



OFFICE OF
MANAGEMENT AND BUDGET

THE FEDERAL BUDGET
FISCAL YEAR 2011

Secure and Affordable Health Care for All Americans

Having steered the economy back from the brink of a depression, the Administration is committed to moving the Nation from recession to recovery by sparking job creation to get millions of Americans back to work and building a new foundation for the long-term prosperity for all American families. To do this, the 2011 Budget makes critical investments in the key areas that will help to reverse the decline in economic security that American families have experienced over the past decade with investments in education, clean energy, infrastructure, and innovation.

But even as we meet the challenge of the recession and work to build an economy that works for all American families, we must also change the way Washington does business – ending programs that don't work, streamlining those that do, cracking down on special interest access, and bringing a new responsibility to how tax dollars are spent. The President's Budget takes the steps to help jumpstart job creation, works to strengthen the economic security of American families, and makes the tough choices to put our Nation back on the path to fiscal responsibility.

The President is committed to: providing more security and stability to those who have health insurance; expanding access to coverage for the uninsured; and lowering costs for American families, and businesses, and the Federal Government. Over the past year, we have moved closer to fiscally responsible health insurance reform than ever before. To lay the foundation for this reform and to improve the health of all Americans, the Budget will:

Build on Health Information Technology (IT) Adoption Momentum. Digitizing the health care sector is a critical part of creating a health care system that is more effective and efficient. The Budget includes \$110 million for continuing efforts to strengthen health IT policy, coordination, and research activities. Combined with the Recovery Act's Federal grant and incentive programs designed to assist providers with adoption and meaningful use of electronic health records, these efforts will improve the quality of health care while protecting privacy and security of personal health information.

Increase Investment in Patient-Centered Health Research. To get the best care, doctors and patients need to know what works and what doesn't. The Budget includes \$286 million within the Agency for Healthcare Research and Quality for research that compares the effectiveness of different treatment options, building on the expansion of this research begun under the Recovery Act. Disseminating the results of this research is expected to lead to higher quality, evidence-based medicine, arming patients and physicians with the best available information to allow them to choose the treatment option that will work the best for them.

Bolster Prevention and Wellness Activities. The Budget bolsters core prevention activities by expanding community health activities, strengthening the public health workforce, and enhancing surveillance and health statistics to improve detection and monitoring of chronic disease and health outcomes. The Budget funds a new effort in as many as 10 of the largest cities in the United States to reduce the rates of morbidity and disability due to chronic disease through effective policy and environmental change strategies. The Budget also supports a new health prevention workforce to improve the capacity of State and local health departments, as well as investments to improve the health and wellness of the Federal workforce.

Expand Affordable High-Quality Primary and Preventive Care. The Budget includes \$2.5 billion for health centers to provide affordable high-quality primary and preventive care to underserved populations, including the uninsured. This will allow health centers to continue to provide care to the 2 million patients added through Recovery Act funding and support approximately 25 new health center sites. The Budget also includes funding to expand the integration of behavioral health with primary health care, enhancing the availability and quality of addiction care.

Fight Waste and Abuse in Medicare, Medicaid, and the Children's Health Insurance Program (CHIP). Reducing fraud, waste, and abuse is an important part of restraining spending growth and providing quality service delivery to beneficiaries. In November 2009, the President signed an Executive Order to reduce improper payments by boosting transparency, holding agencies accountable, and creating incentives for compliance. This Budget puts forward a robust set of proposals to strengthen Medicare, Medicaid, and CHIP program integrity efforts, including proposals aimed at preventing fraud and abuse before they occur, detecting it as early as possible when it does occur, and vigorously enforcing all penalties and recourses available when fraud is identified. It proposes \$250 million in additional resources that, among other things, will help expand the Health Care Fraud Prevention & Enforcement Action Team (HEAT) initiative, a joint effort by the Departments of Health and Human Services and Justice. As a result, the Administration will be better able to minimize inappropriate payments, close loopholes, and provide greater value for beneficiaries and taxpayers.

