



May 3, 2010

MEMORANDUM

To: Operating and Staff Division Heads

Subject: Health Reform Direct Hire Authority Guidance

On March 23, 2010, the Office of Personnel Management (OPM) approved the Department's request for direct-hire authority (DHA) to support the Administration's Health Care Reform initiative. The DHA is an extremely valuable human capital recruitment tool which allows the agency to make offers to candidates outside of the traditional hiring process. OPM approved the use of this authority through September 30, 2010 to meet our immediate critical hiring needs.

Effective immediately, Operating and Staff Divisions are approved to use the DHA in filling positions directly related to Health Reform operations. For auditing purposes, OPM has mandated that all Health Reform hires be coded separately in the Department's personnel database. To ensure full compliance in the implementation of the DHA, please communicate to all hiring managers the importance of limiting the use of the authority to Health Reform positions only.

Please note the Office of Human Resources will be tracking the Departmental hires across the various series and grades to ensure we don't exceed the OPM approved allocations by position. As we monitor the DHA hiring process, we will alert OPM if additional allocations are required for a particular approved position. Since OHR is tracking all hires at the Departmental level, OPDIVS and STAFFDIVS will not receive separate DHA allocations by position, but may proceed with hiring across all DHA position categories as appropriate.

As you quickly move forward to address human capital needs within your respective organizations, please keep in mind the Secretary's two percent goal to increase the number of persons with targeted disabilities in the workforce by December 31, 2010 and the shared commitment across the Department to hiring veterans. Also, in keeping with diversity goals, managers are encouraged to expand efforts in terms of Hispanic hires.

Attached you will find a copy of the DHA approval from OPM and operational guidance on how DHA will be implemented.

If you have any questions regarding the memo, please contact me or Antonia Harris at (202) 690-6191. Inquiries regarding open announcements should be directed to your servicing human resources office.

A handwritten signature in black ink, appearing to read "D. Wells".

Denise L. Wells

***Department of Health and Human Services  
Office of Human Resources  
Client Services Center (CSC)  
Direct Hire Authority (DHA) for Health Care Reform***

***Position Descriptions***

Standard position descriptions or position descriptions that have already been established will be used to fill the positions at GS-9-13 grade levels. If necessary, additional position descriptions will be established to accommodate new or unique GS-14 and GS-15 non-supervisory technical positions.

***Public Notice***

Vacancy Announcements:

Use of the DHA requires we provide public notice. Vacancy Announcements for the approved occupations are posted with a closing date to include a cut-off period established for each specific vacancy announcement.

Note: Public notice or simply posting a vacancy announcement is not a substitute for a strategic recruitment effort that may be undertaken to fill positions with highly qualified applicants. Managers are encouraged to utilize a variety of recruitment options and hiring tools when filling positions.

Supporting Documentation:

All applicants are required to submit supporting documentation as described in the vacancy announcement. Copies of academic transcripts are required for applicants desiring to substitute education for specialized experience and for those positions having a positive education requirement.

***Candidate/Resume Review and Selection***

The Human Resources (HR) Specialists will provide hiring managers and/or designated subject matter experts with applicant resumes for their review and selection. Applicants must meet the minimum qualification requirements as outlined by the OPM Qualifications Standards. The Client Services Center staff will determine basic eligibility. Once the Hiring Manager concludes the interview process and makes their final selections, the HR Specialist will make tentative offers to the selected candidates and negotiate potential start dates.

***Name Requests***

The primary method of consideration for direct hire appointments is through the electronic application process. Although use of the electronic staffing system is strongly encouraged, there may be situations involving critical hiring needs that warrant an exception to the online application process and require the acceptance of a hard copy application and supporting documentation. These exceptions may be approved on a case by case basis by the staffing Team Lead when management has identified candidates or “name requests” who have submitted resumes. In those instances, the resume and related documentation should be forwarded to your HR Specialist for review and processing.

***For more information***

Please contact your servicing HR Specialist to request the appropriate list of DHA candidates based on your organization’s hiring needs. They can also provide you with information on additional recruitment efforts you may wish to consider in conjunction with the DHA.



