

DRRC:

This morning Secretary of HHS Kennedy announced a restructuring of several HHS agencies and offices. Most notable for DRRC is an announcement that **the Administration for Community Living (ACL)** will be split into other HHS agencies including the Administration for Children and Families (ACF), Assistant Secretary for Planning and Evaluation (ASPE), and the Centers for Medicare & Medicaid Services (CMS). The full press release is below. This announcement will drastically change our strategy. We will discuss further on the call today.

### **HHS Announces Transformation to Make America Healthy Again**

Washington, D.C. — March 27, 2025 — Today, the U.S. Department of Health and Human Services (HHS) announced a dramatic restructuring in accordance with President Trump's Executive Order, "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative."

The restructuring will address this and serve multiple goals without impacting critical services. First, it will save taxpayers \$1.8 billion per year through a reduction in workforce of about 10,000 full-time employees who are part of this most recent transformation. When combined with HHS' other efforts, including early retirement and Fork in the Road, the restructuring results in a total downsizing from 82,000 to 62,000 full-time employees.

Secondly, it will streamline the functions of the Department. Currently, the 28 divisions of the HHS contain many redundant units. The restructuring plan will consolidate them into 15 new divisions, including a new Administration for a Healthy America, or AHA, and will centralize core functions such as Human Resources, Information Technology, Procurement, External Affairs, and Policy. Regional offices will be reduced from 10 to 5.

Third, the overhaul will implement the new HHS priority of ending America's epidemic of chronic illness by focusing on safe, wholesome food, clean water, and the elimination of environmental toxins. These priorities will be reflected in the reorganization of HHS.

Finally, the restructuring will improve Americans' experience with HHS by making the agency more responsive and efficient, while ensuring that Medicare, Medicaid, and other essential health services remain intact.

"We aren't just reducing bureaucratic sprawl. We are realigning the organization with its core mission and our new priorities in reversing the chronic disease epidemic," HHS Secretary Robert F. Kennedy, Jr. said. "This Department will do more – a lot more – at a lower cost to the taxpayer."

The specific contents of the restructuring plan that have been announced so far are as follows:

- Creation of the Administration for a Healthy America (AHA), which will combine multiple agencies — the Office of the Assistant Secretary for Health (OASH), Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Agency for Toxic Substances and Disease Registry (ATSDR), and National Institute for Occupational Safety and Health (NIOSH) — into a new, unified entity. This centralization will improve coordination of health resources for low-income Americans and will focus on areas including, Primary Care, Maternal and Child Health, Mental Health, Environmental Health, HIV/AIDS, and Workforce development. Transferring SAMHSA to AHA will increase operational efficiency and assure programs are carried out because it will break down artificial divisions between similar programs.
- Strengthening the Centers for Disease Control and Prevention (CDC): the Administration for Strategic Preparedness and Response (ASPR), responsible for national disaster and public health emergency response, will transfer to the CDC, reinforcing its core mission to protect Americans from health threats.
- New Assistant Secretary for Enforcement: HHS will create a new Assistant Secretary for Enforcement to oversee the Departmental Appeals Board (DAB), Office of Medicare Hearings and Appeals (OMHA), and Office for Civil Rights (OCR) to combat waste, fraud, and abuse in federal health programs.
- Research and Evaluation for Health Policy: HHS will merge the Assistant Secretary for Planning and Evaluation (ASPE) with the Agency for Healthcare

Research and Quality (AHRQ) to create the Office of Strategy to enhance research that informs the Secretary's policies and improves the effectiveness of federal health programs.

- Reorganization of the Administration for Community Living (ACL): Critical programs that support older adults and people with disabilities will be integrated into other HHS agencies, including the Administration for Children and Families (ACF), ASPE, and the Centers for Medicare and Medicaid Services (CMS). This reorganization will not impact Medicare and Medicaid services.

“Over time, bureaucracies like HHS become wasteful and inefficient even when most of their staff are dedicated and competent civil servants,” Secretary Kennedy said. “This overhaul will be a win-win for taxpayers and for those that HHS serves. That’s the entire American public, because our goal is to Make America Healthy Again.”