

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

February 17, 2010

Via Electronic Transmission

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

As the senior senator from Iowa and Ranking Member of the United States Committee on Finance (Committee), I have a duty to conduct oversight of the executive branch, including the activities of the Department of Health and Human Services (HHS/Department). This duty includes monitoring HHS activities and conducting oversight to ensure that taxpayer dollars are used appropriately.

Today I write regarding international travel by HHS employees during Fiscal Year (FY) 2009. I am in receipt of a memo from the Department titled "Fiscal Year 2008 International Travel Summary." I have attached a copy of that memo for your review. The memo details the total number of HHS international travelers, the total estimated international travel costs, and the average cost per traveler in FY 2008:

	Total	% Change from FY 07
# of international travelers	11,688	6.27%
Travel costs	\$63,192,925	13.78%
Average cost per traveler	\$5,407	0%

The memo also lists international travel information by agency, with the National Institutes of Health (NIH), Centers for Disease Control (CDC), and the Food and Drug Administration (FDA) employees constituting over 95% of the Department's international travel. In FY 2008 travel for both FDA and CDC employees cost much more per trip than employees at other agencies, a cost that was not attributable to distance or remoteness of destinations, but instead to business-class expenses. As the four agencies with the most international travelers and the most travel costs, NIH, CDC, FDA, and the Office of the Secretary (OS) all experienced growth in both their total travel costs and average cost per traveler:

	Total travel costs	% change from FY 2007	Avg. cost per traveler	% change from FY 2007
NIH	\$20,790,491	5.14%	\$4,185	5.76%
CDC	\$29,170,916	16.37%	\$6,187	2.06%
FDA	\$10,340,683	20.57%	\$6,992	7.62%
OS	\$2,324,992	54.71%	\$5,856	45.74%

While this growth may be attributable to a number of factors, including H1N1, I write to learn whether these trends continued into FY 2009 and what you anticipate in 2010. To assist me in this matter, please provide a list of the following:

- 1) number of international travelers,
- 2) total estimated travel costs,
- 3) number of days of travel,
- 4) number of countries visited, and
- 5) the average cost per traveler. Please provide this information delineated by each HHS agency.

Thank you for your attention to this important matter. I request that your agency provide a response by no later than March 3, 2010. Should you have any questions regarding this letter, please contact Christopher Armstrong at (202) 224-2415. All formal correspondence should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov.

Sincerely,



Charles E. Grassley
Ranking Member

Attachment

DEC - 8

TO: U.S. Department of Health and Human Services (HHS)
Heads of Operating Divisions and Staff Divisions

FROM: Special Assistant to the Secretary for International Affairs and
Director, Office of Global Health Affairs 

RE: Fiscal Year 2008 International Travel Summary

With Fiscal Year (FY) 2008 completed, data generated by the HHS Notification of Foreign Travel (NFT) system should be useful to your respective Agencies as you implement activities in FY 2009. While I have attached several charts and graphs for you, the following is a recap of HHS resources applied to international travel activities in the past Fiscal Year.

In FY 2008, 11,692 HHS employees traveled to 181 countries, at a total cost of \$63.2 million (rounded) in travel only (excluding salary and benefits costs). Using the General Schedule (GS) Salary Table for 2008 at the GS 15/8 level (56.00 hourly) as a base, one could calculate the Department invested an additional \$59 million in salary and benefits during these international trips.

Agency	# of International Travelers	Total Estimated Travel Costs	# Days on Travel	# of Countries Visited	Avg Cost per Traveler
NIH	4968	\$ 20,790,491	45,882	120	\$4,185
CDC	4715	\$ 29,170,916	65,282	172	\$ 6,187
FDA	1479	\$10,340,683	17,735	79	\$6,992
OS	397	2,324,992	3,927	59	\$5,856
AHRQ	25	81,902	154	33	\$3,276
SAMHSA	18	81,442	135	11	\$4,525
HRSA	45	258,146	435	22	\$5,737
IHS	12	34,103	77	6	\$2,842
ACF	4	12,508	25	10	\$3,127
CMS	16	65,896	95	11	\$4,119
AoA	9	31,846	69	4	\$3,358
PSC	4	24,383	26	3	\$6,096
TOTAL	11,692	\$63,217,308	133,842		\$4,692

Definitions:
 # of International Travelers: Number of distinct individuals who went on an international trip.
 # of Countries Visited: Total number of countries visited by travelers.

The National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC) represent the majority of the Department's international travel, with HHS/NIH at 4,968 (42.5 percent) of the total number of international travelers, followed by HHS/CDC with 4,715 (40 percent). The Food and Drug Administration follows third with 1,479 travelers (13 percent). All other HHS Agencies combined comprised only 4.5 percent of the Department's international travel last Fiscal Year. Please see Annex A for year-on-year comparison with FY 2007.

