

Safeguarding Vital and Health Statistics
Prepared for the Committee on Population Statistics,
Population Association of America
October 2007

Introduction

Vital and health statistics have been a core concern of demography since the very beginning. The forerunners of the field could not have made their contributions without them: Malthus focused on birth and death rates; John Snow on spatial patterns of disease. In the contemporary United States, these statistics are the mission of the National Center for Health Statistics (NCHS), which is charged with collecting, analyzing, and disseminating objective data on the health of the U.S. population and the vital events – births, deaths, marriages, and divorces – that contribute to population change. The statistical systems that produce these data are an essential feature of the country’s statistical infrastructure, and a wide range of organizations and users rely on their dependability, quality, and completeness. NCHS data are used by the Census Bureau in evaluating its data and informing its population estimates and projections; by the business community in planning marketing strategies, by state and local governments, by federal policy makers, and by demographers, epidemiologists, health services researchers, and other scientists, many of whom are members of PAA. Among the data sources used regularly by PAA members are natality and mortality statistics, the linked infant death and birth files, the National Death Index, the National Survey of Family Growth, the National Health Interview Survey, and the National Health and Nutrition Examination Survey.

Recently, however, observers have questioned whether NCHS and its statistical systems are themselves in good health. Chronic under-funding of NCHS has led to a steady stream of losses in statistical data available from the vital statistics system¹. These losses include the abortion reporting system, the marriage and divorce statistics program, occupation and industry coding of death certificate data, and, most recently, processing of some items from the birth and death certificates. Because of funding constraints, NCHS has had to relax quality control standards in on-going data processing and in contracts between the National Center for Health Statistics and the states. The National Health Interview Survey cut its sample by one-quarter a few years ago and has suffered further reductions in recent years because of budget shortfalls. Finally, in both Fiscal Years 2006 and 2007, the National Center for Health Statistics lacked sufficient resources to meet its obligations to the states to purchase a full year of vital statistics data. As reported on the “CDC Chatter” website (<http://www.cdcchatter.net/index.php?name=News&file=article&sid=416&mode=thread>)

¹ This section borrows heavily from a speech by Dr. Harry Rosenberg upon receiving the Halbert L. Dunn Award from the National Association of Public Health Statistics and Information Systems, Salt Lake City, Utah, June 6, 2007. Dr. Rosenberg, now retired, was formerly Chief, Mortality Statistics Branch, and Special Assistant to the Division Director, Division of Vital Statistics, National Center for Health Statistics.

[&order=0&thold=1](#)), NCHS has considered options for vital statistics in the event that these shortfalls are not ameliorated, including elimination of data collection for the mortality data in 2008 and of either mortality or natality data in 2010². With respect to NCHS's surveys, none are fully funded through the NCHS budget, but must rely on contributions from other federal agencies. These contributions come with strings attached, and the priorities set by funders have an impact on data collection and survey design.

In recent years, these problems have been receiving increased attention. An organization called the "Friends of NCHS" (<http://www.chsr.org/friendsofnchs.htm>) has been working to increase lawmakers' awareness of the importance of health statistics and vital statistics, and to increase the NCHS budget. The Friends have been collaborating with many professional organizations and agencies that depend on vital statistics, including the PAA, the National Association of Public Health Statistics and Information Systems (NAPHSIS), state vital statistics offices, and others. In a March letter to the House Appropriations Committee, Emily Rowe, who leads the Friends, secured the support of over 150 organizations. To date, these efforts have focused on securing short-term increases in funding for NCHS. However, as suggested above, the funding short-falls have been a chronic problem for the agency. Solutions must therefore seek out the deeper causes of the problem.

At its spring, 2007, meeting, the Committee on Population Statistics discussed the possibility that NCHS's organizational location within the CDC might be central to these "deeper causes." The Committee decided to gather information about NCHS's organizational location, its implications for the security of vital and health statistics, and potential actions that might be considered by the PAA and its public affairs committee. Dr. Ken Land agreed to lead this effort. This report draws on initial fact-finding activities by Committee on Population Statistics members. Activities included collection of publicly available information about NCHS and CDC from agency websites and public forums, and interviews with prior NCHS officials (most notably Dr. Harry Rosenberg) and with representatives of the Friends of NCHS. In the course of these activities, it became known that the Friends of NCHS shared a joint interest in these structural issues and wanted to launch a similar effort. Collaboration ensued, and recommendations for future action reflect judgments jointly developed with the Friends organization.

