

**Opening Statement of the Honorable Cliff Stearns**  
**Subcommittee on Oversight and Investigations**  
**“Budget and Spending Concerns at HHS”**  
**May 9, 2012**

*(As Prepared for Delivery)*

We convene this hearing, the fourth in our series of oversight hearings on the federal budget. This hearing aims to determine the results of the Department of Health and Human Services’ efforts to identify wasteful, duplicative, or excessive spending and to assist in finding more spending cuts and savings, pursuant to the president’s ordered line-by-line review.

HHS is the largest agency, by budget, under this committee’s jurisdiction and is second only to the Department of Defense. The president’s Fiscal Year 2013 Budget requests \$940.9 billion in outlays and \$76.7 billion in discretionary budget authority for HHS, an increase of nearly 8 percent over last year’s outlays and a slight increase over last year’s discretionary budget. This increase is in addition to the \$140 billion in Recovery Act funds provided to HHS programs.

HHS, as recently as FY 2009, was an agency of nearly 80,000 federal employees. According to FY 2010 Office of Personnel Management data, these include 91 of the federal government’s top-100 highest-paid civil servants and 651 of the federal government’s top-1000 highest-paid civil servants. And HHS continues to grow. Between FY 2007 and 2013, the number of Full-Time Equivalents, rose from 63,748 to 76,341, an increase of about 20 percent.

At an agency as large as HHS, opportunities are ripe for wasteful and duplicative spending. It is clear HHS has a long way to go to streamline its many multi-billion dollar programs and restore trust in its management of our tax dollars. For example, HHS, just like DOE, failed to heed the president’s April 2009 order to cabinet secretaries to identify a combined \$100 million in budget cuts by July 2009. And there is clearly waste.

The Center for Disease Control’s Communities Putting Prevention to Work program, for which the Recovery Act made hundreds of millions of dollars available, have paid for signage to promote recreational destinations, intergenerational urban gardening, and community bike sharing programs around the country. CDC’s website even boasts that money under this program was provided to Kauai, Hawaii “to develop remote school drop-off sites to encourage students and staff to walk farther distances. . .to school entrances.” Perhaps, HHS is telling Congress that we should eliminate mass transit as part of our war against obesity. Incredibly, this same program also funded free pet spaying and neutering. While a laudable goal, the Department of Health and Human Services should focus its limited resources on human health.

Just last month, GAO released a report on the Medicare Advantage Quality Bonus Payment Demonstration, which it estimated will cost \$8.35 billion over 10 years. Secretary Sebelius says that she intends to go forward with this project despite the fact that GAO concludes

that it is unprecedented in size and cost and that its design “precludes a credible evaluation of its effectiveness.” Obamacare stipulates cuts in Medicare Advantage funding. Therefore, the *Wall Street Journal* has suggested that the purpose of the demonstration project is to give a program that is popular with seniors a temporary reprieve past Election Day. And I think the *Wall Street Journal* is right.

When we are borrowing 40 cents of every dollar we spend, we need to ensure that the American taxpayer is getting the proper value for their tax dollars. In order to learn more about HHS’ efforts, we will take testimony today from the Deputy Assistant Secretary for Budget at HHS, Norris Cochran; and Directors of Health Care at GAO, Carolyn Yocom and James Cosgrove, who will be providing joint testimony. I welcome the witnesses.

I would point out that the HHS Office of the Inspector General declined the subcommittee’s invitation to testify at this hearing, noting that due to its statutory mandates and funding streams, it spends 80 percent of its limited resources on fighting fraud, waste, and abuse in the Medicare and Medicaid programs. The IG also confirmed that it has not done any significant recent work looking at duplicative programs within HHS, nor does it have plans to conduct such a review in the near future.

For this reason, only GAO will be present at the hearing to provide an independent, outside assessment of HHS efforts to identify wasteful, duplicative, or excessive spending within the agency. In the absence of the IG, this subcommittee’s role in providing much-needed oversight of HHS spending and operations becomes all the more crucial.

This subcommittee, and the committee as a whole must remain deeply and regularly engaged with the agencies within its jurisdiction, including HHS, as they define their priorities, identify their needs, and set their goals for the year ahead.