When looking at average costs per trip, the average costs per trip of HHS/FDA and HHS/CDC continue to be significantly higher, at \$6,992/trip and \$6,187/trip, respectively, in comparison to other HHS agencies. While a number of factors contribute to average cost per traveler – length of trip, distanced traveled, increased costs to remote locations and use of business class, among others – our Agencies can work diligently to reduce those travel costs under their control. In looking at trip per region, it does not appear distance traveled or remoteness of location played a significant factor in travel costs, as the majority of international trips are to countries in Western Europe (5,505) and the Americas, including México and Canada (3,846); 80 percent of the international trips taken by HHS travelers are to these two geographic areas. Business-class travel costs in FY 2008 were \$11,710,369, and HHS/CDC and HHS/FDA represented two-thirds of those costs (\$4,146,373 and \$3,872,751, respectively). The Administration on Aging, the Program Support Center, and the Center for Medicare and Medicaid Services, combined, represent only .41 percent of total business-class travel costs incurred.

Exploring ways to reduce costs can be especially relevant when looking at percentages of travel frequency – 62 percent of HHS individual travelers take only one international trip per Fiscal Year; 90 percent take three or less trips internationally. Only twelve HHS employees travel internationally more than once a month on average.

The number of HHS travelers who took annual leave in combination with international duty travel in FY 2008 was low; 233 HHS employees combined international duty travel with annual leave, or 1.9 percent of our international travelers. Of these 233, the majority come from HHS/NIH, at 176 international travelers (83.8 percent). The majority of the HHS/NIH trips (175) were to locations in Western Europe, and more than two-thirds (123) took place in the third and fourth quarters of the Fiscal Year, as was the case last year.

My staff continues our work with the HHS Office of the Assistant Secretary for Administration and Management to strengthen and improve our NFT system, to make it even more user-friendly and integrate it fully with *Gov.Trip* during FY 2009. We welcome your ideas on how data from the NFT system can help you in your strategies for managing international travel.

William R. Steiger, Ph.D.

Annex A - Comparison of FY 2007 and FY 2008 Travel

Agency	# of International Travelers FY '07	# of International Travelers FY '08	Percent Change
NIH	4997	4968	-0.58%
CDC	4135	4715	14.03%
FDA	1320	1479	12.05%
OS	374	397	6.15%
AHRQ	48	25	-47.92%
SAMHSA	35	18	-48.57%
HRSA	31	45	45.16%
IHS	26	12	-53.85%
ACF	22	4	-81.82%
CMS	7	16	128.57%
AoA	3	9	200.00%
TOTAL	10,998	11,688	6.27%
Agency	Total Estimated Travel Costs FY '07	Total Estimated Travel Costs FY '08	Percent Change
NIH	\$19,774,956	\$20,790,491	5.14%
CDC	\$25,067,421	\$29,170,916	16.37%
FDA	\$8,576,697	\$10,340,683	20.57%
OS	\$1,502,820	\$2,324,992	54.71%
AHRQ	\$130,908	\$81,902	-37.44%
SAMHSA	\$147,902	\$81,442	-44.94%
HRSA	\$132,053	\$258,146	95.49%
IHS	\$88,770	\$34,103	-61.58%
ACF	\$93,124	\$12,508	-86.57%
CMS	\$20,432	\$65,896	222.51%
AoA	\$6,577	\$31,846	384.20%
TOTAL	\$55,541,660	\$63,192,925	13.78%
Agency	Avg Cost Per Traveler FY '07	Avg Cost Per Traveler FY '08	Percent Change
NIH	\$3,957	\$4,185	5.76%
CDC	\$6,062	\$6,187	2.06%
FDA	\$6,497	\$6,992	7.62%
OS	\$4,018	\$5,856	45.74%
AHRQ	\$2,727	\$3,276	20.13%
SAMHSA	\$4,226	\$4,525	7.08%
HRSA	\$4,260	\$5,737	34.67%
IHS	\$3,414	\$2,842	-16.75%
ACF	\$4,233	\$3,127	-26.13%
CMS	\$2,919	\$4,119	41.11%
AoA	\$2,192	\$3,358	53.19%
TOTAL	\$5,406.89	\$5,407	0.00%