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

MAR 23 2010

Ms. Denise L. Wells  
Deputy Assistant Secretary for  
Human Resources  
Department of Health and Human Services  
Washington, DC 20201

Dear Ms. Wells:

By this letter, the Office of Personnel Management (OPM) is approving direct-hire appointing authority (DHA) for positions at the Department of Health and Human Services (HHS) necessary to support the Health Care and Education Affordability Reconciliation Act of 2010 (the Act). This DHA is authorized for the remainder of FY 2010 to assist HHS in meeting urgent staffing and implementation needs resulting from enactment of the Act.

By regulation, OPM may decide independently that a critical hiring need exists. Upon review of the Act and in consultation with HHS, I have determined that DHA is warranted under the criteria of 5 CFR 337.205(b), as set forth below, for the remainder of this fiscal year in connection with HHS's work in support of the Act.

- (1) *Identification of the positions that must be filled.* HHS has a critical need to fill 1,814 positions this fiscal year to implement the Act, as described below:

Title	Series/Grade Level	Positions
Social Science Analyst/Specialist	GS-101-9/15	59
Health Insurance Specialist	GS-107-9/15	350
Administrative and Program Specialist	GS-301-9/15	55
Program Analyst/Management Analyst	GS-343-9/15	235
Accountant	GS-510-9/15	40
Dental Officer	GS-680-11/14	90
Public Health Advisor/Analyst	GS-685-9/14	291
Consumer Safety Officer	GS-696-9/13	261
Grants Management Specialist	GS-1101-9/15	92
Criminal Investigator	GS-1811-9/13	50
Information Technology Specialist	GS-2210-9/15	291
<b>Total:</b>		<b>1814</b>

- (2) *Description of the event or circumstance that created the need to fill the positions.* HHS is charged with carrying out the President's top Administration priority, as

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described in the Act. The Act has greatly expanded the mission at HHS. To put in place the infrastructure needed to meet the mission requirements that result from the new law, HHS must fill 1,814 positions in FY 2010.

HHS must hire quickly in order to execute the President's directive with respect to implementing health care reform. HHS is required to execute the following statutory obligations in the short-term:

- Improvements to Medicare Part D for Prescription Drug Plans – The Secretary makes determinations July 1, 2010-December 31, 2010; Sec. 3301, page 923-924, line 20.
- Making Senior Housing Facility Demonstration Permanent – demonstration project established by the Secretary effective January 1, 2010 and applicable to plan years beginning on or after such date. Sec. 3208, page 920, line 12.
- Hospital Wage Index Improvement (extension of Section 508 Hospital Reclassifications). The Secretary must use particular wage index during fiscal year 2010. Sec. 3137, page 858-859, line 8.
- Health Care Quality Improvement. The Secretary shall provide for the transfer, from Federal Hospital Insurance Trust Fund to the Centers for Medicare and Medicaid Services Program Management for each fiscal year 2010 through 2014; Sec. 931, page 702-717, line 17.
- Interagency Working Group on Health Care Quality to collaborate, cooperate, and consult between Federal departments and agencies with respect to developing and disseminating strategies, goals, models, and timetables that are consistent with national priorities. Report to Congress NLT December 31, 2010. Sec. 3012, page 699-701, line 21.

Other requirements, for which HHS needs additional staff immediately include:

- Tax changes related to health insurance and to financing health reform;
- Long-term care; extending Medicaid fiscal funds for a demonstration program upon enactment through September 2016;
- Changes to private insurance through the establishment of an internet website portal with standard format to help state residents identify and compare coverage options as well as expand to include small business, and the establishment of a temporary high-risk pool with option to provide through provision of funds to states for health coverage to individuals with preexisting conditions;
- Provide dependent coverage for children up to age 26 for all individual and group policies;