² Harry Rosenberg relates that, in 1972, to address a serious funding shortfall, NCHS Director Ted Woolsey decided to process only a 50-percent sample of the death file for 1972. "Not only did the 50-percent sample cause obvious analytic challenges, it compromised the measurement of relatively rare events such as maternal deaths and some infectious diseases, rare events that can be important sentinel health indicators. A number of years later the other half of the mortality file for 1972 had to be coded at huge expense and effort. The difficulties were amplified because the retrospective coding was for a previous revision of the International Classification of Diseases. Coders had to be retrained; and selected certificates retrieved from the states." Mr. Woolsey said publicly that that decision was one of the worst he ever made.

History

NCHS was formally established within the Public Health Service in 1960³. It was moved to CDC from Office of the Assistant Secretary for Health (OASH) in 1987. Although reports concerning the reasons for this move vary, the issues are thought to have centered on the size and budget of the Office of the Assistant Secretary for Health (OASH) as it was then configured. This office, which housed NCHS, had become quite large and costly, and the administration wanted to streamline it. Although a variety of new homes for NCHS were considered (including NIH), CDC was considered the best “fit”. Reportedly, proponents of the move also thought that CDC would provide greater budgetary security for the Center.

During the period 1987-2005, NCHS was one of a large number of centers comprising the CDC, and the Director of NCHS reported directly to the Director, CDC. In the mid-1990s, under Secretary of Health and Human Services Dr. Donna Shalala, questions were raised about the suitability of this arrangement. Dr. Janet Norwood headed up a panel that recommended moving NCHS out of CDC. However, the effort died with the arrival of a new head of CDC, Dr. David Satcher, who was reportedly unsupportive of the move. In 1995, Dr. Shalala wrote Dr. Satcher a memo expressing concerns about maintaining the strength and independence of NCHS, and sending a strong charge to the CDC to hold the NCHS “in trust” for the entire department (Attachment B). In this letter, Dr. Shalala also appointed the NCHS Director as a “Senior Advisor to the Secretary on Health Statistics”, giving him direct access to the Secretary.

In April, 2005, CDC Director Dr. Julie Gerberding launched a massive reorganization of CDC. In the reorganization, NCHS was “demoted” to be one of three centers in the Coordinating Center for Health Information and Service. As a result, the Director of NCHS no longer reports directly to the CDC Director. The other two centers in the Coordinating Center are the National Center for Public Health Informatics, which “provides national leadership in the application of information technology in the pursuit of public health” and the National Center for Health Marketing, which “provides national leadership in health marketing science and in its application to impact public health.” Website information suggests that the former is largely devoted to information services and technology; the latter to marketing interventions (see <http://www.cdc.gov/about/organization/cchis.htm>).

In April, 2004, as the reorganization was being planned, PAA wrote a letter to Dr. Gerberding, expressing concerns about the potential effect of the reorganization (Attachment B). The letter emphasized the need to maintain NCHS’s independence and stated that “the crosscutting nature of NCHS does not lend itself well to being placed within a narrowly defined center or a cluster of centers”.

Since implementing the reorganization, Dr. Gerberding has also launched a CDC-wide “Goals Process.” (See <http://www.cdc.gov/about/goals/factSheet.htm> for the CDC Health Protection Goals Fact Sheet and <http://www.cdc.gov/osi/goals/Objectives0307.pdf> for the

³ For the legislative authorities pertaining to NCHS, see <http://www.cdc.gov/nchs/data/misc/legis99.pdf>

latest revised goals). The goals are focused on delivering services and improving health. Highlights from the Fact Sheet include:

“CDC is now focusing on achieving four overarching Health Protection Goals to become a more performance-based agency focusing on healthy people, healthy places, preparedness, and global health.”

“They define the major paths toward accomplishing our mission”.

“ CDC’s Coordinating Centers and Offices are improving coordination and networking inside and outside CDC and will be the home for the Goal Action Plan teams. These teams, led by CDC senior staff, bring together experts from inside and outside the agency to develop measurable objectives and priority actions to achieve health protection goals.”

