priorities for the Health of Americans Agenda, and would play an important role in structuring and transmitting an annual report to the President and the nation entitled "Spotlight on the Health of Americans."
- The "Spotlight" effort would constitute a strong public accountability strategy, building on the Healthy People 2020 project. The idea would be to extract from the now somewhat unwieldy Healthy People report a prioritized list of about 10-15 high impact goals, the data that reveal how far we are from achieving the goals, and then calculate the benefits of progress and the costs of shortfalls. Externally, the "Spotlight" could represent an important and explicit set of goals and commitments at federal, state, and local levels. Internally, the Secretary or OASH could then have the OpDivs identify their agency's agencies' strategies for achieving these goals, ensuring that budget decisions realistically reflect these commitments.
- Another possible role for the SG would be to serve as the federal lead on interagency collaboration related to issues that contribute to the Health of Americans Agenda. In this regard, the SG, with the support of the White House, would chair an interagency review of federal budget activities related to the Agenda, and report directly to the Director of OMB.

### **The Centers for Disease Control and Prevention**

- CDC, of course, is a critical nucleus for changing policy priorities and producing results. At present, there is some confusion both within and outside CDC about the agency's institutional vision and priorities. Recent reorganizations, the departure of some senior scientific and management talent, and the addition of

major preparedness responsibilities have seriously burdened an agency that already had a broad-based and critical set of responsibilities, some of which demand emergency response and sophisticated scientific capabilities.

- For CDC to play the important leadership role that will be required by the Health of Americans Agenda, there should be a serious reassessment of CDC's mission, structure, intergovernmental role, and leadership. Such a reassessment should be a high priority of the new Administration and its transition planners. While there are many issues that should be considered during such a reassessment, from the standpoint of the Health of Americans Agenda, the following appear to be the most critical:
  - Clarifying and appropriately resourcing CDC's role in bio-preparedness research, infrastructure support and planning;
  - Clarifying the relationship between CDC and state and local governmental and public health agencies, including CDC's role in developing standards for accreditation, performance metrics, and training of state and local public health agencies; and
  - Clarifying the role CDC will play in the HHS pursuit of the Health of Americans Agenda. This includes specific CDC functions; whether it is to play a lead agency role; its relationship with AHRQ on research issues; and its relationship with CMS on reimbursement for clinical preventive services under Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP). If CDC is to play a lead agency role, in addition to the above, it will need an administrator who has the full confidence and ongoing support of the Secretary.
- An important aspect of the previous bullet is a need for increased guidance and influence by CDC on community preventive services and programs that complement, and in some cases exceed the scope and impact of clinical preventive services. This will require not just an intergovernmental role, but also an interagency role at the federal level.

### **External Relationships**

As detailed strategic planning for the Health of Americans Agenda proceeds, it will become immediately apparent that the White House and HHS, while clearly in a leadership role, cannot be the only players in achieving the Agenda. Four groups in particular are critical in this regard: professional societies and advocacy groups, other federal agencies (e.g., Agriculture, Education, Transportation) the academic and health services research communities, and the Congress.

- The **Congress** is critical not only because it holds legislative power over authorization, appropriation, and, to a considerable extent, the structure of HHS, but the very structure of Congressional Committees can create conflicting jurisdictions that empower special interests and consume the time and energy of

HHS officials. There is probably very little that can be done in the immediate future to take on these structural issues within the Congress, short of seeking the creation of a Joint Oversight Committee on the Health of Americans. Simply raising the awareness of members of Congress about population health issues can be achieved through stepped-up efforts by the Congressional Prevention Caucus.

- Because a significant determinant of improved health outcomes is personal behavior, including the self-management of chronic diseases, a broad range of allies needs to be identified, informed, and mobilized. The Council on the Health of Americans can serve as a nucleus for such an effort. However, HHS needs to develop a major outreach effort to mobilize health profession societies to educate their members, and encourage a wide variety of health, education and social service players to become active participants. This is another leadership role the SG can play.

## **Conclusion**

Regrettably, there remains a view that promoting prevention and wellness is not a sound or cost-effective policy. This flows from a series of articles that allege that prevention strategies do not reduce costs. But these allegations miss the point, which is that the goal of prevention is not cost reduction (a standard rarely applied to clinical diagnostic and treatment practices) but, rather the improvement of health outcomes at a reasonable cost.