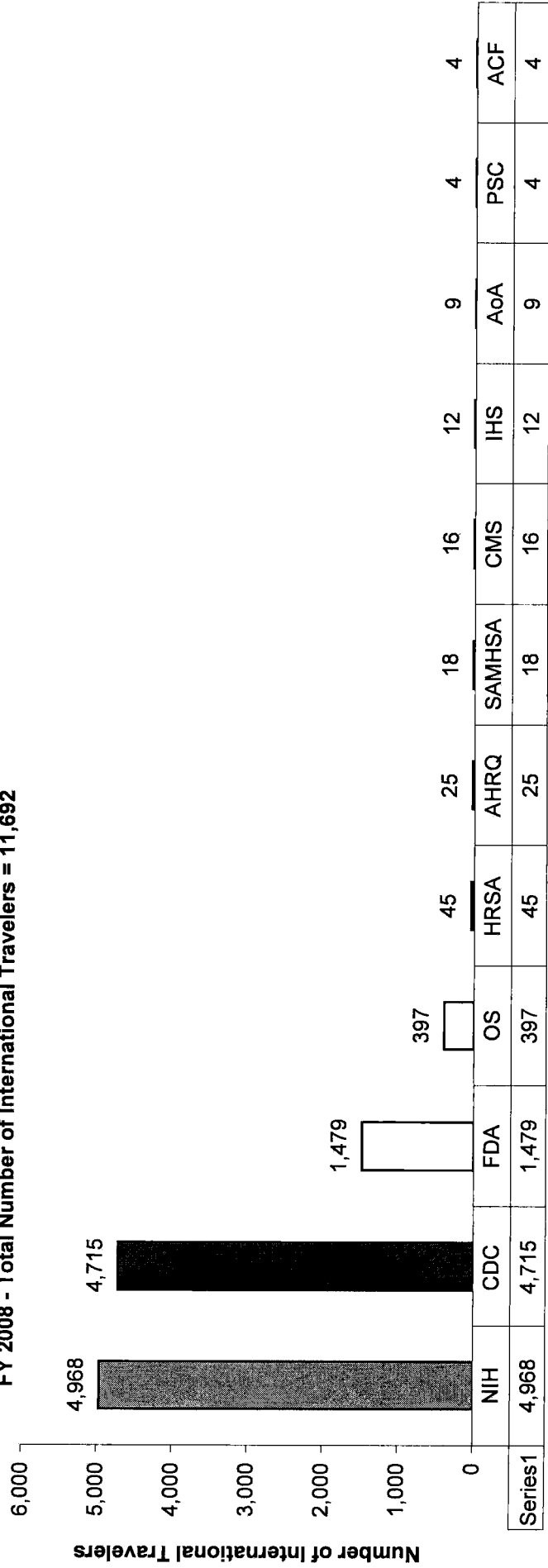
Note: FY 2008 was the first year PSC did international travel; they are excluded from this comparison.

Total Number of International Travelers (By HHS Agency)

Fiscal Year (FY) 2008

(10/01/2007 - 09/30/2008)

FY 2008 - Total Number of International Travelers = 11,692



Agency

Composite Summary
Total International Travelers, Countries, Travel Days and Estimated Cost (By HHS Agency)
Fiscal Year (FY) 2008
(10/01/2007 - 09/30/2008)

Agency:	# of International Travelers:	Total (%) of International Travelers:	# of Countries Visited:	# of Days on Travel:	Total Estimated Travel Cost (*):	Total (%) of Travel Costs:	Average Est. Cost per Traveler:
Summary:							
NIH	4,968	42.49%	120	45,882	\$20,790,491	32.89%	\$4,185
CDC	4,715	40.33%	172	65,282	\$29,170,916	46.14%	\$6,187
FDA	1,479	12.65%	79	17,735	\$10,340,683	16.36%	\$6,992
OS	397	3.40%	59	3,927	\$2,324,992	3.68%	\$5,856
HRSA	45	0.38%	22	435	\$258,146	0.41%	\$5,737
AHRQ	25	0.21%	33	154	\$81,902	0.13%	\$3,276
SAMHSA	18	0.15%	11	135	\$81,442	0.13%	\$4,525
CMS	16	0.14%	11	95	\$65,896	0.10%	\$4,119
IHS	12	0.10%	6	77	\$34,103	0.05%	\$2,842
AoA	9	0.08%	4	69	\$31,846	0.05%	\$3,538
PSC	4	0.03%	3	26	\$24,383	0.04%	\$6,096
ACF	4	0.03%	3	25	\$12,508	0.02%	\$3,127
TOTAL	11,692	100.00%	181	133,842	\$63,217,308	100.00%	\$5,407

Definitions / Descriptions:

of International Travelers: Number of individuals (persons) who went on an international trip. A person went on two trips will be counted twice.

of Countries Visited: Total number of distinct (unique) countries visited by travelers from each agency.

of Days on Travel: Total number of days that travelers spent on international trips, calculated by the difference between the arrival and departure dates.

Total Travel Cost: Aggregate cost of international travel by agency.

(*) **Note:** All costs are based on estimates derived from the Notification of Foreign Travel System.