“Alignment means that allocating CDC budget to "align" with its goals and objectives. Currently, CDC has aligned 98% of the agency budget to goals/strategic imperatives, and will continue this process during the next fiscal year. There are always going to be important activities and work that are not directly related to a specific goal but all projects, including niche research, will contribute to achieving a greater health impact.”

NCHS contributes to this Goals Process with resources and staff time but it is not clear how the programmatic goals articulated by CDC relate to the NCHS mission in health statistics.

Key Questions, Partial Answers, and Needed Information

The concerns about the location of NCHS within CDC revolve around two interrelated issues: (1) whether NCHS can maintain the independence required of a federal statistical organization and (2) whether the NCHS can secure the resources it needs to produce the high quality statistical data it is mandated to produce and on which PAA members rely. Both of these issues may have become more problematic after the CDC implemented its reorganization in 2005. Key questions for the Committee’s consideration include:

- What evidence do we have that NCHS’s position within CDC is compromising its ability to function with the independence required for the integrity and credibility of statistical data? If there is a problem or a perceived potential problem, what is its cause and how might it be solved?
- What evidence do we have that its position is compromising its ability to obtain the resources it needs to carry out its mission? To what extent is this a structural issue vs. an issue of overall tight budgets and/or congressional awareness?
- Are there organizational alternatives that would both be feasible and improve NCHS’s ability to carry out its mission?

1. Independence

What aspects of NCHS's organizational location might affect its independence?

One important aspect of organizational structure is the number of administrative levels separating an organization from the agency head. We reviewed the organizational locations of other federal statistical agencies, including the Bureau of the Census, the Bureau of Labor Statistics, the National Center for Education Statistics, the Bureau of Justice Statistics, the National Agricultural Statistics Service, and the Bureau of Transportation Statistics, using organizational information available on the Web. The Director of NCHS is three steps away from the Secretary of DHHS: he reports to the Director, Coordinating Center, who in turn reports to the Director, CDC, who reports to the DHHS Secretary. How do the other statistical agencies compare? Only one, the Bureau of Justice Statistics, appears to be similarly distant from agency leadership. The Bureau of Justice Statistics is part of the Office of Justice Programs, which reports to an Associate Attorney General, who reports to the top leadership of the Department of Justice. By contrast, the Bureau of Labor Statistics is located directly under the Office of the Secretary in the Department of Labor. All other organizations we examined have one intervening level between the statistical agency and the agency leadership. This was the initial arrangement for NCHS at CDC, prior to the 2005 reorganization.

When a statistical agency is embedded within another organizational unit, the compatibility between the mission of the larger unit and its statistical component is an important consideration. Most of the statistical agencies we reviewed were located within a science- or research-focused organization that reported to the Secretary of the Department. NCHS, by contrast, is located within an agency with a programmatic mission, that is, a mission to develop and implement programs to protect health. Although CDC historically has conducted surveillance of diseases and medical procedures, these activities are not purely statistical in the sense that they are designed to support the agency's mission to improve health and prevent the spread of disease.

How might organizational location affect independence?

Two aspects of autonomy are especially important for a statistical agency – authority over the content and design of surveys and data systems, and autonomy in data release and dissemination. With respect to the content and design of surveys and data systems, embedding a statistical agency within a programmatic or policy-oriented organization may create pressures to adapt data systems to the needs of the parent organization. It would be useful to request information from CDC regarding policies and practices that bear on the process of determining content and design for NCHS data systems. Are these structured in a way that protects the autonomy of NCHS in fulfilling its statistical mission?

Control over public dissemination efforts and the clearance procedures for both press releases and statistical publications have an important impact on how, when, and with what information a statistical agency informs the public, as well as potentially on the agency's reputation for independence and integrity. NCHS's document clearance procedures are not publicly available, and so we do not know to what extent statistical

publications, or the decision to publicize data, are cleared within the Center vs. at higher levels of CDC. Information is needed on where those functions are located, and whether clearance officers sit within organizational components that do not share the “statistical” mission of NCHS. What are the criteria that trigger review at levels above the Center? It would be useful to request information about both CDC and NCHS policies and practices governing (and related in any way to) the clearance of statistical reports, scientific publications, press releases, and other forms of communication to public or scientific audiences. Who controls what is released and the form that releases take? Information should also be requested about policies affecting data release and dissemination. To what extent does CDC provide oversight to NCHS decision-making regarding data release, especially in regard to the release of sensitive data (e.g., HIV, sexual behavior, genetic data)?

