



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

TO: Heads of Operating and Staff Divisions

FROM: Secretary Alex M. Azar II

SUBJECT: Immediate Office of the Secretary Organization

DATE: March 29, 2018

It has been an eventful two months since my swearing in. Together, we've already made significant progress on the four initiatives that I set for the department's transformation agenda: combating the opioid crisis; bringing down the high cost of prescription drugs; addressing the cost and availability of health insurance; and transforming our healthcare system to a value-based system.

We have an exceptional team at HHS and within the Secretary's office, and I have used these first few weeks to meet with the Deputy Secretary and Chief of Staff to determine how we might best organize ourselves within the Immediate Office of the Secretary (IOS). My goal is to establish an effective operating structure that reduces duplication and permits more efficient operating division / staff division reporting and regulation development and clearance.

The changes in reporting and portfolio assignments set forth here will: unify the operations of the Secretary and the Deputy Secretary, remove as many as four layers of contact or decision-making within the IOS and up to 40 percent of core IOS policy staffing on issues, and create single points of contact within the IOS for all operating and staff divisions.

First, I have asked the Deputy Secretary to take the lead on regulation development and clearance across all of our agencies and staff divisions. All regulation clearances will go through the Deputy Secretary, via the Executive Secretary process, and the Deputy Secretary will be responsible for convening all clearance and briefing meetings and coordinating submission of all regulations to the Office of Management and Budget (OMB) and other relevant White House offices and councils. Regulatory decisions and recommendations from the Deputy Secretary will be forwarded to me for final review and issuance. The Deputy Secretary's decision will generally be the final position of the Department on a regulation absent further developments. Additionally, all day-to-day non-policy operations, management and budgetary issues for all operating and staff divisions will go to the Deputy Secretary as the Chief Operating Officer of the Department.

Second, in order to support the four transformation agenda initiatives, I am creating "Senior Advisor" positions to lead and drive action and progress. Two individuals have agreed to join us to direct the initiatives on insurance pricing reform and drug pricing reform. Daniel Best, an

executive with many years of experience in pharmacy and pharmacy benefits management, will be joining the IOS as Senior Advisor for Drug Pricing Reform. I will soon be announcing the name of a seasoned health payment executive who has agreed to join the IOS as Senior Advisor for Health Care Payment Reform as well as an additional Senior Advisor for Value Payment Transformation.

To support our initiative to combat the opioid epidemic, I have asked our Assistant Secretary for Health, Dr. Brett Giroir, to take on a Senior Advisor position for Mental Health and Opioid Policy in addition to his many duties as ASH. Dr. Giroir has agreed to take on this important role and serve as the key point person within HHS for all of our efforts to respond to the opioid epidemic. SAMHSA will continue to work closely with me in these efforts and the agency will continue to report up to me through the Chief of Staff with Dr. Giroir as the IOS point of contact for all matters and with Dr. Giroir staffing the Deputy Secretary on any SAMHSA regulatory matters.

Third, the Chief of Staff will continue to take the lead on all Secretarial strategic initiatives, legislative issues, public affairs, political personnel and interactions with the Executive Office of the President. Fourth, with respect to agency reporting, the Centers for Medicare & Medicaid Services (CMS), the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), the National Institutes of Health (NIH), the Health Resources and Services Administration (HRSA), the Office of the National Coordinator for Health Information Technology (ONC), the Substance Abuse and Mental Health Services Administration (SAMHSA), and the Agency for Healthcare Research and Quality (AHRQ) will continue to report to me through the Chief of Staff.

Mary-Sumpter Lapinski will continue to be the first point of contact in the IOS for the CDC, FDA, and NIH. My new Senior Advisor for Healthcare Payment Reform will be the point of IOS contact for CMS and HRSA issues. The new Senior Advisor for Value Payment Transformation will be the IOS contact for AHRQ and ONC issues. Both of these Senior Advisors will be supported by John O'Brien, who will continue to be detailed from ASPE to assist the IOS for issues related to CMS, HRSA, AHRQ, and ONC.

Regulatory clearance, day-to-day non-policy operations, management and budgetary issues for CMS, CDC, FDA, NIH, HRSA, AHRQ, ONC, and SAMHSA will continue to be routed to the Deputy Secretary for decision, and he will be supported, as relevant, by Mary-Sumpter Lapinski, the Senior Advisor for Healthcare Payment Reform, the Senior Advisor for Value Payment Transformation, and John O'Brien on these matters.

Fifth, the Administration for Children and Families (ACF), Administration for Community Living (ACL), and the Indian Health Service (IHS) will report to me through the Deputy Secretary on all matters. Maggie Wynne will continue to be the point of contact in IOS for ACF, ACL, and IHS.

Sixth, with respect to staff division reporting, the following staff divisions will report to me through the Deputy Secretary with an IOS senior policy expert serving as the point of contact as noted in parentheses:

- Assistant Secretary for Health (ASH) (Paula Stannard for regulatory review and Laura Caliguiri generally);
- Assistant Secretary for Administration (ASA) (William Brady);
- Assistant Secretary for Financial Resources (ASFR) (William Brady);
- Assistant Secretary for Preparedness and Response (ASPR) (Laura Caliguiri); and
- Inspector General (William Brady).

Also reporting to me through the Deputy Secretary will be:

- Office for Civil Rights (OCR) (Paula Stannard);
- Office of Security and Strategic Information (OSSI) (William Brady);
- Chief Technology Officer (CTO) (William Brady);
- Departmental Appeals Board (DAB) (Paula Stannard); and
- Office of Medicare Hearings and Appeals (OMHA) (Paula Stannard).

The following staff divisions will report to me through the Chief of Staff:

- Assistant Secretary for Legislation (ASL);
- Assistant Secretary for Planning and Evaluation (ASPE);
- Office of the General Counsel; and
- White House Liaison.

The following staff divisions will report to me via the Chief of Staff through the Deputy Chief of Staff:

- Assistant Secretary for Public Affairs (ASPA);
- Office of Intergovernmental and External Affairs (IEA);
- Office of Global Affairs (OGA); and
- Office of Scheduling and Advance.

Regulatory clearances and budgetary issues for all of these staff divisions and offices will continue to be routed to the Deputy Secretary. It should also be noted that senior IOS personnel will also perform other duties as assigned in addition to their roles as primary points of contact for operating and staff divisions.

This IOS reorganization should reduce duplication of efforts within the IOS, continue to foster effective teamwork and streamline communications among the operating and staff divisions and the Deputy Secretary and Chief of Staff and, ultimately, myself. Although we are moving around some responsibilities to facilitate the speed of decision-making, please remember that I will continue to meet regularly with operating and staff divisions on a range of issues and will continue to have an open door and be available to meet or speak with any of you as the need arises.

Thank you for all of your work to enhance the health and well-being of all Americans. I look forward to celebrating many accomplishments with all of you in the years ahead.