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

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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).¹ Authorized appropriations for AHRQ expired in 2005; however, it has continued to receive annual funding since that time.

The AHRQ budget has traditionally been organized into the program areas of Health Costs, Quality, and Outcomes (HCQO) Research; MEPS; and Program Support. As of FY2024, HCQO focuses on four priority areas, including (1) Digital Healthcare Research; (2) Patient Safety; (3) Health Services Research, Data and Dissemination; and (4) U.S. Preventive Services Task Force (USPSTF).²

AHRQ's funding level had been increasing steadily over the period FY2011-FY2015, with decreases in discretionary funding being more than offset by transfers of mandatory funds pursuant to the Patient Protection and Affordable Care Act of 2010 (ACA, P.L. 111-148, as amended). However, in FY2016, the total funding level for the agency decreased from its prior-year level for the first time since FY2011. ACA mandatory funds have been a prominent and increasing source of funding for the agency since FY2010, although discretionary funding continues to be the major source of support for the agency by a significant margin. Authorized appropriations for AHRQ expired in FY2005; however, the agency has continued to receive annual funding through annual appropriations acts.

Funding Sources

AHRQ's budget currently comprises both discretionary and mandatory funds, although that has not always been the case. Between FY2003 and FY2008, agency funding came mostly if not entirely from transfers of discretionary funds from the Public Health Service (PHS) evaluation set-aside.³ From FY2010 to FY2016 agency funding included mandatory funds, as the agency began receiving transfers from specified ACA trust funds. Also, in FY2015 discretionary funding for the agency shifted from PHS evaluation set-aside funds to the agency's own discretionary appropriation, and this has continued for all fiscal years since.

Discretionary Funding Sources

Between FY2003 and FY2014, AHRQ did not receive its own annual discretionary appropriations.⁴ Instead, the majority of AHRQ's funding during this timeframe consisted of transfers of discretionary funds from the PHS evaluation set-aside. This set-aside (sometimes

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

² For several years, HCQO included a patient-centered health research (comparative effectiveness research) area, but this area was first removed in the FY2016 congressional budget justification and the FY2016 President's budget request, and continued to be excluded in all budget documents since (and including) FY2017. In addition, HCQO had previously included a "value" category, but that area was removed in the FY2017 President's budget request and in the FY2017 congressional budget justification.

³ For more information about the PHS Evaluation Set-Aside, see CRS Report R47345, *Labor, Health and Human Services, and Education: FY2023 Appropriations*.

⁴ 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).

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.⁵ While the PHS evaluation set-aside historically was generally the primary source of AHRQ funding for many years, this was not the case beginning 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. This trend continued in FY2016, and the agency has received its own annual discretionary appropriation—but no transfer from the PHS evaluation set-aside—since that time.

Mandatory Funding Sources

With the passage of the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended), 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,⁶ and (2) the Patient-Centered Outcomes Research Trust Fund (PCORTF), which is designed to support comparative clinical effectiveness research.⁷ AHRQ received a share of total PPHF transfers in each of FY2010-FY2014, but received no PPHF transfer in any fiscal year thereafter. The ACA directly appropriated annual funding to the PCORTF beginning in FY2011 through FY2019 and required the HHS Secretary to transfer a share of PCORTF funds to AHRQ each year. Funding for the PCORTF was extended for an additional 10 years, through FY2029, in 2019. Funds transferred to AHRQ from PCORTF are designated by the ACA to carry out PHSA Section 937, 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.”⁸ AHRQ has received PCORTF transfers in each of FY2011-FY2023 and, under current law, is scheduled to continue receiving PCORTF transfers through FY2029. As illustrated in **Figure 1**, funding transfers from PPHF and initial funding transfers from PCORTF have supplanted, to some extent, PHS evaluation set-aside dollars; since FY2015 these mandatory funds have supplanted a discretionary appropriation.

Figure 1 shows the funding sources for the agency’s budget from FY2010 (the first year ACA funds were available) through FY2023. During this time, the agency’s budget has increased by \$82 million, as transfers (mostly from PCORTF) have more than offset decreases in PHS evaluation set-aside dollars and discretionary appropriations in later years. However, funding for the agency decreased in FY2016, by \$14 million, for the first time since FY2011, despite an increasing transfer from PCORTF. Funding for the agency has fluctuated since FY2016. Most recently, funding increased by \$29 million from FY2022 to FY2023. The figure also shows that the majority of agency funding has come from PHS evaluation set-aside dollars, which accounted for more than 80% of funding from FY2010 through FY2014, and its own discretionary appropriation. From FY2015 onward, discretionary appropriations have made up more than 70% of the agency’s funding; however, funding from PCORTF has also grown considerably over this

⁵ For more information about the PHS Program Evaluation Set-Aside, see CRS Report R47345, *Labor, Health and Human Services, and Education: FY2023 Appropriations*.