Organizational location may also be associated with specific legal protections that safeguard the autonomy of certain statistical organizations. This has not yet been explored.

In the most general sense, it will be important to determine the extent to which NCHS’s organizational location is compatible with the principles and practices governing statistical agencies as articulated by the National Research Council⁴. A direct query to the CDC asking how the organization assures compliance with these guidelines may be helpful.

Is there evidence that CDC is undermining NCHS’s independence?

Reportedly, there have been a few instances in which CDC has attempted to interfere in the way in which NCHS disseminates their data. None of these appears to be a “smoking gun” – a dramatic instance in which the statistical integrity of NCHS was actually violated. Rather, they illustrate situations in which CDC priorities constrained the freedom of NCHS to publicize its data, and situations in which NCHS staff had to go to some lengths to defend practices they viewed as important. We do not elaborate these here.⁵

⁴ Martin, M.E., Straf, M.L, and Citro, C. F. (eds.). 2005. *Principles and Practices for a Federal Statistical Agency, Third Edition*. Washington DC: National Academies Press.

⁵ One incident has been widely reported, but bears at best indirectly on the question of NCHS independence. CDC researchers, including Dr. Gerberding, authored a JAMA article about deaths attributable to obesity (Mokdad, et al., *JAMA*. 2004; 291:1238-1245). CDC later issued a retraction (*JAMA* Mokdad et al. 293 (3): 293). This episode received substantial attention in the popular and scientific press (e.g., *Science* 304: p. 804, May 7, 2004). The press reports suggested that this episode reflected a willingness of the CDC leadership to stifle scientific debate in order to push obesity as a public health issue.

2. Resources

What resources does NCHS actually receive and how have these changed?

Information on appropriated budgets available on the CDC website, <http://www.cdc.gov/fmo/fmofybudget.htm>, shows that the NCHS budget remained flat between 2005 and 2007, after increasing between 2004 and 2005⁶.

Fiscal Year	2004	2005	2006	2007
Health Statistics (\$ in thousands)	\$90,055	\$109,021	\$109,021	\$107,021

Until 2005, budget data also indicated a higher figure labeled as “Total Appropriations.” Although further information about this figure is needed, it is likely that it included the funds for leadership and management (L&M). In the 2005 reorganization, all L&M funds were consolidated across the CDC. CDC reportedly now pays for NCHS’s top managers out of this pool, but it is not clear whether the NCHS is getting back what it gave up. CDC also reportedly pays for the coordinating center infrastructure with these funds, and may also use it to fund positions for its Goals Process⁷. It would be helpful to be able to document whether funds available to support needed management functions at NCHS were affected by this change.

Better information is also needed on changes over the past five years in funds available to support NCHS’s divisions and statistical programs. Specifically, information could be requested on appropriated funds available to each of the 5 major programmatic divisions of NCHS, including the Office of Analysis and Epidemiology; the Division of Vital Statistics (DVS); the Division of Health Care Statistics; the Division of Health Interview Statistics; the Division of Health & Nutrition Examination Surveys, and also on appropriated funds available to directly support the operational functions of each of the Vital Statistics System (including natality, mortality, and marriage/divorce statistics); the National Health and Nutrition Examination Survey, the National Health Interview Survey, and the National Survey of Family Growth. This information could be obtained from NCHS through interviews, and, if necessary, a Freedom of Information Act request.

To what extent does the CDC mission and activities impinge on NCHS resources?

Another potential budgetary issue is the resources that CDC draws away from NCHS. These could include:

⁶ These figures match what NCHS Director Ed Sondik presents as “NCHS Program Funds” in a presentation to the Friends of the NCHS (slide 20, <http://www.chsr.org/friendsofnchs2007.pdf>).

⁷ These assertions are based on statements posted on the CDC Chatter website as well as other informal communication. They require verification through formal inquiries.

- Actual taps on the NCHS budget by CDC: Do such taps exist? Have there been financial taps for the Goals Process?
- Costs of CDC Infrastructure (see above re: L&M funds).
- “Fees” charged by CDC on interagency agreements that provide funds for NCHS projects (e.g., another agency provides \$1million to NHIS to add supplemental questions; how much of this money actually reaches NHIS for this purpose?).
- Demands on NCHS staff resources, e.g., to serve on CDC-wide activities such as the “Goals” process.

