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# The Agency for Healthcare Research and Quality (AHRQ) Budget: Fact Sheet

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August 4, 2015

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R44136

The Agency for Healthcare Research and Quality (AHRQ), within the Department of Health and Human Services (HHS), is the federal agency charged with supporting research designed to improve the quality of health care, increase the efficiency of its delivery, and broaden access to health services. In addition, AHRQ is required to disseminate its research findings to health care providers, payers, and consumers, among others. The agency collects data on health care expenditures and utilization through the Medical Expenditure Panel Survey (MEPS) and the Healthcare Cost and Utilization Project (HCUP).<sup>1</sup> Authorized appropriations for AHRQ expired in 2005; however, it has continued to receive annual funding.

The AHRQ budget has traditionally been organized into three program areas: (1) Health Costs, Quality, and Outcomes (HCQO) Research; (2) MEPS; and (3) program support. Currently, HCQO focuses on five priority areas, including (1) Health Information Technology Research; (2) Patient Safety; (3) Health Services Research, Data and Dissemination; (4) Prevention/Care Management; and (5) Value. For several years, HCQO included a patient-centered health research (comparative effectiveness research) area, but this area was removed in the FY2016 congressional budget justification and the FY2016 President's budget request.

## Funding Sources

AHRQ's budget comprises both discretionary and mandatory funds. Between FY2003 and FY2014, AHRQ did not receive its own annual discretionary appropriations.<sup>2</sup> Instead, the majority of AHRQ's funding during this timeframe consisted of transfers of discretionary funds from the Public Health Service (PHS) evaluation set-aside. This set-aside (sometimes called the PHS evaluation "tap") is authorized in Section 241 of the Public Health Service Act (PHSA) and allows the HHS Secretary, with the approval of congressional appropriators, to redistribute a portion of eligible PHS agency appropriations across the department to evaluate the implementation and effectiveness of HHS programs.<sup>3</sup> While the PHS evaluation set-aside has generally been the primary source of AHRQ funding in recent years, this was not the case in FY2015, when the agency received its own annual discretionary appropriation for the first time in over a decade, and did not receive any transfer from the PHS evaluation set-aside.

With the passage of the Patient Protection and Affordable Care Act (ACA), AHRQ began receiving additional transfers from two new mandatory funding streams: (1) the Prevention and Public Health Fund (PPHF), which is designed to support prevention, wellness, and public health activities,<sup>4</sup> and (2) the Patient-Centered Outcomes Research Trust Fund (PCORTF), which is designed to support comparative clinical effectiveness research.<sup>5</sup> AHRQ received a share of total PPHF transfers in each of FY2010-FY2014, but received no PPHF transfer in FY2015. The ACA directly appropriated annual funding to the PCORTF through FY2019 and required the HHS

<sup>1</sup> For more information about AHRQ in general, see <http://www.ahrq.gov>.

<sup>2</sup> Although AHRQ did not receive a discretionary appropriation in the FY2009 Omnibus Appropriations Act (P.L. 111-8), the agency did receive \$700 million in a one-time supplemental discretionary appropriation from the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

<sup>3</sup> For more information about the PHS Program Evaluation Set-Aside, see CRS Report R43967, *Labor, Health and Human Services, and Education: FY2015 Appropriations*, coordinated by Karen E. Lynch.