Increase Funding for Biomedical Research. To accelerate progress in biomedical research, the Budget continues to support research both on the campuses of the National Institutes of Health (NIH) and for approximately 300,000 scientists and other research

personnel at institutions across the country. Investments will focus on priority areas including genomics, translational research, science to support health care reform, global health, and reinvigorating the biomedical research community. The Budget also includes \$6.036 billion to continue to expand research related to cancer, and \$143 million to expand research related to Autism Spectrum Disorders. Finally, under the President's Executive Order and subsequent NIH Guidelines for Human Stem Cell Research, NIH approved 40 responsibly-derived stem cell lines—nearly double the previous number of lines available—for path-breaking research. Additionally, NIH will pursue the discovery, development, and pre-clinical testing of novel compounds for the prevention and treatment of symptoms associated with Alzheimer's disease.

Combat Childhood Obesity. Nearly one-third of children in America are now overweight or obese, and our Nation now spends \$150 billion a year treating obesity-related diseases, or nearly 10 percent of all medical spending. To improve children's access to healthy meals and help to reduce childhood obesity rates, the Budget proposes investing an additional \$1 billion per year as part of the reauthorization of the school meals program and other child nutrition programs. The Administration also will take steps to bring grocery stores and other fresh food retailers to "food desert" communities that have nowhere to buy healthy food.

Identify Ways to Improve Health Care Services for Seniors and People with Disabilities. The Budget includes new Medicare and Medicaid demonstration projects that evaluate reforms to provide higher quality care at lower costs, improve beneficiary education and understanding of benefits offered, and better align provider payments with costs and outcomes. Special emphasis will be placed on demonstrations that improve care coordination for beneficiaries with chronic conditions, that better integrate Medicare and Medicaid benefits for beneficiaries in both programs, and that provide higher value for dollars spent.

Increase the Number of Primary Health Care Providers. The Budget invests \$169 million in the National Health Service Corps (NHSC) to place providers in medically underserved areas to improve access to needed health care services. Under the NHSC, primary health professionals such as physicians, nurse practitioners, and dentists agree to serve in a medically underserved community in exchange for having a portion of their student loans paid off. In 2011, the requested increase will add nearly 400 NHSC clinicians to the more than 8,100 that will be providing essential primary and preventive care services in health care facilities across the country.

Improve the Access to, and Quality of, Health Care in Rural Areas. The Budget includes \$79 million for an initiative to strengthen regional and local partnerships among rural health care providers, increase the number of health care providers in rural areas, and improve the performance and financial stability of rural hospitals.

Expand and Focus HIV/AIDS Treatment, Care, and Prevention Activities. The Budget expands access to HIV/AIDS prevention and treatment activities consistent with the President's pledge to develop a National HIV/AIDS Strategy that will focus on

reducing HIV incidence, increasing access to care and optimizing health outcomes, and reducing HIV-related health disparities. The Budget includes specific appropriations for new HIV prevention programs. The Budget focuses HIV testing among high-risk groups, and increases resources for the Ryan White program to support the care and treatment needs for persons living with HIV/AIDS who are unable to afford health care and related support services. The Budget aims to reduce HIV-related health disparities by expanding HIV/AIDS medical services within populations disproportionately affected by the epidemic. The Budget also enhances funding for collaboration and integration activities to improve overall health outcomes for those with HIV/AIDS and co-infections with tuberculosis, hepatitis, or sexually-transmitted diseases.

Continue Efforts to Increase Access to Health Care for American Indians and Alaska Natives (AI/AN). The Budget includes \$4.4 billion for the Indian Health Service (IHS) to expand investments initiated in 2010. Increases for IHS will strengthen existing Federal, tribal, and urban programs that serve 1.9 million AI/ANs at approximately 600 facilities nationwide, and will expand access to Contract Health Services to cover health care services provided outside of the Indian health system when services are not available at IHS-funded facilities. The Budget will also fund staff and operating costs at new and expanded facilities to increase access to health care services and enhance the Indian health system. The efforts supported in the Budget to expand health services in Indian communities also include an analysis of how IHS can improve distribution of resources throughout the Indian health system.