United States Senate

WASHINGTON, DC 20510

June 14, 2012

Jeffrey Zients
Acting Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20530

Dear Acting Director Zients:

We write to determine why the Office of Management and Budget (OMB) either formally approved or knowingly allowed the Department of Health and Human Services (HHS) to transfer $20 million out of the Prevention and Public Health Fund (PPHF) and spend it on a health care law public relations campaign.

On April 30, 2012, HHS finalized a $20 million public relations contract to promote the President's health care law. Awarded to Washington, D.C. based public relations and consulting firm Porter Novelli, the contract requires the company launch a nationwide multimedia campaign. According to reports, this campaign blitz includes television, radio, and social media components designed to spin the so-called "benefits" of the President's health care law.

Last month, HHS informed Senate Appropriations Committee minority staff that the $20 million in taxpayer dollars used to finance the publicity and propaganda campaign came directly from the PPHF. This runs counter to previous Administration policy. On April 27, 2012, OMB released a Statement of Administration Policy (SAP) regarding H.R. 4628, the "Interest Rate Reduction Act". This legislation – and its Senate companion measure (S. 2366) – eliminates the controversial PPHF to offset extending the student loan interest rate reduction for one year. The SAP notified Congress that "this [the use of the PPHF as an offset] is a politically-motivated proposal and not the serious response that the problem facing America's college students deserves. If the President is presented with H.R. 4628, his senior advisors would recommend that he veto the bill." It appears the President and his senior advisors believe it is acceptable to use the PPHF to fund a public relations campaign, but that it is not appropriate to use the same PPHF to keep student loan interest rates low. If the PPHF is a high priority for President Obama, then using it to keep student loan interest rates down should be more important than a public relations campaign.

If OMB did not know the Secretary of HHS took $20 million from the PPHF to pay for the health care law public relations campaign, then we would like to know what steps you plan to take in order to reconcile this matter. On the other hand, if OMB did approve this spending, please explain how you justify the HHS raiding a fund so important to the President that his senior advisors would recommend he veto legislation that uses it to implement a policy that he supports [reducing the upcoming student loan interest rate hike].

We call on the President to immediately cancel this $20 million public relations contract. Adding to our concern, we anticipate the Supreme Court will rule on the health care law in the coming days. Does the HHS contract include a recoupment clause mandating the firm return the $20 million in taxpayer money to the federal government in the event the Supreme Court finds the law unconstitutional? What specific contingency plans are currently in place to recover these taxpayer dollars? We also ask that you clarify whether or not the Administration contemplated this scenario before HHS announced the contract award.

Thank you for your prompt attention to this very important matter.

Sincerely,

John Barrasso

Senator John Barrasso, M.D.

Jon Kyl

Senator Jon Kyl

Tom Coburn

Senator Tom Coburn, M.D.

Mike Johanns

Senator Mike Johanns