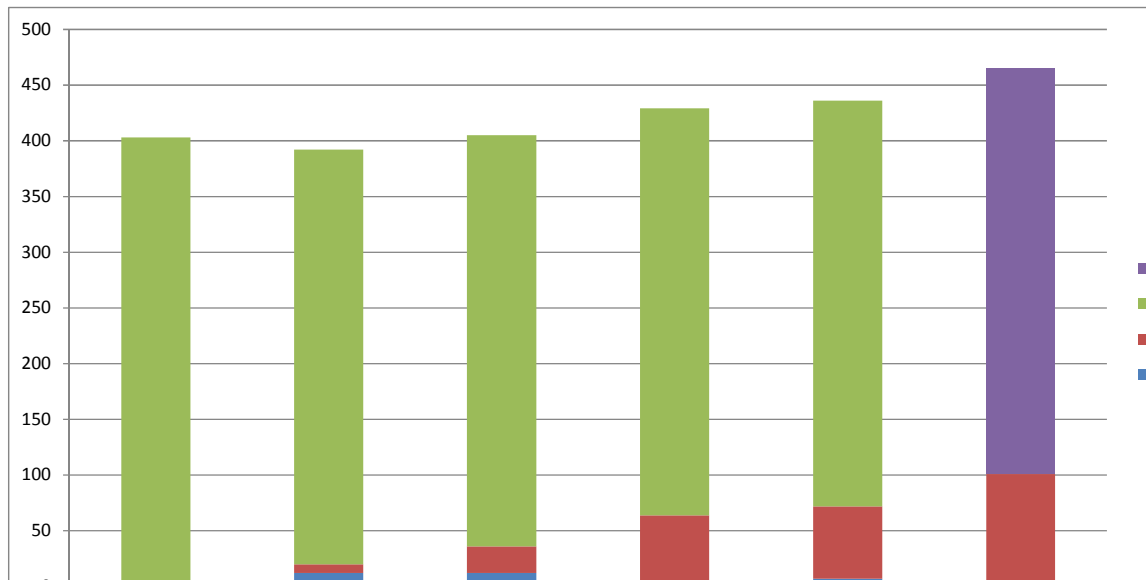
<sup>4</sup> For more information about PPHF, see Appendix C in CRS Report R43304, *Public Health Service Agencies: Overview and Funding*, coordinated by C. Stephen Redhead.

<sup>5</sup> For more information about PCORTF, see Appendix D in CRS Report R43304, *Public Health Service Agencies: Overview and Funding*, coordinated by C. Stephen Redhead.

Secretary to transfer a share of PCORTF funds to AHRQ each year. Funds transferred to AHRQ from PCORTF are designated by the ACA to carry out PHSA Section 937,<sup>6</sup> which requires AHRQ to disseminate the results of patient-centered outcomes research carried out by the Patient Centered Outcomes Research Institute (PCORI) and other “government-funded research relevant to comparative clinical effectiveness research.” AHRQ received PCORTF transfers in each of FY2011-FY2015 and, under law, is scheduled to continue receiving PCORTF transfers through FY2019. As illustrated in **Figure 1**, funding transfers from PPHF and PCORTF supplanted, to some extent, PHS evaluation set-aside dollars.

**Figure 1** shows the funding sources for the agency’s budget from FY2010 (the first year ACA funds were available) through FY2015. During this time, the agency’s budget has increased by \$62 million, as transfers (mostly from PCORTF) have more than offset decreases in PHS evaluation set-aside dollars. The figure also shows that although the majority of agency funding came from PHS evaluation set-aside dollars (and its own discretionary appropriation in FY2015), funding from PCORTF has also grown considerably over this time period, from \$8 million in FY2011 to \$101 million in FY2015.

**Figure 1. AHRQ Budget, by Source, FY2010-FY2015**  
(Dollars in Millions)



**Source:** Funding amounts for FY2010 and FY2011 are taken from AHRQ’s FY2012 and FY2013 congressional budget justification documents. Funding amounts for FY2012 and FY2013 are taken from AHRQ’s Sequestration Operating Plan for FY2013. Funding amounts for FY2014 and FY2015 are taken from the FY2016 HHS Budget in Brief, <http://www.hhs.gov/about/budget/budget-in-brief/ahrq/index.html>.

**Notes:** PPHF: Prevention and Public Health Fund; PCORTF: Patient-Centered Outcomes Research Trust Fund; Eval Tap: PHS Program Evaluation Set-Aside dollars; Disc Approp: annual discretionary appropriation.

<sup>6</sup> 42 U.S.C. 299b-37.

## **FY2016 Budget Request and Funding Status**

There are notable differences in proposed funding levels for AHRQ in the FY2016 President's budget request and in the full committee-reported Labor-HHS-ED bills (H.R. 3020 and S. 1695). The request would give the agency a total funding level (i.e., program level) of \$479 million using PHS evaluation set-aside dollars (\$88 million), an annual discretionary appropriation (\$276 million), and the PCORTF transfer of \$116 million.

S. 1695 would appropriate \$236 million in discretionary funds for the agency (-\$39 million from the President's request) and would not require any PHS evaluation set-aside dollars to be transferred to the agency for FY2016 (-\$88 million from the President's request). The discretionary appropriation proposed by S. 1695 would be augmented by the \$116 million transfer from PCORTF (per statutory requirements), outside of the appropriations process.