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- Prohibit pre-existing condition exclusion for children; and
- Prohibit individual and group health plans from placing lifetime limits or unreasonable annual limits and prohibit rescission.
- Establish a national strategy to improve the delivery of health care services, patient health outcomes, and population health. This work must be completed on an annual basis.
- Increase work force supply and support training of health professionals through scholarship and loans. Support primary care, establish public health workforce loan repayment program, promote training of a diverse workforce, and promote cultural competence training of health care professionals
- Establish community health insurance options. This work must be completed annually, a study must be conducted, and a report made to Congress.
- Identify current State practices that prohibit payment for health care acquired conditions and incorporate the practices identified, or elements of such practices, which the Secretary determines appropriate for application to the Medicaid program in regulations effective July 1, 2011; see Sec. 2702, page 520, line 21 of the Act.
- The Secretary of HHS must develop and maintain a complaint system that is widely known, easy to use, to collect, and maintain information on prescription drug complaints; Secretary must develop a complaint form and place on the HHS website, as well as, submit annual reports to Congress; see Sec. 3311, page 945, line 12 of the Act.

HHS will also oversee initiatives where required for all individuals to have insurance, establish a new health insurance exchange, require most employers to provide insurance, and ban insurance companies from denying coverage because of pre-existing conditions and more.

- (3) *Specification of the duration for which the critical hiring need is expected to exist.* OPM anticipates this critical hiring need will exist through **September 30, 2010**. OPM expects HHS to use other hiring authorities to meet staffing needs in support of the Act in FY 2011 and beyond.
- (4) *Evidence that demonstrates why the use of other hiring authorities is impractical or ineffective.* Use of traditional hiring authorities is impractical given the scope of the changes to current law that need to be implemented and HHS's need to begin implementing the provisions of the Act immediately.

HHS continues to make use of the following appointment authorities: Career and Career-Conditional Appointments, Excepted Service Appointments, Veterans Recruitment Appointments, Veterans Employment Opportunity Authority,

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Disabled Appointing Authority, and the 30% Disabled Veterans Appointing Authority. Even with the availability of these authorities, HHS needs DHA in order to meet this critical hiring need during the remainder of FY 2010 in support of the Act.

**Based on the above, your authority reads:**

HHS-001 issued on the date of this letter to fill 1,814 mission critical positions at the GS-9 through GS-15 grade levels (or equivalent) as depicted above nationwide. This authority is based on a critical hiring need in support of the Health Care and Education Affordability Reconciliation Act of 2010. This authority expires on **September 30, 2010**.

**Using this DHA**

For the remainder of this fiscal year, HHS may give individuals in the occupational series shown above competitive service career, career-conditional, term, or temporary appointments, as appropriate, without regard to provisions of 5 U.S.C. 3309-3318 or 5 CFR part 211 and part 337, subpart A.

These appointments are subject to public notice requirements in 5 U.S.C. 3327, 3330 and 5 CFR 330, subpart G, and requirements in 5 CFR 332.402.

In addition, HHS must comply with all relevant laws unless HHS is exempted from such laws pursuant to 5 U.S.C. 3304a(3). Qualified candidates with veterans' preference should be selected as they are found, just as any qualified non-preference eligible candidate would be. I recommend you take particular care in conducting pre-employment background investigations to ensure candidates are suitable for Federal employment, may be credentialed in accordance with Governmentwide credentialing standards and can hold a security clearance at the appropriate level (if required for the particular position).

**OPM Oversight**

HHS must use two authority codes when documenting personnel actions using the direct hire authority. The first code "AYM" automatically fills in "Reg. 337.201" on the Notification of Personnel Action, Standard Form 50. The second authority code "BYO" identifies HHS use of this agency-specific authority. Using these two authority codes will help OPM evaluate the use of these authorities without requiring agency reports.

On a periodic basis OPM will determine if continued use is supportable. OPM will monitor HHS use of this authority as well as the continued need for it, and may modify or terminate this authority as appropriate.

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I am confident this authority will help you to fill the mission critical positions identified for the Department of Health and Human Services to comply with the Health Care and Education Affordability Reconciliation Act of 2010. This authority will provide HHS with the means to meet hiring needs in support of the Act. Please contact Ms. Darlene Phelps at (202) 606-1730 for any additional questions or assistance.

Sincerely,

  
John Berry  
Director

We stand ready to help you  
deliver a great success to  
The American public.