This information could also be obtained from NCHS through interviews, and, if necessary, a Freedom of Information Act request.

What other effects might NCHS’s location within CDC have on its access to resources? Budgets for federal agencies are appropriated by Congress, but the process leading up to final appropriations is influenced by bureaucratic structures. The President’s Budget is constructed by the Office of Management and Budget, which consolidates requests from individual agencies. Within each agency, budget requests are constructed through bureaucratic channels: lower level offices pass their requests up to higher level offices and this process continues until all requests are finally consolidated in the Office of the Secretary. The further down in the organizational structure an entity is, the less direct control it has over the budget process. Once budget decisions are in the hands of Congress, communications with Congress become paramount. Agencies do not lobby Congress for funds, but they do provide information in response to congressional queries. Control over this communications process, which again becomes attenuated with lower positions in the hierarchy, can also affect the appropriations process.

3. Alternative organizational placements for NCHS

In considering potential locations for NCHS within DHHS, an important consideration is its responsibility to inform the entire department. Although Secretary Shalala emphasized this responsibility in her 1995 letter and made the NCHS Director a special advisor to the DHHS Secretary at the time, it is not clear whether any comparable mechanism for informing the department still exists in practice.

Informants have identified a number of potential homes for NCHS. These include a return to the Office of the Assistant Secretary for Health (OASH), or transfer to the National Institutes of Health (NIH), the Agency for Healthcare Research and Quality (AHRQ), or the Office of the Assistant Secretary for Planning and Evaluation (ASPE). Informants offered uncertainties and concerns about each of these options. The missions of NIH and AHRQ are both geared to research, not statistical data. ASPE is a policy office. Moving the Center back to OASH may meet with the same concerns that prompted its move to CDC. Informants report that DHHS does not want to create another operating division.

Creation of a consolidated national statistical office, as in Canada and many European nations, has also been suggested. However, none of our informants felt this was ideal either, because statistical units located *too* far from related substantive units (i.e., programmatic agencies) lose their ability to inform and be informed by these substantive

programs. Another possibility, however, is the creation of a centralized statistical component of DHHS that would oversee the core health-related surveys and data systems of the department. Although NCHS maintains many of these already, others with arguably statistical missions are now scattered in various units across the department.

Informants felt that if NCHS must be embedded within another unit of DHHS, it should be embedded within a unit that has a research, not a programmatic or policy, mission. Pairing NCHS with the National Library of Medicine (currently a unit within NIH) or with AHRQ inside a research-oriented unit of DHHS was suggested by some. Committee members agreed that locating NCHS in a position where it could best serve the entire department was critical. They pointed out that because NCHS data is used to assess the success of CDC as well as other programmatic DHHS entities in fulfilling their missions, it should have the maximum possible independence from these entities.

To fully explore this issue, the limited discussions that inform this report must be greatly expanded. Suggested informants include officials at NCHS, CDC, and DHHS, members of the NCHS Board of Scientific Counselors and the National Committee on Vital and Health Statistics, the NAS Committee on National Statistics, former directors of NCHS, as well as the representatives of the many external constituencies of the NCHS.

Recommended Next Steps

Several conclusions have emerged out of our fact-finding and our discussions with the Friends of NCHS.

- There is good reason to believe that NCHS's structural location has compromised both its funding and its ability to manage its mission independently.
- To fully explore these issues and set the stage for corrective action, further information-gathering is necessary. Because both the Friends of NCHS and PAA may have an interest in gathering this information, it makes most sense to conduct this work collaboratively.
- The political will to relocate NCHS does not currently exist within DHHS, so any actions taken on the basis of this and future information-gathering are not likely to occur prior to the end of the current administration.
- Perhaps most importantly, the Friends and PAA may not have the stature necessary to bring about corrective actions by themselves. Informants have advised us that action is needed at high levels of the administration, or in Congress, and that highly visible and persuasive voices would be needed to obtain the desired result. These issues are not the purview of COPS, but of the Public Affairs Committee; however, the foundation of information and fact on which these voices will rely is within COPS's purview.

In light of these conclusions, we recommend that the PAA endorse further study of the issues raised in this report. We further recommend that the PAA join with a consortium of other organizations under the Friends of NCHS to support the conduct of this study through a highly credible and visible organization such as the National Academy of Sciences.