H.R. 3020 would require the termination of the agency as of October 1, 2015. It would rescind all unobligated agency funds and would allow for the provision of fiscal year continuation funding for agency grants. The bill would allow for other HHS agencies to carry out certain activities currently carried out by AHRQ. In addition, it would transfer the U.S. Preventive Services Task Force (USPSTF, which is currently authorized at PHSA Section 915(a), 42 U.S.C. 299b-4) from AHRQ to the Assistant Secretary for Health, moving the current authorizing language to PHSA Section 317 and replacing it with the language as it was prior to amendment by the ACA.<sup>7</sup> The bill would also prohibit any discretionary funds made available by the bill to be used for patient-centered outcomes research; as a result, any such research currently being carried out by AHRQ would not be funded with discretionary dollars for FY2016, even if the research activities were transferred to other HHS agencies. In addition, the bill would rescind \$100 million from the PCORTF in FY2016.

## **AHRQ Funding History**

AHRQ's program level has increased steadily over the past several years, with decreases in discretionary funding being more than offset by transfers of ACA mandatory funds. **Table 1** provides information on the past five years of the agency's budget, as well as the FY2016 President's budget request.

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<sup>7</sup> The prior USPSTF authority, among other things, required the task force to consider cost-effectiveness in its review of clinical preventive services, and exempted it from requirements of the Federal Advisory Committee Act. ACA amended the language to retain these provisions, and added a permanent, indefinite authorization of appropriations and additional requirements for the review process. For more information on USPSTF, see <http://www.uspreventiveservicestaskforce.org/>.

**Table I. AHRQ's Budget, FY2011-FY2016 Request**  
Dollars in Millions, by Fiscal Year

Program or Activity	2011	2012	2013	2014	2015	2016 Req.
<b>Health Costs, Quality, and Outcomes (HCQO) Research</b>	<b>266</b>	<b>272</b>	<b>300</b>	<b>304</b>	<b>330</b>	<b>339</b>
Health Information Technology Research	28	26	26	30	28	23
Patient Safety	66	66	67	72	77	76
Patient-Centered Health Research <sup>a</sup>	29	41	68	0	0	0
PCORTF Transfer (non-add)	(8)	(24)	(58)	—	—	—
PCORTF Transfer (add)	—	—	—	65	101	116
Health Services Research, Data, and Dissemination	112	108	111	111	112	112
Value	4	4	4	3	—	—
Prevention/Care Management	28	28	26	23	12	12
PPHF Transfer (non-add)	(12)	(12)	(6)	(7)	—	—
<b>Medical Expenditure Panel Surveys (MEPS)</b>	<b>59</b>	<b>59</b>	<b>61</b>	<b>64</b>	<b>65</b>	<b>69</b>
<b>Program Support</b>	<b>68</b>	<b>74</b>	<b>68</b>	<b>69</b>	<b>70</b>	<b>72</b>
<b>Total, Program Level</b>	<b>392</b>	<b>405</b>	<b>429</b>	<b>436</b>	<b>465</b>	<b>479</b>
<b>Less Funds From Other Sources</b>						
PHS Evaluation Set-Aside	372	369	365	364	—	88
PCORTF Transfers	8	24	58	65	101	116
PPHF Transfers	12	12	6	7	—	—
<b>Total, Discretionary Appropriation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>364</b>	<b>276</b>

**Source:** Funding amounts for FY2011 are taken from AHRQ's FY2013 congressional budget justification document. Funding amounts for FY2012 and FY2013 are taken from AHRQ's Sequestration Operating Plan for FY2013. Funding amounts for FY2014 and FY2015 are taken from the FY2016 HHS Budget in Brief and the FY2015 congressional budget justification. The funding amounts for the FY2016 President's Request are taken from the FY2016 HHS Budget in Brief. All these documents are available at <http://www.hhs.gov/budget/>.

**Notes:** PCORTF: Patient-Centered Outcomes Research Trust Fund; PPHF: Prevention and Public Health Fund; PHS: Public Health Service. Individual amounts may not add to subtotals or totals due to rounding.

- a. Starting with the FY2016 President's request, the PCORTF transfer was separated from patient-centered health research within HCQO, and patient-centered health research was removed from HCQO altogether. However, this table retains this research area within HCQO for comparability purposes across the budget window. This is the reason FY2014-FY2016 request funds are shown as an "add" to other HCQO funds—because the source used for those years (the FY2016 HHS Budget in Brief) pulls these funds out of HCQO.

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