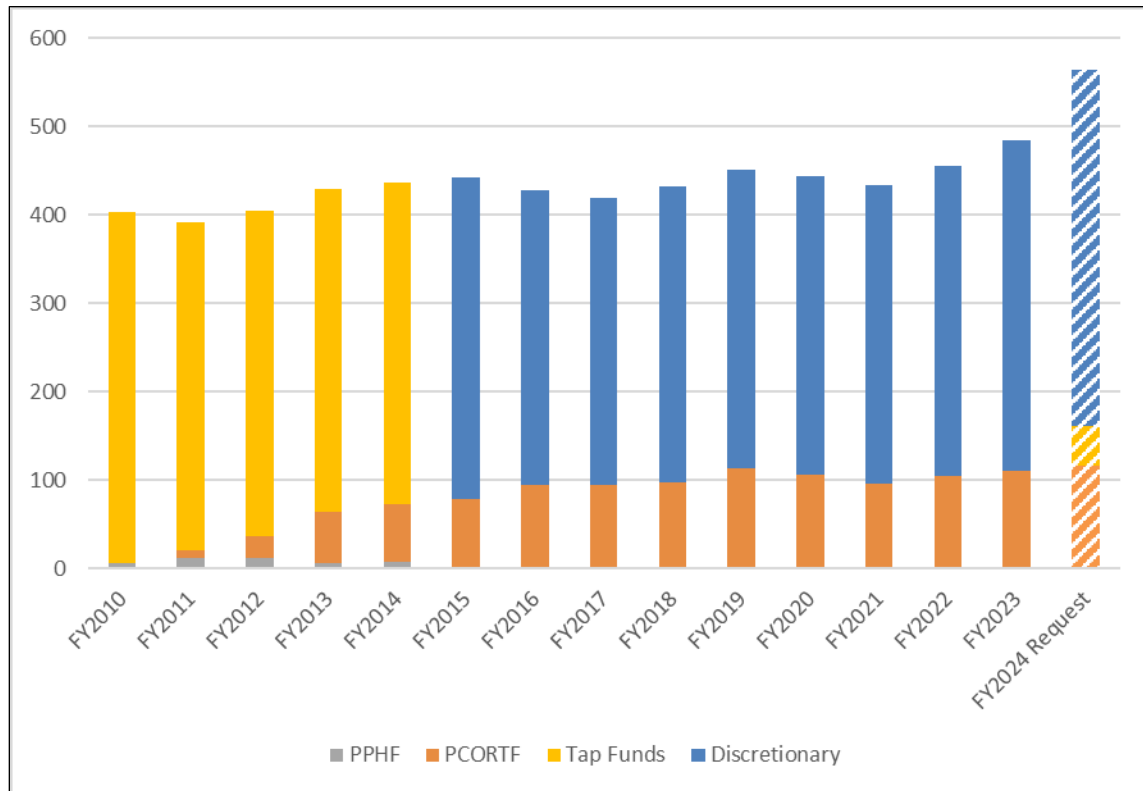
⁶ For more information about PPHF, see Appendix C in CRS Report R44916, *Public Health Service Agencies: Overview and Funding (FY2016-FY2018)* and CRS Report R44796, *The ACA Prevention and Public Health Fund: In Brief*.

⁷ For more information about PCORTF, see CRS Insight IN11010, *Funding for ACA-Established Patient-Centered Outcomes Research Trust Fund (PCORTF) Extended Through FY2029*.

⁸ 42 U.S.C. 299b-37.

time period, from \$8 million in FY2011 to \$111 million in FY2023, increasing from 2% of the agency’s budget in FY2011 to nearly 23% in FY2023.

Figure 1. AHRQ Budget, by Source, FY2010-FY2024 Request
(Dollars in Millions)



Source: AHRQ congressional budget justifications, FY2010-FY2024. All documents are available at <https://www.ahrq.gov/cpi/about/mission/index.html>.

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

AHRQ Funding History

AHRQ’s funding level had been increasing steadily over the period FY2011 to FY2015, with decreases in discretionary funding being more than offset by transfers of ACA mandatory funds. However, in FY2016, the total funding level for the agency decreased for the first time since FY2011, despite an increasing PCORTF transfer. Since FY2016, the funding level has shifted in both directions, most recently increasing during the period FY2021 to FY2023. **Table 1** provides information on the past four years of the agency’s budget, as well as the FY2024 President’s budget request.

Table I. AHRQ’s Budget, FY2020-FY2024 Request

Dollars in Millions, by Fiscal Year

Program or Activity	2020	2021	2022	2023	2024 Req.
Health Costs, Quality, and Outcomes (HCQO) Research	196	195	206	229	297
Digital Healthcare Research ^a	17	16	16	16	18
Patient Safety	72	72	80	90	91
Health Services Research, Data, and Dissemination	96	95	98	111	170
U.S. Preventative Services Task Force (USPSTF)	12	12	12	12	18
Medical Expenditure Panel Surveys (MEPS)	70	72	72	72	72
Program Support	71	71	73	73	79
Total, Program Level	444	434	456	485	564
Less Funds from Other Sources					
PHS Evaluation Set-Aside ^b	—	—	—	—	45
PCORTF Transfers	106	96	105	111	116
Total, Discretionary Appropriation	338	338	350	374	448

Source: Funding amounts are taken from AHRQ Budget Justifications for FY2020-FY2024. All documents are available at <https://www.ahrq.gov/cpi/about/mission/index.html>.

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. This was formerly called Health Information Technology Research.
- b. The FY2024 Budget Justification includes the PHS Evaluation Set-Aside (“tap” fund) in the discretionary appropriations sum.

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