Attachment A



1875 Connecticut Avenue NW
Suite 520
Washington, D.C. 20009
Phone: (202) 939-5456 Fax: (202) 328-3937

April 29, 2004

Futures Initiative
Centers for Disease Control and Prevention
Mailstop D-28
1600 Clifton Road
Atlanta, GA 30329-4018

To whom it may concern:

Thank you for the opportunity to comment on the Centers for Disease Control and Prevention's (CDC) Futures Initiative. We appreciate your interest in our input as this ambitious plan evolves.

The Population Association of America (PAA) is a scientific, educational, and charitable organization of over 3,000 individual members whose purpose is to promote the improvement, advancement, and progress of the human race via research on problems related to human population. PAA members include demographers, sociologists, economists, and public health professionals whose diverse array of research interests includes retirement, minority health, childcare, immigration, family formation and dissolution, and population forecasting. The PAA supports the work of numerous Federal agencies, including the National Institutes of Health, Census Bureau, and the National Center for Health Statistics (NCHS) at the CDC.

As the Federal Government's principal vital and health statistics agency, NCHS is an invaluable resource to PAA members. The reliable, timely data produced by NCHS are essential to the behavioral and social science research conducted by PAA members. Therefore, our members are not only concerned about ensuring the quality and timeliness of the data NCHS generates through its numerous interviews, surveys, and examinations, but also about maintaining the accessibility and integrity of these data. In this vein, the PAA also supports NCHS' National Vital Statistics System—a seminal source of

information used by researchers and others, including public health officials, to measure our progress as a nation and track significant population trends.

We believe that the success of NCHS is attributable in part to its independent status within CDC. We are encouraged that under Prototype A, as proposed by the Organizational Design Teams, CDC appears committed to maintaining a structure comprised of health centers. However, it is not clear if the health centers would exist in their current form or be reorganized into a cluster of new centers. The proposal states that it would support multiple centers focused on specific diseases or conditions and emergency preparedness. The crosscutting nature of NCHS does not lend itself well to being placed within a narrowly defined center or a cluster of centers. Thus, we hope CDC will continue to recognize the unique nature of the NCHS statistical mission and maintain its independence to safeguard its professionalism and reputation as an objective source of key information on the health of the American people. Independence, according to the National Academy of Sciences' (NAS) 2001 edition of the "Principles and Practices for a Federal Statistical Agency," is "necessary for a statistical agency to have credibility and to carry out its function to provide an unhindered flow of useful, high-quality information for the public and policy makers." Further, the NAS report states that independence is not only necessary to ensure users will trust the accuracy and objectivity of a statistical agency's data, it is also key to enlist the cooperation of data providers when they receive agency requests.

Through this initiative, we are pleased CDC hopes to improve its health marketing and public communication efforts. Nonetheless, we feel NCHS provides exceptional customer service. Even in the face of recent funding shortfalls, NCHS has sustained its key activities and provided high-quality information to its customers. Thus, we would want not any changes in the agency's bureaucratic structure and communication procedures to disrupt the flow of current, unbiased scientific data to the public. Likewise, we hope NCHS will be able to continue collecting data broadly and not related exclusively to CDC's revised public health goals.

Again, thank you for your consideration of our views on the Futures Initiative. If you would like additional information, please do not hesitate to contact our Public Affairs Specialist, Ms. Mary Jo Hoeksema at 202-939-5456 or via e-mail at paaapc@ari.net.

Sincerely,

/s/

Sara McLanahan, Ph.D.
President
Population Association of America

Attachment B



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

DEC 13, 1995

TO: David Satcher
Director, Centers for Disease Control and Prevention

FROM: The Secretary

SUBJECT: New Expectations of the National Center for Health Statistics

Through the REGO2 process, and as part of efforts to strengthen the Department's health statistics functions, I have decided to designate a "consolidated health statistics entity" to serve as a nucleus for coordination and consolidation of general purpose health surveys throughout the Department, to be a locus for a variety of health statistical activities, and to help bring coherence to these activities.

Among the most difficult issues has been the organizational location of this entity. For the present, I have decided to build on the existing functions and strengths of the National Center for Health Statistics (NCHS) to create a stronger HHS statistics effort, while maintaining the current organizational placement of NCHS within the Centers for Disease Control and Prevention (CDC).

My primary objective is to assure that HHS has a strong, independently functioning statistics program that serves the variety of data users both within and outside HHS. HHS statistics are a public utility, and a basic building block of public health and health policy. To achieve success, this function must continue to be objective and neutral. Although I plan to continue NCHS' location within CDC, I want to emphasize that CDC holds NCHS in "trust" for the entire Department. I am seeking your assistance in accomplishing these goals.

1. Strengthening the Role of the NCHS Director In HHS Data Policy

An important step to ensure these objectives are met is to strengthen the role of the Director, NCHS in HHS data policy. Toward this end, I am taking two steps to institutionalize the position of this individual within the HHS hierarchy. First, the NCHS Director will hold a dual position, reporting directly to me as Senior Advisor to the Secretary on Health Statistics, as well as reporting to the CDC Director with respect to NCHS operations. Second, as Senior Advisor to the Secretary on Health Statistics, the Director will be a member of the HHS Data Council.

As you know, in light of this addition of the role of Senior Advisor to the Secretary on Health Statistics to the NCHS Directorship, and the changes I am making in the scope and role of NCHS, the application period was re-opened with a new vacancy announcement reflecting these new roles and functions. Now that we have the complete set of applications, I urge you to move as quickly as possible to complete the selection process. I will join you in interviewing the final candidates for this position; the final candidates should be interviewed by other senior Department officials, as well. This will send a clear message that the Director is viewed as a Department-wide leader for health statistics.

2. The New Role of the NCHS in HHS Data Policy

In addition to its current functions, the NCHS will be responsible for assisting the Data Council, as requested, in development of a Department-wide data collection strategy, in working to improve consensus in privacy and data standards, working to make HHS data meet the needs of all users and be easily accessible, and in oversight and implementation of non-programmatic surveys and general statistical analysis. The Data Council will rely on staff support from throughout the Department, coordinated by ASPE's data policy staff. I expect NCHS to be a leading participant in this interagency staffing effort.

In particular, NCHS will serve as a nucleus for the Department's survey coordination and consolidation plan. Working closely with all agencies conducting surveys,

expect NCHS to exert continuing leadership to carry out key elements of the HHS Survey Integration Plan, including the newly consolidated NHIS/MEP.

As part of its role in bringing increased coherence to HHS-wide data activities, NCHS will continue to provide staff support to the National Committee on Vital and Health Statistics, as part of the interagency staffing efforts coordinated under the Data Council. I expect NCHS to be involved as this committee undertakes its transition to serve its new role.

From this starting point, the role of the NCHS in HHS-wide health statistics functions may evolve. As Data Council operations and further survey coordination efforts get underway, appropriate additional roles for the NCHS may be identified.

3. Strengthening the Functional Capacity of the NCHS

I also am committed to strengthening the functional capacity of NCHS to serve HHS-wide interests. Building on functions, legislative authorities, and expertise already residing in NCHS, I ask you to pursue changes that will result in greater independence, and a greater ability for NCHS to assume responsibility for the integrity, quality, and efficiency of HHS statistics efforts. Along these lines, I am asking you to modify NCHS' functional statements, to establish a clear responsibility for the activities described above. Carrying out these HHS-wide information functions is fully consistent with my view of the mission of the CDC. I also recognize that, in the current budget climate, we must pay close attention to our priorities. I am counting on you to be supportive of NCHS' broad mission in meeting this wide range of needs, and in particular to support NCHS with the resources necessary to meet these needs.

My primary objective is to meet the goals of the HHS REGO2 process by establishing a statistical, entity with maximum objectivity and independence. At the present time, I feel that this can be accomplished without removing the NCHS from the CDC. However, it is important to make any changes to the

Page 4 - David Satcher

operation and support of NCHS within CDC to reassure users and collaborating agencies that the agenda and scope of operations of NCHS will not be subordinated to the mission of CDC.

I am charging the Data Council, working with you, to develop recommendations on any additional steps that should be taken to meet these objectives. In addition, I am charging the Senior Advisor for Health Statistics to report to me two years from now on the extent to which these new arrangements are meeting my objectives. I will review this report and make a judgement at that time as to whether NCHS' location in CDC has facilitated reaching HHS' overall information and statistics objectives.

/s/

Donna E. Shalala

cc:

Jack Anderson
Jim Marks, M.D.
Don Lindberg, M.D.
Jack Ebeler
Bruce Wladeck
Members of the HHS Data Council